



**MINUTES FROM THE MEETING OF THE RETIREE HEALTHCARE BENEFITS ADVISORY SUBCOMMITTEE MEETING
March 16, 2023**

The Retiree Healthcare Benefits Advisory Subcommittee met at 10:00 a.m. on March 16, 2023.

The meeting was held virtually and in person at 97 Commerce Way, Suite 201, in Dover.

Subcommittee Members in Attendance:

The Honorable Bethany Hall-Long, Office of the Lt. Governor, Chair
Representative Paul Baumbach, Delaware House of Representatives, Majority Caucus, Co-Vice Chair
Senator Bryan Townsend, Delaware State Senate, Majority Caucus, Co-Vice Chair
Secretary Claire DeMatteis, Department of Human Resources (“DHR”)
Director Cerron Cade, Office of Management & Budget (“OMB”)
The Honorable Trinidad Navarro, Insurance Commissioner, Department of Insurance (“DOI”)
Secretary Rick Geisenberger, Department of Finance (“DOF”)
Representative Michael Ramone, Delaware House of Representatives, Minority Caucus
Senator Brian Pettyjohn, Delaware State Senate, Minority Caucus
Mr. Wayne Emsley, State Retiree – New Castle County
Mr. David Craik, State Retiree – Kent County
Ms. Denise Allen, State Retiree – Sussex County
Mr. Jeff Taschner, Executive Director, Delaware State Education Association (“DSEA”)
Mr. Michael Begatto, Executive Director, Delaware Public Employees Council 81
Mr. William Oberle, Delaware State Trooper’s Association (“DSTA”)

Others in Attendance

Director Faith Rentz, SBO, DHR	Mr. Keith Warren, Chief of Staff, Office of the Lt. Governor
Deputy Director Leighann Hinkle, SBO, DHR	Ms. Joanna Adams, Pension Administrator, Office of Pensions (“OPen”)
Ms. Nina Figueroa, Health Policy Advisor, SBO, DHR	Ms. Stephenie Tatman, Deputy Pension Administrator, OPen
Ms. Mary Bradley, SBO, DHR	Ms. Carla Cassell-Carter, Director of Budget Development and Planning, OMB
Ms. Marie Hartigan, SBO, DHR	Ms. Andrea Godfrey, Deputy Director of Budget Development and Planning, OMB
Ms. Samantha Mountz, SBO, DHR	Mr. Charles Simons, Highmark Delaware
Ms. Dawn Warman, SBO, DHR	Ms. Wendy Beck, Highmark Delaware
Ms. Heather Johnson, DHR	Ms. Jeanie Carson, Highmark Delaware
Ms. Cherie Dodge Biron, Director, Financial & Administrative Services, DHR	Ms. Katherine Impellizzeri, Aetna
Ms. Adria Martinelli, Deputy Attorney General, Department of Justice, SEBC Legal Counsel	Ms. Brooke Nedza, Aetna
Mr. Chris Giovannello, Willis Towers Watson (“WTW”)	Ms. Paula Roy, Roy & Associates
Mr. Brian Stitzel, WTW	Ms. Marian Coker, DOS
Ms. Rebecca Warnken, WTW	Ms. Stephanie Becker, LegHall
Mr. Walter Mateja, Merative	Ms. Katherine Collison, DHSS
Ms. Kristin Short, CoLab Strategies, LLC	Ms. Felicita Diaz-Rivera, LegHall
Mr. Thomas Brackin, Executive Director, DSTA	Ms. Robin Gorman, DHSS
Ms. Ashley Tucker, Deputy State Court Administrator, AOC	Ms. Nichole Moxley, DHSS
Mr. Robert Scoglietti, Deputy Controller General, OCG	
Ms. Jeanette Hammon, Sr. Fiscal and Policy Analyst, OMB	

STATE OF DELAWARE STATEWIDE BENEFITS OFFICE

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Ms. Aimee Holthaus, DNREC
Mr. Lester Johnson, ARDSP
Mr. Jared Aupperle, UD
Mr. Chad Carmack, Learning Pursuit
Ms. Karen Peterson, Retired Senator
Ms. Annette Shine
Ms. Barbara Philbin
Mr. Bob Clarkin
Ms. Mary Graham
Mr. Steve LePage
Mr. Tom Pledgie
Mr. Sam Gaertner
Mr. Dan Maher
Ms. Pat Sine
Ms. Deborah Schrass
Ms. Mary Ebersole
Ms. Becky Breasure
Mr. Charles Clark
Ms. Joan Burnside
Ms. Kathleen Werrell
Ms. Linda Barnett
Mr. Rich Phillips
Ms. Anne McDermott
Ms. Bobbie Burtch
Mr. Jeremiah Wiggins
Mr. Bill MacLachlan
Mr. Bill Mead

Ms. Bonnie Albertson
Ms. Carol Apgar
Mr. Mike Apgar
Mr. Dan Grim
Ms. Denise Schwartz
Mr. Fred Willey
Mr. Gerry Turkel
Ms. Isabelle Mead
Mr. John Phillips
Mr. John Van Gorp
Ms. Kim York
Ms. Linda Barnett
Ms. Linda Russell
Mr. Mike Nelson
Ms. Nancy Schuman
Ms. Quinn Marvel
Mr. Ray Seigfried
Mr. Roger Jones
Ms. Sherry Long
Mr. Terry Griffin
Ms. Wanda Pfeiffer
Mr. William Young
Mr. Sam Haut
Neelo Bhatti
J. Keller
Ms. Carole Mick, SBO, DHR – Recorder, State
Employee Benefits Committee and Subcommittees

CALL TO ORDER – LIEUTENANT GOVERNOR BETHANY HALL-LONG, CHAIR

Lieutenant Governor Bethany Hall-Long called the meeting to order at 10:05 a.m.

APPROVAL OF MINUTES – LIEUTENANT GOVERNOR BETHANY HALL-LONG, CHAIR

A MOTION was made by Secretary DeMatteis and seconded by Mr. Emsley to approve the minutes from the Retiree Healthcare Benefits Advisory Subcommittee meeting held on March 6, 2023.

MOTION ADOPTED UNANIMOUSLY.

MEDICARE PLAN OPTIONS BY STATE – MR. BRIAN STITZEL, WTW

Mr. Stitzel reviewed the Medicare plan options by state and provided more detailed information on states within our geographical area. State Medicare plan options included Medicare Advantage (MA) only, choice of MA or Medicare supplement, and individual Health Reimbursement Accounts (HRA).

Director Cade arrived to the meeting.

RETIREMENT BENEFITS STUDY COMMITTEE CONSIDERATIONS – SECRETARY RICK GEISENBERGER, DOF

Secretary Geisenberger outlined the considerations that were made by the Retirement Benefits Study Committee (RBSC) to include the OPEB trust fund, addressing Medicare and pre-Medicare costs, and eligibility changes for future retirees.

RHBAS WORK PLAN FOR MARCH & APRIL 2023 MEETINGS – DIRECTOR FAITH RENTZ, SBO

Director Rentz presented agenda items for upcoming Retiree Healthcare Benefits Advisory Subcommittee (RHBAS) meetings which included a timeline on discussions regarding future retiree healthcare benefits and dedicated time for public comments and input from the public.

OPEN DISCUSSION FOR SUBCOMMITTEE MEMBERS

Mr. Emsley addressed the Subcommittee with his own presentation on ways to address the retiree healthcare liability and provided data on salaries, pensions, and healthcare premium costs.

Mr. Giovannello detailed the Group Health Insurance Plan (GHIP) long-term health care cost projections and the impact to the state which included all recent voting items by the State Employee Benefits Committee and assumes no additional program or legislative changes.

A MOTION was made by Representative Ramone and seconded by Senator Pettyjohn to allot additional time to a group of the public to provide comment at the March 22, 2023 Retiree Healthcare Benefits Advisory Subcommittee meeting, which was requested in advance.

MOTION ADOPTED UNANIMOUSLY.

OTHER BUSINESS

No other business.

PUBLIC COMMENT

Members from the public provided comments and information on Medicare options by state and addressed concerns with potentially losing a Medicare supplement option, opposition to Medicare Advantage and data that was presented. Some members from the public could not access the meeting through the meeting link.

ADJOURNMENT

A MOTION was made by Representative Baumbach and seconded by Mr. Craik to adjourn the public session at 12:00 p.m.

MOTION ADOPTED UNANIMOUSLY.

Respectfully submitted,

Carole Mick, Executive Secretary, Statewide Benefits Office, Department of Human Resources
Recorder, State Employee Benefits Committee, and Subcommittees

Presentation to the
Retiree Healthcare Benefits
Advisory Subcommittee

Wayne E. Emsley
Retiree, New Castle County

A little about me:

- native Delawarean
- Brandywine HS, West Chester Univ, U of Delaware, California Coast University – E.D.
- former science teacher, building and central office administrator – 37 years experience
- worked in the duPont Finance Department for two years
- worked in Pennsylvania for five years and retired at age 61
- married, with two sons and five grandchildren

Delaware Retired School Personnel Association:

- was founded in 1956
- goal is a dignified retirement for every former public school employee
- is governed by a 21-member Executive Board that meets at least quarterly
- has studied the long-term health care liability issue extensively
 - ✓ representatives attended most RBSC meetings
 - ✓ issued a comprehensive Position Paper in March 2020
 - ✓ made a presentation to the RBSC
 - ✓ Secretary Geisenberger made a presentation to DRSPA Board

There are only three ways to address the health care liability:

- increase the state's cost i.e., increased costs to taxpayers
- increase the retirees' cost – e.g. increased premiums & copays; reduced coverage of spouse
- limit services – e.g., in-network v. out-of-network, hospital lab services v. walk-in

Pensions v. Salaries :

The average State pension is \$24,587¹ per year.

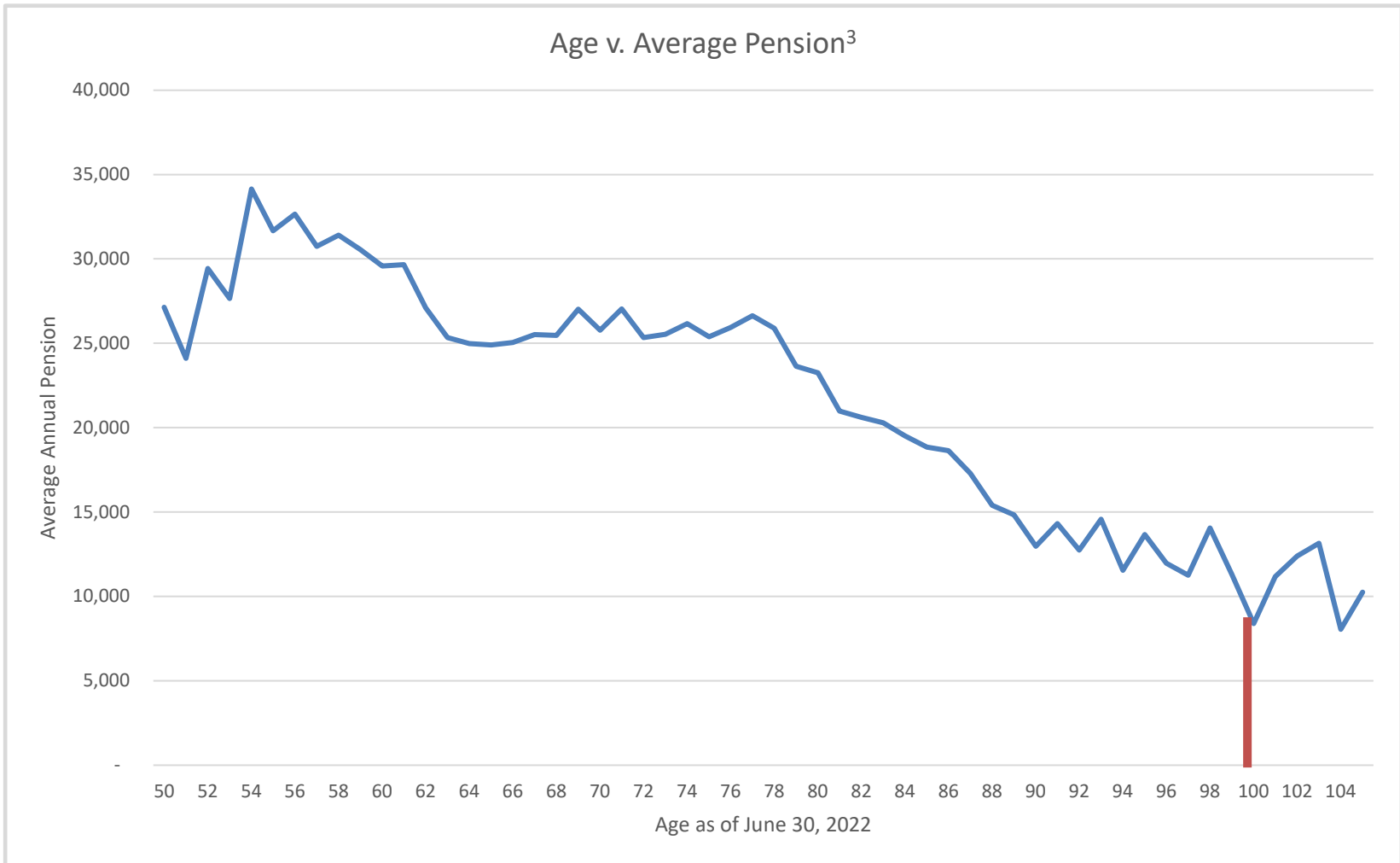
Average Social Security payment is \$18,551 per year, for a total of \$43,188.

The average state employee salary is \$61,228².

Is it fair to burden those with lowest income with additional health care costs?

1 & 2: Delaware State Employees' Pension Plan Actuarial Valuation as of June 30, 2022,
Section I – Board Summary, Table 1, page 9

Age v. Pension Amount:



- 3. Delaware State Employees' Pension Plan Actuarial Valuation as of June 30, 2022, Delaware State Employees' Pension Plan Annual Benefit Distribution by Age, page 34

Pensioner v. Employee premium cost:

- Medicare retirees are already paying a higher monthly premium for health care.
- Monthly premiums for individual employees range from \$30.22⁴ to \$114.30 per month.
- A Medicare retiree is required to pay the Medicare premium of \$164.90 per month.
- \$50 more than the highest employee's premium.

4. State of Delaware Health Plan Comparison Chart (Effective July 1, 2022)

Pensioner v. Employee state cost:

- Health care needs, and therefore costs, increase as we get older.
- Is Delaware's cost for health care for older retirees higher than employees? The answer is "no".
- Delaware pays an average \$744 per month towards an active employee's and non-Medicare retiree's premium,
- and pays \$459 towards a Medicare pensioner's Special Medicfill premium.
- So, Medicare retirees are a \$285 a month bargain for the State.

To summarize, increasing Medicare retirees' health care costs would place an additional financial burden on a group that

- lives on significantly less income,
- already pays the highest individual premium, and
- receives 38% less state funds towards their health care.

Thank you for the
opportunity to present one
retiree's view of this very
important task.

Wayne E. Emsley
March 16, 2023