

CAROL L. KRIMM
Legislative District 3A
Frederick County

Appropriations Committee

Subcommittees

Capital Budget

Oversight Committee on Pensions

Vice Chair, Transportation and the
Environment

House Chair

Joint Audit and Evaluation
Committee



The Maryland House of Delegates
6 Bladen Street, Room 422
Annapolis, Maryland 21401
410-841-3472 · 301-858-3472
800-492-7122 Ext. 3472
Carol.Krimm@house.state.md.us

THE MARYLAND HOUSE OF DELEGATES
ANNAPOLIS, MARYLAND 21401

HB 1042 – State Prescription Drug Benefits - Retiree Benefits - Revisions

APPROPRIATIONS COMMITTEE

MARCH 10, 2020

Delegate Carol L. Krimm

I urge you to support HB 1042. This bill builds on SB 946 from last year regarding the Prescription Drug Program for retired state employees. It also acknowledges that there is a court injunction on any changes by delaying the time period by which employees must make a decision on whether, and when to retire. The bill does three things:

1. SB 946 required that the eligible employees retire by December 31, 2019 in order to receive the best out-of-pocket plan for prescriptions - the same as that which is offered to active employees. The problem with that 2019 deadline is the need to make a decision without knowing whether the courts would simply revoke the change altogether.
 - HB 1042 would reopen the decision to have the same out-of-pocket limits as state employees until the second open enrollment after the ruling of the courts.
2. SB 946 provided that any employee hired before July 1, 2011 but retired after December 31, 2019 would have an out-of-pocket limit at the "catastrophic" level of Medicare coverage. This year, that amount is \$6350.
 - HB 1042 would provide this out-of-pocket limit to all state employees, even if they were hired after July 1, 2011.
3. SB 946 allowed employees hired before July 1, 2011 to have access to the state's formulary if a medicine was not on the Medicare Part D formulary.
 - HB 1042 provides this access to all state employees even if they are hired after July 1, 2011.

These changes are important for several reasons. First, until the fall of 2019, employees were not informed that retirement benefits would change. Secondly, we do not pay employees enough to afford Medicare Part D. Thirdly, state employees provide critical jobs and many of them are difficult to fill. We have all heard of high vacancy rates in our subcommittees. We need to maintain reasonable benefits in order to recruit and retain employees. I urge you to support HB 1042.