



SEBC and SEBC Subcommittee Meetings (December 2023 Updates) *Get the Facts on What's Happening*

As the “administrative arm” of the State Employee Benefits Committee (SEBC), the Statewide Benefits Office (SBO), Department of Human Resources (DHR) is providing the following frequently asked questions document as a resource to employees and retirees, which includes facts on what’s being discussed related to the Group Health Insurance Plan (GHIP) at the SEBC and SEBC Subcommittee meetings and actions taken by the SEBC.

Learn more about the SEBC and SEBC Subcommittees, including committee members, meetings schedules, and meeting materials by visiting the [SEBC page](#) of SBO’s website. Each meeting is open to the public and provides an opportunity for public comment. In addition, suggestions, comments, and/or concerns can be sent to the SEBC at sebc@delaware.gov.

Frequently Asked Questions:

Q. Do the SEBC’s Subcommittees have decision-making authority?

A. No, the SEBC’s Subcommittees do **not** have decision-making authority. Subcommittees **can only make recommendations** that, depending upon the recommendation, **require further action** by either the SEBC, Governor, and/or General Assembly.

While the SEBC is the governing, decision-making body that manages employee and retiree benefit coverage, the Subcommittees are responsible for advising the SEBC on specific matters. The Health Policy & Planning Subcommittee advises the SEBC on health policy and planning matters. The Financial Subcommittee advises the SEBC on financial matters. The Retiree Healthcare Benefits Advisory Subcommittee (RHBAS) advises the SEBC on retiree healthcare matters. The RHBAS was established by [Senate Bill 29](#) to conduct public meetings and engage public comment about current and future State retiree healthcare benefits.

Q. When will the SEBC’s Retiree Healthcare Benefits Advisory Subcommittee (RHBAS) report be finalized?

A. At the December 20, 2023 meeting, the SEBC’s Retiree Healthcare Benefits Advisory Subcommittee (RHBAS) voted to approve a finalized report of recommendations for consideration related to non-Medicare and Medicare retiree eligibility and benefits. The final report is expected to be released to the General Assembly and Governor in early January 2024 and will be available to the public on the [SEBC webpage](#)*.

**Note, the Subcommittee’s recommendation in the report for retirement state share based on years of services and healthcare benefits provided to Medicare-eligible retirees would impact employees hired by the state on or after January 1, 2025. The Subcommittee’s recommendation to change the percentage of premium paid by the State for employee and retiree health care coverage, including the required years of State service to be eligible for and to receive coverage during retirement, is defined in [Delaware Code Title 29 Section 5202](#), and any change would require the General Assembly to pass legislation, which requires the Governor’s signature to become law.*

Q. What is the status of the SEBC’s Medicare Supplement Plan request for proposal (RFP)?

A. The RFP was posted publicly on [Delaware’s Bid Solicitation Directory](#) on October 24, 2023. Bids were solicited for a plan offered to current and future Medicare retirees that is identical to the design of the current Special Medicfill Medicare Supplement Plan. The deadline for proposals from bidders was November 21, 2023. At the December 21, 2023 SEBC meeting, Director Rentz informed the Committee that proposals were received by Highmark, Aetna, Trustmark Health, and Brighton Health. All four bidders are being considered. A Proposal Review Committee (PRC), which includes SEBC members or their designees, will meet on January 9, 2024 to review bid responses and conduct interviews. The bidders have specifically been asked by the PRC to speak on their customer service capabilities, member support and portal access, performance guarantees, and other value-added services. The recommendation from the PRC will be presented to the SEBC for vote in March 2024. The plan that is chosen from the RFP will be effective January 1, 2025.

Q. What is the status of the SEBC's Diversity, Equity, and Inclusion project?

A. In August 2023, Willis Towers Watson (WTW) (the GHIP consultant) on behalf of the SEBC and SEBC Subcommittees, began reviewing the State's benefit offerings to determine if current benefit programs were adequately meeting the needs of a diverse workforce and if there were opportunities to better align with the State's equity and inclusion goals. While the review is not yet complete, the Health Policy and Planning Subcommittee is discussing recommendations that would support expanding coverage on topics such as family building benefits, women's health, gender-affirming and LGBTQ+ care, mental and behavioral health, dental health, and broad wellbeing. Additional research is being completed by the Statewide Benefits Office (SBO) to better understand the cost and utilization projections surrounding these recommendations. An update on this review will be presented at the SEBC meeting on January 29, 2024.

Q. Will there be health plan premium (rate) increases for employees and retirees in Fiscal Year 2025?

A. Over the next several months, the SEBC will review health plan premium (rate) increase scenarios that would be effective July 1, 2024 for active employees and non-Medicare retirees and January 1, 2025 for Medicare retirees. If no additional changes impact GHIP spending, it is projected that *double-digit* health plan premium (rate) increases would be required to cover significantly higher healthcare costs and address the projected deficit in the Group Health Insurance Fund. The following option was reviewed by the SEBC in December:

- A 22.8% rate increase for FY25 for active employees and non-Medicare retirees. Depending on the employee's and non-Medicare retiree's plan and coverage tier, the increase for FY25 could range from \$7.54 to \$73.96 per month*. Furthermore, a projected 1.8% rate increase for FY26 and 7.0% rate increase for FY27 was discussed.
- A 22.8% rate increase for CY25 for Medicare retirees who retired after July 1, 2012. Depending on the Medicare retiree's Special Medicfill plan with or without prescription, the increase for CY25 could range from \$3.13 to \$5.52 per month. Furthermore, a projected 1.8% rate increase for CY26 and 7.0% rate increase for CY27 was discussed.

**Note, rates do not reflect any flex credits offered to school district employees to offset premiums (rates) or rates specific to participating groups. These projected rates will continue to change over the next few months as additional data is acquired.*

Final decisions for FY25 will be voted on by the SEBC in March 2024 and communicated in 2024 Open Enrollment materials.

Q. What increases did the Internal Revenue Service (IRS) announce for 2024 related to the Pre-Tax Commuter Benefit and Health Care Flexible Spending Account (FSA)?

A. On November 9, 2023 the IRS issued [Rev. Proc. 2023-24](#), which announced an increase in the maximum Pre-Tax Commuter Benefit and Health Care FSA limits for 2024. The Pre-Tax Commuter Benefit maximum monthly limit for both parking and mass transit will increase to \$315 effective January 1, 2024. The dollar limitation for salary reductions for contributions to the Health Care FSA will increase to \$3,200 effective July 1, 2024. *Note: The Dependent Care FSA limit will remain at \$5,000.*

The State of Delaware's [Pre-Tax Commuter Benefit Program](#) and [Health Care FSA](#) are available to benefit-eligible State of Delaware employees. The Pre-Tax Commuter Benefit Program is a qualified transportation benefit program administered by ASIFlex, which allows employees to use pre-tax money to pay for their out-of-pocket parking, van pooling, or mass transit expenses incurred as they travel to work, or parking expenses incurred at a mass transit provider. The Health Care FSA allows employees to set aside money from their paycheck pretax to pay for out-of-pocket health care expenses. Eligible expenses include medical, prescriptions, dental, vision, hearing, and over-the-counter health care products for the employee and their covered spouse and children.

Q. What are the revisions approved by the SEBC to the GHIP Strategic Framework?

A. The GHIP Strategic Framework reflects the goals, strategies, and tactics of the SEBC. At the December 21, 2023 meeting, the SEBC voted to adopt the following [revisions](#) to the goals:

- Using FY23 as a baseline, increase the proportion of medical spend by the end of FY25 through Advanced Payment Models (APMs) to providers who are compensated for the quality, not quantity, of care delivered.
- Using FY23 as a baseline, reduce cost trend by the end of FY25 for the GHIP and for plan participants who have diabetes, behavioral health, and musculoskeletal conditions.
- Limit healthcare costs inflation corresponding with the Health Care Spending Benchmark by the end of FY25 through targeted reduction in high cost, low value services and providers. Bariatric procedures and costs were included as an additional focus component under this goal.

Overall, revisions emphasize strategies and tactics that support “healthy lifestyles” and “risk reduction.” In addition, a tactic was added to continue to engage with the Delaware Chiropractic Services Network on collaborative efforts to make GHIP members aware of the benefits of chiropractic care and the services covered under the GHIP. *Note, there were no changes to the goal, strategies, or tactics of offering and increasing engagement in tools that help plan participants use their health care benefits effectively.*

Q. What recommendation was approved by the SEBC for the Disability Insurance Program (DIP) request for proposal (RFP)?

A. At the December 21, 2023 meeting, the SEBC voted to approve the [DIP RFP recommendation](#) from the Proposal Review Committee (PRC) which is to invite Hartford to negotiate several conditions for a short term and long term disability contract, which if successful will result in an award for an initial three-year term effective July 1, 2024 through June 30, 2027, with two optional one-year period extensions. The conditions include a July 1, 2024 re-implementation by Hartford, enhancements to Hartford’s Return to Work (RTW) program and a RTW performance guarantee from the Hartford, Hartford building referrals to the State of Delaware resources, such as the Employee Assistance Program (EAP) and care management, into their processes, establishing monthly meetings with SBO to review and track progress on service concerns, providing the State of Delaware with the right to request and receive replacement Hartford representatives with written notice, and having an audit conducted by Willis Towers Watson (WTW) (the GHIP consultant) in Quarter 4 of 2024. If an agreement is not reached and these terms are not accepted in writing by Hartford by close of business on January 4, 2024, then Prudential will be invited to negotiate for a short term and long term disability contract (subcontracting with Sedgwick model known as AbsenceOne), that meets or exceeds the conditions required by Hartford, for an initial three-year term effective July 1, 2024 through June 30, 2027 with two optional one-year period extensions.

Q. What is the new coverage effective January 1, 2024 around behavioral health and wellness?

A. In the 151st General Assembly, the Delaware House and Senate passed House Bill 303 with House Amendment 2, mandating coverage of an annual behavioral health well check. The Governor signed this bill in August 2022, requiring State Group Health Insurance Plan coverage begin on January 1, 2024. Employees, retirees, as well as their covered spouses and dependents, enrolled in a State of Delaware non-Medicare health plan will now be able to receive an annual behavioral health well check at **no cost** to them.

In accordance with the legislation, the behavioral health well check must be performed by a licensed mental health clinician who holds at minimum a master’s degree. The well check must include but is not limited to a review of medical history, evaluation of adverse childhood experiences, use of a developmentally appropriate mental health screening tool, and may include anticipatory behavioral health guidance congruent with current stage of life. If you need assistance in locating an eligible provider to complete your behavioral well check, please visit the [SBO website](#) to view your plan options.