

State Employee Advisory Commission and Public-School Advisory Commission Minutes

June 13, 2023

The Arkansas State Employee Advisory Commission and Public-School Employee Advisory Commissions met on Tuesday, June 13, 2023, at 10:00 a.m.

ASE Commission Members Present

Marty Casteel
Ronda Walthall
Jerry Jones
Cynthia Dunlap
Bruce Maloch

PSE Commission Members Present

Greg Rogers
Billy Jackson
Julie Bates
Kurt Knickrahm
Jim Tucker

ASE Members Absent:

PSE Members Absent:

Others Present: Grant Wallace, Director of EBD; Amanda Land, Deputy Director of EBD; Jay Bir, EBD; Sylvia Landers, Colonial Life; Oktawia DeYoung, EBD; Dr. Jill Johnson, UAMS; Denise Flake, EBD; LeAnn Perkins, ASU System Office; Sara Waters, Sanofi; Killie Prusore, Sanofi; John Brewer, Sanofi; Stephen Carroll, AllCare Specialty; Marc Bagby, Lilly; Lori Bower, BLR; John Bridges, ASE; Frances Ballman, NN; Trey Gardner, UAMS; Paul Sahkrani, Milliman

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.

2. Approval of May 9, 2023 ASE & PSE Minutes: Cynthia Dunlap

Billy Jackson motioned and Kurt Knickrahm seconded. **Motion Approved**

3. Director's Update: Grant Wallace

Director Wallace yielded to Paul Sahkrani to present the budget update. The ASE plan applies the approved initiatives when making projections. The ASE plan has a 2023 projected surplus of \$33.5 million and estimated reserves of \$104.4 million with baseline trends of medical at 5% and pharmacy at 8%. New proposed 2024 initiatives are \$605 per month starting January 2024, the 5-year transition of employee contributions being competitive, and plan design changes for the Classic plan to maintain qualified high deductible plan status.

Proposed premiums for 2024 show decreases for most coverage bands for actives, increases for Premium Non-Medicare retiree plans but decreases for Classic and Basic plans, and increases for Primary and MAPD plans.

The PSE plan applies the approved initiatives when making projections. The PSE plan has a projected 2023 estimated surplus of \$55 million, estimated reserves of \$239 million, with baseline trends of medical at 6% and pharmacy at 8%.

Director Wallace also told the Board the revised 2023 Summary Plan Document (SPD) was now completed and posted to the website and EBD would provide them with link if they wished.

Director Wallace also updated the Board to the new Pharmacy Benefit Manager contract with Navitus and discussed briefly how the implementation of their service will go.

4. 2024 Preliminary Rate Discussion, Grant Wallace

The 2024 proposed initiatives follow the same as the ASE plan. There were rate deductions proposals across all active coverage bands, most non-Medicare coverage bands, a most Medicare coverage bands.

The ASE base rates presented at a 1.9% increase for all actives, 1.9% for most non-Medicare bands, and over 2% for all Medicare bands. The PSE proposed no base rate increases for any coverage band except for MAPD retiree only, Retiree and ME Spouse, and Retiree and ME Spouse and Children.

5. Formulary Review, Navitus and Grant Wallace

Director Wallace presented the Board with PBM transition proposed formulary changes, which would be drugs added to the EBRx list which will be covered. Director Wallace noted the timeliness of getting this approved so it can work through the Board of Finance and ALC to get approval by July 1, to avoid any gaps in coverage for members.

Ronda Walthall moved to add the list to the formulary, seconded by Marty Casteel. **Motion Passed.**

Director Wallace noted on the list there were drugs in bold font he would like to not add to the list. Billy Jackson moved to not add the noted drugs to the formulary, seconded by Julie Bates. **Motion Passed.**

6. Other Business

Kurt Knickrahm motioned to adjourn, seconded by Marty Casteel. **Motion Passed.**