



**MINUTES FROM THE MEETING OF THE FINANCIAL SUBCOMMITTEE
TO THE STATE EMPLOYEE BENEFITS COMMITTEE
MARCH 18, 2024**

The Financial Subcommittee to the State Employee Benefits Committee (the “Committee”) met at 10:00 a.m. on Monday, March 18, 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
- The Honorable Colleen Davis, State Treasurer, Office of the State Treasurer (Designee Matthew Rosen, Senior Policy Advisor, OST)
- 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)
- 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)
- Jeanette Hammon, Sr. Fiscal and Policy Analyst, Office of Management & Budget (“OMB”) (Appointee of OMB Director Cerron Cade)
- 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)

Subcommittee Members Not Represented or in Attendance:

- Keith Warren, Chief of Staff, Office of the Lt. Governor (Appointee of Lt. Governor Bethany Hall-Long)
- Stuart Snyder, Chief of Staff, Department of Insurance (“DOI”) (Appointee of the Honorable Trinidad Navarro, Insurance Commissioner, DOI)

Others in Attendance:

- Deputy Director Leighann Hinkle, SBO, DHR
- Nina Figueroa, Health Policy Advisor, SBO, DHR
- Cherie Dodge Biron, Director, Financial & Administrative Services, DHR
- Heather Johnson, Controller, DHR
- Samantha Mountz, SBO, DHR
- Marie Hartigan, SBO, DHR
- Jaclyn Iglesias, Willis Towers Watson “WTW”
- Brian Stitzel, WTW
- Jen Manieri, WTW
- Michelle Gast, WTW
- Walt Mateja, Merative
- Julie Caynor, Aetna
- Jennifer Moyer, Aetna
- Leah White, Aetna
- Wendy, Beck, Highmark BCBS
- Charlene Hrivnak, CVS Health
- Paula Roy, Roy & Associates
- Bria Greenlee, 302 Strategies
- Larry Bray
- Tammy Croce
- Lisa Gruss
- Angela Taylor
- Bob Clarkin
- Tom Pledgie
- Desiree, Klein, SBO, DHR - Recorder, State Employee Benefits Committee and Subcommittee

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 Steven Costantino and seconded by Laura Rowe to approve the minutes from the Financial Subcommittee meeting on February 12, 2024.

MOTION ADOPTED UNANIMOUSLY.

DIRECTOR'S REPORT – DIRECTOR FAITH RENTZ, SBO

Director Rentz highlighted agenda items from the March 11th SEBC meeting. FY25 planning considerations and health plan premium rates will be voted on by the Committee at the March 25th meeting to prepare for Open Enrollment (OE). OE for FY25 will begin on May 1, 2024 through May 17, 2024. An overview of Agenda items was provided for this afternoon's Health Policy & Planning Subcommittee meeting and upcoming meetings for the month of April. The Retiree Healthcare Benefits Advisory Subcommittee will hold a meeting on April 18, 2024 at 10:00 a.m.

The next SEBC meeting is scheduled for March 25, 2024. Public comments for this meeting will occur at the beginning of agenda to provide committee members the opportunity to consider public comments prior to voting.

FINANCIALS – BRIAN STITZEL, WTW

January and February 2024 Fund Reports

Brian Stitzel reviewed the executive summary for the January and February Fund Reports. Other Revenues for January ran significantly below budget due to a lower-than-expected year-end Employer Group Waiver Plan (EGWP) reconciliation payment and claims ran better than budget, however, the January claim budget was set high. February Other revenues were higher than budget as the fund received higher-than-expected rebates for Commercial and EGWP and claims came in at budget.

FY24 Monthly Budget and Fund Surplus/Deficit

Brian Stitzel presented the FY24 budget versus the FY24 re-forecasted budget based on the FY24 actuals from July 2023 through February 2024. A revised forecast of the fund depletion timeframe and updated end-of-year projections were noted. The fund equity balance is now projected to be negative by the end of April. The fund can go negative during the fiscal year; however, any negative balance will need to be resolved through a fund transfer before the fiscal year closeout.

Brian Stitzel detailed the FY24 monthly budget projections which included two new exhibits on the breakdown of premium contributions by active employees, pensioners, COBRA, and non-payroll groups and plan member experience by group. Premium contributions are expected to remain slightly lower than budgeted for FY24. Other revenues, such as commercial rebates and the coverage gap discount, continue to average slightly higher than anticipated.

A subcommittee member questioned what factors were considered regarding projected premium contributions. Brian detailed several factors that WTW included when forecasting premium contributions.

Brian Stitzel reviewed the five-year projection with a 2% minimum reserve for FY25 and 4% of operating expenses thereafter. The FY25 recommended premium rate increase remains unchanged. FY25 employee premium contribution rates were displayed for all plans.

SEBC DASHBOARD – JEN MANIERI, WTW

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 January 2024, compared to the previous 12 months through January 2023. The trend for the allowed amount per member per year remains unchanged.

Inpatient costs are decreasing which is driven by the decrease in the average length of stay. Outpatient and Rx costs continue to show increases in the allowed prescriptions per day and the allowed outpatient amount per service which is translating into higher pricing.

One subcommittee member requested analytics to separate hospital outpatient data from the overall facility and provider data. Jen Manieri acknowledged this request and will follow-up for potential discussion at next week's SEBC meeting.

FY25 PLANNING CONSIDERATIONS – JACLYN IGLESIAS, WTW

Jaclyn Iglesias informed Subcommittee members that WTW is still in the process of analyzing data related to additional centers of excellence opportunities to carve out benefits for joint and spine procedures through the SurgeryPlus benefit.

Jaclyn Iglesias reviewed the Mental Health Parity and Addiction Equity Act (MHPAEA) plan design changes to align mental health/substance use disorder benefits with medical/surgical benefits, discontinuation of certain COVID-19 benefit enhancements, and selected opportunities from the Diversity Equity and Inclusion benefits review. Estimated costs or cost avoidance to the GHIP and plan participants for the FY25 plan design changes were detailed. Committee members will be asked to vote on these plan design changes at the March 25, 2024 meeting.

It was noted that the MHPAEA plan design changes have been included in the financial forecast and the FY25 recommended premium rate increase.

OTHER BUSINESS

No other business.

PUBLIC COMMENT

No public comments.

ADJOURNMENT

A MOTION was made by Robert Scoglietti and seconded by Treasurer Colleen Davis to adjourn the public session at 11:35 P.M.

MOTION ADOPTED UNANIMOUSLY.

Respectfully submitted,

Desiree Klein, Statewide Benefits Office, Department of Human Resources
Recorder, State Employee Benefits Committee, and Subcommittees