Dear Delegates-

Thank you for considering my testimony. Since 2011, the Department of Budget and Management, the governors and the legislators have been attempting to eliminate the hybrid prescription program for Maryland State Retirees in an effort to save money and keep the State's Bond rating.

For those who do not support HB 670, I am trying to forgive you. I believe your understanding of this proposed plan is based on distorted information fed to you by the Department of Budget and Management (DBM) concerning the financial implications of keeping vs eliminating prescription coverage for retired Maryland employees. The actuaries as presented by DBM project a cost savings for the state. I would like to know if the state is actually saving money and reducing the budget by this elimination? Or is the state shifting the prescription money to some other budget item? Having been a State employee for decades, I have witnessed and experienced the State budget process and know that State employees have always been the means for the State to manipulate the budget. Need more money? Furlough the employees. Have a budget shortfall? Eliminate positions. Fear that the Bond rating will decrease? Raise health premiums, take away match funds, eliminate COLA or step-increases, etc. And now you want to take away prescription coverage for retirees. I know the standard response has been that we have Medicare D and that the Affordable Care Act will cap out at $2000 in out of pocket expenses. But do you know that Medicare D does not cover all of my prescriptions and that those uncovered prescriptions are not part of the out of pocket expenses? That means I will pay several thousand dollars more in out of pocket expenses each year just to maintain my health.

This plan has nothing to do with the State's bond rating. If it did, the bond rating would have changed years ago. It has to do with the fact that the State is spending more than it makes and sees the retirees as an easy means to move money into another budget.

Please do your research before voting. This is not an equal transition. The state is not reducing its budget. The bond rating will not change based on our prescription plan.

One final note. The state has a greater than 10% turnover rate with an average of only 9 years of employment*. The number of retirees is going to decrease naturally by attrition, death, or lack of employees reaching retirement age.

Sincerely,
Martha Sprow
712 Cottonwood Dr.
Severna Park, MD 21146
240-626-4397

*Annual Personnel Report 2022, Department of Budget and Management