



**MINUTES FROM THE COMBINED MEETING OF THE FINANCIAL and HEALTH POLICY & PLANNING SUBCOMMITTEES  
TO THE STATE EMPLOYEE BENEFITS COMMITTEE  
AUGUST 19, 2024**

The Financial Subcommittee and the Health Policy & Planning (“HP&P”) Subcommittee to the State Employee Benefits Committee (the “Committee”) met August 19, 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:

Treasurer Colleen Davis, State Treasurer, Office of the State Treasurer (Designee Matthew Rosen, Senior Policy Advisor, OST)  
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)  
William Oberle, Delaware State Trooper’s Association (Appointee of Thomas Brackin, Executive Director, DSTA)  
Courtney Stewart, Deputy Director, 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)  
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)  
Steven Costantino, Director Health Care Reform, Dept. of Health and Social Services (“DHSS”) (Appointee of Secretary Josette Manning)

Subcommittee Members Not Represented or in Attendance:

Director Faith Rentz, Statewide Benefits Office (“SBO”), Department of Human Resources (“DHR”) (Appointee of Secretary Claire DeMatteis), Chair  
Keith Warren, Chief of Staff, Office of the Lt. Governor (Appointee of Lt. Governor Bethany Hall-Long)  
Jeanette Hammon, Sr. Fiscal and Policy Analyst, Office of Management & Budget (“OMB”) (Appointee of OMB Director Cerron Cade)  
Laura Rowe, Delaware State Education Association (Appointee of Thomas Brackin, Executive Director, DSTA)  
Matt Clark, American Federation of State, County, and Municipal Employees “AFSCME” (Appointee of Shaun O’Brien, Policy Director, AFSCME)  
Vacant, State Retiree (Appointee of Karen Field Rogers, State Retiree)

Others in Attendance:

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| Deputy Director Leighann Hinkle, SBO, DHR                                 | Brian Stitzel, WTW   |
| Nina Figueroa, Health Policy Advisor, SBO, DHR                            | Michelle Gast, WTW   |
| Stephanie Hartos, Manager, SEBC and<br>Subcommittees, SBO, DHR            | Jen Manieri, WTW   |
| Samantha Mountz, SBO, DHR   | Walter Mateja, Merative  |
| Pamela Barr, SBO, DHR   | Andrea Godfrey, Deputy Director of Budget<br>Development and Planning, OMB |
| Brittany Ford, SBO, DHR   | Jennifer Moyer, Aetna  |
| Susan Meadows-Arnold, SBO, DHR  | Leah White, Aetna  |
| Cherie Dodge Biron, Director, Financial &<br>Administrative Services, DHR | Lisa Mantegna, Highmark  |
| Jaclyn Iglesias, Willis Towers Watson “WTW”                               | Randall Bryniarski, CVS Health   |
|   | Charlene Hrivnak, CVS Health   |

**STATE OF DELAWARE STATEWIDE BENEFITS OFFICE**

Paula Roy, Roy & Associates  
Christina Bryan, DHA  
Bria Greenlee, 302 Strategies  
Lisa Gruss, MSD  
Angela Taylor, DHSS  
Sarah Petrowich, Delaware Public

Steve LePage  
Tom Pledge  
Barbara Philbin  
Carole Mick, SBO, DHR - Recorder, SEBC and  
Subcommittee

**CALLED TO ORDER – DEPUTY DIRECTOR LEIGHANN HINKLE, SBO**

Deputy Director Leighann Hinkle called the meeting to order at 10:00 a.m.

**APPROVAL OF MINUTES – DEPUTY DIRECTOR LEIGHANN HINKLE, SBO**

A MOTION was made by Robert Scoglietti and seconded by Courtney Stewart to approve the minutes from the Combined Subcommittee meeting on July 15, 2024.

MOTION ADOPTED UNANIMOUSLY.

**DIRECTOR'S REPORT – DEPUTY DIRECTOR LEIGHANN HINKLE, SBO**

Deputy Director Leighann Hinkle provided a status update for the following request for proposals (RFPS): (1) flexible spending account (FSA), pre-tax commuter, and the Consolidated Omnibus Budget Reconciliation Act (COBRA), (2) employee assistance program (EAP), and (3) group accidental and critical illness supplemental insurance. The contract award date for all three RFPs will be July 1, 2025. The FSA, pre-tax commuter, and COBRA benefit intent to bid closed July 22, 2024 with final bids due August 2, 2024. SBO received three bids from ASI Flex, Total Administrative Services Cooperation (TASC), and Wex Health Incorporated. The Proposal Review Committee (PRC) will be convening in October to review these proposals. SBO received 9 intent to bids for the EAP RFP with final bids due August 22, 2024 by 1:00 p.m. The group accidental and critical illness supplemental insurance RFP was posted July 15, 2024 and SBO received 4 intent to bids with final bids due August 22, 2024 by 1:00 p.m.

The State of Delaware Medicare Open Enrollment (OE) will be October 14 - October 25. Key updates and planning information will be provided to the Committee at the August 26 meeting.

**FINANCIALS – BRIAN STITZEL, WTW**

GHIP Trend Assumptions

Brian Stitzel reviewed the development of the trend assumptions for FY25 and provided an update to the Subcommittee which reflects a change to the active employee and pre-65 retiree medical gross claims from a 6% assumption to an 8% assumption and modification to the GLP-1 component for the pharmacy trend.

Subcommittee members discussed the changes to the FY25 recommended trend assumptions and the consensus was to recommend the trend assumption changes for medical gross claims and all components to the Rx gross claim trend assumptions for FY25. A summary of the recommended FY25 trend assumptions is as follows:

- Active Employee and Pre-65 Retiree Medical Gross Claim Trend – Recommended to increase from 6% (FY24) to 8% (FY25)
- Active Employee and Pre-65 Retiree Pharmaceutical Gross Claim Trend – Recommended to increase from 9% (FY24) to 29% (FY25)
- Medicfill Medical Gross Claim Trend – Recommended to increase from 3% (FY24) to 5% (FY25)
- Medicfill Pharmaceutical Gross Claim Trend – Recommended to increase from 9% (FY24) to 11% (FY25)

FY25 Budget and Projections

Brian Stitzel presented the FY25 budget with the recommended trend assumptions and detailed projected enrollments, premium contributions, revenues, claims, and expenses. The impact of the Inflation Reduction Act (IRA) on the GHIP for FY25 reflects an increase in anticipated EGWP revenues. The FY25 budget by month was outlined and shows the fund will likely go negative during the first half of the plan year due to cash flow and rebates running on a quarterly basis, however, is expected to end FY25 with a positive cash balance. The FY25

budget by active employees, Pre-65 retirees and Medicare retirees was displayed along with the projected loss ratios for each group.

Brian Stitzel detailed the GHIP long-term health plan cost projections and showed two scenarios with varying rate actions over the next three plan years.

#### July 2024 Fund Report

Brian Stitzel outlined the executive summary for the July Fund Report and noted that June ran a deficit due to an extra weekly invoice that was paid in July. Premium contributions ran better than budget due to some of the non-payroll groups paying premiums on a current basis rather than a lagged basis. Other revenues also ran better than budget due to an EGWP credit and a credit from CVS due to missed performance guarantees. Claims ran worse than budget due to the extra invoice that was paid in July; the August fund report is expected to be better than budget as a result of this additional invoice payment.. Expenses ran worse than budget in July due to multiple factors such as Program and Administrator Service Only (ASO) fees, office expenses and consulting fees.

Brian Stitzel displayed the preliminary FY25 budget versus the FY25 re-forecasted budget and reviewed the projected and actual premium contributions, other revenues, claims, expenses, plan member enrollments and cost experience by group.

It was noted that the backlogged claims have been cleared from the Change Healthcare cyber-attack.

#### FY24 Q4 Financial Reporting

Agenda item was not presented.

### **GROUP UNIVERSAL LIFE INSURANCE BENEFIT REQUEST FOR PROPOSAL (RFP) – SCOPE OF WORK – JACLYN IGLESIAS, WTW**

Jaclyn Iglesias discussed the Group Universal Life (GUL) insurance RFP options and noted that Subcommittee members received a draft written description of the proposed scope of services to be incorporated into the life insurance RFP. The three options presented include issuing an RFP for proposals that match the current GUL offering and plan design, alternative GUL plan design with specific coverage enhancements and group term life plan offerings. Subcommittee members were asked to provide recommendations on including some or all of these options in the scope for the upcoming RFP, however, it was recommended by WTW that only one life insurance plan be offered to benefit eligible employees to avoid confusion and administrative burden.

Subcommittee members provided support to increase the maximum coverage amount for employees and spouses, however, were not comfortable with increasing spousal coverage to the market medium as it would be a substantial increase and change from the current coverage maximum. Subcommittee members also showed support in accepting proposals which would add Accidental Death and Dismemberment coverage for dependents. A Subcommittee member voiced concerns with increasing the maximum coverages due to potential adverse effects to the risk pool. A few Subcommittee members expressed concerns with the lack of engagement from current eligible plan participants and stated that outreach should be provided to eligible plan participants to determine interest in these options. A Subcommittee member requested that the RFP contain language stating that in the instance there is a transfer in coverage from one life insurance vendor to another, the new insurance carrier honor the current insurance carriers' proof of good health process and not require members resubmit those documents.

*Steven Costantino arrived to the meeting.*

Jaclyn Iglesias discussed a potential fourth option which would be to accept proposals for a term life insurance policy with enhanced benefit options similar to the proposed plan option 2.

Subcommittee members recommended to include all four options into the life insurance RFP. The SEBC will review these recommendations at the August 26 meeting.

**AUDIT SERVICES RFP – SCOPE OF WORK – JACLYN IGLESIAS, WTW**

Jaclyn Iglesias reviewed the proposed scope of work for the audit services RFP with the potential to include emerging audit capabilities and asked Subcommittee members to provide feedback on including these new services in the scope of requested services.

Subcommittee members discussed the scope of work for the audit services RFP and recommended to not include emerging audit capabilities in the scope of requested services as there is limited data on client outcomes and benefits of incorporating these newer audit services.

Subcommittee members did address concerns over the current audit reports and asked if these documents have been made public as they should be considered part of the public record. It was noted that SBO is currently working with the audit vendor, health and pharmacy plan administrators, and the Department of Justice to make these reports available to the public and that the SEBC may request to view these reports at any time. SBO reviews the audit reports and meets with the plan administrators to address discrepancies noted in the reporting and reach agreement on necessary solutions.

**OTHER BUSINESS**

Treasurer Davis provided support to continue offering a group universal life insurance benefit over a term life insurance benefit due to the added long-term benefits of universal life insurance.

Bill Oberle asked for Subcommittee member interest in conducting a roundtable discussion to set an agenda to discuss healthcare pricing in a more proactive mode and review the current environment related to third-party administrators and pharmacy benefit managers.

**PUBLIC COMMENT**

Members of the public provided comments on agenda items from today’s meeting related to audit services and the financial data presented.

**ADJOURNMENT**

A MOTION was made by Robert Scoglietti and seconded by Steven Costantino to adjourn the public session at 12:07 p.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