

Consolidated Recommendation Motion, November 19, 2023, Rep Paul Baumbach, Co-Vice Chair

Formal OPEB Funding Policy—We advise that the SEBC adopt a written OPEB funding policy, which includes the current balance, the statutory 1% of annual budget contribution, the proposed annual OEC contribution as adopted by RHBAS on 9/27/2023, and that the State provide additional one-time contributions to the OPEB fund 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 SB 200.

Healthcare Pricing Reduction—As adopted by the RHBAS on 11/28/2023, the RHBAS advises that the General Assembly and the Governor immediately and effectively address the issue of healthcare pricing in Delaware, including statutory, regulatory, and administrative changes in 2024 to bring more transparency, consistency, affordability, and sustainability to healthcare prices and price growth for Delawareans and Delaware employers. Included in the measures from the General Assembly and the Governor should be utilizing the contracting authority of the State, including for State employees and Medicaid members, to require greater transparency, consistency, affordability, and sustainability.

Subgroup Rating—We advise that the SEBC research and measure the cost of state-sponsored healthcare benefits for the following three subgroups—current employees, eligible pensioners who are ineligible for Medicare, and eligible pensioners who are eligible for Medicare. We further recommend that the SEBC adopt a program to gradually tie the Total Cost of healthcare assessed per covered individual to the experienced Total Cost of healthcare per covered individual at a subgroup level. We advise that the SEBC, in designing this gradual program, consider the use of annual caps on increases/decreases in premium changes, to avoid unaffordable changes.

Retiree Healthcare Premium State Share—For eligible pensioners hired by the state on or after 1/1/2025, the state will pay the following percentage of the state share, based on years of service (this change would not apply to state employees who are required to retire with less than 25 years of service):

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| Less than 15 years of service | 0% |
| 15 years – less than 20 years of service | 50% |
| 20 years – less than 25 years of service | 75% |
| 25 years or more service | 95% |

Retiree Coordination of Benefits—We advise that the Department of Human Resources (DHR) adopt a Retiree Coordination of Benefits Policy, which applies to eligible pensioners hired by the state on or after 1/1/2015. This policy should mirror the Spousal Coordination of Benefits Policy currently maintained by the DHR.

A—Medicare-eligible Retiree Healthcare Benefit Changes—We advise that the state change the healthcare benefits provided to Medicare-eligible retirees who are first employed by the state on/after 1/1/2025 as follows: Two healthcare plans will be provided, a Medicare Supplement Plan similar to the Medigap G plan available in 2023 with a retiree/state premium split for a 25+ year retiree of 9%/91%, and a Medicare Supplement Plan similar to the Medigap L plan available in 2023 with a retiree/state premium split for a 25+ year retiree of 0%/100%.

B—Medicare-eligible Retiree Healthcare Benefit Changes—We advise that the state change the healthcare benefits provided to Medicare-eligible retirees who are first employed by the state on/after 1/1/2025 as follows: Two healthcare plans will be provided, a Medicare Supplement Plan similar to the Medigap G plan available in 2023 with a retiree/state premium split for a 25+ year retiree of 7%/93%, and a Medicare Supplement Plan similar to the Medigap L plan available in 2023 with a retiree/state premium split for a 25+ year retiree of 0%/100%.

C—Medicare-eligible Retiree Healthcare Benefit Changes—We advise that the state change the healthcare benefits provided to Medicare-eligible retirees who are first employed by the state on/after 1/1/2025 as follows: Two healthcare plans will be provided, a Medicare Supplement Plan similar to the Medigap G plan available in 2023 with a retiree/state premium split for a 25+ year retiree of 5%/95% and a Medicare Supplement Plan similar to the Medigap L plan available in 2023 with a retiree/state premium split for a 25+ year retiree of 5%/95%.