



**MINUTES FROM THE MEETING OF THE STATE EMPLOYEE BENEFITS COMMITTEE
APRIL 22, 2024**

The State Employee Benefits Committee (the “Committee”) met at 2:00 p.m. on April 22, 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
Controller General Ruth Ann Miller, Office of the Controller General (“OCG”)
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:

Lieutenant Governor Bethany Hall-Long, Office of the Lt. Governor
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	Katherine Impellizzeri, Aetna
Deputy Director Leighann Hinkle, SBO, DHR	Jaclyn Iglesias, Willis Towers Watson (“WTW”)	Jennifer Moyer, Aetna
Stephanie Hartos, Manager, SEBC and Subcommittees, SBO, DHR	Vichakarn Rattanasangpunth, WTW	Lisa Mantegna, Highmark Delaware
Nina Figueroa, Health Policy Advisor, SBO, DHR	Walter Mateja, Merative	Charlene Hrivnak, CVS Health
Leslie Ramsey, SBO, DHR	Secretary Rick Geisenberger, DOF	Randy Garcia, CVS Health
Pamela Barr, SBO, DHR	Ashley Tucker, Deputy State Court Administrator, AOC	Sara Dunlevy, CVS Health
Aaron Schrader, SBO, DHR	Keith Warren, Chief of Staff, Office of the Lt. Governor	Carrie Schiavo, Delta Dental
Crystal Sheats, SBO, DHR	Courtney Stewart, Deputy Director, Office of Management & Budget (“OMB”)	Paula Roy, Roy & Associates
Brittany Ford, SBO, DHR	Robert Scoglietti, Deputy Controller General, OCG	Bria Greenlee, 302 Strategies
Michelle Carpenter, HRIS Manager, PHRST, OMB	Jeanette Hammon, Sr. Fiscal and Policy Analyst, OMB	Christina Bryan, DHA
Michelle Whalen, DAG, DOJ, SEBC Legal Counsel	Steven Costantino, Director Health Care Reform, DHSS	Toni Gillis, DHR
Jennifer Biddle, Deputy Secretary, DHR	Bill Oberle, DSTA	Ashley Blok, DHR
Joanna Adams, Pension Administrator, Office of Pensions (“OPen”)	Julie Caynor, Aetna	Joy Olshefsky, DHR
Andrea Godfrey, Deputy Director of Budget Development and Planning, OM		Melissa Marlin, DOF
		Melissa Kucharski, ODS
		Kiley Thomson, LegHall
		Gisela McKenzie, UD
		LaVette Whaley, City of Dover
		Alanna Speaks, City of Dover
		LeVar Johnson, Novo Nordisk
		John Langenbach, Novo Nordisk
		Niki Patel, Novo Nordisk
		Retired Senator Karen Peterson

STATE OF DELAWARE STATEWIDE BENEFITS OFFICE

Tom Pledge
Steven LePage
Joan DeFattore
Barbara Philbin
Bob Clarkin
Anita McCray
Amy Cherry

Jake Owens
Mark Fowser
Ray Akey
Richard Shaffer
Timothy Lyden
Franck Yavo
Sharon Richey

Thomas Smith
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 Treasurer Davis to approve the public session minutes from the March 25, 2024 meeting of the State Employee Benefits Committee.

MOTION ADOPTED UNANIMOUSLY.

Director Cade arrived to the meeting.

DIRECTOR’S REPORT – DIRECTOR FAITH RENTZ, SBO Director Rentz highlighted agenda items from last week’s Subcommittee meetings, including the Retiree Healthcare Benefits Advisory Subcommittee which convened for the first time since December 2023. The contract renegotiation with CVS has been completed for FY25 which will apply to both commercial and EGWP plans. The renegotiated contract will include additional savings in the form of higher retail discounts on the commercial plan and ensure pricing for specialty generics is more in line with the market for both the commercial and Medicare Part D/EGWP plans. It was reported that on April 12, 2024, the Delaware Supreme Court issued an opinion reversing the Superior Court’s decision that the SEBC violated the Administrative Procedures Act by not following APA requirements to implement a Medicare Advantage Plan.

A legislative update was provided to the Committee on bills being monitored by the Statewide Benefits Office (SBO), including recently filed HB364 which would require drug treatment coverage for metastatic cancer for individual blanket group insurance carriers under Title 18 of the Delaware Code and HA1 for HS1 for HB286 which would prohibit discrimination from life insurance companies based on genetic characteristics, genetic information, or the results of any genetic test.

FINANCIALS – VICHAKARN RATTANASANGPUNTH, WTW

March 2024 Fund Report

Vichakarn Rattanasangpunth reviewed the executive summary for the March 2024 Fund Reports. Other Revenues for March were higher than budgeted due to a larger than expected Employer Group Waiver Plan (EGWP) payment. Claims were significantly lower than budget, mainly due to the slowdown in weekly claims that is likely caused by the Change Healthcare cyber-attack. The projected budget for the remainder of FY24 includes an expected catch-up for claims that have been delayed by the cyber-attack. Expenses were better than budget due to a credit from CVS Caremark.

FY24 Monthly Budget

Vichakarn Rattanasangpunth presented the FY24 budget versus the FY24 re-forecasted budget based on the FY24 actuals from July 2023 through March 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 June 2024.

Vichakarn Rattanasangpunn reviewed budgeted and actual premium contributions and claims from July 2023 through March 2024. Premium contributions are now projected to be slightly better than budget for FY24. The claims budget has been re-projected to account for delayed claims due to the cyber-attack. Claims for all groups continue to run worse than budgeted with Medicare claims running the highest above budget. Vichakarn Rattanasangpunn detailed claims on a per member per month (PMPM) basis to identify potential trends that could be caused by shifting plans and new enrollments. Vichakarn Rattanasangpunn discussed the spend and trend rates for commercial and EGWP pharmacy claims. A future discussion on trend assumptions should occur in preparation for the FY26 financial budget projection.

Vichakarn Rattanasangpunn summarized GHIP expenses, plan member enrollments, and cost experience by group.

Vichakarn Rattanasangpunn reviewed the five-year projection with a 2% minimum reserve for FY25 and 4% of operating expenses thereafter. Recommended premium rate increases for future plan years and the FY25 employee and retiree premium contribution rates were displayed for all plans.

SEBC DASHBOARD – JACLYN IGLESIAS, WTW

Jaclyn Iglesias 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 February 2024, compared to the previous 12 months through February 2023. The trend for the allowed amount per member per year remains consistent with prior from prior months. Inpatient costs continue to show slight decreases which is driven by a decrease in utilization and by the average length of stay. Outpatient and Rx costs continue to show increases in the allowed amount per member per year. Outpatient services also show increases in the allowed cost per service which is largely driven by an increase in major medical and surgical procedures, as well as specialty medications delivered through the medical plan. The increase in prescription drug spend can be attributed to unit cost and the allowed cost per purchase.

DISABILITY INSURANCE PROGRAM RULES AND REGULATIONS – DIRECTOR FAITH RENTZ, SBO

Director Rentz outlined the Disability Insurance Program (DIP) Rules and Regulations revision process, proposed revisions and updates, details of the review process with the Health Policy and Planning Subcommittee and next steps. The Committee will be asked to vote on the proposed revisions at the May meeting.

GROUP UNIVERSAL LIFE INSURANCE – MARKETPLACE REVIEW – JACLYN IGLESIAS, WTW

Jaclyn Iglesias detailed the history and plan features of the State's Group Universal Life (GUL) Insurance program, GUL contract options for consideration, GUL experience during the current contract terms and the SEBC Health Policy & Planning Subcommittee's recommendation that the SEBC negotiate a one-year extension of the Securian contract to allow additional time for the development of a scope of work for a Request for Proposals for life insurance to be advertised in early CY2025 for a contract effective date of July 1, 2026.

Committee members had a brief discussion on the State's GUL and the options presented for life insurance. Additional information on the GUL will be provided to Committee members at the next meeting.

WEIGHT LOSS MEDICATIONS – MEDICAL PURPOSE AND UTILIZATION MANAGEMENT CRITERIA – STEPHANIE HARTOS, MANAGER, SEBC AND SUBCOMMITTEES, SBO, DHR

Stephanie Hartos provided an overview of the medical purpose of weight loss medications, defining GLP-1's and how they work, FDA approved GLP-1 and non-GLP-1 drugs, utilization management criteria for weight loss medications, long-term use of weight loss medications, the concurrent usage of weight loss medications and bariatric surgery, and data on various states that offer or have recently changed their coverage of weight loss medications.

OTHER BUSINESS

No Other Business.

PUBLIC COMMENT

Members of the public provided comments on agenda items discussed at today's meeting related to weight loss medications.

ADJOURNMENT

A MOTION was made by Shaun O'Brien and seconded by Treasurer Davis to adjourn the public session at 3:47 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