

**MINUTES FROM THE COMBINED MEETING OF THE FINANCIAL and HEALTH POLICY & PLANNING SUBCOMMITTEES  
TO THE STATE EMPLOYEE BENEFITS COMMITTEE  
July 21, 2022**

The Financial Subcommittee and the Health Policy & Planning (“HP&P”) Subcommittee to the State Employee Benefits Committee (the “Committee”) met Thursday, July 21, 2022 in a combined meeting. In the interests of protecting the citizens of this State from the public health threat caused by COVID-19, participants had the option to attend virtually via Webex in addition to the option to attend in person.

Subcommittee Members Represented or in Attendance:

Director Faith Rentz, Statewide Benefits Office (“SBO”), Department of Human Resources (“DHR”) (Appointee of Secretary Claire DeMatteis), Chair  
Mr. Steven Costantino, Director Health Care Reform, Dept. of Health and Social Services (“DHSS”) (Appointee of Secretary Molly Magarik)  
Ms. Jeanette Hammon, Sr. Fiscal and Policy Analyst, Office of Management & Budget (“OMB”) (Appointee OMB Director Cerron Cade)  
Mr. William Oberle, Delaware State Trooper’s Association (Appointee of Mr. Taschner, Executive Director, DSEA)  
Ms. Christina Haas, Sr. Advisor to the Commissioner, Department of Insurance (“DOI”) (Designee for Mr. Stuart Snyder, Chief of Staff, DOI, Appointee of Commissioner Trinidad Navarro)  
Ms. Ashley Tucker, Deputy State Court Administrator, Administrative Office of the Courts, (Appointee of The Hon. Collins Seitz, Chief Justice, Delaware Supreme Court)  
Ms. Judi Schock, Deputy Principal Assistant, Office of Management & Budget (“OMB”) (Appointee of OMB Director Cerron Cade)  
Mr. Daniel Madrid, Chief Operating Officer, Office of the State Treasurer (Appointee of The Honorable Colleen Davis, State Treasurer)  
Mr. Robert Scoglietti, Deputy Controller General, Office of the Controller General (“OCG”) (Appointee of Controller General Ruth Ann Jones)  
Ms. Judy Anderson, Delaware State Education Association (Appointee of Mr. Taschner, Executive Director, DSEA)

Subcommittee Members Not Represented or in Attendance:

Mr. Keith Warren, Chief of Staff, Office of the Lt. Governor (Appointee of Lt. Governor Bethany Hall-Long)

Others in Attendance:

Ms. Leighann Hinkle, Deputy Director, SBO, DHR	Ms. Christina Bryan, Delaware Healthcare Association
Ms. Nina Figueroa, Health Policy Advisor, SBO, DHR	Ms. Julie Caynor, Aetna
Ms. Samantha Mountz, SBO, DHR	Brooke Nedza, Aetna
Ms. Caryn Shetzler, SBO, DHR	Ms. Katherine Impellizzeri, Aetna
Mr. Aaron Schrader, SBO, DHR	Ms. Sandy Hart, IBM
Ms. Heather Johnson, Controller, DHR	Mr. Walter Mateja, IBM
Ms. Gabby Costagliola, Willis Towers Watson (“WTW”)	Ms. Charlene Hrivnak, CVS Health
Mr. Chris Giovannello, WTW	Ms. Sara Dunlevy, CVS Health
Ms. Jaelyn Iglesias, WTW	Mr. Mike Gorfin, Hinge Health
Mr. Brian Stitzel, WTW	Ms. Marykate McLaughlin, Barnes & Thornburg Law
Mr. Nathan Roby, DOF	Ms. Carole Mick, SBO, DHR - Recorder, State Employee Benefits Committee and Subcommittees
Ms. Wendy Beck, Highmark Delaware	
Ms. Lisa Mantegna, Highmark Delaware	

**CALLED TO ORDER – DIRECTOR FAITH RENTZ, CHAIR**

**STATE OF DELAWARE STATEWIDE BENEFITS OFFICE**

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Director Rentz called the meeting to order at 10:02 a.m.

**APPROVAL OF MINUTES – DIRECTOR RENTZ, CHAIR**

A MOTION was made by Mr. Costantino and seconded by Ms. Hammon to approve the minutes from the Combined Subcommittee meeting on May 19<sup>th</sup>, 2022.

MOTION APPROVED.

Mr. Scoglietti is abstaining from approval of the minutes.

**DIRECTOR'S REPORT – DIRECTOR RENTZ, CHAIR**

SEBC Meeting

The SEBC will meet on July 25<sup>th</sup> and will review the Subcommittees recommendations on the condition specific programs related to the musculoskeletal program options and bariatric carve-out through SurgeryPlus. The SEBC will also review the proposed changes to the Spousal Coordination of Benefits (SCOB) Policy for an effective date of January 1<sup>st</sup>, 2023. The SEBC meeting will include an Executive Session to discuss contract negotiations with Highmark and Aetna for the current plan year.

Legislative Updates

House Bill (HB) 303 requires coverage of an annual behavioral health well check and was passed in both chambers with several amendments which is now awaiting the Governor's signature. The effective date of this bill is January 1, 2024, with an annual fiscal impact of \$2.4M.

Senate Bill (SB) 309 (Chiropractic Maintenance Care Bill) was passed in both chambers and is currently awaiting signature by the Governor. The effective date of this bill is January 1, 2024 and has an annual fiscal impact of \$71K.

SB 316 which caps diabetes equipment and supplies to \$35 a month passed in both chambers and awaits signature by the Governor.

SB 267 ensures fairness in cost-sharing for prescription drugs and does not apply or impact the GHIP. The GHIP designed the current prescription plan to minimize out-of-pocket costs and copays with no deductibles and is aligned with the intent of the bill.

HB 455 (Woman's Reproductive Health) was passed in both chambers and signed into law by the Governor. This bill is intended to protect and limit civil actions imposed from other states relating to pregnancy terminations. This bill may impose several concerns surrounding physician assistants being able to provide certain reproductive health services.

Ms. Haas provided an update on SB 267 stating that this bill will have two proposed amendments which were drafted in June. Highmark has a program called Copay Amour which leverages manufacturers to define the amount of out-of-pocket costs for specific drugs and would be deemed noncompliant when this law is enacted. America's Health Insurance Plans (AHIP) association is also pursuing an amendment regarding generic prescriptions. This amendment would focus on instituting coupon requirements even when generics are not available.

**FINANCIALS – MR. CHRIS GIOVANNELLO, WTW**

May/June Fund Equity Reports

May commercial rebates were slightly lower than budgeted at \$14M. The EGWP rebate has a large delta due to a timing issue with the CVS rebate. May claims came below budget with a \$3.4M variance.

The June report reflects the CVS rebate of \$9.7M. The coverage gap discount was received early totaling \$3.7M. Other revenues totaled \$311K were the result of receiving two ESI payments: the performance guarantee and the Safeguard RX payment. June claims came in below budget at about \$85M. A COVID reimbursement payment

came in totaling \$3.2M. The Fund is currently around \$62.6M below budget for the year. The June report shows a net income of -\$1.4M with a total balance of \$157.2M for FY22.

Mr. Scoglietti asked if the fund would be expecting anymore COVID reimbursement payments. Ms. Rentz responded that these funds are additional CARES Act funds from 2021 and we may see a few smaller COVID reimbursements for CY21 COVID claims.

#### **CONDITION-SPECIFIC PROGRAMS FOR THE GHIP, MR. BRIAN STITZEL & JACLYN IGLESIAS, WTW**

Mr. Stitzel provided a brief overview of the musculoskeletal program options for virtual physical therapy. Hinge Health can be provided through Aetna (Aetna members only) or SurgeryPlus (Aetna and Highmark members). Sword Health can be provided through Highmark for Highmark members only. The recommendation is to implement Hinge Health through SurgeryPlus no earlier than January 1, 2023.

Mr. Scoglietti made a motion and Ms. Hammon seconded the motion to recommend to the SEBC the implementation of Hinge Health via SurgeryPlus effective January 1, 2023. Motion adopted unanimously.

Ms. Iglesias provided a summary of long-term health outcomes, a carve-out opportunity through SurgeryPlus, potential net savings, and implementation considerations associated with bariatric surgery. The recommendation is to carve out bariatric surgery through SurgeryPlus with an effective date no earlier than January 1, 2023.

Mr. Oberle asked about the aggressiveness of seeking out other initiatives through SurgeryPlus. Ms. Iglesias responded that there is preliminary data for future potential carve-outs on other types of procedures. Mr. Oberle asked about the timeline for these other initiatives. Ms. Iglesias stated that WTW can begin to actively explore these other initiatives. Ms. Rentz commented that discussion on these other initiatives will continue with the Subcommittee through CY22 and to provide recommendations to the SEBC in early CY23.

Ms. Haas asked if there would be a duplication of services with bariatric surgery due to employees using short-term disability after having bariatric surgery. Ms. Rentz stated that employees on short-term disability benefits are covered under the GHIP.

Mr. Scoglietti made a motion and Mr. Madrid seconded the motion to recommend to the SEBC carving out bariatric surgery through SurgeryPlus effective January 1, 2023. Mr. Costantino has concerns with the SurgeryPlus network but still supports this recommendation. Ms. Iglesias stated that SurgeryPlus is continuing to build their network within the State. No other concerns were addressed, and the motion was adopted unanimously.

#### **SPOUSAL COORDINATION OF BENEFIT (SCOB) POLICY PROPOSED CHANGES – DIRECTOR RENTZ, CHAIR**

Ms. Rentz provided an overview of the Spousal Coordination of Benefit Policy stating that this policy applies to spouses eligible for health care coverage through their own employer or former employer.

The policy change is mainly due to the transition to the Medicare Advantage (MA) plan effective January 1, 2023, removal of gender pronouns and to clarify existing provisions in the policy. SBO would like to present final recommended changes to the SCOB Policy to the SEBC at their meeting on July 25, 2022.

Potential changes include modifications or discontinuation of the policy to a pensioner whose spouse is Medicare eligible. The Centers for Medicare & Medicaid Services (CMS) only allows enrollment in one qualified MA plan, so if a spouse has other Medicare coverage, the spouse cannot be enrolled in both.

Additional considerations include clarification on spouse employment status and 50% contribution requirement, information on spouses who are considered a partner, owner, or principal in a law firm or any other type of business and clarify provisions regarding participating groups.

Ms. Haas asked if there would be a special enrollment period for spouses that would like to enroll in the MA plan and drop their employer/former employer's health coverage. Ms. Rentz stated they would receive a special enrollment and SBO is communicating with affected pensioners regarding when to disenroll in other coverage.

Mr. Costantino asked if SBO could show these proposed changes within the SCOB policy. Ms. Rentz commented that this can be done to better assist SEBC members with reviewing these proposed changes.

#### **BENEFITS MODERNIZATION INITIATIVES – JACLYN IGLESIAS, WTW**

Ms. Iglesias provided an overview of potential future benefit initiatives to modernize the State's benefit strategies to meet present-day workforce needs. Several considerations to modernize benefits include providing meaningfully different medical plans, personalizing benefit offerings, providing voluntary benefits, flexible subsidization, and providing flexibility to meet the needs of the State's diverse workforce.

A timeline was presented to review benefit options and make final recommendations to the SEBC by January 2023 and implement a phased-in approach for FY24.

Mr. Madrid asked if there was consideration to total compensation when talking about modernizing future benefits. Ms. Rentz responded that this topic will require further discussion with Secretary DeMatteis, but the intent is to review the entire benefit package to include salaries. The Subcommittee continued a discussion regarding future State employee benefits.

#### **PREFERRED SITE OF CARE UTILIZATION AND OPPORTUNITIES – DIRECTOR RENTZ, CHAIR**

A brief discussion was had regarding site of care utilization which will be further discussed at the next meeting. Mr. Oberle asked if SBO would be prepared to make recommendations on how to enhance steerage. Ms. Rentz stated that a recommendation would not be needed at the August meeting, however, discussion will continue with site of care utilization.

Mr. Constantino asked if the Subcommittee could review what other states are doing for site of care. Ms. Iglesias responded that they could investigate what other states are doing and report back what information can be provided from other states.

Mr. Oberle asked how often members are receiving communications regarding copays, in an effort to drive members to cheaper alternatives. Ms. Rentz stated that an overview can be provided at the next meeting of the various communications that are distributed. Mr. Scoglietti asked for a timeline associated with any site of care steerage option changes. Director Rentz responded that decisions would need to be made by March 2023 for a July 1, 2023 effective date.

#### **OTHER BUSINESS**

No other business.

#### **PUBLIC COMMENT**

No public comment was provided.

#### **ADJOURNMENT**

A MOTION was made by Mr. Costantino and seconded by Mr. Oberle to adjourn the public session at 11:58 a.m. MOTION ADOPTED UNANIMOUSLY.

Respectfully submitted,

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Carole Mick, Statewide Benefits Office, Department of Human Resources  
Recorder, State Employee Benefits Committee, and Subcommittees