

# RISE Delaware Update

## December 30, 2022

RISE Folks—

2022 was quite a year! I am sure that no one imagined that we would all meet, at least virtually, under these circumstances. RISE is fortunate to have had any number of volunteers step up and assist with information gathering, technology advice, legislative and political strategy, and all the other things that it takes to keep us moving forward. Thank you all!

We have a report below from Tom Pledgie, our Observers Group Coordinator. Please pay attention to the 2023 SEBC meeting dates and plan to attend by phone or virtual. As Tom points out, our participation in these meetings reminds the SEBC members that we are aware of what is going on as health care issues are discussed in the committee.

Also included is an article from Joe Enslin of the Delaware State News.

Happy New Year!  
Lisa Diller

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*From Observer group coordinator, Tom Pledgie:*

Dear Fellow State Retiree:

Find below the Highpoints from the recent SEBC and SEBC Subcommittee Meetings. Feel free to share this information with our fellow State Retirees and Employees.

*Agenda and Material packets for the 2 Meetings:*

### State Employee Benefit Committee meetings for 2023

|             |           |              |
|-------------|-----------|--------------|
| January 23  | May 22    | September 25 |
| February 20 | June 20   | October 23   |
| March 20    | July 24   | November 20  |
| April 24    | August 21 | December 18  |

Web link: <https://dhr.delaware.gov/benefits/sebc/index.shtml>

I did advise the SEBC Committee Members that we will be back in January to continue monitoring their Meetings and reviewing their materials as we don't want to be blind-sighted like

last summer with the Medicare Advantage disaster program!!! Note in the Minutes from November SEBC, we had 17 "Pensioners" attending... a year ago, it was "0"!!!

Have a Great Holiday!  
Tom Pledgie

Highpoints from SEBC Committee Meeting of December 19, 2022 and Subcommittee Meeting of Dec 15, 2022

1. Deficit Impact: Budget summary report indicates that through October 2022 the number of health claims has been "hot"—meaning above budget projections. This will impact the projected budget "deficit" number. More info in January.

2. Modernization of Benefits: In the FY 24 Planning document there is reference to "modernization of benefits", and an "Inclusive Benefits Review" which starts off with a survey of current State Employees that the consultants at TWT and the State Benefits Office will present in January. First, NO STATE EMPLOYEES OR RETIREES have been included in developing the survey. Second, the survey will be used as a basis for the Inclusive Benefits Review. Third, the survey is computer/internet based and has a 2-week open window for employee input. See below for an excellent summary in DSN on this issue.

1. One Subcommittee member stated: "Modernization should NOT mean depreciating our benefits". We don't want this "modernization", using a sham survey process, to become the basis for "cutting" benefits!

b. The WTW consultant could not even respond to the minimum response rate needed to ensure reliability of survey results. She will report back in January

3. CVS Performance: Performance guarantees for the new CVS contract found:

- a. 96% of participants rated the CVS system as satisfactory.
- b. CVS has to pay the State a \$818,000 penalty for not meeting a Performance goal related to generic drug cost.

4. Spousal Coordination of Benefits Policy changes: These changes were discussed and approved. If this is an area of interest to you, see item in attached Dec 19<sup>th</sup> meeting materials above (pp 16-23).

5. Updating Mission, Goals and Strategies for the GHIP Strategic Framework –see pp 24-36 in meeting materials attached above: WTW consultant just initiated the discussion about the Framework which apparently was written two years ago. More discussions are to follow.

a. My concern is that Mission Statement reads: 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 to be engaged consumers. (Red highlight is mine.)

What does "adequate access" mean? Don't we desire more than an "adequate level of access???"

b. Committee Members threw out a lot of points/thoughts:

1. What are alternative payment models?
2. How to pay for “quality”?
3. How to handle Chronic Diseases?
4. How to reduce high-cost low value services?
5. Poor past performance in getting employees to modify their health care behaviors?
6. How to have Care Management with measurable results.

5. A lot of Subcommittee discussion covered ‘special meds’, which are highly priced meds for a small group (1600 patients). Looks like the PrudentRx Program may save the State \$6 million and patients \$358,000 per year. Anyone with ‘special med’ needs should check this out. Discussion on Gene and Cell Therapy went nowhere.

6. Public Comments:

a. Possible 40% increase of Medical Premiums for pre65 age Retirees: Question was asked: Why is there not an Agenda item and Committee discussion of how much health care insurance premiums will rise July 2023? On p. 3 of the Minutes from November SEBC Meeting there is a statement that based on current “deficit”, a 17.2 % rise will be needed in active employee rates. But on p. 50 of the December 15, 2022 SEBC Committee materials, there is under Short-term Initiatives: FY 24 WTW document (p. 42) an “Initiative” to Underwrite medical premiums separately for active employees and non-Medicare retirees. If this is done, the active’s rate would only increase by 10.5%, BUT non-Medicare retiree rate would increase by +40.4%. Wouldn’t this be pitting one group against another??? We need to be united!!!

b. Auditor’s Report on Drug cost: A commenter asked if the SEBC had reviewed the Dec 10, 2022 News Journal Opinion piece by Kim Robbins who cited the State Auditors report that Pharmacy Management Firms are skimming off \$24million a year in DE.

c. More Studies on Poor Medicare Advantage Plan Performance: Another commenter cited the report of the Office of Inspector General of the US DHSS which has document problems with preauthorization’s and application of standards for “Medically Necessary Care”.

d. Response to Change: A commenter shared her experience with responses to change.

*Reader is advised that these are ONLY informal highpoints from the SEBC & SEBC Subcommittee Meetings. For accurate and full details, please read the Committee Materials and Minutes. [TP: 12.21.2022]*

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**Media Coverage of the SEBC meeting:**

**State benefits committee discusses possible survey**

**By Joseph Edelen, Delaware State News**

DOVER — As part of the state’s modernizing of benefits initiative, plans for an employee preference survey were discussed during the State Employee Benefits Committee’s monthly meeting Monday.

- Committee members and representatives from the consulting firm, Willis Towers Watson, discussed content that would be prioritized in a statewide survey and a timeline for the study's completion.
- Jaclyn Iglesias, a consultant with Willis Towers Watson, said the goal of the survey is to monitor current benefits while seeing what additional state benefits could be of interest for state employees.
- "It's really going to focus on employee preferences for the benefits that are currently offered by the state, as well as other benefits that are not currently offered where there may be opportunities to supplement or enhance some of the elements of the benefit package," Ms. Iglesias said.
- Following their monthly meeting in June, the committee began evaluating ways it could modernize state-offered benefits to meet current workforce needs.
- The state is experiencing similar employee recruitment and retention struggles other businesses are facing, and the state initiative would work to attract and keep state employees. Results of the survey would assist the committee in their planning for future fiscal years.
- As outlined in Monday's meeting, the target launch of the survey is set for February, with committee members receiving preliminary results by March. A detailed analysis of results would be completed in the second quarter of next year and shared with the committee by the third quarter.
- The committee would receive preliminary results in March to help make decisions for fiscal year 2024, which begins on July 1, 2023. The detailed analysis of the survey would then be used to assist the committee in their planning for fiscal year 2025.
- Ms. Iglesias provided the committee with content areas that would be included in the survey, such as compensation, medical and prescription coverage, retirement plans, workplace flexibility, professional development and potential supplemental benefits of interest.
- State Employee Benefits Committee Co-Chair and Department of Human Resources Secretary Claire DeMatteis noted an extension of compassionate and bereavement leave would be included in Gov. John Carney's recommended budget in January, but potential benefits like caregiver and family support could be included in the survey.
- However, some committee members were cautious about the method of conducting a survey rather than holding focus groups with employees throughout the state.
- Jeff Taschner, executive director at the Delaware State Education Association, questioned if the consulting firm had identified confidence intervals or a margin of error for responses received in a potential survey.
- "There are certain populations that are motivated to respond, and certain that don't. You've got to be very careful about what you get back from a survey," Mr. Taschner said. "What's going to be incredibly critical here is a very high response rate. The lower the response rate, the less valuable this information is going to be to us in making decisions as compared to if we were doing a series of focus groups and following up with a scientifically reliable poll that had all the statistical underpinnings."

- After Secretary DeMatteis asked Ms. Iglesias what a reasonable response rate would be, the consultant was hesitant to provide one, although she did note that many employers the firm has worked with have expressed similar response rate concerns in the past.
- The potential survey will be discussed further at the committee's next meeting slated for Jan. 23 at 2 p.m.

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