

Motions Submitted by RHBAS Co Vice Chair Representative Baumbach:

Motions Related to RFP:

1—I move that Whereas, during a process that has included over a dozen public meetings, with active participation with a large number of state employees and retirees, this subcommittee has considered the previously proposed Medicare Advantage (MA) plan for Delaware’s state retirees, and how other states offer retiree healthcare benefits, both with and without MA options.

Whereas, this Subcommittee has received innumerable and well-reasoned public comments unanimously opposed to MA.

Whereas, this Subcommittee has considered at great length over many meetings whether the State should offer an MA plan as a retirement benefit for current and/or future state retirees,

Therefore, **we recommend that Delaware neither request nor consider a Medicare Advantage Plan in its Request for Proposal (RFP) for Medical Third-Party Administrator (TPA) Services and/or a Carrier for providing healthcare to its eligible retirees in the upcoming cycle.**

2—I move that in order to receive more options and price points, and due to the dependability of Medicare Supplement plans (based on traditional Medicare, without a limited private network of providers, as an example), **we recommend that, for coverage for Medicare-eligible retirees, Delaware request bids in its next RFP for TPA Services and/or a Carrier only for Medicare Supplement plans closely based on both Medicare F/G, and on Medicare L. The plans closely based on Medicare F/G should have copayments, deductibles, and covered services as identical as possible to the state’s current (MedicFill) plan.**

3—I move that consistent with Senate Bill 29, **we recommend that the Proposal Review Committee for the upcoming RFP consist of representatives from each of the following offices:**

Department of Health and Social Services

Lieutenant Governor’s Office

Controller General’s Office

State Insurance Commissioner’s Office

Executive Director of DSTA

4—I move that in the interest of transparency, **we recommend that the SEBC hold a vote in public session in order to adopt the final and approved RFP, and that the SEBC share a draft final plan at least one week in advance of the public session at which the agenda includes the discussion and vote. We also recommend that for that public session, the SEBC agenda include public comment before the vote on the RFP. Finally, we recommend that this final RFP be provided to all members of this subcommittee as soon as practicable after approval.**

5—I move that given the amount of time this subcommittee has dedicated to reviewing these issues, and given that the current contract was originally bid with a three-year term, with two optional one-year extensions, **we recommend that this final RFP utilize the same three-year term with two optional one-year extensions.**

Motions Unrelated to RFP:

6—I move that in the interest of fairness to current state retirees, and to current employees who have been working for the state for many years, **we recommend that 1) any/all changes to default retiree healthcare plans (from Medigap F/G to Medigap L), 2) any/all increases to premium percentages for retirees with limited years of service, and 3) any/all eligibility changes be applied only to individuals who began state service on/after January 1, 2015.**

7—I move that **we recommend that the Legislature and the SEBC affirm that current employees are grandfathered for plan choices and premium costs and eligibility changes as long as they began state service before January 1, 2015**, and that the SEBC communicate this to state employees no later than December 31, 2023, at a minimum via an insert/attachment in their paper/electronic paycheck by that deadline.

Motions for Future Consideration:

8--I move that in order to provide an additional option to eligible retirees with insufficient years of service to pay less than 50% of Delaware-sponsored retiree healthcare premiums, who find the cost to them of the current (MedicFill/MedicFill plus Prescription) plan to be prohibitive, **we recommend that an option of Medigap L plus prescription coverage is made available, at a cost of 40%/70%/100% (rather than the existing 50%/75%/100%) retiree premium share.** This is expected to provide an option of lesser coverage, at a premium cost to the participant of approximately \$750 less annually than that of the current MedicFill plus prescription sole choice.

Representative Paul Baumbach
RHBAS Co Vice Chair
August 22, 2023