

**State and Public School Life
And Health Insurance Board
Minutes
July 13, 2010**

The 109th meeting of the State and Public School Life and Health Insurance Board (hereinafter called the Board), met on Tuesday, July 13, 2010 at 1:00 p.m. in the EBD Board Room, 501 Woodlane, Suite 500, Little Rock, AR 72201.

MEMBERS PRESENT

Janis Harrison
John Kirtley
Lloyd Black
Shelby McCook
Bob Alexander
Vance Strange
William Goff
Renee Mallory
Robert Watson

MEMBERS ABSENT

Dr. Joseph Thompson
Dr. Andrew Kumpuris

Jason Lee, Executive Director, Employee Benefits Division.

OTHERS PRESENT:

John Colberg, CHEIRON; Leigh Ann Chrouch, Michelle Hazelett, Amy Tustison, Stella Greene, Doug Shackelford, Laurie Fowler, Paige Harrington, Doris Brown, Lori Eden, Latryce Taylor, Tracy Collins, Ellen Justus, Gina Grable, Donna Cook, Sherry Bryant, Kristi Cox, Sherri Saxby, Cathy Harris, EBD; David Bridges, Ron Deberry, Barbara Melugin, ABCBS/Health Advantage; Sarah Sanders, AR Highway & Transportation Dept, Susan Walker, Data Path; Shonda Rocke, Informed Rx; Joseph Chang, Securian; Bryan Meldrum; NovaSys; Kim Henderson, AR Development Finance Authority; John Greer, Humana; Sharon Marcum, LifeSynch; Diann Shoptaw, EBI; Marc Watts, AR State Employee Association; Kristi Clark, Linsey Stager, AR Building Authority; Vicki Fleming, AR Dept of Health; Stan King, DFA Office of Information Services

CALL TO ORDER

Meeting was called to order by Janis Harrison, Chairman

APPROVAL OF MINUTES

The request was made by Harrison to approve the June 8, 2010 minutes. Strange made the motion to approve minutes. Kirtley seconded. All were in favor. Minutes approved.

BENEFITS SUBCOMMITTEE REPORT *by Lloyd Black*

Black reported the Benefits Subcommittee met on July 9, 2010 and received an update from the Benefits Strategic Planning Workgroup (BSPW) on Healthcare Reform and TMJ. Also, Cheiron presented the 2011 ASE Actives and Retiree rates with an additional month of experience and the committee received a report from EBD's Executive Director on the PSE Supplemental Life Eligibility.

The Benefits subcommittee had the following recommendations for Board consideration:

1. 2011 ASE Active and Retiree Report.

Black made the recommendation to adopt the 2011 ASE Active and Retiree Report.

Cheiron presented the Board with the 2011 ASE Actives and Retiree rates with the non Medicare Eligible (NME), blend, 10% to High Deductible (HD) and \$0 Health Advantage rate increase. The Board reviewed the 2009 and 2010 final rate details with an additional month of experience.

McCook made the motion to accept the report. Strange seconded. All were in favor. Motion carried.

2. Employee Supplemental Life Insurance

Black made the motion that the eligibility for public school employee supplemental life insurance be changed from "enrolled in" to "eligible for" the group health insurance.

Lee reported he received the Public School Employee Basic, Supplemental and Dependent Life Insurance renewal rates from USABLE. There has not been an increase for this plan in more than five years, but now an increase is warranted. However, a proposal has been offered by USABLE that would eliminate the need for the rate increase. Currently, only public school employees who are enrolled in the health insurance are eligible for supplemental life insurance. Lee explained the supplemental insurance is employee –paid and the current eligibility criteria dates back to when the life insurance was self-insured.

Strange seconded the motion. All were in favor. Motion carried.

FINANCIALS *by Leigh Ann Chrouch, CFO*

Chrouch presented detailed financial statements for the Arkansas State Employees (ASE) and the Public School Employees (PSE) for May 2010 and the penalties assessed by state agencies and school district.

Chrouch informed the Board they probably will not receive the June financials until after closing of the books.

COVERAGE RECONSIDERATION – STATIN DRUG CLASS *by Michele Hazelett, EBD Health Services*

Hazelett informed the Board EBD has received a request from a member for coverage reconsideration for a statin drug. Hazelett said the member is unable to take Simvastatin because of a known side effect of statin medications; therefore the member is required to pay the reference price of \$0.30 per tablet rather than the generic co pay. The Plan pays \$0.30 per tablet and the member pays the remainder of the cost.

Hazelett provided the Board with an overview of the statin drug class coverage policy and also limited comparative data of statin medications.

Hazelett explained the plan currently does not have any mechanism in place to adjust from reference pricing to accommodate a medical or financial need. The coverage policy is reference priced with a low cost alternative. Research has shown there is little difference in the efficacy or side effect in statin medications. As with any medication or drug class, there may always be exceptions based on differing genetic makeup.

A discussion ensued.

McCook made the motion to refer the issue to the Benefits Subcommittee for review at their next meeting. Specific detailed information regarding the case is to be provided to the committee and then the committee can present a recommendation to the Board for consideration. Strange seconded. All were in favor. Motion carried.

HEALTHCARE REFORM UPDATE *by Jason Lee*

Lee reported they have submitted the Early Retiree Reinsurance Program (ERRP) application and are now waiting for a reply.

Lee talked about grandfathered plan rules. Lee said they have posed questions to the U.S. Department of Health & Human Services (HSS) regarding specific items that impact the plan. *Group health plans in existence before health care reform was enacted, are not required to comply with certain plan requirements under health care reform. Grandfathered plans have exemptions from, or special treatment under, certain health care reform provisions.*

Lee said they are awaiting guidance on the W-2 reporting requirements, annual limits rules and preventative care services.

Lee reported the federal government has released a new website where you can explore coverage options and learn about the Affordable Care Act – HealthCare.gov.

Lee announced the Benefits Strategic Planning Workgroup (BSPW) will conduct a health care reform discussion on August 3rd that will include plan vendors. Lee explained it is a public meeting and encouraged Board to attend as well.

DIRECTOR REPORTS by *Jason Lee*

Lee reported he is still working on a policy regarding the various functions of DUEC and also a formulary management rule. Lee said he will present the proposals in a future meeting.

Meeting Adjourned.

The following pages
were made available to
attendees of the meeting

AGENDA

**State and Public School
Life and Health Insurance Board
EBD Board Room
501 Building, 5th Floor
1 p.m.
July 13, 2010**

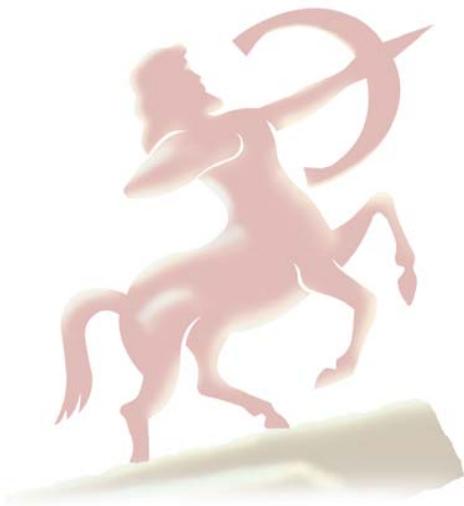
1. **Call to Order** *Janis Harrison, Chairman*
2. **Approval of Minutes** *Janis Harrison, Chairman*
3. **Benefits Subcommittee Report** *Lloyd Black, Vice-Chairman*
4. **2011 Preliminary ASE Active & Retiree Rates**..... *Cheiron*
5. **PSE Supplemental Life Insurance**..... *Jason Lee, EBD*
6. **Financials – May, 2010** *Leigh Ann Chrouch, CFO*
7. **Coverage Reconsideration – Statin Drug Class** *Michele Hazelett, EBD*
8. **Healthcare Reform Update** *Jason Lee, EBD*
9. **Director’s Report** *Jason Lee, EBD*

Next Meeting

August 10th
September 14th
October 12th

Arkansas State Employees Health Benefits Program

2011 ASE Active and Retiree Rates



John Colberg, FSA, MAAA

July 13, 2010



Topics

Page Number

Selected Option: Blend NME, 10% to HD, \$0 HA rate increase 2

Appendices

- A. 2009-2010 Final Rate Details 6
- B. Assumptions & Methods 8
- C. Gain / (Loss) Analysis 11



Selected Option – Blend NME Retirees with 10% Credit to HD PPO and \$0 HA rate Increase

Plan: Benefit: Experience Period - Service (Incurred) Dates Experience Period - Processed (Paid) Dates	Health Advantage			Novasys (ARHealth)			Novasys (HD PPO)		
	<u>Medical</u>	<u>Pharmacy</u>	<u>Total</u>	<u>Medical</u>	<u>Pharmacy</u>	<u>Total</u>	<u>Medical</u>	<u>Pharmacy</u>	<u>Total</u>
	1/09 - 12/09	3/09 - 2/10		1/09 - 12/09	3/09 - 2/10		1/09 - 12/09	3/09 - 2/10	
	1/09 - 5/10	3/09 - 5/10		1/09 - 5/10	3/09 - 5/10		1/09 - 5/10	3/09 - 5/10	
	A	B	C	D	E	F	G	H	I
1 Total Incurred Medical & Rx Claims (Experience Period)	\$121,026,385	\$37,758,857	\$158,785,242	\$7,732,122	\$1,364,135	\$9,096,257	\$1,454,692	\$111,053	\$1,565,745
2 Less High Cost Claims Above (Med/Rx)	\$5,265,300	\$2,868,913	\$8,134,213	\$754,438	\$93,501	\$847,938	\$15,320	\$0	\$15,320
3 Net Incurred Claims below Pooling Point [1 - 2]	\$115,761,084	\$34,889,944	\$150,651,029	\$6,977,685	\$1,270,634	\$8,248,319	\$1,439,371	\$111,053	\$1,550,424
4 Person Months for Experience Period	556,399	559,300	557,071	25,117	24,771	25,064	17,061	17,293	17,078
5 Net Incurred Claims Per Person Per Month (PPPM) [3 / 4]	\$208.05	\$62.38	\$270.43	\$277.81	\$51.30	\$329.11	\$84.37	\$6.42	\$90.79
6 Change in Benefits During Experience Period	1.0102	1.0000		1.0105	1.0000		1.0105	1.0000	
7 Change in Demographic or Risk During Experience Period	1.0000	1.0000		1.0000	1.0000		1.0000	1.0000	
8 Change in Geographic During Experience Period	<u>1.0000</u>	<u>1.0000</u>		<u>1.0000</u>	<u>1.0000</u>		<u>1.0000</u>	<u>1.0000</u>	
9 a) Annual Trend Rate	5.0%	8.5%		5.0%	8.5%		5.0%	8.5%	
b) Months to Trend	24	22		24	22		24	22	
c) Trend Adjustment	<u>1.1025</u>	<u>1.1613</u>		<u>1.1025</u>	<u>1.1613</u>		<u>1.1025</u>	<u>1.1613</u>	
10 Adjusted Claims Charged PPPM [5 x 6 x 7 x 8 x 9c]	\$231.72	\$72.44	\$304.16	\$309.50	\$59.58	\$369.08	\$93.99	\$7.46	\$101.45
11 Charge for Claims above Pooling Point PPPM	\$9.46	\$5.13	\$14.59	\$30.04	\$3.77	\$33.81	\$0.90	\$0.00	\$0.90
12 Total Claims Charged PPPM [10 + 11]	\$241.18	\$77.57	\$318.75	\$339.54	\$63.35	\$402.89	\$94.89	\$7.46	\$102.35
13 Change in Future Benefits (Level / Management / Discounts)	1.0000	1.0000		1.0000	1.0000		1.0000	1.0000	
14 Change in Future Demog (Age/Gender/Family Status) or Risk	1.0037	1.0035		1.0272	1.0471		0.9964	1.0342	
15 Change in Future Geographic	<u>0.9984</u>	<u>0.9983</u>		<u>1.0043</u>	<u>1.0043</u>		<u>0.9982</u>	<u>0.9982</u>	
16 Proj. Experience Incurred Claim PPPM [12 x 13 x 14 x 15]	\$241.68	\$77.72	\$319.39	\$350.29	\$66.62	\$416.91	\$94.38	\$7.70	\$102.08
17 Projected Blended Incurred Claim PPPM	<i>not calculated</i>	\$75.73	<i>not calculated</i>	\$259.96	\$75.73	\$335.69	\$212.47	\$56.68	\$269.15
18 Percent to Use Blended Experience	0%	90%	0%	90%	90%		90%	90%	
19 Rating Incurred Claim PPPM [16 x 17 x 18]	\$241.68	\$75.93	\$317.61	\$268.99	\$74.82	\$343.81	\$200.66	\$51.78	\$252.44
20 Projected Persons Months	575,631	575,631	575,631	24,504	24,504	24,504	18,744	18,744	18,744
21 Projected Total Incurred Claims [19 x 20]	\$139,116,626	\$43,709,386	\$182,826,012	\$6,591,311	\$1,833,475	\$8,424,785	\$3,761,258	\$970,537	\$4,731,795
22 Conversion to Rating Tiers [19 x rating tier x counts]	<u>x tier</u> <u>factor</u>	<u>Projected</u> <u>Ee Months</u>	<u>PEPM</u>	<u>x tier</u> <u>factor</u>	<u>Projected</u> <u>Ee Months</u>	<u>PEPM</u>	<u>x tier</u> <u>factor</u>	<u>Projected</u> <u>Ee Months</u>	<u>PEPM</u>
a) Employee Only	1.13	198,796	\$359.09	1.16	9,072	\$399.13	1.13	6,936	\$284.10
b) Employee & Spouse	2.87	48,607	\$912.33	2.88	1,692	\$991.81	2.82	1,524	\$712.24
c) Employee & Child(ren)	1.75	51,620	\$556.69	1.78	2,508	\$610.82	1.73	1,236	\$437.01
d) Family	3.18	38,002	\$1,011.13	3.19	1,452	\$1,097.65	3.12	1,440	\$788.69
23 Rates Balance Confirmation		337,025	\$182,892,408		14,724	\$8,424,785		11,136	\$4,731,795

Note: The figures presented are preliminary and subject to change.

Selected Option – Blend NME Retirees with 10% Credit to HDPPPO and \$0 HA rate Increase - Actives



ASE Detailed Financials



CLAIMS & EXPENSES	
Blend ASE & PSE Retirees	No
Combine NM Ret with Actives	Yes
Blend Novasys PPO & HDPPPO	Yes
If yes, % of PPO in Blend (ASE)	90%
% to Blend Pharmacy (All)	90%
Keep HA Rates Same as 2010	Yes

ALLOCATED RESERVES (in \$millions)				
ASE -- PYE	2010	2011	2012	2013
Actives - 12/31	\$0.00	\$0.00	\$0.00	\$0.00
STATE/EMPLOYER FUNDING				
Calc Contributions	\$390	\$390	\$410	\$443
Base Contributions	\$390	\$390	\$390	\$390
% for Employee	76%	75%	75%	75%
% for Dependent	51%	50%	50%	50%
ASE Budgeted Jobs	34,800	34,800	34,800	34,800

2011 vs. 2010

Actives	Medical and Pharmacy Expenses	Corp Health	Total Monthly Premium	State Contributions	Reserve Allocation	2011 EE Total Cost	2010 EE Total Cost	Change in Premiums (\$ / %)		Assumed Enrollment	
Health Advantage											
Employee Only	\$359.09	\$36.47	\$6.00	\$401.56	\$305.78	\$0.00	\$95.78	\$95.78	\$0.00	0%	14,614
Employee & Spouse	912.33	36.47	12.00	960.80	593.06	0.00	367.74	367.74	0.00	0%	3,563
Employee & Child(ren)	556.69	36.47	9.60	602.76	409.12	0.00	193.64	193.64	0.00	0%	4,217
Family	1,011.13	36.47	19.80	1,067.40	647.78	0.00	419.62	419.62	0.00	0%	3,134
Est. Monthly Total (\$mil)	\$14.0	\$0.9	\$0.2	\$15.2	\$10.3	\$0.0	\$4.8	\$4.8	\$0.0		25,528
Novasys											
Employee Only	\$399.13	\$22.84	\$6.00	\$427.97	\$305.78	\$0.00	\$122.19	\$96.36	\$25.83	27%	756
Employee & Spouse	991.81	22.84	12.00	1,026.65	593.06	0.00	433.59	369.18	64.41	17%	141
Employee & Child(ren)	610.82	22.84	9.60	643.26	409.12	0.00	234.14	194.54	39.60	20%	209
Family	1,097.65	22.84	19.80	1,140.29	647.78	0.00	492.50	421.22	71.28	17%	121
Est. Monthly Total (\$mil)	\$0.7	\$0.0	\$0.0	\$0.7	\$0.5	\$0.0	\$0.3	\$0.2	\$0.0		1,227
Novasys HD PPO											
Employee Only	\$284.10	\$22.84	\$6.00	\$312.94	\$305.78	\$0.00	\$7.16	\$20.60	(\$13.44)	-65%	578
Employee & Spouse	712.24	22.84	12.00	747.08	593.06	0.00	154.02	187.34	(33.32)	-18%	127
Employee & Child(ren)	437.01	22.84	9.60	469.45	409.12	0.00	60.33	80.86	(20.53)	-25%	103
Family	788.69	22.84	19.80	831.33	647.78	0.00	183.54	220.42	(36.88)	-17%	120
Est. Monthly Total (\$mil)	\$0.4	\$0.0	\$0.0	\$0.4	\$0.4	\$0.0	\$0.1	\$0.1	(\$0.0)		928
Total (Monthly) (\$ mil)	\$15.1	\$1.0	\$0.3	\$16.3	\$11.2	\$0.0	\$5.2	\$5.1	\$0.0		27,683
Est Annual Total (\$ mil)	\$181.3	\$11.8	\$3.0	\$196.1	\$134.3	\$0.0	\$61.9	\$61.5	\$0.3		



Selected Option – Blend NME Retirees with 10% Credit to HDPPPO and \$0 HA rate Increase

Plan:
Benefit:
Experience Period - Service (Incurred) Dates
Experience Period - Processed (Paid) Dates

1 Total Incurred Medical & Rx Claims (Experience Period)*
 2 Less High Cost Claims Above (Med/Rx)* **\$100,000** **\$20,000**
 3 Net Incurred Claims below Pooling Point [1 - 2]
 4 Person Months for Experience Period
 5 Net Incurred Claims Per Person Per Month (PPPM) [3 / 4]

 6 Change in Benefits During Experience Period
 7 Change in Demographic or Risk During Experience Period
 8 Change in Geographic During Experience Period
 9 a) Annual Trend Rate
 b) Months to Trend
 c) Trend Adjustment
 10 Adjusted Claims Charged PPPM [5 x 6 x 7 x 8 x 9c]
 11 Charge for Claims above Pooling Point PPPM
 12 Total Claims Charged PPPM [10 + 11]

 13 Change in Future Benefits (Level/Mgt/Discounts)
 14 Change in Future Demog (Age/Gender/Family) or Risk
 15 Change in Future Geographic
 16 Projected Incurred Claim PPPM [12 x13x 14 x15]
 17 Projected Persons Months
 18 Projected Total Incurred Claims [16 x 17]

	Non-Medicare			Medicare		
	Medical	Pharmacy	Total	Medical	Pharmacy	Total
	1/09 - 12/09	3/09 - 2/10		1/09 - 12/09	3/09 - 2/10	
	1/09 - 5/10	3/09 - 5/10		1/09 - 5/10	3/09 - 5/10	
1	\$121,026,385	\$37,758,857	\$158,785,242	\$13,181,472	\$15,702,330	\$28,883,802
2	<u>\$5,265,300</u>	<u>\$2,868,913</u>	<u>\$8,134,213</u>	\$160,601	\$987,433	\$1,148,033
3	\$115,761,084	\$34,889,944	\$150,651,029	\$13,020,871	\$14,714,898	\$27,735,769
4	556,399	559,300	557,071	97,871	98,659	98,289
5	\$208.05	\$62.38	\$270.43	\$133.04	\$149.15	\$282.19
6	1.0102	1.0000		1.0100	1.0000	
7	1.0000	1.0000		1.0000	1.0000	
8	1.0000	1.0000		1.0000	1.0000	
9 a)	5.0%	8.5%		5.0%	8.5%	
9 b)	24	22		24	22	
9 c)	<u>1.1025</u>	<u>1.1613</u>		<u>1.1025</u>	<u>1.1613</u>	
10	\$231.72	\$72.44	\$304.16	\$148.14	\$173.21	\$321.36
11	<u>\$9.46</u>	<u>\$5.13</u>	<u>\$14.59</u>	<u>\$1.64</u>	<u>\$10.01</u>	<u>\$11.65</u>
12	\$241.18	\$77.57	\$318.75	\$149.78	\$183.22	\$333.00
13	1.0000	1.0000		1.0000	1.0000	
14	1.0037	1.0035		0.9976	1.0000	
15	<u>0.9984</u>	<u>0.9983</u>		<u>1.0000</u>	<u>1.0000</u>	
16	\$241.68	\$77.72	\$319.39	\$149.43	\$183.22	\$332.65
17	39,087	39,087	39,087	106,148	106,148	106,148
18	\$9,446,435	\$3,037,750	\$12,484,184	\$15,861,213	\$19,448,513	\$35,309,726

PPPM [16]
 19 Conversion to Rating Tiers
 a) NME Retiree
 b) NME Retiree & NME Spouse
 c) NME Retiree & Child(ren)
 d) NME Retiree & NME Spouse & Child(ren)
 e) NME Retiree & ME Spouse
 f) NME Retiree & ME Spouse & Child(ren)
 g) ME Retiree
 h) ME Retiree & NME Spouse
 i) ME Retiree & Child(ren)
 j) ME Retiree & NME Spouse & Child(ren)
 k) ME Retiree & ME Spouse
 l) ME Retiree & ME Spouse & Child(ren)
 20 Rates Balance Confirmation

	<u>x Non-Med.</u>	<u>Non-Med.</u>	<u>x Medicare</u>	<u>Medicare</u>	<u>Projected</u>	<u>TOTAL</u>
	<u>tier factor</u>	<u>PEPM</u>	<u>tier factor</u>	<u>PEPM</u>	<u>Ee Months</u>	<u>PEPM</u>
a)	1.03	\$359.09	-	\$0.00	16,321	\$359.09
b)	2.10	\$912.33	-	\$0.00	5,851	\$912.33
c)	1.67	\$556.69	-	\$0.00	690	\$556.69
d)	3.16	\$1,011.13	-	\$0.00	394	\$1,011.13
e)	1.03	\$359.09	1.01	\$337.26	-	\$696.35
f)	1.67	\$556.69	1.01	\$337.26	-	\$893.94
g)	-	\$0.00	1.00	\$332.33	55,687	\$332.33
h)	1.03	\$359.09	1.01	\$337.26	6,392	\$696.35
i)	0.62	\$197.60	1.00	\$332.33	526	\$529.93
j)	1.67	\$556.69	1.01	\$337.26	326	\$893.94
k)	-	\$0.00	2.00	\$664.67	21,420	\$664.67
l)	0.62	<u>\$197.60</u>	2.00	<u>\$664.67</u>	188	\$862.27
20		\$14,599,244		\$35,309,726		\$49,908,970

* Pharmacy Cost for Medicare has subtracted the RDS Subsidy.

4 Note: The figures presented are preliminary and subject to change.



Selected Option – Blend NME Retirees with 10% Credit to HDPPO and \$0 HA rate Increase - Retirees



ASE Detailed Financials



CLAIMS & EXPENSES	
Blend ASE & PSE Retirees	No
Combine NM Ret with Actives	Yes
Blend Novasys PPO & HDPPO	Yes
If yes, % of PPO in Blend (ASE)	90%
% to Blend Pharmacy (All)	90%

Keep NME Rates Same as 2010	Yes
Keep ME Rates Same as 2010	Yes

ALLOCATED RESERVES (in \$millions)				
ASE -- PYE	2010	2011	2012	2013
Retiree NME - 12/31	\$0.00	\$0.00	\$0.00	\$0.00
Retiree ME - 12/31	\$0.00	\$0.00	\$0.00	\$0.00
STATE/EMPLOYER FUNDING				
% for Ret NME	66%	60%	60%	60%
% for Ret Dep NME	51%	40%	40%	40%
% for Ret ME	66%	60%	60%	60%
% for Ret Dep ME	51%	40%	40%	40%

2011 vs. 2010

Retirees	Medical and Pharmacy	Expenses	Corp Health	Total Monthly Premium	State Contributions	Reserve Allocation	2011 Ret. Total Cost	2010 Ret. Total Cost	Change in Premiums (\$ / %)	Assumed Enrollment
Non-Medicare Eligible										
Retiree Only	\$359.09	\$36.47	\$6.00	\$401.56	\$165.82	\$0.00	\$235.74	\$235.74	\$0.00 0%	1,360
Retiree & NME SP	912.33	36.47	12.00	960.80	384.92	0.00	575.88	575.88	0.00 0%	488
Retiree & Child(ren)	556.69	36.47	9.60	602.76	162.92	0.00	439.84	439.84	0.00 0%	57
Retiree & NME SP&CH	1,011.13	36.47	19.80	1,067.40	150.68	0.00	916.72	916.72	0.00 0%	33
Retiree & ME SP	696.35	36.47	6.00	738.82	337.28	0.00	401.54	401.54	0.00 0%	-
Retiree & ME SP & CH	893.94	36.47	9.60	940.01	333.24	0.00	606.77	606.77	0.00 0%	-
Est. Monthly Total (\$ mil)	\$1.0	\$0.1	\$0.0	\$1.1	\$0.4	\$0.0	\$0.7	\$0.7	\$0.0	1,938
Medicare Eligible										
Retiree Only	\$332.33	\$15.41	Not Offered	\$347.74	\$230.62	\$0.00	\$117.12	\$117.12	\$0.00 0%	4,641
Retiree & NME SP	696.35	15.41	Not Offered	711.76	265.04	0.00	446.72	446.72	0.00 0%	533
Retiree & Child(ren)	529.93	15.41	Not Offered	545.34	230.48	0.00	314.86	314.86	0.00 0%	44
Retiree & NME SP&CH	893.94	15.41	Not Offered	909.35	264.87	0.00	644.48	644.48	0.00 0%	27
Retiree & ME SP	664.67	15.41	Not Offered	680.08	401.59	0.00	278.49	278.49	0.00 0%	1,785
Retiree & ME SP & CH	862.27	15.41	Not Offered	877.68	401.44	0.00	476.24	476.24	0.00 0%	16
Est. Monthly Total (\$ mil)	\$3.2	\$0.1	\$0.0	\$3.3	\$2.0	\$0.0	\$1.3	\$1.3	\$0.0	7,045
Total (Est. Monthly)	\$4.2	\$0.2	\$0.0	\$4.4	\$2.4	\$0.0	\$2.0	\$2.0	\$0.0	8,983
Total (Est. Annual)	\$49.9	\$2.2	\$0.2	\$52.2	\$28.6	\$0.0	\$23.7	\$23.7	\$0.0	



Appendix A – 2009-2010 Final Rate Details

Actives	Medical	Pharmacy	Corp Health	Total Monthly Premium	State Contributions	Reserve Allocation	2010 Total Cost	2009 Total Cost	Change in Premiums (\$ / %)		Assumed Enrollment
Health Advantage											
Employee Only	\$308.86	\$79.31	\$6.00	\$394.17	\$298.39	\$0.00	\$95.78	\$105.04	(\$9.26)	-9%	14,076
Employee & Spouse	741.22	190.34	12.00	943.56	575.82	0.00	367.74	392.44	(24.70)	-6%	3,682
Employee & Child(ren)	463.29	118.96	9.60	591.85	398.21	0.00	193.64	204.50	(10.86)	-5%	3,865
Family	818.44	210.17	19.80	1,048.41	628.79	0.00	419.62	443.70	(24.08)	-5%	3,026
Est. Monthly Total (\$mil)	\$11.3	\$2.9	\$0.2	\$14.5	\$9.8	\$0.0	\$4.7	\$5.1	(\$0.3)		24,649
Novasys											
Employee Only	\$309.45	\$79.31	\$6.00	\$394.76	\$298.40	\$0.00	\$96.36	\$135.52	(\$39.16)	-29%	860
Employee & Spouse	742.67	190.34	12.00	945.01	575.83	0.00	369.18	465.61	(96.43)	-21%	142
Employee & Child(ren)	464.19	118.96	9.60	592.75	398.21	0.00	194.54	250.21	(55.67)	-22%	213
Family	820.03	210.17	19.80	1,050.00	628.78	0.00	421.22	524.47	(103.25)	-20%	116
Est. Monthly Total (\$mil)	\$0.6	\$0.1	\$0.0	\$0.7	\$0.5	\$0.0	\$0.2	\$0.3	(\$0.1)		1,331
Novasys HD PPO											
Employee Only	\$258.40	\$54.59	\$6.00	\$318.99	\$298.39	\$0.00	\$20.60	\$35.18	(\$14.58)	-41%	515
Employee & Spouse	620.15	131.01	12.00	763.16	575.82	0.00	187.34	224.81	(37.47)	-17%	96
Employee & Child(ren)	387.60	81.88	9.60	479.08	398.22	0.00	80.86	99.71	(18.85)	-19%	97
Family	684.74	144.66	19.80	849.20	628.78	0.00	220.42	258.60	(38.18)	-15%	109
Est. Monthly Total (\$mil)	\$0.3	\$0.1	\$0.0	\$0.4	\$0.3	\$0.0	\$0.1	\$0.1	(\$0.0)		817
Total (Monthly) (\$ mil)	\$12.2	\$3.1	\$0.2	\$15.6	\$10.6	\$0.0	\$5.0	\$5.4	(\$0.4)		26,797
Est Annual Total (\$ mil)	\$146.6	\$37.5	\$2.9	\$187.0	\$126.9	\$0.0	\$60.1	\$65.2	(\$5.1)		



Appendix A – 2009-2010 Final Rate Details

Retirees	Medical	Pharmacy	Corp Health	Total Monthly Premium	State Contributions	Reserve Allocation	2010 Total Cost	2009 Total Cost	Change in Premiums (\$ / %)		Assumed Enrollment
Non-Medicare Eligible											
Retiree Only	\$534.07	\$149.00	\$4.20	\$687.27	\$451.53	\$0.00	\$235.74	\$262.40	(\$26.66)	-10%	1,270
Retiree & NME SP	1,068.14	297.99	8.30	1,374.43	798.55	0.00	575.88	590.33	(14.45)	-2%	458
Retiree & Child(ren)	854.52	238.39	6.70	1,099.61	659.77	0.00	439.84	459.18	(19.34)	-4%	57
Retiree & NME SP&CH	1,602.23	446.98	13.80	2,063.01	1,146.29	0.00	916.72	918.97	(2.25)	0%	44
Retiree & ME SP	678.00	335.91	8.30	1,022.21	620.67	0.00	401.54	428.57	(27.03)	-6%	-
Retiree & ME SP & CH	997.75	425.30	13.80	1,436.85	830.08	0.00	606.77	626.47	(19.70)	-3%	-
Est. Monthly Total (\$ mil)	\$1.3	\$0.4	\$0.0	\$1.7	\$1.0	\$0.0	\$0.6	\$0.7	(\$0.0)		1,829
Medicare Eligible											
Retiree Only	\$154.51	\$186.91	Not Offered	\$341.42	\$224.30	\$0.00	\$117.12	\$135.18	(\$18.06)	-13%	4,233
Retiree & NME SP	671.37	335.91	Not Offered	1,007.28	560.56	0.00	446.72	451.63	(4.91)	-1%	-
Retiree & Child(ren)	464.63	276.30	Not Offered	740.93	426.07	0.00	314.86	325.06	(10.20)	-3%	37
Retiree & NME SP&CH	981.49	425.30	Not Offered	1,406.79	762.31	0.00	644.48	641.51	2.97	0%	-
Retiree & ME SP	293.62	373.82	Not Offered	667.44	388.95	0.00	278.49	296.66	(18.17)	-6%	2,156
Retiree & ME SP & CH	603.73	463.21	Not Offered	1,066.94	590.70	0.00	476.24	486.53	(10.29)	-2%	39
Est. Monthly Total (\$ mil)	\$1.3	\$1.6	\$0.0	\$3.0	\$1.8	\$0.0	\$1.1	\$1.2	(\$0.1)		6,465
Total (Est. Monthly)	\$2.6	\$2.0	\$0.0	\$4.6	\$2.9	\$0.0	\$1.8	\$1.9	(\$0.2)		8,294
Total (Est. Annual)	\$31.4	\$23.8	\$0.1	\$55.3	\$34.2	\$0.0	\$21.1	\$23.0	(\$1.9)		



Appendix B

Assumptions & Methods

Total Rate Projection Methodology:

The H-Scan model methodology includes several options when projecting rates. First, choose a period for the per person per month (PPPM) experience period. These claims are trended to the projection period, starting from 1/1/2011 for ASE Actives and Retirees, using the trend factors below (or those input by the user of H-scan). Next, decide which groups to combine for rating. This includes the options of whether or not to blend ASE and PSE, Actives and Non-Medicare Eligible (NME) Retirees, and NovaSys and NovaSys HD. Once the rating groups are set, decide on the appropriate tiering factors, primarily deciding whether or not to use the current tiering factors. The resulting rates will reflect the decisions displayed in the Rating Options. For expenses, we relied on actual negotiated vendor fees plus estimated EBD expenses.

Total Rate Projection Assumptions:

Population Projection: Same as Enrollment during May 2010

Investment return*: 0%

Annual Trend*:	Health Advantage	NovaSys	HD PPO	ARHealth Retirees	Behavioral Health	Pharmacy	Life	Expenses
Non-Medicare:	5.00%	5.00%	5.00%	Use either Medicare or Non-Medicare Factors	0.00%	8.50%	0.00%	0.00%
Medicare:	5.00%	5.00%	5.00%		0.00%	8.50%	0.00%	0.00%

* Unless otherwise shown in the screen capture. Please see additional analyses on following page.

Historical Benefit Adjustment Factors applied to the PPPM cost for 2011 benefits. These factors were developed by the prior actuary.

ASE Non-Medicare 2008:	0.9780	0.9780	0.9193	Use either Medicare or Non-Medicare Factors	1.000	1.000	1.000
PSE Non-Medicare 2008:	0.9776	0.9776	0.9168		1.000	1.000	1.000
ASE/PSE Non-Medicare 2009:	1.0105	1.0105	1.0105	Use either Medicare or Non-Medicare Factors	1.000	1.000	1.000
ASE / PSE Medicare 2008:	1.065	N/A	N/A		1.000	1.000	1.000
ASE / PSE Medicare 2009:	1.065	N/A	N/A		1.000	1.000	1.000

Benefit Ratio:	Health Advantage or NovaSys	HA or NovaSys Pharmacy	HD PPO	HD PPO Pharmacy	Medicare *	Medicare Pharmacy
ASE	0.8271	0.6860	0.6779	0.5154		0.1457

* reflects Medicare Parts A and B.

Expenses:	Actives	Actives	Retirees	Retirees	Actives only	Actives Blended with
Per Subscriber Per Month	Health Advantage	NovaSys	Non-Medicare	Medicare	EBD*	NME - EBD*
ASE Actual 2009	\$26.09	\$13.92	\$20.14	\$14.96	\$14.88	\$14.88
ASE Actual 2010	\$27.13	\$13.90	\$20.74	\$15.41	\$8.34	\$8.34
ASE Trended 2011	\$27.53	\$13.90	\$20.74	\$15.41	\$8.34	\$7.80

* Assumed to include UAM expenses (both Rx and Medical), EAP, weight management, smoking cessation, and Integral cost.

Rx Rebates: The assumed Rx Rebates for ASE are 1.2%. The actual Rx Rebates based on the 2009 plan year are also 1.2%.

Part D Subsidy: The Part D Subsidy is assumed to be approximately 14.9% of Incurred Rx Claims

Seasonality: We have not used seasonality factors, instead we are requiring that the base and projected period be for an annual period.

Used for Incurred Claims Development:

Method: We calculated the Paid-to-Date claims by network provider and major rate structure (Actives, Non-Medicare retirees v. Medicare retirees) by using the claims triangles for Health Advantage and the individual claims and eligibility databases for NovaSys and InformedRx. To determine the relationship and family tiers, we link each claim to the eligibility database. Also, we use the Plan ID in the eligibility data for each month to determine whether a member should be considered as part of the Active, Non-Medicare Retiree or Medicare Retiree Plan. Finally, we applied the below completion factors to the Paid-to-Date claims to calculate the Incurred claims.



Appendix B

Assumptions & Methods (continued)

Paid-to-Date Claims:

Health Advantage: Service dates from January 1, 2009 to December 31, 2009 and process dates from January 1, 2009 to May 31, 2010.
 NovaSys: Service dates from January 1, 2009 to December 31, 2009 and process dates from January 1, 2009 to May 31, 2010.
 Pharmacy: Service dates from March 1, 2009 to February 28, 2010 and process dates from March 1, 2009 to May 31, 2010.

Completion Factors:

Health Advantage: We used the data from lag reports with service dates from January 1, 2008 to May 31, 2010 and process dates from January 1, 2008 to May 31, 2010 to develop the completion factors.
 NovaSys: We used the individual claims database with service dates from January 1, 2008 to May 31, 2010 and process dates from January 1, 2008 to May 31, 2010 to develop the completion factors. We aggregate the data by network provider and major rate structure (Actives, Non-Medicare retirees v. Medicare retirees)
 Pharmacy: We used the individual claims database with service dates from January 1, 2008 to May 31, 2010 and process dates from January 1, 2008 to March 31, 2010 to develop the completion factors. We aggregated the data by network provider and major rate structure (Actives, Non-Medicare retirees v. Medicare retirees)

ASE	Health Advantage	NovaSys	HD PPO	Pharmacy	ARHealth Non-Medicare Retirees	Pharmacy Non-Medicare Retirees	ARHealth Medicare Retirees	Pharmacy Medicare Retirees
January-09	0.998	0.998	1.000	1.000	0.999	1.000	0.987	1.000
February-09	0.998	0.998	1.000	1.000	0.999	1.000	0.987	1.000
March-09	0.998	0.997	1.000	1.000	0.999	1.000	0.985	1.000
April-09	0.997	0.997	0.999	1.000	0.999	1.000	0.986	1.000
May-09	0.997	0.996	0.998	1.000	0.998	1.000	0.984	1.000
June-09	0.996	0.995	0.996	1.000	0.998	1.000	0.983	1.000
July-09	0.995	0.994	0.995	1.000	0.997	1.000	0.982	1.000
August-09	0.995	0.991	0.993	1.000	0.996	1.000	0.980	1.000
September-09	0.993	0.989	0.993	1.000	0.996	1.000	0.978	1.000
October-09	0.992	0.986	0.983	1.000	0.993	0.999	0.976	1.000
November-09	0.990	0.981	0.976	1.000	0.991	0.999	0.971	0.999
December-09	0.983	0.976	0.964	1.000	0.987	0.999	0.962	0.999
January-10	0.972	0.965	0.954	1.000	0.983	0.999	0.953	0.999
February-10	0.946	0.944	0.933	0.999	0.959	0.999	0.931	0.999

Note that Life and Behavioral health are insured. Therefore, no completion factors are needed. Actual premium was used and trended.

Rating Tier Methodology:

To develop the rates by family status, we take the prior approved rating tier factors and multiply them by a factor to adjust for the current enrollment selection for each of the major groupings: Active - Health Advantage, Actives: NovaSys, Actives - HD PPO, Non-Medicare Retirees, and Medicare Retirees. We further adjusted the mixed split with a Medicare and Non-Medicare covered adult to be the same.

Allocation of Rate Methodology:

Once the total rates are developed, we split the contributions to cover the rates first by removing the costs that have already been legislated to be covered from reserves. We then allow the user to select the methodology for allocating the remainder of the rates. The total actual cost may be somewhat impacted by the desired allocation as participant selection of Plan option and coverage could be impacted.

Rate Allocation Assumptions:

	Actives	Retirees
Previously adopted reserves allocations:		
ASE 2010:	\$0.00	\$0.00
ASE 2011:	\$0.00	\$0.00
ASE 2012:	\$0.00	\$0.00

ASE

State Contribution per Budget Position per Month:	\$390
Interest Income:	\$0

* Unless otherwise shown in the screen capture.



Appendix B

Assumptions & Methods (continued)

Annual Trend*:	<u>Health Advantage</u>			<u>ARHealth Retirees</u>	<u>Behavioral</u>			
	<u>NovaSys</u>	<u>HD PPO</u>	<u>Health</u>		<u>Pharmacy</u>	<u>Life</u>	<u>Expenses</u>	
Non-Medicare:	5.00%	5.00%	5.00%	Use either Medicare or Non-Medicare Factors	0.00%	8.50%	0.00%	0.00%
Medicare:	5.00%	5.00%	5.00%		0.00%	8.50%	0.00%	0.00%
Large Claims:	0.00%	0.00%	0.00%		0.00%			

* Unless otherwise shown in the screen capture. Below we show the development of the trend assumptions.

Underlying Incurred Claim Trends Adjusted for Demographic and Geographic Changes

Medical Incurred Active Plan Cost CY09 v. CY08: (with retirees the trend rate is even lower)	1.27%
Rx Incurred All Plan Cost CY09 v. CY08:	1.17%

Reasons Trends so Low:

Medical Network Providers (Health Advantage and NovaSys) have been able to keep contractual rates flat.
 Savings on Medical by using Specialty Drugs via the Ascend Specialty Drug Program
 Saving on Pharmacy by implementing programs promoting cost effective drug use
 Effective Large Claim Management

Reasons to Keep Trends Low:

2010 Contract for Health Advantage have no rate increase - per phone call
 2010 Contract for NovaSys should be more favorable -- they are doing additional analysis
 Believe the generic utilization will improve another 1.3%
 Believe that more options still exist to promote cost effective use of specialty and brand drugs
 Believe that more options still exist to have no trend on large claims



Appendix C - Gain / Loss

Reconciliation of CY 2009 ASE Net Income/(Loss)

- From the December 2009 Financial Report (Year-to-date)

	<u>\$ in Millions</u>
Net Income/(Loss)	\$ 24.0
Reserves Allocated	7.9
Net Income/(Loss) After Reserves	\$ 31.9

- Where did the \$31.9 million come from?

Items that are not assumed to repeat

Active Enrollment Lower than Projected	\$ -
Net Income/(Loss) from Retirees	\$ 2.3
Investment Income	\$ 0.8
Other Income incl Penalties & FICA savings	\$ 3.5
Other Unanticipated Items	\$ 1.9
TOTAL	\$ 8.5

Items that have already been reflected in 2009-10 rates

Net Income from Lifestyle Assessment	\$ 1.4
TOTAL	\$ 1.4

Items that will affect 2011 rates

Medical experience better than projected	\$ 14.1
Pharmacy experience better than projected	\$ 8.5
Behavioral Health premiums above projected	\$ (0.7)
TOTAL	\$ 21.9
<i>Percent of 2009 expenses</i>	9.8%

GRAND TOTAL	<u>\$ 31.9</u>
--------------------	-----------------------

Handwritten signature/initials at the top of the page.

Public School Employees (PSE) Financials - October 1, 2009 through May 31, 2010

	ARHealth	Health Adv	NovaSys	Total
Actives		37,760	3,698	41,458
Actives HD			2,527	2,527
Retirees	7,416			7,416
COBRA		690	77	767
Total	7,416	38,450	6,302	52,168

Operations as of 05/31/10

	Current Month	Year to Date (8 months)
Funding		
District Contribution	\$ 5,762,428	\$ 46,077,023
Employee Contribution, Rebates	\$ 12,241,982	\$ 99,524,151
Dept of Ed \$35,000,000 & \$15,000,000	\$ 3,181,818	\$ 36,704,545
Total Funding	\$ 21,186,228	\$ 182,305,720
Expenses		
Medical Expenses:		
Claims Expense	\$ 14,049,735	\$ 119,596,168
Claims IBNR	\$ 3,250,000	\$ 3,250,000
Medical Admin Fees	\$ 1,414,544	\$ 10,278,358
Refunds	\$ (2,579)	\$ (17,406)
Behavioral Health	\$ 310,243	\$ 2,489,909
Pharmacy Expenses:	\$ -	\$ -
RX Claims	\$ 4,255,926	\$ 34,122,127
RX IBNR	\$ 90,000	\$ 90,000
RX Admin	\$ 62,686	\$ 519,669
Plan Administration	\$ 228,720	\$ 2,268,807
Total Expenses	\$ 23,659,275	\$ 172,597,632
Net Income/(Loss)	\$ (2,473,046)	\$ 9,708,088
Reserve Activity:		
Allocation for Active Premiums for Plan Yr 10/01/09-09/30/10	\$ 166,667	\$ 1,333,336
Retiree Premiums for Plan Year 01/01/10-12/31/10	\$ 383,402	\$ 1,917,010
Net Income/(Loss) After Reserves	\$ (1,922,977)	\$ 12,958,434

Balance Sheet as of 05/31/10

Assets	
Bank Account	\$ 14,242,568
State Treasury	\$ 68,588,211
Receivable from Provider	\$ 1,021,126
Accounts Receivable	\$ 390,214
Due from ASE	\$ 971
Total Assets	\$ 84,243,089
Liabilities	
Accounts Payable	\$ 2,820,204
Due to ASE	\$ -
Deferred Revenues	\$ 1,490,074
Health IBNR	\$ 25,500,000
RX IBNR	\$ 2,340,000
Total Liabilities	\$ 32,150,278
Net Assets	\$ 52,092,811
Less Reserves Allocated:	
Active Premiums for Plan Year 10/01/09-09/30/10 (\$2,000,000)	\$ (666,664)
Retiree Premiums for Plan Year 01/01/10-12/31/10 (\$4,000,000 + \$600,823 = \$4,600,823)	\$ (2,683,813)
Active Premiums for Plan Year 10/01/10-12/31/11 (\$11,840,000)	\$ (11,840,000)
Retiree Premiums for Plan Year 01/01/11-12/31/11 (\$760,000)	\$ (760,000)
Active Premiums for Plan Years 1/01/12-12/31/13 (\$7,344,000 + \$3,296,000 = \$10,640,000)	\$ (10,640,000)
Retiree Premiums for Plan Years 01/01/12-12/31/13 (\$456,000 + \$304,000 = \$760,000)	\$ (760,000)
Catastrophic Reserve	\$ (9,100,000)
Pharmacy Reward Program (2009-\$1,500,000)	\$ (1,500,000)
Net Assets Available	\$ 14,142,334

Arkansas State Employees (ASE) Financials - January 1, 2010 through May 31, 2010				
	ARHealth	Health Adv	NovaSys	Total
Actives		25,417	1,221	26,638
Actives HD			926	926
Refirees	8,643			8,643
COBRA		131	9	140
Total	8,643	25,548	2,156	36,347
Operations as of 05/31/10				
			Current Month	Year to Date (5 months)
Funding				
State Contribution			\$ 13,587,952	\$ 67,942,766
Employee Contribution, Rebates, Life			\$ 7,112,261	\$ 36,464,384
Medicare Subsidy			\$ 375,451	\$ 1,339,486
Total Funding			\$ 21,075,664	\$ 105,746,636
Expenses				
Medical Expenses				
Claims Expense			\$ 12,225,848	\$ 62,924,813
Claims IBNR			\$ 2,570,000	\$ 2,570,000
Medical Admin Fees			\$ 960,641	\$ 4,365,863
Refunds			\$ (5,132)	\$ 8,813
Behavioral Health			\$ 284,635	\$ 1,422,356
Life Insurance			\$ 79,538	\$ 397,747
Pharmacy Expenses				
RX Claims			\$ 4,871,924	\$ 25,003,743
RX IBNR			\$ 180,000	\$ 180,000
RX Admin			\$ 69,109	\$ 355,152
Plan Administration			\$ 181,355	\$ 993,046
Total Expenses			\$ 21,417,918	\$ 98,221,534
Net Income/(Loss)			\$ (342,254)	\$ 7,525,102
Balance Sheet as of 05/31/10				
Assets				
Bank Account			\$ 9,218,048	
State Treasury			\$ 86,085,701	
Receivable from Cafeteria Plan			\$ 2,470,012	
Receivable from PSE			\$ -	
Receivable from Provider			\$ 1,076,880	
Receivable from Medicare			\$ 375,451	
Accounts Receivable			\$ 905,721	
Total Assets			\$ 100,131,813	
Liabilities				
Accounts Payable			\$ 2,904,311	
Deferred Revenues			\$ 4,219,291	
Due to Cafeteria			\$ 190	
Due to PSE			\$ 971	
Health IBNR			\$ 21,570,000	
RX IBNR			\$ 2,680,000	
Total Liabilities			\$ 31,374,763	
Net Assets			\$ 68,757,050	
Less Reserves Allocated:				
Catastrophic Reserve			\$ (8,100,000)	
Pharmacy Reward Program (2009-\$1,500,000)			\$ (1,500,000)	
Net Assets Available			\$ 59,157,050	

ASE Cafeteria Plan Financials 2010- January 1, 2010 through May 31, 2010

Cafeteria Plan Operations as of 05/31/10

Funding	Current Month	Year to Date (5 months)
FICA Savings	\$ 348,661	\$ 1,782,406
Interest, Penalties, Tax Set Off	\$ 26,127	\$ 42,552
Total Funding	\$ 374,788	\$ 1,824,958
Expenses		
Plan Administration	\$ 13,432	\$ 70,579
Forfeited Benefits (Annual Expense)	\$ -	\$ -
FICA Savings Transfer (Annual Expense)	\$ -	\$ -
Total Expenses	\$ 13,432	\$ 70,579
Net Income/(Loss)	\$ 361,356	\$ 1,754,379

Balance Sheet as of 05/31/10

Assets	
State Cafeteria (Flexible Benefits)	\$ 568,870
Admin Acct (FICA Savings)	\$ 592,098
State Treasury	\$ 7,314,910
Due from Health Plan	\$ 190
Due from State Employee Fund	\$ -
Accounts Receivable	\$ 12,010
Total Assets	\$ 8,488,078
Liabilities	
Accounts Payable	\$ (48,095)
Due to Health Plan (FICA Savings Annual)	\$ -
Due to Health Plan (Forfeited Benefits Annual)	\$ 2,470,012
Total Liabilities	\$ 2,421,917
Net Assets	\$ 6,066,161

STATE AGENCY PENALTIES ASSESSED FOR MAY 2010

Agency Name	Description of Violation	Penalty Assessed	
Arkansas Minority Health Commission	State contribution not received by May 31, 2010	\$100	
Arkansas Professional Bail Bondsman Licensing Board	State contribution not received by May 31, 2010	\$100	PAID
Arkansas Department of Veteran Affairs	State contribution not received by May 31, 2010	\$256	PAID

Payments due by July 31, 2010

\$456

STATE AGENCY PENALTIES ASSESSED FOR APRIL 2010

Agency Name	Description of Violation	Penalty Assessed	
Arkansas Psychology Board	State contribution not received by April 30, 2010	\$100	
Arkansas Department of Veteran Affairs	State contribution not received by April 30, 2010	\$256	PAID
Payments due by June 30, 2010		\$356	

SCHOOL DISTRICT PENALTIES ASSESSED FOR JANUARY 2010

Act 1009 of 2007 (§21-5-415) states the division shall impose a penalty

District Name	Description of Violation	Penalty Assessed	
Hope Academy	January 2010 Historical Billing Report and payment not received by January 31, 2010	\$100	PAID
Osceola Community School (OCABS)	January 2010 Historical Billing Report and payment not received by January 31, 2010	\$100	PAID

STATE AGENCY PENALTIES ASSESSED FOR JANUARY 2010

Agency Name	Description of Violation	Penalty Assessed	
Arkansas Psychology Board	State contribution not received by January 31, 2010	\$100	
Arkansas Department of Veteran Affairs	State contribution not received by January 31, 2010	\$256	PAID
Arkansas Abstractor's Board of Examiners	State contribution not received by January 31, 2010	\$100	PAID

Payments due by March 31, 2010

\$656