RISE Delaware™: GRAND SLAM IN THE NINTH INNING WINS THE GAME FOR RETIREES!

All RISE Supporters,

It is finally here – the time to declare victory in our fight against the State to keep our MedicFill benefit (Medicare Supplement benefit)! It has taken 22 long months for this time to come. While our lawsuit succeeded in blocking the SEBC's action in 2022 to switch retirees to Medicare Advantage, Rep. Paul Baumbach's legislation codifies our victory into the future.

Below we explain where we are on the package of 6 bills reflecting the work of the RHBAS and drafted by Rep. Paul Baumbach. This work was all made possible because of the Superior Court Stay that we kept in place from October 19, 2022 to April 12, 2024 which forced the cancellation of the Medicare Advantage contract in September 2023 and thereafter forced the SEBC to extend the Medicfill contract through at least 2026.

The legislative package is constructed with three aims:

- (a) a legislative guarantee of the Medicare Supplement benefit;
- (b) a better functioning SEBC with certain specialized good government requirements to protect against a repeat of the 2022 debacle; and
- (c) a stronger financial foundation for the Medicare Supplement benefit to take away the financial motivation that caused the SEBC's attempt to switch retirees to Medicare (Dis)Advantage.

Specifically:

HB 281 guarantees a Medicare Supplement benefit for all current and future retirees. It passed the General Assembly unanimously and became law on June 26, 2024 without the Governor's signature. Note that, under HB 377 discussed below, the Medicare Supplement plan guaranteed for retirees first employed by the State prior to January 1, 2025 *must be comparable to the current Medicfill plan*. In other words, the State cannot attempt to switch current employees and retirees to an inferior Medicare Supplement plan.

HB 282 is effectively a legislative repudiation of the Carney Administration's position, accepted by the Delaware Supreme Court, that action by the SEBC to change the healthcare benefit plans of retirees in even catastrophic ways (such as a switch to privatized Medicare Advantage) can be taken in secret and without public input. The bill changes the membership of the SEBC to increase retiree participation and better balance the power of the Administration official members (e.g., the Secretary of DHR is no longer Chair and the SEBC elects a vice chair who cannot be a cabinet secretary). And critically, it imposes good government requirements specially designed for the SEBC for greater public disclosure of possible changes to healthcare plans and with an opportunity for the public to comment on those changes. The bill passed unanimously in both chambers; the Governor vetoed the bill; and the General Assembly overrode the veto in both chambers on June 27, 2024 which made it become law that day.

HB 375, **376**, **and 377** contain cost containment measures. They passed unanimously and now are ready for action by the Governor. The Governor has publicly said (e.g.in his veto message

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on HB 282) that he approves of these bills (and HB 330 below) so we expect that he will sign them and they will become law.

HB 330 increases funding for the Medicare Supplement benefit. After passing the House unanimously, it passed the Senate by a unanimous vote on the last day of the legislative session, June 30, 2024. This bill is important to reducing the OPEB liability associated with retiree healthcare benefits and thereby to helping prevent future attacks against the Medicare Supplement benefit motivated by financial concerns. The bill is ready for action by the Governor, who is expected to sign the bill.

What an amazing way to end the legislative session with a grand slam by Rep. Paul Baumbach. And what a victory for RISE Delaware and all State retirees!

Elisa Diller, President
Mary Graham, Legal Liaison
Karen Peterson, Legislative Liaison
Robert Hall, Treasurer
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RISE Delaware: Retirees Investing in Social Equity Delaware Elisa Diller. President

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