

**MINUTES FROM THE MEETING OF THE HEALTH POLICY & PLANNING SUBCOMMITTEE  
TO THE STATE EMPLOYEE BENEFITS COMMITTEE  
February 13, 2023**

The Health Policy & Planning Subcommittee to the State Employee Benefits Committee (the “Committee”) met Monday, February 13, 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)  
Mr. Stuart Snyder, Chief of Staff, Department of Insurance (“DOI”) (Appointee of the Honorable Trinidad Navarro, Insurance Commissioner, 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)  
Mr. Matthew Rosen, Senior Policy Advisor, Office of the State Treasurer (“OST”) (Appointee of the Honorable Colleen Davis, State Treasurer, OST)

*Others in Attendance:*

Deputy Director Leighann Hinkle, SBO, DHR	Ms. Lisa Mantegna, Highmark
Ms. Samantha Mountz, SBO, DHR	Ms. Wendy Beck, Highmark
Ms. Nina Figueroa, Health Policy Advisor, SBO, DHR	Mr. Walter Mateja, Merative
Ms. Marie Hartigan, SBO, DHR	Ms. Christina Bryan, DHA
Mr. Aaron Schrader, SBO, DHR	Ms. Melissa Marlin, DOF
Ms. Dawn Warman, SBO, DHR	Ms. Aimee Holthaus, DNREC
Ms. Mary Bradley, SBO, DHR	Ms. LeVar Johnson, Novo Nordisk
Ms. Jaclyn Iglesias, WTW	Ms. Barbara Philbin, Pensioner
Mr. Brian Stitzel, WTW	Ms. Gloria James, Pensioner
Mr. Varun Sivakumar, WTW	Mr. Steve LePage, Pensioner
Ms. Rebecca Warnken, WTW	Mr. Tom Pledgie, Pensioner
Ms. Katherine Impellizzeri, Aetna	Ms. Carole Mick, SBO, DHR - Recorder, State Employee Benefits Committee and Subcommittee
Ms. Leah White, Aetna	
Ms. Julie Caynor, Aetna	

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

Director Rentz called the meeting to order at 1:00 p.m.

**APPROVAL OF MINUTES – DIRECTOR FAITH RENTZ, SBO**

A MOTION was made by Ms. Stewart and seconded Mr. Scoglietti by to approve the minutes from the Health Policy & Planning Subcommittee meeting on January 17, 2023.

MOTION ADOPTED UNANIMOUSLY.

**DIRECTOR'S REPORT – DIRECTOR FAITH RENTZ, SBO**

COVID-19 Update

The COVID-19 national and public health emergencies (PHE) is intended to end on May 11, 2023 and impacts to the GHIP will be reviewed at today's meeting. Additional discussion will need to occur with the SEBC on the continuation of the COVID-19 enhancements and a previous vote by the SEBC approved coverage of enhanced services for no more than 30 days following the end of the COVID-19 PHE.

Mr. Oberle asked what the financial consequences are for the GHIP upon the end of the PHE. Director Rentz stated that enhancements in terms of cost sharing that the GHIP has assumed for members during the PHE is set to expire no more than 30 days following the end of the PHE. If there is interest from the SEBC to continue covering these costs, estimates can be provided. The GHIP will start to assume costs for vaccines and antivirals with an estimated cost range of \$2.4M to \$8.3M annually. This range includes vaccines and oral antiviral costs and assumes the discontinuation of coverage for over the counter (OTC) test kits. To include OTC test kits, an additional \$800K would be added to the estimate.

Benefits Modernization Survey

The status of the benefits modernization survey response rate is 13.4% as of 8:00 a.m. on February 13, 2023. WTW will send one final email reminder on February 15, 2023 to employees who have not yet completed the survey. Results will be presented in the Summer. The survey's intention is to gauge interest from the workforce on their total rewards preferences and includes areas such as expanded leave and family friendly benefits, mental health and wellbeing support including diversity, equity, and inclusion in the benefit offerings.

Legislative Updates

SA 1 to SB 29 was signed by the Governor on January 26, 2023 and SBO is still waiting for appointments for the two new SEBC members and the Retiree Benefits Healthcare Advisory (RBHA) Subcommittee. When appointments are known, it will be posted on the SEBC Website.

Judge Scott has issued the final order on February 8, 2023 in the case of RISE Delaware vs. SEBC/SBO and no further order is necessary to close the case with the Superior Court.

Hinge Health and SurgeryPlus Bariatric Implementation

The Hinge Health program launched on January 1, 2023 and communication have been sent to all Aetna and Highmark non-Medicare members. Hinge Health has reported strong engagement and participation details will be available during CY23 Q2.

Bariatric surgery exclusively through SurgeryPlus will be effective as of July 1, 2023. SurgeryPlus benefits have been available to State active and non-Medicare GHIP members since July 1, 2019 as voluntary benefit and is not available to GHIP members who have primary coverage under another plan as there is no coordination of benefits. Communications will begin later this month and will be included in the 2023 Open Enrollment materials. Highmark and Aetna members who have initiated the process for bariatric surgery will be contacted directly through their health plan's care management team to assure that they will not be adversely impacted. The SEBC's approval to provide bariatric surgery exclusively through SurgeryPlus required the SBO to assure that secondary GHIP members would continue to have access through the Group Health Insurance Plan. SBO is

developing an official appeal process for bariatric surgery that gives members additional appeal levels to the SBO and SEBC as they exist under the health plans which will be completed no later than May 1, 2023.

#### SEBC Updates

The SEBC will meet on February 20, 2023 to review the latest GHIP financials, projections, and recommendations related to plan design and program changes for FY24. A vote by the SEBC on rate, plan, and program changes for an effective date of July 1, 2023 is to occur no later than March 20, 2023.

#### **FY24 PLANNING – MS. JACLYN IGLESIAS, WTW**

The GHIP is facing a projected deficit of \$138.1M by the end of FY24 and Subcommittee members have been reviewing alternative opportunities to help solve the deficit. Potential saving opportunities include adoption of PrudentRx, copay changes to promote site-of-care steerage to preferred sites, and Rx copay changes. PrudentRx implementation was recommended by the Subcommittee and has been brought to the SEBC for discussion.

Additional opportunities for discussion by the Subcommittee are adopting Aetna’s GCIT Network, adding coverage for weight loss medications, and site-of-care steerage by implementing higher copays for non-preferred networks. WTW provided their recommendation on these opportunities.

The expiration of the COVID-19 national and PHE will end federal funding for COVID-19 vaccine ingredient costs and oral antivirals; cost estimates for the GHIP range from \$2.4M-\$8.3M to absorb the future cost of these vaccines and antiviral medications once the federal funding ends. The SEBC will need to take action to continue the benefit enhancements provided to plan participants during the pandemic at an estimated cost of \$1.4M annually.

Mr. Snyder asked if any modeling is available from other jurisdictions on weight loss drug utilization which has shown a decrease in obesity related to diabetes. Ms. Iglesias commented that information on studies that have been conducted will be reviewed at today’s meeting. These studies model the impact of reduced weight on the cost of the population and are largely focused on weight reduction, not the effectiveness of weight loss medications.

Mr. Scoglietti commented that the Aetna network has existing weight loss services, and this would just add additional coverage and management. Ms. Iglesias confirmed this statement.

Mr. Oberle commented that increased copays would be beneficial to enhancing steerage but asked if incentivizing members to use free standing facilities has been considered. Ms. Iglesias stated that there has not been any incremental change to preferred sites-of-care copays in several years even though unit costs have increased so services preferred and non-preferred sites are seeing cost increases. Another thing to consider is the tax implication when offering incentives which has been evaluated and many medical carriers have difficulties in administering the appropriate tax forms to plan participants.

Director Faith mentioned potentially offering a Lifestyle Savings Account (LSA) which could encourage members to appropriate sites-of-care and engage in certain behaviors such as preventative screenings. Members could be incentivized by a contribution to an LSA and the plan would not have to handle any tax implications. Ms. Iglesias agreed that an LSA could be an opportunity used to incentivize members and the administrator for this type of account would handle the tax documents and sent notices out to plan participants.

#### Cell & Gene Therapies (CGT)

CGT is currently covered by both Highmark and Aetna for non-Medicare plan participants under the GHIP. Utilization is very low with only two plan participants utilizing CGT in FY22 and future utilization of an additional CGT is available (Hemgenix). Aetna offers a designated network with case-specific pricing negotiations and travel/lodging support for members called the Gene-Based, Cellular, and other Innovative Therapies (GCIT) Network. No additional costs or administrative fees are associated with adopting this network, but it is only available to Aetna plan participants.

Mr. Scoglietti asked if this model is essentially a SurgeryPlus model. Ms. Iglesias stated that it is like the SurgeryPlus model and that quality assessments have been conducted on providers to ensure high quality care. The Aetna GCIT network has worked with these providers to deliver CGT at cost which eliminates potential providers who mark-up the cost of treatment. Mr. Scoglietti asked if Highmark has a similar program in-place. Ms. Iglesias commented that Highmark does not have CGT program in place today.

Director Rentz asked what the provider gains from offering these programs at cost and why is the network so narrow. Would additional providers be added in the future or is Aetna keeping this network small. Ms. Iglesias stated that by offering these therapies at cost it could potentially bring in continued business by supporting other ongoing care needs and steering utilization. Director Rentz asked if a member is unable to find a provider locally and would have to travel, will the plan cover travel expenses. Ms. Iglesias remarked that this benefit does include member assistance for travels plans and cost. Director Rentz addressed concerns over being encouraged by the provider to continue other care and treatment which may not be the most cost effective for the GHIP. Mr. Stitzel stated that Aetna can address this question.

Director Rentz asked about the basis of the shared savings model. Ms. Iglesias will provide a follow-up on this question but stated that the shared savings would come from the average cost of this therapy under the plan without the GCIT network.

No recommendation was made and WTW will provide further feedback to Subcommittee members on this topic.

#### Weight Loss Medications

Weight loss medications were initially discussed at last month's meeting which included member requests for coverage, a rise in prevalence of drugs coming to the market, and high-level coverage cost estimates for the GHIP. Subcommittee members expressed interest in information from other states/governments experience with coverage of this class of medications and impact of weight loss medication coverage. 59% of CVS's employer client book of business and 70% of state and other government entities offer coverage of this drug class with a majority implementing a utilization management program. Long-term experience is limited with this class of drugs. Cost estimates were provided from CVS and included no utilization and utilization management scenarios.

Subcommittee members are hesitant on making a recommendation on weight loss medications due to lack of data on the long-term impact of adding this coverage. No recommendation was made and WTW will continue to monitor potential options for weight loss medication coverage.

#### Site-of-Care Steerage Copays

WTW modeled copay changes for non-preferred sites-of-care for emergency/urgent care, outpatient surgeries, and high-tech imaging. These copay changes were modeled with multiple options and included benchmark copays. Current plan designs for the Highmark Comprehensive PPO and Aetna HMO plans compared to benchmarks were displayed.

Director Rentz has concerns over recommended changes and would like modeling done on copay changes for both inpatient and outpatient services so there is no disparity between services. Copay changes should be slightly better than benchmarks. Members who utilize the ER for non-emergent issues are relatively low and does not support any recommended copay changes to this structure.

Mr. Oberle asked to consider dropping copays for urgent care and freestanding surgery facilities to \$0 to drive members to in-network providers. Ms. Iglesias commented that by lowering the copay for these services to \$0, it would eliminate any further steerage to SurgeryPlus providers. Mr. Scoglietti additionally stated that it would disincentivize members from going to their primary care provider as well.

Subcommittee members expressed support for a copay increase of \$25 for high-tech imaging considering it is far lower than benchmarks.

Plan Design Alternatives

Subcommittee members reviewed follow-up items from last month's meeting related to plan design alternatives including additional information on total cost share benchmarks, salary-based medical deductibles, and prescription drug cost and utilization. Prescription drug copay increases for FY24 were presented to Subcommittee members with estimated savings of \$0.6M to the GHIP.

Mr. Scoglietti asked if the \$100 recommended copay for specialty medications would go away with the implementation of PrudentRx. Ms. Iglesias confirmed that it would go away and be replaced with the PrudentRx model for specialty medications.

Mr. Oberle commented on generic drugs totaling 14.9% of FY22 total pharmacy cost and if it was due to lower cost of generics or a result of doctors not prescribing generic alternatives. Ms. Iglesias stated that this is the result of utilization of the plan and is a percent of total cost, not a percent of total drugs dispensed.

Mr. Stuart commented that employees are already looking at a 16.6% premium rate increase and does not recommend prescription drug copay changes since the savings would not have a huge impact. Mr. Oberle would also not recommend prescription drug copay changes.

Mr. Stitzel stated that any alternative plan design changes would offset the premium rate increase for FY24. Implementing prescription drug copay changes with an estimated savings of \$0.6M would offset the premium rate increase by 2/10 of a percent.

Director Rentz and Deputy Director Stewart commented that the prescription drug copay increase recommendation is very modest and that copay changes have not occurred since FY16.

Subcommittee members were divided on increasing prescription drug copays and will continue to further discuss copay changes for the FY24 plan year. No recommendation was made.

Inclusive Benefits Review

WTW is currently conducting inclusive benefits review along with other initiatives to modernize benefits. Diversity, Equity, and Inclusion (DEI) has shown rapid evolution over the last several years and there is strong desire to modernize benefits that are better suited for today's workforce. The reviewed goals and objectives will help to support the development of the GHIP and be incorporated to the GHIP Strategic Framework. Health benefits currently under review include family forming benefits, transgender coverage, maternity, women's health, behavioral health, substance abuse, wellbeing support, and dental. Other areas for potential future review include disability, leave, retirement, caregiving benefits, ancillary benefits, and education. Next steps are to review and present findings for additional benefit categories and discuss any recommendations for further exploration.

**OTHER BUSINESS**

No other business.

**PUBLIC COMMENT**

Tom Pledge, a state retiree, provided comment on the premium rate increase scenarios needed to solve the FY24 deficit and the deficit projections over the next four years which were discussed at this morning's Financial Subcommittee meeting and commented on the low percentage of responses to the employee benefits survey.

LeVar Johnson, Novo Nordisk Pharmaceutical Company, appreciated the discussion on weight loss management. He would like the Subcommittee to consider the cost analysis and stated that there is data supporting utilization from other states including the State of Delaware Medicaid population. Medicaid covers all anti-obesity drugs at a tier one coverage and there is data that supports the reduction in cost and benefits for patients. Analyzing other comorbidities associated with obesity could potentially save the GHIP greatly by offering weight loss drugs.

**ADJOURNMENT**

A MOTION was made by Ms. Stewart and seconded by Mr. Scoglietti to adjourn the public session at 3:07 p.m.  
MOTION ADOPTED UNANIMOUSLY.

Respectfully submitted,

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