



**MINUTES FROM THE MEETING OF THE STATE EMPLOYEE BENEFITS COMMITTEE
JUNE 24, 2024**

The State Employee Benefits Committee (the “Committee”) met at 2:00 p.m. on June 24, 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
Chief Justice Collins Seitz, Delaware Supreme Court
Controller General Ruth Ann Miller, Office of the Controller General (“OCG”)
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”)

Committee Members Not in Attendance:

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”)
Karen Field Rogers, State Retiree

Others in Attendance

Director Faith Rentz, SBO, DHR	Michelle Gast, WTW	Lisa Mantegna, Highmark Delaware
Deputy Director Leighann Hinkle, SBO, DHR	Jen Manieri, WTW	Adam Knox, Highmark Delaware
Nina Figueroa, Health Policy Advisor, SBO, DHR	Walter Mateja, Merative	Charlene Hrivnak, CVS Health
Pamela Barr, SBO, DHR	Keith Warren, Chief of Staff, Office of the Lt. Governor	Randall Bryniarski, CVS Health
Samantha Mountz, SBO, DHR	Courtney Stewart, Deputy Director, Office of Management & Budget (“OMB”)	Victor Gutierrez, CVS Health
Brittany Ford, SBO, DHR	Representative Michael Ramone, Delaware House of Representatives, Minority Caucus	Carrie Schiavo, Delta Dental
Susan Meadows-Arnold, SBO, DHR	Steven Costantino, Director Health Care Reform, DHSS	Paula Roy, Roy & Associates
Michelle Whalen, DAG, DOJ, SEBC Legal Counsel	Matthew Rosen, Senior Policy Advisor, OST	Bria Greenlee, 302 Strategies
Jennifer Biddle, Deputy Secretary, DHR	Robert Scoglietti, Deputy Controller General, OCG	Daniel Madrid, DOF
Cherie Dodge Biron, Director, Financial & Administrative Services, DHR	Ashley Tucker, Deputy State Court Administrator, AOC	Angela Taylor, DHSS
Heather Johnson, Controller, DHR	Stuart Snyder, Chief of Staff, DOI	Christina Vogel, DOI
Andrea Godfrey, Deputy Director of Budget Development and Planning, OMB	William Oberle, Delaware State Trooper’s Association	David Woodward, DTI
Kathy Nedelka, HRIS Specialist, PHRST, OMB	Jennifer Moyer, Aetna	Julie Greenwood, UD
Jaclyn Iglesias, Willis Towers Watson (“WTW”)	Wendy Beck, Highmark Delaware	Louisa Phillips, DHA
Brian Stitzel, WTW		John Van Gorp, Bayhealth
		Barbara Philbin
		Bob Clarkin
		Tom Pledgie
		Julie Gillund
		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 2:00p.m.

APPROVAL OF MINUTES – SECRETARY CLAIRE DEMATTEIS, DHR

A MOTION was made by Thomas Brackin and seconded by Director Cade to approve the public session and executive session minutes from the May 28, 2024 meeting of the State Employee Benefits Committee.

Abstentions – Chief Justice Seitz

MOTION ADOPTED UNANIMOUSLY.

PUBLIC COMMENT

Members of the public provided comments on the accessibility of meeting recordings now being available to the public on the SBO website and the lack of medical coverage for habilitative speech diagnoses.

EXECUTIVE SESSION

A MOTION was made by Shaun O’Brien and seconded by Thomas Brackin to move into the Executive Session at 2:09 p.m. MOTION ADOPTED UNANIMOUSLY.

The Public Session resumed at 2:36 p.m.

DIRECTOR’S REPORT – DIRECTOR FAITH RENTZ, SBO

Director Rentz highlighted agenda items from last week’s Combined Subcommittee meeting and informed the Committee that the July and August Subcommittee meetings will also be held combined to continue discussing shared agenda items.

The Facts and Figures page on the SBO website has recently been updated with the most recent GHIP financial information, cost and utilization data by group and enrollment data for the various benefit programs that are offered to state employees and retirees. This webpage will be updated once a quarter to report quarterly financials and once annually in January to report the financial data from the prior fiscal year.

The United States Department of Health and Social Services and the Office of Civil Rights issued a final rule on the Health Insurance Portability and Accountability Act (HIPAA) to support reproductive Healthcare privacy. This rule increases protection over patient confidentiality related to reproductive health and takes effect June 25, 2024. Statewide Benefits is currently reviewing the final rule to provide updates to the Group Health Insurance Plan’s (GHIP) HIPAA privacy, manual policies and procedures.

Statewide Benefits was notified that all MedExpress urgent care facilities in Delaware have closed due to an asset acquisition by GoHealth; the ChristianaCare Urgent Care network. MedExpress locations may be reopened as early as July 1, 2024, however, it is uncertain on whether all locations will reopen. Plan members will be notified as more information becomes available.

Committee members will be provided with plan enrollment changes for FY25 at the July SEBC meeting. Statewide Benefits is still in the process of finalizing contract amendments and negotiations with the Hartford and SurgeryPlus for the FY25 plan year. Other benefit program’s amendments and renewals are complete and awaiting final signatures, with the exception of CVS.

A status update for the current request for proposals was provided to Committee members. A full briefing on the legislative bills that pass and will impact the GHIP and/or SEBC will be presented at the next meeting.

FINANCIALS – BRIAN STITZEL, WTW

May Fund Report

Brian Stitzel reviewed the executive summary for the May Fund Report and noted that May ran at a large deficit, mostly due to the clearing out of backlogged claims from the Change Health cyberattack. The backlog in claims is likely to clear out by the end of FY24. Premium contributions ran slightly better than budget and other revenues were significantly better than budget due to higher than anticipated commercial and EGWP rebates. Expenses ran worse than budget since the PrudentRx fees were projected on the claims side instead of the expenses side. The fund is expected to run at a deficit with the FY24 closeout. Any deficit that the fund incurs at the end of FY24 will be subsidized by the Office of Management and Budget (OMB), however, these funds will need to be paid back.

Committee members discussed the FY24 financial closeout and the estimated total deficit for the fund. WTW is still awaiting several invoices for June as well as the coverage gap discount payment for FY24.

FY24 Monthly Budget

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

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

Brian Stitzel reviewed an updated five-year projection with a 2% minimum reserve for FY25 and 4% of operating expenses thereafter. Recommended premium rate increases for future plan years for all groups was displayed.

Follow-ups from the April meeting were outlined regarding the Change Health backlog and projected FY25 rebates.

SEBC Dashboard

Agenda item was not discussed due to inadequate data caused by the Change Healthcare cyberattack.

INFLATION REDUCTION ACT – EMPLOYER GROUP WAIVER PLAN (EGWP) – RANDALL BRYNIARSKI, CVS

Randall Bryniarski detailed the impacts of the Inflation Reduction Act (IRA) on the GHIP's EGWP and reviewed proposed options to align the State's GHIP EGWP with the IRA's Medicare Part D benefit. The SEBC will vote at the July 22 meeting on whether to approve this proposed alignment or make no change to the current EGWP drug benefit. Additionally, Randall Bryniarski presented on the new Medicare Prescription Payment Plan (M3P) program, which will be available to members in 2025 and would allow members the option to spread out-of-pocket costs for Part D drugs over the course of a plan year as opposed to paying for the drugs at the pharmacy. Additional guidance from CMS on this program is pending. Updates will be made to the SEBC and GHIP Medicare Part D members when available.

APPROVAL OF US DIGESTIVE HEALTH NEGOTIATIONS WITH HIGMARK DELAWARE – FAITH RENTZ, DIRECTOR, SBO

Director Faith Rentz provided an overview of the US Digestive Health termination from the Highmark Delaware network and the notifications that have been made to impacted plan members by the SBO and Highmark. Statewide Benefits would like to provide impacted Highmark plan members with the opportunity for a one-time special enrollment into an Aetna plan effective July 1, 2024 to ensure continual access to their provider if desired. Impacted Highmark plan members would be notified via email and U.S. mail regarding the one-time special enrollment opportunity.

A MOTION was made by Shaun O'Brien and seconded by Chief Justice Seitz to approve the GHIP recommendations as presented below.

- SBO outreach to impacted plan members – week of July 1, 2024

- Allow special enrollment plan change limited to impacted GHIP members for Highmark plans only and only to move to an Aetna plan
 - Change would be handled through HR/Benefit Office – retroactive to July 1, 2024
 - Move to Aetna plan would be irrevocable unless employee/retiree experiences a qualifying event during the plan year

MOTION ADOPTED UNANIMOUSLY.

PUBLIC COMMENT

No additional public comment.

OTHER BUSINESS

No Other Business.

ADJOURNMENT

A MOTION was made by Shaun O’Brien and seconded by Director Cade to adjourn the public session at 3:50 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