

# RISE Delaware Update for May 22, 2023

RISE Delaware: SEBC Meeting today, May 22 at 2 PM

Please note the agenda for the SEBC meeting today at 2 p.m. The meeting link for the virtual meeting may be accessed by the link on the Delaware Public Calendar page (Below in the signature block). Also please comment on the plan to increase the Medicare Retiree Premium by 9.4 %. Information is below.

## REVISED AGENDA

### STATE EMPLOYEE BENEFITS COMMITTEE MEETING

May 22, 2023 – 2:00 pm to 4:00 pm

Statewide Benefits Office

1. Call to Order
2. Approval of May 15, 2023 SEBC meeting minutes\*
3. Director's Report/Subcommittee Updates
4. Office of Value Based Healthcare Delivery Follow-ups
5. Aetna Value Based Contracting Updates
6. Financials
  - a. April 2023 Fund Report
  - b. FY23 Q3 Financial Reporting
  - c. FY24 GHIP Projections
  - d. SEBC Input on GHIP Quarterly Reporting
7. Special Medicfill Plan- Premium Rates and Prescription Copays Effective January 1, 2024\*
8. Other Business
9. Public Comment – information on making public comment is posted online
10. Adjournment

May 21, 2023 12:41 pm

*Subject: Proposed 9.4% Increase to Medicare Retiree Premiums: Misguided and Bad Idea*

Dear Members of the SEBC:

*I am writing on behalf of the undersigned State retirees. We would appreciate it if the SEBC gave the public an opportunity at tomorrow's meeting to speak prior to the vote on the premium increase for Medicare Retirees.*

We have been analyzing for months the State's data pertaining to the finances of the State's healthcare benefits with the goal of "shining the light." We were given

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the opportunity to make a 30-minute presentation to the new RHBAS committee on March 22, 2023 with slides and, I believe, proved the credibility of our work and its helpfulness to policy makers. Of most relevance here, our work did a deep dive into the disaggregated data for the three groups of State healthcare participants and we followed up with a detailed presentation on May 8 on the erratic funding of OPEB and the benefits of codification of enhanced funding to reducing the OPEB liability (presentations available on RHBAS website and I can send separately if anyone wants). The RHBAS voted to recommend codification of enhanced funding for the OPEB fund trust.

We have now done substantial additional analysis of the finances relating to premiums (as before, using WTW data). Based on that work, we offer the attached slide presentation (Supplement Two, which includes a few of the March 22 slides) which is directly relevant to your consideration of whether to raise the state premiums of Medicare Retirees. While there wouldn't be time for us to present all our slides, we would appreciate being allowed to make some of our points in public comment *before* the SEBC votes on Monday on whether to increase the Medicare Retiree premium by 9.4%. **We submit that there should be no increase to the state Medicare Retiree premium because it would be financially unsound, illogical and inappropriately burdensome on Medicare Retirees.**

As set forth in the attached: (1) The SEBC's methodology for increasing premiums by aggregating costs across all three groups and then increasing premiums by the same percent lacks any reasoned basis tied to fairness or principle and is highly problematic. (2) This aggregation obscures the true costs of each plan/group which can misdirect policy efforts to address healthcare costs. (3) This has led to the premium for Medicare Retirees being too high for seven years which has created a surplus for that group that whole time.

In the meantime, there have been significant deficits for Actives and Pre-Medicare Retirees, obscured by the aggregation of the GHIP data. Any considerations of policy changes should start with the benefits for those two groups, not the Medicare Retiree benefit. It is not the problem or the solution. **It is illogical and damaging to people and the State's credibility to increase the premiums for the Medicare Retiree plan when the premium has been significantly too high for years. And when Medicare Retirees already pay considerably more individually than other groups for their healthcare when taking into account the very substantial premium that Medicare Retirees are required to pay to the Federal Government of at least \$165/month.**

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You can see from the readily understandable attached Slide 7 (together with Slide 6) that most Medicare Retirees (at least 87% based on FY2023) pay between \$165 and \$188 per month for their Medicare benefit (the rest pay more). Actives and Pre-Medicare Retirees on Highmark PPO (closest plan in terms of benefits to Medicare and the most expensive plan for those groups), by contrast, paid only \$114/month in FY2023. In short, Medicare Retirees pay 45% more!

We understand that some members of the SEBC Finance Subcommittee last week objected to the 9.4% increase for Medicare Retirees and that WTW advocates against the historical methodology of aggregating across all groups. We urge the SEBC to consider our attached presentation and to listen to those objecting to the increase and to the methodology.

Respectfully,  
Mary Graham  
Steven LePage  
Robert Clarkin  
Karen Peterson

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**RISE Delaware: Retirees Investing in Social Equity Delaware**

<https://www.facebook.com/groups/1131036457767524>

<https://www.facebook.com/RiseDelaware>

<https://www.gofundme.com/f/rise-delaware-round-2-legal-and-other-costs>

**Our Web site:** [www.risede.com](http://www.risede.com)

**Checks may be made payable to: RISE Delaware**

**Address: RISE Delaware, P.O. Box 7262, Newark, DE 19714**

Public Meeting Calendar: State of Delaware

<https://publicmeetings.delaware.gov/#/>

