

**MINUTES FROM THE FINANCIAL SUBCOMMITTEE MEETING
TO THE STATE EMPLOYEE BENEFITS COMMITTEE
SEPTEMBER 16, 2024**

The Financial Subcommittee to the State Employee Benefits Committee (the “Committee”) met September 16, 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)
Ashley Tucker, Deputy State Court Administrator, Administrative Office of the Courts, (Appointee of Chief Justice Collins Seitz, Delaware Supreme Court)
Laura Rowe, Delaware State Education Association (Appointee of Thomas Brackin, Executive Director, DSTA)
Jeanette Hammon, Sr. Fiscal and Policy Analyst, Office of Management & Budget (“OMB”) (Appointee of OMB Director Cerron Cade)

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)
Matthew Rosen, Senior Policy Advisor, Office of the State Treasurer (“OST”) (Appointee of Treasurer Colleen Davis, State Treasurer, OST)
Steven Costantino, Director Health Care Reform, Dept. of Health and Social Services (“DHSS”) (Appointee of Secretary Josette Manning)
Laurie Ann Atienza, American Federation of State, County, and Municipal Employees “AFSCME” (Appointee of Shaun O’Brien, Policy Director, AFSCME)

Others in Attendance:

Deputy Director Leighann Hinkle, SBO, DHR
Nina Figueroa, Health Policy Advisor, SBO, DHR
Stephanie Hartos, Manager, SEBC and
Subcommittees, SBO, DHR
Samantha Mountz, SBO, DHR
Pamela Barr, SBO, DHR
Carole Mick, SBO, DHR
Susan Meadows-Arnold, SBO, DHR
Cherie Dodge Biron, Director, Financial &
Administrative Services, DHR
Jaclyn Iglesias, Willis Towers Watson “WTW”
Brian Stitzel, WTW
Michelle Gast, WTW
Jen Manieri, WTW
Kant Khatri, WTW

Walter Mateja, Merative
Lisa Mantegna, Highmark
Julie Caynor, Aetna
Charlene Hrivnak, CVS Health
Paula Roy, Roy & Associates
Bria Greenlee, 302 Strategies
Louie Phillips, DHA
Angela Taylor, DHSS
Jillian Austin, DHSS
Steve LePage
Tom Pledge
Barbara Philbin
Bob Clarkin
Amber Cahill, SBO, DHR - Recorder, SEBC and
Subcommittee

CALLED TO ORDER – DIRECTOR FAITH RENTZ, SBO

Director Faith Rentz called the meeting to order at 10:01 a.m.

APPROVAL OF MINUTES – DIRECTOR FAITH RENTZ, SBO

A MOTION was made by Robert Scoglietti and seconded by Stuart Snyder to approve the minutes from the Combined Financial and Health Policy and Planning Subcommittee meeting on August 19, 2024.

Abstentions – Faith Rentz, Jeannette Hammon

MOTION ADOPTED UNANIMOUSLY.

DIRECTOR’S REPORT – DIRECTOR FAITH RENTZ, SBO

Director Faith Rentz informed Subcommittee members that the SEBC will meet on September, 23, 2024 and reviewed actions items that the SEBC is expected to vote on for approval. The Statewide Benefits Office (SBO) has reached out to the co-chairs of the Retiree Healthcare Benefits Advisory Subcommittee (RHBAS) for interest in scheduling a meeting, however, there have been no meeting requests from the co-chairs at this time.

FINANCIALS – BRIAN STITZEL, WTW

August 2024 Fund Report/ FY25 GHIP Budget

Brian Stitzel outlined the executive summary for the August Fund Report and noted that August ran a surplus mainly due to having one less claim invoice which was paid in July. Total combined claims for July and August are right on budget. Premium contributions ran worse than budget due to lower-than-expected state employee premium payments. Q4 FY24 rebates were lower than expected resulting in a deficit for other revenues. Expenses were higher than budgeted due to a Shared Savings fee to Highmark that was not included in the budget projections. The FY25 total GHIP budget shows claims, premium contributions, and other revenues right around budget and expenses with a 3.3% variance to budget.

FY25 GHIP Projections

Brian Stitzel presented the FY25 proposed budget with the recommended trend assumptions and detailed projected premium contributions, revenues, claims, expenses, and enrollments. It was noted that the \$7.3M payback to OMB for the FY24 transfer will be paid back by the end of September 2024, which is reflected in the updated forecast. The budget forecast shows that the fund will likely go negative during the first half of the plan year, however, is expected to end FY25 with a positive cash balance.

Long Term Projections by Group

Brian Stitzel detailed the long-term projections and premium rate increases for FY25 through FY28 for all GHIP groups combined, separate (active employees, pre-65 retirees, and Medicare retirees), and all retirees combined. Each long-term projection includes a premium rate increase scenario to target a \$0 deficit by the end of FY28.

Laura Rowe arrived to the meeting.

Actuarial Values of non-Medicare Health Plans

Brian Stitzel re-addressed a previous discussion with Subcommittee members regarding actuarial values of the health plan offerings and reviewed the actuarial values of the four healthcare plan options for active employees and pre-Medicare retirees. The four healthcare plans are all considered rich in benefits with high actuarial values and little difference in benefit offerings. These four non-Medicare plans are currently misaligned based on the plan design value and premium equivalent rates. Several options that could address the misalignment were presented - realigning the actuarial values, equalizing the state subsidy, or changing the plan actuarial values.

Subcommittee members were in support to present this data to the SEBC, however, expressed concerns that given the change in the upcoming government administration and subsequently the SEBC, that these options are unlikely to gain any movement for the FY26 plan year.

SITE OF CARE UTILIZATION ANALYSIS – JEN MANIERI, WTW

Jen Manieri presented benchmarking data on utilization by sites of care for emergency room visits, freestanding facilities, outpatient hospitals, and lab services. The benchmarking data presented compared 2021 and 2022 claims data by sites of care to national benchmarking standards. The GHIP utilization for labs and MRI for outpatient hospital was below the norm, however, the GHIP was above the norm in all other utilization areas.

Data was obtained from Delaware CostAware to provide an average cost for various health care services which was then compared to actual GHIP claims experience. Overall, most of the GHIP’s average cost for these services were higher than the Delaware CostAware benchmark data.

It was mentioned that Delaware CostAware data runs on a calendar year basis (January 1 – December 31) and the GHIP runs on a fiscal year basis (July 1 – June 30), which means that this data is not running along the same exact timeframe. Additionally, not all CPT codes for these claims/procedures are included on the Delaware CostAware website, which results in limited comparisons.

OTHER BUSINESS

No other business.

PUBLIC COMMENT

Members of the public provided comments on agenda items from today’s meeting related to financial data for the Medicare retiree population and asked if the upcoming Special Medicfill contract has been signed.

ADJOURNMENT

A MOTION was made by Laura Rowe and seconded by Ashley Tucker to adjourn the public session at 11:00 a.m. MOTION ADOPTED UNANIMOUSLY.

Respectfully submitted,

Amber Cahill, Administrative Specialist III, Statewide Benefits Office, Department of Human Resources
Recorder, State Employee Benefits Committee, and Subcommittees