



**Testimony of Beth White
Maine Service Employees Association, SEIU Local 1989**

**In Support of LD 2148, An Act to Amend the Laws Governing the Health Insurance Premium Cap
for State Employees, Sponsored by Senator Cameron Reny**

**Before the Joint Standing Committee on State and Local Government
1pm January 28, 2026, Cross Building Room 214 and Electronically**

Senator Baldacci, Representative Salisbury and members of the Joint Standing Committee on State and Local Government, I'm Beth White, Director of Politics and Legislation for the Maine Service Employees Association, Local 1989 of the Service Employees International Union. We are a labor union representing over 13,000 Maine workers, including workers in all three branches of Maine State Government as well as retired state workers.

We're here in support of LD 2148, which provides that the total premium increase for active and retired state employee health insurance for fiscal years ending after June 30, 2026, is limited to no more than any percentage increase in the Consumer Price Index plus 10%. To be sure, the limitation does not apply to the fully insured Medicare Advantage prescription drug plan. We would like to thank Senator Reny for bringing this legislation forward.

We'd like to echo the points that MSEA-SEIU Member Jonathan French, a Professional Engineer who works as a Transportation Engineer III the Maine Department of Transportation and serves as the labor chair of the State Employee Health Commission, made in his testimony today. The current premium cap for the State Employee Health Plan has caused the State Employee Health Commission to increase out-of-pocket costs to plan participants, including higher deductibles, coinsurance, co-pays, out-of-pocket maximums and increasing prescription drug co-pays. Continuing with more of these types of cost increases for plan participants would diminish the State Employee Health Plan as a recruitment and retention tool. However, by increasing the premium cap as proposed in LD 2148, the health premium tax credit available to plan participants would continue to help reduce their premium costs. Also, as Jonathan noted in his testimony, the premiums are paid as a pre-tax deduction. We agree with Jonathan's assessment that higher premiums are preferable to significant increases to out-of-pocket costs if given the choice. LD 2148 would provide the State Employee Health Commission with, as Jonathan put it, "the option of a premium increase above CPI-U +3%, which it will not have had in the current and next plan design years."

We also believe that LD 2148 merits your support because the well-documented state employee pay gap – which is the difference between what Executive Branch workers earn compared to their public and private sector counterparts doing comparable work – still stands at 14%, based on the State's own [State of Maine Market Pay Report](#) dated Sept. 30, 2024. That report puts the state employee pay gap at 14%. Put another way, the State Report shows that the average State worker earns 86% of the market rate, up from 85% in 2020. Ensuring that the State Employee Health Plan remains a strong recruitment and retention tool remains more important than ever given the state employee pay gap.

For all of these reasons, we respectfully ask that you vote "ought to pass" on LD 2148. Thank you and I would be glad to answer any questions.