

MAINE STATE LEGISLATURE

The following document is provided by the
LAW AND LEGISLATIVE DIGITAL LIBRARY
at the Maine State Law and Legislative Reference Library
<http://legislature.maine.gov/lawlib>



Reproduced from scanned originals with text recognition applied
(searchable text may contain some errors and/or omissions)

7
1908

L.D. 1021

2
4
DATE: 4/12/04

(Filing No. H-1007)

6
LABOR

8
Report A

10 Reproduced and distributed under the direction of the Clerk of
12 the House.

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

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

24 Amend the bill by striking out all of Part A and inserting
26 in its place the following:

28 PART A

30 Sec. A-1. 5 MRSA §285, sub-§1-B, as amended by P&SL 1993, c.
67, §1, is repealed and the following enacted in its place:

32 1-B. Ineligibility. Except as provided in subsection 11-A,
34 members of the Maine Municipal Association, members of the Maine
Education Association and employees of counties and
36 municipalities and instrumentalities thereof, including
quasi-municipal corporations, are not eligible to participate in
the group health plan under this section.

38 Sec. A-2. 5 MRSA §285, sub-§11-A is enacted to read:

40 11-A. Coverage for retired law enforcement officers and
42 firefighters. A retired county or municipal law enforcement
44 officer or retired municipal firefighter, as defined in section
286-M, subsection 2, who participates in an employer-sponsored
46 retirement program and, prior to July 1, 2007, was enrolled in a
self-insured health benefits plan offered by the employing county

12.018.

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

2 or municipality may, if the requirements of this subsection are
3 met, enroll in a group health plan administered pursuant to this
4 section that provides coverage for the retired county or
5 municipal law enforcement officer or retired municipal
6 firefighter effective no earlier than July 1, 2007.

7
8 A. A retiree who fails to enroll in a group health plan
9 pursuant to this subsection is not otherwise eligible to
10 enroll in such a plan and is not eligible for the premium
11 subsidy provided pursuant to this subsection for enrollment
12 in any other health plan. Retirees may enroll themselves,
13 their spouses or their dependents in a group health plan
14 during the following time periods, as applicable.

15
16 (1) When the effective date of retirement from the
17 county or municipality is on or before May 1, 2007, the
18 retiree must enroll in the plan before July 1, 2007.

19
20 (2) When the effective date of retirement from the
21 county or municipality is after May 1, 2007, the
22 retiree must enroll in the plan no later than 60 days
23 following the effective date of retirement from the
24 county or municipality.

25
26 (3) Notwithstanding the requirements of subparagraphs
27 (1) and (2), when the retiree, the retiree's spouse or
28 the retiree's dependent experiences an involuntary loss
29 of other health insurance coverage carried as of July
30 1, 2007 or 60 days following the date of the retiree's
31 retirement, whichever is later, the retiree may elect
32 to enroll in the plan no later than 60 days after the
33 effective date of the loss of that coverage.
34 Involuntary loss of coverage does not include a loss of
35 coverage arising as a result of nonpayment of premiums.

36 B. Eligible persons enrolling in a group health plan in
37 which the retiree enrolls pursuant to this subsection are
38 responsible for the premium payment associated with
39 participation in the plan to the extent such an obligation
40 exists following application of any premium subsidy.
41 Failure to remit premium payments in the manner required by
42 the administration policies of the group health plan must
43 result in disenrollment from the plan.

44
45 C. The State shall pay a premium subsidy that equals the
46 dollar amount equivalent to the highest premium subsidy
47 provided in accordance with section 286-M, subsection 6 or
48 45% of the cost of the retiree's share of the individual
49 premium for the standard plan identified and offered under
50 the group health insurance plan in which the retiree enrolls

COMMITTEE AMENDMENT

2018

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

2 pursuant to this subsection, whichever is less. A retiree
3 electing to enroll a spouse or dependent in the plan is
4 responsible for payment of 100% of the cost of such
5 coverage, in addition to that portion of the retiree's
6 individual premium cost not contributed by the State.

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

8 **SUBCHAPTER 3**

9 **HEALTH INSURANCE PROGRAM FOR RETIRED LAW ENFORCEMENT**
10 **OFFICERS AND FIREFIGHTERS**

11 **§286-M. Retired County and Municipal Law Enforcement Officers**
12 **and Municipal Firefighters Health Insurance Program**

13 1. Program established. The Retired County and Municipal
14 Law Enforcement Officers and Municipal Firefighters Health
15 Insurance Program is established to provide health insurance
16 coverage to retired county and municipal law enforcement officers
17 and retired municipal firefighters.

18 2. Definitions. As used in this subchapter, the following
19 terms have the following meanings.

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

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

34 C. "Division" means the Department of Administrative and
35 Financial Services, Division of State Employee Health
36 Insurance.

37 D. "Enrollee" means a county or municipal law enforcement
38 officer or municipal firefighter who has enrolled in the
39 program.

COMMITTEE AMENDMENT

10/15

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

2 E. "Fund" means the Firefighters and Law Enforcement
3 Officers Health Insurance Program Fund established in
4 subsection 7.

6 F. "Group health plan" or "group health insurance plan"
7 means any employer-sponsored group health insurance plan,
8 whether self-insured or fully insured, that provides
9 coverage to eligible employees, retirees and their
10 dependents.

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

18 H. "Municipal firefighter" means a person employed by a
19 municipal fire department with the primary responsibility of
20 aiding in the extinguishment of fires and includes a member
21 of emergency medical services line personnel but does not
22 include a member of a volunteer firefighter association.
23 For the purposes of this paragraph, "emergency medical
24 services line personnel" means persons who are career
25 employees employed full-time by a public sector agency or
26 employer and whose primary responsibility is to provide
27 emergency medical services.

28 I. "Program" means the Retired County and Municipal Law
29 Enforcement Officers and Municipal Firefighters Health
30 Insurance Program established in this section.

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

36 A. The person must:

38 (1) Be a retired county or municipal law enforcement
39 officer or a retired municipal firefighter;

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

46 (3) Receive or be eligible to receive:

48 (a) If retired from at least 25 years of service
49 in a position as a county or municipal law
50 enforcement officer or firefighter;

COMMITTEE AMENDMENT

2008

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

2 enforcement officer or a municipal firefighter, a
3 retirement benefit from the Maine State Retirement
4 System or a defined contribution retirement plan
5 other than the United States Social Security Act;
6 or

7 (b) If retired from less than 25 years of service
8 in a position as a county or municipal law
9 enforcement officer or a municipal firefighter, a
10 retirement benefit from the Maine State Retirement
11 System or a defined contribution retirement plan
12 other than the United States Social Security Act,
13 as long as the benefit provided is at least 50% of
14 average final compensation, with no reduction for
15 early retirement and with or without a
16 cost-of-living adjustment; or

17 B. The person must be a dependent of a person meeting the
18 criteria of paragraph A.

19 4. Program administration. The program is administered by
20 the division. The division shall:

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

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

31 C. Adopt rules to implement the purposes of this section,
32 including the determination of the program subsidy for
33 enrollees pursuant to subsection 6. Rules adopted under
34 this subsection are routine technical rules as defined in
35 chapter 375, subchapter 2-A.

36 5. Enrollment. A county or municipal law enforcement
37 officer, a municipal firefighter or a person retired from such a
38 position is eligible to enroll in the program. An eligible
39 person who fails to enroll in the program pursuant to this
40 subsection is not otherwise eligible to enroll in the program and
41 is not eligible for the premium subsidy provided pursuant to this
42 section for enrollment in any other health plan. Notwithstanding
43 the date of enrollment, insurance coverage is not effective until
44 the date of enrollment.

11/2/06

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

the date of retirement or July 1, 2007, whichever occurs later. Eligible persons may enroll themselves, their spouses and their dependents in the program during the following time periods:

A. When the effective date of hire of the eligible person is on or before November 1, 2006, the eligible person must enroll in the program before January 1, 2007, subject to the enrollment and eligibility requirements of the applicable group health plan;

B. When the effective date of hire of the eligible person is after November 1, 2006, the eligible person must enroll in the program no later than 60 days following the effective date of hire, subject to the enrollment and eligibility requirements of the applicable group health plan; or

C. Notwithstanding paragraphs A and B, when the eligible person, the eligible person's spouse or the eligible person's dependent experiences an involuntary loss of other health insurance coverage carried as of January 1, 2007 or 60 days following the date of the eligible person's hire, whichever is later, the eligible person may elect to enroll in the program no later than 60 days after the effective date of the loss of that coverage, subject to the enrollment and eligibility requirements of the applicable group health plan. Involuntary loss of coverage does not include a loss of coverage arising as a result of nonpayment of premiums.

6. Premiums; subsidy. Premiums for the program and the premium subsidy are subject to the provisions of this subsection. Premium subsidies are not provided for supplemental health insurance coverage.

A. An enrollee participating in the majority multiple-employer welfare arrangement is responsible for the premium payment associated with the cost of the majority multiple-employer welfare arrangement benefit option in which the enrollee is participating, to the extent such premium obligations exist following the application of any premium subsidy authorized by law. An enrollee who fails to remit the premium payments as established and required by the majority multiple-employer welfare arrangement must be disenrolled from the program. Beginning July 1, 2007, the State shall provide a premium subsidy for enrollees in the form of a direct payment to the majority multiple-employer welfare arrangement for each enrollee. The level of the subsidy must equal 45% of the individual premium cost for the enrollee and varies among enrollees depending upon the terms of the majority multiple-employer welfare arrangement

COMMITTEE AMENDMENT

2 coverage plan in which each enrollee is participating.
3 Enrollees are responsible for the balance of the applicable
4 individual premium, as well as the total cost of the premium
5 for any applicable dependent coverage, and shall make
6 payments directly to the majority multiple-employer welfare
7 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 and elect to participate in
11 that county's or municipality's fully insured health
12 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 enrollee who fails to
16 remit the premium payments as established and required by
17 the fully insured plan must be disenrolled from the
18 program. Beginning July 1, 2007, the State shall provide a
19 premium subsidy for enrollees participating in fully insured
20 health benefits plans pursuant to this subsection. This
21 subsidy must be made in the form of a direct payment to the
22 enrollee's health benefits plan and must equal 45% of the
23 individual premium cost for the enrollee or a dollar amount
24 equivalent to the highest premium subsidy provided in
25 accordance with paragraph A, whichever is less. A retiree
26 electing to enroll a spouse or a dependent in the program is
27 responsible for payment of 100% of such coverage in addition
28 to that portion of the retiree's individual premium cost not
29 contributed by the State.

30
31 7. Fund established. The Firefighters and Law Enforcement
32 Officers Health Insurance Program Fund is established as a
33 nonlapsing, dedicated account administered by the division.
34 Money appropriated by law for the purpose of paying premium
35 subsidies must be deposited in the fund. Premium dividends
36 accruing to the State, return of premiums resulting from risk
37 reduction programs, active employee contributions pursuant to
38 subsection 8 and any other receipts must be deposited into the
39 fund to be used for the purposes of the program. The fund is a
40 pooled account. Individual law enforcement officers and
41 firefighters do not have a right to money deposited in the fund
42 except to the extent premium subsidies are available to program
43 enrollees.

44
45 8. Employee contributions to the fund. The contributions of
46 enrollees to the fund are governed by this subsection.

47
48 A. Beginning January 1, 2007, each enrollee who
49 participates as an active employee in a retirement plan

2 shall contribute 1.5% of that enrollee's gross wages to the
3 fund.

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

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

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

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

40 Sec. A-4. Appropriations and allocations. The following
41 appropriations and allocations are made.

44 **ADMINISTRATIVE AND FINANCIAL SERVICES, DEPARTMENT OF**

46 **Firefighters and Law Enforcement Officers Health Insurance**
47 **Program Fund**

48 Initiative: Allocates funds for an Employee Benefits Technician
50 position effective January 1, 2007 and related All Other costs

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

2 to administer the subsidy program for health insurance for
eligible retired firefighters and law enforcement officers.

4 **FIREFIGHTERS AND LAW ENFORCEMENT OFFICERS**

6 HEALTH INSURANCE PROGRAM FUND	2005-06	2006-07
7 POSITIONS - LEGISLATIVE COUNT	0.000	1.000
8 Personal Services	\$0	\$26,000
All Other	\$0	\$55,000

10 FIREFIGHTERS AND LAW ENFORCEMENT OFFICERS
11 HEALTH INSURANCE PROGRAM FUND TOTAL \$0 \$81,000'

12
13 Further amend the bill in Part B in section 1 in paragraph D
14 in the 3rd and 4th lines (page 4, lines 30 and 31 in L.D.) by
striking out the following: subsection 1, paragraph B and
16 inserting in its place the following: 'subsection 3, paragraph
A, subparagraph (3)'

18
19 Further amend the bill in Part B in section 2 in paragraph E
20 in the 3rd and 4th lines (page 4, lines 43 and 44 in L.D.) by
striking out the following: subsection 1, paragraph B and
22 inserting in its place the following: 'subsection 3, paragraph
A, subparagraph (3)'

24
25
26 **SUMMARY**

27 This amendment, which is the majority report of the Joint
28 Standing Committee on Labor, strikes Part A of the bill and
29 replaces it with a new Part A that allows retired county and
30 municipal law enforcement officers and retired municipal
31 firefighters who are enrolled in a county or municipal
32 self-insurance health coverage plan to join the state group
33 health plan under certain circumstances and provides a state
34 premium subsidy. Part A also creates the Retired County and
35 Municipal Law Enforcement Officers and Municipal Firefighters
36 Health Insurance Program, which provides for health insurance
37 coverage when the retiree is eligible for a retirement benefit
38 under certain conditions and participated in the county or
39 municipal health plan while employed. The amendment also
40 provides for a state subsidy, beginning July 1, 2007, equal to
41 45% of the cost of insurance premiums, or dollar equivalents, for
42 each eligible retiree. Health insurance coverage under the
43 program is not effective until July 1, 2007 or the date of
44 retirement, whichever occurs later. Eligible persons, including
45 retirees, whose date of hire is on or before November 1, 2006
46 must enroll in the plan before January 1, 2007. Eligible persons
47 whose date of hire is after November 1, 2006 must enroll in the
48 plan no later than 60 days following the effective date of hire.
49 Effective January 1, 2007, each county and municipal law
50 enforcement officer and each municipal firefighter who

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

2 participates as an active employee in a retirement plan and who
has enrolled in the program must contribute 1.5% of gross wages
4 to a fund to offset the costs of the program. Members of
volunteer or call firefighters' associations in this State, as
6 well as persons serving as county or municipal law enforcement
personnel on a reserve basis, are eligible to participate in the
8 program of health benefits coverage established pursuant to the
eligibility criteria and other provisions set forth in the Maine
10 Revised Statutes, Title 24-A, chapter 87 as long as they meet the
eligibility requirements under that chapter. It also adds an
12 appropriations and allocations section to the bill.

FISCAL NOTE REQUIRED
(See Attached)

COMMITTEE AMENDMENT



122nd MAINE LEGISLATURE

LD 1021

LR 0263(05)

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

Fiscal Note for Bill as Amended by Committee Amendment "B"

Committee: Labor

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	\$587,250	\$1,230,876	\$1,289,958

Current Cost - State Mandate

State Mandate

New or Expanded Activity

Requires counties and municipalities to collect contributions from participating employees and remit these contributions to the State. The increase in workload to the counties and municipalities generated by these requirements is a state mandate pursuant to the Maine Constitution. The additional costs are expected to be insignificant.

Unit Affected	Costs
Municipality	Insignificant
County	Insignificant

Fiscal Detail and Notes

The bill's subsidy provisions would take effect July, 1, 2007. Assumes a total subsidy cost beginning in fiscal year 2007-08 of \$4.5 million including: \$3 million for the State's payment of a 45% subsidy toward the cost of health insurance for eligible, pre-Medicare, retired law enforcement officers and firefighters based on the following assumptions: approximately 950 participants at an estimated average subsidy cost of \$265 per participant per month; and approximately \$1.5 million per year for additional State Employee Health Program costs resulting from the enrollment of a portion of these participants in the State plan. The subsidy costs would be partially offset by the 1.5% of salary assessment.

Beginning January 1, 2007, the bill provides for a 1.5% assessment to be paid by participating active law enforcement officers and firefighters to help offset the costs of the program. For the purposes of this fiscal note, it is assumed that 90% of the estimated 2,900 active law enforcement officers and firefighters would participate, paying the 1.5% assessment on an average salary of \$30,000.

Provides a FY 2006-07 allocation of \$81,000 from the Firefighters and Law Enforcement Officers Health Insurance Program Fund, an Internal Services Fund, for the costs associated with the start up and administration of the program including: \$26,000 for the establishment of an Employee Benefits Technician position (beginning January 1, 2007) and \$55,000 for other costs related to start up and administration.

	Projections 2007-08	Projections 2008-09
Total Estimated Subsidy	\$4,534,739	\$4,988,212
Estimated Administrative Costs	\$109,392	\$111,894
Total Estimated Costs	<u>\$4,644,131</u>	<u>\$5,100,106</u>
Total Estimated Collections from Assessment	<u>(\$1,230,876)</u>	<u>(\$1,289,958)</u>
General Fund Subsidy Net of Assessments	\$3,413,255	\$3,810,148