



SEBC and SEBC Subcommittee Meetings (November 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, meeting recordings 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 updates were presented to the SEBC and the SEBC Retiree Healthcare Benefits Advisory Subcommittee regarding changes in the State’s Other Post Employment Benefits (OPEB) retiree healthcare liability?

A. At the November meetings, the SEBC and SEBC Retiree Healthcare Benefits Advisory Subcommittee (RHBAS) reviewed a presentation provided by the Office of the Pensions on the State’s Other Post Employment Benefits (OPEB) retiree healthcare liability. The OPEB unfunded actuarial liability* increased from \$8.9 billion in 2023 to \$10.1 billion in 2024, primarily driven by increases in specialty pharmacy trend and high utilization of GLP-1 drugs, the new class of medications primarily being used to treat type 2 diabetes and obesity.

The funded ratio of the plan increased from 1.8% as of July 1, 2010, to 8.6% as of July 1, 2024. This improved funded ratio is due to changes in the funding policy and ongoing efforts to better fund the plan. At the beginning of FY25, an additional \$56 million deposit (1% of the prior year budget) and a \$199 million escheat fund deposit was deposited into the fund, by far the largest deposits in State history. That brought the balance of the OPEB fund to more than \$1.2 billion and will have brought the funded ratio to approximately 10.8%, assuming no change in the actuarial liability.

**Note - the OPEB actuarial liability is the present value of the State’s cost share of all aggregate anticipated health and pharmaceutical expenses for current and anticipated State pensioners spanning over multiple decades.*

Q. What data was presented to the SEBC’s Financial and Health Policy and Planning Subcommittees related to diabetes in the Group Health Insurance Plan (GHIP)?

A. The SEBC’s strategic plan has focused for years on how to provide healthier outcomes for state employees, their spouses, and dependents diagnosed with diabetes. At the November 18, 2024 SEBC Financial and Health Policy and Planning Subcommittee meeting, the Statewide Benefits Office (SBO) data analytics consultant, Merative, presented [Fiscal Year \(FY\) 2024 data](#) on the prevalence and fiscal impact of diabetes among active employees, spouses, and their dependents. In FY24, 9.4% of those in the active population were considered prediabetic, with 9.9% of the active population being diagnosed with type 2 diabetes. When looking at active employees independently, 14.8% of state employees had a diagnosis of diabetes in FY24, an increase of 1.3% over the prior fiscal year. Medical and drug costs for the treatment and management of diabetes continues to increase, accounting for 24% of all combined medical and drug spend for an average of \$23,026 per member per year undergoing treatment for diabetes.

The State of Delaware offers employees and their families a variety of resources at no cost aimed to help manage and prevent the development of diabetes. Members are encouraged to visit the [Diabetes Resources](#) page on SBO’s website to view available programs and resources.

Q. What decision did the SEBC make regarding the proposed incentive-based diabetes prevention pilot program through Highmark and Reciprocity Health?

A. At the November meeting, the SEBC continued its review of a pilot proposal provided by Reciprocity Health, a partner of Highmark Delaware, for a new incentive-based diabetes prevention program called TheraPay. This pilot program would be available to Highmark non-Medicare members who are active employees of the State of Delaware and are considered prediabetic or at risk of developing type 2 diabetes.

In this pilot program, an [eligible member](#) would receive financial incentives through a debit card for participating in the 12-month [YMCA Diabetes Prevention Program](#) (DPP) and completing a variety of activities that drive behavior change and help members reach their goals and improve overall health and wellbeing. Members enrolling in the YMCA DPP would simultaneously enroll in TheraPay to receive financial incentives for attending group meetings, completing food logs, surveys, and more.

The SEBC Health Policy and Planning Subcommittee recommended the SEBC vote to approve this program for a 100-person pilot beginning early in 2025. Members enrolled in this program would have the opportunity to earn up to \$275 in financial incentives* for actively participating in and completing the 12-month program. The SEBC reviewed the recommendation provided by the Subcommittee at the November 25, 2024 meeting and voted to approve the recommendation. The SBO will begin working with Highmark and Reciprocity Health on program implementation and more information will become available and communicated to eligible Highmark non-Medicare members in 2025.

** Financial incentives earned through this program would be considered taxable income and will be documented on the enrolled employee's W2 form.*

Q. What questions did the Health Policy and Planning Subcommittee ask regarding the proposed enhancements to the Highmark non-Medicare Well360 Virtual Health program?

A. At the November 18, 2024 meeting, the Health Policy and Planning Subcommittee continued reviewing potential program enhancements for the Highmark non-Medicare [Well360 Virtual Health program](#). The State of Delaware utilizes the Well360 Virtual Health program for telemedicine services for those members with a Highmark non-Medicare health plan and provides members the ability to access virtual care for urgent and acute conditions, behavioral health services, and psychiatry. The Subcommittee has been reviewing new considerations for the State to begin offering virtual primary care, dermatology, women's health, and lactation services through the Well360 benefit.

The Subcommittee asked questions regarding data transparency and what integration would like look between this enhanced telemedicine benefit and traditional in-person care. The Subcommittee also raised concerns with the potential lack of continuity of care for those members not attributed to a Primary Care Provider (PCP) and the overall efficacy of telemedicine services. Due to these questions and concerns, the Subcommittee recommended not moving forward with these additional enhancements at this time. The Statewide Benefits Office (SBO) will continue working with Highmark on responses to questions and concerns raised by the Subcommittee. No immediate recommendation will be brought to the SEBC.

Q. What update was provided to the SEBC regarding the SBO's current Request for Proposals (RFPs)?

A. In July 2024, the Statewide Benefits Office (SBO) posted and advertised three Requests for Proposal (RFPs) for administration of the following benefits:

- Flexible Spending Account (FSA) Program, Pre-Tax Commuter Program, and COBRA Administration
- Employee Assistance Program (EAP)
- Group Accident and Critical Illness Supplemental Insurance

Bids for these RFPs were due to the SBO in August 2024. During this time, Proposal Review Committees (PRCs) consisting of SEBC members or their designees were established for each of these RFPs. The PRCs met several times in the last two months to discuss vendor proposals, interview and evaluate vendor finalists, score proposals on evaluation criteria, and formulate

recommendations for the SEBC's consideration. At the November 25, 2024 SEBC meeting, the SEBC's consultant, Willis Towers Watson, refreshed the Committee on the content and objectives of the three RFPs and provided a summary of these processes.

At the SEBC's monthly meeting on December 20, 2024, members will review the PRC's summary, findings, and recommendations for each RFP. The SEBC will then consider whether to approve the recommendations to begin contract negotiations for implementation on July 1, 2025. Following established SEBC procedure, an opportunity for [public comment](#) will be provided prior to the SEBC votes.

Q. Were any changes made to the Scope of Work for the upcoming Audit Services Request for Proposals (RFP)?

A. No. At the November 25, 2024 meeting, the Director of the Statewide Benefits Office (SBO) provided an update to the SEBC that the State Auditor of Accounts did not provide the SBO with any edits to the Scope of Services for the Audit Services Request for Proposals (RFP), meaning the scope will remain as approved by the SEBC in September 2024. This RFP will be advertised in December 2024 with an anticipated contract effective date of July 1, 2025.