§285. Group health plan

A group health plan is available to state employees and other eligible persons, subject to the following provisions. [PL 2001, c. 439, Pt. XX, §1 (AMD).]

1. Eligibility; generally. The following persons are eligible for a group health plan:

A. Each appointed or elective officer or employee of the State who is eligible for membership in the Maine Public Employees Retirement System, Legislative Retirement Program or the State Police Retirement System; [RR 2011, c. 1, §4 (COR).]

A-1. Any employee of the Maine Educational Center for the Deaf and Hard of Hearing and the Governor Baxter School for the Deaf, unless a different health program is established by collective bargaining agreement or otherwise consistent with applicable law; [PL 2005, c. 279, §1 (AMD).]

A-1. **(REALLOCATED TO T. 5, §285, sub-§1, ¶A-2)** [RR 2001, c. 1, §7 (RAL); PL 2001, c. 374, §1 (NEW).]

A-2. **(REALLOCATED FROM T. 5, §285, sub-§1, ¶A-1)** Any employee of the Maine Military Authority; [RR 2001, c. 1, §7 (RAL).]

B. Any member of the judiciary; [PL 1993, c. 16, §1 (AMD).]

B-1. Any member of the former Workers' Compensation Commission as follows:

(1) A member who retired prior to January 1, 1993; and

(2) For the period of employment, a member who is an employee of the Workers' Compensation Board between January 1, 1993 and December 31, 1993; [PL 1993, c. 16, §2 (NEW).]

C. [PL 1987, c. 221, §1 (RP).]

D. Any employee of the Maine State Employees Association; [PL 1983, c. 692, §1 (NEW).]

E. Any employee of Council 74 of the American Federation of State, County and Municipal Employees; [PL 1983, c. 692, §1 (NEW).]

F. Any employee of the Maine Turnpike Authority; [PL 1985, c. 695, §4 (AMD).]

F-1. Any employee of the Maine Community College System; [PL 1989, c. 443, §6 (AMD); PL 2003, c. 20, Pt. OO, §2 (AMD); PL 2003, c. 20, Pt. OO, §4 (AFF).]

F-2. Any employee of the Maine Maritime Academy; [PL 1993, c. 410, Pt. L, §9 (AMD).]

F-3. Any employee of the Maine Public Employees Retirement System; [PL 1997, c. 80, §1 (NEW); PL 1997, c. 455, §2 (AMD); PL 2007, c. 58, §3 (REV).]

F-4. Any member of the Maine National Guard performing state active service pursuant to Title 37-B, section 181-A, subsection 4 or 5; [PL 1999, c. 152, Pt. E, §1 (AMD).]

F-5. Any employee of the Northern New England Passenger Rail Authority; [PL 1999, c. 152, Pt. E, §2 (NEW).]

F-6. Any employee of the Maine Port Authority; [PL 2007, c. 134, §1 (NEW).]

F-7. Any employee of a regional site of the Child Development Services System under Title 20-A, section 7209, if the group health plan is agreed to in collective bargaining and funds are available; [RR 2009, c. 1, §5 (COR).]

F-8. Any employee of the Finance Authority of Maine; [PL 2009, c. 571, Pt. NN, §1 (NEW).]

F-9. Any employee of the Maine School of Science and Mathematics; [PL 2011, c. 67, §1 (NEW).]

F-10. Any employee of the Small Enterprise Growth Board; [PL 2011, c. 514, §1 (NEW).]

F-11. [PL 2023, c. 607, §2 (RP).]

F-12. Any employee of the Maine Retirement Savings Board; [PL 2023, c. 167, §14 (NEW).]

F-13. Any employee of the Maine Indian Tribal-State Commission; [PL 2025, c. 278, §1 (NEW).]

G. Subject to subsection 1-A, employees in any of the categories denominated in paragraphs A to F-1, paragraph F-3 and paragraph L who:

(1) On April 26, 1968, have retired and who were covered under group health plans that by virtue of Public Law 1967, chapter 543 were terminated;

(2) After April 26, 1968, retire and who on the date of their retirement are currently enrolled in this group health plan as employees unless the employees meet the requirements in subsection 3-E;

(3) After December 2, 1986, and after reaching normal retirement age, cease to be members of the Legislature and are recipients of retirement allowances from the Maine Public Employees Retirement System based upon creditable service as teachers, as defined by section 17001, subsection 42. This paragraph also applies to former members who were members on December 2, 1986;

(4) After December 2, 1986, and not yet normal retirement age, cease to be members of the Legislature and are recipients of retirement allowances from the Maine Public Employees Retirement System based upon creditable service as teachers, as defined by section 17001, subsection 42. This paragraph also applies to former members who were members on December 2, 1986; or

(5) After January 1, 1999, terminate employment under which they were eligible for the group health plan but do not retire at that time and who satisfy the requirements of subsection 1-A, paragraph D or paragraph E; [PL 2021, c. 341, §1 (AMD).]

H. A blind person operating a vending facility pursuant to Title 26, section 1418-F under the direction of the Department of Labor, Division for the Blind and Visually Impaired; [PL 2001, c. 667, Pt. E, §1 (AMD).]

I. Any licensed foster parent caring for a child or children in the foster parent's residence whose care is reimbursed through the Department of Health and Human Services for the period during which the child or children are in that foster parent's care; [PL 2011, c. 438, §1 (AMD).]

J. Legislative employees that are recipients of retirement allowances from the Maine Public Employees Retirement System based upon creditable service as teachers, as defined by section 17001, subsection 42; [PL 2019, c. 424, §1 (AMD).]

K. Any employee of a school administrative unit as defined in Title 20-A, section 1, subsection 26 or of an educational advisory organization as described in Title 30-A, section 5724, subsection 9; [PL 2023, c. 20, §1 (AMD).]

L. Any employee of an academy approved for tuition purposes in accordance with Title 20-A, sections 2951 to 2955; and [PL 2023, c. 20, §2 (AMD).]

M. A retired county or municipal law enforcement officer or retired municipal firefighter who meets the requirements for coverage under subsection 11-A. [PL 2023, c. 20, §3 (NEW).]
[PL 2025, c. 278, §1 (AMD).]

1-A. Eligibility; retirees. Any person otherwise eligible pursuant to subsection 1, paragraph G, must in addition, in order to be eligible under this section:

A. If retiring on a disability retirement, have participated in the group health plan immediately prior to retirement; [PL 1989, c. 776, §1 (AMD).]

B. If retiring but not retiring on a disability retirement, have participated, as an employee, in the group health plan for at least one year immediately prior to retirement except as provided in subsection 3-E; [PL 2021, c. 341, §2 (AMD).]

C. If eligibility is based upon subsection 1, paragraph G, subparagraph (3), have participated in the group health plan for at least one year immediately prior to ceasing to be a member of the Legislature; [PL 1997, c. 652, §2 (AMD); PL 1997, c. 652, §4 (AFF).]

D. If terminating employment but not retiring at that time, have 25 years of creditable service under chapter 423, subchapter 4 and remain a member of the Maine Public Employees Retirement System, make a one-time election to continue coverage from the date of termination until retirement and pay the cost of the coverage plus the cost incurred by the Office of Employee Health, Wellness and Workers' Compensation in administering coverage under the plan. If a terminated employee who elects coverage under this paragraph fails to pay the cost of coverage and any administrative costs in the amount and manner determined by the office, the coverage may be cancelled in accordance with the requirements of Title 24 and Title 24-A. Regardless of election of coverage or cancellation of coverage under this paragraph, an employee terminating employment as provided in this paragraph may elect coverage upon retirement under paragraph E; or [PL 2025, c. 48, Pt. B, §1 (AMD).]

E. If retiring and not in service immediately prior to retirement, have at least 25 years of creditable service under chapter 423, subchapter IV and make a one-time election at retirement to rejoin the plan. Coverage of preexisting conditions upon rejoining the plan under this paragraph is governed by Title 24-A, chapter 36. The payment provisions of subsection 7 apply to retirees exercising the option under this paragraph. [PL 1997, c. 652, §2 (NEW); PL 1997, c. 652, §4 (AFF).]

[PL 2025, c. 48, Pt. B, §1 (AMD).]

1-B. Ineligibility. Except as provided in subsection 1, paragraphs K, L and M and subsection 11-A, members of the Maine Municipal Association and active employees of counties and municipalities and instrumentalities thereof, including quasi-municipal corporations, are not eligible to participate in the group health plan under this section.

[PL 2023, c. 20, §4 (AMD).]

1-C. Status of employees who have retired and returned to covered employment under Maine Public Employees Retirement System. For purposes of participation in the state employee health insurance program pursuant to this section or in dental insurance coverage offered by the State, recipients of a service retirement benefit under the Maine Public Employees Retirement System who are retired employees and who are reemployed as state employees must be treated as retirees under subsection 1-A for purposes of eligibility for coverage under the group plan.

[PL 2005, c. 21, §1 (NEW); PL 2007, c. 58, §7 (REV).]

2. Coverage. Each state employee to whom this section applies is eligible for a group health plan as provided in Title 24-A, sections 2802 to 2812-A, including major medical benefits or through a self-funded alternative. The provisions of the group insurance policy or policies or the self-funded alternative must be determined, insofar as the provisions are not inconsistent with terms and conditions contained in collective bargaining agreements negotiated pursuant to Title 26, chapter 9-B, by the State Employee Health Commission as provided in section 285-A. The master policy for the group health plan must be held by the Commissioner of Administrative and Financial Services.

[RR 2023, c. 2, Pt. A, §10 (COR).]

3. Enrollment. Any employee eligible under this section may join within the first 60 days of employment or during a declared open enrollment period. The filing of necessary applications shall be

the responsibility of the employer. Effective dates under this section shall be at the discretion of the commission.
[PL 1987, c. 731, §3 (AMD).]

3-A. Coverage under group health insurance plan for spouse and dependents after death of state employee. If the spouse or other dependents of an employee in any of the categories denominated in subsection 1, paragraphs A to F-5 are covered by the group health plan and the employee dies while employed in that capacity, the spouse or dependent must have the opportunity to continue coverage under the plan after the death of the employee by making the premium payment for the cost of that coverage. In the case of underage dependent children, coverage must be available at least until the dependent children reach 19 years of age.
[PL 2001, c. 341, §1 (NEW).]

3-B. Enrollment of spouse and dependents of retirees. Effective January 1, 2003, a retiree eligible for participation in the group health insurance plan under this section may enroll a spouse and dependents in the group plan as follows:

A. Upon retirement, the retiree may enroll a spouse and dependent or dependents for coverage under the plan effective on the date of retirement; or [PL 2001, c. 641, §1 (NEW).]

B. Subsequent to retirement, the retiree may enroll a spouse and dependent or dependents for coverage under the plan if:

(1) At the time of retirement, the retiree designated in writing the name of the spouse and dependent or dependents to be enrolled at a future date; and

(2) The spouse and dependent or dependents can demonstrate coverage for at least 18 months immediately prior to enrollment under another health insurance plan or can demonstrate that health insurance coverage for that person pursuant to the Consolidated Omnibus Budget Reconciliation Act of 1985 under a prior plan has been exhausted. [PL 2001, c. 641, §1 (NEW).]
[PL 2001, c. 641, §1 (NEW).]

3-C. Retirees may decline coverage and reenroll. A retiree eligible for a group health plan under subsection 1, paragraph G may elect to decline or to withdraw from coverage under the plan and to reenroll in the plan at a later date pursuant to the provisions of this subsection.

A. The retiree must demonstrate that the retiree was covered under this plan or another health insurance plan for at least 18 months immediately prior to reenrollment or that health insurance coverage for that person pursuant to the Consolidated Omnibus Budget Reconciliation Act of 1985 under a prior plan has been exhausted. [PL 2003, c. 214, §1 (NEW).]

B. Any conditions on eligibility or coverage under subsection 1-A, paragraph D or E continue to apply at the time of reenrollment. [PL 2003, c. 214, §1 (NEW).]

C. The retiree may reenroll in the same contract type in which the retiree was enrolled at the time the retiree declined or withdrew from coverage, except for any change in contract type allowed under subsection 3-B. [PL 2003, c. 214, §1 (NEW).]

D. An election under this subsection, which may be made only once, must be made either:

(1) At the time of retirement; or

(2) Following retirement, provided the person had elected at the time of retirement to be covered by the state program. [PL 2003, c. 214, §1 (NEW).]

E. If a spouse or dependent of the retiree was enrolled in the plan at the time the retiree withdrew pursuant to this subsection, the spouse or dependent may reenroll if the spouse or dependent meets the 18-month coverage criteria set forth in paragraph A. A spouse or dependent who was not

enrolled at the time the retiree withdrew may enroll only if that person meets the criteria set forth in subsection 3-B, paragraph B. [PL 2003, c. 214, §1 (NEW).]

This subsection does not apply to persons who are reemployed by the State following retirement as provided in Public Law 2001, chapter 442.
[PL 2003, c. 214, §1 (NEW).]

3-D. Coverage under group health insurance plan for spouse and dependents after death of retiree. If the spouse or other dependents of a retiree who is eligible pursuant to subsection 1, paragraph G and subsection 1-A are covered by the group health plan and the retiree dies while enrolled in the group health plan, the spouse or dependents must have the opportunity to continue coverage under the plan after the death of the retiree by making the premium payment for the cost of that coverage. In the case of underage dependent children, coverage must be available at least until the dependent children reach 19 years of age.
[PL 2005, c. 67, §1 (NEW).]

3-E. Employees eligible for military health coverage may decline coverage and reenroll. An employee eligible for a group health plan under subsection 1 may elect to decline or withdraw from coverage under the plan as long as the employee demonstrates that the employee is eligible for coverage under the Civilian Health and Medical Program for the Uniformed Services, known as TRICARE, and to reenroll in the plan at a later date pursuant to the provisions of this subsection.

A. The employee must demonstrate that the employee was covered under the Civilian Health and Medical Program for the Uniformed Services, known as TRICARE, for at least 18 months immediately prior to reenrollment. [PL 2021, c. 341, §3 (NEW).]

B. Any conditions on eligibility or coverage under subsection 1-A, paragraph D or E continue to apply at the time of reenrollment. [PL 2021, c. 341, §3 (NEW).]

C. The employee may reenroll in the same contract type in which the employee was enrolled at the time the employee declined or withdrew from coverage. [PL 2021, c. 341, §3 (NEW).]

D. An election under this subsection, which may be made only once, must be made either:

(1) Upon the termination of eligibility for coverage under a federal military health insurance program; or

(2) At the time of retirement. [PL 2021, c. 341, §3 (NEW).]

E. If a spouse or dependent of the employee was enrolled in the plan at the time the employee withdrew pursuant to this subsection, the spouse or dependent may reenroll if the spouse or dependent meets the 18-month coverage criteria set forth in paragraph A. [PL 2021, c. 341, §3 (NEW).]
[PL 2021, c. 341, §3 (NEW).]

4. Payroll deduction.
[P&SL 1975, c. 90, §T1 (RP).]

5. Purchase of policies. The commission shall purchase, by competitive bidding, from one or more insurance companies, nonprofit organizations, 3rd-party administrators or any organization necessary to administer and provide a health plan, a policy or policies or contract, to provide the benefits specified by this section. The purchase of policies by the commission must be accomplished by use of a written contract that must be fully executed within 90 calendar days of notification of bid acceptance from the commission to the insurer. In extenuating circumstances, the Commissioner of Administrative and Financial Services may grant a waiver to that 90-day limit. Notwithstanding this subsection, with the consent of the policyholder and of the insurer and at the sole discretion of the commission, existing policies of insurance covering at least 1,000 of the employees defined as eligible by this section may be amended to provide the benefits specified by this section and assigned to the Commissioner of

Administrative and Financial Services for the benefit of all those eligible under this section. The company or companies or nonprofit organizations must be licensed under the laws of the State, when applicable. The policy provisions are subject to and as provided for by the insurance laws of this State, when applicable. Notwithstanding any other provisions of law, the term of a contract executed with a successful bidder may not exceed 3 years unless extended in one-year increments for up to 3 additional years.
[PL 2017, c. 56, §1 (AMD).]

6. Master policy and certificates. The insurance company, companies or nonprofit organizations or the Commissioner of Administrative and Financial Services shall furnish the usual master policy and certificates. Each covered participant must receive a certificate setting forth the benefits to which the participant is entitled, to whom payable, to whom claims must be submitted, and summarizing the provisions of the policy principally affecting the participant.
[PL 1991, c. 780, Pt. Y, §24 (AMD).]

7. Payment by State. Except as otherwise provided in this subsection, the State, through the commission, shall pay health plan premiums in accordance with this subsection.

A. Until October 1, 2009, for employees, the State shall pay 100% of the individual premium for the standard plan identified and offered by the commission and available to the employee as authorized by the commission. [PL 2009, c. 213, Pt. GG, §1 (NEW).]

B. Beginning October 1, 2009 and until July 1, 2010, the State shall pay a share of the individual premium for the standard plan identified and offered by the commission as follows.

(1) For an employee whose base annual rate of pay is projected to be less than or equal to $30,000 on July 1, 2009, the State shall pay 100% of the individual premium for the standard plan identified and offered by the commission and available to the employee as authorized by the commission.

(2) For an employee whose base annual rate of pay is projected to be greater than $30,000 and less than $80,000 on July 1, 2009, the State shall pay 95% of the individual premium for the standard plan identified and offered by the commission and available to the employee as authorized by the commission.

(3) For an employee whose base annual rate of pay is projected to be $80,000 or greater on July 1, 2009, the State shall pay 90% of the individual premium for the standard plan identified and offered by the commission and available to the employee as authorized by the commission. [PL 2009, c. 213, Pt. GG, §1 (NEW).]

C. Beginning July 1, 2010 and ending October 31, 2023, except as provided in subsection 7-A, the State, through the commission, shall pay a share of the individual premium for the standard plan identified and offered by the commission as follows.

(1) For an employee whose base annual rate of pay is less than or equal to $30,000 on July 1st of the state fiscal year for which the premium contribution is being determined, the State shall pay 95% of the individual premium for the standard plan identified and offered by the commission and available to the employee as authorized by the commission.

(2) For an employee whose base annual rate of pay is greater than $30,000 and less than $80,000 on July 1st of the state fiscal year for which the premium contribution is being determined, the State shall pay 90% of the individual premium for the standard plan identified and offered by the commission and available to the employee as authorized by the commission.

(3) For an employee whose base annual rate of pay is $80,000 or greater on July 1st of the state fiscal year for which the premium contribution is being determined, the State shall pay 85% of the individual premium for the standard plan identified and offered by the commission

and available to the employee as authorized by the commission. [PL 2023, c. 412, Pt. H, §1 (AMD).]

C-1. Beginning November 1, 2023, except as provided in subsection 7-A, the State, through the commission, shall pay a share of the individual premium for the standard plan identified and offered by the commission as follows.

(1) For an employee whose base annual rate of pay is less than or equal to $50,000 on July 1st of the state fiscal year for which the premium contribution is being determined, the State shall pay 95% of the individual premium for the standard plan identified and offered by the commission and available to the employee as authorized by the commission.

(2) For an employee whose base annual rate of pay is greater than $50,000 and less than $100,000 on July 1st of the state fiscal year for which the premium contribution is being determined, the State shall pay 90% of the individual premium for the standard plan identified and offered by the commission and available to the employee as authorized by the commission.

(3) For an employee whose base annual rate of pay is $100,000 or greater on July 1st of the state fiscal year for which the premium contribution is being determined, the State shall pay 85% of the individual premium for the standard plan identified and offered by the commission and available to the employee as authorized by the commission. [PL 2023, c. 412, Pt. H, §2 (NEW).]

D. For Legislators, the State shall pay 50% of the health plan premium for dependent coverage. [PL 2009, c. 213, Pt. GG, §1 (NEW).]

E. For a person appointed to a position after November 1, 1981 who is employed less than full time, the State shall pay a share of the employee's share of the individual premium reduced pro rata to reflect the reduced number of work hours. [PL 2009, c. 213, Pt. GG, §1 (NEW).]

F. The State may not pay any portion of the health plan premium for a blind person eligible for the group health plan under subsection 1, paragraph H or for a licensed foster parent eligible for the group health plan under subsection 1, paragraph I. [PL 2009, c. 213, Pt. GG, §1 (NEW).]

G. For persons who were first employed before July 1, 1991, the State shall pay 100% of only the retiree's share of the premiums for the standard plan identified and offered by the commission and available to the retiree, as authorized by the commission for persons who were previously eligible for this health plan pursuant to subsection 1, paragraph A and who have subsequently become eligible pursuant to subsection 1, paragraph G. [PL 2009, c. 213, Pt. GG, §1 (NEW).]

H. For persons who were first employed by the State after July 1, 1991, the State shall pay a pro rata share portion of only the retiree's share of the premiums for the standard plan identified and offered by the commission and available to the retiree, as authorized by the commission for persons who were previously eligible for this health plan pursuant to subsection 1, paragraph A and who have subsequently become eligible pursuant to subsection 1, paragraph G based on the total number of years of participation in the group health plan prior to retirement as follows:

(1) For an employee with 10 or more years of participation, the state portion is 100% of the group health plan premium.

(2) For an employee with at least 9 but less than 10 years of participation, the state portion is 90% of the group health plan premium.

(3) For an employee with at least 8 but less than 9 years of participation, the state portion is 80% of the group health plan premium.

(4) For an employee with at least 7 but less than 8 years of participation, the state portion is 70% of the group health plan premium.

(5) For an employee with at least 6 but less than 7 years of participation, the state portion is 60% of the group health plan premium.

(6) For an employee with at least 5 but less than 6 years of participation, the state portion is 50% of the group health plan premium.

(7) For an employee with less than 5 years of participation, there is no contribution by the State. [PL 2009, c. 213, Pt. GG, §1 (NEW).]

I. For persons who were first employed by the State on or after July 1, 2011, the State shall pay a pro rata portion of only the retiree's share of the premiums for the standard plan identified and offered by the commission and available to the retiree, as authorized by the commission for persons who were previously eligible for this health plan pursuant to subsection 1, paragraph A and who have subsequently become eligible pursuant to subsection 1, paragraph G based on the total number of years of participation in the group health plan prior to retirement as follows.

(1) For an employee with at least 10 but less than 15 years of participation, the state portion is up to 50% of the group health plan premium.

(2) For an employee with at least 15 but less than 20 years of participation, the state portion is up to 75% of the group health plan premium.

(3) For an employee with at least 20 years of participation, the state portion is up to 100% of the group health plan premium.

(4) For an employee with less than 10 years of participation, there is no contribution by the State. [PL 2011, c. 380, Pt. V, §1 (NEW); PL 2011, c. 380, Pt. V, §7 (AFF).]

J. Those state employees that retire after January 1, 2012, or those state employees employed as teachers in the unorganized territory or the Maine Center for the Deaf and Hard of Hearing and the Governor Baxter School for the Deaf that retire after July 1, 2012, under the provisions of section 17851, subsections 1-B, 1-C, 2-B, 2-C and 3 shall contribute 100% of the individual premium until such time as the retiree reaches normal retirement age. [PL 2011, c. 380, Pt. V, §1 (NEW); PL 2011, c. 380, Pt. V, §7 (AFF).]

K. The total premium increase for active and retired state employee health insurance is capped at the fiscal year 2010-11 funding level for the fiscal years ending June 30, 2012 and June 30, 2013. The total premium increase for the fiscal years ending June 30, 2014 and June 30, 2015 is limited to no more than 1.5 percentage points per year. The total premium increase for fiscal years ending after June 30, 2015 is limited to no more than any percentage increase in the Consumer Price Index as defined in section 17001, subsection 9 plus 3%. [PL 2013, c. 368, Pt. H, §1 (AMD).]

L. The provisions of paragraphs I and J do not apply to those individuals who are receiving or who have received retirement benefits under section 17907 or section 17929. [PL 2011, c. 540, §1 (AMD); PL 2011, c. 540, §3 (AFF).]

M. Beginning November 1, 2023, except as provided in subsection 7-A, for an employee of the Legislature in a regularly recurring position available only for a portion of a year, the State shall pay a share of the individual premium for the standard plan identified and offered by the commission as follows, regardless of whether the employee is in active work status unless the employee is covered by another health insurance plan.

(1) For an employee whose base annual rate of pay is projected to be less than or equal to $50,000 on July 1st of the state fiscal year for which the premium contribution is being determined, the State shall pay 95% of the premium.

(2) For an employee whose base annual rate of pay is projected to be greater than $50,000 and less than $100,000 on July 1st of the state fiscal year for which the premium contribution is being determined, the State shall pay 90% of the premium.

(3) For an employee whose base annual rate of pay is projected to be $100,000 or greater on July 1st of the state fiscal year for which the premium contribution is being determined, the State shall pay 85% of the premium.

The payment of the premium is not intended to provide an incentive for employees to artificially delay notice of resignation. [PL 2023, c. 451, §1 (NEW).]

Pursuant to Title 20-A, section 12722, subsection 5, this subsection applies to participants in the defined contribution plan offered by the Maine Community College System Board of Trustees under Title 20-A, section 12722.
[PL 2023, c. 412, Pt. H, §§1, 2 (AMD); PL 2023, c. 451, §1 (AMD).]

7-A. Health credit premium program. Notwithstanding subsection 7, paragraph C, the State may pay a greater proportion of the total cost of the individual premium for the standard plan identified and offered by the commission and available to the employee as authorized by the commission. The commission shall develop a health credit premium program whereby employees are provided incentives to engage in healthy behaviors in an effort to improve the health status of the state employee population and to help reduce costs to the state employee health insurance program. The commission shall define benchmarks for healthy behaviors that, if met by an individual employee, result in the State's paying a greater share of the individual premium. Adjustments to the state share of the individual premium must be applied once each year in advance of the beginning of the plan year.

The benchmarks developed by the commission must provide 2 discrete levels for the state share of the individual premium as follows.

A. Prior to November 1, 2023, for employees whose base annual rate of pay is less than or equal to $30,000 on July 1st of the state fiscal year for which the premium contribution is being determined, the health credit premium program must provide the individual employee meeting the specified benchmarks with the opportunity to have the state share of the individual premium paid at 100% or 95%. The state share is determined by the specific benchmarks met by the employee. [PL 2023, c. 412, Pt. H, §3 (AMD).]

B. Prior to November 1, 2023, for employees whose base annual rate of pay is greater than $30,000 and less than $80,000 on July 1st of the state fiscal year for which the premium contribution is being determined, the health credit premium program must provide the individual employee meeting the specified benchmarks with the opportunity to have the state share of the individual premium paid at 95% or 90%. The state share is determined by the specific benchmarks met by the employee. [PL 2023, c. 412, Pt. H, §3 (AMD).]

C. Prior to November 1, 2023, for employees whose base annual rate of pay is $80,000 or greater on July 1st of the state fiscal year for which the premium contribution is being determined, the health credit premium program must provide the individual employee meeting the specified benchmarks with the opportunity to have the state share of the individual premium paid at 90% or 85%. The state share is determined by the specific benchmarks met by the employee. [PL 2023, c. 412, Pt. H, §3 (AMD).]

D. Beginning November 1, 2023, for employees whose base annual rate of pay is less than or equal to $50,000 on July 1st of the state fiscal year for which the premium contribution is being determined, the health credit premium program must provide the individual employee meeting the specified benchmarks with the opportunity to have the state share of the individual premium paid at 100% or 95%. The state share is determined by the specific benchmarks met by the employee. [PL 2023, c. 412, Pt. H, §3 (NEW).]

E. Beginning November 1, 2023, for employees whose base annual rate of pay is greater than $50,000 and less than $100,000 on July 1st of the state fiscal year for which the premium contribution is being determined, the health credit premium program must provide the individual

employee meeting the specified benchmarks with the opportunity to have the state share of the individual premium paid at 95% or 90%. The state share is determined by the specific benchmarks met by the employee. [PL 2023, c. 412, Pt. H, §3 (NEW).]

F. Beginning November 1, 2023, for employees whose base annual rate of pay is $100,000 or greater on July 1st of the state fiscal year for which the premium contribution is being determined, the health credit premium program must provide the individual employee meeting the specified benchmarks with the opportunity to have the state share of the individual premium paid at 90% or 85%. The state share is determined by the specific benchmarks met by the employee. [PL 2023, c. 412, Pt. H, §3 (NEW).]

[PL 2023, c. 412, Pt. H, §3 (AMD).]

7-B. Provision for alternative cost-savings initiatives. If the commission fails to develop and implement the health credit premium program as specified in subsection 7-A, or if the health credit premium program fails to generate the savings required to maintain the fiscal balance in the state employee health insurance program, the commission shall develop and implement changes to the benefit structure of the standard plan in order to satisfy the need for fiscal stability.
[PL 2009, c. 213, Pt. GG, §3 (NEW).]

8. Payment by Maine State Retirement System for persons first employed before July 1, 1991.
[PL 1995, c. 368, Pt. G, §3 (RP).]

8-A. Payment by Maine State Retirement System for persons employed after July 1, 1991.
[PL 1995, c. 368, Pt. G, §4 (RP).]

9. Restrictions on self-insured programs. The following restrictions apply to self-insured group health or dental plans.

A. To the extent that the State assumes the risk with respect to any program provided for in this section, the State shall maintain a reserve at least equal to the sum of:

(1) An amount estimated to be necessary to pay claims and administrative costs for the assumed risk for 2 1/2 months; and

(2) The amount determined annually by a qualified actuary to be necessary to fund the unpaid portion of ultimate expected losses, including incurred but not reported claims, and related expenses incurred in the provision of benefits for eligible participants, less any credit, as determined by a qualified actuary, for excess or stop-loss insurance.

The reserve must be maintained in the fund provided for in section 286. If the State self-insures for more than one program, a reserve meeting the requirements of this paragraph must be maintained for each program. [PL 1989, c. 776, §1 (NEW).]

B. The State may purchase excess or stop-loss insurance for any program, with attachment levels and limits as recommended by a qualified actuary. [PL 1989, c. 776, §1 (NEW).]

C. Paragraph A does not apply to a program in the first 2 years after the program is changed from a fully insured program to a fully or partially self-insured program. Before a program may begin its first year of operation:

(1) The reserve fund must contain a reserve at least equal to the amount estimated to be necessary to pay the claims and administrative costs with respect to the assumed risk for one full month; and

(2) The rate structure of the program, as certified by a qualified actuary, must be designed to enable the fund to attain the following reserve levels:

(a) By the end of the first year of the program, the reserve required by paragraph A, subparagraph (2), and an amount estimated to be necessary to pay claims and administrative costs for the assumed risk for 2 full months; and

(b) By the end of the 2nd year of the program, the reserve required by paragraph A, subparagraph (2), and an amount estimated to be necessary to pay claims and administrative costs for the assumed risk for 2 1/2 full months.

If the State purchases stop-loss or excess insurance with respect to the risk, the required reserve is reduced by the credit specified in paragraph A. A self-insurance program may not continue if the reserve fund with respect to that program does not contain the amounts set forth in subparagraph (2) by the time limits established. [PL 1989, c. 776, §1 (NEW).]

D. For purposes of paragraphs A, B and C, a "qualified actuary" is an actuary who is a member of the American Academy of Actuaries qualified as to health reserving methodologies. [PL 1989, c. 776, §1 (NEW).]

E. The commission may not enter into a contract with a 3rd-party administrator that has not demonstrated compliance with all applicable state laws, and that is not, at the time of entering into the contract, administering a health plan or providing health care coverage for a total number of lives equal to the number that would be covered by the state contract. [PL 1989, c. 776, §1 (NEW).]

F. This paragraph is effective only if no other applicable state law requires bonding of 3rd-party administrators.

(1) Every applicant to provide service as a 3rd-party administrator for this program shall file with the proposal, and shall maintain in force while representing the state program, a fidelity bond in favor of the Treasurer of State executed by a surety company for the benefit of the State or beneficiaries of the program. The bond must be continuous in form and in one of the following amounts:

(a) For an administrator that collects contributions and premiums for the program but does not administer or pay claims, the greater of $50,000 or 5% of contributions and premiums projected to be received or collected for the following plan year from the State or from persons covered by the program, but not to exceed $1,000,000;

(b) For an administrator that administers and pays claims, but does not collect premiums and contributions, the greater of $50,000 or 5% of the claims and claim expenses projected to be held for the following year to pay claims and claim expenses for persons covered by the program, but not to exceed $1,000,000; or

(c) For an administrator that collects premiums and contributions and administers and pays claims, the greater of the amounts determined under division (a) or (b), but not to exceed $1,000,000. [PL 1989, c. 776, §1 (NEW).]

G. Any contract entered into by the State must provide for coverage that meets the same level of benefits as those that would be required by state law if the coverage was provided by a health insurance plan governed by Title 24 or Title 24-A. [PL 1989, c. 776, §1 (NEW).]

[PL 1989, c. 776, §1 (NEW).]

10. Commission not insurer. The commission or other entity operating any self-funded plan pursuant to this section is not an insurer, reciprocal insurer, or joint underwriting association under the laws of the State. The administration of such a program by the director of the employees health insurance program does not constitute doing the business of insurance.

[PL 1989, c. 776, §1 (NEW).]

11. Coverage for persons eligible under federal Trade Adjustment Assistance Reform Act of 2002. The Department of Administrative and Financial Services, Division of Employee Health and Benefits may provide, through a qualified insurance company, a group health plan product for individuals certified to receive federal assistance in paying for health coverage under the terms of the health coverage tax credit program within the federal Trade Adjustment Assistance Reform Act of 2002, Public Law 107-210. Certification of eligibility is made by the Department of Labor. Individuals may enroll eligible dependents. Individuals eligible for enrollment in this group health plan remain eligible for enrollment and coverage through the duration of their federal trade adjustment assistance eligibility and for one month after their federal trade adjustment assistance eligibility status ends.

Any person who is receiving a benefit payment from the federal Pension Benefit Guaranty Corporation and who has attained the age of 55, but who is not eligible for Medicare benefits, may also enroll in the group health plan. These individuals may enroll eligible dependents.

The eligibility requirements under the federal Trade Adjustment Assistance Reform Act of 2002, Public Law 107-210 apply to persons enrolling in the group health plan provided pursuant to this subsection.

Premium rates must be established to reflect the costs of providing insurance coverage. Premium payments must be provided by the United States Department of Labor and individual enrollees. The division may accept any funds allocated under the federal Trade Adjustment Assistance Reform Act of 2002 and other sources in order to pay premiums and to administer the program.
[PL 2003, c. 348, §1 (NEW).]

11-A. Coverage for retired law enforcement officers and firefighters. A retired county or municipal law enforcement officer or retired municipal firefighter, as defined in section 286-M, subsection 2, who participates in an employer-sponsored retirement program and, prior to July 1, 2007, was enrolled in a self-insured health benefits plan offered by the employing county or municipality may, if the requirements of this subsection are met, enroll in a group health plan administered pursuant to this section that provides coverage for the retired county or municipal law enforcement officer or retired municipal firefighter effective no earlier than July 1, 2007.

A. A retiree who fails to enroll in a group health plan pursuant to this subsection is not otherwise eligible to enroll in such a plan and is not eligible for the premium subsidy provided pursuant to this subsection for enrollment in any other health plan. Retirees may enroll themselves, their spouses or their dependents in a group health plan during the following time periods, as applicable.

(1) When the effective date of retirement from the county or municipality is on or before May 1, 2007, the retiree must enroll in the plan before July 1, 2007.

(2) When the effective date of retirement from the county or municipality is after May 1, 2007, the retiree must enroll in the plan no later than 60 days following the effective date of retirement from the county or municipality.

(3) Notwithstanding the requirements of subparagraphs (1) and (2), when the retiree, the retiree's spouse or the retiree's dependent experiences an involuntary loss of other health insurance coverage carried as of July 1, 2007 or 60 days following the date of the retiree's retirement, whichever is later, the retiree may elect to enroll in the plan no later than 60 days after the effective date of the loss of that coverage. Involuntary loss of coverage does not include a loss of coverage arising as a result of nonpayment of premiums. [PL 2005, c. 636, Pt. A, §2 (NEW).]

B. Eligible persons enrolling in a group health plan in which the retiree enrolls pursuant to this subsection are responsible for the premium payment associated with participation in the plan to the extent such an obligation exists following application of any premium subsidy. Failure to remit premium payments in the manner required by the administration policies of the group health plan must result in disenrollment from the plan. [PL 2005, c. 636, Pt. A, §2 (NEW).]

C. The State shall pay a premium subsidy that equals the dollar amount equivalent to the highest premium subsidy provided in accordance with section 286-M, subsection 6 or 45% of the cost of the retiree's share of the individual premium for the standard plan identified and offered under the group health insurance plan in which the retiree enrolls pursuant to this subsection, whichever is less. A retiree electing to enroll a spouse or dependent in the plan is responsible for payment of 100% of the cost of such coverage, in addition to that portion of the retiree's individual premium cost not contributed by the State. [PL 2005, c. 636, Pt. A, §2 (NEW).]

[PL 2005, c. 636, Pt. A, §2 (NEW).]

12. Contractual commitment to health insurance for retirees. Effective April 1, 2004, to each vested employee as defined in this subsection, the State makes solemn contractual commitments as set forth in paragraph C, protected under the contract clauses of the Constitution of Maine, Article I, Section 11 and the United States Constitution, Article I, Section 10.

A. For purposes of this subsection, "vested employee" means an employee in a category described in subsection 1, paragraph A, F, F-1, F-2 or F-3 who, on or after April 1, 2004, meets the applicable creditable service requirement for eligibility to receive a retirement benefit, at the applicable age if so required, under one of the following:

(1) Title 3, section 851, which governs legislative retirement;

(2) Section 17851, which governs the regular state employee plan;

(3) Section 17851-A, subsection 2, which governs state special plans;

(4) Section 18451, which governs participating local district regular plans;

(5) Section 18453, which governs participating local district special plans; or

(6) The terms of a retirement plan provided to employees pursuant to section 18252-B. [RR 2023, c. 2, Pt. A, §11 (COR).]

B. For purposes of this subsection, "time of vesting" means, for each employee, the date on which that employee met the creditable service requirement for eligibility to receive a retirement benefit, at the applicable age if so required, as set forth in paragraph A, subparagraphs (1) to (6). [PL 2003, c. 673, Pt. DDDD, §1 (NEW).]

C. The State makes solemn contractual commitments under this subsection that, with respect to any group health plan offered by the State:

(1) Eligibility criteria for a vested employee or a family member of a vested employee to participate in a group health plan under this section after retirement will be no more restrictive than eligibility criteria applicable to that employee or family member at the time of vesting;

(2) The state contribution toward the cost of the premium for any group health plan offered by the State for a retired vested employee, as a percentage of the cost of coverage, is not less than that provided at the time of vesting; and

(3) The group health plans offered in each plan year to retired vested employees under this section will be the same as or substantially similar to the group health plans offered to active employees in that same plan year. The State Employee Health Commission shall determine whether plans are substantially similar. [PL 2003, c. 673, Pt. DDDD, §1 (NEW).]

D. This subsection does not create a contractual commitment on the part of the State to offer group health plans or to maintain coverage for a specific type of benefit or level of benefit payment. The State may reduce or eliminate coverage for types of benefits or levels of benefit payments for retired vested employees only if it makes the same or substantially similar reductions for active employees. [PL 2003, c. 673, Pt. DDDD, §1 (NEW).]

E. This subsection does not create an ancillary benefit within the meaning of the Constitution of Maine, Article IX, Section 18-A and may not be construed to create a claim against the assets of the Maine Public Employees Retirement System. [PL 2003, c. 673, Pt. DDDD, §1 (NEW); PL 2007, c. 58, §3 (REV).]

F. The solemn contractual commitment provided in this subsection is void if a court of competent jurisdiction rules that this subsection creates an ancillary benefit within the meaning of the Constitution of Maine, Article IX, Section 18-A. [PL 2003, c. 673, Pt. DDDD, §1 (NEW).]
[RR 2023, c. 2, Pt. A, §11 (COR).]

13. Contract on pilot basis authorized. Notwithstanding the requirements of subsection 9, paragraph G, the State may enter into a contract on a pilot basis that does not adhere to any geographic access requirements set forth in Title 24-A or rules adopted by the Superintendent of Insurance. The department shall report annually beginning January 15, 2006 to the joint standing committee of the Legislature having jurisdiction over insurance and financial services matters on its progress in establishing and operating a pilot program pursuant to this subsection.
[PL 2005, c. 12, Pt. NNN, §1 (NEW).]

14. Employees eligible for Medicare. Notwithstanding subsection 7, if an active employee eligible for Medicare elects to enroll in Medicare, the State shall pay 100% of the employee's share of the premiums for Medicare Part B until such time as the employee enrolls as an eligible retiree pursuant to this section.
[PL 2009, c. 456, §1 (NEW).]

15. Provider profiling programs. Notwithstanding subsection 10, the requirements of Title 24-A, sections 2694-A and 4303-A apply to any provider profiling program, as defined in Title 24-A, section 4301-A, subsection 16-A, developed by the commission.
[PL 2013, c. 383, §1 (NEW).]

16. Dental benefit waiting period. The requirements of Title 24-A, sections 2766-A, 2847-W and 4260 that prohibit a waiting period for any dental or oral health service or treatment, except for orthodontic treatment, for an enrollee if the enrollee is under 19 years of age apply to any group health plan or dental plan purchased under subsection 5 or to any self-insured group health or dental plan provided under subsection 9.
[PL 2019, c. 605, §1 (NEW).]

17. Eligibility of persons other than state employees for group health plan. A person other than a state employee may not be granted eligibility for a group health plan pursuant to subsection 1 by legislative action to amend subsection 1 unless the person is an employee of a quasi-governmental entity that receives significant and ongoing operating funds through a General Fund appropriation.
[PL 2025, c. 278, §2 (NEW).]

SECTION HISTORY

PL 1967, c. 543 (NEW). PL 1969, c. 588, §§1,2 (AMD). PL 1971, c. 544, §11 (AMD). P&SL 1973, c. 625, §19 (AMD). P&SL 1975, c. 90, §§T1, 2 (AMD). PL 1975, c. 771, §52 (AMD). PL 1979, c. 653 (AMD). PL 1981, c. 178 (AMD). PL 1981, c. 270, §1 (AMD). PL 1983, c. 692, §§1,2 (AMD). PL 1985, c. 295, §2 (AMD). PL 1985, c. 391, §§1-4,7 (AMD). PL 1985, c. 507, §2 (AMD). PL 1985, c. 609 (AMD). PL 1985, c. 693, §12 (AMD). PL 1985, c. 695, §§4-7 (AMD). PL 1985, c. 785, §§A30,31 (AMD). PL 1987, c. 221, §§1-3 (AMD). PL 1987, c. 402, §A14 (AMD). PL 1987, c. 731, §§2-5 (AMD). PL 1987, c. 735, §§5,6 (AMD). PL 1987, c. 769, §A11 (AMD). PL 1989, c. 443, §6 (AMD). PL 1989, c. 483, §A8 (AMD). PL 1989, c. 502, §A12 (AMD). PL 1989, c. 776, §1 (AMD). RR 1991, c. 2, §7 (COR). PL 1991, c. 527, §§1,2 (AMD). PL 1991, c. 780, §§Y23,24 (AMD). PL 1991, c. 885, §D2 (AMD). PL 1993, c. 16, §§1,2 (AMD). P&SL 1993, c. 67, §1 (AMD). PL 1993, c. 410, §§L9-11 (AMD). PL 1995, c. 368, §§G1-4 (AMD). PL 1997, c. 24, §C1 (AMD). PL 1997, c. 80, §§1-4 (AMD). PL 1997, c. 455, §§2,3

(AMD). PL 1997, c. 652, §§1,2 (AMD). PL 1997, c. 652, §4 (AFF). PL 1997, c. 763, §1 (AMD). PL 1997, c. 763, §7 (AFF). PL 1999, c. 152, §§E1,2 (AMD). RR 2001, c. 1, §7 (COR). PL 2001, c. 239, §1 (AMD). PL 2001, c. 239, §5 (AFF). PL 2001, c. 341, §1 (AMD). PL 2001, c. 374, §1 (AMD). PL 2001, c. 439, §§XX1-5 (AMD). PL 2001, c. 641, §1 (AMD). PL 2001, c. 667, §§E1-3 (AMD). PL 2003, c. 20, §OO2 (AMD). PL 2003, c. 20, §OO4 (AFF). PL 2003, c. 214, §1 (AMD). PL 2003, c. 348, §1 (AMD). PL 2003, c. 673, §DDDD1 (AMD). PL 2003, c. 689, §B6 (REV). PL 2005, c. 12, §NNN1 (AMD). PL 2005, c. 21, §1 (AMD). PL 2005, c. 67, §1 (AMD). PL 2005, c. 279, §1 (AMD). PL 2005, c. 636, §§A1,2 (AMD). PL 2007, c. 58, §3 (REV). PL 2007, c. 134, §1 (AMD). RR 2009, c. 1, §5 (COR). PL 2009, c. 213, Pt. GG, §§1-3 (AMD). PL 2009, c. 233, §1 (AMD). PL 2009, c. 456, §1 (AMD). PL 2009, c. 571, Pt. JJJ, §1 (AMD). PL 2009, c. 571, Pt. NN, §1 (AMD). RR 2011, c. 1, §4 (COR). PL 2011, c. 1, Pt. FF, §1 (AMD). PL 2011, c. 67, §1 (AMD). PL 2011, c. 380, Pt. V, §1 (AMD). PL 2011, c. 380, Pt. V, §7 (AFF). PL 2011, c. 438, §§1-4 (AMD). PL 2011, c. 514, §1 (AMD). PL 2011, c. 540, §1 (AMD). PL 2011, c. 540, §3 (AFF). PL 2013, c. 276, §§1, 2 (AMD). PL 2013, c. 368, Pt. H, §1 (AMD). PL 2013, c. 383, §1 (AMD). PL 2015, c. 363, §1 (AMD). PL 2017, c. 56, §1 (AMD). PL 2019, c. 424, §§1-4 (AMD). PL 2019, c. 605, §1 (AMD). PL 2019, c. 669, §1 (AMD). PL 2021, c. 312, §1 (AMD). PL 2021, c. 341, §§1-3 (AMD). PL 2023, c. 20, §§1-4 (AMD). PL 2023, c. 167, §14 (AMD). PL 2023, c. 412, Pt. H, §§1-3 (AMD). PL 2023, c. 451, §1 (AMD). PL 2023, c. 607, §2 (AMD). RR 2023, c. 2, Pt. A, §§10, 11 (COR). PL 2025, c. 48, Pt. B, §1 (AMD). PL 2025, c. 278, §§1, 2 (AMD).

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