



**MINUTES FROM THE MEETING OF THE STATE EMPLOYEE BENEFITS COMMITTEE  
MARCH 21, 2025**

The State Employee Benefits Committee (the “Committee”) met at 2:00 p.m. on March 21, 2025.  
The meeting was held virtually and in person at 841 Silver Lake Boulevard, Suite 200, Dover, DE 19904.

*Committee Members Represented or in Attendance:*

Director Brian Maxwell, Office of Management & Budget (“OMB”), SEBC Chair  
Brennon Fountain, Deputy State Treasurer, State Treasurer Colleen Davis Designee, Office of the State Treasurer (“OST”), Vice Chair  
Secretary Yvonne Gordon, Department of Human Resources (“DHR”)   
Evelyn Nestlerode, Deputy State Court Administrator Chief Financial Officer, Chief Justice of the Supreme Court  
Collins Seitz Designee, Administrative Office of the Courts (“AOC”)   
Lieutenant Governor Kyle Gay, Office of the Lt. Governor  
Steven Costantino, Director of Healthcare Reform, Secretary of the Department of Health & Social Services (“DHSS”) Designee  
Jeff Taschner, Executive Director, Delaware State Education Association (“DSEA”)   
Commissioner Trinidad Navarro, Insurance Commissioner, Department of Insurance (“DOI”)   
Paul Baumbach, President of the Delaware State Troopers Association (“DSTA”) Designee  
Karen Peterson, State Retiree  
Bill Oberle, State Retiree  
Controller General Ruth Ann Miller, Office of the Controller General (“OCG”) – Non-Voting Member

*Others in Attendance*

Director Faith Rentz, SBO, DHR  
Deputy Director Leighann Hinkle, SBO, DHR  
Stephanie Hartos, SEBC and SEBC Subcommittee  
Manager, SBO, DHR  
Pamela Barr, SBO, DHR  
Brittany Ford, SBO, DHR  
Ashli Warman, SBO, DHR  
Dawn Warman, SBO, DHR  
Michelle Whalen, Deputy Attorney General, DOJ,  
SEBC Legal Counsel  
Cherie Dodge Biron, Director, Financial &  
Administrative Services, DHR  
Ashley Blok, Communications Director, DHR  
Stephenie Tatman, Deputy Pension Administrator,  
Office of Pensions (“OPen”)   
Jaclyn Iglesias, Willis Towers Watson (“WTW”)   
Kant Khatri, WTW  
Michelle Gast, WTW  
Brian Stitzel, WTW  
Brian Holloran, WTW  
Michael Mallan, WTW  
Sarah Tarnish, WTW  
Tyler Vanagas, WTW

Mark Ciocca, WTW  
Walter Mateja, Merative  
Ann Visalli, Deputy Director, OMB  
Andrea Godfrey, Deputy Director of Budget  
Development and Planning, OMB  
Michelle Carpenter, HRIS Manager, PHRST, OMB  
John Greenage, IT Director, DTI  
Julie Caynor, Aetna  
Jennifer Moyer, Aetna  
John Gadzinski, Highmark Delaware  
Wendy Beck, Highmark Delaware  
Randall Bryniarski, CVS Health  
Charlene Hrivnak, CVS Health  
Carrie Schiavo, Delta Dental  
Paula Roy, Roy & Associates  
Kristal Diaz, OPen  
Kylie Taylor-Roberts, OMB  
Mark Brainard, Lt. G. Office  
Sarah Stowens, Lt. G. Office  
Daniel Madrid, DOF  
Angela Taylor, DHSS  
MaryPat Fitzpatrick, NCC Superior Court  
Lisa Robinson, NCC Superior Court

**STATE OF DELAWARE STATEWIDE BENEFITS OFFICE**

Jules Villecco, DHA  
Christina Bryan, DHA  
Gisela McKenzie  
Teresa Doggett  
Brian Frazee  
Naomi Poole  
Barbara Philbin  
Lynda Hastings  
Bob Clarkin  
Gloria James  
Rebecca Scarborough  
Steve LePage

Mike Kempinski  
Dale Swain  
Mary Graham  
Nancy Schuman  
Elisa Diller  
Jake Owens  
Nancy Colley  
Tanner Polce  
Tom Pledgie  
Amber Cahill, SBO, DHR – Recorder, State  
Employee Benefits Committee and  
Subcommittees

**CALLED TO ORDER – DIRECTOR BRIAN MAXWELL, OMB**

Director Maxwell officially called the meeting to order at 2:02 p.m.

**APPROVAL OF MARCH 07, 2025 SEBC MINUTES – DIRECTOR BRIAN MAXWELL, OMB**

A MOTION was made by Steven Costantino and seconded by Karen Peterson to approve the public session minutes from the March 7, 2025 meeting of the State Employee Benefits Committee (SEBC).

Abstentions – Jeff Taschner, Evelyn Nestlerode

MOTION ADOPTED UNANIMOUSLY.

**STATEWIDE BENEFITS OFFICE DIRECTOR’S REPORT – DIRECTOR FAITH RENTZ, SBO**

Director Rentz provided several updates to SEBC members which included a status update for the Reciprocity Health TheraPay diabetes prevention pilot program, FY26 contracting and amendments, participating group updates, and employee surveys for life insurance and vision plan benefits.

In November 2024, the SEBC approved a 100-person diabetes prevention pilot program for eligible Highmark Delaware State employees. This 12-month program offers eligible employees an opportunity to complete defined activities through the YMCA diabetes prevention program (DPP) and earn financial rewards up to \$275. The anticipated launch date is April, 2025, and a few minor adjustments were made to the timeframe for activity completion, though no changes were made to the activities or reward amounts.

Negotiations have been initiated for contracting and amendments on all benefit programs for the FY26 plan year. The Delta Dental and Dominion National dental plans will include a 3% premium rate increase as agreed upon in the initial contract for year 4. There are no changes in premiums for the EyeMed plans, however, SEBC members will have the ability to approve potential plan design modifications at today’s meeting. The one-year extension on the Securian Group Universal Life (GUL) insurance contract has been completed, which includes a slight decrease in employee rates in accordance with approvals by the SEBC in 2024. SBO continues to negotiate new contracts from the 2024 request for proposals (RFPs), which include Securian’s accident and critical illness, ASI’s flexible spending account (FSA), pre-tax commuter benefit and COBRA, and Health Advocate’s employee assistance program (EAP).

SBO has received termination letters from the following participating groups: University of Delaware (medical effective July 1, 2025 for active employees and non-Medicare retirees and January 1, 2026 for Medicare retirees), Five Points Fire Company (medical, dental, and vision effective July 1, 2025), Wilmington Manor Volunteer Fire Company (medical and dental effective July 1, 2025), and the City of Milford (medical and dental effective July 1, 2025). The following participating groups who are currently enrolled in the State’s medical plan have submitted their intent to opt-in to the State’s vision plan: Town of Bridgeville (also enrolled in dental), Town of Millville (also enrolled in dental), and the City of New Castle.

Director Maxwell requested a standing agenda item be added on future March SEBC agendas to discuss changes to the participating groups for the Group Health Insurance Program (GHIP).

At the request of the SEBC in 2024, State employees received a brief training and preference survey on life insurance benefits. The survey will close on March 31, 2025 and a reminder email will be sent to employees on March 24, 2025. Participation is very low with 3% for enrolled employees and 1% for eligible but not enrolled employees. Additionally, SBO released a vision preferences survey for the upcoming vision RFP. This survey closed with 12% participation from benefit eligible and enrolled employees. Both surveys will be reviewed and discussed with the Proposal Review Committee (PRC) for upcoming RFPs.

#### **FEBRUARY 2025 FUND REPORT AND FINANCIAL UPDATE – BRIAN STITZEL, WTW**

Brian Stitzel presented the February 2025 fund reports and FY25 budget projections versus actual experience through February 2025. Employee premium contributions were below budget. Other revenues were significantly worse than budget due to a timing issue with the CVS Commercial and Employer Group Waiver Plan (EGWP) rebates, which were expected in February but received in March. Claims ran about \$5.2M worse than budget due to higher than expected Highmark claims; expenses ran better than budget due to lower than expected program and Administrative Services Only (ASO) fees. The overall FY25 budget is running approximately \$2M better than projected and reflects the upcoming shared savings payment to Highmark.

GLP-1 claims for weight loss trended slightly down in February with a 4% decrease; overall weight loss GLP-1 experience is running slightly better than projections by about \$2.3M.

Paul Baumbach asked when WTW would be able to measure GLP-1 effectiveness on overall claims experience. Brian Stitzel stated that it would likely be several more years to see any kind of measurable results and outcomes.

Committee members supported the request from Karen Peterson to include an agenda item to discuss GLP-1 utilization at a future SEBC meeting.

#### **FY26 PLANNING CONSIDERATIONS**

##### *Health Plan Premium Considerations – Brian Stitzel, WTW*

Brian Stitzel outlined long-term projections, premium rate increase scenarios, and potential impacts of each scenario through FY29 for all groups combined (actives, non-Medicare retirees, and Medicare retirees), excluding the University of Delaware (UD) as SBO received confirmation of their withdrawal from the GHIP. Premium rates for each scenario were presented. Each long-term projection included a premium rate increase scenario to target a \$0 deficit.

Committee members had a discussion on equity within the three groups (active employees, non-Medicare retirees, and Medicare retirees) and determined that a future discussion will occur on this topic.

*Lieutenant Governor Gay arrived in-person to the meeting at 2:40pm.*

Karen Peterson does not support a premium rate increase for Medicare retirees and addressed potential legality issues related to the surplus generated from the Medicare retirees Group Health Insurance Plan (GHIP) experience and the overcharging of Medicare retirees by 13.6%.

A MOTION was made by Karen Peterson and seconded by Bill Oberle to delay the vote on a premium rate increase by one month during which time WTW will reduce the current Medicare retiree premiums by 13.6% and recalculate the resulting necessary premium increases for active State employees and non-Medicare retirees.

*Discussion on the Motion.*

Lieutenant Governor Gay requested the SEBC's Deputy Attorney General (DAG) to provide an opinion on the allegation that the design of the State's GHIP violates state law. DAG Michelle Whalen stated that it is premature to make a conclusory statement that the current structure violates the law. Brian Stitzel confirmed that the funds that are coming from the OPEB trust fund are used solely to pay applicable premiums for Medicare and non-Medicare retirees.

Director Costantino provided clarity on the reason why governments use group or community ratings and stated that groups with high cost claimants would see large increases in premiums and eventually make premiums unaffordable. Community ratings allow all groups to have access to affordable health insurance for each individual.

Director Faith Rentz informed SEBC members that there is not sufficient time to delay the vote on rates for FY26 health plan premiums as SBO has a deadline of March 25, 2025 to send communications to the print vendor for the upcoming open enrollment. If SBO misses this deadline, eligible plan members will not receive open enrollment communications on time. Director Rentz asked that if SEBC members are unable to come to a decision on a health plan premium rate increase at today's meeting, to vote to maintain the current existing rates as they are, specific to active employees and non-Medicare retirees.

Karen Peterson withdrew the previous motion.

A MOTION was made by Karen Peterson to leave the current health plan premium rates as they are for FY26. No second on the motion.

A MOTION was made by Paul Baumbach and seconded by Karen Peterson to approve a 5.2% health plan premium rate increase for FY26 for active employees and non-Medicare retirees.

*Discussion on the Motion.*

Committee members had a robust discussion on the motion and addressed concerns such as healthcare pricing in Delaware and potential financial impacts from excluding a group on a premium rate increase. Several SEBC members expressed concerns over this motion and stated that they would not support the motion.

*Voting Yes* – Paul Baumbach, Karen Peterson

*Voting No* – Director Brian Maxwell, Secretary Yvonne Gordon, Commissioner Trinidad Navarro, Lieutenant Governor Kyle Gay, Deputy State Court Administrator Evelyn Nestlerode, Director Steven Costantino, Deputy State Treasurer Brennon Fountain, Jeff Taschner, Bill Oberle

MOTION FAILED.

A MOTION was made by Bill Oberle and seconded by Karen Peterson to maintain the current rates for FY26 as projected at 0%.

*Discussion on the Motion.*

Committee members had a discussion on the motion and addressed concerns that a 0% rate increase for FY26 could compound and may require a larger rate increase for future plan years.

Bill Oberle withdrew the previous motion.

Karen Peterson re-addressed concerns over the legality of the OPEB trust fund spending and requested a response from the attorney general's office. Michelle Whelan stated that based on the information available to the attorney general's office, they are not persuaded that there is a violation of the law as alleged.

A MOTION was made by Commissioner Navarro and seconded by Paul Baumbach to approve a 5.2% premium rate increase for active employees, non-Medicare retirees and Medicare retirees for FY26.

*Voting Yes* – Commissioner Trinidad Navarro, Paul Baumbach

*Voting No* – Director Brian Maxwell, Secretary Yvonne Gordon, Lieutenant Governor Kyle Gay, Deputy State Court Administrator Evelyn Nestlerode, Director Steven Costantino, Deputy State Treasurer Brennon Fountain, Jeff Taschner, Bill Oberle, Karen Peterson  
MOTION FAILED.

A MOTION was made by Paul Baumbach and seconded by Commissioner Navarro to approve a 4.2% premium rate increase for all groups.

*Discussion on the Motion.*

Committee members had a discussion on the motion regarding whether the vote was based on approving the premium rate increase for one or three years. Brian Stitzel clarified that the smoothing approach is just a technique used to determine a single year rate action and can be re-smoothed each year, meaning the vote on rates is just for one year and will be revisited in subsequent years.

*Voting Yes* – Commissioner Trinidad Navarro, Paul Baumbach, Director Brian Maxwell, Secretary Yvonne Gordon, Lieutenant Governor Kyle Gay, Deputy State Court Administrator Evelyn Nestlerode, Director Steven Costantino, Deputy State Treasurer Brennon Fountain

*Voting No* – Jeff Taschner, Bill Oberle, Karen Peterson  
MOTION ADOPTED.

*EyeMed Vision Plan Enhancements – Deputy Director Leighann Hinkle, SBO*

Deputy Director Leighann Hinkle provided a recap of the proposed enhancements to the EyeMed vision high and low plans for FY26 and provided member impact of changes as a follow-up from the March 7, 2025 meeting. The proposed enhancements are specific to the copay structure for premium tier 4 progressive lens coverage and premium tier 3 anti-reflective coating coverage.

*Securian Accident and Critical Illness Insurance Enhancements – Deputy Director Leighann Hinkle, SBO*

Deputy Director Leighann Hinkle provided a recap of the proposed enhancement to the Securian accident and critical illness insurance benefit. Securian offered an enhancement for the \$50 health and wellness benefit which would allow for the benefit to be paid once per year, per plan for each enrolled dependent child regardless of the number of dependent children covered. This enhancement will not impact rates for the duration of the contract.

A MOTION was made by Karen Peterson and seconded by Director Steven Costantino to approve the proposed enhancements to the EyeMed vision high and low plans and the Securian accident and critical illness insurance benefit.

*Voting Yes* – Commissioner Trinidad Navarro, Paul Baumbach, Director Brian Maxwell, Secretary Yvonne Gordon, Lieutenant Governor Kyle Gay, Deputy State Court Administrator Evelyn Nestlerode, Director Steven Costantino, Deputy State Treasurer Brennon Fountain, Jeff Taschner, Bill Oberle, Karen Peterson

MOTION ADOPTED UNANIMOUSLY.

**PHARMACY BENEFIT MANAGER (PBM) REQUEST FOR PROPOSALS (RFP) – OVERVIEW**

Agenda item was deferred due to time constraints.

**LIFE INSURANCE BENEFIT REQUEST FOR PROPOSALS (RFP) – JACLYN IGLESIAS, WTW**

Jaclyn Iglesias reviewed feedback from SEBC members on the life insurance RFP and detailed additional changes that were incorporated into the draft of the RFP, which was posted one week prior to the meeting. SEBC members were asked to vote on the final life insurance RFP. Additionally, SBO will compile employee survey responses and provide survey results to the Proposal Review Committee (PRC).

A MOTION was made by Karen Peterson and seconded by Jeff Taschner to approve the life insurance benefit RFP as discussed at today's meeting.

*Voting Yes* – Commissioner Trinidad Navarro, Paul Baumbach, Director Brian Maxwell, Secretary Yvonne Gordon, Lieutenant Governor Kyle Gay, Deputy State Court Administrator Evelyn Nestlerode, Director Steven Costantino, Deputy State Treasurer Brennon Fountain, Jeff Taschner, Bill Oberle, Karen Peterson  
MOTION ADOPTED UNANIMOUSLY.

#### **VISION BENEFIT REQUEST FOR PROPOSALS (RFP) – SCOPE OF WORK**

Agenda item was deferred due to time constraints.

#### **SEBC PLANNING – FUTURE AGENDA ITEMS**

Bill Oberle asked about the timeframe for the PBM contract and if it could be deferred. Director Rentz stated that the timeframe to release the PBM RFP is June 2025 and asked the Committee to consider making this topic a priority at the April meeting. Committee members continued to discuss options for the PBM contract such as a reverse auction and noted that discussions have begun with Delaware's Government Support Services (GSS) and other groups regarding reverse auctions.

Stephanie Hartos asked Committee members to review the vision scope of services and to provide any feedback prior to the April meeting so feedback can be incorporated.

Steven Costantino commented about the dental benefit and asked if the Committee could look into including a plus plan along with regular dental plan options. Director Rentz stated that discussions have started on the dental benefit and will note this as a follow-up.

Director Rentz stated that the Statewide Benefits Office will continue discussions with the Department of Justice related to the OPEB Trust fund.

#### **PUBLIC COMMENT**

Committee members received several written public comments that were received by the Statewide Benefits Office. Members of the public provided comment on agenda items related to the GHIP financials, upcoming RFPs, and pharmacy benefits. Additionally, a member of the Delaware Healthcare Association provided comment on the rising costs of State's healthcare systems and encouraged SEBC members to collaborate with stakeholders to address healthcare affordability and improve health outcomes.

#### **OTHER BUSINESS**

No other business.

#### **ADJOURNMENT**

A MOTION was made by Karen Peterson and seconded by Jeff Taschner to adjourn the public session at 4:28 p.m.  
MOTION ADOPTED UNANIMOUSLY.

Respectfully submitted,

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Carole Mick, Executive Secretary, Statewide Benefits Office, Department of Human Resources,  
Recorder, State Employee Benefits Committee, and Subcommittees