

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

The State Employee Benefits Committee (the “Committee”) met at 2:00 p.m. on September 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
Courtney Hutt, Deputy Secretary, Secretary Yvonne Gordon Designee, 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”)
Lieutenant Governor Kyle Gay, Office of the Lt. Governor
Paul Baumbach, President of the Delaware State Troopers Association (“DSTA”) Designee
Commissioner Trinidad Navarro, Insurance Commissioner, Department of Insurance (“DOI”)
Jeff Taschner, Executive Director, Delaware State Education Association (“DSEA”)
Karen Peterson, State Retiree Representative
Bill Oberle, State Retiree Representative
Robert Scoglietti, Deputy Controller General, Ruth Ann Miller Designee, Office of the Controller General (“OCG”) – Non-Voting Member

Committee Members Not in Attendance:

Steven Costantino, Director of Healthcare Reform, Secretary of the Department of Health & Social Services (“DHSS”) Designee

Others in Attendance

Director Stephanie Hartos, SBO, DHR
Kristin Short, SEBC/Subcommittee Manager, SBO, DHR
Leighann Hinkle, SBO, DHR
Pam Barr, SBO, DHR
Ashli Warman, SBO, DHR
Michelle Whalen, Deputy Attorney General, DOJ, SEBC Legal Counsel
Michele Williams, Director, Financial & Administrative Services, DHR
Heather Johnson, Controller, DHR
Hope Manion, Willis Towers Watson (“WTW”)
Michelle Gast, WTW
Brian Stitzel, WTW
Kevin Myers, Governor Office
Mark Brainard, Lt. Gov Office
Christina Haas, DOI
Ann Visalli, OMB
Stephanie Tatman, OPer
Victor Gutierrez, EGWP

Steve LePage
Leah White
Stephanie Smith
Tom Pledgie
George Scheppler
Nick Stonesifer
Cheryl Byron, CVS
Charlene Hrivnak, CVS
Helena Dickson
Freda Collins
Rebecca Scarborough
Pati Nash
Alex Shull
Barbara Philbin
Wendy Beck
Bill Saylor
Bob Clarkin
Brian Holloran, WTW
Brian Stitzel, WTW
Amber Cahill, DHR

STATE OF DELAWARE STATEWIDE BENEFITS OFFICE

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Carrie Schiavo
Jule Caynor
Corey Deck, WTW
Ernestine Ferrell, DHR
Cassandra Ford, CVS
Drecina Fraser, OMB
John Gadzinski, Highmark BCBS
Andrea Godfrey, OMB
Jennifer Schlecht
Jo Kallal
Kaitlin Primavera, WTW
Kathy Butler
Patricia Marney
Caroline McDonough, DOJ

Tanish Merced, DOI
Jennifer Moyer
Nancy Schuman
Kathy Nedelka, OMB
Shelley Gaertner
Joanna Staib
Sarah Stowens, Lt Governor
Jason Swanson
Tanner Polce
Tim Carlin
LaVette Whaley
Danielle Cross, 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 September 2, 2025 SEBC MINUTES – DIRECTOR BRIAN MAXWELL, OMB

A MOTION was made by Lt. Gov Kyle Gay and seconded by DSEA Representative Jeff Taschner to approve the public session minutes from the September 2, 2025 meeting of the State Employee Benefits Committee (SEBC).

State Retiree Karen Peterson objected to approving the minutes as written and requested that her objections raised during the September 2 meeting be reflected in the record. DSTA Representative Paul Baumbach concurred and requested additional edits to the minutes.

A MOTION was made by State Retiree Karen Peterson to strike the PRC composition section of the September 2 minutes and replace it with language summarizing retiree representatives' objections; the motion was seconded by DSTA Representative Paul Baumbach.

The Committee discussed whether it was appropriate to strike entire paragraphs or amend the language. The SEBC Chair suggested the members work with the SBO to make revisions to the minutes.

State Retiree Karen Peterson withdrew her motion.

Lt. Gov Kyle Gay withdrew her motion.

A MOTION was made by State Retiree Karen Peterson and seconded by DSEA Representative Jeff Taschner to table the approval of the September 2, 2025 SEBC minutes until the next SEBC meeting, pending corrections. MOTION ADOPTED UNANIMOUSLY.

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

Director Hartos provided updates on the three active procurements. For the Health Data Warehouse (HDW) Request for Proposals (RFP), thirteen vendors submitted Intent to Bid forms and attended the mandatory pre-proposal meeting. Proposals are due by October 10 at 1:00 p.m. For the Vision RFP, of six intents to bid received, five proposals were submitted. The submission deadline was September 19 at 1:00 p.m. For the Pharmacy Benefit Manager (PBM) RFP, a total of twelve intent to bid were received, with ten proposals submitted. The bid deadline was September 12 at 1:00 p.m. A discussion on the content of the PBM proposals received will be presented during Executive Session. Full vendor lists are available on the GSS procurement website.

AUGUST 2025 FUND REPORT and FINANCIAL UPDATE – BRIAN STITZEL, WTW

Brian Stitzel presented the August 2025 Fund Report and FY26 budget projections versus actual experience through August 2025. Employee premiums and other revenues were below budget. Overall, results were \$18.8M worse than budget, driven primarily by higher-than-expected claims invoices and lower commercial rebates. Mr. Stitzel noted that August has historically been a higher claims month due to seasonality, and forecasts were rephased accordingly. The full fiscal year is now projected to finish about \$6M worse than budget.

FY25 GHIP GLP-1 MANAGED NET COST UPDATE – BRIAN HOLLORAN, WTW

Brian Holloran presented information on the impact of GLP-1 utilization to the GHIP for FY25. Unmanaged costs for GLP-1 anti-obesity medications (e.g., Wegovy, Zepbound, Saxenda) were \$83.3M. After application of utilization management (e.g., prior authorization, discounts, rebates), the managed net cost was \$27.5M. Unmanaged costs for GLP-1 diabetes medications (e.g., Ozempic, Mounjaro, Trulicity) were \$49.3M. The managed net cost after utilization management was \$10.6M.

Committee members discussed the continuing financial impact of GLP-1 medications, with particular focus on sustainability and the need for expanded utilization management strategies. Members expressed interest in a more detailed breakdown of rebates, prior authorization savings, and comparison against fee-for-service care models. Several members also emphasized the importance of considering clinical outcomes alongside financial impact when evaluating program adjustments.

LANTERN SURGEONS OF EXCELLENCE PROGRAM – INCENTIVE STRUCTURE – KAITLIN PRIMAVERA, WTW

Kaitlin Primavera reviewed Lantern's recommendations for adjustments to the member incentive structure. Recommendations include reducing joint & spine procedure incentives from \$4,000 to \$3,000, reducing gynecologic procedure incentives from \$2,000 to \$1,000, and increasing cardiac procedure incentives from \$2,000 to \$3,000.

The Committee requested additional utilization data to evaluate Lantern procedures as a percentage of total GHIP procedures. Members were interested in a comparison of Lantern's bundled payment model with GHIP fee-for-service rates, while also evaluating quality outcomes alongside costs. SBO confirmed that a prior Lantern savings analysis using 2023 claims data had been presented in May 2024, and noted that results could be redistributed to Committee members. Committee members agreed that additional review and analysis would be necessary before any changes to the incentive structure could be adopted.

GHIP STRATEGIC FRAMEWORK – HOPE MANION, WTW

Hope Manion provided an overview of the GHIP Strategic Framework, originally adopted in 2016 and updated in 2023. She outlined the four goals of the 2024–2025 framework: increase utilization of alternative payment models (APMs), reduce costs for target conditions (diabetes, behavioral health, musculoskeletal), reduce low-value care utilization, and promote consumer engagement and healthy lifestyles.

Committee members emphasized the importance of using credible benchmarking data, noting that simply tracking health care cost trends does not adequately address Delaware's comparatively high prices. Treasurer Davis and Commissioner Navarro underscored the need to strengthen primary care and to rebuild member trust through more effective engagement strategies. Members also discussed the ongoing challenge of educating participants about cost-effective care options. State Retiree Bill Oberle stressed the importance of utilizing freestanding facilities for imaging because of their significantly lower costs and encouraging similar cost-conscious behavior among GHIP members. WTW confirmed that FY24 and FY25 results will be presented at the October 2025 meeting, with framework discussions to follow at a later meeting.

PUBLIC COMMENT

Members of the public offered comments on health care spending the comment period.

EXECUTIVE SESSION

A MOTION was made by DSEA Representative Jeff Taschner and seconded by Commissioner Navarro to move into the Executive Session at 3:40 p.m.

MOTION ADOPTED UNANIMOUSLY.

The Public Session resumed at 5:09 p.m.

OTHER BUSINESS

No other business.

ADJOURNMENT

A MOTION was made by DSTA Representative Paul Baumbach and seconded by DSEA Representative Jeff Taschner to adjourn the public session at 5:10 p.m.

MOTION ADOPTED UNANIMOUSLY

Respectfully submitted,

Danielle Cross, Statewide Benefits Office, Department of Human Resources,
Recorder, State Employee Benefits Committee, and Subcommittees