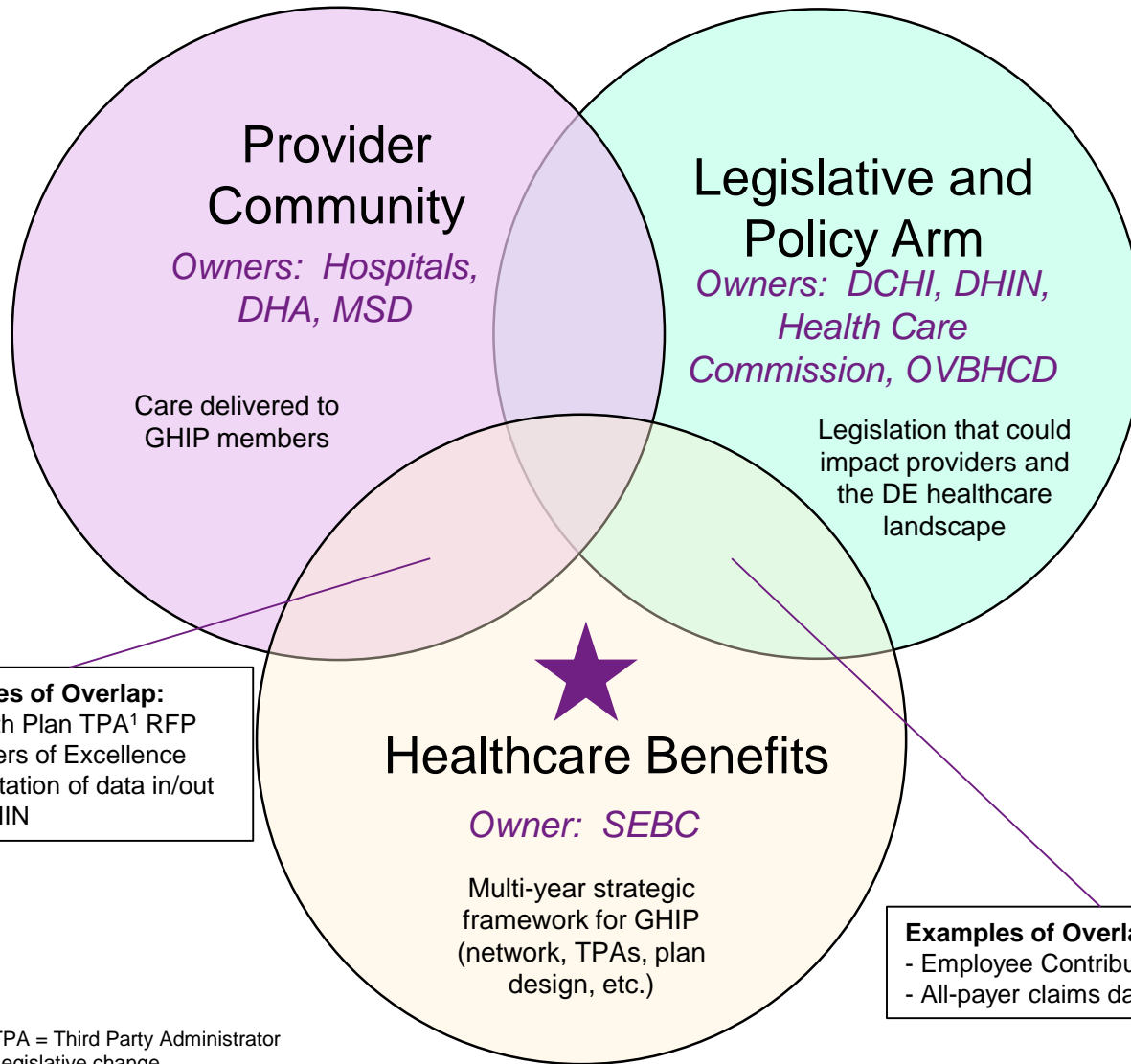


Key influencers on Group Health Insurance Program (GHIP)



- The role of the SEBC is closely aligned with managing the healthcare benefits programs offered to employees and pensioners
- Outside of the SEBC, there are many stakeholders, of which, two are identified here, that have partial overlap with the committee: the provider community and the legislative and policy arm of the State of Delaware

Examples of Overlap:

- Health Plan TPA¹ RFP
- Centers of Excellence
- Facilitation of data in/out of DHIN

Examples of Overlap:

- Employee Contributions (HB81)²
- All-payer claims database

¹ TPA = Third Party Administrator
² Legislative change

GHIP influencing levers

Tactics for affecting change including some that “shrink the pie”

- Supply
- Demand

Key to Bullets:

- ✓ Recently addressed
- Current opportunity
- ❖ May require legislative change

- ❖ Employee cost share
- ❖ Dependent cost share
- ❖ Surcharges (e.g., tobacco)
- ❖ Contribution strategy (e.g. fixed subsidy defined contributions based on relative benefit value)

Plan Options

- ✓ Funding arrangement¹
- ✓ Consumer plan mix (HRA vs. HSA)
- Traditional vs. High Performing plans
- ❖ Number of plan options

Payroll Contribution⁵

Program Design⁵

- Deductible
- Coinsurance
- Copays
- ✓ Site-of-care steerage

- ✓ Administrative efficiency¹
- ✓ Physician and hospital networks (broad and narrow)¹
- ✓ Performance guarantees¹
- ✓ Centers of Excellence
- Value-based care delivery
- Rx formulary⁴
- Cost transparency tools
- Provider contracting (quality and cost)
- Direct primary care

TPA / PBM Management

Health Management

- ✓ Chronic conditions¹
- ✓ Disease management¹
- ✓ Telemedicine²
- Other TPA / PBM clinical programs
- Preventive care³
- Wellness
- Expert advice/2nd opinion
- Incentive strategies
- Health education

Confines of the GHIP strategic development process

Potential tactic to address strategy	Illustrative example(s)	Requires legislative change?
Traditional plan design changes	Increase deductible by \$100	No
Non-traditional plan design changes	Implement reference-based pricing Add a third coverage tier for a narrow network	No
Adding a new medical plan	Adding CDHP/HSA or adding a PPO option that has a narrow network	Possibly*
Removing a plan option specified by the Delaware Code	Removing the First State Basic plan	Yes**
Freezing enrollment in a medical plan	1. Freeze to new entrants 2. Freeze to new hires	Yes
Adding a vendor	Wellness vendor or engagement vendor	No*
Adjustments in employee cost share	Increasing the payroll contribution for an employee from 12% to 15%	Yes
Adjustments in dependent cost share	Increasing the dependent cost sharing by 10%	Yes
Addition of surcharges	1. Add a tobacco and/or spousal surcharge 2. Wellness “dis-incentive” for non-participation	Possibly
Addition of an incentive program or a percentage of savings achieved by using a COE	1. Paying an employee \$100 to get their biometric screening from their PCP 2. Paying an employee \$100 for using an COE	No
Modify and/or implement a more aggressive medical or Rx utilization management program	1. Implement high cost radiology management program 2. Discontinue coverage of certain high cost specialty drugs and/or compound drugs	No

*Procurement would be involved in reviewing any amendments to vendor contracts for the new plan(s). Additionally, cost share would have to fit within one of the existing plans to avoid legislative change. Any plans to implement a narrower network within an existing medical plan may require legislative change.

**May require legal input regarding Delaware Code.