HOUSE BILL 1004

K4, P4 9lr0394

By: Delegates Parrott, Buckel, Ciliberti, Corderman, Howard, Krebs, Long, Malone, Mangione, McComas, McKay, Reilly, Rose, and Shoemaker

Introduced and read first time: February 8, 2019

Assigned to: Appropriations

A BILL ENTITLED

1	AN ACT concerning
2 3	State Employee and Retiree Health and Welfare Benefits Program – Prescription Drug Benefit Plan Reimbursement
4 5 6 7	FOR the purpose of requiring the State to reimburse certain retirees, spouses, and dependent children for certain prescription drug costs under certain circumstances and generally relating to retirees from State government employment and participation in the State prescription drug benefit plan.
8 9 10 11 12	BY repealing and reenacting, without amendments, Article – State Personnel and Pensions Section 2–509.1(a) and (b) Annotated Code of Maryland (2015 Replacement Volume and 2018 Supplement)
13 14 15 16 17	BY repealing and reenacting, with amendments, Article – State Personnel and Pensions Section 2–509.1(c) Annotated Code of Maryland (2015 Replacement Volume and 2018 Supplement)
18	Preamble
19 20	WHEREAS, The State contracted to provide a prescription drug benefit to State retirees and it is immoral to eliminate this benefit; and
$\begin{array}{c} 21 \\ 22 \end{array}$	WHEREAS, Eliminating this benefit creates a hardship for State retirees on a fixed budget; now, therefore,
23 24	SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND That the Laws of Maryland read as follows:

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1

Article - State Personnel and Pensions

- 2 2-509.1.
- 3 (a) Except as provided in subsection (b) of this section, the State shall continue to include a prescription drug benefit plan in the health insurance benefit options established under the Program and available to retirees under §§ 2–508 and 2–509 of this subtitle notwithstanding the enactment of the federal Medicare Prescription Drug, Improvement, and Modernization Act of 2003 or any other federal law permitting states to discontinue prescription drug benefit plans to retirees of a state.
- 9 (b) Except as provided in subsection (c) of this section, on January 1, 2019, the 10 State shall discontinue prescription drug benefits for:
- 11 (1) a Medicare–eligible retiree;
- 12 (2) the Medicare–eligible spouse or surviving spouse of a retiree; and
- 13 (3) a Medicare–eligible dependent child or surviving dependent child of a 14 retiree.
- 15 (c) (1) (I) If a retiree is eligible to participate in the prescription drug 16 benefit plan under Medicare, but the retiree's spouse or dependent child is not eligible to 17 participate in a Medicare prescription drug benefit plan, the retiree may elect to cover the 18 retiree's spouse or dependent child under the State prescription drug benefit plan.
- [(2)] (II) If the surviving spouse or surviving dependent child of a retiree is eligible to enroll in the State prescription drug benefit plan under § 2–509 of this subtitle, but is not eligible to participate in the prescription drug benefit plan under Medicare, the surviving spouse or surviving dependent child may elect to enroll in the State prescription drug benefit plan.
- 24 (2) IF A RETIREE, A SPOUSE OR SURVIVING SPOUSE OF A RETIREE, OR
 25 A DEPENDENT CHILD OR SURVIVING DEPENDENT CHILD OF A RETIREE IS ENROLLED
 26 IN A MEDICARE PRESCRIPTION DRUG BENEFIT PLAN, THE STATE SHALL REIMBURSE
 27 OUT-OF-POCKET EXPENSES THAT ARE GREATER THAN:
- 28 (I) \$1,500 FOR ONE MEDICARE-ENROLLED INDIVIDUAL IN A 29 HOUSEHOLD; OR
- 30 (II) \$2,000 FOR TWO OR MORE MEDICARE-ENROLLED 31 INDIVIDUALS IN A HOUSEHOLD.
- 32 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 33 1, 2019.