

MINUTES OF MEETING
STATE BOARD OF FINANCE
Friday, June 3, 2022

An emergency meeting of the State Board of Finance of the State of Arkansas was held Friday, June 3, 2022, at 10:00 am, pursuant to notice duly given to each member of the Board and the press by the Chairman. This meeting solely pertained to Employee Benefits Division business. The meeting was held at the Arkansas Real Estate Commission Conference Room, 612 South Summit Street, Little Rock, AR. The meeting was also virtually available using video conferencing platform, Zoom. A recording of the meeting is available through the Treasurer of State's office.

The following members were present:

Larry Walther, Secretary of DFA
Dennis Milligan, Treasurer of State
Susannah Marshall, Commissioner, Arkansas State Bank Department
Andrea Lea, Auditor of State
Campbell McLaurin, Arkansas Securities Commissioner
Amy Fecher, Governor's designee, and Secretary of Transformation and Shared Services
Brent Morgan, Appointed Member
Keith Konecny, Appointed Member
Alan McClain, Arkansas Insurance Commissioner

Others present were Jason Brady, Stacy Peterson, and Gary Underwood, all from the Arkansas State Treasury. Also present were Alan McVay and Debbie Rogers from the Department of Finance and Administration, and Mr. Jake Bleed, Director of EBD.

Mr. Walther called the meeting to order and recognized Mr. Jake Bleed, Director of EBD, to present agenda items. Mr. Bleed first discussed proposed policy changes, based on recommendation and guidance from the actuarial firm, Milliman, Inc. Mr. Bleed explained that

the changes would incorporate best practices that were in line with other large group employers. Changes included setting an actuarial risk rating allocation and propose the Employer, i.e. the State, pay 80% of the insurance cost. If the proposed plans were approved, Mr. Bleed explained that the process of implementation would transpire over the next 5 calendar years. Mr. Bleed then introduced one additional proposal which would eliminate the \$50.00 wellness credit. He explained, that during discussion with consultants, many options and/or programs to encourage wellness were available. Commissioner McLaurin make a motion to approve the adoption of the recommended policy changes and Mr. Konecny seconded the motion. All members were in favor. [00:07:50-00:26:50, Zoom recording]

Mr. Walther again recognized Mr. Jake Bleed to discuss the recommended monthly premium rates for calendar year 2023. Mr. Bleed stated that his hope had been to present final numbers to the board, however negotiations with the Medicare Advantage provider had to be extended. Mr. Bleed, due to the extension, expressed holding off on presentation to the board.

Mr. Walther recognized Mr. Bleed to discuss a proposed agreement for provision of Medicare Advantage services to retirees of the Arkansas State and Public Schools. Mr. Bleed stated that EBD issued an RFP regarding these services and after 3 bids were considered the proposed contract was awarded to UnitedHealthcare. This contract would provide Group Medicare Advantage with prescription drug coverage for eligible Arkansas State and Public School retirees. Mr. Bleed answered questions by the board and clarified differences between the existing Medicare program versus the proposed UnitedHealthcare Medicare program. A motion was made by Commissioner McLaurin to approve the proposed contract with UnitedHealthcare for Group Medicare Advantage with Prescription Drug coverage for Arkansas State and Public School retirees, and to forward to Arkansas Legislative Council. The motion was seconded by Mr. Konecny. All members were in favor.

Mr. Walther, seeing no additional business, called the meeting adjourned.