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H.P. 824

House of Representatives, April 2, 2015

**An Act To Allow County Corrections Officers To Participate in the
Retired County and Municipal Law Enforcement Officers and
Municipal Firefighters Health Insurance Program**

Reference to the Committee on Appropriations and Financial Affairs suggested and ordered printed.

A handwritten signature in black ink that reads "R B. Hunt".

ROBERT B. HUNT
Clerk

Presented by Representative TUCKER of Brunswick.
Cosponsored by Senator PATRICK of Oxford and
Representatives: ALLEY of Beals, BRYANT of Windham, CAMPBELL of Newfield,
CHENETTE of Saco, HOBBS of Saco, MARTIN of Sinclair, Senators: DUTREMBLE of
York, VALENTINO of York.

1 **Be it enacted by the People of the State of Maine as follows:**

2 **Sec. 1. 5 MRSA §286-M**, as enacted by PL 2005, c. 636, Pt. A, §3 and amended
3 by PL 2007, c. 58, §3, is further amended to read:

4 **§286-M. Retired County and Municipal Law Enforcement Officers, County**
5 **Corrections Officers and Municipal Firefighters Health Insurance Program**

6 **1. Program established.** The Retired County and Municipal Law Enforcement
7 Officers, County Corrections Officers and Municipal Firefighters Health Insurance
8 Program is established to provide health insurance coverage to retired county and
9 municipal law enforcement officers, retired county corrections officers and retired
10 municipal firefighters.

11 **2. Definitions.** As used in this subchapter, the following terms have the following
12 meanings.

13 A. "County or municipal law enforcement officer" means a person who by virtue of
14 employment by a county or municipal government in the State is vested by law with
15 the power to make arrests for crimes or serve criminal process, whether that power
16 extends to all crimes or is limited to specific crimes. "County or municipal law
17 enforcement officer" does not include a state or federal law enforcement officer, an
18 attorney prosecuting for a county or municipal government or a reserve officer.

19 A-1. "County corrections officer" means an employee in a prison, jail or house of
20 correction of a county whose normal duties include the care, custody and supervision
21 of prisoners.

22 B. "Dependent" means a spouse, an unmarried child under 19 years of age, a child
23 who is a student under 23 years of age and financially dependent upon the enrollee, a
24 child of any age who is disabled and dependent upon the enrollee or a domestic
25 partner as defined in Title 24-A, section 2741-A.

26 C. "Division" means the Department of Administrative and Financial Services,
27 Division of State Employee Health Insurance.

28 D. "Enrollee" means a county or municipal law enforcement officer, county
29 corrections officer or municipal firefighter who has enrolled in the program.

30 E. "Fund" means the Firefighters ~~and~~ Law Enforcement Officers and Corrections
31 Officers Health Insurance Program Fund established in subsection 7.

32 F. "Group health plan" or "group health insurance plan" means any employer-
33 sponsored group health insurance plan, whether self-insured or fully insured, that
34 provides coverage to eligible employees, retirees and their dependents.

35 G. "Majority multiple-employer welfare arrangement" means the multiple-employer
36 welfare arrangement, as defined in Title 24-A, section 6601, subsection 5, in which
37 the majority of state municipal government employees are enrolled as of the effective
38 date of this section.

1 H. "Municipal firefighter" means a person employed by a municipal fire department
2 with the primary responsibility of aiding in the extinguishment of fires and includes a
3 member of emergency medical services line personnel but does not include a member
4 of a volunteer firefighter association. For the purposes of this paragraph, "emergency
5 medical services line personnel" means persons who are career employees employed
6 full-time by a public sector agency or employer and whose primary responsibility is
7 to provide emergency medical services.

8 I. "Program" means the Retired County and Municipal Law Enforcement Officers,
9 County Corrections Officers and Municipal Firefighters Health Insurance Program
10 established in this section.

11 **3. Eligibility for program coverage.** A person must make contributions pursuant to
12 subsection 8 for 60 months or the payment required pursuant to subsection 9 in order to
13 be eligible for coverage under the program. In addition, a person must satisfy the
14 eligibility criteria specified in this subsection as follows:

15 A. The person must:

16 (1) Be at least 50 years of age;

17 (2) Be a retired county or municipal law enforcement officer, a retired county
18 corrections officer or a retired municipal firefighter;

19 (3) Have, while actively employed as a county or municipal law enforcement
20 officer, a county corrections officer or a municipal firefighter, participated in the
21 person's employer's health insurance plan or other fully-insured health insurance
22 plan; and

23 (4) Receive or be eligible to receive:

24 (a) If retired from at least 25 years of service in a position as a county or
25 municipal law enforcement officer, a county corrections officer or a
26 municipal firefighter, a retirement benefit from the Maine Public Employees
27 Retirement System or a defined contribution retirement plan other than the
28 United States Social Security Act; or

29 (b) If retired from less than 25 years of service in a position as a county or
30 municipal law enforcement officer, a county corrections officer or a
31 municipal firefighter, a retirement benefit from the Maine Public Employees
32 Retirement System or a defined contribution retirement plan other than the
33 United States Social Security Act, as long as the benefit provided is at least
34 50% of average final compensation, with no reduction for early retirement
35 and with or without a cost-of-living adjustment; or

36 B. The person must be a dependent of a person meeting the criteria of paragraph A.

37 **4. Program administration.** The program is administered by the division. The
38 division shall:

39 A. Enter into administrative arrangements with fully insured health insurance
40 product vendors to implement the purposes of this section;

1 B. Remit authorized premium subsidy payments for enrolled eligible persons and
2 enrolled dependents to any fully insured group health insurance plans on a periodic
3 basis, as established by agreements with the providers of those plans. The dollar
4 value of the subsidy payment may vary with the premium cost of the benefit plan in
5 which the enrollee participates; and

6 C. Adopt rules to implement the purposes of this section, including the
7 determination of the program subsidy for enrollees pursuant to subsection 6. Rules
8 adopted under this subsection are routine technical rules as defined in chapter 375,
9 subchapter 2-A.

10 **5. Enrollment.** A county or municipal law enforcement officer, a county corrections
11 officer, a municipal firefighter or a person retired from such a position is eligible to enroll
12 in the program. An eligible person who fails to enroll in the program pursuant to this
13 subsection is not otherwise eligible to enroll in the program and is not eligible for the
14 premium subsidy provided pursuant to this section for enrollment in any other health
15 plan. Notwithstanding the date of enrollment, insurance coverage is not effective until
16 the date of retirement or July 1, 2007, whichever occurs later. Eligible persons may
17 enroll themselves, their spouses and their dependents in the program during the following
18 time periods:

19 A. When the effective date of hire of the eligible person is on or before November
20 1, 2006, the eligible person must enroll in the program before January 1, 2007,
21 subject to the enrollment and eligibility requirements of the applicable group health
22 plan;

23 B. When the effective date of hire of the eligible person is after November 1, 2006,
24 the eligible person must enroll in the program no later than 60 days following the
25 effective date of hire, subject to the enrollment and eligibility requirements of the
26 applicable group health plan; or

27 C. Notwithstanding paragraphs A and B, when the eligible person, the eligible
28 person's spouse or the eligible person's dependent experiences an involuntary loss of
29 other health insurance coverage carried as of January 1, 2007 or 60 days following
30 the date of the eligible person's hire, whichever is later, the eligible person may elect
31 to enroll in the program no later than 60 days after the effective date of the loss of
32 that coverage, subject to the enrollment and eligibility requirements of the applicable
33 group health plan. Involuntary loss of coverage does not include a loss of coverage
34 arising as a result of nonpayment of premiums.

35 **6. Premiums; subsidy.** Premiums for the program and the premium subsidy are
36 subject to the provisions of this subsection. Premium subsidies are not provided for
37 supplemental health insurance coverage.

38 A. An enrollee participating in the majority multiple-employer welfare arrangement
39 is responsible for the premium payment associated with the cost of the majority
40 multiple-employer welfare arrangement benefit option in which the enrollee is
41 participating, to the extent such premium obligations exist following the application
42 of any premium subsidy authorized by law. An enrollee who fails to remit the
43 premium payments as established and required by the majority multiple-employer
44 welfare arrangement must be disenrolled from the program. Beginning July 1, 2007,

1 the State shall provide a premium subsidy for enrollees in the form of a direct
2 payment to the majority multiple-employer welfare arrangement for each enrollee.
3 The level of the subsidy must equal 45% of the individual premium cost for the
4 enrollee and varies among enrollees depending upon the terms of the majority
5 multiple-employer welfare arrangement coverage plan in which each enrollee is
6 participating. Enrollees are responsible for the balance of the applicable individual
7 premium, as well as the total cost of the premium for any applicable dependent
8 coverage, and shall make payments directly to the majority multiple-employer
9 welfare arrangement.

10 B. Enrollees retiring from counties or municipalities that do not participate in the
11 majority multiple-employer welfare arrangement but who are eligible and elect to
12 participate in that county's or municipality's fully insured health benefits plan are
13 responsible for the premium payment associated with the cost of that plan, to the
14 extent such premium obligations exist following the application of any premium
15 subsidy authorized by law. An enrollee who fails to remit the premium payments as
16 established and required by the fully insured plan must be disenrolled from the
17 program. Beginning July 1, 2007, the State shall provide a premium subsidy for
18 enrollees participating in fully insured health benefits plans pursuant to this
19 subsection. This subsidy must be made in the form of a direct payment to the
20 enrollee's health benefits plan and must equal 45% of the individual premium cost for
21 the enrollee or a dollar amount equivalent to the highest premium subsidy provided in
22 accordance with paragraph A, whichever is less. A retiree electing to enroll a spouse
23 or a dependent in the program is responsible for payment of 100% of such coverage
24 in addition to that portion of the retiree's individual premium cost not contributed by
25 the State.

26 **7. Fund established.** The Firefighters ~~and~~ Law Enforcement Officers and
27 Corrections Officers Health Insurance Program Fund is established as a nonlapsing,
28 dedicated account administered by the division. Money appropriated by law for the
29 purpose of paying premium subsidies must be deposited in the fund. Premium dividends
30 accruing to the State, return of premiums resulting from risk reduction programs, active
31 employee contributions pursuant to subsection 8 and any other receipts must be deposited
32 into the fund to be used for the purposes of the program. The fund is a pooled account.
33 Individual law enforcement officers, corrections officers and firefighters do not have a
34 right to money deposited in the fund except to the extent premium subsidies are available
35 to program enrollees.

36 **8. Employee contributions to the fund.** The contributions of enrollees to the fund
37 are governed by this subsection.

38 A. Beginning January 1, 2007, each enrollee who participates as an active
39 employee in a retirement plan shall contribute 1.5% of that enrollee's gross wages to
40 the fund.

41 B. The employer of an enrollee required to contribute to the fund shall remit on a
42 monthly basis that enrollee's contribution to the fund.

43 **9. Retirees without 5 years of contributions to fund.** A person who retires without
44 making 60 months of contributions to the fund but who meets the other eligibility criteria

1 of subsection 3, referred to in this subsection as "the retiree," is eligible to participate
2 pursuant to this subsection.

- 3 A. The retiree is eligible for coverage under the program upon enrollment.
- 4 B. The retiree shall pay the dollar equivalent of the retiree's scheduled contributions
5 based upon the following schedule:
- 6 (1) A retiree who is at least 50 years of age and under 55 years of age shall pay
7 2% of that retiree's average final monthly compensation multiplied by 60;
- 8 (2) A retiree who is at least 55 years of age and under 60 years of age shall pay
9 1.75% of that retiree's average final monthly compensation multiplied by 60; and
- 10 (3) A retiree who is at least 60 years of age shall pay 1.5% of that retiree's
11 average final monthly compensation multiplied by 60.

12 As used in this paragraph, "average final monthly compensation" means the average
13 annual rate of earnable compensation, divided by 12, of a retiree during the 3 years of
14 creditable service as a county or municipal law enforcement officer, county
15 corrections officer or municipal firefighter, not necessarily consecutive, in which the
16 average annual rate of earnable compensation is highest or during the retiree's entire
17 period of creditable service as a county or municipal law enforcement officer, county
18 corrections officer or municipal firefighter, if the period is less than 3 years.

19 C. If the retiree has made contributions to the fund while employed as a county or
20 municipal law enforcement officer, county corrections officer or municipal
21 firefighter, the retiree shall pay the difference between:

- 22 (1) The total of the retiree's employee contributions required pursuant to
23 paragraph B based on the retiree's age as of the date of retirement; and
- 24 (2) The dollar equivalent of the retiree's scheduled contributions for 60 months
25 pursuant to subsection 8.

26 D. The retiree shall make the payments required by paragraph B or C to the division
27 within 12 months of enrollment in the program. A retiree who fails to make the
28 required payment within 12 months of enrollment must be disenrolled from the
29 program.

30 **10. Coverage under the program.** The benefits, copayments and deductibles under
31 the program are determined by the fully insured health benefits plan in which the retired
32 enrollee participates. Pursuant to the rules of the applicable plan, a retired enrollee is
33 required to participate in the same health insurance plan as the active employees of the
34 unit of government from which the enrolled person has retired. Participation in any
35 qualified health insurance plan is subject to the rules of that plan.

36 **11. Volunteer and call firefighters and reserve law enforcement officers.** A
37 member of a volunteer or call firefighters' association in this State, as well as a person
38 serving as a county or municipal law enforcement officer on a reserve basis, is eligible to
39 participate in the program of health benefits coverage established pursuant to the
40 eligibility criteria and other provisions set forth in Title 24-A, chapter 87 if that person
41 meets the eligibility requirements under that chapter.

