

# State Employee Advisory Commission and Public-School Advisory Commission Minutes

**August 13, 2024**

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

**ASE Commission Members Present:**

**Ronda Walthall**

**Marty Casteel**

**Bruce Maloch**

**Jerry Jones**

**Cynthia Dunlap**

**PSE Commission Members Present:**

**Jim Tucker**

**Billy Jackson**

**Julie Bates**

**Kurt Knickrehm**

**Greg Rogers**

**Others Present:** Grant Wallace, Director of EBD; Jay Bir, EBD; Denise Flake, EBD; Janella Deville, EBD; James Caldwell, TSS CFO; Jessica Akins, DIS; Sylvia Landers, Colonial Life; Sherry Bryant, EBRx; Trey Gardner, EBRx; Kristen Belew, EBRx; Paul Sakhrani, Milliman; Dr. Jill Johnson, UAMS; Ashley Boes, Marc Bagby, Lilly; Frances Bauman, Novo Nordisk; Lori Bowen, BLR; Alix Stephens, BLR; Takisha Sanders, ABCBS; Amanda Story, Hargraves Consulting; Bryan Steffon, Boehringer; Stephen Carroll, AllCare Specialty; Nima Nabavi, Scott Cohen, Debbie Rogers, Emilie Monk, Derrick Smith, Brent Parker, Kristie Banks, Casandra Mendenhall, Marissa Keith, Glenda Martin, Julia Weber, Carl Carter, and 3 others.

## **1. Call to Order**

Chairwoman Cynthia Dunlap called the meeting to order and recognized a quorum for both the ASE and PSE Commissions.

## **2. Approval of July 9 ,2024 Minutes, Cynthia Dunlap**

Marty Casteel moved to approve the minutes from June 11, 2024 Regular Meeting, seconded by Jerry Jones. **Motion Passed.**

## **3. Director's Update, Grant Wallace**

Director Wallace said EBD is getting prepared for the Open Enrollment period. He reminded the Commission the Open Enrollment time for active employees is October 1-31 and for retirees it is November 1-30. He said communications will start to get out and they are coordinating with United Healthcare (UHC) around their outreach they do in the fall leading up to Open Enrollment. He emphasized the experience should be the same but is hopefully better.

He also mentioned the 2025 Regular Session and said they are drafting possible legislative ideas and current state law which may need to be changed. He said initial meetings will be starting

soon. He said between now and November they will sit down and go over what their legislative ideas will be.

Julie Bates asked, have conversations with legislators have been conducted? Are Fiscal Impact Statements still expected to be prepared? Will the process change? Director Wallace said, he believes the rule for Fiscal Impact Statements will still be in place and any legislative changes with fiscal impacts will need to be done within the first 30 days of Session. Bates asked, if this will be coordinated by the Segal Group? Director Wallace replied, he believes it will be since that contract was extended.

#### **4. Contract Review, Director Wallace**

Director Wallace stated this is the last year of the initial three-year agreement with UHC. Typically, this is an automatic renewal. Due to the Inflation Reduction Act (IRA) there are significant impacts to Medicare Advantage plans and Part B plans. Director Wallace asked UnitedHealthcare (UHC) to propose rates to reduce the financial impact to the plan and the members gradually instead of a large increase in 2026. Director Wallace said he did not think it would be fair to our members or to UHC to put them in a position for a big increase. Retiree members have expressed they feared there would be a dramatic increase come the first time to renew. The fear is the rates for the plan are too good to be true. EBD is doing everything it can to prevent that. UHC said the contribution for 2025 would have gone up 50 cents for member only plans. So, \$17.53 for ASE and \$9.53 for PSE. Because of the IRA, the increase being proposed will be \$50 per member per month for the State to absorb and the Member monthly increase will be \$5.00. The new monthly rates for 2025 will be:

- ASE Members monthly rate of \$17.53 will increase by \$5.00 making the new rate in 2025 \$22.53.
- PSE Members monthly rate of \$9.53 will increase by \$5.00 making the new rate in 2025 \$14.53.

Director Wallace said those are still very affordable, very manageable, and still accomplishes financial and rate stability over the next two to three years.

Billy Jackson said the Commission had already voted to keep rates the same but asked because of the IRA was the reason these were being addressed. Director Wallace said, yes, but this was the first time they were dealing with Medicare Advantage Prescription Drug (MAPD) Group PPO plan and the rates they voted on previously were for active employees.

Julie Bates asked to confirm the \$5.00 was the impact to the members and where the rest of the increase would come from. Director Wallace confirmed the \$5.00 was all the members would see and the plan would cover the rest of the increase.

Jones asked about 2026 and beyond. Director Wallace said 2025 was all they were focused on for this meeting to get it approved ahead of Open Enrollment but said he would follow up to see if they can produce a preview of 2026.

Chairwoman Dunlap asked if the reason for the increases now was to lessen the increases for the members in 2026. Director Wallace said that is the plan. Dunlap followed up by asking if more increases are expected in 2026. Director Wallace said yes.

Ronda Walthall said she thought they had already addressed these rates and thought those rates were raised to the \$17.53 and asked if it they can come back and readjust them. Director Wallace said adjustments were made for Health Advantage rates and some adjustments were calculated in. Walthall said she thinks the \$5.00 increase is reasonable.

Jackson asked for Director Wallace to review what the actual change being made is. Director Wallace said the proposed rate for PSEs be \$14.53, which is a \$5.00 increase from this year's rates. The ASE rate is \$22.53.

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

## **5. Formulary Review, Kristen Belew**

### **A. Pharmacy**

Belew presented the July Formulary Advisory Committee (FAC) recommendations. The following drugs were recommended to be added or changed on the formulary:

- mRESVIA® injections
- AREXVY injections
- ABRYOVO™ injections
- VIJOICE® tablets (50mg, 125mg, 250mg)
- SCEMBLIX® tablets
- SCEMBLIX® tablets 100mg
- Valtoco Nasal Spray
- Diastat rectal gel, diazepam rectal gel
- Diastat ACDL gel
- Diazepam gel
- Diazepam rectal gel
- NAYZILAM® spray
- FreeStyle Libre (2 and 3) sensors/receivers
- Dexcom (G6 and G7) transmitters/receivers/sensors
- ENTIVIO® SC injections
- Opsumit
- Prefest

Jones moved to approve the recommendations, seconded by Casteel. **Motion Passed.**

## B. Medical

The following drugs were presented as Medical Formulary changes to be made:

- Actemra
- ADZYNMA
- ANKTIVA®
- APHEXDA®
- BEQVEZ™
- ELREXFIO™
- Foxinvez
- IMDELLTRA™
- IZERVAY™
- JEMPERLI
- LOQTORZI®
- mRESVIA®
- Pengarda
- PENBRAYA™
- RYSTIGGO®
- RYTELO™
- TALVEY™
- TECVAYLI®
- TOFIDENCE™
- TYENNE®
- WINREVAIR™
- XACDURO®
- XIAFLEX®

Trey Gardner commented on IMDELLTRA™'s dosing cycle saying it is a two-week cycle which is continued until disease progression or unacceptable toxicity. Studies show only 31% of patients went longer than six months and only 14% went for a full year, so the price listed of \$469,800 is the maximum for the year.

Bates mentioned things are not typically recommended with accelerated FDA approval, so why the change with IMDELLTRA™. Gardner said they go by the outcomes shown in trials and sometimes those are not shown with accelerated approval. But their oncology expert saw real good outcome data, which is why this is being recommended. Gardner added this drug will be revisited in a year when even more data is available.

Knickrehm moved to approve, Bates seconded. **Motion passed.**

## **6. Other Business**

Billy Jackson asked for the Health Advantage retiree rates. Director Wallace said he would do get those to him.

Walthall asked when the rates would be published for people. Director Wallace said he hoped by the first week in September, but today's meeting was the last step in the process to get everything plugged in.

Commission adjourned until September 10, 2024.