

# MAINE STATE LEGISLATURE

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Date 06/20/23

(Filing No S-374)

**MAJORITY**

**LABOR AND HOUSING**

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**STATE OF MAINE**

**SENATE**

**131ST LEGISLATURE**

**FIRST SPECIAL SESSION**

COMMITTEE AMENDMENT "A" to S P 259, L D 591, "An Act to Require the State to Pay Medicare Premiums for Certain Retired State Employees"

Amend the bill in section 1 in subsection 14 in the last line (page 1, line 10 in L D ) by inserting after the following "subsection 7" the following 'whose base annual state pension benefit on or after January 1, 2024 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'

Amend the bill by inserting after section 1 the following

**'Sec. 2. Appropriations and allocations.** The following appropriations and allocations are made

**ADMINISTRATIVE AND FINANCIAL SERVICES, DEPARTMENT OF**

**Accident - Sickness - Health Insurance 0455**

Initiative Appropriates funds to pay 100% of the enrollee's share of the Medicare Part B premium for certain retired state employees

<b>GENERAL FUND</b>	<b>2023-24</b>	<b>2024-25</b>
All Other	\$3,068,552	\$6,289,879
<b>GENERAL FUND TOTAL</b>	<b>\$3,068,552</b>	<b>\$6,289,879</b>

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

**SUMMARY**

This amendment is the majority report of the committee. The amendment provides that the State must pay 100% of a retiree's share of the premiums for Medicare Part B for retirees not eligible for benefits under the United States Social Security Act whose base annual

**COMMITTEE AMENDMENT**

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1 state pension benefit on or after January 1, 2024 is projected to be less than or equal to the  
2 maximum amount of the retirement benefits that are subject to the cost-of-living  
3 adjustment The amendment also adds an appropriations and allocations section

**FISCAL NOTE REQUIRED**

(See attached)

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# 131st MAINE LEGISLATURE

LD 591

LR 514(02)

## An Act to Require the State to Pay Medicare Premiums for Certain Retired State Employees

Fiscal Note for Bill as Amended by Committee Amendment "A" (S-374)  
 Committee: Labor and Housing  
 Fiscal Note Required: Yes

### Fiscal Note

	FY 2023-24	FY 2024-25	Projections FY 2025-26	Projections FY 2026-27
<b>Net Cost (Savings)</b>				
General Fund	\$3,068,552	\$6,289,879	\$6,602,875	\$6,931,316
<b>Appropriations/Allocations</b>				
General Fund	\$3,068,552	\$6,289,879	\$6,602,875	\$6,931,316

#### Fiscal Detail and Notes

The bill requires the state to pay 100% of a retiree's share of Medicare Part B premiums for retirees not eligible for Social Security benefits whose 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 \$3,068,552 in fiscal year 2023-24 and \$6,289,879 in fiscal year 2024-25 for the state payment of the Medicare Part B premium for eligible retired state employees beginning January 1, 2024.

These estimates assume Medicare Advantage enrollment increases 0.63% annually for retired State employees, 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 an increase of 4.98% annually, reflecting the annual average for the past 10 years. To the extent that retired state employees in the Medicare Advantage Program pay a Medicare Part B late enrollment penalty, the actual cost to the State will be higher.