

HB0670 - State Prescription Drug Benefits - Retirees

I am asking you to vote yes and pass HB0670. The prescription drug benefit for state retirees needs to be reinstated because of the financial impact it will have on thousands of retirees.

Please take a minute to consider what will happen to my 93-year-old mother if she loses the prescription drug benefit. My mother currently takes life-sustaining medications that are very expensive. Without the prescription drug benefit, her out-of-pocket expenses would average over \$4,000 a month. In 2023, the prescription plan paid \$52,244 and my mother paid \$866 out-of-pocket. She simply would not be able to afford her medications if the prescription drug benefit is taken away - a sure death sentence.

It is true that the federal Inflation Reduction Act caps out-of-pocket costs for Medicare Part D prescription drug plans at \$2,000. However, the drug must be on the formulary of the Part D plan and there are many drugs that are not, including my mother's prescription that costs over \$4,000 monthly. In that case, it will not count toward the out-of-pocket cap and she would have to pay for the full cost, which she can not afford. In addition, the reimbursement program that covers a portion of out-of-pocket costs for retirees enrolled in Part D are not inclusive to all drugs and would not come close to covering the cost.

If you look at the big picture, reinstating prescription drug benefits would have an extremely small impact on the state budget because it represents less than 1% of the total Other Post Employment Benefits (OPEB) liability. Also, many are missing the fact that retirees who are impacted by the loss of prescription benefits do not include those hired after July 1, 2011, so the liability amount continues to decrease as retirees who were hired on or before June 30, 2011 pass away.

State workers were told that health and prescription benefits were a part of their compensation package. It certainly factored into the decision to work for the state instead of seeking employment in the private sector that offers a higher salary. Working for the state at a lower salary was always offset by the knowledge that you would always have excellent health care and prescription benefits for life. Now, the state is committing what is effectively a breach of contract and I'm worried that health benefits are next on the chopping block.

Taking away these benefits is wrong on so many levels, and I'm counting on you to do the right thing and pass HB0670.

Respectfully,

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