



**MINUTES FROM THE MEETING OF THE RETIREE HEALTHCARE BENEFITS ADVISORY SUBCOMMITTEE MEETING
SEPTEMBER 27, 2023**

The Retiree Healthcare Benefits Advisory Subcommittee met at 1:30 p.m. on September 27, 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
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”)
David Craik, State Retiree – Kent County

Subcommittee Members Not in Attendance:

Denise Allen, State Retiree – Sussex County
Secretary Claire DeMatteis, Department of Human Resources (“DHR”)
Director Cerron Cade, Office of Management & Budget (“OMB”)

Others in Attendance

Director Faith Rentz, SBO, DHR	Michelle Gast, WTW	Jon Patterson, LegHall
Deputy Director Leighann Hinkle, SBO, DHR	Walter Mateja, Merative	Christy Vanderwende Wright, LegHall
Nina Figueroa, Health Policy Advisor, SBO, DHR	Kristin Short, CoLab Strategies, LLC	Elizabeth McFarlan, DOJ
Heather Johnson, SBO, DHR	Controller General Ruth Ann Miller, OCG	Karen Buck, DOJ
Samantha Mountz, SBO, DHR	Keith Warren, Chief of Staff, Office of the Lt. Governor	Donna Harris, DOJ
Adria Martinelli, Deputy Attorney General, Department of Justice, SEBC Legal Counsel	Robert Scoglietti, Deputy Controller General, OCG	David Kohan, Christina SD
Cherie Dodge Biron, Director, Financial & Admin. Services, DHR	Jeanette Hammon, Sr. Fiscal and Policy Analyst, OMB	Joe Salerno, Colonial SD
Joanna Adams, Pension Administrator, Office of Pensions (“OPen”)	Jeanie Carson, Highmark Delaware	Deldra Gregory-Colvin, Colonial
Stephenie Tatman, Deputy Pension Administrator, OPen	Ken Bronke, Highmark Delaware	Nancy Wagner, Former Representative
Jaclyn Iglesias, Willis Towers Watson (“WTW”)	Julie Caynor, Aetna	Ray Seigfried, Former Representative
Brian Stitzel, WTW	Katherine Impellizzeri, Aetna	Karen Peterson, Retired Senator
	Charlene Hrivnak, CVS Health	Bob Clarkin
	Margaret Tempkin, Cheiron	Dave Taylor
	Bria Greenlee, 302 Strategies	Jo Kallal
	Linda Masten, DHSS	W. Conaway
	Crystal Thawley, DHSS	Anne McDermott
		Pat Lucas

STATE OF DELAWARE STATEWIDE BENEFITS OFFICE

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Chappy Lucas
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Wanda Pfiesser
Steve LePage
Rebecca Scarborough
Sam Gaertner
Deborah Schrass
Joan Burnside
Diana Noonan
Donna Dossett
Joan DelFattore
Barbara Philbin
Patricia Roberts
Lester Johnson
Nancy Schuman
Stephanie Smith
Suzanne Seubert
Judy VanName
Tony Lauria
Ellen Scarpitti

John Goon
Lydia Tucker
Lois Finley
Dennis Young
Barbara Shalley-Leonard
Jeff Hansen
John Pesek
Linda Thompson
Tom Pledge
Charles MacArthur
Doris Lingo
Jenna Greenlee
Joan Falkowski
Judy Hayes
Lloyd Schmitz
Mary McDonough
Nancy Alteri
Sara Russell
Joan Yulduzian
Denise Schwartz

Michael Ramsey
Joe Gagliardi
Stephanie Gagliardi
Julie O'Connor
MaryJane Dienla
Mary Graham
Lisa Diller
Teresa Goon
Gloria James
Larry Gabbert
Claudia Hughes
Helene Diskau
Diane Fithian
Chuck Fithian
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 1:40 P.M.

APPROVAL OF MINUTES – LIEUTENANT GOVERNOR BETHANY HALL-LONG

A MOTION was made by Representative Baumbach and seconded by Wayne Emsley to approve the minutes from the Retiree Healthcare Benefits Advisory Subcommittee meeting on September 08, 2023 with amended changes. MOTION ADOPTED UNANIMOUSLY.

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

Lieutenant Governor Hall-Long opened a discussion about the October 1 Status report. Additionally, Representative Baumbach presented an abbreviated report which includes recommendations made by the RHBAS that are related to the upcoming Medicare RFP.

A MOTION was may by Wayne Emsley and seconded by Jeff Taschner to review and approve the abbreviated report to the SEBC, Governor, and Legislature before reviewing recommended changes to the full draft report.

Discussion on the Motion.

Subcommittee members reviewed the abbreviated report and provided recommended revisions. It was noted that not all recommendations made by the Subcommittee are contained within this report, only recommendations related to the Medicare RFP. The motions presented in the abbreviated report were approved individually by majority vote. Not all Subcommittee members voted in favor of each motion. It was noted for the record that a member's vote in favor of this motion (to approve the abbreviated report) is a not a vote in support of each recommendation.

Senator Townsend arrived to the meeting.

MOTION ADOPTED UNANIMOUSLY.

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

Representative Baumbach continued discussions 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. It was noted that, if these plans are recommended to the SEBC, it would affect new employees hired on or after January 1, 2025.

Representative Baumbach will bring a motion on this topic to the next meeting.

DISCUSSION AND RECOMMENDATIONS – OPEB FUNDING, ELIGIBILITY, AND PLAN DESIGN AND FUTURE WORK GROUP/COMMITTEE COMPOSITION & OBJECTIVES – JOANNA ADAMS, OPEN

Joanna Adams presented a revised OEC rate chart which shows incrementally increasing the OPEB prefunding to 0.25% and 0.50% of payroll.

Subcommittee members had a discussion on increasing the OEC rate by 0.25% or 0.5% of payroll.

Jeff Taschner lifted the below motion from the table.

A MOTION was made by Jeff Taschner and seconded by Bill Oberle to recommend beginning with the FY25 budget, continue 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.

Discussion on the Motion.

A periodic review of the incremental increase in the OEC rate is needed to continually assess the funding option.

MOTION ADOPTED UNANIMOUSLY.

A MOTION was made by Representative Baumbach and seconded by Wayne Emsley to recommend that the state provide additional one-time contributions when circumstances such as one-time revenues or surpluses permit, similar to Section 16 Escheat - Special Funds of the FY22 Bond and Capital Improvement Act under SB200.

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

A conversation occurred around coordination of benefits (COB) for pre-65 retired employees and a reassessment on the pensioner premium cost share. A request was made to include COB as an agenda item for the next meeting.

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

Subcommittee members moved into a discussion on recommended revisions to the full report that will be issued to the SEBC, Governor, and Legislature upon completion.

A Subcommittee member had a concern with the use of the word “public” as it relates to public meetings within the draft report. Additionally, another Subcommittee member commented that the use of the word “public” is an

accurate term. Subcommittee members decided to remove the term “public” which is not an indication on whether these meetings were held publicly or not.

A Subcommittee member requested to replace the paragraph which details the comments from members of the public related to their dissatisfaction over Medicare Advantage with a more detailed summary. After discussions with the Subcommittee, the requested paragraph was replaced with a more detailed summary of public comments. It was noted that these public comments do not reflect the accuracy of the Medicare Advantage plan that was to be implemented for Medicare retirees.

Subcommittee members continued to review additional proposed revisions to the full report and will continue to review the proposed revisions at the next meeting.

RHBAS DISCUSSION AND OTHER BUSINESS

Representative Baumbach presented a motion for discussion that would add a Subcommittee under the Health Care Commission that focuses on the pricing of healthcare in Delaware. Subcommittee members will hold a vote on this at the next meeting.

Senator Pettyjohn left the meeting.

PUBLIC COMMENT

Members of the public provided comment on agenda items at today’s meeting and addressed continued concerns over future retiree healthcare coverage.

RHBAS WORK PLAN – REPRESENTATIVE PAUL BAUMBACH

Subcommittee members are currently working to add additional meetings to the Public Meeting Calendar and the SEBC webpage for October and November.

ADJOURNMENT

A MOTION was made by Representative Baumbach and seconded by Wayne Emsley to adjourn the public session at 4:02 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