

TESTIMONY OF ALAN BARR IN SUPPORT OF HB 670

My name is Alan Barr, I respectfully submit this testimony in support of HB 670 on my own behalf.

I was proud to work for the State of Maryland for over 30 years. I worked for the Office of the Attorney General until I retired on July 1, 2010. I worked diligently and skillfully to serve the people of Maryland.

Like many people who devoted their careers, I likely could have made more money working in the private sector. I relied on the moral, social [and legal] contract under which the State would look after the needs of its people upon their retirement. Specifically, I was promised that I would be able to continue using all the State's benefits plans when I retired.

Regrettably, Maryland broke its promise. Unless the General Assembly acts, I will have to seek my own Medicare Part D pharmacy plan beginning in January, 2025. As a result, I will need to pay more money for less protection.

The Medicare Part D plans are not equivalent to the State pharmacy plan and I will be harmed by this change in my pharmacy coverage. I join others in pointing out the following:

- The list of drugs (the formulary) covered by the State pharmacy plan is much more extensive than the formulary of any Medicare Part D plan that is offered in Maryland. This means that we will have to pay the full cost of drugs that we take that are not on my plan's formulary.
- The Medicare cap on out-of-pocket costs does not include drugs not covered by Part D plans. The provisions of SB 946 that were created in 2019 to "ease my transition" also do not apply to drugs not on Part D plans' formularies. We will end up paying thousands of dollars more than we are paying now for the medications we need.
- The annual cost of the State retiree prescription benefit is only 0.2% of the State's General Fund Budget.
- Concerns about the long-term viability of this program are overstated. The retiree prescription plan represents only about 13% of the State's long-term liability for other post-employment benefits (OPEB). Ending the benefit cannot be expected to have a significant effect on the State's financial situation or bond rating.

I ask the Committee to report favorably on HB 670 to restore our prescription benefits. I ask you to make sure that Maryland meets its obligations to its retirees, who faithfully served the State and the people of Maryland.

Respectfully submitted:

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