



Legislative Updates

July 15, 2024



FY25 State Operating Budget

- Healthcare costs and other operating expenses for the State's Group Health Insurance Plan, including for all state employees, pre-Medicare retirees and Medicare pensioners, unaffiliated members, their spouses and dependents are projected to be **\$1.4 billion** for FY25.
- The FY25 State Operating Budget includes an additional **\$133.6 million** for the Group Health Insurance Trust Fund to reflect the State's share of the 27% premium rate increase.
 - \$93.9M were included in Governor's Recommended Budget (GRB) presented in January of this year, plus an additional \$39.7M that was added in Markup to reflect the SEBC vote.

152nd General Assembly – Overview of Impact

- The SBO is currently monitoring 10 bills that were passed in by the 152nd General Assembly, await further action by the Governor* and mandate changes to the GHIP and/or SEBC.
- The total fiscal impact of these bills to the GHIP for FY25 is estimated to be **\$275,075** (a .02% increase to previously presented FY25 projections).
- As many of these bills were not introduced or passed when the FY25 rate increase was voted on by the SEBC in March, the above fiscal estimate was not included in the rate increase, but the fiscal impact is minimal and manageable for FY25.

*unless otherwise noted

HB 16 with HA 1

- **Bill Summary:** Requires the GHIP to cover ovarian cancer monitoring tests for women treated for ovarian cancer and annual screening tests for women at risk for ovarian cancer.
- **Effective Date:** 1/1/2025 (7/1/2025 Effective Date for GHIP Active Employee/non-Medicare Retiree Plans)
- **FY25 Estimated Cost:** \$0.00
- **FY26 Estimated Cost:** \$100,000 (SBO will include in FY26 rate calculations)

HB 110

- **Bill Summary:** Enhanced coverage and limitations to cost-sharing for services related to the termination of pregnancy.
- **Effective Date:** 1/1/2025
- **FY25 Estimated Cost:** \$13,075 (not included in FY25 GHIP rates)
- **FY26 Estimated Cost:** \$26,672 (will include in FY26 rate calculations)

HB 274

- **Bill Summary:** Requires the GHIP provide coverage, at no cost when prescribed to infants, of at least 1 early peanut allergen introduction dietary supplement and at least 1 early egg allergen introduction dietary supplement.
- **Effective Date:** 1/1/2026 (7/1/2026 Effective Date for GHIP Active Employee/non-Medicare Retiree Plans).
- **FY25 Estimated Cost:** \$0.00
- **FY26 Estimated Cost:** \$0.00 (annual cost estimate of \$107,000 beginning in FY27).

House Bill 281 with HA 3 and SA 1

- **Bill Summary:** Repeals the option in current Delaware Code of providing health care insurance to State of Delaware pensioners under Medicare part C, known as a Medicare Advantage Plan.
- **Effective Date:** 6/26/2024
- **FY25 Estimated Cost:** \$0.00
- **FY26 Estimated Cost:** \$0.00

HB 282 with HA 1, HA 2, and SA 1

Changes take effect in the next Administration in January 2025.

- Removes the Delaware retiree appointed by the Governor and adds 2 members who are Delaware residents eligible to receive health care insurance under Chapter 52 of Title 29 under a pension or retirement plan.
 - The President Pro Tem of the Senate and the Speaker of the House of Representatives each appoint 1 of these members.
- Changes the SEBC co-chairs to the Director of the Office of Management and Budget, serving as chair and the vice-chair elected annually by the members of the Committee.
 - The vice-chair must be a voting member of the Committee and may not be a cabinet secretary or hold a position of equivalent rank in the executive branch.

HB 282 with HA 1, HA 2, and SA 1 (continued)

SEBC Voting Members (11):

- OMB Director, DHR Secretary, DHSS Secretary, Lt. Gov
- Insurance Commissioner, State Treasurer, Chief Justice
- 2 Union Leaders or their designees
- 2 Retirees
- Removes Controller General as a voting member
- Allows members to appoint a designee by notifying the co-chairs in writing

HB 282 with HA 1, HA 2, and SA 1 (continued)

- If the SEBC or a subcommittee is holding a virtual meeting, the chair or vice-chair must attend at the anchor location (previously, any member of the SEBC or subcommittee could attend in-person at the anchor location).
- The chair of a subcommittee must be a voting member of the SEBC.
- The SEBC must approve a Request for Proposals (RFP) to select a carrier or third-party administrator for the health care insurance plan for State employees or eligible pensioners during an open meeting and that the draft RFP must be included with the meeting notice and agenda.
- The SEBC must provide a “meaningful” opportunity for public comment before voting on whether to approve an RFP to select a carrier or third-party administrator for the health care insurance plan for State employees or eligible pensioners.

HB 282 with HA 1, HA 2, and SA 1 (continued)

- **Effective Date:** 1/1/2025 (veto override)
- **FY25 Estimated Cost:** \$0.00
- **FY26 Estimated Cost:** \$0.00

HS 2 for HB 350 with HA 1 and SA 1

- **Bill Summary:** Establishes the Diamond State Hospital Cost Review Board which will be responsible for an annual review of hospital budgets and related financial information.
 - The Board will have 8 members: 7 appointed by the Governor and confirmed by the Senate and the Executive Director of the Delaware Healthcare Association, who will serve as a non-voting member.
 - Hospitals will submit yearly budgets, audited financial statements, and related financial information to the Board for review.
 - Where a hospital fails to meet the state's budget benchmark for increases in hospital costs, it is required to engage with the Board on a performance improvement plan.
- **Effective Date:** 6/13/2024
- **FY25 Estimated Cost:** \$0.00
- **FY26 Estimated Cost:** \$0.00

HB 375

- **Bill Summary:** Makes changes to the percentage of state share paid by the State for eligible pensioners hired on or after 1/1/2025.*

State Share percentages for those hired by 12/31/2024 (current)

- Less than 15 years of service: 0%
- 15 years to less than 17.5 years of service: 50%
- 17.5 years to less than 20 years of service: 75%
- 20 years or more service: 100%

State Share percentages for those hired on or after 1/1/2025

- Less than 15 years of service: 0%
- 15 years to less than 20 years of service: 50%
- 20 years to less than 25 years of service: 75%
- 25 years or more service: 100%

- **Effective Date:** 1/1/2025
- **FY25 Estimated Cost:** \$0.00
- **FY26 Estimated Cost:** \$0.00

*This change would not apply to state employees who are subject to a mandatory retirement requirement

HB 376

- **Bill Summary:** The State group health insurance program must include a pensioner Coordination of Benefits (COB) policy for eligible pensioners who were first employed by the State on or after 1/1/2015 and are eligible for health care coverage through their employer. This policy must be comparable to the existing spousal COB policy. This bill also codifies the existing spousal COB policies for the GHIP.
- **Effective Date:** Effective Upon Signature
- **FY25 Estimated Cost:** \$0.00
- **FY26 Estimated Cost:** \$70,000 for 1 FTE (SBO will request funding for this position in the DHR FY26 budget).

HB 377

- **Bill Summary:** Requires that the State continue to offer eligible pensioners first employed by the State as a regular officer or employee before 1/1/2025, a plan that is comparable to the current Special Medicfill Medicare Supplement plan; for eligible pensioners first employed on or after 1/1/2025, the State may offer different Medicare supplement plans that are not high deductible plans.
- **Effective Date:** Effective Upon Signature
- **FY25 Estimated Cost:** \$0.00
- **FY26 Estimated Cost:** \$0.00 (future fiscal impacts likely but currently indeterminable).

SB 232

- **Bill Summary:** Requires the GHIP cover over-the-counter non-emergency contraceptive pills.
- **Effective Date:** Effective Upon Signature
- **FY25 Estimated Cost:** \$0.00
- **FY26 Estimated Cost:** \$0.00

SB 272 with SA 1

- **Bill Summary:** Requires health insurance providers (including the GHIP) to provide the same reimbursement to pharmacists that is already provided to other medical providers performing the same services at the same rates as advance practice registered nurses and physician assistants to ensure pay equity for pharmacists.
- **Effective Date:** 1/1/2025
- **FY25 Estimated Cost:** \$262,000 (not included in FY25 rates)
- **FY26 Estimated Cost:** \$554,000 (SBO will include in FY26 rate calculations)

Thank You



Website: de.gov/statewidebenefits

Email: SEBC@delaware.gov