

MAINE STATE LEGISLATURE

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L.D. 1021

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DATE: 4-27-06

(Filing No. H-1056)

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STATE OF MAINE
HOUSE OF REPRESENTATIVES
122ND LEGISLATURE
SECOND REGULAR SESSION

HOUSE AMENDMENT "C" to COMMITTEE AMENDMENT "B" to H.P. 706, L.D. 1021, Bill, "An Act To Implement Task Force Recommendations Relating to Parity and Portability of Benefits for Law Enforcement Officers and Firefighters"

Amend the amendment by inserting after the title the following:

'Amend the bill by striking out the title and substituting the following:

'An Act To Create the Retired County and Municipal Law Enforcement Officers and Municipal Firefighters Health Insurance Program and To Provide Portability of Benefits for Law Enforcement Officers and Firefighters''

Further amend the amendment in the first paragraph after the title in the first line (page 1, line 24 in amendment) by striking out the following: "Amend" and inserting in its place the following: 'Further amend'

Further amend the amendment by striking out all of Part A and inserting in its place the following:

PART A

Sec. A-1. 5 MRSA c. 13, sub-c. 3 is enacted to read:

SUBCHAPTER 3

HEALTH INSURANCE PROGRAM FOR RETIRED LAW ENFORCEMENT OFFICERS AND FIREFIGHTERS

§286-M. Retired County and Municipal Law Enforcement Officers and Municipal Firefighters Health Insurance Program

HOUSE AMENDMENT

2 1. Program established. The Retired County and Municipal
4 Law Enforcement Officers and Municipal Firefighters Health
6 Insurance Program is established as a self-funding program to
 provide health insurance coverage to retired county and municipal
 law enforcement officers and retired municipal firefighters.

8 2. Definitions. As used in this subchapter, the following
10 terms have the following meanings.

12 A. "County or municipal law enforcement officer" means a
14 person who by virtue of employment by a county or municipal
16 government in the State is vested by law with the power to
18 make arrests for crimes or serve criminal process, whether
20 that power extends to all crimes or is limited to specific
 crimes. "County or municipal law enforcement officer" does
 not include a state or federal law enforcement officer, an
 attorney prosecuting for a county or municipal government or
 a reserve officer.

22 B. "Dependent" means a spouse, an unmarried child under 19
24 years of age, a child who is a student under 23 years of age
26 and financially dependent upon the enrollee, a child of any
 age who is disabled and dependent upon the enrollee or a
 domestic partner as defined in Title 24-A, section 2741-A.

28 C. "Division" means the Department of Administrative and
30 Financial Services, Division of State Employee Health
 Insurance.

32 D. "Enrollee" means a county or municipal law enforcement
34 officer or municipal firefighter who has enrolled in the
 program.

36 E. "Fund" means the Firefighters and Law Enforcement
38 Officers Health Insurance Program Fund established in
 subsection 8.

40 F. "Group health plan" or "group health insurance plan"
42 means any employer-sponsored group health insurance plan,
44 whether self-insured or fully insured, that provides
 coverage to eligible employees, retirees and their
 dependents.

46 G. "Majority multiple-employer welfare arrangement" means
48 the multiple-employer welfare arrangement, as defined in
 Title 24-A, section 6601, subsection 5, in which the
 majority of state municipal government employees are
 enrolled as of the effective date of this section.

H. S.

2 H. "Municipal firefighter" means a person employed by a
4 municipal fire department with the primary responsibility of
6 aiding in the extinguishment of fires and includes a member
8 of emergency medical services line personnel but does not
10 include a member of a volunteer firefighter association.
12 For the purposes of this paragraph, "emergency medical
14 services line personnel" means persons who are career
16 employees employed full-time by a public sector agency or
18 employer and whose primary responsibility is to provide
20 emergency medical services.

22 I. "Program" means the Retired County and Municipal Law
24 Enforcement Officers and Municipal Firefighters Health
26 Insurance Program established in this section.

28 3. Eligibility for program coverage. A person must make
30 contributions pursuant to subsection 9 for 60 months in order to
32 be eligible for coverage under the program. In addition, a
34 person must satisfy the eligibility criteria specified in this
36 subsection as follows:

38 A. The person must:

40 (1) Be a retired county or municipal law enforcement
42 officer or a retired municipal firefighter;

44 (2) Have, while actively employed as a county or
46 municipal law enforcement officer or municipal
48 firefighter, participated in the person's employer's
50 health insurance plan or other fully-insured health
 insurance plan; and

(3) Receive or be eligible to receive:

(a) If retired from at least 25 years of service
 in a position as a county or municipal law
 enforcement officer or a municipal firefighter, a
 retirement benefit from the Maine State Retirement
 System or a defined contribution retirement plan
 other than the United States Social Security Act;
 or

(b) If retired from less than 25 years of service
 in a position as a county or municipal law
 enforcement officer or a municipal firefighter, a
 retirement benefit from the Maine State Retirement
 System or a defined contribution retirement plan
 other than the United States Social Security Act,
 as long as the benefit provided is at least 50% of
 average final compensation, with no reduction for

2 early retirement and with or without a
 cost-of-living adjustment; or

4 B. The person must be a dependent of a person meeting the
 criteria of paragraph A or subsection 4.

6 4. Buy-in for certain persons. Notwithstanding subsection
8 3, a person who retires prior to January 1, 2012 but who, as of
10 January 1, 2007, is employed in a position as a county or
 municipal law enforcement officer or municipal firefighter and
12 has at least 20 years of service in that position may buy into
 the program by paying the difference between:

14 A. The total of the person's employee contributions as of
 the date of retirement; and

16 B. The dollar equivalent of the employee's scheduled
18 contributions for 60 months pursuant to subsection 9.

20 A person who qualifies under this subsection for participation in
22 the program must enroll in the program no later than 60 days
 following that person's date of retirement from a position as a
24 county or municipal law enforcement officer or municipal
 firefighter.

26 5. Program administration. The program is administered by
 the division. The division shall:

28 A. Enter into administrative arrangements with fully
30 insured health insurance product vendors to implement the
 purposes of this section;

32 B. Remit authorized premium subsidy payments for enrolled
34 eligible persons and enrolled dependents to any fully
 insured group health insurance plans on a periodic basis, as
36 established by agreements with the providers of those plans.
 The dollar value of the subsidy payment may vary with the
38 premium cost of the benefit plan in which the enrollee
 participates;

40 C. Make and analyze actuarial assessments of the program to
42 determine the annual enrollee contribution and premium
 subsidy levels necessary to maintain the program as
44 self-funding; and

46 D. Adopt rules to implement the purposes of this section,
 including the determination of the program subsidy for
48 enrollees pursuant to subsection 7. Rules adopted under

2 this subsection are routine technical rules as defined in
3 chapter 375, subchapter 2-A.

4 6. Enrollment. All county and municipal law enforcement
5 officers and municipal firefighters shall enroll in the program.
6 Notwithstanding the date of enrollment, insurance coverage is not
7 effective until the date of retirement or January 1, 2012,
8 whichever occurs later. Persons shall enroll themselves, and may
9 enroll their spouses and their dependents, in the program during
10 the following time periods:

11 A. When the effective date of the initial hire of the
12 person is on or before November 1, 2006, the person shall
13 enroll in the program before January 1, 2007, subject to the
14 enrollment and eligibility requirements of the applicable
15 group health plan; or

16 B. When the effective date of the initial hire of the person
17 is after November 1, 2006, the person shall enroll in the
18 program no later than 60 days following the effective date
19 of the initial hire, subject to the enrollment and
20 eligibility requirements of the applicable group health plan.

21 7. Premiums; subsidy. Premiums for the program and the
22 premium subsidy are subject to the provisions of this
23 subsection. Premium subsidies must be funded from employee
24 contributions pursuant to subsection 9. Premium subsidies are
25 not provided for supplemental health insurance coverage.

26 A. An eligible retired enrollee participating in the
27 majority multiple-employer welfare arrangement is
28 responsible for the premium payment associated with the cost
29 of the majority multiple-employer welfare arrangement
30 benefit option in which the eligible retired enrollee is
31 participating, to the extent such premium obligations exist
32 following the application of any premium subsidy authorized
33 by law. An eligible retired enrollee who fails to remit the
34 premium payments as established and required by the majority
35 multiple-employer welfare arrangement must be disenrolled
36 from the program. Beginning January 1, 2012, the division
37 shall use the fund established in subsection 8 to provide a
38 premium subsidy for eligible retired enrollees in the form
39 of a direct payment to the majority multiple-employer
40 welfare arrangement for each eligible retired enrollee. The
41 level of the subsidy may not exceed 45% of the individual
42 premium cost for the eligible retired enrollee and varies
43 among eligible retired enrollees depending upon the terms of
44 the majority multiple-employer welfare arrangement coverage
45 for the majority multiple-employer welfare arrangement.

2 plan in which each eligible retired enrollee is
3 participating. Eligible retired enrollees are responsible
4 for the balance of the applicable individual premium, as
5 well as the total cost of the premium for any applicable
6 dependent coverage, and shall make payments directly to the
7 majority multiple-employer welfare arrangement.

8 B. Enrollees retiring from counties or municipalities that
9 do not participate in the majority multiple-employer welfare
10 arrangement but who are eligible for and elect to
11 participate in that county's or municipality's fully insured
12 health benefits plan are responsible for the premium payment
13 associated with the cost of that plan, to the extent such
14 premium obligations exist following the application of any
15 premium subsidy authorized by law. An eligible retired
16 enrollee who fails to remit the premium payments as
17 established and required by the fully insured plan must be
18 disenrolled from the program. Beginning January 1, 2012,
19 the division shall use the fund established in subsection 8
20 to provide a premium subsidy for eligible retired enrollees
21 participating in fully insured health benefits plans
22 pursuant to this subsection. This subsidy must be made in
23 the form of a direct payment to the eligible retired
24 enrollee's health benefits plan and may not exceed 45% of
25 the individual premium cost for the eligible retired
26 enrollee or a dollar amount equivalent to the highest
27 premium subsidy provided in accordance with paragraph A,
28 whichever is less. An eligible retired enrollee is
29 responsible for payment of 100% of coverage for a spouse or
30 a dependent in the program in addition to that portion of
31 the eligible retired enrollee's individual premium cost not
32 covered by a premium subsidy.

34 8. Fund established. The Firefighters and Law Enforcement
35 Officers Health Insurance Program Fund is established as a
36 nonlapsing, dedicated account administered by the division.
37 Active employee contributions pursuant to subsection 9, premium
38 dividends accruing to the State, return of premiums resulting
39 from risk reduction programs and any other receipts must be
40 deposited into the fund to be used for the purposes of the
41 program. The fund is a pooled account. Individual law
42 enforcement officers and firefighters do not have a right to
43 money deposited in the fund except to the extent premium
44 subsidies are available to program enrollees.

46 9. Employee contributions to the fund. The contributions of
47 enrollees to the fund are governed by this subsection.
48

2 A. Beginning January 1, 2007, each enrollee shall
3 contribute 2% of that enrollee's gross wages to the fund.

4 B. The employer of an enrollee shall remit on a monthly
5 basis that enrollee's contribution to the fund.

6
7 10. Coverage under the program. The benefits, copayments
8 and deductibles under the program are determined by the fully
9 insured health benefits plan in which the retired enrollee
10 participates. Pursuant to the rules of the applicable plan, a
11 retired enrollee is required to participate in the same health
12 insurance plan as the active employees of the unit of government
13 from which the enrolled person has retired. Participation in any
14 qualified health insurance plan is subject to the rules of that
15 plan.

16
17 11. Volunteer and call firefighters and reserve law
18 enforcement officers. A member of a volunteer or call
19 firefighters' association in this State, as well as a person
20 -serving as a county or municipal law enforcement officer on a
21 reserve basis, is eligible to participate in the program of
22 health benefits coverage established pursuant to the eligibility
23 criteria and other provisions set forth in Title 24-A, chapter 87
24 if that person meets the eligibility requirements under that
25 chapter.

26
27 12. Report. The division shall submit a report to the
28 joint standing committee of the Legislature having jurisdiction
29 over insurance and financial services matters in the Second
30 Regular Session of the 124th Legislature, and biennially
31 thereafter, on the status of the program, program participation
32 and the financing of the program, including the status of the
33 fund, expenditures from the fund, current and projected premium
34 costs to the program and to program enrollees and a projection of
35 funding needs for the next 5 years. The report must provide
36 options, based on projections of future need, for changing the
37 method of funding the premium subsidy and employee contributions.'

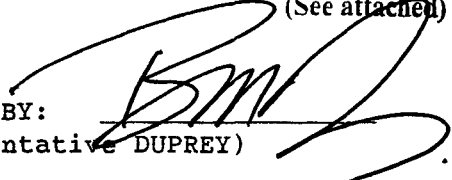
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40 **SUMMARY**

41
42 This amendment incorporates the provisions of House
43 Amendment "A" to Committee Amendment "B" and allows a county or
44 municipal law enforcement officer or municipal firefighter who
45 has at least 20 years of service and is employed in that position
46 as of January 1, 2007 but who retires prior to January 1, 2012 to
47 buy into the Retired County and Municipal Law Enforcement
48 Officers and Municipal Firefighters Health Insurance Program.

HOUSE AMENDMENT "C" to COMMITTEE AMENDMENT "B" to H.P. 706, L.D.
1021

2 The person may enroll by paying the difference between what the
person has paid into the program and 2% of the person's gross
4 wages for 60 months, the required employee contribution under the
program. The person must make this election within 60 days of
retirement.

6 FISCAL NOTE REQUIRED
(See attached)

8
10 SPONSORED BY: 
(Representative DUPREY)

12 TOWN: Hampden
14

HOUSE AMENDMENT



122nd MAINE LEGISLATURE

LD 1021

LR 0263(19)

An Act To Implement Task Force Recommendations Relating to Parity and Portability of Benefits for Law Enforcement Officers and Firefighters

Fiscal Note for House Amendment 'C' to Committee Amendment 'B'

Sponsor: Rep. Duprey

Fiscal Note Required: Yes

Fiscal Note

	2005-06	2006-07	Projections 2007-08	Projections 2008-09
Net Cost (Savings)				
General Fund	\$0	\$0	(\$3,413,255)	(\$3,810,148)
Appropriations/Allocations				
General Fund	\$0	\$0	(\$3,413,255)	(\$3,810,148)
Other Funds	\$0	(\$81,000)	(\$109,392)	(\$111,894)
Revenue				
Other Funds	\$0	\$282,750	\$592,644	\$621,091

Fiscal Detail and Notes

The numbers above represent the incremental differences between this amendment and the majority report. The amendment requires participants in the newly created Retired County and Municipal Law Enforcement Officers and Municipal Firefighters Health Insurance Program to make contributions for 5 years in order to be eligible for coverage under the program, but allows individuals who retire before January 1, 2012, but who as of January 1, 2007, were employed and had at least 20 years of service, to buy into the program upon retirement by paying the equivalent of five years of contributions. The amendment establishes the contribution, effective January 1, 2007, equal to 2.0% of gross wages.

For the purposes of this fiscal note, it is assumed that all of the estimated 2,900 active law enforcement officers and firefighters would be required to participate, paying the 2.0% assessment on an average salary of \$30,000. The amendment's premium subsidy payments toward the cost of health insurance for eligible, pre-Medicare, retired law enforcement officers and firefighters would not take effect until January 1, 2012, and would be self-funded by employee contributions made to the program.