

**MINUTES FROM THE MEETING OF THE STATE EMPLOYEE BENEFITS COMMITTEE  
October 28, 2025**

The State Employee Benefits Committee (the “Committee”) met at 2:00 p.m. on October 28, 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  
Deputy Secretary Lisa Schieffert, Secretary Christen Young Designee, Department of Health and Human Services, (“DHSS”)   
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   
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	Brian Holloran, WTW
Kristin Short, SEBC/Subcommittee Manager, SBO, DHR	George Schreppler, Chiropractor
Leighann Hinkle, SBO, DHR	Gloria James
Pam Barr, SBO, DHR	Jenn Mile
Ashli Warman, SBO, DHR	John Gadzinski, Highmark BCBS Inc
Deputy Secretary Courtney Hutt, DHR	John Gibson, DelDOT
Michelle Whalen, Deputy Attorney General, DOJ, SEBC Legal Counsel	Kristin Dwyer
Aaron Schrader, SBO, DHR	Helene Diskau
Andrea Godfrey, OMB	Hope Manion, WTW
Brittany Ford, SBO, DHR	Marie Dellose
Charlene Hrivnak	Michelle Carpenter, OMB
Mark Ciocca	Nina Figueroa, SBO, DHR
Cristine Vogel	Tanner Polce
Crystal Sheats, SBO, DHR	Randy Garcia
Daniel Arndt, DHSS	Robert Scoglietti, Leg Hall
Daniel Madrid, DOF	Paula Roy
Corey Deck, WTW	Samantha Mountz, SBO, DHR
Erik Mayr	Sara Dunlevy
Freda Collins	Schiavo Carrie
Michelle Gast, WTW	Jennifer Schlecht, Jennifer Schlecht Included Health
Grant Brunner, SBO, DHR	Alex Shull
Bria Greenlee-Foster	Stephenie Tatman, OPe
	Brian Stitzel, WTW
	Nick Stonesifer

**STATE OF DELAWARE STATEWIDE BENEFITS OFFICE**

Tricia Suchy  
Vanagas Tyler  
Victor Gutierrez, EGWP  
Wendy Beck, Highmark BCBS Inc

Wendy Hrupsa-Sherwood, SBO, DHR  
Tom Pledge  
Danielle Cross, SBO, DHR, Recorder

**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 MEETING MINUTES – DIRECTOR BRIAN MAXWELL, OMB**

A MOTION was made by Commissioner Navarro and seconded by Secretary Gordon to approve the public session minutes from the September 2, 2025 meeting of the State Employee Benefits Committee (SEBC). Representative Bill Oberle and DSEA Representative Jeff Taschner abstained. MOTION ADOPTED.

*Deputy State Court Administrator Ashley Tucker arrived at 2:03 p.m*

*Deputy Secretary Schieffert arrived at 2:04 p.m*

**APPROVAL OF SEPTEMBER 29, 2025 SEBC MEETING MINUTES – DIRECTOR BRIAN MAXWELL, OMB**

A MOTION was made by Retiree Representative Bill Oberle and seconded by Treasurer Davis to approve the public session minutes from the September 29, 2025 meeting of the State Employee Benefits Committee (SEBC). MOTION ADOPTED UNANIMOUSLY.

**APPROVAL OF SEPTEMBER 29, 2025 SEBC EXECUTIVE SESSION MEETING MINUTES – DIRECTOR BRIAN MAXWELL, OMB**

A MOTION was made by Treasurer Davis and seconded by Retiree Representative Bill Oberle to approve the executive session minutes from the September 29, 2025 meeting of the State Employee Benefits Committee (SEBC). MOTION ADOPTED UNANIMOUSLY.

**APPROVAL OF OCTOBER 10, 2025 SEBC MEETING MINUTES – DIRECTOR BRIAN MAXWELL, OMB**

A MOTION was made by Treasurer Davis and seconded by Secretary Gordon to approve the public session minutes from the October 10, 2025 meeting of the State Employee Benefits Committee (SEBC). MOTION ADOPTED UNANIMOUSLY.

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

Director Hartos opened her report with RFP updates. The SBO received five proposals for the Vision Benefits RFP and identified three finalists: EyeMed, MetLife, and VSP Vision Care. The first PRC meeting will be held on November 5 to begin proposal review and vendor interviews.

For the Health Data Warehouse (HDW) RFP, five proposals were received and are being reviewed against minimum requirements. PRC meetings are expected to begin in December.

As discussed at the October 10<sup>th</sup> SEBC meeting, the initial PBM RFP was cancelled, and vendor proposals were deleted in accordance with Title 29 procurement law. A new PBM procurement process will begin, and prior proposal content cannot be used in future discussions.

Next, Director Hartos discussed benefit updates. Effective January 1, 2026, the Diabetes Prevention Program (DPP) for Highmark non-Medicare members will transition from Livongo to Noom, a virtual program addressing nutrition, exercise, stress, and sleep. Members may continue using Livongo through December 31, 2025, enroll in the YMCA DPP, or join Noom beginning January 1. SBO and Highmark will notify members of these changes.

Committee members discussed the transition from Livongo to Noom and requested that program materials and outcome data be shared.

**STATEWIDE FINANCIAL OVERVIEW – OFFICE OF MANAGEMENT AND BUDGET – ANN VISALLI, OMB**

Ann Visalli, Deputy Director of OMB, presented the FY27 Statewide Financial Overview following the October DEFAC meeting. She reported that revenue projections are approximately \$100 million below June estimates, resulting in a projected \$103 million shortfall for FY26, with a small cash balance expected to carry forward into FY27. Budget growth averaged 6.4% annually from FY20 – FY26, with FY27 door openers totaling about \$538 million driven by Medicaid, education compensation, collective bargaining, and health insurance costs. Ms. Visalli noted efforts to stabilize operating budget growth at 5% and highlighted the potential fiscal impacts of federal policy changes related to Medicaid and SNAP.

Committee members discussed potential staffing implications of tax decoupling, and the absence of general salary or pension increases in the current projections.

**LIFE INSURANCE BENEFIT REQUEST FOR PROPOSALS RECOMMENDATION – MICHELLE GAST, WTW**

Michelle Gast, Willis Towers Watson (WTW), presented the Life Insurance Request for Proposals (RFP) summary and the Proposal Review Committee (PRC) recommendation for the State's life insurance benefit.

Ms. Gast provided background on the life insurance program, noting that the State's contract with Securian Financial was last marketed in 2014 and has been extended several times, most recently through June 30, 2026, to allow sufficient time for a new procurement. The RFP evaluated multiple plan design options, including maintaining the current Group Universal Life (GUL) plan or transitioning to a group term life design with potential coverage enhancements.

Three vendors submitted proposals: MetLife, Prudential, and Securian. MetLife and Securian were selected as finalists, while Prudential was disqualified for not meeting minimum requirements. The PRC met over several months to evaluate proposals, conduct interviews, and score vendors based on administrative services, customer service, account management, financial competitiveness, and implementation support.

Following its evaluation, the PRC recommended that Securian Financial provides the best value for the State of Delaware to continue to offer a life insurance program under a Group Universal Life (GUL) plan that enhances the current plan design including:

- GUL Plan, employee-paid, up to 6x annual coverage to max \$500,000
- Accidental Death & Dismemberment (AD&D) to match GUL, optional buy-up for dependents
- Spouse term life, \$10,000 to \$100,000
- Child term life, \$10,000 or \$20,000
- Portability
- Cash value, loans

The PRC also recommended that the SBO begin the negotiation of a contract with Securian for the Life Insurance Program for an initial three-year term, effective July 1, 2026 through June 30, 2029, with two optional one-year extensions. The following should be included in the contract negotiations: SBO should engage in discussion with Securian to enhance communications sent to members at the time of termination or retirement regarding their portability and/or continuation options.

A MOTION was made by Treasurer Davis and seconded by Secretary Gordon to pursue the contract as deemed by the PRC for Group Universal Life Option 2 that was read before the Committee.

Roll Call Vote:

- Director Brian Maxwell – Yes
- Treasurer Davis – Yes
- Secretary Gordon – Yes

- Ashley Tucker – Yes
- Lieutenant Governor Gay – Yes
- Deputy Secretary Schieffert – Yes
- Paul Baumbach – Yes
- Commissioner Navarro – Yes
- Jeff Taschner – Yes
- Karen Peterson – Yes
- Bill Oberle – Abstained

MOTION ADOPTED by roll call.

#### **DISABILITY INSURANCE PROGRAM (DIP) RULES AND REGULATIONS – AARON SCHRADER, SBO, DHR**

Aaron Schrader from the Statewide Benefits Office (SBO) presented proposed revisions to the Disability Insurance Program (DIP) Rules and Regulations, effective January 1, 2026.

Key revisions included updates to Section 2.0 Definitions, adding clarification for the term “*Actively at Work*” and revising the “*Parental Leave*” definition to streamline language and align with Delaware Code. Throughout the document, the use of “you” was replaced with “the/an employee” for clarity and consistency.

Additional revisions to Section 8.0 (Short-Term Disability Benefit Payment) further define what constitutes *full-time* and *part-time* status for recurrent disabilities, aligning with Hartford’s Long-Term Disability (LTD) Plan definitions. Updates to Section 15.0 (LTD Coverage) align language with the Hartford LTD Plan Booklet.

A MOTION was made by DSEA Representative Jeff Taschner and seconded by Retiree Representative Bill Oberle to approve the revisions as presented.

#### **Roll Call Vote:**

- Director Brian Maxwell – Yes
- Treasurer Davis – Yes
- Secretary Gordon – Yes
- Ashley Tucker – Yes
- Lieutenant Governor Gay – Yes
- Deputy Secretary Schieffert – Yes
- Paul Baumbach – Yes
- Commissioner Navarro – Yes
- Jeff Taschner – Yes
- Karen Peterson – Yes
- Bill Oberle – Yes

MOTION ADOPTED by roll call.

#### **FY24 AND FY25 GHIP STRATEGIC FRAMEWORK RESULTS - KRISTIN SHORT, SBO, DHR**

Kristin Short, SBO, presented the FY2024 – FY2025 Strategic Framework results outlining progress across four goals focused on payment reform, member engagement, condition-specific cost management, and overall cost containment.

**Goal 1 – Payment Reform:** 32% of GHIP spend was in Category 3 and 1% in Category 4 Alternative Payment Models, showing progress but below the FY2025 targets of 50% and 5%. Both medical TPAs continue work to expand pay-for-value contracts.

**Goal 2 – Member Engagement:** Utilization of member engagement tools was 23.7% in FY2024 and 20.7% in FY2025, below target levels, though participation was higher among state agencies and higher education institutions than among school districts, Delaware Transit Corporation (DTC), and early retirees.

**Goal 3 – Condition-Specific Cost Management:** Per-member-per-month costs for diabetes, behavioral health, and musculoskeletal conditions all increased compared to FY2023, exceeding reduction goals.

**Goal 4 – Cost Containment:** While GHIP's long-term trend of 5.1% remains below the national average of 6%, it exceeded the state's 3% healthcare spending benchmark for CY2024, with unit cost increases projected through 2026.

Committee members discussed bundled and population-based payment models, and SBO noted that Strategic Framework goals will be reviewed and updated at the November meeting.

#### **CVS CONTRACT EXTENSION - DIRECTOR STEPHANIE HARTOS, SBO, DHR**

Director Hartos explained that, following the October 10<sup>th</sup> SEBC meeting, members had requested exploring a six-month extension with CVS for commercial PBM services to allow time for a new procurement. CVS confirmed that they do not enter into contracts for less than one year; therefore, the minimum available extension term for commercial PBM services is one year. The Committee was asked to determine whether to extend both the commercial and Employer Group Waiver Plan (EGWP) contracts for one year or only the commercial contract. The current EGWP contract with CVS expires on December 31, 2026 and the SBO believes it would be possible to procure for EGWP services on a condensed timeline, though only with an expedited review process to ensure adequate timing for implementation. To meet an expedited timeline for EGWP, the SBO proposed modifying the standard Proposal Review Committee (PRC) process and serving as the evaluator and award recommender directly to the Committee.

*Director Maxwell left the meeting at 3:59 p.m.*

Committee members discussed the proposed expedited process and the need to balance efficiency with transparency. Questions were raised regarding how early notification would be given to CVS if the State proceeds with a new procurement and how an abbreviated PRC structure would impact evaluation consistency. Director Hartos clarified that statutory posting and public comment requirements would still be met and that SBO's proposed approach would help ensure timely implementation and compliance with procurement law.

Director Hartos noted that implementation of a new PBM contract typically requires seven to eight months to complete due to components such as data transfers and file feed development, member communications, contract development and execution, and compliance with state and federal requirements, including Senate Bill 12, effective January 1, 2027.

Committee members discussed the feasibility of negotiating extension terms and the timing of notice to CVS. Questions were raised regarding whether administrative fees could be negotiated, with Director Hartos confirming underwriting would determine final financial terms but efforts would be made to maintain the current fee structure. Members also discussed sequencing the contract extensions and implementation timelines for commercial and EGWP plans, with clarification that if both were extended for one year, the implementation of a new commercial contract would occur first. .

A MOTION was made by DSEA Representative Jeff Taschner and seconded by Retiree Representative Bill Oberle to approve a one-year extension with CVS for both the commercial and EGWP contracts.

Roll Call Vote:

- Director Brian Maxwell – Not Present

- Treasurer Davis – Yes
- Secretary Gordon – Yes
- Ashley Tucker – Yes
- Lieutenant Governor Gay – Yes
- Deputy Secretary Schieffert – Yes
- Paul Baumbach – Yes
- Commissioner Navarro – Yes
- Jeff Taschner – Yes
- Karen Peterson – Yes
- Bill Oberle – Yes

MOTION ADOPTED by roll call.

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

Due to the meeting end time nearing and the vote on the extension allowing for a longer timeline to develop the PBM RFP, Director Hartos recommended postponing this agenda item for the time being. Director Hartos informed Committee members that a slide deck was shared with them and posted publicly outlining the SBO's recommendations pertaining to this RFP and asked that they review and provide feedback ahead of the next SEBC meeting.

**FINANCIALS– BRIAN STITZEL, WTW**

September 2025 Fund Report and Financial Update

Brian Stitzel presented the September 2025 Fund Report and FY26 budget projections versus actual experience through September 2025. Overall results were \$3.7 million better than budget, driven by lower Highmark and Aetna claims and approximately \$8 million lower pharmacy spend, partially attributed to lower-than-budgeted GLP-1 utilization. Premium contributions were slightly below budget, and other revenues were delayed due to a \$7.3 million manufacturer discount payment expected in October. Expenses were below budget, reflecting lower administrative and consulting costs. The fund equity balance at the end of September was approximately \$83.8 million, and the GHIP remains on track to finish the fiscal year on budget.

**PUBLIC COMMENT**

Members of the public provided comment regarding Committee procedures and future meeting considerations.

**ADJOURNMENT**

A MOTION was made by Secretary Gordon and seconded by Commissioner Navarro to adjourn the public session at 4:42 p.m. MOTION ADOPTED unanimously.

Respectfully submitted,

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