MINUTES OF MEETING

STATE BOARD OF FINANCE

Tuesday, June 2, 2026

A meeting of the State Board of Finance of the State of Arkansas was held Tuesday, June 2, 2026, at 2:00 pm, pursuant to notice duly given to each member of the Board and the press by the Chairman. The meeting was held via Microsoft Teams.

The following members were present:

Jim Hudson, Secretary Department of Finance and Administration

Honorable John Thurston, Arkansas State Treasurer

Jason Brady, Designee for Auditor Dennis Milligan

Commissioner Susannah Marshall, State Bank Department Commission

Marc Emrich, Certified Public Accountant Representative

Mary Davis, Designee for Jimmy Harris, Arkansas Insurance Commissioner

Leslie Fisken, Secretary of Transformation and Shared Services Department

Jimmy Ritchie, General Securities Representative

Tyler Steele, Appointed Commercial Banking Representative

Selby McCollett, Designee for Governor Sarah Sanders

Chad T. May, General Public Representative

Others present were staff from the Arkansas State Treasury and Employee Benefits Division. Also present were employees of the Department of Finance and Administration and Grant Wallace, Director of Employee Benefit Division.

Chair Jim Hudson, seeing a quorum, called the meeting to order at 2:01 p.m.

Chair Hudson recognized Grant Wallace, Director of the Employee Benefit Division, to present two EBD contracts and four OPR contracts for review and approval.

The first EBD contract for review was BlueAdvantage, a new health insurance plan, switching from Health Advantage to BlueAdvantage if approved. BlueAdvantage is part of the Blue Cross and Blue Shield umbrella and would serve as the third-party administrator for the medical claims administration. The total seven year estimated cost will be $418,578,000. This cost reflects a 1.4% increase in our pmpm from current operations. The initial term is three years, and EBD has forced a rate discussion for years four through seven. It remains as a PPO plan with the same underlying benefit design. EBD was able to negotiate enhancements such as a comprehensive maternal health program, WellRight, a wellness program, and MD Live Virtual Care. Chair Hudson asked if there was any change to the network size. BlueAdvantage has a slightly larger network size than our previous carrier, Health Advantage, but it is a positive benefit to the new contract. Chair Hudson also asked if all providers that are in the network now will remain in the network. Mr. Wallace responded that was correct. Commissioner Marshall asked if 5.4 million was the amount of individuals covered in the program. Mr. Wallace said he thought that would be those enrolled over the seven years. Lastly, Chair Hudson asked if the seven-year estimated cost included all retirees. Mr. Wallace responded that it would include all public employees, teachers, and all retirees that take advantage of the program as a Medicare supplement. Secretary Fisken asked for more information about the expanded benefits of this contract. The comprehensive maternal health program matches the criteria that the Governors maternal health group recommended. This program is for anyone of childbearing age and has an enhancement for at-risk pregnancies. WellRight offers a wellness program that takes on a holistic approach and is app driven. WellRight encourages individual and group wellness. MD Live allows the benefit of telehealth appointments aside from a participants own providers' health appointment options. MD Live is available through an app, website, or phone number. Secretary Fisken made a motion to approve the BlueAdvantage contract. Commissioner Marshall seconded the motion. The motion was approved with all in favor.

Mr. Wallace presented the second EBD contract for approval, ComPsych Corporation. This contract is for the Employee Assistance Program. The initial contract term is three years. The total seven year estimated cost of the contract will be $7,230,000. This rate reflects a 58% decrease from current operations. This would save the State $866,000 annually or $6.08 million over the seven-year term. The enhancements that this contract includes are a bank of 500 hours that can be used for crisis response, training, and support programs, such as a manager's program. Chair Hudson asked if the network of providers are Arkansas licensed providers. Mr. Wallace responded that they are, including the telehealth providers. Secretary Fisken asked if there was a communication plan in place to reach employees. Mr. Wallace responded that it is on the agenda for 2027. Secretary Fisken made a motion to approve the ComPsych Corporation contract for EAP. Mr. Jason Brady seconded the motion. The motion was approved with all in favor.

The first Office of Property Risk contract for review is a renewal for Stephens Capital. Stephens Capital serves as the program's investment manager and is for a two-year renewal agreement. OPR has added performance guarantees and adjusted the fee to reflect a percentage of assets under management instead of the annual service fee contract that was in the original contract. The adjusted rate should save the State $50,000 to $100,000 annually. Secretary Fisken made a motion to approve the renewal of contract for Stephens Capital as the investment manager of the State Captive Insurance Program. Mr. Chad T. May seconded the motion. The motion was approved with all in favor.

Mr. Wallace presented the second OPR contract renewal for approval, Sedgwick Claims Management Services, Inc. This contract is for the claims administrative services. This contract renewal is for a three-year extension which will lock in adjuster rates. This renewal includes fee increases related to the time extension and increase in business costs. Adjuster rates vary between a reduction of 23% on base adjusters and increases of 7-9% for more experienced adjusters. OPR added performance guarantees and approval requirements on various claims. Chair Hudson asked whether there would be net total increase or decrease. Mr. Wallace responded that it would be a slight increase. Mr. Marc Emrich made a motion to approve the renewal of the contract for Sedwick Claims Management Services, Inc. Commissioner Marshall seconded the motion. The motion was approved with all in favor.

The third OPR contract for review is renewal for Actuarial Advantage, Inc. Actuarial Advantage, Inc. serves as OPR's actuary for the State Captive Insurance Program. This is for a two-year extension to the original contract. There are no changes in base rates or scope of work. An amendment was added to put an hourly rate on items that are out of scope of the agreement. OPR added in performances guarantees. Secretary Fisken made a motion to approve the renewal of contract for Actuarial Advantage, Inc. Mr. Jason Brady seconded the motion. The motion was approved with all in favor.

The last contract for review was a new contract with Denenberg Tuffley PLLC, for legal services in the realm of subrogation for OPR for qualification purposes. It is an initial three-year term contract. Denenberg Tuffley will review each claim submitted to the Office of Property Risk under the State Captive Insurance Program to identify potential subrogation possibility and pursue any claim with a potential for recovery. Denenberg Tuffley PLLC will be paid on a contingency fee structure of 20% of any claim recovery obtained pre-suit and 25% of any recovery obtained after litigation is initiated. The contingency fee is based on the gross recovery received by OPR. Mr. Marc Emrich made a motion to approve the contract for Denenberg Tuffley PLLC. Commissioner Marshall seconded the motion. The motion was approved with all in favor.

Seeing no additional business, Mr. Hudson declared the meeting adjourned at 2:22 p.m.