

**MINUTES FROM THE MEETING OF THE STATE EMPLOYEE BENEFITS COMMITTEE  
JULY 29, 2025**

The State Employee Benefits Committee (the “Committee”) met at 2:00 p.m. on July 29, 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  
Treasurer Colleen Davis, State Treasurer, 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   
Paul Baumbach, President of the Delaware State Troopers Association (“DSTA”) Designee   
Jeff Taschner, Executive Director, Delaware State Education Association (“DSEA”)   
Commissioner Trinidad Navarro, Insurance Commissioner, Department of Insurance (“DOI”) Stuart Snyder, Chief of Staff, Insurance Commissioner Trinidad Navarro Designee effective at 2:54 p.m. (“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

*Others in Attendance*

Director Stephanie Hartos, SBO, DHR  
Kristin Short, SEBC/Subcommittee Manager, SBO, DHR  
Nina Figueroa, Health Policy Advisor, SBO, DHR  
Samantha Mountz, SBO, DHR  
Pam Barr, SBO, DHR  
Ashli Warman, SBO, DHR  
Deputy Secretary Courtney Hutt, DHR  
Caroline McDonough, Deputy Attorney General, DOJ, SEBC Legal Counsel  
Michele Williams, Director, Financial & Administrative Services, DHR  
Heather Johnson, Controller, DHR  
Hope Manion, Willis Towers Watson (“WTW”)   
Kant Khatri, WTW  
Michelle Gast, WTW  
Brian Stitzel, WTW  
Dave Orendorf, WTW  
Walt Mateja, Merative  
Eric Poston, Merative  
Ann Visalli, Deputy Director, OMB  
Michelle Carpenter, HRIS Manager, PHRST, OMB  
Robert Scoglietti, Deputy Controller General, OCG

Katherine Impellizzeri, Aetna  
John Gadzinski, Highmark Delaware  
Charlene Hrivnak, CVS Health  
Randall Bryniarski, CVS Health  
Marina Mangerie, CVS Health  
Blake Quick, Delta Dental  
Sarah Stowens, Lt. Gov. Office  
Mark Brainard, Lt. Gov Office  
Christina Haas, DOI  
Daniel Arndt, OMB  
Drecina Fraser, OMB  
Jenn Mile, OMB  
Suzanne Milewski, OMB  
Christy Wright, LegHall  
Christina Bryan, DHA  
Jules Villecco, DHA  
Jennifer Schlecht, Included Health  
Barbara Philbin  
Steve LePage  
Brian Frazee  
Rebecca Byrd  
Rebecca Scarborough

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**STATE OF DELAWARE STATEWIDE BENEFITS OFFICE**

Tom Pledgie  
Carole Mick, SBO, DHR – Recorder, SEBC and  
Subcommittees

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

Director Maxwell officially called the meeting to order at 2:00 p.m.

**APPROVAL OF JUNE 27, 2025, SEBC MINUTES – DIRECTOR BRIAN MAXWELL, OMB**

A MOTION was made by State Retiree Karen Peterson and seconded by Secretary Yvonne Gordon to approve the public session minutes from the June 27, 2025, meeting of the State Employee Benefits Committee (SEBC).  
MOTION ADOPTED UNANIMOUSLY.

**STATEWIDE BENEFITS OFFICE DIRECTOR'S REPORT – DIRECTOR STEPHANIE HARTOS, SBO, DHR**

Director Stephanie Hartos briefed the Committee on ongoing procurements. The Pharmacy Benefit Manager (PBM) Request for Proposal (RFP) was released on July 15, 2025, with Intent to Bid submissions due August 22, 2025, and a mandatory pre-bid vendor conference scheduled for August 25, 2025. The Vision Benefits RFP is set to be posted on August 8, 2025, with Intent to Bids due August 22, 2025, and a pre-bid conference on August 26, 2025. The Life Insurance Benefit procurement remains active, and a recommendation for contract award is anticipated at the September 23, 2025, SEBC meeting for a July 1, 2026, contract effective date.

An update was also provided on the Diabetes Prevention Pilot Program launched in partnership with Highmark Delaware and Reciprocity Health. Enrollment reached the approved 100-member cap as of July 15, 2025. The 12-month pilot will be monitored by SBO, with outcomes and recommendations to be shared with the Committee.

Regarding the GLP-1 weight loss drug Zepbound, which was removed from the CVS Standard Formulary effective July 1, 2025, it was reported that 210 members were not properly notified of the termination of their prior authorizations on June 30, 2025. In response, CVS updated their termination date to July 31, 2025, allowing an additional month of coverage to ensure those members received proper notification.

**PROPOSAL REVIEW COMMITTEE (PRC) COMPOSITION – DEPUTY ATTORNEY GENERAL CAROLINE MCDONOUGH, DOJ**

Deputy Attorney General (DAG) Caroline McDonough provided legal guidance on the composition of Proposal Review Committees (PRCs), explaining that if a PRC includes a quorum of voting SEBC members (six or more), it constitutes a full SEBC meeting, which prohibits appointed members from sending designees under Title 29, Chapter 96 of Delaware Code. Two options were discussed amongst the Committee; forming smaller true subcommittees of five or fewer voting members that allow designees, or continue with PRCs as full SEBC meetings, which would require the Chair, Vice-Chair, or their designee to attend all PRC meetings in person, as well as would prohibit appointed members from sending designees. The Committee discussed concerns about time commitments, the need for subject matter expertise, and the possibility of legislative changes to resolve these constraints.

The Committee decided to cancel the upcoming Life Insurance Benefit PRC meeting and revisit the structure decision at the next SEBC meeting.

*Commissioner Navarro left the meeting at 2:54 p.m.*

*Stuart Snyder effective as Insurance Commissioner Designee at 2:54 p.m.*

### **153<sup>RD</sup> GENERAL ASSEMBLY LEGISLATIVE REVIEW – SEBC/SUBCOMMITTEE MANAGER KRISTIN BARNEKOV-SHORT, SBO, DHR**

Kristin Barnekov-Short provided a brief update on key legislation from the 153rd General Assembly that may impact the Group Health Insurance Program (GHIP), the Statewide Benefits Office (SBO), or the SEBC. All relevant bills were reviewed, with fiscal and administrative impacts shared when applicable. The second half of the session will resume January 13, 2026.

### **REQUEST FOR PROPOSALS (RFPs)**

#### *Health Data Warehouse RFP – Dave Orendorf, WTW*

The Health Data Warehouse RFP discussion focused on securing at least four years of historical claims data for longitudinal analysis, with carriers agreeing to provide this at no cost under certain conditions. Members debated the ongoing question of data ownership—whether it rests with the state or the carriers—agreeing to revisit the matter outside the RFP process to avoid delays. A proposal to increase the financial weighting in the RFP scoring from 20% to 40% raised concerns about placing too much emphasis on cost over analytics and technology capabilities; ultimately, the Committee retained the current weighting.

### **APPROVAL OF THE HEALTH DATA WAREHOUSE RFP**

A MOTION was made by DSTA Representative Paul Baumbach and seconded by Lieutenant Governor Kyle Gay to approve the Health Data Warehouse RFP with the following revisions to the Criteria Weight: Reduce Account Management from 25% to 20% and increase Financial Terms from 20% to 25%.

DSTA Representative Paul Baumbach withdrew the previous motion.

A MOTION was made by State Retiree Karen Peterson and seconded by DSEA Representative Jeff Taschner to approve the Health Data Warehouse RFP as written and to be advertised in August 2025 for an anticipated contract effective date of July 1, 2026.

*Voting Yes* – DSEA Representative Jeff Taschner, Director Brian Maxwell, Secretary Yvonne Gordon, Lieutenant Governor Kyle Gay, Deputy State Court Administrator Ashley Tucker, Director Steven Costantino, DSTA Representative Paul Baumbach, State Retiree Bill Oberle, State Retiree Karen Peterson

*Not Voting* – Insurance Commissioner Designee Stuart Snyder

MOTION ADOPTED UNANIMOUSLY.

### **AETNA NON-MEDICARE FERTILITY BENEFITS UPDATE – MICHELLE GAST, WTW**

Michelle Gast (WTW) presented updates to Aetna’s non-Medicare fertility benefits under the GHIP. Currently, the plan offers a \$30,000 lifetime maximum for fertility services with an infertility diagnosis requirement, plus a \$15,000 maximum for fertility drugs. Effective January 1, 2026, artificial insemination (AI) and intrauterine insemination (IUI) will move to basic medical coverage, removing the diagnosis requirement and no longer counting toward the \$30,000 limit. This expands access to same-sex female couples and single women. Ovulation induction (OI) will shift to advanced reproductive technology and remain subject to the lifetime maximum. Aetna estimates the change will cost \$0.10–\$0.20 per member per month. Questions addressed clarified that the change is part of Aetna’s systemwide restructuring of fertility benefits, costs associated with a gestational carrier (surrogate) are not covered under the GHIP, benefits apply to all covered Aetna members, and Highmark currently uses the existing structure but could adopt similar changes at a cost if requested by the SEBC.

### **FINANCIALS – BRIAN STITZEL, WTW**

#### *June 2025 Fund Report and Financial Update*

Brian Stitzel presented the June 2025 fund report and FY25 budget projections versus actual experience through June 2025. Premium contributions came in better than budget, reflecting a positive variance driven by higher participation among non-payroll groups. Other revenues were significantly better than budget. This improvement was driven by the EGWP Manufacturer Discount Program. Claims were better than budget for the month, primarily due to lower than expected Aetna claims for Actives, Pre-65 retirees, and EGWP claims. Expenses were slightly

worse than budget. While Program and ASO Fees were lower than anticipated, those savings were offset by higher-than-expected office expenses. Overall, the June results reflected a strong positive variance to budget. Year-to-date, the FY25 forecast is running better than projected, with revenues ahead of expectations and claims trending lower than budget. Expenses remain somewhat above budget due to higher projected costs.

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

State Retiree Bill Oberle voiced concerns regarding recent changes to the CVS Caremark formulary and highlighted that certain medications, specifically GLP-1s, require titration, and abrupt formulary changes could negatively impact patient care. State Retiree Bill Oberle inquired whether the Committee could receive access to medical advice when formulary changes occur, to better understand clinical implications and posed the suggestion of allowing benefit-eligible members to remain on a removed formulary drug by paying an additional copay equivalent to the cost difference.

State Treasurer Davis recommended providing employees with more flexibility in how they use their benefits such as offering a Health Savings Account (HSA).

Brian Stitzel provided clarification on the financial impacts of modifying the copay structure, specifically for GLP-1s, and explained that such changes could result in the loss of rebate eligibility, which would significantly affect the GHIP financially. Additionally, when CVS Caremark removed Zepbound from the formulary, it led to an increased negotiated rebate from Novo Nordisk for Wegovy. Director Stephanie Hartos informed the Committee that all impacted members have been notified regarding the recent change involving the GLP-1 drug and their available options. It also noted that members who still wish to obtain Zepbound can do so directly through the manufacturer by utilizing the available manufacturer's discount.

Committee members continued a discussion regarding pharmacy benefits for GLP-1s.

#### FY26 GHIP Trend Assumptions

Brian Stitzel presented an overview of current trend assumptions and outlined two recommendations for FY26 trend assumptions. These were based on historical increases in gross claims and a breakdown of pharmacy trends by component, including:

- Gross spend (excluding GLP-1s and PrudentRx)
- GLP-1s for weight loss
- GLP-1s for diabetes
- PrudentRx savings
- Rebates

Two pharmacy trend models specific to GLP-1s for weight loss were presented:

- Model 1: Assumes an 8% starting trend, gradually decreasing to 4% by the end of FY26.
- Model 2: Assumes a 5% starting trend, gradually decreasing to 1% by the end of FY26.

Brian Stitzel presented the following recommended changes to trend assumptions for FY26:

- Active Employee and Pre-65 Retiree Medical Trend: Maintain 8% for FY26
- Active Employee and Pre-65 Retiree Pharmaceutical Trend:
  - *With Pharmacy Trend Model 1 (8% → 4%):* Increase from 29% (FY25) to 33% (FY26) (Net after rebates)

- *With Pharmacy Trend Model 2 (5% → 1%):* Decrease from 29% (FY25) to 23% (FY26) (Net after rebates)
- Medicfill Medical Trend: Increase from 5% (FY25) to 6% (FY26)
- Medicfill/EGWP Pharmaceutical Trend: Decrease from 11% (FY25) to 9% (FY26) (Net after rebates)

The Committee discussed the two proposed pharmacy trend assumption models for GLP-1s for weight loss. Members suggested modeling an additional scenario that falls between the current options to provide a more balanced projection.

#### **APPROVAL OF THE GHIP TREND ASSUMPTIONS FOR FY26**

A MOTION was made by Secretary Yvonne Gordon and seconded by Director Steven Costantino to approve the following trend assumptions for FY26 as presented by WTW:

- Active Employee and Pre-65 Retiree Medical Trend: 8%
- Active Employee and Pre-65 Retiree Pharmaceutical Trend: *With Pharmacy Trend Model 1 (8% → 4%):* 33%
- Medicfill Medical Trend: 6%
- Medicfill/EGWP Pharmaceutical Trend: 9%

MOTION ADOPTED UNANIMOUSLY.

#### **OPEN ENROLLMENT RESULTS - DIRECTOR STEPHANIE HARTOS, SBO, DHR**

Agenda item deferred due to time constraints.

#### **PUBLIC COMMENT**

A member of the public provided comment on agenda items related to the PRC Composition.

#### **OTHER BUSINESS**

No other business.

#### **ADJOURNMENT**

A MOTION was made by State Retiree Karen Peterson and seconded by Secretary Yvonne Gordon to adjourn the public session at 4:37 p.m. MOTION ADOPTED UNANIMOUSLY.

Respectfully submitted,

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