Proposed Revisions to the State of Delaware Spousal Coordination of Benefits (SCOB) Policy and NEW Pensioner Coordination of Benefits (PCOB) Policy

July 27, 2026

Process for SCOB Policy Revisions

- SBO solicited feedback on the proposed revisions from:
  - SBO staff, including the Customer Service Team (CST) and the Coordination of Benefits Team
  - Office of Pensions staff, including the Benefits Team
  - Legal review by SBO's DAG

SCOB Policy Background

- The SCOB Policy became effective with the State of Delaware on **January 1, 1993,** for a spouse who is eligible for health care coverage through the spouse's own employer.
  - Effective **July 1, 2011**, the policy became applicable to retiree health care coverage available to a spouse through the spouse's employer when the spouse is collecting a retirement benefit.
  - In addition, HB376 codified the SCOB Policy for the State of Delaware Group Health Insurance Plan (GHIP) under Title 29 §5210.

- The intention of this policy is to ensure fiscal responsibility for the State of Delaware GHIP when other employers are offering healthcare benefits to their employees and retirees.

- The SCOB Policy does **not** apply to State of Delaware Dental or Vision benefits.

Highlights of Proposed SCOB Policy Revisions

Since HB376 codified the SCOB Policy for the State of Delaware GHIP under Title 29 §5210, the policy format had to be updated to align with state regulations.

Due to the amount of format changes to align with the new requirements, "track changes" was not utilized in order to allow a simplified and feasible review of the policy revisions.

This presentation will serve to highlight the proposed revisions to the policy's language.

Highlights of Proposed Revisions (1)

- Section 1.0 Authority
  - Replace “plan” with “coverage” to align with language used in Del Code. This change was made throughout the policy.
  - Replace “pension” with “retirement” to align with language used in Del Code. This change was made throughout the policy.
  - Added definition for use of the term “Spouse” in Rule 1.2.2.

Highlights of Proposed Revisions (2)

- Section 2.0 Administration
  - Added language in Rule 2.1.4 requiring completion of form "Upon request by the Statewide Benefits Office" to ensure form accuracy, consistency and compliance.
  - Added language in Rule 2.2 to align with the three authorizations on the current form and to define the rights reserved by SBO to ensure compliance.

Highlights of Proposed Revisions (3)

- 3.0 Coordination and Coverage
  - Added language in Rule 3.1.2 to align potential benefit offerings with market changes.
  - Removal of "and only offers a Medicare Advantage plan" language in Rule 3.1.5.
    - *The inclusion of Medicare Advantage was added when the State of Delaware was going to offer only a Medicare Advantage option for retirees beginning January 1, 2023. This language was not adjusted at the time that offering was repealed.*

Highlights of Proposed Revisions (4)

- 4.0 Determining Full-Time Employment
  - Added language in Rule 4.3 to provide clarification in instances where the spouse may have a waiting period upon initial date of hire before they can enroll in benefits.
  - Added language in Rule 4.4 to provide clarification in instances where a retired spouse returns to full-time employment.

Highlights of Proposed Revisions (5)

- 5.0 Determining Contribution Requirement
  - Additional language in Rule 5.2.1 to provide policy definition for “directly accessible” when a Spouse’s employer offers only a Health Maintenance Organization (HMO) plan, and the service area is not considered “directly accessible” to the spouse.
    - *Internal research was conducted to best determine what is typically considered a “reasonable distance” when considering locations of health care facilities and providers.*

Highlights of Proposed Revisions (5)

- 5.0 Determining Contribution Requirement
  - Addition of language in Rule 5.1.1.1 to include Medicare eligible spouses.
  - Removal of language in Rule 5.1.4 as it relates to Medicare Advantage plans.
    - *The inclusion of Medicare Advantage was added when the State of Delaware was going to offer only a Medicare Advantage option for retirees beginning January 1, 2023. This language was not adjusted at the time that offering was repealed.*

Highlights of Proposed Revisions (6)

- 6.0 Payment of Benefits
  - Additional language in Rule 6.1.1 to describe how the policy affects the payment of benefits for a Spouse when the Employee or Pensioner does not complete the Spousal Coordination of Benefits Form or does not return additional documentation as required under this policy.

Highlights of Proposed Revisions (7)

- 7.0 Participating Groups
  - Additional coordination clarification language added when a State of Delaware employee or pensioner is married to individuals who are not a State of Delaware employee or pensioner, but eligible to participate in the State GHIP

Highlights of Proposed Revisions (8)

- 8.0 Medicare Eligible Spouse of An Active State of Delaware Employee
  - Added as new section to align with Medicare COB Rules and ensure current procedures are outlined in the policy

PCOB Policy Background

- The PCOB Policy becomes effective with the State of Delaware on **July 1, 2027.**
  - The policy applies to all eligible Pensioners enrolled under the State Plan who were first employed on or after **January 1, 2015**, and is used to determine a Pensioner's eligibility for primary coverage under the State Plan.
- The intention of this policy is to ensure fiscal responsibility for the State of Delaware GHIP where other employers are offering health care coverage to their employees.
- Per Del Code, the PCOB Policy must be comparable to the SCOB Policy.

Highlights of Proposed PCOB Policy (1)

- 1.0 Authority
  - Rule 1.2.2 defines the term “Pensioner” under the policy.
    - The term “Pensioner” shall refer to any individual who applies for and is eligible to receive a pension as outlined under 29 **Del.C.** §5201(3).
    - Includes both non-Medicare and Medicare eligible Pensioners.

Highlights of Proposed Policy (2)

- 2.0 Administration
  - Rule 2.1 outlines when Pensioners would be required to complete the PCOB Form and aligns with the SCOB Policy.
  - Rule 2.2 defines the rights reserved by SBO to ensure compliance and aligns with the SCOB Policy.

Highlights of Proposed Policy (3)

- 3.0 Coordination and Coverage
  - Rule 3.1 outlines when Pensioners would not be required to be enrolled in the health care coverage provided by the Pensioner's employer and aligns with the SCOB Policy.
    - Includes instances where the employer does not offer a health benefit plan to Medicare eligible employees.

Highlights of Proposed Policy (4)

- 4.0 Determining Full-Time Employment
  - Rule 4.1 defines full-time employment and aligns with the SCOB Policy.
  - Rule 4.2 clarifies when Pensioner is considered a partner, owner, or principal in a law firm, accounting firm or any other type of business, company, corporation or firm and aligns with SCOB Policy.
  - Rule 4.3 clarifies when Pensioner may have a waiting period upon initial date of hire before they can enroll in benefits and aligns with SCOB Policy.
  - Rule 4.4 clarifies action required if Pensioner returns to full-time employment with an employer that participates in the State Plan.

Highlights of Proposed Policy (5)

- 5.0 Determining Contribution Requirement
  - Rule 5.1 outlines how to determine a Pensioner's eligibility for primary coverage based on the employer's contribution amount and aligns with the SCOB Policy.
  - Rule 5.2 outlines how to determine a Pensioner's eligibility for primary coverage when the employer offers only an HMO and aligns with the SCOB Policy.
  - Rule 5.3 outlines how to determine a Pensioner's eligibility for primary coverage when the employer offers only a HDHP (with HSA) and aligns with the SCOB Policy.

Highlights of Proposed Policy (6)

- 6.0 Payment of Benefits
  - – Rule 6.1 describes how the policy will affect the payment of benefits for a Pensioner under the policy and aligns with the SCOB Policy.

Highlights of Proposed Policy (7)

- 7.0 Pension Eligible Spouse of a State of Delaware Employee or Pensioner
  - Rule 7.1 describes how eligibility for primary coverage will be determined when the Pensioner works full-time for a non-State of Delaware Employer and is married to a State of Delaware Employee or Pensioner.

Next Steps

- SEBC is being asked to review the proposed revisions to the Spousal Coordination of Benefits Policy as reflected in the Registrar of Regulations regulatory document and the new Pensioner Coordination of Benefits Policy as reflected in the Registrar of Regulations regulatory document and provide any feedback prior to the August 2026 SEBC Meeting. A vote to approve both policies will be scheduled for the August 2026 meeting.
  - **Note**: Formatting (i.e., spacing, indents, etc.) will be correctly displayed in the final version after being uploaded into the Registrar of Regulations online system

- **TBD** - The final due date to submit to the Registrar of Regulations for review and publication

- **January 1, 2027** - The effective date of the updated Spousal Coordination of Benefits Policy

- **July 1, 2027** - The effective date of the new Pensioner Coordination of Benefits Policy

Thank You

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