



**MINUTES FROM THE MEETING OF THE FINANCIAL SUBCOMMITTEE  
TO THE STATE EMPLOYEE BENEFITS COMMITTEE  
APRIL 15, 2024**

The Financial Subcommittee to the State Employee Benefits Committee (the “Committee”) met at 10:00 a.m. on Monday, April 15, 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
- Treasurer 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 Chief Justice Collins Seitz, 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)
- Stuart Snyder, Chief of Staff, Department of Insurance (“DOI”) (Appointee of Commissioner Trinidad Navarro, Insurance Commissioner, DOI)
- 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)

*Others in Attendance:*

- Deputy Director Leighann Hinkle, SBO, DHR
- Stephanie Hartos, SEBC and SEBC Subcommittee Manager, SBO, DHR
- Nina Figueroa, Health Policy Advisor, SBO, DHR
- Susan Meadows-Arnold, Health Benefit Programs Coordinator, SBO, DHR
- Cherie Dodge Biron, Director, Financial & Administrative Services, DHR
- Heather Johnson, Controller, DHR
- Samantha Mountz, SBO, DHR
- Jaclyn Iglesias, Willis Towers Watson “WTW”
- Brian Stitzel, WTW
- Jen Manieri, WTW
- Michelle Gast, WTW
- Vichakarn Rattanasangputh, WTW
- Walt Mateja, Merative
- Jennifer Moyer, Aetna
- Charlene Hrivnak, CVS Health
- Paula Roy, Roy & Associates
- Bria Greenlee, 302 Strategies
- Louisa Phillips, DHA
- Melissa Marlin, DOF
- Steven LePage
- 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 10:00 a.m.

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

A MOTION was made by Laura Rowe and seconded by Robert Scoglietti to approve the minutes from the Financial Subcommittee meeting on March 18, 2024.

MOTION ADOPTED UNANIMOUSLY.

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

Director Rentz highlighted agenda items for this afternoon's Health Policy & Planning Subcommittee meeting and the upcoming Retiree Healthcare Benefits Advisory Subcommittee and SEBC meetings. It was reported that on April 12, 2024, the Delaware Supreme Court issued an opinion reversing the Superior Court's decision that the SEBC violated the Administrative Procedures Act by not following APA requirements to implement a Medicare Advantage Plan.

*Steven Costantino joined the meeting.*

**FINANCIALS – BRIAN STITZEL, WTW**March 2024 Fund Reports

Brian Stitzel reviewed the executive summary for the March 2024 Fund Reports. Other Revenues for March were higher than budgeted due to a larger than expected Employer Group Waiver Plan (EGWP) payment. Claims were significantly lower than budget, mainly due to the slow down in weekly claims that is likely caused by the Change Healthcare cyber-attack. The projected budget for the remainder of FY24 includes an expected catch-up for claims that have been delayed by the cyber-attack. Expenses were better than budget due to a credit from CVS Caremark.

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 March 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 June 2024.

Brian Stitzel reviewed budgeted and actual premium contributions and claims from July 2023 through March 2024. Premium contributions are now projected to be slightly better than budget for FY24. The claims budget has been re-projected to account for delayed claims due to the cyber-attack. Claims for all groups continue to run worse than budgeted with Medicare claims running the highest above budget. Brian Stitzel detailed claims on a per member per month (PMPM) basis to identify potential trends that could be caused by shifting plans and new enrollments. Brian Stitzel discussed the spend and trend rates for commercial and EGWP pharmacy claims. A future discussion on trend assumptions should occur in preparation for the FY26 financial budget projection.

Brian Stitzel summarized GHIP expenses, plan member enrollments, and cost experience by group.

*Russell Larson arrived to the meeting.*

Brian Stitzel reviewed the five-year projection with a 2% minimum reserve for FY25 and 4% of operating expenses thereafter. Recommended premium rate increases for future plan years and the FY25 employee and retiree 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 February 2024, compared to the previous 12 months through February 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.

**OTHER BUSINESS**

Director Rentz outlined voting items from the March 25, 2024 SEBC meeting related to the FY25 planning considerations which included a premium rate increase, Mental Health Parity and Addiction Equity Act (MHPAEA) plan design changes, and enhancements in coverage of wigs, cooling caps and mastectomy bras. No motion was presented to continue the COVID-19 benefit enhancements which will expire on June 30, 2024.

**PUBLIC COMMENT**

Members of the public provided comment on agenda items discussed at today’s meeting.

**ADJOURNMENT**

A MOTION was made by Robert Scoglietti and seconded by Steven Costantino to adjourn the public session at 10:45 A.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