**MINUTES FROM THE MEETING OF THE STATE EMPLOYEE BENEFITS COMMITTEE**
**MAY 11, 2026**

The State Employee Benefits Committee (the "Committee") met at 9:00 a.m. on May 11, 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")
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, President of the Delaware State Education Association ("DSEA") Designee
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*
Kristin Short, SEBC/Subcommittee Manager, SBO, DHR
Tyler Waad, Deputy Attorney General, DOJ, SEBC Legal Counsel
Deputy Director Ann Visalli, OMB
Adrienne Wallace
Alicia Sanchez
Alyssa Vangeli
Andrea Godfrey, OMB
Bob Clarkin
Brian Holloran, WTW
Brian Stitzel, WTW
Brian Tinsley
Carrie Schiavo
Charlene Hrivnak, CVS
Christina Bryan
Corey Deck, WTW
Cristine Vogel, DOI
Daniel Madrid, Finance
Eric Poston
Evelyn Nestlerode, Courts
Heather Hernandez, DHR
Heather M. Johnson, DHR
Helene Diskau
Jacob Dunlap
Jen Rini, DHA
Jennifer N. Moyer
Jennifer Schlecht, Included Health
John Fazio, WTW
John J. Gadzinski, Highmark BCBSD Inc
Julie A. Caynor
Juliann Emory, DHA
Lisa Gruss
Lynda Hastings
Mark Brainard, Office of the Lt. Governor
Meghan Walls
Michelle Gast, WTW
Michele Williams, DHR
Natalie Di Sabatino Graef, DOI
Nicholas J. Konzelman, OMB
Nina Figueroa, DHR
Pamela C. Barr, DHR
Paula Roy
Phylicia Edmonds
Robert Scoglietti, LegHall
Ruth Ann Miller, LegHall
Sarah A. Russell, OMB
Sarah Kinsler
Sarah Stowens, Office of the Lt. Governor
Steve LePage

Tanisha Merced, DOI
Tanner Polce
Tashona James, OMB
Tom Pledgie
Walter Mateja, Merative
Wendy M. Beck, Highmark BCBSD Inc
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 9:00a.m.

**APPROVAL OF APRIL 20, 2026, SEBC MEETING MINUTES – DIRECTOR BRIAN MAXWELL, OMB**
A MOTION was made by Lieutenant Governor Gay and seconded by DSTA Representative Paul Baumbach to approve the minutes from April 20, 2026, meeting of the State Employee Benefits Committee (SEBC).

Roll Call Vote:
- Director Brian Maxwell – Yes
- Treasurer Davis – Yes
- Secretary Gordon – Yes
- Lieutenant Governor Gay – Yes
- Ashley Tucker – Not present
- Secretary Young – Yes
- Paul Baumbach – Yes
- Commissioner Navarro – Yes
- Jeff Taschner – Yes
- Karen Peterson – Yes
- Bill Oberle – Yes

MOTION ADOPTED by roll call.

**STATEWIDE BENEFITS OFFICE DIRECTOR'S REPORT – KRISTIN BARNEKOV-SHORT, SBO, DHR**
Ms. Barnekov-Short reported that the Pharmacy Benefit Manager (PBM) Request for Proposals (RFP) was posted for solicitation on March 25th following the SEBC approval. April 1st was the deadline for the Intent to Submit Proposals and we received 12 intent to bid submissions. Proposals were due on April 27, 2026, and currently 10 vendors are being reviewed by WTW and the Statewide Benefits Office for compliance with SEBC-approved minimum requirements.

Ms. Barnekov-Short reported that the PBM proposal evaluation team, previously referred to as the Proposal Review Committee (PRC), will begin convening in August to review finalist proposals, conduct vendor interviews, score proposals, and develop a recommendation for the Committee.

Ms. Barnekov-Short provided an update on the 2026 Spring Open Enrollment period, noting that open enrollment is currently underway and will conclude on May 15, 2026. She reminded members that, unless a qualifying event occurs, open enrollment is the only opportunity for employees, retirees, and participating group members to enroll in coverage, cancel coverage, or make benefit plan changes for themselves and their eligible dependents for benefits administered by the Statewide Benefits Office. Ms. Barnekov-Short noted that this open enrollment period also includes dental and vision plan enrollment opportunities for Medicare retirees and encouraged all eligible members to verify their benefit selections prior to the deadline.

Ms. Barnekov-Short provided a legislative update regarding Senate Bill 289, filed on April 21, 2026, which proposes structural changes to the SEBC. She reported that the bill would:
- Make the Director of the Office of Management and Budget a regular voting member rather than Chair of the Committee;

- Remove the State Treasurer as a member of the Committee;
- Make the Controller General a voting member;
- Add the Chair of the Delaware Health Care Commission as a Committee member and designate that position as Chair of the SEBC;
- Allow appointed members to designate designees to attend Committee and subcommittee meetings with approval by the appointing authority;
- Clarify that quorum attendance at a subcommittee meeting does not constitute a full Committee meeting; and
- Require roll call votes for official subcommittee actions.

Ms. Barnekov-Short stated that Senate Bill 289 was released from the Senate Elections and Government Affairs Committee on May 6, 2026, and was placed on the Senate Ready List.

During discussion, Treasurer Davis asked whether there had been engagement from the bill sponsor regarding the proposed legislation and stated that she had not been contacted regarding her proposed removal from the Committee. Director Maxwell stated that Senator Townsend had contacted him regarding the bill and referenced prior conversations with Treasurer Davis regarding proposed Committee composition changes. Discussion followed regarding differing recollections of those conversations.

**EXECUTIVE SESSION, DENTAL BENEFIT LOSS RATIOS**

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 MOTION was made by DSEA Designee Jeff Taschner and seconded by State Retiree Bill Oberle to move into the Executive Session at 9:11a.m.
MOTION ADOPTED UNANIMOUSLY.

The Public Session resumed at 9:46a.m.

**DENTAL BENEFIT REQUEST FOR PROPOSALS (RFP) – MICHELLE GAST, WTW**

*Ashley Tucker arrived at 9:45a.m.*

Ms. Gast presented the Dental Benefit Request for Proposals (RFP) and continued discussion regarding dental reimbursement levels, loss ratios, network participation, and plan design considerations.

Discussion included reimbursement trends, provider network participation, loss ratio targets, contractual rate guarantees, and considerations related to maintaining member access to preventive and dental care services.

Committee members also discussed reimbursement structures, provider participation concerns, and the relationship between reimbursement levels, premiums, and network stability.

**SEBC SUBCOMMITTEES – KRISTIN BARNEKOV-SHORT, SBO, DHR**

Ms. Barnekov-Short presented a proposed SEBC subcommittee structure intended to align with and operationalize the FY26–FY29 Group Health Insurance Plan Strategic Framework approved by the Committee at the April 20, 2026, meeting.

The proposal recommends dissolving the previous inactive subcommittee structure and establishing two new subcommittees:

- Financial and Vendor Strategy Subcommittee; and
- Health Outcomes and Data Insights Subcommittee.

Ms. Barnekov-Short explained that the proposed structure is intended to align work directly with the Strategic Framework, assign defined work plans and deliverables, return actionable recommendations to the full Committee, and ensure coverage of the full scope of the Framework.

The Financial and Vendor Strategy Subcommittee would focus on financial sustainability and cost management strategies, including benefit design optimization, high-cost drug spend management, vendor contracting and performance, member engagement related to avoidable costs, and actuarial and demographic analysis related to cost drivers.

The Health Outcomes and Data Insights Subcommittee would focus on improving member health outcomes and utilizing data analytics to support decision-making. Areas of focus would include preventive care engagement, population health strategies, site-of-care optimization, value-based and alternative payment models, and ongoing evaluation of the Strategic Framework.

Ms. Barnekov-Short stated that Committee members are being asked to review the proposed structure and provide feedback by July 10, 2026, prior to Committee consideration at the next meeting.

During discussion, Committee members requested clarification regarding proposed language related to qualifications and experience requirements for designees serving on subcommittees and discussed whether additional specificity should be added regarding stakeholder representation.
Committee members also discussed whether maintaining two separate subcommittees would be the most effective approach or whether combining efforts into a single structure may improve efficiency and coordination. Discussion also occurred regarding potential overlap between financial and policy-related discussions and the possible use of joint meetings where topic areas overlap.

Additional discussion occurred regarding statutory requirements applicable to subcommittee chairs, including attendance expectations and in-person meeting requirements pursuant to existing SEBC statutory provisions. Committee members also discussed the potential impact of Senate Bill 289 on subcommittee governance and designee approval processes.

State Retiree Karen Peterson requested follow-up regarding the statutory authority for the SEBC to establish subcommittees. DSTA Designee Paul Baumbach and State Retiree Bill Oberle discussed prior experience with SEBC subcommittee workload and meeting frequency.

Ms. Barnekov-Short confirmed that Committee members would receive a reminder prior to July 10, 2026, feedback deadline.

**SENATE JOINT RESOLUTION 7 – SEBC REPORT - KRISTIN BARNEKOV-SHORT, SBO, DHR**

Ms. Barnekov-Short provided a high-level overview of the draft Senate Joint Resolution 7 (SJR7) report, which fulfills the Committee's obligation under Senate Substitute 1 for Senate Joint Resolution 7 to evaluate prescription drug cost containment strategies and report on implementation challenges no later than August 1, 2026.

Ms. Barnekov-Short explained that the report includes an executive summary outlining key actions taken, implementation challenges, and overarching themes related to PBM transparency, procurement constraints, and market dynamics. She stated that the report also provides background regarding the timing of the PBM procurement process, followed by a review of each strategy identified in the resolution, including implementation considerations, actions taken by the Committee, and results where available.

Ms. Barnekov-Short stated that the Committee incorporated transparency, pricing, and oversight expectations directly into the PBM RFP through both minimum requirements and vendor questionnaires. She further noted that the Committee preserved the State's ability to pursue alternative strategies including direct contracting, specialty carve-outs, and alternative supply models, while also engaging with pharmaceutical manufacturers and third-party vendors regarding alternative pricing approaches for high-cost brand and specialty medications.

Ms. Barnekov-Short noted that many of the reporting requirements approved within the PBM RFP were aligned with transparency requirements included in the Consolidated Appropriations Act.

Ms. Barnekov-Short stated that several implementation challenges were identified throughout the report, including limited transparency within the current PBM model, legal constraints related to trade secret protections and contractual limitations, operational complexities, and trade-offs between transparency, cost containment, and member experience.

Ms. Barnekov-Short explained that while the Committee took meaningful action related to each strategy identified in the resolution, the ongoing PBM procurement process limits the ability to publicly disclose vendor responses or procurement outcomes at this stage. As a result, the report focuses primarily on actions taken and implementation feasibility rather than finalized results.

Ms. Barnekov-Short stated that the report will require Committee approval at the July 27, 2026, SEBC meeting and requested that Committee members submit any proposed revisions by July 10, 2026, to allow sufficient time for revisions and distribution of updated materials prior to the meeting.

During discussion, Lieutenant Governor Gay requested clarification regarding whether the report represented a one-time reporting requirement or ongoing work. Ms. Barnekov-Short stated that the report satisfies the current reporting requirement, but additional reporting could occur following completion of the PBM procurement process.

Discussion also occurred regarding language within the report referencing recommendations from WTW. Committee members discussed revising language where appropriate to clarify actions taken by the SEBC rather than attributing recommendations solely to WTW.

Committee members also discussed ongoing transparency limitations associated with the active procurement process and the importance of communicating those limitations to legislative stakeholders and the public.

**REFERNENCE-BASED PRICING – ALYSSA VANGELI & SARAH KINSLER, BAILIT HEALTH**
Ms. Vangeli and Ms. Kinsler of Bailit Health presented an overview of reference-based pricing strategies and hospital payment cap models currently being utilized or considered in multiple states.

The presentation included background regarding commercial hospital pricing trends in Delaware compared to Medicare reimbursement rates using RAND hospital pricing data. Bailit Health representatives noted that some Delaware hospitals' inpatient and outpatient reimbursement rates significantly exceed Medicare reimbursement benchmarks and rank among the highest nationally.

Ms. Vangeli and Ms. Kinsler provided an overview of reference-based pricing models, explaining that such approaches generally establish payment limits tied to a percentage of Medicare reimbursement rates for hospital services. The presentation reviewed key policy design considerations, including:

- applicability across commercial markets or public employee plans,
- inclusion of inpatient and outpatient services,
- benchmark selection methodologies,
- implementation and enforcement mechanisms,
- balance billing protections,
- and provider reimbursement considerations.

The presentation also reviewed reference-based pricing models implemented or under consideration in several states, including Oregon, Washington, Montana, New Mexico, Vermont, and Indiana.

During discussion, Committee members requested clarification regarding the distinction between payment caps and price caps, impacts on contractual reimbursement arrangements, and the relationship between reference-based pricing and hospital/provider negotiations.

Committee members also discussed:

- potential impacts on out-of-network reimbursement and balance billing protections,
- implementation considerations involving TPAs and provider contracts,
- possible impacts on Delaware hospitals and patient access to care,
- implications of Medicare benchmark methodologies,
- and potential unintended consequences associated with reimbursement caps.

Discussion also occurred regarding Delaware-specific hospital reimbursement levels compared to Medicare benchmarks and how proposed Senate Bill 1 concepts may relate to reference-based pricing approaches discussed during the presentation.

Committee members further discussed the limitations of currently available RAND pricing data and requested future follow-up once updated hospital pricing data becomes available.

**MARKETSCAN REIMBURSEMENT BENCHMARKS REPORT – WALT MATEJA, MERATIVE**
Mr. Mateja presented an overview of the MarketScan reimbursement benchmark analysis comparing Delaware hospital reimbursement levels to benchmark reimbursement data within the Philadelphia and Wilmington metropolitan areas.

The presentation included discussion regarding inpatient reimbursement comparisons, facility claim costs, diagnosis-related group (DRG) benchmarking data, and estimated excess facility costs associated with Delaware reimbursement levels.

During discussion, Committee members asked questions regarding how the reimbursement comparisons were calculated, how facility costs were reflected within the data, and how the benchmark analysis compared Delaware reimbursement levels to other markets.

Committee members also discussed reimbursement differences among Delaware providers, comparisons to Medicare reimbursement levels, limitations associated with available claims data, and potential impacts on healthcare costs and utilization. Additional discussion occurred regarding provider utilization patterns and possible migration of care outside of Delaware.

**SENATE BILL 1 – COMMISSIONER NAVARRO, DEPARTMENT OF INSURANCE**
Commissioner Navarro provided an update regarding Senate Bill 1 and reported that the Department of Insurance has continued meeting with Senator Townsend and representatives from the Delaware Healthcare Association regarding the legislation and possible compromise language.
Commissioner Navarro stated that discussions remain ongoing and noted the challenges associated with moving legislation forward while balancing healthcare affordability efforts and provider reimbursement concerns.

Commissioner Navarro emphasized the importance of maintaining focus on increasing investment in primary care and stated that the original goal of the legislation was to support primary care providers while addressing healthcare costs across the healthcare system.

Commissioner Navarro also discussed ongoing public feedback and advocacy efforts related to Senate Bill 1 and stated that stakeholders continue working toward a compromise.

Committee members discussed balancing healthcare affordability efforts with maintaining access to healthcare services and provider stability within Delaware.

**PUBLIC COMMENT**
Ms. Cross noted that 3 written public comments were received prior to the meeting and were distributed to Committee members. One verbal public comment was made in reference to Senate Bill 1.

**APPROVAL OF DENTAL BENEFIT REQUEST FOR PROPOSALS (RFP) - DIRECTOR BRIAN MAXWELL, OMB**
Director Maxwell returned discussion to the Dental Benefit Request for Proposals (RFP).

DSTA Designee Paul Baumbach made comments regarding the importance of the Proposal Review Committee evaluating negotiated contractual reimbursement pricing as part of the RFP review process.

A MOTION was made by DSTA Designee Paul Baumbach and seconded by State Retiree Bill Oberle to approve the Dental Benefit RFP recommendation as presented to us.

Roll Call Vote:
- Director Brian Maxwell – Yes
- Treasurer Davis – Yes
- Secretary Gordon – Yes

- Lt. Gov. Gay – Yes
- Ashley Tucker – Yes
- Secretary Young – Yes
- Paul Baumbach – Yes
- Commissioner Navarro – Yes
- Jeff Taschner – Yes
- Karen Peterson – Not voting
- Bill Oberle – Yes

MOTION ADOPTED by roll call.

**OTHER BUSINESS**

Lieutenant Governor Gay discussed concerns regarding participant awareness and accessibility of GLP-1 copay assistance programs and requested additional communication efforts to help members better understand how to access available assistance programs. Discussion also occurred regarding ensuring appropriate information and links are included within Open Enrollment materials and communications.

Treasurer Davis noted that utilization and claims data related to GLP-1 copay assistance programs may lag due to prescription supply timing and suggested ongoing reporting or future agenda item updates regarding participant utilization and access.

Lieutenant Governor Gay also referenced a written public comment related to dental x-rays and asked whether the Statewide Benefits Office or elected officials serving on the Committee should assist with constituent service-related concerns raised through public comments. Ms. Barnekov-Short stated that she would review the matter and bring it back to the Committee if there was a broader policy issue to discuss.

State Retiree Bill Oberle requested a future discussion regarding alternative payment models (APMs) and noted that a previously anticipated presentation from Christine Vogel had been deferred.

No additional business was discussed.

**ADJOURNMENT**

A MOTION was made by Commissioner Navarro and seconded by DSTA Designee Paul Baumbach to adjourn the public session at 11:37p.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.