State Employee Advisory Commission and Public-School Advisory Commission Minutes

September 12, 2023

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

ASE Commission Members Present:	PSE Commission Members Present:
Ronda Walthall	**Greg Rogers**
Jerry Jones	**Jim Tucker**
Cynthia Dunlap	**Julie Bates**

Others Present: Grant Wallace, Director of EBD; Amanda Land, Deputy Director of EBD; Jay Bir, EBD; Denise Flake, EBD; Janella Deville, EBD; Skochu Fields, EBD; James Caldwell, TSS; Shannon Halijan, TSS; Paul Sahkrani, Milliman; Takisha Sanders, Health Advantage; Sherry Bryant, EBRx; Kristin Belew, EBRx; Trey Gardner, EBRx; LeeAnna Graham, EBRx; Frances Bauman, Novo Nordeill; Bryan Stethan, Boehringer Ingelheim; Stephen Carroll, AllCare Specialty; Debra Wolfe, APA; Dr. Jill Johnson, UAMS; Clair Bagby, Lilly; Phil Cummings, ABBVIE; Nole Mangine, ABBVIE; Jake Goll, Navitus; Jennifer Davis, Clay Patrick, Marissa Keith, Robyn Crosson, Suzanne Woodall, Julia Weber, Debbie Rogers, Lori Bowen, Nima Nabavi, Brent Parker, Derrick Smith, 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.

2. Approval of June 13, 2023, ASE & PSE Minutes: Cynthia Dunlap

Billy Jackson motioned, and Julie Bates seconded. **Motion Approved**

3. Director's Update: Grant Wallace

Employee Benefits Division (EBD) is actively preparing for Open Enrollment period stating it is during October and the new retiree Open Enrollment will be in November. He said the retiree Open Enrollment will be a true Open Enrollment experience and emphasized there will not be an opt-out provision. If they would like to make a change then they can, but if they are satisfied with their coverage, then their plan will continue into the next plan year. Director Wallace said information on Open Enrollment will be trickling out in the weeks leading up to it.

Director Wallace said EBD has introduced new branding for actives and retirees. Active employees will have green coloring and retirees will be branded with orange.

Director Wallace said EBD is back on the road for benefit fairs and other speaking engagements, which were not regular the past three years. He said the team has an extensive calendar over the next six weeks. He encourages other Human Resource personnel and other employers to push employees to the online portal to make any changes since it is a more efficient process and makes sure information is accurate.

UnitedHealthcare is visiting members statewide, answering questions about the plan they are offering. He said members can RSVP through the EBD website and said EBD staff members will be on hand at all the meetings to help answer questions and guide members through the process.

EBD is hiring an IT/Systems Specialist who will start September 18, 2023. This role will be review EBD holistically and can assess process and system improvements to provide better service to members utilizing technology to figure out ways we can better service our members through our IT and online tools.

Director Wallace is working with the Office of Procurement to assess various processes regarding some RFP items. These will be reviewed by the Commission to map out and understand what all the various processes. He said the first one will be a consultant to help EBD through a third-party administrator RFP process. The current third-party administrator, Health Advantage, contract is up at the end of next year, so Director Wallace wants to get ahead of that. The consultant will provide insight into industry practices and help EBD guide though the process for improvements and enhancements to offerings. He wants to get the best deal at the best price and be innovative and forward-thinking about it. Director Wallace would ideally like to have a third-party administrator selected by the first quarter or second quarter of next year, if there is a need for any transition.

Director Wallace said the consolidated document for Navitus has been pulled down from consideration. EBD is looking at options to present to the Commission for this type of document, but the specific document already approved has been pulled down from consideration.

Julie Bates asked about the reimbursement rates. Director Wallace said EBD is getting a lot of calls on the matter and he has been meeting with legislative leadership on options and triggers that are available to EBD. He did say EBD must stay within the confines of the RFP, the challenge is finding the different mechanisms to use while still meeting the objectives and goals the RFP set out.

Cynthia Dunlap asked if EBD would submit another document for the Commission to approve. Director Wallace said there would be a document he would bring to review and approve.

4. Formulary Review, Jake Goll, Navitus

Jake Goll with Navitus presented the formulary review.

Goll presented the August Formulary Advisory Committee (FAC). Hel said there are not many changes and keeping a majority of the listed medications as 'Not Covered'.

Discussions were held about adding Austedo XR tab and 6mg pack to the formulary, but said it was determined those are not going to be added. These are used to treat Huntington's and related diseases, but there is a generic product already on the formulary. The concern was a lack of head-to-head trials against those already FDA approved. The minimal clinically important difference was not significant also, so why they are not being covered.

The Lumryz pack has similar products on the market which are not covered currently. The difference between Lumryz and Xyrem and Xywav is that it only requires once-nightly dosing, so more convenience. It is expensive for a full year, compared to what is covered currently by EBD, which is Pitolisant (Wakix). It is that reason that Lumryz is not recommended to be added to the formulary.

Abrysvo and Arexvy are new RSV injections which recently came out. Following CDC recommendations, these will be added to the standard vaccine list, which means a $0 copay to members. There are some caveats to adding these to the formulary, the age groups which Abrysvo is approved for those 60 years and older. The RXV option will allow coverage for women under 60 years just to prevent RSV in infants for pregnant women. These are based off CDC recommendations.

Director Wallace asked if there was a specific RSV vaccine for infants included. Goll said the Arexvy is still waiting on some final clinical trials for infants.

The third quarter P&T are just maintaining the status quo on not being covered. The Jaypirca tab is used to treat lymphoma, but Jaypirca studies have shown there is not evidence of improvement or overall survival quality of life to date and because of this it is recommended to not be added to the formulary. But when additional data comes out, it can be revisited, but it does have a high price tag and it needs to show significant improvements to overall survival and quality of life.

Orserdu is used for a specific type of breast cancer. There is improved progression free survival compared to standard chemotherapy with no apparent improvement in toxicity rates. There was a trend and improved overall survival, but statistical significance was not reached in this initial analysis, so the recommendation is to not cover it until there is additional data showing overall survival and quality of life. There are a number of alternatives listed currently on the formulary for this specific breast cancer.

Filspari tablets are used for IgA nephropathy, which is a kidney condition. Recommending not covering the drug unless it can establish it slows the loss of kidney function. Just a bit of uncertainty with clinical benefits and the high cost, it is recommended that it not be covered, but will continue to monitor any other studies.

Skyclarys is recommended to not be covered. The minimal clinical important difference for the patient to feel improvement on this particular scale is noted. For this reason, and the price tag it is recommended that it is not covered.

Daybue solution is used for a condition called Rett Syndrome. The drug lacked a clinically meaningful endpoint. It did achieve a statistically significant finding in the primary endpoint. The drug is also coming in at $42,000/month and there is a bit of range of annual cost due to dosing but around $1 million. If those two things are considered, it is recommended to keep it not covered but will reevaluate after more peer-reviewed literature comes out which may happen in May 2024.

Joenja tabs are used for a condition called APDS, which is a condition resulting in some general immune dysregulation. As with some of the other drugs, there is an absence of improvement in clinical endpoints and the over $43,000 price tag, it is recommended to not cover this drug. But if some additional studies and trial come out, it can be reevaluated.

There is a miscellaneous category and the first is Trikafta granule pak, which is used in treating cystic fibrosis. The tablets are already covered, but the granule pak is used for those who have trouble swallowing tablets. The tablets cannot be split or crushed, so the granule packets allow for ease of administration. The cost of the tablets and packets are very similar and both costly but there is no significant difference between the two. It is this reason it is being recommended to add this to tier 4, which is the specialty tier, and the same prior authorization criteria as the tablets and then have a quantity limit based on FDA labeling of two packets per day.

The last five on the miscellaneous list are all connected: Humira, Enbael, Olumant, Rinvoq, and Taltz. Based on the previous formulary setup these were in Tier 2 and based on current contracts, putting those drugs on Tier 2 results in a loss of rebates just because it appears these drugs are at parity with the other specialty medications they are related too. So Navitus wants to make sure EBD is leveraging all the rebates available since they are passed through 100% and putting these drugs on Tier 4, will put them at parity and be able to capture those rebates. There is member concern in moving those drugs but with the Navitus Access Guidance Program and the manufacturer assistance available, members should not see an impact on what they pay.

Some of the upcoming changes in insulin and the Humira biosimilars are seeing changes. Insulin. EBD used to be exclusively Lilly insulin, so the Humalog, humalin products. Historically Navitus has been with the novonordisk insulin, which is the novalog or insulin aspart products. Based on Navitus' contract rebate negotiations in 2024, they always want to go with the lowest

net-cost model and that will be with the Lilly insulin and moving over to those. This is a switch for the Navitus standard formulary and the current EBD setup covers these already so there should be very little changes in the category. There are a few products with minor changes being removed but overall, they are lower utilization products. Any member effected will get at least 60 days notification before they are unable to fill their medication or if it happens to be a product moving to not covered.

Julie Bates asked if the negatives on the spreadsheet signify negative events. Goll said those just point out they are moving off the formulary and that it is just classified as a negative change so those products are flagged and they can notify members about it.

Bates also asked if they knew the number of members being affected. Goll said he can get that information to the Commission.

Rhonda Walthall asked when the changes would go into effect. Goll answered they would go into effect on January 1, 2024.

Goll said the Humira biosimilars are going to be those drugs being moved to the specialty tier just to take advantage of rebating. He said the Adalimumab line and Hadlima line of products will be getting added to the formulary and Amjevita will be removed from the formulary. Based on final contract negotiations and rebates the low-cost alternative model reflects adding the Adalimumab and Hadlima and removing Amjevita, which they also saw no utilization. Keeping Humira will benefit some of the other specialty medications within the same class and allows them to keep some of the rebates on the more expensive drugs and those savings get passed along.

The motion to approve the formulary as presented was made by Julie Bates moved and Jerry Jones seconded. **Motion Passed**.

5. Other Business

No other business was presented.

Chairwoman Dunlap adjourned the meeting with no objections, with the next meeting set for October 10, 2023, at 10:00 AM.