



**MINUTES FROM THE MEETING OF THE FINANCIAL SUBCOMMITTEE
TO THE STATE EMPLOYEE BENEFITS COMMITTEE
FEBRUARY 12, 2024**

The Financial Subcommittee to the State Employee Benefits Committee (the “Committee”) met at 10:00 a.m. on Monday, February 12, 2024 in a meeting. The meeting was held virtually and in-person at 841 Silver Lake Blvd., Suite 200, Dover, DE 19904.

Subcommittee Members Represented or in Attendance:

Director Faith Rentz, Statewide Benefits Office (“SBO”), Department of Human Resources (“DHR”) (Appointee of DHR Secretary Claire DeMatteis), Chair
Robert Scoglietti, Deputy Controller General, Office of the Controller General (“OCG”) (Appointee of Controller General Ruth Ann Miller)
Laura Rowe, Delaware State Education Association (Appointee of Thomas Brackin, Executive Director, DSTA)
Stuart Snyder, Chief of Staff, Department of Insurance (“DOI”) (Appointee of the Honorable Trinidad Navarro, Insurance Commissioner, DOI)
Ashley Tucker, Deputy State Court Administrator, Administrative Office of the Courts, (Appointee of The Honorable Collins Seitz, Chief Justice, Delaware Supreme Court)
Steven Costantino, Director Health Care Reform, Dept. of Health and Social Services (“DHSS”) (Appointee of DHSS Secretary Josette Manning)
Laurie Ann Atienza, American Federation of State, County, and Municipal Employees (“AFSCME”) (Appointee of Shaun O’Brien, Policy Director, AFSCME)
Russell Larson, State Retiree (Appointee of Karen Field Rogers, State Retiree)
Treasurer Colleen Davis, State Treasurer, Office of the State Treasurer (“OST”)

Subcommittee Members Not Represented or in Attendance:

Keith Warren, Chief of Staff, Office of the Lt. Governor (Appointee of Lt. Governor Bethany Hall-Long)
Matthew Rosen, Senior Policy Advisor, OST (Appointee of The Honorable Colleen Davis, State Treasurer)
Jeanette Hammon, Sr. Fiscal and Policy Analyst, Office of Management & Budget (“OMB”) (Appointee of OMB Director Cerron Cade)

Others in Attendance:

Deputy Director Leighann Hinkle, SBO, DHR
Nina Figueroa, Health Policy Advisor, SBO, DHR
Desiree, Klein, SBO, DHR
Stephanie Hartos, SEBC/Subcommittee Manager,
SBO, DHR
Samantha Mountz, SBO, DHR
Cherie Dodge Biron, Director, Financial &
Administrative Services, DHR
Heather Johnson, Controller, DHR
Jaclyn Iglesias, Willis Towers Watson “WTW”
Brian Stitzel, WTW
Jen Manieri, WTW
Michelle Gast, WTW
Walt Mateja, Merative
Matt Clark, AFSCME
Julie Caynor, Aetna
Jennifer Moyer, Aetna

Leah White, Aetna
Wendy Beck, Highmark
Charlene Hrivnak, CVS Health
Paula Roy, Roy & Associates
Bria Greenlee, 302 Strategies
Louisa Phillips, DHA
Melissa Marlin, DOF
Bob Clarkin
Steve LePage
Tom Pledge
Barbara Philbin
Kristin Dwyer
Jake Owens
Lisa Gruss
Nancy Alteri
Carole Mick, SBO, DHR - Recorder, State Employee
Benefits Committee and Subcommittees

STATE OF DELAWARE STATEWIDE BENEFITS OFFICE

CALLED TO ORDER – DIRECTOR FAITH RENTZ, SBO

Director Rentz called the meeting to order at 10:01 a.m.

APPROVAL OF MINUTES – DIRECTOR FAITH RENTZ, SBO

A MOTION was made by Russell Larson and seconded by Laura Rowe to approve the minutes from the Financial Subcommittee meeting on January 22, 2024.

MOTION ADOPTED UNANIMOUSLY.

Treasurer Davis, Robert Scoglietti, and Stuart Snyder arrived to the meeting.

DIRECTOR'S REPORT – DIRECTOR FAITH RENTZ, SBO

Director Rentz highlighted upcoming meetings for the Health Policy & Planning Subcommittee and the SEBC.

FINANCIALS – JEN MANIERI & BRIAN STITZEL, WTWSEBC Dashboard

Jen Manieri presented the SEBC dashboard which pulls 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 December 2023 compared to the previous 12 months through December 2022. The allowed amount per member per year (PMPY) has increased which was primarily driven by utilization of prescription drugs and outpatient facilities. Inpatient medical PMPY decreased due to the reduction in the average length for inpatient stay. Outpatient services and prescription drug cost and utilization continue to increase. Specialty prescription drug costs have shown increases as well as utilization is occurring at a greater rate than expected.

A Subcommittee member voiced concerns over price increases in medical and pharmacy and asked how much costs have risen for inpatient, outpatient, and pharmaceutical services outside of the increase in utilization. Brian Stitzel commented that data on provider reimbursement rates can be requested from the healthcare and pharmaceutical vendors as that could be a driving factor.

Quarterly Keys Trends

Jen Manieri presented the key trends report for active employees and early retirees on paid claims through December 2023. Inpatient medical PMPY decreased which was driven by a decrease in facility charges.

Outpatient medical PMPY and pharmacy payments continue to increase with overall allowed PMPY trend increasing just over 7%.

It was asked if the trend, net of rebates, can be calculated. WTW will provide a calculation on trend, net of rebates, at an upcoming meeting.

Subcommittee members had a brief discussion on weight loss medications related to usage for obesity versus refractory diabetes.

Subcommittee members questioned the large increase in the allowed amount per service specifically for substance abuse. Jen Manieri stated that this could be due to the market increase for mental health and substance abuse services or by members choosing to use an out-of-network provider. Brian Stitzel added that another factor is a shift for more costly services by plan members.

Pharmaceutical Claims Trends

Jen Manieri reviewed the prescription drug detail for non-specialty and specialty drugs. Data on non-specialty drugs shows notable increases on the allowed amount PMPY for hormones and synthetic drugs, autonomic drugs, and blood forming and coagulate agents. The allowed amount for specialty drugs on the medical and pharmaceutical side display large increases compared to the previous year. The allowed amount per patient for specialty drugs has increased slightly for prescription specialty, however, there is a larger increase on the medical

specialty side.

FY24 Q2 Financial Reporting

Brian Stitzel summarized the FY24 Q2 cost analysis for medical and prescription plans which reflects the percent of change from FY23 YTD to FY24 YTD. This is an incurred report based off vendor reported claims which may not always align with the timing of payments to the fund. The percentage of change from FY23 to FY24 was displayed and showed continued increases in gross claims, program costs, premium contributions and employee costs. Loss ratios by vendor and group type were reviewed.

Updated GHIP Forecast and Rate Scenarios

Brian Stitzel reviewed previously discussed items on the five-year cost projections, FY25 premium rate increase, and actuarial values for healthcare plans. Several options to realign plan values or equalize the state subsidy were presented. Options that would require legislative change were also presented but would not be available for the FY25 plan year.

Subcommittee members were asked to provide their recommendations on these options.

Subcommittee members discussed the various options to realign actuarial values and equalize the state subsidy. Treasurer Davis and Director Rentz expressed interest in pursuing the option where employee shares remain unchanged and plan values are adjusted to equalize the state share. Subcommittee members showed support for continuing discussions on realigning plan values.

COST AND UTILIZATION OF APPROVED OR EXTENDED PROGRAMS AND SERVICES – JACLYN IGLESIAS, WTW

Jaclyn Iglesias outlined benefit programs currently in place for the FY24 plan year which include benefit enhancements due to the COVID-19 public health emergency, PrudentRx, Hinge Health, and bariatric surgery through the SurgeryPlus benefit. Cost and utilization of these programs were presented and Subcommittee members were asked to provide their recommendations on any changes to these programs and services for the FY25 plan year.

Two Subcommittee members expressed interest in ending the benefit enhancements that were put in place due to the COVID-19 public health emergency with the exception of no cost sharing for telemedicine.

TELEMEDICINE COVERAGE UNDER THE GROUP HEALTH INSURANCE PLAN (GHIP) – STEPHANIE HARTOS, SBO

Stephanie Hartos provided follow up information related to Delaware state laws on telemedicine requirements, the Interstate Medical Licensure Compact (IMLC), and the coverage of telehealth and telemedicine services under the GHIP.

OTHER BUSINESS

No other business.

PUBLIC COMMENT

No Public Comment

ADJOURNMENT

A MOTION was made by Robert Scoglietti and seconded by Treasurer Davis to adjourn the public session at 11:51 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