



**Maryland**

DEPARTMENT OF BUDGET  
AND MANAGEMENT

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BOYD K. RUTHERFORD  
*Lieutenant Governor*

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*Deputy Secretary*

**DEPARTMENT OF BUDGET AND MANAGEMENT – PERSONNEL**

**FY 2023 Budget Hearing**

**Testimony of**

**Secretary David Brinkley**

**Senate Budget and Taxation Committee**

**March 1, 2022**

The Department of Budget and Management (DBM) appreciates this opportunity to respond to the Department of Legislative Services' (DLS) analysis of the Personnel budget. The following testimony addresses the requests for comments in the analysis as well as the DLS recommendations.

**DLS ISSUE**

**SmartWork Program**

Participation in the SmartWork Program was significantly lower than anticipated. Anecdotally, it appeared that many state employees were not in a position to take advantage of the program because they either did not have college loans themselves or were not responsible for the repayment of their child's loan. Additionally, state employee unions showed little interest in the continuation of the program.

**Medicare Part D Transition**

On December 30, 2021, the Court issued a ruling granting in part and denying in part, the State's Motion to Dismiss. Thus, the Court's injunction remains in place.

Chapter 767 recognized the ongoing litigation and provided sufficient time for the Department to implement the programs. For this reason, it remains premature to discuss implementation of other program elements. As a result, no changes to the plan can take place before January 1, 2024, at the earliest.

## **Reverse Auction**

As reported in the JCR dated November 1, 2021, the Department of Budget and Management's Office of Personnel Services and Benefits (OPSB) and the Department of General Service's Office of State Procurement (DGS OSP) outlined a very aggressive timeline to meet a start date of January 1, 2023. However, during the evaluation stage, the prospective vendors' RFP and Live Demo responses were inadequate, insufficient, or incomplete, resulting in multiple cures for clarity.

The OPSB and DGS OSP evaluation team is composed of knowledgeable and dedicated individuals who are unified in our effort to conduct a successful procurement with minimal disruptions that could delay the execution of a PBM contract. We have entered the final evaluation stage and expect to have a recommendation no later than March 15, 2022.

The following timeline presumes this process continues with minimal disruptions:

- **March 2022**
  - Finalize recommendation
- **May 2022**
  - Anticipated Contract award approval / Board of Public Works (BPW) meeting date - the recommended awardee is submitted to the BPW for approval
- **June 2022**
  - Anticipated Contract commencement date for RAP Contractor to begin work
  - State works with the RAP Contractor to finalize the draft PBM RFP
- **August 2022**
  - Anticipated PBM RFP publication date
- **October 2022**
  - Anticipated due date for the PBM proposals
  - Initial technical proposal review and Evaluation process begins
- **December 2022**
  - Anticipated completion date for the Evaluation process completion
  - PBM Award Recommendation finalized
- **March 2023**
  - Anticipated PBM Award Recommendation submitted to BPW for final approval
  - Contract executed in preparation for Employee Annual Open Enrollment period

Given the extended timeline, the Department expects to exercise the second two-year renewal option of the current PBM contract for the term January 1, 2023, through December 31, 2024.

Please note that the State has the option of terminating the two-year renewal option at the midpoint, should the timeline above be satisfied WITHOUT any disruptions.

## **DLS RECOMMENDATIONS**

DBM concurs with ALL the recommendations.