



# 131st MAINE LEGISLATURE

LD 111

LR 257(01)

## 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

### Preliminary Fiscal Impact Statement for Original Bill

Sponsor: Rep. Shagoury of Hallowell

Committee: Labor and Housing

Fiscal Note Required: Yes

### Preliminary Fiscal Impact Statement

	FY 2023-24	FY 2024-25	Projections FY 2025-26	Projections FY 2026-27
<b>Net Cost (Savings)</b>				
General Fund	\$5,496,162	\$24,628,803	\$26,019,451	\$27,484,526
<b>Appropriations/Allocations</b>				
General Fund	\$5,496,162	\$24,628,803	\$26,019,451	\$27,484,526

#### Fiscal Detail and Notes

The Department of Administrative and Financial Services will require a General Fund appropriation of \$5,496,162 in fiscal year 2023-24 to fund the state share of Medicare Part B premiums under Medicare Advantage for retired state employees for half a year and \$24,628,803 in fiscal year 2024-25 to fund the state share for retired state employees and retired teachers for a full year.

These estimates are based on the assumption that Medicare Advantage enrollment increases 0.63% annually for retired State employees and 1.42% for retired teachers, reflecting historical experience over 3 years. They are also 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. There are currently 7,307 retired state employees and 9,806 retired teachers enrolled in the Medicare Advantage program. To the extent that retired state employees and retired teachers in the Medicare Advantage Program have to pay a Medicare Part B late enrollment penalty as part of the monthly premium, the actual cost to the State will be increased. The penalty is a 10% increase in the monthly premium for every 12-month period an individual was eligible for but not enrolled in Part B.