

**MINUTES FROM THE MEETING OF THE STATE EMPLOYEE BENEFITS COMMITTEE
JUNE 13, 2025**

The State Employee Benefits Committee (the “Committee”) met at 11:00 a.m. on June 13, 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
Joanna Carlson, State Human Resource Administrator, Secretary of the Department of Human Resources (“DHR”) Designee
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 Stephanie Hartos, SBO, DHR
Kristin Short, SEBC and SEBC Subcommittee Manager, SBO, DHR
Samantha Mountz, SBO, DHR
Pamela Barr, SBO, DHR
Ashli Warman, SBO, DHR
Carole Mick, SBO, DHR
Michelle Whalen, Deputy Attorney General, DOJ, SEBC Legal Counsel
Cherie Dodge Biron, Director, Financial & Administrative Services, DHR
Heather Johnson, Controller, DHR
Joanna Adams, Pension Administrator, Office of Pensions (“OPen”)
Ann Visalli, Deputy Director, OMB
Kathy Nedelka, HRIS Specialist, PHRST, OMB
Stephenie Tatman, Deputy Pension Administrator, Office of Pensions (“OPen”)
Hope Manion, Willis Towers Watson (“WTW”)
Kant Khatri, WTW
Brian Stitzel, WTW

Brian Holloran, WTW
Kristin McKee, WTW
Walter Mateja, Merative
Andrea Godfrey, Deputy Director of Budget Development and Planning, OMB
Senator Ray Seigfried, Delaware State Senator, LegHall
Robert Scoglietti, Deputy Controller General, OCG
Matthew Rosen, Director of Research, LegHall
Randy Garcia, CVS Health
Charlene Hrivnak, CVS Health
Randall Bryniarski, CVS Health
Jenn Mile, OMB
Kevin Myers, LegHall
Christina Haas, DOI
Tom Pledgie
Steve LePage
Mary Graham
Phylcia Edmonds
Elisa Diller
Amber Cahill, SBO, DHR – Recorder, State Employee Benefits Committee and Subcommittees

STATE OF DELAWARE STATEWIDE BENEFITS OFFICE

CALLED TO ORDER – DIRECTOR BRIAN MAXWELL, OMB

Director Maxwell officially called the meeting to order at 11:00 a.m.

APPROVAL OF MAY 30, 2025, SEBC MINUTES – DIRECTOR BRIAN MAXWELL, OMB

A MOTION was made by State Retiree Karen Peterson and seconded by DSEA Representative Jeff Taschner to approve the public session minutes from the May 30, 2025, meeting of the State Employee Benefits Committee (SEBC).

Abstentions – Designee Joanna Carlson

MOTION ADOPTED UNANIMOUSLY.

STATEWIDE BENEFITS OFFICE DIRECTOR’S REPORT – DIRECTOR STEPHANIE HARTOS, SBO

Following SEBC approval at the May 30, 2025, SEBC meeting, the SBO has begun contract negotiations with Claims Technology Inc. (CTI), for retrospective medical and prescription plan audit services for a contract effective July 1, 2025.

As noted previously, the SBO received three vendor bids for the Life Insurance RFP, which include Met Life, The Prudential Insurance Company of America, and Securian/Minnesota Life Insurance Company. As approved by the SEBC on March 21, 2025, Section III.A.4. Minimum Requirements of the Life RFP specially required bidders to complete all appropriate attachments and forms as identified within the RFP. After outreach attempts from our office, The Prudential would not provide the required information. On June 11, 2025, after consulting with the SEBC’s DAG, the SBO notified The Prudential that they were disqualified from the procurement, pursuant to Title 29 Chapter 69 of Delaware Code and failure to meet the Minimum Requirements of the RFP. The Proposal Review Committee (PRC) for the Life Insurance RFP will convene on Wednesday, July 9, 2025, and be provided additional details on this decision and continue through the procurement process.

On June 3, 2025, the SBO was informed by Securian of a billing error identified on the State of Delaware’s Critical Illness plan, specifically on the child coverage component. Securian discovered that the child rates on the Critical Illness plan were incorrectly loaded during the supplemental health product implementation (July 1, 2020). This resulted in employees with child coverage on the Critical Illness plan being charged an additional \$0.15 per month in error since the plan’s effective date (July 1, 2025). For all impacted active members, Securian will issue bill credits on their next premium bills beginning in July, which will continue until the overpayment is offset, at which point their regularly billed amounts will revert. Impacted non-active members will receive a check in the mail for their calculated refund amount. Securian will be mailing a notification to impacted members and provide details on the error as well as anticipated refund dates.

Internal Medicine of Dover, a primary care provider practice, will be closing effective August 29, 2025. Additionally, CNMRI, a Neurology, Sleep Medicine, and MRI clinic in located in Dover and Milford, will be closing as of September 19, 2025. The SBO is working with both Highmark and Aetna to evaluate member impact and communicate these closures to attributed members and assist in coordinating care.

Rite Aid retail pharmacies throughout Delaware and in surrounding states are going through large scale closings. While exact locations and closing dates are still being confirmed, closures are expected to take place as early as this week. Rite Aid pharmacy patients should receive direct communications and outreach from their local pharmacy when closing dates approach, however the SBO has also communicated these closures to HR benefit managers and specialists, school personnel administrators, and participating group representatives to ensure members are informed of these closures and can act. Additionally, an announcement has been added to the SBO’s News and Events webpage, the Non-Medicare Prescription Plan webpage, and Medicare Prescription Plan webpage to ensure broader awareness of the closures.

State of Delaware members who need assistance finding an in-network pharmacy can visit the Pharmacy Locator search tool through the CVS Caremark website or contact CVS Caremark Customer Service.

PHARMACY BENEFIT MANAGER (PBM) RFP – REVIEW OF DRAFT RFP – BRIAN HOLLORAN & KRISTIN MCKEE, WTW
Brian Holloran and Kristin McKee reviewed each proposed minimum bid requirement for the PBM RFP with the Committee.

State Retiree Bill Oberle recommended adding language in the PBM RFP to allow the State to carve-out GLP-1 medications separately to potentially reduce GLP-1 costs.

Committee members discussed modifications to draft minimum requirement 10, “Confirm your organization is a licensed Pharmacy Benefits Manager (PBM), with a minimum of 3 consecutive years of experience providing the Scope of Services requested in this Request for Proposal (RFP) (e.g., commercial and EGWP). Additionally, PBM complies with all provisions of Delaware law regarding licensing of PBM (HB 194)”, which will be incorporated into the final draft of the RFP.

Committee members agreed to move draft minimum requirement 11, “Confirm if bidding on the Commercial contract, that your organization has at least 200,000 members across your full book of business for which you are providing similar Commercial PBM member services as outlined in this RFP”, from the minimum bid requirements sections to the RFP questionnaire.

Committee members agreed to move draft minimum requirement 12, “Confirm if bidding on the EGWP contract, that your organization has at least 60,000 members across your full book of business for which you are providing similar EGWP PBM member services as outlined in this RFP”, from the minimum bid requirements sections to the RFP questionnaire.

Director Steven Costantino joined the meeting at 11:57 a.m.

Lt. Governor Gay joined the meeting at 12:03 p.m.

Commissioner Navarro exited the meeting at 12:09 p.m.

Committee members discussed modifications to draft requirements regarding PBM experience with large and complex clients, account management experience, the definition of rebates, rebate reporting, and cost-plus models. Proposed revisions will be included in the final draft RFP for Committee review.

Committee members agreed to strike draft minimum bid requirement 24, “Confirm that your organization has experience in providing Pharmacy Benefit Management Services for large municipalities and State governments or has similar experience in depth and scope of services in the private sector”.

Committee members discussed adding a new requirement to the RFP to look at the top 100 drugs under the GHIP to drill down on net cost by bidder. WTW confirmed they can provide a list of the top 100 drugs and the vendors would be asked to provide the acquisition cost and net cost including rebates currently for their organization. Director Stephanie Hartos recommended looking at the top 50 specialty and top 50 non-specialty drugs under the GHIP to ensure a more accurate split by cost and utilization. Committee members agreed.

Director Maxwell asked the Committee to review the feedback and slide deck on Senate Substitute 1 for Senate Joint Resolution 7 and provide any comments or concerns to the SBO, the Chair, and Vice-Chair.

Director Stephanie Hartos reviewed the draft scoring and weighting criteria for the upcoming PBM RFP and will provide the Committee with a comparison from the 2020 PBM RFP. Committee members discussed potentially reallocating the weighting percentages.

EXECUTIVE SESSION

A MOTION was made by State Retiree Karen Peterson and seconded by Treasurer Colleen Davis to move into the Executive Session at 12:43 p.m.

MOTION ADOPTED UNANIMOUSLY.

The Public Session resumed at 12:55 p.m.

PUBLIC COMMENT

Members of the public provided comment on agenda items related to formulary changes on pharmacy benefits.

OTHER BUSINESS

Director Stephanie Hartos informed the Committee that the final draft of the PBM RFP will be shared and posted publicly by the end of day on June 20, 2025, per recent changes to Delaware Code. Any additional feedback or comments need to be submitted to the SBO by 12:00 p.m. on Tuesday, June 17, 2025, to be incorporated in the final draft RFP.

Committee members continued discussions on the provisions within the draft PBM RFP.

ADJOURNMENT

A MOTION was made by State Retiree Karen Peterson and seconded by Director Steven Costantino to adjourn the public session at 1:08 p.m. MOTION ADOPTED UNANIMOUSLY.

Respectfully submitted,

Amber Cahill, Administrative Specialist III, Statewide Benefits Office, Department of Human Resources,
Recorder, State Employee Benefits Committee, and Subcommittees