



**MINUTES FROM THE MEETING OF THE RETIREE HEALTHCARE BENEFITS ADVISORY SUBCOMMITTEE MEETING
May 8, 2023**

The Retiree Healthcare Benefits Advisory Subcommittee met at 10:00 a.m. on May 8, 2023.
The meeting was held virtually and in person at 97 Commerce Way, Suite 201 in Dover.

Subcommittee Members in Attendance:

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

Subcommittee Members Not in Attendance:

- Director Cerron Cade, Office of Management & Budget (“OMB”)

Others in Attendance

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| Director Faith Rentz, SBO, DHR | Ken Bronke, Highmark Delaware |
| Deputy Director Leighann Hinkle, SBO, DHR | Katherine Impellizzeri, Aetna |
| Samantha Mountz, SBO, DHR | Leah White, Aetna |
| Heather Johnson, SBO, DHR | Margaret Tempkin, Cheiron |
| Marie Hartigan, SBO, DHR | Taylor Hawk, DSEA |
| Adria Martinelli, Deputy Attorney General, Department of Justice, SEBC Legal Counsel | Stephanie Becker, LegHall |
| Chris Giovannello, Willis Towers Watson (“WTW”) | Aimee Holthaus, DNREC |
| Jaclyn Iglesias, WTW | Sam Haut, Delaware Live |
| Rebecca Warnken, WTW | Karen Peterson, Retired Senator |
| Tom Cotter, WTW | Ray Seigfried, Former Representative |
| Walter Mateja, Merative | Lois Finley |
| Kristin Short, CoLab Strategies, LLC | Karen Bryson |
| Joanna Adams, Pension Administrator, Office of Pensions (“OPen”) | Becky Breasure |
| Keith Warren, Chief of Staff, Office of the Lt. Governor | Barbara Gates |
| Charles Simons, Highmark Delaware | Charles Clark |
| Wendy Beck, Highmark Delaware | Theresa Kough |
| Jeanie Carson, Highmark Delaware | Lynda Hastings |
| | Wanda Pfeiffer |
| | Bob Clarkin |

STATE OF DELAWARE STATEWIDE BENEFITS OFFICE

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Mary Graham
Steve LePage
Tom Pledge
Rebecca Scarborough
Sam Gaertner
Pat Sine
Deborah Schrass
Joan Burnside
Diana Noonan
Linda Thompson
Nancy Alteri
Donna Dossett
Joan DeFattore
Barbara Philbin

David Taylor
Patricia Roberts
Kim York
George Smith
Helen Diskau
Jane Tripp
Kathy Carrigon
Lidia Rejto
Raymond Sockriter
Suzanne Seubert
Vicki Womer
William Young
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 10:03 A.M.

APPROVAL OF APRIL 17, 2023 MINUTES – LIEUTENANT GOVERNOR BETHANY HALL-LONG

A MOTION was made by Wayne Emsley and seconded by David Craik to approve the minutes from the Retiree Healthcare Benefits Advisory Subcommittee meeting on April 17, 2023.

MOTION ADOPTED UNANIMOUSLY.

APPROVAL OF APRIL 26, 2023 MINUTES – LIEUTENANT GOVERNOR BETHANY HALL-LONG

A MOTION was made by Wayne Emsley and seconded by David Craik to approve the minutes from the Retiree Healthcare Benefits Advisory Subcommittee meeting on April 26, 2023.

MOTION ADOPTED UNANIMOUSLY.

Senator Pettyjohn arrived to the meeting.

OTHER POST-EMPLOYMENT BENEFITS (OPEB) BACKGROUND – REBECCA WARNKEN, WTW

Rebecca Warnken provided a background of OPEB to include benefits under OPEB, a history of OPEB, current state OPEB liability and funding, GHIP outlook, state benchmarking on Medicare retiree healthcare plans, and a spectrum of available options to reduce OPEB liability. A request was made to add state benchmarking for states that offer Medicare supplement only plans.

RHBAS GOALS AND OBJECTIVES – LIEUTENANT GOVERNOR BETHANY HALL-LONG

Lieutenant Governor Hall-Long reviewed guiding principles of the Subcommittee, goals and objectives for today's meeting and future scheduled meetings. Subcommittee members continued a discussion on OPEB funding options.

OPEB OPTIONS – PENSION ADMINISTRATOR JOANNA ADAMS, OPen

Joanna Adams detailed a chart on the discount rate and liability of OPEB and displayed recommended options to be modeled by Cheiron (OPen actuary).

RHBAS DISCUSSION AND OTHER BUSINESS

Subcommittee members had a discussion on the presented options to reduce the OPEB liability and provided their insights into which recommendations should be modeled out further. The following motions were made during the lengthy discussion on the options presented:

RECOMMENDATIONS

A MOTION was made by Wayne Emsley and seconded by David Craik to recommend a 1% minimum of the prior year’s State operating budget is set aside each year to fund OPEB.

Approval – Lieutenant Governor Hall-Long, Representative Baumbach, Senator Townsend, Commissioner Navarro, W. Emsley, D. Craik, J. Taschner, M. Begatto, B. Oberle, D. Allen

Abstentions – Secretary DeMatteis, Secretary Geisenberger, Representative Ramone, Senator Pettyjohn

MOTION ADOPTED.

A MOTION was made by Wayne Emsley and seconded by David Craik to recommend removing the reduction in spousal state share subsidy from 100% to 50% from consideration to reduce the OPEB liability.

Approval – W. Emsley, D. Craik, D. Allen, M. Begatto

Disapproval – Lieutenant Governor Hall-Long, Representative Baumbach, Senator Townsend, Commissioner Navarro, Secretary DeMatteis, Secretary Geisenberger, Representative Ramone, Senator Pettyjohn

Abstentions - J. Taschner and B. Oberle

MOTION NOT ADOPTED.

PUBLIC COMMENT

Several members of the public provided comment on Medicare Advantage, OPEB funding and options, and expressed gratitude towards the recommendation to codify the 1% funding towards OPEB.

ADJOURNMENT

A MOTION was made by Representative Baumbach and seconded by Wayne Emsley to adjourn the public session at 12:35 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