



**MINUTES FROM THE MEETING OF THE STATE EMPLOYEE BENEFITS COMMITTEE
April 24, 2023**

The State Employee Benefits Committee (the “Committee”) met at 2:00 p.m. on April 24, 2023.
The meeting was held virtually and in person at 97 Commerce Way, Suite 201, in Dover.

Committee Members in Attendance:

Secretary Claire DeMatteis, Department of Human Resources (“DHR”), SEBC Co-Chair
Director Cerron Cade, Office of Management & Budget (“OMB”), SEBC Co-Chair
Controller General Ruth Ann Miller, Office of the Controller General (“OCG”)
The Honorable Trinidad Navarro, Insurance Commissioner, Department of Insurance (“DOI”)
The Honorable Bethany Hall-Long, Office of the Lt. Governor
Secretary Molly Magarik, Department of Health & Social Services (“DHSS”)
The Honorable Colleen Davis, State Treasurer, Office of the State Treasurer “OST”
Mr. Shaun O’Brien, Policy Director, American Federation of State, County, and Municipal Employees (“AFSCME”)
Mr. Thomas Brackin, Executive Director, Delaware State Troopers Association (“DSTA”)

Committee Members Not in Attendance:

The Honorable Chief Justice Collins Seitz, Delaware Supreme Court
Ms. Karen Field Rogers, State Retiree

Others in Attendance

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| Director Faith Rentz, SBO, DHR | Ms. Courtney Stewart, Deputy Director, OMB |
| Deputy Director Leighann Hinkle, SBO, DHR | Mr. Steven Costantino, Director Health Care Reform, DHSS |
| Ms. Nina Figueroa, Health Policy Advisor, SBO, DHR | Mr. Jeff Taschner, Executive Director, Delaware State Education Association “DSEA” |
| Ms. Dawn Warman, SBO, DHR | Mr. Michael Begatto, Executive Director, Delaware Public Employees Council 81 |
| Ms. Marie Hartigan, SBO, DHR | Ms. Joanna Adams, Pension Administrator, Office of Pensions (“OPen”) |
| Mr. Aaron Schrader, SBO, DHR | Mr. Keith Warren, Chief of Staff, Office of the Lt. Governor |
| Ms. Samantha Mountz, SBO, DHR | Ms. Andrea Godfrey, Deputy Director of Budget Development and Planning, OMB |
| Ms. Cherie Dodge Biron, Director, Financial & Administrative Services, DHR | Ms. Michelle Carpenter, HRIS Manager, PHRST, OMB |
| Ms. Heather Johnson, DHR | Mr. Daniel Madrid, DOI |
| Ms. Adria Martinelli, Deputy Attorney General, Department of Justice, SEBC Legal Counsel | Ms. Tanisha Merced, DOI |
| Mr. Chris Giovannello, Willis Towers Watson (“WTW”) | Ms. Kathy Nedelka, OMB |
| Ms. Jaclyn Iglesias, WTW | Ms. Christine Vogel, DOI |
| Mr. Brian Stitzel, WTW | Ms. Pamela Price, Highmark Delaware |
| Mr. Thomas Cotter, WTW | Mr. Charles Simons, Highmark Delaware |
| Mr. Walter Mateja, Merative | Ms. Lisa Mantegna, Highmark Delaware |
| Ms. Ashley Tucker, Deputy State Court Administrator, AOC | Ms. Wendy Beck, Highmark Delaware |
| Mr. Robert Scoglietti, Deputy Controller General, OCG | Mr. Kenneth Bronke, Highmark Delaware |
| Mr. David Bentz, Deputy Director, DMS, DHSS | |
| Ms. Jeanette Hammon, Sr. Fiscal and Policy Analyst, OMB | |

STATE OF DELAWARE STATEWIDE BENEFITS OFFICE

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Ms. Jeanie Carson, Highmark Delaware
Ms. Julie Caynor, Aetna
Ms. Katherine Impellizzeri, Aetna
Ms. Megan Richards, Aetna
Ms. Carrie Schiavo, Delta Dental
Ms. Charlene Hrivnak, CVS Health
Mr. Victor Gutierrez, CVS Health
Ms. Christina Bryan, DHA
Ms. Paula Roy, Roy & Associates
Ms. Naomi Poole, City of Dover
Ms. Kristina Deakins, City of Dover
Ms. LaVette Whaley, City of Dover
Ms. Deldra Gregory-Colvin, Colonial SD
Mr. Marian Coker, DOS
Ms. Julie Greenwood, UDEL
Ms. Gisela McKenzie, UDEL
Ms. Karen Peterson, Retired Senator
Mr. Jared Aupperle, UDEL
Ms. Teresa Doggett, UDEL
Ms. Audrey Noble
Mr. John Phillips
Mr. Joseph Edelen
Mr. Mike Kempinski
Ms. Lynda Hastings
Ms. Rebecca Scarborough
Mr. Steve LePage
Mr. Tom Pledgie
Mr. Sam Haut
Ms. Adele Jones
Ms. Ann Ryan
Ms. AnRea MacDonald
Ms. Barbara Philbin
Ms. Becky Breaure

Mr. Bill Mead
Mr. Bobbie Burtch
Mr. Chad Carmack
Mr. Charles Clark
Ms. Chantal Garrison
Mr. David Taylor
Ms. Debbie Schrass
Ms. Denise Schwartz
Ms. Gail Walukonis
Ms. Gloria James
Mr. Iain Crawford
Ms. Joan DeFattore
Ms. Judy Chaconas
Ms. Kathleen Werrell
Ms. Kim York
Ms. Linda Bucher
Ms. Melanie Chadwick
Mr. Mike Ross
Ms. Nancy Schuman
Ms. Pat Sine
Mr. Rich Phillips
Mr. Roger Jones
Mr. Sam Gaertner
Ms. Susan Kirk Ryan
Mr. Tom MacPherson
Mr. George Schreppler
Ms. Debbie Stokes
Mr. Larry Bray
Mr. Dennis Loftus
Ms. Donna Dossett
Ms. Carole Mick, SBO, DHR – Recorder, State
Employee Benefits Committee and
Subcommittee

CALLED TO ORDER – SECRETARY DEMATTEIS, DHR

Secretary DeMatteis called the meeting to order at 2:00 p.m.

APPROVAL OF MINUTES – SECRETARY DEMATTEIS, DHR

A MOTION was made by Lieutenant Governor Hall-Long and seconded by Director Cade to approve the minutes from the March 20, 2023 meeting of the State Employee Benefits Committee.

MOTION ADOPTED UNANIMOUSLY.

Treasurer Davis arrived to the meeting.

DIRECTOR'S REPORT – DIRECTOR FAITH RENTZ, SBO

Director Rentz provided Committee members with items discussed at the combined Financial and Health Policy & Planning Subcommittee meeting on April 17, 2023 to include premium rate and copay changes for Medicare plan participants. The SEBC will consider whether to vote on these changes at the May 22, 2023 SEBC meeting.

The employee benefits survey results are expected within the next few weeks and SBO would like to add an additional SEBC meeting in the month of May to review the survey results. SEBC members will be notified by SBO of potential dates and the meeting time will be 2:00 p.m. and run for roughly 90 minutes.

Director Rentz discussed the 2023 Open Enrollment (OE) dates for state employees and pre-65-year-old retirees for health, dental and vision and dental and vision for Medicare retirees, communication plans, and provided additional information on OE items. She also discussed tax implications for the previously approved one-time \$125 FSA plan contribution for FY24.

FINANCIAL UPDATE – MR. CHRIS GIOVANNELLO, WTW

March 2023 Fund Report

Mr. Giovannello detailed the March 2023 fund report to include premium contributions and other revenues, including items previously budgeted but were not accounted for in the fund until March. He reviewed that claims continue to run above budget and presented the updated fund equity balance.

REVIEW OF CY2022 CVS EGWP/MEDICARE PART D PRESCRIPTION PLAN PERFORMANCE AND PART D PLAN PROJECTIONS FOR CY2024 – MS. JACLYN IGLESIAS, WTW

Ms. Iglesias provided a review of CY2022 performance of the state's employer group waiver plan (EGWP) for Medicare Part D through CVS SilverScript and shared information provided by CVS on the impact of the Inflation Reduction Act on CY2024 EGWP costs.

RHBAS UPDATES AND PROGRESS TOWARD MAY 1 REPORT TO GOVERNOR AND GENERAL ASSEMBLY – DIRECTOR FAITH RENTZ, SBO

Director Rentz summarized the progress of the Retiree Healthcare Benefits Advisory Subcommittee (RHBAS) which has conducted 6 meetings with a 7th meeting on April 26, 2023, including discussions on Medicfill, individual marketplace options, and reviewed work from the Retirement Benefit Study Committee (RBSC). As a requirement of SB 29, SBO and Subcommittee chairs are currently drafting a report which is due to the Governor and General Assembly by May 1, 2023. The draft report will be sent to RHBAS members tomorrow for review and input with further discussion and finalization occurring at the April 26, 2023 meeting.

RHBAS members will continue to meet twice monthly through the summer to continue to evaluate options to reduce the unfunded liability and present recommendations to the SEBC and General Assembly later this year.

It was questioned why the Medicfill extension was only for 6 months (half a plan year), rather than a full year. Secretary DeMatteis explained that we are operating under the critical needs exemption to the State's procurement code and an the safest approach is to extend 6 months at a time. The SEBC may need to use the critical need exemption again to extend the current Medicfill for the rest of the CY2024 plan year if no other option is available. Depending on when the litigation resolves, it is possible the State would have time to proceed with a competitive RFP process.

EXTENSION OF SPECIAL MEDICFILL PLANS THROUGH JUNE 30, 2024 – MR. CHRIS GIOVANNELLO, WTW

Mr. Giovannello reviewed Special Medicfill plan considerations for CY2024 which included an overview of GHIP projection data sources and technology, long-term health care cost projections, and Medicfill premium rate changes.

Committee members had a discussion on rating the GHIP members separately by group: active employees, pre-65 retirees, and Medicare retirees and how trend could be modeled. As part of the FY25 GHIP planning process, WTW will provide the SEBC with trend assumptions if these groups were to be rated separately.

SPECIAL MEDICFILL PLAN – PREMIUM RATES AND PRESCRIPTION COPAYS EFFECTIVE JANUARY 1, 2024 – MS. JACLYN IGLESAIS, WTW

Ms. Iglesias recapped that the SEBC approved Rx copay increases for non-Medicare plans only on March 20, 2023 and discussed Medicfill prescription drug copay options. Several of the Rx copay options include adding a specialty tier for plan members paying 5% with a max for out-of-pocket cost per prescription.

Committee members had a discussion on the Rx drug copay options regarding adding a specialty tier and what impact this would have for members within this group. WTW will provide the SEBC with more information on out-of-pocket costs for the Rx copay options.

RESOLUTION TO ESTABLISH FINANCIAL AND HEALTH POLICY & PLANNING SUBCOMMITTEES – DIRECTOR FAITH RENTZ, SBO

Director Rentz presented proposed modifications to the SEBC Subcommittee Resolution which include meeting cadence, combining meetings, modifications to comply with SB 29, and clarification on member attendance. One Subcommittee member recommended to add a proposed modification which would include a roll call for any recommendations made to the SEBC. Subcommittee members were divided on this issue. Term limits for subcommittee members were also discussed, and Director Rentz noted that there are not currently any term limits set for either of the two subcommittees.

PRESENTATION BY THE OFFICE OF VALUE BASE HEALTHCARE DELIVERY – MS. CHRISTINE VOGEL, DOI

Ms. Vogel, Director of Value-Based Health Care Delivery, presented the 2023 primary care investments projections and challenges, hospital and provider reimbursement challenges, and potential opportunities to move to value-based care forward.

Committee members will continue discussions on value-based contracting.

OTHER BUSINESS

No new business was presented.

PUBLIC COMMENT

Members of the public provided comment on the extension of the Medicfill contract, requested that the contract be extended for the entire CY2024 plan year and commented on related issues discussed during the meeting.

APPROVAL OF THE EXTENSION OF SPECIAL MEDICFILL PLANS THROUGH JUNE 30, 2024

A MOTION was made by Secretary Magarik and seconded by Director Cade to approve the extension of Special Medicfill plans through June 30, 2024.

MOTION ADOPTED UNANIMOUSLY.

APPROVAL OF RESOLUTION TO ESTABLISH FINANCIAL AND HEALTH POLICY & PLANNING SUBCOMMITTEES

A MOTION was made by Controller General Miller and seconded by Mr. O'Brien to approve the modifications to the resolution establishing the Financial and Health Policy & Planning Subcommittees.

MOTION ADOPTED UNANIMOUSLY.

EXECUTIVE SESSION

A MOTION to move into Executive Session was made by Mr. Brackin and seconded by Director Cade at 4:13 p.m.

MOTION ADOPTED UNANIMOUSLY.

ADJOURNMENT

A MOTION was made by Treasurer Davis and seconded by Commissioner Navarro to adjourn the public session at 4:32 p.m. MOTION ADOPTED UNANIMOUSLY.

Respectfully submitted,

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