



**MINUTES FROM THE MEETING OF THE STATE EMPLOYEE BENEFITS COMMITTEE
October 12, 2020**

The State Employee Benefits Committee (the “Committee”) met at 2:00 p.m. on October 12, 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
Director Mike Jackson, Office of Management & Budget (“OMB”), 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
Secretary Molly Magarik, Department of Health & Social Services (“DHSS”)
Controller General Mike Morton, Office of the Controller General (“OCG”)
Mr. Jeff Taschner, Executive Director, Delaware State Education Association (Appointee of the Governor)
Ms. Ashley Tucker, Staff Attorney, Administrative Office of the Courts (Designee OBO The Honorable Collins Seitz, Chief Justice, Delaware Supreme Court)
The Honorable Trinidad Navarro, Insurance Commissioner, Department of Insurance (“DOI”)

Others in Attendance:

Director Faith Rentz, Statewide Benefits Office (“SBO”), DHR	Ms. Julie Caynor, Aetna
Deputy Director Leighann Hinkle, SBO, DHR	Ms. Nina Figueroa, Health Policy Advisor, SBO, DHR
Deputy Attorney General, Andrew Kerber, Dept. of Justice, SEBC Legal Counsel	Ms. Sandy Hart, IBM Watson Health
Mr. Tanner Polce, Policy Advisor, Lt. Governor’s Office	Ms. Emily Molinaro, Fiscal & Policy Analyst, OMB
Mr. Keith Warner, Lt. Governor’s Office	Ms. Heather Johnson, Controller, DHR
Mr. Kevin Fyock, Willis Towers Watson (“WTW”)	Ms. Lisa Mantegna, Highmark Delaware
Mr. Chris Giovannello, WTW	Mr. Michael North, Aetna
Ms. Jaclyn Iglesias, WTW	Ms. Jennifer Mossman, Highmark Delaware
Ms. Rebecca Warnken, WTW	Mr. Walt Mateja, IBM Watson Health
Ms. Tina Hession, PHRST	Mr. Adam Knox, Highmark Delaware
Ms. Jennifer Bredemeier, University of Delaware	Ms. Emily Molinaro, Fiscal & Policy Analyst, OMB
Ms. Victoria Brennan, Sr. Legislative Analyst, OCG	Ms. Pam Price, Highmark Delaware
Ms. Christina Bryan, DE Healthcare Assoc.	Ms. Paula Roy, DE Chiropractic Services Network
Ms. Cherie Dodge Biron, Deputy Principal Assistant, DHR	Ms. Carrie Schiavo, Delta Dental
Ms. Rebecca Byrd, ByrdGomes LLC	Ms. Amy Bonner, Deputy Director, OMB
	Ms. Bonnie Vaughn, HMS
	Ms. Sharon Miller, Admin. Specialist III, SBO, DHR -Recorder

CALLED TO ORDER

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

APPROVAL OF MINUTES – DIRECTOR FAITH RENTZ

A MOTION was made by Secretary Johnson and seconded by CG Morton to approve the minutes from the September 14, 2020 meeting of the State Employee Benefits Committee.

MOTION ADOPTED UNANIMOUSLY

STATE OF DELAWARE STATEWIDE BENEFITS OFFICE

DIRECTOR'S REPORT – DIRECTOR FAITH RENTZ

Transition of EAP Services

ComPsych replaces HealthAdvocate as the State's Employee Assistance Program administrator effective January 1, 2020. SBO continues to coordinate the transition details, and dates for employee webinars and communications to eligible members are targeted to begin November 2020.

Disability Insurance Program

SBO is working with The Hartford, on the transition to a different administrative platform. The target date for this transition is November 2, 2020. Training for Human Resources/Benefits Representatives on the new platform is scheduled throughout the month of October.

Medicare Retiree Annual Open Enrollment

The Medicare Retiree Annual Open Enrollment period is October 5 to October 16, 2020. There are no changes in Special Medicfill or EGWP/Part D Prescription Coverage premium rates or out of pocket copays for prescriptions. Communications were sent to Medicare eligible retirees in the month of September. Retirees are directed to submit any changes in enrollment directly to the Office of Pensions and new enrollees will receive enrollment information no later than early December 2020.

Express Scripts Commercial & EGWP Formulary Plan Changes

Express Scripts ("ESI") typically implements drug formulary changes in January and July. Changes for July 2020 were postponed until January 1, 2021 to minimize impacts to members during the pandemic. Member communications from ESI to impacted members, along with the details of any required action, will be sent in early November.

Request for Proposal Updates

The Proposal Review Committee ("PRC") conducted Pharmacy Benefit Manager interviews on October 5 and October 6, 2020 and will continue to negotiate best and final pricing. The PRC will meet again in October and November 2020 and an award recommendation is expected in December 2020.

The PRC for the Data Analytics Request for Proposal ("RFP") has reviewed system and reporting demos with each finalist. Interviews will be conducted on October 19, 2020 and an award recommendation is expected in December 2020.

The Healthcare Stakeholder Request for Information ("RFI") was advertised on September 22, 2020 and will remain open through November 2020. SBO has received communications from several organizations indicating their intent to provide a response.

Retirement Benefit Study Committee Updates

SBO, the Office of Pensions and the Department of Finance have resumed discussions and work related to the Retirement Benefits Study Committee. They will reconvene in December to review the results of the multi-state survey and the information collected on retiree benefits, eligibility and service requirements offered by other State health plans. The work will assist the development of the RFP for the Health Plan TPA in Q1 of 2021 and will include health coverage for eligible active employees and retirees enrolled in the Group Health Insurance Program ("GHIP").

FINANCIALS – WILLIS TOWERS WATSON

August Fund Report – Mr. Chris Giovannello, WTW

August was a rebate month with the Fund receiving \$10.9M in Commercial and \$7.9M in EGWP rebates.

Claims in August were \$3.8M below budget. The FY21 budget does not reflect favorable claim experience in Q4 or account for the impact of care deferred due to COVID-19.

The Financial Subcommittee will meet in November and perform a deeper dive.

August had an overall net income gain of \$17.5M and the Fund Equity balance is just over \$200M.

Director Jackson stated that with the fund having slightly over a \$200M balance and a separate reserve for COVID-19 at \$23.5M, we can expect at some point that the COVID-19 reserve will be consumed. Ms. Warnken confirmed that the GHIP continued to see some care deferral in July and August and that September expenses are coming in on budget.

GROUP HEALTH PROGRAM STRATEGIC PLANNING TIMELINE

SEBC Strategic Framework Goals – Ms. Jaclyn Iglesias, WTW

The FY21 Strategic Planning Timeline includes data availability, the FY21 reporting schedule, and tentative schedule of meetings and key activities.

A review of existing key meetings and activities included: measuring progress toward existing goals, evaluating opportunities for new goals, formulating recommendations for adjustments to goals, periodic meetings for SBO, WTW and IBM to review and incorporate data, reporting progress to subcommittees, and reporting progress to the SEBC.

There was a review of FY21 topics for consideration including a review of the existing initiatives such as updated utilization for past plan and program design changes. There are opportunities to collaborate with existing workgroups, boards and agencies, and opportunities to improve primary care access and coordination.

There may be an opportunity to offer employees and spouses a Health Reimbursement Account option, potentially in lieu of electing to enroll in the GHIP (requires statutory changes), as well as further collaboration with the Retirement Study Group, and periodic evaluation of relative health care prices.

Other potential topics for consideration in FY21 include a review of audited claims, incentive programs for existing programs, and ongoing evaluation of other potential vendor partnerships.

SBO Prioritization Matrix

Presented a newly developed SBO prioritization matrix. This robust score card evaluates several categories and allows each new program or vendor initiative to be prioritized with the goal of determining which opportunities warrant further consideration during the strategic planning process. A score of 75% or higher will be required for further consideration by the SBO.

Secretary Johnson acknowledged the value of developing and utilizing a process for evaluating potential opportunities.

UPDATES TO GROUP HEALTH PROGRAM ELIGIBILITY & ENROLLMENT RULES – DIRECTOR FAITH RENTZ

Dir. Rentz provided a review of the process for drafting proposed changes to the Eligibility and Enrollment Rules. An overview of the proposed changes to the GHIP Eligibility and Enrollment Rules was presented. Final edits will be completed by the end of October to incorporate updates from the Committees' review and for submission to the Registrar of Regulations for publication on December 1, 2020. There were no questions or concerns by the Committee related to the process or proposed changes.

Lt. Governor Hall-Long and Director Jackson left the meeting.

MEDICAL & PRESCRIPTION PLAN AUDIT SERVICES – JACLYN IGLESIAS, WTW

An overview of the background and timeline of the Audit RFP was provided. The key areas of review of the bidders included operational review, financial comparison, electronic review of all claims, system capabilities, target claims selection, rebate review, Maximum Allowable Cost “MAC” list review and written report capabilities.

CTI had the highest scoring among the three finalists (CTI: 51.3, Myers and Stauffer: 45.6, and HMS: 44.6). The results of the Proposal Review Committee found CTI had the proven abilities to act independently and provide excellent service.

A MOTION was made by Sec Johnson and seconded by Controller General Morton to approve the Proposal Review Committee recommendation of the contract award to Claim Technologies, Inc. (“CTI”) for an initial three-year term effective December 1, 2020 through November 30, 2023 with two optional one-year period extensions.
MOTION ADOPTED UNANIMOUSLY.

OTHER BUSINESS

No new business.

PUBLIC COMMENT

No public comment.

ADJOURNMENT

A MOTION was made by Sec Johnson and seconded by CG Morton to adjourn the meeting at 3:32 p.m.
MOTION ADOPTED UNANIMOUSLY

Respectfully submitted,

Sharon Miller, Administrative Specialist III, Statewide Benefits Office, Department of Human Resources
Recorder, State Employee Benefits Committee