

**House Bill 696 – State Prescription Drug Benefits – Retirees**  
**House Appropriations Committee - March 19, 2026**  
**Testimony of James C. Roberts, Ph.D.**  
**Favorable with Amendments**

I am a retired professor of political science at Towson University where I taught for 33 years. I testify today to **support passage of House Bill 696 with amendments** to restore prescription benefits for Medicare-eligible State retirees who were hired before July 1, 2011.

**Summary of Proposed Amendments:**

- ALL Medicare-eligible State employees who were hired before July 1, 2011 should be eligible to receive the HRA benefit, regardless of their retirement date.
- The HRA should be reviewed and increased each year to reflect changes in drug costs.
- The Life Sustaining Prescription Drug Assistance Program should be made less burdensome.
- A study should be conducted on the effect of the transition to Medicare Part D plans to determine how retiree needs can be better met.
- The contract with Via Benefits should be reviewed by DBM to ensure performance compliance and by the Legislative Auditors.
- Retirees should be able to sign up for a plan on the medicare.gov web site and still obtain the HRA benefit through Via or Via Benefits should be required to offer ALL Part D plans that are available on the medicare.gov web site.

**Overview of the Responses to a Survey of Retirees Conducted in March 2026**

This testimony is based, in part, on a survey of Maryland State retirees sponsored by the retiree organizations of Towson University, University of Maryland, and UMBC and other State agencies, which is described below. The primary findings are:

- A majority of retirees (54.6%) were **satisfied** with the transition to Medicare Part D prescription plans, but only 38.7% of the retirees were satisfied with their Medicare Part D plans in 2025.
- A majority of retirees( 52.5%) were **unsatisfied** with the help they received from Via Benefits, the contractor hired by the State to enable the transition.
- The percentage of retirees who had **prescriptions not covered by their prescription plan** increased from 14.4% in 2024 under the State sponsored SilverScript plan to 42.2% in 2025 under their Medicare Part D plans.
- The estimated annual total cost paid by retirees for their prescription plans **increased from an average of \$1,044 in 2024 under the State sponsored SilverScript plan to an average of \$1,630 in 2025** under their Medicare Part D plans.
- **A majority of retirees (57.7%) estimated that they spent more on prescriptions under their Medicare Part D plans in 2025** compared to their estimated expenditures in 2024 under their State sponsored SilverScript plan. 34.9% estimated that they spent significantly more.
- A large majority (89.4%) of the retirees who received the HRA debit card found it easy to use.
- Although a majority (64.7%) of the small number (51) of respondents who used the State Life-Sustaining Prescription Drug Program found it easy to use, **only 40.0 % of those who sought help from Via Benefits on this program found the help useful.**

## Survey of Maryland State Retirees

The retiree organizations of Towson University, University of Maryland, and UMBC sponsored a survey of Maryland State Retirees to gather information about their experiences, thoughts, and opinions regarding the transition from the State sponsored prescription plan to Medicare Part D prescription plans. The survey was conducted during March 2026. 800 respondents were self-selected from the membership of the three university retiree organizations, the Maryland State Police Alumni Association, Maryland AFSCME Retiree Council 3, the Maryland State Government Retirees and Employee Facebook page, and retirees from other State agencies. Although the survey was not conducted as a randomized sample survey, it does provide a snapshot of Maryland State retirees' experiences and concerns regarding the transition to Medicare Part D and the ongoing administration of the retiree prescription benefit program.

In addition to the percentage findings listed above, the survey asked retirees to comment on a number of issues, including their views of Via Benefits, the HRA, the process of getting a prior authorization for prescriptions, the Life-Sustaining Prescription Drug Program, and their overall thoughts on the transition to Part D. A selected few of these comments from your constituents' are listed below.

### General Comments on the Transition to Part D

- Premiums plus meds cost more than double in 2025 compared to 2024, and in 2026 they are more than doubling the 2025 cost. This is not sustainable.
- It was cumbersome and confusing, There is a lot of resentment from retirees about being kicked off of their prescription drug plan when they need it most, and when they were promised this benefit for life once they put their 30+ years of service in.
- Taking hardworking citizens off a promised drug plan so politicians can give health care to noncitizens is grossly unfair.
- I went from paying \$75/3 months for eye drops under the state subsidized plan to over \$900 with the Medicare Part D plan. Now I am going through a special program through the manufacturer to get the drops for \$675/3 months, but I cannot use the debit card for it.
- I hate the plan D coverage. My husband, who is still on my benefits plan with the state, has better coverage than me. And I pay for that coverage!
- While I am NOT pleased at all with being forced to make this transition, the process employed by DBM and Via Benefits made the transition process relatively easy.
- I am spending significantly more money on medications to maintain my health. For 2 months, i could not afford medication. Silver script in 2024 was excellent. Get rid of Medicare part d plan. It is creating financial hardships. I have had to cut back significantly on groceries.

### Comments on Via Benefits

- VIA was inadequately prepared for all of us to be trying to access them. Their web site was fine if your situation was not complicated, but it was impossible to talk to a real person
- The State of Mayland is not well served by Via Benefits if they require retirees to stay on hold for 2 hours or more to speak to an agent.
- The process was very stressful dealing with Via. Received different information every time I spoke to a representative.
- It was impossible to get an appointment to speak with a VIA advisor, so I just signed up on the VIA web site.
- I setup our Via Benefits portal. For Help, Via Benefits was unreachable by phone. We tried scheduling an appointment on 3 occasions with hours of wait time and only reached a call center that could not answer basic questions. I just wanted info on how to navigate their available plans so we could select one. Our pharmacist was the only person that helped us walk through the process to select a plan. Via Benefits offered no clear documents, videos, or instructions. They were not prepared for our transition.

- Very helpful online tools. The advisor was friendly and understood my needs. I used it to review and select a 2026 plan when my initial choice raised their rates
- I had no problem identifying a plan and signing up. However I failed to receive my card from Via Benefits. When I called Via Benefits to report this I could not get passed the AI that told me I had received a card and asked if I wished to authorize it. I could never get to a person. I finally called the state and was able to get my card. I never received a pin number and still do not have one. This was an extremely frustrating experience and not good customer service.
- VIA did an excellent job and was easy for me to transfer to Medicare Part D. I am 78 years old and NOT a computer person.

#### HRA Card

- I was unable to activate my spouses card due to the birthday being mine (policy holder) and not his. It took a couple calls to VIA to figure out the problem. The card itself has been easy to use.
- I am also signed up for the Medicare Payment Prescription Plan. When I tried to use my HRA debit card on autopay to pay my monthly bill, it was rejected EVERY month. The reason given was: "Provider/Business Not Eligible". I had to pay by credit card or check. I then had to request that a specific form from Via Benefits be mailed to me in order to request a reimbursement. I had to mail the form back to Via Benefits and wait for them to process it.
- It significantly offset the \$500 increase in the copay for one of my medications.
- We appreciate having the card benefits. Without the HRA we would have been paying significantly more out of pocket.
- My wife and I are both Retirees from the State of Maryland. I did not qualify for the HRA because of my retirement date. My wife did retire to qualify, but we were denied this benefit because I was the primary for our retiree health insurance. benefits

#### Life-sustaining

- I think that the categories of medications included are too restrictive because many medications outside of the limited categories included are truly life sustaining and very much needed.
- Worked but could have been a smoother process
- Need to make it easier to use for senior citizens
- This was time consuming and had difficulty understanding this program.

#### Prior Authorization

- One has to schedule prior authorization reminders in their personal calendars or filling prescriptions can be delayed. It would be helpful if Via Benefits offered an option to receive reminders.
- They did not help at all, my doctor ended up taking care of the pre authorization.
- VIA was very helpful.

#### **Costs and the Implementation of the State Benefits**

The State claimed that Medicare Part D is equivalent to the State Retiree Prescription Plan and that Part D might even save money for the retirees. Unfortunately, these claims do not take into account all the issues that affect retirees as they moved to Medicare Part D.

- The list of drugs (formulary) for the State Retiree Prescription Plan was much more extensive than the formulary for any of the Medicare Part D plans available in Maryland.
  - The retiree must pay the entire cost of drugs not covered by the retiree's formulary.
  - The costs of uncovered drugs are not included in the cap on out-of-pocket expenses.

- Retirees paid a co-pay of \$20, \$50, or \$80 for a 90 day supply of drugs covered by the State SilverScript retiree prescription plan. Many Medicare Part D plans charge a co-insurance for drugs that is a percentage of the total cost of the drug. Retirees pay very high prices for expensive drugs on Medicare Part D.

The difference in formularies is a critical part of the extra expense that retirees pay on Part D.

**Figure 1 illustrates that even the Medicare Part D plan with the lowest annual expense costs this retiree \$3,954 more than the State Retiree Prescription Plan that was terminated.** The reasons for this difference are the formularies and the cost of the drugs not covered by the Part D plans.

**It is misleading to claim that “out-of-pocket” expenses will be capped by Medicare because these costs only account for a portion of the total expenses that must be paid by the retiree.** Only the costs associated with purchasing drugs covered by the retiree’s Part D plan are included in the \$2,200 cap on “out-of-pocket” expenses. Premiums, deductibles, and the costs of uncovered drugs must be fully borne by the retiree and are not credited toward the Medicare cap.

The following comparisons of Medicare Part D plans were made using the Medicare.gov comparison tool and the Via Benefits shopping site on October 4, 2024. The comparisons are based on the actual information of a 71 year old man with Type II Diabetes and Psoriatic Arthritis. The costs are based on the drugs actually prescribed for the test subject. The last row shows the 2024 costs for the test subject with the State-sponsored retiree prescription plan that terminated on December 31, 2024. Drug costs are higher than the \$2,000 Medicare cap on “out-of-pocket” expenses because drugs that are not covered by a Part D plan are not included in the cap. The test-subject is not eligible for the State’s \$750 Health Reimbursement Arrangement (HRA) due to his retirement date (7/1/2022) even though he gave 33 years of service to the State.

Medicare Part D Plans	Monthly Premium	Deductible	Annual Drug Costs + Premium	Carveditol	Eliquis	Farxiga	Fenofibric Acid	Folic Acid	Valsartan HCTZ	Metformin	Methotrexate	Mounjaro	Novolog	Rosuvastatin	Spirolactone	Tresiba	# Drugs Covered
Cigna Healthcare Extra Rx	\$99.30	\$175	\$6,663	•	•	•	•	•	•	•	•	•	•	•	•	•	12
Humana Premier Rx Plan	\$119.80	\$0	\$7,872		•	•			•	•	•	•	•	•	•	•	10
Cigna Healthcare Saver Rx	\$16.60	\$590	\$9,188		•	•	•	•	•	•	•	•		•	•	•	11
Cigna Healthcare Assurance Rx	\$54.00	\$590	\$10,141		•	•	•		•	•	•	•		•	•	•	10
AARP Medicare Rx Preferred from UHC	\$89.20	\$0	\$13,783		•	•	•	•	•	•	•	•	•	•	•	•	11
Wellcare Value Script	\$0.00	\$590	\$14,652	•	•	•	•		•	•	•	•		•	•	•	10
Wellcare Medicare Rx Value Plus	\$102.40	\$590	\$15,054	•	•	•	•		•	•	•	•		•	•	•	10
Humana Value Rx Plan	\$24.70	\$573	\$16,043		•	•			•	•	•	•	•	•	•	•	9
Humana Basic Rx Plan	\$67.80	\$590	\$16,777		•	•			•	•	•	•	•	•	•	•	9
SilverScript Choice	\$47.40	\$590	\$18,659		•	•	•		•	•	•	•		•	•	•	9
Welcare Classic *	\$11.30	\$590	\$19,705		•	•			•	•	•	•		•	•	•	8
AARP Medicare Rx Saver *	\$60.50	\$590	\$20,052		•	•			•	•	•	•		•	•	•	8
<b>2024 MD SilverScript Employer Plan</b>	<b>\$53.28</b>	<b>\$0</b>	<b>\$2,709</b>	•	-	•	•		•	•	•	•	•	•	•	•	<b>11</b>

Figure 1. Comparison of the 2025 Medicare Part D Plans Available in Montgomery County Maryland

Another major contributor to higher cost is the difference between a co-pay and co-insurance. A co-pay is a set amount that is paid by the retiree for each prescription. Co-pays vary by the “tier” of the drug that is set by the insurance company. Drugs in higher tiers will have higher co-pays. Co-insurance is a percentage of the retail cost of a drug that is paid by the retiree. Like co-pays, the level of co-insurance will vary by the tier of the drug. Some Part D policies use co-pays and some use co-insurance. Figure 2 provides an example of how the difference between co-pay and co-insurance affected the retiree’s costs in 2024.

Plan	Covered?	Co-pay or Co-insurance	Annual Cost	Included in Cap?
AARP Medicare Preferred from UHC	No	n/a	\$2,336	No
Wellcare Value Script	Yes	50% Co-insurance	\$1,168	Yes
State SilverScript Employer Plan	Yes	\$20 Co-pay	\$80	Yes

Figure 2. Comparison of Carvedilol (Coreg) Costs Across Plans (2024)

If the retiree chose the Wellcare Value Script Plan with the lowest monthly premium, he would have paid \$1,168 per year for Carvedilol because the Wellcare Value Script plan used a 50% co-insurance rather than a co-pay. On the State retiree prescription plan (SilverScript Employer), he only paid \$20 for a 90 day supply of Carvedilol for an annual cost of approximately \$80. Carvedilol was a tier one drug on the State prescription plan.

The Health Reimbursement Arrangement (HRA) is a benefit offered to State retirees who retired on or before January 1, 2020. It provides \$750 to a single retiree or \$2,000 to a retiree and spouse with an additional \$2,000 for each Medicare eligible dependent. These funds are provided through a debit card that can be used to pay for prescription related expenses. The HRA was authorized in SB 946 (2019).

Approximately 7,000 State retirees who acquired new prescription plans in the transition to Medicare Part D were not eligible for the HRA. This disparity created many concerns and much confusion in the retirees. The date was arbitrarily set in the 2019 legislation. **The arbitrary cutoff date for the HRA leaves thousands of retirees without any recourse to pay for the increased costs due to the differences in formularies, the higher premiums, and the higher drug costs they incurred with their Medicare Part D plans, even though many of them worked longer for the State of Maryland than some who retired prior to January 1, 2020 and are eligible for the HRA benefit.**

**The eligibility date for the HRA should be removed. ALL State employees who were hired before July 1, 2011 should be eligible to receive the HRA benefit, regardless of their retirement date.** This is, by definition, a dwindling population. Providing the HRA for these retirees is equitable and will not have a significant long-term effect on the budget.

SB 946 (2019) authorized the creation of a Life Sustaining Prescription Drug Assistance program (LSPDP) that provides funds to help with the costs of life-sustaining drugs that are not covered by the retiree’s formulary. The 2019 legislation contained no parameters or details for program.

The LSPDP is a reimbursement program, so the retirees must be able to pay for these expensive drugs up-front without knowing if they will be reimbursed. The process for obtaining reimbursement is onerous and time-consuming, especially for an aged population.

- The drug must be in one of the only six categories defined as life-sustaining drugs by DBM.
- The drug must be covered by the State’s in-force prescription drug benefit in the group health insurance plan.
- The formulary exception for the drug must have been denied **twice** by the retiree’s Medicare Part D plan.
- To obtain a formulary exception, The participant must have had their provider request a formulary exception and have received a denial through the first two levels of the Medicare drug plan appeals process, which are:
  - (1) an internal appeal for redetermination by your Part D carrier (first appeal), and if unsuccessful,
  - (2) reconsideration (second appeal) by an independent review entity.<sup>1</sup>

<sup>1</sup> DBM Letter to Retirees dated December 2024.

Via Benefits does not provide access to all the Medicare Part D plans that are available in Maryland. They curate the plans according to their own internal criteria. The State requires retirees to sign up for their Part D plan through Via Benefits in order to be eligible for the HRA and the State Life-Sustaining Prescription Drug program. This leaves many retirees without access to plans that may be better suited to their specific needs. It also means that retirees must switch plans from year to year if Via Benefits drops a plan. **Via Benefits should provide access to ALL the Medicare Part D plans available in the retiree's Zip Code or the State should permit retirees to be eligible for the State benefits if they decide to pick a plan from Medicare Part D that is not available through Via Benefits.**

## Recommendations

I ask that you support HB 696 and give it a **favorable report with the following amendments:**

- (1) Remove all references to the January 1, 2020 retirement eligibility deadline such that ALL State of Maryland Medicare-eligible employees hired before July 1, 2011 are eligible for the Health Reimbursement Arrangement (HRA) and the Life-Sustaining Prescription Drug Assistance Program (LSPDP) upon their retirement
- (2) The Department of Budget and Management shall establish a 14-day maximum turnaround from the date of receipt for requests for reimbursement from the Life-Sustaining Prescription Drug Assistance Program.
- (3) To expedite Life-Sustaining Prescription Drug Assistance Program requests,
  - a. a single, standardized reimbursement request form shall be made available online and by mail;
  - b. a direct deposit option shall be provided for expedited reimbursements; and
  - c. DBM shall establish a pre-approval option for retirees to verify medication eligibility prior to purchase, reducing the need for post-purchase re-submission.
- (4) To provide automatic coverage for certain medications, the Life-Sustaining Prescription Drug Assistance Program shall,
  - a. eliminate the requirement for multiple denials from Medicare Part D plans before reimbursement eligibility; and
  - b. provide automatic reimbursement for any FDA-approved life-sustaining drug that:
    - i. falls within one of the six protected classes;
    - ii. was previously covered under the State's in-force prescription drug benefit plan prior to January 1, 2025; and
    - iii. is not covered by the retiree's current Medicare Part D plan.
- (5) If a life-sustaining medication is removed from coverage, the State shall provide an emergency override ensuring the retiree can continue to access the medication while an appeal is pending. The burden of proof shall be on the State to justify any denial of coverage, rather than on the retiree to establish medical necessity.
- (6) The amount of the HRA must be reviewed to allow for annual increase that is equivalent to the average annual increase of the cost of prescription drugs in the State.
- (7) A study should be conducted on the process of the transition to Medicare Part D plans to determine how retiree needs can be better met.
- (8) The contract with Via Benefits should be reviewed by the Legislative Auditors and by DBM to ensure compliance with contract performance goals.

(9) Retirees should be able to sign up for a plan on the medicare.gov web site and still obtain the HRA and the Life-Sustaining Prescription Drug program benefits or Via Benefits should be required to offer ALL Part D plans that are available on the medicare.gov web site.

Respectfully Submitted by

A handwritten signature in black ink, appearing to read 'JCR', with a large loop at the beginning and a horizontal line extending to the right.

James C. Roberts, Ph.D.

Professor Emeritus, Towson University and  
Past President of the Towson University Retiree Association (TURA)

Retired on 7/1/2022 after 33 years of service to the State of Maryland.