MINUTES FROM THE COMBINED MEETING OF THE FINANCIAL and HEALTH POLICY & PLANNING SUBCOMMITTEES TO THE STATE EMPLOYEE BENEFITS COMMITTEE
JANUARY 21, 2021

The Health Policy & Planning ("HP&P") Subcommittee and the Financial Subcommittee to the State Employee Benefits Committee (the "Committee") met Thursday, January 21, 2021 in a combined meeting. In accordance with the Proclamation Authorizing Public Bodies to Meet Electronically and in the interests of protecting the citizens of this State from the public health threat caused by COVID-19, this meeting was conducted via WebEx and without a physical location.

Subcommittee Members Represented or in Attendance:
Dir. Faith Rentz, SBO, Department of Human Resources ("DHR") (Appointee DHR Sec. Bonner), Chair
The Honorable Colleen Davis, State Treasurer, Office of the State Treasurer
Ms. Judy Anderson, DSEA, (Appointee Mr. Taschner for DSEA)
Ms. Victoria Brennan, Chief of Fiscal Policy, Office of the Controller General (Appointee CG Jones)
Mr. Steven Costantino, Dept. of Health and Social Services ("DHSS") (Appointee DHSS Sec. Magarik)
Deputy Secretary Tanesha Merced, DHSS (Appointee DHSS Sec. Magarik)
Mr. William Oberle, Delaware State Trooper's Association (Appointee Mr. Taschner, DSEA)
Ms. Judi Schock, Deputy Principal Assistant, Office of Management & Budget (Appointee OMB Dir. Cade)
Mr. Stuart Snyder, Chief of Staff, Department of Insurance (Appointee Commissioner Navarro)
Ms. Ashley Tucker, Staff Attorney, Administrative Office of the Court (Appointee The Honorable Collins Seitz, Chief Justice, Delaware Supreme Court)
Mr. Keith Warren, Policy Director, Office of the Lt. Governor (Appointee Lt. Governor Hall-Long)

Subcommittee Members Not in Attendance:
Ms. Emily Molinaro, OMB (Appointee of OMB Dir. Cade)

Others in Attendance:
Ms. Leighann Hinkle, Deputy Director, SBO, DHR
Mr. Chris Giovannello, Willis Towers Watson ("WTW")
Ms. Jaclyn Iglesias, WTW
Ms. Wendy Beck, Highmark Delaware
Ms. Christina Bryan, Delaware Healthcare Association
Ms. Rebecca Byrd, ByrdGomes
Ms. Julie Caynor, Aetna
Ms. Nina Figueroa, SBO, DHR
Ms. Sandy Hart, IBM Watson Health
Ms. Lizzie Lewis, Hamilton Goodman Partners
Ms. Heather Johnson, Controller II, DHR
Mr. Walter Mateja, IBM Watson Health
Ms. Fleur McKendell, Public Member
Ms. Jennifer Mossman, Highmark Delaware
Ms. Paula Roy, Roy & Associates
Ms. Christine Schiltz, Parkowski, Guerke & Swayze
Mr. Aaron Schrader, HR Manager, DHR, SBO
Ms. Martha Sturtevant, Exec. Sec., SBO, DHR - Recorder, State Employee Benefits Committee and Subcommittees

CALLED TO ORDER
Director Rentz called the meeting to order at 10:00 a.m.

APPROVAL OF MINUTES –DIRECTOR FAITH RENTZ, CHAIR
A MOTION was made by Mr. Costantino and seconded by Ms. Anderson to approve the Minutes from the Combined Subcommittee meeting on December 10, 2020.
MOTION ADOPTED UNANIMOUSLY.

DIRECTOR'S REPORT – DIRECTOR FAITH RENTZ, CHAIR

Statewide Benefits Office Updates

The free trial of the Rethink Family Support Benefits was extended into 2021. SBO is evaluating options related to this benefit and has released a Request for Information ("RFI") to solicit the marketplace for information related to similar programs and services for caregivers of children with developmental disabilities. The RFI will close on January 27, 2021. SBO will update the Subcommittees in February.

SBO and WTW continue to review and evaluate the 19 responses received from the Health Care Stakeholder RFI that closed on December 1, 2020. Analysis will continue through Q1 of 2021. Findings will be used as key inputs for the upcoming medical Third Party Administrator Request for Proposal that is scheduled for release in the Spring of 2021.

SBO has launched a new Condition Prevention & Management page for musculoskeletal conditions to provide resources and information for members suffering from these conditions. The COVID-19 page has been updated to include information on GHIP coverage for the FDA approved vaccines and links to Department of Public Health for the most up-to-date information regarding phases, timing, and availability of the vaccine in Delaware.

Open Enrollment ("OE") is scheduled for May 3 to 19, 2021 with virtual only events. Vendors have been asked to provide a short video of their programs and services and communications will include information on the CVS Health prescription benefits available to employees and non-Medicare retirees.

State Employee Benefits Committee Updates

There will be no January meeting of the SEBC. The Committee meetings in February and March will focus on plan design modifications, updated financial impacts from the CVS pharmacy contract, COVID-19 expenditures, and an updated forecast through FY22. Input from the Subcommittees will be pivotal as the Committee considers and evaluates the financials and any potential changes impacting OE.

Combined Subcommittee meetings are planned for February and March.

FINANCIALS – CHRIS GIOVANNELLO, WTW

November 2020 Fund Equity Report

November was a high revenue month because of receiving an additional premium payment but will smooth in the coming months. Rebates were lower than expected at $10.2M for commercial and $7.7M for EGWP. The rebates are attributable to claims incurred in Q4 of FY20 at the onset of the pandemic and smoothing is expected next quarter. There was a $5.4M Coverage Gap discount payment. Other revenues of $416K included a missed performance guarantee payment from ESI. Operating revenues came in $98M relative to a budget of $99M. Claims were $5.9M above budget as care deferral re-emerged but are tracking on budget for the year.

December 2020 Fund Equity Report

Claims were below budget by $2.7M and net income had a deficit of $10.1M bringing the YTD fund equity balance to $171.2M with a $2.8M variance to budget.

COVID-19 Update and Utilization Analysis

The impact of the pandemic will depend on many factors including the effectiveness of policies to mitigate spread and timing of easement of social distancing measures, the level of care deferral that returns in FY21, the level of new care deferral that emerges in FY21, the cost effectiveness of the vaccine or therapeutic agents, and the potential for new waves of infection. Claims are being tracked on a weekly basis to analyze trends and to support premium rate recommendations.

Claims for FY20 Q4 came in $47.1M below budget, claims for FY21 Q1 came in $11.2M below budget and FY21 Q2 came in $8.3M above budget driven by the return of deferred care.

The YTD cost of COVID-19 testing and treatment claims for Highmark totals $8.3M for confirmed claims and $99K in paid testing claims. Aetna has $2.1M in confirmed claims and $870K in paid testing claims.

Aetna non-COVID-19 telemedicine claims continue to increase and total 51K with $3.6M in attributable claims. From January 1, 2020 to January 9, 2021 Aetna had a total of $12.5M in claims attributable to telemedicine.

Mr. Costantino queried whether the additional telemedicine visits would have been in-person, or if it was thought to be additive. Mr. Giovannello said additional analysis is being done and he will follow up.

Ms. Merced asked if a reduction could be seen in other types of visits that could be attributable to the increase in telemedicine. Mr. Giovannello confirmed that a reduction has been seen in PCP visits and more analysis is forthcoming.

A COVID-19 utilization report was reviewed over several time periods and across multiple service categories. Overall October utilization is higher than pre-COVID-19 utilization levels as pent up demand for health care returns; however well-baby visits are underutilized. Throughout the pandemic emergency room visits have been lower than average.

Mental health utilization has increased steadily since the pandemic began; however, access to care with the increase in telemedicine has steadily improved. Claims will be tracked on a weekly basis and the projections will be revised frequently to determine potential rate action considerations for FY22.

Mr. Costantino queried whether the increase in admits per 1000 for mental health and substance abuse inpatient services could be in response to pent up demand coupled with improved access to care. Mr. Giovannello confirmed that it represents a positive utilization change.

Mr. Snyder queried whether the test claims accounted for by Highmark and Aetna included testing provided at testing sites; he noted that insurance information is requested at the time of testing. Dir. Rentz responded that the dashboard reports testing being billed through insurance only and not retail pharmacy and pop-up testing locations. Mr. Costantino asked to clarify that routine screenings prior to scheduled hospital procedures are reflected in the dashboard under Highmark and Aetna claims. Mr. Giovannello responded that he would follow up with IBM to provide clarification and additional analysis.

Sharp increases in utilization for telehealth were reported because of the pandemic and are expected to continue post-pandemic. The clinical conditions with the highest increases were anxiety, depression, and bi-polar disorder. Follow up analysis is underway.

GHIP FY20 NEW PROGRAM OUTCOMES & FY22 PLANNING – MS. JACYLN IGLESIAS

The Committee voted to adopt SurgeryPlus as a third-party administrator of Centers of Excellence ("COE") in October 2018. A COE is defined as any medical facility or professional providing superior outcomes. In June 2019 the Committee voted to adopt an incentive strategy and program design to allow plan participants to have a choice of providers when accessing COEs for broader elective procedures. Members using a SurgeryPlus COE receive comprehensive benefits including additional financial incentive, concierge, care coordination, and travel benefits as needed.

SurgeryPlus savings results were reviewed for FY20. The budget included an estimated $500K in net savings. The actual realized savings for completed procedures was $370K; there are surgeries that were scheduled in FY20 that have not yet been completed. There was a greater variety and cost variation among the actual procedures over what was budgeted; there were more low-cost surgeries and fewer high-cost surgeries than budgeted.

Additionally, the cost of the incentive design was not factored into the original savings estimates as they were not finalized until after budget estimates. Experience is being monitored and updates are forthcoming.

Ms. Anderson queried whether member satisfaction had been evaluated. Ms. Iglesias responded that she did not have the results available but that SurgeryPlus routinely collects patient satisfaction results and is well received by participants. Ms. Anderson added that word of mouth will drive utilization.

Mr. Costantino queried the range of incentives. Ms. Iglesias responded that the incentive varies by procedure and is between $500.00 - $4K. Additional review is needed before recommendations can be made for incentive adjustments.

Dir. Rentz added that SBO has launched a communications campaign to promote SurgeryPlus benefits. Additionally, SBO is seeking testimonials from members who have used the benefit.

There is an opportunity in FY22 to mandate bariatric surgery through SurgeryPlus. SurgeryPlus has participating providers in Delaware who will perform bariatric surgery on an inpatient or outpatient basis. The medical carriers have had challenges with administering this benefit in the past, such as not applying the 25% coinsurance to members using non-COE facilities.

SurgeryPlus has no out-of-pocket cost sharing for members and can benefit members in terms of health outcomes, claim billing and adjudication, and concierge support to locate providers, schedule appointments, coordinate travel benefits, follow-up care, and more.

Bariatric benefits are not an ACA Essential Health Benefit; therefore, the Committee has discretion in how to offer coverage for this benefit.

SurgeryPlus calculated the potential estimates associated with carving out bariatric surgery and several other procedures. Based on CY19 claim data, they estimated a gross savings of approximately $2.09M if all 132 bariatric surgeries had been conducted through SurgeryPlus providers; this estimate does not include the State incentive, travel benefits or administrative fees. The member impact is estimated at less than 1% of the total enrolled population.

Ms. Merced noted the other savings estimates provided by SurgeryPlus for other procedures and queried whether the decision point for the Subcommittees was exclusive to bariatric surgery. She also wanted to ensure that mandating SurgeryPlus was not going to limit access to the surgery for members and therefore unintentionally increasing the cost of other related medical expenses that bariatric surgery may mitigate. Ms. Iglesias confirmed that only bariatric services were being recommended for consideration at this time. Dir. Rentz added that ensuring local providers can perform these services was a key consideration in the recommendation and SurgeryPlus has built out a local network for bariatric surgery and access is not restricted.

Today the State provides participants with a financial incentive for choosing a COE provider. Through the medical carrier, members in the PPO and HMO plans will pay up to $200 for inpatient or $0 for outpatient surgery at a COE vs. paying 25% of the total cost of surgery for a non-COE provider (regardless of their status as a participating provider in the medical network). Through SurgeryPlus, members would have $0 cost for inpatient or outpatient surgery, plus they would receive a financial incentive of $2K for bariatric surgery. If the benefit were to be carved out, the incentive could be eliminated.

Mr. Oberle noted that he did not want to penalize someone for not participating if the geographic locations of the providers did not support their needs. He asked if the number and locations of participating SurgeryPlus providers in Delaware could be made available. Ms. Iglesias responded that she would follow up.

Other member-facing considerations include a grace period for members who are scheduled to have bariatric surgery with a non-SurgeryPlus provider, communications and updates to plan documents and benefit summaries, including procedures for claim denials and appeals, as well as communicating the differences in clinical policy guidelines through Highmark, Aetna and SurgeryPlus.

Mr. Costantino requested to clarify that bariatric surgery is not an essential health benefit. Ms. Iglesias responded that the State of Delaware GHIP, as a self-funded plan, has the discretion to select a state benchmark plan as its benchmark. The State chose South Carolina and South Carolina does not cover bariatric services.

Medical carrier considerations would include disabling coverage for specific procedure codes associated with bariatric surgery, scripting for carrier customer service and care management teams to ensure consistent messaging about this change, discussion of claims denials and appeal process, and updating online provider portals and member websites to reflect the carve-out arrangement. Additionally, the clinical policy guidelines for SurgeryPlus bariatric surgery program are currently under review against medical carrier guidelines to determine any material differences in the member experience.

WTW and SBO are preparing a cost analysis and potential cost avoidance estimate for review in February and will not factor in the pandemic's impact on elective surgeries. Mr. Costantino requested that a net savings estimate be provided to include the impact of incentives. Ms. Iglesias agreed to provide a net savings estimate.

The Subcommittee reviewed considerations related to the upcoming OE period. The 2017 epilogue language allows the Committee to either roll over an existing election to the following plan year or implement an active enrollment that would require employees to participate in OE or be defaulted into a designated plan option. The Committee has historically opted to use strong messaging to encourage, but not require, participants to actively participate. Participation has increased because of this strong messaging.

The myBenefitsMentor tool by IBM Watson provides a lowest cost plan recommendation to participants based on their historic medical costs including applicable dependents. This tool was used by 27% of members during 2020 OE (FY21); however, only a small percentage switched to the recommended plan.

For the FY21 OE period, 43K letters were sent to benefit eligible employees and non-Medicare pensioners to communicate plan options; 38K employees were already enrolled in a medical plan and therefore received personalized recommendations. The Aetna CDH was recommended for 37% as the lowest cost plan option; however, only 4.7% elected this Plan. Further review of the data reflected that members across all plans who utilized the decision support tool generally did not change their elections to the recommended plan.

Mr. Costantino suggested that members may chose a health plan based on what might happen, rather than their current health and asked if the data could be broken down by age. Ms. Iglesias responded that IBM is evaluating differences between employees and their average length of employment.

Ms. Merced asked about collecting data to determine why people did not make a change (e.g. not about money but reputation, familiarity, etc.). Dir. Rentz confirmed and noting the potential for confusion she added that careful consideration will be given as to the best location to collect this data. Ms. Hinkle added that results can be shared from the survey sent to employees post OE where employees were asked what factor was the most important when selecting their health plan, albeit the response rate was small.

Mr. Costantino queried whether the hesitation to elect the recommended plan could be a result of a fear of higher deductibles. Ms. Iglesias confirmed that the Aetna CDH has the highest deductible, but not so high as to qualify as a high deduction plan with the IRS.

Ms. Tucker queried whether having dependents might impact an employee's decision to change plans and asked if the data could determine whether members had dependents. Ms. Iglesias was unsure but added that she would follow up.

Ms. Schock asked whether new employees could utilize the myBenefitsMentor tool. Ms. Rentz responded that it is not currently available to new hires outside of OE. Ms. Hinkle added that there is discussion regarding the feasibility of building the tool into the hiring process.

SBO will not host health fairs but will work with benefit vendors to provide employees short videos that highlight each benefit to be posted on the Open Enrollment page of the SBO website.

One OE course will be assigned to the HR/Benefit Representatives on April 6, 2021 asking them to review their responsibilities prior to and during OE. One course will be assigned to employees on April 7, 2021 to review the steps to take for OE and to review any changes that will occur for the plan year beginning July 1, 2021. Online courses will be available and tracked in the Delaware Learning Center (or via a separate website link for employees who do not have access to the DLC). Due dates for courses are April 30, 2021.

SBO will streamline communications and messaging. The Double State Share Form does not need to be completed until after OE but this year members have the option to complete it during OE. All benefit eligible employees will be asked to actively participate during the OE period by completing three steps: log into Employee Self-Service to enroll, confirm, or waive health, dental and vision coverage if applicable, to complete the Spousal Coordination of Benefits Form if they will be covering a spouse after July 1, 2021, and to review available supplemental benefits (i.e. Flexible Spending Account, Accident and Critical Illness Insurance and Group Universal Life).

Mr. Oberle queried why an incentive would still be considered if the decision was made to carve out bariatric surgery to SurgeryPlus. Ms. Iglesias responded that it would require a change in the way the benefit is structured today. Mr. Oberle would like to confirm that the number and location of providers meet the needs of employees.

Ms. Anderson added that she would like to see what bariatric providers were in and out of network for the 132 surgeries complete in FY20. Ms. Iglesias will follow up.

OTHER BUSINESS

No new business.

PUBLIC COMMENT

No public comment

ADJOURNMENT

A MOTION was made by Mr. Costantino and seconded by Ms. Schock to adjourn the meeting at 11:58 a.m.
MOTION ADOPTED UNANIMOUSLY.

Respectfully submitted,

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