

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

The State Employee Benefits Committee met November 13, 2018. The following people were in attendance:

Committee Members:

Mike Jackson, OMB, Chair
Tanner Polce, Designee of Lt. Governor
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
Judy Anderson, DSEA
Kara Walker, DHSS

Guests:

Faith Rentz, SBO, DHR
Leighann Hinkle, SBO, DHR
Sharon Anderson, CCHS
Victoria Brennan, CGO
Barry Dahllof, CCHS
Cherie Dodge Biron, DHR
Nina Figueroa, SBO, DHR
Lori Hewitt, MetLife
Tina Hession, PHRST
Andrew Kerber, DOJ

Guests (continued):

Molly Magarik, DHSS
Bill Oberle, DSTA
Lisa Porter, SBO, DHR
Leslie Ramsey, SBO, DHR
Judi Schock, OMB
Aaron Schrader, SBO, DHR
George Schreppler, DCSN

Katherine Impellizzeri, Aetna
Mike North, Aetna
Carrie Schiavo, Delta Dental
Judy Grant, Health Advocate
Laura Dumcavage, Highmark
Mark Jacobson, Highmark
Lisa Mantenga, Highmark
Jennifer Mossman, Highmark
Pam Price, Highmark
Walt Mateja, IBM Watson Health
Kevin Fyock, Willis Towers Watson
Chris Giovannello, Willis Towers Watson
Jaclyn Iglesias, Willis Towers Watson
Rebecca Warnken, Willis Towers Watson

Introductions/Sign In

Director Jackson called the meeting to order at 2:01p.m. Introductions were made.

Approval of Minutes - handout

Director Jackson entertained a motion to approve the minutes from the October 22nd SEBC meeting. Treasurer Simpler noted the misspelling of the word boader on page 3 which should be broader. Controller General Morton made a motion to approve with the edit and Treasurer Simpler seconded the motion. The Motion carried unanimously.

Director's Report – Faith Rentz, Director, Statewide Benefits Office (SBO), DHR

Flexible Spending Account (FSA) Open Enrollment (OE) is into the final week with a 22% increase in enrollment to date compared to the same point during 2017 open enrollment. Another e-newsletter is scheduled to be distributed tomorrow.

Consent Campaign will be launched in collaboration with PHRST to encourage employees to receive their W2, Form 1095-C and Benefit Notices electronically. Agencies and schools will forward communications directly to employees, which is the format used last year during OE and was successful.

HSA Proposals from Aetna and Highmark will be submitted to evaluate capabilities to administer the high deductible plan that SEBC approved for SBO to move forward with planning and possible implementation on July 1, 2020. Vendor interviews are scheduled for early January.

FSA/PTC/COBRA RFP - SBO is working to release the FSA, PTC and COBRA RFP for an effective date of January 1, 2020.

SB 139 - SEBC members received an email from Christie Gross in reference to SB 139, providing feedback from the September presentation. SBO is reviewing this information to further determine fiscal impacts, implications of adopting this legislation or some form thereof and plans to review with the SEBC further in January 2019.

Subcommittee Updates:

Ms. Rentz introduced the SEBC to a newly developed tracking log to document items discussed at each subcommittee meeting and to track follow-ups and keep the SEBC updated. Items discussed during each meeting will fit into one of the following categories: 1) Quick hit items which will be provided in advance of the next meeting but will not be discussed; 2) Short-term focus topics for FY20; 3) long-term focus topics; 4) items no longer considered; or 5) move to SEBC which will include items discussed where a recommendation is made for consideration by the SEBC.

The HP&P subcommittee met on October 25, 2018 and reviewed the strategic framework, strategies and goals and proposed changes presented to the SEBC in June; discussed tactics available to control costs and utilization and FY20 plan design opportunities. The group was in support of more diabetes and pre diabetes programming for members. The HP&P met again on November 7, 2018 and received an overview of the Centers of Excellence Contract Award to SurgeryPlus and an overview of the COEs currently available through Aetna and Highmark. The HP&P subcommittee requested a cost analysis for non-COEs vs. COEs and difference among the three COE programs currently in place with Aetna and Highmark. SBO plans to have further discussions with the SEBC and HP&P subcommittee on referenced based pricing as this is more of a longer term discussion. Additional agenda items will include a discussion on the health care benchmark. The HP&P subcommittee entered into executive session to further discuss COE implementation. The December meetings will continue discussion on FY20 opportunities including COE with the goal of putting forth recommendations to the SEBC in January.

The Financial subcommittee received an overview and history of the Group Health Plan financials, introduction of monthly and quarterly reporting and a brief introduction to trend methodology on October 25, 2018. The agenda for the November 7, 2018 meeting included a discussion on the reserve, claim liability and surplus methodology. The December meetings will include review of the impact of adjustments to the confidence intervals and options from WTW on additional components to the minimum reserve as well as scenarios around partial use of surplus funds to better understand the potential impact longer term on GHIP expenditure growth. There will also be a review of the FY19 Qtr 1 financials and an evaluation of different premium increases on both the state and the employee/retiree and impact to the proposed deficit for FY20 and longer term.

Clinical Management Programs – FY18 Results

The State has implemented several clinical management programs designed to help GHIP participants maintain and manage their health. These programs include Carelink CareNow (Aetna HMO), case and disease management (Aetna CDH Gold) and Custom Care Management Unit-CCMU (Highmark Comprehensive PPO & First State Basic). The programs are different and should not be compared. Financial results will be presented in 2019.

Current statistics reveal Carelink CareNow shows 20.6% of members are engaged, Aetna case and disease management had less than 1% engaged, and Highmark CCMU showed 37.5% engagement for FY18. Details into each of these clinical management programs were shared. The group discussed the definition of reached, engaged (worked with nurse) and completed (reached goal).

Outreach was discussed to clarify that SBO outreaches to members to encourage engagement while the vendors outreach to members based on clinical data to engage in programs. Questions about programs addressing opioid use were asked as it is a focus of DHSS and Lt. Governor. WTW will call out programs in future reporting. Back pain statistics will also be included in future reporting as this is another statewide focus. Utilization changes suggest the population is healthier in FY18. Significant improvements are seen for well care visits for babies; however, a need exists to increase well care visits for children and adolescents. Positive improvements are reflected in the use of PCP's, use of services from previous non-users of healthcare and telemedicine services. Health outcomes for key clinical conditions have improved or stayed constant year-over year. Preventive screening rates have improved or remained constant year-over year and are higher than Highmark's national norm.

The discussion prompted requests for WTW to identify outreach criteria used by vendors and to ask vendors for what would be aspirational targets for the measures. Additional consideration will also be given to looking at cohorts of the population to formulate recommendations on areas to focus for improved engagement of health management programs, how to quantify the impacts of changes seen period over period and how to establish baseline and targets to analyze progress over time. Future reporting and presentations should include the program costs as well as savings, reporting on management of members with orthopedic conditions if information is available and consistency in the measurement of utilization (visits per member or visits per 1000).

Disability Request for Proposal Contract Award Recommendation- handout - Jaclyn Iglesias, WTW

Background was provided on the State's Disability Insurance Program (DIP), as the State has released RFPs for the DIP in 2008 and 2013 and is required to bid the program every five years. The Harford has been the State's DIP partner for over ten years, since program inception in 2006. A DIP RFP timeline was displayed with a planned vote by the SEBC at today's meeting for contract to be effective July 1, 2019. A summary of the PRC considerations followed by the PRC recommendations were reviewed, summarizing the award to The Harford for three years with two optional one-year periods along with other recommendations.

Other Business

Plan Migration – handout – Chris Giovannello, WTW

Enrollment was provided for June 2018 and July 2018 to illustrate changes made during most recent open enrollment period. Members who stayed in the Highmark Comp PPO plan were older, more risky. Information presented was consistent with other data previously reviewed with the SEBC.

Public Comment

There was no public comment.

Vote for Disability Administration Contract Award

Ms. Rentz requested a motion to approve agenda item 5 – Disability Request for Proposal Contract Award as presented. Secretary Johnson made a motion to approve and Controller General Morton seconded the motion. The Committee voted unanimously 9-0 to approve the contract award recommendation to The Hartford for the Disability Insurance Program (DIP) for three years with two optional one-year periods. The contract will include a dedicated on-site resource at a three year cost of \$404,000 for program compliance. Costs for resource are more than offset by the 3 year savings over the current contract/pricing. SBO will review The Hartford account management and claim analyst support, administration of the disability benefit and conduct an audit and assessment of the new technology platform for use in considering if a re-procurement and new contract for disability administration is appropriate in three years rather than five. The contract will also include performance guarantees, a commitment to continuous review and process improvement in the areas of STD to LTD transition, timely notification of retroactive social security disability awards resulting in benefit offsets, and return to work services.

Adjournment

Treasurer Simpler thanked the chairs and WTW for their work as this will be his last meeting.

Director Jackson asked for a motion to adjourn the meeting. Secretary Walker made the motion and it was seconded by the Secretary Johnson. The motion carried unanimously. Meeting adjourned at 4:45 p.m.

Respectfully submitted,

Lisa Porter, Executive Secretary
Statewide Benefits Office, DHR