



## SEBC and SEBC Subcommittee Meetings (November 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](mailto:sebc@delaware.gov).

### Frequently Asked Questions:

#### **Q. What are the long-term health care cost projections for the GHIP?**

A. Based on health care trends and the experience of the GHIP through quarter 1 of Fiscal Year (FY) 2024, the State is projecting a \$250.4 million deficit in the Group Health Fund for FY25. This deficit is projected to grow to \$459.1 million for FY26.

#### **Q. Will there be health plan premium (rate) increases for employees and pensioners 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 pensioners and January 1, 2025 for Medicare pensioners. If no additional changes impact GHIP spending, it is projected that *double-digit* health plan premium (rate) increases would be required to cover healthcare costs and address the projected deficit in the Group Health Fund. The following two options were reviewed by the SEBC in November:

(1) A 27.1% rate increase for FY25. Depending on the employee’s and non-Medicare pensioner’s plan and coverage tier, the increase for FY25 could range from \$8.94 to \$87.76 per month\*; OR

(2) Smooth the rate increase projected in each of the next two fiscal years resulting in a 17.1% rate increase for FY25 and 12.0% for FY26. Depending on the employee’s and non-Medicare pensioner’s plan and coverage tier, the increase for FY25 could range from \$5.66 to \$55.44 per month\*.

*\*Note, rates do not reflect any flex credits offered to school district employees to offset premiums (rates) or rates specific to participating groups.*

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

#### **Q. What are the revisions approved by the SEBC to GHIP Eligibility and Enrollment Rules effective January 1, 2024?**

A. Revisions effective January 1, 2024, focus on GHIP Eligibility and Enrollment Rules that align and clarify language for State Share eligibility pursuant to House Bill 185, which eliminated the 90-day State Share waiting period for benefit-eligible State employees hired on or after January 1, 2024.

#### **Q. What is the GHIP Strategic Framework and what updates and recommendations are being discussed?**

A. The GHIP Strategic Framework reflects the goals, strategies, and tactics of the SEBC. It was last updated in 2020 using FY21 as a baseline for measurement. Recent discussions with the SEBC have focused on updating the goals, strategies, and supporting tactics. Draft revisions to the goals include:

- 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 are being considered as an additional focus component under this goal.

Overall, potential revisions emphasize strategies and tactics that support “healthy lifestyles” and “risk reduction.” *Note, there are no changes being suggested for the goal, strategies, or tactics of offering and increasing engagement in tools that help plan participants use their health care benefits effectively.* A vote to adopt the revised goals, strategies, and tactics of the GHIP Strategic Framework is expected at the December 21, 2023 SEBC meeting.

***Q. What is being discussed regarding the Diversity, Equity, and Inclusion Benefits Review?***

A. The SEBC Health Policy & Planning Subcommittee is reviewing short-term opportunities, including considerations and cost estimates, for family forming benefits, women’s health, and broad well-being services and programs. SBO is currently working to expand access to information and promote existing resources on the SBO’s website and through targeted communications.

Additional discussion of these benefits, as well as benefits related to gender-affirming care, mental health/emotional well-being, and dental, will take place at the December 11, 2023 Health Policy & Planning Subcommittee meeting. A prioritized list of benefit enhancements, based on Subcommittee member feedback, administrative considerations, and cost impact, will be reviewed at the SEBC meeting on December 21, 2023.

***Q. What is being discussed regarding the Weight Management Strategy?***

A. The cost of coverage for obesity medications among GHIP non-Medicare members is significantly higher than originally estimated. SBO, Merative (the GHIP data mining vendor), and Willis Towers Watson (WTW) (the GHIP consultant) are conducting an analysis and will provide the SEBC and Subcommittees with additional insight into the cost, utilization, and outcomes related to coverage of these medications. SBO and WTW are continuing to explore opportunities to leverage Highmark Delaware and Aetna’s care management programs to drive engagement in all weight management resources available to non-Medicare plan members. The SEBC will continue to track costs and member impact associated with coverage of obesity medications, evaluate utilization management programs, and consider the impact of obesity medications on the GHIP strategic framework goals and objectives.

***Q. What is the Disability Insurance Program (DIP) request for proposal (RFP) scope and timeline?***

A. The DIP consists of self-insured short term disability (STD), fully insured long term disability (LTD), and return to work programs. The DIP RFP was released publicly on [Delaware’s Bid Solicitation Directory](#) on June 26, 2023 with the intent to identify disability benefits administrators that can deliver services that include, but are not limited to, offering state of the art disability administrative services, modifying standard operating processes to meet the unique needs of the State, providing excellent customer service, and providing timely disability reporting. The recommendation from the SEBC’s Proposal Review Committee (PRC) will be presented to the SEBC and voted on at the December 21, 2023 meeting. The contract effective date is July 1, 2024.

***Q. What is the SEBC’s Medicare Supplement Plan request for proposal (RFP) scope and timeline?***

A. Bids are being 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 RFP was posted publicly on [Delaware’s Bid Solicitation Directory](#) on October 24, 2023. Deadline for proposals from bidders was November 21, 2023. The recommendation from the Proposal Review Committee (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. Has the SEBC voted on changes requiring State employees to retire prior to January 1, 2025, in order to receive the current retiree health and prescription plan benefits?***

A. No, the SEBC has not voted on changes that would require State employees to retire prior to January 1, 2025, in order to receive the current health and prescription plan benefits\*. On September 27, 2023, the Retiree Healthcare Benefits Advisory Subcommittee (RHBAS) produced an [abbreviated report](#) to inform the SEBC of its work and provided five recommendations regarding retiree healthcare benefits. At its October 2, 2023 meeting, the SEBC reviewed the findings and recommendations of the RHBAS. The SEBC voted on a statement confirming their intent to solicit bids for the Medicare Supplement Plan RFP that is identical to the design of the current Special Medicfill Medicare Supplement Plan. The statement also confirmed that the new contract awarded from the RFP will be for an initial term of two years effective January 1, 2025.

At the November 28, 2023 RHBAS meeting, [several recommendations](#) were made related to non-Medicare and Medicare retiree eligibility and benefits. These recommendations will be included in a detailed findings and recommendations report expected to be released by the RHBAS to the General Assembly and Governor before January 1, 2024\*.

*\*Note, 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 requires approval by the General Assembly.*