



MINUTES FROM THE MEETING OF THE STATE EMPLOYEE BENEFITS COMMITTEE
NOVEMBER 20, 2023

The State Employee Benefits Committee (the "Committee") met at 2:00 p.m. on November 20, 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
Treasurer Colleen Davis, State Treasurer, Office of the State Treasurer ("OST")
Chief Justice Collins Seitz, Delaware Supreme Court
Commissioner Trinidad Navarro, Insurance Commissioner, Department of Insurance ("DOI")
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")
Karen Field Rogers, State Retiree

Committee Members Not in Attendance:

- Secretary Josette Manning, Department of Health & Social Services ("DHSS")
Thomas Brackin, Executive Director, Delaware State Troopers Association ("DSTA")

Others in Attendance

- Director Faith Rentz, SBO, DHR
Deputy Director Leighann Hinkle, SBO, DHR
Nina Figueroa, Health Policy Advisor, SBO, DHR
Marie Hartigan, SBO, DHR
Samantha Mountz, SBO, DHR
Lynn Kelly, Deputy Attorney General ("DAG"), Department of Justice ("DOJ"), SEBC Legal Counsel
Jessica Willey, DAG, DOJ
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
Rachel Koschmeder, WTW
Vichakarn Rattanasangpunth, WTW
Tyler Vanagas, WTW
Mark Ciocca, 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
Steven Costantino, Director Health Care Reform, DHSS
Keith Warren, Chief of Staff, Office of the Lt. Governor
William Oberle, DSTA
David Bentz, Deputy Director, DMS, DHSS
Stephenie Tatman, Deputy Pension Administrator, OPen
Carla Cassell-Carter, Director of Budget Development and Planning, OMB
Kathy Nedelka, HRIS Specialist, PHRST, OMB
Matt Clark, AFSCME
Wendy Beck, Highmark Delaware
Katherine Impellizzeri, Aetna
Charlene Hrivnak, CVS Health
Carrie Schiavo, Delta Dental
Paula Roy, Roy & Associates
Christina Bryan, DHA
Bria Greenlee, 302 Strategies
Kollin Jensen, TeleDocHealth
Norman Jester, DTI
Nick Mogle, DelDOT
Jenn Mile, PHRST
Gisela McKenzie, UD
Julie Greenwood, UD
Sarah Petrowich, Delaware Public Retired Senator Karen Peterson
Tom Pledge

STATE OF DELAWARE STATEWIDE BENEFITS OFFICE

Steven LePage
Joan DelFattore
Barbara Philbin
Jared Aupperle
Deborah Schrass
Jo Kallal
Sam Gaertner

George Schreppler
Vicki Fields
James Fields
Bob Clarkin
Dennis Spivack
Mary Graham
Maureen Keeney

Nancy Schuman
Carole Mick, SBO, DHR –
Recorder, State Employee
Benefits Committee and
Subcommittees

CALLED TO ORDER – SECRETARY CLAIRE DEMATTEIS, DHR

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

APPROVAL OF MINUTES – SECRETARY CLAIRE DEMATTEIS, DHR

A MOTION was made by Karen Field Rogers and seconded by Shaun O’Brien to approve the minutes from the October 23, 2023 meeting of the State Employee Benefits Committee.

MOTION ADOPTED UNANIMOUSLY.

DIRECTOR’S REPORT – DIRECTOR FAITH RENTZ, SBO

Director Rentz provided Committee members with several staffing updates to include the loss of the DAG that supports the SEBC and DHR. The DOJ has assigned several temporary DAGs to provide support and are actively recruiting a DAG. The SEBC and SEBC Subcommittee Manager position has been filled and will be starting December 4, 2023. Included in the FY24 Budget, the Statewide Benefits Office received approval for a new position that will support the Group Health Insurance Plan (GHIP) data analytics and care and disease management program.

Director Rentz detailed several follow-ups from the October SEBC meeting related to the Consolidated Appropriations Act (CAA) and the Centers of Excellence (COE) contract award to Employer Direct Health Care (EDHC). Further discussion on the EDHC contract will occur at the December meeting as discussions are still ongoing with the vendor.

FINANCIALS – BRIAN STITZEL, WTW

September 2023 Fund Report

Brian Stitzel detailed the September Fund Report and reported that September had a slight surplus with premium contributions and other revenues aligning with budget, claims below budget, and expenses above budget. Prescription drug and SurgeryPlus claims continue to run higher than budget. PrudentRx fees are higher than budgeted, however, the fund is seeing savings on claims but higher expenses from CVS. The Fund Equity Balance continues to project a negative cash balance by the end of FY24 with the fund now projected to go negative in April 2024.

Obesity drug medication coverage and SurgeryPlus claims continue to run significantly higher than original projections. WTW is working with Highmark and Aetna to gather comparable utilization data to determine if the uptick in SurgeryPlus claims is predominantly due to bariatric surgery claims or an overall increase in use of services.

Committee members addressed some questions surrounding the high use of weight loss drugs and bariatric services. WTW will continue to monitor the correlation between weight loss drugs and bariatric services. It was asked whether there is any price competition among weight loss drugs. WTW will provide some follow-up data.

Committee members discussed options to solve the projected deficit for FY24, so that claims can be paid.

FY25 GHIP Projections

Brian Stitzel detailed the updated GHIP long-term health care cost projections based on experience through October 2023 and included the projected deficit scenarios for FY24 through FY28 based on holding the rates flat. Various premium rate increase scenarios for all GHIP groups to solve for the projected deficit were reviewed which includes a 1% buffer in FY25. All projections displayed do not assume any program or legislative changes that may impact the fund.

FY25 premium contributions were outlined for all scenarios.

Secretary DeMatteis stated that the Primary Care Law went into effect for all non-self-funded group health plans which requires increased payments to primary care physician's that focus on preventive medicine. There is discussion within the legislature to modify this law to include mandating that self-funded plans adhere to this law. Adherence to the Primary Care Law would have significant financial implications for the GHIP.

SEBC Dashboard

Brian Stitzel presented the SEBC dashboard which pulled 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 12 most recent months through September 2023 compared to the previous 12 months through September 2022. Outpatient price and utilization have increased while the average length for inpatient stay has decreased. Specialty pharmacy spend has seen an increase in utilization, however, the price remains flat.

FY24 Q1 Financial Reporting

Brian Stitzel reviewed the FY24 Q1 cost analysis for medical and prescription plans which reflects the percent of change from FY23 YTD to FY24 YTD. This is an incurred report based off vendor reported claims which may not always align with the timing of payments to the fund. The percentage of change displayed from FY23 to FY24 showed increases in gross claims, program costs, premium contributions, and employee costs. Currently, all groups are rated in one pool, however, individually each group is at 100% or over 100% loss ratio primarily due to increases in prescription drugs. Significant increases in utilization compared to benchmarks are occurring in all groups.

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

Director Rentz provided Committee members with the Registrar mark-up document for the revisions to the GHIP Eligibility and Enrollment Rules and reviewed several additional changes from the Health Policy & Planning Subcommittee Meeting.

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 include the revised text of each goal. Feedback provided from Subcommittee members was reviewed for further discussion. The SEBC will be asked to vote on the updated goals at the December meeting.

Shaun O'Brien noted that the goal related to behavioral health fails to mention anything about the provider network. Jaclyn Iglesias mentioned that WTW is in the early stages of analyzing behavioral health networks and more information will be provided as it becomes available.

Shaun O'Brien recommended to add a tactic related to unnecessary utilization and site of care steering to these goals. Jaclyn Iglesias stated that a tactic related to this strategy can be incorporated into the framework.

FY25 GHIP PLANNING – JACLYN IGLESIAS, WTWDiversity, Equity & Inclusion Benefits Review

Jaclyn Iglesias provided updates from discussions with the Health Policy & Planning Subcommittee on the Diversity, Equity & Inclusion (DEI) Benefits Review. The Subcommittee conducted an in-depth analysis on three of the six key

benefits for potential short-term benefit opportunities. The three key benefits discussed were family forming benefits, women's health, and broad wellbeing. Subcommittee members did show support for expanding coverage of fertility and women's health benefits. Additionally, Subcommittee members had a discussion on acupuncture benefits and requested more information on the pricing and coverage provisions for hearing aids. Subcommittee members will continue to review these short-term opportunities at the December meeting for the following key benefits: gender-affirming care/LGBT+, mental health/emotional wellbeing, and dental.

Weight Management Strategy

Jaclyn Iglesias detailed discussion topics related to the weight management strategy that include a year-to-date cost and utilization of weight loss drugs, the utilization management restrictions for plan participants, weight management resources, and the coverage gap in the medical plan coverage for outpatient consultations. Further analysis is currently under way to provide more insight into coverage of weight loss drugs and any potential opportunities. WTW will provide additional information on restrictions and potential savings opportunities for weight loss drugs at a future meeting.

DISABILITY INSURANCE PROGRAM REQUEST FOR PROPOSALS SUMMARY – RACHEL KOSCHMEDER, WTW

Rachel Koschmeder summarized the request for proposal (RFP) history for the Disability Insurance Program (DIP) and noted the objectives of requested services for disability benefits. A list of vendors that provided a bid for Short-Term Disability and/or Long-Term Disability was presented along with a timeline of this RFP. A correction to the DIP RFP timeline was made to update the SEBC award recommendation and vote which will be held on December 21, 2023.

OTHER BUSINESS

No Other Business.

PUBLIC COMMENT

Members of the public provided comment on Agenda items discussed on today's meeting related to large disparities between budget projections and the actual budget and weight loss drugs. Additionally, members of the public commented on the ongoing litigation.

APPROVAL OF THE GHIP ELIGIBILITY AND ENROLLMENT RULE CHANGES EFFECTIVE JANUARY 1, 2024

A MOTION was made by Treasurer Davis and seconded by Commissioner Navarro to approve the GHIP Eligibility and Enrollment Rule changes effective January 1, 2024.

MOTION ADOPTED UNANIMOUSLY.

EXECUTIVE SESSION

A MOTION was made by Commissioner Navarro and seconded by Director Cade to move into Executive Session at 4:05 p.m. MOTION ADOPTED UNANIMOUSLY.

ADJOURNMENT

A MOTION was made by Treasurer Davis and seconded by Commissioner Navarro to adjourn the public session at 5:01 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