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STATE OF MAINE
ONE HUNDRED AND THIRTY SECOND LEGISLATURE
COMMITTEE ON HEALTH COVERAGE, INSURANCE AND FINANCIAL SERVICES

MEMORANDUM

TO: Senator Margaret Rotundo, Senate Chair
Representative Drew Gattine, House Chair
Joint Standing Committee on Appropriations and Financial Affairs

FROM: Senator Donna Bailey, Senate Chair *CALL FOR PFTS CHAIR*
Representative Kristi Mathieson, House Chair
Joint Standing Committee on Health Coverage, Insurance and Financial Services

DATE: Wednesday, March 4, 2026

RE: Health Coverage, Insurance and Financial Services Committee's
Recommendations on the Governor's Supplemental Budget Bill (LD 2212)

We are writing to provide the recommendations of the Joint Standing Committee on Health Coverage, Insurance and Financial Services on language Part E included in the Governor's Supplemental Budget Bill (LD 2212). The committee reviewed and discussed this language at a work session today.

The members present voted as follows on Language Part E:

- 11-0 IN on Language Part E.

We have attached the "HCIFS report-back template" to indicate this recommendation.

The committee also recommends that the AFA Committee move the substantive provisions of LD 105, An Act to Implement the Recommendations of the Commission Regarding Foreign-trained Physicians Living in Maine to Establish a Sponsorship Program for Internationally Trained Physicians, as amended by Committee Amendment "A", into the supplemental budget. This bill is currently on the Special Appropriations Table and is the committee's highest priority for funding. As amended, the bill requires ongoing funding of \$2.5 million dollars to support up to 10 positions annually at one or more sponsoring hospitals in the State for the employment and training of internationally-trained physicians. We believe it is important to find funding to enact this initiative to expand training opportunities for internationally-trained physician and enhance access to primary care physicians in underserved areas. We look forward to discussing this

further and pledge to work with your committee and the administration to identify potential sources of funding so that this proposal can be enacted this session.

Please let us know if we can provide any additional information or assistance. Thank you for your consideration.

cc: Members, HCIFS Committee
Members, AFA Committee
Lucia Nixon, Principal Analyst, AFA Committee
Majlinda Mulla-Everett, Clerk, AFA Committee

Language Parts

Part E (see pg: 2)

Committee Vote: 1N 11-0 AFA Vote: _____

PART E

Sec. E-1. 5 MRSA §957, sub-§4, as amended by PL 2005, c. 683, Pt. A, §5, and revised by PL 2023, c. 412, §3, is further amended to read:

4. Funds. The Department of Administrative and Financial Services shall receive and disburse funds made available to the program through the ~~provisions of section 286A~~ State Employee Health Insurance Program in section 286. The State Human Resources Officer shall oversee the implementation and administration of the program. Funds made available to the department for the purposes of this section, from any source, may not lapse, but must be carried forward to the next fiscal year to be expended for the same purpose.

Sec. E-2. 5 MRSA §286, as amended by PL 2025, c. 48. Pt. B, §3, is further amended to read:

The Commissioner of Administrative and Financial Services has responsibility for the state employee health insurance program through the Office of Employee Health, Wellness and Workers' Compensation that is established as part of the organization of the Bureau of Human Resources. The office is headed by the Executive Director of Employee Health, Wellness and Workers' Compensation. The executive director has responsibility for the daily operation of this program and for the development and maintenance of programs that promote the health and safety of the state employees. Program services must be administered through offices, systems, consultants and staff necessary to provide cost-effective, accessible and responsive services to eligible employees and retirees. Administration of the program must be consistent with rules adopted by the State Employee Health Commission. The executive director and the staff of the state employee health insurance program are appointed in accordance with the Civil Service Law.

Appeals by eligible employees or retirees must be to hearing officers designated by the commission.

~~The cost of administration of the state employee health insurance program must be funded from an administrative allowance to be negotiated by the commission with the health benefit carrier or carriers. Indirect costs may not be allocated to the program.~~

The commissioner shall establish the Accident, Sickness and Health Insurance Internal Service Fund through the State Controller in which health insurance and dental insurance premiums collected from state departments and agencies and other plan participants, premium dividends, return of premiums resulting from risk reduction programs and any other receipts must be deposited to be used for the purposes of the state employee health insurance program. The fund is a continuing fund and may not lapse. Interest earned from investment of the fund must be credited to the fund.

An annual report must be prepared for the Governor concerning the number of participants, premiums charged, utilization of benefits and operating costs. The report must also include recommendations regarding future operation of the program.

A reserve fund, administered by the Executive Director of Employee Health, Wellness and Workers' Compensation and the State Human Resources Officer with approval of the Commissioner of Administrative and Financial Services, is created within the Accident, Sickness and Health Insurance Internal Service Fund to protect the program from unexpected losses and self-insured losses and related expenses incurred in the provision of health and dental benefits for the eligible participants. The fund is a continuing fund and may not lapse. The Treasurer of State shall invest the fund. All proceeds of these investments accrue to the fund.

The reserve fund is capitalized by money from premium payments and by legislative appropriation, payments from state departments and agencies and by such other means as the Legislature may approve. All money in the fund is deemed to be the commingled assets of all the covered employees and must be used only for the purposes of this section.

Sec. E-3. 5 MRSA §286-A, as amended by PL 1991, c. 780, §Y28, revised by RR 2023, c. 1, Pt. B, §2 and affected by RR 2023, c. 1, Pt. B, §50, is repealed.

Sec. E-4. 5 MRSA §7036, sub-§24, as enacted by PL 1991, c. 591, Pt. III, §18, is amended to read:

24. Administer state employee health insurance program for state employees. Administer the Employee Health Insurance Program and the fund accounts established for this purpose by sections 286, ~~286A~~ and 1731;

PART E SUMMARY

This Part repeals the requirement for a separate administration account for the cost of administration of the state employee health insurance program and clarifies these costs should be included in the Internal Service Fund, in alignment with the administration of other Internal Service Funds, as an integral component of the health insurance premium. This Part further clarifies that the reserve fund is being accounted for in the Internal Service Fund.