

**State Employee Advisory Commission and Public-School Employee Advisory Commission
Minutes
June 29, 2022**

The Arkansas State Employee Advisory Commission and Public-School Employee Advisory Commissions met on Wednesday, June 29, 2022, at 1:00 p.m.

ASE Commission Members present:

Marty Casteel
Jerry Jones
Cynthia Dunlap
Ronda Walthall

PSE Commission Members present:

Julie Bates
Kurt Knickrehm
Greg Rogers

OTHERS PRESENT

Jessica Welch, Director Jake Bleed, Shalada Toles, Lauren Ballard, Denise Flake, Jennifer Goss, EBD; Oktawia DeYoung, Sherry Bryant, EBRX; Nicholas Poole, ASEA; Secretary Johnny Key, Dept of Education

CALL TO ORDER

Meeting was called to order by Secretary Johnny Key.

1. Background Discussion: Director Bleed

Brief explanation of the similarities and differences between the Arkansas State Employee Plan and the Public-School Employee Plan. Director Bleed advised the two plans:

1. Use similar benefit structures and coverage policies.
2. Use the same Third-party Administrator (TPA) and the same Pharmacy Benefits Manager (PBM).
3. Have different funding mechanisms; different premiums and different deductibles/copays (Plan Design).
4. Cover different populations with different trends.
5. Utilize self-funding to cover claim expenses; paid out of separate funds.
6. Offer different voluntary products (Dental, vision, etc.).
7. Have a legal presumption of parity (Ark. Code Ann. § 21-5-401(b)(4)(B)).
8. Were previously overseen by a single board.
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2. Introduction and discussion of Act 114 of 2022 and the role of the EBD Sub commissions:

Overview of Act 1004 of 2021, and Act 114 of 2022, describing the functions of the previous EBD Board and its subcommittees: DUEC, Quality of Care and Benefits; duties which would now become the responsibility of the Advisory Commissions.

The State Employee Advisory Commission, and Public-School Employee Advisory Commission has the authority to make recommendations to the Board of Finance. The two commissions will meet monthly and review EBD's updated monthly financials from Milliman, EBD's actuarial firm, make decisions regarding formulary management, contracts, quarterly reports, and day-to-day tasks. Their recommendations will be presented to the State Board of Finance and the Arkansas Legislative Council.

3. Discuss proposed rates for CY2023- Director Bleed

EBD has worked with its actuary consultant to establish the process for adjusting rates.

EBD proposes that the employer contribution cover 80% of the monthly premium. Currently, the employer contribution for insurance is 65% and most of the surrounding states contribute 80% or 90%.

Commissioners received a draft of the proposed rates and discussed the elimination of the separate wellness rates. The proposed rates for 2023 are actuarially risk adjusted and more closely reflect the cost of each population. Due to this change in rate calculations, most active employees will see lower rates over the next five years.

Commissioners will receive a final draft of the proposed rates for 2023 prior to the next meeting and make recommendations at that time,

4. Formulary Processes: Director Bleed

Explanation of the formulary process and the Pharmacy Benefits Manager (PBM). EBD utilizes a PBM for their pharmacy network claims administration.

EBD works with its clinical consultants from the UAMS College of Pharmacy EBRx, Evidence Based Prescription Drug Program to manage the formulary.

Oktawia DeYoung, PharmD with EBRx approached the podium and explained the process used to make formulary recommendations.

The members were reminded that the commissions they serve on are public, and business should not be discussed outside of the meetings. EBD will provide commissioners with email addresses to be used for meeting communications and in the event of Freedom of Information Act requests related to the commissions.

5. Elect Chair and Co-chair for each Commission

Each commissioner and Director Bleed introduced themselves. The commissioners will elect chairs and co-chairs at the next meeting.

Director Bleed adjourned the meeting.

* The two commissions are meeting jointly and going forward can decide if they want to meet independently. *