

**MINUTES FROM THE COMBINED MEETING OF THE FINANCIAL and HEALTH POLICY & PLANNING SUBCOMMITTEES
TO THE STATE EMPLOYEE BENEFITS COMMITTEE
JULY 15, 2024**

The Financial Subcommittee and the Health Policy & Planning (“HP&P”) Subcommittee to the State Employee Benefits Committee (the “Committee”) met July 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 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)
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)
David Bentz, Deputy Director of Health Care Reform, Dept. of Health and Social Services (“DHSS”) (Appointee of DHSS Secretary Josette Manning)
Ashley Tucker, Deputy State Court Administrator, Administrative Office of the Courts, (Appointee of Chief Justice Collins Seitz, Delaware Supreme Court)

Subcommittee Members Not Represented or in Attendance:

Keith Warren, Chief of Staff, Office of the Lt. Governor (Appointee of Lt. Governor Bethany Hall-Long)
Vacant, State Retiree (Appointee of Karen Field Rogers, State Retiree)
Steven Costantino, Director Health Care Reform, Dept. of Health and Social Services (“DHSS”) (Appointee of Secretary Josette Manning)

Others in Attendance:

Deputy Director Leighann Hinkle, SBO, DHR	Brian Stitzel, WTW
Nina Figueroa, Health Policy Advisor, SBO, DHR	Michelle Gast, WTW
Stephanie Hartos, Manager, SEBC and SEBC Subcommittees, SBO, DHR	Jen Manieri, WTW
Marie Hartigan, SBO, DHR	Eric Poston, Merative
Samantha Mountz, SBO, DHR	Jennifer Moyer, Aetna
Cherie Dodge Biron, Director, Financial & Administrative Services, DHR	Wendy Beck, Highmark
Heather Johnson, Controller, DHR	Lisa Mantegna, Highmark
Susan Meadows-Arnold, SBO, DHR	Sara Dunlevy, CVS Health
Jaclyn Iglesias, Willis Towers Watson “WTW”	Charlene Hrivnak, CVS Health
	Paula Roy, Roy & Associates

STATE OF DELAWARE STATEWIDE BENEFITS OFFICE

Bria Greenlee, 302 Strategies
Louisa Phillips, DHA
Jennifer Rini, Lt Governor Office
Kristin Dwyer, Nemours

Lisa Gruss, MSD
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 William Oberle to approve the minutes from the Combined Subcommittee meeting on June 17, 2024.

Abstentions – Ashley Tucker

MOTION ADOPTED UNANIMOUSLY.

DIRECTOR’S REPORT – DIRECTOR FAITH RENTZ, SBO

Director Rentz highlighted agenda items for next week’s SEBC meeting which will include an Executive Session. The Statewide Benefits Office (SBO) currently has three request for proposals (RFPs) released which include the Flexible Spending Account (FSA), pre-tax commuter benefit, and COBRA administration (advertised July 8, 2024), the Employee Assistance Program (EAP) (advertised July 15, 2024), and the Accident and Critical Illness insurance program (advertised July 15, 2024).

Treasurer Colleen Davis arrived to the meeting.

LEGISLATIVE UPDATES – SEBC & SEBC SUBCOMMITTEES MANAGER STEPHANIE HARTOS, SBO

Stephanie Hartos reviewed legislation that was passed during the 152nd General Assembly and would have an impact on the GHIP and/or the SEBC and provided the estimated fiscal impacts of these bills for FY25 and FY26. Many of the bills presented are still awaiting action from the Governor; updates will be provided to the Subcommittee when available.

FINANCIALS – BRIAN STITZEL, WTW

June 2024 Fund Report

Brian Stitzel reviewed the executive summary for the June Fund Report and noted that June ran a deficit due to the continued clear out of backlogged claims from the Change Health cyberattack. Highmark reported that there is an estimated \$1M in backlogged claims that still need to clear out, though the majority of the backlog should be cleared out at this point. Other revenues for June include a large surplus as the fund received a \$7.3M transfer from OMB to offset the FY24 deficit. The fund transfer from OMB will have to be paid back by the GHIP fund in FY25 and is already included in the previously approved rate increases.

The total budget for FY24 showed premium contributions came in slightly better than budget, other revenues largely better than budget due to the transfer from OMB, claims ran significantly worse than budget due to higher pharmaceutical drug, SurgeryPlus and GLP-1 drug claims, and total expenses ran worse than budget due to PrudentRx fees. Total budget for FY24 still ran at a slight deficit and the fund equity balance ended with around \$100K after the infusion of funds by OMB.

Brian Stitzel presented the FY24 budget versus the FY24 re-forecasted budget based on the FY24 actuals from July 2023 through June 2024. A revised forecast of the fund depletion timeframe and updated end-of-year actuals were noted. Brian Stitzel reviewed the full fiscal year projected and actual premium contributions, other revenues, claims, 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.

GHIP Trend Assumptions

Brian Stitzel outlined the GHIP trend development process and reviewed historical gross claims, trend range and projections, historical health cost trends, trend outlook and considerations, and provided recommendations on increasing trend assumptions for medical and pharmacy for the Actives/non-Medicare retiree and Medicare retiree populations. Any recommendations to increase the FY25 trend will have an impact on the FY25 budget.

Subcommittee members had a discussion related to the recommended pharmacy trend and GLP-1 drug utilization and voiced concerns that an estimated 2% month-over-month increase in utilization for weight loss and anti-diabetic GLP-1 drugs is likely an underestimate. Members discussed additional recommendations provided by WTW for the FY25 GHIP trend assumptions for medical and pharmacy on the active employees/pre-65 retirees and the Medicare retirees. A Subcommittee member requested additional rebate information to include in the pharmacy trend assumption to better understand the full-scale impact of GHIP pharmaceutical spend; WTW will take this request back and provide an update at the next meeting.

Bill Oberle left the meeting.

CVS HEALTH VIRTUAL CARE –JEN MANIERI, WTW

Jen Manieri presented a recap of Aetna’s newly proposed telemedicine program called CVS Health and provided additional information on questions asked by the Subcommittee at last month’s meeting related to referrals for dermatology-related services. CVS Health was proposed by Aetna to serve as a replacement for their current telemedicine program, Teladoc Health.

Subcommittee members recommended that no changes be made to Aetna’s telemedicine offerings at this time and to continue with the current telemedicine program, Teladoc Health. Subcommittee members also recommended that the SBO continue to monitor Aetna’s CVS Health telemedicine program for future consideration. Additionally, Subcommittee members discussed the possibility of issuing an RFP specifically for telemedicine services sometime in the future. A utilization report of telemedicine services will be provided to the Subcommittees to evaluate the usefulness of this service at a later date.

GENE AND CELLULAR THERAPY LANDSCAPE – GHIP PROGRAMS – MICHELLE GAST, WTW

Michelle Gast provided an overview of the definitions of Cell and Gene Therapy (CGT), CGT approvals by the Food and Drug Administration (FDA), program offerings by current GHIP vendor partners for CGT medications and the possibility of adding stop-loss insurance to provide additional protections to the GHIP for the costs associated with these therapies.

Subcommittee members discussed stop-loss insurance for the GHIP and asked several questions regarding costs associated with this type of insurance and potentially looking at entities that might offer alternative payment plans should claims begin to come in for these therapies. WTW will provide a follow-up to these questions at a later meeting.

GROUP UNIVERSAL LIFE INSURANCE BENEFIT – JACLYN IGLESIAS, WTW

Jaclyn Iglesias provided a quick recap of the Group Universal Life (GUL) insurance RFP and asked Subcommittee members to provide feedback on the scope of requested services at the August meeting.

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. Subcommittee members were asked to provide feedback on the scope of requested services and make a recommendation at the August meeting.

OTHER BUSINESS

No other business.

PUBLIC COMMENT

No public comment.

ADJOURNMENT

A MOTION was made by Laura Rowe and seconded by Ashley Tucker to adjourn the public session at 12:04 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