

State Employee Advisory Commission and Public-School Advisory Commission Minutes

July 9, 2024

The Arkansas State Employee Advisory Commission and Public-School Employee Advisory Commission met on Tuesday, July 9, at 10:00 a.m.

ASE Commission Members Present:

Ronda Walthall

Marty Casteel

Bruce Maloch

Jerry Jones

PSE Commission Members Present:

Jim Tucker

Billy Jackson

Julie Bates

Kurt Knickrehm

Others Present: Grant Wallace, Director of EBD; Jay Bir, EBD; Skochu Fields, EBD; Krista Grafe, EBD; Cindy Monterroza, EBD; Kimberly Duvall, EBD; James Caldwell, TSS CFO; Courtney Traylor, TSS Chief of Staff; Jessica Akins, DIS; Sylvia Landers, Colonial Life; Sherry Bryant, EBRx; Trey Gardner, EBRx; Kristen Belew, EBRx; Dr. Jill Johnson, UAMS; Ashley Boes, Marc Bagby, Lilly; Frances Bauman, Novo Nordisk; Lori Bowen, BLR; Alix Stephens, BLR; Takisha Sanders, ABCBS; John Bridges, ASEA; Amanda Story, Hargraves Consulting; Debbie Rogers, Emilie Monk, Derrick Smith, Brent Parker, Kristie Banks, Caroline O'Connor, Tammy Gray, Casandra Mendenhall, Marissa Keith, Glenda Martin, Mary Grace Smith, Dwane Tankersley and 5 others.

1. Call to Order

Jerry Jones called the meeting to order and recognized a quorum for both the ASE and PSE Commissions.

2. Approval of March 12, 2024 Minutes, Jerry Jones

Kurt Knickrehm moved to approve the minutes from June 11, 2024, Regular Meeting, seconded by Ronda Walthall. **Motion Passed.**

3. Director's Update, Grant Wallace

Director Wallace said the Summary Plan Document (SPD) has been completed for 2024. He said there were not substantial changes to it, just organizational changes within the document. It is posted to the website currently. He said he did not expect big changes since 2025 is the last year of the current contract for Health Advantage and he just wanted technical corrections to be the focus.

The voluntary products rule has been finalized and is now published on the Transformation and Shared Services (TSS) website.

The Employee Benefits Division (EBD) has begun working with Foster & Foster and holding weekly calls with them and providing data they have requested.

Knickrehm asked who was primarily involved in editing the SPD. Director Wallace said it was EBD and Health Advantage.

Julie Bates asked when a decision could be made on when to release the Request for Proposal (RFP) for the Third-Party Administrator contract. Director Wallace stated he is targeting this fall so EBD can have as much time as possible to do any transitioning if necessary.

4. Contract Review, Director Wallace

A. Retiree First

Director Wallace presented the formal paperwork for RetireeFirst and said the Commission had already approved the contract, but he wanted them to be able to review this again.

Knickrehm asked what the term was for the contract. Director Wallace said it is \$49,500 for three months and the exact guarantee has not been finalized but it would be a percentage of increase over what EBD is experiencing. He said this is just for public school, pre-65 population becoming Medicare eligible. Knickrehm asked if the performance guarantees were being discussed and Director Wallace they were and should be finalized prior to the State Board of Finance meeting in August.

Knickrehm motioned to approve the contract, seconded by Billy Jackson. **Motion Passed.**

B. Optum

The second contract was for Optum Financial. Director Wallace stated this is the one-year renewal. No changes are being proposed.

Knickrehm asked when the last time this contract had gone through the formal bidding process. Kimberly Duvall said they can provide that information to the Commission. She also stated this is the fifth year of the contract.

Bates moved to approve the contract, seconded by Walthall. **Motion Passed.**

C. Colonial Life

Colonial Life provides accidental death and disability-based life insurance which is offered to all State and Public School employees at \$10,000. Members can buy up for additional fees, but the state covers the base \$10,000. The rates were locked in last year so there is not an increase. This is a one-year renewal and it is the fourth year of the contract.

Knickrehm urged Director Wallace to really review this contract and see if there are better benefits that can be found.

Jackson moved to approve the contract, seconded by Knickrehm. **Motion Passed.**

D. Catalize Health

Catalize Health is a pilot program designed to manage the expense associated with the State paying for a spouse to be on a different health plan with their own employer. The projected savings are \$6.2 million if everything works as it has been outlined to work. The first year of the contract there is a \$3,000 implementation fee and an annual bank account setup fee of \$600. Director Wallace said this is a newer concept in the market and Catalize Health is the only entity doing this kind of work. This is a pilot and they would focus on new hires and those with family coverage. It is a one-year contract and then it would be reevaluated. Director Wallace said he does not anticipate a huge swath of people to go this direction maybe a 3% uptake. The experience this company has had are with people who incur a lot of medical costs because they are getting those base out-of-pocket things covered by changing coverage.

Knickrehm asked if there are other government entities using something like this. Director Wallace said there are county-level entities who have used this but does not believe any state-level entities are.

Bates said there would only be this kind of activity really during Open Enrollment. Director Wallace said the focus would be on new hires prior to their enrollment on the plan to get to them before getting on the plan for the year. This will also be an Open Enrollment experience.

Jones asked if any information would be sent out to employees ahead of time. Director Wallace answered there would be a communication plan.

Knickrehm asked if this was being recommended as a pilot project. Director Wallace said it is. He also believes EBD needs to test to ensure it works before committing to anything long-term.

Knickrehm motioned to approve the contract, Marty Casteel seconded. **Motion Passed.**

5. Formulary Review, Kristen Belew

Director Wallace said Jake Goll is no longer with Navitus and they will have a permanent representative assigned to EBD soon. Kristen Belew will present in the interim.

The June Formulary Advisory Committee (FAC) recommended the following drugs be added or changed on the formulary:

- Spevigo® Injections
- Rextovy Spray
- BETASERON® Injections
- EXTAVIA® Injections
- Cimetidine Solution

- Quinapril/HCTZ Tablets
- Novolin N Relion 100 unit/mL
- TAKHZYRO®
- HAEGARDA®
- Ruconest®

Bates said she understood the conversation around Novolin. The cost benefit is lower to where it overcomes the rebate. Belew said there are only 10 members utilizing the medication. This medication is from a vial instead of a pen, so the impact is not that great. She said it was a big picture discussion and it took a couple of perspectives to come to the conclusion of Not Covered.

Jackson moved to approve the recommendations, seconded by Walthall. **Motion Passed.**

6. Other Business

There was none.

Knickrehm moved to adjourn, Bates seconded. Motion Passed and the Commission adjourned until August 13, 2024.