

MAINE STATE LEGISLATURE

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Date 6/21/23 Majority (Filing No H-671) LD 111

LABOR AND HOUSING

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STATE OF MAINE
HOUSE OF REPRESENTATIVES
131ST LEGISLATURE
FIRST SPECIAL SESSION

COMMITTEE AMENDMENT "A" to HP 79, LD 111, "An Act Requiring the State to Pay a Share of a Retired State Employee's or Retired Teacher's Premium for Medicare Part B Under Medicare Advantage"

Amend the bill by striking out everything after the enacting clause and inserting the following:

Sec. 1. 5 MRSA §285, sub-§7, ¶M is enacted to read

M Beginning January 1, 2024, the State, through the commission, shall pay 100% of a retiree's Medicare Part B premium under the Medicare Advantage plan identified and offered by the commission and available to the retiree as authorized by the commission if

(1) The retiree's base annual state pension is less than \$75,000, adjusted for inflation,

(2) The retiree is not eligible for federally approved Medicaid services, and

(3) The retiree has a base annual state pension benefit on or after January 1, 2024 that is projected to be less than or equal to the maximum amount of the retirement benefits that are subject to the cost-of-living adjustment under section 17806 being paid to retired state employees

This paragraph does not apply to state retirees who are eligible for payment of 100% of their Medicare Part B premium due to their eligibility for Medicare arising through an agreement between the commission and the United States Department of Health and Human Services, Centers for Medicare and Medicaid Services

Sec. 2. 20-A MRSA §13451, sub-§6 is enacted to read

6. Payment by State for Medicare Part B under Medicare Advantage. Beginning July 1, 2024, the State shall pay 100% of a retired teacher's Medicare Part B premium under the Medicare Advantage plan administered by the Maine Education Association benefits trust if



131st MAINE LEGISLATURE

LD 111

LR 257(02)

An Act Requiring the State to Pay a Share of a Retired State Employee's or Retired Teacher's Premium for Medicare Part B Under Medicare Advantage

Fiscal Note for Bill as Amended by Committee Amendment

Committee: Labor and Housing

Fiscal Note Required: Yes

A (H-671)

Fiscal Note

	FY 2023-24	FY 2024-25	Projections FY 2025-26	Projections FY 2026-27
Net Cost (Savings)				
General Fund	\$2,922,193	\$10,210,549	\$10,718,645	\$11,251,813
Appropriations/Allocations				
General Fund	\$2,922,193	\$10,210,549	\$10,718,645	\$11,251,813

Fiscal Detail and Notes

The bill requires the state to pay 100% of a retiree's Medicare Part B premium under the Medicare Advantage Plan for retired state employees, beginning January 1, 2024, and retired teachers, beginning July 1, 2024, who meet certain eligibility criteria, including that the retiree's base annual state pension benefit is at or below the maximum amount of retirement benefits subject to the cost-of-living-adjustment. The bill includes ongoing General Fund appropriations to the Department of Administrative and Financial Services of \$2,922,193 in fiscal year 2023-24 for the state payment of the Medicare Part B premium for eligible retired state employees for half a year and \$10,210,549 in fiscal year 2024-25 to fund the state payment of the premium for eligible retired state employees and eligible retired teachers for the full year.

These estimates assume Medicare Advantage enrollment increases 0.63% annually for retired state employees and 1.42% for retired teachers, reflecting historical experience over 3 years. The estimates are based on the current Medicare Part B premium amount of \$164.90 per month and assume a premium increase of 4.98% annually, reflecting the annual average for the past 10 years. To the extent that retired state employees and retired teachers in the Medicare Advantage Program pay a Medicare Part B late enrollment penalty, the actual cost to the State will be higher.