

Testimony for House Bill 349
State Prescription Drug Benefits – Retirees
March 12, 2024

Mr. Chairman and members of the committee, I am Don McCord, a retired trooper from the Maryland State Police. I served 19 years before being medically retired in 1999 after being injured in the line of duty. For approximately the last 23 years I have practiced medicine, as a nationally board-certified Physician Assistant.

I am offering testimony on behalf of the Maryland State Police Alumni Association in favor of HB670. As the State of Maryland is now postured to move all Medicare eligible retired State employees to Medicare Part D, I became concerned that there may exist, Retirees that may in fact did not meet the eligibility requirements for Part D. My concern most pointedly is for those retirees (including spouses and spouses of fallen heroes) that did not pay in to Social Security or the Medicare Tax during their paid tenure as a State Employee.

Sworn members of the Maryland State Police hired prior to April 1986 did not pay into Social Security or the Federal Tax known as F.I.C.A., nor were they given the opportunity to make such contributions. During this period of time, it was understood the Maryland State Police had an independent retirement system designed to support the retirees after they completed their time of service. It was further recognized and understood the State of Maryland would provide lifetime healthcare coverage for the individual and spouse. The provisions in place prior to April 1986 in essence guided many of the retiree's post Maryland State Police (MSP) lives. There was absolutely no need or urgency for many of them to pursue post MSP employment so that they would be Medicare eligible. Because of this, we now have retirees of this era paying nearly \$1000/month for Medicare before they have paid for their first prescription.

Those sworn members hired after April 1986, were subsequently enrolled under the new provisions whereby the 1.4% F.I.C.A. Tax was withheld, thus qualifying these individuals for Medicare. I would also mention, a state trooper who went on to work a second job to earn their social security quarters, may forfeit as much as 40% -50% of their social security benefit, if they fail to meet the 30 years of required substantial earnings, under the federal Windfall Elimination Provision. My windfall penalty alone is more than \$600.00 per month.

Without formally introducing it earlier, I alluded to a survey I recently conducted. The survey of Medicare eligible retirees was conducted using three different social media platforms asking if there was anyone that was either not receiving their benefits or had out of pocket expenses for Medicare, excluding Medicare Part B. The majority of those responding indicated they had either obtained the necessary quarters individually or became eligible through spousal exemptions to qualify for full Medicare benefits. There were however, several responses that were of particular concern.

These respondents were hired prior to April 1986. One retiree that I will refer to as Martin has been paying out of pocket for Medicare Part A for more than ten (10) years. He now pays in excess of \$500 for Part A in addition to his annual Part B contribution. Martin now pays nearly \$700 a month just for basic Medicare coverage. These fees will only grow larger as this person ages. This does not include any Medicare supplement/advantage or prescription plans. Another retiree pays in excess of \$500 per month combined for him and his spouse just for Medicare Part A, as a result of not meeting the quarterly threshold of contributions to qualify for free Part A. There were an additional three individuals that I spoke with, all of whom retired in their late 50's who will not

have their forty (40) quarters, and will incur out of pocket fees for Medicare Part A. This is not to mention retirees of this era, who are in jeopardy of having additional out of pocket health care expenses, because their entire Social Security benefit is insufficient to cover all their Medicare related benefits.

The group of retirees/spouses that I believe to be most vulnerable in this transition, and I fear the most for, are rapidly approaching their late 70's to mid 80's. Even though we live in a digital age, this population may not be as technology savvy with little or no access to computers, internet or social media. Nor may they have family to guide them through this process. They are going to be forced to shop for something that has been provided for them most of their lives with little or no thought. These individuals all fall in the pre-April 1986 hiring era, in which there were limited options for retirement and healthcare coverage.

House Bill 670 will protect those mentioned above, a small, finite group with dwindling numbers, as well as all retired Medicare eligible state employees. I would respectfully request your support in favor of passing this piece of legislation and find a unique solution for continued funding.

Please support HB 670 and move it to the floor.

Respectfully Submitted,

Donald McCord PA-C, Lieutenant (Retired) Maryland State Police

410-925-