Testimony to Appropriations Committee: HB 98 and 1120

February 26, 2019

On Behalf of the Towson University Retired Faculty Association (TURFA)

In his State of the State message delivered January 30, 2019, Governor Hogan prided himself on assistance to retirees: “Tax cuts to help retirees…” “And We pioneered a Total Cost of Care Medicare Model Contract, the only one of its kind in the nation.” And more: “Together, we enacted landmark legislation to stabilize the individual marketplace and to create an innovative reinsurance program in our state…Thank you for rising to the challenge and working together with us to stop the 50 percent increases in insurance rates to instead achieve lower rates for the first time in a decade and to protect the coverage of hundreds of thousands of Marylanders.” The retired faculty at Towson University applaud these initiatives.

One other way Governor Hogan can help retirees of the State of Maryland is to fund the continuation of the prescription benefits that the retirees were promised. The Governor did so for one year; now the continuation needs to be permanent.

As retired faculty at Towson University, we represent a group of people who served Marylanders at a state university, teaching more classes per semester than faculty at private universities for less pay; we did so partly because the State health benefits were attractive; we were promised that these benefits would continue into retirement. That promise has not been kept.

Two bills in the House of Delegates address this issue. We support both HB 98 and HB 1120.

Factors that we believe should impact your decision:

1. Upon hiring, we were informed about our benefits and the costs to us; eliminating the prescription coverage substantially increases those costs. One retiree cited her case: “checking the costs for a part D Medicare plan using current prescriptions. there were only two plans that covered all my meds but they didn’t have a lot of stars [3 of 5]. The [annual] cost to me would be $3,536 for the least expensive and $4,082 …the more expensive. Currently, my expenses (copay plus premium) are about $1,320. If I go to the next possible plan the cost is $9,858 since one prescription isn’t covered.”

2. Before making the decision to retire, we weighed healthcare options for costs since our incomes would be limited. The fact that our prescription drug coverage would continue for us and our dependents was an important factor in our decision.

3. Medicare Part D alone will add several hundred dollars monthly to our expenses for many of us, as noted in #1.

4. This change was not advertised until the last minute, giving us little time to plan--and too late to adjust our retirement plans.
5. Many of us served the State of Maryland for much of our careers; we retired after long service. At Towson University many are employed for their entire adult lives and retire after 30 or 40 years of service to the public. We have some faculty who have taught at Towson for more than 50 years!

6. House Bill 1120 does not change plans for retirees; it changes the plan for new hires, who will have signed on to State services under that plan; it also changes the plan for some current employees, and that seems unfair given their understanding when they were hired.

There is a sense that a game of bait and switch has been played on Maryland's retirees. The Towson University Retired Faculty Association (TURFA) sincerely hopes that those benefits offered upon our retirement, and accepted in good faith, will continue as we had expected.

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