

HOUSE BILL 1033

K4, P4

9lr1658

By: **Delegate Cox**

Introduced and read first time: February 8, 2019

Assigned to: Appropriations

A BILL ENTITLED

1 AN ACT concerning

2 **State Prescription Drug Benefits – Retiree Benefits – Alterations**

3 FOR the purpose of requiring the State to continue providing a certain State prescription
4 drug benefit plan to certain retirees; authorizing certain retirees who participate in
5 a certain prescription drug benefit plan with a spouse or dependent child to elect to
6 have the spouse or dependent child covered under a certain State prescription drug
7 benefit plan; authorizing certain surviving spouses and surviving dependent
8 children to elect to enroll in a certain State prescription drug benefit plan;
9 authorizing the State to include a certain prescription drug benefit plan in the health
10 insurance benefit options established under the State Employee and Retiree Health
11 and Welfare Benefits Program for certain retirees; altering the date by which the
12 Secretary of Budget and Management is required to provide a certain notice to
13 certain individuals; altering the information required to be included in a certain
14 notice to certain individuals; making conforming changes; and generally relating to
15 retirees from State employment and participation in the State prescription drug
16 benefit plan.

17 BY repealing and reenacting, with amendments,
18 Article – State Personnel and Pensions
19 Section 2–509.1
20 Annotated Code of Maryland
21 (2015 Replacement Volume and 2018 Supplement)

22 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
23 That the Laws of Maryland read as follows:

24 **Article – State Personnel and Pensions**

25 2–509.1.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (a) (1) THIS SUBSECTION APPLIES TO A RETIREE WHO:

2 (I) IS NOT ELIGIBLE TO PARTICIPATE IN A PRESCRIPTION DRUG
3 BENEFIT PLAN UNDER MEDICARE; OR

4 (II) ON OR BEFORE JUNE 1, 2019:

5 1. IS RETIRED; OR

6 2. A. HAS EARNED THE MINIMUM ELIGIBILITY
7 SERVICE NEEDED TO BE ELIGIBLE FOR A VESTED ALLOWANCE UNDER TITLE 29,
8 SUBTITLE 3 OF THIS ARTICLE;

9 B. IS ELIGIBLE FOR A RETIREMENT ALLOWANCE UNDER
10 § 27-402 OF THIS ARTICLE; OR

11 C. IS ELIGIBLE FOR A RETIREMENT ALLOWANCE UNDER
12 THE LEGISLATIVE PENSION PLAN.

13 (2) [Except as provided in subsection (b) of this section, the] THE State
14 shall continue to include a prescription drug benefit plan in the health insurance benefit
15 options established under the Program and available to retirees under §§ 2-508 and 2-509
16 of this subtitle notwithstanding the enactment of the federal Medicare Prescription Drug,
17 Improvement, and Modernization Act of 2003 or any other federal law permitting states to
18 discontinue prescription drug benefit plans to retirees of a state.

19 (3) A RETIREE MAY ELECT TO COVER THE RETIREE'S SPOUSE OR
20 DEPENDENT CHILD UNDER THE STATE PRESCRIPTION DRUG BENEFIT PLAN UNDER
21 §§ 2-508 AND 2-509 OF THIS SUBTITLE.

22 (4) IF A SURVIVING SPOUSE OR SURVIVING DEPENDENT CHILD OF A
23 RETIREE IS ELIGIBLE TO ENROLL IN THE STATE PRESCRIPTION DRUG BENEFIT
24 PLAN UNDER § 2-508 OR § 2-509 OF THIS SUBTITLE, THE SURVIVING SPOUSE OR
25 SURVIVING DEPENDENT CHILD MAY ELECT TO ENROLL IN THE STATE
26 PRESCRIPTION DRUG BENEFIT PLAN.

27 (b) [Except as provided in subsection (c) of this section, on January 1, 2019, the]
28 THE State [shall discontinue] MAY INCLUDE A prescription drug [benefits] BENEFIT
29 PLAN IN THE HEALTH INSURANCE BENEFIT OPTIONS ESTABLISHED UNDER THE
30 PROGRAM for:

31 (1) a Medicare-eligible retiree;

32 (2) the Medicare-eligible spouse or surviving spouse of a retiree; and

1 (3) a Medicare–eligible dependent child or surviving dependent child of a
2 retiree.

3 (c) [(1) If a retiree is eligible to participate in the prescription drug benefit plan
4 under Medicare, but the retiree’s spouse or dependent child is not eligible to participate in
5 a Medicare prescription drug benefit plan, the retiree may elect to cover the retiree’s spouse
6 or dependent child under the State prescription drug benefit plan.

7 (2) If the surviving spouse or surviving dependent child of a retiree is
8 eligible to enroll in the State prescription drug benefit plan under § 2–509 of this subtitle,
9 but is not eligible to participate in the prescription drug benefit plan under Medicare, the
10 surviving spouse or surviving dependent child may elect to enroll in the State prescription
11 drug benefit plan.

12 (d) (1) Subject to paragraph (2) of this subsection, not] **NOT** later than July 1,
13 **[2018] 2019**, the Secretary shall provide written certified notice to the individuals listed in
14 subsection (b) of this section of **[the change] ANY CHANGES** in the State prescription drug
15 benefit plan under this section.

16 [(2) The notice shall include information regarding:

17 (i) coverage options available in the Medicare prescription drug
18 benefit plan; and

19 (ii) the potential for significant penalties if an individual does not
20 promptly choose a Medicare prescription drug benefit plan immediately on termination of
21 the individual’s participation in the State prescription drug benefit plan.]

22 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect June
23 1, 2019.