

# HOUSE BILL 490

K4, P4

9lr2651

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By: **Delegates Hornberger, Wivell, Beitzel, Buckel, Corderman, Howard, Kittleman, Krebs, Mautz, McKay, Rose, Saab, and Shoemaker**

Introduced and read first time: February 1, 2019

Assigned to: Appropriations

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## A BILL ENTITLED

1 AN ACT concerning

2 **State Prescription Drug Benefit Plan – Termination of Coverage for Retirees –**  
3 **Exemptions and Alterations**

4 FOR the purpose of authorizing certain retirees who participate in a certain prescription  
5 drug benefit plan with a spouse or dependent child to elect to have the spouse or  
6 dependent child covered under a certain State prescription drug benefit plan;  
7 authorizing certain surviving spouses and surviving dependent children to elect to  
8 enroll in a certain State prescription drug benefit plan; altering a certain date by  
9 which the State is required to discontinue coverage under a certain prescription drug  
10 benefit plan for certain retirees, spouses, and dependent children; exempting certain  
11 individuals from a certain provision of law that requires the termination of coverage  
12 under a certain prescription drug benefit plan for certain individuals; altering the  
13 date by which the Secretary of Budget and Management is required to provide a  
14 certain notice to certain individuals; making conforming changes; and generally  
15 relating to retirees from State employment and participation in the State  
16 prescription drug 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.

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



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

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

8 (I) **A RETIREE MAY ELECT TO COVER THE RETIREE’S SPOUSE**  
9 **OR DEPENDENT CHILD UNDER THE STATE PRESCRIPTION DRUG BENEFIT PLAN**  
10 **UNDER §§ 2–508 AND 2–509 OF THIS SUBTITLE; AND**

11 (II) **IF A SURVIVING SPOUSE OR SURVIVING DEPENDENT CHILD**  
12 **OF A RETIREE IS ELIGIBLE TO ENROLL IN THE STATE PRESCRIPTION DRUG BENEFIT**  
13 **PLAN UNDER § 2–508 OR § 2–509 OF THIS SUBTITLE, THE SURVIVING SPOUSE OR**  
14 **SURVIVING DEPENDENT CHILD MAY ELECT TO ENROLL IN THE STATE**  
15 **PRESCRIPTION DRUG BENEFIT PLAN.**

16 (b) (1) **THIS SUBSECTION DOES NOT APPLY TO A RETIREE, A SPOUSE OR**  
17 **SURVIVING SPOUSE OF A RETIREE, OR A DEPENDENT CHILD OR SURVIVING**  
18 **DEPENDENT CHILD OF A RETIREE IF THE RETIREE, ON OR BEFORE DECEMBER 31,**  
19 **2019:**

20 (I) **IS RETIRED; OR**

21 (II) 1. **HAS EARNED THE MINIMUM ELIGIBILITY SERVICE**  
22 **NEEDED TO BE ELIGIBLE FOR A VESTED ALLOWANCE UNDER TITLE 29, SUBTITLE 3**  
23 **OF THIS ARTICLE;**

24 2. **IS ELIGIBLE FOR A RETIREMENT ALLOWANCE UNDER**  
25 **§ 27–402 OF THIS ARTICLE; OR**

26 3. **IS ELIGIBLE FOR A RETIREMENT ALLOWANCE UNDER**  
27 **THE LEGISLATIVE PENSION PLAN.**

28 (2) Except as provided in subsection (c) of this section, on January 1, [2019]  
29 **2020**, the State shall discontinue prescription drug benefits for:

30 [(1)] (I) a Medicare–eligible retiree;

31 [(2)] (II) the Medicare–eligible spouse or surviving spouse of a retiree; and

32 [(3)] (III) a Medicare–eligible dependent child or surviving dependent child

1 of a retiree.

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

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

11 (d) (1) Subject to paragraph (2) of this subsection, not later than July 1, [2018]  
12 **2019**, the Secretary shall provide written certified notice [to the individuals listed in  
13 subsection (b) of this section] of the change in the State prescription drug benefit plan under  
14 this section **TO THE INDIVIDUALS FOR WHOM BENEFITS WILL BE DISCONTINUED ON**  
15 **OR AFTER JANUARY 1, 2020, UNDER SUBSECTION (B)(2) OF 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.