



**MINUTES FROM THE HEALTH POLICY & PLANNING SUBCOMMITTEE TO THE STATE EMPLOYEE BENEFITS COMMITTEE
April 4, 2019**

A meeting of the Health Policy & Planning (“HP&P”) Subcommittee to the State Employee Benefits Committee (the “Committee”) was held April 4, 2019 in the Large Conference Room of the Statewide Benefits Office (“SBO”), 97 Commerce Way, Dover, Delaware 19904.

Committee Members Represented or in Attendance:

Director Faith Rentz, SBO, Department of Human Resources (“DHR”) (Appointee of DHR Sec. Johnson), Chair
Mr. Jeff Taschner, Delaware State Education Association (“DSEA”), Committee Member
Ms. Molly Magarik, Deputy Secretary, Department of Health and Social Services (“DHSS”) (Appointee of Sec. Walker)
Ms. Judi Schock, Deputy Principal Assistant, Office of Management & Budget (“OMB”) (Appointee OMB Dir. Jackson)
Mr. Stuart Snyder, Chief of Staff, Department of Insurance (“DOI”) (Appointee of Commissioner Navarro)
Ms. Susan Steward, Policy Analyst, Office of the State Treasurer (“OST”) (Appointee of Treasurer Davis)

Committee Members Not Represented or in Attendance:

Ms. Victoria Brennan, Sr. Legislative Analyst, Office of the Controller General (“OCG”) (Appointee for CG Morton)
Mr. William Oberle, Delaware State Trooper’s Association (Appointee of the DSEA, Jeff Taschner)
Mr. Tanner Polce, Policy Director, Office of the Lt. Governor (Appointee of Lt. Governor Hall-Long)

Others in Attendance:

Deputy Director Leighann Hinkle, SBO, DHR	Ms. Christine Gross, Stand Up for Fertility Delaware
Mr. Chris Giovannello, Willis Towers Watson (“WTW”)	Ms. Kimberly Jarrell, Member of the Public
Mr. Kevin Fyock, WTW (Telephonically)	Ms. Lisa Jaremka, Member of the Public
Ms. Jaclyn Iglesias, WTW (Telephonically)	Mr. Walter Mateja, IBM Watson Health
Ms. Christina Bryan, Delaware Healthcare Association	Ms. Jennifer Mossman, Highmark Delaware
Ms. Rebecca Byrd, The Byrd Group	Ms. Martha Sturtevant, Executive Assistant, SBO, DHR
Ms. Nina Figueroa, Policy Advisor, SBO, DHR	

CALLED TO ORDER

Dir. Rentz called the meeting to order at 1:04 p.m. and reviewed the format of the meeting noting that the Subcommittee would be entering into Executive Session to discuss the responses to the Health Savings Account (“HSA”) Request for Proposal (“RFP”).

APPROVAL OF MINUTES – DIRECTOR RENTZ

After reviewing the minutes, it was noted that there was a needed date correction, and Ms. Magarik asked for added clarification of her comments regarding secondary transfers.

A MOTION was made by Ms. Schock and seconded by Ms. Magarik to approve the minutes from the March 7, 2019 Health Policy & Planning Subcommittee meeting with noted corrections.

MOTION ADOPTED UNANIMOUSLY.

DIRECTOR’S REPORT – DIRECTOR RENTZ

Financial Subcommittee

The Financial Subcommittee did not convene the morning of April 4, 2019 due to lack of agenda items, but they were invited to attend the HP&P Subcommittee meeting and Executive Session.

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SEBC Update

The Committee last met March 7, 2019 to review and approve the modifications to the Disability Insurance Program Rules and Regulations (“DIP R&R”) to account for the addition of parental leave benefits that went into effect for State employees on April 1, 2019. The statute requires that employees apply for short term disability benefits, and that STD run concurrently with parental leave use. The modifications to the DIP R&R provide guidance to employees and HR/Benefit Representatives on how to coordinate those two benefits. The revision was published in the Register of Regulations on April 1, 2019.

Johns Hopkins Update

The researchers from Johns Hopkins have been invited to present updates to the Health Care Cost Landscape presentation to the Committee on April 8, 2019.

GHIP INFERTILITY CARE/IVF SERVICES – DIRECTOR RENTZ

The Subcommittee discussed proposed recommendations regarding changes to GHIP infertility benefits. The Committee requested that the Subcommittee review and evaluate potential changes as proposed by HB 139, and requested that recommendations be presented by May 2019 for consideration in FY20 planning.

SBO reviewed and presented five years of medical and prescription data pertaining to infertility for approximately 480 GHIP members from January 1, 2014 to December 31, 2018. The total paid by the GHIP was \$4.5mm, the total member out-of-pocket expenses were \$1.8mm, and the average annual cost is \$1.3mm; approximately 50% of the cost is for infertility prescription drugs. The current benefit has a lifetime limit of \$15K for prescription coverage.

The SBO isolated and reviewed the subset of Highmark members; approximately 400 of the 480 members approved for infertility treatment and services. 206 members or 52% had a successful pregnancy and childbirth. SBO further evaluated these members to discern if any patterns emerged.

Of those members who were successful, 51 members received intrauterine insemination (“IUI”), 119 members received In Vitro Fertilization (“IVF”) services, and 36 members received a combination of both. The median medical and prescription cost paid by the plan member for individuals receiving IUI services was \$5,600, the median cost for IVF was \$23,300, and for those receiving a combination of both, the median cost was \$30,000.

The average age range was not significantly different by services received.

Members receiving IVF achieved success 39% of the time with 1 cycle, and 29% of the time with 2 cycles. Members receiving IUI achieved success 33% of the time with 1 cycle, and 33% of the time with 2 cycles. Members receiving both IUI and IVF services, achieved success 11% of the time with 2 cycles, 31% of the time with 3 cycles, and 31% of the time with 6 or more cycles; the data doesn’t provide a breakdown of the number of cycles by service for members receiving both IUI and IVF.

Ms. Magarik asked if the 206 successful births included multiples. Dir. Rentz responded that the data wasn’t analyzed to determine multiple births.

Aetna members receive up to 6 cycles of IUI before being able to move forward with IVF, and as a result members may reach their lifetime cap before they could move to IVF treatment.

Ms. Steward asked if the number of IUI cycles could impact or reduce the effectiveness of IVF. Ms. Gross responded that success rates do not improve past three cycles. Ms. Gross added that IVF has a higher success rate than IUI and can potentially harvest multiple embryos, compared to IUI where there is a high risk of multiples and the potential for only one pregnancy.

Dir. Rentz reviewed member data used to construct approximate costs per cycle (medical only) and paid by the GHIP. Not including member co-insurance, out-of-pocket costs, or genetic testing, the average IUI cycle is estimated

at \$1,800. The average Fresh IVF cycle with transfer is \$10,000. Average IVF without transfer is \$6,000. The average frozen embryo transfer with egg freeze cycle is \$7,300. Additionally, this estimate does include prescription costs, which account for 50% of total infertility spend. The current benefit has a lifetime limit of \$10K for infertility related medical coverage.

There was consensus that the maximum age for IVF transfer be increased as proposed, from age 44 to 49, and where medically appropriate, IUI will not be required as a prerequisite to IVF. Additionally, there was a consensus that IUI be limited to not more than 3 cycles before moving to IVF.

There was consideration of the proposal for 6 completed egg retrievals per lifetime with unlimited embryo transfers using Single Embryo Transfer (“SET”).

The Subcommittee considered coverage for genetic testing that is not currently provided by the GHIP. Genetic testing was estimated at about \$6K per testing for 6-8 embryos. Members discussed that embryo testing gives members and providers more information, and that the upfront investment increases the chance of success. Ms. Jaremka added that she is aware of a Delaware provider who charges \$3K for genetic testing.

Cryopreservation was considered as an additional benefit not currently covered by the GHIP. This additional service is estimated to cost \$2K per member, per year.

The Subcommittee also discussed adding coverage, including IVF for members with iatrogenic infertility as a result of medically necessary treatment.

The Subcommittee considered recommendations to remove the cap, or to increase the cap on medical only infertility benefits. There was a recommendation to remove the 25% coinsurance.

The Subcommittee debated whether to maintain the existing cap on prescription benefits. Dir. Rentz expressed that she is confident that the estimate for adoption of the increased lifetime infertility medical benefit limit of \$30K, while maintaining the prescription cost cap of \$15K, will be approximately \$2.5mm.

The recommendations for immediate adoption broadly approve the provisions of SB 139; however there was consensus to increase the lifetime medical benefit limit from \$10k to \$30K effective FY20.

Ongoing considerations for the Committee to consider include monitoring ongoing outcomes, treatments, and utilization. It is estimated that the increase in benefits will result in a 35% increase in utilization of infertility benefits.

Additionally, it was recommended that a Request for Proposal be considered to select an infertility administrator. An administrator can assist the State in designing a best practice benefit, and with negotiating bundled payments for medical and prescription costs of infertility services.

Dir. Rentz requested that the subcommittee finalize their recommendations at the next meeting on May 2, 2019 to present in detail to the Committee on May 6th.

SUPPLEMENTAL BENEFITS INSURANCE LEGISLATION – DIRECTOR RENTZ

The Subcommittee reviewed the supplemental insurance benefits program. The benefit is an employee pay-all program that provides income replacement as a result of accident or critical illness. The program began in 2015 as a result of legislation in the 147th General Assembly. The contract was awarded to Aflac for 5 years. As a result there was a discontinuation of similar supplemental benefits that were offered through many of the school districts.

The legislation requires the Committee to evaluate enrollment in order to determine if the contract should be restructured, modified or terminated beyond June 30, 2020. SBO reached out to the original bill sponsor, Rep Carson, who reaffirmed his desire for the Committee to continue the benefit for at least another contract term.

Ms. Steward asked how many members were enrolled in supplemental benefits and the CDH Gold Plan. Dir. Rentz responded that the data may be available, but she added a majority of supplemental benefit enrollees are school district employees and that a majority of school district employees are enrolled in the Comprehensive PPO Plan.

Ms. Steward inquired whether the benefit deductions were pre-tax or post-tax. Dir. Rentz responded that the benefits were post-tax.

There was a consensus from the Subcommittee to recommend that the Committee direct the SBO office to execute a Request for Proposal by late summer of 2019 in order to award a contract to continue the supplemental insurance benefits program with an effective date of July 1, 2020.

HEALTH SAVINGS ACCOUNT PLANNING – MR. CHRIS GIOVANNELLO, WTW

The Subcommittee continued discussions on the key decision points of offering a HSA plan, as proposed by the Proposal Review Committee. This included a discussion on whether the CDH Gold Plan would continue alongside a HSA plan.

The State has discretion over the use of the remaining funds, subject to HSA eligibility guidelines. More than one option can be utilized. There is an average balance is \$2,500 and a high balance of \$10K.

The Subcommittee reviewed the options to manage the remaining member balances should the CDH Gold Plan be discontinued. The first option is to discontinue member access to existing HRA funds. Options were presented to spend down existing balances. A Premium Holiday option allows employees to pay for healthcare premiums in lieu of payroll deductions. A Limited-purpose HRA can be used to pay for “permitted insurance,” such as dental and vision premiums. A Post-deductible HRA allows for medical expenses after the HSA plan deductible has been met. A Retirement HRA can be used to pay for medical expenses in retirement.

Several illustrative scenarios were presented for consideration.

Sec. Johnson clarified that remaining HRA funds cannot be rolled into an HSA plan or used toward the deductible. Mr. Giovannello confirmed it must be post-deductible to maintain eligibility for HSA contributions.

The Subcommittee discussed the timeline and options for spending down HRA funds and the merits of each. Members queried whether existing CDH Gold Plan members would migrate over to the PPO Plan if the plan was dissolved. Dir. Rentz noted that members tend to migrate over to the PPO Plan as they near retirement.

Ms. Steward queried the demographics of employees eligible for retirement but less than 65. Dir. Rentz responded that reporting may be available in PHRST.

Sec. Johnson requested a survey be sent to CDH Gold Plan members in order to gauge the interest in HSA plans, and to learn what members understand about HSA’s. Members agreed that a survey would help determine member interest, and if a HSA would meet the needs of this population.

Members considered the resources required to manage the proposed scenarios, and administrative commitments of each. There was also a discussion regarding the necessary development of member education materials (pre and post enrollment) and how member communications might vary for each scenario.

Members reviewed and compared vendor experience and administration tools.

The goal of the Subcommittee is to make recommendations to the Committee on June 10, 2019.

OTHER BUSINESS

No other business was presented.

EXECUTIVE SESSION

A MOTION was made by Ms. Steward and seconded by Ms. Magarik to enter Executive Session at 3:15 p.m. to discuss vendor responses provided as part of the Health Savings Account Request for Proposal.

MOTION ADOPTED UNANIMOUSLY

CALLED TO ORDER

Dir. Rentz called the public meeting back to order at 3:16 p.m.

ADJOURNMENT

A MOTION was made by Ms. Magarik and seconded by Ms. Steward to adjourn the meeting 3:17 p.m.

MOTION ADOPTED UNANIMOUSLY

Respectfully submitted,

Martha Sturtevant, Statewide Benefits Office, Department of Human Resources
Recorder, Statewide Employee Benefits Committee