State Employee Benefits Advisory Council Meeting
January 17, 2013
Statewide Benefits Office
Dover, Delaware

The State Employee Benefits Advisory Council met on January 17, 2013 in the Statewide Benefits Office, 500 W. Loockerman St., Suite 320, Dover, Delaware. The following Council members and guests were present:

Brenda Lakeman, OMB, SW Benefits, Director
Pat Griffin, Chair, SEBAC, AOC
Marsha Carson, SEBAC, DOS
Judy Anderson, DSEA
Mike Nichols, DSP
Leslie Ramsey, OMB, SW Benefits
Ann Skeans, OMB, SW Benefits
Dawn Davis, OMB, SW Benefits
Paula Roy, Roy Associates
Dave Leiter, DHSS

Ms. Griffin called the meeting to order at 3:15 p.m.

Approval of Minutes – (handout)

Ms. Griffin asked for a motion for approval of the November 15, 2012 minutes. Ms. Carson made the motion and Mr. Nichols seconded the motion. Upon unanimous voice vote the minutes were approved.

Update of SEBC Activities

A copy of the Fund and Equity Report was reviewed and discussed. The Fund and Equity report for December will show an increase from $36.1M as reported for November 2012 to $42.3M for December 2012. This surplus is attributed to having received a Retiree Drug Subsidy payment and Express Scripts rebates.

Ms. Lakeman commented that we are on track and planning for Fiscal Year 2014. FY13 Quarter 1 Financials will be shown at the next SEBC meeting. The claims and expenses for the first quarter are $147.3M. Medical and prescription combined are running a slight surplus at 0.4%. Prescription experience is running slightly better than medical.

Proposed changes to the Group Health Program Enrollment and Eligibility Rules and the Disability Insurance Program Rules and Regulations will be presented to the SEBC at the January 25th meeting. These items will not require a vote until the February 8, 2013 SEBC meeting to allow the members time to review the proposed changes.

Ms. Skeans reviewed the proposed changes to the Enrollment and Eligibility Rules which are attached. The following items had further discussion amongst the SEBAC members and attendees.

Item 4.12 – if a pensioner or dependent is eligible for Medicare Part A and B, they must enroll to be eligible for Medicare Supplemental Plan. If they do not enroll, they will remain in a non-Medicare plan and coverage will be reduced and paid as if secondary coverage at 20 percent (20%) of allowable charges for both medical and prescription claims.

This change allows the pensioner or Medicare eligible dependent to remain enrolled in non-Medicare plan until the next open enrollment period so there is no gap in coverage and avoids a Medicare Part B and D life-time enrollment penalty for the pensioner and/or dependent.

Item 5.21 – in accordance with 10 Del. C. 8106(a), payment which the State has made for State Share or Employee Share for a period of up to three years may be collected from the employee or pensioner who should have paid the State Share or Employee Share.

The employee must reimburse the State for up to a three year period. If the employee should have received State Share and did not, he will be reimbursed for up to a one year period as per **Item 5.14a**. This is in accordance with 10 Del. C. 8111; however, the discrepancy sparked concern and discussion with the SEBAC members.

Item 5.22 – Family and Medical Leave Act (FMLA) regulations provide that employees who fail to return to work after their FMLA leave entitlement has been exhausted shall be responsible for repayment of the State Share under the State Plan unless failure to return to work is due to a serious health condition or some other reason beyond their control.

Mr. Leiter was concerned that employees would not be aware of these rules and/or changes. Ms. Griffin concluded that the issue was not with the rules and/or proposed changes but rather with the communication efforts by the Agency and School District Human Resource/Benefits Offices, OMB Statewide Benefits, the Disability Insurance Program (DIP) administrator, Office of Pensions, etc.

Ms. Ramsey reviewed the proposed changes to the Disability Insurance Program (DIP) which are attached. It was explained that hazardous duty employees injured in the line of duty are entitled to a 12 month salary supplement which runs concurrently with short term disability (STD), long term disability (LTD) and/or worker's compensation. The proposed rule changes expand on the responsibility of hazardous duty employees to file an STD claim in a timely manner and for their employing agencies to provide the appropriate monthly hazardous duty amount to the DIP administrator.

The DIP rules were written to apply specifically to Merit Employees. An additional section is being proposed in Section 9.0 (Leaves) to provide guidance on this topic to non-merit agencies and employees.

There is a January 25th SEBC meeting scheduled. SEBAC will meet next on February 7, 2013.

SEBAC Comments to SEBC

The SEBAC supports the adoption of the rules as they are proposed. It was noted while in accordance with Delaware code there is a discrepancy between the refund and collections period for State Share as defined in Sections 5.14 and 5.21.

Ms. Lakeman will inquire about changing the refund and collection requirements to the same time period.

Public Comment

None.

Other Business

None.

Ms. Griffin asked for a motion to adjourn. Mr. Nichols made the motion and Ms. Carson seconded the motion. Upon a unanimous verbal approval, the meeting adjourned at 4:50 p.m.

Respectfully submitted,

Dawn M. Davis
Secretary
Statewide Benefits, OMB