

**MINUTES FROM THE COMBINED MEETING OF THE FINANCIAL and HEALTH POLICY & PLANNING SUBCOMMITTEES
TO THE STATE EMPLOYEE BENEFITS COMMITTEE
JULY 17, 2023**

The Financial Subcommittee and the Health Policy & Planning (“HP&P”) Subcommittee to the State Employee Benefits Committee (the “Committee”) met Monday, July 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
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)
Steven Costantino, Director Health Care Reform, 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)
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)

Subcommittee Members Not Represented or in Attendance:

Keith Warren, Chief of Staff, Office of the Lt. Governor (Appointee of Lt. Governor Bethany Hall-Long)
Jeanette Hammon, Sr. Fiscal and Policy Analyst, Office of Management & Budget “OMB” (Appointee of OMB Director Cerron Cade)
Courtney Stewart, Deputy Director, OMB (Appointee of OMB Director Cerron Cade)
David Bentz, Deputy Director, Dept. of Health and Social Services (“DHSS”) (Appointee of Secretary Molly Magarik)
Matthew Rosen, Senior Policy Advisor, Office of the State Treasurer “OST” (Appointee of State Treasurer Colleen Davis, OST)

Others in Attendance:

Deputy Director Leighann Hinkle, SBO, DHR
Nina Figueroa, Health Policy Advisor, SBO, DHR
Aaron Schrader, SBO, DHR
Arlene Bentley-Graham, SBO, DHR
Cherie Dodge Biron, Director, Financial & Administrative Services, DHR
Chris Giovannello, WTW
Jaclyn Iglesias, WTW
Brian Stitzel, WTW
Walter Mateja, Merative
Jordan Seemans, Deputy State Treasurer, OST
Katherine Impellizzeri, Aetna
Randy Garcia, CVS Health

Lizzie Lewis, 302 Strategies
Christina Bryan, DHA
Paula Roy, Roy & Associates
Kristin Dwyer, Nemours
Lynda Hastings
Steven LePage
Tom Pledge
Barbara Philbin
Bob Clarkin
Wanda Pfeiffer
Carol Anne Williamson
Carole Mick, SBO, DHR - Recorder, SEBC and Subcommittee

STATE OF DELAWARE STATEWIDE BENEFITS OFFICE

CALLED TO ORDER – DIRECTOR FAITH RENTZ, SBO

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

APPROVAL OF MINUTES – DIRECTOR FAITH RENTZ, SBO

A MOTION was made by Robert Scoglietti and seconded by Stuart Snyder to approve the minutes from the Combined Financial/Health Policy & Planning Subcommittee meeting held on June 12, 2023.

MOTION ADOPTED UNANIMOUSLY.

DIRECTOR'S REPORT – DIRECTOR FAITH RENTZ, SBO

Director Rentz discussed several bills that passed both the House and Senate chambers before the end of the legislative session and provided a summary of each bill and any potential fiscal impact.

Director Rentz reviewed benefit and enrollment changes for the FY24 plan year which started on July 1st and provided Subcommittee members with agenda items for the upcoming Retiree Healthcare Benefits Advisory Subcommittee meeting and SEBC meeting.

MAY 2023 FUND REPORT – CHRIS GIOVANNELLO, WTW

Chris Giovannello detailed the May 2023 fund report to include premium contributions, other revenues, claims, and the updated fund equity balance. The Fund received the prescription drug Commercial (\$17.5M) and EGWP (14.6M) rebates with the EGWP rebate coming in higher than budgeted. Claims ran \$1.4M above budget bringing the year-to-date total about \$40M (4%) above budget. The fund equity balance is \$75.7M which includes the \$61M claim liability and \$24.3M minimum reserve and by netting these amounts out of the fund equity balance has a deficit of \$9.6M.

GHIP KEY TRENDS REPORT – CHRIS GIOVANNELLO, WTW

Chris Giovannello reviewed the key trends report for active employees and non-Medicare retirees on paid claims through May 2023. The executive summary continues to show increases in utilization and unit cost for inpatient medical, outpatient medical, and pharmacy payments with overall allowed per member per year (PMPY) trend increasing by 11.2%.

SEBC DASHBOARD – CHRIS GIOVANNELLO, WTW

Chris Giovannello presented the dashboard which pulled data from the key trends report to analyze trends in cost and utilization of healthcare. The dashboard displays trends on active employees and early retirees based on utilization and unit cost from the most recent 12 months through May 2023 compared to the previous 12 months through May 2022.

GHIP TREND DEVELOPMENT DISCUSSION – CHRIS GIOVANNELLO, WTW

Chris Giovannello outlined the GHIP trend development which reviewed historical gross claims, forces impacting medical inflation, trend projections and range, and provided recommendations on increasing trend assumptions.

Subcommittee members had a discussion on the recommended medical and prescription trend increases and potential impact these increases may have on the budget.

A MOTION was made by Robert Scoglietti and seconded by Steven Costantino to recommend increasing the medical trend for actives/non-Medicare retirees from 5% to 6% and to increase the prescription trend for all groups from 8% to 9%.

Abstentions – Matt Clark, William Oberle

MOTION ADOPTED.

OTHER BUSINESS

No other business.

PUBLIC COMMENT

No Public Comment.

ADJOURNMENT

A MOTION was made by Robert Scoglietti and seconded by Laura Rowe to adjourn the meeting at 11:18 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