



MINUTES FROM THE MEETING OF THE STATE EMPLOYEE BENEFITS COMMITTEE
MAY 28, 2024

The State Employee Benefits Committee (the "Committee") met at 2:00 p.m. on May 28, 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
Treasurer Colleen Davis, State Treasurer, Office of the State Treasurer ("OST")
Commissioner Trinidad Navarro, Insurance Commissioner, Department of Insurance ("DOI")
Shaun O'Brien, Policy Director, American Federation of State, County, and Municipal Employees ("AFSCME")
Thomas Brackin, Executive Director, Delaware State Troopers Association ("DSTA")
Secretary Josette Manning, Department of Health & Social Services ("DHSS")
Karen Field Rogers, State Retiree

Committee Members Not in Attendance:

- Chief Justice Collins Seitz, Delaware Supreme Court
Controller General Ruth Ann Miller, Office of the Controller General ("OCG")

Others in Attendance

- Director Faith Rentz, SBO, DHR
Deputy Director Leighann Hinkle, SBO, DHR
Stephanie Hartos, Manager, SEBC and Subcommittees, SBO, DHR
Nina Figueroa, Health Policy Advisor, SBO, DHR
Pamela Barr, SBO, DHR
Samantha Mountz, SBO, DHR
Brittany Ford, SBO, DHR
Michelle Carpenter, HRIS Manager, PHRST, OMB
Michelle Whalen, DAG, DOJ, SEBC Legal Counsel
Jennifer Biddle, Deputy Secretary, DHR
Heather Johnson, Controller, DHR
Jaclyn Iglesias, Willis Towers Watson ("WTW")
Brian Stitzel, WTW
Caro Sebastian, WTW
Linh Ebbers, WTW
Jen Manieri, WTW
Jacob Schaeffer, WTW
Karen Simmons, WTW
Walter Mateja, Merative
Keith Warren, Chief of Staff, Office of the Lt. Governor
Courtney Stewart, Deputy Director, Office of Management & Budget ("OMB")
Jeanette Hammon, Sr. Fiscal and Policy Analyst, OMB
Representative Paul Ramone, Delaware House of Representatives, Minority Caucus
Julie Caynor, Aetna
Katherine Impellizzeri, Aetna
Jennifer Moyer, Aetna
Leah White, Aetna
Lisa Mantegna, Highmark Delaware
Wendy Beck, Highmark Delaware
Charlene Hrivnak, CVS Health
Randall Bryniarski, CVS Health
Victor Gutierrez, CVS Health
Carrie Schiavo, Delta Dental
Paula Roy, Roy & Associates
Bria Greenlee, 302 Strategies
Daniel Madrid, DOF
Melissa Marlin, DOF
Angela Taylor, DHSS
Christina Vogel, DOI
Gisela McKenzie, UD
LaVette Whaley, City of Dover
Alanna Speaks, City of Dover
Naomi Poole, City of Dover
Sarah Petrowich, Delaware Public
Steven LePage
Barbara Philbin
Bob Clarkin
Lynda Hastings
Carole Mick, SBO, DHR - Recorder, State Employee Benefits Committee and Subcommittees

STATE OF DELAWARE STATEWIDE BENEFITS OFFICE

**CALLED TO ORDER – SECRETARY CLAIRE DEMATTEIS, DHR**

Secretary DeMatteis called the meeting to order at 2:01 p.m.

**APPROVAL OF MINUTES – SECRETARY CLAIRE DEMATTEIS, DHR**

A MOTION was made by Shaun O’Brien and seconded by Commissioner Navarro to approve the public session minutes from the April 22, 2024 meeting of the State Employee Benefits Committee.

Abstentions – Secretary Manning

MOTION ADOPTED UNANIMOUSLY.

**PUBLIC COMMENT**

Members of the public provided comments on agenda items to be discussed at today’s meeting related to the quarterly financial reporting and the delay in providing information to the public following each meeting. A member of the public requested that meeting recordings for the SEBC and SEBC Subcommittees be made available for viewing by the public.

*Director Cade arrived to the meeting.*

**EXECUTIVE SESSION**

A MOTION was made by Secretary Manning and seconded by Karen Field Rogers to move into the Executive Session at 2:12 p.m. MOTION ADOPTED UNANIMOUSLY.

The Public Session resumed at 3:30 p.m.

*Treasurer Davis left the meeting.*

**DIRECTOR’S REPORT – DIRECTOR FAITH RENTZ, SBO**

Director Rentz provided an overview of the FY25 Open Enrollment (OE) participation for active employees and non-Medicare retirees which ran from May 1 – May 17. Additional details on changes in plan enrollment for FY25 will be reported to the SEBC in July.

Director Rentz notified the Committee of a shortage of GLP-1 drugs through the CVS Caremark mail service pharmacy and potential network changes with US Digestive Health and Highmark Delaware. Impacted plan members have been notified of the GLP-1 drug shortage and a communication on the Highmark Delaware network change will be sent to impacted plan members on June 1, 2024, should a resolution with Highmark not be met. Director Rentz also stated that conversations are taking place on a potential special enrollment opportunity for impacted members. Additional information will be shared when available and at the June SEBC meeting.

Director Rentz highlighted agenda items from last week’s Subcommittee meetings and informed the Committee that the June Subcommittee meetings will be combined due to an overlap in agenda items.

Committee members will be sent an update on legislative bills that may impact the SEBC or the Group Health Insurance Program (GHIP). Director Rentz provided a quick overview on several bills.

**REQUEST FOR PROPOSAL UPDATES - DIRECTOR FAITH RENTZ, SBO**

Director Rentz detailed revisions in the timelines for the CY2024 Request for Proposals (RFPs) which include the flexible spending account, the pre-tax commuter benefit and COBRA administration, the employee assistance program, and the group accident and critical illness supplemental insurance benefits. The RFP timelines have been delayed due to the standard RFP templates containing outdated provisions which require review and modification. The new advertisement dates for all 3 RFPs will be in mid-July with contract award recommendations being presented to the SEBC by the end of the calendar year.

The estimated advertisement date for the group universal life (GUL) insurance RFP is Q1 CY2025. The last upcoming RFP for audit services for claims administration and contract compliance for the self-insured health plans and pharmacy benefit programs is targeted to be advertised in Q4 of CY2024 following discussions with the Subcommittee and SEBC on potential changes to the scope of work.

**FINANCIALS – BRIAN STITZEL, WTW**

April Fund Report

Brian Stitzel reviewed the executive summary for the April Fund Report which varies slightly from the fund report that was presented at last week's Financial Subcommittee as the year-to-date claims data has been updated with additional invoices that were received in May. May invoices showed a significant clear out on the backlogged claims from the Change Healthcare cyberattack. The claims backlog is expected to fully clear out by the end of FY24. The fund is expected to run slightly negative by the end of FY24.

Premium contributions were above budget due to the payment catch-up from the Delaware Transit Corporation. Other revenues remain on budget for April and claims continue to come in below budget due to the Change Healthcare cyber-attack.

FY24 Monthly Budget

Brian Stitzel presented the FY24 budget versus the FY24 re-forecasted budget based on the FY24 actuals from July 2023 through April 2024. A revised forecast of the fund depletion timeframe and updated end-of-year projections were noted.

Brian Stitzel reviewed FY24 projected and actual premium contributions and other revenues in which both are expected to be slightly better than budget. The FY24 claims budget has been re-projected to account for the delay in claims due to the Change Healthcare cyber-attack. Brian Stitzel summarized GHIP expenses, plan member enrollments, and cost experience by group.

FY24 Q3 Quarterly Financial Reporting

This agenda item was not discussed due to limited timing.

SEBC Dashboard

This agenda item was not discussed due to limited timing.

**GHIP TREND ASSUMPTIONS – BRIAN STITZEL, WTW**

Brian Stitzel outlined the GHIP trend development and reviewed historical gross claims, trend range and projections, historical health cost trends, trend outlook and considerations, and provided recommendations on increasing trend assumptions for medical and Rx for the Actives/non-Medicare retiree and Medicare retiree populations. Any recommendations to increase the FY25 trend will have an impact on the FY25 budget.

*Lieutenant Governor Hall-Long and Thomas Brackin left the meeting.*

**SURGERYPLUS SAVINGS ANALYSIS – JACOB SCHAEFFER, WTW**

Jacob Schaeffer presented the SurgeryPlus savings analysis and noted that the program generates substantial savings before accounting for the various fees and incentives that are paid for the program. Jacob Schaeffer reviewed the key findings, background and methodology summary of the program. The program did have a small financial impact to the GHIP as program fees, incentives, and waived cost sharing depleted any potential savings.

**DISABILITY INSURANCE PROGRAM (DIP) RULES AND REGULATIONS – DIRECTOR FAITH RENTZ, SBO**

Director Faith Rentz continued the review on the revisions to the DIP Rules & Regulations and presented a few additional changes that were made since the last discussion.

**APPROVAL OF THE REVISIONS TO THE DIP RULES AND REGULATIONS**

A MOTION was made by Shaun O’Brien and seconded by Commissioner Navarro to approve the Disability Insurance Program Rules and Regulations.

MOTION FOR DISCUSSION.

Shaun O’Brien requested two additional technical revisions to the DIP Rules and Regulations.

MOTION ADOPTED UNANIMOUSLY.

**GHIP AND STATEWIDE BENEFITS OFFICE STRATEGIC PLAN FY2023 RESULTS – JACLYN IGLESIAS, WTW**

Jaclyn Iglesias summarized the SBO Strategic Plan FY23 results from the four goals of the strategic framework. Only one out of the four goals were met for FY23, however, these and additional goals are being monitored for FY24.

**GROUP UNIVERSAL LIFE INSURANCE BENEFIT RENEWAL PROPOSAL – JACLYN IGLESIAS, WTW**

This agenda item was not discussed due to limited timing.

**OTHER BUSINESS**

No Other Business.

**ADJOURNMENT**

A MOTION was made by Secretary Manning and seconded by Shaun O’Brien to adjourn the public session at 4:21 p.m.

MOTION ADOPTED UNANIMOUSLY.

Respectfully submitted,

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Carole Mick, Executive Secretary, Statewide Benefits Office, Department of Human Resources  
Recorder, State Employee Benefits Committee, and Subcommittees