



**MINUTES FROM THE MEETING OF THE STATE EMPLOYEE BENEFITS COMMITTEE
June 8, 2020**

The State Employee Benefits Committee (the “Committee”) met at 2:00 p.m. on June 8, 2020 in accordance with the [Proclamation Authorizing Public Bodies to Meet Electronically](#). In the interests of protecting the citizens of this State from the public health threat caused by COVID-19, this meeting was conducted via WebEx, without a physical location.

Committee Members Represented or in Attendance:

- Secretary Sandra Johnson, Department of Human Resources (“DHR”), Co-Chair
- The Honorable Bethany Hall-Long, Lieutenant Governor, Office of the Lt. Governor
- The Honorable Colleen Davis, State Treasurer, Office of the State Treasurer
- The Honorable Trinidad Navarro, Insurance Commissioner, Department of Insurance
- The Honorable Collins Seitz, Chief Justice, Delaware Supreme Court
- Secretary Kara Walker, Department of Health & Social Services (“DHSS”)
- Ms. Amy Bonner, Deputy Dir., Office of Management & Budget (“OMB”), (Designee OBO Dir. Michael Jackson, Co-Chair)
- Mr. Jeff Taschner, Executive Director, Delaware State Education Association (Appointee of the Governor)

Committee Members Not Represented or in Attendance:

- Controller General Mike Morton, Office of the Controller General

Others in Attendance:

- 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”)
- Mr. Chris Giovannello, WTW
- Ms. Jaclyn Iglesias, WTW
- Ms. Rebecca Warnken, WTW
- Ms. Joanna Adams, Administrator, Office of Pensions
- Ms. Jennifer Bredemeier, University of Delaware
- Ms. Christina Bryan, DE Healthcare Assoc.
- Ms. Cherie Dodge Biron, Controller, DHR
- Ms. Julie Caynor, Aetna
- Mr. Steve Costantino, Dir. of Healthcare Reform, DHSS
- Ms. Jacqueline Faulcon, Retired State Employees Assoc.
- Ms. Nina Figueroa, SBO, DHR
- Ms. Katherine Impellizzeri, Aetna
- Ms. Sandy Hart, IBM
- Ms. Gayle Lafferty, State Court Administrator, Administrative Office of the Courts
- Ms. Emily Molinaro, Fiscal & Policy Analyst, OMB
- Mr. Adam Knox, Highmark DE
- Ms. Heather Johnson, Sr. Fiscal Admin. Officer, DHR
- Ms. Lisa Mantegna, Highmark
- Mr. Walt Mateja, IBM Watson Health
- Ms. Jennifer Mossman, Highmark Delaware
- Mr. Tanner Polce, Lt. Gov. Office
- Ms. Paula Roy, DE Chiropractic Services Network
- Ms. Judi Schock, Deputy Principal Asst., OMB
- Ms. Martha Sturtevant, Exec. Sec., SBO, DHR -Recorder
- Ms. Ashley Tucker, Staff Attorney, Administrative Office of the Courts

CALLED TO ORDER

Dir. Faith Rentz called the meeting to order at 2:00 p.m. and introductions were made.

STATE OF DELAWARE STATEWIDE BENEFITS OFFICE

APPROVAL OF MINUTES – DIRECTOR FAITH RENTZ

A MOTION was made by Treasurer Davis and seconded by Lt. Gov Hall-Long to approve the minutes from the March 9, 2020 meeting of the State Employee Benefits Committee.

MOTION ADOPTED UNANIMOUSLY

DIRECTOR'S REPORT – DIRECTOR FAITH RENTZ

Request for Proposal Updates:

The interviews for the Employee Assistance Program (“EAP”) Request for Proposal (“RFP”) are postponed until July 13, 2020 and will be conducted via WebEx. The contract with Health Advocate was extended through December 2020. A new contract award is expected no later than September 2020 with an effective date of January 1, 2021.

The bid responses for the Vision Insurance RFP were due May 15, 2020; 6 responses were received. Finalists will be determined by June 19, 2020. A contract award is expected no later than October 2020 for an effective date of July 1, 2021.

The RFP for Medical and Prescription Audit Services received six bid responses. Finalists will be determined by June 10, 2020. A contract award is expected no later than September 2020 with an effective date of October 1, 2020. The awarded vendor(s) will begin services immediately for FY19 & FY20.

The RFP for Pharmacy Benefits/Pharmacy Benefit Manager (“PBM”) administration consists of two-phases. Phase-I contains minimum requirements; 5 PBMs have expressed interest in bidding and bid responses are due June 17, 2020. Finalists who meet the requirements of Phase-I will be notified no later than July 6, 2020 and will be invited to submit a response to the financial portion of the RFP (Phase-II) by August 7, 2020. A contract award is expected in December 2020 for an effective date of July 1, 2021.

The Dental Insurance RFP is scheduled for advertisement on August 17, 2020. A contract award is expected no later than January 2021 for an effective date of July 1, 2021.

The Health Data Analytics RFP is scheduled to be advertised on July 27, 2020 for a contract award date no later than January 2021 and an effective date of July 1, 2021.

Advertisement of the Health Care Stakeholder Request for Information has been postponed due to the COVID-19 epidemic.

Contract Updates

Contracts with an effective date of July 1, 2020 are on schedule.

2020 OE Statistics:

There was an 85.8% engagement rate across state agencies for 2020 Open Enrollment and an overall engagement rate across all groups of 83.4%.

SBO will share final Open Enrollment participation statistics with each organization and send online surveys to HR/Benefit Reps and employees to gather feedback regarding the 2020 Open Enrollment.

A complete breakdown of enrollment will be reported to the Committee at the July meeting. Early reporting indicates good participation in Flexible Spending Accounts as well as enrollment in Supplemental Benefits. Similarly, there was good use of the myBenefitsMentor health plan decision tool. Reporting on health, dental, vision and life insurance enrollments is forthcoming.

Financial Subcommittee Update:

The Financial Subcommittee met on May 7, 2020 to review Q3 financials with updated projections. A summary was provided to the Committee via email on May 8, 2020.

After the close of the fiscal year, discussions are expected to continue regarding updates to the FY21 forecast, and possible action by the Committee to stabilize the fund reserve.

FINANCIALS – MR. CHRIS GIOVANNELLO, WTW

February Fund Report

February was a rebate month. Other Revenues reflect the first earned rebates under the current Express Scripts (“ESI”) pharmacy contract; \$11.2M in commercial rebates, and \$7.1M in EGWP rebates. There continues to be increases in the rebate amounts relative to budget. Claims for February came in higher than budget. Year to date claims were 3% above budget with a variance of \$7.55M.

March Fund Report

March was also a high claims month and had a YTD variance of 3.5%. Other Revenues include paid amounts from Federal Reinsurance payments; the fund report reflects payments paid and the budget reflects payments expected for the year. The fund report reflects claims on a paid basis, therefore March does not account for the impact of COVID-19.

April Fund Report

April reporting begins to reflect the impact of deferred medical care due to COVID-19; total medical claims paid in April were \$67.8M compared to \$83.0M budgeted. Total pharmacy claims were above budget as members may have rushed to fill maintenance medications before the shutdown orders. The fund equity balance is \$800K under budget for the year.

Sec. Johnson queried what claims/expenses are attributable to COVID-19. Mr. Giovannello responded Aetna and Highmark are working to identify charges specific to the pandemic and more details will be shared during the COVID discussion.

Commissioner Navarro queried the impact of the pandemic on the fund in the months ahead. Mr. Giovannello responded that some deferred care will come back as higher claims, but the timeline is indeterminate.

COVID-19 GHIP BENEFIT PLAN ADJUSTMENTS – MS. JACLYN IGLESIAS, WTW

The Committee reviewed plan changes enacted in response to COVID-19, proposed plan changes, and the cost implications and effective dates of each.

As a result of the Families First Coronavirus Response Act (“FFCRA”), there is no member cost share for COVID-19 testing or office visits (PCP, urgent care, ER) that result in the administration of a COVID-19 test through the end of the federal mandate. Additionally, as a result of FFCRA, there will be no member cost share for a COVID-19 vaccine when one becomes available.

While not included in the FFCRA, the Group Health Insurance Plan (“GHIP”) provided no member cost share for in-network, inpatient services related to the treatment of COVID-19 and associated complications through the end of May 2020; the recommendation was made to extend coverage for COVID-19 testing, visits that result in the administration of a test, and for in-network inpatient services for the treatment of COVID-19 through at least September 30, 2020.

The State has expanded coverage for the Employee Assistance Program (“EAP”) to all State employees; coverage is normally restricted to GHIP enrollees. The recommendation was made to extended EAP coverage for all State employees through September 30, 2020.

Member cost share for all telehealth visits for Aetna and Highmark members has been waived. The recommendation was made to extend the waiver through September 30, 2020.

As a result of the Coronavirus Aid, Relief, and Economic Security (“CARES”) Act, members can use their healthcare Flexible Spending Account (“FSA”) to pay for over-the-counter and menstrual care products retroactive to January 1, 2020.

Employees who have reached the maximum duration on Short Term Disability will remain active in the Disability Insurance program and receive a 60% Long Term Disability benefit and a 15% salary supplement through December 30, 2020 in cases where a procedure or services related to the disability cannot be obtained as a result of the pandemic and therefore, preventing the employee from returning to work.

IRS Notice 20-29 allows FSA plans the ability to extend the time to incur expenses for FSA accounts with a plan year or grace period ending in CY2020. The SBO, with approval from the SEBC co-chairs, previously extended the FSA Short Plan Year (January 1, 2020 through June 30, 2020) through December 31, 2020. This time frame extension was communicated to FSA Short Plan Year participants prior to the end of the 2020 Open Enrollment to give FSA participants additional time to incur claims and consider potential enrollment and elections for the July 1, 2020 Plan Year.

The Committee considered options for FSA changes for the 2019 plan year that ended December 31, 2019. The national emergency declaration went into effect on March 13, 2020, two days prior to the end of the grace period; however, IRS regulatory guidance in Notice 20-29 permits extending the timeframe to incur claims. Federal regulations require that changes made to the FSA plan year be applied to all participants; changes cannot be applied only to those with balances.

The Committee discussed in length specific member cases that were escalated to the SBO Director, reviewed the number of employees and their remaining balances, and SBO and ASI Flex’s member communication strategy.

There was a discussion regarding the funding of FSA plan administrative fees. Regulatory guidance allows for prospective mid-year changes without a qualifying event. Both options require a vote by the Committee; neither option was recommended.

There was a discussion regarding communications to members regarding their unused FSA funds. ASI sends notifications to members regarding their balances and deadline reminders throughout the plan year.

There was a discussion comparing the 2019 plan year to previous plan years. In the 2018 plan year there were 1,288 participants with a combined balance of \$323K. The 2019 plan year has 1,432 participants with a current combined balance of \$441K; however, they have until the end of the June to submit claims incurred through March 15, 2020.

A recommendation was made to adopt SilverCloud offered through ESI to provide digital support to help with stress, sleep, and resilience. A free trial of SilverCloud is being offered through July 31, 2020 but can be extended without procurement under the ESI contract.

A recommendation was made to adopt Rethink, a work/life resource to help parents and caregivers cope with continuing education, behavioral management, and routine adherence while at home for children with special needs. A free trial of Rethink is being offered through December 31, 2020 and includes webinars, podcasts and a suite of resources. Extending the trial period would require a procurement.

The committee reviewed potential considerations related to COVID-19 and the GHIP that may need to be addressed. SBO will monitor the need for further discussion and review with the Health Policy & Planning Subcommittee as the pandemic continues to evolve.

There was a review of regulatory changes pertaining to the timeframes related to administrative actions for group health and disability plans affected by COVID-19. An extension effective March 1, 2020 until 60 days after the announced end of the national emergency applies to deadlines affecting COBRA continuation coverage, HIPAA special enrollment periods, claims for benefits, appeals of denied claims, and the external review of claims.

The Committee reviewed an analysis of the financial impact of COVID-19 on the GHIP, including deferred care. Deferred services due to COVID-19 are expected to outpace the added costs of COVID-19 in the short term and varies by service categories. COVID-19 testing, treatment and provider billing is still evolving.

Highmark confirmed 211 positive cases and 1120 members tested. Highmark's paid claims and pending charges total \$4.2M through the end of May 2020.

Aetna reported 589 paid claims for testing and 409 paid claims not related to testing (treatment) for a total of \$131K in adjudicated claims. There have been 124 claims totaling \$6K for telemedicine related to COVID-19 and 8,526 claims totaling \$645K for all other telemedicine claims.

OTHER FY21 BENEFIT PLAN CHANGES – MS. JACLYN IGLESIAS & MR. CHRIS GIOVANNELLO

The Committee reviewed recommendations for enhancing FY21 medical plans intended to improve access to covered services and support the need for virtual services in the future.

Bright Heart Health is offered through a partnership with Highmark and provides comprehensive addiction treatment. There is no additional administrative cost and a minimal increase in additional claims is expected.

Aetna is offering tele-behavioral health through Teledoc. Adoption of this benefit is estimated at \$100K to \$140K for FY21.

Aetna is now offering Retrofit, (already in place for Highmark members) a virtual diabetes prevention program. The FY21 cost of adopting this benefit is \$40K and may result in modest savings as observed in the Highmark plans.

Sec. Johnson queried what percent of the GHIP is expected to utilize the services as recommended. Ms. Iglesias responded that .2% of Aetna plan members would participate in Retrofit, estimates for Aetna Teledoc usage were not available.

Lt. Gov Hall-Long supports additional services for behavioral health utilization but requested more information on each program. It was clarified that the programs can be implemented at any time during the plan year.

There are additional opportunities mid-year to further leverage SurgeryPlus, and to steer participants to freestanding radiology centers. Additionally, the SBO is evaluating changes to the GHIP Eligibility and Enrollment Rules and will bring any suggested changes before the Health Policy and Planning Subcommittee for review and consideration. Details on mid-year benefit plan changes are forthcoming.

FY21 ACA PREVENTIVE CARE AND EXPANDED COVERAGE – MS. JACLYN IGLESIAS

There was a review of the preventive care changes required by the Affordable Care Act (ACA) that must be adopted by the GHIP medical plans in FY21. Coverage enhancements include BRCA risk assessment and genetic testing/counseling and expanded coverage for the HPV vaccine and Hepatitis C screenings. The costs for these enhancements are estimated to total between \$4.3M and \$6.3M.

The Committee considered the recommended plan changes for FY20 and FY21:

- Extend EAP coverage for all State employees through September 30, 2020

- Extend no member cost share for in-network inpatient/outpatient admissions related to COVID-19, or office visits that result in order or administration of COVID-19 test for all GHIP members through September 30, 2020
- Extend no member cost share for any telehealth visits through September 30, 2020
- Adopt SilverCloud digital support solutions through its free trial period (July 31, 2020)
- Adopt Rethink work/life resources for parents/caregivers of children with special needs through its free trial period (December 31, 2020)

The Committee discussed and considered the recommendation not to extend the 2019 FSA plan year on the basis of the following:

- The grace period for the 2019 FSA plan year ended Sunday, March 15, 2020;
- The national emergency went into effect Friday, March 13, 2020;
- The grace period is not intended to be used as an extension of the plan year.

A MOTION was made by Mr. Taschner and seconded by Sec. Walker to approve the recommendations to adopt program changes as presented.

MOTION ADOPTED UNANIMOUSLY

OTHER BUSINESS

No new business.

PUBLIC COMMENT

No public comment.

EXECUTIVE SESSION

A MOTION was made by Sec. Johnson and seconded by Ms. Bonner to enter Executive Session at 3:19 p.m. to discuss healthcare and disability plan appeals.

MOTION ADOPTED UNANIMOUSLY

ADJOURNMENT

A MOTION was made by Sec. Johnson and seconded by Lt. Gov. Hall-Long to adjourn the meeting at 4:29 p.m.

MOTION ADOPTED UNANIMOUSLY

Respectfully submitted,

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