



Maine Education Association

Jesse Hargrove *President*
Beth French *Vice President*
Jaye Rich *Treasurer*
Rebecca Cole *NEA Director*
Rachelle Bristol *Executive Director*

Senator Tipping, Representative Roeder, and other esteemed member of the Labor Committee,

My name is Jan Kosinski, and I am the Director of Government Relations for the Maine Education Association (MEA). The MEA represents nearly 24,000 educators, including teachers and other educators in nearly every public school in the state, as well as full-time faculty and other professional and support staff in both the University of Maine and Community College systems. Thousands of retired educators continue their connection and advocacy work through the MEA- Retired program.

I am here on behalf of the MEA to testify in full support of LD 111, *An Act to Increase the State's Share of Retired Teacher Health Insurance*.

This session you will undoubtedly hear about the long-term impacts of the 2011 cuts on the pension system for retired teachers and state employees. Last session, those of you were here heard about these impacts from retired teachers and other public servants again and again and again. We appreciate the bipartisan acknowledgement and support for retirees last session, and we hope we can continue these efforts into the 132nd Legislature.

While there was broad, bipartisan consensus last session about the need to address the long tail of the 2011 cuts, the price tag, due in large part to Maine's unique constitutional constraints, prevented us from making the progress that retirees need and deserve.

However, this session is a new day and while the state's revenue picture is far tighter than last year's, we can and should make progress for retirees who dedicated their lives to helping children learn, succeed, and thrive. LD 111 may be the best opportunity this session to achieve progress for retired educators.

This bill proposes to increase the amount the state pays for the health insurance program for retired educators from the current amount of 60% to 65% beginning July 1, 2025, and then finally 70% beginning July 1, 2026.

This bill follows through on a promise and a commitment made to retired teachers beginning in the early 2000s. At that time, the Legislature and the Governor, recognizing the changes in the health care marketplace, realized the need to make sure retired educators can retire with dignity and started to provide a share of the costs for this plan. That state paid 30% of the cost in 2002, and the state was on track to increase its share by 5% each year with the goal of covering 100% of the cost, as the state did, at least at that time, for retired state employees. The state was making progress in 5% increments and beginning January 2006, the state was paying 45% of the costs. But then, after the economic collapse of 2008 the state's share was frozen until Leader Faulkingham, in 2021, attached an amendment to another spending bill to increase the state share to 55%. Because of changes in the Medicare Advantage plan, we were able to make this change with no cost to the state. (Last session, in 2023, the Legislature approved another modest 5% increases, thus bringing the state share to the current rate of 60%.)

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The MEA has worked hard to keep the rates low for retired teachers and for the state. In fact, we have done the unthinkable – at a time of rapid inflation for health care services, we have been able to bring down the costs of the Medicare Advantage plan for retired teachers and we have done this without significant cuts to the plan.

MEA-BT Retired Teacher Medicare Advantage Health Care Premiums

Plan Year Beginning July 1	Med Advantage Total Premium	Percent Pd by the State	State Share	Member Share
July 1, 2020	\$410.13	45%	\$184.56	\$225.57
July 1, 2021	\$393.32	45%	\$176.99	\$216.33
July 1, 2022	\$387.76	55%	\$213.26	\$174.49
July 1, 2023	\$387.76	55%	\$213.26	\$174.49
Nov. 1, 2023	\$387.76	60%	\$232.66	\$155.10
July 1, 2024	\$356.17	60%	\$213.70	\$142.47

For the past 5 years, we have been able to reduce the monthly premium. This coupled with the increase in the state share is putting more money into the pockets of retired teachers – money they can use to make necessary car or home repairs, to buy a birthday present for a grandchild, or to cover basic bills and necessary expenses.

Just in the past five years and thanks to increases in the state share passed by legislators, retired teachers on Medicare Advantage are seeing a savings of nearly \$1,000 per year in their pockets. Whereas a retired teacher in 2020 was paying \$2,706.84 per year ($\$225.57 \times 12 = \$2,706.84$), today they are paying \$1,709.64 ($\$142.47 \times 12 = \$1,709.64$) per year for almost the same plan. Lifting the state share by 5% as called for in LD 111 would reduce the member share to \$124.66 per month and save them an additional

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\$213 per year. This may not seem like a lot of money to everyone, but for a retired teacher trying to "make do," this is helpful.

The Medicare Advantage Plan for retired teachers covers over 10,000 retired teachers. Increasing the state contribution is no substitute for the pension improvements we need and want in MainePERs System, but as I already have stated, it will put money into the pockets of over 10,000 retired educators who have given a career to helping children.

Lastly, I must point out, that there are nearly 1,000 retired teachers in our state who do not qualify for Medicare. This is due to their longevity and changes that were made to the Medicare program during their teaching career. For those individuals, this plan may be the only option available to them for health insurance in retirement, unless they qualify for Medicaid.

Thank you for your time and your service to the people of Maine and I will do my best to answer any questions you may have.

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