



**MINUTES FROM THE MEETING OF THE STATE EMPLOYEE BENEFITS COMMITTEE
FEBRUARY 20, 2024**

The State Employee Benefits Committee (the “Committee”) met at 1:00 p.m. on February 20, 2024. The meeting was held virtually and in person at 841 Silver Lake Boulevard, Suite 200, Dover, DE 19904.

Committee Members in Attendance:

Secretary Claire DeMatteis, Department of Human Resources (“DHR”), SEBC Co-Chair
Lieutenant Governor Bethany Hall-Long, Office of the Lt. Governor
Treasurer Colleen Davis, State Treasurer, Office of the State Treasurer (“OST”)
Commissioner Trinidad Navarro, Insurance Commissioner, Department of Insurance (“DOI”)
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:

Director Cerron Cade, Office of Management & Budget (“OMB”), SEBC Co-Chair
Controller General Ruth Ann Miller, Office of the Controller General (“OCG”)
Secretary Josette Manning, Department of Health & Social Services (“DHSS”)

Others in Attendance

Director Faith Rentz, SBO, DHR	Cherie Dodge Biron, Director, Financial & Administrative Services, DHR	Randall Bryniarski, CVS Health
Deputy Director Leighann Hinkle, SBO, DHR	Heather Johnson, Controller, DHR	Randy Garcia, CVS Health
Stephanie Hartos, SEBC and SEBC Subcommittee Manager, SBO, DHR	Jaclyn Iglesias, Willis Towers Watson (“WTW”)	Bria Greenlee, 302 Strategies
Nina Figueroa, Health Policy Advisor, SBO, DHR	Brian Stitzel, WTW	Lizzie Lewis, 302 Strategies
Aaron Schrader, SBO, DHR	Michelle Gast, WTW	Christina Bryan, DHA
Jennifer Biddle, Deputy Secretary, DHR	Jen Manieri, WTW	Donna Harris, DOJ
Ashley Blok, Communications Director, DHR	Walter Mateja, Merative	Daniel Madrid, DOF
Daneen Fuss, DHR	Ashley Tucker, Deputy State Court Administrator, AOC	Melissa Marlin, DOF
Michelle Carpenter, HRIS Manager, PHRST, OMB	Matthew Rosen, Senior Policy Advisor, OST	Brian Geller, DOS
Michelle Whalen, DAG, DOJ, SEBC Legal Counsel	Matt Clark, AFSCME	Victoria Jones, DOI
Joanna Adams, Pension Administrator, Office of Pensions (“OPen”)	William Oberle, DSTA	Deanna Killen, LegHall
Stephenie Tatman, Deputy Pension Administrator, OPen	Keith Warren, Chief of Staff, Office of the Lt. Governor	Ann Todd, DelDOT
	Lisa Mantegna, Highmark Delaware	Joanne White, DHSS
	Julie Caynor, Aetna	Mary Wood, Open
	Katherine Impellizzeri, Aetna	Christy Wright, LegHall
	Jennifer Moyer, Aetna	Naomi Poole, UD
	Charlene Hrivnak, CVS Health	Julie Greenwood, UD
		Gisela McKenzie, UD
		LaVette Whaley, City of Dover
		Sarah Petrowich, Delaware Public
		LeVar Johnson, Novo Nordisk
		Tom Pledge
		Steven LePage
		Joan Delfattore

STATE OF DELAWARE STATEWIDE BENEFITS OFFICE

Sam Gaertner
Rebecca Scarborough
Barbara Philbin
Gloria James
Nancy Alteri
Amy Cherry
Angela Taylor
Bob Clarkin

Brian Meadows
Brian Trier
Dr. Joe Lucca
Lauren Graves
John Langiu
Lincoln Willis
Lisa Gruss
Lynda Hastings

Lisa Richardson
Sarah Mueller
William Young
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 1:02 p.m. *Quorum not met.*

DIRECTOR’S REPORT – DIRECTOR FAITH RENTZ, SBO

Director Rentz highlighted agenda items from last week’s Financial Subcommittee and Health Policy and Planning Subcommittee meetings. The March 11, 2024 SEBC meeting will include updates on the renegotiated contract terms with our Pharmacy Benefits Manager (PBM), CVS Caremark, as well updates on the savings analysis from the utilization of services provided by Employer Direct Healthcare’s SurgeryPlus benefit.

Treasurer Davis arrived to the meeting. Quorum met.

The Committee will soon be provided information on the timeline for upcoming Request for Proposals (RFPs) and will need to appoint members to serve on the Proposal Review Committees (PRCs).

Open Enrollment (OE) dates for the FY25 plan year will be May 1 – May 17. SBO is currently working on a communications plan for FY25 OE that will also include information pertaining to SEBC decisions.

Committee members had a discussion on modifying coverage of weight loss medications.

Lieutenant Governor Hall-Long arrived to the meeting.

The House and Senate Health Committees held a joint meeting yesterday to review the results of the Retiree Healthcare Benefits Advisory Subcommittee (RHBAS) report recommendations.

An overview of the Medicare RFP will be provided at the March 11 SEBC meeting with a vote on the award recommendation occurring at the March 25 meeting. Members of the public will have the opportunity to provide public comment at both meetings prior to a vote on the award recommendation.

APPROVAL OF MINUTES – SECRETARY CLAIRE DEMATTEIS, DHR

A MOTION was made by Lieutenant Governor Hall-Long and seconded by Shaun O’Brien to approve the minutes from the January 29, 2024 meeting of the State Employee Benefits Committee.

Abstentions – Chief Justice Seitz

MOTION ADOPTED UNANIMOUSLY.

A MOTION was made by Lieutenant Governor Hall-Long and seconded by Shaun O’Brien to approve the Executive Session minutes from the January 29, 2024 meeting of the State Employee Benefits Committee. Tom Brackin requested an edit be made to the minutes to remove his name as he was not in attendance.

Abstentions – Chief Justice Seitz, Tom Brackin

MOTION ADOPTED UNANIMOUSLY.

FINANCIALS – BRIAN STITZEL & JEN MANIERI, WTWJanuary 2024 Fund Reports

Brian Stitzel reviewed the executive summary for the January 2024 Fund Report. The fund continues to run at a deficit for the month of January; however, this is due to a lower than expected year-end Employer Group Waiver Plan (EGWP) reconciliation payment. The claims budget was set high for January but did come in better than budget. The fund is now projected to go negative by the end of March. The full year deficit projection was reviewed.

Chief Justice Seitz left the meeting.

FY24 Monthly Budget and Fund Surplus/Deficit

Brian Stitzel presented the FY24 budget versus the FY24 re-forecasted budget based on FY24 actuals from July 2023 through January 2024. A revised forecast of the fund depletion timeframe and updated end-of-year projections were noted as well. The fund is able to go negative throughout the fiscal year but cannot be negative at the close of the fiscal year.

Brian Stitzel reviewed estimated and actual premium contributions from July 2023 through January 2024 for Highmark and Aetna. Premium contributions are projected to be slightly lower than budgeted for FY24. The EGWP year-end reconciliation payment that arrived in January 2024 was significantly less than originally projected.

Claims came in better than budget, however, January FY24 claims were still significantly higher than January FY23 claims. Brian Stitzel detailed claims on a per member per month (PMPM) basis to identify potential trends that could be caused by shifting plans and new enrollments. Brian Stitzel discussed the spend and trend rates for commercial and EGWP pharmacy claims.

Brian Stitzel summarized PrudentRx savings, GHIP expenses, and plan member enrollments.

Updated Forecast and Rate Scenarios

Brian Stitzel detailed the GHIP long-term health care cost projections based on experience through January 2024 which included the FY23 actual budget and the projected budgets for FY24 through FY28 based on variable premium rate increases over these fiscal years. There were no changes to the FY25 premium rate increases that were presented last month, however, the minimum reserve was recommended to increase by 2% of operating expense beginning in FY26 to create a protective measure from future adverse experience. FY25 premium contribution scenarios were outlined for all groups.

Commissioner Navarro arrived to the meeting.

Brian Stitzel provided an overview of the current healthcare plan's actuarial values (AVs) and reviewed several scenarios to re-align AVs and equalize the state subsidy. Additional options were presented that would require legislative change and would not be available for the FY25 plan year, however, the Committee may continue to consider these scenarios for future plan years.

Committee members had a discussion on the options to modify the AVs and equalize the state subsidy.

Shaun O'Brien requested information on what plan design changes would be needed to adjust plan values to equalize state subsidy. WTW will provide information at the next meeting.

SEBC Dashboard

Agenda item was not displayed. WTW noted that all data had been reviewed and is consistent with previous discussions. No new concerns to be addressed.

Quarterly Key Trends Report

Agenda item was not displayed. WTW noted that all data had been reviewed and is consistent with previous discussions. No new concerns to be addressed.

FY24 Q2 Financial Reporting

Agenda item was not displayed. WTW noted that all data had been reviewed and is consistent with previous discussions. No new concerns to be addressed.

COST AND UTILIZATION OF APPROVED OR EXTENDED BENEFIT PROGRAMS – JACLYN IGLESIAS, WTW

Jaclyn Iglesias outlined benefit programs currently in place for the FY24 plan year which include benefit enhancements due to the COVID-19 public health emergency, PrudentRx, Hinge Health, and bariatric surgery through the SurgeryPlus benefit. Most Subcommittee members supported the discontinuation of benefit enhancements due to the COVID-19 public health emergency, though there was some support for continued coverage of telemedicine visits with no member cost sharing. Subcommittee members would like to continue monitoring the other benefit programs as these are relatively new. Cost and utilization of these programs and benefit enhancements was presented.

Shaun O'Brien questioned the continued coverage of no member cost share for telemedicine and asked for a cost comparison for telemedicine versus in-person office visits. Lieutenant Governor Hall-Long also requested information on utilization data of behavioral telehealth visits. Information will be provided at the next meeting.

Committee members showed support to continue coverage of PrudentRx, Hinge Health, and bariatric surgery through SurgeryPlus; however, expressed little support to continue benefit enhancements implemented due to the COVID-19 public health emergency.

DIVERSITY, EQUITY AND INCLUSION BENEFITS REVIEW – JACLYN IGLESIAS, WTW

Jaclyn Iglesias presented a brief update on the Diversity, Equity and Inclusion (DEI) benefits review for short-term and long-term benefit enhancement opportunities. Subcommittee members met last week to continue discussions on mental health/wellbeing benefits through the Employee Assistance Program (EAP) and medical plans. Subcommittee members did show support for coverage of low-cost enhancements that include enhanced coverage for wigs, adding a coverage allowance for cooling caps, and alignment of coverage of mastectomy bras across medical carriers. SEBC members were asked to provide input related to recommendations for coverage of low-cost benefit enhancements.

Lieutenant Governor Hall-Long requested information on current utilization for the recommended benefit enhancements. WTW will provide data at the next meeting. Several members expressed support in providing coverage for these benefit enhancements.

OTHER BUSINESS

No Other Business.

EXECUTIVE SESSION

A MOTION was made by Lieutenant Governor Hall-Long and seconded by Karen Field Rogers to move into the Executive Session at 2:49 p.m. MOTION ADOPTED UNANIMOUSLY.

The Public Session resumed at 3:11 p.m.

PUBLIC COMMENT

Members of the public provided comments on agenda items discussed at today's meeting related to healthcare costs, the FY25 premium rate increase, and telemedicine.

Treasurer Davis left the meeting.

**APPROVAL OF PLAN DESIGN CHANGES RELATED TO THE MENTAL HEALTH PARITY AND EQUITY ACT –
SECRETARY CLAIRE DEMATTEIS, DHR**

A MOTION was made by Commissioner Navarro and seconded by Shaun O'Brien regarding plan design changes discussed in Executive Session related to the Federal Mental Health Parity and Addiction Equity Act (MHPAEA) and to approve the recommendations as discussed in Executive Session.

Voting Yes – Secretary DeMatteis, Commissioner Navarro, Shaun O'Brien, Lieutenant Governor Hall-Long, Karen Field Rogers, Thomas Brackin

Not Present – Director Cade, Secretary Manning, Controller General Miller, Chief Justice Seitz, Treasurer Davis

ADJOURNMENT

A MOTION was made by Shaun O'Brien and seconded by Commissioner Navarro to adjourn the public session at 3:23 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