

RISE Delaware LEGISLATIVE UPDATE

by Sen. Karen Peterson (ret.), Legislative Liaison for RISE Delaware

On Wednesday, June 12, the House Administration Committee will be considering four bills introduced by Rep. Baumbach to provide sustainable funding for retirees' healthcare benefits. The hearing is scheduled for noon in the Majority Caucus Room. There is no need to attend this hearing in person because it is a very long agenda being heard in a very small room.

RISE board members (Lisa Diller, Mary Graham, Bob Hall, and I) will be there to show RISE's support for the bills. A summary of the four bills (all of which are generally consistent with recommendations made by the RHBAS) are as follows:

House Bill No. 330 w/House Amendment 1

This Act increases the amount of the annual appropriations to prefund future State employee retiree health insurance. This appropriation must be included in the Governor's Budget Appropriation bill. The bill also revises existing law to allow the current practice of making the annual payment to the OPEB Fund of 1% of the operating budget appropriations for the prior fiscal year in a Supplementary Appropriation Bill. HB 330 comes with a big price tag (\$2.7M in year one, \$7.5M in year two, and \$12.5M in year three). For that reason, HA 1 delays implementation of this act by one year.

The three bills that follow address the revenue side to offset the costs associated with HB 330.

House Bill No. 375

Under this Act, the amount of the premium for a healthcare insurance plan that the State will pay on behalf of eligible pensioners hired on after January 1, 2025 (and are not subject to mandatory retirement) will be as follows:

1. For eligible pensioners employed by the State for at least 15 years but less than 20 years at the time of retirement, 50% of the premium;
2. For eligible pensioners employed by the State for at least 20 years but less than 25 years at the time of retirement, 75% of the premium; and
3. For eligible pensioners employed by the State for 25 or more years at the time of retirement, 100% of the premium.

All other provisions to current law under this Act are technical and clarifying changes.

House Bill No. 376

Under this Act, the state group health insurance program must include a pensioner coordination of benefits policy for eligible pensioners who were first employed by the State on or after January 1, 2015, and are eligible for healthcare coverage through their current employer (if they have one) that is not through a plan under Chapter 52 of Title 29. The new pensioner coordination of benefits begins July 1, 2027, and must be comparable to the existing coordination of benefits policy for the spouse of a state group health insurance program participant who is eligible for healthcare coverage through the spouse's own employer.

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House Bill No. 377

Under this Act, the State must continue to offer eligible pensioners first employed by the State as a regular officer or employee (first employed) before January 1, 2025, a plan that is comparable to the current Special Medicfill Medicare Supplement plan. However, for eligible pensioners first employed on or after January 1, 2025, the State may offer different Medicare supplement plans that are not high deductible plans.

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RISE Delaware: Retirees Investing in Social Equity Delaware

Elisa Diller, President

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