

Staff Senate Meeting Agenda
Tuesday, September 29, 2020 @ 2:00pm
Virtual Special Session

1. Call to Order
2. Roll Call
3. Benefits 2021 – Dr. Lori Winn & Dr. Len Frey
4. Announcements and Reminders:
 - a. Next Meeting: October 21, 2020

Employee Benefits Committee

Agenda
September 22, 2020
11:00 am to noon

Join Zoom Meeting

<https://astatecall.zoom.us/j/6648183538>

Meeting ID: **664 818 3538**

One tap mobile: +1 646 876 9923 or +1 664 818 3538 US (New York)

1. Shared Governance Book of Committees under Institutional Governance Committees

Employee Benefits Committee

The Employee Benefits Committee reviews policies for employee benefits and requests for leave funding from the Catastrophic Leave Bank.

Membership consists of four faculty members and two retired faculty members appointed by the Faculty Senate; four staff members (two classified and two non-classified) plus two retired staff members (one classified and one non-classified) appointed by the Staff Senate; a representative from Human Resources; a representative from the Finance and Administration office; and an ex-officio staff member appointed by the Director of Human Resources for the purpose of organizing and presenting catastrophic leave requests to the committee.

The committee reports to the Vice Chancellor for Finance and Administration.

2. Duties of this committee
3. Introduction of members
4. ASU System Benefits Committee information
5. Election of Secretary
6. Election of Chair
7. Catastrophic Leave Petition

ASU EMPLOYEE BENEFITS ENROLLMENT



**ENROLLMENT
DATES**
NOVEMBER 1-16, 2020

**67% of the total
costs associated with
cancer treatment are
nonmedical.²**

Cancer insurance

Cancer insurance provides supplemental coverage when certain losses occur as the result of cancer or a covered specified disease. This coverage is available to you and your eligible family members with a choice of three plans. Benefits are paid directly to you regardless of other insurance coverage.

Guarantee issue:

- Guarantee Issue will be offered for the base plan for Plans 1 and 2
- Guarantee Issue offer only applies to those employees who have not been medically denied in the past
- Additional riders will have to be underwritten
- If you are denied the rider, the base plan will still be offered at guarantee issue

²FairHealth®, Consumer Cost Lookup, 2014.

This benefit summary provides a very brief description of US Able Life's insurance products. This is not an insurance policy and only the actual provisions of an issued policy control. US Able Life's policies set forth the rights and obligations of covered persons and US Able Life. Please be aware that certain limitations and exclusions may apply, and certain coverage may reduce or terminate due to age or lack of eligibility. If you enroll and are approved for coverage, you will be furnished with a policy or certificate of insurance. Please read your insurance documents carefully.

COBRA Administration Comparison

	TASC (Current)	Chard Snyder	ConnectYourCare	ConnectYourCare	Discovery
			INITIAL	FINAL	
One Time Fees					
Implementation Fee		\$0	Waived	\$250 per location	\$0
Takeover Fees (x 6 Cobra Participants)		\$0	Included	Included	\$0
One Time Fees Annual Total	\$0	\$0	\$0	\$0	\$0
Ongoing Fees					
Annual Fee		\$0	\$0	\$0	\$0
PEPM Fee	\$0.58	\$0.40 per health plan eligible per month	\$0.50 per eligible employee per month	\$0.50 per eligible employee per month	\$0.40 per covered employee per month
PEPM Fees Annual Total	\$16,704	\$11,520	\$14,400	\$14,400	\$11,520
Monthly Minimum Fee		\$100	\$100	\$100	\$85
Total Annual Cost		\$11,520	\$14,400	\$15,900	\$11,520
Rate Guarantee		5 years	5 years	5 years	5 years
Additional Fees					
Initial Notifications (existing & new hire)		Existing: \$2 each New Hire: Included	Included	Included	Included
Qualifying Event Notices		Included	Included	Included	Included
Carrier Notifications - reinstatement/termination		Included (\$15 each fee waived)	Included	Included	Included
Online Services		Included (Employer & Employee Portal)	Included	Included	Included
Real-time & Monthly Reporting		Included	Included	Included	Included
Past Due Notices to Continuant		Included upon request during implementation.	\$2.00 per notice	\$2.00 per notice	Late payment notices are available upon request from the employer during implementation for no additional cost. COBRA participants that have not paid their premium by the 15th of the current month will receive a notice via US Mail. If the 15th falls on a holiday or weekend, the notice will be mailed the next business day.
Retro COBRA Initial Rights Notices		Included if within 30 days of effective agreement	\$2.00 per notice	\$2.00 per notice	Discovery Benefits can send a one time blanket mailing of the Initial Notices to the entire COBRA eligible population for no additional cost. Additional blanket mailings may be subject to additional fees.
Implementatin timeline		60-90 days	45-90 days	45-90 days	90-120 days; Once all of the required documentation is received plan set up can take up to 15 business days for Benefits and COBRA administration
Notes		Midyear or end of plan year termination charge is one month's administration fee Administrative fee of 2% is retained by Chard Snyder Optional Services Available: Remittance to carriers- Waived, Reporting eligibility to carriers- Waived, Continuant open enrollment notifications- Waived, Recanvas of initial COBRA notices to active population, Monthly Minimum is only applicable when the monthly fee is less than the monthly minimum	CYC retains 2% administrative fee, Open enrollment packet \$20 per packet plus postage, Premium Disbursement to Carrier \$10 per carrier per month, One time ACH or CC participant payment \$20 convenience fee paid by participant	CYC retains 2% administrative fee, Open enrollment packet \$20 per packet plus postage, Premium Disbursement to Carrier \$10 per carrier per month, One time ACH or CC participant payment \$20 convenience fee paid by participant	Discovery retains 2% administrative fee

2020 Specific Stop Loss \$300,000 - Update

❖ Thru August

1. \$516,631 (up approximately \$3,000 from prior month)
2. \$391,385 (an additional \$959,000 is awaiting processing)
3. \$290,543 (up \$12,000 from prior month)
4. \$260,182 (up \$34,000 from prior month)

❖ Estimated losses YTD \$1,100,000

- ❖ Recently we were made aware of a new potential large claimant where we could expect in excess of \$2,500,000 to \$3,000,000 in annual expense. More information is needed to determine our exposure.
- ❖ Estimated 2020 annual stop loss premium \$856,000
- ❖ Estimated 2021 renewal stop loss premium due to 50% rate cap \$1,284,000

❖ FSA:

- ▶ Matched the States pricing
 - ❖ Health FSA Initial: \$2.50
 - ❖ Health FSA Final: \$**1.95**
 - ❖ DC FSA Initial: \$2.50
 - ❖ DC FSA Final: \$**1.95**

❖ HSA:

- ▶ Matched the States pricing
 - ❖ HSA Initial: \$1.85
 - ❖ HSA Final: \$**1.75**

❖ *Cobra:

- ▶ The States Cobra pricing is \$0.50 which is what CYC quoted initially and that is staying the same. CYC added a \$250 one time Cobra implementation fee per each location. This still totals out to less than what you are currently paying now.

ASU System Benefits Committee

Agenda
September 17, 2020
2:00 PM

Join Zoom Meeting
<https://astatecall.zoom.us/j/96654501284>
Meeting ID: 966 5450 1284
US: 1 646 876 9923 or +1 669 900 6833

1. Dental/Vision Benefits and Rates
2. Henderson State University update
3. Large claims/Stop Loss update
4. FSA/HSA/COBRA Bid - ConnectYourCare
5. 2021 Medical Plan
 - A) Comparative Information
 - B) Rate Discussion
6. USAbLe Cancer - Guarantee issue for Plans 1 and 2
7. Open Enrollment Dates - November 1 - November 16

Arkansas State University System Health Plan Comparison - July 2020

	ASU HDHP Blue Advantage	ASU CLASSIC Blue Advantage	ASU PREMIER Blue Advantage	ATU PPO Blue Cross	ATU PPO Blue Cross	ATU PPO Blue Cross	UALR HDHP UMR	UALR CLASSIC UMR	UALR PREMIER UMR	UCA PPO UHC	STATE OF AR Health Advantage Premium	STATE OF AR Health Advantage Classic**
Employee Monthly Health Premium				< \$25,000	< \$50,000	> \$50,000						
Employee Premium	\$ 42.00	\$ 96.00	\$ 116.00	\$ 30.00	\$ 50.00	\$ 80.00	\$ 17.78	\$ 79.40	\$ 181.87	\$ 66.83	\$ 188.32	\$ 125.28
Employee & Spouse	\$ 246.00	\$ 350.00	\$ 388.00	\$ 535.00	\$ 555.00	\$ 585.00	\$ 170.10	\$ 338.14	\$ 548.05	\$ 316.62	\$ 484.98	\$ 337.84
Employee & Children	\$ 204.00	\$ 286.00	\$ 314.00	\$ 251.00	\$ 271.00	\$ 301.00	\$ 130.84	\$ 244.67	\$ 437.37	\$ 219.46	\$ 302.16	\$ 193.38
Family Premium	\$ 258.00	\$ 390.00	\$ 436.00	\$ 702.00	\$ 722.00	\$ 752.00	\$ 217.85	\$ 436.91	\$ 734.11	\$ 498.08	\$ 598.82	\$ 405.94
Employer Monthly Health Premium												
Employee Premium	\$ 478.00	\$ 478.00	\$ 478.00	\$ 647.54	\$ 627.54	\$ 597.54	\$ 387.67	\$ 387.67	\$ 387.67	\$ 420.63	\$ 338.00	\$ 332.86
Employee & Spouse	\$ 784.00	\$ 784.00	\$ 784.00	\$ 779.63	\$ 759.63	\$ 729.63	\$ 752.63	\$ 752.63	\$ 752.63	\$ 689.09	\$ 701.08	\$ 684.08
Employee & Children	\$ 610.00	\$ 610.00	\$ 610.00	\$ 691.80	\$ 671.80	\$ 641.80	\$ 629.14	\$ 629.14	\$ 629.14	\$ 706.17	\$ 583.02	\$ 571.16
Family Premium	\$ 1,036.00	\$ 1,036.00	\$ 1,036.00	\$ 890.65	\$ 870.65	\$ 840.65	\$ 1,069.69	\$ 1,069.69	\$ 1,069.69	\$ 881.47	\$ 922.36	\$ 891.62
Total Monthly Health Premium												
Employee Premium	\$ 520.00	\$ 574.00	\$ 594.00	\$ 677.54	\$ 677.54	\$ 677.54	\$ 405.45	\$ 467.07	\$ 569.54	\$ 487.46	\$ 526.32	\$ 458.14
Employee & Spouse	\$ 1,030.00	\$ 1,134.00	\$ 1,172.00	\$ 1,314.63	\$ 1,314.63	\$ 1,314.63	\$ 922.73	\$ 1,090.77	\$ 1,300.68	\$ 1,005.71	\$ 1,186.06	\$ 1,021.92
Employee & Children	\$ 814.00	\$ 896.00	\$ 924.00	\$ 942.80	\$ 942.80	\$ 942.80	\$ 759.98	\$ 873.81	\$ 1,066.51	\$ 925.63	\$ 280.86	\$ 764.54
Family Premium	\$ 1,294.00	\$ 1,426.00	\$ 1,472.00	\$ 1,592.65	\$ 1,592.65	\$ 1,592.65	\$ 1,287.54	\$ 1,506.60	\$ 1,803.80	\$ 1,379.55	\$ 1,521.18	\$ 1,297.56
Deductible	\$ 2,800	\$ 1,500	\$ 1,000	\$ 4,000	\$ 4,000	\$ 4,000	\$ 2,800	\$ 1,250	\$ 700	\$ 1,500	\$ 500	\$ 2,500
Deductible Family	\$ 5,600	\$ 3,000	\$ 2,000	\$ 8,000	\$ 8,000	\$ 8,000	\$ 5,400	\$ 2,500	\$ 1,400	\$ 3,000	\$ 1,000	\$ 2800/5000
Copay Primary Doc	D/CO	\$ 35	\$ 35	\$ 50	\$ 50	\$ 50	D/CO	\$ 35	\$ 25	\$ 20	\$ 25	D/CO
Copay Specialist	D/CO	\$ 50	\$ 50	D/CO	D/CO	D/CO	D/CO	\$ 55	\$ 45	\$ 35	\$ 50	D/CO
Co-Insurance %	20%	20%	20%	30%	30%	30%	10%	25%	20%	20%	20%	20%
Out of Pocket Max -	\$ 6,650	\$ 4,000	\$ 3,000	\$ 7,500	\$ 7,500	\$ 7,500	\$ 6,750	\$ 5,250	\$ 3,050	\$ 4,000	\$ 3,000	\$ 6,450
Out of Pocket Max Family	\$ 13,300	\$ 8,000	\$ 6,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 13,300	\$ 10,500	\$ 6,100	\$ 8,000	\$ 6,000	\$ 12,900
Prescription Co-Pay												
Generic	D/CO	\$ 12	\$ 12	\$ 20	\$ 20	\$ 20	D/CO	\$ 17	\$ 12	\$ 10	\$ 15	D/CO
Preferred Brand	D/CO	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50	D/CO	\$ 60	\$ 55	\$ 40	\$ 40	D/CO
Non-Preferred Brand	D/CO	\$ 80	\$ 80	\$ 70	\$ 70	\$ 70	D/CO	\$ 95	\$ 90	\$ 60	\$ 80	D/CO
Specialty	D/CO	\$ 100	\$ 100	\$ 250	\$ 250	\$ 250	D/CO					
Pharmacy out-of-pocket max - IND		\$ 2,000	\$ 2,000					\$ 1,700	\$ 1,700		\$ 3,100	
Pharmacy out-of-pocket max - FAM		\$ 4,000	\$ 4,000					\$ 3,400	\$ 3,400		\$ 6,200	
HSA Contribution EE (Annual)	\$ 500.00						\$ 420.00					\$ 300.00
HSA Contribution Family (Annual)	\$ 1,000.00						\$ 840.00					\$ 600.00

*D/CO - Deductible and Co-insurance instead of co-pay applies

**State Basic Plan pays nothing until deductible is met, then pays 100%

All cost sharing assume in network coverage. Out of network coverage separate deductible and higher co-insurance.

ASU System CY2021 Health Plan Rates Scenarios

Needed Increase **8.73%**

	Classic						Premier						Total Contribution				Versus Employee (EE)	
	Lives	Premium Rate	Employee Share Rate	Employee Share %	Employer Share Rate	Employer Share %	Lives	Premium Rate	Employee Share Rate	Employee Share %	Employer Share Rate	Employer Share %	Total Lives	Total Premium	Employee	Employer	\$ ER Cost	% Change

Current CY2020

Employee (EE)	512	\$574.00	\$97.00	16.9%	\$477.00	83.1%	628	\$594.00	\$116.00	19.5%	\$478.00	80.5%	1184					
EE/Spouse	90	\$1,134.00	\$351.00	31.0%	\$783.00	69.0%	210	\$1,172.00	\$388.00	33.1%	\$784.00	66.9%	306					
EE/Children	70	\$896.00	\$286.00	31.9%	\$610.00	68.1%	106	\$924.00	\$315.00	34.1%	\$609.00	65.9%	181					
Family	205	\$1,426.00	\$390.00	27.3%	\$1,036.00	72.7%	283	\$1,472.00	\$437.00	29.7%	\$1,035.00	70.3%	507					
Monthly	877	\$750,998.00	\$181,224.00	24.1%	\$569,774.00	75.9%	1227	\$1,133,672.00	\$311,389.00	27.5%	\$822,283.00	72.5%	2178	\$1,942,386.00	\$509,923.00	\$1,432,463.00		73.75%
Annual		\$9,011,976.00	\$2,174,688.00	24.1%	\$6,837,288.00	75.9%		\$13,604,064.00	\$3,736,668.00	27.5%	\$9,867,396.00	72.5%		\$23,308,632.00	\$6,119,076.00	\$17,189,556.00		73.75%

2021 Employee Plus 5%

Employee (EE)	512	\$624.10	\$101.85	16.32%	\$477.00	76.43%	628	\$645.84	\$121.80	18.86%	\$478.00	74.01%	1184					
EE/Spouse	90	\$1,232.97	\$368.55	29.89%	\$783.00	63.51%	210	\$1,274.29	\$407.40	31.97%	\$784.00	61.52%	306					
EE/Children	70	\$974.20	\$300.30	30.83%	\$610.00	62.62%	106	\$1,004.64	\$330.75	32.92%	\$609.00	60.62%	181					
Family	205	\$1,550.46	\$409.50	26.41%	\$1,036.00	66.82%	283	\$1,600.47	\$458.85	28.67%	\$1,035.00	64.67%	507					
Monthly	877	\$816,541.88	\$190,285.20	23.30%	\$569,774.00	69.78%	1227	\$1,232,614.02	\$326,958.45	26.53%	\$822,283.00	66.71%	2178	\$2,111,909.10	\$535,419.15	\$1,432,463.00		67.83%
Annual		\$9,798,502.50	\$2,283,422.40	23.30%	\$6,837,288.00	69.78%		\$14,791,368.19	\$3,923,501.40	26.53%	\$9,867,396.00	66.71%		\$25,342,909.15	\$6,425,029.80	\$17,189,556.00		67.83%
														8.73%	5.00%	0.00%		

Needed from FUND

\$1,728,323.35

2021 Employer Plus 5%

Employee (EE)	512	\$624.10	\$97.00	15.54%	\$500.85	80.25%	628	\$645.84	\$116.00	17.96%	\$501.90	77.71%	1184					
EE/Spouse	90	\$1,232.97	\$351.00	28.47%	\$822.15	66.68%	210	\$1,274.29	\$388.00	30.45%	\$823.20	64.60%	306					
EE/Children	70	\$974.20	\$286.00	29.36%	\$640.50	65.75%	106	\$1,004.64	\$315.00	31.35%	\$639.45	63.65%	181					
Family	205	\$1,550.46	\$390.00	25.15%	\$1,087.80	70.16%	283	\$1,600.47	\$437.00	27.30%	\$1,086.75	67.90%	507					
Monthly	877	\$816,541.88	\$181,224.00	22.19%	\$598,262.70	73.27%	1227	\$1,232,614.02	\$311,389.00	25.26%	\$863,397.15	70.05%	2178	\$2,111,909.10	\$509,923.00	\$1,504,086.15		71.22%
Annual		\$9,798,502.50	\$2,174,688.00	22.19%	\$7,179,152.40	73.27%		\$14,791,368.19	\$3,736,668.00	25.26%	\$10,360,765.80	70.05%		\$25,342,909.15	\$6,119,076.00	\$18,049,033.80		71.22%
														8.73%	0.00%	5.00%		

Needed from FUND

\$1,174,799.35

2021 Employee & Employer Plus 5%

Employee (EE)	512	\$624.10	\$101.85	16.32%	\$500.85	80.25%	628	\$645.84	\$121.80	18.86%	\$501.90	77.71%	1184					
EE/Spouse	90	\$1,232.97	\$368.55	29.89%	\$822.15	66.68%	210	\$1,274.29	\$407.40	31.97%	\$823.20	64.60%	306					
EE/Children	70	\$974.20	\$300.30	30.83%	\$640.50	65.75%	106	\$1,004.64	\$330.75	32.92%	\$639.45	63.65%	181					
Family	205	\$1,550.46	\$409.50	26.41%	\$1,087.80	70.16%	283	\$1,600.47	\$458.85	28.67%	\$1,086.75	67.90%	507					
Monthly	877	\$816,541.88	\$190,285.20	23.30%	\$598,262.70	73.27%	1227	\$1,232,614.02	\$326,958.45	26.53%	\$863,397.15	70.05%	2178	\$2,111,909.10	\$535,419.15	\$1,504,086.15		71.22%
Annual		\$9,798,502.50	\$2,283,422.40	23.30%	\$7,179,152.40	73.27%		\$14,791,368.19	\$3,923,501.40	26.53%	\$10,360,765.80	70.05%		\$25,342,909.15	\$6,425,029.80	\$18,049,033.80		71.22%
														8.73%	5.00%	5.00%		

Needed from FUND

\$868,845.55

ASU System CY2021 Health Plan Rates Scenario

	Lives	Premium Rate	CDHP		Employer Share	
			Employee Share Rate	%	Rate	%

Current CY2020

Employee (EE)	44	\$520.00	\$116.00	22.3%	\$404.00	77.7%
EE/Spouse	6	\$1,030.00	\$388.00	37.7%	\$642.00	62.3%
EE/Children	5	\$814.00	\$315.00	38.7%	\$499.00	61.3%
Family	19	\$1,294.00	\$437.00	33.8%	\$857.00	66.2%
Monthly	74	\$57,716.00	\$17,310.00	30.0%	\$40,406.00	70.0%
Annual		\$692,592.00	\$207,720.00	30.0%	\$484,872.00	70.0%

2021 Employee Plus 5%

Employee (EE)	44	\$565.38	\$121.80	21.54%	\$404.00	71.46%
EE/Spouse	6	\$1,119.89	\$407.40	36.38%	\$642.00	57.33%
EE/Children	5	\$885.04	\$330.75	37.37%	\$499.00	56.38%
Family	19	\$1,406.93	\$458.85	32.61%	\$857.00	60.91%
Monthly	74	\$62,753.20	\$18,175.50	28.96%	\$40,406.00	64.39%
Annual		\$753,038.45	\$218,106.00	28.96%	\$484,872.00	64.39%

2021 Employer Plus 5%

Employee (EE)	44	\$565.38	\$116.00	20.52%	\$424.20	75.03%
EE/Spouse	6	\$1,119.89	\$388.00	34.65%	\$674.10	60.19%
EE/Children	5	\$885.04	\$315.00	35.59%	\$523.95	59.20%
Family	19	\$1,406.93	\$437.00	31.06%	\$899.85	63.96%
Monthly	74	\$62,753.20	\$17,310.00	27.58%	\$42,426.30	67.61%
Annual		\$753,038.45	\$207,720.00	27.58%	\$509,115.60	67.61%

2021 Employee & Employer Plus 5%

Employee (EE)	44	\$565.38	\$121.80	21.54%	\$424.20	75.03%
EE/Spouse	6	\$1,119.89	\$407.40	36.38%	\$674.10	60.19%
EE/Children	5	\$885.04	\$330.75	37.37%	\$523.95	59.20%
Family	19	\$1,406.93	\$458.85	32.61%	\$899.85	63.96%
Monthly	74	\$62,753.20	\$18,175.50	28.96%	\$42,426.30	67.61%
Annual		\$753,038.45	\$218,106.00	28.96%	\$509,115.60	67.61%

Premiums set to rise for state-worker plan

Arkansas Democrat-Gazette · 9 Aug 2020 · MICHAEL R. WICKLINE

Health insurance premiums for current and retired state employees who are not on Medicare will increase 5% next year.

In addition, the wellness credit for state employees will be reduced from \$75 to \$50 a month, starting next year.

And starting next year, the Medicare-member retirees in the state health insurance program will be forced to obtain their pharmacy coverage through the Medicare Part D market rather than through the state plan.

The 15-member State and Public School Life and Health Insurance Board adopted these changes during its meeting Wednesday to eliminate an initial projection of a net loss of \$49.8 million for the state plan and instead end up with \$28.7 million in net income in 2021.

Courtney White of the Milliman actuarial firm said the health insurance premiums will increase by 5% for current and retired state employees who are less than 65 years old, but not retirees who are 65 and older.

That's projected to raise \$3.26 million for the plan in 2021, he said.

The rate increase will affect 27,198 current employees and 210 retirees under 65.

There are 10,803 retirees age 65 and older, said Alex Johnston, a spokeswoman for the state Department of Transformation and Shared Services, after the board's meeting.

The premium version of the insurance plan is the most popular one, with 23,502 employees having that coverage, she said.

With an annual deductible

of \$500 for an individual or \$1,000 for a family, the premium plan offers the richest benefit among the three plan options.

Starting Jan. 1, state employees will pay \$118.99 a month for individual coverage under the premium plan, up \$5.67 from \$113.32 a month, Johnston said. Family coverage will cost \$550.01 a month under the premium plan, up \$26.19 from \$523.82 a month, she said.

White said state government's contribution will increase from \$420 per budgeted employee to \$450, to raise a projected \$12.24 million more next year.

WELLNESS BENEFIT CUT

White said reducing the wellness credit is projected to save the plan \$5.9 million next year.

The ARBenefitsWell program provides a monthly discount in premiums for active state and public school employees when certain wellness criteria are met during the year, according to the state Employee Benefits Division's website. This program was created in an effort to reduce ever-increasing claims costs and encourage participants of the ARBenefits Plan to actively engage in their own health and well-being.

“The employees that are getting the wellness credit would see the 5% increase plus a \$25 increase in their contribution due to that wellness credit going down from \$75 to \$50 per month,” White told the board. “The employees not receiving the wellness credit would just see the 5% increase because they are not getting any credit for that.”

Johnston said 22,385 state employees received the credit this year.

MEDICARE COVERAGE

White said shifting the pharmacy coverage for retirees 65 and older to the Medicare Part D market would save the plan \$38.5 million next year and leave a \$28.7 million positive fund balance.

“So the Medicare retirees would be purchasing coverage through the market either through an exchange or through the PDP [prescription drug plan] market or the MAPD [MedAdvantage Prescription Drug] market,” White said.

The Medicare retirees would still get their medical coverage through the state plan, he said.

Shifting pharmacy coverage for Medicare retirees from the state plan to the Medicare Part D market is going to create “winners and losers,” White told the board.

“There is going to be people way out here that will win a lot. Some people are going to lose a lot,” he said. “But there is going to be a whole continuum.

“It will probably end up changing some behaviors because PDPs have different formularies, so they have different copays by brand versus generic. They really try to encourage generic utilization. There are lots of options. There are 27 PDPs in the market, and premiums are \$20 to \$50 a month. There is a bunch of zero-premium options out there. The member doesn’t pay anything.”

Johnston said 10,803 state employees and 3,063 spouses would be affected by changing pharmacy coverage from the state plan to the Medicare Part D market.

Asked about the potential effect on their copays and premiums, she said, “This would depend on the number of drugs taken and the Part D plan that was chosen by the member.

“The range for comparable basic Rx plans to EBD would be \$0-\$40 in premium, copays \$0-\$6 generic vs. EBD \$15; brand drugs \$30-\$47 vs. EBD \$40.” EBD is the state’s Employee Benefits Division.

Chris Howlett, director of the state’s Employee Benefits Division, told the board that the Medicare retirees in the school employees plan moved to Medicare Part D in 2007.

Board member Herb Scott, who is a retired state employee, said the board last year voted to increase health insurance premiums by 5% for current and retired state employees this year to avoid shifting the pharmaceutical coverage for Medicare retirees to Part D.

“I think we are going to have to explain this,” he told his fellow board members.

“I think you have some people that are going to be pretty irate because they accepted the 5% across-the-board [increase] with the caveat and understanding” that that wouldn’t change pharmaceutical coverage for Medicare retirees, Scott said.

“Now, we are coming back and changing that in the middle of the stream,” he said.

Howlett said the division plans to educate members about this change and try to link several entities with the plan’s members.

If the board doesn’t approve these changes, the worst-case scenario is “we do not have enough money to pay claims for employees or retirees,” White said in a response to a question from a board member.

“If claims are higher than expected, utilization is higher than expected, covid is worse than we think and really blows up next year, we won’t have any money,” he said.

White said he wants both plans for state employees and public school employees to be fully funded.

Both plans have catastrophic reserve funds set aside, but eating into those reserves puts the plans at future risk if they are not replenished, he said.

“It is best not to use that if you don’t have to,” he said.

The state employees’ plan has a \$13.5 million catastrophic reserve fund, and the board has made decisions for next year that do not use catastrophic reserve funds, Johnston said after the board’s meeting.

Board member Cindy Gillespie, who is secretary of the state Department of Human Services, said, “I know all of us are working with unforeseen fiscal impacts” amid the covid-19 pandemic.

“The responsible thing to do is to not be rosy and hope, and our obligation in my mind is to look long term and ensure the solvency of this program long term, so there are no easy decisions to be made in the climate that we are in.”

SCHOOL EMPLOYEES

The board decided not to raise health insurance premiums next year for current and retired school employees.

But the board opted to reduce the wellness credit from \$75 to \$50 a month for the school employees’ plan in a move projected to save the plan \$10.9 million next year.

The school employees’ plan is projected to have a net loss of \$82.5 million; the board’s changes would cut the net loss to \$30.62 million in 2021.

Howlett said he is working on various initiatives to make up two-thirds of that projected deficit in the next six to nine months.

The board’s changes for next year count on a \$20 million increase in the state Department of Education’s funding for the school employees’ insurance plan. That would increase the department’s contribution to \$108.1 million, according to White.

The school employees’ plan has a \$37 million catastrophic reserve fund for 2021, and the board’s decisions for next year do not use catastrophic reserve funds, Johnston said after the board’s meeting.

The school employees’ plan covers 49,289 working members and 14,032 retired members, she said.

Johnston said 39,825 school employee plan members receive the wellness credit this year.

The most popular school employee plan is the classic plan, with 27,948 employees, Johnston said. The individual coverage is \$183.46 per month and the family coverage is \$833.44 per month under the classic plan, she said.

The State and Public School Life and Health Insurance Board's other members include state Department of Health Deputy Director Renee Mallory, who chairs the board; Amy Fecher, secretary of the state Department of Transformation and Shared Services; Greg Rogers, an assistant commissioner at the state Department of Education; the state Department of Insurance human resources manager Stephanie Lilly-Palmer; state Parks, Heritage and Tourism Department Chief Fiscal Officer Cynthia Dunlap; and Arkansas Board of Pharmacy Executive Director John Kirtley, according to the transformation department's website.

The board's members also include retired dentist Terry Fiddler; retired teacher Cindy Allen; Charleston School District Superintendent Melissa Moore; DeQueen School District teacher Dori Gutierrez; Valley Springs School District Principal Lisa Sherrill; and Lanita White, an assistant professor at the University of Arkansas for Medical Sciences.

Utilization by Month

EBD - STATE OF ARKANSAS

Adjudicated Date: 01/01/2020 through 09/15/2020

Year Month	Member Months	Utilizers	Paid Amount	Total Claims	Generic %	Mail Order Paid	Mail Order Claims	Mail Order Paid/Claim	Generic Paid/Claim	Brand Paid/Claim	Paid Amt/Claim	PMPM	PUPM	Paid Amt % Chg	PMPM % Chg
2020-01	4,417	1,947	\$407,578	5,548	92.2%	\$981	9	\$109.02	\$15.77	\$753.24	\$73.46	\$92.27	\$209.34	0.0%	0.0%
2020-02	4,357	1,974	\$399,127	5,390	93.0%	\$4,491	54	\$83.17	\$16.24	\$844.92	\$74.05	\$91.61	\$202.19	-2.1%	-0.7%
2020-03	4,365	1,990	\$498,731	5,770	91.5%	\$3,278	21	\$156.09	\$16.35	\$844.98	\$86.44	\$114.26	\$250.62	25.0%	24.7%
2020-04	4,381	1,763	\$471,611	4,791	92.1%	\$4,246	47	\$90.33	\$17.11	\$1,047.92	\$98.44	\$107.65	\$267.50	-5.4%	-5.8%
2020-05	4,363	1,724	\$436,513	4,701	92.7%	\$162	13	\$12.49	\$17.27	\$1,053.25	\$92.86	\$100.05	\$253.20	-7.4%	-7.1%
2020-06	4,353	1,800	\$376,473	5,002	92.5%	\$1,111	11	\$100.98	\$16.30	\$798.64	\$75.26	\$86.49	\$209.15	-13.8%	-13.6%
2020-07	4,331	1,781	\$432,345	4,989	92.0%	\$4,890	36	\$135.84	\$16.30	\$898.32	\$86.66	\$99.83	\$242.75	14.8%	15.4%
2020-08	4,296	1,802	\$440,884	4,838	91.7%	\$2,275	13	\$174.99	\$17.02	\$911.19	\$91.13	\$102.63	\$244.66	2.0%	2.8%
Totals	34,863	14,781	\$3,463,264	41,029	92.2%	\$21,434	204	\$105.07	\$16.52	\$888.36	\$84.41	\$99.34	\$234.31		

Utilization Detail - Paid Amount - EBD

