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TESTIMONY OF DIANE BAILEY  
IN OPPOSITION  
GOVERNOR'S SUPPLEMENTAL BUDGET PART NN  
PRESENTED TO THE COMMITTEE ON APPROPRIATIONS AND FINANCIAL  
AFFAIRS  
FEBRUARY 26, 2024

Senator Rotundo, Representative Sachs and members of the Committee on Appropriations and Financial Affairs. My name is Diane Baily and I am submitting this testimony in opposition to Part NN of the Governor's Supplemental Budget for 2024-2025. I worked for 40 years for State Government and was promised that as a retiree my own health insurance would be a free benefit. Presently, I am the Executive Director for a non-profit where I have been employed for another 10 years. Now after working for a total of 50 years, I finally have enough quarters under Social Security to pay for Medicare Part B. However, there are many seniors and public service retirees who do not have enough income to pay for their basic needs and are making difficult decisions as to whether to pay for medical housing, food and heat.

There are at least 19,000 state and educator retirees whose public service pension is less than \$26,000. These retirees are required to have Medicare Part B and pay the monthly premium in order to remain on either the State's or educator's group health plans. The present cost for Part B is \$174.90 monthly or \$2,098.80 annual. This cost is a huge financial burden, especially for the lower income seniors.

Last year, the Legislature significantly changed the eligibility criteria for the Medicare Savings Program (MSP). The changes became law but the State has failed to implement those related to income. Most of the MSP is funded by federal dollars and assists people over 65 with paying for Part B premium. As we know, when financial assistance is provided to seniors to help meet specific needs, then this gives them more money to contribute to the State's overall economic health.

Part NN of the Supplemental Budget maintains the elimination of the assets test but reduces the changes in the income expansion percentages if costs are projected to exceed federally approved allotment. By not implementing income disregards effective March 1, 2024 and only allowing income expansion if expenditures do not exceed the federal qualified individual (QI) program could mean that thousands of seniors will still not be able to participate in the MSP, including public service retirees.

Thank you for consideration of my testimony. I am sorry that I could not be present for today's hearing.