



DATE: March 5, 2025

TO: Senator Michael Tipping
Representative Amy Roeder
Members, Committee on Labor

FROM: William H. Laubenstein, III
President, Maine Association of Retirees

SUBJECT: LD 467: An Act Requiring the State to Pay a Retired State Employee's or Retired Teacher's Premium for Medicare Part B Under Medicare Advantage

Senator Tipping, Representative Roeder, and members of the Committee on Labor. My name is William H. Laubenstein, III. I am President of the Maine Association of Retirees (MAR) whose membership includes retired State employees, retired teachers and other public service retirees.

MAR supports LD 467, An Act Requiring the State to Pay a Retired State Employee's or Retired Teacher's Premium for Medicare Part B Under Medicare Advantage. The requirement applies only to retirees who are not eligible for federally approved Medicaid Services. Upon retirement, State and teacher retirees are eligible for health care insurance under a Medicare Advantage Insurance Plan administered by the Office of Employee Health and Wellness and by Maine Educational Association Benefit Trust fund for teachers. Participation in the Advantage Plans require retirees to pay the Medicare Part B Premium. For retirees receiving Social Security, the premium is taken from the monthly benefit. However, the majority of MainePERS retirees are not eligible for Social Security and must pay the Part B premium from other sources, which for many means the State pension benefit.

Bearing in mind that approximately twenty six percent (26%) of Maine's population fall under two hundred percent (200%) of the federal poverty level, and that the average annual MainePERS pension benefit in 2023 was only \$25,618, older Mainer's independence and financial security are already at risk without the obligation to pay the monthly Part B premium, which for 2025 is \$185.00 per month.

In some respects, LD 467 is a companion bill to LD 328, which would require the State to pay the Part B premium for retired State Employees and retired Teachers. In testimony submitted in support of LD 328, MAR pointed out that the number of retirees covered would be significantly reduced as a result of recent changes to eligibility requirements under Medicare Savings Program, which pays the Part B premium. This is in addition to the number of public service retirees who are eligible for payment of 100% of the Medicare Part B premium due to their eligibility through an agreement with the United States Department of Health and Human Services, Center for Medicare and Medicaid Services. There carve-outs would reduce the cost of LD 467 and 328.

Each year, MAR holds Regional Meetings in each of the five MAR regions. At these meetings, a major topic of discussion and concern, along with concerns with current law regarding the annual Maine COLA, is the requirement to pay the Medicare Part B premium. As noted above, this payment, \$185 monthly, \$2,220 annually, imposes a significant financial burden on State public service retirees. MAR asks that as you turn your attention to LD 467, you keep in mind this often repeated concern.

Thank you for consideration of this testimony. I would be happy to answer your questions and MAR will be available for your work session.