

# SENATE BILL 946

K4, P4

EMERGENCY BILL  
ENROLLED BILL

(9lr2981)

— Budget and Taxation/Appropriations —

Introduced by ~~Senators Griffith and Serafini~~, Serafini, Augustine, Bailey, Beidle, Benson, Carozza, Carter, Cassilly, Eckardt, Edwards, Elfreth, Ellis, Feldman, Ferguson, Gallion, Guzzone, Hayes, Hershey, Hester, Hough, Jennings, Kagan, Kelley, King, Kramer, Lam, Lee, McCray, Miller, Nathan-Pulliam, Patterson, Peters, Pinsky, Ready, Reilly, Rosapepe, Salling, Simonaire, Smith, Waldstreicher, Washington, West, Young, Zirkin, and Zucker

Read and Examined by Proofreaders:

\_\_\_\_\_  
Proofreader.  
\_\_\_\_\_  
Proofreader.

Sealed with the Great Seal and presented to the Governor, for his approval this \_\_\_\_\_ day of \_\_\_\_\_ at \_\_\_\_\_ o'clock, \_\_\_\_\_ M.  
\_\_\_\_\_  
President.

## 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

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#### 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.

*Italics* indicate opposite chamber/conference committee amendments.



1 establish certain out-of-pocket limits under the Maryland State Retiree  
2 Prescription Drug Coverage Program for certain retirees; authorizing the Maryland  
3 State Retiree Prescription Drug Coverage Program to include a certain health  
4 reimbursement account or other program; authorizing certain individuals to enroll  
5 in the Maryland State Retiree Prescription Drug Coverage Program during a certain  
6 open enrollment or special enrollment period; requiring the Department, on or before  
7 a certain date, to establish the Maryland State Retiree Catastrophic Prescription  
8 Drug Assistance Program; authorizing the Department to establish a certain  
9 maximum reimbursement amount under the Maryland State Retiree Catastrophic  
10 Prescription Drug Assistance Program for certain retirees; authorizing the Maryland  
11 State Retiree Catastrophic Prescription Drug Assistance Program to reimburse  
12 participants through a certain health reimbursement account or other program;  
13 authorizing certain individuals to enroll in the Maryland State Retiree Catastrophic  
14 Prescription Drug Assistance Program during a certain open enrollment or special  
15 enrollment period; requiring the Department, on or before a certain date, to establish  
16 the Maryland State Retiree Life-Sustaining Prescription Drug Assistance Program  
17 to reimburse participants for certain costs through a certain health reimbursement  
18 account or other program; authorizing the Department to establish maximum  
19 reimbursement amounts on a certain basis under the Maryland State Retiree  
20 Life-Sustaining Prescription Drug Assistance Program; ~~authorizing certain~~  
21 ~~individuals to enroll~~ *providing that certain individuals shall be automatically*  
22 *enrolled* in the Maryland State Retiree Life-Sustaining Prescription Drug  
23 ~~Assistance Program during a certain open enrollment or special enrollment period;~~  
24 altering the date by which the Secretary of Budget and Management is required to  
25 provide a certain notice to certain individuals; altering the information required to  
26 be included in a certain notice; ~~requiring the Department to provide certain~~  
27 ~~counseling to Medicare-eligible retirees for a certain purpose; requiring the~~  
28 ~~Department to take certain actions in providing certain counseling~~ *requiring the*  
29 *Department to ensure Medicare-eligible retirees have access to certain services;*  
30 *requiring the Department to develop a certain plan for communicating to*  
31 *Medicare-eligible retirees the availability of certain programs and services; requiring*  
32 *the Department to submit a report on the plan by a certain date; requiring the report*  
33 *to include certain information; providing for the manner in which certain counseling*  
34 *may be provided; authorizing the Department to make an emergency procurement*  
35 *for certain services under certain circumstances; requiring the Department to submit*  
36 *certain quarterly reports to the Governor and certain committees of the General*  
37 *Assembly; requiring the Department to adopt certain regulations;* providing for the  
38 application of certain provisions of this Act; making conforming changes; providing  
39 that, notwithstanding any other provision of law, the elimination of certain State  
40 prescription drug benefits, the establishment of certain programs, and the provision  
41 of a certain notice shall begin on a certain date under certain circumstances;  
42 *requiring the Secretary of Budget and Management to provide certain notice to certain*  
43 *retirees not later than a certain date; declaring the intent of the General Assembly;*  
44 making this Act an emergency measure; and generally relating to retirees from State  
45 employment and State prescription drug benefits.

46 BY repealing and reenacting, without amendments,

1 Article – State Personnel and Pensions  
2 Section ~~2–508(d)~~ 2–508 and 2–509  
3 Annotated Code of Maryland  
4 (2015 Replacement Volume and 2018 Supplement)

5 BY repealing and reenacting, with amendments,  
6 Article – State Personnel and Pensions  
7 Section 2–509.1  
8 Annotated Code of Maryland  
9 (2015 Replacement Volume and 2018 Supplement)

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

12 **Article – State Personnel and Pensions**

13 2–508.

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

15 (2) “Creditable service” means:

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

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

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

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

26 (3) (i) “Retiree” means:

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

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

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

4                                   (ii)   “Retiree” does not include:

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

6                                   2.    a teacher or a staff member employed by a county board of  
7 education; or

8                                   3.    an individual who retired under an optional program  
9 under Title 30 of this article.

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

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

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

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

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

19                               (v)    an employee of the Medical System Corporation, as defined in §  
20 13–301 or § 13–401 of the Education Article, while a member of the Employees’ Retirement  
21 System of the State of Maryland or the Employees’ Pension System of the State of Maryland  
22 under Title 22 or Title 23 of this article;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

22                   (4) (i) If a retiree receives a State disability retirement allowance or has  
23 16 or more years of creditable service, the retiree or the retiree's surviving spouse or  
24 dependent child is entitled to the same State subsidy allowed a State employee.

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

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

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

3                           (ii)   This subsection does not apply to:

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

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

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

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

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

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

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

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

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

25           (4)   (i)   If a retiree receives a State disability retirement allowance or has  
26 25 or more years of creditable service, the retiree or the retiree's surviving spouse or  
27 dependent child is entitled to the same State subsidy allowed a State employee.

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

32                           (iii)   Notwithstanding subparagraph (ii) of this paragraph and  
33 subsection (a)(4)(i) of this section, if a retiree is an additional employee or agent of the State  
34 Racing Commission, for the purposes of determining a retiree's State subsidy, creditable

1 service shall be determined with respect to service as an additional employee or agent  
2 beginning from the initial date of employment.

3 (d) (1) Notwithstanding subsections (b) and (c) of this section and §§ 2–509 and  
4 2–509.1 of this subtitle, the State may establish separate health insurance benefit options  
5 for retirees that differ from those for active State employees.

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

8 (i) has the same co–payments, coinsurance, and deductible that  
9 apply to the prescription drug benefit for active State employees;

10 (ii) requires:

11 1. retirees who qualify for the maximum State subsidy to pay  
12 25% of the premium for the prescription drug benefit; and

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

16 (iii) requires retirees to pay out–of–pocket limits equal to:

17 1. \$1,500 for the retiree only; and

18 2. \$2,000 for the retiree and the retiree’s family.

19 2–509.

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

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

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

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

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

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

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

10                                  B.     if an employee's work year is an academic year of at least  
11 9 but less than 12 months, a year of service means a period equal to the academic year  
12 during which an employee was a participant in an optional retirement program under Title  
13 30 of this article and the participant's employer made contributions to the participant's  
14 account in the Program.

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

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

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

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

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

36                                  (2)   (i)     Subject to subparagraph (ii) of this paragraph, an individual may  
37 enroll and participate in the health insurance benefit options established under the

1 Program if the individual retired under an optional program under Title 30 of this article  
2 and:

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

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

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

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

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

16 B. if an employee's work year is an academic year of at least  
17 9 but less than 12 months, a year of service means a period equal to the academic year  
18 during which an employee was a participant in an optional retirement program under Title  
19 30 of this article and the participant's employer made contributions to the participant's  
20 account in the Program.

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

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

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

34 (ii) If the enrollee has 25 or more years of service as an employee of  
35 the State in the Executive, Legislative, or Judicial Branch of government, the enrollee or  
36 the enrollee's surviving spouse or dependent child is entitled to the same State subsidy

1 allowed a retiree with 25 or more years of creditable service under § 2–508(c)(4)(i) of this  
 2 subtitle.

3 2–509.1.

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

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

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

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

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

21 (1) a Medicare–eligible retiree;

22 (2) the Medicare–eligible spouse or surviving spouse of a retiree; and

23 (3) a Medicare–eligible dependent child or surviving dependent child of a  
 24 retiree.

25 (c) (1) If a retiree is eligible to participate in the prescription drug benefit plan  
 26 under Medicare, but the retiree’s spouse or dependent child is not eligible to participate in  
 27 a Medicare prescription drug benefit plan, the retiree may elect to cover the retiree’s spouse  
 28 or dependent child under the State prescription drug benefit plan.

29 (2) If the surviving spouse or surviving dependent child of a retiree is  
 30 eligible to enroll in the State prescription drug benefit plan under § 2–508 OR § 2–509 of  
 31 this subtitle, but is not eligible to participate in the prescription drug benefit plan under  
 32 Medicare, the surviving spouse or surviving dependent child may elect to enroll in the State  
 33 prescription drug benefit plan.

1 (D) (1) THIS SUBSECTION APPLIES ONLY TO A RETIREE, A RETIREE'S  
2 SPOUSE OR SURVIVING SPOUSE, AND A RETIREE'S DEPENDENT CHILD OR SURVIVING  
3 DEPENDENT CHILD:

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

6 (II) IF THE RETIREE IS RETIRED ON OR BEFORE DECEMBER 31,  
7 ~~2018~~ 2019; AND

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

11 (2) (I) ~~ON~~ SUBJECT TO SUBPARAGRAPH (II) OF THIS PARAGRAPH,  
12 ON OR BEFORE JANUARY 1, 2020, THE DEPARTMENT SHALL ESTABLISH A  
13 MARYLAND STATE RETIREE PRESCRIPTION DRUG COVERAGE PROGRAM THAT  
14 ~~REQUIRES PARTICIPANTS TO PAY~~ REIMBURSES A PARTICIPANT FOR  
15 OUT-OF-POCKET LIMITS EQUAL TO COSTS THAT EXCEED THE LIMITS ESTABLISHED  
16 FOR NON-MEDICARE-ELIGIBLE RETIREES IN § 2-508(D)(2)(III) OF THIS SUBTITLE.

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

20 (3) THE MARYLAND STATE RETIREE PRESCRIPTION DRUG  
21 COVERAGE PROGRAM ESTABLISHED UNDER PARAGRAPH (2) OF THIS SUBSECTION  
22 MAY INCLUDE:

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

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

27 (4) A RETIREE, A RETIREE'S SPOUSE OR SURVIVING SPOUSE, AND A  
28 RETIREE'S DEPENDENT CHILD OR SURVIVING DEPENDENT CHILD MAY ENROLL IN  
29 THE MARYLAND STATE RETIREE PRESCRIPTION DRUG COVERAGE PROGRAM  
30 DURING THE OPEN ENROLLMENT PERIOD OR ANY SPECIAL ENROLLMENT PERIOD  
31 FOR RETIREE HEALTH INSURANCE BENEFIT OPTIONS.

32 (E) (1) THIS SUBSECTION APPLIES ONLY TO A RETIREE, A RETIREE'S  
33 SPOUSE OR SURVIVING SPOUSE, AND A RETIREE'S DEPENDENT CHILD OR SURVIVING  
34 DEPENDENT CHILD:

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

3 (II) IF THE RETIREE:

4 1. BEGAN STATE SERVICE ON OR BEFORE JUNE 30,  
5 2011; ~~AND~~

6 2. RETIRED ON OR AFTER JANUARY 1, ~~2019~~ 2020; AND

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

10 (2) (I) ~~ON~~ SUBJECT TO SUBPARAGRAPH (II) OF THIS PARAGRAPH,  
11 ON OR BEFORE JANUARY 1, 2020, THE DEPARTMENT SHALL ESTABLISH A  
12 MARYLAND STATE RETIREE CATASTROPHIC PRESCRIPTION DRUG ASSISTANCE  
13 PROGRAM THAT REIMBURSES A PARTICIPANT FOR OUT-OF-POCKET COSTS AFTER  
14 THE PARTICIPANT HAS ENTERED CATASTROPHIC COVERAGE UNDER A  
15 PRESCRIPTION DRUG BENEFIT PLAN UNDER MEDICARE.

16 (II) THE DEPARTMENT MAY ESTABLISH A MAXIMUM  
17 REIMBURSEMENT AMOUNT FOR A RETIREE WHO QUALIFIES FOR A PARTIAL STATE  
18 SUBSIDY.

19 (3) THE MARYLAND STATE RETIREE CATASTROPHIC PRESCRIPTION  
20 DRUG ASSISTANCE PROGRAM UNDER PARAGRAPH (2) OF THIS SUBSECTION MAY  
21 PROVIDE REIMBURSEMENTS THROUGH:

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

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

26 (4) A RETIREE, A RETIREE'S SPOUSE OR SURVIVING SPOUSE, AND A  
27 RETIREE'S DEPENDENT CHILD OR SURVIVING DEPENDENT CHILD MAY ENROLL IN  
28 THE MARYLAND STATE RETIREE CATASTROPHIC PRESCRIPTION DRUG  
29 ASSISTANCE PROGRAM DURING THE OPEN ENROLLMENT PERIOD OR ANY SPECIAL  
30 ENROLLMENT PERIOD FOR RETIREE HEALTH INSURANCE BENEFIT OPTIONS.

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

4 (I) WHO IS ENROLLED IN A PRESCRIPTION DRUG BENEFIT PLAN  
 5 UNDER MEDICARE:

6 1. THE MARYLAND STATE RETIREE PRESCRIPTION  
 7 DRUG COVERAGE PROGRAM ESTABLISHED UNDER SUBSECTION (D) OF THIS  
 8 SECTION; OR

9 2. THE MARYLAND STATE RETIREE CATASTROPHIC  
 10 PRESCRIPTION DRUG ASSISTANCE PROGRAM ESTABLISHED UNDER SUBSECTION  
 11 (E) OF THIS SECTION; AND

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

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

19 1. COVERED BY ~~A~~ THE PRESCRIPTION DRUG BENEFIT  
 20 PLAN IN THE HEALTH INSURANCE BENEFIT OPTIONS ESTABLISHED UNDER THE  
 21 PROGRAM; AND

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

24 ~~3. ON A LIST DEVELOPED BY THE DEPARTMENT.~~

25 (II) THE DEPARTMENT SHALL DEVELOP A LIST OF THE  
 26 PRESCRIPTION DRUGS THAT QUALIFY FOR REIMBURSEMENT UNDER  
 27 SUBPARAGRAPH (I) OF THIS PARAGRAPH.

28 (III) THE DEPARTMENT MAY ESTABLISH MAXIMUM  
 29 REIMBURSEMENT AMOUNTS ~~BASED ON WHETHER~~ FOR A RETIREE WHO QUALIFIES  
 30 FOR ~~THE MAXIMUM STATE SUBSIDY OR FOR~~ A PARTIAL STATE SUBSIDY.

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

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

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

5 (4) A RETIREE, A RETIREE'S SPOUSE OR SURVIVING SPOUSE, AND A  
 6 RETIREE'S DEPENDENT CHILD OR SURVIVING DEPENDENT CHILD ~~MAY ENROLL~~  
 7 SHALL BE AUTOMATICALLY ENROLLED IN THE MARYLAND STATE RETIREE  
 8 LIFE-SUSTAINING PRESCRIPTION DRUG ASSISTANCE PROGRAM ~~DURING THE~~  
 9 ~~OPEN ENROLLMENT OR ANY SPECIAL ENROLLMENT PERIOD FOR RETIREE HEALTH~~  
 10 ~~INSURANCE BENEFIT OPTIONS ON ENROLLMENT IN:~~

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

13 (II) THE MARYLAND STATE RETIREE CATASTROPHIC  
 14 PRESCRIPTION DRUG ASSISTANCE PROGRAM ESTABLISHED UNDER SUBSECTION  
 15 (E) OF THIS SECTION.

16 [(d)] ~~(F)~~ (G) (1) Subject to paragraph [(2)] ~~(3)~~ of this subsection, not later than  
 17 July 1, ~~[2018]~~ 2019 OF EACH YEAR, the Secretary shall provide written certified notice [to  
 18 the individuals listed in subsection (b) of this section] of the change in the State prescription  
 19 drug benefit plan under this section TO THE INDIVIDUALS WHO WILL BE ELIGIBLE ON  
 20 ~~OR AFTER JANUARY 1, 2020, BECOME ELIGIBLE IN THE NEXT CALENDAR YEAR TO~~  
 21 ENROLL IN THE:

22 (I) MARYLAND STATE RETIREE PRESCRIPTION DRUG  
 23 COVERAGE PROGRAM; ~~OR~~

24 (II) MARYLAND STATE RETIREE CATASTROPHIC  
 25 PRESCRIPTION DRUG ASSISTANCE PROGRAM; OR

26 (III) MARYLAND STATE RETIREE LIFE-SUSTAINING  
 27 PRESCRIPTION DRUG ASSISTANCE PROGRAM.

28 (2) The notice shall include information regarding:

29 (i) coverage options available in the Medicare prescription drug  
 30 benefit plan, INCLUDING OPTIONS THAT ARE SIMILAR TO THE PRESCRIPTION DRUG  
 31 BENEFIT PLAN IN THE HEALTH INSURANCE BENEFIT OPTIONS ESTABLISHED UNDER  
 32 THE PROGRAM; [and]

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

4 (III) ~~THE PROGRAMS AVAILABLE UNDER SUBSECTIONS (D) AND,~~  
 5 ~~(E), AND (F) OF THIS SECTION; AND~~

6 ~~(IV) ANY ADDITIONAL RESOURCES MADE AVAILABLE BY THE~~  
 7 ~~DEPARTMENT IN ACCORDANCE WITH THIS SECTION.~~

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

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

14 ~~(I) CONTRACT TO PROVIDE THE SERVICES; AND~~

15 ~~(II) PROVIDE THE COUNSELING:~~

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

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

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

23 ~~(H) (1) THE DEPARTMENT SHALL ENSURE MEDICARE-ELIGIBLE~~  
 24 ~~RETIREEES HAVE ACCESS TO ONE-ON-ONE COUNSELING SERVICES TO ASSIST~~  
 25 ~~RETIREEES IN SELECTING A MEDICARE PRESCRIPTION DRUG BENEFIT PLAN.~~

26 ~~(2) THE DEPARTMENT SHALL DEVELOP A PLAN TO COMMUNICATE TO~~  
 27 ~~MEDICARE-ELIGIBLE RETIREEES THE AVAILABILITY OF:~~

28 ~~(I) THE PROGRAMS UNDER SUBSECTIONS (D), (E), AND (F) OF~~  
 29 ~~THIS SECTION; AND~~

30 ~~(II) SERVICES AND INFORMATION REGARDING PRESCRIPTION~~  
 31 ~~DRUG BENEFIT PLANS UNDER MEDICARE.~~

1           (3) ON OR BEFORE DECEMBER 31, 2019, THE DEPARTMENT SHALL  
2 SUBMIT A REPORT TO THE SENATE BUDGET AND TAXATION COMMITTEE AND THE  
3 HOUSE APPROPRIATIONS COMMITTEE, IN ACCORDANCE WITH § 2-1246 OF THE  
4 STATE GOVERNMENT ARTICLE, ON THE PLAN DEVELOPED UNDER PARAGRAPH (2)  
5 OF THIS SUBSECTION.

6           (4) THE REPORT REQUIRED UNDER PARAGRAPH (3) OF THIS  
7 SUBSECTION SHALL INCLUDE:

8                   (I) OPTIONS FOR PROVIDING ONE-ON-ONE COUNSELING,  
9 INCLUDING:

10                           1. IN-PERSON, OVER-THE-PHONE, OR WEB-BASED  
11 COUNSELING;

12                           2. THE TIMES AT WHICH ONE-ON-ONE COUNSELING  
13 WILL BE AVAILABLE;

14                           3. A PLAN TO ENSURE EQUITABLE GEOGRAPHIC ACCESS  
15 TO ONE-ON-ONE COUNSELING; AND

16                           4. ENTERING INTO A STATEWIDE CONTRACT WITH AN  
17 EMPLOYEE BENEFITS ADMINISTRATOR OR SIMILAR ENTITY TO PROVIDE  
18 ONE-ON-ONE COUNSELING SERVICES;

19                   (II) PLANS FOR HOLDING SEMINARS IN EVERY COUNTY OF THE  
20 STATE TO PROVIDE INFORMATION REGARDING ELIGIBILITY FOR AND AVAILABLE  
21 BENEFITS UNDER THE PROGRAMS ESTABLISHED UNDER SUBSECTIONS (D), (E), AND  
22 (F) OF THIS SECTION;

23                   (III) PLANS FOR PROVIDING ACCESS TO A WEB-BASED OVERVIEW  
24 AND INTERACTIVE WEBSITE THAT PROVIDE INFORMATION ON:

25                           1. MEDICARE PRESCRIPTION DRUG BENEFIT PLANS;  
26 AND

27                           2. SUBSIDY AND FINANCIAL ASSISTANCE PROGRAMS FOR  
28 LOW-INCOME INDIVIDUALS; AND

29                   (IV) PLANS FOR PROVIDING A TOLL-FREE HOTLINE FOR  
30 REPORTING ISSUES AND CONCERNS REGARDING THE SERVICES PROVIDED IN  
31 ACCORDANCE WITH THIS PARAGRAPH.

1        ~~(H)~~ (I) SUBJECT TO THE REQUIREMENTS OF § 13-108 OF THE STATE  
2 FINANCE AND PROCUREMENT ARTICLE, THE DEPARTMENT MAY MAKE AN  
3 EMERGENCY PROCUREMENT FOR:

4            (1) STAFF REQUIRED TO CARRY OUT THE PROVISIONS OF THIS  
5 SECTION; AND

6            (2) A THIRD PARTY TO ADMINISTER HEALTH REIMBURSEMENT  
7 ACCOUNTS ESTABLISHED UNDER THIS SECTION.

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

12            (1) THE STATUS OF ESTABLISHING THE PROGRAMS UNDER  
13 SUBSECTIONS (D), (E), AND (F) OF THIS SECTION, INCLUDING:

14            (I) THE STATUS OF PROCURING ANY CONTRACTS NECESSARY  
15 TO OPERATE THE PROGRAMS; AND

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

20            (2) THE AVAILABILITY OF ONE-ON-ONE COUNSELING SERVICES  
21 REQUIRED UNDER SUBSECTION (H) OF THIS SECTION;

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

26            (I) THE SPECIFIC OUT-OF-POCKET COSTS ELIGIBLE FOR  
27 REIMBURSEMENT;

28            (II) THE REQUIRED PROCESS FOR RECEIVING REIMBURSEMENT;

29            (III) THE METHOD OF REIMBURSEMENT;

30            (IV) THE TIMING OF REIMBURSEMENT; AND

1 (V) A PLAN TO USE DEBIT CARDS TO PROCESS  
 2 REIMBURSEMENTS IN A CONVENIENT AND EFFICIENT MANNER; AND

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

5 (K) THE DEPARTMENT SHALL ADOPT REGULATIONS TO IMPLEMENT THE  
 6 PROVISIONS OF THIS SECTION.

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

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

14 (i) the elimination of the State prescription drug benefits for  
 15 Medicare-eligible retirees, Medicare-eligible spouses or surviving spouses of retirees, and  
 16 Medicare-eligible dependent children or surviving dependent children of retirees under §  
 17 2-509.1(b) of the State Personnel and Pensions Article;

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

23 (iii) the provision of written certified notice to individuals under §  
 24 2-509.1(g) of the State Personnel and Pensions Article, as enacted by Section 1 of this Act;  
 25 or

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

30 (i) the elimination of the State prescription drug benefits for  
 31 Medicare-eligible retirees, Medicare-eligible spouses or surviving spouses of retirees, and  
 32 Medicare-eligible dependent children or surviving dependent children of retirees under §  
 33 2-509.1(b) of the State Personnel and Pensions Article;

34 (ii) the establishment of the Maryland State Retiree Prescription  
 35 Drug Coverage Program, the Maryland State Retiree Catastrophic Prescription Drug  
 36 Assistance Program, and the Maryland State Retiree Life-Sustaining Prescription Drug

1 Assistance Program in § 2-509.1(d), (e), and (f) of the State Personnel and Pensions Article,  
2 respectively, as enacted by Section 1 of this Act; and

3 (iii) the provision of written certified notice to individuals under §  
4 2-509.1(g) of the State Personnel and Pensions Article, as enacted by Section 1 of this Act.

5 SECTION 3. AND BE IT FURTHER ENACTED, That, not later than September 1,  
6 2019, the Secretary of Budget and Management shall provide written certified notice of the  
7 provisions of this Act to all:

8 (1) Medicare-eligible State retirees;

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

10 (3) Medicare-eligible dependent children and surviving dependent children  
11 of State retirees; and

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

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

14 (ii) retire from State employment.

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

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

26 SECTION ~~2~~ ~~3~~ 6. AND BE IT FURTHER ENACTED, That this Act is an emergency  
27 measure, is necessary for the immediate preservation of the public health or safety, has  
28 been passed by a ye and nay vote supported by three-fifths of all the members elected to  
29 each of the two Houses of the General Assembly, and shall take effect from the date it is  
30 enacted.