

The State of Delaware

Inflation Reduction Act – Employer Group Waiver
Plan (EGWP) CY2025 Plan Design

SEBC Meeting

July 22, 2024

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Summary

- At last month's meeting, CVS presented an overview of the impacts of the Inflation Reduction Act (IRA) on the State of Delaware Group Health Insurance Plan's (GHIP) Employer Group Waiver Plan (EGWP)
 - For 2025, the IRA is updating the Standard Part D Benefit (Medicare prescription drug coverage)
 - The member threshold for reaching the "catastrophic coverage" phase, where member cost share of Part D drugs changes to \$0 copay, is being reduced to \$2,000, which is less than the State's \$2,100 out of pocket spending cap (TrOOP)
 - CVS is required by CMS to send member communications to State EGWP participants about this change
 - Those communications are required to show the Medicare figure (\$2,000), not the State's \$2,100 TrOOP
- An option to potentially modify the EGWP plan design benefit to align with the IRA redesign of the Medicare Part D benefit was also discussed
 - Option reduces the State's TrOOP to \$2,000, in alignment with the Standard Part D Benefit changes
 - Timing of this proposed change would be effective January 1, 2025
 - Recommended by CVS to avoid member confusion due to the required communications showing \$2,000 TrOOP
 - Per CVS, this option has a negligible impact to the State financially
 - Leaving the State's TrOOP at \$2,100 would cause ~3% of EGWP members to pay more than they are today

Is the SEBC ready to consider voting on this optional plan design change to the State's EGWP at today's meeting?