

**MINUTES FROM THE COMBINED MEETING OF THE FINANCIAL and HEALTH POLICY & PLANNING SUBCOMMITTEES
TO THE STATE EMPLOYEE BENEFITS COMMITTEE
JUNE 17, 2024**

The Financial Subcommittee and the Health Policy & Planning (“HP&P”) Subcommittee to the State Employee Benefits Committee (the “Committee”) met June 17, 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 Secretary Claire DeMatteis), Chair

Stuart Snyder, Chief of Staff, Department of Insurance (“DOI”) (Appointee of Commissioner Trinidad Navarro)

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)

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)

Treasurer Colleen Davis, State Treasurer, Office of the State Treasurer (Designee Matthew Rosen, Senior Policy Advisor, 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)

Subcommittee Members Not Represented or in Attendance:

Keith Warren, Chief of Staff, Office of the Lt. Governor (Appointee of Lt. Governor Bethany Hall-Long)

Ashley Tucker, Deputy State Court Administrator, Administrative Office of the Courts, (Appointee of Chief Justice Collins Seitz, Delaware Supreme Court)

Vacant, State Retiree (Appointee of Karen Field Rogers, State Retiree)

David Bentz, Deputy Director of Health Care Reform, Dept. of Health and Social Services (“DHSS”) (Appointee of DHSS Secretary Josette Manning)

Others in Attendance:

Nina Figueroa, Health Policy Advisor, SBO, DHR

Stephanie Hartos, Manager, SEBC and
Subcommittees, SBO, DHR

Pam Barr, SBO, DHR

Cherie Dodge Biron, Director, Financial &
Administrative Services, DHR

Heather Johnson, Controller, DHR

Jaclyn Iglesias, Willis Towers Watson “WTW”

Brian Stitzel, WTW

Michelle Gast, WTW

Jen Manieri, WTW

Jacob Schaeffer, WTW

Walter Mateja, Merative

Evelyn Nestlerode, Deputy State Court
Administrator-CFO, AOC

Jennifer Moyer, Aetna

Randall Bryniarski, CVS Health

Jennifer Stepp, CVS Health

Charlene Hrivnak, CVS Health

Paula Roy, Roy & Associates

Bria Greenlee, 302 Strategies

STATE OF DELAWARE STATEWIDE BENEFITS OFFICE

841 Silver Lake Boulevard, Suite 100, Dover DE 19904 (D620E)

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

Arthur Jenkins, DOL
Nancy Alteri
Angela Taylor

Carole Mick, SBO, DHR - Recorder, SEBC and
Subcommittee

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 Laura Rowe and seconded by Treasurer Davis to approve the minutes from the Financial Subcommittee meeting on May 20, 2024.

Abstentions – Laurie Ann Atienza

MOTION ADOPTED UNANIMOUSLY.

A MOTION was made by Robert Scoglietti and seconded by Bill Oberle to approve the minutes from the Health Policy & Planning Subcommittee meeting on May 20, 2024.

Abstentions – Courtney Stewart

MOTION ADOPTED UNANIMOUSLY.

DIRECTOR'S REPORT – DIRECTOR FAITH RENTZ, SBO

Director Rentz highlighted agenda items for next week's SEBC and Executive Session meetings. Public comment for SEBC meetings will begin occurring at the beginning of meetings following the approval of the meeting minutes. This will allow members of the public to provide input on agenda items at the beginning of the meeting. SEBC and all Subcommittee meeting recordings will be posted to the SEBC webpage starting with the May meetings and moving forward.

Director Rentz informed the Subcommittee that holding a combined Subcommittee meeting for July and August would be beneficial to relay necessary information for the fiscal year closeout and future projections as well as continuing discussions on the current request for proposals (RFPs). These meetings will be held virtually an in-person in the SEBC conference room from 10:00 a.m. to 12:00 p.m. on July 15 and August 19.

A full briefing of the legislative bills that pass by the end of session will occur at the next meeting.

FINANCIALS – BRIAN STITZEL, WTW

May 2024 Fund Report

Brian Stitzel reviewed the executive summary for the May Fund Report and noted that May ran at a large deficit mainly due to the clear out of backlogged claims from the Change Health cyberattack. The backlog in claims is likely to clear out by the end of FY24. Premium contributions ran slightly better than budget and other revenues were significantly better than budget due to higher commercial and EGWP rebates. Expenses ran worse than budget since the PrudentRx fees were projected on the claims side and the expenses side. The fund is expected to run at a deficit with the FY24 closeout.

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 May 2024. A revised forecast of the fund depletion timeframe and updated end-of-year projections were noted.

Brian Stitzel reviewed projected and actual premium contributions and other revenues for FY24 which both are expected to be slightly better than budget. The claims budget has been reprojected to account for delayed claims due to the Change Healthcare cyber-attack. Brian Stitzel summarized GHIP expenses, plan member enrollments, and cost experience by group.

Brian Stitzel reviewed an updated five-year projection with a 2% minimum reserve for FY25 and 4% of operating expenses thereafter. Recommended premium rate increases for future plan years for all groups was displayed.

SEBC Dashboard

Agenda item was not discussed due to inadequate data caused by the Change Healthcare cyberattack.

SITE OF CARE UTILIZATION ANALYSIS – JEN MANIERI, WTW

Jen Manieri outlined the site of care utilization for emergency rooms, urgent care centers and primary care providers for non-emergent and primary-care-treatable conditions. Total visits across all sites of care did increase between 2021 to 2023. Visits to emergency rooms and urgent care centers had the largest increase while visits to primary care centers had the lowest increase. Average paid per visit increased from 2022 to 2023.

Jen Manieri detailed costs and visits to the emergency room for the top 5 primary care treatable conditions and compared potential cost savings if these visits had occurred in an urgent care setting. Jen Manieri reviewed telemedicine utilization for Highmark and Aetna and compared visits and costs from 2022 to 2023. An overview of medical specialty pharmacy spend and utilization by facility and provider outpatient was provided. Jan Manieri discussed data utilization on high-tech imaging, basic imaging, and hospital outpatient versus preferred lab utilization from 2021 to 2023.

Subcommittee members had a discussion on decreasing the use of emergency room visits and exploring effective ways to divert plan members to more appropriate sites of care for non-emergent conditions.

GROUP UNIVERSAL LIFE INSURANCE BENEFIT – JACLYN IGLESIAS, WTW

Jaclyn Iglesias provided follow-up information from the May meeting on the Group Universal Life “GUL” insurance plan.

CVS HEALTH VIRTUAL CARE – PRESENTATION FROM AETNA – JENNIFER STEPP, AETNA

Jennifer Stepp presented a recap of Aetna’s new telemedicine program called CVS Health and provided additional information on questions asked by the Subcommittee at last month’s meeting.

Steven Costantino left the meeting.

A Subcommittee member asked several questions surrounding the dermatology offering currently available through CVS Health Virtual Care, specifically related to the length of time from initial contact to a referral to an in-person dermatologist in the Aetna network when applicable. Aetna will provide follow-up information on this topic at the July meeting.

SURGERYPLUS SAVINGS ANALYSIS

This agenda item was not discussed due to limited timing.

GENE AND CELLULAR THERAPY LANDSCAPE – GHIP PROGRAMS

This agenda item was not discussed due to limited timing.

AUDIT SERVICES REQUEST FOR PROPOSAL (RFP) – SCOPE OF WORK – JACLYN IGLESIAS, WTW

Jaclyn Iglesias briefly reviewed the RFP for audit services starting with a history on the need for audit services, the RFP timeline, scope of work and emerging capabilities among audit vendors. A discussion on the audit services RFP and any potential changes to the scope of work will continue at the July meeting.

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 public session at 12:09 p.m. MOTION ADOPTED UNANIMOUSLY.

Respectfully submitted,

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