

**State Employee Benefits Committee  
Tatnall Building, Room 112  
Dover, Delaware 19904**

The State Employee Benefits Committee met April 23, 2018. The following people were in attendance:

**Committee Members:**

Mike Jackson, OMB, Chair  
Bethany Hall-Long, Lt. Governor  
Saundra Johnson, DHR  
Mike Morton, CGO  
Trinidad Navarro, DOI  
Evelyn Nestlerode, Designee of Chief Justice, Administrator of Courts  
Ken Simpler, OST  
Jeff Taschner, DSEA  
Kara Walker, DHSS

**Guests:**

Brenda Lakeman, Director, Statewide Benefits Office, DHR  
Faith Rentz, Deputy Director, Statewide Benefits Office (SBO), DHR  
Lisa Porter, SBO, DHR  
Andrew Kerber, DOJ  
Jennifer Bredemeier, Univ of DE  
Victoria Brennan, CGO  
Rebecca Byrd, The Byrd Group  
Steven Costantino, DHSS  
David Craik, Pension Office  
Cherie Dodge-Biron, DHR  
Jacqueline Faulcon, DRSPA

**Guests (continued):**

Tina Hession, OMB, PHRST  
Malcolm Jenkins, DRSPA  
Rebecca Kidner  
Elizabeth Lewis, Hamilton Goodman Partners  
Mary Kate McLaughlin, Drinker Biddle  
Regina Mitchell, OMB  
Norman Moore, DRSPA  
Rich Phillips, DSEA-R  
Becky Scarbough, DRSPA  
George Schreppler, DCSN  
Paula Roy, DCSN  
Vince Ryan, Designee of DOI  
Wayne Smith, DHA  
Jim Testerman, DSEA-R  
  
Julie Caynor, Aetna  
Mike North, Aetna  
Carrie Schiavo, Delta Dental  
Pam Price, Highmark  
Walt Mateja, IBM Watson Health  
Kevin Fyock, Willis Towers Watson  
Chris Giovannello, Willis Towers Watson  
Rebecca Warnken, Willis Towers Watson

**Introductions/Sign In**

Director Jackson called the meeting to order at 2:04 p.m. Introductions were made.

**Approval of Minutes** - handout

The Director entertained a motion to approve the minutes from the March 26<sup>th</sup> SEBC meeting. Secretary Johnson made the motion and the Lt. Governor seconded the motion. The motion carried unanimously.

**Director's Report** – Brenda Lakeman, Statewide Benefits Office (SBO)

**Open Enrollment House Concurrent Resolution** – SBO staff continue to work with Representative Yearick to encourage every benefit-eligible State of Delaware employee to actively participate in the 2018 Benefits Open Enrollment this May by completing the VALUE FIVE Call To Action steps. SBO will keep committee updated on the adoption by the legislature.

**2018 Benefits Open Enrollment** – Statistics for the online training “What’s New” mini-video that was rolled out April 10<sup>th</sup> show 565 employees (15.6%) out of 36,355 have completed the training with the agencies at 26.2% versus the schools at 8.5%. Further updates will be provided to the committee. SBO to provide individual agency statistics as requested.

**Port Transition** – SBO is working with the Port on the possible transition of their employees’ health care if the sale moves forward.

## Financials

### **Fund Equity – (F&E) March 2018** – handout - Chris Giovannello, Willis Towers Watson (WTW)

March was another favorable month with revenues at \$69.6M and total operating expenses at \$66.2M, leaving the F&E balance at \$147.1M. A detailed review of the claims experience with two full quarters of FY18 is planned for the next meeting.

### **Group Health FY19 Planning** - handout - Willis Towers Watson (WTW)

**Preventive medications update** – A recap of the options was conducted. WTW recommends SEBC to continue Zostavax coverage with no member cost sharing and wait to remove member cost sharing for Shingrix until the ACA mandated deadline of July 1, 2019. Previous meeting showed a \$56 copay for each dose of Shingrix which is now changed to a \$28 copay for each dose. Current Zostavax utilization for eligible members age 50+ with \$0 copay is 1.9%. GHIP cost for the two-dose Shingrix vaccine is less than the cost for one-dose of Zostavax. Assuming 5% utilization in FY2020 with \$0 copay, the GHIP would spend an additional \$82K on Shingrix in place of Zostavax. For employees age 50-59 eligible to receive Shingrix with \$0 copay in FY2020, the GHIP would spend \$48K more than covering Zostavax.

**Engagement strategy update** – The WTW survey data provides insights into the actions and plans of employers to control health care costs and achieve optimal outcomes for active employees; the survey/database has been in place for 22 years. At March's meeting, an option was discussed to establish different premiums for GHIP members who do not comply with engagement initiatives. Epilogue language would require modification to include engagement surcharges as a tactic for the SEBC to utilize this approach. Utilization of financial incentives to influence desired behaviors is declining in the marketplace. Current engagement strategies include touch points throughout the plan year such as prior to enrollment (targeted education), during enrollment (robust decision support) and at the point of care (steerage mechanism to high quality providers). No vote at today's meeting as this is another option to consider.

**Health Savings Account (HSA) Plan Considerations** – A recap with definitions and advantages to offering a HSA were provided. The CDH plan is the umbrella plan that is paired with a HSA or beside the current HRA. Models with two scenarios show options to construct a HSA and produce savings to the GHIP. Demographic considerations show Millennials are more cost-conscious decision makers than other generations when consuming healthcare. Additionally, HSA plans are particularly attractive when preparing for retirement as the monies saved before age 65 can be used for medical expenses (tax free) or withdrawn during retirement and spent on non-medical expenses. Post 65 members are not eligible to enroll and can't contribute but can use HSA funds for premiums and other out of pocket expenses. Members 55 to 65 years may contribute an additional \$1,000 per plan year. Additional data requested from committee include how many States offer HSA, employees demographics and salary, and innovation on how to transition into a HSA. The next steps were reviewed including the possibility to move all of the plans to a calendar year. A HSA implementation date of January 1, 2020 will require SEBC approval no later than October 2018.

**Strategic Framework Update** – Goals for an addition of at least net one VBCD model by end of FY2018, reduction of gross GHIP trend by 2% by end of FY2020 and enrollment in a CDHP of value-based plan >25% by end of FY2020 were revisited. Inquiries made if the YMCA partnership is being utilized and is the significant reduction in claims due to the AIM program developed for the Aetna HMO plan. Employers are putting more emphasis on specific clinical areas such as diabetes, musculoskeletal and mental health, to improve member health and reduce costs. WTW and SBO are currently reviewing potential metrics for a diabetes-specific goal(s). The score card tracking the progress of the GHIP strategic framework goals was reviewed along with the next steps.

**Delta Dental Assignment of Benefits Discussion** – The current contract with Delta Dental does not provide out-of-network dentists' direct payment from Delta Dental for the covered portion of their services performed as done with in-network dentists. Out-of-network dentists request members to pay them directly and up front prior to dental work. Advantages to members and the dentists were reviewed along with the potential implications and actions to make this change, which may result in a potential rate increase and decline of in-network dentists. Next steps is to await proposed legislation and consider changing the State contract as outlined in the handout.

**Public Comments**

None

**Other Business**

A brief discussion occurred to reschedule May's meeting to early June with a follow-up email to committee members. Secretary Johnson announced the scheduled retirement for SBO Director Brenda Lakeman effective October 1, 2018. Deputy Director Faith Rentz has accepted the appointment of Director of SBO with a smooth transition planned.

**Motions**

Director Jackson announced the committee will move into Executive Session and return to public session with no other business to address. The Director requested a motion to move into Executive Session. General Controller Morton made the motion and Treasurer Simpler seconded the motion. Motion carried unanimously. The Committee entered into Executive Session at 3:42 pm.

The Committee returned to public session at 4:12 p.m. where the Director asked for a motion to adjourn the meeting. General Controller Morton made the motion. Secretary Johnson seconded the motion. Motion carried unanimously. Meeting adjourned at 4:12 p.m.

Respectfully submitted,

Lisa Porter  
Executive Secretary  
Statewide Benefits Office, DHR