

Table of Contents

Documents Submitted by the Public to the State Employee Benefits Committee

- I. Robert Clarkin
- II. Heather Smith
- III. Thomas Pledgie

Public Comment
by
Robert Clarkin

PUBLIC COMMENTS FOR THE 8/26/24 SEBC MEETING - SUBMITTED BY
ROBERT CLARKIN, 8/16/24

Please find below my public comments pertaining to the “Audit Services Request for Proposal (RFP) - Scope of Work” agenda item being considered by the SEBC during your meeting on Monday 8/26/24.

During March 2024, while researching the history of the RFP that resulted in the current CVS/Caremark RX contract, I discovered that the SEBC had voted on 10/12/20 to approve a contract with Claim Technologies, Inc (CTI) for Medical and Prescription Audit Services. I had been previously advised by the State Auditors Office that the State does not audit the GHIP, so the existence of a medical and prescription audit caught my attention.

Because I believe that “you get what you inspect”, on 4/2/24 I submitted the following FOIA request to the Department of Human Services (DHR): “During a meeting of the SEBC on 10/12/2020, the committee voted to approve a contract with Claim Technologies, Inc. (CTI) for Medical and Prescription Plan Audit Services. The contract award was for an initial three-year term effective 12/1/2020 through 11/30/2023, with two optional one-year period extensions. A presentation by WTW during the meeting indicated that the audits would be conducted on a biannual basis. I have made an exhaustive search of the DHR website and cannot find links to said audits. Can you please direct me to where I can find electronic copies of the audits conducted to date, or provide me with copies of same. Thank you.”

On 5/31/24, I received the following initial response from DHR: “Additional time is needed to respond to your request because it requires legal review. At this time, we expect to have a formal response to you by July 12, 2024.”

On 7/12/24, I received the following subsequent response from DHR: “Due to required legal review, additional time is needed to respond to your request. At this time, we expect to have a formal response to you by August 30, 2024.”

As you can see, I have been awaiting a formal response to my FOIA request for 19 weeks, and will not receive another response from DHR for 2 more weeks. Recognizing the importance of an RFP for “Audit Services”, I would like to submit the following suggestions for consideration during your 8/26/24 meeting:

1. I have reviewed the agendas for the SEBC Financial Subcommittee, Health Policy and Planning Subcommittee, and full SEBC meetings since 10/12/20 and I have not been able to find an agenda item indicating that the CTI audit results have been presented to the committees during their public or executive sessions. At least to me, it seems obvious that such audit results would be of interest to committee members. I would like to suggest that during your 8/26/24 meeting that a process be implemented to insure that the audit results are formally presented to the various committees.

2. Because it appears that the GHIP is not audited by the State Auditors Office and because the “Audit Services” are paid for with public funds, I believe that it is imperative that the audit results are made available to the public. I would like to suggest that during your 8/26/24 meeting members of the committee commit to releasing the audit results to the public.

Public
Comment
By
Heather Smith

Mick, Carole Ann (DHR)

From: Smith, Heather (DNREC)
Sent: Thursday, August 8, 2024 2:22 PM
To: State Employee Benefits Committee (SEBC)
Subject: Comments on FSA administration service

Good afternoon,

I noticed in the July newsletter that Requests for Proposals are currently being advertised for FSA program administration, and wanted to share some feedback.

I have found the ASI Flex program extremely frustrating to use. The user interfaces (website, app, and email messages) are terribly outdated and not user friendly at all. For example, I needed to reconcile my medical claims during tax season, and while there are multiple report options on the website, none of them provided the very basic information I needed in one report, and lacked enough information to clearly identify each charge so I could reconcile it with my records. Many times, even the provider information was missing, leaving me to match up dates of service and charge amounts to figure out what was what. Each claim also had multiple lines scattered around on the report as it moved through the payment system (charge, a payment to the provider, a reimbursement to me, etc). It was difficult to figure out what each line represented (was the payment to me or my provider? was it a direct debit or a reimbursement deposit?), and which claim each of those lines were associated with so I could match them up and confirm payment was received for each. The app is also incredibly basic, poorly designed, and again provides minimal information and functionality. The claims list does not show any provider information at all to help identify which claim is for which appointment/purchase, so I can easily upload the correct documentation. The messages requesting action are cryptic and all look the same, again making it difficult to figure out what it's asking for, and for which claim. Email communications are equally cryptic and serve only to remind me that I have make time to sit down and figure out what is needed. Using this program is very frustrating and time consuming.

My only other experience with an FSA was at my previous employer, who used a company called iSolved. My experience with them was far superior on all fronts. All of the user interfaces were highly functional, attractive, easy to use, and provided the necessary information in a nice format. The app was great and I rarely needed to sit down and log onto the website at all. It updated immediately after a purchase, and I was often able to snap a picture and upload receipts in the time it took me to walk back to my car. It even allowed you to scan barcodes to see if a given product was FSA eligible. Please consider this provider if you get a proposal from them. I'm sure there are many other great options that would provide a better value than ASI Flex.

Thank you for considering this feedback and let me know if you have any questions.

Thanks, and have a great day!



Heather A. Smith

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Public
Comment
by
Thomas Pledgie

Public Comment
SEBC, August 26, 2024 Meeting

Dear Members of the SEBC:

I have 2 concerns I would like to express. On p.3 of the 229-page document packet, you will find the following item in the Executive Summary:

1. FY25 Executive Summary - July 3 © 2024 WTW. Budget Expenses \$ (4,156,000) \$ (4,552,000) \$ (396,000) 9.5% Variance to Budget, primarily driven by higher consulting fee.

When will this run-away 9.5% item for consultant services be discussed in public at an SEBC Meeting? Are these funds coming out of the GHIP? Why is the amount almost \$4.5million? How can the company (WTW) hired to help the State contain healthcare cost, not even be able to contain it's own budget cost???

2. **I have attached below to this document a copy of the WTW FY25 Budget by Group – Medicare Retirees form shared at the SEBC Joint Subcommittee Meeting last Monday, but NOT in your current packet.**

As you can clearly see, the Medicare Population in FY24 had a surplus of \$8.8million dollar, and now with the 27% premium increase in FY25 the projected surplus is \$34.4million.

On pp. 35 and 36 of your document packet, WTW is proposing some Long-Term Scenarios for future rate actions that may be needed.

Medicare Retirees are already generating a FY25 surplus of \$34.4million for the GHIP!

1. **We have not been or are a 'drag' on the GHIP!**
2. **Why should we be included in any future discussions for possible rate increases?**

I suggest that the SEBC direct WTW to rate each of the 3 groups independently based on group's claims experience.

Tom Pledgie

FY25 Budget by Group – Medicare Retirees

	FY24						FY25					
	Premium Contributions	Other Revenues	Claims	Expenses	Gain / (Loss)		Premium Contributions	Other Revenues	Claims	Expenses	Gain / (Loss)	
July	\$13.4	\$1.9	(\$19.9)	(\$0.9)	(\$5.4)		\$14.3	\$2.9	(\$22.7)	(\$0.9)	(\$6.4)	
August	\$13.5	\$16.8	(\$22.5)	(\$0.8)	\$6.9		\$14.3	\$19.5	(\$24.4)	(\$0.9)	\$8.6	
September	\$13.5	\$1.8	(\$22.2)	(\$1.0)	(\$7.9)		\$14.3	\$2.6	(\$23.3)	(\$1.0)	(\$7.4)	
October	\$13.5	\$9.8	(\$22.0)	(\$1.0)	\$0.4		\$14.3	\$10.2	(\$25.1)	(\$1.0)	(\$1.6)	
November	\$13.6	\$17.0	(\$22.8)	(\$1.1)	\$6.6		\$14.4	\$19.7	(\$24.0)	(\$1.1)	\$9.0	
December	\$13.6	\$11.5	(\$23.6)	(\$0.7)	\$0.8		\$14.4	\$11.7	(\$24.3)	(\$0.7)	\$1.1	
January	\$13.6	\$5.9	(\$23.3)	(\$0.8)	(\$4.6)		\$14.6	\$11.2	(\$26.1)	(\$0.9)	(\$1.2)	
February	\$14.2	\$18.5	(\$24.3)	(\$0.9)	\$7.5		\$18.3	\$22.5	(\$24.9)	(\$1.0)	\$14.8	
March	\$14.2	\$12.5	(\$21.0)	(\$0.6)	\$5.1		\$18.3	\$13.8	(\$25.3)	(\$0.6)	\$6.1	
April	\$14.3	\$2.5	(\$22.9)	(\$1.0)	(\$7.0)		\$18.3	\$4.5	(\$25.6)	(\$1.0)	(\$3.8)	
May	\$14.3	\$19.3	(\$24.4)	(\$1.0)	\$8.1		\$18.3	\$24.9	(\$27.4)	(\$1.1)	\$14.7	
June	\$14.3	\$7.8	(\$22.8)	(\$1.0)	(\$1.7)		\$18.3	\$9.3	(\$26.2)	(\$1.0)	\$0.4	
Total	\$166.0	\$125.3	(\$271.7)	(\$10.9)	\$8.8	97%	\$192.1	\$152.8	(\$299.2)	(\$11.3)	\$34.4	90%

- Other revenues include pharmacy rebates and EGWP revenues financed by the federal government.

FY25 Executive Summary - July

	July Budget	July Actual	Better / (Worse)	Comment
Premium Contributions	\$ 91,818,000	\$ 92,948,000	\$ 1,130,000	1.2% Variance to Budget, primarily driven by higher non-payroll groups
Other Revenues	\$ 3,563,000	\$ 5,316,000	\$ 1,753,000	\$150k EGWP credit to offset administrative expenses, plus \$1.7M CVS missed performance goal
Claims	\$ (106,580,000)	\$ (114,081,000)	\$ (7,501,000)	<ul style="list-style-type: none"> Extra weekly invoice paid in July compared to Budget, otherwise \$5M better than Budget. August projected approximately \$12.5M better than Budget
Expenses	\$ (4,156,000)	\$ (4,552,000)	\$ (396,000)	9.5% Variance to Budget, primarily driven by higher consulting fees
Total	\$ (15,355,000)	\$ (20,369,000)	\$ (5,014,000)	

	FY25 Budget	FY25 Re-forecast	Better / (Worse)	Comment
Premium Contributions	\$ 1,259,489,000	\$ 1,260,619,000	\$ 1,130,000	0.1% Variance to Budget
Other Revenues	\$ 272,806,000	\$ 274,559,000	\$ 1,753,000	0.6% Variance to Budget
Claims	\$ (1,407,732,000)	\$ (1,402,768,000)	\$ 4,964,000	-0.4% Variance to Budget
Expenses	\$ (50,880,000)	\$ (51,276,000)	\$ (396,000)	0.8% Variance to Budget
Payback of OMB Transfer	\$ (7,300,000)	\$ (7,300,000)	\$ -	

*All figures in the chart above have been rounded to the nearest \$1,000.