



Retired Public Employees Association

165 Jordan Road • Troy, NY 12180 • (518) 869-2542 • e-mail: mail@rpea.org
John J. McPadden, *President* Edward C. Farrell, *Executive Director*

MEMORANDUM IN SUPPORT

ON SENATE COMMITTEE AGENDA
February 6, 2017

S.1612, by Senator Golden
A.2000, by Assemblyman Abbate

AN ACT to amend the civil service law, in relation to reimbursement for medicare charges

The **Retired Public Employees Association (RPEA)** supports this bill which would reaffirm the Legislature's intent to hold State retirees harmless for all premium or other charges paid due to enrollment in Medicare.

This legislation clarifies that reimbursement shall be made for all Medicare premium charges and any other additional charges including Income Related Monthly Adjustment Amount (IRMAA) charges that Medicare enrollees are required to pay for their Medicare coverage.

To minimize the cost of retiree York State Health Plan (NYSHIP) benefits to New York State, upon turning 65 all State retirees are required to enroll in the federal Medicare program and use Medicare for their primary health care and prescription drug coverage. Traditionally, this requirement was for Medicare Part B coverage only, but now includes Medicare Part D (prescription drug) coverage. In fact the Governor has stated that by requiring State retirees to take all Medicare as their primary health care and prescription drug coverage, the long term State long term liability for retiree health care costs is reduced by \$5 billion.

However, to avoid retirees paying for **both** their NYSHIP premium and all Medicare premium charges, the Legislature provided for reimbursement of Medicare premiums including IRMAAs. The State has taken the position that such reimbursement is for Part B coverage only and has refused to reimburse for Part D IRMAA charges. This is wholly contrary to the intent of the Legislature and as a result, discriminates against Medicare eligible State retirees.

For these reasons, **RPEA** strongly urges passage of this bill.