

State Employee Benefits Committee
Monday, October 26, 2015 at 2:00 p.m.
Tatnall Building, Room 112
Dover, Delaware

The State Employee Benefits Committee met on October 26, 2015, at the Tatnall Building, Room 112, Dover, Delaware. The following Committee members and guests were present:

Ann Visalli, Director, OMB	Jennifer Mossman, Highmark
Brenda Lakeman, Director, SBO	Evelyn Nestlerode, AOC
Faith Rentz, Deputy Director, SBO	Mike North, Aetna
Lisa Porter, OMB, SBO	Casey Oravez, OMB, Financial Operations
Alexis Bryan-Dorsey, OMB	Lori Peddicord, City of Dover
Lisa Carmean, City of Milford	Karol Powers-Case, DRSPA
David Craik, Pension Office	Rebecca Reichardt, OMB
Jessica Eisenbrey, OMB	Kimberly Reinagel-Nietubicz, CGO
Karin Faulhaber, PHRST	Paul Reynolds, DOI
April Hall, DOC	Jackie Rhoads, Highmark
Debbie Hamilton, Cozen O'Connor	Sandy Richards, AFSCME-R
James Harrison, DSEA-R	Paula Roy, Roy Associates
Kim Hawkins, City of Dover	Roger Roy, Teledoc
Tammy Ham, Delta Dental	Ken Simpler, OST
Chris Hudson, Univ of DE	James Testerman, DSEA-R
Andrew Kerber, DOJ	Everett Toomey, DRSPA
Geoff Klopp, COAD	Valerie Watson, Finance
Dave Leiter, DHSS	Crystal Webb, DHSS
Joe Marocco, HMS	Karen Weldin Stewart, DOI
Omar Masood, OST	Stuart Wohl, Segal Consulting

Introductions/Sign In

Director Visalli called the meeting to order at 2:00 p.m. Anyone who had public comment was invited to sign in and any others wishing to comment would be given the opportunity at the end of the meeting. Introductions were given around the room.

Approval of Minutes (handout)

Director Visalli requested a motion to approve the minutes from the September 28, 2015 SEBC meeting. Mr. Klopp made the motion and Commission Stewart seconded the motion. Upon unanimous voice vote the minutes were approved.

Director's Report – Brenda Lakeman

The Medicare open enrollment is going very well. Express Scripts (ESI) provided statistics with 726 calls from when materials went out to current, slightly higher than 2014. Most questions involve drug coverage and pricing. The Pension Office had about 400 additional calls in October to the average of 800 to 1,000 per month. Addyi, the drug to treat sexual dysfunction in premenopausal women was approved August 18, 2015 by the Food and Drug Administration and is now ready for release. The State of Delaware will not be adding this drug to the prescription drug coverage.

Financials

Fund & Equity – September 2015 – Casey Oravez (handout)

As shown in the updated format for September, received the ESI rebates under the Revenues section. This included \$2.7 for the commercial rebate and just under \$2M for the EGWP rebate. This brings the Fund Equity balance to \$4.9M. The projected year-end balance is \$1.5M which will fluctuate month to month.

The Claim Liability year end projection is (\$43.4M) and the reserve is (\$79M). Director Visalli commented the new format is more helpful to the committee to look at the projections. If we were to generate an additional \$43M that would refill the claims liability deficit and do nothing to contribute to the minimum reserve which should be \$79M. The next \$79M would refill the reserve and once those two accounts are replenished funds would go into a surplus. We are working now on a cash flow basis.

Treasurer Simpler inquired if there is any benefit in looking at a number for us to budget, for instance a number to start with in the year to actually see how month to month we budgeted and if assumptions are playing out to what we thought. It would be interesting to see what the drivers are (claims higher than revenue or revenues did not come in). Director Visalli stated this is done internally but can provide a visual to compare. Ms. Rentz asked if reasonable to do on a quarterly basis as the Statewide Benefits Office (SBO) currently reports on the financials quarterly to capture rebate payments and other revenues and could include this request then. This was agreed. Improvement was seen from last month with the rebates received.

Dental RFP Contract Award Recommendation – Faith Rentz (handout)

The Dental RFP was released in late June 2015 for vendor proposals to replicate current design and suggest alternatives. Received bid responses from four vendors. Analysis was conducted by the SBO with assistance from Segal Consulting with no objection from the Proposal Review Committee (PRC). The PRC recommends to the State Employee Benefits Committee that the contract award for the voluntary Dental Insurance Benefit to Dominion Dental for the HMO plan and Delta Dental for the PPO plan for an initial term of three years beginning July 1, 2016 and two one-year optional renewal years with the features noted in handout. This is an employee pay all benefit. Plan design will remain the same with the addition of implant coverage.

Telemedicine – Brenda Lakeman (handout)

HB 69 calls for services already covered by health plan to be paid for if using telemedicine. Passed by legislature on May 14, 2015 and signed into law by the Governor on July 7, 2015. A provider/patient relationship must be established prior to utilizing telemedicine and provider has patient record. There services will be billed through health plan and can begin January 1, 2016 using same billing code as an office visit with a modifier to identify a telemedicine charge. Highmark Delaware and Aetna Telemedicine vendors were reviewed. Copays and fees were presented. The member payment is made with a credit card through the vendor's portal. Greater utilization of the services instead of emergency room would result in greater savings to the plan. Accessibility is the key for this service and not suggested as a substitute for the PCP. The greatest impact for the telemedicine in cost savings would be moving services from urgent care and emergency room.

The recommendation is to approve implementation of HB 69 Telemedicine services under the State Group Health Insurance Plan and approve utilization of telemedicine vendors through Highmark and Aetna, contingent to the analysis and information to the follow-up questions which include what is the current utilization of telemedicine in Delaware; can this plan be expanded outside of the State; do doctors need to be licensed in Delaware; can the PEPM fee for the Aetna vendor be lowered, removed or the same for both Highmark and Aetna; where was the greatest impact and where the consumption shifted from and to; how to ascertain savings of healthcare dollars (design/metrics) and how to communicate this service as not all members have computers.

State Employees Health Plan Task Force Action Items

An audit for the prescription and medical plans is in the process. The intention is to release a draft RFP no later than a week from now which will allow perspective bidders to comment on the draft RFP for two weeks, then review comments and release the RFP to award a contract to a vendor(s) in January with the goal to have the results of the RFP by June. This is a very aggressive timeline and this committee will be kept informed of progress.

Public Comment

Mr. Dave Leiter thanked the committee for the information on Telemedicine and asked shouldn't the copay for the employees be lowered as done for the plans? Ms. Lakeman stated Telemedicine is not meant to be a substitute and lowering the copay may incentivize people to use it when they should go to their PCP who manages their care and/or over utilize this service.

Ms. Karol Powers-Case asked if telemedicine is available to those on Medicare. Response was that it is not.

Motions

With no further questions or comments, Director Visalli requested a motion to approve the Dental RFP Contract Award Recommendation. Commissioner Stewart made the motion and Ms. Watson seconded the motion. Upon unanimous voice vote, the motion carried.

Director Visalli requested a motion to approve the Telemedicine Recommendation contingent upon the additional provision that there is further analysis and information to provide to the committee and that the questions are addressed to their satisfaction. Treasurer Simpler made the motion and Mr. Klopp seconded the motion. Upon unanimous voice vote, the motion carried.

Other Business

None

Director Visalli stated the next SEBC meeting is scheduled for Monday, November 16, 2015. A motion to adjourn the meeting was requested. Mr. Klopp made the motion and Ms. Watson seconded the motion. The meeting was adjourned at 3:00 p.m.

Respectfully submitted,

Lisa Porter
Executive Secretary
Statewide Benefits Office