



The State of Delaware

Contracting and Request for Proposals (RFP) Processes

State Employee Benefits Committee Meeting

February 21, 2025



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Contracting and Renewal Processes

Contracting and renewal processes

Overview of contracting

- The State of Delaware, Department of Human resources, on behalf of the SEBC enters into contracts for employee and retiree benefits for an initial 3-year term with up to two optional 1-year renewals
- Each benefit typically goes out to RFP every 3-5 years to ensure the contracts are market competitive
- The contracting process involves the following phases, which are shown in more detail on the next slide:
 - RFP Process
 - Implementation & Contract Negotiations
 - Open Enrollment
 - Contract Effective

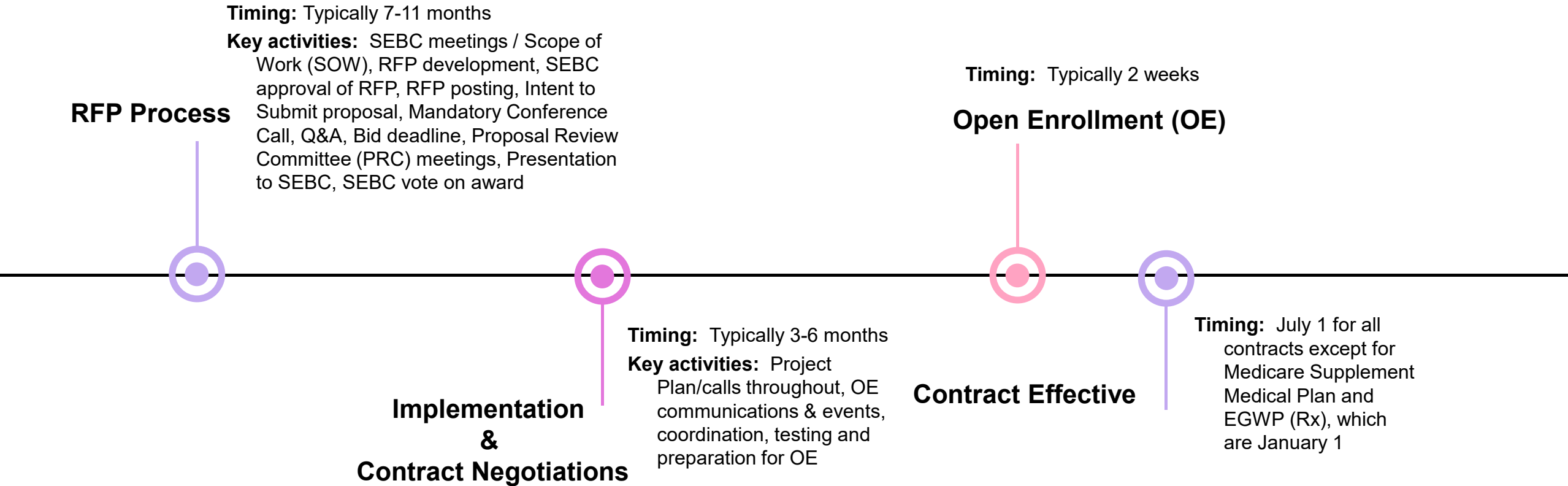
Contract Amendments/Renewals

- The renewal process is initiated by the SBO for extensions beyond the initial 3-year term, when programs are added or changed, performance guarantee or reporting changes, etc.
- The SBO may engage WTW for assistance with contract negotiation

Additional items to be aware of:

- A PBM Market Check is completed every year. This allows WTW pharmacy experts to validate the State's contract with CVS is market competitive and continues to be for each subsequent year of the contract. The goal is to have preliminary results ready to share with the SEBC in early March, which will help inform the SEBC's decisions on the FY26 GHIP budget and employee premiums.
- Premium rates for the dental plans will increase by 3% for FY26. Premium rates for the vision plans and supplemental critical illness plan will remain flat for FY26. The supplemental accident plan FY26 premium rates will decrease slightly from the current plan year.

High-level contracting timeline



Summary of upcoming contract renewals and negotiations underway

Contract Renewals Effective 7/1/2025

- Life Insurance – Securian (11th Year)
- Pharmacy Benefit Manager Services – CVS (5th Year)
- Vision Insurance – EyeMed (5th Year)
- Health Data Warehouse – Merative (5th Year)
- Medical Third-Party Administration Services
 - Aetna (4th Year)
 - Highmark (4th Year, non-Medicare plans only)
- Dental Insurance
 - Delta Dental (4th Year)
 - Dominion Dental (4th Year)
- Consulting & Actuarial Services – Willis Towers Watson (4th Year)

Contract Negotiations Effective 7/1/2025

- Flexible Spending Account (FSA), Pre-Tax Commuter (PTC), and COBRA – contract awarded to ASI Flex
- Supplemental Insurance: Group Accident and Critical Illness – contract awarded to Securian
- Employee Assistance Program (EAP) – contract awarded to Health Advocate

Several RFPs will take place in CY2025 and are covered in more detail in the next section:

- Medical and Prescription Audit Services
- Life Insurance
- Pharmacy Benefit Manager Services
- Vision Insurance
- Health Data Warehouse

CY25 Request for Proposals (RFP) Timeline

Summary of RFPs underway or upcoming

RFPs Underway Contract Effective 7/1/2025

- Medical and Prescription Audit Services (in progress; bids due 2/13/25)

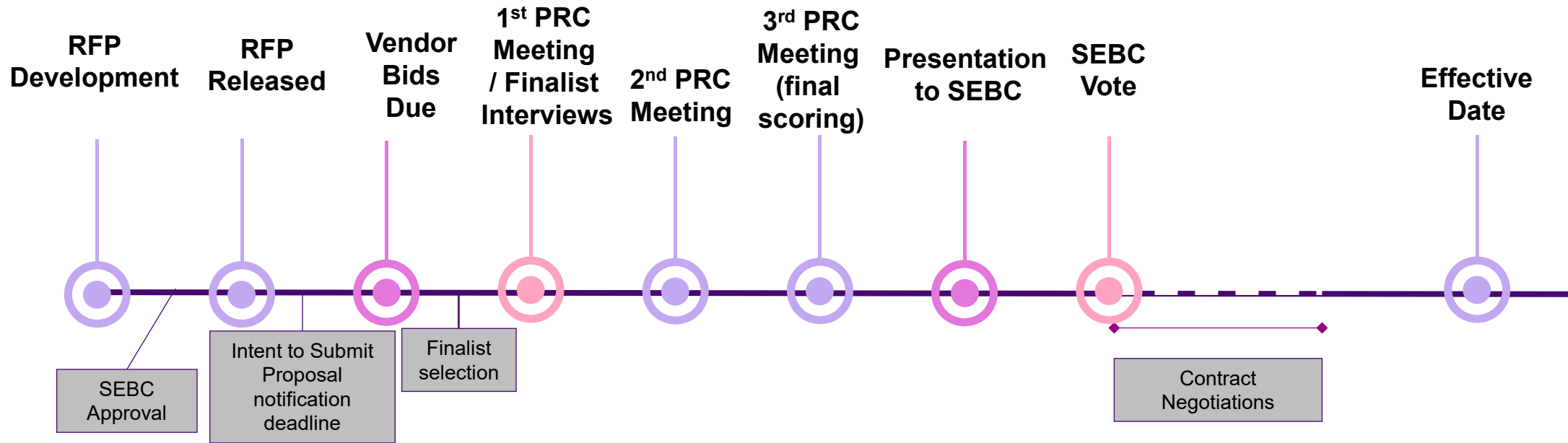
Upcoming RFPs in CY2025 Contract Effective 7/1/2026

- Life Insurance (target release: Spring 2025)
- Pharmacy Benefit Manager (PBM) Services (target release: Spring 2025)
- Vision Insurance (target release: Summer 2025)
- Health Data Warehouse (target release: Summer 2025)

Upcoming RFPs in CY2026 Contract Effective 7/1/2027

- Medical Third-Party Administration Services
- Dental Insurance
- Consulting & Actuarial Services

RFP high level process flow



Each RFP follows this standard process.

Throughout 2025, the five RFPs mentioned on the prior slide will all require Proposal Review Committee (PRC) designees and participation that the SEBC needs to plan for. A PRC is established for each RFP and is comprised either the SEBC member or an individual selected by the SEBC member.

PRC roles and responsibilities in the RFP process

Reviewing RFP responses and follow-up Q/A provided by the SBO

This provides the PRC the necessary background information to ensure they're prepared with a general understanding of the RFP itself as well as the ability to engage and ask questions about whether vendor's responses meet those requirements and challenge where they do not.

Participating in the vendor interviews

Following the above independent review and discussions with the SBO and WTW, it's important to come prepared to these interviews with questions and take notes on what stands out per vendor (positive and negative).

Scoring the vendors

Focus on completeness of the vendor's responses in comparison to the RFP requirements and/or questions asked, focus on experience and demonstrated understanding of the contract requirements outlined, being consistent in scoring across vendors, and being objective and free from bias.

Asking questions

In preparation for each session, during interviews, and following each session, the PRC should do their best to ensure they have all the answers they need from the vendors in order to prepare for their scoring / recommendations to the SEBC. If they do not feel they have enough information, they should raise questions throughout the process to the SBO, which will be coordinated through the Q&A with each vendor.

Recommendation to the SEBC

Following discussions where the PRC have the opportunity to talk through their scores as well as adjust scores if necessary, they work together to develop a recommendation for the SEBC. Then, once agreed upon, this is written up and presented to the SEBC for their vote.