



**MINUTES FROM THE MEETING OF THE RETIREE HEALTHCARE BENEFITS ADVISORY SUBCOMMITTEE MEETING
SEPTEMBER 08, 2023**

The Retiree Healthcare Benefits Advisory Subcommittee met at 1:00 p.m. on September 08, 2023.

The meeting was held virtually and in person at 1351 W North St, Ste 101, 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
- Michael Begatto, Executive Director, Delaware Public Employees Council 81
- Jeff Taschner, Executive Director, Delaware State Education Association (“DSEA”)
- William Oberle, Delaware State Trooper’s Association (“DSTA”)

Subcommittee Members Not in Attendance:

- David Craik, State Retiree – Kent County
- Denise Allen, State Retiree – Sussex County

Others in Attendance

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| Director Faith Rentz, SBO, DHR | Michelle Gast, WTW | Anthony Webb, NCC Vo-Tech |
| Deputy Director Leighann Hinkle, SBO, DHR | Walter Mateja, Merative | Ashely Dills, NCC Vo-Tech |
| Heather Johnson, SBO, DHR | Kristin Short, CoLab Strategies, LLC | Belinda Talley, NCC Vo-Tech |
| Marie Hartigan, SBO, DHR | Keith Warren, Chief of Staff, Office of the Lt. Governor | Bethany Clifton, NCC Vo-Tech |
| Pam Barr, SBO, DHR | Robert Scoglietti, Deputy Controller General, OCG | Brian Heeney, NCC Vo-Tech |
| Adria Martinelli, Deputy Attorney General, Department of Justice, SEBC Legal Counsel | Matt Clark, AFSCME | Catherine Defelice, NCC Vo-Tech |
| Cherie Dodge Biron, Director, Financial & Admin. Services, DHR | Jeanie Carson, Highmark Delaware | Charles Hackett, NCC Vo-Tech |
| Joanna Adams, Pension Administrator, Office of Pensions (“OPen”) | Ken Bronke, Highmark Delaware | Chris Bree, NCC Vo-Tech |
| Stephenie Tatman, Deputy Pension Administrator, OPen | Lisa Mantegna, Highmark Delaware | Dan Omangi, NCC Vo-Tech |
| Jaclyn Iglesias, Willis Towers Watson (“WTW”) | Pamela Price, Highmark Delaware | Dawn Houi, NCC Vo-Tech |
| Brian Stitzel, WTW | Julie Caynor, Aetna | Deborah Caltuna, NCC Vo-Tech |
| | Katherine Impellizzeri, Aetna | Denise Maslanka, NCC Vo-Tech |
| | Margaret Tempkin, Cheiron | Diane Eklund, NCC Vo-Tech |
| | Bria Greenlee, 302 Strategies | Dr. Christine McCann, NCC Vo-Tech |
| | Elizabeth McFarlan, DOJ | Erik Mancini, NCC Vo-Tech |
| | Adriane Brown, NCC Vo-Tech | Frances Mancini, NCC Vo-Tech |
| | Amy Bedilion, NCC Vo-Tech | Glenda Salhuana, NCC Vo-Tech |
| | | Grace Miller, NCC Vo-Tech |
| | | Hilary Rickner, NCC Vo-Tech |

STATE OF DELAWARE STATEWIDE BENEFITS OFFICE

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Jennifer Holdsworth, NCC Vo-Tech
 Justin Benz, NCC Vo-Tech
 Karen Drummond, NCC Vo-Tech
 Katrina Nelson, NCC Vo-Tech
 Krista Cannatelli, NCC Vo-Tech
 LeCole Hearne, NCC Vo-Tech
 Lisa Jackson, NCC Vo-Tech
 Marina Pini, NCC Vo-Tech
 Matthew Newton, NCC Vo-Tech
 Melissa Dobbs, NCC Vo-Tech
 Michael Mullen, NCC Vo-Tech
 Michelle Foster, NCC Vo-Tech
 Michelle Rabinovitch, NCC Vo-Tech
 Stephen Wilson, NCC Vo-Tech
 Naomi Moore, NCC Vo-Tech
 Nicole Brooks, NCC Vo-Tech
 Patrick Henry, NCC Vo-Tech
 Peyton Hnyla, NCC Vo-Tech
 Robert Ferrell, NCC Vo-Tech
 Sandy Jenkins, NCC Vo-Tech
 Shawana Wilson, NCC Vo-Tech
 Tina Reynolds, NCC Vo-Tech
 David Kohan, Christina SD
 Ruthann Pyle, Indian River SD
 Erin McNesby, RedClay SD
 Nancy Wagner, Former
 Representative
 Andrew Zimmerman
 Laurel Ferris
 Ann Ryan
 Bob Clarkin
 Brandon McCabe
 Dave Taylor
 Devon Young
 Diana Dolan-Beulah
 Donna Fesmire
 Emmanuelle Neal

Jamie Pyle
 Jean Betley
 Jo Kallal
 Judy Chaconas
 Linda Neel
 Maureen Keeney
 Shawn Lane
 Stan Spoor
 Steph Foster
 Teresa Kough
 W. Conaway
 Vesteria Mears-Wilson
 Kevin Cunningham
 Keith Steck
 Anne McDermott
 Marsha White
 Pat Lucas
 Randle Hunt
 Jack Gelb
 Duane Wilson
 M. Aguila
 N. Greenfield
 G. Coble
 Lynda Hastings
 Wanda Pfeiffer
 Steve LePage
 Rebecca Scarborough
 Sam Gaertner
 Deborah Schrass
 Joan Burnside
 Diana Noonan
 Nicki Alteri
 Jeff Alteri
 Donna Dossett
 Joan DeFattore
 Barbara Philbin
 Bill Mead

Jim Chaconas
 William Young
 Patricia Roberts
 Lester Johnson
 Nancy Schuman
 Stephanie Smith
 Suzanne Seubert
 Judy VanName
 Georgiana Fennemore
 Tony Lauria
 Carlotta Cline
 Ellen Scarpitti
 John Goon
 Karen Ross
 Michael Ross
 Lydia Tucker
 Carolyn Manning
 Lois Finley
 Dennis Young
 Anne Marie Higley
 Barbara Shalley-Leonard
 Connie Bailey
 Janet Smith
 Jeff Hansen
 Joe Edelen
 John Pesek
 Kathleen Aldridge
 Lee Stanton
 Linda Thompson
 Roger Jones
 Sally Fintel
 Tom Pledgie
 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 1:05 P.M.

APPROVAL OF MINUTES – LIEUTENANT GOVERNOR BETHANY HALL-LONG

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 August 24, 2023.

MOTION ADOPTED UNANIMOUSLY.

DISCUSSION OF GOALS AND RECOMMENDATIONS ON UPCOMING RFP – SECRETARY DEMATTEIS, DHR

Secretary DeMatteis provided Subcommittee members with details for the upcoming request for proposal (RFP) for an Employer Sponsored Medicare Supplement Plan. A contract award will be made to one bidder for an initial term of two years with a one-year optional renewal which aligns to the contract term for the non-Medicare health care plans.

The Subcommittee continued a discussion on the details of the upcoming Medicare RFP.

Senator Townsend stepped out of the meeting.

DISCUSSION OF GOALS FOR NON-GRANDFATHERED MEDICARE-AGE FUTURE RETIREES – REPRESENTATIVE PAUL BAUMBACH

Representative Baumbach presented an option for non-grandfathered Medicare age future retirees which included modeling two Medicare supplement plans around Medigap plans G and L. The chart included a cost analysis of the 10th, 50th, and 90th percentiles and by years of state service.

DISCUSSION AND RECOMMENDATIONS ON OCTOBER 1 STATUS REPORT – LIEUTENANT GOVERNOR BETHANY HALL-LONG

Subcommittee members had a discussion on the October 1 Status Report and provided feedback on recommendations of the content for the report.

A discussion occurred around creating a permanent Subcommittee that is dedicated to analyzing non-Medicare and Medicare retiree healthcare benefits and healthcare pricing in Delaware.

Kristin Short reviewed the proposed draft report outline for Subcommittee members. Subcommittee members will be provided a draft copy of the report and any proposed edits will be discussed at the September 27, 2023 meeting.

DISCUSSION AND RECOMMENDATIONS – COMBINATIONS OF OPEB FUNDING, ELIGIBILITY, AND PLAN DESIGN FOR MODELING – JOANNA ADAMS, OPEN

A MOTION was made by Wayne Emsley and seconded by Bill Oberle to recommend removing from consideration in its remaining work the following options to reduce the OPEB liability:

- Move to HRA/Individual Marketplace, with 2% annual indexing of HRA
- Move to HRA/Individual Marketplace, with 4% annual indexing of HRA
- Offer a Medicare Advantage Plan similar to the formerly proposed Highmark BCBS Delaware Freedom Blue PPO
- Offer a choice between a Medigap Supplement Plan similar to existing Special Medicfill Plan or a Medicare Advantage Plan similar to the formerly proposed Highmark BCBS Delaware Freedom Blue PPO

Abstentions – Director Cade, Secretary Geisenberger, Secretary DeMatteis.

MOTION ADOPTED.

Joanna Adams continued to review combinations of options to reduce the OPEB liability.

Jeff Taschner presented a document on increasing the OEC rate incrementally by 0.25% and 0.50%.

A MOTION was made by Jeff Taschner and seconded by Wayne Emsley to recommend beginning with the FY25 budget, continuing to contribute to OPEB prefunding with the funds generated by SB175 and the two Other Employment Costs to fund current retiree health insurance costs (PayGo) and prefund future retiree

healthcare (OPEB fund). In addition, increase the OPEB prefunding to 0.50% of payroll. The prefund amount will then increase by an additional 0.25% of payroll each fiscal year thereafter from such funding sources as the General Assembly may determine. The total of all three sources of funding will not exceed the annual required contribution for the OPEB fund.

Subcommittee members discussed the motion, and no vote took place.

Senator Townsend stepped back into the meeting.

A MOTION was made by Jeff Taschner and seconded by Bill Oberle to table to previous motion.
MOTION ADOPTED.

RHBAS WORK PLAN – LIEUTENANT GOVERNOR BETHANY HALL-LONG

The next meeting has been changed and will now be held on September 27, 2023 from 1:30-4:00 with a physical location at the Delaware Department of Insurance building.

RHBAS DISCUSSION AND OTHER BUSINESS

Secretary Geisenberger notified Subcommittee members that the 1% of budget from last year and this year has been added to the OPEB trust fund. Additionally, another \$101M was deposited to the OPEB fund with the funds coming from excess revenue.

Subcommittee members had a discussion on the pre-65 retiree healthcare population.

PUBLIC COMMENT

Members of the public provided comment on agenda items at today’s meeting and addressed continued concerns over future retiree healthcare coverage. A member of public provided comment on Health Reimbursement Accounts (HRAs).

ADJOURNMENT

A MOTION was made by Jeff Taschner and seconded by Secretary Geisenberger to adjourn the meeting at 3:35 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