



**MINUTES FROM THE MEETING OF THE STATE EMPLOYEE BENEFITS COMMITTEE  
December 16, 2025**

The State Employee Benefits Committee (the “Committee”) met at 2:00 p.m. on December 16, 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  
Director Layne Taylor, State Treasurer Colleen Davis Designee, 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  
Secretary Christen Linke Young, 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  
Deputy Director Leighann Hinkle, SBO, DHR  
Kristin Short, SEBC/Subcommittee Manager, SBO, DHR  
Michelle Whalen, Deputy Attorney General, DOJ, SEBC Legal Counsel  
Alex Shull  
Andrea Godfrey, OMB  
Angela Taylor, DHSS  
Ashli Warman, DHR  
Barbara Philbin  
Wendy M. Beck, Highmark BCBSID Inc  
Brian Holloran, WTW  
Brian Stitzel, WTW  
Brian Tinsley  
Carling Ryan  
Charlene Hrivnak  
Corey Deck  
Courtney Hutt, DHR  
Cristine Vogel, DOI  
Daniel Arndt, DHSS  
Evelyn Nestlerode, Courts  
Randy Garcia  
John J. Gadzinski, Highmark BCBSID Inc  
Heather M. Johnson, DHR

Hope Manion  
Jason Swanson  
Jennifer Schlecht, Included Health  
Joanna Adams, OPen  
Joanne White, DHSS  
Joni N. Lozano  
Jules Villecco, DHA  
Julie A. Caynor  
Katherine P. Impellizzeri  
Kathy Nedelka, OMB  
Kevin Myers, Governor  
Kristal Diaz, OPen  
Kristin Dwyer  
Kristy L. Akus  
Leah White  
Mark Brainard, Lt Governor  
Mary Kate McLaughlin  
Michelle Carpenter, OMB  
Michelle Gast  
Michele Williams, DHR  
Nina Figueroa, DHR  
Pamela C. Barr, DHR  
Patricia Marney  
Paula Roy  
Rebecca Scarborough

**STATE OF DELAWARE STATEWIDE BENEFITS OFFICE**

Robert Scoglietti, LegHall  
Samantha Mountz, DHR  
Sara Dunlevy  
Steven LePage  
Stephenie A. Tatman, OPen  
Tanner Polce  
Tim Vessel

Tom Pledgie  
Walter Mateja  
Michelle Whalen, DOJ  
Joanne White, DHSS  
Grant Brunner, SBO, DHR  
Danielle Cross, SBO, DHR, Recorder

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

Director Maxwell officially called the meeting to order at 2:04 p.m.

**APPROVAL OF November 25, 2025, SEBC MEETING MINUTES – DIRECTOR BRIAN MAXWELL, OMB**

A MOTION was made by Lieutenant Governor Gay and seconded by DSEA Representative Jeff Taschner to approve the public session minutes from November 25, 2025, meeting of the State Employee Benefits Committee (SEBC). Motion was adopted unanimously.

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

Director Hartos presented updates on the ongoing Request for Proposals (RFPs). For the Health Data Warehouse RFP, the PRC met on December 8 and 10 to begin reviewing proposals and conducting vendor interviews, with additional proposal review scheduled for January 7. For the Vision Benefits RFP, the Vision PRC met on December 11 to review final scorecard results and develop its recommendation, which will be finalized by the PRC and presented to the Committee at the January 26 SEBC meeting.

**MEDICAL THIRD-PARTY ADMINISTRATOR (TPA) SERVICES REQUEST FOR PROPOSAL (RFP) – MICHELLE GAST, WTW**

Michelle Gast, Willis Towers Watson (WTW), provided an update on the Medical Third-Party Administrator (TPA) Services Request for Proposal. Ms. Gast noted that background information had been presented at the November SEBC meeting and that the current presentation focused on follow-up items, updated market context, and revisions to the draft scope of services. Feedback from the November discussion was incorporated into the updated draft document, including revisions requested by Committee members and clarification to reference retirees where applicable.

Ms. Gast provided follow-up information about the lack of significant changes in the medical marketplace since the prior procurement, the highly consolidated nature of the market in Delaware, and that Delaware continues to experience cost pressures consistent with national trends. Ms. Gast explained that WTW and SBO will continue working with the Committee to explore potential plan design strategies to address cost pressures and improve member decision-making, including options to better steer members to lower-cost, high-quality providers. Modeling of potential options will be developed for future Committee consideration.

Committee discussion followed regarding healthcare cost drivers in Delaware, including provider pricing and mandated coverage requirements. Committee members noted the impact of mandates on costs and negotiation flexibility.

Some Committee members expressed interest in direct contracting with medical providers and discussed the significant administrative and financial investment, as well as regulatory considerations, that would be needed in order to engage in broad direct contracting initiatives. The experiences in other states with direct contracting were also discussed. Director Hartos explained that the RFP questionnaire will request information from vendors regarding their ability to support potential direct contracting initiatives, and that limited pilot arrangements with independent providers may be more feasible, though would still require financial and administrative investment.

A Committee member requested information about the administrative fees the State is currently paying for medical third-party administration. SBO reported that total medical administrative fees paid to Highmark and Aetna for all plans in FY25 were approximately \$34.5 million.

Ms. Gast outlined next steps, noting that WTW and SBO will continue to incorporate Committee feedback as the draft is refined, with full RFP review anticipated in March 2026, and a vote expected in April 2026.

### **APPROVAL OF GHIP STRATEGIC FRAMEWORK – HOPE MANION, WTW**

Hope Manion, Willis Towers Watson (WTW), presented a review of the proposed GHIP Strategic Framework for FY2026 – FY2029. Ms. Manion noted that the updated Framework includes the goals of improving the health of GHIP members, ensuring high-quality and safe care, managing healthcare costs, and strengthening transparency. The version reviewed contained limited changes from the framework provided prior to the November SEBC meeting, and Committee discussion and feedback were therefore prioritized.

Ms. Manion reviewed environmental factors impacting the GHIP, including provider consolidation in Delaware, rising healthcare cost trends, and ongoing pressure on the State budget. Recent GHIP initiatives were referenced, and key focus areas within the Framework were outlined, including primary care and preventive care, alternative payment models, site-of-care considerations, high-cost conditions and specialty drug spending, and plan design options, including consideration of an HSA-compliant plan and improvements to navigation and transparency tools.

Committee members provided feedback on each of the Framework’s goals. Discussion included the inclusion of Health Risk Assessment surveys, terminology used within the Framework, and the importance of price transparency. Members also discussed the definition of “affordable cost,” Delaware’s healthcare pricing relative to surrounding markets, the role of the Committee in making annual legislative recommendations, and the potential value of conducting reference-based pricing studies. Additional discussion addressed the presentation of performance measures, communication with covered individuals, and the need for periodic review and updates to the Framework.

Director Hartos noted that preliminary work related to reference-based pricing has already begun and that permission from the General Assembly is not required to conduct a full study. Additional details will be discussed at a future meeting.

Ms. Barnekov-Short emphasized that approval of the Strategic Framework is needed to support preparation for upcoming Open Enrollment activities.

WTW will continue refining the Strategic Framework based on Committee feedback, and a revised version will be presented to the SEBC at a future meeting.

### **GHIP SAVINGS OPPORTUNITIES**

#### *Coverage of Weight Loss Medications (GLP-1s) – Brian Stitzel, WTW*

Brian Stitzel, Willis Towers Watson (WTW), provided an update on the GHIP’s experience with GLP-1 medications used for weight loss, including utilization trends, projected expenditures, and cost-mitigation scenarios.

Mr. Stitzel reported that GLP-1 spending has significantly exceeded initial estimates. Actual costs increased from approximately \$14.2 million in FY24 to \$53.3 million in FY25. Updated projections for FY2026 estimate gross spending of approximately \$94.4 million before rebates. Mr. Stitzel noted that recent projections reflect the CVS formulary change and exclusive coverage of Wegovy beginning July 1, 2025.

At the Committee's request, WTW reviewed cost-mitigation scenarios, including eliminating coverage and increasing member copays. Depending on the scenario, projected savings over FY27 through FY29 ranged from approximately \$36 million to \$181 million. Mr. Stitzel also reviewed estimated impacts to future GHIP rate actions.

At the Committee's request, Mr. Stitzel provided estimates related to extending weight-loss coverage to the Medicare population. Based on assumed utilization rates, WTW projected approximately \$23 million in additional GHIP costs over FY27 through FY29, with a modest impact to long-term premium rates.

WTW also reviewed approaches taken by other states regarding GLP-1 coverage, including discontinuing coverage or implementing utilization controls such as program participation requirements, higher cost sharing, or revised BMI eligibility thresholds. WTW noted that weight management programs could be paired with continued coverage but have associated program and administrative costs.

Committee discussion followed regarding cost containment, clinical considerations, and access. Members noted the importance of continued monitoring of utilization trends and reviewing additional options as part of broader GHIP cost-containment planning.

*DSEA Representative Jeff Taschner departed the meeting at 3:55 p.m.*

#### **PHARMACY BENEFIT MANAGEMENT REQUEST FOR PROPOSALS (RFP) – STEPHANIE HARTOS, SBO, DHR**

Director Stephanie Hartos provided an overview of proposed updates to the Pharmacy Benefit Management (PBM) Request for Proposal (RFP), including revisions to minimum requirements, scoring criteria, and the proposal evaluation process.

*Ashley Tucker departed the meeting at 4:03 p.m.*

Director Hartos reviewed updates to the minimum requirements, including revised rebate language requesting bidders to confirm whether they will pass through 100 percent of rebates to the State, while allowing vendors to describe alternative pricing or rebate structures for review and consideration. Additional requirements address coverage for commercial and Employer Group Waiver Plan (EGWP) populations, implementation timelines, data-sharing expectations, State authority over benefit decisions, specialty pharmacy carve-out capabilities, separate pricing by line of business, compliance with Delaware PBM laws, account management requirements, audit rights, acquisition cost reporting, and required certifications and insurance.

Director Hartos also reviewed proposed changes to the scoring criteria, noting that financial terms comprise the largest share of points. The Committee discussed the impacts of increasing the weight for audit rights, transparency, net cost, and flexibility, and reducing the weight for ability and capacity to provide requested services. Other scoring categories include network and formulary management, administrative services, and vendor responsiveness. Members raised questions regarding alternative pricing models, cost-plus proposals, and the treatment of rebate definitions during contract negotiations. Clarification was provided that cost-plus pricing proposals may be submitted but are not required, and that other alternative pricing models may also be evaluated.

#### **PUBLIC COMMENT**

Members of the public provided comments related to agenda items.

#### **OTHER BUSINESS**

During Other Business, Retiree Representative Peterson spoke in support of conducting a reference-based pricing study to better evaluate GHIP healthcare costs and inform future policy discussions.

**ADJOURNMENT**

A MOTION was made by DSTA Representative Paul Baumbach and seconded by Retiree Representative Peterson to adjourn the public session at 4:28 p.m. Motion was adopted unanimously.

Respectfully submitted,

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

A recording of the meeting is available at this [link](#) on the Delaware SEBC YouTube Page.