



**MINUTES FROM THE MEETING OF THE STATE EMPLOYEE BENEFITS COMMITTEE
MARCH 25, 2024**

The State Employee Benefits Committee (the “Committee”) met at 2:00 p.m. on March 25, 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
Director Cerron Cade, Office of Management & Budget (“OMB”), SEBC Co-Chair
Lieutenant Governor Bethany Hall-Long, Office of the Lt. Governor
Controller General Ruth Ann Miller, Office of the Controller General (“OCG”)
Secretary Josette Manning, Department of Health & Social Services (“DHSS”)
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

Others in Attendance

Director Faith Rentz, SBO, DHR	Cherie Dodge Biron, Director, Financial & Administrative Services, DHR	Courtney Stewart, Deputy Director, Office of Management & Budget (“OMB”)
Deputy Director Leighann Hinkle, SBO, DHR	Heather Johnson, Controller, DHR	Robert Scoglietti, Deputy Controller General, OCG
Nina Figueroa, Health Policy Advisor, SBO, DHR	Jaclyn Iglesias, Willis Towers Watson (“WTW”)	Jeanette Hammon, Sr. Fiscal and Policy Analyst, OMB
Marie Hartigan, SBO, DHR	Brian Stitzel, WTW	Steven Costantino, Director Health Care Reform, DHSS
Pamela Barr, SBO, DHR	Michelle Gast, WTW	Laura Rowe, DSEA
Wendy Hrupsa-Sherwood, SBO, DHR	Jen Manieri, WTW	Lisa Mantegna, Highmark Delaware
Samantha Mountz, SBO, DHR	Walter Mateja, Merative	Wendy Beck, Highmark Delaware
Dawn Warman, SBO, DHR	Representative Michael Ramone, Delaware House of Representatives, Minority Caucus	Lisa Mantegna, Highmark Delaware
Michelle Carpenter, HRIS Manager, PHRST, OMB	Representative Paul Baumbach, Delaware House of Representatives, Majority Caucus	Julie Caynor, Aetna
Michelle Whalen, DAG, DOJ, SEBC Legal Counsel	Jeff Taschner, Executive Director, Delaware State Education Association (“DSEA”)	Katherine Impellizzeri, Aetna
Joanna Adams, Pension Administrator, Office of Pensions (“OPen”)	Ashley Tucker, Deputy State Court Administrator, AOC	Jennifer Moyer, Aetna
Kathy Nedelka, HRIS Specialist, PHRST, OMB	Matt Clark, AFSCME	Charlene Hrivnak, CVS Health
Andrea Godfrey, Deputy Director of Budget Development and Planning, OM	Keith Warren, Chief of Staff, Office of the Lt. Governor	Randy Garcia, CVS Health
Carla Cassell-Carter, Director of Budget Development and Planning, OMB		Carrie Schiavo, Delta Dental
		MaryKate McLaughlin, BT Law
		Paula Roy, Roy & Associates
		Bria Greenlee, 302 Strategies
		Kristal Diaz, OPen
		Cathleen Engelsiepen, OMB

STATE OF DELAWARE STATEWIDE BENEFITS OFFICE

Carrie Erickson, DNREC
William Fayson, OPen
Brian Geller, DOS
Donna Harris, DOJ
Kelli Janowski, DHSS
Emily Johnson, OPen
Melissa Marlin, DOF
Tracey Parker, DNREC
Jordan Seemans, OST
Dietrich Slack, DNREC
Michelle Strauss, DOS
Michelle Svaby, DNREC
Angela Taylor, DHSS
Christina Bryan, DHA
Daniel Madrid, DOF
Sarah Day, DeIDOT
Dana Degnats, DNREC
Gisela McKenzie, UD
Julie Greenwood, UD
LaVette Whaley, City of Dover
Naomi Poole, City of Dover
Patricia Marney, City of Dover
Jeffrey Dill, City of Dover
Amanda Fries, Delaware Online
LeVar Johnson, Novo Nordisk
Retired Senator Karen Peterson

Jim Kaus
Tom Pledge
Steven LePage
Joan DeFattore
Sam Gaertner
Barbara Philbin
Bob Clarkin
Lisa Gruss
Tom Schuyler
Jo Ann Schuyler
AnRea MacDonald
Charles Clark
Deborah Schrass
Jo Kallal
Mary Graham
Nancy Schuman
Rebecca Byrd
Wanda Pfiesser
Ann Couzens
Amelia Hodges
Audrey Noble
Becky Scarborough
Bill Mead
Bill Saylor
Carol Anne Williamson
Denise Schwartz

Dennis Spivack
Dick Sacher
Teresa Doggett
Donna Dossett
Dorothy Brabson
H. Holden
Jake Owens
Janet Smith
Joseph Edelen
Lynda Hastings
Lynn Mancini
Martha Bailey
Mary Ebersole
Min Gibson
Tracy Onorofsky
Patricia Fogg
Paul Hayes
Ruth Zorzi
Sarah Mueller
Stephanie Spadaccini
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 2:02 p.m.

APPROVAL OF MINUTES – SECRETARY CLAIRE DEMATTEIS, DHR

A MOTION was made by Shaun O’Brien and seconded by Karen Field Rogers to approve the public session and executive session minutes from the March 11, 2024 meeting of the State Employee Benefits Committee.
MOTION ADOPTED UNANIMOUSLY.

PUBLIC COMMENT

Members of the public provided comments on prescription drugs and on agenda items to be discussed at today’s meeting related to the Medicare RFP award recommendation.

DIRECTOR’S REPORT – DIRECTOR FAITH RENTZ, SBO

Agenda item deferred until later in the meeting.

FINANCIALS – BRIAN STITZEL, WTW

February Fund Report

Brian Stitzel reviewed the executive summary for the February Fund Report. Other revenues were higher than projected as the fund received higher-than-expected rebates for Commercial and EGWP, claims were right at budget, and premium contributions were better than budget. The overall budget for the month of February was favorable.

Commissioner Navarro arrived to the meeting.

FY24 Monthly Budget

Brian Stitzel presented the FY24 budget versus the FY24 re-forecasted budget based on the FY24 actuals from July 2023 through February 2024. A revised forecast of the fund depletion timeframe and updated end-of-year projections were noted. The fund equity balance is now projected to be negative by the end of April. The fund can go negative during the fiscal year; however, any negative balance will need to be resolved through a fund transfer before the fiscal year closeout.

Brian Stitzel detailed the FY24 monthly budget projections which included two new exhibits on the breakdown of premium contributions by active employees, pensioners, COBRA, and non-payroll groups and plan member experience by group. Premium contributions are expected to remain slightly lower than budgeted for FY24. Other revenues, such as commercial rebates and the coverage gap discount, continue to average slightly higher than anticipated.

Commissioner Navarro inquired about the importance of the surplus that will be created with the significant premium rate increase. Brian Stitzel summarized that the generated surplus would assist to pay back the cash infusion borrowed to keep the fund solvent in FY24 and the remaining surplus would be held in reserve to cover any unexpected future claim volatility to the fund. These surplus funds will also protect the fund from legislation that may impact the Group Health Insurance Plan (GHIP).

Lieutenant Governor Hall-Long and Treasurer Davis arrived to the meeting.

Brian Stitzel reviewed the five-year projection with a 2% minimum reserve for FY25 and 4% of operating expenses thereafter. The FY25 minimum necessary premium rate increase lowered slightly, however, the previously recommended premium rate increase remains unchanged. FY25 Employee premium contribution rates were displayed for all plans.

SEBC DASHBOARD – JEN MANIERI, WTW

Jen Manieri 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 January 2024, compared to the previous 12 months through January 2023. The trend for the allowed amount per member per year remains unchanged. Inpatient costs have decreased which is driven by the decrease in the average length of stay. Outpatient and Rx costs continue to show increases in the allowed prescriptions per day and the allowed outpatient amount per service which is translating into higher pricing.

FY25 PLANNING CONSIDERATIONS – JACLYN IGLESIAS, WTW

Non-Medicare Health Plan Design Changes

Jaclyn Iglesias provided a financial recap on the Mental Health Parity and Addiction Equity Act (MHPAEA) plan designs changes, COVID-19 benefit enhancements, and selected opportunities from the Diversity, Equity and Inclusion Benefits review. MHPAEA, COVID-19 benefit enhancements, and selected opportunities from the Diversity, Equity and Inclusion Benefits review plan design changes by plan were outlined for the Committee.

Lieutenant Governor Hall-Long left the meeting at 2:49 p.m.

APPROVAL OF THE MHPAEA PLAN DESIGN CHANGES

A MOTION was made by Commissioner Navarro and seconded by Shaun O'Brien to approve the Mental Health Parity and Addiction Equity Act changes for the Aetna CDH Gold, the Aetna HMO, and the Highmark PPO plans. MOTION ADOPTED UNANIMOUSLY.

APPROVAL OF THE DIVERSITY, EQUITY AND INCLUSION BENEFITS

A MOTION was made by Secretary Manning and seconded by Commissioner Navarro to approve the enhanced women’s health benefits under the Aetna CDH Gold, the Highmark PPO, and the Highmark First State Basic plans. MOTION ADOPTED UNANIMOUSLY.

APPROVAL OF THE COVID-19 BENEFIT ENHANCEMENTS

No motion was presented. COVID-19 benefit enhancements will expire on June 30, 2024.

Employer-Sponsored Medicare Supplement Plan Third Party Administrator Services

APPROVAL OF THE PROPOSAL REVIEW COMMITTEE (PRC) AWARD RECOMMENDATION FOR THE EMPLOYER-SPONSORED MEDICARE SUPPLEMENT PLAN THIRD PARTY ADMINSTRATOR SERVICES

A MOTION was made by Thomas Brackin and seconded by Karen Field Rogers to approve the Proposal Review Committee recommendation to the State Employee Benefits Committee of a contract award of the Employer Sponsored Medicare Supplement Plan to Highmark for an initial two-year term effective January 1, 2025 through December 31, 2026 with one optional one-year period extension. Such an award shall be subject to approval of the Department of Technology and Information and Department of Insurance and a finalized contract which shall include performance guarantees and Highmark to agree in writing to work with the SBO and Pension Office to enhance member communications as these offices deem necessary relating to open enrollment and the transition into Medicare.

Voting Yes – Thomas Brackin, Karen Field Rogers, Secretary DeMatteis, Director Cade, Chief Justice Seitz, Commissioner Navarro, Controller General Miller, Treasurer Davis, Secretary Manning

Voting No – Shaun O’Brien

Not Present – Lieutenant Governor Hall-Long

MOTION ADOPTED.

Health plan premium (Rate) Increases

APPROVAL OF THE FY25 HEALTH PLAN PREMIUM (RATE) INCREASES

A MOTION was made by Director Cade and Seconded by Secretary Manning to approve both the non-Medicare health plan rates effective July 1, 2024 and the Medicare health plan rates effective January 1, 2025 as detailed in the information that has been presented to the Committee.

MOTION ADOPTED UNANIMOUSLY.

OVERVIEW OF CY2024 REQUESTS FOR PROPOSALS – MICHELLE GAST, WTW

Michelle Gast discussed the CY2024 Requests for Proposals (RFPs) which include the Flexible Spending Accounts, Pre-Tax Commuter Benefit, and COBRA, the Employee Assistance Program (EAP), and the Group Accident and Critical Illness Supplemental Insurance. A background of current program features, RFP objectives, and a timeline for each RFP was provided.

The RFP timeline will be updated to indicate that the RFP contract award recommendations will be presented at the September 2024 meeting and then voted on at the October 2024 meeting.

DIRECTOR’S REPORT – DIRECTOR FAITH RENTZ, SBO

The Statewide Benefits Office (SBO) is currently monitoring numerous bills that have been filed that would impact the GHIP or the SEBC.

- SB10 – Changes related to pre-authorization requirements – This bill has not been scheduled yet with the Committee and impact to the GHIP is unclear. SBO continues to monitor this bill.
- SB159 – Removal of language relating to state employee membership with the Blood Bank of Delaware as a recognized benefit – This bill is ready for the Governor’s signature.

- HS1 for HB110 - Related to insurance coverage for termination of a pregnancy – The estimated fiscal impact is nominal, and the bill is currently assigned to the House Appropriations Committee.
- HS2 to HB273 – Related to additional coverage for speech language diagnosis – This bill does not explicitly apply to the GHIP and is currently assigned to the Senate Banking, Business, Insurance & Technology Committee. The Committee may choose to adopt the provisions of this bill; however, the estimated fiscal impact is high.
- HA1 to HB281 – Repeals the option to provide a Medicare Advantage (MA) healthcare plan for state pensioners – This bill is currently assigned to the Senate Executive Committee. HA1 allows for the possibility to offer an MA plan as an option for employees hired on or after January 1, 2025
- HA1 to HB282 – Membership and leadership modification of the SEBC; proposes to require the SEBC to review and approve any RFP to select a carrier or third-party administrator for state employee or pensioner healthcare plans during a public meeting - This bill is currently assigned to the Senate Executive Committee. Bill effective date is January 1, 2025, if passed.
- HS1 to HB350 – Establishment of the Diamond State Hospital Review Board; requires hospitals to have their budgets reviewed by the Hospital Cost Review Board and would not take effect, if passed, until CY26; however, the bill includes a temporary measure until Board operations begin to limit hospitals from charging no more than 250% of Medicare costs for any payer for hospital services for CY25 – This bill is scheduled before the House Administration on March 27, 2024.
- HB326 – Requires Delaware Non-Profit Hospitals to provide the State and public with an annual report outlining their community benefit spending. The bill was released from the Health & Human Development Committee.
- SB13 – Creation of the Hospital Quality and Health Equity Fund and Hospital Quality and Health Equity Assessment Commission; this bill would impose a 3.58% assessment on Delaware Hospitals net patient revenues. The bill is currently assigned to the Senate Health and Social Services Committee.

OTHER BUSINESS

No Other Business.

ADJOURNMENT

A MOTION was made by Shaun O’Brien and seconded by Secretary Manning to adjourn the public session at 3:39 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