



MD State Retirees' Prescription Plan Changes in 2025

A Panel Discussion



Panelists:

- **Jane E. Clark**, Ph.D., Professor Emerita, U. of Maryland, Chair, U. of Md Emeritus Emerita Association (UMEEA),
- **Kathlyn Miller**, Board Member, UMBC's Association for Retirees (Wisdom Institute)
- **James C. Roberts**, Ph.D., Professor Emeritus, Towson U., Pres-Elect, Towson U Retired Faculty Assoc (TURFA)
- **Peta N. Richkus**, former Secretary, Dept of General Services, former Port Commissioner, MD Port Administration, Member, Intergovernmental Policy Advisory Comm on Trade for Pres Obama's US Trade Representative's Office



So why this webinar and why now...?

If you are a Medicare-eligible MD State retiree

Your MD Prescription Plan will **end at the end of 2024**

and

You will need to sign up for a
Medicare Part D prescription plan



History

- 2004 OPEB (Other Postemployment Benefits) rules changes (from annual to amortized liability). At the same time, the General Assembly passed the 2004 Budget Reconciliation Act (Chapter 296) stating the intention that State retirees would be entitled to keep their State prescription drug benefits.
- 2004-09: State set up an OPEB trust fund – but continued to fund prescription benefits on a pay-as-you-go basis (no pre-funding)
- 2010-11: State set up a Sustainability Commission that recommended that by 2020 the State prescription plan be terminated for all Medicare-eligible retirees. The State passed the Budget Reconciliation and Financing Act of 2011 (Chapter 397) that terminated the prescription benefits as of 2020.



- 2012-18: Plan was accelerated to end retirees' prescription drug benefits in 2018. Retiree notification required.
- 2018 – The first notice was sent to retirees that their benefits would terminate – leading to a lawsuit, *Fitch v. State of Maryland*. The court issued a temporary injunction enjoining the State from terminating the plan until the lawsuit was resolved.
- 2019 – There was a huge retiree backlash. In response, the State provided 3 reimbursement programs to supplement Medicare Part D that would go into effect after the resolution of *Fitch v. State of Maryland*. Owing to lawsuit these were not implemented.
- 2023 – The injunction was dissolved in July and the lawsuit was dismissed in September, leaving the State free to act to remove the prescription benefits. The September decision has been appealed.





2024



WHERE ARE WE TODAY?



Plan Name	Annual Premium	Annual costs for copays or coinsurance for <i>Covered</i> Drugs	Annual Deductible	Annual Premium, <i>Covered</i> Drugs, plus Deductible	Annual cost of Drugs not on formulary (not covered)	Annual Premium, <i>Covered</i> Drugs, Deductible, plus Non-Covered Drugs
COSTS FOR TWO 2024 MEDICARE PART D PLANS (USING 2023 ACTUAL PRESCRIPTIONS)						
Humana Premier Rx Plan	\$1,255.20	\$987.91	\$0	\$2,243.11	\$2,767.96	\$5,011.07
Wellcare Value Script	\$4.80	\$2,241.39	\$545	\$2,791.19	\$2,767.96	\$5,554.34
COMPARING ANTICIPATED EXPENSES OF 2025 PLAN WITH LOWEST ANNUAL PREMIUM AND Senate Bill 946 CAP						
Wellcare with the \$1,500 SB946 State cap	\$4.80	\$1,500.00			\$2,767.96	\$4,272.76
State of Maryland SilverScript Employer Plan Using 2023 Actual Costs	\$639.36	\$824.65	\$0	\$1,464.01	\$0	\$1,464.01

Local economic impact of Maryland pensions

More than **\$3.40 billion** in annual pension payments stay in Maryland.



County/City	Number of Retirees	Total Pension Dollars
Allegany	3,499	\$84.1M
Anne Arundel	13,401	\$368.7M
Baltimore City	11,624	\$285.9M
Baltimore County	21,981	\$632.4M
Calvert	2,406	\$69.0M
Caroline	1,106	\$27.0M
Carroll	5,361	\$148.2M
Cecil	1,957	\$48.2M
Charles	2,307	\$61.2M
Dorchester	1,489	\$35.9M
Frederick	5,221	\$150.4M
Garrett	1,277	\$31.2M
Harford	7,226	\$200.8M
Howard	6,703	\$210.0M
Kent	750	\$19.4M
Montgomery	9,447	\$317.0M
Prince George's	10,772	\$269.9M
Queen Anne's	2,002	\$56.4M
Saint Mary's	2,193	\$54.5M

M = millions

County/City	Number of Retirees	Total Pension Dollars
Somerset	1,247	\$28.1M
Talbot	1,444	\$37.6M
Washington	4,695	\$116.9M
Wicomico	3,510	\$90.8M
Worcester	2,225	\$56.6M



Put your questions in the CHAT BOX

Resources and Contacts:

<https://blog.umd.edu/umeea/>

- **Medicare Part D Website**

Use this site to enter your prescriptions and compare the costs of the Part D plans available in your area.

<https://www.medicare.gov/plan-compare/#/?year=2024&lang=en>

- **Maryland Department of Budget & Management Retiree Prescription Plan**

Use this website to see what the State of Maryland is saying about the transition to Medicare Part D.

<https://dbm.maryland.gov/benefits/Pages/Retirees.aspx>

- **Maryland General Assembly**

Use this website to follow the current legislation (SB 349 & HB 670) and to find your representatives.

<https://mgaleg.maryland.gov/mgawebsite>