

**State Employee Benefits Committee
Friday, June 24, 2016 at 2:00 p.m.
Tatnall Building, Room 112
Dover, Delaware**

The State Employee Benefits Committee met on June 24, 2016, at the Tatnall Building, Room 112, Dover, Delaware. The following Committee members and guests were present:

Committee Members:

Brian Maxwell, Director, OMB
Geoff Klopp, COAD
Pat Griffin, AOC (Designee)
Mike Morton, CGO
Ken Simpler, OST
Jenifer Vaughn, DOI
Henry Smith, DHSS

Omar Masood, OST
Casey Oravez, OMB
Lori Peddicord, City of Dover
Karol Powers-Case, DRSPA
Paula Roy, Roy Associates/DCSN
Mike North, Aetna
Jennifer Mossman, Highmark
Walt Mateja, Truven Consulting
Kevin Fyock, Willis Towers Watson
Jaclyn Iglesias, Willis Towers Watson
James DiGuseppe, Willis Towers Watson
Brian Baker, Cerner
Drew Wilson, Morris James
Karen Faulhaber, PHRST
Deborah Hamilton, Cozen O'Connor
Rebecca Reichardt, OMB
Rebecca Byrd, The Byrd Group
Wayne A. Smith, DHA

Guests:

Brenda Lakeman, Director, SBO
Faith Rentz, Deputy Director, SBO
Mary Thuresson, SBO
Laurene Ehemann, SBO
Henry Smith, DHSS
Leighann Hinkle, SBO
Gisela Mcvenzee, Univ. of DE
Andrew Kerber, DOJ
Lori Ann Rhoads, Medical Society, DE

Introductions/Sign In

Director Maxwell called the meeting to order at 2:06 p.m. He stated a quorum was present. The day's focus was on the Group Health Insurance RFP Development and Planning discussion. There were no minutes to be approved. This meeting is an official meeting outside of normal SEBC meetings. Those minutes will be kept separate. Introductions were made.

An executive summary and a PowerPoint Presentation will be used to guide the discussion. In discussion with Willis Towers Watson (WTW) it was determined that it was premature to distribute the RFP. If the RFP was released to the Committee, it would then be a public document. Discussion needed to occur among the Committee on the first draft and when it would be most appropriate to distribute. Once released it will be on the State's "My Market Place" website. That means anyone in the public has access to the document. Feedback from the Committee is needed before releasing it to the public. The meeting was then turned over to WTW.

Willis Towers Watson - 3 handouts - Health Insurance RFP (PowerPoint), Background Section and Executive Summary

Kevin Fyock stated they would primarily go over the PowerPoint presentation and Executive Summary. An overview of the RFP Background and how it is structured today were given. The SEBC is looking for a third party Administrator(s) who can bring meaningful changes to the benefits program. This RFP is very different. This will focus on health management and value based contracting. You will hear the theme today about how to move from fee for service based to value based payment models. Innovative cost containment measures and saving measures will need to be included by the third party claims administrator. Centers of Excellence, Accountable Care Organizations and Patient Center Medical Homes are examples of these. This is aimed at curbing the high health care costs. Because the Group Health Insurance Program (GHIP) cannot pull some of the levers other organizations may pull, like shifting costs to employees, focus will be put on more innovative ways to reduce costs. Value based care products and services continue to emerge in the marketplace.

The RFP will dovetail with findings and recommendations from the State Employees Health Plan Task Force report released in December of 2015. There were four distinct themes: 1) to bend the cost curve; 2) exploring opportunities to realign vendor payments; 3) benchmarking plans and costs on a comparable basis and 4) improving health among the population. The RFP will also be in tangent with the Delaware State Health Care Innovation Plan's goals of delivery system transformation and payment model reform.

Task Force Findings were discussed and how some of the findings are shaping the development of the RFP. The findings were divided between Strategic/Long Term Findings and Tactical/Short Term Findings. WTW discussed how the findings would be incorporated into the RFP process when evaluating and going to the market (page 4 of the PowerPoint). There was discussion and questions were answered.

Pat Griffin asked how the Centers of Excellence curb costs. It was explained that reference based pricing sets a cap at which a max dollar amount is set on a procedure. Better outcomes result in lower readmission rates which also reduces costs. Chronic conditions also drive costs, along with the need for care management and disease management.

Geoff Klopp wanted to know if WTW could confirm that Delaware hospitals charged more and what facilities would be used to establish referenced based pricing. Jenifer Vaughn asked if it was known if Delaware has more admissions than other states. WTW could not confirm and explained that the third party administrators would be asked to assist in establishing methodologies and to set pricing. Mr. Klopp indicated that it is a challenge to educate consumers and to get them engaged. Ms. Griffin stated that Delaware has few hospitals, so how will centers of Excellence work? Mr. Fyock said they can be in any state, it is by procedure not hospital. Transparency is needed. Director Maxwell mentioned the All Payers Claim Database legislation (SB 238) had passed in the Senate. If passed into law, this bill will create a database that will leverage technology to aggregate and analyze data.

Treasurer Simpler asked if the intent was to present and address all findings from the Task Force Report. WTW stated that those findings with the most applicability are addressed.

Jaclyn Iglesias informed SEBC that the Executive Summary would be referred to during today's discussion and reviewed the overarching goal of the RFP as identification of best in class third party administrator(s) that will partner with the GHIP's membership to become smarter consumers of healthcare through member education (and transparency), condition management and provider contracting. The RFP structure and major components were discussed (Page 5 details the specifics).

Ms. Iglesias proceeded to explain the detailed questionnaire (with sample questions). Components of the questionnaire include:

- Bidder Profile will provide bidders with an opportunity to present information about their organization and proposed account management and clinical resources. Bidders will be asked to describe degree to which they will need support from State during implementation and ongoing.
- Medical Plan Administration will present a detailed picture of capabilities to administer current plans and services as well as alternative health care delivery models. This will include claims administration, health reimbursement and savings account administration, Affordable Care Act compliance, provider support, provider network, network financial information, network accreditation and plan performance reporting, access to care/providers, provider credentialing/management, performance auditing and plan reporting.

Ms. Griffin asked for further clarification related to plan performance and network accreditation. Ms. Iglesias explained that the objective would be to assess the bidder's ability to leverage mass, address statutory federal mandates and more broadly what bidders could support potential changes.

- Health Care Delivery will include questions around ability to integrate with onsite clinics outside the scope of this RFP, Telehealth, emerging health care delivery models, Accountable Care Organizations, Patient-Centered Medical Homes (PCMHs), high performance networks and Centers of Excellence.
- Member Support, Tools and Resources provides an opportunity for bidders to describe services and support systems available to address member questions, research and resolve issues with claims and access to consumer health care information.
- Health Management section is intended to allow bidders outline their approach to managing and monitoring the health of members and can include operations and clinical oversight of programs, ability to provide alternative health programs and technology used to monitor health risks and gaps in care. Ms. Griffin stated the importance of alternative care such as chiropractic and acupuncture as examples of effective and lower cost care.

There was discussion about the State Innovation Model (SIM)) (from page 6) and the general feeling that the Committee had very little understanding and that little time was spent on this topic by the Task Force. Treasurer Simpler was interested in knowing from WTW if they felt that the Task Force correctly categorized their findings and recommendations. Ms. Lakeman believes that the goals of the SIM are the same as the goals of the GHIP.

Treasurer Simpler further expressed concerned with what he considered to be inconsistencies across the documents being reviewed today and no clear goals and objectives. He indicated interest in seeing from WTW what would be the proposed overarching mission and goals of the GHIP and how the RFP could accommodate those goals. He referenced how the WTW effectively identified clear goals for the GHIP in their consultant finalist presentation. Treasurer Simpler explained the Committee's need to have a precise articulation of a mission, goals that support the mission, strategies to effect the goals and tactics to implement the strategies. The RFP should be viewed as a tactic that supports one of more strategies that in turn advances one or more goals. Mr. Smith stated his view that the RFP would determine what bidder(s) can operationalize the goals. Mr. DiGuiseppe stated that an example of a goal might be to partner with vendors with the lowest cost and the RFP would be a tactic to quantify what that means.

RFP Timeline

The RFP time line was explained. It designates dates for work in progress, key milestones and due dates for other deliverables. (Page 9) Treasurer Simpler inquired about the number of potential bidders and WTW responded that there would likely be 3 to 5, but it was not clearly known how many players might be stepping into the value based contracting space and perhaps partnering with a third party administrator. WTW feels that the RFP questions will effectively separate the competencies of the bidders.

Ms. Griffin asked if SEBC would be involved in the scoring and selection criteria in the RFP. Ms. Lakeman deferred that to the next meeting as they will want SEBC input. Ms. Griffin asked what the next step is when the draft is ready. Director Maxwell stated that the SEBC will need to determine if a release of the draft is necessary and if so, the full draft is expected to be ready for distribution around July 18, 2016.

Ms. Griffin asked for clarification on the major difference from the prior RFP to which Mr. Fyock explained that while the key elements were the same, the RFP would gauge the marketplace on new delivery models.

Treasurer Simpler indicated that he felt that he could contribute to the goal setting process and is interested in knowing what the goals are and how they will be weighted in the scoring process. He wants to see a clear scope of services with defined goals and objectives.

Public Comments

Carol Powers-Case stated that the over 65 population, concerning the Special Medicfill Supplement coverage, she hopes the RFP will include more than one Medicare plan option. She feels it is important and should be thought about.

Paula Roy stated she had participated in the SIM process as an observer. She appreciates the amount of work done by that group and why the SEBC may not fully understand the goals and objectives of SIM. It's an important piece of work going on in Delaware.

Treasurer Simpler noted that recent literature suggests that employers are pulling back on wellness initiatives and incentives for participation. Director Maxwell stated that incentives did not engage GHIP members and that now focus is on consumerism and education.

Motion

Director Maxwell stated the next SEBC meeting is scheduled for Monday, July 11, 2016 and will be focused on further discussion of the draft Health Insurance RFP.

Director Maxwell requested a motion to adjourn the meeting. Treasurer Simpler made the motion and Mr. Klopp seconded the motion. Upon unanimous voice approval, the meeting was adjourned at 3:34 p.m.

Respectfully submitted,

Mary Thuresson
Administrative Specialist
Statewide Benefits Office