

February 13, 2020

RE: Retirement Health Care Costs for State Retirees

Dear Legislator:

As a constituent and a state employee represented by the Public Employees Federation (PEF), I am extremely concerned about the proposals in Governor Cuomo's Executive Budget which once again target our fixed income retirees. The Governor's plan to cap and eliminate certain Medicare Part B reimbursements and increase health insurance costs is unfair and bad policy. These proposals, which seem to appear in one form or another every year, must be rejected.

The Governor's proposal would cap reimbursement of the Medicare Part B standard premium at the current levels and cease reimbursement for the Income Related Monthly Adjustment Amounts (IRMAA) for higher income state retirees. Specifically, the proposal would cap the standard premium reimbursement at \$144.60 per month for retirees and their eligible dependents. Any future increases would be hard to come by as they would be subject to budget negotiations. In addition, the state would retroactively discontinue the IRMAA Medicare Part B reimbursement back to January 1, 2020. The new IRMAA burden alone will cost affected retirees anywhere from \$694 to \$4,164 annually. The Governor has also proposed a sliding scale for retiree health insurance costs for new employees, creating yet another barrier for recruitment and retention of State workers.

Capping and eliminating these insurance reimbursements and increasing retiree health care costs will greatly impact retirees who dedicated their lives to public service and are now on fixed incomes. PEF retirees do not have the financial flexibility to go out and earn extra money in response to budgetary whims. It is patently unfair to pick on these individuals and ask them to fill budget shortfalls long after they have left the workforce. Balancing the state budget should not be a burden they have to bear.

As my elected representative, I kindly ask that you work with the leadership in your house to **remove Parts S, U and V of the Public Protection and General Government Article VII Budget Bill (S.7505/A.9505)** to reject these bad proposals that would increase health care costs for state retirees. Thank you for your time, attention and consideration of this very important issue.

Sincerely,
