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No. 707

H.P. 446

House of Representatives, February 25, 2025

An Act to Amend the Membership of the State Employee Health Commission and Make Referential Changes to the Office of Employee Health, Wellness and Workers' Compensation

Submitted by the Department of Administrative and Financial Services pursuant to Joint Rule 204.

Received by the Clerk of the House on February 20, 2025. Referred to the Committee on Health Coverage, Insurance and Financial Services pursuant to Joint Rule 308.2 and ordered printed pursuant to Joint Rule 401.

A handwritten signature in cursive script that reads "Robert B. Hunt".

ROBERT B. HUNT
Clerk

Presented by Representative MATHIESON of Kittery.

1 **Be it enacted by the People of the State of Maine as follows:**

2 **PART A**

3 **Sec. A-1. 5 MRSA §285-A, sub-§2**, as amended by PL 2021, c. 312, §3 and c. 548,
4 §45, is further amended to read:

5 **2. Membership.** The State Employee Health Commission consists of 24 labor and
6 management members as follows:

7 A. One labor member from each bargaining unit recognized under Title 26, chapter
8 9-B, appointed by the employee organization certified to represent the unit;

9 B. One labor member from the largest bargaining unit recognized under Title 26,
10 chapter 14, appointed by the employee organization authorized to represent the unit;

11 C. One labor member appointed by the retiree chapters of the Maine State Employees
12 Association;

13 C-1. One labor member from Maine Turnpike Authority employees appointed by the
14 employee organization authorized to represent the employees;

15 C-2. One labor member from Maine Public Employees Retirement System employees,
16 appointed by the employee organization authorized to represent the employees;

17 C-3. One labor member from Maine Maritime Academy employees, appointed by the
18 employee organization authorized to represent the employees;

19 D. Four management members appointed by the Commissioner of Administrative and
20 Financial Services;

21 E. One management member appointed by the Court Administrators;

22 F. The Executive Director of Employee Health ~~and~~, Wellness and Workers'
23 Compensation, ex officio;

24 F-1. The State Human Resources Officer, ex officio;

25 G. One member representing retirees appointed by the Maine Association of Retirees;

26 H. One labor member from the Maine Community College System faculty or
27 administrative unit, appointed by the employee organization authorized to represent
28 the units;

29 I. One management member from the Maine Community College System appointed
30 by the President of the Maine Community College System;

31 J. One management member appointed by the Executive Director of the Maine
32 Turnpike Authority;

33 K. One management member appointed by the Chief Executive Officer of the Maine
34 Public Employees Retirement System; and

35 L. One management member appointed by the President of the Maine Maritime
36 Academy.

37 All appointed or elected members serve at the pleasure of their appointing or electing
38 authorities.

1 employees and retirees. Administration of the program must be consistent with rules
2 adopted by the State Employee Health Commission. The executive director and the staff
3 of the state employee health insurance program are appointed in accordance with the Civil
4 Service Law.

5 Appeals by eligible employees or retirees ~~shall~~ must be to hearing officers designated
6 by the commission.

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

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

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

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

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

31 **Sec. B-4. 5 MRSA §286-M, sub-§2, ¶C**, as amended by PL 2021, c. 312, §6, is
32 further amended to read:

33 C. "Division" means the Department of Administrative and Financial Services, Office
34 of Employee Health ~~and,~~ Wellness and Workers' Compensation.

35 **Sec. B-5. 5 MRSA §286-N, sub-§1, ¶B**, as enacted by PL 2019, c. 446, §5, is
36 amended to read:

37 B. Two ex officio nonvoting members as follows:

38 (1) The ~~executive director of the office of employee health and benefits~~ Executive
39 Director of Employee Health, Wellness and Workers' Compensation within the
40 Department of Administrative and Financial Services, Bureau of Human
41 Resources or the executive director's designee; and

1 (2) The employee of the Department of Administrative and Financial Services,
2 Bureau of Human Resources, ~~office of employee health and benefits~~ Office of
3 Employee Health, Wellness and Workers' Compensation assigned to the program.

4 **Sec. B-6. 5 MRSA §286-N, sub-§3**, as enacted by PL 2019, c. 446, §5, is amended
5 to read:

6 **3. Chair.** The ~~executive director of the office of employee health and benefits~~
7 Executive Director of Employee Health, Wellness and Workers' Compensation within the
8 Department of Administrative and Financial Services, Bureau of Human Resources, or the
9 executive director's designee, shall serve as chair.

10 **Sec. B-7. 20-A MRSA §13451, sub-§3**, as amended by PL 2023, c. 412, Pt.
11 OOOOO, §§1 to 3, is further amended by amending the 2nd blocked paragraph to read:

12 A provider of a health insurance benefit plan for retired teachers must make available data
13 related to the provider's premium costs and any related data as requested by the Executive
14 Director of Employee Health and, Wellness and Workers' Compensation within the
15 Department of Administrative and Financial Services.

16 SUMMARY

17 This bill adds a member to the State Employee Health Commission and changes the
18 name of the Office of Employee Health and Wellness within the Department of
19 Administrative and Financial Services to the Office of Employee Health, Wellness and
20 Workers' Compensation.

21 Part A of the bill adds the State Human Resources Officer as an ex officio member of
22 the State Employee Health Commission. It also provides that the management cochair of
23 the commission is designated by the Commissioner of Administrative and Financial
24 Services from among the management members appointed by the Commissioner of
25 Administrative and Financial Services.

26 Part B of the bill replaces statutory references to the Office of Employee Health and
27 Wellness and its executive director with the office's new title.