

**MINUTES FROM THE MEETING OF THE STATE EMPLOYEE BENEFITS COMMITTEE
October 10, 2025**

The State Employee Benefits Committee (the “Committee”) met at 12:00 p.m. on October 10, 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”)
Lieutenant Governor Kyle Gay, Office of the Lt. Governor
Acting Secretary Lisa Schieffert, Department of Health and Human Services
Commissioner Trinidad Navarro, Insurance Commissioner, Department of Insurance (“DOI”)
Ashley Tucker, Deputy State Court Administrator, Chief Justice of the Supreme Court Collins Seitz Designee, Administrative Office of the Courts (“AOC”)
Paul Baumbach, President of the Delaware State Troopers Association (“DSTA”) Designee
Jeff Taschner, Executive Director, Delaware State Education Association (“DSEA”)
Karen Peterson, State Retiree Representative
Controller General Ruth Ann Miller, Office of the Controller General (“OCG”) – Non-Voting Member

Committee Members Not in Attendance:

Bill Oberle, State Retiree Representative

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
Deputy Secretary Courtney Hutt, DHR
Michelle Whalen, Deputy Attorney General, DOJ, SEBC Legal Counsel
Adrienne Wallace
Barbara Philbin
Pamela Barr, DHR
Bob Clarkin
Mark Brainard, Lt Governor Office
Brian Tinsley, WTW
Randall W Bryniarski
Ryan Carling, DHA
Christina Bryan
Corey Deck
Kristin Dwyer

Christina Haas, DOI
Hope Manion, WTW
Heather M Johnson, DHR
Jules Villecco, DHA
Tanisha Merced, DOI
Suzanne Milewski, OMB
Kevin Myers, Governor Office
Kathy Nedelka, OMB
Raymond Lewis
Rebecca Byrd
Rebecca Scarborough
Robert Scoglietti, LegHall
Sean Finnigan
Steve LePage
Tanner Polce
Walter Mateja, DHR
Michele Williams, DHR
Ann Visalli, DHR
Danielle Cross, SBO, DHR, Recorder

CALLED TO ORDER – DIRECTOR BRIAN MAXWELL, OMB

Director Maxwell officially called the meeting to order at 12:01 p.m.

PHARMACY BENEFIT MANAGEMENT (PBM) REQUEST FOR PROPOSALS (RFP) – DIRECTOR STEPHANIE HARTOS, SBO, DHR

Director Hartos informed the SEBC that following the approval and posting of the PBM RFP, 10 vendors submitted proposals for consideration. After separate proposal reviews were conducted by both the SBO and SEBC consultants, Willis Towers Watson (WTW), both the SBO and WTW concluded that none of the 10 vendors met all 25 minimum requirements as written in the RFP. The Committee was asked to determine next steps as the finalist notification deadline of October 7, 2025 had been delayed to October 13 to allow for a decision. Three options were presented:

1. Waive all minimum requirements and advance all vendors as finalists.
2. Waive some, but not all, minimum requirements.
3. Cancel the current procurement and restart with the development of a new PBM RFP. To ensure all GHIP members maintain access to their pharmacy benefits and medications, an extension with CVS on the current contract would need to be explored.

Director Hartos explained that waiving minimum requirements could create operational and contractual risks as the minimum requirements were intentionally approved by the Committee to set standards for final contract alignment. Proceeding with vendors that did not agree to all requirements could weaken the State's negotiating position and result in a contract that fails to meet SEBC expectations. She also noted that the RFP did not prioritize nor identify flexibility among the requirements, which complicates selective waivers and could raise fairness concerns for vendors who opted not to bid under the original terms.

The Committee discussed whether the CVS contract could be extended for six months rather than a full year. Director Hartos clarified that the SEBC vote would not determine the extension term as outreach and discussion with CVS about an extension had not yet occurred. She added that a six-month extension may be administratively challenging due to CMS compliance requirements and the complexities of transitioning vendors mid-plan-year should the RFP result in changes to PBM plan design.

Director Hartos recommended that should the SEBC consider this option, they restart the procurement quickly to ensure sufficient time for proper RFP administration, contract negotiation, program implementation, and member communication should the RFP result in a change in vendor or changes in plan design. Director Hartos added that the upcoming Medical TPA and Medicare Supplement RFP would not overlap with a new PBM RFP materially and that the SBO is well equipped to manage multiple procurements simultaneously.

DSTA Representative Paul Baumbach inquired whether any unmet requirements were non-negotiable. Director Hartos confirmed that the DTI cyber-liability insurance requirement is mandatory and non-negotiable.

DSEA Representative Jeff Taschner expressed support for canceling the procurement, citing lessons from prior litigation and emphasizing that proceeding despite deficiencies would create unnecessary risks.

Motion:

A MOTION was made by Secretary Yvonne Gordon and seconded by DSEA Representative Jeff Taschner to cancel the current PBM procurement as none of the vendors met all twenty-five minimum requirements established by the SEBC; to direct the SBO to promptly restart the procurement process; and to explore extending the current CVS contract to ensure uninterrupted member benefits in the interim.

DSTA Representative Paul Baumbach requested confirmation that the SBO and WTW recommend canceling the current PBM procurement as that option poses the least risk to the State. Director Hartos confirmed that SBO is making that recommendation while WTW remains neutral on the decision as they do not weigh in on legal matters before the Committee.

Roll Call Vote:

- Director Brian Maxwell – Yes
- Deputy State Treasurer Brennan Fountain – Yes
- Secretary Yvonne Gordon – Yes
- Ashley Tucker – Yes
- Lieutenant Governor Kyle Gay – Yes
- Acting Secretary Lisa Schieffert – Yes
- Paul Baumbach – Yes
- Commissioner Trinidad Navarro – Yes
- Jeff Taschner – Yes
- Karen Peterson – Yes

Motion adopted unanimously.

Following the vote, Director Maxwell confirmed that all Proposal Review Committee (PRC) meetings associated with the current PBM RFP would be canceled and rescheduled upon release of a new solicitation.

PUBLIC COMMENT

A member of the public gave comment on the agenda item Pharmacy Benefit Management Request for Proposals.

ADJOURNMENT

A MOTION was made by Jeff Taschner and seconded by Secretary Yvonne Gordon to adjourn the public session at 12:36 p.m. Motion adopted unanimously.

Respectfully submitted,

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