



**MINUTES FROM THE MEETING OF THE STATE EMPLOYEE BENEFITS COMMITTEE
MAY 22, 2023**

The State Employee Benefits Committee (the “Committee”) met at 2:00 p.m. on May 22, 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
Commissioner Trinidad Navarro, Insurance Commissioner, Department of Insurance (“DOI”)
Lieutenant Governor Bethany Hall-Long, Office of the Lt. Governor
Secretary Molly Magarik, Department of Health & Social Services (“DHSS”)
Treasurer Colleen Davis, State Treasurer, Office of the State Treasurer “OST”
Chief Justice Collins Seitz, Delaware Supreme Court
Shaun O’Brien, Policy Director, American Federation of State, County, and Municipal Employees (“AFSCME”)
Thomas Brackin, Executive Director, Delaware State Troopers Association (“DSTA”)
Karen Field Rogers, State Retiree

Committee Members Not in Attendance:

Controller General Ruth Ann Miller, Office of the Controller General (“OCG”)

Others in Attendance

Director Faith Rentz, SBO, DHR	Matthew Rosen, Senior Policy Advisor, OST
Deputy Director Leighann Hinkle, SBO, DHR	Steven Costantino, Director Health Care Reform, DHSS
Marie Hartigan, SBO, DHR	Keith Warren, Chief of Staff, Office of the Lt. Governor
Aaron Schrader, SBO, DHR	Representative Paul Baumbach, Delaware House of Representatives
Samantha Mountz, SBO, DHR	Matt Clark, AFSCME
Larry Frank, SBO, DHR	Michael Begatto, Executive Director, Delaware Public Employees Council 81
Adria Martinelli, Deputy Attorney General, Department of Justice, SEBC Legal Counsel	William Oberle, DSTA
Cherie Dodge Biron, Director, Financial & Administrative Services, DHR	Daniel Madrid, DOF
Chris Giovannello, Willis Towers Watson (“WTW”)	Christine Vogel, DOI
Jaclyn Iglesias, WTW	Nick Mogle, DELDOT
Brian Stitzel, WTW	Julie Greenwood, UD
Rebecca Warnken, WTW	Teresa Doggett, UD
Eric Poston, Merative	Gisela McKenzie, UD
Walter Mateja, Merative	Deldra Gregory-Colvin, Colonial SD
Joanna Adams, Pension Administrator, Office of Pensions (“OPen”)	Audrey Noble, DOE
Kathy Nedelka, HRIS Specialist, PHRST, OMB	Matthew Clark, Highmark Delaware
Robert Scoglietti, Deputy Controller General, OCG	Charles Simons, Highmark Delaware
David Bentz, Deputy Director, DMS, DHSS	Lisa Mantegna, Highmark Delaware
Jeanette Hammon, Sr. Fiscal and Policy Analyst, OMB	Christina Dorko, Highmark Delaware
Courtney Stewart, Deputy Director, OMB	Pamela Kinley, Highmark Delaware
	Adam Knox, Highmark Delaware

STATE OF DELAWARE STATEWIDE BENEFITS OFFICE

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Brendan McDonald, Highmark Delaware
Nick Moriello, Highmark Delaware
Gerald Walsh, Highmark Delaware
Kenneth Bronke, Highmark Delaware
Jeanie Carson, Highmark Delaware
William Deal, Aetna
Brooke Nedza, Aetna
Michael Pellin, Aetna
Andrew Richard, Aetna
Megan Richards, Aetna
Katherine Impellizzeri, Aetna
Leah White, Aetna
Carrie Schiavo, Delta Dental
Charlene Hrivnak, CVS Health
Victor Gutierrez, CVS Health
Randall Bryniarski, CVS Health
Paula Roy, Roy & Associates
Mary Kate McLaughlin, BT Law
Taylor Hawk, DSEA
Christina Bryan, DHA
Paul Kiefer, Delaware Public
Jill Hall, BSTI
Lynda Hastings
Steve LePage
Tom Pledge
Sam Haut
Debbie Schrass

Pat Sine
Rich Phillips
Wanda Pfeiffer
AnRea MacDonald
Barbara Philbin
Bob Clarkin
Charles Clark
Deb Lloyd
Donna Dossett
James Chaconas
Joe Pika
Judy Chaconas
Karen Peterson
Kim York
Larry Bray
Marsha White
Mary Graham
Mary McDonough
Rebecca Byrd
Rebecca Scarborough
Sam Gaertner
William Saylor
George Schreppler
Kathleen Mickle-Askin
Carole Mick, SBO, DHR – Recorder, State
Employee Benefits Committee and
Subcommittees

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 Secretary Magarik and seconded by Shaun O'Brien to approve the minutes from the May 15, 2023 meeting of the State Employee Benefits Committee.

MOTION ADOPTED UNANIMOUSLY.

DIRECTOR'S REPORT – DIRECTOR FAITH RENTZ, SBO

Director Rentz provided Committee members with an overview of Open Enrollment (OE) participation for the active employee and non-Medicare retiree population which closed on May 17, 2023.

Secretary DeMatteis gave an overview of HB 185 which would eliminate the state stare waiting period for health care benefits and provided Committee members with an anticipated start date provided the bill passes and an estimated fiscal impact.

OFFICE OF VALUE BASED HEALTHCARE DELIVERY (OVBHCD) FOLLOW-UPS

Committee members reviewed questions which were presented at the April 24, 2023 SEBC meeting on value-based care in Delaware and provided insights into the rising cost of healthcare and ways to potentially mitigate costs with value-based care.

Director Cade arrived to the meeting.

AETNA VALUE BASED CONTRACTING UPDATE – KATHERINE IMPELIZZERI & ANDREW RICHARD, AETNA

Andrew Richard conducted a presentation on value-based contracting which included an overview of Aetna's business model, rising healthcare costs, the Advanced Payment Model (APM) Framework, and how Aetna is working with providers.

FINANCIALS – CHRIS GIOVANNELLO, WTW

April Fund Report

Chris Giovannello detailed the April 2023 fund report to include premium contributions, other revenues, claims, and the updated fund equity balance. The premium contributions are currently \$8.4M below budget for the year due to timing of revenue that is inconsistent with the FY23 GHIP budget. Claims were slightly below budget for April; however, claims continue to run high with year-to-date (YTD) claims 4.2% over budget. Fund equity balance is \$78.6M with a variance of \$42.M.

FY23 Q3 Financial Reporting

Chris Giovannello reviewed the FY23 Q3 cost analysis for medical and prescription plans and reflected the percent of change from FY22 YTD to FY23 YTD. The FY23 revised budget was compared to the FY23 actual program costs with slight changes noted. Summary plan information by healthcare vendor and plan participant group displayed the differences in cost by population. The financial reporting presentation included additional details on cost and revenue items by population.

SEBC Input on GHIP Quarterly Reporting

Committee members discussed simplifying the quarterly financial report in an executive summary to highlight key trends for further discussion. It was recommended to include information on estimates for high-cost and high utilization claimants, extend the look-back period to gather more data on utilization, and analyze established and new employee utilization data. A Committee member questioned how the use of artificial intelligence to analyze data could inform recommendations.

SPECIAL MEDICFILL PLAN – PREMIUM RATES AND PRESCRIPTION COPAYS EFFECTIVE JANUARY 1, 2024

Chris Giovannello recapped the GHIP long-term health care cost projections with or without a Medicfill premium rate increase and Medicfill premium rate scenarios which included an additional option of a 5% premium rate increase for Medicfill.

FY24 GHIP Projections

Chris Giovannello presented the GHIP long-term health care cost projections based on experience through April 2023 and included the projected deficit scenarios for FY23 through FY27 based on the approved premium rate increase for actives and pre-65 retirees and potential premium rate increase for Medicare retirees.

Jaclyn Iglesias discussed the proposed Medicfill prescription copay options.

OTHER BUSINESS

No new business was presented.

PUBLIC COMMENT

Several members of the public provided comment on agenda items discussed at today's meeting related to Medicare retiree healthcare especially as it relates to a potential premium rate increase for the Medicfill plan.

APPROVAL OF THE PREMIUM RATE INCREASE FOR THE SPECIAL MEDICFILL PLAN

A MOTION was made by Secretary Magarik and seconded by Chief Justice Seitz to approve a 5% premium rate increase for the Special Medicfill Plan effective January 1, 2024.

MOTION ADOPTED UNANIMOUSLY.

APPROVAL OF THE PRESCRIPTION COPAY INCREASE FOR MEDICARE RETIREES

A MOTION was made by Secretary Magarik and seconded by Chief Justice Seitz to approve prescription drug plan copay increases for Medicare retirees effective January 1, 2024 as follows:

Up to 30-day supply:
Generic from \$8 to \$10
Formulary from \$28 to \$32
Non-Formulary from \$50 to \$60

Up to 90-day supply:
Generic from \$16 to \$20
Formulary from \$56 to \$64
Non-Formulary from \$100 to \$120

Opposed – Thomas Brackin, Shaun O’Brien
MOTION ADOPTED.

ADJOURNMENT

A MOTION was made by Shaun O’Brien and seconded by Thomas Brackin to adjourn the public session at 4:24 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