

I am writing today to ask your committee to support HB 670. I would like the House Appropriations Committee to consider these financial points:

If retirees and dependents do not fill and take their prescriptions, the result is:

- **disease progression, reduced functional abilities**, a lower quality of life, **increased use of medical resources** such as **nursing homes, hospital visits and hospital admissions**.
- Failure to rescind the current law and reinstate the prescription drug program for retirees and their dependent will result in increased state spending for uncompensated care and increased spending for **Medicaid** including Long Term Care Nursing Home Payments. The state pays approximately 50% of the Medicaid costs while the federal government pays the remaining costs. The average cost of nursing home care in Maryland is roughly **\$8,500/month** for private patients, slightly less for Medicaid patients. DBM should analyze the potential for the increase in these costs vs. reinstating the retirees/dependent program.
- Most hospitals in MD are allowed to determine “presumptive” eligibility for Medicaid. This means almost no verifications are required for Medicaid eligibility to pay the bill, increasing the probability of greater costs to the state. The state share of the costs will increase as retirees/dependents age without their medication or some of their medication. Same comment as above regarding cost to the state
- Some elderly retirees/dependents do not have internet connection and are unaware of the consequences of the notification that was sent. Some will fail to pick a part D plan and will have no coverage.
- Some elderly retirees/dependents do not understand how to select the best plan for the coverage they need and will not understand the deductible process. Almost every plan has a deductible and there is an initial period of no coverage until the deductible is met.
- Costs involved: Medicare Part B is \$174.70 per month in 2024. Medicare Part D of \$74.20 per month in 2024. Almost every Part D Pharmacy Plan has a monthly cost. Plans with no or low costs have higher deductibles, greater cost sharing and cover fewer drugs. Costs vary based on zip code. All these costs will be deducted from an individual’s Social Security income.
- The \$2000 out of pocket limit for Part D is fiction. It does not include costs for drugs not covered by the Part D plan and other out of pocket expenses.
- Part D does not cover “over the counter” non-prescription vitamins, supplements, and medicine.
- The state seems very willing to hire new contractors and set up a complicated system of partial reimbursements. Again, is DBM evaluating all of the probable and real costs as a result of the current legislation vs reinstating the RX program?
- The Medicare Part D Pharmacy Plans are allowed to discontinue to cover a drug during the plan year. They are also allowed to raise the cost sharing amount during the plan year. If a person receiving Part D has a

new diagnosis and requires new medication not covered until their plan, they must pay out of pocket for the drug until the next year, **if** they can find a plan that covers the drug.

- How does MD plan to attract and retain quality employees when the pay is low, the retirement benefit is poor and there is no pharmacy coverage for retirees and their dependents? The main reason I worked to the state for 33 years was the promise of the rich benefit package. It is unconscionable and immoral to end these benefits, especially retroactively. I worked in the Medicaid program. Even if the state made an error in determining eligibility, it cannot be rescinded. Eligibility must be redetermined for the current month. If no longer eligible a “Notice of Adverse Action” is sent to the beneficiary providing a minimum of 10 days advance notice and appeal rights, prior to termination. It appears retirees are being treated worse than the people we serve.

Finally, please remember you are in the Maryland legislature to represent the people. I think most Marylanders would find it very unfair to take away benefits from the elderly retired population retroactively. Also, respectfully

Patricia Nowakowski

Maryland Retired State Employee