

**Senate Executive Committee**

Minutes

152<sup>nd</sup> General Assembly

Wednesday, January 18, 2023

Senate Chamber/Virtual Meeting

3:04 p.m. - 4:05 p.m.

**Committee Members Present:**

Senator David. P Sokola

[David.Sokola@delaware.gov](mailto:David.Sokola@delaware.gov)

Senator Bryan Townsend

[Bryan.Townsend@delaware.gov](mailto:Bryan.Townsend@delaware.gov)

Senator S. Elizabeth Lockman

[Elizabeth.Lockman@delaware.gov](mailto:Elizabeth.Lockman@delaware.gov)

Senator Sarah McBride

[Sarah.McBride@delaware.gov](mailto:Sarah.McBride@delaware.gov)

Senator Marie Pinkney

[Marie.Pinkney@delaware.gov](mailto:Marie.Pinkney@delaware.gov)

Senator Brian G. Pettyjohn

[Brian.Pettyjohn@delaware.gov](mailto:Brian.Pettyjohn@delaware.gov)

Senator Gerald W. Hocker

[Gerald.Hocker@delaware.gov](mailto:Gerald.Hocker@delaware.gov)

**Other Legislators Present:**

Senator Dave G. Lawson

[Dave.Lawson@delaware.gov](mailto:Dave.Lawson@delaware.gov)

Senator Bryant L. Richardson

[Bryant.Richardson@delaware.gov](mailto:Bryant.Richardson@delaware.gov)

**Staff:**

Valerie McCartan, Senate

Venessa Karpeh, Senate

Kiki Evinger, Senate

Read Scott, Senate

Fiona Eramo, Senate

*All public registrants, both in person and virtual, are listed in the Appendix*

## **Agenda**

### **Introduction**

Senator Sokola commenced the meeting and reviewed the hybrid meeting protocol. He explained the meeting structure and provided instructions for public comment. He then conducted roll call and all Committee members were present besides Senator Hocker.

He then moved to the agenda and began with the nominations. He proceeded by calling up Jackie Griffith to speak for her Delaware Interscholastic Athletic Association appointment.

### **I. NOMINATIONS: DELAWARE INTERSCHOLASTIC ATHLETIC ASSOCIATION**

Jackie Griffith introduced herself and discussed her qualifications, including having served in the U.S. Air Force and gaining immeasurable skills.

Senator Sokola stated that Senator Hocker was now present.

Senator Hocker expressed his support for Jackie Griffith's confirmation.

Senator Sokola thanked Jackie Griffith for her willingness to serve. He then called up Bonnie Ingram-Grubb to discuss her appointment for the Delaware Interscholastic Athletic Association as well.

Bonnie Ingram-Grubb introduced herself and discussed her interest in this appointment. She explained she has previous experience with youth sports, activities, and health and wellness as qualifications for this role.

Senator Sokola expressed she would be a perfect fit for the role and thanked her for her willingness to serve in this capacity. He then asked if anyone has questions. There were none.

Senator Sokola then moved on to the next agenda item regarding the legislation, Senate Bill 26.

### **II. LEGISLATION: SB 26 (Richardson) AN ACT CONCURRING IN A PROPOSED AMENDMENT TO ARTICLE V OF THE DELAWARE CONSTITUTION RELATING TO ELECTIONS.**

*Synopsis: This Act is the second leg of a constitutional amendment that would update the minimum voting age in the Delaware Constitution from twenty-one years to eighteen years. The first leg of this constitutional amendment was Senate Bill No. 294 of the 151st General Assembly, which became Chapter 350 of Volume 83 of the Laws of Delaware. On passage of this second leg by this General Assembly this amendment will become part of the Delaware Constitution.*

*This Act requires a greater than majority vote for passage because § 1 of Article XVI of the Delaware Constitution requires the affirmative vote of two-thirds of the members elected to each house of the General Assembly when the General Assembly amends the Delaware Constitution.*

Senator Sokola invited Senator Richardson to present SB 26.

Senator Richardson explained that the Act would update the Delaware Constitution to reflect the minimum voting age changing from twenty-one years to eighteen years. He read the synopsis above. He then discussed the history of the debate of lowering the voting age, and SB 26 would 'correct this oversight'. He referred to Larry Mayo and his teachings of the U.S. and Delaware Constitutions, as well as the fact that he brought this issue to public attention.

Senator Sokola thanked Senator Richardson and asked if the committee had any questions. He also noted that there are two re-nominations that are not being publicly presented to the committee today since they were re-appointments. Then with no questions, he opened the floor for public comment.

Valerie McCartan stated that Mr. Larry Mayo would be next to speak.

Larry Mayo thanked Senator Richardson for his commitment to public service and for upholding his oath to serve. He noted this issue existed in the Delaware Constitution since 1971.

Senator Sokola said he has been in office 32 years, and that Constitutional language should continue to change as it becomes 'out of date'. He referenced *Brown v. Board of Education*.

Larry Mayo stated he hopes to work with the legislature to make sure *everything* is corrected.

Valerie McCartan noted there are members of the public signed up to speak in person and virtually. In person participants will be allowed to speak first, with virtual participants called on after.

Robert Overmiller spoke in support of the bill and thanked the Senators for their time.

Valerie McCartan stated that concludes public comment for this bill.

Senator Sokola moved to HB 25.

**SB 26 was reported out of Committee: 0 Favorable; 6 On Its Merits; 0 Unfavorable.**

### **III. HB 25 (Longhurst) AN ACT TO DECLARE THE 2022 DELAWARE RELIEF REBATES AS QUALIFIED DISASTER PAYMENTS.**

*Synopsis: This legislation establishes that a relief rebate issued under the 2022 Delaware Relief Rebate Program during the period that the federal major disaster declaration exists for the State of Delaware is intended to be a qualified disaster relief payment under § 139 of the Internal Revenue Code. It further provides that the State makes no representations or warranties to recipients regarding the 2022 Delaware Relief Rebate Program and that civil actions of any nature and claims for any form of economic entitlement including but not limited to damages are prohibited with respect to this legislation. This legislation is effective as of the date on which the 2022 Delaware Relief Rebate Program was enacted.*

Senator Sokola stated that HB 25 passed the House unanimously, 37-0. He then read from the synopsis above. Senator Sokola asked if the committee members had questions. There were none. With no questions, he asked Valerie McCartan if there was anyone signed up for public comment, to which she denoted Robert Overmiller.

Robert Overmiller introduced himself and said he fully supports this legislation. He thanked the committee for their time.

There was no additional public comment.

Senator Sokola concluded public comment and moved to the next item on the agenda to Senator Townsend to present SB 29.

**HB 25 was reported out of Committee: 0 Favorable; 6 On Its Merits; 0 Unfavorable.**

#### **IV. SB 29 (Townsend) AN ACT TO AMEND TITLE 29 OF THE DELAWARE CODE RELATING TO THE STATE EMPLOYEE BENEFITS CONSOLIDATION ACT.**

*Synopsis: To foster sustainability in state retiree healthcare benefits and the development of a plan for strong benefits beyond the current Medicare Supplement plan offered through January 1, 2024, this Act does all of the following:*

- 1. Expands the membership of the State Employee Benefits Committee by adding a state retiree to the Committee and adding an additional representative from public sector union organizations;*
- 2. Requires the Controller General to provide comprehensive biannual public reports to the General Assembly regarding the work of the State Employee Benefits Committee; and*
- 3. Establishes the Retiree Healthcare Benefits Advisory Subcommittee of the State Employee Benefits Committee, whose membership will include three state retirees and four members of the General Assembly, and whose charge includes holding public meetings and issuing recommendations to the Governor and the General Assembly by May 1, 2023.*

Senator Townsend stated the intention of this legislation is to outline the next steps moving forward for state employee retirees. He affirmed that the General Assembly is committed to making sure state retirees have strong healthcare plans and that promises made many years ago are kept. Senator Townsend then stated the bill aims to do three things:

- 1) It modifies the membership of the State Employee Benefits Committee (SEBC) to add a state employee retiree representative and an additional representative from public sector union organizations.
- 2) It charges the Controller General with providing biannual reports of the SEBC's activities and the decisions they are making.
- 3) It creates the Retiree Healthcare Benefits Advisory Subcommittee, a subcommittee of the SEBC, that is charged with holding public meetings and issuing recommendations to the Governor and the General Assembly biannually starting May 1, 2023. The membership of the subcommittee will include three state retirees and four members of the General Assembly.

Senator Townsend also described an amendment he will be filing. The amendment would preclude appointed members of either SEBC or the Retiree Healthcare Benefits Advisory Subcommittee meetings from appointing a designee. It also adds to the duties of the Retiree Healthcare Benefits Advisory Subcommittee by requiring the Subcommittee to evaluate options that would allow state retirees to maintain their current coverage, similar to residents in other states that offer a choice to buy into a Medicare Supplement plan.

Senator Townsend said it is important to note there is a lawsuit pending relating to this issue. This legislation does not modify anything related to the lawsuit, and rather, figuring out what is next whatever the outcome may be. While there is a plan for retiree healthcare for the current year, there are still questions about when and who is involved in making decisions for the future. This legislation is designed to create that forum for constituents and agencies to talk. He discussed his experiences talking to retirees who have stated that they wish people were more aware of meetings and had a seat at the table.

Senator Sokola asked for questions or comments from committee members and with none, he then denoted the order of speakers for public comment.

**SB 29 w/ SA 1 was reported out of Committee: 0 Favorable; 7 On Its Merits; 0 Unfavorable.**

## **V. Public Comment**

Valerie McCartan reminded everyone on Zoom to raise their hand if they want to speak, and that in-person comments will be heard first. She reminded everyone of the one-minute time limit.

John Kowalko, co-founder of RISE Delaware and former State Representative, spoke in opposition of the bill on behalf of RISE Delaware. He stated his concern related to the bill being fast tracked and concluded that this administration is not addressing problems or doing their duty as leadership. He stated this preserves the status quo and the SEBC remains unchecked. He stated the retirees of the state have all worked hard.

Connie Merlet continued reading former Rep. Kowalko's statement. She said this bill does not address the problems. She stated this bill does not address the reality of the Medicare supplemental plans or address or control the total lack of transparency from the SEBC or the responsibility of the General Assembly. She noted it does not provide a reasonable path forward. She continued that in fact the proposed situation would be laughable if not so life threateningly serious. She said in choosing to ignore this responsibility, it insults the intelligence of every retiree.

Elisa Diller, co-founder of RISE Delaware, also continued Rep. Kowalko's remarks and referred to a contractual obligation to help, and that for all retirees including future retirees, promises are broken. She said if the General Assembly wanted to foster strong benefits, then they must face the reality that these plans are the privatization of healthcare. She respectfully urges its release and crafts legislation that will benefit its states retirees and future retirees and preserve their healthcare options.

Faith Rentz, Director of Statewide Benefits and Insurance Coverage at the Department of Human Resources (DHR) expressed DHR'S support for this bill. She said there is no direct General Fund impact. As the subcommittees expand and grow, there will need to be an allocation of \$100,000 for the salary and benefits of the subcommittee manager. Additionally, in working with the new advisory subcommittee, there is to be an additional \$100,000 annually for consulting and actuarial support. SB 29 also calls for the Department of Justice to provide legal counsel to the subcommittee, and DHR therefore anticipates there will be costs associated with supporting legal counsel.

Linda Hastings said state retirees do not have a lot of trust for the state. She thinks this bill needs to be changed. The timeline of May 1st makes no sense as there is not enough time for changes; this needs to be amended to a more realistic date. She asked when there will be time to put proposals out to public from the new committee for their consideration. Ultimately, she asked how they can be able to trust that this report is not just window dressing and hopes the committee can use their time and resources to do the work properly. She asserted that if a member of RISE Delaware is not on the committee, then the committee has no credibility.

Peter Rees stated that he believes that the present bill is basically punting the issue away from the legislation. He believes there should be more direct involvement of legislators with this very serious problem. He discussed his personal experience when his wife underwent chemotherapy for two-years, with each visit costing on average \$30,000. He stated he would have gone bankrupt if they had a Medicare Advantage plan at that time.

Dennis Young employed the legislators to not allow Medicare advantage into the examination room where the doctor and patient are discussing treatment. He recently began treating serious depression with an additional medication and it made a significant difference. A Medicare Advantage plan denied this care as it was not approved to treat depression. He urged them not to switch to a Medicare Advantage plan.

Denise Tuck said there is a lot of this bill that she does not like, including the short deadline for the report. She said there is no way anything with deep research can be done by May 1st. She said the subcommittee must look at all other possible options out there.

Karen Peterson, former State Senator and co-founder of RISE Delaware, stated that SB 29 does nothing to solve the retiree healthcare issue as the subcommittee is committed to shoving Medicare advantage down people's throats. She said this way they can pat themselves on the back for giving retirees seats on the committee. She said they may be old, but they are not stupid. She said the bill attempts to placate retirees, to keep them busy and distracted. In her opinion, a vote for this bill is a vote against state retirees. She said it may even be an issue of age as it only impacts benefits for people 65 and older. She recommended to grandfathering current retirees into a Medicare supplement plan. She said this is how it has always been handled and should continue to be handled in this way.

Bob Haynes said he is a 20-year retired state employee previously with the Delaware Department of Natural Resources and Environmental Control (DNREC), and he stands in opposition to the bill because his wife is a nurse working in at home care.

Stephanie Gagliardino said she is here in support of John Kowalko and Senator Peterson. She opposes the state moving to a Medicare Advantage plan. She stated there needs to be low costs as state employees cannot afford high premiums.

Dale Swain stated this bill is a good start but does not address the root problem. The report deadline does not allow enough time to get anything done. He wants to see the legislature pass something to mandate the state to keep everything as it exists for 2023 and to give folks another year to have these committees. He would prefer a bill mandate process. He said everyone sees the commercials for Medicare Advantage plans, but it is cryptocurrency and fool's gold.

Robert Overmiller stated he is a retired state pensioner on Medicare and gets his supplement from the state. He fully supports this legislation and hope it is released by the committee.

Valerie McCartan stated it was time to move to virtual public comments.

Thomas Pledge stated he is a state retiree, and that the committee needs to look at Judge Scott's stay order and all of the information on the record he used. He stated Medicare Advantage plans do not provide the same level of benefits as were promised to state employees. He said that should be entered as an amendment to the legislation as Medicare Advantage is not the same as he states they were promised.

Sam Gaertner stated this is a disastrous way to treat state employees. He affirms the potential for unknown consequences. He said that in that regard, given that many individuals are outside of the state, he suggests one member of the subcommittee should be a non-resident. They will then be aware of unique problems they face accessing care out of state regardless of overall plan. He stated state employees are surveyed, and retirees should be surveyed regarding their satisfaction as well.

David Taylor stated he is retired after working in a high school for 35 years. He spoke as the co-chair of the Pension Advisory Council which is made up of personnel across state both current and retired. The

Council supports SB 29 with the understanding that there will be full and complete membership to attend public and private meetings and to have a seat at the decision-making table to vote. He states this should be the first step, as Senator Townsend mentioned, and hopes that the public participates fully.

Marsha White stated she is a 23-year retiree with the Department of Justice as a criminal prosecutor. In reading the bill she said bad ideas stuck out, specifically the May 1<sup>st</sup> deadline. She said she is offended by the creation of an oversight subcommittee with 4-5 of the same members as the SEBC. She said it is a sham and gives no confidence that anything different will happen. She said this is a direct lack of due process and there is a contract violation by the state changing unilaterally. She asked that the current state retirees be grandfathered into the previous healthcare plan.

Ray Seigfried, former State representative, began with the comment that healthcare is complicated. He stated in his career in healthcare, and, he saw that healthcare is built on choice. Medical decisions are to stay between you and your doctor, not an insurance executive. He stated the balance must be met by the state and retirees, who served the state. He said SB 29 does not further the cause and only reinforces the decision of the SEBC. He stated the committee is led by people with no healthcare experience or knowledge and he asked the legislators to vote no on SB 29.

John Morgan stated that in speaking in an individual capacity he agrees with the many concerns expressed by others. He welcomes the two amendments described by Senator Townsend. He also makes clear if any changes are made that disadvantage retirees, it will be very important that the members of the SEBC and the legislators who approve these changes must not have any actual or perceived conflicts of interest regarding insurance companies.

Mary Graham first said she is picturing the infamous weather map where Trump redrew the path with sharpie because he could not admit he was wrong. She said the administration is redrawing the path of Medicare advantage because they won't admit they were wrong. She said this sets the stage for the work of the committee, starting with alternative facts. She said there are other alternatives that would do a better job in achieving true accountability and transparency.

Judy Schneider said as a future retiree, she urges the Senators to reject this bill as it does not address the need for choice to retain benefits. She said it is window dressing as they need more time to consider more options. She stated Medicare advantage a disaster, and healthcare cannot be in the hands of a for-profit company. She said please vote against this.

Valerie McCartan noted there is one more in-person speaker after this final virtual comment.

Mary T. Pyott said she is a retiree and is old and not stupid. She said she reads as much as she can, and nothing related to Medicare Advantages plans are positive. She said when you reach a certain age, you are going to have ongoing problems and do not want to have to appeal every denial from the insurance company. She said she needs to know that they have her and retirees back.

Marsha Custer said that as a state employee, before she retired, she had good benefits with flexible choices and a few different healthcare plans. She said as a retiree, they take the choice away and she wants the choice back. She also said there are a lot of people who do want Medicare Advantage, but not to take the choice away.

There was no further public comment.

Valerie McCartan made a final note that anyone can submit their comments in writing to [david.sokola@delaware.gov](mailto:david.sokola@delaware.gov) and indicate it is to be made part of the record. She then told Senator Sokola that public comment concluded.

Senator Sokola stated that the committee appreciates the input, and they know this is an important matter.

Senator McBride thanked everyone for their comments and appreciated Senator Townsend being receptive to feedback he's received and amending the bill. Specifically, she noted subsection 4, lines 139-140 which further clarifies that the subcommittee is also tasked with determining other alternative options in addition to Medicare Advantage. She then focused on the point brought up in public comments regarding the report deadline. It is not the end of the subcommittee's existence, and in her understanding, this deadline is purely a practical deadline for the next fiscal year as the budget is passed in June. This deadline is not therefore for a holistic, long-term solution to be devised by for then, but rather specifically is a question for the next fiscal year.

Senator Townsend responded that the May 1<sup>st</sup> deadline is denoted in only one line only as it relates to the upcoming budget and that they look to understand what impacts this issue has on the budget in order to figure out a long-term solution. He stated there is no sunset provision or end date on this and finished with the importance of understanding the implications on upcoming year's budget.

Senator Pinkney stated the legislature is also concerned about deadline and wants constituents to know that they are listening, they care, and that this legislation is not where the work stops. Rather, they are committed to the people they represent, and ultimately, they work in making sure whatever happens is in the best interest of the people they represent. She assured attendees that they know this is just the beginning of what needs to be done, and the legislature wants to do something about this. This is the first step and they do not intend to stop. She stated they will continue to work to take care of some of the most important people in the state.

Senator Lockman stated that the legislators are hearing the people's concerns. She said they aim to create procedures to allow the General Assembly to do better, owning that there could be improvements too. She continued that they hope to give themselves the tools through legislation to better serve the people and get to a better resolution. She affirmed this is not intended to be a final conversation, and more than anything, she appreciates hearing from everyone.

Senator Pettyjohn continued that this is not the end-all be-all solution, and rather this is a step forward. He stated it is an important step and is what we need to do as a legislative body. He stated it is tough explaining as it is a complex issue, and therefore this bill gives the legislators the tools needed to make an informed decision for all the people to make healthcare for retiree's work. He discussed his own personal experience explaining this issue to his retired mother. He said they must have a long-term, sustainable solution to retiree healthcare in Delaware, and this is the first important step to make sure that happens.

Senator Hocker stated he agrees with the committee and pointed out that communication is very important. He stated the subcommittee put together today needs the public's communication as they want the best for all the people. He stated this was rushed through before, and the legislature has heard the public loud and clear. He stated he thinks the communication with what was passed in the last year was very poor and caused an awful lot of the problem. He stated they are getting a lot of emails, for and against SB 29, and that this piece of legislation aims to allow the public to communicate with the subcommittee and bring it back to the General Assembly to pass the best possible bill for everyone.



Senator Sokola stated that if he and Senator Hocker are in the hospital, they too would be on Medicare. He wants state retiree healthcare to be sustainable, good healthcare. He discussed that there are countries around the world with longer lifespans than in the United States. He also mentioned that no one tests as much as the doctors in the U.S. He stated Senator Townsend worked very hard on this legislation, and it is a much better solution to quality health care than getting tested and talking to a doctor for one minute to ultimately get you the services you need. He said he appreciates everyone's input and is committed to doing a better job in the future.

Senator Hocker then stated he has offered group health insurance to his employees for the last 50 years, and in being forced to change this 3 years ago, the biggest challenge for employees was the preauthorization requirements. Yet, he stated that he does not know anyone who had coverage turned down due to this.

Senator Sokola asked for a motion to adjourn the meeting. Senator Pettyjohn motioned to adjourn the meeting and Senator Hocker seconded the motion, and with no objection, the meeting adjourned at 4:05 pm.

Public written testimony submitted on or before the close of business on Tuesday, January 24, 2023, can be found on the pages following **Appendix A: *Pre-registered Attendees and In-person sign in sheet Attendees***

**Minutes prepared by Fiona Eramo, Legislative Fellow, 1/24/2023**

**Appendix A:** *Members of the public pre-registered for webinar and In-person sign-in sheet Attendees*

Karen Peterson, RISE DE	Larry Mayo, Institute on the Constitution	Thomas Pledge
Elisa Diller, RISE DE	Denise Schwartz	Lynda Hastings, RISE DE
Gloria James, retired state employee	Karen Ross	Theresa Matthews
Keith/Gina Moore	Bryant Richardson, Delaware State Senate	Sara Poore, Delaware State Senate
Donna Lins	Barbara Philbin, RISE DE	John Kowalko, RISE DE
Thomas Sicoli, DRSPA	Vivian Limmina, Retired DOJ	Diane Lynch
Marsha White	Dennis Wooten, Capital School District retired	Sandra Wooten, Capital School District retired
Rebecca Scarborough, DRSPA Board member	Deborah Ziegler, retired state employee	Denise Tuck, retired
Mary Pyott, RISE DE	Stephanie Gagliardino, RISE DE	Connie Merlet, RISE DE
Mary Graham	Marsha Custer, retired	Linda Barnett
Patricia Weygandt, state retiree	David Taylor, Pension Advisory Council	Dennis Young, RISE DE
John Morgan	Ray Seigfried	George Smith, DOE
Sam Gaertner, University of Delaware	Judy Schneider	Leslie Hailey, 30-year state retiree
Connie Santora, RISE DE, retiree	Fran Fletcher, state retiree	Peter Rees, RISE DE
Lois Finley	Dale Swain, RISE DE	Russell Larson, Byrd/Gomes
Mary Ebersole	Dylan Tepper	Jill McKinney, Delaware State Retirees
Catherine Vento	Patricia Sine	Victoria Bandy
John Hall	Faith Rentz	Wendy Strauss, RISE DE
Bob Haynes, RISE DE	Robert Overmiller	Dorothy Brabson

TO: State of Delaware Legislators

FROM: Rebecca H. Scarborough, State of Delaware Retiree

RE: SB 29, An Act to Amend Title 29 of the Delaware Code Relating to the State Employee Benefits Consolidation Act

While initiatives by the State Employee Benefits Committee, the Retiree Benefits Study Committee, and by members of the State Legislature to address the looming liability of the State's healthcare benefits are necessary, I feel this piece of proposed legislation fails to effect the goal of equitably solving the complex issues facing the State's pensioners in particular as well as the State's active and future retired employees. Adding one Governor- appointed retiree and two members from the four designated organizations of state workers to the SEBC seems to smack of tokenism at best. Since Medicare eligible retirees who are on fixed incomes have the most to lose by the SEBC's hasty and unwise choice to transition them from Medicare and the State's successful Medicfill Supplement Plan to an inferior and privatized Medicare Advantage Plan, one would think they should have greater input into helping to come up with more suitable options, most of which had been discussed in detail by the RBSC (see slides presented by the Delaware Department of Finance at the March 9, 2020, meeting of the RBSC).

The criteria for selecting state retirees and state employees from the designated state organizations cited in the proposed legislation is also problematic. The Delaware Retired School Personnel Association is the largest organization of retirees in the State! Its membership is made up of retired teachers, administrators, secretaries, cafeteria workers, custodians, etc. Over the years this organization has actively been communicating with State policymakers regarding our benefits package and has strived to be in good standing with legislators and state officials. Was this just an oversight? I hope so.

Another concern is the unrealistic timeline that the new-to-be formed Retiree Healthcare Advisory Subcommittee will be given to research, deliberate, hold public meetings and come up with a report of recommendations to the Governor by May 1, 2023. I view it as a political "sop to Cerberus"!

This proposed legislation smacks of intentions to thrust down the throats of vulnerable retirees an ill-conceived and hastily proposed transition to a Medicare Advantage Plan which the latest research has declared to be self-serving, even fraudulent at times, as well as a looming threat to the very trust fund that Medicare depends on to support America's aging population. Why would Delaware aim to be a part of this unholy alliance – privatization of healthcare– for its citizens?

Surely there are better and more sensible ways to involve active as well as retired State workers and the larger community, such as already overworked physicians and other healthcare workers, into the conversation.

Respectfully yours,

Rebecca Scarborough

Retired Delaware Department of Education Associate of World Languages

Former Latin and English Teacher at Caesar Rodney High School

I support the inclusion of retirees and others as proposed by S.B. 29. But, I do have to ask why now? Why after the attempted privatization of our Medicare? Most politicians lack the ability to foretell and forestall, as in this case when a fiscal remedy is thought to remedy the rising costs of “sickcare”. I am appalled by the lack of discussion over the root causes of the rise in obesity, prescription drug dependence, and other illnesses generated by our “food”. We should, instead be investigating the contribution of agribusiness, the meat and poultry industry, big chemical and big pharma to the incidence of illness in America. Is this too much to ask? To make America healthy again? G. A. Smith

To whom it may concern:

Per instructions we received yesterday at the close of the 3:00 p.m. meeting to consider Senate Bill 29, I respectfully request that my comments (below) on SB 29 be entered into the record.

In my humble judgment, SB 29 is not a solution to the problem of how the state of Delaware should proceed in the matter of health care for state of Delaware pensioners. Ostensibly, this bill would provide a voice for state pensioners on committees relevant to the type of health insurance that the state of Delaware might provide for state pensioners beyond December 31, 2023. However, this bill appears to be a means by which to appease those of us who are vehemently opposed to being forced into any type of Medicare Advantage plan; rather, many, if not most, of us who are current state pensioners want, without equivocation, to remain in the traditional Medicare program. At most, current state pensioners should be allowed the option of choosing between what we now have with traditional Medicare and any other option, including a Medicare Advantage plan. Further, to be fair to future state pensioners, especially those who will retire in, say, the next five years, they should also be allowed the same options from which to choose.

Stephen Taylor, Ph.D.

Professor of Philosophy, Retired

336 Pine Valley Road

Dover, DE 19904

[stephentaylor1@verizon.net](mailto:stephentaylor1@verizon.net)

Hi Bryan,

Yesterday when I testified, I was cut off and I believe the President Pro Tempe said something about it disparaging members of the body. If so, that was not my intent at all, in fact if you read the prepared speech (attached) that is clear. However, since I didn't get to finish (I had timed it to be under the 2 minute rule), I can understand his misperception. If you can, please apologize for the misunderstanding to him for me as I cannot be there today to do so myself.

Thank you, Larry Mayo.

2 Corinthians 3:17 "Now the Lord is the Spirit, and where the Spirit of Lord is, there is liberty"

SB26

I would like to thank Senator Richardson for his knowledge of the Delaware State Constitution and recognizing the need for the Law that governs government to be current and accurate.

It is refreshing to see a legislator taking his Oath of Office seriously in that he realized he could not uphold and defend it as it stood.

Isn't it amazing that nobody else has realized this error in our State's Constitution, which has obviously existed since 1971 when the US Constitution was amended to give the vote to those who had reached the age of 18?

Could it be that those who take the Oath, the keystone of our legal system take it so lightly that they don't even read the documents, which they swear to uphold and defend, let alone understand them?

Perhaps they don't realize the meaning of the Oath. Webster's 1828 dictionary, which contains the meanings of the words AS OUR FOUNDERS understood them, defines Oath as:

"A solemn affirmation or declaration, made with an appeal to God for the truth of what is affirmed. The appeal to God in an oath implies that the person imprecates his vengeance and renounces his favor if the declaration is false, or if the declaration is a promise, the person invokes the vengeance of God if he should fail to fulfill it. A false oath is called perjury."

My hope is that this amendment will encourage all or at least most of you to take your Oath more seriously and also to read and study our constitutions.

Senator Sokola,

I was unable to attend today but would like my concerns made a part of the Legislative session held today.

Comments:

This Bill once it's passed that's it. So I request that all points be considered.

1) that there us only 1 retiree, and appointed by the Governor, will sit on the committee. My thoughts are there should be 3 and it should not be the Governor doing the choosing . I feel it's in his best interest to choose a retiree who will serve his interest, not ours. The Governor already has Department heads serving him on many committees. The same is true as follows:

2 Committee members, 1 appointed by the President Pro Tempore of the Senate, and 1 appointed by the Speaker of the House of Representatives, shall be appointed from among the following organizational representatives : The President of the Delaware State Education Association or his or her designee, the Executive Director of the American Federation of State County and Municipal Employees or his or her designee, the President of the Correctional Officers Association of Delaware or his or her designee, or and the President of the Delaware State Troopers Association or his or her designee. Of the initial 2 organizational representatives appointed, 1 must be appointed for a 1-year term, and 1 must be appointed for a 2-year term. Thereafter, all members shall serve 2-year terms. The Director of the Office of Management and Budget and the Secretary of Human Resources shall co-chair the Committee.

I would suggest something like: RISE Delaware solicit interest from retirees who are interested and knowledgeable of all the facts, both retirees and the State's, to represent us, place all names in a drawing and that shall be the person or persons sit on the committee.

2) The Bill does attempt to create more input and review and transparency. However, I think the May 1st deadline is too tight. Yes it's a first step but once it's passed it's too late for changes. What could serve all parties best would be to extend the current extension to 2025 to give a full cycle to evaluate, get public input and report.

What SB 29 DOES NOT do is STOP the new health care plan, which in such a tight timeframe, I feel will not accomplish what the retirees requested. It seems like a rushed process again by the SEBC. The same players are on the subcommittee. And their task is to fix the deficit no matter what or whom it could hurt. I know from my employment in the Budget Office there are other places to save money, program and service overlaps throughout agencies. Look at how the Budget has grown. Hard choices to possibly combine similar programs or services, some concessions need to be made but not to target the retirees by limiting full disclosure to their health care until the last minute hoping to pull it off for the SEBC to look good.

3) the Bill puts the same players on the subcommittee which demonstrates they want to oversee our subcommittee.

Thanks,

Jeanne and Ray Moore



I would like to submit the below statement in response to SB29 that was discussed today at Legislative Hall:

My husband worked for the St of De for 49 years. During that time there were years with no raises or very small raises and he worked for a much reduced pay compared to outside businesses . He kept working for the State because he had good benefits. We always talked about how, even though he didn't make much, he had benefits that he couldn't get elsewhere for the same cost. Now you want to take that away from us! We are vehemently against burdening us and all retirees by reducing our coverage to a privatized Advantage plan. We will not get the same great care we earned over the last 49 years with this Advantage plan. Please don't do this!

Advantage plans require pre-approvals, which can affect time sensitive care and don't always allow for the care needed from a doctor. These privatized companies make you go through a set of steps that are very often unnecessary and can be detrimental to your care, along with continuing pain or improper care just because they don't want you to get the actual care needed. They want you to go cheaper first. We all know what that would be like.

Many doctors will be eliminated from coverage for us because they will not take advantage plans, including this plan. I asked my doctors if I would be covered under the new State Advantage plan and some said probably not and some said they weren't sure. WHAT KIND OF INSURANCE IS THAT!?! NOT ONE ANY OF US WANT.

Also, the cost for the Medicfill plan is based on length of service and because of the low pay working for the State, costs for this plan need to remain low. We cannot afford high premiums for this because State employees are never paid enough for a high premium. It is not fair that the State can pay such low salaries and then pull the rug out from under the retirees.

The State also gives millions upon millions to corporations in or coming to Delaware so it brings jobs. Apparently, the State is willing to sacrifice the health of their retirees for this. What about providing for the health care of the people who worked day after day to keep this state running?

Thank you

Stephanie Gagliardino

Attached are comments for the public record, regarding Proposed Amendments to Title 29 relating to the State Employee Benefits Consolidation Act discussed and presented during the 01/18/2023 Senate Executive Meeting.

To: David.sokola@delaware.gov

From: Nancy & George Terranova, State of DE Retirees

RE: January 18 2023 Senate Session

404 Laura Lane, Middletown, DE 19709

The Senate Executive Meeting conducted January 18, 2023 at 3 pm was observed using the webserver.

These comments are regarding SB 29 with SA/1.

As State of Delaware retirees, this proposed legislative change impacts us directly. We have three specific comments in bold/underline on these specific sections of SB29. These comments address the proposed legislative changes which are administrative. Please enter these comments to the record regarding the proposed legislative changes.

I. 9602 (a) SEBC additions: 1 State of DE Retiree; 2 Committee members from unions – not retired appointees. The proposed SEBC additional members include 1 retiree, and potentially 2 additional member from State of DE employees who are in one of the four unions. This change is not sufficient to address the needs of State of DE retirees regarding benefits changes. At least 1 of the 2 additional members of the SEBC from State of DE unions should also be a State of DE retiree.

{comment only: 9603 (was this section removed or was 9604 strikeout to 9603 a typographical correction?) Question/comment – I did review Delaware Code and saw repeal of this section of SB 29 in 2014. }

II. 9603 (a) (1) through (10) - Where and what is the fiscal oversight for these actions? The SEBC is to be co-chaired by the Director of OMB and the Secretary of HR, but it is stated the the Sec of HR makes all fiscal decisions. Since the SEBC is co-chaired, the legislation should clearly state that fiscal and organizational oversight is to be conducted by the co-chairs, not by just one of the co-chairs.

III. 9604 This new section details the actions and activities of a new subcommittee that will advise the SEBC. The timeline is short and the activities are numerous. The new section for the advisory Subcommittee, its timing and selection, is politically biased toward the status quo. Passing the legislation, selecting, appointing and approving subcommittee members will take some period of time that reduces the time to provide findings and recommendations by May 1, 2023. For these reasons, the findings and recommendations date should be no earlier than May 1, 2024.

Comments not specific to the proposed legislative change. Please enter these comments to the record as general comments.

I. Senator Peterson suggested in her prepared statement that current State of DE retirees be able to retain existing supplemental medicare insurance. Many if not most State of DE retirees accepted lower pay over many years of service based upon promised retirement benefits. Allow existing supplemental medicare insurance to be a choice for current State of DE retirees.

II. The healthcare trust fund needs to be fully funded. The State of DE could have funded the healthcare trust fund over time and did not do so. The method of funding the healthcare trust fund should fall on all employees, not just retirees.

III. Changes to supplemental medicare insurance choices can be made part of all new hire benefit packages.

I was watching today's meeting and believe that retirees should be on this committee. I would also suggest that more time be allowed to structure a health care package that is deserving to all state retirees.

I've had a few health issues and Medicfill has been absolutely wonderful! I don't want to lose what I already have and deserve.

Denise Schwartz

President of DRSPA

Senator Sokola,

Attached is my statement at today's hearing on SB 29 that I want to submit. Thank you.

Ray Seigfried

Health care is complicated

SB 29

I know this to be true based on my own career in health as a Former Delaware State Representative who served as Vice Chair of the Health and Human Development Committee, as a professor at a university teaching health policy, and as an SVP at Delaware's largest hospital system.

In America, our Healthcare system is pluralistic; that is, it is built on choice.

This means you have a choice in the doctor and hospital you need.

This means that medical decisions stay between you and your doctor, not an insurance executive, with their medical profit review tables as Medicare Advantage prescribes.

This means each individual selects a Medicare program tailored to their needs.

Bound together with the choice of Health insurance is the cost that must be confronted. However, a balance must be met for our state and our retirees who served the state.

Senate Bill 29 does nothing to further the cause of developing a balance between cost and care.

This Bill does not pursue health, the quality of care, or advance our retiree's quality of life.

This Bill only reinforces the decision of the SEBC to force everyone into Medicare Advantage, a decision by a committee led by people with no healthcare experience or knowledge.

I ask you to vote no on SB 29.

Both CMS and The Alliance for Health policy have confirmed that Medicare Advantage has a history of up-coding to make patients look sicker and other abuses.

This type of Medicare charged \$12 billion of unnecessary charges to the Medicare Trust Fund in 2020.

At the same time I fully respect the challenge of addressing the states unfunded liability for retirees health plan.

Dear Senator Sokola,

Please submit the following comments to the public record on SB29.

I am writing you in regards to SB29, which may be considered in the Senate on Wednesday. As a future retiree, I urge you to reject this bill because it does not address the substantive issues that need to be addressed to ensure retirees, current and future, have the choice to retain their benefits for Traditional Medicare. SB29 does not address this and only puts window dressing on the real issues. There needs to be more time to consider real options to secure these benefits for current and retired state employees. I strongly oppose Medicare Advantage, which increasingly has been shown to be a disaster - both for health care and the financial health of the Medicare trust fund to which we all contributed. Further, our health care should not be in the hands of a for-profit company which financially benefits from denying services to people.

Please vote against this bill and look at serious, alternative bills. There are solutions to the Other Post-Employee Benefits (OPEB) problem already examined by existing committees that do not involve switching to Medicare Advantage.

Thanks you for your consideration.

Regards,

Judy Schneider

Subject: House Bill 25 AN ACT TO DECLARE THE 2022 DELAWARE RELIEF REBATES AS QUALIFIED DISASTER PAYMENTS.

I have reviewed this bill and in full support.

Robert D. Overmiller, MSM

RDO Refrigeration

DE Master Electrical HVACR T7-1015

DE Master HVACR HM 49

DE DOE: Trade & Industry HVACR Mechanics; Physical Science 5-12; History 6-12; Special Education K-12; 49931

Trade and Industry training is our future

Please make this part of the public record of the 1/18 meeting.

I retired from the State after 23 years of service. During that time I was a judicial assistant to (1) a Superior Court Judge for 8 years; (2) a Vice Chancellor in Chancery Court for 2 years; and (3) a Supreme Court Justice for 13 years.

After Chancery Court there was a break in my service when I went with a Federal Judge. After his retirement I went back to the State to the Supreme Court. Going back to the State I had to take a \$13,000 pay cut from my federal salary. That's how much of a pay discrepancy there was with the State. And during that time back with the State, under Gov. Markell most state employees had to take a pay cut to help balance the budget. There were some state employees that were exempt. Because of our minimal raises, it was approximately 5 years before we were back up to our original salary. Yet we were still behind. Those 5 years were lost. Our cost of living raises never kept up with inflation. And still our salaries were well below the private sector. This is a sacrifice that most state employees had to make. And now we are being asked to make even more sacrifices.

Annually we would get enclosures with our pay stubs stating that although our salaries were much lower than the private sector or other governments, we benefited because of our fantastic healthcare benefits. The enclosure listed how much the State paid for our health insurance and added that to our final salary figure. The enclosures stated that when that figure was added to our salaries, there was an incredible boost to our salary so those benefits should be considered part of our salary. So in fact with an advantage plan, we are taking another benefit hit with the State actually paying us less in pension benefits. We are in fact taking another pay cut.

Whenever a new judge was appointed to a State Court, that judge faced obstacles in hiring a judicial assistant. Their assistant in private practice did not want to leave private practice because of the salary difference and they we're not willing to take such a huge pay cut.

Current retirees retired based on these benefits and should be grandfathered. Any changes should be applied to upcoming retirees so they can make an educated decision about their retirement. Current retirees were not given this option.

As to preapproval for procedures/tests, I don't believe nurses working for an insurance company to save them money should be making a decision regarding my health based on a piece of paper in front of them and overruling my doctor's or breast surgeon's concerns after having my complete history while treating me for 20+ years. It's traumatic enough when you have issues (some of which are hereditary) without wondering if tests are going to be denied based on a piece of paper in front of the insurance company's employee whose job it is to save the insurance company money. And I don't feel that my doctors with their medical degrees and experience should have to justify their medical decisions to a nurse for approval.

I attend the session yesterday. I'm offended that it was stated there is too much over-testing. Also, I am DEEPLY OFFENDED by the fact that Delaware was compared to other countries where they do less testing. We do not live in other countries or other states. We live in Delaware—a State at one time known as the “chemical capital of the world”—with very high cancer rates and other health issues from our chemical history. How does this compare with other countries and what their health issues and quality of life issues are compared to Delaware? Could be they have a better quality of life, less pollution, less stress and less outside factors affecting their health. I wonder how you would feel if you or your loved ones are denied a test which your doctor (who is in a specialized practice or that you have been seeing for years) feels is necessary for health reasons. How would you feel if you or your loved ones would have to



suffer the trauma of waiting while appealing a denial when your doctor feels it is medically necessary? It may be a different story then. I hope you never have to find out.

I was always told to be proactive when it comes to my health. In the long run, that would probably be more cost effective rather than having a major issue down the line because of denial of services by a nurse looking to save money for her employer, an insurance company. Seems like a conflict of interest to me.

Anne Marie Brown

Dear Senator Sokola,

I was unable to make a presentation at the Executive Committee on Wednesday because I had not had an opportunity to poll the DRSPA Executive Board. Having now done so, I wish to state that the Executive Board of Delaware Retired School Personnel Association fully supports SB 29 as presented at your committee meeting. We, like members of your committee, recognize that health care coverage is complex, and we support the legislature's action which will provide retiree input into the issue.

I also want to let you and members of the Executive Committee know that DRSPA Executive Board members have carefully studied a variety of health care options over the past two years. DRSPA members have attended numerous SEBC meetings and most RBSC meetings. DRSPA officials have presented at both SEBC and RBSC meetings. DRSPA developed a position paper a year ago which summarized a number of health care options and provided a framework for reducing future costs to the state while also minimizing the financial impact on retirees. As part of this process, Secretary Geisenberger presented a comprehensive summary to the DRSPA Board, and in return, DRSPA presented their findings at an RBSC meeting.

We recognize that time is of the essence. In selecting retirees to serve as provided by SB 29, I urge you to consider nominating one or more DRSPA officials. Delaware Retired School Personnel Association is the only organization that represents the interests of State pensioners exclusively. We have processes in place to communicate with our members using email and printed media. DRSPA Executive Board members have previously studied health care/pensioner issues and are prepared to "hit the ground running." Board members recognize that there are no easy fixes and are willing to study and consider a variety of pathways that might provide a sustainable health care plan for both present and future Medicare retirees.

In closing, I want to thank you, Senator Townsend, and members of the Senate Executive Committee for their leadership on this issue. Like you, we seek a dignified retirement for former public school employees.

Sincerely,

Wayne E. Emsley,

Executive Director

Delaware Retired School Personnel Association

Dear Senator Sokola,

As a retired state employee (36 years) I am deeply concerned about the proposed switch from the traditional medicare plan to a medicare advantage plan.

The Mayo clinic in October sent out a letter to patients who use their clinics in Jacksonville, Florida and Phoenix, Arizona saying they would not accept most Medicare advantage plans. [Mayo Warns It Won't Take Most Medicare Advantage Plans](#)

In addition to the uncertainty about which medical facilities and doctors will accept Medicare Advantage plans is that if you decide later to switch back to Medicare you will be without medical coverage for 1 month. According to Medicare you can re-enroll in the months of January, February & March.

If you enroll January 1, your coverage doesn't begin until February 1. So retirees who as a group have the most health issues would be without coverage for 1 month.

Any proposal that doesn't give retirees the option of choosing a plan is unfair. I am troubled by the comment that it is an unfunded mandate. This is at a time when the state has a large budget surplus. Almost daily there is a news article where a new program, building or additional funds for raises or departments is being announced. Yet retirees are being told there is a funding issue.

Delawareans who have complex health issues often have to go out of state for treatment. To navigate which facility will accept the proposed health change is an additional burden.

At the very least retirees should have an option of staying on the current plan or going with the Medicare Advantage plan.

Lets face it Medicare Advantage plans are cheaper because they provide less care.

[Medicare Advantage Plans Often Deny Needed Care, Federal Report Finds](#)

Delaware retirees deserve better.

Sincerely,

James Schweiger

This bill endorses the MA Plan you wanted to force on Retirees last year.

This bill figures out a way to do that ~~legally~~ without hitting legal barriers.

Did you think that Retirees were upset last summer because of the ROLLOUT?

Seriously now, is that what you<sup>all</sup> got out of the countless "legislator meetings" with the public?

Were you listening? Did you not hear stories about what will happen when MA takes over? Did you not hear the legitimate fears and concerns of your State retirees?

Have you not read countless articles about the scam that MA is?

I worked in daycare - 40 years. I get nothing. I am completely dependent on

my husband's health care insurance. And  
he worked until he was 77 years old. ~~to~~  
Yes, he has significant health care issues.  
As all of you will.

We need insurance that is adequate ~~to~~  
make our lives - given to public service -  
decent in our last years.

This bill makes NO attempt to do that.

Please do not release SB29

How much guilt do you carry?

Connie Merlet  
Newark

I appreciate this opportunity to speak here today on behalf of many of Delaware's hard-working men and women. I am speaking in opposition to this bill and its release today. RISE Delaware is very concerned that this bill is being fast tracked and has had no public or retiree input into its construction.

After reviewing this proposal, I and thousands of retirees represented by RISE Delaware have concluded that this piece of legislation appears to be an attempt by G.A. leadership and this Administration to avoid/ignore their responsibilities and obligations to retirees.

It does not address the problems that these pensioners face every day with access to health care needs. Instead it is written in a way that would preserve the status quo and allow the many flaws that were exposed in the SEBC decision making process to continue unchecked.

In my sixteen years in Dover I have had many occasions to consider proposals that were merely a self-congratulatory pat on the back intended to placate the people much like Pontius Pilate washing his hands and plaintively saying "I've done all I could and now it's out of my hands".

Unfortunately, that is not an excuse that you, as duly elected public servants, should or can enjoy.

Your obligations and responsibilities are to the people and especially those retirees who have worked long and hard on behalf of all Delawareans and their families.

Offering a piece of legislation, such as SB29, may allow you to feel like you're doing something constructive but actually it will be seen by 35000 retirees and their families as an attempt to placate them and obscure their genuine concerns with a system, currently in place, that intends to take away and weaken the benefits they were promised and expect.

As I said initially, this bill does not address the problems and concerns that were expressed by thousands of retirees at numerous meetings and rallies protesting the privatization of their Medicare.

It does not address the deliberate misinformation and deceptions that were presented by the SEBC and Ms. DeMatteis, Mr. Cade, and Secretary Geisenberger at these meetings they hosted.

It does not address the reality that State paid Medicare supplemental plans would be no longer available to pensioners who had been promised that benefit.

It does not address or confront the total lack of transparency in the previous workings of the SEBC.


It does not address or acknowledge the responsibilities and obligations that the General Assembly has toward its employees and retirees.

It does not provide a reasonable path forward to have a paid Medicare supplemental plan option available for those pensioners who choose it and have earned it.

In fact, if the propose creation of an "ADVISORY SUBCOMMITTEE" of the SEBC to hold public meetings and issue recommendations would be laughable if the situation were not so life-threateningly serious. This ADVISORY SUBCOMMITTEE would have no authority and would seem to be tasked with engaging the public despite the fact that the SEBC has that responsibility and chosen to ignore it.

Let's not insult the intelligence of every retiree by pretending that the GA is interested in upholding its contractual promises and obligations to its retirees and future retirees when, in fact, it has chosen to allow those promises to be broken.

If you truly wish to "foster sustainability in state retiree healthcare benefits and development of a plan for strong benefits", (your words in the bills synopsis), then face the reality that Medicare Advantage plans are privatization of Medicare and force any changes advised by the SEBC to be considered, explained, and voted on by the General Assembly.



**This bill does none of these things and I would respectfully urge that this committee holds its release and crafts legislation that will benefit state retirees and future retirees and preserve their health care options.**

**John Kowalko (RISE Delaware co-founder)**