



131st MAINE LEGISLATURE

LD 591

LR 514(02)

An Act to Require the State to Pay Medicare Premiums for Certain Retired State Employees

Fiscal Note for Bill as Amended by Committee Amendment " "

Committee: Labor and Housing

Fiscal Note Required: Yes

Fiscal Note

	FY 2023-24	FY 2024-25	Projections FY 2025-26	Projections FY 2026-27
Net Cost (Savings)				
General Fund	\$3,068,552	\$6,289,879	\$6,602,875	\$6,931,316
Appropriations/Allocations				
General Fund	\$3,068,552	\$6,289,879	\$6,602,875	\$6,931,316

Fiscal Detail and Notes

The bill requires the state to pay 100% of a retiree's share of Medicare Part B premiums for retirees not eligible for Social Security benefits whose base annual state pension benefit is at or below the maximum amount of retirement benefits subject to the cost-of-living-adjustment. The bill includes ongoing General Fund appropriations to the Department of Administrative and Financial Services of \$3,068,552 in fiscal year 2023-24 and \$6,289,879 in fiscal year 2024-25 for the state payment of the Medicare Part B premium for eligible retired state employees beginning January 1, 2024.

These estimates assume Medicare Advantage enrollment increases 0.63% annually for retired State employees, reflecting historical experience over 3 years. The estimates are based on the current Medicare Part B premium amount of \$164.90 per month and assume an increase of 4.98% annually, reflecting the annual average for the past 10 years. To the extent that retired state employees in the Medicare Advantage Program pay a Medicare Part B late enrollment penalty, the actual cost to the State will be higher.