

State Employee Advisory Commission and Public-School Advisory Commission Minutes

February 14th, 2023

The Arkansas State Employee Advisory Commission and Public-School Employee Advisory Commissions met on Tuesday, December 6th, 2022, at 10:00 a.m.

ASE Commission Members Present

Marty Casteel
Ronda Walthall

PSE Commission Members Present

Greg Rogers
Kurt Knickrehm
Billy Jackson
Julie Bates

ASE Members Absent: Jerry Jones, Cynthia Dunlap, Bruce Maloch

PSE Members Absent: Jim Tucker

Others Present: Jake Bleed, Laura Thompson, Rhoda Classen, Dr. Jill Johnson

Call to Order

Meeting was called to order by Jake Bleed and announced there was a quorum for the PSE Commission but not for the ASE Commission.

1. Approval of January 3rd, 2023 Minutes: Jake Bleed

Billy Jackson moved to approve the January 3rd minutes. Seconded by Marty Casteel. All in favor. **Motion Approved**

2. Regular Session Discussion/Status of Bills on EBD: Jake Bleed

Jake Bleed reminded the Commission of the new rule that bills with fiscal impacts had to be filed 15 days into the Session. Many of those bills are still awaiting Fiscal Impact Statements, but EBD is also doing their own analysis of bills.

Jake said with deadlines in place it can lead to the filing of shell bills, which do not have a lot of substance when filed and can be changed substantially from the filing to the final version.

Jake mentioned specifically HB1257 by Rep Achor would allow city and county police officers to enroll in certain plans and could have a significant impact. Also, HB1242 by Rep Wardlaw would allow retired teachers to in pharmacy care coverage at full cost. HB1259 by Rep Johnson would require insurance companies to collect co-pays and deductibles doctor's offices don't collect. Jake said it is hard to say what the final version of any of these bills could be but will have more information as the Session moves along. He said there are several dozen other bills they are tracking with potential EBD impacts.

The Commission asked for a list of bills being tracked and weekly updates on their status, which Jake said can be provided.

3. Quarterly Reports: Jake Bleed

Jake mentioned there was projected flat growth for the ASE plan and the ASE plan is losing people. He did say ARPA funding helped to keep the plan in the positive.

Jake said the PSE plan is also losing people, approximately 700. Said EBD received \$35 million in Restricted Reserve funding and \$31 million in ARPA funds, which led to the plan having \$81 million more than projected.

Currently positive revenues are being projected into the year 2026.

Excess funds go into EBD bank accounts and will be used to pay off any future claims.

EBD is currently above the 14-17% of reserves and expenses are lower than anticipated.

The ASE side is projecting revenues at 2.3% as expenses grew beyond projections.

ASE has a \$25 million surplus when it was originally projected to have a \$33 million decline in revenue.

Expenses dropped in 2022 to \$330 million when \$347 million was projected.

Jake said it has been more difficult to project expenses in the post-Covid era because we're not seeing the costs bounce back the way we thought they would.

4. Formulary Review: Dr. Jill Johnson

Dr. Jill Johnson made recommendations for the non-specialty and specialty drug coverages.

Kurt Knickrehm made a motion to approve the recommendations, seconded by Marty Casteel.

Motion Approved.

5. Other Business

Kurt asked if Jake was still with EBD and Jake said he was still assisting EBD but anticipates a new director to be named soon.

Meeting Adjourned.