



Approved 12/4/2018

## Summary Minutes of SEBC Financial Subcommittee Meeting November 7, 2018 - 1:00 pm

### Attendees

#### Subcommittee Members

- Faith Rentz, Subcommittee Chair, Designee of DHR
- Sandra Johnson, SEBC Member, DHR
- Molly Magarik, Designee of DHSS
- Judi Schock, Designee of OMB
- Stuart Snyder, Designee of DOI
- Judy Anderson, DSEA

#### Guests

- Cherie Doge-Biron, DHR
- Nina Figueroa, SBO, DHR
- Leighann Hinkle, SBO, DHR
- Andrew Kerber, DOJ
- Lisa Porter, SBO, DHR
- Aaron Schrader, SBO, DHR
- Jeff Taschner, SEBC Member, DSEA
- Katherine Impellizzeri, Aetna
- Lisa Mantenga, Highmark
- Jennifer Mossman, Highmark
- Elizabeth Zubaece, HGIP
- Walt Mateja, IBM Watson
- Kevin Fyock, Willis Towers Watson
- Rebecca Warnken, Willis Towers Watson
- Chris Giovannello, Willis Towers Watson

### Agenda

- Call to Order / Introductions
- Approval of minutes from October 25, 2018 meeting
- SEBC/Health Policy & Planning Subcommittee Updates
- FY18 Qtr 4 Dashboard and Incurred Reporting Overview
- Reserve, Claim Liability & Surplus Methodology Discussion
- Other Business
- Public Comment

### Summary of Discussion

#### SEBC / Health Policy & Planning Subcommittee (HP&P) Updates

- Faith Rentz noted that introductions will no longer occur at future meetings as members and guests are captured in meeting minutes.
- The SEBC Financial Subcommittee minutes for October 25, 2018 were reviewed. The subcommittee unanimously approved the meeting minutes.
- Ms. Rentz introduced the committee to a newly developed tracking log to document items discussed at each subcommittee meeting and to track follow-ups. Items discussed during each meeting will fit into one or more of the following categories: 1) Quick hit items which will be provided in advance of the next meeting but will not be discussed; 2) Short-term focus topics for FY20; 3) Long-term focus topics; 4) Items no longer considered; and 5) Move to SEBC which will include items discussed where a recommendation is made for consideration by the SEBC.

## **FY18 Qtr 4 Dashboard and Incurred Reporting Overview**

- The Subcommittee reviewed the IBM Watson Executive Dashboard which shows the key utilization metrics provided on a paid basis and the IBM Watson Quarterly Modeling Report with utilization metrics provided on an incurred basis. The quarterly executive dashboard report shows high level data points, with a separate version for active, early retirees and Medicare retirees. This reporting measures outcomes, establishes a baseline and measures overall new emerging trends and includes reporting for high cost claimants.
  - Discussion Points
    - Rebecca Warnken asked the subcommittee to think about metrics this subcommittee would like to review regularly, metrics to bring to the HP&P subcommittee and dashboards or metrics to ultimately share with the SEBC.
    - Secretary Johnson asked if metrics on the items the SEBC has approved can be shown, including diabetes for example. Ms. Rentz responded that SBO is working on combined reporting due at the end of June 2019 and may also be used for planning purposes and effectiveness of initiatives offered.
    - One overall dashboard for the GHIP was suggested.

## **Incurred Reporting Overview**

- The Subcommittee reviewed the quarterly reporting and Ms. Warnken made mention of notable utilization trends such as an increase in HCC, decreased inpatient facility claims, decreased maternity claims yet overall increase in costs (18.3%), and increased utilization in urgent care while a decrease in emergency room use.
- A high level view of the trend in top clinical conditions was provided noting chemotherapy as number seven in Q4 but not reported in the current quarter.
  - Discussion Points
    - Consider if this reporting is enough information to warrant further discussion annually or bi-annually where WTW would highlight only the changes.
    - Discussed if specialty drug costs are related to place of care, which WTW will provide follow-up.
    - A request was made to add the previous quarter's utilization and net payment amounts to the clinical conditions slide.
    - Oncology utilization, cost and screening rates were discussed with a suggestion made about a potential future partnership with the Department of Public Health due to low screening rates.

## **Reserve, Claim Liability & Surplus Methodology Discussion**

- Ms. Warnken presented an overview of the Fund Equity report changes, reserve, claim liability and surplus. The Financial subcommittee is to recommend FY20 savings targets to the SEBC whether through plan design, premium increases or other initiatives to close a projected \$51.6M gap in FY20.

- The trend is set for 5% for FY20 and will be revisited with the Financial Subcommittee and SEBC when more data is available.
- The October Fund Equity report will be available at the December SEBC meeting and will include changes to the summary section.
  - Discussion Points
    - Secretary Johnson asked WTW to add a variance column to the Fund Equity report.
    - The current level of reserve was discussed and whether the amount is sufficient. The Subcommittee will recommend any modifications to the reserve level to the SEBC.
    - Claim liability methodology was discussed and is updated annually. The Subcommittee was comfortable with this approach.
    - Reserve methodology was reviewed and the Committee asked WTW to model various confidence intervals in addition to those presented.
    - The Subcommittee discussed options for the use of the current surplus.
    - The risk fee that participating groups pay to participate in the health plan was discussed.

**Other Business**

- The Committee had no other business.

**Public Comment**

- There was no public comment.

**Action Items**

- Approved the October 25, 2018 meeting minutes.
- SBO to share reporting related to HB 203 on diabetes with Subcommittee.
- WTW will collaborate with SBO and IBM Watson on overall GHIP dashboard reporting to report on baseline metrics for planned future initiatives and ongoing metrics for initiatives already adopted.
- Discussed if specialty drug costs are related to place of care, which WTW will provide follow-up.
- IBM Watson to determine if previous quarter's utilization and net payment amounts can be added to the top clinical conditions slide in the quarterly Incurred Reporting.
- IBM Watson to determine if High Cost Claimants exhibit in quarterly executive dashboard can be broken down by claimant status (e.g., termed vs ongoing)
- WTW will model some additional confidence intervals in order for the Committee to set the minimum reserve.
- WTW will model impact of spreading FY18 year-end Fund surplus over 2-3 years
- WTW will revisit the risk fee paid by participating groups in the GHIP.

**Next Meeting**

- Date: Tuesday, December 4, 2018
- Time: 1:00 pm
- Location: Statewide Benefits Office  
97 Commerce Way, Suite 201, Dover, DE 19904  
Phone: 1-800-489-8933