



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

The Retiree Healthcare Benefits Advisory Subcommittee met at 1:00 P.m. on June 26, 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”)
Director Cerron Cade, Office of Management & Budget (“OMB”)
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:

Commissioner Trinidad Navarro, Insurance Commissioner, Department of Insurance (“DOI”)

Others in Attendance

Deputy Director Leighann Hinkle, SBO, DHR	Ken Bronke, Highmark Delaware
Heather Johnson, SBO, DHR	Katherine Impellizzeri, Aetna
Aaron Schrader, SBO, DHR	Brooke Nedza, Aetna
Chris Giovannello, Willis Towers Watson (“WTW”)	Paula Roy, Roy & Associates
Jaclyn Iglesias, WTW	Margaret Tempkin, Cheiron
Brian Stitzel, WTW	David Kohan, Christina SD
Tom Cotter, WTW	Aimee Holthaus, DNREC
Walter Mateja, Merative	Ray Seigfried, Former Representative
Kristin Short, CoLab Strategies, LLC	Karen Peterson, Former Senator
Robert Scoglietti, Deputy Controller General, OCG	Sam Haut
Joanna Adams, Pension Administrator, Office of Pensions (“OPen”)	Lynda Hastings
Stephenie Tatman, Deputy Pension Administrator, OPen	Wanda Pfiesser
Keith Warren, Chief of Staff, Office of the Lt. Governor	Bob Clarkin
Matt Clark, AFSCME	Steve LePage
Jeanie Carson, Highmark Delaware	Rebecca Scarborough
Pamela Price, Highmark Delaware	Sam Gaertner
Wendy Beck, Highmark Delaware	Pat Sine
	Deborah Schrass
	Joan Burnside

STATE OF DELAWARE STATEWIDE BENEFITS OFFICE

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Diana Noonan
Elisa Diller
Nancy Alteri
Donna Dossett
Joan DeFattore
Barbara Philbin
Mike Kempski
Denise Schwartz
Bill Mead
Jean Betley
Jim Chaconas
Judy Chaconas
William Young
Tom MacPherson
Patricia Roberts
Nancy Schuman
Nancy Jones
Julie Petroff
Janet Fender
Barbara Webb
Carol Powell
Carol Williamson

Charles Clark
Christine Reinert
Dale Swain
Dan Maher
Helene Diskau
Jan Blits
Jerry Cutler
Joanne Lang
Kat Caudle
Kim York
Mary Graham
Mike Matthews
Natalie McKenney
Pam Green
Rich Phillips
Robbie Simon
Stephanie Smith
Suzanne Seubert
Tammy Augustus
Theresa Kough
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 1:06 P.M.

APPROVAL OF MINUTES – LIEUTENANT GOVERNOR BETHANY HALL-LONG

A MOTION was made by Wayne Emsley and seconded by Secretary Geisenberger to approve the minutes from the Retiree Healthcare Benefits Advisory Subcommittee meeting on June 5, 2023.

MOTION ADOPTED UNANIMOUSLY.

Director Cade and Representative Ramone arrived to the meeting.

OPEB MODELING IMPACTS – JACLYN IGLESIAS, WTW & JOANNA ADAMS, OPEN

It was mentioned for clarity that the OPEB modeling currently being discussed will not impact current retiree's benefits.

Non-Medicare Retiree Medical Plan Options/Eligibility Criteria for Surrounding States – Jaclyn Iglesias, WTW

Jaclyn Iglesias provided data on retiree plan offerings, premium contributions, and eligibility criteria from surrounding states.

It was mentioned that these other states all have a minimum age requirement and a premium share that is either based on final salary or level of pension. It was questioned if a comparison has been done based on average salary and medium salary for state of Delaware employees. Median income of Delaware State employees including teachers is \$51,144 and the average income is \$55,181.

Options to Reduce OPEB Liability – Joanna Adams, OPeN

Joanna Adams continued to review the OPEB modeling options and presented new modeling options on benefit design, eligibility, and funding. Clarification was provided on the contribution amount modeled for the Health Reimbursement Arrangement (HRA) option that was discussed at the last meeting.

Subcommittee members discussed the new modeling options and a member questioned whether the state could bid for a fully insured Medigap plan. Brian Stitzel commented that the state can bid for a fully insured plan, however, a fully insured plan will cost the state more over time.

A request for an additional modeling option was mentioned to model increasing the state funding rate of payroll from 0.36% to 1% and then continue increasing the rate by 1% a year for a 10- or 20-year period.

Information on the short-term impact of modeled options for 2025 will be shared at the next meeting.

A Subcommittee member questioned what the target should be in terms of funding the OPEB trust fund. It was noted that the pension fund is currently 89% funded and the goal of the previous Retirement Benefit Study Committee was to reach 30-year funding for OPEB in the 80% to 85% range. .

Subcommittee members need to provide recommendations on a combination of funding, eligibility, and benefit design options at the next meeting.

RHBAS WORK PLAN – LIEUTENANT GOVERNOR BETHANY HALL-LONG

The RHBAS work plan for future Subcommittee meetings through September was displayed.

RHBAS DISCUSSION AND OTHER BUSINESS

No other business.

PUBLIC COMMENT

Members of the public provided comment on agenda items at today’s meeting and addressed concerns over the lack of modeling for current retirees.

ADJOURNMENT

A MOTION was made by Michael Begatto and seconded by Wayne Emsley to adjourn the public session at 2:53 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