



**MINUTES FROM THE MEETING OF THE RETIREE HEALTHCARE BENEFITS ADVISORY SUBCOMMITTEE MEETING
OCTOBER 26, 2023**

The Retiree Healthcare Benefits Advisory Subcommittee met at 12:00 p.m. on October 26, 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”)
- Secretary Claire DeMatteis, Department of Human Resources (“DHR”)
- 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”)
- Wayne Emsley, State Retiree – New Castle County
- David Craik, State Retiree – Kent County
- Denise Allen, State Retiree – Sussex County

Subcommittee Members Not in Attendance:

- Commissioner Trinidad Navarro, Insurance Commissioner, Department of Insurance (“DOI”)
- Director Cerron Cade, Office of Management & Budget (“OMB”)

Others in Attendance

- | | | |
|--|---|--------------------------------------|
| Director Faith Rentz, SBO, DHR | Walter Mateja, Merative | Nancy Wagner, Former Representative |
| Deputy Director Leighann Hinkle, SBO, DHR | Kristin Short, CoLab Strategies, LLC | Ray Seigfried, Former Representative |
| Nina Figueroa, Health Policy Advisor, SBO, DHR | Robert Scoglietti, Deputy Controller General, OCG | Karen Peterson, Retired Senator |
| Wendy Hrupsa-Sherwood, SBO, DHR | Stuart Snyder, Chief of Staff, DOI | Dr. Joseph Lucca |
| Leslie Ramsey, SBO, DHR | Lisa Mantegna, Highmark Delaware | Dr. Joyce Engstrom |
| Heather Johnson, Controller, DHR | Wendy Beck, Highmark Delaware | MaryJane Diemicke |
| Lynn Kelly, Deputy Attorney General, Department of Justice, SEBC Legal Counsel | Julie Caynor, Aetna | Randy Aldridge |
| Cherie Dodge Biron, Director, Financial & Admin. Services, DHR | Leah White | Bob Clarkin |
| Joanna Adams, Pension Administrator, Office of Pensions (“OPen”) | Margaret Tempkin, Cheiron | Jo Kallal |
| Jaclyn Iglesias, Willis Towers Watson (“WTW”) | Paula Roy, Roy & Associates | Lynda Hastings |
| Brian Stitzel, WTW | Bria Greenlee, 302 Strategies | Wanda Pfeiffer |
| | Mary Wood, OPen | Steve LePage |
| | Jon Patterson, LegHall | Rebecca Scarborough |
| | Christy Vanderwende Wright, LegHall | Sam Gaertner |
| | Cyndi Romer, LegHall | Deborah Schrass |
| | Sarah Petrowich, Delaware Public | Diana Noonan |
| | | Donna Dossett |

STATE OF DELAWARE STATEWIDE BENEFITS OFFICE

841 Silver Lake Blvd., Suite 100, Dover DE 19904 (D620E)

Phone: 1-800-489-8933 • Fax: (302) 739-8339 • Email: benefits@delaware.gov • Website: de.gov/statewidebenefits

Joan DeFattore
Barbara Philbin
Lester Johnson
Stephanie Smith
Suzanne Seubert
Tom Pledgie

Nancy Alteri
Mary Graham
Elisa Diller
Carol Williamson
Mike Kempfski
Roger Jones William Young

William Naylor
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 12:34 P.M.

APPROVAL OF MINUTES – LIEUTENANT GOVERNOR BETHANY HALL-LONG

A MOTION was made by Senator Pettyjohn and seconded by Wayne Emsley to approve the minutes as amended from the Retiree Healthcare Benefits Advisory Subcommittee meeting on September 27, 2023.

MOTION ADOPTED UNANIMOUSLY.

Secretary Geisenberger arrived to the meeting.

Senator Townsend arrived to the meeting.

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

Representative Baumbach presented retiree healthcare benefits at a glance for Medicare retirees that included a breakdown of premium and out-of-pocket costs by the 50th percentile and annual retiree costs at the 10th and 90th percentiles. Retirees and State annual costs by years-of-service and percentile was also displayed.

Subcommittee members had a discussion on potential options to reduce the state’s cost for healthcare and to ensure long-term sustainability of the Group Health Insurance Plan (GHIP). Potential options discussed were to increase the premium cost share and offer a less expensive Medigap Supplement Plan to those that are non-grandfathered (hired after 1/1/2025) and rating the groups separately. A Subcommittee member did raise a concern over healthcare pricing in Delaware.

Concerns were raised by Subcommittee members about increasing the premium cost share to those that are non-grandfathered would not have an impact to the GHIP for 20 to 30 years into the future.

It was noted that there was a previous discussion with the Financial and Health Policy & Planning Subcommittees to rate the Actives, pre-65 retirees, and Medicare retirees separately, however, there was such a large disparity with the pre-65 retiree population that this option was not favored.

A Subcommittee member mentioned that a healthcare benefit analysis could be conducted on pre-65 retirees who retiree from state employment and then get employed in the private sector and are offered healthcare benefits.

Some Subcommittee members discussed the longevity of this Subcommittee and emphasized the importance of continuing to hold regular meetings to discuss retiree healthcare benefits.

A Subcommittee member recommended that we analyze care management practices for plan members to organize better coordination of care and to steer members to appropriate sites of care.

Lieutenant Governor Hall-Long left the meeting.

Subcommittee members showed support in offering a less comprehensive Medicare supplement plan to non-grandfathered retirees, however, members were divided on increasing the retiree premium cost share. It was mentioned that a Subcommittee member was in favor of increasing the years of service for healthcare benefits.

A discussion occurred on creating a presentation that will model out-of-pocket costs for grandfathered Medicare retirees on Medicfill and non-grandfathered retirees on less comprehensive Medigap plans at the 50th percentile and increasing the premium state share.

DISCUSSION OF PRE-65 RETIREE BENEFITS – REPRESENTATIVE PAUL BAUMBACH

Representative Baumbach presented retiree healthcare benefits at a glance for non-Medicare retirees that included a breakdown of premium and out-of-pocket costs by the 50th percentile and annual retiree costs at the 15th and 85th percentiles. Retirees and State annual costs by years-of-service and percentile was also displayed.

Wayne Emsley proposed two recommendations for non-grandfathered pre-Medicare retirees. The first recommendation is to base the retiree premium share on years of service and age at retirement. The second recommendation is to increase pre-Medicare retiree premium share by 8%. Subcommittee members had a discussion on Wayne’s proposals and were divided on shifting additional premium cost share onto retirees.

A series of motions will be brought to the November meeting for voting and discussion.

DISCUSSION ON MOTION TO ESTABLISH HEALTHCARE PRICING AND BEST PRACTICES COMMITTEE – REPRESENTATIVE PAUL BAUMBACH

This agenda item was tabled until the next meeting.

DISCUSSION AND RECOMMENDATIONS – ELIGIBILITY, PLAN DESIGN AND FUTURE WORK GROUP/COMMITTEE COMPOSITION & OBJECTIVES – REPRESENTATIVE PAUL BAUMBACH

No discussion on this topic.

RHBAS DISCUSSION AND OTHER BUSINESS – REPRESENTATIVE PAUL BAUMBACH

No discussion or other business presented.

DISCUSSION AND RECOMMENDATIONS ON RHBAS REPORT TO GOVERNOR AND GENERAL ASSEMBLY – REPRESENTATIVE PAUL BAUMBACH

Subcommittee members continue to work on the RHBAS report with anticipated approval at the December meeting and then submission to the Governor and General Assembly.

PUBLIC COMMENT

Members of the public provided comment on agenda items at today’s meeting and expressed gratitude of the work of this Subcommittee.

ADJOURNMENT

A MOTION was made by Wayne Emsley and seconded by Michael Begatto to adjourn the public session at 2:40 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