AGENDA

State and Public School Life and Health Insurance Board

November 18, 2014

1:00 p.m.

EBD Board Room – 501 Building, Suite 500

I.	*Call to Order*	*Carla Wooley-Haugen, Vice-Chairman*
II.	*Approval of October 21, 2014 Minutes*	*Carla Wooley-Haugen, Vice-Chairman*
III.	*ASE-PSE Financials October, 2014*	*Marla Wallace, EBD Chief Fiscal Officer*
IV.	*DUEC Report*	*Dr. Kat Neill, DUEC Chairman*
V.	*EBD Report*	*Lori Eden, EBD Deputy Director*
VI.	*State Employee Clinic Update*	*RT Fendley, Dr. Charles Smith, UAMS*
VII.	*ACT 331 Discussion*	*Bob Alexander, EBD Executive Director*
VIII.	*Director's Report*	*Bob Alexander, EBD Executive Director*

Upcoming Meetings

January 20, 2015

February 17, 2015

NOTE: All material for this meeting will be available by electronic means only asepse-board@dfa.arkansas.gov

Notice: Silence your cell phones. Keep your personal conversations to a minimum. Observe restrictions designating areas as "Members and Staff only"

State and Public School Life
And Health Insurance Board
Minutes
November 18, 2014

The 143rd meeting of the State and Public School Life and Health Insurance Board (hereinafter called the Board), met on November 18, 2014 at 1:00 p.m. in the EBD Board Room, 501 Woodlane, Suite 500, Little Rock, AR 72201.

MEMBERS PRESENT	MEMBERS ABSENT
Renee Mallory	Dr. John Kirtley, Chairman
Robert Boyd	Dan Honey
Lori Freno-Engman	
Dr. Joseph Thompson	
Angela Avery	
Shelby McCook	
Dr. Tony Thurman	
Carla Wooley-Haugen Vice-Chairman	
Janis Harrison	
Katrina Burnett	
Dr. Andrew Kumpuris	

Bob Alexander, Executive Director, Employee Benefits Division

OTHERS PRESENT:

Dwight Davis, David Keisner, Jill Johnson, Gein Bomberey, UAMS; Janna Keathley, Ethel Whittaker, Marla Wallace, Lori Eden, Sherry Bryant, Leslie Smith, EBD; Sylvia Landers, Eileen Wilden, Minnesota Life; Kristi Jackson, ComPsych; Pam Lawrence, AHH; Wayne Whitley, AR Highway & Transportation Dept; Diann Shoptaw, USAble; Peggy Nabors, AEA; Takisha Sanders, Kanita Collins, D.J. Bradley, Health Advantage; Ro Summers, ACHI; Andra Kaufman, QualChoice; Susan Walker, Datapath; Danny James, ASEA; Warren Tayes, Merck; Jennifer Smith, ASU; Jackie Beau, ASP; Steve Althoff, MTI; Connie Bennett, Catamaran; Norma Walker, Watson School District; Martha Hill, Doug Brown, APSRC; Treg Long, ACS; Kim Henderson, ADFA; Donna Morg, ARTA; Kristi Clark, ABA; Rep. John Hutchinson, EBP; Lisa Carson, EBD; Richard Abernathy, AAEA

CALL TO ORDER:

Meeting was called to order by Carla Wooley-Haugen, Vice-Chairman

APPROVAL OF MINUTES: *by John Kirtley, Chairman*

The request was made by Kirtley to approve the October 21, 2014 minutes.

Harrison made the motion to approve the minutes, Dr. Thompson seconded; all were in favor.

Minutes approved

FINANCIALS: *by Marla Wallace, CFO EBD*

Wallace reported for October 2014 for PSE & ASE. For PSE, The Department of Education funding of $20 million was received for future funding in 2015. This was a five (5) week month. The quarterly payment was received from the Department of Education. There was a net gain for the month of $684,000, and the year-to-date gain is $30 million. There are net assets of $17.4 million. The catastrophic reserve is fully funded.

ASE had five (5) weeks of claims. There was a loss for the month of $2.5 million and $23.7 million net gain year-to-date. The catastrophic reserve is fully funded. The net assets available are $26 million.

The following report resulted from a meeting of the DUEC on November 3, 2014 with Dr. Kat Neill presiding.

1. Recommended Changes to Current Coverage

A. Delivery Coordination Workgroup Report: *by Dr. David Keisner, UAMS*

Drugs used in the treatment of Cancers and non-cancer drugs were reviewed by the DCWG and a report made to the DUEC on November 3rd. Recommendations from this report are outlined below.

	Current Coverage	**Proposed Coverage for 2015**
Hyaluronate Injections: Monovisc, Gel-One, Synvisc-One	Unrestricted through Pharmacy and Medical	PA through Medical Benefit only. QL of 1 per 6 months.
Synvisc, Euflexxa, Hyalgan, Orthovisc, Supartz	Unrestricted through Pharmacy and Medical	Exclude *Patients in process of treatment course may complete course. 90 days communication to provider network.
Systemic Lupus Erythematosus (SLE) Benlysta (belimumab)	-Medical Gold and Bronze-Unrestricted -Medical Silver-Excluded	-Exclude with 90 days notice to existing users -Exclude with 90 days notice to

	-Pharmacy-PA	existing users -Exclude with 90 days notice to existing users
Refractory peripheral T Cell Lymphoma		
Beleodaq (belinostat)	New Drug	Exclude (new courses with 90 day communication to providers) – Code 1
Folotyn (pralatrexate)	Unrestricted Medical	Medical PA through EBRx
Istodax (romidepsin)	Unrestricted Medical	Medical PA through EBRx
Adcetris (brentuximab)	Medical PA through EBRx	Medical PA through EBRx
Metastatic Melanoma		
Keytruda (pembrolizumab)	New Drug	Exclude – Code 1

	Current Coverage	**Proposed Coverage for 2015**
Topical Medications for Herpes Labialis		
Zovirax Cream - $732 (5g tube)	Unrestricted Pharmacy	Excluded
Acyclovir Ointment	Unrestricted Pharmacy	Excluded
Sitavig (acyclovir buccal tablet) - $375/2 tabs	Excluded	Excluded
Denavir (penciclovir) - $115 (1.5 g tube)	Unrestricted Pharmacy	Excluded
Valacyclovir - $50 (4 tabs)	Unrestricted Pharmacy	Unrestricted Pharmacy
Acyclovir - $54 (25 tabs)	Unrestricted Pharmacy	Unrestricted Pharmacy
Famciclovir - $61 (tx course)	Unrestricted Pharmacy	Unrestricted Pharmacy
Abreva (OTC) - $16.77	Excluded	Excluded *90 day communication

2. New Drugs: *by Dr. Jill Johnson, UAMS*
Johnson reported on new drugs. The review covered products released June – September 2014.

Recommended Additions:

BRAND Name	**GENERIC name**	**PRICING (AWP)**	**INDICATION**	**SIMILAR THERAPIES ON FORMULARY/AWP**	**CODE***
PURIXAN SUSPENSION	MERCAPTOPURINE 20MG/ML SUSPENSION	$1,038/100ML BOTTLE	For treatment of patients with acute lymphoblastic leukemia. Only oral suspension of mercaptopurine.	Generic mercaptopurine 50mg tabs= $2.08/tab	Cover w/ age edit (age 7 and younger)

ISENTRESS POWDER (specialty drug)	TEGRAVOR PACKET FOR SUSP 100MG	$337/box of 60	NEW DOSAGE FORMULATION- for treatment for HIV infection	Same price as 100mg chewable tab (currently excluded by plan). Isentress 400mg tab - covered w/PA-specialty tier	T4 w/ age edit (age 2 and younger)
CYCLOPHOSPHAMIDE CAPS (specialty drug)	cyclophosphamide	$7.59/25mg cap and $13.94/50mg cap	new dosage formulation - 25 and 50mg caps.	(T1) - cyclophosphamide tablets - $2.78/25mg tab and $5.11/50mg tab	T2
SIVEXTRO 200mg	tedizolid phosphate tabs	$2,124/6 days	For treatment of skin and skin structure infections due to gram-positive organisms. Dose=200mg by mouth every day for 6 days	(T3 w/PA) - Zyvox - $3,072/10 days	T3 PA
STRIVERDI AER RESPIMAT	olodaterol HCl inhal aerosol	$168/inhaler	for the long-term, once-daily maintenance bronchodilator treatment of airflow obstruction in patients with chronic obstructive pulmonary disease (COPD), including chronic bronchitis and/or emphysema. Dose: 2 inhalations once daily	FORADIL - (T2) and requires ST- $265. SEREVENT DISKUS - (T2) and requires ST-$265. PERFOROMIST - (T3) and requires ST-$673.	T2 (Step edit for Asthma)

Recommended Additions (continued):

BRAND Name	GENERIC name	PRICING (AWP)	INDICATION	SIMILAR THERAPIES ON FORMULARY/AWP	CODE *
TRIUMEQ TABS (specialty)	abacavir-dolutegravir-lamivudine	$2,648/30 days	For treatment of HIV infection. Once daily single pill regimen	Other once daily single pill regimen: Stribild ($2,940/30 days) and Atripla ($2,460/30 days)	T4
SOMAVERT INJ (specialty)	pegvisomant	------	New dosage strength - Treatment of acromegaly	Other strengths covered as Tier 4	T4
Entyvio Inj 300 mg (integrin receptor antagonist) Specialty Drug (TABLED in August)	Vedolizumab	$5,782/300mg	For adults patients with moderately to severely active ulcerative colitis or Crohn's disease who have had an inadequate response with, lost response to, or were intolerant to a TNF blocker or	Humira 40 mg SC injection every other week/$3,002;Cimzia 400 mg SC injection every 4 weeks/$3,322. Remicade dose based on wt and administered by IV infusion/$1062 for 100 mg	T4 PA

			immunomodulator; or had an inadequate response with, were intolerant to, or demonstrated dependence on corticosteroids. Dose=300 mg IV at 0, 2, and 6 weeks, then every 8 weeks thereafter.	vial. All specialty drugs.	

Recommended Exclusions:

BRAND Name	GENERIC name	PRICING (AWP)	INDICATION	SIMILAR THERAPIES ON FORMULARY/AWP	CODE *
EVZIO INJECTION	Naloxone 0.4 mg/0.4mg auto-injector	$700/2 injectors	A take-home naloxone auto-injector for the emergency treatment of known or suspected opioid overdose, manifested by a respiratory and/or CNS depression	Generic naloxone 0.4 mg/ml amp AWP range $1-$25/amp	9 & 13
QUDEXY XR CAPSULES	topiramate cap extended-release 24 hour sprinkle	Per cap AWP: 25mg$5.63;50 mg/$7.36;100 mg/$14.60;200mg/$19.96	Treatment of partial onset, generalized primary tonic-clonic seizures and as an adjunct therapy in Lennox-Gastaut syndrome	generic immediate-release topiramate sprinkle caps: $2.89	13
JUBLIA SOLUTION 10%	efinaconazole soln 10%	$538/4ml bottle	Treatment of onychomycosis of the toenail	(T1)- terbinafine 250mg($30/month) (T1)-itraconazole-200mg ($500/month) . Ciclopirox nail lacquer ($165/bottle)-excluded by plan	13
KERYDIN SOLN 5%	tavaborole 5% solution	$538/4ml bottle	Treatment of onychomycosis - applied to the affected toenail(s) once daily for 48 weeks.	(T1)- terbinafine 250mg($30/month) (T1)-itraconazole-200mg ($500/month) . Ciclopirox nail lacquer ($165/bottle)-excluded by plan	13

Recommended Exclusions (continued):

BRAND Name	GENERIC name	PRICING (AWP)	INDICATION	SIMILAR THERAPIES ON FORMULARY/AWP	CODE *
OVACE PLUS LOTION	sulfacetamide sodium lotion 9.8%	$509/57 gm bottle	For treatment of seborrrheic dermatitis and seborrhea sicca (dandruff)	(T1) - Sulfacetamide sodium lotion 10% - $109/bottle	13

VEXA PAD 2-4-30%	allantoin-lidocaine-petrolatum patch	$602/box of 15 patches	Uses include: scar management, temporarily protects minor cuts, scrapes, burns and temporarily relieves pain associated with minor cuts, scrapes, and minor skin irritations. According to Daily Med: this product has not been found by FDA to be safe and effective and this labeling has not been approved by FDA.	n/a	13
RASUVO INJECTION	methotrexate solution PF auto-injector for subcutaneous administration	$134/pen	Management of patients with severe, active rheumatoid arthritis & active polyarticular juvenile idiopathic arthritis, who are intolerant of or had an inadequate response to, first-line therapy and symptomatic control of severe, recalcitrant, disabling psoriasis in adults who are not adequately responsive to other forms of therapy.	Otrexup (methotrexate soln PF Auto-injector for subcutaneous administration)- $164/pen and is currently excluded by the plan. Methotrexate inj 25mg/ml for deep IM administration - $4.	13
INVOKAMET	canagliflozin & metformin	$373/30 days	for the treatment of Type 2 diabetes in combination with diet and exercise. INVOKANA (canagliflozin) is a sodium-glucose co-transporter 2(SGLT2) inhibitor. Ivokamet is dosed twice daily.	INVOKANA is currently a plan exclusion.	13
JARDIANCE	empagliflozin	$360/month	for the treatment of Type 2 diabetes in combination with diet and exercise. JARDIANCE is a SGLT2.	INVOKANA ($374/30days) is currently excluded	13
NORTHERA (SPECIALTY DRUG)	droxidopa	$1,690-$10,144/month	for the treatment of orthostatic dizziness, lightheadedness, or the "feeling that you are about to black out" in adult patients with symptomatic neurogenic orthostatic hypotension caused by primary autonomic failure (Parkinson's disease, multiple system atrophy, and pure autonomic failure), dopamine beta-hydroxylase deficiency and non-diabetic autonomic neuropathy. Dose is 300-1800mg/day.	Midodrine (T1) (10mg by mouth three times a day)- $435/30 days.	13
Acticlate	doxycycline 75mg and 150 mg	$26/tab	Tetracycline-class antibacterial indicated for the treatment of a number of infections, including adjunctive therapy in severe acne	Doxycycline 100mg caps = $0.25	13

Recommended Exclusions (continued):

BRAND Name	GENERIC name	PRICING (AWP)	INDICATION	SIMILAR THERAPIES ON FORMULARY/AWP	CODE*

Cardelga Caps (specialty)	eliglustat 84mg	$510/84mg cap			13
ABSORICA 25mg and 35mg caps	isotretinoin caps	$926/month	For treatment of acne vulgaris/cystic acne	no other 25 or 25mg isotretinoin caps	Exclude -13 along with all other strengths of Absorica and 90 days notice
BUNAVAIL	buprenorphine-naloxone buccal film	$253-$506/box of 30	Treatment of opiate agonist dependence		13
REVATIO SUSPENSION 10MG/ML (specialty)	sildenafil for suspension	$5,500/112 ml bottle	new dosage formulation. For treatment of pulmonary hypertension	Other REVATIO formulations covered as tier 4	13
UTA CAPS 120MG	methenamine/hyoscyamine/methblue/sod phos caps	$3.71/tab	For treatment of urinary tract infections	Uribel ($2.71/tab) and Ustell ($2.41/tab) covered as T3	Exclude – 13 along with existing 120mg UTA and 90 days notice
Ferric Citrate		$1,010/200	Management of hyperphosphatemia in patients with chronic kidney disease on dialysis. Max dose: 12 tabs/day		13
RUCONEST INJECTION (specialty drug)	C1 esterase inhibitor (recombinant)	$5,700/unit	For IV administration for treatment of angioedema. Patients may self-administer after appropriate training under the guidance of healthcare professional		exclude – 13 from pharmacy benefit only

3. Discussion point for Board clarification

The DUEC requests clarification for coverage of medically administered oncology drugs. Currently, these drugs may be covered under the Medical benefit before review by the DCWG. The Board may continue this process or may recommend adoption of the process employed by the Pharmacy benefit in which any new drugs are "not covered/excluded" until review and placement in the formulary structure.

4. EBD report on plan cost YTD

EBD report reflects plan spend for first 9 months of 2014 is $22 million less than the first 9 months of 2013.

***New Drug Code Key:**

1	Lacks meaningful clinical endpoint data; has shown efficacy for surrogate endpoints only.
2	Drug's best support is from single arm trial data
3	No information in recognized information sources (PubMed or Drug Facts & Comparisons or Lexicomp)
4	**Convenience Kit Policy** - As new drugs are released to the market through Medispan, those drugs described as "kits" will not be considered for inclusion in the plan and will therefore be excluded products unless the product is available solely as a kit. Kits typically contain, in addition to a pre-packaged quantity of the featured drug(s), items that may be associated with the administration of the drug (rubber gloves, sponges, etc.) and/or additional convenience items (lotion, skin cleanser, etc.). In most cases, the cost of the "kit" is greater than the individual items purchased separately.
5	**Medical Food Policy** - Medical foods will be excluded from the plan unless two sources of peer-reviewed, published medical literature supports the use in reducing a medically necessary clinical endpoint. A medical food is defined below: A medical food, as defined in section 5(b)(3) of the Orphan Drug Act (21 U.S.C. 360ee(b)(3)), is "a food which is formulated to be consumed or administered enterally under the supervision of a physician and which is intended for the specific dietary management of a disease or condition for which distinctive nutritional requirements, based on recognized scientific principles, are established by medical evaluation." FDA considers the statutory definition of medical foods to narrowly constrain the types of products that fit within this category of food. Medical foods are distinguished from the broader category of foods for special dietary use and from foods that make health claims by the requirement that medical foods be intended to meet distinctive nutritional requirements of a disease or condition, used under medical supervision, and intended for the specific dietary management of a disease or condition. Medical foods are not those simply recommended by a physician as part of an overall diet to manage the symptoms or reduce the risk of a disease or condition, and all foods fed to sick patients are not medical foods. Instead, medical foods are foods that are specially formulated and processed (as opposed to a naturally occurring foodstuff used in a natural state) for a patient who is seriously ill or who requires use of the product as a major component of a disease or condition's specific dietary management.
6	**Cough & Cold Policy** - As new cough and cold products enter the market, they are often simply re-formulations or new combinations of existing products already in the marketplace. Many of these existing products are available in generic form and are relatively inexpensive. The new cough and cold products are branded products and are generally considerably more expensive than existing products. The policy of the ASE/PSE prescription drug program will be to default all new cough and cold products to "excluded" unless the DUEC determines the product offers a distinct advantage over existing products. If so determined, the product will be reviewed at the next regularly scheduled DUEC meeting.
7	**Multivitamin Policy** - As new vitamin products enter the market, they are often simply re-formulations or new combinations of vitamins/multivitamins in similar amounts already in the marketplace. Many of these existing products are available in generic form and are relatively inexpensive. The new vitamins are branded products and are generally considerably more expensive than existing products. The policy of the ASE/PSE prescription drug program will be to default all new vitamin/multivitamin products to "excluded" unless the DUEC determines the product offers a distinct advantage over existing products. If so determined, the product will be reviewed at the next regularly scheduled DUEC meeting.
8	Drug has limited medical benefit &/or lack of overall survival data or has overall survival data showing minimal benefit
9	Not medically necessary
10	Peer-reviewed, published cost effectiveness studies support the drug lacks value to the plan.
11	**Oral Contraceptives Policy** - OCs which are new to the market may be covered by the plan with a zero dollar, tier 1, 2, or 3 copay, or may be excluded. If a new-to-market OC provides an alternative product not similarly achieved by other OCs currently covered by the plan, the DUEC will consider it as a new drug. IF the drug does not offer a novel alternative or offers only the advantage of convenience, it may not be considered for inclusion in the plan.
12	Other
13	Insufficient clinical benefit OR alternative agent(s) available

MOTIONS ARE AS FOLLOWS:

Dr. Thompson motioned to approve the recommendations in Section one (1). Mallory seconded. All were in favor.

Motion Approved.

Dr. Thompson motioned to approve the recommendations in Section two (2) new drugs. Harrison seconded. All were in favor.

Motion Approved.

Dr. Thompson motioned to approve the recommendations in Section two (2) exclusions. Harrison seconded. All were in favor.

Motion Approved.

Dr. Thompson motioned to subject pharmacy administration through the medical benefit, to explore the placement of pharmaceutical medicine under the DUEC Plan. Harrison seconded. All were in favor.

Motion Approved.

EBD REPORT: *by, Lori Eden, EBD Deputy Director*

Eden reported the member services department received over 17,000 calls in October. There were 261 walk-ins. The Eligibility department is close to completing the PSE forms. There were 4,700 forms faxed, and 3,000 online enrollment forms. For ASE, there were 736 enrolled in the basic plan. The Spousal Affadavit letters were mailed for the third and final time. Datapath should have their forms processed by December 1st.

STATE EMPLOYEE CLINIC UPDATE: *by, RT Fendley, Dr. Charles Smith, UAMS*

Alexander reported many states have an onsite clinic. Alexander reported the Capitol Mall Employee Health & Wellness Center should be open for service in July, 2015. Lower plan costs, Reduce state costs of absenteeism, Same day access, Connections to primary care providers, Wellness program participation, and Occupational health services are just a few of the opportunities. Onsite clinics are a growing trend in the private sector. Companies who employ over 5,000 employees, at least 37% of them have an onsite clinic.

Located in Capitol Mall area to provide convenient access, State employee's and EBD employee's should be able to enter the clinic, receive care, and return to work (if well enough), without excessive time away from their workplace. The plan is for 85% of state employees to receive service within sixty (60) minutes. The clinic will be staffed by UAMS clinicians and professional support staff, and connect with primary care providers to enable team-based care management.

UAMS is making the capitol investment as well as providing the location, staffing, and marketing. Cost sharing will be based on the claims revenue. EBD total investment for the next five (5) years is approximately $1.8 million.

McCook has concerns with the new clinic information not presented to the Benefits Sub-committee for review before recommending to the Board. McCook is also concerned with the Trust fund used for opening a clinic. McCook commented this could be a violation of statute with the funding. McCook requested copy of the contracts from the hired consultant, and H&H.

McCook recommends the Benefits Sub-committee review the plans for recommendation to the Board.

Harrison is also concerned that the Benefits Sub-committee was not involved in the planning process.

Harrison motioned for the Benefits Sub-committee to have the opportunity to review the plans before recommending to the Board. McCook seconded.

Discussion:
Boyd inquired does the Board has to go through the Sub-committee? Is it mandated? Is it a requirement?

Dr. Kumpuris inquired as to how in depth will services and treatment go? What type equipment will be used? Will it be a full service clinic? Dr. Kumpuris would like more detail information before making recommendations.

After discussion all were in favor, except Dr. Thompson, Dr. Kumpuris, and Katrina Burnett.

Motion Approved.

McCook motioned for the Board to review the plans and submit the plans with a request from the Attorney General's Office and the State Legislative Auditor to review and advise the Board, in terms of the feasibility and legal ramifications of the funding and all other aspects.

Harrison seconded. All were in favor.

Motion Approved.

ACT 331 DISCUSSION: *by, Bob Alexander, EBD Executive Director*

Alexander reported when rates were set the Board did not make decisions regarding the Act 331 retirees. There were 334 PSE retirees enroll in the plan. The Subsidy is $55.18 for an annual total of $221,161.00. ASE has only 10 retirees enrolled in the plan. The Subsidy is $185.00 for an annual total of $22,257.00. This plan will be a Supplemental benefit that will allow retirees to enroll in the plan if they have a qualifying event or during open enrollment.

McCook motioned for the subsidy to be paid for ASE and PSE by the plan. Harrison seconded. All were in favor except Bob Boyd.

Motion Approved.

Dr. Thompson requested to track the 334 retirees that enrolled in the plan for the year. The subsidy amounts paid could change in 2016.

DIRECTOR'S REPORT: *by Bob Alexander, EBD Executive Director*

Alexander reported on the taskforce meeting. In order to increase participation in the PSE plan, the taskforce discussed paying premiums for first-year teachers during their first year. It could be 100% paid after the $153.00 subsidy. A first-year teacher is defined as someone who is on the pay scale for the first time. There are around 2,400 new teachers each year. John Colberg will have financial information available in the next few weeks.

Meeting Adjourned

Arkansas State Employees (ASE) Financials - January 1, 2013 through October 31, 2013				
	Gold	Silver	Bronze	Total
Actives	44,880	2,369	3,612	50,861
Retirees	3,417	30	94	3,541
Medicare	10,664			10,664
Total	58,961	2,399	3,706	65,066

Revenues & Expenditures

	Current Month	Year to Date (10 months)
Funding		
State Contribution	$ 14,319,218	$ 138,515,702
Employee Contribution	$ 7,230,116	$ 72,348,200
Other	$ 667,183	$ 9,200,904
Allocation for Active/Retiree Plan Year 2013	$ 2,236,667	$ 22,366,667
Total Funding	$ 24,453,184	$ 242,431,472
Expenses		
Medical Expenses		
Claims Expense	$ 14,634,095	$ 154,617,853
Claims IBNR	$ -	$ 2,100,000
Medical Admin Fees	$ 1,082,656	$ 10,953,772
Refunds	$ 5,649	$ 54,054
Employee Assistance Program (EAP)	$ 56,227	$ 564,137
Life Insurance	$ 54,652	$ 548,304
Pharmacy Expenses		
RX Claims	$ 6,274,662	$ 68,262,312
RX IBNR	$ -	$ (800,000)
RX Admin	$ 274,418	$ 2,554,340
Plan Administration	$ 366,334	$ 3,278,645
Total Expenses	$ 22,748,691	$ 242,133,418
Net Income/(Loss)	$ 1,704,493	$ 298,054

Balance Sheet

Assets	
Bank Account	$ 7,886,852
State Treasury	$ 73,560,785
Due from Cafeteria Plan	$ 4,538,305
Due from PSE	$ -
Receivable from Provider	$ -
Accounts Receivable	$ (416,224)
Total Assets	$ 85,569,718
Liabilities	
Accounts Payable	$ 2,893
Deferred Revenues	$ 92,343
Due to Cafeteria	$ 236
Due to PSE	$ 450
Health IBNR	$ 23,200,000
RX IBNR	$ 2,400,000
Total Liabilities	$ 25,695,922
Net Assets	$ 59,873,796
Less Reserves Allocated:	
Active/Retiree Premiums for Plan Year 1/1/13 - 12/31/13 ($11,190,000 + $15,650,000)	$ (4,473,333)
Active/Retiree Premiums for Plan Year 1/1/14 - 12/31/14 ($7,460,000 + $9,390,000 + $9,000,000)	$ (25,850,000)
Active/Retiree Premiums for Plan Year 1/1/15 - 12/31/15 ($6,260,000 + $5,400,000)	$ (11,660,000)
Active/Retiree Premiums for Plan Year 1/1/16 - 12/31/16 ($3,600,000)	$ (3,600,000)
Catastrophic Reserve	$ (10,000,000)
Net Assets Available	$ 4,290,463

Arkansas State Employees (ASE) Financials - January 1, 2014 through October 31, 2014								
	GOLD		SILVER		BRONZE		GRAND TOTALS	
	Employee Only	Plus Dependents	Employee Only	Plus Dependents	Employee Only	Plus Dependents	Employee Only	Plus Dependents
Actives	23526	43068	1630	2978	2409	4595	27565	50641
Retirees	2370	3302	26	48	65	116	2461	3466
Medicare	8496	11244					8496	11244
TOTAL	**34392**	**57614**	**1656**	**3026**	**2474**	**4711**	**38522**	**65351**

REVENUES & EXPENDITURES		
Funding	**Current Month**	**Year to Date (10 months)**
State Contribution	$ 14,341,262	$ 143,280,936
Employee Contribution	$ 7,503,713	$ 75,945,130
Other	$ 391,068	$ 10,378,511
Allocation for Actives - Plan Year 2014	$ 2,154,167	$ 21,541,667
Total Funding	**$ 24,390,210**	**$ 251,146,244**
Expenses		
Medical Expenses		
Claims Expense	$ 18,399,018	$ 149,147,324
Claims IBNR	$ -	$ 1,500,000
Medical Administration Fees	$ 1,156,088	$ 11,316,358
Refunds	$ (2,649)	$ (18,419)
Employee Assistance Program (EAP)	$ 56,275	$ 561,707
Life Insurance	$ 54,823	$ 546,936
Pharmacy Expenses		
RX Claims	$ 6,818,997	$ 57,253,102
RX IBNR	$ -	$ (600,000)
RX Administration	$ 218,844	$ 2,451,895
Plan Administration	$ 277,082	$ 5,216,956
Total Expenses	**$ 26,978,478**	**$ 227,375,860**
Net Income/(Loss)	**$ (2,588,268)**	**$ 23,770,385**

BALANCE SHEET		
Assets		
Bank Account		$ 7,530,322
State Treasury		$ 76,063,686
Due from Cafeteria Plan		$ 709,521
Due from PSE		$ -
Receivable from Provider		$ -
Accounts Receivable		$ 155,000
Total Assets		**$ 84,458,529**
Liabilities		
Accounts Payable		$ 3,758
Deferred Revenues		$ 18,860
Due to Cafeteria		$ 751
Due to PSE		$ 142
Due to Federal Government ($63 fee)		$ 1,688,337
Health IBNR		$ 24,700,000
RX IBNR		$ 1,800,000
Total Liabilities		**$ 28,211,848**
Net Assets		**$ 56,246,681**
Less Reserves Allocated:		
Premiums for Plan Year 1/1/14 - 12/31/14	($7,460,000 + $9,390,000 + $9,000,000)	$ (4,308,333)
Premiums for Plan Year 1/1/15 - 12/31/15	($6,260,000 + $5,400,000)	$ (11,660,000)
Premiums for Plan Year 1/1/16 - 12/31/16	($3,600,000)	$ (3,600,000)
Catastrophic Reserve		$ (10,600,000)
Net Assets Available		**$ 26,078,347**

Fifth Week of claims totaled: $4,950,535.94

Public School Employees (PSE) Financials - January 1, 2013 through October 31, 2013				
	Gold	**Silver**	**Bronze**	**Total**
Actives	35,126	8,268	27,811	71,205
Retirees	2,555	93	1,377	4,025
Medicare	9,220			9,220
Total	46,901	8,361	29,188	84,450

Revenues & Expenditures

	Current Month	Year to Date (10 months)
Funding		
District Contribution	$ 8,036,087	$ 80,736,817
Employee Contribution	$ 10,785,605	$ 109,338,040
Dept of Ed $35,000,000 & $15,000,000	$ 6,931,818	$ 43,636,364
Other	$ 43,231,636	$ 52,404,625
Allocation for Active/Retiree Premiums for Plan Year 2013	$ 750,000	$ 7,500,000
Total Funding	$ 69,735,146	$ 293,615,846
Expenses		
Medical Expenses:		
Claims Expense	$ 15,254,696	$ 177,388,903
Claims IBNR	$ -	$ 3,300,000
Medical Admin Fees	$ 2,100,074	$ 16,441,478
Refunds	$ 5,397	$ (29,165)
Employee Assistance Program (EAP)	$ 80,507	$ 807,301
Pharmacy Expenses:		
RX Claims	$ 4,974,899	$ 53,285,818
RX IBNR	$ -	$ (800,000)
RX Admin	$ 367,808	$ 3,314,905
Plan Administration	$ 297,354	$ 3,760,650
Total Expenses	$ 23,080,734	$ 257,469,890
Net Income/(Loss)	$ 46,654,412	$ 36,145,956
Less Reserve for 2014	$ (43,000,000)	$ (43,000,000)
Net Income (Loss) for 2013	$ 3,654,412	$ (6,854,044)

Balance Sheet

Assets	
Bank Account	$ 60,461,222
State Treasury	$ 16,090,501
Receivable from Provider	$ -
Accounts Receivable	$ 3,720,060
Due from ASE	$ 450
Total Assets	$ 80,272,233
Liabilities	
Accounts Payable	$ 1,307
Due to ASE	$ -
Deferred Revenues	$ 1,976,454
Health IBNR	$ 28,000,000
RX IBNR	$ 1,800,000
Total Liabilities	$ 31,777,760
Net Assets	$ 48,494,472
Less Reserves Allocated:	
Active/Retiree Premiums for Plan Year 01/01/13 - 12/31/13 ($9,000,000)	$ (1,500,000)
Active/Retiree Premiums for Plan Year 01/01/14 - 12/31/14 ($43,000,000)	$ (43,000,000)
Catastrophic Reserve (2013 - $11,100,000)	$ (3,994,472)
Net Assets Available	$ 0

Public School Employees (PSE) Financials - January 1, 2014 through October 31, 2014								
	GOLD		SILVER		BRONZE		GRAND TOTALS	
	Employee Only	Plus Dependents	Employee Only	Plus Dependents	Employee Only	Plus Dependents	Employee Only	Plus Dependents
Actives	17057	20815	5241	8159	23094	42020	45392	70994
Retirees	1756	2022	160	177	1529	1915	3445	4114
Medicare	9592	10515					9592	10515
TOTAL	**28405**	**33352**	**5401**	**8336**	**24623**	**43935**	**58429**	**85623**

REVENUES & EXPENDITURES		
Funding	**Current Month**	**Year to Date (10 months)**
Per Participating Employee Funding (PPE Funding)	$ 8,281,925	$ 83,566,250
Employee Contribution	$ 10,025,529	$ 100,309,185
Department of Education $35,000.000 & $15,000,000	$ 6,931,818	$ 43,636,364
Other	$ 19,944,620	$ 21,559,333
Allocation for Actives - Plan Year 2014	$ 3,583,333	$ 35,833,333
Total Funding	**$ 48,767,226**	**$ 284,904,465**
Expenses		
Medical Expenses		
Claims Expense	$ 20,694,714	$ 167,663,198
Claims IBNR	$ -	$ -
Medical Administration Fees	$ 1,674,969	$ 16,217,490
Refunds	$ 2,372	$ (2,899)
Employee Assistance Program (EAP)	$ 78,099	$ 792,769
Pharmacy Expenses		
RX Claims	$ 4,938,470	$ 40,111,947
RX IBNR	$ -	$ (400,000)
RX Administration	$ 292,239	$ 3,206,873
Plan Administration	$ 401,364	$ 6,329,282
Total Expenses	**$ 28,082,228**	**$ 233,918,661**
Less Allocation for Plan Year 2015	**$ 20,000,000**	**$ 20,000,000**
Net Income/(Loss)	**$ 684,998**	**$ 30,985,805**

BALANCE SHEET	
Assets	
Bank Account	$ 36,681,827
State Treasury	$ 47,176,139
Receivable from Provider	$ -
Accounts Receivable	$ 3,545,605
Due from ASE	$ 142
Total Assets	**$ 87,403,713**
Liabilities	
Accounts Payable	$ 496
Due to ASE	$ -
Deferred Revenues	$ -
Due to Federal Government ($63 fee)	$ 2,318,242
Health IBNR	$ 28,000,000
RX IBNR	$ 1,400,000
Total Liabilities	**$ 31,718,738**
Net Assets	**$ 55,684,975**
Less Reserves Allocated:	
Premiums for Plan Year 1/1/14 - 12/31/14 ($43,000,000)	$ (7,166,667)
Catastrophic Reserve (2014 - $11,100,000)	$ (11,100,000)
Premiums for Plan Year 1/1/15 - 12/31/15 ($20,000,000 received from Dept of Education)	$ (20,000,000)
Net Assets Available	**$ 17,418,308**

Fifth Week of claims totaled: $4,998,079.64

State and Public School Life and Health Insurance Board
Drug Utilization and Evaluation Committee Report

The following report resulted from a meeting of the DUEC on November 3, 2014 with Dr. Kat Neill presiding.

1. Recommended Changes to Current Coverage

A. Delivery Coordination Workgroup Report: *by Dr. David Keisner, UAMS*

Drugs used in the treatment of Cancers and non-cancer drugs were reviewed by the DCWG and a report made to the DUEC on November 3rd. Recommendations from this report are outlined below.

	Current Coverage	**Proposed Coverage for 2015**
Hyaluronate Injections:		
Monovisc, Gel-One, Synvisc-One	Unrestricted through Pharmacy and Medical	PA through Medical Benefit only. QL of 1 per 6 months.
Synvisc, Euflexxa, Hyalgan, Orthovisc, Supartz	Unrestricted through Pharmacy and Medical	Exclude *Patients in process of treatment course may complete course. 90 days communication to provider network.
Systemic Lupus Erythematosus (SLE)		
Benlysta (belimumab)	-Medical Gold and Bronze-Unrestricted -Medical Silver-Excluded -Pharmacy-PA	-Exclude with 90 days notice to existing users -Exclude with 90 days notice to existing users -Exclude with 90 days notice to existing users
Refractory peripheral T Cell Lymphoma		
Beleodaq (belinostat)	New Drug	Exclude (new courses with 90 day communication to providers) – Code 1
Folotyn (pralatrexate)	Unrestricted Medical	Medical PA through EBRx
Istodax (romidepsin)	Unrestricted Medical	Medical PA through EBRx
Adcetris (brentuximab)	Medical PA through EBRx	Medical PA through EBRx
Metastatic Melanoma		
Keytruda (pembrolizumab)	New Drug	Exclude – Code 1

	Current Coverage	Proposed Coverage for 2015
Topical Medications for Herpes Labialis		
Zovirax Cream - $732 (5g tube)	Unrestricted Pharmacy	Excluded
Acyclovir Ointment	Unrestricted Pharmacy	Excluded
Sitavig (acyclovir buccal tablet) - $375/2 tabs	Excluded	Excluded
Denavir (penciclovir) - $115 (1.5 g tube)	Unrestricted Pharmacy	Excluded
Valacyclovir - $50 (4 tabs)	Unrestricted Pharmacy	Unrestricted Pharmacy
Acyclovir - $54 (25 tabs)	Unrestricted Pharmacy	Unrestricted Pharmacy
Famciclovir - $61 (tx course)	Unrestricted Pharmacy	Unrestricted Pharmacy
Abreva (OTC) - $16.77	Excluded	Excluded *90 day communication

2. New Drugs: *by Dr. Jill Johnson, UAMS*
Johnson reported on new drugs. The review covered products released June – September 2014.

Recommended Additions:

BRAND Name	GENERIC name	PRICING (AWP)	INDICATION	SIMILAR THERAPIES ON FORMULARY/AWP	CODE*
PURIXAN SUSPENSION	MERCAPTOPURINE 20MG/ML SUSPENSION	$1,038/100ML BOTTLE	For treatment of patients with acute lymphoblastic leukemia. Only oral suspension of mercaptopurine.	Generic mercaptopurine 50mg tabs= $2.08/tab	Cover w/ age edit (age 7 and younger)
ISENTRESS POWDER (specialty drug)	TEGRAVOR PACKET FOR SUSP 100MG	$337/box of 60	NEW DOSAGE FORMULATION- for treatment for HIV infection	Same price as 100mg chewable tab (currently excluded by plan). Isentress 400mg tab - covered w/PA-specialty tier	T4 w/ age edit (age 2 and younger)
CYCLOPHOSPHAMIDE CAPS (specialty drug)	cyclophosphamide	$7.59/25mg cap and $13.94/50mg cap	new dosage formulation - 25 and 50mg caps.	(T1) - cyclophosphamide tablets - $2.78/25mg tab and $5.11/50mg tab	T2
SIVEXTRO 200mg	tedizolid phosphate tabs	$2,124/6 days	For treatment of skin and skin structure infections due to gram-positive organisms. Dose=200mg by mouth every day for 6 days	(T3 w/PA) - Zyvox - $3,072/10 days	T3 PA
STRIVERDI AER RESPIMAT	olodaterol HCl inhal aerosol	$168/inhaler	for the long-term, once-daily maintenance bronchodilator treatment of airflow obstruction in patients with chronic obstructive obstructive pulmonary disease (COPD), including chronic bronchitis and/or emphysema. Dose: 2 inhalations once daily	FORADIL - (T2) and requires ST- $265. SEREVENT DISKUS - (T2) and requires ST-$265. PERFOROMIST - (T3) and requires ST-$673.	T2 (Step edit for Asthma)

Recommended Additions (continued):

BRAND Name	GENERIC name	PRICING (AWP)	INDICATION	SIMILAR THERAPIES ON FORMULARY/AWP	CODE *
TRIUMEQ TABS (specialty)	abacavir-dolutegravir-lamivudine	$2,648/30 days	For treatment of HIV infection. Once daily single pill regimen	Other once daily single pill regimen: Stribild ($2,940/30 days) and Atripla ($2,460/30 days)	T4
SOMAVERT INJ (specialty)	pegvisomant	------	New dosage strength - Treatment of acromegaly	Other strengths covered as Tier 4	T4
Entyvio Inj 300 mg (integrin receptor antagonist) Specialty Drug (TABLED in August)	Vedolizumab	$5,782/300mg	For adults patients with moderately to severely active ulcerative colitis or Crohn's disease who have had an inadequate response with, lost response to, or were intolerant to a TNF blocker or immunomodulator; or had an inadequate response with, were intolerant to, or demonstrated dependence on corticosteroids. Dose=300 mg IV at 0, 2, and 6 weeks, then every 8 weeks thereafter.	Humira 40 mg SC injection every other week/$3,002;Cimzia 400 mg SC injection every 4 weeks/$3,322. Remicade dose based on wt and administered by IV infusion/$1062 for 100 mg vial. All specialty drugs.	T4PA

Recommended Exclusions:

BRAND Name	GENERIC name	PRICING (AWP)	INDICATION	SIMILAR THERAPIES ON FORMULARY/AWP	CODE *
EVZIO INJECTION	Naloxone 0.4 mg/0.4mg auto-injector	$700/2 injectors	A take-home naloxone auto-injector for the emergency treatment of known or suspected opioid overdose, manifested by a respiratory and/or CNS depression	Generic naloxone 0.4 mg/ml amp AWP range $1-$25/amp	9 & 13
QUDEXY XR CAPSULES	topiramate cap extended-release 24 hour sprinkle	Per cap AWP: 25mg$5.63;50 mg/$7.36;100 mg/$14.60;200mg/$19.96	Treatment of partial onset, generalized primary tonic-clonic seizures and as an adjunct therapy in Lennox-Gastaut syndrome	generic immediate-release topiramate sprinkle caps: $2.89	13
JUBLIA SOLUTION 10%	efinaconazole soln 10%	$538/4ml bottle	Treatment of onychomycosis of the toenail	(T1)- terbinafine 250mg($30/month) (T1)-itraconazole-200mg ($500/month) . Ciclopirox nail lacquer ($165/bottle)-excluded by plan	13
KERYDIN SOLN 5%	tavaborole 5% solution	$538/4ml bottle	Treatment of onychomycosis - applied to the affected toenail(s) once daily for 48 weeks.	(T1)- terbinafine 250mg($30/month) (T1)-itraconazole-200mg ($500/month) . Ciclopirox nail lacquer ($165/bottle)-excluded by plan	13

Recommended Exclusions (continued):

BRAND Name	GENERIC name	PRICING (AWP)	INDICATION	SIMILAR THERAPIES ON FORMULARY/AWP	CODE *
OVACE PLUS LOTION	sulfacetamide sodium lotion 9.8%	$509/57 gm bottle	For treatment of seborrrheic dermatitis and seborrhea sicca (dandruff)	(T1) - Sulfacetamide sodium lotion 10% - $109/bottle	13
VEXA PAD 2-4-30%	allantoin-lidocaine-petrolatum patch	$602/box of 15 patches	Uses include: scar management, temporarily protects minor cuts, scrapes, burns and temporarily relieves pain associated with minor cuts, scrapes, and minor skin irritations. According to Daily Med: this product has not been found by FDA to be safe and effective and this labeling has not been approved by FDA.	n/a	13
RASUVO INJECTION	methotrexate solution PF auto-injector for subcutaneous administration	$134/pen	Management of patients with severe, active rheumatoid arthritis & active polyarticular juvenile idiopathic arthritis, who are intolerant of or had an inadequate response to, first-line therapy and symptomatic control of severe, recalcitrant, disabling psoriasis in adults who are not adequately responsive to other forms of therapy.	Otrexup (methotrexate soln PF Auto-injector for subcutaneous administration)- $164/pen and is currently excluded by the plan. Methotrexate inj 25mg/ml for deep IM administration - $4.	13
INVOKAMET	canagliflozin & metformin	$373/30 days	for the treatment of Type 2 diabetes in combination with diet and exercise. INVOKANA (canagliflozin) is a sodium-glucose co-transporter 2(SGLT2) inhibitor. Ivokamet is dosed twice daily.	INVOKANA is currently a plan exclusion.	13
JARDIANCE	empagliflozin	$360/month	for the treatment of Type 2 diabetes in combination with diet and exercise. JARDIANCE is a SGLT2.	INVOKANA ($374/30days) is currently excluded	13
NORTHERA (SPECIALTY DRUG)	droxidopa	$1,690-$10,144/month	for the treatment of orthostatic dizziness, lightheadedness, or the "feeling that you are about to black out" in adult patients with symptomatic neurogenic orthostatic hypotension caused by primary autonomic failure (Parkinson's disease, multiple system atrophy, and pure autonomic failure), dopamine beta-hydroxylase deficiency and non-diabetic autonomic neuropathy. Dose is 300-1800mg/day.	Midodrine (T1) (10mg by mouth three times a day)- $435/30 days.	13
Acticlate	doxycycline 75mg and 150 mg	$26/tab	Tetracycline-class antibacterial indicated for the treatment of a number of infections, including adjunctive therapy in severe acne	Doxycycline 100mg caps = $0.25	13

Recommended Exclusions (continued):

BRAND Name	GENERIC name	PRICING (AWP)	INDICATION	SIMILAR THERAPIES ON FORMULARY/AWP	CODE*
Cardelga Caps (specialty)	eliglustat 84mg	$510/84mg cap			13
ABSORICA 25mg and 35mg caps	isotretinoin caps	$926/month	For treatment of acne vulgaris/cystic acne	no other 25 or 25mg isotretinoin caps	Exclude -13 along with all other strengths of Absorica and 90 days notice
BUNAVAIL	buprenorphine-naloxone buccal film	$253-$506/box of 30	Treatment of opiate agonist dependence		13
REVATIO SUSPENSION 10MG/ML (specialty)	sildenafil for suspension	$5,500/112 ml bottle	new dosage formulation. For treatment of pulmonary hypertension	Other REVATIO formulations covered as tier 4	13
UTA CAPS 120MG	methenamine/hyoscyamine/methblue/sod phos caps	$3.71/tab	For treatment of urinary tract infections	Uribel ($2.71/tab) and Ustell ($2.41/tab) covered as T3	Exclude – 13 along with existing 120mg UTA and 90 days notice
Ferric Citrate		$1,010/200	Management of hyperphosphatemia in patients with chronic kidney disease on dialysis. Max dose: 12 tabs/day		13
RUCONEST INJECTION (specialty drug)	C1 esterase inhibitor (recombinant)	$5,700/unit	For IV administration for treatment of angioedema. Patients may self-administer after appropriate training under the guidance of healthcare professional		exclude – 13 from pharmacy benefit only

3. Discussion point for Board clarification

The DUEC requests clarification for coverage of medically administered oncology drugs. Currently, these drugs may be covered under the Medical benefit before review by the DCWG. The Board may continue this process or may recommend adoption of the process employed by the Pharmacy benefit in which any new drugs are "not covered/excluded" until review and placement in the formulary structure.

4. EBD report on plan cost YTD

EBD report reflects plan spend for first 9 months of 2014 is $22 million less than the first 9 months of 2013.

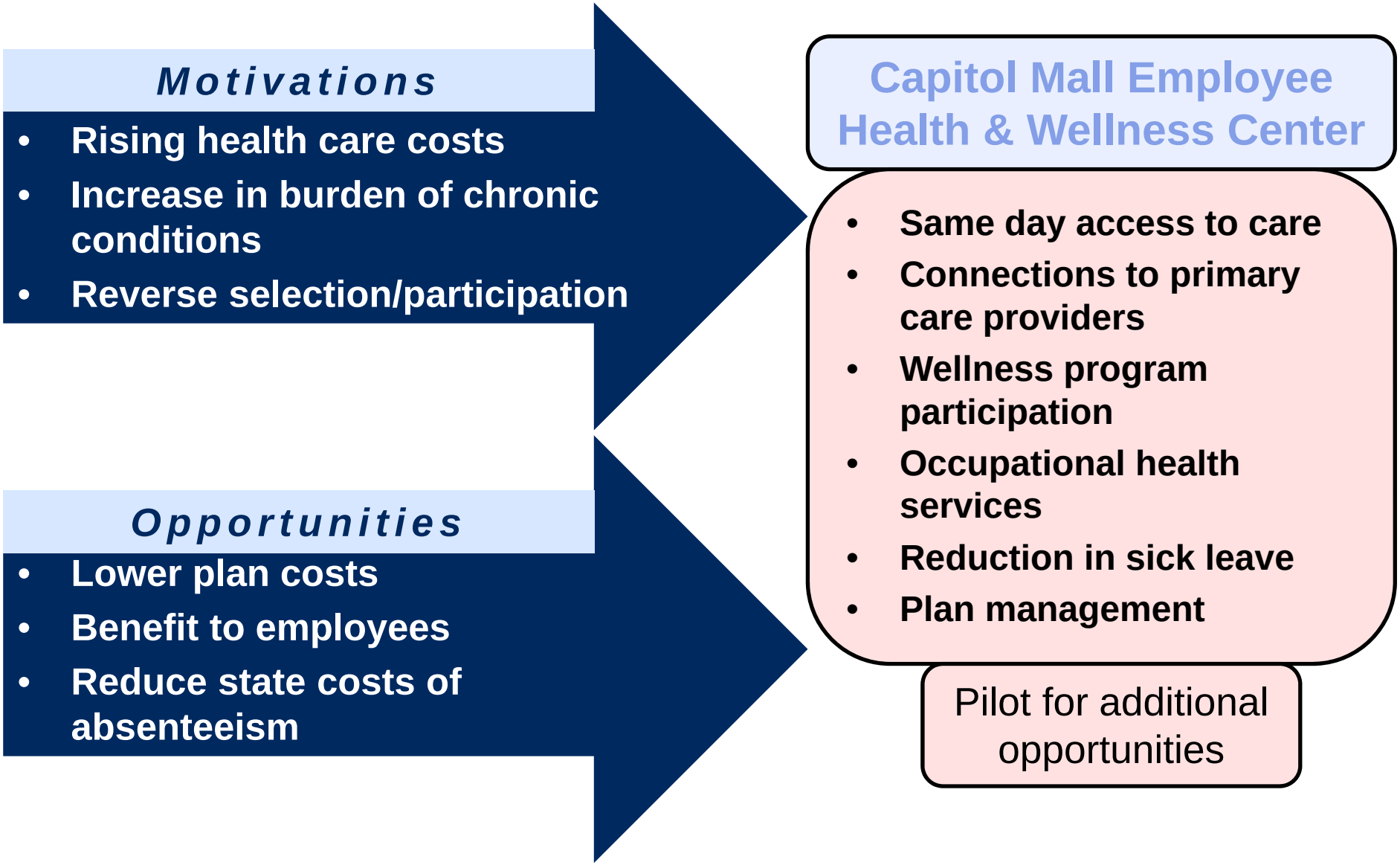
Respectfully submitted,

Kathryn Neill, PharmD
Chair, DUEC

***New Drug Code Key:**

1	Lacks meaningful clinical endpoint data; has shown efficacy for surrogate endpoints only.
2	Drug's best support is from single arm trial data
3	No information in recognized information sources (PubMed or Drug Facts & Comparisons or Lexicomp)
4	**Convenience Kit Policy** - As new drugs are released to the market through Medispan, those drugs described as "kits" will not be considered for inclusion in the plan and will therefore be excluded products unless the product is available solely as a kit. Kits typically contain, in addition to a pre-packaged quantity of the featured drug(s), items that may be associated with the administration of the drug (rubber gloves, sponges, etc.) and/or additional convenience items (lotion, skin cleanser, etc.). In most cases, the cost of the "kit" is greater than the individual items purchased separately.
5	**Medical Food Policy** - Medical foods will be excluded from the plan unless two sources of peer-reviewed, published medical literature supports the use in reducing a medically necessary clinical endpoint. A medical food is defined below: A medical food, as defined in section 5(b)(3) of the Orphan Drug Act (21 U.S.C. 360ee(b)(3)), is "a food which is formulated to be consumed or administered enterally under the supervision of a physician and which is intended for the specific dietary management of a disease or condition for which distinctive nutritional requirements, based on recognized scientific principles, are established by medical evaluation." FDA considers the statutory definition of medical foods to narrowly constrain the types of products that fit within this category of food. Medical foods are distinguished from the broader category of foods for special dietary use and from foods that make health claims by the requirement that medical foods be intended to meet distinctive nutritional requirements of a disease or condition, used under medical supervision, and intended for the specific dietary management of a disease or condition. Medical foods are not those simply recommended by a physician as part of an overall diet to manage the symptoms or reduce the risk of a disease or condition, and all foods fed to sick patients are not medical foods. Instead, medical foods are foods that are specially formulated and processed (as opposed to a naturally occurring foodstuff used in a natural state) for a patient who is seriously ill or who requires use of the product as a major component of a disease or condition's specific dietary management.
6	**Cough & Cold Policy** - As new cough and cold products enter the market, they are often simply re-formulations or new combinations of existing products already in the marketplace. Many of these existing products are available in generic form and are relatively inexpensive. The new cough and cold products are branded products and are generally considerably more expensive than existing products. The policy of the ASE/PSE prescription drug program will be to default all new cough and cold products to "excluded" unless the DUEC determines the product offers a distinct advantage over existing products. If so determined, the product will be reviewed at the next regularly scheduled DUEC meeting.
7	**Multivitamin Policy** - As new vitamin products enter the market, they are often simply re-formulations or new combinations of vitamins/multivitamins in similar amounts already in the marketplace. Many of these existing products are available in generic form and are relatively inexpensive. The new vitamins are branded products and are generally considerably more expensive than existing products. The policy of the ASE/PSE prescription drug program will be to default all new vitamin/multivitamin products to "excluded" unless the DUEC determines the product offers a distinct advantage over existing products. If so determined, the product will be reviewed at the next regularly scheduled DUEC meeting.
8	Drug has limited medical benefit &/or lack of overall survival data or has overall survival data showing minimal benefit
9	Not medically necessary
10	Peer-reviewed, published cost effectiveness studies support the drug lacks value to the plan.
11	**Oral Contraceptives Policy** - OCs which are new to the market may be covered by the plan with a zero dollar, tier 1, 2, or 3 copay, or may be excluded. If a new-to-market OC provides an alternative product not similarly achieved by other OCs currently covered by the plan, the DUEC will consider it as a new drug. IF the drug does not offer a novel alternative or offers only the advantage of convenience, it may not be considered for inclusion in the plan.
12	Other
13	Insufficient clinical benefit OR alternative agent(s) available

Motivations and Opportunities



EBD & UAMS Partnership

- Efficiency of urgent care tied in with health outcomes of a patient-centered medical home
- Pilot for highly-concentrated workforce intended to serve as a model for other areas
- UAMS' mission to take care of the health needs of Arkansans and increase access
- Maximize effectiveness, minimize expenses
- More comprehensive services than "minute clinics" yet still highly accessible and convenient
- Foster support for state initiatives (PCMH, SHARE, etc).

Evidence

- Growing trend in private sector
- 37% of companies with >5,000 employees on/near site have some form of clinic
- Can help manage growing costs of chronic conditions
- Value and savings come from:
  - Improved employee health
  - Improved productivity (absenteeism/presenteeism)
  - Early intervention/management of chronic conditions
- Examples: Nabholz Construction, Alabama and Indiana state employee benefit programs, PepsiCo, and more

Clinic Operational Concept

- Located in Capitol Mall area to provide convenient access
  - State employee EBD members should be able to enter the clinic, receive care, and return to work (if well enough), without excessive time away from their workplace
    - Target: 85% of EBD-State Employees members seen within 60 minutes
  - Curb workplace-shared illnesses
  - Increase engagement in new and existing wellness benefits (biometric screenings, health coaching, etc.)

- Staffed by UAMS clinicians and professional support staff

- Connect with primary care providers to enable team-based care management

- UAMS to procure and manage operations of clinic location

External Benefits

- Benefit to employees
  - E-mail survey to state employees in April, 2014 showed high interest
- Minimize staff time away from office or workplace
- Triage and minimize impact of workplace illnesses
- Foster support for state-based initiatives

Clinic Costs

- UAMS making capital investment
  - As well as: procuring and setting up location, staffing, marketing, etc.

- Cost sharing based on claims revenue
  - ie: 80% of total costs, minus claims revenue
    - Total costs = $1,500,000
    - 80% = $1,200,000
    - Claims revenue = ~$600,000
    - EBD Investment = $600,000

- Target EBD investment (excluding claims) over 5 years: ~$1.8m
  - TBD: potential shift in UAMS business between locations

Timeline

- State Agency Agreement – Fall 2014
- Operational and Strategic Planning – Ongoing/Spring 2015
- Open Capitol Mall location – Summer 2015
- Evaluate additional locations/opportunities – Ongoing/Spring 2016

Potential Engagement Strategies

- Grand opening event
- Marketing campaign
- Health Insurance Representatives at state agencies
- State Agency Leaders Meeting
- Member-directed communication
- More strategies to be developed

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