

State of Arkansas Employee Benefits Division

CY2022 Planning

Arkansas State Board of Finance Meeting

Arkansas State Employees (ASE) and Public-School Employees (PSE)

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8 JUNE 2021



Agenda

- PSE Benefit Benchmarking
- PSE Recap of Financials
- PSE Summary of Initiatives and April 20th EBD Board Decision
- PSE Interactive Model
- Appendices

PSE Benchmarking – Benefit Program

PSE Benchmarking – Plan Design Findings

- On average, states offer between 2 to 4 plans (not including HMOs)
- The school districts at Missouri dictate the overall benefit programs and offerings
- Louisiana and Mississippi appear to offer the same benefit program and contributions for State and Public-School employees
- Tennessee and Oklahoma offer State-wide programs, however, some districts may choose to create their own benefit program
- The average deductible for the most generous plan ranges from \$300 to \$1,000 for individuals
- The average deductible for the least generous plan ranges from \$1,750 - \$2,750 for individuals (excluding Alabama and Springfield Missouri which does not offer HDHPs)
- Most states offer a qualified high deductible plan option
 - Louisiana, Oklahoma, Tennessee, and Texas offer HSA plans
 - Most states that offer a qualified HDHP provide a HSA seed
- Louisiana, Oklahoma, and Texas offer local HMO solutions

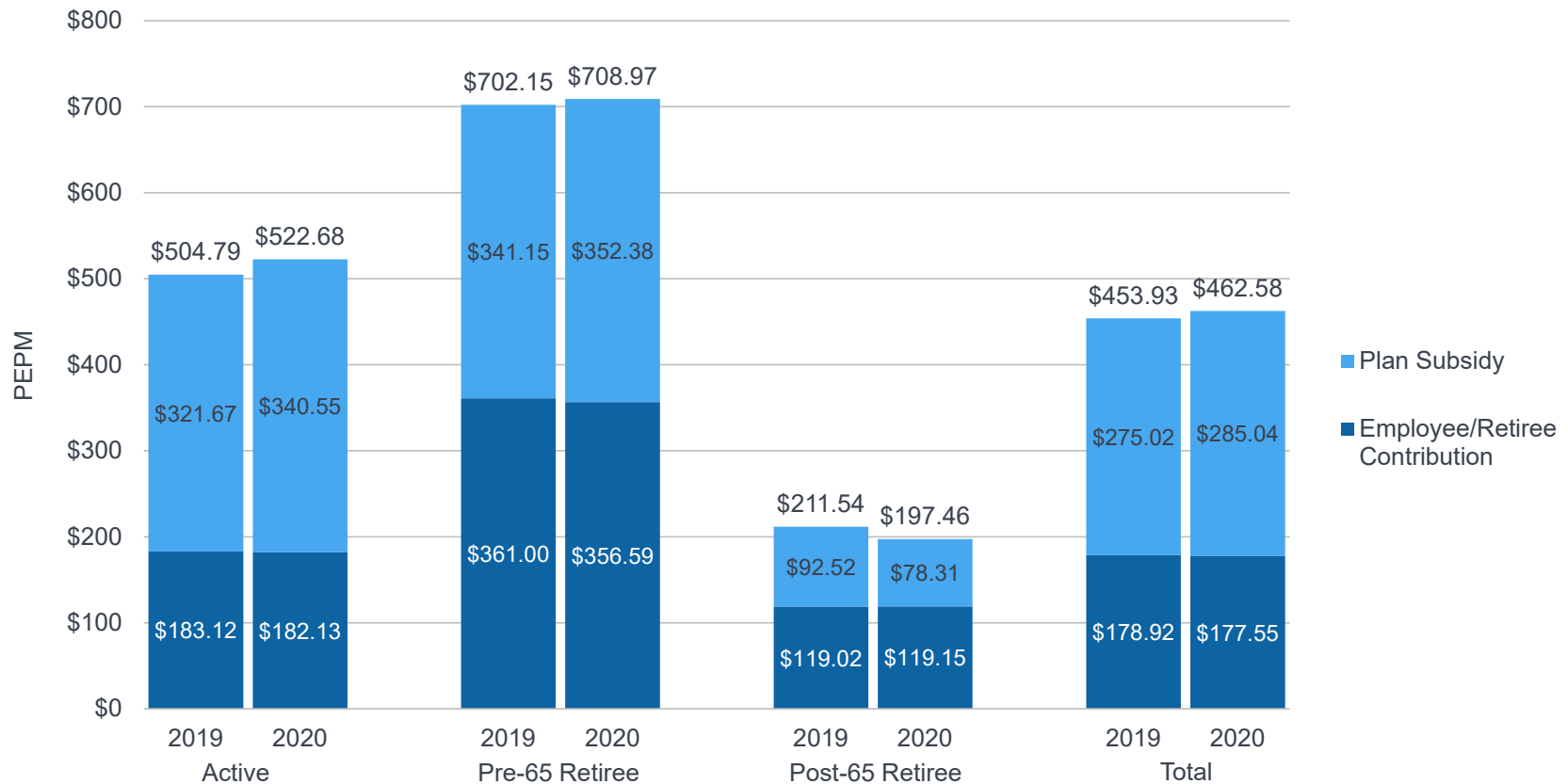
PSE – State and Employee Funding Benchmarks

- Reviewed healthcare benefits of 7 states surrounding Arkansas. States included are:
 - Alabama, Louisiana, Mississippi, Missouri (Springfield County), Oklahoma (Oklahoma City), Tennessee (Knox County), Texas
 - Not all school districts are funded the same amount within the State. Utilized select school districts within some States as a proxy.
- Mapped Arkansas employees to the closest matching plan option in alternative State
 - This assumes that enrollment distribution between plan, tier, and employment status is similar to Arkansas, may not be actual dollars funded by the State
- Relied upon the 2020 premiums and employee payroll contributions published on State websites for employee payroll contributions, total plan cost, and State subsidy
 - Actuarial judgement used when information was limited
- State of Arkansas 2020 premiums, employee payroll contributions and plan subsidy based on actual 2020 cost estimates
- Benchmarking results are primarily for directional purposes

Statistics	PSE (Rank) - Active
Employee Contributions	Rank: 6 of 8 (high employee contributions)
Estimated Plan Cost	Rank: 2 of 8 (low cost)
Plan / State Subsidy	Rank: 2 of 8 (low subsidization)

*Based on dollars

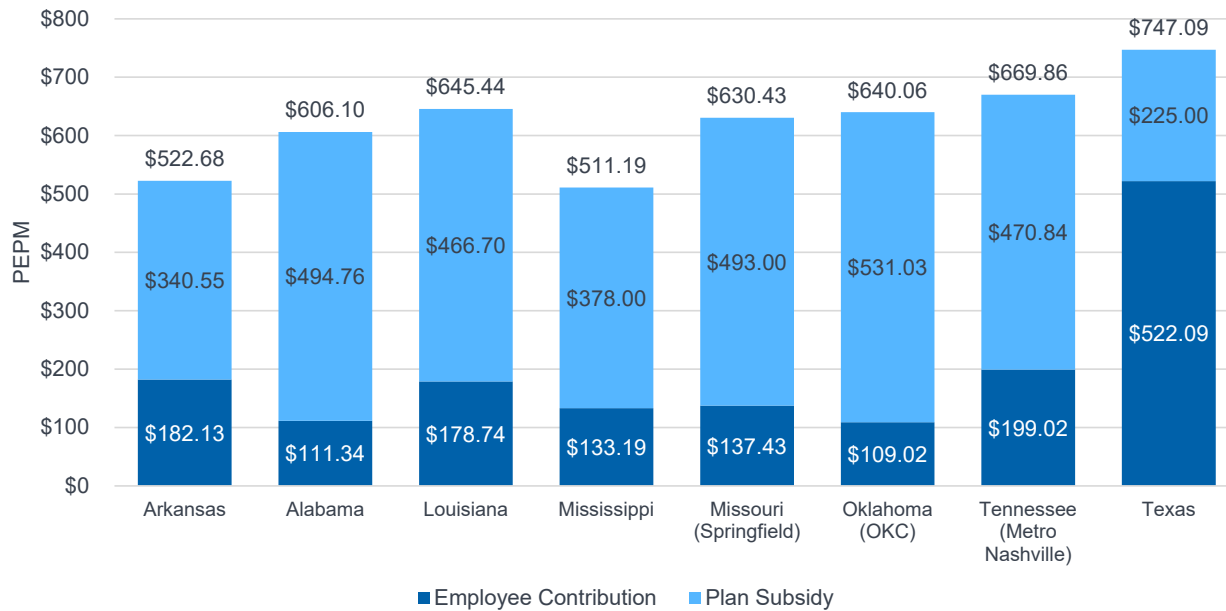
Employee Contribution and Plan Subsidy by Employment Status



*Plan subsidy includes state contributions (DoE), district contribution, other income, and use of assets / reserves
 **Employee contribution based on minimum district funding

2020 Employee Contribution and Plan Subsidy by State

Active Employees



- ◆ Alabama provides a subsidy of \$800 per active employee (funding spread across, actives, retirees, & dependents)
- ◆ Louisiana and Mississippi offer a similar program to State employees and Public-School Employees.
- ◆ Missouri operates at a district or county level
- ◆ Oklahoma predominately uses a state-wide program with a fixed subsidy
- ◆ Some States / Counties use a fixed subsidy (e.g. Springfield, MS, OKC)
- ◆ Tennessee offers a state-wide program however, districts can operate their own benefit (e.g. Shelby County & Metro Nashville)
- ◆ Texas requires a minimum state contribution of \$75 and a minimum district contribution of \$150

	AR	AL	LA	MS	MO	OK	TN	TX
Plan Subsidy %	65%	82%	72%	74%	78%	83%	70%	30%
EE Contribution %	35%	18%	28%	26%	22%	17%	30%	70%

*Arkansas plan subsidy includes state contributions (DoE), district contribution, other income, and use of assets / reserves

**Employee contribution based on minimum district funding

PSE Benchmark – Medicare & Non-Medicare Eligible Retiree Coverage

- State of Arkansas Public School offers medical/pharmacy benefits to Non-Medicare Eligible Retirees and offer medical benefits to Medicare Eligible Retirees

State	Offer Coverage (NME)	Offer Med Coverage (ME)	Offer Rx Coverage (ME)	Comments
Arkansas	Yes	Yes	No	PSE does not have Rx coverage
Alabama	Yes	Yes	Yes	Subsidy based on years of service
Louisiana	Yes	Yes	Yes	Subsidy based on years of service
Mississippi	Yes	Yes	No	Appears to be Access Only*
Missouri**	Yes	Yes	Yes	Varies by School District
Oklahoma	Yes	Yes	Yes	Appears to be a Stipend Years of Service Requirement
Tennessee	Yes	Yes	No	Grandfathered Benefit
Texas	Yes	Yes	Yes	Years of Service Requirement

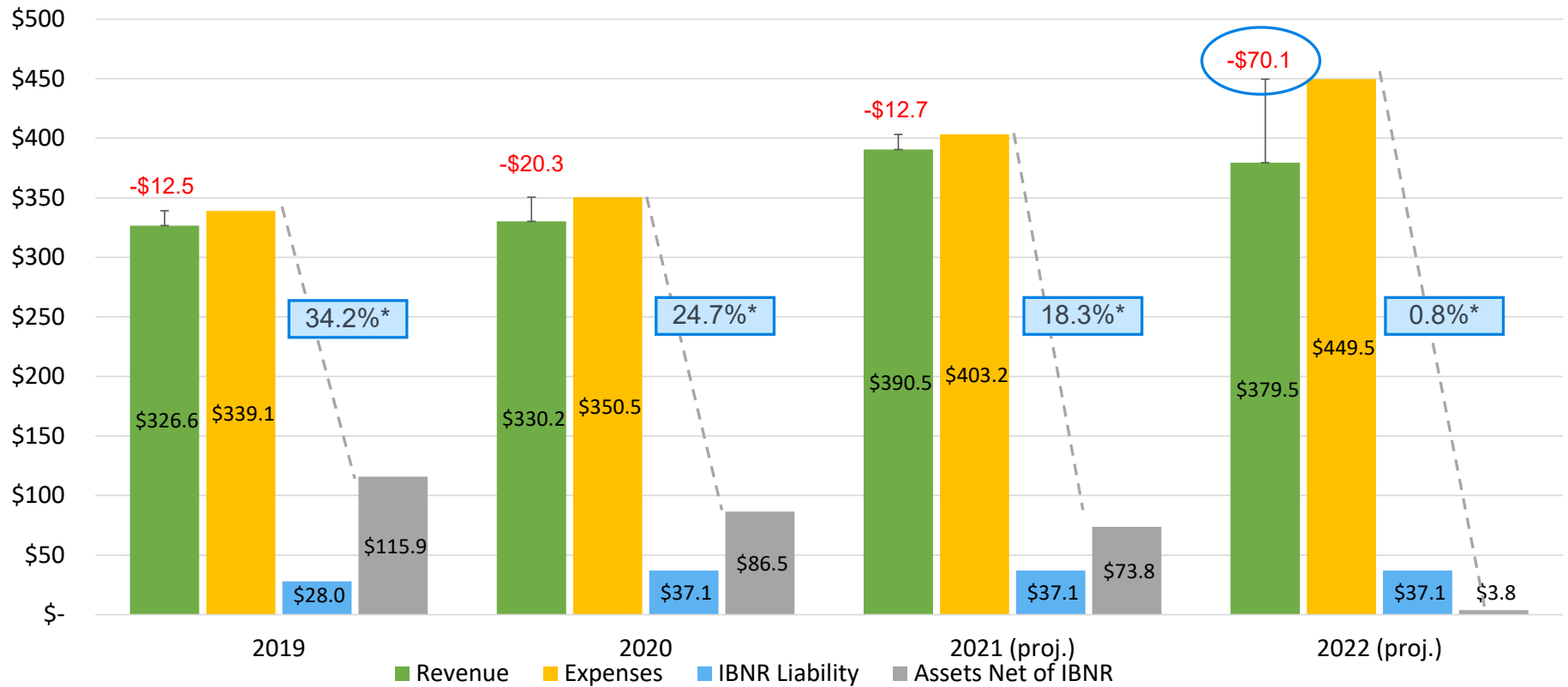
* Coverage appears to be access only for retirees hired after 2006

**Coverage offering appears depends on school districts

Public-School Employees (PSE)

Financial Recap

PSE – Change in Revenue, Expenses, and Assets (\$millions)



* Assets Net of IBNR as a portion of Expenses

PSE - Summary of Initiatives from April 20th Board Meeting

- 2022 PSE target: **(\$70.0M)** (estimated deficit + 10% catastrophic reserve minimum)

Initiative	2022 Estimated	
	Savings	Balance
10% Active Contribution Increase	\$11.4M	(\$58.6M)
15% Pre-65 Retiree Contribution Increase	\$2.2M	(\$56.4M)
20% Post-65 Retiree Contribution Increase	\$4.4M	(\$52.0M)
Reduction in Wellness Credit for Actives from \$50 to \$25	\$11.7M	(\$40.3M)
Add Non-Wellness Contribution for Actives (\$50 per month)	\$6.2M	(\$34.1M)
Eliminate Wellness Preventive Screening Requirement	<u>\$4.4M</u>	(\$29.7M)
Total	\$40.3M	

Contribution changes do not reflect migration between benefit plans or tier.

Add Non-Wellness Contribution impacts the spread between employees who earn the wellness incentive and those who do not earn the wellness incentive.

PSE - Active Wellness (Based on April 20th Board Meeting)

Tier	Projected Employees	2021 Contribution	2022 Contribution	Contribution Change (\$)	Contribution Change (%)
<u>Premium</u>					
Employee	10,706	\$208.46	\$254.31	\$45.85	22.0%
Employee & Spouse	170	\$856.20	\$966.82	\$110.62	12.9%
Employee & Child(ren)	1,861	\$495.54	\$570.09	\$74.55	15.0%
Family	335	\$858.44	\$969.28	\$110.84	12.9%
<u>Classic</u>					
Employee	12,571	\$71.02	\$103.12	\$32.10	45.2%
Employee & Spouse	1,280	\$379.62	\$442.58	\$62.96	16.6%
Employee & Child(ren)	5,642	\$183.42	\$226.76	\$43.34	23.6%
Family	2,627	\$383.32	\$446.65	\$63.33	16.5%
<u>Basic</u>					
Employee	2,902	\$36.26	\$64.89	\$28.63	78.9%
Employee & Spouse	194	\$297.78	\$352.56	\$54.78	18.4%
Employee & Child(ren)	485	\$146.86	\$186.55	\$39.69	27.0%
Family	277	\$300.62	\$355.68	\$55.06	18.3%

PSE - Active Non-Wellness (Based on April 20th Board Meeting)

Tier	Projected Employees	2021 Contribution	2022 Contribution	Contribution Change (\$)	Contribution Change (%)
<u>Premium</u>					
Employee	2,922	\$258.46	\$329.31	\$70.85	27.4%
Employee & Spouse	83	\$906.20	\$1,041.82	\$135.62	15.0%
Employee & Child(ren)	451	\$545.54	\$645.09	\$99.55	18.2%
Family	188	\$908.44	\$1,044.28	\$135.84	15.0%
<u>Classic</u>					
Employee	2,744	\$121.02	\$178.12	\$57.10	47.2%
Employee & Spouse	441	\$429.62	\$517.58	\$87.96	20.5%
Employee & Child(ren)	1,013	\$233.42	\$301.76	\$68.34	29.3%
Family	1,153	\$433.32	\$521.65	\$88.33	20.4%
<u>Basic</u>					
Employee	881	\$86.26	\$139.89	\$53.63	62.2%
Employee & Spouse	91	\$347.78	\$427.56	\$79.78	22.9%
Employee & Child(ren)	128	\$196.86	\$261.55	\$64.69	32.9%
Family	162	\$350.62	\$430.68	\$80.06	22.8%

PSE - Pre-65 Retirees (Based on April 20th Board Meeting)

Tier	Projected Retirees	2021 Contribution	2022 Contribution	Contribution Change (\$)	Contribution Change (%)
<u>Premium</u>					
Retiree	390	\$641.14	\$737.31	\$96.17	15.0%
Retiree & NME Spouse	14	\$1,457.18	\$1,675.76	\$218.58	15.0%
Retiree & Child(ren)	7	\$1,192.60	\$1,371.49	\$178.89	15.0%
Retiree & NME Spouse & Child(ren)	2	\$2,008.64	\$2,309.94	\$301.30	15.0%
Retiree & ME Spouse	60	\$795.12	\$914.39	\$119.27	15.0%
Retiree & ME Spouse & Child(ren)	0	\$1,346.58	\$1,548.57	\$201.99	15.0%
<u>Classic</u>					
Retiree	2,017	\$273.30	\$314.30	\$41.00	15.0%
Retiree & Spouse	309	\$565.78	\$650.65	\$84.87	15.0%
Retiree & Child(ren)	70	\$469.82	\$540.29	\$70.47	15.0%
Family	41	\$746.20	\$858.13	\$111.93	15.0%
<u>Basic</u>					
Retiree	424	\$148.50	\$170.78	\$22.28	15.0%
Retiree & Spouse	66	\$269.72	\$310.18	\$40.46	15.0%
Retiree & Child(ren)	22	\$238.52	\$274.30	\$35.78	15.0%
Family	23	\$335.72	\$386.08	\$50.36	15.0%

PSE - Post-65 Retirees (Based on April 20th Board Meeting)

Tier	Projected Retirees	2021 Contribution	2022 Contribution	Contribution Change (\$)	Contribution Change (%)
<u>Primary</u>					
Retiree	14,135	\$100.78	\$120.94	\$20.16	20.0%
Retiree & Non-Medicare Spouse	92	\$783.92	\$940.70	\$156.78	20.0%
Retiree & Child(ren)	12	\$757.10	\$908.52	\$151.42	20.0%
Retiree & Non-Medicare Spouse & Child(ren)	7	\$1,521.48	\$1,825.78	\$304.30	20.0%
Retiree & Medicare Spouse	1,228	\$263.04	\$315.65	\$52.61	20.0%
Retiree & Medicare Spouse & Child(ren)	3	\$888.58	\$1,066.30	\$177.72	20.0%

Summary of All Initiatives Modeled YTD

An interactive contribution and state funding model was developed that allowed the board to host working sessions to evaluate different contributions and state funding impacts.

Initiative	2022 Estimated Savings
10% Contribution Increase for Actives, Pre-65 Retirees, and Post-65 Retirees	\$15.1M
Reduction in Wellness Credit from \$50 to \$25 ¹	\$11.7M
Eliminate Wellness Preventive Screening Requirement	\$4.4M
Increase Non-Wellness Contribution for Actives (\$25 per month)	\$3.1M
\$250 Deductible & OOPM Increase for Actives/Pre-65 Retirees	\$5.1M
Post-65 Retiree Coordination of Benefit Change	\$11.0M
Eliminate Basic Plan for Actives/Pre-65 Retirees	(\$1.1M)
Wellness Visit Required Through Physician for Wellness Credit	\$2.2M
Reduce Post-65 Retiree Contributions by \$25 per month	(\$4.6M)

¹ Not recommending elimination of wellness program, showing value of change to credit

Limitations

Courtney White and Paul Sakhrani are Members of the American Academy of Actuaries and Fellows of the Society of Actuaries and meet the Qualification Standards of the American Academy of Actuaries to render actuarial opinion contained herein. To the best of our knowledge and belief, this analysis is complete and accurate and has been prepared in accordance with generally recognized and accepted actuarial principles and practices.

The assumptions used in the development of the 2020, 2021, 2022 budgets, and the benefit benchmarking relied on historical ASE and PSE medical and pharmacy claims from ABCBS and MedImpact, respectively; funding and plan administration from EBD; historical ASE and PSE members by benefit plan, age/gender, and by month from EBD; 2019, 2020, and 2021 ASE and PSE benefit plan summaries from EBD; 2020 benefit summaries and rate sheets from other State benefit programs; 2020, 2021, and 2022 fees and administrative expenses from EBD; conversations with EBD regarding the program, and actuarial judgment.

While we reviewed the ABCBS, MedImpact, EBD, and other state information for reasonableness, we have not audited or verified this data and other information. If the underlying data or information is inaccurate or incomplete, the results of our analysis may likewise be inaccurate or incomplete.

Expected outcomes are sensitive to the underlying assumptions used. Differences between our projections and actual amounts depend on the extent to which future experience conforms to the assumptions made for this analysis. It is certain that actual experience will not conform exactly to the assumptions used in this analysis. Actual amounts will differ from projected amounts to the extent that actual experience deviates from expected experience.

Any reader of this report should possess a certain level of expertise in areas relevant to this analysis to appreciate the significance of the assumptions and the impact of these assumptions on the illustrated results. The reader should also be advised by their own actuaries or other qualified professionals competent in the subject matter of this report, so as to properly interpret the material.

The terms of Milliman's Consulting Services Agreement as a subcontractor to Health Advantage, an affiliate of ABCBS, for the State of Arkansas dated October 29, 2019 apply to this email and its use.

This presentation has been provided for the internal use of the management of the State of Arkansas Employee Benefits Division for CY2022 benefit planning and setting the ASE and PSE budget for CY2020, CY2021, and CY2022. The information contained in this presentation is confidential and proprietary. This information may not be appropriate for other uses and should not be distributed to or relied on by any other parties without Milliman's prior written consent. We do not intend this information to benefit any third party even if we permit the distribution of our work product to such third party. If this analysis is distributed internally or to a third party, we request that it be distributed in its entirety.



Thank you

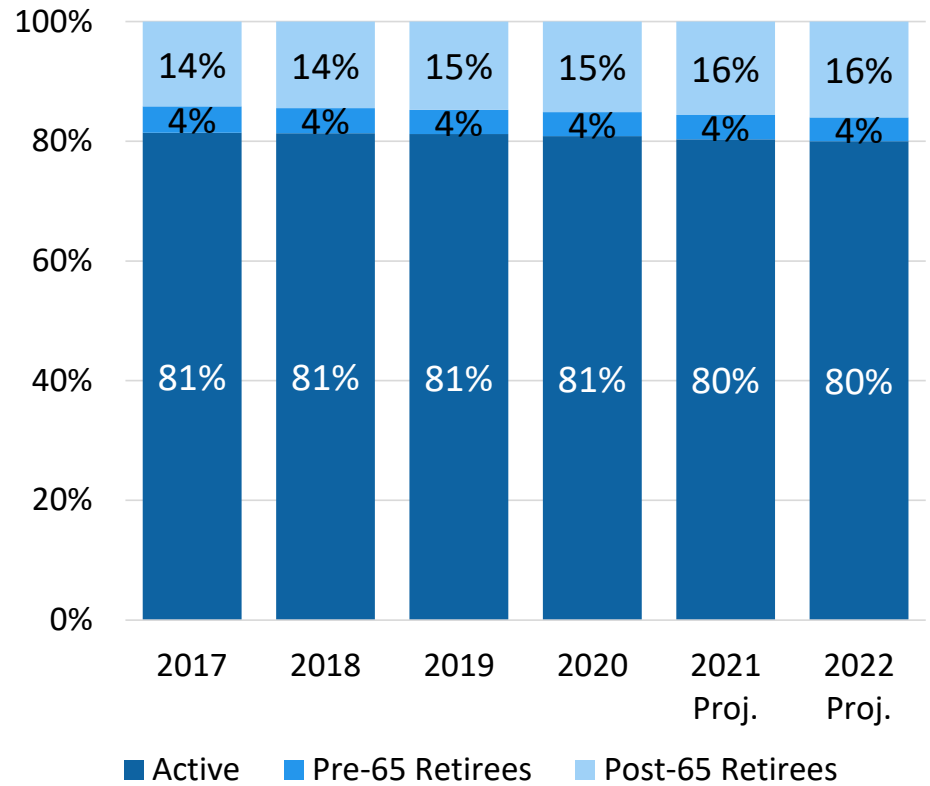
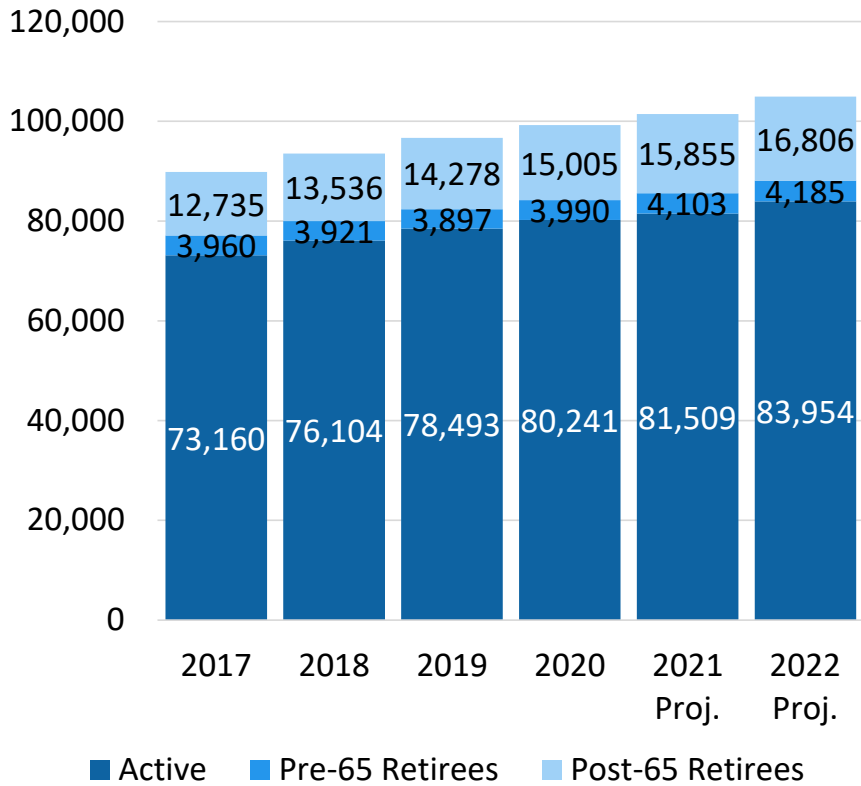
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Appendices

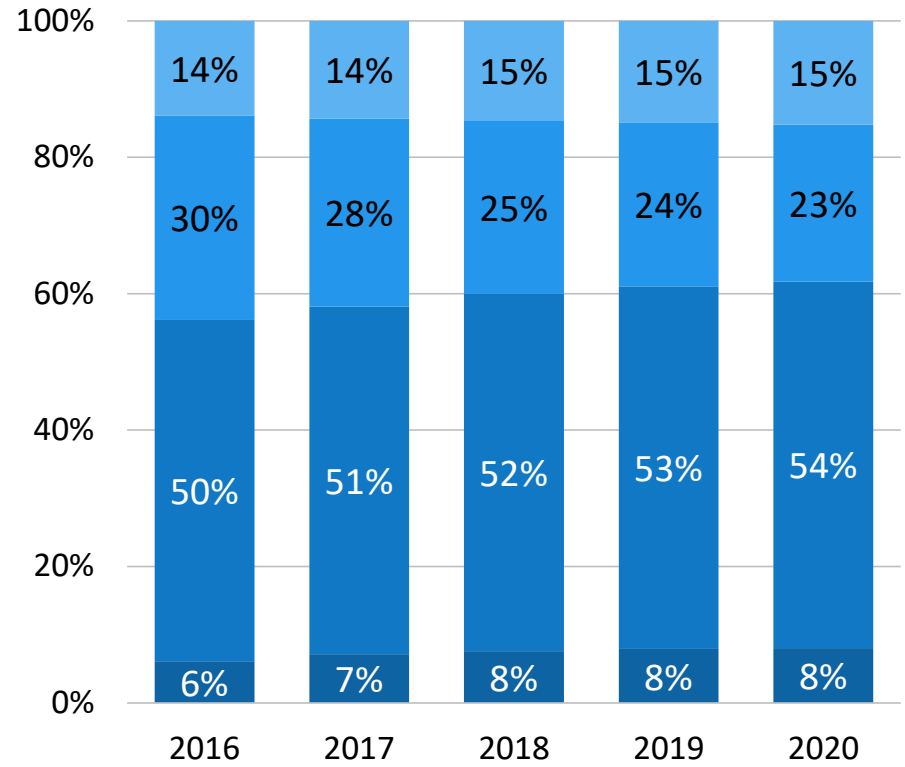
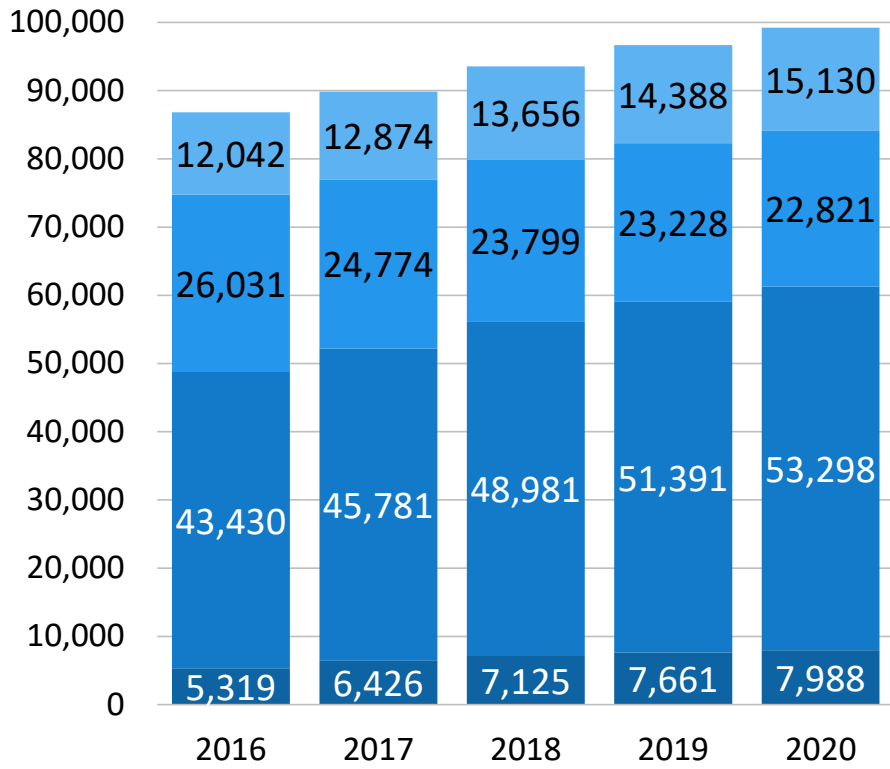
Appendix

PSE Supporting Monthly Exhibits

PSE - Average Membership by Status



PSE - Average Membership by Plan



■ Basic ■ Classic ■ Premium ■ Primary

■ Basic ■ Classic ■ Premium ■ Primary

Appendix

Monthly Reporting - Assumptions & Methodology

Assumptions & Methodology

Assumptions - Trend

Division	Group	Medical Trend	Pharmacy Trend
ASE	Active/Pre-65 Retirees	5.0%	8.0%
	Post-65 Retirees	5.0%	8.0%
PSE	Active/Pre-65 Retirees	7.0%	8.0%
	Post-65 Retirees	7.0%	8.0%

Assumptions & Methodology

Assumptions – Benefit Plan Changes (2020 to 2022)

- ASE
 - No significant plan cost changes for Active, Pre-65, and Post-65 benefit plans
- PSE
 - No significant plan cost changes for Active, Pre-65, and Post-65 benefit plans

Assumptions & Methodology

Assumptions – Other

- Age/Gender
 - Age/Gender factor based on Milliman Health Cost Guidelines™
- Enrollment Projections
 - Actual enrollment utilized for March 2019 through March 2021
 - Projected April 2021 – December 2022 based on historical patterns
- Program Savings
 - Estimated remaining 2021 program savings of \$5.3 million for ASE and \$3.9 million for PSE
 - Estimated remaining 2022 program savings of \$5.4 million for ASE and \$4.0 million for PSE
 - Program savings offset as initiatives are reflected in the claims experience and projected pharmacy claims cost
- Plan Administration Expense
 - ASE - \$2.17 PMPM for CY 2021 (\$2.16 PMPM for CY 2022); UAMS shifted to Administration Fees PMPM
 - PSE - \$1.47 PMPM for CY 2021 (\$1.47 PMPM for CY 2022); UAMS shifted to Administration Fees PMPM
- Administration Fees include PCORI charges for 2021 and 2022
- Percentage of Population earning wellness incentive
 - ASE – 76.4%
 - PSE – 79.2%
- Minimum District Funding: \$161.87 in 2020 and \$164.66 in 2021 and 2022

Assumptions & Methodology

Methodology

1. Summarized fee-for service (FFS) medical claims incurred from March 1, 2019 to February 29, 2020 and paid March 1, 2019 to March 31, 2021. Medical claims are gross of withholds. Reports reflects the timing of when EBD is expected to pay the withhold.
2. Summarized fee-for-service (FFS) pharmacy claims incurred from February 1, 2020 to January 31, 2021 and paid from February 1, 2020 to March 31, 2021.
3. Converted the paid and incurred claims to incurred claims using completion factors. This incorporates the incurred but not reported (IBNR) claim reserve.
4. Summarized member months for March 2019 to February 2020 (medical) and February 2020 to January 2021 (pharmacy).
5. Divided the summarized incurred claims by the appropriate member months to calculate PMPMs.
6. For 2020, utilized actual claims for January 2020 to December 2020.
7. For 2021, utilized actual claims for January 2021 and projected February – December 2021.
8. 2021 and 2022 projected the incurred claims PMPM from the midpoint of the experience period (September 1, 2019 for medical / August 1, 2020 for pharmacy) to the midpoint of the contract period (July 1, 2021 and July 1, 2022, respectively).
9. Made adjustments for seasonality, benefit changes, and age/gender mix.
10. Accounted for rating period fees and administrative expenses.
11. Where applicable, converted incurred budget to paid budget based on historical payment patterns.

Appendix

PSE Benchmarking – Plan Design Comparison

Plan Design

	Premium		Classic		Basic	
	ASE	PSE	ASE	PSE	ASE	PSE
Individual / Family Deductible	\$500 / \$1,000	\$750 / \$1,500	\$2,500 / \$5,000	\$1,750 / \$2,850	\$6,450 / \$12,900	\$4,000 / \$8,000
Individual / Family MOOP ¹	\$3,000 / \$6,000	\$3,250 / \$6,500	\$6,450 / \$12,900	\$6,450 / \$9,675	\$6,450 / \$12,900	\$6,450 / \$12,900
Primary Care Physician / Specialist	\$25 / \$50	\$25 / \$50	20% after ded.	20% after ded.	0% after ded.	20% after ded.
ER	\$250	\$250	20% after ded.	20% after ded.	0% after ded.	20% after ded.
Inpatient	20% after ded.	20% after ded.	20% after ded.	20% after ded.	0% after ded.	20% after ded.
Outpatient	20% after ded.	20% after ded.	20% after ded.	20% after ded.	0% after ded.	20% after ded.
Generic Drug	\$15	\$15	20% after ded.	20% after ded.	0% after ded.	20% after ded.
Preferred Brand Drug	\$40	\$40	20% after ded.	20% after ded.	0% after ded.	20% after ded.
Non-Preferred Brand Drug	\$80	\$80	20% after ded.	20% after ded.	0% after ded.	20% after ded.
Specialty Drug	\$100	\$100	20% after ded.	20% after ded.	0% after ded.	20% after ded.
Proj. 2022 Enrollment ²	22,091	17,188	2,893	29,907	1,851	5,655

¹ Separate out-of-pocket maximum for pharmacy on Premium plan

² Represents Active and Pre-65 Retiree projected 2022 enrollment

Plan Design – Alabama

	BlueCard PPO	Viva
Individual / Family Deductible	\$300 / \$900	\$500 / \$1,500
Individual / Family MOOP	\$8,550 / \$17,100	\$7,350 / \$14,700
Primary Care Physician / Specialist	\$30 / \$35	\$25 / \$40
ER	\$150	\$200
Inpatient	\$200 + \$25 per day	\$200 + \$50 per day
Outpatient	\$150	10%
Generic Drug	\$6	\$5
Preferred Brand Drug	\$50	\$30
Non-Preferred Brand Drug	\$60	\$60
Specialty Drug	20% (min \$100, max \$150)	\$80

Plan Design – Louisiana

	Magnolia Open Access	Magnolia Local Plus	Magnolia Local	Pelican HRA 1000 ¹	Pelican HSA 775 ²
Individual / Family Deductible	\$900 / \$2,700	\$400 / \$1,200	\$400 / \$1,200	\$2,000 / \$4,000	\$2,000 / \$4,000
Individual / Family MOOP	\$3,500 / \$8,500	\$3,500 / \$8,500	\$2,500 / \$7,500	\$5,000 / \$10,000	\$5,000 / \$10,000
Primary Care Physician / Specialist	10% after ded.	\$25 / \$50	\$25 / \$50	20% after ded.	20% after ded.
ER	\$150 + 10% after ded.	\$200	\$150	20% after ded.	20% after ded.
Inpatient	10% after ded.	\$100 per day	\$100 per day	20% after ded.	20% after ded.
Outpatient	10% after ded.	\$100	\$100	20% after ded.	20% after ded.
Generic Drug	50% up to \$30	50% up to \$30	50% up to \$30	50% up to \$30	\$10 after ded.
Preferred Brand Drug	50% up to \$55	50% up to \$55	50% up to \$55	50% up to \$55	\$25 after ded.
Non-Preferred Brand Drug	65% up to \$80	65% up to \$80	65% up to \$80	65% up to \$80	\$50 after ded.
Specialty Drug	50% up to \$80	50% up to \$80	50% up to \$80	50% up to \$80	\$50 after ded.

1.State contributes \$1,000 into HRA.

2.State contributions up to \$775 into HSA

3.Additional local HMOs are available

Plan Design – Mississippi

	Select	Base
Individual / Family Deductible	\$1,000 / \$2,000	\$1,800 / \$3,000
Individual / Family MOOP	\$6,500 / \$13,000	\$6,500 / \$13,000
Primary Care Physician / Specialist	\$25 / 20%	\$10 / 20%
ER	\$50 first visit 200 + 20% after first visit	\$50 first visit 200 + 20% after first visit
Inpatient	20% after ded.	20% after ded.
Outpatient	20% after ded.	20% after ded.
Generic Drug	\$12	\$12
Preferred Brand Drug	\$45	\$45
Non-Preferred Brand Drug	\$100	\$100
Specialty Drug	\$100	\$100

Plan Design – Missouri – Springfield County

	PPO
Individual / Family Deductible	\$600 / \$1,800
Individual / Family MOOP	\$6,600 / \$13,200
Primary Care Physician / Specialist	25%
ER	25%
Inpatient	25%
Outpatient	25%
Generic Drug	\$5 + 20%
Preferred Brand Drug	\$20 + 20%
Non-Preferred Brand Drug	\$20 + 20%
Specialty Drug	25%

Plan Design – Oklahoma

	HealthChoice High	HealthChoice Basic	HealthChoice HDHP
Individual / Family Deductible ¹	\$750 / \$2,000	\$1,000 / \$1,500	\$1,750 / \$3,500
Individual / Family MOOP	\$3,300 / \$8,400	\$4,000 / \$9,000	\$6,000 / \$12,000
Primary Care Physician / Specialist	\$30 / \$50	50% after ded.	\$30 / \$50 after ded.
ER	\$200 + 20%	50% after ded.	\$200 + 20% after ded.
Inpatient	20% after ded.	50% after ded.	20% after ded.
Outpatient	20% after ded.	50% after ded.	20% after ded.
Generic Drug	\$10	\$10	\$10 after ded.
Preferred Brand Drug	\$45	\$45	\$45 after ded.
Non-Preferred Brand Drug	\$75	\$75	\$75 after ded.
Specialty Drug	\$10 / \$100 / \$200	\$10 / \$100 / \$200	\$10 / \$100 / \$200 after ded.

1. Basic Plan has \$500 first dollar coverage paid by plan. Amount shown is after first dollar coverage.

2. Additional local HMOs and Alternative plans are available

3. Basic and High plan have a separate pharmacy deductible before copay applies

Plan Design – Tennessee

	Premier PPO	Standard PPO	Limited PPO	CDHP / HSA
Individual / Family Deductible	\$500 / \$1,250	\$1,000 / \$2,500	\$1,800 / \$3,600	\$2,000 / \$4,000
Individual / Family MOOP	\$3,600 / \$9,000	\$4,000 / \$10,000	\$6,800 / \$13,600	\$5,000 / \$10,000
Primary Care Physician / Specialist	\$25 / \$45	\$30 / \$50	\$35 / \$55	30% after ded.
ER	\$150	\$175	\$200	30% after ded.
Inpatient	10% after ded.	20% after ded.	30% after ded.	30% after ded.
Outpatient	10% after ded.	20% after ded.	30% after ded.	30% after ded.
Generic Drug	\$7	\$14	\$14	30% after ded.
Preferred Brand Drug	\$40	\$50	\$60	30% after ded.
Non-Preferred Brand Drug	\$90	\$100	\$110	30% after ded.
Specialty Drug	10% (min \$50, max \$100)	10% (min \$50, max \$100)	10% (min \$50, max \$100)	30% after ded.

Plan Design – Texas

	ActiveCare 1 - HD	ActiveCare Select*	ActiveCare 2*
Individual / Family Deductible	\$2,750 / \$5,500	\$1,200 / \$3,600	\$1,000 / \$3,000
Individual / Family MOOP	\$6,750 / \$13,500	\$7,900 / \$15,800	\$7,900 / \$15,800
Primary Care Physician / Specialist	20% after ded.	\$30 / \$70	\$30 / \$70
ER	20% after ded.	\$250 + 20% after ded.	\$250 + 20% after ded.
Inpatient	20% after ded.	\$150 + 20% after ded.	\$150 + 20% after ded.
Outpatient	20% after ded.	\$150 + 20% after ded.	\$150 + 20% after ded.
Generic Drug	20% after ded.	\$15	\$20
Preferred Brand Drug	25% after ded.	25% after ded. (min \$40, max \$80)	25% after ded. (min \$40, max \$80)
Non-Preferred Brand Drug	50% after ded.	50% after ded.	50% after ded. (min \$100, max \$200)
Specialty Drug	20% after ded.	20% after ded.	20% after ded. (min \$200, max \$900)

*ActiveCare Select and ActiveCare 2 have pharmacy deductibles.

**Additional local HMOs are available

PSE Benchmarking - Assumptions & Methodology

- Reviewed healthcare benefits of 7 states surrounding Arkansas. States included are:
 - Alabama, Louisiana, Mississippi, Missouri (Springfield County), Oklahoma (Oklahoma City), Tennessee (Knox County), Texas
- Mapped Arkansas employees to the closest matching plan option in alternative State
 - This assumes that enrollment distribution between plan, tier, and employment status is similar to Arkansas
- Relied upon the 2020 premiums and employee payroll contributions published on State websites for employee payroll contributions, total plan cost, and State subsidy
 - Actuarial judgement used when information was limited
 - Some Plans appear that the active & pre-65 retirees were underwritten together and have the same total premium rate
 - Blended child + child(ren) rate when applicable
- State of Arkansas 2020 premiums, employee payroll contributions and plan subsidy based on actual 2020 cost estimates
 - 2020 Plan Subsidy includes funding from the State agencies, reserves, and other revenue
- Alabama
 - Alabama subsidy is \$800 per active employee (assumed this was per active enrolled)
 - Relied upon subsidy use case to estimate total premium
 - All employees who currently get wellness credit would still get wellness credit

PSE Benchmarking - Assumptions & Methodology

- Louisiana
 - Assumed employees who earn the wellness credit would continue to earn the \$10 credit
- Mississippi
 - Based on Horizon rates (hired after 2006)
- Missouri
 - Based on Springfield County benefit offering (only one plan option in 2020)
- Oklahoma
 - Based on Oklahoma City benefit offering
 - Assume employees who do not earn the Wellness Credit would elect the HDHP
- Tennessee
 - Based on Knox County Benefit Offering
 - Assume employees select BCBST as its vendor
- Texas
 - Based on minimum state and school district contributions