State Employee Advisory Commission and Public-School Advisory Commission Minutes

November 14, 2023

The Arkansas State Employee Advisory Commission and Public-School Employee Advisory Commission met for a Special Meeting on Tuesday, November 14, 2023, at 10:00 a.m.

ASE Commission Members Present:	PSE Commission Members Present:
Ronda Walthall	**Billy Jackson**
Jerry Jones	**Julie Bates**
Cynthia Dunlap	**Greg Rogers**
Bruce Maloch	**Kurt Knickrehm**

Others Present: Grant Wallace, Director of EBD; Amanda Land, Deputy Director of EBD; Jay Bir, EBD; Denise Flake, EBD; Cindy Monterozza, EBD; Sylvia Landers, Colonial Life; Trey Gardner, EBRx; LeeAnna Graham, EBRx; Sherry Bryant, EBRx; Dr. Jill Johnson, UAMS; Jake Goll, Navitus; Frances Bauman, Novo Nordisk; Debra Wolfe, APA; Stephen Carroll, AllCare Specialty; Bryan Steff, Baehringer; Jessica Akins, Pam McCammon, Nima Nabavi, Trey Gardner, Angela Cavid, Carol Longino, Cassandra Mendenhall, Jennifer Davs, Takisha Sanders, Jim Musick, Alix Stephens, Suzanne Woodall, Lori Bowen, BLR; Mark Adkison, Emilie Monk, Paul Sahkrani, Milliman; Julia Weber, Derrick Smith, and 4 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. Minutes were approved from the October 10 and October 24 minutes.

2. Director's Update: Grant Wallace

Director Wallace said Open Enrollment has been going as it should and complimented the entire staff for making it smooth.

Director Wallace brought up a law passed during the most recent General Session that the Employee Benefits Division is responsible for overseeing the procurement of voluntary products, which is done currently through ARSEBA for state employees. He said EBD is in the process of drafting and promulgating those rules and they will need to go through a public comment period before coming back to the Commission, then the State Board of Finance, then the Legislature.

Director Wallace mentioned United HealthCare is negotiating new contracts with Baptist Health System and St. Bernard's. Baptist has sent out letters saying members participating in the state's coverage under UHC will still be able to receive services and they will be treated as an in-network facility. The Baptist contract expires at the end of December. St. Bernard's contract is

up at the end of April and UHC is working on educating members about the non-differential aspect of the plan regarding St. Bernard's, so members would be treated as in-network there too.

EBD is developing an RFP to get a consultant who work with EBD on its third-party administrator contract. Next year is the next-to-last year of renewal for the current Health Advantage contract. He hopes the consultant can help EBD navigate the process and figure out how it can better procure a contract with a more robust offering. Director Wallace then asked for approval to allow him to move forward in developing an RFP for a consultant. Kurt Knickrehm asked how he will develop the RFP. Director Wallace said EBD has some templates it can use from State Procurement and other state's examples of similar contracts. Knickrehm motioned to approve authority for Director Wallace to move forward, seconded by Julie Bates. **Motion Passed.**

3. Formulary Review: Jake Goll

Jake Goll began with the October Formulary Advisory Committee (FAC) review. The first drug is ezallor sprinkle capsules and is mainly for oral suspension. He said it is designed for younger children. These were previously not covered but after a recent analysis, Navitus is seeing a 30-day supply coming in at a lower cost compared to simbastatin and atorvastatin, which are on formulary already. Because of that this drug is being added with a Prior Authorization (PA) for children under the age of seven. This will align with Arkansas Medicaid rules regarding these types of liquid products for children. Cynthia Dunlap asked about the document saying the PA will be for those under seven but the Navitus comment says under the age of nine. Goll said the Navitus standard is the nine year mark but said they want to align with Arkansas Medicaid which specifies age seven. He added the PA will ask why the child needs the liquid instead of the tablet version. Dunlap asked if seven or nine is what is being recommended. Director Wallace said that Arkansas Medicaid only allows for children seven and under to use the liquid form because of potential swallowing issues, whereas over the age of seven, that is less likely, which is why the PA is needed to obtain the liquid version. The PA is for children over the age of seven but under the age of seven it is allowable without the PA.

The Xolair syringe and Xolair 150mg syringe are recommended to have a quantity limit (QL) with them. Goll said this will maintain consistent contracting and basing off FDA labeling. The QL is restricted to two injections every 28 days. Higher doses can be approved by the Navitus exemption process provided the member gives appropriate clinical rationale for the higher dose snice asthma dosing is dependent on the member's body weight and their pre-treatment IGE levels. This is the only change with these drugs. The number of impacted members on the spreadsheet are not necessarily members who are over the QL but just how many utilize the product (3/39, respectively). But once the QL is approved they will be able to tell how many members might be over that QL and those members can submit documentation.

Flurazepam is used for insomnia is not used by any members in the state and Goll mentioned there is only one member across their whole catalog using this specific drug. He said it is just not a popular choice for insomnia anymore and it used to be cheaper. There is a company that launched new NDCs for the product and it is more expensive and with the number of alternatives, it is recommended to move this to the Not Covered position.

Cimzia comes in a 300 mg vial. It does also come in pre-filled syringes which are designed for self-injection but with this product it was noted it is unrebated. The dosage level is also intended for administration by a healthcare professional so Navitus is directing this to the medical benefits instead. So it will be Not Covered by pharmacy benefits and there are no impacted members because all Arkansas members using the product, use the pre-filled syringes.

Nuzyra is an expensive antibiotic that can be used for pneumonia and skin infections. Rebates are going away for this drug and there are plenty of cheaper alternatives that can be used for those afflictions. Nuzyra comes in at just over $10,000 per course and there are no impacted members so the recommendation is to move it to Not Covered.

Omnitrope is a growth hormone. There have been shortages with other growth hormone products particularly with Genotropin, which was the previously preferred product, but now the recommendation is to have Omnitrope as the preferred product as it is the lowest net-cost option. Navitus always makes sure to have the lowest net-cost option when dealing with identical products. The recommendation is to move this from Not Covered to the Specialty Tier and have the standard growth hormone PA.

The Fiasp pump cartridge is used to treat diabetes and this was going to be added to formulary for the last two months but some contracting issues but this and Arkansas using Lily insulin products. Navitus did not want to add this just to have to remove it in January and did not want members starting on this treatment just to be disrupted a short time later, so the recommendation is to leave it Not Covered.

The Breo ellipta inhaler is recommended to be on Tier 2, which is the preferred brand tier. Navitus already covers Breo products and there was a new strength launched to support younger populations. So the new strength is being added to formulary to match all other Breo products, since it is the preferred brand.

Mekinist and Tafinlar are used for Melanoma, thyroid, ovarian, and lung cancer. These two drugs go together and the Mekinist solution is a for younger populations and Tafinlar tab is for oral suspension. These launched in the Navitus metispan database with support in dosing down to ages one and older. There are also some expanded indications of some new diagnoses attached onto this too. The pricing is similar for the adult and pediatric formulations and the goal is make sure younger populations have access to this medication. The recommendation is to add these to the Specialty Tier with the standard PA.

Votrient and pazopanib also coincide on the formulary. Pazopanib is the generic version of Votirent, so just switching those tiers with pazopanib replacing Votrient on the Specialty Tier with the standard PA. The generic is coming in $2,000 lower per month supply.

Dunlap had a question about the comment section of Breo. She pointed out the EBRx agrees with the recommendation if the generic Symbicort is still covered and asked if it is still covered. Goll said they do have it covered and it is on the same tier and they were going with the EBRx recommendation here.

Billy Jackson moved to approve the October FAC, Ronda Walthall seconded. **Motion Approved.**

4. Formulary Select Transition Analysis: Jake Goll

Goll mentioned for this section he just wants to keep it high level ad highlight the class changes and more significant changes being made. He said Navitus will continue to research drugs and the FAC will continue to have conversations with EBD and EBRx about adding and removing drugs from the formulary and they will always take into consideration the cost benefit. The goal is to meet the financial and rebate guarantees get the lowest net-cost products with the most savings. Goll highlighted what the committee was looking at regarding the spreadsheet provided.

The Accu-check test strips will be a $0 copay for members and Navitus wants to encourage members with diabetes to do their routine testing to make sure their blood sugar is under control.

Julie Bates said she would like to focus on the things Navitus and EBRx are not in agreement on instead of running through the entire list.

The Acthar gel is recommended to be excluded as there are much cheaper alternatives. The average cost per month is over $88,000.

Dunlap asked if this is in agreement with EBRx because Column B on the document is showing what drugs currently are and includes what EBRx had setup on the previous formulary. Column C is the Navitus recommendation and then Column G is the EBRx comments and that is where the differences will be.

Bruce Malco asked what representations were made in the RFP when Navitus bid on this. Director Wallace said ti would have been the full Signature Select. Navitus was supposed to look at approximately a year's worth of utilization and matched it up with their Signature Select list and priced drugs off their formulary. The impacted numbers for Acthar, for example, is none because it was excluded so it won't be a negative impact to the RFP. Maloch asked if something were to be approved that cost more than the signature select tier what is the obligation back to the provider. Director Wallace said if the Commission did approve Acthar, they would be ok assuming the cost related to that and there is no way to tell what that would

be since there are currently no members using it, but utilization would likely go up with availability.

Ammonium lactate products are some Over the Counter (OTC) products. The way Navitus handles OTC products is during the implementation process they give the chance to say if OTCs will be included in the plan design. But ultimately, OTCs were excluded from formulary and there were some members who came over from MedImpact who likely were approved through an exception process. Some of these medications are also coded as prescription based of their NDC and if it is coded as prescription they don't get captured as excluded under the OTC list. Goll asked the Commission if they would like to continue to cover products coded as prescription only or just exclude across the board. Director Wallace said during the transition to Navitus that OTC has not been covered and that will continue, but the question is the prescription aspect of things. Trey Gardner said the OTC edit was already in place, so no matter what was on Signature Select, EBD had selected to not cover OTC products and they would not process. Director Wallace added in the spreadsheet that any OTC listed will be excluded. Gardner said if there is a prescription version of those drugs, it will still process because some products have different strengths that are prescription. Dunlap asked if the recommendation was to also exclude the prescription versions of the OTCs. Gardner said the recommendation is to exclude the OTC versions and if there are prescription strengths of OTCs those would process at the tier listed. Goll said if there is a medispan flag, which is their drug database, where it is classified as OTC then all of those would reject as excluded products.

Aspirin EC tablet at 325mg will be kept at a $0 copay.

Azelastine nasal spray is also an OTC product and Goll said all the OTCs will be the same as the ammonium lactate products discussed.

Cequa is an ophthalmic immunomodulator and the plan is to normally cover only one of them, which is the generic restasis or cycliborn as the generic name, but in moving to Navitus this drug was covered. Navitus wants to avoid any disruption for the 165 members currently on this drug. Goll said he worked with their rebates team and found there is a decent rebate available on this product that makes it close to the generic price after discussions with EBRx the recommendation is to keep this at Tier 2.

Dunlap asked if the Signature Select column is what is ultimately being approved, since many of the drugs on the list have already been approved by the Commission. Director Wallace said that is what is being approved. Gardner added Navitus does not do reference price and for brands that are moving to Tier 3 there is a brand penalty so if a member chooses a brand when there is a generic version available, the plan cost does not go up, the member will absorb the cost by tehri choice. Dunlap just confirmed she was more concerned about the format and not any particular drug but if there are any disagreements between EBRx and Navitus. Director Wallace said after the discussion he would ask for approval for everything that is agreed upon and if there are any discrepancies then those can be taken up individually.

Cinryze injections are an expensive product for hereditary angioedema and after consulting with EBRx they feel it is not cost effective based on the clinical evidence and want to keep that Not Covered.

Dexcom products are recommended to stay at $0 copay. Goll said they are similar to the test strips discussed earlier by encouraging members to stay on top of their diabetes management and keeping track of their blood sugars closely and this allows them to have easy access to those products.

Navitus has all their triptans at Tier 2 and eletriptan is known as the best triptan clinically. It is favorable among members and seems to be very effective at stopping migraines. But want to keep this triptan at Tier 1 to provide access at a lower cost and there would be no rebate impacts keeping it at Tier 1.

Erivedge capsules are used for metastatic basal cell carcinoma. Based on current studies and the overall cost of the medication it is recommended to keep it on the Not Covered tier. There are other covered therapies for this condition that are equally or more effective at a better cost.

Goll pointed out many of the deviations are with oncology drugs. Filspari tabs are one of them. Goll said it lacks meaningful clinical data and there is a high price tag on it for a monthly basis. It is recommended to keep it under Not Covered.

Fotivda capsules underwent a cost-benefit analysis and considering the lack of meaningful clinical data it will be kept as Not Covered. There are lower cost alternatives that are equally or more effective that can be directed towards members. Since this was already Not Covered there are no impacted members.

Goll applauds the decision by EBRx to not cover the guaifenesin codeine syrups. He said it is not limited to Arkansas but the whole pharmacy world that these syrups have a very high abuse potential. He said he hears many local pharmacies don't keep this product in stock and keeping it Not Covered will avoid contributing to any sort of abuse. Dunlap asked about the 29 members listed that this would impact. Goll said these are members who would have been on the medication prior to 7/1, so those members which came over from MedImpact and they were captured in their transition claims report. He said he is not sure if there was an exception process used for these members but said that is his understanding of Not Covered drugs are approved by EBD. Director Wallace said he and Sherry Bryant were confused about that figure also. Bryant said they could have been members receiving it clinically but realized that can't be the case. Gardner said he pulled up the claims and did not see any historical claims since 7/1. Director Wallace said the team would investigate and see where that figure could be coming from.

Imcivree is technically considered a weight loss drug and since those are excluded across the board by EBD it is recommended that it be Excluded. It also has a high cost associated with it.

Iressa, Jayprica, and Joenja were discussed in previous monthly meetings and those are Excluded mainly because there are lower cost, more beneficial products these will remain as Excluded.

It is recommended to keep the Lonhala inhaler as Not Covered because of the high price and there are a handful of other inhaler products available at a lower cost.

Goll believed Lobrena tabs were discussed last month but wanted to reiterate the decision keep them as excluded due to high price and other more clinically effective alternatives available.

It is recommended to keep Ocaliva tablets as Not Covered. The AWP cost is $361 per day and there is just not enough clinical data to warrant its inclusion. Goll said they would continue to monitor any new studies on this and other excluded drugs.

Both olopatadine solutions are OTC and will be excluded.

There are more diabetic testing supplies listed. Some test strips and lancets and similar to the other diabetic supplies discussed, these will be available at a $0 copay.

Orgovyx and Orserdu were discussed at previous meetings. These are oncology products and there are lower cost alternatives available with more effectiveness, so these will stay as Not Covered.

Skyclarys was discussed last month and it will stay as Not Covered. This is a new medication, so just waiting on more meaningful clinical evidence to be released before this one is considered to be added to formulary, especially because the price tag is very high.

Tabrecta is another oncology product that will stay at Not Covered due to a lack of data and the drug preferred similar to this is Keytruda. Keytruda is a medically administered product so it is not covered as a pharmacy benefit and would fall under medical benefit.

The next discussed products were temazepam at 22.5 and 7.5 mg strengths. It is recommended to keep these as Not Covered since there are 15mg and 30mg strengths available at a much lower cost.

Tepmetko is a non-small cell lung cancer product. Much like the other excluded oncology products, Tepmetko does not have sufficient clinical evidence at the cost to warrant it being on formulary.

Varubi is a nausea medication, used in the setting of chemotherapy. It is an effective medication but it is expensive. There are other generic medications to treat nausea associated with chemotherapy that have been around a long time and are cheaper so Varubi will remain as Not Covered.

Goll said any brand product that are reference price are Tier 5, but on tier 3 with Signature Select. That is the highest copay and the member does pay the difference in cost between the

generic and the brand product because they do not want the plan to incur added cost. It is also a way they encourage members to use the lower cost generic drugs. Goll also mentioned with the transition to Signature Select there are hoping to keep one single formulary managed instead of a basic/classic and premium one. Then by benefit design can make any customizations. The intended setup would be brand products would move from Not Covered to on the formulary and those are the reference price medications on Tier 5. But they are encouraging the lower cost generics by putting the DAW penalty on there. So member will pay the cost difference between the brand and generic and the higher copay. He said in most instances, the member is not interested in doing and they will defer to the generic. Director Wallace said he was researching this setup as there are deductible factors that need to be figured in and said it is something he wants to address in December and wants to focus currently the formulary structure. Director Wallace recommended a motion to approve all drugs without any EBRx comments. Bates said many of the drugs covered seem that Goll was agreeing with the EBRx comments and suggested a motion approving everything EBRx is recommending and if a drug did not have a comment then they are ok with those drugs. Director Wallace said that would be his preference but wanted the Commission to have options for any further discussion.

Bates motioned for the EBRx recommendations be approved, seconded by Walthall. **Motion Passed**.

Goll said Navitus has already aligned with the current insulin setup, which is using Lily products and it was a change Navitus was already making for 1/1.

Bates motioned to adjourn the meeting, with no dissent Chairwoman Dunlap adjourned the meeting until December 12.