

TOWN OF OCEAN VIEW
DELAWARE

January 7, 2026

TO: Mayor and Council

FROM: Carol S. Houck, Town Manager



Subject: Recommendation for Support of Town's Migration from State of Delaware Health Plans to the Delaware Valley Health Trust a Self-Insured Intergovernmental Risk Pool

Background

The **Delaware Valley Health Trust (DVHT)** was originally formed in Pennsylvania in 1999 by local government for local government. It's a non-profit, tax exempt, self-insured intergovernmental risk pool that serves municipalities, school districts, and counties in Pennsylvania and Delaware. It currently has over 165 public entities (member groups) and over 25,000 member lives (including dependents) and maintains a 95% group retention rate. As such, DVHT offers rate stabilization, member participation and consistency to its members. DVHT doesn't operate as a broker, the trust maintains a strong surplus and excess profits come back to the members via annual premium relief credits or direct payments.

Newark, Delaware (the third largest municipality in the state) moved to DVHT in 2015 when I was its manager and was the first community in Delaware to join the program after receiving approval to do so from the state insurance commissioner. They remain a member today, 10 years later. Delaware participation now includes Kent County, the City of Middletown and the City of Milford.

As a result of our lack of control/participation in decisions regarding premium rate increases experienced with the State of Delaware plans, as well as interest in potential savings, and having a seat at the table as a trustee, we completed an evaluation of the current DVHT offerings for consideration. In doing so we requested pricing and details related to plans that mirrored that of the State for medical, dental and vision coverage. Our findings were encouraging and the move to DVHT was deemed in the best interest of Ocean View, while providing added benefits to our employees.

Before making this recommendation, engagement with our employees regarding this switch was deemed necessary. On December 19, 2025, and January 5, 2026, all Town employees were

afforded the opportunity to participate in various orientation sessions to become fully informed and ask questions. The sessions went well and we received good feedback. A copy of the presentation delivered to our employees is attached for your awareness.

While Aetna is the 3rd party administrator of the plans offered by DVHT, the plan design is up to each individual member (Town or City). As noted above, we elected to replicate the plans offered by the State and previously available to our employees. The Aetna network has a strong nationwide presence and all four of the health systems that service our area are in-network with 95% provider availability.

Highlights of our Evaluation

Following our engagement with DVHT, and our evaluation of the mirrored plans, it was determined that our employees would have the opportunity to maintain plans that matched what they currently utilize through the State plans but also gain additional wellness program offerings including financial incentives.

To ensure awareness of how the transition might flow, Finance Director Parks and I contacted the Human Resources manager for Milford, the most recent Town in Delaware that made the switch from the State plans to DVHT. It was reported that they too mirrored the offering of plans like that of the state and that their transition was seamless in July of 2025. They report high levels of satisfaction. Unless new plan selections were made during the renewal process, the migration was seamless and paperless to their employees.

Again, the DVHT 95% retention rate with its members is impressive, suggesting high levels of satisfaction, even among Delaware communities with multiple union groups.

Wellness Incentives and Program Offerings

The **wellness program improvements** provide annual financial incentives for members and their spouse for certain visits such as getting a mammogram (\$50), having a colonoscopy (\$150), or completing a biometric screening (\$150). In addition, employees can take advantage of reimbursements for gym memberships (up to \$300), registration in fitness races (up to \$200), participation in weight watchers (up to \$200), and more. There's a 90 day lookback for us from April 2026 to qualify for these incentives, even though the plan won't go into effect until July 2026. If all options were utilized by both employee and spouse the incentives can reach up to \$1,200 any given year. No forms needed, just proof of completion.

The DVHT **Hinge Health** opportunity rolled out in 2025 provides virtual physical therapy with or without a script that is free and with no co-pay requirement. If applicable equipment is sent directly to your home.

Healthcare Bluebook allows employees to earn rewards for being a well-informed consumer with rewards ranging from \$25 to \$1500.

A robust **Employee Assistance Program** provided through Health Advocate helps with locating child/eldercare services, dealing with personal, family and work related issues, among others. Our employees will be eligible for up to 5 free visits with an HMD clinician.

Teledoc offers access to a doctor 24/7/365 through an App, for general medicine, behavioral health, and dermatology.

Cost to the Town

The cost to the Town (assuming same plan selections and using FY26 state premium rates) will represent approximately a \$35,000 savings year one, based on the current employee pay percentages. The DVHT renewal increases have averaged 5%. You will recall in recent years the state increase was over 25%, after advising us it would be 17% going into budget preparation.

Recommendation

Final justification statement: This move to the DVHT has been tested and found to be beneficial to other Towns and their employees in Delaware and hundreds in Pennsylvania. Increased offerings and health incentives, projected savings and the opportunity for premium return to the Town by check or pay down of premium costs all highlight the justification to make this change for the FY27 Budget year and July of 2026 renewal period.

It is therefore recommended that Mayor and Council support the Towns migration from the State of Delaware Health plans to the Delaware Valley Health Trust effective for the July 1, 2026, renewal period, and in association with the FY27 Budget.

If the move is supported, we will provide the State of Delaware notice of our intent to withdraw from its coverage in March.