

MAINE STATE LEGISLATURE

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5/14/19
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MAJORITY

(Filing No. S- 290)

Date: 6/14/19

LABOR AND HOUSING

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**STATE OF MAINE
SENATE
129TH LEGISLATURE
FIRST REGULAR SESSION**

COMMITTEE AMENDMENT "A" to S.P. 545, L.D. 1674, Bill, "An Act To Amend the Laws Concerning the Retired County and Municipal Law Enforcement Officers and Municipal Firefighters Health Insurance Program"

Amend the bill in section 2 by striking out all of subsection 6 (page 2, lines 32 to 44 and page 3, lines 1 to 46 and page 4, lines 1 to 10 in L.D.) and inserting the following:

'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 Prior to July 1, 2021, 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 coverage plan in which each enrollee is participating. Beginning July 1, 2021, the level of the subsidy must equal 55% of the individual premium cost for the enrollee and varies among enrollees depending upon the terms of the majority multiple-employer welfare arrangement coverage plan in which each enrollee is participating. Enrollees are responsible for the balance of the applicable individual premium, as well as the total cost of the premium for any applicable dependent coverage, and shall make payments directly to the majority multiple-employer welfare arrangement.

B. Enrollees retiring from counties or municipalities that do not participate in the majority multiple-employer welfare arrangement but who are eligible and elect to

COMMITTEE AMENDMENT

R O F S

1 participate in that county's or municipality's fully insured health benefits plan are
2 responsible for the premium payment associated with the cost of that plan, to the
3 extent such premium obligations exist following the application of any premium
4 subsidy authorized by law. An enrollee who fails to remit the premium payments as
5 established and required by the fully insured plan must be disenrolled from the
6 program. Beginning July 1, 2007, the State shall provide a premium subsidy for
7 enrollees participating in fully insured health benefits plans pursuant to this
8 subsection. This Prior to July 1, 2021, this subsidy must be made in the form of a
9 direct payment to the enrollee's health benefits plan and must equal 45% of the
10 individual premium cost for the enrollee or a dollar amount equivalent to the highest
11 premium subsidy provided in accordance with paragraph A, whichever is less.
12 Beginning July 1, 2021, this subsidy must be made in the form of a direct payment to
13 the enrollee's health benefits plan and must equal 55% of the individual premium cost
14 for the enrollee or a dollar amount equivalent to the highest premium subsidy
15 provided in accordance with paragraph A, whichever is less. A retiree electing to
16 enroll a spouse or a dependent in the program is responsible for payment of 100% of
17 such coverage in addition to that portion of the retiree's individual premium cost not
18 contributed by the State.

19 C. Enrollees retiring from counties or municipalities that do not participate in the
20 majority multiple-employer welfare arrangement and do not provide health insurance
21 coverage for retirees may enroll in the group health plan available to state employees
22 and other eligible persons under section 285 and are responsible for the premium
23 payment associated with the cost of that plan, to the extent such premium obligations
24 exist following the application of any premium subsidy authorized by law. An
25 enrollee who fails to remit the premium payments as established and required by the
26 group health plan available to state employees and other eligible persons must be
27 disenrolled from the program. The State shall provide a premium subsidy for
28 enrollees participating in the group health plan available to state employees and other
29 eligible persons pursuant to this paragraph. Prior to July 1, 2021, this subsidy must
30 be made in the form of a direct payment to the group health plan available to state
31 employees and other eligible persons and must equal 45% of the individual premium
32 cost for the enrollee or a dollar amount equivalent to the highest premium subsidy
33 provided in accordance with paragraph A, whichever is less. Beginning July 1, 2021,
34 this subsidy must be made in the form of a direct payment to the group health plan
35 available to state employees and other eligible persons and must equal 55% of the
36 individual premium cost for the enrollee or a dollar amount equivalent to the highest
37 premium subsidy provided in accordance with paragraph A, whichever is less. A
38 retiree electing to enroll a spouse or a dependent in the program is responsible for
39 payment of 100% of such coverage in addition to that portion of the retiree's
40 individual premium cost not contributed by the State.

41 D. An enrollee may participate in the group health insurance plan in which the
42 enrollee's spouse participates if that plan is offered in this State or in another group
43 health insurance plan that is offered in this State. An enrollee is responsible for the
44 premium payment associated with the cost of the group health insurance plan in
45 which the enrollee is participating, to the extent such premium obligations exist
46 following the application of any premium subsidy authorized by law. An enrollee
47 who fails to remit the premium payments as established and required by the group

COMMITTEE AMENDMENT

ROFS

1 health insurance plan in which the enrollee is participating must be disenrolled from
2 the program. The State shall provide a premium subsidy for each enrollee in the form
3 of a direct payment to the group health insurance plan in which the enrollee is
4 participating. Prior to July 1, 2021, the level of the premium subsidy must equal 45%
5 of the individual premium cost for the enrollee or a dollar amount equivalent to the
6 highest premium subsidy provided in accordance with paragraph A, whichever is
7 less. Beginning July 1, 2021, the level of the premium subsidy must equal 55% of
8 the individual premium cost for the enrollee or a dollar amount equivalent to the
9 highest premium subsidy provided in accordance with paragraph A, whichever is
10 less. Enrollees are responsible for the balance of the applicable individual premium,
11 as well as the total cost of the premium for any applicable dependent coverage, and
12 shall make payments directly to the group health insurance plan in which the enrollee
13 is participating.'

14 Amend the bill by relettering or renumbering any nonconsecutive Part letter or
15 section number to read consecutively.

16 **SUMMARY**

17 This amendment is the majority report of the committee. The amendment delays
18 until July 1, 2021 the provision to increase the state share of the premium subsidy for
19 enrollees in the Retired County and Municipal Law Enforcement Officers and Municipal
20 Firefighters Health Insurance Program from 45% to 55%.

21 **FISCAL NOTE REQUIRED**

22 (See attached)



129th MAINE LEGISLATURE

LD 1674

LR 1441(02)

An Act To Amend the Laws Concerning the Retired County and Municipal Law Enforcement Officers and Municipal Firefighters Health Insurance Program

Fiscal Note for Bill as Amended by Committee Amendment "A" (S 290)
Committee: Labor and Housing
Fiscal Note Required: Yes

Fiscal Note

	FY 2019-20	FY 2020-21	Projections FY 2021-22	Projections FY 2022-23
Net Cost (Savings)				
General Fund	\$0	\$0	\$181,000	\$181,000
Appropriations/Allocations				
General Fund	\$0	\$0	\$181,000	\$181,000

Fiscal Detail and Notes

The bill makes several changes to the Retired County and Municipal Law Enforcement Officers and Municipal Firefighters Health Insurance Program, including increasing the State subsidy of premiums from 45% to 55%, allowing eligible employees more time to enroll in the program and allowing certain enrollees to join the State Employee Health Plan (SEHP). The SEHP currently contributes about \$524,000 to meet the requirement of subsidizing 45% of premiums and will require \$181,000 to subsidize 55%, after accounting for an anticipated increase in health premiums for this population. This change is not effective until July 1, 2021 and any costs will occur in a future fiscal biennium.

Currently, eligible employees must choose to enroll within 60 days of being hired. If an employee enrolls, 1.5% of their gross wages are sent to the Firefighters and Law Enforcement Officers Health Insurance Program Fund. For employees hired on or after October 1, 2019, the bill allows an employee to enroll in the program within 5 years, but would require the employee to contribute 2% of gross wages from the effective date of hire to the date the employee enrolls in the program, after which the enrollee will contribute 1.5% to the fund. This would result in an increase in revenues collected by the fund, but no estimate is available at this time since it is unknown how many employees will enroll.

Last, including additional persons in the SEHP could result in increased costs to the plan, depending on the demographics and claim histories of those who join the plan. Any costs would likely be reflected through changes in premium amounts in future fiscal years.