

**SB0946/929230/2**

BY: Budget and Taxation Committee

AMENDMENTS TO SENATE BILL 946  
(First Reading File Bill)

AMENDMENT NO. 1

On page 1, in line 9, after “Program;” insert “authorizing the Department to establish certain out-of-pocket limits under the Maryland State Retiree Prescription Drug Coverage Program for certain retirees;”; in lines 13 and 19, in each instance, after “enrollment” insert “or special enrollment”; in line 15, after “Program;” insert “authorizing the Department to establish a certain maximum reimbursement amount under the Maryland State Retiree Catastrophic Prescription Drug Assistance Program for certain retirees;”; in line 19, after “period;” insert “requiring the Department, on or before a certain date, to establish the Maryland State Retiree Life-Sustaining Prescription Drug Assistance Program to reimburse participants for certain costs through a certain health reimbursement account or other program; authorizing the Department to establish maximum reimbursement amounts on a certain basis under the Maryland State Retiree Life-Sustaining Prescription Drug Assistance Program; authorizing certain individuals to enroll in the Maryland State Retiree Life-Sustaining Prescription Drug Assistance Program during a certain open enrollment or special enrollment period;”; in line 21, after “notice;” insert “requiring the Department to provide certain counseling to Medicare-eligible retirees for a certain purpose; requiring the Department to take certain actions in providing certain counseling; providing for the manner in which certain counseling may be provided;”; and in line 27, strike “2-508(d)” and substitute “2-508 and 2-509”.

AMENDMENT NO. 2

On page 2, after line 9, insert:

- “(a) (1) In this section the following words have the meanings indicated.
- (2) “Creditable service” means:

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

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

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

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

(3) (i) "Retiree" means:

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

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

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

(ii) "Retiree" does not include:

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1. a member of the faculty or staff of a community college;
2. a teacher or a staff member employed by a county board of education; or
3. an individual who retired under an optional program under Title 30 of this article.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(3) (i) The surviving spouse or dependent child of a deceased retiree who was eligible to enroll may enroll and participate in the health insurance benefit

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options established under the Program as long as the spouse or child is receiving a periodic allowance under Division II of this article or the Maryland Transit Administration Retirement Plan under § 7–206 of the Transportation Article.

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

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

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

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

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

(ii) This subsection does not apply to:

1. a retiree of the Judges’ Retirement System; or

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

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

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

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

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

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

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

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

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

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

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

and after line 25, insert:

“2-509.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

On page 3, in line 29, strike “AND”; in line 31, after “2018” insert “;AND”

**(III) IF THE RETIREE IS ELIGIBLE UNDER § 2–508 OR § 2–509 OF THIS SUBTITLE TO ENROLL AND PARTICIPATE IN THE HEALTH INSURANCE BENEFIT OPTIONS ESTABLISHED UNDER THE PROGRAM**”;

in line 32, after “(2)” insert “(I)”; and in the same line, strike “ON” and substitute “SUBJECT TO SUBPARAGRAPH (II) OF THIS PARAGRAPH, ON”.

On page 4, in line 1, strike “REQUIRES PARTICIPANTS TO PAY” and substitute “REIMBURSES A PARTICIPANT FOR”; in lines 1 and 2, strike “LIMITS EQUAL TO” and substitute “COSTS THAT EXCEED”; in line 2, after “ESTABLISHED” insert “FOR NON–MEDICARE-ELIGIBLE RETIREES”; after line 2, insert:

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

in line 13, after “PERIOD” insert “OR ANY SPECIAL ENROLLMENT PERIOD”; in line 22, strike “AND”; in line 23, after “2019” insert “;AND”

**3. IS ELIGIBLE UNDER § 2–508 OR § 2–509 OF THIS SUBTITLE TO ENROLL AND PARTICIPATE IN THE HEALTH INSURANCE BENEFIT OPTIONS ESTABLISHED UNDER THE PROGRAM**”;

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in line 24, after “(2)” insert “(I)”; in the same line, strike “ON” and substitute “SUBJECT TO SUBPARAGRAPH (II) OF THIS PARAGRAPH, ON”; and after line 28, insert:

“(II) THE DEPARTMENT MAY ESTABLISH A MAXIMUM REIMBURSEMENT AMOUNT FOR A RETIREE WHO QUALIFIES FOR A PARTIAL STATE SUBSIDY.”.

On page 5, in line 8, after “PERIOD” insert “OR ANY SPECIAL ENROLLMENT PERIOD”; after line 9, insert:

“(F) (1) THIS SUBSECTION APPLIES ONLY TO A RETIREE, A RETIREE’S SPOUSE OR SURVIVING SPOUSE, AND A RETIREE’S DEPENDENT CHILD OR SURVIVING DEPENDENT CHILD:

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

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

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

1. COVERED BY A PRESCRIPTION DRUG BENEFIT PLAN UNDER THE PROGRAM;

2. NOT COVERED BY THE PRESCRIPTION DRUG BENEFIT PLAN UNDER MEDICARE IN WHICH THE PARTICIPANT IS ENROLLED; AND

3. ON A LIST DEVELOPED BY THE DEPARTMENT.

(II) THE DEPARTMENT MAY ESTABLISH MAXIMUM REIMBURSEMENT AMOUNTS BASED ON WHETHER A RETIREE QUALIFIES FOR THE MAXIMUM STATE SUBSIDY OR FOR A PARTIAL STATE SUBSIDY.

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

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

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

(4) A RETIREE, A RETIREE'S SPOUSE OR SURVIVING SPOUSE, AND A RETIREE'S DEPENDENT CHILD OR SURVIVING DEPENDENT CHILD MAY ENROLL IN THE MARYLAND STATE RETIREE LIFE-SUSTAINING PRESCRIPTION DRUG ASSISTANCE PROGRAM DURING THE OPEN ENROLLMENT OR ANY SPECIAL ENROLLMENT PERIOD FOR RETIREE HEALTH INSURANCE BENEFIT OPTIONS.”;

in line 10, strike “(F)” and substitute “(G)”; in line 16, strike “OR”; in line 18, after “PROGRAM” insert “;OR

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(III) MARYLAND STATE RETIREE LIFE-SUSTAINING  
PRESCRIPTION DRUG ASSISTANCE PROGRAM”;

in line 25, strike “AND” and substitute a comma; and in line 26, after “(E)” insert “,AND  
(F)”.

AMENDMENT NO. 3

On page 5, after line 26, insert:

“(G) (1) THE DEPARTMENT SHALL PROVIDE ONE-ON-ONE COUNSELING  
TO MEDICARE-ELIGIBLE RETIREES TO ASSIST THE RETIREE IN SELECTING A  
MEDICARE PART D PRESCRIPTION DRUG PLAN BASED ON THE RETIREE’S  
SPECIFIC MEDICAL AND MEDICATION NEEDS.

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

(I) CONTRACT TO PROVIDE THE SERVICES; AND

(II) PROVIDE THE COUNSELING:

1. FOR A PERIOD BEGINNING AT LEAST 3 MONTHS  
BEFORE THE MEDICARE OPEN ENROLLMENT PERIOD THROUGH THE END OF THE  
OPEN ENROLLMENT PERIOD; AND

2. IN THE 12-MONTH PERIOD AFTER A RETIREE  
BECOMES ELIGIBLE FOR MEDICARE.

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