



AFT Healthcare-Maryland

7127 Rutherford Road
Baltimore, MD 21244

Local 5197 COMMITTEE: Appropriations

BILL: House Bill 892 – State Prescription Drug Benefits – Retirees

HEARING DATE: March 15, 2022

POSITION: Support

SUBMITTED BY: Rosemary Wertz, Field Coordinator with AFT Healthcare-Maryland

Good afternoon Chair and members of the Appropriations Committee. I am Rosemary Wertz, Field Coordinator for AFT Healthcare-Maryland, the exclusive bargaining representative for Healthcare Professionals in Maryland State government. Thank you for the opportunity to submit written testimony in support of HB 892. Our bargaining unit includes Registered Nurses, Physicians, Therapists and Counselors. Our healthcare professionals know when they accept employment with Maryland State Government that they will not make a competitive salary. They accept much lower wages in exchange for other benefits. Prescription benefits in retirement were part of the promise made to employees hired prior to 2011. They have made much less money while working, thinking they would need less in retirement due to the pension and continuation of benefits. For some, it is too late for them to adjust their retirement plans to offset any reduction in benefits.

For instance, I spoke with a member last month who retired July 1, 2021 because she was undergoing treatment for cancer. She worked for the state for over 16 years, which she thought qualified her for full benefits in retirement. Like many state employees, the state did not notify her of the change in the law in 2011. She continued working for the state thinking she had full benefits in retirement for many years. When she called me, she was very concerned because her medicine cost was more than her retirement allowance for the month. She does not know if she will need additional treatment in the future. If you pass this bill, she will not have to worry about paying for her treatment in the future.

The nursing shortage that has existed for decades has now expanded to include all healthcare professionals. Nationwide job statistics show an alarming number of people opting to leave the workforce over the last couple of years. Recruitment and retention of healthcare professionals has become more difficult since the start of the pandemic. During a Labor Management Committee meeting recently, management at Western Maryland Hospital Center reported having successfully hired RN's at their recent job fair. They said they came for the benefits. Erosion of any benefits for state employees will negatively impact recruitment and retention. AFT Healthcare-Maryland supports HB892 and urges a favorable report from this committee.

Respectfully submitted,
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Written Testimony

COMMITTEE: Appropriations

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Good afternoon Chair and member of the Appropriations Committee. Thank you for this opportunity to speak in support of House Bill 892.

I am a 29-year registered nurse. I started working for the state of Maryland in November 2004. I knew I would be taking a pay cut, but I was told the benefits particularly the medical/prescription benefit would always be there for me especially when I reach retirement age.

As a long-term state employee, I have seen many hardships: pay raise freezes and cuts for about 8 years and the furloughs days. I have seen new nurses hired, especially over the last few years, just a step or two below my current grade and step, because steps have not been granted to state employees for many years.

I was not informed of any change in the law in 2011, that I was going to lose my prescription benefits. This has been very disheartening knowing all the years I have been loyal and dedicated to the State of Maryland. I had opportunities to leave the state for better paying jobs, but I chose the security of the medical/prescription benefit at retirement. As I am now getting close to retirement eligibility, multiple health issues have now begun to creep up on me. I know more than ever the benefits of a good medical and prescription plan.

Please approve the bill for eligible retirees hired prior to July 1, 2011. I cannot, this close to retirement, take a better paying job to offset the additional out-of-pocket prescription cost if I have to go under Medicare part D. If employees hired after the law changed in 2011 were told that they would not be eligible for prescription benefits in retirement, then they were not counting on them like I am. Please give a favorable report to House Bill 892.

Sincerely

Cynthia Ann Friedman, RN