

**MINUTES FROM THE MEETING OF THE HEALTH POLICY & PLANNING SUBCOMMITTEE
TO THE STATE EMPLOYEE BENEFITS COMMITTEE
JANUARY 17, 2023**

The Health Policy & Planning Subcommittee to the State Employee Benefits Committee (the “Committee”) met Tuesday, January 17, 2023 in a meeting. The meeting was held virtually and in-person at 97 Commerce Way, Suite 201, Dover, DE 19904.

Subcommittee Members Represented or in Attendance:

Director Faith Rentz, Statewide Benefits Office (“SBO”), Department of Human Resources (“DHR”) (Appointee of Secretary Claire DeMatteis), Chair
Ms. Ashley Tucker, Deputy State Court Administrator, Administrative Office of the Courts, (Appointee of The Hon. Collins Seitz, Chief Justice, Delaware Supreme Court)
Mr. Robert Scoglietti, Deputy Controller General, Office of the Controller General (“OCG”) (Appointee of Controller General Ruth Ann Jones)
Mr. David Bentz, Deputy Director, Dept. of Health and Social Services (“DHSS”) (Appointee of Secretary Molly Magarik)
Mr. William Oberle, Delaware State Trooper’s Association (Appointee of Mr. Taschner, Executive Director, DSEA)
Ms. Courtney Stewart, Deputy Director, Office of Management & Budget (“OMB”) (Appointee of OMB Director Cerron Cade)
The Honorable Colleen Davis, State Treasurer, Office of the State Treasurer “OST” (Mr. Matthew Rosen, Senior Policy Advisor, OST)
The Honorable Trinidad Navarro, Insurance Commissioner, Department of Insurance (“DOI”) (Mr. Stuart Snyder, Chief of Staff, DOI)

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:

Deputy Director Leighann Hinkle, SBO, DHR	Mr. Walter Mateja, Merative
Ms. Samantha Mountz, SBO, DHR	Ms. Sandy Hart, Merative
Ms. Nina Figueroa, Health Policy Advisor, SBO, DHR	Ms. Sara Dunlevy, CVS Health
Ms. Heather Johnson, Controller, DHR	Ms. Charlene Hrivnak, CVS Health
Ms. Cherie Dodge Biron, Director, Financial & Administrative Services, DHR	Ms. Christina Bryan, DHA
Mr. Chris Giovannello, WTW	Ms. June Taylor, Pensioner
Ms. Jaclyn Iglesias, WTW	Mr. Steve LePage, Pensioner
Mr. Brian Stitzel, WTW	Mr. Tom Pledgie, Pensioner
Mr. Varun Sivakumar, WTW	Ms. Helen Diskau, Pensioner
Ms. Katherine Impellizzeri, Aetna	Ms. Carole Mick, SBO, DHR - Recorder, State Employee Benefits Committee and Subcommittee
Ms. Leah White, Aetna	

CALLED TO ORDER – DEPUTY DIRECTOR HINKLE, SBO

Deputy Director Hinkle called the meeting to order at 1:02 p.m.

APPROVAL OF MINUTES – DEPUTY DIRECTOR HINKLE, SBO

A MOTION was made by Mr. Scoglietti and seconded by Ms. Stewart to approve the minutes from the Combined Subcommittee meeting on December 15th, 2022.

MOTION ADOPTED UNANIMOUSLY.

DIRECTOR'S REPORT – DEPUTY DIRECTOR HINKLE, SBO

SEBC & Legislative Updates

Deputy Director Hinkle provided a timeline for the benefits modernization survey with communications starting in early January and survey test dates running from January 19th to 24th. Committee members received notification from Director Rentz to designate a tester for the survey test. Survey dates for benefit eligible employees are February 1st to 17th.

Senate Bill (SB) 29 was introduced on January 12, 2023 and will be heard in the Senate Executive Committee on January 18th at 3:00 p.m. This bill proposes to add 1 retiree and 1 additional union member as voting SEBC members. This SB also proposes that the CGO submit comprehensive bi-annual reporting to the General Assembly (GA) by May 30th and November 30th, proposes to establish a Retiree Healthcare Benefits Advisory Subcommittee, and that the Retiree Subcommittee submits findings and recommendations with regards to the FY24 budget to the GA by May 1, 2023.

Deputy Director Hinkle provided Subcommittee members with the agenda items for the Financial Subcommittee and the SEBC meetings.

Ms. Stewart left the meeting.

FY24 PLANNING – MS. JACLYN IGLESIAS, WTW

PrudentRx

Ms. Iglesias provided an overview of follow-up items on the PrudentRx program including a list of specialty drugs, GHIP member utilization on specialty drugs, common conditions for GHIP members that use specialty drugs, and detailed information on state benchmarks. PrudentRx utilizes the Affordable Care Act (ACA) standards for essential health benefits (EHBs) and maximum out-of-pocket limits. The PrudentRx program uses the Utah state benchmark since it has fewer drugs listed as EHBs. Choosing a state benchmark with fewer EHBs allows more opportunity to tap into manufacturer assistance programs for specialty drugs that are not considered EHBs.

Treasurer Davis commented that implementing the PrudentRx program would not change the current formulary but rather it would change the payment structure. Ms. Iglesias concurred and stated that the payment structure would now leverage manufacturer copay assistance programs to offset the plan's share of the cost. Further clarification was provided on the PrudentRx program logistics and state benchmarks for EHBs.

Commissioner Navarro asked if we had to use the Utah state benchmark and if it was similar to the Delaware state benchmark. Ms. Iglesias stated that the Utah state benchmark would need to be used but it has fewer drugs listed as EHBs which allows PrudentRx more opportunity to tap into manufacturer copay assistance programs. Commissioner Navarro asked if a side-by-side comparison between benchmarks has been done. Ms. Iglesias stated that a comparison is not available since the state benchmarks do not list specific drugs but rather therapeutic categories and the number of drugs that should be EHBs. Further clarification was provided on why the PrudentRx programs uses the Utah state benchmark and how it relates to the State's current drug formulary.

Commissioner Navarro would like more information on the benefits and potential drawbacks of PrudentRx. Ms. Iglesias commented that this is a cost saving program to both the GHIP and plan participants if they opt into the program. A 30% coinsurance would apply to plan participants who choose to opt out of the plan, however, by opting into the program the member cost share would be \$0, and the 30% coinsurance would be applied to the

manufacturer copay assistance program which would be credited back to the plan. The PrudentRx program does rely on manufacturer copay assistance and drug manufacturers may pull back this sort of assistance on drugs.

Ms. Stewart rejoined the meeting.

A motion was made by Treasurer Davis and seconded by Mr. Scoglietti to recommend to the SEBC the implementation of the PrudentRx program effective July 1st, 2023 for non-Medicare plans. Motion adopted unanimously.

Cell & Gene Therapies

Ms. Iglesias reviewed cell & gene therapy topics and provided follow-up information to the Subcommittee on these topics regarding opportunities to expand treatment coverage of Vitti-Pure and CRISPR technology. Vitti-Pure treatment utilizes stem cells from a donor other than the individual who is seeking treatment and is still considered stem cell therapy for orthopedic conditions. Published research on Vitti-Pure may suggest that this treatment is as effective as a placebo; however, these studies did not use randomized control groups, so it is possible that the placebo effect is still contributing to improvements reported by study participants. WTW recommends that the State continue to rely on the medical TPAs' existing technology assessment process reviews for clinical guidance on whether these various emerging technologies should be covered and not override that process to offer coverage. CRISPR technology uses a different approach to cell & gene therapy (CGT) than what has been previously discussed. Applications of CRISPR technology to CGTs is currently in various clinical trial phases and can be considered as a more leading-edge approach to developing CGTs.

Ms. Iglesias discussed how these therapies treat conditions that are more complex and provided current utilization data under the GHIP.

Commissioner Navarro asked if Hemgenix, a gene therapy for Hemophilia, would cure the patient. Ms. Iglesias stated that it is a curative treatment.

Ms. Iglesias noted that both medical carriers have utilization management protocols in place to ensure clinical appropriateness and Aetna does have a designated network for three cell & gene therapies that is not currently adopted by the GHIP.

Mr. Oberle arrived to the meeting.

Mr. Scoglietti wanted confirmation that these therapies are already being covered by the plans and that the GHIP would be adding additional management. Ms. Iglesias confirmed this, and the three cell & gene therapies being offered by Aetna through a designated network have no utilizers today and would only be available for Aetna plans. Potential savings would occur since Aetna would have the ability to negotiate pricing.

Subcommittee members showed interest in further exploring cell & gene therapy networks and more information will be provided at the next meeting.

Plan Design & Drug Formulary Changes – Ms. Jaclyn Iglesias & Mr. Chris Giovannello, WTW

Ms. Iglesias presented information on weight loss medications that are not currently covered by the GHIP and included some considerations such as the percentage of CVS clients that cover weight loss medications, references to clinical studies, and CVS-estimated annual gross cost.

Commissioner Navarro asked if there is any data on other states who have adjusted their benchmarks to include weight loss drugs and if it has had any impact on the health of their populations. Mr. Scoglietti commented that to provide additional coverage over what is mandated by law and is beyond the scope of the EHBs, then the State will incur a liability known as defrayal. The State would have to remit back to companies providing benefits under the ACA the cost of that mandate that was not originally included in the EHBs.

Ms. Iglesias stated that to include weight loss drugs would probably not trigger a change to the Delaware State benchmark as defined under the ACA and further information can be provided on this topic.

Subcommittee members showed interest in further discussing this topic.

Mr. Oberle would like more information on other states who have implemented a management program for weight loss drug utilization.

Ms. Iglesias provided a recap of site of care steerage current copay differentials and recommended copay changes for non-preferred sites of care. Copays have not been adjusted since July 1st, 2019 and would impact the Comprehensive PPO and Aetna HMO plans.

Ms. Stewart left the meeting.

Mr. Giovannello reviewed other medical plan design changes to include plan design actuarial value, total cost and contributions, current plan designs, and plan design alternative savings. The State's GHIP have high actuarial values with little difference in plan offerings and should consider lowering plan value to align with benchmarks and spreading option value.

A comparison of total cost and contributions to benchmarks was displayed which included a new benchmark of 31 Delaware employers. This information reflects that the GHIP is rich from a subsidization and plan value perspective. State of Delaware employees are paying substantially less in out-of-pocket expenses and employee contributions compared to benchmarks.

Mr. Oberle asked for a list of government/public sector and Delaware employers and would also like information on their geographical region. Ms. Iglesias will provide this information from employers who have authorized sharing their information and the benchmarks are from employers across the country.

Current plan designs indicate that most plan participants are in plans without a deductible with minimal spread in actuarial value. The State's health and prescription plans do get richer over time due to health care trends based on having fixed deductibles. Plan design alternatives were displayed to show deductible modeling for the PPO and HMO plans and increase the deductibles for the CDH Gold and First State Basic plans. Potential cost savings range from \$6.7M to \$24.4M. Recommended prescription drug copay changes to reflect the Government benchmark were included.

Director Rentz asked if the prescription copay changes would apply to all groups or just the active employee and non-Medicare retiree plan participants. Mr. Giovannello stated that the copay changes would be for the active and non-Medicare plan participants.

Mr. Oberle asked if the current contract would need to be altered to implement copay changes. Mr. Giovannello stated that the copay changes would be recommended for FY24. Director Rentz commented that prescription copay changes are at the discretion of the SEBC and not subject to the contract terms. Mr. Oberle addressed concerns over increasing copays and the impact this might have on lower paid state employees. Copays changes have not been increased in 6 years and a follow-up on a history of cost share erosion can be provided.

Mr. Scoglietti is interested in site of care copay changes for non-preferred sites of care and asked if the emergency/urgent care copay data is for nonemergent primary care treatment. Ms. Iglesias stated that this data is for any ER utilization. Deputy Director Hinkle said that Subcommittee members had a previous discussion to determine if a higher copay could be charged to plan participants who use the ER for nonemergent reasons, however, there were some administrative challenges that made this a non-viable option.

Commissioner Navarro asked if it would be possible to base deductibles off employee salaries. WTW will explore this option and provide feedback, however, there will be administrative challenges.

Additional analysis will be presented at the February meeting on GHIP member access to ambulatory services and findings of the Inclusive Benefits Review.

Mr. Oberle left the meeting.

OTHER BUSINESS

No other business.

PUBLIC COMMENT

Mr. Tom Pledge provided comment on what the minimum response rate for the survey will need to be to provide statistical reliability and asked for clarification on the premium rate increase between the active and pre-65 retiree populations.

ADJOURNMENT

A MOTION was made by Mr. Scoglietti and seconded by Commissioner Navarro to adjourn the public session at 3:03 p.m. MOTION ADOPTED UNANIMOUSLY.

Respectfully submitted,

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