



**MINUTES FROM THE MEETING OF THE RETIREE HEALTHCARE BENEFITS ADVISORY SUBCOMMITTEE MEETING
AUGUST 10, 2023**

The Retiree Healthcare Benefits Advisory Subcommittee met at 1:00 p.m. on August 10, 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”)
- Director Cerron Cade, Office of Management & Budget (“OMB”)
- 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”)
- William Oberle, Delaware State Trooper’s Association (“DSTA”)

Subcommittee Members Not in Attendance:

- Michael Begatto, Executive Director, Delaware Public Employees Council 81

Others in Attendance

- | | | |
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| Deputy Director Leighann Hinkle,
SBO, DHR | Keith Warren, Chief of Staff, Office of
the Lt. Governor | Wanda Pfeiffer |
| Heather Johnson, DHR | Matt Clark, AFSCME | Bob Clarkin |
| Marie Hartigan, SBO, DHR | Richard Puffer, Office of the Lt.
Governor | Steve LePage |
| Dawn Warman, SBO, DHR | Jeanie Carson, Highmark Delaware | Rebecca Scarborough |
| Samantha Mountz, SBO, DHR | Ken Bronke, Highmark Delaware | Sam Gaertner |
| Cherie Dodge Biron, Director,
Financial & Administrative Services,
DHR | Wendy Beck, Highmark Delaware | Deborah Schrass |
| Jaclyn Iglesias, Willis Towers Watson
(“WTW”) | Lisa Mantegna, Highmark Delaware | Joan Burnside |
| Brian Stitzel, WTW | Katherine Impellizzeri, Aetna | Diana Noonan |
| Walter Mateja, Merative | Paula Roy, Roy & Associates | Nancy Alteri |
| Kristin Short, CoLab Strategies, LLC | Margaret Tempkin, Cheiron | Donna Dossett |
| Robert Scoglietti, Deputy Controller
General, OCG | Bria Greenlee, 203 Strategies | Joan Delfattore |
| Joanna Adams, Pension
Administrator, Office of
Pensions (“OPen”) | Representative Kerri Evelyn Harris | Barbara Philbin |
| | Ray Seigfried, Former Representative | Mike Kempski |
| | Karen Peterson, Former Senator | Denise Schwartz |
| | Nancy Wagner, Former
Representative | Bill Mead |
| | Lynda Hastings | Jean Betley |
| | | William Young |
| | | Patricia Roberts |
| | | Nancy Schuman |

STATE OF DELAWARE STATEWIDE BENEFITS OFFICE

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Nancy Jones
Richard Sacher
Carol Williamson
Helene Diskau
Mary Graham
Rich Phillips
Stephanie Smith
Suzanne Seubert
Alvin Baxter
AnRea MacDonald
Barbara Gates
Barbara Shalley-Leonard
Bill Mead
Carol Ramsey
Chad Carmack
Charles MacArthur
Connie Bailey
Dave Taylor
David Northmore
Deanna Killen
Edward Hammond
Elizabeth Stokes
Fred Willey
Frederick De Micco
Joe Zilcosky
Joey Cohen
John Pesek
John Phillips
Katherine Collison
Kathleen Aldridge
Linda Thompson
Marian Coker
Mary Vogel
Maureen Keeney
Nancy Colley
Ned Landis
Pam Butler

Patrick Gaffney
Paul Sherman
Ralph Ferretti
Robin Willey
Sally Bould
Sandra Lewis
Sara Russell
Steven Hudson
Susan Conaty-Buck
Theresa Kough
TJ Wells
Vikki Bandy
William Gehrlein
Beverly Baxter
Ellen Scarpitti
Liane Sorenson
Bill Saylor
Karen Saylor
M Ross
Pat Provati
Karen Ross
Tom Penozza
Bill Conaway
Regina Conaway
Tom Pledgie
Lois Finley
Nancy Benner
Brenda Baker
Claudia Hughes
Julie O'Connor
Janet Smith
Mary Ann Hitchens
Carol Anson
Judith VanName
MA Aguila
Carlotta Cline
Sharon Goe

Marlene Tribbitt
JoAnne Deshon
Tony Laurcia
Jeff Hansen
Mary Jane Diemicke
Lynn Smail
Sandy Lewis
Bruce Allison
Denise Baker
Teresa Yu
Carolyn Manning
Linda Dion
Michael Maciaulli
E Lydiq Tucker
Georgianne Fennemore
Carl Myers
Richard Saeher
Kirk Ball
Theo O'Brien
Diti O'Brien
Diane Fithian
Chuck Fithian
Linda Bucher
Pam Butler
Vera Kaminski
Margaret Byren
Mary Anne Hlyniarsky
Donna Guritsky
Richard Guritsky
Deborah Bates
Dianne Pringle
Bruce Pinde
Carole Mick, SBO, DHR –
Recorder, State Employee
Benefits Committee and
Subcommittees

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

Lieutenant Governor Hall-Long called the meeting to order at 1:06 p.m.

Director Rentz announced that the Statewide Benefits Office will be relocating to a new facility and future SEBC and Subcommittee meetings will be held at another location. Review agendas for physical meeting location.

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

A MOTION was made by Wayne Emsley and seconded by Representative Baumbach to approve the minutes from the Retiree Healthcare Benefits Advisory Subcommittee meeting on July 20, 2023.

MOTION ADOPTED UNANIMOUSLY.

A MOTION was made by Representative Baumbach and seconded by Wayne Emsley to move agenda item #6 Public Comment before agenda item #5 RHBAS Discussion and Other Business.
MOTION ADOPTED UNANIMOUSLY.

DISCUSSION AND RECOMMENDATIONS OF OPEB FUNDING, ELIGIBILITY, AND PLAN DESIGN – JOANNA ADAMS, OPEN & BRIAN STITZEL, WTW

Joanna Adams provided a summary of all previously modeled options and discussed combinations of options to reduce the OPEB liability.

Brian Stitzel reviewed Medigap plans L and N compared to the current Special Medicfill plan and discussed retiree cost comparison between the current Special Medicfill, L, and N plans for the tenth, fiftieth, and ninetieth percentiles.

Subcommittee members continued to discuss combinations of options to reduce the OPEB liability and had a discussion on Medigap plans F, G, L, and N. It was questioned why the Medigap plan G was not modeled since plans L and N were both modeled. Plans F and G were not modeled as both are too similar to the current Special Medicfill plan and would not have a material impact on the OPEB liability. A Medigap Plan N with a buy-up to Plan G can be modeled.

Joanna Adams presented the OPEB Overview document which contains a brief history of the OPEB trust and a narrative of a previously modeled funding, eligibility, and benefit design option combination. Subcommittee members had a conversation on the funding option to increase the state funding rate of payroll incrementally until a 10% funding level or actuarially determined contribution (ADC) has been reached. It was asked if the funding option can be modeled in 0.25% increments rather than 0.5% increments for combination three.

Subcommittee members proposed additional information to be included in the next other employment costs (OEC) models and to start a discussion on increasing pre-Medicare retiree premiums for future retirees and the impact this may have on the OPEB liability.

RECOMMENDATION

A MOTION was made by Wayne Emsley and seconded by Bryan Townsend to recommend that current Medicare eligible and pre-Medicare State Retirees and State employees who retire prior to 1/1/2025, shall be entitled to Special Medicfill/Rx benefits (or a substantially equivalent Medicare Supplement with prescription plan) with no changes to the State Share percentage of payments when they are Medicare eligible.

Voting Yes – Lieutenant Governor Hall-Long, Representative Baumbach, Senator Townsend, Commissioner Navarro, Representative Ramone, Senator Pettyjohn, Wayne Emsley, David Craik, Jeff Taschner, Bill Oberle, Denise Allen

Not Voting – Director Cade, Secretary DeMatteis, Secretary Geisenberger

Not Present – Michael Begatto

MOTION ADOPTED.

RHBAS WORK PLAN – LIEUTENANT GOVERNOR BETHANY HALL-LONG, CHAIR

The RHBAS work plan for upcoming Subcommittee meetings through September was displayed. The next Subcommittee meeting on August 24, 2023 will have a three-hour allotment. Meeting dates for September will be circulated to Subcommittee members.

PUBLIC COMMENT

Members of the public provided comment on agenda items at today's meeting and addressed continued concerns over including an option that includes offering a Medicare Advantage (MA) plan for Medicare retiree healthcare.

RHBAS DISCUSSION AND OTHER BUSINESS

A MOTION was made by Wayne Emsley and seconded by Jeff Taschner to exclude Medicare Advantage (MA) as an option to reduce the OPEB liability.

Subcommittee members discussed the motion.

A MOTION was made by Bill Oberle and seconded by Wayne Emsley to lay the motion on the table.

Voting Yes – Lieutenant Governor Hall-Long, Senator Townsend, Director Cade, Secretary DeMatteis, Commissioner Navarro, Secretary Geisenberger, Representative Ramone, Senator Pettyjohn, Wayne Emsley, David Craik, Bill Oberle, Denise Allen

Not Voting – Jeff Taschner

Abstaining – Representative Baumbach

Not Present – Michael Begatto

MOTION ADOPTED.

Subcommittee members continued a brief discussion on retiree healthcare benefits.

Director Rentz informed Subcommittee members that the Statewide Benefits Office and the Pension Office will be mailing a newsletter on August 15, 2023 to benefit eligible state of Delaware retirees and will continue to mail newsletters at least twice a year to keep retirees informed of updates to retiree healthcare benefits. The newsletter can also be found on the Pension Office website.

ADJOURNMENT

A MOTION was made by Representative Baumbach and seconded by Wayne Emsley to adjourn the public session at 4:06 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