

Participant Services Frequently Asked Questions in Response to the September 1, 2019 Certified Letter Regarding Retiree Drug Changes

What does the September 1, 2019 Certified Letter Regarding Retiree Drug Changes mean?

The letter is designed to inform you of three new State prescription drug programs created by the General Assembly through the enactment of SB 946 of 2019 that are meant to aid Medicare-eligible retirees with the costs associated with transferring from the State program to Medicare Part D prescription drug coverage.

The current prescription drug benefit plan for State retirees is not being discontinued at this time. Whether the current plan is discontinued and the new prescription drug reimbursement programs established by SB 946 takes effect is dependent upon the outcome of the lawsuit titled *Fitch v. State of Maryland*. None of the three new prescription drug reimbursement programs can take effect any earlier than January 1, 2021

Why am I getting this letter?

You have been identified as an individual who may be eligible or may become eligible for one of the three new State prescription drug reimbursement programs, including:

- Medicare-eligible State retirees;
- Medicare-eligible spouses or surviving spouses of a State retiree;
- Medicare-eligible dependent children or surviving dependent children of a State retiree;
- A current employee who is eligible to retire on or before December 31, 2019

Why was the letter sent certified?

The legislature wanted to ensure that employees received proper and timely notification of the changes in SB 946.

Is my prescription drug plan going away?

The current prescription drug benefit plan for State retirees is not being discontinued at this time. Whether the current plan is discontinued and the new prescription drug reimbursement programs established by SB 946 take effect is dependent upon the outcome of the lawsuit titled *Fitch v. State of Maryland*. None of the three new prescription drug reimbursement programs can take effect any earlier than January 1, 2021.

Should I retire?

The decision to retire is a very personal decision based on a variety of unique circumstances. Your prescription drug costs may be one factor in making that decision, but prescription drug costs will invariably change over time, making it difficult to ascertain whether a December 31, 2019 retirement date is beneficial in the long-term.

Can you explain what the plans are?

The three plans are:

1. The *Maryland State Retiree Prescription Drug Coverage Program* to reimburse for out of pocket costs in excess of \$1,500 for an individual/\$2,000 for a family;
2. The *Maryland State Retiree Catastrophic Prescription Drug Assistance Program* to reimburse for out of pocket costs after the participant reaches the catastrophic coverage phase under Medicare Part D (an amount that is somewhat less than \$5,100); and
3. The *Maryland State Retiree Life-Sustaining Prescription Drug Assistance Program* to reimburse for out of pocket costs for a life-sustaining prescription drug that is covered by the current State prescription drug benefit plan, but not covered under Medicare Part D. Coverage in plans 1 or 2 automatically enrolls you in the Life-Sustaining Prescription Drug Assistance Program.

When do I need to retire to be eligible for the Maryland State Retiree Prescription Drug Coverage Program?

To be eligible for the *Maryland State Retiree Prescription Drug Coverage Program*, your last day of work before retiring must be December 31, 2019, or earlier.

When do I need to enroll in Medicare Part D?

There is no enrollment deadline in Medicare Part D for the purposes of SB 946.

If I am eligible for the Maryland State Retiree Prescription Drug Coverage Program, how much will I pay out of pocket?

The *Maryland State Retiree Prescription Drug Coverage Program* provides for a \$1,500 maximum out of pocket costs for an individual and \$2,000 for a family. If a retiree qualifies for a partial State health insurance subsidy, the maximum out of pocket costs may be higher.

If I wait to retire and then become eligible for the Maryland State Retiree Catastrophic Prescription Drug Assistance Program, how much will I pay out of pocket?

The *Maryland State Retiree Catastrophic Prescription Drug Assistance Program* reimburses a participant for out of pocket expenses after the participant enters the catastrophic coverage phase under Medicare Part D. The catastrophic out of pocket maximum in calendar year 2019 is \$5,100. However, the participant's out of pocket expenses will be somewhat less than \$5,100, since costs paid by Medicare are included within that total amount. If a retiree qualifies for a partial state health insurance subsidy, there may be a maximum reimbursement amount.

What is the Maryland State Retiree Life-Sustaining Prescription Drug Assistance Program?

Anyone who enrolls in either the *Maryland State Retiree Prescription Drug Coverage Program* or the *Maryland State Retiree Catastrophic Prescription Drug Assistance Program* is automatically enrolled in the *Maryland State Retiree Life-Sustaining Prescription Drug Assistance Program*. The program reimburses a participant for out of pocket costs for a life-sustaining prescription drug that is covered by the current State prescription drug benefit plan, but is not covered under Medicare Part D. A list of those life-sustaining drugs will be made

available at a subsequent time. There may be a maximum reimbursement amount, if a retiree qualifies for a partial state health insurance subsidy.

I was hired before July 1, 2011. What prescription drug coverage will I be eligible for?

If you retire with a last day worked on or before December 31, 2019, you will be eligible for the *Maryland State Retiree Prescription Drug Coverage Program*. Otherwise, you will be eligible for the *Maryland State Retiree Catastrophic Prescription Drug Assistance Program*.

I was hired after June 30, 2011. What prescription drug coverage will I be eligible for?

If you retire on or after January 1, 2020, you will be ineligible for any program under SB 946. However, if you can retire with a last day worked on or before December 31, 2019, you will be eligible for the *Maryland State Retiree Prescription Drug Coverage Program*.

I was hired this year. What prescription drug coverage will I be eligible for?

See above for employees hired after June 30, 2011.

What is the status of the lawsuit?

The case titled *Fitch v. State of Maryland* is currently pending in the United States District Court for the District of Maryland.

When will the lawsuit be resolved?

There is no timeline for resolution of the case titled *Fitch v. State of Maryland*.

Retirement Questions

All questions about retirement dates, when forms are due or how to apply for retirement should be made to the State Retirement Agency. You may make an appointment to see, or talk to a specialist, visit the Agency's website at sra.maryland.gov, or call 410-625-5555 or 1-800-492-5909.