



# 131st MAINE LEGISLATURE

LD 111

LR 257(02)

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

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
<b>Net Cost (Savings)</b>				
General Fund	\$2,922,193	\$10,210,549	\$10,718,645	\$11,251,813
<b>Appropriations/Allocations</b>				
General Fund	\$2,922,193	\$10,210,549	\$10,718,645	\$11,251,813

### Fiscal Detail and Notes

The bill requires the state to pay 100% of a retiree's Medicare Part B premium under the Medicare Advantage Plan for retired state employees, beginning January 1, 2024, and retired teachers, beginning July 1, 2024, who meet certain eligibility criteria, including that the retiree's 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 \$2,922,193 in fiscal year 2023-24 for the state payment of the Medicare Part B premium for eligible retired state employees for half a year and \$10,210,549 in fiscal year 2024-25 to fund the state payment of the premium for eligible retired state employees and eligible retired teachers for the full year.

These estimates assume Medicare Advantage enrollment increases 0.63% annually for retired state employees and 1.42% for retired teachers, 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 a premium increase of 4.98% annually, reflecting the annual average for the past 10 years. To the extent that retired state employees and retired teachers in the Medicare Advantage Program pay a Medicare Part B late enrollment penalty, the actual cost to the State will be higher.