



## State Employee Benefits Committee (SEBC)

### Responsibilities

February 21, 2025



# SEBC Responsibilities

- The SEBC is established in [Title 29, Chapter 96](#) of the Delaware Code.
- The SEBC has control and management of all employee benefit coverage including health care insurance, group life insurance, and all other currently existing and future employee benefit coverage, including but not limited to all forms of flexible and supplemental benefits, dental, vision, prescription, and disability coverage.
- The SEBC also has control and management of all retiree benefit coverage including health care insurance, as well as dental and vision coverage for non-Medicare and Medicare pensioners.
- The SEBC selects all carriers or third-party administrators necessary to provide coverage to State employees and retirees, enters into contracts for the purpose of general administration of employee benefits, determines if contracts are fully insured or self insured, and adopts rules and regulations for the general administration of employee benefits.
- The SEBC is responsible for administering appeals related to non-Medicare health and prescription plan coverage and short-term disability benefits.

# SEBC Responsibilities (Continued)

- Beginning January 1, 2025, the SEBC must approve a Request for Proposals (RFP) to select a carrier or third-party administrator for the health care insurance plan for State employees or eligible pensioners during an open meeting.
  - The draft RFP must be included with the meeting notice and agenda.
  - The SEBC must provide a “meaningful” opportunity for public comment before voting on whether to approve an RFP to select a carrier or third-party administrator for the health care insurance plan for State employees or eligible pensioners.
- SEBC leadership is responsible for setting meeting agendas, incorporating priority items from Committee members and the SBO.
- The SEBC must comply with Freedom of Information Act (FOIA) requests as required by [Title 29, Chapter 100](#) of Delaware Code.
  - The SBO handles the administrative facets and technicalities of these requests, though Committee members should familiarize themselves with the standard requirements.

# SEBC Responsibilities (Continued)

- SEBC and Subcommittee members must follow the Delaware Code of Conduct as an Honorary State Official, bound by [Title 29, Section 5806](#) of Delaware Code.
  - Conduct themselves in a way which will not raise suspicion among the public that they are violating the public trust or that reflect unfavorably upon the State.
  - Cannot incur any obligation of any nature which is in substantial conflict with the proper performance of such duties in the public interest.
  - No gifts.
- SEBC and Subcommittee members are also bound by “Prohibitions relating to conflicts of interest”, [Title 29, Section 5805](#) of Delaware Code.
  - Members cannot represent a private enterprise with respect to any matter before the State.
  - For 2 years after termination of appointment, members cannot represent a private enterprise before the State with respect to matters responsible in their role.

# 2025 Critical Items Timeline

## January

- No Meetings

## February

- SEBC Structure, Responsibilities, and Financial Update
- Discussion on Health Plan Premium Approach (Smoothing vs. Not Smoothing)
- OMB Statewide Financial Update
- Election of Vice-Chair

## March

- Review and Vote on Health Plans Rates for FY26
- Review and Vote on any Benefit Design Changes for FY26
- CVS Market Check Results
- Review Scope of Work for PBM and Vision RFPs
- Vote on Life Insurance RFP

## April

- Review Audit RFP PRC Recommendation
- Review PBM RFP
- Develop FY26 SEBC Work Plan
- Review FY23 Health and Pharmacy Plan Audit Results

## May

- Vote on PBM RFP
- Vote on Audit PRC Recommendation
- Review Vision RFP
- Review Scope of Work for Health Data Warehouse RFP
- Review FY24 Strategic Plan Results
- Develop FY26 SEBC Work Plan
- Review Bi-annual Diabetes Dashboard

## June

- Vote on Vision RFP
- Review Health Data Warehouse RFP
- Develop FY26 SEBC Work Plan
- Review FY26 GHIP Trend Assumptions

## July

- Vote on Health Data Warehouse RFP
- Vote on FY26 GHIP Trend Assumptions
- Review CVS Prescription Plan Insights for FY25
- 153<sup>rd</sup> General Assembly Legislative Review

## August

- Vote on Health Data Warehouse RFP
- Review PRC Award Recommendations for Life Insurance Contract
- Review FY26 GHIP Budget and Projections

## September

- Vote on Life Insurance Contract Award
- Vote on FY26 GHIP Budget

## October

- Review PRC Award Recommendations for PBM Contract
- Reciprocity Health Pilot Program – 6-month Progress Report
- Strategic Planning

## November

- Vote on PBM Contract Award
- Review PRC Award Recommendations for Vision Contract
- Office of the Pensions – OPEB Valuation Update
- Review Bi-Annual Diabetes Dashboard
- Strategic Planning

## December

- Vote on Vision Contract Award
- Review PRC Award Recommendations for Health Data Warehouse Contract
- Vote on FY26 – FY29 Strategic Plan

# SEBC Work Plan

- The SBO recommends the SEBC develop a Work Plan to determine what items they would like to continue exploring through FY26, potentially allocating research and recommendations to the Subcommittees.

# Thank You



Website: [de.gov/statewidebenefits](https://de.gov/statewidebenefits)

Email: [SEBC@delaware.gov](mailto:SEBC@delaware.gov)



Appendix





# SEBC Subcommittees

- On September 24, 2018, the SEBC passed a [Resolution](#) to create two advisory boards: the Financial Subcommittee and the Health Policy & Planning Subcommittee. This Resolution was modified by the SEBC on April 17, 2023.
- The purposes of these Subcommittees are to study and make recommendations to the SEBC on matters concerning financial and health policy aspects of the Group Health Insurance Plan (GHIP).
- These Subcommittees **do not** have decision-making authority. Subcommittees can only make recommendations that, depending on the recommendation, require further action by either the SEBC, Governor, and/or General Assembly.
- The members of the Financial Subcommittee and Health Policy and Planning Subcommittee are appointed by the chair and vice-chair of the SEBC from the persons nominated by the SEBC members.
- Per [HB282 with HA 1, HA 2, and SA 1](#), the chair of the Financial Subcommittee and Health Policy and Planning Subcommittee must be a voting member of the SEBC. Appointed members of the Financial and Health Policy and Planning Subcommittees may attend meetings through a designee.

# SEBC Subcommittees (Continued)

- On January 26, 2023, Governor Carney signed [SB29 with SA 1](#), establishing a Retiree Healthcare Benefits Advisory Subcommittee (RHBAS).
- The RHBAS is made up of the following members:
  - The Lt. Governor, Insurance Commissioner, OMB Director, DHR Secretary, Secretary of Finance
  - One member of each caucus of the Delaware House of Representatives appointed by the Speaker of the House, one member of each caucus of the Delaware State Senate appointed by the President Pro Tempore
  - One retired state employee from each County and one representative of a union of state employees appointed by the Governor
  - One representative of a union of state employees appointed by the Speaker of the House and one representative of a union of state employees appointed by the President Pro Tempore of the Senate.
- The Lt. Governor serve as chair, and the members of the majority caucus from the House of Representatives and the Senate serve as co-vice chairs of the Subcommittee.
- Appointed members **may not** attend Subcommittee meetings through a designee.

# SEBC Subcommittees (Continued)

- The RHBAS was charged with:
  - Receiving public comment on current and future State retiree healthcare benefits
  - Analyzing Medicare Advantage plans
  - Evaluating the implications of extending the existing Medicare Supplement plan
  - Evaluating options for continuing to provide retiree healthcare benefits in a fiscally sustainable way
  - Issuing findings and recommendations to the Governor and the General Assembly<sup>1</sup>
- The [Report of Recommendations](#) was provided to the Governor and the General Assembly in December 2023. The recommendations detailed in this report were instrumental in many legislative changes that occurred in 2024 (see appendix).

*<sup>1</sup>The RHBAS has decision making authority regarding all findings and recommendations provided to the Governor and General Assembly.*

# Recent SEBC Decisions

- In 2023, the SEBC voted to begin providing coverage for weight loss medications under the State's pharmacy benefit through CVS Caremark for non-Medicare prescription plan participants effective July 1, 2023. This decision was made to support State of Delaware health plan members in their weight management efforts.
- In November 2023, the SEBC voted to approve revisions to the GHIP Eligibility and Enrollment (E&E) rules which included eliminating the 90-day waiting period for newly hired benefit eligible employees to receive state share contributions for health benefits as mandated by HB185 of the 152nd General Assembly.
- In March 2024, the SEBC voted to approve a 27% health plan premium (rate) increase effective July 1, 2024, for active employees and non-Medicare retirees and January 1, 2025, for Medicare retirees. Premium increases were required to help cover significantly higher medical and pharmaceutical costs and to address a projected \$232.1 million deficit in the Group Health Insurance Fund.
- In March 2024, the SEBC voted on the following benefit changes:
  - The SEBC voted to discontinue COVID-19 benefit enhancements
  - Numerous changes were made to non-Medicare health plans related to the Mental Health Parity and Addiction Equity Act (MHPAEA)
  - Select women's health benefit enhancements were approved for non-Medicare health plans (including coverage for cooling caps, mastectomy bras, and wig/hair pieces)

# Recent SEBC Decisions (continued)

- The SEBC awarded Highmark Delaware the Medicare Supplement Plan contract for an initial two-year term (beginning 1/1/2025) with an optional one-year renewal period.
- In May 2024, the SEBC approved revisions to the Disability Insurance Program (DIP) rules and regulations as recommended by the Health Policy and Planning Subcommittee.
- In June 2024, the SEBC voted to reduce the plan year annual out-of-pocket maximum for GHIP Medicare retirees from \$2,100 to \$2,000 for the Part D drug benefit beginning 1/1/2025.
- In June 2024, the SEBC approved a one-year contract extension with Securian Financial for the Group Universal Life (GUL) benefit. This benefit will go out to RFP in Spring 2025.
- In November 2024, the SEBC approved an incentive-based diabetes prevention pilot program through Highmark and Reciprocity Health. This pilot will become available to qualified employees in Spring 2025.
- In December 2024, the SEBC voted to award the following vendors for benefit program administration with contracts set to begin July 1, 2025:
  - Employee Assistance Program: Voted to begin contract negotiations with Health Advocate
  - Group Accident and Critical Illness Insurance: Voted to begin contract negotiations with Securian (incumbent)
  - Flexible Spending Account (FSA), Pre-Tax Commuter, and COBRA Administration: Voted to begin contract negotiations with ASI Flex (incumbent)

# House Bill 281 with HA 3 and SA 1

- **Bill Summary:** Repeals the option in current Delaware Code of providing health care insurance to State of Delaware pensioners under Medicare part C, known as a Medicare Advantage Plan.
- **Effective Date:** 6/26/2024
- **FY26 Estimated Cost:** \$0.00 (Undeterminable missed savings)

# HB 282 with HA 1, HA 2, and SA 1

- Removes the Delaware retiree appointed by the Governor and adds 2 members who are Delaware residents eligible to receive health care insurance under Chapter 52 of Title 29 under a pension or retirement plan.
  - The President Pro Tempore of the Senate and the Speaker of the House of Representatives each appoint 1 of these members.
- Changes the SEBC co-chairs to the Director of the Office of Management and Budget, serving as chair and the vice-chair elected annually by the members of the Committee.
  - The vice-chair must be a voting member of the Committee and may not be a cabinet secretary or hold a position of equivalent rank in the executive branch.

# HB 282 with HA 1, HA 2, and SA 1 (continued)

- SEBC members:
  - The Lieutenant Governor (or designee)
  - The Insurance Commissioner (or designee)
  - The Chief Justice of the Supreme Court (or designee)
  - The State Treasurer (or designee)
  - The Director of the Office of Management and Budget (or designee) (Committee Chair)
  - The Controller General (non-voting member) (or Deputy Controller General as designee)
  - The Secretary of the Department of Human Resources (or designee)
  - The Secretary of Health and Social Services (or designee)
  - Two Union Leaders or their designees, one member appointed by the President Pro Tempore of the Senate and one member appointed by the Speaker of the House of Representatives
  - Two residents of this State who are eligible pensioners (retirees), one member appointed by the President Pro Tempore of the Senate and one member appointed by the Speaker of the House of Representatives
- Allows members to appoint a designee by notifying the co-chairs in writing



# HB 282 with HA 1, HA 2, and SA 1 (continued)

- If the SEBC or a subcommittee is holding a virtual meeting, the chair or vice-chair must attend at the anchor location (previously, any member of the SEBC or subcommittee could attend in-person at the anchor location).
- The chair of a subcommittee must be a voting member of the SEBC.
- The SEBC must approve a Request for Proposals (RFP) to select a carrier or third-party administrator for the health care insurance plan for State employees or eligible pensioners during an open meeting and that the draft RFP must be included with the meeting notice and agenda.
- The SEBC must provide a “meaningful” opportunity for public comment before voting on whether to approve an RFP to select a carrier or third-party administrator for the health care insurance plan for State employees or eligible pensioners.

# HB 282 with HA 1, HA 2, and SA 1 (continued)

- **Effective Date:** 1/1/2025
- **FY26 Estimated Cost:** \$0.00

# HB 330 with HA 1

- **Bill Summary:** Requires the General Assembly to set aside 0.50% of annual payroll in the Fiscal Year 2026 budget for the OPEB Trust Fund and to increase this percentage incrementally by 0.25% of payroll every year until such time as all annual contributions to the OPEB Trust Fund reach the actuarially-determined Annual Required Contribution – similar to how the State’s pension fund is funded.
- **Action Taken:** Signed by the Governor on 9/30/2024
- **Effective Date:** 9/30/2024
- **FY2026 Estimated Costs:** \$4.2M

# HB 375

- **Bill Summary:** Makes changes to the percentage of state share paid by the State for eligible pensioners hired on or after 1/1/2025.\*

## State Share percentages for those hired by 12/31/2024

- Less than 15 years of service: 0%
- 15 years to less than 17.5 years of service: 50%
- 17.5 years to less than 20 years of service: 75%
- 20 years or more service: 100%

## State Share percentages for those hired on or after 1/1/2025

- Less than 15 years of service: 0%
- 15 years to less than 20 years of service: 50%
- 20 years to less than 25 years of service: 75%
- 25 years or more service: 100%

- **Effective Date:** 1/1/2025
- **FY26 Estimated Cost:** \$0.00 (No savings to the State before 2040/Impact of change will be factored into the OPEB Liability)

\*This change would not apply to state employees who are subject to a mandatory retirement requirement

# HB 376

- **Bill Summary:** The State group health insurance program must include a pensioner Coordination of Benefits (COB) policy for eligible pensioners who were first employed by the State on or after 1/1/2015 and are eligible for health care coverage through their employer. This policy must be comparable to the existing spousal COB policy. This bill also codifies the existing spousal COB policies for the GHIP.
- **Effective Date:** Effective Upon Signature
- **FY26 Estimated Cost:** \$70,000 for 1 FTE (SBO has requested funding for this position in the DHR FY26 budget).

# HB 377

- **Bill Summary:** Requires that the State continue to offer eligible pensioners first employed by the State as a regular officer or employee before 1/1/2025, a plan that is comparable to the current Special Medicfill Medicare Supplement plan; for eligible pensioners first employed on or after 1/1/2025, the State may offer different Medicare supplement plans that are not high deductible plans.
- **Effective Date:** Effective Upon Signature
- **FY26 Estimated Cost:** \$0.00 (future fiscal impacts likely but currently indeterminable).

# HB 475

- **Bill Summary:** Amended the Delaware Code to provide that certain escheat funds accumulating in a prior fiscal year in excess of funds needed for extraordinary escheat claims may be deposited to the OPEB Trust Fund.
- **Action Taken:** Signed by the Governor on 6/30/2024
- **Effective Date:** 6/30/2024