



WES MOORE
Governor

ARUNA MILLER
Lieutenant Governor

HELENE GRADY
Secretary

MARC L. NICOLE
Deputy Secretary

July 15, 2025

The Honorable Wes Moore
Governor of Maryland State
House
100 State Circle
Annapolis MD 21401

Senator Guy Guzzone Chair
Senate Budget and Taxation Committee
3 West Miller Senate Office Building
11 Bladen Street
Annapolis MD 21401

Senator Michael Jackson
Chair
Joint Committee on Pensions
3 West Miller Senate Office Building 11
Bladen Street
Annapolis MD 21401

Delegate Ben Barnes Chair
House Appropriations Committee
121 Taylor House Office Building 6
Bladen Street
Annapolis MD 21401

Delegate Catherine Forbes Chair
Joint Committee on Pensions 304
Lowe House Office Building 6
Bladen Street
Annapolis MD 21401

Dear Governor Moore, Senator Guzzone, Senator Jackson, Delegate Barnes, and Delegate Forbes:

Chapter 767 of 2019 (State Prescription Drug Benefits - Retiree Benefits - Revisions) requires the Department to submit quarterly reports to the Governor, House Appropriations Committee, Senate Budget and Taxation Committee, and the Joint Committee on Pensions on the:

1. status of establishing the Maryland State Retiree Prescription Drug Coverage Program, Maryland State Retiree Catastrophic Prescription Drug Assistance Program, and Maryland State Retiree Life-Sustaining Prescription Drug Assistance Program (the three programs set forth in Chapter 767 relating to the State's termination of prescription drug benefits for Medicare-eligible retirees), including:
 - a. the status of procuring any contracts necessary to operate the programs, and
 - b. the prescription drugs determined to qualify for reimbursement under the Maryland State Retiree Life-Sustaining Prescription Drug Assistance Program;
2. availability of one-on-one counseling services for Medicare-eligible retirees to assist retirees in selecting a Medicare prescription drug benefit plan;

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<http://dbm.maryland.gov>

3. details of the health reimbursement accounts (HRA) or other programs to help with prescription drug costs in the three prescription drug assistance programs, including:
 - a. the specific out-of-pocket costs eligible for reimbursement,
 - b. the required process for receiving reimbursement,
 - c. the method of reimbursement,
 - d. the timing of reimbursement, and
 - e. a plan to use debit cards to process reimbursements in a convenient and efficient manner, and

4. in total and by category for the previous quarter, the number of issues and concerns reported to the hotline.

Please see the report attached for a substantive update and do not hesitate to reach out to me or DBM's Director of Legislative Affairs Dana Phillips (410-260-6068) with questions or any additional information that would be helpful.

Sincerely,



Helene Grady
Secretary

cc: Victoria Gruber, Department of Legislative Services

**Quarterly Report on the Transition of Retirees to Medicare Part D
For Prescription Drug Coverage Per Chapter 767 of 2019
Department of Budget & Management
July 15, 2025**

Benefits Transition Update

The Department's Employee Benefits Division (EBD) continues to work with Via Benefits, the State's Medicare Part D partner. EBD and Via Benefits meet on a weekly basis to discuss continued operations and assistance for our Medicare-eligible retiree population and those retirees nearing eligibility for Medicare.

Please see highlights of Via Benefits' and the State's communication and engagement with retirees below:

1. Via Benefits continues to engage retirees and eligible dependents before their 65th birthday. Via Benefits sends Age-In Mailers to retirees and eligible dependents approximately 7 months and 3 months before their 65th birthday. This document introduces them to Via Benefits, including information on how to contact them and to make sure they start thinking about the actions they need to take in the coming months as they prepare for Medicare eligibility. As of July 1, 2025, there have been over 1,700 7-month and 3-month Age-In Mailers delivered to retirees and dependents who will become eligible for Medicare.
2. Via Benefits remains a resource for retirees throughout the year to answer questions. Retirees are able to call and ask questions about their Medicare Part D plans, Health Reimbursement Arrangement (HRA) and the Life-Sustaining Prescription Drug Program.
3. To comply with the annual notification requirement of Chapter 767 of 2019, written certified notice was mailed to 3,460 retirees and eligible dependents who will turn 65 between July 1, 2025 and December 31, 2026. A copy of the letter is included herein.
4. Beginning in January 2025, EBD began sending monthly future retiree reporting to Via Benefits. The submission of this reporting to Via Benefits allowed them to begin outreach to retiring employees that need to elect a Medicare Part D plan.
5. Via Benefits provided the Department with an updated communications strategy. Features of the updated strategy under review by the Department include the following communications:
 - a. Who to Call – a communication for current retirees and dependents to provide guidance on when to call the doctor, medical plan carrier, Part D prescription drug carrier, or Via Benefits.
 - b. Annual HRA Qualification Reminder – a postcard communication to remind those eligible for the HRA of the requirement to remain enrolled in both the State's group medical plan and a Medicare Part D plan through Via Benefits
 - c. Open Enrollment Flyer – a communication that explains the steps eligible retirees and dependents must take for the new calendar year. Please note that Medicare Part D plans do not need to be re-elected each year, but Via Benefits recommends individuals review their plans to ensure they will continue to meet their needs next year.
6. The Department is developing an Agency Benefit Coordinator (ABC) Toolkit/a targeted communication for Agency Benefit Coordinators (ABCs) about the requirements for a Medicare-eligible employee to elect a Medicare Part D plan upon retirement. The communication will highlight the actions a retiring employee should take to ensure they have prescription drug coverage after they retire.

Health Reimbursement Account (HRA) Update

The Department continues to receive reports on the utilization of the HRA. As of June 25, 2025, there were over 158,000 claim transactions submitted for more than \$13.1M applied to HRA funds. 98.5% of those claims were made by using the HRA debit card and 1.5% of those claims were submitted for reimbursement.

Life-Sustaining Prescription Drug Assistance Program Update

As of the date of this report, there have not been any claims submitted for reimbursement under the Life-Sustaining Prescription Drug Assistance Program.

Frequently Asked Questions

The Department updated Frequently Asked Questions (FAQs) on July 1, 2025, and they are posted on our Retiree website.



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July 1, 2025

RE: Information about Retiree Prescription Drug Coverage for Those Turning Age 65

Dear valued retiree:

Under Chapter 767 of 2019, the Department is mandated to provide this notice because our records indicate that you are a retiree, spouse, or qualified dependent who will turn age 65 between July 1, 2025, and December 31, 2026. When you should take action depends on the month you will turn age 65 and additional details are provided within this letter.

On January 1, 2025, the State of Maryland transitioned Medicare-eligible retirees, Medicare-eligible spouses, and qualified Medicare-eligible dependents from State-sponsored prescription drug coverage to Medicare Part D plans offered through Via Benefits. Thus, all retirees, retiree spouses and qualified dependents must choose a Medicare Part D plan to have coverage for prescription drugs when becoming eligible for Medicare. The State is here to support retirees and eligible dependents as you transition to Medicare through our partner, Via Benefits.

What you should expect

Via Benefits will begin sending you information about enrolling in a Medicare Part D plan approximately seven (7) months and again at three (3) months before you reach age 65. You must be enrolled in Medicare Parts A and B to elect a Medicare Part D plan. You can enroll in Medicare as early as three (3) months prior to turning age 65. For more information about enrolling in Medicare, call the Social Security Administration at 1-800-772-1213 or go to their website www.ssa.gov.

Important things you need to know

There are three important components to the Maryland State Retiree Prescription Drug Coverage Program, as defined by Maryland state law. Here's what the law says and what it means for you.

1. Health Reimbursement Arrangement (HRA)

What the law says: If you were hired by the State on or before June 30, 2011, and retired from State service on or before January 1, 2020, you are eligible to receive a State-funded HRA. Those hired on or after July 1, 2011, are **not eligible** for the State-funded HRA. Those who retired after January 1, 2020, regardless of date of hire, are also not eligible for the HRA.

What this means in practical terms: If you are eligible for the HRA, the State will deposit money into your HRA following your enrollment in a Part D plan. A minimum assistance requirement was set into law, so you should not have to pay any more for prescription drugs, out-of-pocket, than you would under the State prescription plan. The difference between the State plan's current out-of-pocket maximum and the Medicare Part D out-of-pocket maximum will be deposited into an HRA for you to use toward your prescription drug costs. The minimum assistance amount will also be adjusted as needed in coordination with changes to Part D out-of-pocket maximums.

2. Maryland State Retiree Catastrophic Prescription Drug Assistance Program

What the law says: The law requires the State of Maryland to reimburse a participant for out-of-pocket costs after the participant enters the catastrophic coverage phase under a Medicare Part D plan.

What this means in practical terms: Medicare Part D plans were enhanced in 2025, so this part of the Maryland law is no longer relevant as the Medicare catastrophic coverage phase was eliminated. This is good news for retirees because as of January 1, 2025, the annual out-of-pocket (OOP) amount payable by retirees who have Part D coverage was limited to \$2,000. Medicare beneficiaries who surpass the \$2,000 OOP threshold will no longer incur cost sharing for Part D drugs for the remainder of the calendar year.

3. Maryland State Retiree Life-Sustaining Prescription Drug Assistance Program

What the law says: The law outlines requirements for the State of Maryland to cover certain prescriptions covered by the State's prescription drug plan that are not covered by Medicare.

What this means in practical terms: This program has been specifically designed to reimburse eligible participants for out-of-pocket costs for a life-sustaining prescription drug that is covered by the State's in-force prescription drug benefit plan but is not covered by the participant's Medicare Part D plan. This program aims to ensure that essential medications are accessible to those who need them most. This reimbursement program requires that you pay for the drug first and then request reimbursement from the State.

What you can do now

You can view many resources on Via Benefits' website at my.viabenefits.com/maryland. You can also call Via Benefits directly to begin exploring your options and understanding the steps you will need to take at 1-855-556-4419 (TTY: 711). They are available Monday – Friday from 8:00 a.m. to 7:00 p.m. Eastern Time.

Important note: If you don't enroll in a Medicare Part D plan during your Initial Enrollment Period, or during Medicare open enrollment (each fall from October 15 – December 7), you will not have prescription drug coverage when your State-provided prescription drug coverage ends. You may also be subject to a late enrollment penalty if you decide to enroll during a future open enrollment.

About Via Benefits

Via Benefits operates one of the country's largest private Medicare marketplaces and has helped more than two million retirees plan, shop for, enroll in, and maintain individual coverage that fits their needs. The State of Maryland carefully evaluated and selected Via Benefits because of their proven track record to provide personalized, comprehensive, high-touch service. During the initial transition from State-provided prescription benefits to individual Medicare Part D plans, Via Benefits helped over 50,000 State of Maryland retirees and their eligible dependents find and enroll in a Medicare Part D plan.

Via Benefits will help you explore and enroll in a new Medicare Part D plan by offering one-on-one counseling and unbiased guidance from a licensed benefit advisor to ensure you understand your options and make an informed decision. The benefit advisor will review your current medications with you, help you understand your options, and assist you in selecting and enrolling in a plan by phone. Via Benefits also offers a robust online marketplace where you can view and compare plans and enroll online.

You can view frequently asked questions and additional information anytime on the **Retiree** page of the Department of Budget and Management's website at dbm.maryland.gov/benefits/Pages/Retirees.aspx.

Sincerely,



Christina Kuminski
Director, Employee Benefits Division