

**FINAL ABBREVIATED REPORT of the RHBAS to the SEBC, GOVERNOR, and LEGISLATURE**  
**SEPTEMBER 27, 2023**

The Retiree Healthcare Benefits Advisory Subcommittee (RHBAS) of the State Employee Benefits Committee (SEBC) was created by Senate Bill 29 (SB 29) and signed into law by Governor Carney on January 26, 2023. **The purpose of this Abbreviated Report is to make a record of and to formally inform the SEBC of relevant work and recommendations made by the RHBAS, particularly those that relate to the RFP to be approved by the SEBC at its upcoming meeting on October 2, 2023.**

SB 29's charges to the RHBAS include:

- Conduct public meetings and receive public comment on current and future State Retiree healthcare benefits, and review past work of the SEBC and the RBSC
- Analysis of Medicare Advantage plans in use in other states and the plan approved by the SEBC and blocked by the Delaware Superior Court in 2022
- Evaluation of the implications of extending the existing Medicare Supplement plan beyond 2023
- Evaluation of options for continuing to provide Retiree healthcare benefits in a fiscally sustainable way, including by reviewing other states' approaches
- By May 1, 2023, issue findings and recommendations to the Governor and the General Assembly on these matters as they relate to the FY 2024 state budget.

The RHBAS, which first convened on March 6, 2023, has held 17 public meetings as of the adoption of this Abbreviated Report. A hallmark of these meetings has been the comments and input from the public, which was strongly encouraged and appreciated by the RHBAS. The number of citizens commenting throughout the process was impressive and their numerous comments were helpful to the RHBAS.

The extensive information considered by the RHBAS has included: (1) work of the prior RBSC Committee; (2) data and information provided by the State consultants, Willis Towers Watson (WTW) and Cheiron; (3) finance data from the Department of Finance; (4) information from the Department of Human Resources and Office of Management and Budget; (5) insight and analysis from RHBAS members, and (6) information and comments from the public.

**After extensive deliberation, the RHBAS has approved by motion the following actions and recommendations both regarding the Retiree healthcare benefits and relating to the RFP (including as to design, eligibility, and financing and as to greater transparency) that the SEBC is planning to consider and ultimately approve on October 2, 2023:**

1. 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.

2. That Delaware neither request nor consider a Medicare Advantage Plan in its Request for Proposals (RFP) for Medical Third-Party Administrator (TPA) Services and/or a Carrier for providing healthcare to its eligible current and future retirees in the upcoming cycle.
3. 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 RFP 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.
4. 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.
5. That any changes to plan design, eligibility requirements or contribution share/percentage be limited to those employees hired on or after January 1, 2025.

The RHBAS will continue to meet regularly with the goal of issuing a report of additional recommendations to the Governor, General Assembly, and SEBC later this year. All public information on the RHBAS is maintained at [dhr.delaware.gov/benefits/sebc/subcommittee-materials.shtml](https://dhr.delaware.gov/benefits/sebc/subcommittee-materials.shtml) actions and recommendations taken by the RHBAS that are not directly related to the eminent RFP are not listed in this report but, can be found in the minutes of the meetings which also includes the full votes of all motions taken by the RHBAS, at the website listed above.

### **Subcommittee Membership**

- Lieutenant Governor Bethany Hall-Long, Chair
- Senator Bryan Townsend, Co-Vice Chair, appointed by the President Pro Tempore
- Representative Paul Baumbach, Co-Vice Chair, appointed by the Speaker of the House
- Cerron Cade, Director, Office of Management and Budget, State of Delaware
- Secretary Claire DeMatteis, Department of Human Resources, State of Delaware
- Commissioner Trinidad Navarro, Department of Insurance, State of Delaware
- Secretary Richard Geisenberger, Department of Finance, State of Delaware
- Representative Michael Ramone, appointed by the Speaker of the House
- Senator Brian Pettyjohn, appointed by the President Pro Tempore
- Wayne Emsley, State Retiree, New Castle County, appointed by the Governor
- David Craik, State Retiree, Kent County, appointed by the Governor
- Denise Allen, State Retiree, Sussex County, appointed by the Governor
- Jeff Taschner, Executive Director, Delaware State Education Association, appointed by the Governor
- Michael Begatto, Executive Director, Delaware Public Employees Council 81, appointed by the Speaker of the House
- William Oberle, Legislative Agent of Delaware State Troopers Association, appointed by the President Pro Tempore