



MINUTES FROM THE MEETING OF THE RETIREE HEALTHCARE BENEFITS ADVISORY SUBCOMMITTEE MEETING
DECEMBER 20, 2023

The Retiree Healthcare Benefits Advisory Subcommittee met at 10:00 a.m. on December 20, 2023.
The meeting was held virtually and in person at 841 Silver Lake Boulevard, Suite 200, Dover, DE 19904.

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
- Representative Michael Ramone, Delaware House of Representatives, Minority Caucus
- Commissioner Trinidad Navarro, Insurance Commissioner, Department of Insurance (“DOI”)
- 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
- Denise Allen, State Retiree – Sussex County

Subcommittee Members Not in Attendance:

- Secretary Rick Geisenberger, Department of Finance (“DOF”)
- Senator Brian Pettyjohn, Delaware State Senate, Minority Caucus
- Director Cerron Cade, Office of Management & Budget (“OMB”)
- David Craik, State Retiree – Kent County

Others in Attendance

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| Director Faith Rentz, SBO, DHR | Brian Stitzel, WTW | Bria Greenlee, 302 Strategies |
| Deputy Director Leighann Hinkle,
SBO, DHR | Jaclyn Iglesias, WTW | Alexa Scoglietti, LegHall |
| Stephanie Hartos,
SEBC/Subcommittee Manager,
SBO, DHR | Kant Khatri, WTW | Ryan Dunphy, LegHall |
| Samantha Mountz, SBO, DHR | Walter Mateja, Merative | Sheri Knott, LegHall |
| Pam Barr, SBO, DHR | Kristin Short, CoLab Strategies, LLC | Sarah Petrowich, Delaware Public |
| Heather Johnson, Controller, DHR | Controller General Ruth Ann Miller,
Office of the Controller General
“OCG” | Karen Peterson, Retired Senator |
| Victoria Sweeney, Deputy Attorney
General, Department of Justice,
SEBC Legal Counsel | Matt Clark, AFSCME | Bob Clarkin |
| Cherie Dodge Biron, Director,
Financial & Admin. Services, DHR | Robert Scoglietti, Deputy Controller
General, OCG | Wanda Pfeiffer |
| Joanna Adams, Pension
Administrator, Office of
Pensions (“OPen”) | Keith Warren, Chief of Staff, Office of
the Lt. Governor | Steve LePage |
| Michelle Gast, Willis Towers Watson
(“WTW”) | Russell Larson, State Retiree | Sam Gaertner |
| | Lisa Mantegna, Highmark Delaware | Deborah Schrass |
| | Wendy Beck, Highmark Delaware | Donna Dossett |
| | Leah White, Aetna | Joan Delfattore |
| | Margaret Tempkin, Cheiron | Barbara Philbin |
| | Paula Roy, Roy & Associates | Lester Johnson |
| | | Tom Pledgie |
| | | Nancy Schuman |
| | | Dale Swain |
| | | Helene Diskau |

STATE OF DELAWARE STATEWIDE BENEFITS OFFICE

Lloyd Schmitz
Gloria James
Elisa Diller
Judith VanName
Mary Graham
Carol Williamson
Connie Merlet
Gabriella Hermon
Jack Gelb

Joan Burnside
Jo Kallal
Kathie Wilson
Lee Mullett
Lisa Richardson
Lynda Hastings
Maria Holl
Nancy Alteri
Natalie McKenney

Penny Deiner
Rebecca Scarborough
Taylor Hawk
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 10:09 A.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 as amended from the Retiree Healthcare Benefits Advisory Subcommittee meeting on November 28, 2023.

MOTION ADOPTED UNANIMOUSLY.

DISCUSSION ON RHBAS PLANS FOR 2024 – LIEUTENANT GOVERNOR BETHANY HALL-LONG

This Subcommittee will continue to hold regular meetings for CY24 with the next meeting likely occurring in March 2024. The Chair and Co-Vice Chairs will be presenting the final report the Governor and General Assembly by January 1, 2024.

Subcommittee members discussed adding information on future meetings and healthcare pricing in the final report.

2023 OPEB ACTUARIAL VALUATION REPORT – MARGARET TEMPKIN, CHEIRON

Margaret Tempkin reviewed the 2023 Other Post Employment Benefits (OPEB) Valuation Report which reports year-to-year data on the OPEB actuarial liability and the market value of the assets funded ratio. The funded ratio from 2022 to 2023 shows a slight increase in the overall funded ratio. Updated OPEB changes since the 2022 valuation were presented, which depict increased liabilities and the percent of change relative to the discount rate. The discount rate is determined by a 20-year bond buyer go rate which is dictated by Governmental Accounting Standards Board (GASB) Statement No. 75 codifications. A historical overview of the discount rate and funding rate from 2009 to 2023 was reviewed. Ms. Tempkin detailed future projections over a 20-year period.

Wayne Emsley Motion – Wayne Emsley, State Retiree Representative

Subcommittee members had a discussion on a motion that Wayne Emsley presented at the previous meeting related to creating legislation that clarifies whether healthcare benefits are guaranteed for the lifetime of a state retiree and eligible spouse.

Lieutenant Governor Hall-Long stated that this motion was tabled so that it can undergo a legal review by the Deputy Attorney General. Subcommittee members decided to wait until the legal review has been completed to present this motion.

PUBLIC COMMENT

Members of the public provided comment related to items discussed at today’s meeting and applauded the Subcommittee on the inclusiveness of comments and recommendations from the public.

DISCUSSION AND RECOMMENDATIONS ON RHBAS REPORT TO GOVERNOR AND GENERAL ASSEMBLY – KRISTIN SHORT, COLAB STRATEGIES

Kristin Short reviewed minor changes to the final report which will include a statement on future meetings.

Representative Baumbach requested to add the following statement, “As of the date of this report, the legal challenge remains under appeal and the stay remains in place” to paragraph 3 under the “Report Background” section. Subcommittee members conducted a verbal vote with William Oberle abstaining; the requested change was approved.

Representative Baumbach would like to include an additional bullet on Page 6, under Task 1 of the “Summary of Subcommittee Activity” section, that discusses the classifications of considerations. This additional bullet will read “Change the retiree healthcare plan design”. No objections from Subcommittee members.

Representative Baumbach requested modifications on Page 8, under Task 4 of the “Summary of Subcommittee Activity” section paragraph one, that details Medicare retiree premium share for the Special Medicfill plan and Medicare Part B. This section will include a footnote regarding the Medicare Part B annual estimate assumption. No objections from Subcommittee members.

A MOTION was made by Jeff Taschner and seconded by William Oberle to approve the report as drafted with the modifications discussed and approved at today’s meeting.

Voting Yes – Lieutenant Governor Hall-Long, Representative Baumbach, Senator Townsend, Commissioner Navarro, Representative Ramone, Wayne Emsley, Jeff Taschner, Michael Begatto, William Oberle, Denise Allen

Voting No – Claire DeMatteis

Not Present – David Craik, Secretary Geisenberger, Senator Pettyjohn, Director Cade

RHBAS DISCUSSION AND OTHER BUSINESS

No other business was presented.

PUBLIC COMMENT

Members of the public provided additional comments on agenda items at today’s meeting and expressed dissatisfaction over the ongoing litigation.

ADJOURNMENT

A MOTION was made by Wayne Emsley and seconded by Representative Baumbach to adjourn the public session at 11:32 A.M. MOTION ADOPTED UNANIMOUSLY.

Respectfully submitted,

Carole Mick, Executive Secretary, Statewide Benefits Office, Department of Human Resources,
Recorder, State Employee Benefits Committee, and Subcommittees