

# The State of Delaware

## Overview of CY2024 Requests for Proposals

SEBC Meeting

March 25, 2024

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# Today's discussion

## CY2024 Requests For Proposals

- Flexible Spending Accounts, Pre-Tax Commuter Benefits and COBRA
- Employee Assistance Program
- Accident and Critical Illness

1. Background
2. RFP Objectives
3. Current Programs
4. RFP Timeline

# Flexible Spending Accounts, Pre-tax Commuter Benefits & COBRA

## Background

- The State of Delaware has engaged Willis Towers Watson to assist with a request for proposal (RFP) and evaluate vendors for its flexible spending account (FSA), pre-tax commuter benefits and COBRA administration
- Application Software, Inc. (ASI) is the incumbent FSA (health care and dependent), pre-tax commuter benefits and COBRA program administrator
  - ASIFlex has administered FSA since 2005
  - ASIFlex has administered pre-tax commuter benefits since 2007
  - ASI COBRA has administered COBRA benefits since 2020

# Flexible Spending Accounts, Pre-tax Commuter Benefits & COBRA

## RFP objectives

- Offer state of the art administrative services for FSA, pre-tax commuter benefits and COBRA administration
- Provide excellent customer service to participants
- Provide excellent account management services to the State, including timely reporting
- Provide competitive financial terms
- Provide performance guarantees
- Be responsive to changes in the programs and requests of the SEBC and the SBO



# Flexible Spending Accounts (FSA)

## Current program

<b>Administrator</b>	ASIFlex
<b>Contributions</b>	Employee-pay-all, funded through payroll deductions
<b>Eligibility</b>	Active State Employees who are benefit eligible <sup>1</sup>
<b>Eligibility waiting period</b>	90 days of employment
<b>Enrollment date</b>	At Open Enrollment only (May 1 through 17) <sup>2</sup>
<b>Minimum contribution required</b>	\$50 per year
<b>Maximum contribution allowed<sup>3</sup> – Health care FSA</b>	\$3,200
<b>Maximum contribution allowed<sup>3</sup> – Dependent care FSA</b>	\$5,000 per household
<b>How contribution dollar values are determined</b>	By the IRS each year
<b>Claims period</b>	July 1 through June 30
<b>Treatment of balance at year-end</b>	Grace Period: July 1 – September 15
<b>Limited Purpose FSA (dental and vision expenses only)</b>	Not offered

Sources: <https://dhr.delaware.gov/benefits/fsa/documents/health-care-booklet-fy25.pdf>; <https://dhr.delaware.gov/benefits/fsa/documents/dependent-care-booklet-fy25.pdf>.

1. In the event that the State implements an IRS-qualified consumer directed health plan (as defined by the IRS) with a Health Savings Account (HSA), HSA accountholders who wish to remain eligible for making or receiving contributions to the HSA are not eligible to enroll in the health care FSA currently offered by the State (which is, by definition, a "general purpose" health care FSA). The only health care FSA option available to individuals in that scenario would be a limited purpose FSA for reimbursement of dental and vision expenses only.
2. Except when eligible individuals experience a qualifying event that would justify a mid-year election change. The election change request must be filed within 31 days of the date of the qualifying event and becomes effective on the 1<sup>st</sup> of the month following the event or the date the form is signed whichever is later and upon the approval of the request. Requests received after 31 days will not be approved.
3. Maximum contribution limits set by the IRS.

# Pre-tax Commuter Benefits

## Current program

<b>Administrator</b>	ASIFlex
<b>Eligibility</b>	All State of Delaware permanent part-time and full-time employees <sup>1</sup>
<b>Eligibility waiting period</b>	None
<b>Enrollment date</b>	Available at any time throughout the year <sup>2</sup>
<b>Transit monthly pre-tax deduction limit<sup>3</sup></b>	\$315 Mass Transit / Van Pooling through Fleet Link
<b>Parking monthly pre-tax deduction limit<sup>3</sup></b>	\$315
<b>How dollar values are determined</b>	By the IRS each year

Source: <https://dhr.delaware.gov/benefits/commuter/documents/plan-booklet.pdf?ver=1222>

1. For Fleet Link Van Pooling only, the term "employee" includes individuals who are deemed temporary employees, casual employees, or employees hired short-term to meet specific needs of the Employer so long as such persons are on the Employer's W-2 payroll

2. Employees must enroll or change payroll deduction amount by the 15<sup>th</sup> of the month in order to pay deductions to take effect for the following month (i.e. employee enrolls on May 10<sup>th</sup>, payroll change will be effective June 1<sup>st</sup> and benefit change will be effective July 1<sup>st</sup>).

3. Set annually by the IRS.

# COBRA

## Current program

<b>Administrator</b>	ASI COBRA
<b>Contributions</b>	Employee-pay-all <sup>1</sup>
<b>Eligibility</b>	Individuals and dependents losing health coverage due to qualifying event <sup>2</sup>
<b>Eligibility waiting period</b>	None
<b>Enrollment date</b>	Within 60 days from the date the employee is furnished the election notice or the date they lost coverage
<b>Coverage period</b>	Varies <sup>3</sup>

Source: <https://dhr.delaware.gov/benefits/cobra/index.shtml>

1. 100% of the monthly premium rate plus 2% administration fee.

2. Employees: Termination of employment for any reason other than gross misconduct or reduction in the number of hours of employment. Qualified spouse or dependent child: Divorce, legal separation, death, hour of employment reduction or employment termination of covered employee, or loss of dependent status.

3. 18 months for termination of employment or reduction in hours; 36 months for spouses and/or dependents of employees that in addition to termination of employment or reduction of hours become entitled to Medicare less than 18 months before the qualifying event.



# Employee Assistance Program

## Background

- The State of Delaware has engaged Willis Towers Watson to assist with a request for proposal (RFP) and evaluate vendors for its employee assistance program (EAP)
- ComPsych is the incumbent EAP administrator
  - ComPsych has administered the EAP since 1/1/2021 (following the 2019 RFP)
  - The previous EAP administrator was Health Advocate: the contract for EAP services was with Health Advocate from 7/1/2004 to 12/31/2020

# Employee Assistance Program

## RFP objectives

- Provide competitive financial terms and performance guarantees
- Explore enhanced EAP models with higher session limit
- Possess extensive experience administering the requested scope of services for clients of comparable size
- Deliver excellent customer service to members on an ongoing basis and provide access to superior member-facing on-line tools and resources
- Provide support for critical incidents with onsite resources
- Provide excellent account management services to the State
- Formulate and execute a comprehensive communication strategy that advertises the full suite of EAP and work/life benefits to eligible members throughout the plan year

# Employee Assistance Program

## Current program

<b>Administrator</b>	ComPsych
<b>Eligibility<sup>1</sup></b>	All State of Delaware permanent part-time and full-time employees <sup>1</sup>
<b>Eligibility waiting period</b>	None
<b>Enrollment</b>	Available at no cost to employees and their household members; no enrollment necessary
<b>Visit limit</b>	5 visits
<b>Other services</b>	24/7 access to a Guidance Consultant, online support, Digital Tools, Work-Life Solutions, Legal Guidance, Financial Resources, Identity Theft Services

1. Eligibility currently includes all State of Delaware permanent employees, non-Medicare pensioners, and their dependents (household family members) regardless of eligibility for or enrollment in a State of Delaware health plan as a result of the COVID-19 pandemic and is set to expire on June 30, 2024.

# Group Accident and Critical Illness Supplemental Insurance

## Background

- The State of Delaware has engaged Willis Towers Watson to assist with a request for proposal (RFP) and evaluation of vendors for its Group Accident and Critical Illness supplemental insurance
- This benefit program was offered as required by legislation (DE Code Reference: 29 Del.C. §52C)
- Group Accident and Critical Illness supplemental insurance benefits are available to active employees of the State of Delaware, the University of Delaware, school district, charter school, and other higher education institutions and their dependents
- This is an employee-pay-all program allowing those who enroll to pay for their benefit elections through a post-tax general deduction taken from their paycheck
- Securian is the incumbent for the group accident and critical illness benefits since 7/1/2020
- Prior to Securian, the vendor was Continental/AFLAC from 7/1/2015 to 6/30/2020

# Group Accident and Critical Illness Supplemental Insurance

## RFP objectives

- Provide competitive financial terms and performance guarantees
- Possess extensive experience administering the requested scope of services for clients of comparable size
- Able to meet all technology requirements set forth by the State
- Deliver excellent customer service to members during enrollment and ongoing administration and access to first-class member-facing online tools
- Provide excellent account management services to the State
- Able to formulate and execute a comprehensive communication strategy targeting eligible plan participants prior and during open enrollment
- Compliant with the submission requirements set forth in the RFP document
- Ability to comply with 29 Del.C. §52C

# Group Accident and Critical Illness Supplemental Insurance

## Current program

<b>Eligibility<sup>1</sup></b>	<ul style="list-style-type: none"><li>▪ State of Delaware employees, including school district, charter schools, and other higher education institution employees and their dependents</li><li>▪ University of Delaware employees and their dependents</li></ul>
<b>Member Cost Share</b>	<ul style="list-style-type: none"><li>▪ Employee-pay-all program through post-tax payroll deductions</li><li>▪ No premium cost to the State</li></ul>
<b>Enrollment</b>	<ul style="list-style-type: none"><li>▪ Permissible only once per year, during Open Enrollment period with plan year beginning on July 1</li><li>▪ <i>Exceptions:</i> new hires and newly benefit-eligible employees have 60 days to apply from the date of becoming eligible for benefits; mid-year coverage changes permissible only if employee experiences a qualifying life event</li><li>▪ Once enrolled, an employee can terminate coverage at any point during the plan year</li></ul>
<b>Other Legislative Requirements</b>	<p><i>From Del.C. §52C:</i></p> <ul style="list-style-type: none"><li>▪ The insurance shall offer income indemnity coverage that is guaranteed renewable for accident, cancer, and critical illness or critical care and recovery</li><li>▪ The insurance carrier shall be licensed in the State of Delaware and maintain a claims loss ratio of not less than sixty percent (60%)</li><li>▪ The group monthly electronic statement, associated reconciliation of premiums paid, and claims administration and payment due will be administered by the carrier and at their expense</li></ul>

1. Non-Medicare and Medicare retirees of the State and non-state groups are not eligible.



# RFP timelines

Milestones	FSA, Pre-Tax Commuter, COBRA	EAP	Group Accident and Critical Illness Supplemental Insurance
RFP Released	Tues, 5/21/24	Tues, 5/28/24	Tues, 5/28/24
Intent to Bid Deadline	Tues, 6/4/24	Tues, 6/11/24	Tues, 6/11/24
Mandatory Pre-Bid Meeting (Teams Meeting)	Thu, 6/6/24	Thu, 6/13/24	Thu, 6/13/24
Questions due to SBO from Confirmed Bidders	Fri, 6/7/24	Fri, 6/14/24	Fri, 6/14/24
Responses to Questions to Confirmed Bidders	Fri, 6/14/24	Fri, 6/21/24	Fri, 6/21/24
Deadline for Bids	Tues, 6/25/24	Tues, 7/2/24	Tues, 7/2/24
Notification of Finalists - Invitation to Interview	Tues, 7/23/24	Tues, 7/30/24	Tues, 7/30/24
1 <sup>st</sup> PRC Meeting: PRC 101; WTW Summary; Finalist Interviews	Wed, 8/7/24	Mon, 8/12/24	Tues, 8/13/24
2 <sup>nd</sup> PRC Meeting: Discussion, follow-ups from interviews, BAFO offer review	Wed, 8/21/24	Tues, 8/27/24	Tues, 8/27/24
3 <sup>rd</sup> PRC Meeting: final scoring and recommendations	Wed, 8/28/24	Tues, 9/10/24	Tues, 9/10/24
Presentation to SEBC/Award	Mon, 9/23/24	Mon, 9/23/24	Mon, 9/23/24
Contract Award	Tues, 9/24/24	Tues, 9/24/24	Tues, 9/24/24
Contract Effective Date	Tues, 7/1/25	Tues, 7/1/25	Tues, 7/1/25