

# MAINE STATE LEGISLATURE

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STATE OF MAINE
SENATE
122ND LEGISLATURE
SECOND REGULAR SESSION

SENATE AMENDMENT "E" 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 in Part A in section 3 in §286-M in subsection 2 by inserting before paragraph A the following:

'A. "Board" means the Board of Directors of Dirigo Health as established in Title 24-A, section 6904.'

Further amend the amendment in Part A in section 3 in §286-M in subsection 2 by striking out all of paragraph C (page 3, lines 42 to 44 in amendment) and relettering the paragraphs to read consecutively.

Further amend the amendment in Part A in section 3 in §286-M by striking out all of subsections 3 and 4 (page 4, lines 32 to 50 and page 5, lines 1 to 40 in amendment) and inserting in their place the following:

'3. Eligibility for program coverage. A person who satisfies the eligibility criteria specified in this subsection is eligible for coverage under the program as follows:

A. The person must:

(1) Have attained 55 years of age;

(2) Be a retired county or municipal law enforcement officer or a retired municipal firefighter with at least 25 years of service as a county or municipal law enforcement officer or municipal firefighter;

2           (3) Have, while actively employed as a county or  
3           municipal law enforcement officer or municipal  
4           firefighter, participated in the person's employer's  
5           health insurance plan or other fully insured health  
6           insurance plan; and

7           (4) Receive or be eligible to receive a retirement  
8           benefit from the Maine State Retirement System or a  
9           defined contribution retirement plan other than the  
10           United States Social Security Act; or

11           B. The person must be a dependent of a person meeting the  
12           criteria of paragraph A.

13           4. Program administration. The program is administered by  
14           the board. The board shall:

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

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

25           C. Adopt rules to implement the purposes of this section,  
26           including the determination of the program subsidy for  
27           enrollees pursuant to subsection 6. Rules adopted under  
28           this subsection are routine technical rules as defined in  
29           chapter 375, subchapter 2-A.'

30           Further amend the amendment in Part A in section 3 in §286-M  
31           in subsection 5 in the 3rd line (page 5, line 44 in amendment) by  
32           inserting after the following: "position" the following: 'who  
33           meets the eligibility requirements of subsection 3'

34           Further amend the amendment in Part A in section 3 in §286-M  
35           in subsection 7 in the 3rd line (page 7, line 33 in amendment) by  
36           striking out the following: "division" and inserting in its  
37           place the following: 'board'

38           Further amend the amendment in Part A in section 3 in §286-M  
39           in subsection 8 in paragraph A in the 3rd line (page 8, line 1 in  
40           amendment) by striking out the following: "1.5%" and inserting  
41           in its place the following: '1%'

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2 Further amend the amendment in Part A in section 3 in §286-M  
4 in subsection 11 in the first line (page 8, line 28 in amendment)  
6 by striking out the following: "division" and inserting in its  
place the following: 'board'

8 Further amend the amendment in Part A by striking out all of  
10 section 4 (page 8, lines 41 to 50 and page 9, lines 1 to 11 in  
12 amendment) and inserting in its place the following:

'Sec. A-4. 5 MRSA §1532, sub-§7 is enacted to read:

14 7. Firefighters and Law Enforcement Officers Health  
Insurance Program Fund. The State Controller shall transfer  
16 funds from the stabilization fund to the Firefighters and Law  
18 Enforcement Officers Health Insurance Program Fund for the  
State's cost of premium subsidies as described in section 286-M.

20 The State Controller shall annually determine the State's costs  
of the premium subsidy provided under section 286-M, subsection 6  
minus any employee contributions made under section 286-M,  
subsection 8 and transfer that net amount from the stabilization  
fund to the Firefighters and Law Enforcement Officers Health  
Insurance Program Fund in a manner to be determined in  
consultation with the Executive Director of Dirigo Health.

26 Sec. A-5. Appropriations and allocations. The following  
28 appropriations and allocations are made.

30 DIRIGO HEALTH

32 Firefighters and Law Enforcement Officers Health Insurance  
34 Program Fund

36 Initiative: Allocates funds for an Employee Benefits Technician  
38 position effective January 1, 2007 and related All Other costs to  
administer the subsidy program for health insurance for eligible  
retired firefighters and law enforcement officers.

40 DIRIGO HEALTH ENTERPRISE FUND	2005-06	2006-07
42 POSITIONS - LEGISLATIVE COUNT	0.000	1.000
Personal Services	\$0	\$26,000
All Other	\$0	\$55,000
44 DIRIGO HEALTH ENTERPRISE FUND TOTAL	\$0	\$81,000'

46 Further amend the amendment by relettering or renumbering  
48 any nonconsecutive Part letter or section number to read  
consecutively.

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**SUMMARY**

This amendment makes the following changes to the Retired County and Municipal Law Enforcement Officers and Municipal Firefighters Health Insurance Program established in Committee Amendment "B":

1. It changes the entity administering the program from the Department of Administrative and Financial Services, Division of State Employee Health Insurance to the Board of Directors of Dirigo Health;

2. It changes the program coverage eligibility requirements to apply only to persons who are at least 55 years of age and who have retired after 25 years of service as a county or municipal law enforcement officer or municipal firefighter;

3. It reduces the employee contribution from 1.5% of the employee's gross wages to 1% of the employee's gross wages; and

4. It requires the State Controller annually to determine the costs of the program and transfer the necessary funds from the Maine Budget Stabilization Fund.

SPONSORED BY: \_\_\_\_\_  
(Senator COURTNEY)

COUNTY: York

**FISCAL NOTE REQUIRED**  
**(See attached)**



# 122nd MAINE LEGISLATURE

LD 1021

LR 0263(14)

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

Fiscal Note for Senate Amendment "E" to Committee Amendment "B"

Sponsor: Sen. Courtney

Fiscal Note Required: Yes

### Fiscal Note

	2005-06	2006-07	Projections 2007-08	Projections 2008-09
<b>Net Cost (Savings)</b>				
General Fund	\$0	\$0	(\$3,413,255)	(\$3,810,148)
<b>Appropriations/Allocations</b>				
General Fund	\$0	\$0	(\$3,413,255)	(\$3,810,148)
<b>Revenue</b>				
Other Funds	\$0	(\$195,750)	(\$410,292)	(\$429,986)

### Fiscal Detail and Notes

The numbers above represent the incremental differences between the majority report and this amendment. The amendment's provision defining eligibility as retirees age 55 and older with 25 years of service is estimated to reduce the number of participants in the premium subsidy program from 950 to approximately 575. The amendment reduces the employee contribution from 1.5% to 1% of wages. The amendment provides for an annual transfer from the Maine Budget Stabilization Fund to fund the net costs of the State's premium subsidy -- this transfer is estimated to be \$2.3 million in FY 2007-08 and \$2.6 million in FY 2008-09. The amendment moves administration of the program to the Dirigo Health Agency.

### Funding Summary - as Amended

	Projections 2007-08	Projections 2008-09
Total Estimated Subsidy	\$3,015,159	\$3,316,675
Estimated Administrative Costs	\$109,392	\$111,894
Total Estimated Costs	\$3,124,551	\$3,428,569
Estimated Collections from 1.0% Assessment	(\$820,584)	(\$859,972)
Transfer from Budget Stabilization Fund	(\$2,303,967)	(\$2,568,597)
General Fund Subsidy Net of Assessments	\$0	\$0