

**MINUTES FROM THE MEETING OF THE STATE EMPLOYEE BENEFITS COMMITTEE**  
**May 30, 2025**

The State Employee Benefits Committee (the “Committee”) met at 1:00 p.m. on May 30, 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  
State Treasurer Colleen Davis, Office of the State Treasurer (“OST”), Vice Chair  
Secretary Yvonne Gordon, Department of Human Resources (“DHR”)   
Ashley Tucker, Deputy State Court Administrator, Chief Justice of the Supreme Court Collins Seitz Designee, Administrative Office of the Courts (“AOC”)   
Steven Costantino, Director of Healthcare Reform, Secretary of the Department of Health & Social Services (“DHSS”) Designee  
Lieutenant Governor Kyle Gay, Office of the Lt. Governor  
Jeff Taschner, Executive Director, Delaware State Education Association (“DSEA”)   
Commissioner Trinidad Navarro, Insurance Commissioner, Department of Insurance (“DOI”)   
Karen Peterson, State Retiree Representative  
Bill Oberle, State Retiree Representative  
Controller General Ruth Ann Miller, Office of the Controller General (“OCG”) – Non-Voting Member

*Committee Members Not Represented or in Attendance:*

Paul Baumbach, President of the Delaware State Troopers Association (“DSTA”) Designee

*Others in Attendance*

Director Faith Rentz, SBO, DHR  
Deputy Director Leighann Hinkle, SBO, DHR  
Stephanie Hartos, SBO, DHR  
Kristin Short, SEBC and SEBC Subcommittee Manager, SBO, DHR  
Marie Hartigan, SBO, DHR  
Samantha Mountz, SBO, DHR  
Ashli Warman, SBO, DHR  
Amber Cahill, SBO, DHR  
Deputy Secretary Courtney Hutt, DHR  
Dawn Warman, DHR  
Michelle Whalen, Deputy Attorney General, DOJ, SEBC Legal Counsel  
Cherie Dodge Biron, Director, Financial & Administrative Services, DHR  
Michele Williams, Financial & Administrative Services, DHR  
Heather Johnson, Controller, DHR  
Madison Emeigh, DHR  
Stephenie Tatman, Deputy Pension Administrator, Office of Pensions (“OPen”)   
Hope Manion, Willis Towers Watson (“WTW”)

Kant Khatri, WTW  
Michelle Gast, WTW  
Brian Stitzel, WTW  
Brian Holloran, WTW  
Kristin McKee, WTW  
Sunny Kelkar, WTW  
Dave Orendorf, WTW  
Eric Poston, Merative  
Walter Mateja, Merative  
Michelle Carpenter, HRIS Manager, PHRST, OMB  
Andrea Godfrey, Deputy Director of Budget Development and Planning, OMB  
Senator Ray Seigfried, Delaware State Senator, LegHall  
Robert Scoglietti, Deputy Controller General, OCG  
Evelyn Nestlerode, Deputy State Court Administrator & CFO, AOC  
Laura Rowe, DSEA  
Julie Caynor, Aetna  
Leah White, Aetna  
John Gadzinski, Highmark Delaware  
Wendy Beck, Highmark Delaware  
Pamela Price, Highmark Delaware

---

**STATE OF DELAWARE STATEWIDE BENEFITS OFFICE**

841 Silver Lake Boulevard, Suite 100, Dover DE 19904 (D620E)

Phone: 1-800-489-8933 • Fax: (302) 739-8339 • Email: [benefits@delaware.gov](mailto:benefits@delaware.gov) • Website: [de.gov/statewidebenefits](http://de.gov/statewidebenefits)

Randy Garcia, CVS Health  
Charlene Hrivnak, CVS Health  
Carrie Schiavo, Delta Dental  
Paula Roy, Roy & Associates  
Brennon Fountain, Deputy State Treasurer  
Kristal Diaz, OPen  
Cara Alexander, OMB  
Drecina Fraser, OMB  
Jenn Mile, OMB  
Kevin Myers, Lt. G. Office  
Stephen Cha, DHSS  
Christina Haas, DOI  
Daniel Madrid, DOF  
Christina Tarabicos, DTCC  
Jules Villecco, DHA  
Greg Hyland, Express Scripts  
Nick Stonesifer, Local Journalism Initiative

LeVar Johnson, Novo Nordisk  
Gregg DiPietro, Truveris  
Lincoln Willis, DE League Consultant  
Timothy Lyden, Director, Eli Lilly and Company  
Dr. Neil Hockstein, MD, ENT & Allergy of Delaware  
Tanner Polce  
Brian Tinsley  
Bob Clarkin  
Barbara Philbin  
Nancy Schuman  
Steve LePage  
Mary Graham  
Gloria James  
Carole Mick, 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 1:01 p.m.

**APPROVAL OF APRIL 25, 2025 SEBC MINUTES – DIRECTOR BRIAN MAXWELL, OMB**

A MOTION was made by State Retiree Bill Oberle and seconded by State Retiree Karen Peterson to approve the public session minutes from the April 25, 2025 meeting of the State Employee Benefits Committee (SEBC), with one edit as requested via email by DSTA Representative Paul Baumbach.

Abstentions – Deputy State Court Administrator Ashley Tucker

MOTION ADOPTED UNANIMOUSLY.

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

The Statewide Benefits Office (SBO) received proposals from the following vendors for the Life Insurance Request for Proposal (RFP): Met Life, The Prudential Insurance Company of America, and Securian/Minnesota Life Insurance Company (incumbent). All vendor proposals submitted include pricing for all 4 options outlined in the RFP.

Detailed Open Enrollment changes for plans effective July 1, 2025 will be shared with the SEBC at the July meeting. Employee participation was 83.3% for 2025 compared to 84.2% for 2024.

No changes to the CVS pharmacy preventative schedule effective July 1, 2025, however, Aetna and Highmark preventative schedules will now include coverage for ovarian cancer monitoring tests for women treated for ovarian cancer and annual screening tests for women at risk for ovarian cancer. Additionally, Aetna and Highmark will provide coverage for medically necessary diagnostic and supplemental breast examinations with member coinsurance being no higher than the cost of standard mammography screening. Both changes are the result of bills that were passed in the last legislative session and are effective for the Group Health Insurance Plan (GHIP) on July 1, 2025.

Highmark's preventative schedule includes removal of prior authorization requirements for lung cancer screenings (Aetna not removing) and the addition of coverage for the IPV polio vaccine for adults never vaccinated or with incomplete vaccination (Aetna does not enforce age limits). Highmark will also apply these changes to their book of business (BOB) effective July 1, 2025.

CVS Formulary changes Effective July 1, 2025 will include the exclusion of GLP-1 weight loss drug Zepbound. Preferred options will be Wegovy and Saxenda. This change is part of CVS Caremark's strategy to help create lower

costs while maintaining coverage options under the different therapeutic classes to ensure the lowest net cost on GLP-1s for plans that cover weight loss medications. CVS estimates this change will help create a year-over-year client savings of 10-15% in the anti-obesity medication (AOM) space. CVS has begun notifying GHIP members who will be impacted. Members will have the option to switch to a preferred formulary option, request a formulary exception due to medical necessity or to utilize third-party discounts or copay assistance to bring down the cost of medications not on the formulary.

Commissioner Navarro expressed disappointment with the removal of Zepbound from the CVS formulary and noted that many Committee members have received complaints about this formulary change. Commissioner Navarro requested to have data on cost savings estimates for the 10-15% client savings for this formulary change. A follow-up will be provided.

Per request from State Retiree Karen Peterson, the SEBC will be provided the net dollar amount for Zepbound excluding any rebates.

*Lieutenant Governor Kyle Gay arrived to the meeting at 1:18 p.m.*

EyeMed made SBO aware of additional plan design changes effective for July 1 plan year. These changes are specific to out-of-network (OON) reimbursements and are required to ensure compliance with a new Delaware Department of Insurance (DOI) requirement that the differential between in-network (INN) and OON be no less than 50%. Due to the DOI requirement, the changes do not require SEBC approval. The changes have been incorporated into the EyeMed plan documents and will result in an increased reimbursement when a GHIP member obtains frames, anti-reflective coatings and/or retinal imaging from an OON provider.

For 2025 State of Delaware Medicare Open Enrollment dates have been set for October 20-31, 2025, for the plan year effective January 1, 2026. More details on planning and communications will be discussed with the SEBC in August.

SBO continues working through the negotiation of new contracts with Securian for Accident and Critical Illness Insurance, , Health Advocate for EAP, and ASI for FSA, PTC and COBRA administration effective July 1, 2025 as well as amendments for optional renewal years for other benefit programs with the goal of completing this work by the end of June.

SBO is tracking the following legislation introduced to date in the 153<sup>rd</sup> General Assembly and relate to health benefits and health care administration: Senate Substitute 1 for Senate Joint Resolution 7, House Bill 163, Senate Bill 12 with Senate Amendment 1, Senate Bill 117, Senate Bill 120, Senate Substitute 1 for Senate Bill 134, and House Bill 56. In July, the SBO will provide a detailed report to the SEBC on legislation passed before July 1, 2025.

While not on today's agenda, members are encouraged to submit topics/items for the SEBC work plan to Stephanie Hartos and Kristin Short for discussion at a later meeting.

SEBC members were confidentially provided with Pharmacy Benefit Manager (PBM) administrative fee reporting for the CVS Caremark commercial and SilverScript Employer Group Waiver Plans (EGWP) and an analysis provided by CVS of non-specialty generic drug costs under the CVS commercial plan compared to the Mark Cuban Cost Plus website. Due to the confidentiality of the information contained in these documents, members are asked to refrain from any public discussion of the documents.

#### **SENATE SUBSTITUTE 1 FOR SENATE JOINT RESOLUTION 7 – SENATOR RAY SEIGFRIED, DELAWARE STATE SENATOR, LEGISLATIVE HALL**

Senator Ray Seigfried detailed Senate Substitute 1 for Senate Joint Resolution (SJR) 7, which directs the SEBC to utilize nine specific strategies and policies when interacting and contracting with Pharmacy Benefit Managers

(PBMs) in order to achieve lower cost pharmaceutical drug benefit plans for the State and prepare a report by August 1, 2026 summarizing any difficulties in implementing the policies set forth in SS1 for SJR 7.

Several Committee members shared appreciation for this Resolution but noted concerns over whether the SEBC has enough time to include these strategies in the current draft PBM Request for Proposal (RFP). Lieutenant Governor Kyle Gay stated this Resolution is flexible and allows for the SEBC to include non-compliance due to timing in the report.

### **REQUEST FOR PROPOSALS (RFPS)**

#### *Audit Services RFP – Summary and Recommendations – Michelle Gast, WTW*

Michelle Gast reviewed the summary and recommendation for the audit services RFP which included the background and process for the Medical and Prescription Insurance audit services RFP, high level objectives, RFP timeline, and PRC recommendation.

*Treasurer Davis arrived to the meeting at 2:11 p.m.*

Committee members had a discussion related to the specific details of EGWP and Commercial prescription claims auditing and National Average Drug Acquisition Costs (NADAC) pricing.

### **APPROVAL OF THE AUDIT SERVICES RFP**

A MOTION was made by Director Steven Costantino and seconded by State Retiree Karen Peterson to accept the PRC recommendation to the SEBC as follows:

- That the proposed real time, ongoing review services do not replace the retrospective audits; they would only possibly enhance and complement the retrospective audits.
- That Claims Technology, Inc. (CTI) provides the best value for the State of Delaware for retrospective medical and prescription audit services. It is recommended that the SEBC direct SBO to begin the negotiation of a contract with CTI.
- That SBO include in each retrospective audit scope of services that CTI include specific recommendations as to process and plan design improvements based upon findings and recommendations from each audit.
- That SBO work with CTI to include in the upcoming PBM and TPA RFPs and subsequent vendor contracts, the necessary language to ensure that timely and efficient audits can be conducted. Such points in the PBM and TPA RFPs should include specific deadlines for the PBM/TPA to work with the auditor in effectuating implementation of the awarded contracts and to provide information about claims needed by the auditor.
- Specific to real time, ongoing review services, the PRC has no recommendation for the award of a contract.
- The PRC recommends the SEBC continue to monitor the emerging capabilities of the real time, ongoing review services as they might relate to upcoming PBM and TPA RFPs and contracts and as they might relate to the findings of the GHIP's retrospective audits.
- For the future, the PRC recommends the following:
  - Strengthen the audit rights, in upcoming RFPs and contracts.
  - Consider the administrative and financial impacts to the State, including potential costs imposed by medical third-party administrators and PBMs for additional and ongoing data exchanges as well as the implications of additional compensation to audit vendors conducting real time reviews through retaining a percentage of monies recovered.

*Voting Yes* – Commissioner Trinidad Navarro, Director Brian Maxwell, Secretary Yvonne Gordon, Lieutenant Governor Kyle Gay, Director Steven Costantino, Treasurer Colleen Davis, DSEA Representative Jeff Taschner, State Retiree Bill Oberle, State Retiree Karen Peterson, State Deputy Court Administrator Ashley Tucker

*Not Present* – DSTA Representative Paul Baumbach

MOTION ADOPTED UNANIMOUSLY.

*Vision Benefit RFP – Review of Draft RFP – Michelle Gast, WTW*

Michelle Gast reviewed the draft vision benefit RFP which included some background information on the State's vision benefit, scope of services, high level objectives, considerations to include in the upcoming RFP, and the RFP questionnaire.

Committee members had a discussion related to the vision benefit RFP considerations and discussed the various options for the vision benefit RFP scope of services based on SEBC feedback.

Committee members were asked to provide any feedback to SBO by Friday, June 6, 2025. The SEBC will be asked to vote on the final Vision RFP at the June 27, 2025, meeting.

*Pharmacy Benefit Manager (PBM) RFP – Review of Draft RFP – Brian Holloran & Kristin McKee, WTW*

Brian Holloran and Kristin McKee detailed an opportunity for the SEBC to enhance the definition of minimum bid requirements and presented a comparison of the prior PBM RFP minimum bid requirements to the proposed minimum bid requirements based on SEBC feedback for the upcoming PBM RFP. WTW presented additional considerations to the proposed minimum bid requirements for discussion and feedback from the SEBC.

The SEBC had a robust discussion around the additional considerations presented by WTW and provided several comments related to a carve-out allowance for specialty dispensing and management, Book of Business (BoB) size, years of experience, and NDC-11 rebate reporting inclusion.

Director Costantino asked if any other states carved out specialty drugs to one PBM and the rest to another PBM. WTW will provide a follow-up.

Brian Holloran provided a general overview of the PBM RFP process which included a timeline from the RFP release date to the recommendations of finalists to the SEBC.

Director Brian Maxwell proposed to modify the contract length for the next PBM to a two-year contract with three one-year optional renewals. Several SEBC members showed support for this proposed modification.

State Retiree Bill Oberle commented that the State's template used for RFPs is extremely lengthy and requested a more consolidated overview of the PBM RFP. Stephanie Hartos stated that SBO can provide a full version and a consolidated version. The consolidated version will include the parts of the RFP that can be revised by the SEBC.

Director Maxwell asked the SEBC if they would like to an additional meeting in June to continue discussions on the draft PBM RFP. SEBC Members consented to holding an additional meeting in June. WTW will evaluate SS1 for SJR 7 and the draft PBM RFP to determine how the RFP is including strategies laid out in the Resolution.

*Health Data Warehouse RFP – Scope of Work – Dave Orendorf, WTW*

Dave Orendorf reviewed the scope of work for the health data warehouse RFP which included some background information on the State's Health Data Warehouse, vendor selection considerations, considerations for the upcoming RFP, and proposed RFP objectives.

Director Steven Costantino requested to include in the RFP the ability to evaluate GLP-1 medications for outcomes and overall effectiveness. WTW will include in the RFP.

SBO and WTW will incorporate SEBC feedback into the scope of work and a review of the Health Data Warehouse RFP will occur at the June SEBC meeting. The SEBC will be asked to vote on the final Health Data Warehouse RFP at the July 29, 2025 meeting.

DSTA Representative Paul Baumbach submitted a written request for information on which firms were invited to bid, who submitted a bid for the last RFP, and who is anticipated to be invited to bid for this upcoming RFP.

**FINANCIALS – BRIAN STITZEL, WTW**April 2025 Fund Report and Financial Update

Brian Stitzel presented the April 2025 fund report and FY25 budget projections versus actual experience through April 2025. Employee premium contributions continue to run below budget. Other revenues were lower than budget due to a lower-than-expected EGWPDirect Subsidy. Claims ran significantly worse than budget due to the processing of an extra Highmark invoice paid in April which was budgeted to be paid in May; expenses ran worse than budget due to higher-than-expected program and Administrative Services Only (ASO) fees primarily driven by a Performance Guarantee (PG) payment to Highmark. The overall FY25 budget is running approximately \$4.4M better than projected.

Brian Stitzel reviewed the long-term projections 3-year smoothing approach with the approved 4.2% premium rate increase for FY26 and projected premium rate increases for FY27-FY29.

State Retiree Bill Oberle provided comments regarding the almost \$6M shared savings payment to Highmark and asked about PGs in future medical Third-Party Administrators (TPAs) contracts. Brian Stitzel stated that this PG payout was for FY24. The current contract with Highmark allowed for a PG for FY23 and FY24, there is no PG in place for FY25. PG criteria can be discussed and determined during the RFP. It was noted that the SEBC could assign this discussion topic to a Subcommittee for further exploration.

FY25 Q3 Quarterly Financial Reporting

Agenda item tabled due to time constraints.

**SUBCOMMITTEE RESOLUTION – STEPHANIE HARTOS, SBO, DHR**

Stephanie Hartos provided a recap of the SEBC Resolution to establish the Financial and Health Policy & Planning Subcommittees and presented an amended resolution with SEBC feedback.

State Retiree Karen Peterson provided feedback to the Resolution and requested revising the requirement for the two Delaware retiree members to seek approval of Subcommittee member nominations from the Speaker of the House and the President Pro Tempore of the Senate to replace “and” with “or” to indicate that the Delaware retiree members only need to seek approval from their respective appointer. Additionally, State Retiree Karen Peterson recommended using the term “Advisory Committee” rather than “Subcommittee”. Subcommittees are made up from a subset of Committee members and since each SEBC member gets to appoint a Subcommittee member, then these Subcommittees are not a true subset of Committee members. It was also recommended to clarify that SEBC members can also nominate themselves to sit on a Subcommittee and to clarify whether these are Subcommittees or Committees of the whole.

State Retiree Bill Oberle suggests the removal of allowing appointed Subcommittee members to send a designee to a meeting and stated that it is extremely important to have continuity at these meetings. Additionally, Subcommittee members should conduct a roll call vote for any recommendations to the SEBC.

Committee members will continue discussions on this topic at a future meeting.

**PUBLIC COMMENT**

Committee members received a written public comment that was received by the Statewide Benefits Office. Members of the public provided comment on agenda items related to formulary changes on pharmacy benefits.

**OTHER BUSINESS**

Director Maxwell wished Director Rentz congratulations on her retirement.

**ADJOURNMENT**

A MOTION was made by State Retiree Karen Peterson and seconded by Lieutenant Governor Kyle Gay to adjourn the public session at 3:50 p.m.

MOTION ADOPTED UNANIMOUSLY.

Respectfully submitted,

---

Carole Mick, Human Resource Analyst III, Statewide Benefits Office, Department of Human Resources,  
Recorder, State Employee Benefits Committee, and Subcommittees