SEBC and SEBC Subcommittee Meetings (February 2024 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. What is the State Employee Benefits Committee (SEBC)?

A. The State Employee Benefits Committee (SEBC) is the governing body that manages employee benefit coverage including health, prescription, dental, vision, and other employee benefit options. The SEBC also has control and management of all retiree benefit coverage including healthcare insurance as well as dental and vision coverage for non-Medicare and Medicare pensioners. The SEBC upholds the mission of the Group Health Insurance Plan (GHIP), which is to "Offer State of Delaware employees, retirees, and their dependents adequate access to high quality healthcare that produces good outcomes at an affordable cost, promotes healthy lifestyles, and helps them be engaged consumers."

The SEBC has three Subcommittees which 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 Subcommittees do not have decision-making authority and all recommendations require a vote from the SEBC to become final.

Q. What are the current projections for health plan premium (rate) increases for employees and non-Medicare retirees in Fiscal Year 2025 and Medicare retirees in Calendar Year 2025?

A. The SEBC is reviewing health plan premium (rate) increase scenarios that will be effective July 1, 2024 for active employees and non-Medicare retirees and January 1, 2025 for Medicare retirees. Health plan premium (rate) increases are expected to help cover significantly higher healthcare costs and to address the projected $232.1 million deficit in the Group Health Insurance Fund. The following options were reviewed by the SEBC in February:

- For active employees and non-Medicare retirees, depending on the employee's and non-Medicare retiree's plan and coverage tier, the increase for Fiscal Year 2025 could range from $8.92 to $87.46 per month (or $4.46 to $43.73 per paycheck)*.
- 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 Calendar Year 2025 could range from $3.70 to $6.52 per month.
- **Medicare retirees who retired *prior to* July 1, 2012 and who currently pay $0.00 a month for their health plan premiums will continue to pay $0.00 a month for their health plan premiums.**

**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 Fiscal Year 2025 will be voted on by the SEBC at the March 25, 2024 meeting and communicated in updates to this document, on the SEBC website and in 2024 Open Enrollment materials.

Q. How do the projected health plan premium (rate) increases impact the State of Delaware as a whole?

A. The State of Delaware is committed to providing high-quality healthcare insurance to state employees and retirees, with state employees paying just 4% to 13.25% of their total health plan premium (based on the plan they select) and the State covering the remaining 86.75% to 96% of the premium. For those who retired after July 1, 2012, the State pays 95% of the total healthcare premium with those retirees paying only 5%. Currently, 65% of Medicare retirees pay no monthly healthcare premium for their state coverage as the State covers 100% of the premium. This is established in Title 29, Chapter 52 of the Delaware Code*. As the previous question outlines, a significant health plan premium (rate) increase is being considered, and it is important to remember that the increase would require the State of Delaware, as well as employees and retirees, to pay more. This means that while the employee and non-Medicare retiree share is currently projected to increase by $8.92 to $87.46 per month, the State share contribution is projected to increase by $213.98 to $557.28 per month. Medicare retirees who retired after July 1, 2012, could see a $3.70 to $6.52 increase in their monthly premiums, with the State share projected to increase by $70.03 to $123.53 per month.

**Note, any changes to Delaware Code would require legislative action and the Governor's signature to go into effect.*

Q. What decisions are currently being made around retiree healthcare?

A. The SBO is currently in the process of procuring a vendor to administer a Medicare Supplement plan for the plan year that would begin January 1, 2025. **This plan would be identical to the design of the current Special Medicfill Medicare Supplement Plan and is not a Medicare Advantage Plan.** Proposals were received by Aetna, Brighton Health, Highmark, and Trustmark Health. All four bidders are being considered. A Proposal Review Committee (PRC), which includes SEBC members or their designees, have met to evaluate proposals and provide a recommendation to the SEBC for consideration. The SEBC is scheduled to review the recommendation and vote to select the vendor at the March 25, 2024 meeting.

Q. What discussions are currently taking place related to weight loss medications?

A. In 2023, the SEBC voted to begin providing coverage for weight loss medications under the State's pharmacy benefits through CVS Caremark for non-Medicare prescription plan participants effective July 1, 2023. This decision was made to support State of Delaware health plan members in their weight management efforts. The coverage of these medications came with Utilization Management criteria. Utilization Management programs review prescription drugs for medical necessity, appropriate use and safety, and include prior authorization, quantity limits and/or required use of lower-cost options before approving coverage of certain drugs.

Even with the established Utilization Management criteria being in place, the financial impact of these medications has been much higher than originally anticipated. The SBO and SEBC have continued monitoring the high cost and utilization associated with these drugs and will continue to discuss how to address this significant increase in costs. Additional discussions on this topic will take place at the March SEBC meetings.

Q. What COVID-19 related benefit enhancements are being reviewed by the SEBC?

A. In early 2023, the SEBC voted to extend certain benefit enhancements that were originally adopted as a result of the COVID-19 public health emergency through June 30, 2024. These benefits included expanding the Employee Assistance Program (EAP) to all State of Delaware employees and non-Medicare pensioners beyond those enrolled in the GHIP, required no member cost share for telehealth visits, no member cost share for in-network inpatient services related to the treatment of COVID-19 or associated health complications, and no member cost share for office visits that resulted in either the order or administration of a COVID-19 test, the treatment of COVID-19, or the treatment of associated health complications. As these enhancements are set expire on June 30, 2024, the SEBC will be voting on whether to continue these enhancements through Fiscal Year 2025. A decision will be made at the March 25, 2024 SEBC meeting.

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

A. In February 2024, Willis Towers Watson (WTW) (the GHIP consultant) provided an update to the Health Policy & Planning Subcommittee and the SEBC regarding its assessment of potential benefit offerings and opportunities that could be implemented to better align with the State's equity and inclusion goals. With the currently projected $232.1 million deficit for Fiscal Year 2025 and the ongoing discussions about health plan premium (rate) increases, the SEBC is temporarily postponing voting on additional health benefits that could strain the GHIP budget. Nonetheless, the SEBC plans to vote at the March 25 meeting on Fiscal Year 2025 benefit offerings that would have little to no cost impact on the GHIP, such as enhanced coverage for certain women's health benefits.

Q. What impacts would the recommended changes to retiree healthcare benefits plan design, eligibility requirements, or contribution share/percentage noted in the Retiree Healthcare Benefits Advisory Subcommittee (RHBAS) final report have on current employees?

A. The recommended changes would have little impact on current employees should the Governor and General Assembly choose to act on them. The final report* puts forth a variety of recommendations for the Governor and General Assembly's consideration, a prominent one being the recommendation to adjust the percentage of the state share based on years of service*. **This recommendation is limited to those employees hired on or after January 1, 2025 and would have no impact on current employees.** A recommendation geared towards current employees from the RHBAS is that the Department of Human Resources (DHR) adopt a Retiree Coordination of Benefits Policy, which would apply to eligible pensioners hired by the state on or after January 1, 2015. Again, these are only recommendations. The RHBAS does not have decision-making authority and the implementation of most recommendations would require legislative action by the General Assembly and the Governor's signature to become law. At this time, there are no additional updates regarding the review or outcomes of this report.

Note, for eligible pensioners* ***hired by the state on or after January 1, 2025**, the recommendation from the RHBAS regarding state share is that the state will pay 0% for those with less than 15 years of service, 50% for those with 15 years to less than 20 years of service, 75% for those with 20 years to less than 25 years of service, and 100% for those with 25 years of service or more. This change would not apply to state employees who are subject to a mandatory retirement requirement and would require legislative action to go into effect.*