



**MINUTES FROM THE MEETING OF THE STATE EMPLOYEE BENEFITS COMMITTEE
February 13, 2026**

The State Employee Benefits Committee (the “Committee”) met at 2:30 p.m. on February 13, 2026. 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
State Treasurer Colleen Davis, Office of the State Treasurer (“OST”), Vice Chair
Secretary Yvonne Gordon, Department of Human Resources (“DHR”)
Secretary Christen Linke Young, Department of Health and Human Services, (“DHSS”)
Chief of Staff Stuart Snyder, Commissioner Trinidad Navarro Designee, 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

Committee Members Absent:

Lieutenant Governor Kyle Gay, Office of the Lt. Governor

Others in Attendance

Director Stephanie Hartos, SBO, DHR	Greg Hyland
Deputy Director Leighann Hinkle, SBO, DHR	Heather M. Johnson, DHR
Kristin Short, SEBC/Subcommittee Manager, SBO, DHR	Heather Signorelli
Michelle Whalen, Deputy Attorney General, DOJ, SEBC Legal Counsel	Jennifer N. Moyer
Alex Shull	Jennifer Schlecht, Included Health
Deputy Director Ann Visalli, OMB	Jason Swanson
Barbara Philbin	Julie A. Caynor
Bill Deely	LeVar Johnson
Bob Clarkin	Lynda Hastings
Brian Holloran, WTW	Mark Brainard, Lt. Governor
Brian Stitzel, WTW	Marie Hartigan, DHR
Carole Ann Mick, DHR	Melissa Kucharski, ODS
Carrie Schiavo	Michele Halaby, WTW
Charlene Hrivnak	Michelle Gast, WTW
Chip Schussler	Nancy Colley
Christina Haas, DOI	Nina Figueroa, DHR
Corey Deck	Pamela C. Barr, DHR
Deputy Secretary Courtney Hutt, DHR	Pati Nash
Daniel Arndt, DHSS	Randy Garcia
Elisa Diller	Robert Scoglietti, LegHall
	Ruth Ann Miller, LegHall
	Samantha Mountz, DHR

STATE OF DELAWARE STATEWIDE BENEFITS OFFICE

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Sarah Stowens, Lt. Governor
Stephenie A. Tatman, OOpen
Tashona James, OMB
Timothy Vessel, Highmark BCBSD Inc.
Trinidad Navarro, Insurance Commissioner

Wendy M. Beck, Highmark BCBSD Inc.
Grant Brunner, DHR
Danielle Cross, SBO, DHR , Recorder

CALLED TO ORDER – DIRECTOR BRIAN MAXWELL, OMB

Director Maxwell officially called the meeting to order at 2:31 p.m.

APPROVAL OF December 16, 2025, SEBC MEETING MINUTES – DIRECTOR BRIAN MAXWELL, OMB

A MOTION was made by State Retiree Karen Peterson and seconded by State Retiree Bill Oberle to approve the public session minutes from December 16, 2025, meeting of the State Employee Benefits Committee (SEBC).

Roll Call Vote:

- Director Brian Maxwell – Yes
- Treasurer Davis – Yes
- Secretary Gordon – Yes
- Ashley Tucker – Yes
- Secretary Young – Yes
- Paul Baumbach – Yes
- Chief of Staff Stuart Snyder – Yes
- Jeff Taschner – Yes
- Karen Peterson – Yes
- Bill Oberle – Yes

MOTION ADOPTED by roll call.

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

Director Hartos provided updates to the Committee.

Pursuant to 29 Del. C. §96, the SEBC must annually elect a Vice Chair. The Vice Chair must be a voting member of the Committee and may not be a Cabinet Secretary or hold an equivalent Executive Branch position. The one-year term will conclude in February 2027, and a vote will take place at the February 23, 2026 SEBC meeting.

An update was provided regarding the reference-based pricing study being conducted by the Department of Insurance in partnership with Bailit Health. The Statewide Benefits Office is participating in modeling specific to the Group Health Insurance Plan (GHIP), with results expected in April or May.

2026 Open Enrollment will take place May 4 through May 15, 2026. Any benefit or premium changes must be approved no later than March 23, 2026 to meet printing deadlines.

Hinge Health will add a Migraine Relief and Prevention pathway effective May 1, 2026 for non-Medicare GHIP members.

RFP updates were provided. The Health Data Warehouse Proposal Review Committee finalized scoring in January and a recommendation will be presented at the February 23, 2026 meeting. The PBM RFP draft was distributed to Committee members, feedback was incorporated, and the final draft will be publicly released on February 16, 2026.

It was also noted that the Consolidated Appropriations Act of 2026 includes PBM reform provisions effective in 2029 for the GHIP, including expanded transparency and reporting requirements. Many of these provisions are already reflected in the State's forthcoming PBM RFP.

EXECUTIVE SESSION

Director Maxwell stated that the next item on the agenda was to enter Executive Session pursuant to 29 Del. C. §10004(b)(6) to discuss the content of documents excluded from the definition of public record pursuant to 29 Del. C. §10002(o).

A Committee member suggested that additional context be provided regarding the subject matter of the Executive Session. Director Maxwell agreed, noting that in the spirit of transparency, the Executive Session would include discussion of recommendations related to contracts.

A MOTION was made by Director Maxwell and seconded by State Retiree Karen Peterson to move into the Executive Session at 2:50 p.m.

MOTION ADOPTED UNANIMOUSLY.

The Public Session resumed at 3:01 p.m.

APPROVAL OF VISION BENEFIT REQUEST FOR PROPOSALS (RFP) RECOMMENDATION – DIRECTOR BRIAN MAXWELL, OMB

A MOTION was made by DSEA Representative Jeff Taschner and seconded by State Retiree Karen Peterson to approve the Vision Benefit RFP recommendation as presented in Executive Session.

Roll Call Vote:

- Director Brian Maxwell – Yes
- Treasurer Davis – Yes
- Secretary Gordon – Yes
- Ashley Tucker – Yes
- Secretary Young – Yes
- Paul Baumbach – Yes
- Chief of Staff Stuart Snyder – Yes
- Jeff Taschner – Yes
- Karen Peterson – Yes
- Bill Oberle – Yes

MOTION ADOPTED by roll call.

FY27 PLANNING

Coverage of Weight Loss Medications – Brian Stitzel, WTW

Mr. Stitzel presented updated projections regarding coverage of GLP-1 medications for weight loss, including current utilization, cost trends, projected financial impact, and potential plan design options effective July 1, 2026.

Five options were reviewed with an effective date of July 1, 2026:

1. Eliminate coverage for weight loss medications
2. Implement a stand-alone copay (\$120 or \$200)
3. Implement an increased integrated copay (\$120 or \$200)
4. Remove prior authorization requirements and implement higher copays
5. Maintain current coverage

Mr. Stitzel reviewed projected three-year savings, anticipated rate impacts, and utilization assumptions under each scenario.

Committee discussion focused on financial sustainability, projected rate impacts, potential burden on lower-paid employees, clinical risks of discontinuation, the role of prior authorization in ensuring safe use, direct-to-consumer pricing comparisons, rebate negotiations, and legal considerations regarding subsidy or carve-out models.

It was noted that eliminating coverage would generate the greatest short-term savings but would significantly impact current members utilizing the medication. Copay adjustment options would reduce projected rate increases but shift additional cost burden to members. Removing prior authorization requirements could increase access but raised concerns regarding safety and uncontrolled utilization. Maintaining current coverage would preserve member access but continue financial pressure on the plan. A vote is expected to take place on this item at the February 23, 2026 SEBC meeting.

Approval of Lantern Surgeons of Excellence (COE) Incentive Structure – Hope Manion, WTW

Hope Manion presented proposed changes to the Lantern program incentive structure effective July 1, 2026.

The proposed adjustments included:

- Reducing the joint and spine surgery incentive from \$4,000 to \$3,000
- Increasing the cardiac surgery incentive from \$2,000 to \$3,000
- Reducing the gynecologic surgery incentive from \$2,000 to \$1,000

Committee discussion reflected that the projected financial impact is minimal and that utilization levels are not expected to be materially affected by the proposed changes.

A MOTION was made by State Retiree Karen Peterson and seconded by Secretary Gordon to approve the revised Lantern Surgeons of Excellence (COE) incentive.

Roll Call Vote:

- Director Brian Maxwell – Yes
- Treasurer Davis – Yes
- Secretary Gordon – Yes
- Ashley Tucker – Yes
- Secretary Young – Yes
- Paul Baumbach – Yes
- Chief of Staff Stuart Snyder – Yes
- Jeff Taschner – Yes
- Karen Peterson – Yes
- Bill Oberle – Yes

MOTION ADOPTED by roll call.

FSA Dependent Care Contributions – Heather Signorelli, WTW

Ms. Signorelli presented information regarding the increase in the Dependent Care Flexible Spending Account (FSA) maximum from \$5,000 to \$7,500, effective January 1, 2026, as authorized under recent federal legislation.

It was noted that employers may adopt the increased limit but must ensure compliance with applicable non-discrimination testing requirements. Projection testing conducted for the State indicated that if the \$7,500

maximum were adopted, minimal adjustments to contributions for certain highly compensated employees would be required to maintain compliance.

Committee discussion included clarification that the Dependent Care FSA may be used for eligible childcare and dependent elder care expenses, provided IRS requirements are met. It was further noted that the increase presents no financial risk to the State, provided compliance testing is conducted, and necessary adjustments are made.

MEDICAL THIRD-PARTY ADMINISTRATOR (TPA) SERVICES REQUEST FOR PROPOSALS (RFP) – Michelle Gast, WTW

Michelle Gast presented an overview of the upcoming Medical Third-Party Administrator (TPA) RFP, including proposed minimum requirements and scoring criteria.

Ms. Gast explained that the RFP is currently in draft form and will be presented to the Committee for review in March, with approval anticipated in April. The presentation highlighted proposed updates to minimum requirements and questionnaire components based on marketplace considerations and prior Committee discussions.

Proposed additions to the RFP include:

- Requiring vendors to allow pharmacy benefits to be carved out to a PBM selected by the State
- Including language permitting the State to carve out care management services
- Strengthening contractual language to ensure vendor cooperation with State audits
- Requiring pass-through of medical drug rebates where applicable
- Requesting information on air ambulance network participation
- Addressing administration of member deductibles when group changes occur mid-year

Ms. Gast also reviewed proposed scoring criteria, noting adjustments to increase weighting for financial proposals and network performance in alignment with Committee priorities regarding affordability and access. Scoring categories were outlined separately for non-Medicare and Medicare plans, reflecting structural differences between the programs.

Committee discussion included a request that the language pertaining to the Medicfill Supplement plan match that of the 2023 RFP and that the draft RFP materials be distributed as early as possible to allow adequate review.

2026 REQUEST FOR PROPOSALS (RFPs) – APPROVAL OF PROPOSAL EVALUATION PROCESSES

Director Maxwell presented proposed revisions to the RFP proposal evaluation process for 2026 procurements, indicating that this is a presentation that the Committee has discussed previously. In the interest of time, Director Maxwell highlighted page 8 of the presentation as the Committee is familiar with the different options. Director Maxwell indicated that he would like to see if the Committee could come to an agreement as to what option the Committee would like to adopt.

Three options were presented for Committee consideration:

1. Maintain the current PRC process for all 2026 procurements
2. Implement the new evaluation process for all 2026 procurements
3. Maintain the current PRC process for PBM and Medical TPA procurements and implement the new evaluation process for Dental and Consulting procurements

A MOTION was made by DSEA Representative Jeff Taschner and seconded by DSTA Designee Paul Baumbach to adopt Option 3, which maintains the current proposal evaluation process for the Pharmacy Benefit

Manager (PBM) and Medical TPA procurements and implements a revised evaluation process for the Dental and Consulting procurements.

Roll Call Vote:

- Director Brian Maxwell – Yes
- Treasurer Davis – Yes
- Secretary Gordon – Yes
- Ashley Tucker – Yes
- Secretary Young – Yes
- Paul Baumbach – Yes
- Chief of Staff Stuart Snyder – Yes
- Jeff Taschner – Yes
- Karen Peterson – Yes
- Bill Oberle – Yes

MOTION ADOPTED by roll call.

FINANCIALS

November and December 2025 Fund Report and Financial Update – Brian Stitzel, WTW

Brian Stitzel presented the November and December 2025 financial results for the GHIP, as reflected in the November/December 2025 Fund Report and Financial Update.

For the combined two-month period, the Plan performed approximately \$27.3 million better than budget. Premium contributions were approximately \$4.4 million above budget, due in part to higher non-payroll group contributions and the timing of October pensioner premiums being recorded in November. Other revenues were approximately \$6.0 million above budget, largely attributable to a \$6.4 million specialty network guarantee payment. Claims were approximately \$16.3 million below budget for the two months, driven primarily by lower-than-expected GLP-1 utilization. Expenses were approximately \$0.6 million below budget.

For FY26 year-to-date through December, the Plan is projected to end the fiscal year approximately \$19.6 million favorable to budget. While other revenues are projected below budget due to lower-than-expected commercial pharmacy rebates, this is largely offset by lower-than-expected claims, particularly related to GLP-1 medications.

Mr. Stitzel also reviewed long-term projections, including projected rate actions of 4.2% for FY27 and FY28, and 13.6% for FY29.

The Committee discussed the reforecast methodology and clarification regarding projected full-year figures versus two-month actuals. It was noted that updated January results would be presented at the February 23rd SEBC meeting.

State Retiree Karen Peterson left the meeting at 4:24 p.m.

PUBLIC COMMENT

Public comment was received regarding coverage of GLP-1 medications and the Medical Third-Party Administrator RFP. In addition 15 written public comments were sent to the Committee before the meeting.

OTHER BUSINESS

No other business.

ADJOURNMENT

A MOTION was made by State Retiree Bill Oberle and seconded by Treasurer Davis to adjourn the public session at 4:39 p.m. Motion was adopted unanimously.

Respectfully submitted,

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.