



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

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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 328, An Act Requiring the State to Pay a Retired State Employee's or Retired Teacher's Premium for Medicare Part B Under Medicare Advantage. MAR is an organization of Maine Public Employees Retirement System (MainePERS) retirees who receive a MainePERS retirement benefit. Upon retirement, State retirees are eligible for health care insurance under Medicare Advantage Insurance Plans administered by the Office of Employee Health and Wellness and by the 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.

LD 328 seeks to remedy the hardship imposed on Maine public service retirees by requiring the State to pay the Part B premium for Retired State Employees and Retired Teachers. During the 131st Legislative Session, a bill was presented requiring the State to pay a share of the Part B premium. MAR is not unaware of the potential cost, however, recent changes to eligibility requirements under the Medicare Savings Program, which pays the Part B premium, significantly reduces the number of retirees for which the State would have to pay the Part B premium. This is in addition to the number of retirees eligible for Medicaid, and State 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.

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 328, 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.