MINUTES FROM THE MEETING OF THE STATE EMPLOYEE BENEFITS COMMITTEE
OCTOBER 21, 2019

The State Employee Benefits Committee (the "Committee") held a meeting on October 21, 2019 in Room 112 of the Tatnall Building located at 150 Martin Luther King Jr. Blvd. Dover, Delaware 19901.

Committee Members Represented or in Attendance:
Director Michael Jackson, Office of Management & Budget ("OMB"), Co-Chair
Secretary Saundra Johnson, Department of Human Resources ("DHR"), Co-Chair
The Honorable Colleen Davis, State Treasurer, Office of the State Treasurer ("OST")
The Honorable Trinidad Navarro, Insurance Commissioner Department of Insurance ("DOI")
Ms. Molly Magarik, Department of Health and Social Services ("DHSS") (OBO Secretary Walker)
Controller General Mike Morton, Office of the Controller General ("CGO")
Mr. Jeffrey Taschner, Executive Director, Delaware State Education Association ("DSEA")
Ms. Ashley Tucker, Staff Attorney, Administrative Office of the Courts (Designee OBO Chief Justice Strine)
Mr. Tanner Polce, Policy Director, Office of the Lieutenant Governor (Designee OBO Lieutenant Governor Hall-Long)

Others in Attendance:
State Senator Colin Bonini, 16th District
Director Faith Rentz, Statewide Benefits Office ("SBO"), DHR
Deputy Director Leighann Hinkle, SBO, DHR
Deputy Attorney General, Andrew Kerber, Dept. of Justice, SEBC Legal Counsel
Mr. Kevin Fyock, Willis Towers Watson ("WTW")
Ms. Jaclyn Iglesias, WTW
Ms. Rebecca Warnken, WTW
Ms. Victoria Brennan, Sr. Legislative Analyst, CGO
Ms. Christina Bryan, Delaware Healthcare Association
Ms. Michelle Carpenter, PHRST
Ms. Linda Cutler, PHRST
Ms. Cherie Dodge Biron, Controller, DHR
Ms. Laura Duncavage, Highmark
Ms. Jaqueline Faulcon, Retired State Employees Assoc.
Ms. Judy Grant, Health Advocate
Ms. Tina Hession, PHRST
Ms. Katherine Impellizzeri, Aetna
Dr. Marc Jacobson, Highmark Delaware
Ms. Heather Johnson, Accountant, DHR
Ms. Lisa Mantegna, Highmark Delaware
Mr. Walt Mateja, IMB Watson Health
Ms. Danielle Millman, Administrative Accountant, DHR
Ms. Jennifer Mossman, Highmark Delaware
Mr. Bill Oberle, Delaware State Troopers Assoc.
Mr. Anthony Onugu, United Medical
Ms. Pam Price, Highmark Delaware
Ms. Christine Schiltz, Parkowski, Guerke & Swayze
Dr. George Schreppler, DE Chiropractic Services Network
Ms. Judi Schock, Deputy Principal Assistant, OMB
Ms. Martha Sturtevant, Executive Assistant, SBO, DHR
Ms. Emily Thomas, Fiscal & Policy Analyst, OMB
Mr. Jim Testerman, DSEA Retired
Mr. Jabari Wells, Accountant, DHR

CALLED TO ORDER
Director Jackson called the meeting to order at 2:00 p.m. and introductions were made.

APPROVAL OF MINUTES – DIRECTOR JACKSON
A MOTION was made by CG Morton and seconded by Secretary Johnson to approve the minutes from the September 23, 2019 State Employee Benefits Committee meeting.
MOTION ADOPTED UNANIMOUSLY

DIRECTOR'S REPORT – DIRECTOR FAITH RENTZ

FSA Open Enrollment:

Enrollment for Flexible Spending Accounts will begin November 1, 2019 and close November 15, 2019. Postcards were mailed to eligible employees the week of October 14, 2019. There is a short 6-month plan year to align the enrollment in Flexible Spending Accounts with the annual Health Care Open Enrollment. Employees will have another opportunity to enroll in May for the full 12-month plan year that begins July 1, 2020.

SurgeryPlus:

SurgeryPlus reported 175 cases opened and 6 cases completed as of the end of September. Reporting on the projected savings for FY20 will be available Q1 of 2020.

Subcommittee Meeting

The Health Policy & Planning Subcommittee met on October 10, 2019. Subcommittee Members reviewed results from the Primary Care Survey, the August Fund Report, revisions to the Group Health Insurance Plan ("GHIP") Enrollment & Eligibility Rules, an opioid management program being offered by Express Scripts, and a pilot program for chronic low back pain. Updates on these discussion items will presented to the Committee in early 2020.

Additionally, there was a discussion on integrated wellbeing & financial wellness. The Subcommittee was provided with an overview of the work to date by OMB and DHR, and the results of the Pay Day Loan RFI that was issued in 2018. After consideration of the administrative requirements, lack of employee interest, and the program already available through DelOne, the Subcommittee agreed that the State should not administer the program. Therefore, it was not recommended for further consideration by the Committee.

The Financial Subcommittee did not meet in October.

FINANCIALS – MS. REBECCA WARNKEN, WTW

August Fund Report

August was a rebate month. There were $10.6M in Commercial rebates and $6.9M in EGWP rebates attributable to incurred claims from January through March of 2019.

The Federal Reinsurance payment came in at $2.18M, compared to $887K budgeted. This was expected as a result of the annual August reconciliation of the prospective payment against actual plan performance. The prospective payment has been increased for remainder of the year.

$2.3M in Other Revenues consisted primarily of a CareLink risk-sharing payment of $2.2M.

Medical claims were under budget and Pharmacy claims ran high for the second consecutive month. Total claims for August came in $688K over budget. There is a projected deficit of $2.0M in Total Fund Revenues relative to budget.

Mr. Taschner queried whether the increase in prescription spend was a result of cost or usage. Ms. Warnken responded that Q1 data was not yet available for determination.

GROUP HEALTH MIGRATION & UTILIZATION ANALYSIS – MS. REBECCA WARNKEN, WTW

There was a refresh of IBM Watson's FY17 Migration, Risk, Cost and Utilization Report. The analysis summarizes relative risk ("RR") scores, incurred costs Per-Member-Per-Month ("PMPM"), utilization patterns and high cost claim experience by plan. The analysis compares FY17 to FY18.

Treasurer Davis arrived.

Overall GHIP RR score for active employees, early retirees and their dependents remained stable from FY17 to FY18. A termination of two plans in FY17 resulted in a FY18 increase to the average RR score for Aetna HMO, Highmark First State Basic and Highmark PPO.
The analysis used the average RR score of 100, with less than 100 being more favorable, and more than 100 being less favorable. In FY18 members in the Highmark PPO had the highest average RR score (154) compared to Aetna HMO (133), First State Basic (111), and Aetna CDH Gold (108).

The analysis included a breakout of the members that migrated from Highmark's HMO and CDH Plans eliminated in FY17. Of the members migrating from Highmark HMO, there was an increase in RR score from 117 to 132 that brought down the average RR score for the Aetna HMO Plan from 135 to 133.

Net payment increases PMPM increased by 7% for Highmark PPO and 10% for Aetna HMO.

High Cost Claimant ("HCC") frequency (members per 1,000 with >$200K net payments) increased by 31% in the Highmark PPO and by 77% in the Aetna HMO Plan. Of the members who migrated from the Highmark HMO Plan, there was an increase of 28%. Highmark CDH saw no increase. In the cohort of members who were enrolled in the Aetna HMO Plan in both FY17 and FY18, there was an increase in HCC of 268%.

Other utilization trends analyzed included office visits, emergency room visits, and inpatient admissions. The Aetna HMO Plan saw increases in ER visits. Overall there was a reduction in inpatient admissions across all plans. While there was a reduction in Aetna HMO admissions, when excluding members who migrated from other plans, there was an increase of 38.4%. Highmark PPO had an increase in ER visits, and a reduction in overall office visits.

Ms. Magarik queried whether "office visits" included well visits. Ms. Warnken responded that she will provide further a further details office visits in the care management presentation.

Dir. Jackson asked for clarification on the target benchmarks. Ms. Warnken responded that a reduction in inpatient admissions and ER trends is favorable. She added that the benchmark would target a reduction in overall RR scores and lower HCCs.

Dir. Jackson queried what conclusions could be drawn by the analysis. Ms. Warnken warned against drawing conclusions at this time due to the shift in population resulting from the termination of two plans and an increase in total GHIP enrollment. Mr. Fyock added that the FY18 analysis is intended to level set the data for future comparison.

Mr. Taschner noted the large increase in the RR score of the Aetna HMO migration population. He queried whether there was evidence of additional spend on services, or if the increase is attributable to a decline in population health.

Members reviewed the PMPM spend by cohort. Ms. Taschner noted that where there is a small increase in migration there is also a substantial increase in spend. Mr. Fyock agreed that further analysis is needed.

Of the Aetna CDH Plan members that migrated from the Highmark HMO Plan, there was an increase of 69.6% in allowed spend per admission. First State Basic members who migrated from the Highmark CDH Plan had a 106.5% increase in admissions. Highmark PPO members that migrated from the Highmark CDH Plan had a 33% decrease in admissions.

CARE MANAGEMENT PROGRAM – MS. JACLYN IGLESIAS, WTW
The Committee compared results from FY18 to FY19 for several clinical management programs implemented by the State that were designed to help GHIP members maintain their health. Results have been communicated to Aetna, Highmark, and Carelink.

There are differences in the structure of each program, but the goals remain the same: to engage GHIP participants, promote appropriate utilization of health care, and improve health outcomes. Care management programs reduce the total cost of care over time.

Overall, the demographics of the Aetna HMO Plan stayed the same. There was a 15% increase in Per-Member-Per-Year ("PMPY") medical spend as a result of HCC and an increase in cancer spend.

Total engagement in the Aetna Carelink CareNow program was 21.2% of the eligible population. 86% of engaged participants completed goals, up from 67% from last year. Of the members targeted for outreach, 53% were HCC.

In FY19 83% of Carelink-engaged participants had a PCP office visit compared to 62% of non-engaged. 4% of Carelink-engaged participants were non-users of healthcare compared to 27% of non-engaged.

Ms. Magarik queried the reason for the increase in high-cost sites of care in the engaged population. She asked if data was available on outcomes and whether people are being navigated to the appropriate site of care. Ms. Iglesias responded that the increase is likely a result of the outreach to those participants. She will review additional data and provide a follow up.

Sec. Johnson asked about protocol for referral to a specialist referral. Ms. Iglesias responded that she will follow up.

Carelink-engaged members with diabetes improved their utilization of services appropriate for their clinical condition in FY19, while non-engaged members had mixed results.

FY19 screening rates are generally at or better relative to Aetna's national average utilization rates, but there is a decrease in colorectal screenings.

The Aetna CDH Gold Plan saw a 9% increase in FY19 enrollment. Demographic changes to the plan included a minor increase in the average age of member and a slight shift to male. There was an 18% increase in average PMPY medical claim spend.

Member engagement in both Aetna traditional case and disease management has not materially changed from FY18. The program targeted 21% of HCC for outreach with 100% engagement. There were no material pattern changes to health care utilization. There was improved utilization of PCPs and telemedicine, and a 2% reduction in non-users of health care. There is an opportunity to reduce ER utilization for avoidable visits. Readmission rate is low, but it will be monitored.

The Committee compared health outcomes and preventive care compliance in the Aetna traditional case and disease management population. Preventative care rates are above Aetna's national average rates. Colorectal screenings were lower in FY19 and are below the national average. Changes in the population are likely to have affected the differences between FY18 and FY19.

Highmark PPO and First State Basic Plans were reported together for the Highmark Custom Care Management Unit ("CCMU"). There was a 5% increase in overall membership. Demographics remain relatively unchanged. There was a slight decrease in PMPY medical spend.

Highmark CCMU has improved overall engagement rates (34% of the eligible population). There was a 16% increase in the engagement rate over FY18. The program targets higher cost claimants (91% of ≥$50K/yr. and 79% of ≥$100k/yr.), of those that were targeted, there was a 99% engagement.

Members engaged in the Highmark CCMU have a lower non user rate. There is an opportunity to reduce avoidable ER visits. FY19 impatient admission rates are lower in the non-engaged population relative to the national average utilization rates for Highmark Delaware.

Highmark CCMU utilization rates have stayed consistent across clinical conditions. While diabetes care utilization for CCMU members is more consistent than non-engaged members, there was a reduction in some measures in FY19. CCMU has improved member compliance with preventive screenings and well visits.

Overall Carelink CareNow and CCMU are making progress toward achieving these goals and have demonstrated performance improvements in FY19.

Sec Johnson queried whether the results included concierge doctors. Ms. Iglesias responded that the claims data captures all submitted claims and would include data on concierge doctors that submitted claims.

OTHER BUSINESS
No new business.

PUBLIC COMMENT
No public comment.

EXECUTIVE SESSION
A MOTION was made by Mr. Taschner and seconded by CG Morton to move into Executive Session at 3:12 p.m. to discuss the content of healthcare contracting documents that are excluded from public record.
MOTION ADOPTED UNANIMOUSLY

Treasurer Davis left the Executive Session at 4:12 p.m.
WTW left the Executive Session at 4:12 p.m.

CALLED TO ORDER
Dir. Jackson called the public meeting back to order at 4:41 p.m.

ADJOURNMENT
A MOTION was made by Secretary Johnson and seconded by CG Morton to adjourn the meeting at 4:42 p.m.
MOTION ADOPTED UNANIMOUSLY

Respectfully submitted,

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Martha Sturtevant, Statewide Benefits Office, Department of Human Resources
Recorder, Statewide Employee Benefits Committee