



**MINUTES FROM THE MEETING OF THE RETIREE HEALTHCARE BENEFITS ADVISORY SUBCOMMITTEE MEETING
April 26, 2023**

The Retiree Healthcare Benefits Advisory Subcommittee met at 10:00 a.m. on April 26, 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
Secretary Claire DeMatteis, Department of Human Resources (“DHR”)
Representative Michael Ramone, Delaware House of Representatives, 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”)
Senator Bryan Townsend, Delaware State Senate, Majority Caucus, Co-Vice Chair
Secretary Rick Geisenberger, Department of Finance (“DOF”)

Subcommittee Members Not in Attendance:

The Honorable Trinidad Navarro, Insurance Commissioner, Department of Insurance (“DOI”)
Senator Brian Pettyjohn, Delaware State Senate, Minority Caucus
Director Cerron Cade, Office of Management & Budget (“OMB”)

Others in Attendance

Director Faith Rentz, SBO, DHR	Ms. Courtney Stewart, Deputy Director, OMB
Deputy Director Leighann Hinkle, SBO, DHR	Mr. Adam Knox, Highmark Delaware
Ms. Nina Figueroa, SBO, DHR	Ms. Charles Simons, Highmark Delaware
Ms. Samantha Mountz, SBO, DHR	Ms. Wendy Beck, Highmark Delaware
Ms. Heather Johnson, SBO, DHR	Ms. Jeanie Carson, Highmark Delaware
Ms. Marie Hartigan, SBO, DHR	Ms. Pamela Price, Highmark Delaware
Ms. Adria Martinelli, Deputy Attorney General, Department of Justice, SEBC Legal Counsel	Ms. Lisa Mantegna, Highmark Delaware
Mr. Chris Giovannello, Willis Towers Watson (“WTW”)	Mr. Ken Bronke, Highmark Delaware
Ms. Jaclyn Iglesias, WTW	Ms. Katherine Impellizzeri, Aetna
Ms. Rebecca Warnken, WTW	Ms. Brooke Nedza, Aetna
Mr. Brian Stitzel, WTW	Ms. Margaret Tempkin, Cheiron
Mr. Walter Mateja, Merative	Ms. Christy Wright, LegHall
Ms. Kristin Short, CoLab Strategies, LLC	Ms. Aimee Holthaus, DNREC
Mr. Robert Scoglietti, Deputy Controller General, OCG	Ms. Karen Peterson, Retired Senator
Ms. Joanna Adams, Pension Administrator, Office of Pensions (“OPen”)	Mr. Ray Seigfried, Former Representative
Ms. Keith Warren, Chief of Staff, Office of the Lt. Governor	Ms. Lynda Hastings
	Ms. Rain Tyler
	Ms. Wanda Pfeiffer
	Mr. Bob Clarkin

STATE OF DELAWARE STATEWIDE BENEFITS OFFICE

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Ms. Mary Graham
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Ms. Rebecca Scarborough
Mr. Sam Gaertner
Ms. Pat Sine
Ms. Deborah Schrass
Ms. Joan Burnside
Ms. Nancy Schuman
Ms. Diana Noonan
Ms. Elisa Diller
Ms. Linda Thompson
Ms. Nancy Alteri
Ms. Donna Dossett
Ms. Joan DelFattore
Ms. Sherry Long
Ms. Barbara Philbin

Ms. David Taylor
Ms. Marian Coker
Ms. Maureen Keeney
Mr. Mike Kempinski
Ms. Patricia Roberts
Ms. Kim York
Ms. Denise Schwartz
Ms. Jamie Chambers
Ms. Louisa Phillips
Mr. Roger Jones
Mr. Ron Redpath
Mr. Russ Larson
Ms. Sara Russell
Mr. Tom MacPherson
Ms. Carole Mick, SBO, DHR – Recorder, State
Employee Benefits Committee and Subcommittees

CALLED TO ORDER – LIEUTENANT GOVERNOR BETHANY HALL-LONG

Lieutenant Governor Hall-Long called the meeting to order at 10:06 A.M.

APPROVAL OF APRIL 17, 2023 SEBC RHBAS MEETING MINUTES

Agenda item was deferred to the next meeting.

PUBLIC COMMENT

Several members of the public provided comment on the retiree healthcare initial draft report to the General Assembly and addressed concerns on items within the report to include reference to pending litigation, the state budget including language pertaining to Medicare Advantage, and the accuracy of data within the report. Additionally, members of the public commented on how SEBC and Subcommittee meetings do not allow for members of the public to engage in dialogue with Committee members on agenda items and would like the report to include a statement that a Medicare Advantage only plan is not a viable option.

DISCUSSION BY SUBCOMMITTEE MEMBERS

Subcommittee members had an in-depth discussion on the initial draft report and provided input on whether to send the draft report or prepare a short summary to send to the General Assembly.

Subcommittee members discussed items within the draft report including continuing to explore Medicare Advantage as a potential option for current or future retirees. Members were divided on this topic.

MAY 1ST STATUS REPORT – LIEUTENANT GOVERNOR BETHANY HALL-LONG

A MOTION was made by Mr. Taschner and seconded by Representative Ramone to issue a summary report to the General Assembly to satisfy the requirements of Senate Bill 29.

MOTION ADOPTED UNANIMOUSLY.

Subcommittee members will continue to discuss options for retiree healthcare benefits to reduce the OPEB liability and issue a final report in the fall.

OTHER POST-EMPLOYMENT BENEFITS (OPEB) OPTIONS – MR. CHRIS GIOVANNELLO, WTW

Mr. Giovannello displayed previously reviewed options, options requested by Subcommittee members, and additional options for consideration to reduce the OPEB liability. Secretary Geisenberger stated that the eligibility options to reduce the OPEB liability pertain to future retirees and does not affect the schedule on which an employee can retire.

Ms. Warnken clarified an additional option for consideration of offering active/pre-65 retiree plans on a “coordinated with Medicare” basis which would be to offer Medicare retirees the healthcare plans currently offered to active employees and pre-65 retirees and coordinate with Medicare to pay primary. Secretary DeMatteis stated that if the Subcommittee decides to pursue this option, Medicare retirees will have prior authorizations with these plans.

Secretary DeMatteis explained that there have been many outside factors such as the Governmental Accounting Standards Board (GASB) redefining how to account for unfunded liability and bond rating agencies adding unfunded liability to the criteria for the bond rating which have contributed to the current dilemma with the OPEB liability.

Mr. Oberle stated that changing the eligibility for state share will have an impact on the pension fund as employees may have to work longer to remain eligible for state share. Secretary Geisenberger added that changing the eligibility for state share may change people’s behaviors, however, this should not negatively impact the pension fund.

Mr. Emsley provided additional recommendations for consideration including an increase in the OPEB employer contribution and increasing current employee contributions to the pension fund with additional contributions going directly to the OPEB liability. Mr. Craik stated that this avenue was previously discussed, however, by having employees contribute to the OPEB trust fund, would guarantee this benefit and create a direct liability that the state would no have control over. Secretary Geisenberger stated that the legal ramifications would have to be discussed before modeling any increases in employee contributions to the pension fund to reduce the OPEB liability as pension benefits are guaranteed through years of service and health benefits are not.

Mr. Taschner would like to see modeling of the OPEB carveout versus the employer contribution to determine how much funding from each source this would generate. Additionally, Mr. Taschner requested information on 0.5% or 0.25% incremental increases to OPEB funding to determine an appropriate carveout amount.

Mr. Oberle asked to add an option to reduce what the GHIP currently pays for healthcare and noted that Delaware is paying the 7th and 11th highest rates for inpatient and outpatient treatment at a hospital facility.

Subcommittee members recommended to remove rating groups separately based on their own experience as an option to reduce the OPEB liability and will defer further discussion on this topic to the SEBC. Subcommittee members discussed removing several other options, however, a majority consensus was not made, therefore no other options were removed from consideration at this time.

HEALTH REIMBURSEMENT ACCOUNT/INDIVIDUAL MARKETPLACE – MS. JACLYN IGLESIAS, WTW

Agenda item was deferred to a future meeting.

OTHER BUSINESS

Lieutenant Governor Hall-Long shared that the summary report to the General Assembly will contain an overview of the establishment of the Subcommittee, public meetings held, the SEBC decision to extend Medicfill, further evaluation of options to reduce the OPEB liability, and a webpage link to find information on RHBAS.

PUBLIC COMMENT

Several members of the public provided comment on removing the Medicare Advantage (MA) only option from consideration, grandfathering current retirees into a Medicare supplement plan, continued concerns with MA especially prior authorizations, removing Health Reimbursement Account (HRA) as an option, and information currently contained in the presented draft report. Additional comments included interest in more specifics as to the hundreds of retirees in support of the proposed MA as an affordable option over Medicfill. Mr. LePage provided comment on OPEB annual and one-time contributions. Ms. Noonan commented on concerns with comments being too condensed in meeting minutes and the draft report. Ms. Graham commented on support for increasing spouse state share for current employees. Retired Senator Peterson wants to know how the proposed MA plan varies from other MA plans. Mr. Jones provided suggestions for Subcommittees to consider when evaluating options to reduce the OPEB liability and extending meetings to include public input.

ADJOURNMENT

A MOTION was made by Mr. Emsley and seconded by Mr. Craik to adjourn the public session at 12:07 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