

# **SB 219 AARP testimony - final PDF.pdf**

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**SB 219 Senior Prescription Drug Assistance Program – Sunset Extension**  
**Senate Finance Committee**  
**FAVORABLE**  
**January 31, 2024**

Good afternoon, Chair Beidle and members of the Senate Finance Committee. I am Jim Gutman, resident of Columbia, and lead health care advocacy volunteer for AARP-Maryland. I'm also a member of the Stakeholder Council of the Maryland Prescription Drug Affordability Board representing the public. I am testifying on behalf of AARP Maryland and its approximately 900,000 members in favor of SB 219.

The Maryland Senior Prescription Drug Assistance Program (SPDAP), throughout its more than 20-year history, has been an indispensable source of needed assistance for Maryland-resident seniors in coping with very high and continually increasing costs of prescription drugs. The premiums for Medicare Prescription Drug Plans (PDPs) have risen sharply to reflect these cost hikes, and the assistance SPDAP provides in reducing and, in some cases, eliminating monthly premiums for these PDPs has made a huge difference.

SPDAP should not be allowed to "sunset" on Dec. 31 but instead, as the Department of Health suggests and is contained in this bill, deserves to have its role and subsidies continued through Dec. 31, 2030.

I have seen firsthand the good that SPDAP does in my role as a volunteer PDP counselor, first in Baltimore County and now in Howard County, for the State Health Insurance Assistance Program in Maryland each annual open-enrollment season since 2016.

Specifically, the subsidies in SPDAP often have made the difference in the many Maryland low-income Medicare beneficiaries who don't qualify for the federal Extra Help subsidy. Instead of choosing the wrong PDP program for themselves because they feel they can afford only the lowest-premium plans, these beneficiaries because of SPDAP more often choose the right plans by evaluating both coverage and cost. This in turn improves the chances that these older Marylanders, and especially those in the greatest financial stress, will get the prescriptions they need when they need them.

For those and numerous other reasons, AARP Maryland requests that the Senate Finance Committee give a favorable report to SB 219. For questions or more information, please feel free to contact Tammy Bresnahan, Senior State Director of Advocacy at [tbresnahan@aarp.org](mailto:tbresnahan@aarp.org) or by calling 410-302-8451.





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## DEPARTMENT OF HEALTH

Wes Moore, Governor · Aruna Miller, Lt. Governor · Laura Herrera Scott, M.D., M.P.H., Secretary

January 31, 2024

The Honorable Pamela Beidle  
Chair, Senate Finance Committee  
3 East Miller Senate Office Building  
Annapolis, MD 21401-1991

**RE: SB 219 – Senior Prescription Drug Assistance Program – Sunset Extension – Letter of Support**

Dear Chair Beidle and Committee Members:

The Maryland Department of Health (MDH) respectfully submits this letter of support for Senate Bill (SB) 219 – *Senior Prescription Drug Assistance Program – Sunset Extension*. The bill would extend the sunset date for the program from December 31, 2024 to December 31, 2030. This would allow SPDAP to continue to assist low- and moderate-income Medicare beneficiaries with their Medicare Part D costs.

The Senior Prescription Drug Assistance Program (SPDAP) provides subsidies to help Medicare beneficiaries with low and moderate income pay their Medicare Part D prescription drug premium costs. CareFirst is required to fund the program according to Insurance Article §14-106(e) in order for CareFirst to earn its premium tax exemption as a non-profit health service plan.

SPDAP provides a premium subsidy of up to \$75 per month towards members' Medicare Part D premiums. For an estimated 87% of SPDAP enrollees, the benefit provided by SPDAP will cover 100% of their total monthly Medicare Part D premium cost during calendar year (CY) 2024. With the passage of the Affordable Care Act, the federal government considers the Medicare Part D coverage gap, or “doughnut hole,” to be eliminated as of CY2020.

SPDAP enrollment was 25,200 members as of December 31, 2022. Membership distribution was spread across 16 Medicare Part D organizations offering 55 Medicare Part D prescription drug plans. The highest concentration of members was enrolled in Aetna Medicare plans (4,430). Baltimore County had the highest concentration of enrolled members (5,237), with Baltimore City coming second with 2,401 enrolled members.

SPDAP continues to coordinate with the Department of Aging to provide State Health Insurance Program (SHIP) coordinators and volunteer counselors with information regarding the program. SPDAP maintains a call center and website to answer member and prospective member

questions throughout the year. During CY2022, the Program's call center received 11,863 calls and the website had 11,944 visitors.

If you would like to discuss this further, please do not hesitate to contact Sarah Case-Herron at [sarah.case-herron@maryland.gov](mailto:sarah.case-herron@maryland.gov) or (410) 260-3190.

Sincerely,

A handwritten signature in blue ink, appearing to read "LH Scott".

Laura Herrera Scott, M.D., M.P.H.  
Secretary

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## Maryland Retired School Personnel Association

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**Senate Bill 0219**  
**In Support Of**  
**Finance – Senior Prescription Drug Assistance Program – Sunset Extension**  
**Senate Finance Committee**  
**Hearing: January 31, 2024 - 1:00 PM**

Dear Honorable Senator Pamela Beidle, Chair, and Honorable Senator Katherine Klausmeier, Vice Chair, and other distinguished Finance Committee members,

**The Maryland Retired School Personnel Association (MRSPA) supports SB 0219 Senior Prescription Drug Assistance Program – Sunset Extension**

Extending the Senior Prescription Drug Assistance Program to 2030 is critical to the support of Maryland's increasing senior population. Continuing the subsidy for those on Medicare who qualify for it helps seniors in need maintain their health and quality of life which are two of our priorities for all senior Marylanders.

Those currently reaping the benefits of this program will continue to do so as will those who will meet the qualifications in the upcoming years prior to the end of the extension period.

On behalf of the 12,000 members of the Maryland Retired School Personnel Association, we urge support for SB 0219.

Sincerely,

Carla J. Duls  
President

Virginia G. Crespo  
Legislative Aide