151st GENERAL ASSEMBLY
FISCAL NOTE

BILL:	**HOUSE BILL NO. 248**
SPONSOR:	**Representative Hensley**
DESCRIPTION:	**AN ACT TO AMEND TITLE 29 OF THE DELAWARE CODE RELATING TO EQUITABLE REIMBURSEMENT OF CERTAIN PENSIONERS' SPOUSAL HEALTHCARE EXPENSES.**

Assumptions:

1. This Act becomes effective upon signature by the Governor.

2. This Act would require that the State reimburse healthcare expenses incurred by eligible pensioner spouses on Medicare who are required to enroll in their former employer's healthcare coverage, and their former employer's coverage pays less than the State coverage would pay.

3. Currently, for State employees who are actively employed and Medicare eligible, the state health plan is the primary payer. Under the State's spousal coordination of benefits policy their spouse must enroll in their employer's (if employed) or former employer's (if retired) healthcare coverage if available. For spouses of retirees, Medicare becomes the primary payer, the spouse's former employer's Medicare supplement plan becomes the secondary. The spouse can enroll in the State plan at which point the State would be the tertiary payer.

4. Currently, there are 3,252 pensioners with medical coverage who are married but do not carry spousal coverage.

5. The Office of Pensions and State Benefits Office do not have access to claims data from spouses' employer's insurers and are unable to fully estimate the cost differential between their former employer's healthcare coverage and the State's coverage.

6. This analysis assumes that all 3,252 spouses would enroll in the State plan and, on average, the benefit levels of the healthcare offered by spouses' former employers are 50% of the State plan Medicare supplement benefit levels.

7. This analysis assumes a 5% healthcare inflation per year.

Cost to the State Group Health Insurance Plan:

FY 2023: $6.9 million
FY 2024: $7.2 million
FY 2025: $7.6 million

Prepared by Robert Scoglietti
Office of the Controller General