



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 " "

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.