

**MINUTES FROM THE COMBINED MEETING OF THE FINANCIAL and HEALTH POLICY & PLANNING SUBCOMMITTEES
TO THE STATE EMPLOYEE BENEFITS COMMITTEE
MAY 15, 2023**

The Financial Subcommittee and the Health Policy & Planning (“HP&P”) Subcommittee to the State Employee Benefits Committee (the “Committee”) met Monday, May 15, 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
Stuart Snyder, Chief of Staff, Department of Insurance (“DOI”) (Appointee of Commissioner Trinidad Navarro)
Ashley Tucker, Deputy State Court Administrator, Administrative Office of the Courts, (Appointee of Chief Justice Collins Seitz, Delaware Supreme Court)
Robert Scoglietti, Deputy Controller General, Office of the Controller General (“OCG”) (Appointee of Controller General Ruth Ann Miller)
Jeanette Hammon, Sr. Fiscal and Policy Analyst, Office of Management & Budget (“OMB”) (Appointee of OMB Director Cerron Cade)
Steven Costantino, Director Health Care Reform, Dept. of Health and Social Services (“DHSS”) (Appointee of Secretary Molly Magarik)
David Bentz, Deputy Director, Dept. of Health and Social Services (“DHSS”) (Appointee of Secretary Molly Magarik)
William Oberle, Delaware State Trooper’s Association (Appointee of Thomas Brackin, Executive Director, DSTA)
Laura Rowe, Delaware State Education Association (Appointee of Thomas Brackin, Executive Director, DSTA)
Courtney Stewart, Deputy Director, Office of Management & Budget (“OMB”) (Appointee of OMB Director Cerron Cade)
Matthew Rosen, Senior Policy Advisor, Office of the State Treasurer “OST” (Appointee of State Treasurer Colleen Davis, OST)
Matt Clark, American Federation of State, County, and Municipal Employees “AFSCME” (Appointee of Shaun O’Brien, Policy Director, AFSCME)
Laurie Ann Atienza, American Federation of State, County, and Municipal Employees “AFSCME” (Appointee of Shaun O’Brien, Policy Director, AFSCME)
Thomas Brackin, Executive Director, Delaware State Troopers Association (“DSTA”)

Subcommittee Members Not Represented or in Attendance:

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	Randall Bryniarski, CVS Health
Nina Figueroa, Health Policy Advisor, SBO, DHR	Victor Gutierrez, CVS Health
Marie Hartigan, SBO, DHR	Charlene Hrivnak, CVS Health
Aaron Schrader, SBO, DHR	Christina Bryan, DHA
Chris Giovannello, WTW	Aimee Holthaus, DNREC
Jaclyn Iglesias, WTW	Larry Bray
Brian Stitzel, WTW	Lynda Hastings
Walter Mateja, Merative	Steven LePage
Eric Poston, Merative	Tom Pledge
Julie Caynor, Aetna	Carole Mick, SBO, DHR - Recorder, SEBC and Subcommittee
Wendy Beck, Highmark	

STATE OF DELAWARE STATEWIDE BENEFITS OFFICE

97 Commerce Way, Suite 201, Dover DE 19904 (D620E)

Phone: 1-800-489-8933 • Fax: (302) 739-8339 • Email: benefits@delaware.gov • Website: de.gov/statewidebenefits

CALLED TO ORDER – DIRECTOR FAITH RENTZ, SBO

Director Faith Rentz called the meeting to order at 10:00 a.m.

DIRECTOR’S REPORT – DIRECTOR FAITH RENTZ, SBO

Director Rentz introduced two new Subcommittee members who represent SEBC member Shaun O’Brien and the continued representation of current union representatives for SEBC member Thomas Brackin.

Open Enrollment (OE) will end on May 17, 2023 and approximately 54% of State employees have completed their OE elections. SBO continues to work through benefit changes effective July 1, 2023 to include PrudentRx, Aetna’s cell & gene therapy network, and bariatric surgeries through the SurgeryPlus network.

Director Rentz provided Subcommittee members with Agenda items for this week’s SEBC and RHBAS meetings.

Jeanette Hammon arrived to the meeting.

APPROVAL OF MINUTES – DIRECTOR FAITH RENTZ, SBO

A MOTION was made by Steven Costantino and seconded by Laura Rowe to approve the minutes from the April 17, 2023 Combined Financial/Health Policy & Planning Subcommittee meeting.

Abstentions – M. Clark, L. Atienza
MOTION ADOPTED UNANIMOUSLY.

FINANCIALS – CHRIS GIOVANNELLO, WTW

March 2023 Fund Report

Chris Giovannello detailed the March 2023 fund report to include premium contributions, other revenues, claims, and the updated fund equity balance. The premium contributions are currently \$8.1M below budget for the year due to timing of revenue that is inconsistent with the FY23 GHIP budget and WTW will continue to work with CVS to align revenue items with the FY24 budget. Claims continue to run high with year-to-date (YTD) claims 5% over budget.

FY23 Q3 Financial Reporting

Chris Giovannello reviewed the FY23 Q3 cost analysis for medical and prescription plans and reflected the percent of change from FY22 YTD to FY23 YTD. The FY23 revised budget was compared to the FY23 actual program costs with slight changes noted. Summary plan information by healthcare vendor and plan participant group displayed the differences in cost by population. The financial reporting presentation included additional details on cost and revenue items by population.

The SEBC will be reviewing the FY24 budget in July which will include discussion on revising the trend assumptions.

FY24 GHIP Projections

Chris Giovannello presented the GHIP long-term health care cost projections based on experience through April 2023 and included the projected deficit scenarios for FY23 through FY27 based on the approved premium rate increase for actives and pre-65 retirees and potential premium rate increase for Medicare retirees.

GROUP HEALTH INSURANCE PLAN KEY TRENDS REPORT – BRIAN STITZEL, WTW

Brian Stitzel reviewed the key trends report for active employees and non-Medicare retirees on paid claims through March 2023. The executive summary showed increases in inpatient medical, outpatient medical, and pharmacy payments with overall trend increasing by 8.6%. Preventive visits and screenings had significant increases as well.

Matthew Rosen arrived to the meeting.

Matthew Rosen left the meeting.

SPECIAL MEDICFILL PLAN – PREMIUM RATES AND PRESCRIPTION COPAYS EFFECTIVE JANUARY 1, 2024 – CHRIS GIOVANNELLO & JACLYN IGLESIAS , WTW

Chris Giovannello recapped the GHIP long-term health care cost projections, Medicfill premium rate scenarios, and Jaclyn Iglesias discussed the proposed Medicfill prescription copay options.

Subcommittee members had a discussion on the proposed Medicare premium rate increase and prescription copay options. Two Subcommittee members were in favor of increasing Medicfill premiums by 9.4% and three were opposed. Additionally, two Subcommittee members were in favor of increasing prescription copays with one member recommending option 1 and the other suggesting that the SEBC consider all options. Three Subcommittee members voiced opposition to any copay changes with one member stating that the SEBC needs to address pricing for covered services before any changes should be made to the Medicare population.

OTHER BUSINESS

No other business.

PUBLIC COMMENT

Members from the public provided comment on the health of Delaware’s population, importance of preventive care, care management coordination, and agenda items presented at today’s meeting.

ADJOURNMENT

A MOTION was made by Laura Rowe and seconded by Stuart Snyder to adjourn the public session at 11:56 a.m. MOTION ADOPTED UNANIMOUSLY.

Respectfully submitted,

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