

HOUSE BILL 1120

K4, P4

EMERGENCY BILL

9lr2979
CF SB 946

By: Delegates Carey, Attar, Bhandari, Bridges, Bromwell, Busch, Cardin, Crosby, Hettleman, Jones, Kipke, Lafferty, McIntosh, Pendergrass, Rosenberg, Stein, Szeliga, and C. Watson

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Assigned to: Appropriations

Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 17, 2019

CHAPTER _____

1 AN ACT concerning

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

3 FOR the purpose of authorizing certain retirees who participate in a certain prescription
4 drug benefit plan with a spouse or dependent child to elect to have the spouse or
5 dependent child covered under a certain State prescription drug benefit plan;
6 authorizing certain surviving spouses and surviving dependent children to elect to
7 enroll in a certain State prescription drug benefit plan; requiring the Department of
8 Budget and Management, on or before a certain date, to establish the Maryland
9 State Retiree Prescription Drug Coverage Program; authorizing the Department to
10 establish certain out-of-pocket limits under the Maryland State Retiree
11 Prescription Drug Coverage Program for certain retirees; authorizing the Maryland
12 State Retiree Prescription Drug Coverage Program to include a certain health
13 reimbursement account or other program; authorizing certain individuals to enroll
14 in the Maryland State Retiree Prescription Drug Coverage Program during a certain
15 open enrollment or special enrollment period; requiring the Department, on or before
16 a certain date, to establish the Maryland State Retiree Catastrophic Prescription
17 Drug Assistance Program; authorizing the Department to establish a certain
18 maximum reimbursement amount under the Maryland State Retiree Catastrophic
19 Prescription Drug Assistance Program for certain retirees; authorizing the Maryland
20 State Retiree Catastrophic Prescription Drug Assistance Program to reimburse
21 participants through a certain health reimbursement account or other program;
22 authorizing certain individuals to enroll in the Maryland State Retiree Catastrophic
23 Prescription Drug Assistance Program during a certain open enrollment or special

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1 enrollment period; requiring the Department, on or before a certain date, to establish
 2 the Maryland State Retiree Life-Sustaining Prescription Drug Assistance Program
 3 to reimburse participants for certain costs through a certain health reimbursement
 4 account or other program; authorizing the Department to establish maximum
 5 reimbursement amounts on a certain basis under the Maryland State Retiree
 6 Life-Sustaining Prescription Drug Assistance Program; providing that certain
 7 individuals shall be automatically enrolled in the Maryland State Retiree
 8 Life-Sustaining Prescription Drug Assistance Program; altering the date by which
 9 the Secretary of Budget and Management is required to provide a certain notice to
 10 certain individuals; altering the information required to be included in a certain
 11 notice; requiring the Department to provide certain counseling to Medicare-eligible
 12 retirees for a certain purpose; requiring the Department to take certain actions in
 13 providing certain counseling; requiring the Department to provide to certain retirees
 14 a certain customer service hotline and interactive website; providing for the manner
 15 in which certain counseling may be provided; authorizing the Department to make
 16 an emergency procurement for certain services under certain circumstances;
 17 requiring the Department to submit certain quarterly reports to the Governor and
 18 certain committees of the General Assembly; requiring the Department to adopt
 19 certain regulations; providing for the application of certain provisions of this Act;
 20 making conforming changes; providing that, notwithstanding any other provision of
 21 law, the elimination of certain State prescription drug benefits, the establishment of
 22 certain programs, and the provision of a certain notice shall begin on a certain date
 23 under certain circumstances; requiring the Secretary of Budget and Management to
 24 provide certain notice to certain retirees not later than a certain date; declaring the
 25 intent of the General Assembly; making this Act an emergency measure; and
 26 generally relating to retirees from State employment and State prescription drug
 27 benefits.

28 BY repealing and reenacting, without amendments,

29 Article – State Personnel and Pensions

30 Section ~~2-508(d)~~ 2-508 and 2-509

31 Annotated Code of Maryland

32 (2015 Replacement Volume and 2018 Supplement)

33 BY repealing and reenacting, with amendments,

34 Article – State Personnel and Pensions

35 Section 2-509.1

36 Annotated Code of Maryland

37 (2015 Replacement Volume and 2018 Supplement)

38 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,

39 That the Laws of Maryland read as follows:

40 **Article – State Personnel and Pensions**

41 2-508.

1 (a) (1) In this section the following words have the meanings indicated.

2 (2) “Creditable service” means:

3 (i) service credited toward a retirement allowance under Division II
4 of this article;

5 (ii) service while a member of the Judges’ Retirement System under
6 Title 27 of this article;

7 (iii) service while an employee was employed by the Domestic
8 Relations Division of the Anne Arundel County Circuit Court, prior to transfer on or before
9 July 1, 2002 into the State Personnel Management System, in accordance with § 2–510 of
10 the Courts Article; or

11 (iv) service while a member of the Maryland Transit Administration
12 Retirement Plan under § 7–206 of the Transportation Article.

13 (3) (i) “Retiree” means:

14 1. a former State employee who receives a retirement
15 allowance under Division II of this article;

16 2. a former employee of the Medical System Corporation, as
17 defined in § 13–301 or § 13–401 of the Education Article, who receives a retirement
18 allowance from the Employees’ Retirement System of the State of Maryland or the
19 Employees’ Pension System of the State of Maryland under Title 22 or Title 23 of this
20 article; or

21 3. a former employee of the Maryland Transit
22 Administration who receives a Maryland Transit Administration retirement allowance
23 under § 7–206 of the Transportation Article.

24 (ii) “Retiree” does not include:

25 1. a member of the faculty or staff of a community college;

26 2. a teacher or a staff member employed by a county board of
27 education; or

28 3. an individual who retired under an optional program
29 under Title 30 of this article.

30 (4) “State service” means service with the State by:

31 (i) an employee while a member of the Employees’ Retirement
32 System or the Employees’ Pension System under Title 22 or Title 23 of this article;

1 (ii) a member of the Judges' Retirement System under Title 27 of
2 this article;

3 (iii) a teacher while a member of the Teachers' Retirement System or
4 Teachers' Pension System under Title 22 or Title 23 of this article;

5 (iv) a correctional officer, while a member of the Correctional
6 Officers' Retirement System under Title 25 of this article;

7 (v) an employee of the Medical System Corporation, as defined in §
8 13-301 or § 13-401 of the Education Article, while a member of the Employees' Retirement
9 System of the State of Maryland or the Employees' Pension System of the State of Maryland
10 under Title 22 or Title 23 of this article;

11 (vi) a State Police officer while a member of the State Police
12 Retirement System under Title 24 of this article;

13 (vii) a law enforcement officer while a member of the Law
14 Enforcement Officers' Pension System under Title 26 of this article; or

15 (viii) an employee while a member of the Maryland Transit
16 Administration Plan under § 7-206 of the Transportation Article.

17 (b) (1) This subsection applies to a retiree who:

18 (i) began State service on or before June 30, 2011; or

19 (ii) 1. began State service on or after July 1, 2011; and

20 2. is a retiree of the Judges' Retirement System.

21 (2) A retiree may enroll and participate in the health insurance benefit
22 options established under the Program if the retiree:

23 (i) ended State service with at least 10 years of creditable service
24 and within 5 years before the age at which a vested retirement allowance normally would
25 begin;

26 (ii) ended State service with at least 16 years of creditable service;

27 (iii) ended State service on or before June 30, 1984;

28 (iv) retired directly from State service with a State retirement
29 allowance on or after July 1, 1984, and had at least 5 years of creditable service; or

1 (v) retired directly from State service with a State disability
2 retirement allowance on or after July 1, 1984.

3 (3) (i) The surviving spouse or dependent child of a deceased retiree
4 who was eligible to enroll may enroll and participate in the health insurance benefit options
5 established under the Program as long as the spouse or child is receiving a periodic
6 allowance under Division II of this article or the Maryland Transit Administration
7 Retirement Plan under § 7-206 of the Transportation Article.

8 (ii) Subparagraph (i) of this paragraph does not apply to a deceased
9 retiree's spouse or dependent child who receives an Option 1, Option 4, or Option 7 benefit
10 under Division II of this article or a lump-sum payment of benefits under the Maryland
11 Transit Administration Retirement Plan under § 7-206 of the Transportation Article.

12 (4) (i) If a retiree receives a State disability retirement allowance or has
13 16 or more years of creditable service, the retiree or the retiree's surviving spouse or
14 dependent child is entitled to the same State subsidy allowed a State employee.

15 (ii) In all other cases, if a retiree has at least 5 years of creditable
16 service, the retiree or the retiree's surviving spouse or dependent child is entitled to 1/16 of
17 the State subsidy allowed a State employee for each year of the retiree's creditable service
18 up to 16 years.

19 (iii) Notwithstanding subparagraph (ii) of this paragraph and
20 subsection (a)(4)(i) of this section, if a retiree is an additional employee or agent of the State
21 Racing Commission, for the purposes of determining a retiree's State subsidy, creditable
22 service shall be determined with respect to service as an additional employee or agent
23 beginning from the initial date of employment or January 1, 1986, whichever is later.

24 (c) (1) (i) Except as provided in subparagraph (ii) of this paragraph, this
25 subsection applies to a retiree who begins State service on or after July 1, 2011.

26 (ii) This subsection does not apply to:

27 1. a retiree of the Judges' Retirement System; or

28 2. a former Governor of Maryland who began serving as
29 Governor on or after January 21, 2015.

30 (2) A retiree may enroll and participate in the health insurance benefit
31 options established under the Program if the retiree:

32 (i) ends State service with at least 25 years of creditable service;

33 (ii) ends State service with at least 10 years of creditable service
34 within 5 years before the age at which a vested retirement allowance normally would begin;

1 (iii) retires directly from State service with a State retirement
2 allowance and has 10 years of creditable service; or

3 (iv) retires directly from State service with a State disability
4 retirement allowance.

5 (3) (i) The surviving spouse or dependent child of a deceased retiree
6 who was eligible to enroll may enroll and participate in the health insurance benefit options
7 established under the Program as long as the spouse or child is receiving a periodic
8 allowance under Division II of this article or the Maryland Transit Administration
9 Retirement Plan under § 7–206 of the Transportation Article.

10 (ii) Subparagraph (i) of this paragraph does not apply to a deceased
11 retiree's spouse or dependent child who receives an Option 1, Option 4, or Option 7 benefit
12 under Division II of this article or a lump-sum payment of benefits under the Maryland
13 Transit Administration Retirement Plan under § 7–206 of the Transportation Article.

14 (4) (i) If a retiree receives a State disability retirement allowance or has
15 25 or more years of creditable service, the retiree or the retiree's surviving spouse or
16 dependent child is entitled to the same State subsidy allowed a State employee.

17 (ii) In all other cases, if a retiree has at least 10 years of creditable
18 service, the retiree or the retiree's surviving spouse or dependent child is entitled to 1/25 of
19 the State subsidy allowed a State employee for each year of the retiree's creditable service
20 up to 25 years.

21 (iii) Notwithstanding subparagraph (ii) of this paragraph and
22 subsection (a)(4)(i) of this section, if a retiree is an additional employee or agent of the State
23 Racing Commission, for the purposes of determining a retiree's State subsidy, creditable
24 service shall be determined with respect to service as an additional employee or agent
25 beginning from the initial date of employment.

26 (d) (1) Notwithstanding subsections (b) and (c) of this section and §§ 2–509 and
27 2–509.1 of this subtitle, the State may establish separate health insurance benefit options
28 for retirees that differ from those for active State employees.

29 (2) Subject to § 2–509.1 of this subtitle, on or after July 1, 2011, the health
30 insurance benefit option for retirees shall include a prescription drug benefit that:

31 (i) has the same co-payments, coinsurance, and deductible that
32 apply to the prescription drug benefit for active State employees;

33 (ii) requires:

34 1. retirees who qualify for the maximum State subsidy to pay
35 25% of the premium for the prescription drug benefit; and

1 2. retirees who qualify for a partial State subsidy to pay 25%
2 of the premium for the prescription drug benefit plus the proportional additional amount
3 required under subsections (b)(4)(ii) and (c)(4)(ii) of this section; and

4 (iii) requires retirees to pay out-of-pocket limits equal to:

5 1. \$1,500 for the retiree only; and

6 2. \$2,000 for the retiree and the retiree's family.

7 2-509.

8 (a) (1) This subsection applies to a retiree of an optional retirement program
9 under Title 30 of this article who began service as an employee of the State in the Executive,
10 Legislative, or Judicial Branch of government on or before June 30, 2011.

11 (2) (i) Subject to subparagraph (ii) of this paragraph, an individual may
12 enroll and participate in the health insurance benefit options established under the
13 Program if the individual retired under an optional program under Title 30 of this article
14 and:

15 1. ended service with a State institution of higher education
16 with at least 10 years of service and was at least age 57;

17 2. ended service with a State institution of higher education
18 with at least 16 years of service; or

19 3. retired directly from and had at least 5 years of service
20 with a State institution of higher education with a periodic distribution of benefits on or
21 after July 1, 1984.

22 (ii) 1. For purposes of this subsection only, years of service shall
23 be calculated as follows:

24 A. except as provided in subparagraph 2 of this
25 subparagraph, a year of service means a period of 12 months during which an employee
26 was a participant in an optional retirement program under Title 30 of this article and the
27 participant's employer made contributions to the participant's account in the Program; or

28 B. if an employee's work year is an academic year of at least
29 9 but less than 12 months, a year of service means a period equal to the academic year
30 during which an employee was a participant in an optional retirement program under Title
31 30 of this article and the participant's employer made contributions to the participant's
32 account in the Program.

1 2. To determine eligibility for health insurance benefits
2 under this section, each year of service shall be multiplied by the participant's percentage
3 of full-time employment for that year of service.

4 (iii) The surviving spouse or dependent child of a deceased individual
5 who was eligible to enroll may enroll and participate in the health insurance benefit options
6 established under the Program as long as the spouse or child is receiving a periodic
7 distribution of benefits under an optional retirement program under Title 30 of this article.

8 (3) (i) An enrollee under this section who was in service with a State
9 institution of higher education at the time of the retirement is entitled to the same State
10 subsidy allowed a retiree under § 2-508(b)(4) of this subtitle. However, except as provided
11 in subparagraph (ii) of this paragraph, the subsidy shall apply only to the costs of coverage
12 for the enrollee and may not apply to any additional costs of coverage for the enrollee's
13 spouse or children.

14 (ii) If the enrollee has 25 or more years of service as an employee of
15 the State in the Executive, Legislative, or Judicial Branch of government, the enrollee or
16 the enrollee's surviving spouse or dependent child is entitled to the same State subsidy
17 allowed a retiree with 16 or more years of creditable service under § 2-508(b)(4)(i) of this
18 subtitle.

19 (b) (1) This subsection applies to a retiree of an optional retirement program
20 under Title 30 of this article who begins service as an employee of the State in the
21 Executive, Legislative, or Judicial Branch of government on or after July 1, 2011.

22 (2) (i) Subject to subparagraph (ii) of this paragraph, an individual may
23 enroll and participate in the health insurance benefit options established under the
24 Program if the individual retired under an optional program under Title 30 of this article
25 and:

26 1. ended service with a State institution of higher education
27 with at least 10 years of service and was at least age 57;

28 2. ended service with a State institution of higher education
29 with at least 25 years of service; or

30 3. retired directly from and had at least 10 years of service
31 with a State institution of higher education with a periodic distribution of benefits on or
32 after July 1, 2011.

33 (ii) 1. For purposes of this paragraph only, years of service shall
34 be calculated as follows:

35 A. except as provided in subparagraph 2 of this
36 subparagraph, a year of service means a period of 12 months during which an employee

1 was a participant in an optional retirement program under Title 30 of this article and the
2 participant's employer made contributions to the participant's account in the Program; or

3 B. if an employee's work year is an academic year of at least
4 9 but less than 12 months, a year of service means a period equal to the academic year
5 during which an employee was a participant in an optional retirement program under Title
6 30 of this article and the participant's employer made contributions to the participant's
7 account in the Program.

8 2. To determine eligibility for health insurance benefits
9 under this section, each year of service shall be multiplied by the participant's percentage
10 of full-time employment for that year of service.

11 (iii) The surviving spouse or dependent child of a deceased individual
12 who was eligible to enroll may enroll and participate in the health insurance benefit options
13 established under the Program as long as the spouse or child is receiving a periodic
14 distribution of benefits under an optional retirement program under Title 30 of this article.

15 (3) (i) An enrollee under this subsection who was in service with a State
16 institution of higher education at the time of the retirement is entitled to the same State
17 subsidy allowed a retiree under § 2-508(c)(4) of this subtitle. However, except as provided
18 in subparagraph (ii) of this paragraph, the subsidy shall apply only to the costs of coverage
19 for the enrollee and may not apply to any additional costs of coverage for the enrollee's
20 spouse or children.

21 (ii) If the enrollee has 25 or more years of service as an employee of
22 the State in the Executive, Legislative, or Judicial Branch of government, the enrollee or
23 the enrollee's surviving spouse or dependent child is entitled to the same State subsidy
24 allowed a retiree with 25 or more years of creditable service under § 2-508(c)(4)(i) of this
25 subtitle.

26 2-509.1.

27 (a) **(1)** Except as provided in subsection (b) of this section, the State shall
28 continue to include a prescription drug benefit plan in the health insurance benefit options
29 established under the Program and available to retirees under §§ 2-508 and 2-509 of this
30 subtitle notwithstanding the enactment of the federal Medicare Prescription Drug,
31 Improvement, and Modernization Act of 2003 or any other federal law permitting states to
32 discontinue prescription drug benefit plans to retirees of a state.

33 **(2) EXCEPT AS PROVIDED IN SUBSECTION (B) OF THIS SECTION:**

34 **(I) A RETIREE MAY ELECT TO COVER THE RETIREE'S SPOUSE**
35 **OR DEPENDENT CHILD UNDER THE STATE PRESCRIPTION DRUG BENEFIT PLAN**
36 **UNDER §§ 2-508 AND 2-509 OF THIS SUBTITLE; AND**

1 **(II) IF A SURVIVING SPOUSE OR SURVIVING DEPENDENT CHILD**
 2 **OF A RETIREE IS ELIGIBLE TO ENROLL IN THE STATE PRESCRIPTION DRUG BENEFIT**
 3 **PLAN UNDER § 2-508 OR § 2-509 OF THIS SUBTITLE, THE SURVIVING SPOUSE OR**
 4 **SURVIVING DEPENDENT CHILD MAY ELECT TO ENROLL IN THE STATE**
 5 **PRESCRIPTION DRUG BENEFIT PLAN.**

6 (b) Except as provided in subsection (c) of this section, on January 1, 2019, the
 7 State shall discontinue prescription drug benefits for:

8 (1) a Medicare-eligible retiree;

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

10 (3) a Medicare-eligible dependent child or surviving dependent child of a
 11 retiree.

12 (c) (1) If a retiree is eligible to participate in the prescription drug benefit plan
 13 under Medicare, but the retiree's spouse or dependent child is not eligible to participate in
 14 a Medicare prescription drug benefit plan, the retiree may elect to cover the retiree's spouse
 15 or dependent child under the State prescription drug benefit plan.

16 (2) If the surviving spouse or surviving dependent child of a retiree is
 17 eligible to enroll in the State prescription drug benefit plan under **§ 2-508 OR § 2-509** of
 18 this subtitle, but is not eligible to participate in the prescription drug benefit plan under
 19 Medicare, the surviving spouse or surviving dependent child may elect to enroll in the State
 20 prescription drug benefit plan.

21 **(D) (1) THIS SUBSECTION APPLIES ONLY TO A RETIREE, A RETIREE'S**
 22 **SPOUSE OR SURVIVING SPOUSE, AND A RETIREE'S DEPENDENT CHILD OR SURVIVING**
 23 **DEPENDENT CHILD:**

24 **(I) WHO IS ENROLLED IN A PRESCRIPTION DRUG BENEFIT PLAN**
 25 **UNDER MEDICARE; AND**

26 **(II) IF THE RETIREE IS RETIRED ON OR BEFORE ~~DECEMBER 31,~~**
 27 **2018 MAY 31, 2019; AND**

28 **(III) IF THE RETIREE IS ELIGIBLE UNDER § 2-508 OR § 2-509 OF**
 29 **THIS SUBTITLE TO ENROLL AND PARTICIPATE IN THE HEALTH INSURANCE BENEFIT**
 30 **OPTIONS ESTABLISHED UNDER THE PROGRAM.**

31 **(2) (I) ON SUBJECT TO SUBPARAGRAPH (II) OF THIS PARAGRAPH,**
 32 **ON OR BEFORE JANUARY 1, 2020, THE DEPARTMENT SHALL ESTABLISH A**
 33 **MARYLAND STATE RETIREE PRESCRIPTION DRUG COVERAGE PROGRAM THAT**
 34 **REQUIRES PARTICIPANTS TO PAY REIMBURSES A PARTICIPANT FOR**

1 ~~OUT-OF-POCKET LIMITS EQUAL TO COSTS THAT EXCEED THE LIMITS ESTABLISHED~~
 2 ~~FOR NON-MEDICARE-ELIGIBLE RETIREES IN § 2-508(D)(2)(III) OF THIS SUBTITLE.~~

3 (II) THE DEPARTMENT MAY ESTABLISH AN OUT-OF-POCKET
 4 LIMIT HIGHER THAN THE LIMITS ESTABLISHED IN SUBPARAGRAPH (I) OF THIS
 5 PARAGRAPH FOR A RETIREE WHO QUALIFIES FOR A PARTIAL STATE SUBSIDY.

6 (3) THE MARYLAND STATE RETIREE PRESCRIPTION DRUG
 7 COVERAGE PROGRAM ESTABLISHED UNDER PARAGRAPH (2) OF THIS SUBSECTION
 8 MAY INCLUDE:

9 (I) A HEALTH REIMBURSEMENT ACCOUNT ESTABLISHED IN
 10 ACCORDANCE WITH § 105(H) OF THE INTERNAL REVENUE CODE; OR

11 (II) ANOTHER PROGRAM THAT PROVIDES ASSISTANCE WITH
 12 PRESCRIPTION DRUG COSTS.

13 (4) A RETIREE, A RETIREE'S SPOUSE OR SURVIVING SPOUSE, AND A
 14 RETIREE'S DEPENDENT CHILD OR SURVIVING DEPENDENT CHILD MAY ENROLL IN
 15 THE MARYLAND STATE RETIREE PRESCRIPTION DRUG COVERAGE PROGRAM
 16 DURING THE OPEN ENROLLMENT PERIOD OR ANY SPECIAL ENROLLMENT PERIOD
 17 FOR RETIREE HEALTH INSURANCE BENEFIT OPTIONS.

18 (E) (1) THIS SUBSECTION APPLIES ONLY TO A RETIREE, A RETIREE'S
 19 SPOUSE OR SURVIVING SPOUSE, AND A RETIREE'S DEPENDENT CHILD OR SURVIVING
 20 DEPENDENT CHILD:

21 (I) WHO IS ENROLLED IN A PRESCRIPTION DRUG BENEFIT PLAN
 22 UNDER MEDICARE; AND

23 (II) IF THE RETIREE:

24 1. BEGAN STATE SERVICE ON OR BEFORE JUNE 30,
 25 2011; ~~AND~~

26 2. RETIRED ON OR AFTER ~~JANUARY 1, 2019~~ JUNE 1,
 27 2019; AND

28 3. IS ELIGIBLE UNDER § 2-508 OR § 2-509 OF THIS
 29 SUBTITLE TO ENROLL AND PARTICIPATE IN THE HEALTH INSURANCE BENEFIT
 30 OPTIONS ESTABLISHED UNDER THE PROGRAM.

31 (2) (1) ~~ON~~ SUBJECT TO SUBPARAGRAPH (II) OF THIS PARAGRAPH,
 32 ON OR BEFORE JANUARY 1, 2020, THE DEPARTMENT SHALL ESTABLISH A

1 MARYLAND STATE RETIREE CATASTROPHIC PRESCRIPTION DRUG ASSISTANCE
2 PROGRAM THAT REIMBURSES A PARTICIPANT FOR OUT-OF-POCKET COSTS AFTER
3 THE PARTICIPANT HAS ENTERED CATASTROPHIC COVERAGE UNDER A
4 PRESCRIPTION DRUG BENEFIT PLAN UNDER MEDICARE.

5 (II) THE DEPARTMENT MAY ESTABLISH A MAXIMUM
6 REIMBURSEMENT AMOUNT FOR A RETIREE WHO QUALIFIES FOR A PARTIAL STATE
7 SUBSIDY.

8 (3) THE MARYLAND STATE RETIREE CATASTROPHIC PRESCRIPTION
9 DRUG ASSISTANCE PROGRAM UNDER PARAGRAPH (2) OF THIS SUBSECTION MAY
10 PROVIDE REIMBURSEMENTS THROUGH:

11 (I) A HEALTH REIMBURSEMENT ACCOUNT ESTABLISHED IN
12 ACCORDANCE WITH § 105(H) OF THE INTERNAL REVENUE CODE; OR

13 (II) ANOTHER PROGRAM THAT PROVIDES ASSISTANCE WITH
14 PRESCRIPTION DRUG COSTS.

15 (4) A RETIREE, A RETIREE'S SPOUSE OR SURVIVING SPOUSE, AND A
16 RETIREE'S DEPENDENT CHILD OR SURVIVING DEPENDENT CHILD MAY ENROLL IN
17 THE MARYLAND STATE RETIREE CATASTROPHIC PRESCRIPTION DRUG
18 ASSISTANCE PROGRAM DURING THE OPEN ENROLLMENT PERIOD OR ANY SPECIAL
19 ENROLLMENT PERIOD FOR RETIREE HEALTH INSURANCE BENEFIT OPTIONS.

20 (F) (1) THIS SUBSECTION APPLIES ONLY TO A RETIREE, A RETIREE'S
21 SPOUSE OR SURVIVING SPOUSE, AND A RETIREE'S DEPENDENT CHILD OR SURVIVING
22 DEPENDENT CHILD:

23 (I) WHO IS ENROLLED IN:

24 1. THE MARYLAND STATE RETIREE PRESCRIPTION
25 DRUG COVERAGE PROGRAM ESTABLISHED UNDER SUBSECTION (D) OF THIS
26 SECTION; OR

27 2. THE MARYLAND STATE RETIREE CATASTROPHIC
28 PRESCRIPTION DRUG ASSISTANCE PROGRAM ESTABLISHED UNDER SUBSECTION
29 (E) OF THIS SECTION; AND

30 (II) IF THE RETIREE IS ELIGIBLE UNDER § 2-508 OR § 2-509 OF
31 THIS SUBTITLE TO ENROLL AND PARTICIPATE IN THE HEALTH INSURANCE BENEFIT
32 OPTIONS ESTABLISHED UNDER THE PROGRAM.

1 **(2) (I) ON OR BEFORE JANUARY 1, 2020, THE DEPARTMENT SHALL**
 2 **ESTABLISH A MARYLAND STATE RETIREE LIFE-SUSTAINING PRESCRIPTION DRUG**
 3 **ASSISTANCE PROGRAM THAT REIMBURSES A PARTICIPANT FOR OUT-OF-POCKET**
 4 **COSTS FOR A LIFE-SUSTAINING PRESCRIPTION DRUG THAT IS:**

5 **1. COVERED BY THE PRESCRIPTION DRUG BENEFIT**
 6 **PLAN IN THE HEALTH INSURANCE BENEFIT OPTIONS ESTABLISHED UNDER THE**
 7 **PROGRAM; AND**

8 **2. NOT COVERED BY THE PRESCRIPTION DRUG BENEFIT**
 9 **PLAN UNDER MEDICARE IN WHICH THE PARTICIPANT IS ENROLLED.**

10 **(II) THE DEPARTMENT SHALL DEVELOP A LIST OF THE**
 11 **PRESCRIPTION DRUGS THAT QUALIFY FOR REIMBURSEMENT UNDER**
 12 **SUBPARAGRAPH (I) OF THIS PARAGRAPH.**

13 **(III) THE DEPARTMENT MAY ESTABLISH MAXIMUM**
 14 **REIMBURSEMENT AMOUNTS FOR A RETIREE WHO QUALIFIES FOR A PARTIAL STATE**
 15 **SUBSIDY.**

16 **(3) THE MARYLAND STATE RETIREE LIFE-SUSTAINING**
 17 **PRESCRIPTION DRUG ASSISTANCE PROGRAM ESTABLISHED UNDER PARAGRAPH**
 18 **(2) OF THIS SUBSECTION MAY PROVIDE REIMBURSEMENTS THROUGH:**

19 **(I) A HEALTH REIMBURSEMENT ACCOUNT ESTABLISHED IN**
 20 **ACCORDANCE WITH § 105(H) OF THE INTERNAL REVENUE CODE; OR**

21 **(II) ANOTHER PROGRAM THAT PROVIDES ASSISTANCE WITH**
 22 **PRESCRIPTION DRUG COSTS.**

23 **(4) A RETIREE, A RETIREE'S SPOUSE OR SURVIVING SPOUSE, AND A**
 24 **RETIREE'S DEPENDENT CHILD OR SURVIVING DEPENDENT CHILD SHALL BE**
 25 **AUTOMATICALLY ENROLLED IN THE MARYLAND STATE RETIREE LIFE-SUSTAINING**
 26 **PRESCRIPTION DRUG ASSISTANCE PROGRAM ON ENROLLMENT IN:**

27 **(I) THE MARYLAND STATE RETIREE PRESCRIPTION DRUG**
 28 **COVERAGE PROGRAM ESTABLISHED UNDER SUBSECTION (D) OF THIS SECTION; OR**

29 **(II) THE MARYLAND STATE RETIREE CATASTROPHIC**
 30 **PRESCRIPTION DRUG ASSISTANCE PROGRAM ESTABLISHED UNDER SUBSECTION**
 31 **(E) OF THIS SECTION.**

32 **[(d)] ~~(F)~~ (G)** (1) Subject to paragraph **[(2)] ~~(3)~~** of this subsection, not later
 33 than July 1, ~~2018~~ **2019** **OF EACH YEAR**, the Secretary shall provide written certified

1 notice [to the individuals listed in subsection (b) of this section] of the change in the State
 2 prescription drug benefit plan under this section **TO THE INDIVIDUALS WHO WILL ~~BE~~**
 3 **~~ELIGIBLE ON OR AFTER JANUARY 1, 2020,~~ BECOME ELIGIBLE IN THE NEXT**
 4 **CALENDAR YEAR TO ENROLL IN THE:**

5 (I) MARYLAND STATE RETIREE PRESCRIPTION DRUG
 6 **COVERAGE PROGRAM; ~~OR~~**

7 (II) MARYLAND STATE RETIREE CATASTROPHIC
 8 **PRESCRIPTION DRUG ASSISTANCE PROGRAM; OR**

9 (III) MARYLAND STATE RETIREE LIFE-SUSTAINING
 10 **PRESCRIPTION DRUG ASSISTANCE PROGRAM.**

11 (2) The notice shall include information regarding:

12 (i) coverage options available in the Medicare prescription drug
 13 benefit plan, **INCLUDING OPTIONS THAT ARE RECOMMENDED OR SIMILAR TO THE**
 14 **PRESCRIPTION DRUG BENEFIT PLAN IN THE HEALTH INSURANCE BENEFIT OPTIONS**
 15 **ESTABLISHED UNDER THE PROGRAM; [and]**

16 (ii) the potential for significant penalties if an individual does not
 17 promptly choose a Medicare prescription drug benefit plan immediately on termination of
 18 the individual's participation in the State prescription drug benefit plan; ~~AND~~

19 (III) **THE PROGRAMS AVAILABLE UNDER SUBSECTIONS (D) ~~AND,~~**
 20 **(E), AND (F) OF THIS SECTION; AND**

21 (IV) **THE ONE-ON-ONE COUNSELING AVAILABLE UNDER**
 22 **SUBSECTION (H) OF THIS SECTION.**

23 (H) (1) **THE DEPARTMENT SHALL PROVIDE TO MEDICARE-ELIGIBLE**
 24 **RETIREES:**

25 (I) **ONE-ON-ONE COUNSELING TO ASSIST THE RETIREE IN:**

26 1. **SELECTING A MEDICARE PART D PRESCRIPTION**
 27 **DRUG PLAN BASED ON THE RETIREE'S SPECIFIC MEDICAL AND MEDICATION NEEDS;**
 28 **AND**

29 2. **DETERMINING ELIGIBILITY AND APPLYING FOR**
 30 **FINANCIAL ASSISTANCE PROGRAMS, INCLUDING THE MEDICARE PRESCRIPTION**
 31 **DRUG EXTRA HELP LOW INCOME SUBSIDY AND THE SENIOR PRESCRIPTION DRUG**
 32 **ASSISTANCE PROGRAM;**

1 **(II) A CUSTOMER SERVICE HOTLINE FOR REPORTING ISSUES**
2 **WITH AND CONCERNS ABOUT THE COUNSELING UNDER SUBPARAGRAPH (I) OF THIS**
3 **PARAGRAPH; AND**

4 **(III) AN INTERACTIVE WEBSITE TO ALLOW RETIREES TO**
5 **DETERMINE, BASED ON DATE OF RETIREMENT AND RETIREMENT INCOME,**
6 **ELIGIBILITY FOR:**

7 **1. THE MARYLAND STATE RETIREE PRESCRIPTION**
8 **DRUG COVERAGE PROGRAM, THE MARYLAND STATE RETIREE CATASTROPHIC**
9 **PRESCRIPTION DRUG ASSISTANCE PROGRAM, AND THE STATE RETIREE**
10 **LIFE-SUSTAINING PRESCRIPTION DRUG ASSISTANCE PROGRAM ESTABLISHED**
11 **UNDER SUBSECTIONS (D), (E), AND (F) OF THIS SECTION;**

12 **2. THE MEDICARE PRESCRIPTION DRUG EXTRA HELP**
13 **LOW INCOME SUBSIDY; AND**

14 **3. THE SENIOR PRESCRIPTION DRUG ASSISTANCE**
15 **PROGRAM.**

16 **(2) IN PROVIDING THE COUNSELING UNDER PARAGRAPH (1)(I) OF**
17 **THIS SUBSECTION, THE DEPARTMENT SHALL:**

18 **(I) ENTER INTO A STATEWIDE CONTRACT WITH AN**
19 **EXPERIENCED EMPLOYEE BENEFITS ADMINISTRATOR OR A SIMILAR ENTITY TO**
20 **PROVIDE THE SERVICES; AND**

21 **(II) PROVIDE THE COUNSELING:**

22 **1. EACH YEAR FOR A PERIOD BEGINNING AT LEAST 3**
23 **MONTHS BEFORE THE MEDICARE OPEN ENROLLMENT PERIOD THROUGH THE END**
24 **OF THE OPEN ENROLLMENT PERIOD; AND**

25 **2. IN A MANNER THAT ENSURES EQUITABLE**
26 **GEOGRAPHIC ACCESS TO THE COUNSELING.**

27 **(3) THE COUNSELING PROVIDED UNDER PARAGRAPH (1) OF THIS**
28 **SUBSECTION MAY BE PROVIDED OVER THE PHONE OR IN PERSON.**

29 **(I) SUBJECT TO THE REQUIREMENTS OF § 13-108 OF THE STATE FINANCE**
30 **AND PROCUREMENT ARTICLE, THE DEPARTMENT MAY MAKE AN EMERGENCY**
31 **PROCUREMENT FOR:**

1 **(1) STAFF REQUIRED TO CARRY OUT THE PROVISIONS OF THIS**
2 **SECTION; AND**

3 **(2) A THIRD PARTY TO ADMINISTER HEALTH REIMBURSEMENT**
4 **ACCOUNTS ESTABLISHED UNDER THIS SECTION.**

5 **(J) THE DEPARTMENT SHALL SUBMIT QUARTERLY REPORTS TO THE**
6 **GOVERNOR AND, IN ACCORDANCE WITH § 2-1246 OF THE STATE GOVERNMENT**
7 **ARTICLE, THE HOUSE APPROPRIATIONS COMMITTEE, THE SENATE BUDGET AND**
8 **TAXATION COMMITTEE, AND THE JOINT COMMITTEE ON PENSIONS, ON:**

9 **(1) THE STATUS OF ESTABLISHING THE PROGRAMS UNDER**
10 **SUBSECTIONS (D), (E), AND (F) OF THIS SECTION, INCLUDING:**

11 **(I) THE STATUS OF PROCURING ANY CONTRACTS NECESSARY**
12 **TO OPERATE THE PROGRAMS; AND**

13 **(II) THE PRESCRIPTION DRUGS DETERMINED TO QUALIFY FOR**
14 **REIMBURSEMENT UNDER THE MARYLAND STATE RETIREE LIFE-SUSTAINING**
15 **PRESCRIPTION DRUG ASSISTANCE PROGRAM UNDER SUBSECTION (F) OF THIS**
16 **SECTION;**

17 **(2) THE STATUS OF PROCURING A CONTRACT TO PROVIDE THE**
18 **ONE-ON-ONE COUNSELING SERVICES REQUIRED IN SUBSECTION (H) OF THIS**
19 **SECTION;**

20 **(3) THE DETAILS OF THE HEALTH REIMBURSEMENT ACCOUNTS OR**
21 **OTHER PROGRAMS TO PROVIDE ASSISTANCE WITH PRESCRIPTION DRUG COSTS FOR**
22 **INDIVIDUALS ENROLLED IN THE PROGRAMS UNDER SUBSECTIONS (D), (E), AND (F)**
23 **OF THIS SECTION, INCLUDING:**

24 **(I) THE SPECIFIC OUT-OF-POCKET COSTS ELIGIBLE FOR**
25 **REIMBURSEMENT;**

26 **(II) THE REQUIRED PROCESS FOR RECEIVING**
27 **REIMBURSEMENT;**

28 **(III) THE METHOD OF REIMBURSEMENT;**

29 **(IV) THE TIMING OF REIMBURSEMENT; AND**

30 **(V) A PLAN TO USE DEBIT CARDS TO PROCESS**
31 **REIMBURSEMENTS IN A CONVENIENT AND EFFICIENT MANNER; AND**

1 **(4) IN TOTAL AND BY CATEGORY FOR THE PREVIOUS QUARTER, THE**
2 **NUMBER OF ISSUES AND CONCERNS REPORTED TO THE HOTLINE.**

3 **(K) THE DEPARTMENT SHALL ADOPT REGULATIONS TO IMPLEMENT THE**
4 **PROVISIONS OF THIS SECTION.**

5 SECTION 2. AND BE IT FURTHER ENACTED, That, notwithstanding any other
6 provision of law, if the final resolution of the injunction issued in the U.S. District Court
7 for the District of Maryland in Fitch v. State of Maryland et al, Case No. 1:18
8 CV-0287-PM (D. Md.) occurs on a date that is:

9 (1) less than 9 months before the first day of the next State health benefits
10 open enrollment period, the following shall begin on the first day of the second State health
11 benefits plan year immediately following the resolution:

12 (i) the elimination of the State prescription drug benefits for
13 Medicare-eligible retirees, Medicare-eligible spouses or surviving spouses of retirees, and
14 Medicare-eligible dependent children or surviving dependent children of retirees under §
15 2-509.1(b) of the State Personnel and Pensions Article;

16 (ii) the establishment of the Maryland State Retiree Prescription
17 Drug Coverage Program, the Maryland State Retiree Catastrophic Prescription Drug
18 Assistance Program, and the Maryland State Retiree Life-Sustaining Prescription Drug
19 Assistance Program in § 2-509.1(d), (e), and (f) of the State Personnel and Pensions Article,
20 respectively, as enacted by Section 1 of this Act; and

21 (iii) the provision of written certified notice to individuals under §
22 2-509.1(g) of the State Personnel and Pensions Article, as enacted by Section 1 of this Act;
23 or

24 (2) 9 months or more before the first day of the next State health benefits
25 open enrollment period, the following shall begin on the first day of the State health
26 benefits plan year immediately following the resolution following the next open enrollment
27 period:

28 (i) the elimination of the State prescription drug benefits for
29 Medicare-eligible retirees, Medicare-eligible spouses or surviving spouses of retirees, and
30 Medicare-eligible dependent children or surviving dependent children of retirees under §
31 2-509.1(b) of the State Personnel and Pensions Article;

32 (ii) the establishment of the Maryland State Retiree Prescription
33 Drug Coverage Program, the Maryland State Retiree Catastrophic Prescription Drug
34 Assistance Program, and the Maryland State Retiree Life-Sustaining Prescription Drug
35 Assistance Program in § 2-509.1(d), (e), and (f) of the State Personnel and Pensions Article,
36 respectively, as enacted by Section 1 of this Act; and

1 (iii) the provision of written certified notice to individuals under §
2 2-509.1(g) of the State Personnel and Pensions Article, as enacted by Section 1 of this Act.

3 SECTION 3. AND BE IT FURTHER ENACTED, That, not later than May 1, 2019,
4 the Secretary of Budget and Management shall provide written certified notice of the
5 provisions of this Act to all:

6 (1) Medicare-eligible State retirees;

7 (2) Medicare-eligible spouses and surviving spouses of State retirees;

8 (3) Medicare-eligible dependent children and surviving dependent
9 children of State retirees; and

10 (4) State employees who are eligible, on or before May 31, 2019, to:

11 (i) enroll in a prescription drug benefit plan under Medicare; and

12 (ii) retire from State employment.

13 SECTION 4. AND BE IT FURTHER ENACTED, That it is the intent of the General
14 Assembly that the Department of Budget and Management establish the Maryland State
15 Retiree Prescription Drug Coverage Program, the Maryland State Retiree Catastrophic
16 Prescription Drug Assistance Program, and the Maryland State Retiree Life-Sustaining
17 Prescription Drug Assistance Program in § 2-509.1(d), (e), and (f) of the State Personnel
18 and Pensions Article, respectively, in a manner that allows retirees to access
19 reimbursement at the time of prescription drug purchase, through a mechanism such as
20 debit cards.

21 SECTION 5. AND BE IT FURTHER ENACTED, That it is the intent of the General
22 Assembly that the Department of Budget and Management attend at least one meeting
23 each year of the Joint Committee on Pensions to update the Committee on implementation
24 of the provisions of this Act.

25 SECTION ~~2~~ 6. AND BE IT FURTHER ENACTED, That this Act is an emergency
26 measure, is necessary for the immediate preservation of the public health or safety, has
27 been passed by a ye and nay vote supported by three-fifths of all the members elected to
28 each of the two Houses of the General Assembly, and shall take effect from the date it is
29 enacted.