



**MINUTES FROM THE MEETING OF THE STATE EMPLOYEE BENEFITS COMMITTEE  
October 24, 2022**

The State Employee Benefits Committee (the “Committee”) met at 2:00 p.m. on October 24, 2022. The meeting was held at 97 Commerce Way, Suite 201, in Dover; however, in the interests of protecting the citizens of this State from the public health threat caused by COVID-19, this meeting was presented via WebEx, and participants were encouraged to attend virtually.

Committee Members Represented or in Attendance:

Director Cerron Cade, Office of Management & Budget (“OMB”), SEBC Co-Chair  
Secretary Claire DeMatteis, Department of Human Resources (“DHR”), SEBC Co-Chair  
Secretary Molly Magarik, Department of Health & Social Services (“DHSS”)  
Mr. Jeff Taschner, Executive Director, Delaware State Education Association (“DSEA”)  
The Honorable Bethany Hall-Long, Office of the Lt. Governor  
Controller General Ruth Ann Jones, Office of the Controller General (“OCG”)  
The Honorable Colleen Davis, State Treasurer, Office of the State Treasurer (“OST”)  
The Honorable Chief Justice Collins Seitz, 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. Kathy Nedelka, HRIS Specialist, PHRST, OMB
Deputy Director Leighann Hinkle, SBO, DHR	Ms. Rebecca Reichardt, DHSS
Ms. Nina Figueroa, Health Policy Advisor, SBO, DHR	Ms. Leslie Boyd, DHSS
Mx. Kelly Cochran, SBO, DHR	Ms. Kathryn Evinger, Chief Policy Advisor, DHSS
Ms. Marie Hartigan, SBO, DHR	Senator David Sokola
Mr. Aaron Schrader, SBO, DHR	Senator David Wilson
Ms. Samantha Mountz, SBO, DHR	Senator Bryan Townsend
Ms. Heather Johnson, DHR	Ms. Courtney Stewart, Deputy Secretary, OMB
Ms. Adria Martinelli, Deputy Attorney General, Department of Justice, SEBC Legal Counsel	Ms. Alexa Scoglietti, Legislative Hall
Mr. Chris Giovannello, Willis Towers Watson (“WTW”)	Ms. Christy Wright, Legislative Hall
Ms. Gabby Costagliola, WTW	Ms. Deanna Killen, Legislative Hall
Ms. Jaclyn Iglesias, WTW	Mr. Douglas Denison, Legislative Hall
Mr. Varun Sivakumar, WTW	Ms. Emily Cummings, Legislative Hall
Ms. Jeanette Hammon, Sr. Fiscal and Policy Analyst, OMB	Ms. Evelyn Nestlerode, Deputy State Court Administrator
Mr. Robert Scoglietti, Deputy Controller General, OCG	Ms. Jacqueline Hugg, Legislative Hall
Ms. Judy Anderson, DSEA	Mr. Justin Richards, Legislative Hall
Ms. Joanna Adams, Pension Administrator, Office of Pensions (“OPen”)	Ms. Kay Wilson, Legislative Hall
Ms. Stephanie Tatman, Deputy Pension Administrator, OPen	Ms. Lauren Vella, Chief of Staff, Legislative Hall
Mr. Keith Warren, Chief of Staff, Office of the Lt. Governor	Mr. Mark Cutrona, Director of Research, Legislative Hall
Secretary Rick Geisenberger, Department of Finance	Mr. Richard Puffer, Legislative Hall
Ms. Carla Cassell-Carter, OMB	Mr. Ryan Dunphy, Legislative Hall
	Ms. Sarah Wootten, Legislative Hall
	Mr. Scott Goss, Legislative Hall
	Ms. Sophia Vassar, Legislative Hall
	Ms. Stephanie Becker, Legislative Hall

**STATE OF DELAWARE STATEWIDE BENEFITS OFFICE**

Ms. Valerie McCartan, Legislative Hall  
Mr. Jonathan Patterson, Legislative Hall  
Mr. Luke Shotzberger, Department of Technology & Information  
Representative Paul Baumbach  
Representative Kim Williams  
Representative Valerie Longhurst  
Representative John Kowalko  
Mr. Ray Seigfried, Former Representative  
Ms. Patricia Sine, UDEL  
Ms. Naomi Poole, City of Dover  
Ms. Chantelle Riley, City of Dover  
Ms. Wendy Beck, Highmark Delaware  
Ms. Jeanie Carson, Highmark Delaware  
Mr. Adam Knox, Highmark Delaware  
Ms. Lisa Mantegna, Highmark Delaware  
Mr. Charles Simons, Highmark Delaware  
Ms. Charlene Hrivnak, CVS Health  
Mr. Michael North, Aetna  
Ms. Katherine Impellizzeri, Aetna  
Ms. Julie Caynor, Aetna  
Ms. Carrie, Schiavo, Delta Dental  
Ms. Paula Roy, Roy Associates  
Mr. Walter Mateja, Merative  
Ms. Sandy Hart, Merative  
Ms. Sarah Stowens, ChristianaCare  
Ms. Christina Crooks Bryan, DEHA  
Ms. Kristina Derobertis, WBOC  
Mr. Joe Edelen, Independent Newsmedia Inc.  
Ms. Meredith Newman, Delaware Online  
Ms. Betsy Price, Delaware Online  
Mr. Jarek Rutz, Delaware Live  
Mr. David Felice, Bailey & Glasser LLP  
Ms. Verity Watson, Ruggiero Willson & Associates  
Ms. Christine Schiltz, PGS Legal  
Mr. James Nutter PGS Legal  
Ms. Rebecca Byrd, ByrdGomes  
Ms. Elisa Diller, Retiree  
Ms. Karen Peterson, Retired Senator  
Ms. Alexis Jamison, Retiree  
Ms. Ann Marie Johnson, Retiree  
Mr. David Taylor, Retiree  
Ms. Barbara Albright, Retiree  
Ms. AnRea MacDonald, Retiree  
Ms. Denise Allen, Retiree  
Mr. Fred Willey, Retiree  
Ms. Ginny Rulon, Retiree  
Ms. Vicky Cairns, Retiree  
Ms. Lynda Hastings, Retiree  
Mr. Tom Pledgie, Retiree  
Mr. Steve LePage, Retiree  
Mr. Robert Clarkin, Retiree  
Ms. Rebecca Scarborough, Retiree  
Mr. Keith Steck, Retiree  
Mr. Hugh Scott, Retiree  
Ms. Isabelle Mead, Retiree  
Mr. Jay Schuman, Retiree  
Ms. Jean Betley, Retiree  
Ms. Linda Barnett, Retiree  
Ms. Linda Tingle, Retiree  
Ms. Marsha White, Retiree  
Ms. Nancy Hackendorn, Retiree  
Ms. Nancy Schuman, Retiree  
Mr. Richard Phillips, Retiree  
Mr. Gary N, Retiree  
Ms. Nancy Colley, Retiree  
Mr. Stephen Schwartz, Retiree  
Ms. Susan Kirk Ryan, Retiree  
Ms. Tammy Kearney, Retiree  
Mr. Wayne Emsley, Ex. Director, DRSPA  
Ms. Wendy Strauss, Retiree  
Ms. Joan DeFattore, Retiree  
Mr. Carl King, Retiree  
Ms. Helen Diskau, Retiree  
Ms. Freda Collins, Retiree  
Ms. Linda Burns Filer, Retiree  
Ms. Amy Comperatore, Pensioner  
Ms. Barbara Philbin, Pensioner  
Ms. Debbie Albence, Pensioner  
Mr. John Porter, Pensioner  
Ms. Mary Graham, Pensioner  
Ms. Regina Mullen, Pensioner  
Mr. Jim Lutz  
Ms. Ariadna Castay  
Ms. Beverly Baxter  
Mr. Bud Clark, UD retiree  
Mr. Tery Griffin, UD  
Ms. Connie Merlet  
Ms. Cyndie Romer  
Ms. Suzanne Seubert  
Ms. Carole Mick, SBO, DHR – Recorder

**CALLED TO ORDER – DIRECTOR CADE, OMB**

Director Cade called the meeting to order at 2:03 p.m.

**APPROVAL OF MINUTES – DIRECTOR CADE, OMB**

A MOTION was made by Secretary Magarik and seconded by Secretary DeMatteis to approve the minutes from the September 19, 2022, meeting of the State Employee Benefits Committee.

MOTION ADOPTED UNANIMOUSLY

**DIRECTOR’S REPORT – DIRECTOR FAITH RENTZ, DHR, SBO**

The Subcommittees met on October 20, 2022 to review Fiscal Year (FY) 2024 planning and analyzed options along with follow-up requests from the September Subcommittee meeting. The Subcommittee discussed ways to reduce health care cost, prescription drug cost and to consider evaluating direct and reference-based contracting. Further discussion will occur with the Subcommittees in November, and recommendations will be brought to the SEBC in early 2023 for consideration for the July 1, 2023 plan year.

**FINANCIAL UPDATE – MR. CHRIS GIOVANNELLO, WTW**

August Fund Report

Premium contributions were below budget. August was a rebate month and commercial prescription drug rebates were at budget at \$16.3M and Employer Group Waiver Plan (EGWP) rebates were below budget at \$11.3M. Claims ran high at \$8.8M over budget which brings total YTD claims for FY23 at \$17.5M over budget.

Director Cade asked if the cause of the high claims was due to the fact that more services are now available than they were at the start of the pandemic. Mr. Giovannello stated that utilization patterns are changing, and many services are getting back to normal use. Many services that were not available during the pandemic are now becoming accessible and there is a pattern of increased health issues due to these services not being available. Secretary Magarik confirmed that they are seeing a rise in more serious health issues and it’s costing more to provide care because of the severity.

August had a net income of \$3.5M with a fund equity balance of \$141M.

Director Cade pointed out that August is a unique month due to the rebates that the fund received and asked about the frequency of these rebates. Mr. Giovannello stated that rebates are received quarterly, and four rebate payments will be expected for FY23. Mr. Giovannello also noted that last year (FY22), there was an extra rebate payment.

Chief Justice Seitz and Evelyn Nestlerode will not be participating in the Executive Session.

**EXECUTIVE SESSION**

A MOTION to move into Executive Session was made by Secretary Magarik and seconded by Controller General Ruth Ann Jones at 2:16 p.m. MOTION ADOPTED UNANIMOUSLY.

The PUBLIC SESSION resumed at 3:20 p.m.

*Lieutenant Governor Bethany Hall-Long arrived to the meeting.*

*Treasurer Collen Davis arrived to the meeting.*

**APPROVAL OF THE EXTENSION OF SPECIAL MEDICFILL WITH AND WITHOUT PRESCRIPTION**

A MOTION was made by Secretary DeMatteis and seconded by Mr. Taschner to approve the extension of the Special Medicfill with and without Prescription plans for up to 12 months in accordance with Delaware Code Title 29 Section 6907, Emergency Procedures Act, and the critical need for professional services. During these 12 months, pending the resolution of the litigation, the SEBC will consider options to renegotiate the Medicare Advantage contract or rebid the State’s Medicare health care plan.

Chief Justice Seitz is abstaining from voting.

MOTION FOR DISCUSSION.

No Discussion.

MOTION ADOPTED.

8 approvals and 1 abstention.

**MEDICARE SPECIAL MEDICFILL WITH AND WITHOUT PRESCRIPTION PLAN RATES**

Mr. Giovannello reviewed the Medicare Special Medicfill plans rates effective January 1, 2023.

Secretary DeMatteis stated that these plan rates are the same rates that are presently in effect for the current plan year, however, these rates remain more costly than the Medicare Advantage plan. Director Cade asked to explain the impact on pensioners regarding the move to continue with the Special Medicfill plan. Secretary DeMatteis stated that 2,500-3,000 pensioners will be affected by not moving to Medicare Advantage by paying a higher cost for the Special Medicfill plan. Pensioners could pay as much as \$459.38 with the Special Medicfill plan but would only pay \$216.00 with the Medicare Advantage plan. An additional 480 pensioners enrolled in the Special Medicfill plan without prescription and who signed up for the Medicare Advantage plan will have to be contacted to determine if they want to continue coverage with the State's Special Medicfill plan.

The Statewide Benefits Office is preparing a letter to be mailed out to Medicare pensioners explaining the changes to the Medicare health care plan. The cost to the GHIP to continue with the Special Medicfill plan for calendar year 2023 is \$6.8M to \$7.5M a month.

**APPROVAL OF MEDICARE SPECIAL MEDICFILL WITH AND WITHOUT PRESCRIPTION PLAN RATES EFFECTIVE JANUARY 1, 2023**

A MOTION was made by Secretary DeMatteis and seconded by Mr. Taschner to approve the Medicare Special Medicfill with and without Prescription plan rates effective January 1, 2023.

MOTION FOR DISCUSSION

No Discussion.

MOTION ADOPTED UNANIMOUSLY.

**OTHER BUSINESS**

No new business was presented.

**PUBLIC COMMENT**

Several organizations, GHIP retirees, and State pensioners expressed their concerns over the decision to implement a Medicare Advantage plan for Medicare benefit eligible retirees. These parties expressed concerns with the plan design and coverage, denial rates for prior authorizations, referrals, contract performance guarantees, and not receiving proper care. GHIP Medicare eligible members pensioners would like to be more involved with the health care planning process by having more representation on the Committee and offered considerations for future health care planning. Pensioners also applauded the SEBC on extending the Special Medicfill with and without prescription plans for calendar year 2023.

**ADJOURNMENT**

A MOTION was made by Secretary DeMatteis and seconded by Chief Justice Seitz to adjourn the public session at 4:09 p.m. MOTION ADOPTED UNANIMOUSLY.

Respectfully submitted,

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Carole Mick, Executive Secretary, Statewide Benefits Office, Department of Human Resources  
Recorder, State Employee Benefits Committee, and Subcommittees