



MINUTES FROM THE MEETING OF THE STATE EMPLOYEE BENEFITS COMMITTEE
OCTOBER 23, 2023

The State Employee Benefits Committee (the "Committee") met at 2:00 p.m. on October 23, 2023.
The meeting was held virtually and in person at 1351 W North St, Ste 101, 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
Lieutenant Governor Bethany Hall-Long, Office of the Lt. Governor
Secretary Josette Manning, Department of Health & Social Services ("DHSS")
Treasurer Colleen Davis, State Treasurer, Office of the State Treasurer ("OST")
Chief Justice Collins Seitz, Delaware Supreme Court
Controller General Ruth Ann Miller, Office of the Controller General ("OCG")
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:

- Commissioner Trinidad Navarro, Insurance Commissioner, Department of Insurance ("DOI")

Others in Attendance

- Director Faith Rentz, SBO, DHR
Deputy Director Leighann Hinkle, SBO, DHR
Larry Frank, SBO, DHR
Marie Hartigan, SBO, DHR
Pamela Barr, SBO, DHR
Lynn Kelly, Deputy Attorney General, Department of Justice, SEBC Legal Counsel
Joanna Adams, Pension Administrator, Office of Pensions ("OPen")
Cherie Dodge Biron, Director, Financial & Administrative Services, DHR
Heather Johnson, Controller, DHR
Jaclyn Iglesias, Willis Towers Watson ("WTW")
Brian Stitzel, WTW
Michelle Gast, WTW
Walter Mateja, Merative
Jennifer Biddle, Deputy Secretary, DHR
Andrea Godfrey, Deputy Director of Budget Development and Planning, OMB
Michelle Carpenter, HRIS Manager, PHRST, OMB
Jeanette Hammon, Sr. Fiscal and Policy Analyst, OMB
Robert Scoglietti, Deputy Controller General, OCG
Ashley Tucker, Deputy State Court Administrator, AOC
Steven Costantino, Director Health Care Reform, DHSS
Stuart Snyder, Chief of Staff, DOI
Keith Warren, Chief of Staff, Office of the Lt. Governor
William Oberle, DSTA
Matt Clark, AFSCME
Wendy Beck, Highmark Delaware
Lisa Mantegna, Highmark Delaware
Adam Knox, Highmark Delaware
Julie Caynor, Aetna
Katherine Impellizzeri, Aetna
Brooke Nedza, Aetna
Leah White, Aetna
Charlene Hvrivnak, CVS Health
Victor Gutierrez, CVS Health
Carrie Schiavo, Delta Dental
Paula Roy, Roy & Associates
Bria Greenlee, 302 Strategies
Norma Jester, DTI
Nick Mogle, DeIDOT
Jon Patterson, LegHall
Matthew Revel, LegHall
Deanna Killen, LegHall
Christy Wright, LegHall
Gisela McKenzie, UD
Julie Greenwood, UD
Deldra Gregory-Colvin, Colonial SD
Retired Senator Karen Peterson
Lynda Hastings
Tom Pledgie
Steven LePage
Wanda Pfiesser
Mike Kempski

STATE OF DELAWARE STATEWIDE BENEFITS OFFICE

Joan DeFattore
Barbara Philbin
Helene Diskau
Jared Aupperle
Deborah Schrass
Jo Kallal

Kim York
Linda Bucher
Jennifer Pyle
Rebecca Scarborough
Sam Gaertner
Randall Aldridge

George Schreppler
Donna Dossett
Carole Mick, SBO, DHR –
Recorder, State Employee
Benefits Committee and
Subcommittees

CALLED TO ORDER – DIRECTOR CERRON CADE, OMB

Director Cade called the meeting to order at 2:02 p.m.

APPROVAL OF MINUTES – DIRECTOR CERRON CADE, OMB

A MOTION was made by Secretary DeMatteis and seconded by Shaun O’Brien to approve the minutes from the September 18, 2023 and October 2, 2023 meeting of the State Employee Benefits Committee.

MOTION ADOPTED UNANIMOUSLY.

DIRECTOR’S REPORT – DIRECTOR FAITH RENTZ, SBO

Director Rentz reviewed several compliance items related to the Group Health Insurance Plan (GHIP) including a Special Enrollment Period (SEP) for employees who lose coverage through Medicaid, the Gag Clause Attestation requirement in the Consolidated Appropriations Act, and the Mental Health Parity and Addiction Equity Act. A brief update was provided on the diversity, equity and inclusion benefits review, HB 185 elimination of the state share waiting period, Medicare open enrollment, and request for proposal updates.

Director Rentz reported that SEBC and Subcommittee meeting dates for CY2024 will be circulated by the end of the month. SEBC members will receive an SBO training and communications report which provides an overview of various trainings and communications conducted throughout the year. This report will be updated quarterly and distributed to the SEBC.

FINANCIALS – BRIAN STITZEL, WTW

August 2023 Fund Report

Brian Stitzel detailed the August Fund Report which highlighted notable data from the executive summary on premium contributions, other revenues, claims, and expenses. The Fund did not perform well compared to budget for the month of August resulting in an increased deficit which adds a 0.6% increase to the FY25 premium rate action.

SEBC Dashboard

Brian Stitzel presented the SEBC dashboard which pulls data from the key trends report to analyze trends in cost and utilization of healthcare. The dashboard displays trends on active employees and early retirees based on utilization and unit cost from the most recent 12 months through August 2023 compared to the previous 12 months through August 2022.

Secretary Manning arrived to the meeting.

FY24 GHIP Budget

Brian Stitzel displayed the FY24 budget that was first reviewed in August but with some additional updates such as increased trend assumptions, premium rate increases to all plans, and plan design changes.

Subcommittee members had a discussion on the FY24 budget and the projected deficit of the Fund by the end of FY24. It was noted that when the Fund approaches a deficit that either additional funding or a mid-year premium

rate increase will likely need to occur. Monitoring of the Fund will continue, and updates will be provided to SEBC members.

Lieutenant Governor Hall-Long left the meeting.

GHIP ELIGIBILITY AND ENROLLMENT RULE CHANGES EFFECTIVE JANUARY 1, 2024 – FAITH RENTZ, DIRECTOR, SBO

Director Rentz presented the proposed revisions to the GHIP Eligibility and Enrollment Rules which largely reflect the changes pursuant to HB 185, clarifications on eligibility for coverage, revisions to align with the Internal Revenue Code Section 125 Cafeteria Plan and Centers for Medicare and Medicaid Services requirements. The review process was highlighted which also allows for members of the public to provide comment on these revisions during the October and November public SEBC and Health Policy & Planning Subcommittee meetings.

GHIP STRATEGIC FRAMEWORK UPDATES AND RECOMMENDATIONS – JACLYN IGLESIAS, WTW

Jaclyn Iglesias conducted an overview of the GHIP Strategic Framework goals and guiding principles and provided a timeline for any changes to be discussed and adopted by the SEBC. The four main goals of the Strategic Framework were detailed which included the revised text of each goal. Subcommittee members will continue discussions at the November meetings and provide any additional feedback to SEBC members. The SEBC will be asked to vote on the updated goals at the December meeting.

CENTERS OF EXCELLENCE ADMINISTRATION REQUEST FOR PROPOSALS CONTRACT AWARD RECOMMENDATION – JACLYN IGLESAIS, WTW

Jaclyn Iglesias reviewed the Centers of Excellence (COE) administration for the GHIP and included a brief analysis of COE experience. The COE administration is currently undergoing a request for proposal (RFP) to rebid the contract which is currently held through Employer Direct Healthcare (EDHC). A timeline for this RFP was displayed and the recommendation made by the Proposal Review Committee (PRC) to award the contract to EDHC for an initial three-year contract effective July 1, 2024 with two optional one-year extensions.

SEBC members held a discussion on the recommendation made by the PRC to award the contract to EDHC and addressed concerns that some procedures are more expensive through EDHC than through the health plan vendors.

OTHER BUSINESS

No Other Business.

PUBLIC COMMENT

A member of the public provided comment on Agenda items discussed on today's meeting related to the deficit that the GHIP is currently facing.

APPROVAL TO EXTEND THE SPECIAL ENROLLMENT PERIOD (SEP) FOR EMPLOYEES WHO LOSE COVERAGE THROUGH MEDICAID

A MOTION was made by Secretary DeMatteis and seconded by Shaun O'Brien to extend the Special Enrollment Period until July 1, 2024 for any state employee and/or dependents terminated from Medicaid to enroll in the state GHIP coverage.

MOTION ADOPTED UNANIMOUSLY.

APPROVAL OF THE FY2024 BUDGET

A MOTION was made by Secretary DeMatteis and seconded by Secretary Manning to approve the FY24 GHIP Budget presented by Willis Towers Watson.

MOTION ADOPTED UNANIMOUSLY.

APPROVAL OF THE CENTERS OF EXCELLENCE AWARD RECOMMENDATION

A MOTION was made by Secretary DeMatteis and seconded by Thomas Brackin to adopt the recommendation made by the Proposal Review Committee to award the Centers of Excellence Administration to EDHC pending further guidance from the SEBC on contract terms.

MOTION ADOPTED UNANIMOUSLY.

ADJOURNMENT

A MOTION was made by Thomas Brackin and seconded by Secretary DeMatteis to adjourn the public session at 4:28 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