

State Employee Advisory Commission and Public-School Advisory Commission Minutes

December 12, 2023

The Arkansas State Employee Advisory Commission and Public-School Employee Advisory Commission met for a Special Meeting on Tuesday, December 12, 2023, at 10:00 a.m.

ASE Commission Members Present:

Ronda Walthall

Jerry Jones

Cynthia Dunlap

Marty Casteel

PSE Commission Members Present:

Billy Jackson

Julie Bates

Greg Rogers

Kurt Knickrehm

Others Present: Grant Wallace, Director of EBD; Amanda Land, Deputy Director of EBD; Jay Bir, EBD; Denise Flake, EBD; Cindy Monterroza, EBD; Krista Grafe, EBD; Sylvia Landers, Colonial Life; Trey Gardner, EBRx; LeeAnna Graham, EBRx; Sherry Bryant, EBRx; Ashley Boes, EBRx; Kristen Belew, EBRx; James Caldwell, TSS; Paul Sakhrani, Milliman; Dr. Jill Johnson, UAMS; Jake Goll, Navitus; Lori Bowen, BLR; Derrick Smith, Erika Gee, Jessica Akins, Marissa Keith, Takisha Sanders, Blue Cross Blue Shield; Nima Nabavi, LeAnn Perkins, Frances Bauman, Jennifer Davis, Debbie Rogers, Warren Lambert, Alix Stephens, and 9 others.

1. Call to Order

Meeting was called to order by Chairman Cynthia Dunlap and announced there was a quorum for the PSE and ASE Commissions. Minutes were approved from the October 10, 2023, and October 24, 2023, minutes.

2. Director's Update: Grant Wallace

Director Wallace gave an update on the UHC contract negotiations with Baptist Health System and St. Bernard's. He said discussions are still ongoing with both, but the State's plan would still be accepted by both systems because of the UHC non-differential clause. Ronda Walthall mentioned St. Bernard's has a phone number for the State members on the UHC plan to call and they will tell them their plan can still be used. Director Wallace informed the Commission that UnitedHealthcare mailed letters to members with information regarding Baptist. EBD also mailed a letter to the same members with Grant's signature reiterating they can go to Baptist providers and facilities if they accept Medicare. Director Wallace will provide a copy of both letters. Both letters were mailed to help clarify the State's plan stance and members will still receive treatment as Medicare with no impact to them.

Director Wallace discussed the high claims auditor Request for Quote (RFQ). He said there may be instances when a hospital may double bill for an item due to how they may bundle or code services or items. He would like to have the ability to audit these items as a good steward for

the State and the budget. Julie Bates said she is supportive of this. She also said these are things that can happen during billing cycles and as a state-funded entity, the plan needs to make sure it is doing its due diligence to the members that EBD is paying for the claims.

Ronda Walthall motioned to approve the RFQ for a high claims auditor; seconded by Bates.
Motion Passed.

3. Formulary Review: Jake Goll

Jake Goll presented the November Formulary Advisory Committee (FAC) recommendations. Leukeran tablets is a leukemia lymphoma drug and, due to some recent market withdrawals, there is only one manufacturer of this drug and they increased the price dramatically bringing the cost to at least \$40,000 per year per patient. There are other medications for this indication at a much lower cost. With the higher cost and no members currently using the drug it is recommended to move this drug to not covered to prevent any members from possibly starting this drug.

Likmez is a new brand name for a metronidazole suspension, which is an antibiotic used for bacterial infections. Due to FDA compounding rules, since there is now a commercially available product for this, pharmacies cannot compound metronidazole suspensions anymore, so the recommendation is to add it to the formulary at Tier 3. For members over the age of seven it will require a prior authorization which only confirms they are unable to swallow tablets, but no prior authorization is required for members under the age of seven.

Ozobax and Baclofen solutions has new strengths. The recommendation is to add it at Tier 3 of the formulary. It will require the prior authorizations for ages seven and older, with those under seven years of age needing no PA.

Tobramycin, ribarvirin, pyrimethamine, temozolamide, erlotinib, gefitinib, nilutamide, abiraterone, imatinib, lapatinib ditosylate, sorafenib tosylate, sunitinib malate, tretinoin, bexarotene caplets, bexarotene gel, and lenalidomide are all specialty generic medications. Navitus moved to a strategy of moving specialty generics to different tiers as they decrease in cost. This allows for lower copays for members and better access to those products which will hopefully discourage use of higher cost brand products. All these medications to have brand names available and many of those brands have coupons associated. This drives members to these medications which results in higher costs for the Plan. Lowering the tiers on the generic versions will result in lower costs for the plan and the member. After reviewing the bexarotene gel and doing a cost-benefit analysis it does not make sense to have this product on the formulary. This one is being moved to Not Covered. The remaining drugs mentioned are moving to Tier 1 along with keeping any PAs or Quantity Limits (QL) attached. The lenalidomide will still be restricted to seeing a specialist.

Pitavastatin is a cholesterol medication and there was recently a generic product launched. The generic is cheaper than the brand and there are other statins on formulary that are less

expensive already and have the same efficacy. The lower cost statins will be encouraged so the recommendation is to keep pitavastatin Not Covered.

Exkivity caplets and Symjepi injections are both being withdrawn from the market by their manufacturers and since they will no longer be manufactured, it is recommended to move these to Not Covered to prevent any members from potentially starting these drugs.

The NPEFA tablets are used for heart failure. It is in the same class of medication as antidiabetics, drugs like Jardiance and Farxiga. Due to the cost implications with this medication and with less expensive options already on formulary it is recommended to leave this drug as Not Covered.

VEOZAH is a new medication used for menopausal symptoms. There are new commercials for this drug. With this product being new to market and other less expensive options on formulary already it is recommended to leave it as Not Covered. Navitus is waiting to see more clinical benefit studies and perhaps some price reduction before possibly considering adding it to formulary in the future.

VOWST is a capsule that contains fecal bacterial spores that is used to treat an intestinal infection *Clostridioides difficile* (c. diff). It is a new chemical entity and product on the market, so the recommendation is to add it to the Specialty Tier with the QL to match with FDA labeling. A PA is also added to ensure members are using first-line therapy for this indication as there are other antibiotics that are used to treat this diagnosis and this will be more of a second-line therapy.

Zavzpret Nasal Spray is in the class call CGRPs which are used for migraines. A similar product would be Nertec ODT or UBRELVY, but this is a nasal spray, which is a new form of administration for these types of products. Looking at the net cost compared to what is already covered it is comparable and the recommendation is to add it to Tier 2, which is the same tier those other products are covered at. This will have a PA to make sure there is no duplicate therapy usage and a QL to match up with labeling.

Sogroya is a long-acting growth hormone and is a new release the growth hormone space and due to all growth hormone products sharing the same diagnosis and indication the approach by Navitus is to make sure the lowest net-cost product is the one being covered. With current contracting that is currently available this product matches the criteria and this will be added to the Specialty Tier with a PA.

There were not any questions. Goll said if Commissioners do have questions to reach out and wished everyone a good holiday season.

Bates motioned to approve the formulary recommendations; Billy Jackson seconded. **Motion Passed.**

4. Other Business

Director Wallace introduced Krista Grafe as the new Chief Compliance and Audit Officer. He mentioned she is getting familiar with the position and is excited to promote her up to this position and being part of the leadership team at EBD.

Chairwoman Dunlap asked Director Wallace about financial reports since they have not had any in several months. Director Wallace answered he will make sure to have them for the January meeting and be sure to have Milliman available for that meeting.

Kurt Knickrehm asked if a consultant had been hired for the third-party administrator yet. Director Wallace answered he is awaiting approval from ALC and that it is on their agenda for their next meeting.

Jackson motioned to adjourn the meeting and without objection Chairwoman Dunlap adjourned the meeting until January 9, 2024.