AGENDA

State and Public School Life and Health Insurance Board

August 22, 2017

1:00 p.m.

EBD Board Room – 501 Building, Suite 500

I.	*Call to Order*	*Dr. John Kirtley, Stand-In Chair*
II.	*Approval of June 20, 2017 Minutes*	*Dr. John Kirtley, Stand- In Chair*
III.	*ASE-PSE June & July Financials*	*Marla Wallace, EBD Fiscal Officer*
IV.	*DUEC Report*	*Scott Pace, APA*
V.	*Benefits Sub-Committee Report*	*Shelby McCook, Board Member*
VI.	*Quality of Care Report.*	*Izzy Whittington, Mike Motley, ACHI*
VII.	*Wellness Report*	*Dr. John Vinson, Wellness & Quality Committee Member*
VIII.	*Director's Report*	*Chris Howlett, EBD Executive Director*

Upcoming Meetings

September 19, 2017, October 17, 2017, November 21,2017

NOTE: All material for this meeting will be available by electronic means only

Notice: Silence your cell phones. Keep your personal conversations to a minimum.

STATE AND PUBLIC SCHOOL LIFE AND HEALTH INSURANCE BOARD MEETING MINUTES

174rd meeting of the State and Public School Life and Health Insurance Board (hereinafter called the Board), met on August 22, 2017 at 1:00 p.m. in the EBD Board Room, 501 Woodlane, Suite 500, Little Rock AR 72201.

Date | *time* 8/22/2017 1:00 PM | *Meeting called to order by* John Kirtley, Stand-In Chair

Attendance

Members Present

Dr. Andrew Kumpuris
Shelby McCook
Katrina Burnett
Renee Mallory - Chair – Proxy – Robert Brech
Lori Freno-Engman
Robert Boyd
Dr. John Kirtley
Carla Haugen
Janis Harrison
Chris Howlett, EBD Executive Director, Employee Benefits Division

Members Absent

Dr. Joseph Thompson – Vice Chair
Dr. Tony Thurman

OTHERS PRESENT:

Dwight Davis, Geri Bemberg, Caleb McClain, Jill Johnson, UAMS; Eric Gallo, Terri Freeman, Matt Turner, Marla Wallace, Gretchen Baggett, Laura Thompson, Ellen Justus, Shalada Toles, Jessica Beck, Sherry Bryant, Tyronda Tillman, Rhoda Classen; EBD; Kristi Jackson, Jennifer Vaughn, ComPsych; Vicki Slay, Arkansas Secretary of State; Sylvia Landers, Eileen Wider, Securian/Minnesota Life; Karyn Langley, QualChoice; Andy Davis, Arkansas Democrat-Gazette; Marc Watts, ASEA; Sandra Wilson, ActiveHealth; David Kizzia, AEA; Takisha Sanders, Jessica Akins, Health Advantage; Randy Loggins, Mike Motley, Elizabeth Whittington, ACHI; Marc Bagby, LILLY; Sean Seago, Merck; Scott Yielding, DPAS; Jackie Baker, ASP; Daniel Faulkner, Attorney General Office; Robyn Keene, AAEA; Lauren Brakebill, AHTD; Richard Ponder, J & J; Imi Myers, Harding University; Will Cottrell, DHS; Shelley Smith, Teacher; Aaron Shaw, BI; John Vinson, APA; Donna Morey, ARTA; Wayne Whitley, Ronda Walthall, ARDOT; Greg Jones, MTI; Stephen Carroll, AllCare Specialty; Mary Leath, ASBP/PA; Morril Harriman, M & W; Richard Ponder, J & F; Jan Bartlett, DFA

Approval of Minutes by: Dr. John Kirtley, Chair

Kirtley asked for a motion to approve the June 20, 2017, minutes.

Kumpuris motioned for adoption of the minutes. Haugen seconded; all were in favor.

Minutes approved.

Financials by: Marla Wallace, EBD Fiscal Officer

Wallace reported financials for June and July 2017.
For June PSE, six (6) weeks of medical and pharmacy claims were paid. FICA savings was $516,000 for the month. We do not have any Department of Education funding in June. There was a net loss of $11.5 million for the month and a net gain of $24.67 million year-to-date. The factors contributing to the monthly loss were not getting any Department of Education funding this month and the fifth and six weeks of claims which are $10.88 million. Net assets available are $56.7 million.

For July PSE, three (3) weeks of medical and pharmacy claims were paid. FICA savings was $501,000 for the month. A new law took effect where the Department of Education funds the $35 million on 12 equal installments instead of 11 and we will get the $20 million in twelve installments instead of one lump sum. We also have the quarterly payment where we received $8.33 million from the Department of Education. We had to pay the PCORI fee mandated by the Affordable Care Act which was $195,000. There was a net gain of $13.9 million for the month and $38.6 million year-to-date. We added new reserves for years '18, '19, and '20. We added $660,000 for '18, $396,000 for '19, and $264,000 for '20. Net assets available are $68.8 million.

For ASE for the month of June, six (6) weeks of medical and pharmacy claims were paid. ASE had additional revenues for the month which included the FICA savings available for transfer to the ASE Trust Fund of $4.7 million and two months of Medicare Part D booked in the amount of $994,000. The fifth and sixth weeks of claims totaled 8.7 million. Net assets available are $35.4 million.

For ASE for the month of July, three (3) weeks of medical and pharmacy claims were paid. The net gain was $10.2 million for the month and $35.07 million year-to-date. Our plan administration costs included the PCORI fee which totaled $137,000. We added new reserves for premiums in years '18, '19, and '20 totaling $9.42 million. We added $4.7 million for '18, $2.8 million for '19, and $1.884 million for '20. Net assets available are $36.2 million.

DUEC Report by: Dr. Hank Simmons and Dr. Geri Bemberg, UAMS

I. Delivery Coordination Workgroup Report

	Current Coverage	Proposed Coverage
Macular Edema		
Eylea (aflibercept)	Covered medical	Cover, medical PA
Lucentis (ranibizumab)	Covered medical	Exclude
Avastin (bevacizumab)	Covered medical	No change, cover medical

The committee also reviewed 3 new indications for Keytruda (pembrolizumab): Hodgkin lymphoma, microsatellite instability high cancers, and urothelial carcinoma.

Harrison made a motion to approve the recommendations for the Macular Edema drugs. Haugen seconded.

Motion Approved.

II. 2nd review of Drugs

Dr. Bemberg reviewed and made recommendations for the following medications.

A. Rosuvastatin: Dr. Bemberg reviewed Rosuvastatin.

Recommendation: Remove PA.

B. Tobacco Cessation Program: Dr. Bemberg reviewed the plan's current setup for the Tobacco Cessation Program. She made a recommendation based on the latest evidence from the US Preventive Services Task Force to continue covering nicotine patches, bupropion (Zyban), and Chantix for smoking cessation. She also shared with the committee that she would be presenting at Benefits regarding the current lifetime limit on the tobacco cessation program. The committee weighed in that they believed there should not be a lifetime limit on enrollment in the program, however, they do believe the proper steps need to be taken to ensure that the plan is protected from diversion of the products. They also suggested lengthening each enrollment to 6 months.

McCook moved to approve the removal of the PA on Rosuvastatin. Kumpuris seconded.

Motion Approved.

Brech made a motion to approve the tobacco cessation.

McCook would like to table the tobacco piece until later in discussion

Brech withdrew his motion.

III. Multiple Sclerosis Strategy

	Route	EBD 2017 Pharmacy Q2 Utilizers	2017 Q2 Pharmacy cost	2017 08 01 EBD Current Coverage	Propose for EBD
Alemtuzumab (Lemtrada®, Sanofi Genzyme)	IV Inf	0	0	T4PA	T4PA
Ocrelizumab (Ocrevus®, Genentech)	IV Inf	0	0	New	Not covered; covered only for PPMS, T4PA
Rituximab (Rituxan®, Genentech)	IV inf	medical	medical	T4PA	T4PA
Daclizumab (Zinbryta®, Biogen and AbbVie)	SC	0	0	Excluded	Exclude
Natalizumab (Tysabri®, Biogen)	IV Inf	1	$17,142.37	T4 pharmacy, also covered on medical	T4PA
Dimethyl fumarate (Tecfidera®, Biogen)	PO	15	$224,555.00	T4PA, QL	T4PA, QL

Peginterferon β-1a (Plegridy®, Biogen)	SC	0	0	T4PA	Exclude
Interferon β-1b (Betaseron®, Bayer OR EXTAVIA, Novartis)	SC	0	0.00	T4PA	T4PA Extavia
(Betaseron)	SC	6	$112,559.24		Exclude
Fingolimod (Gilenya®, Novartis)	PO	15	$348,722.63	T4PA	Exclude
Teriflunomide (Aubagio®, Sanofi Genzyme)	PO	17	$285,989.28	T4PA, QL	T4PA, QL
Interferon β-1a (Rebif®, EMD Serono)	SC	8	$164,541.26	T4PA	Exclude
Glatiramer acetate (Copaxone®, Teva)	SC			Excluded	Exclude
Glatiramer acetate (Glatopa)	SC	35	$498,009.44	T4PA	T4PA, QL
Interferon B-1a (Avonex)	SC	8	$267,872.00	T4PA	Exclude
Interferon β-1a (Rebif®, EMD Serono)	SC	1	$12,722.95	T4PA	Exclude
Teriflunomide (Aubagio®, Sanofi Genzyme)	PO	3	$58,502.80	T4PA, QL	Exclude
Glatiramer acetate (Copaxone®, Teva)	SC	0	$0.00	Excluded	Exclude

Kumpuris asked who prescribes these drugs, and is there a restriction on who can prescribe these medications.

Dr. Bemberg responds none that she is currently aware of. These recommendations were discussed at length by Dr. Johnson with Dr. Archer at UAMS to get his opinion.

Dr. Kumpuris states that with the complexity of these drugs and their interactions would almost dictate that they should only be prescribed by people that have some type of certification or expertise in this area.

Dr. Kirtley asked if all the drugs that we are now going to cover available in Arkansas.

Dr. Bemberg is not certain, but she can research and get that information to the Board.

McCook motioned to approve the recommendation made on the chart. Boyd seconded.

McCook stated that there are people listed who have been using these drugs that will be excluded. What will our process with those people?

Dr. Simmons reported that the request will be that the Board allow grandfathering of all current

utilizers of the various drugs.

Harrison stated that Dr. Kirtley had a concern about these that would not be offered in Arkansas.

Dr. Kirtley reported that there are people coming from out of state to be able to ship into Arkansas for drugs that we hear repeatedly that a patient wants to get it within the state, the drug companies will not allow local pharmacies or specialists to carry it. They will distribute directly to a physician but they don't want to handle it, they want to refer to a pharmacy.

Dr. Kirtley's concern with this Board would be,are we excluding drugs that may be close to equal that are available in the state versus preferring drugs that are not available in the state.

Dr. Kumpuris asked how much the plan will save.

Dr. Johnson responded that the plan will save nothing. The people already on those will get to continue. For the new users we would have available the drugs proposed.

Dr. Kirtley asked how much do we project to save on these new drugs going forward.

Dr. Johnson stated that she doesn't know how many new MS patients would be present.

Dr. Kumpuris inquired if the analysis was based on effectiveness instead of cost saving.

Dr. Johnson responded that we are not proposing a lot of cost saving because we are grandfathering. We are still trying to be good stewards in the future with our money in a clinically sound way.

Dr. Kirtley inquired on if we think this is a better plan but not enough to make people switch.

Dr. Johnson stated that much like TIMs we didn't want someone to end up with an exasperation, in the hospital, or with an irreversible disability. If they are currently stable, then they should continue.

Dr. Kumpuris inquired about a patient that sees others on the drug, but she can't get on the drug. What do we say to her?

Dr. Bemberg stated that those are people that were on that drug before it was excluded, and they were grandfathered. However, at the time that the drug was excluded we saw no reason to continue coverage, but this is something similar that we do cover.

Dr. Kumpuris inquired that we are not telling them what to prescribe, but you are telling them what they can't prescribe.

Dr. Simmons stated that they can prescribe what they want but we are simply telling you that there are certain things that the plan will fund. There are certain reasons why the Board has made those decisions.

Dr. Kumpuris responded that they can prescribe what they want but we won't pay for those drugs.

Dr. Simmons stated that just because the drug is helping someone doesn't mean that it will help the next person.

Dr. Kumpuris responded that would be between the patient and their physician, not the plan. We should not cover something for some, if we cover something, we should cover it for everyone.

Boyd stated we use that practice as a standard operating procedure almost all the time, when we make a switch, we continue to honor what we had in the past for those people, but going forward this is the new standard.

Dr. Kumpuris asked if we have been grandfathering in the past.

Dr. Johnson responded that we did in the past with TIMs.

Howlett inquired if this would be something that we are trying to bridge the gap. Is this something that we could consider grandfathering until we find something that would work. Could we do something in between where we are giving them time to find something else that the plan would pay for.

McCook stated that this sounds like an appeal process. This can be trouble because it gets abused and hard to manage.

Howlett responded that there is an act (Act 815) that went into effect 8-1 that we need to verify dealing with prior authorizations. If there is a PA that has already been established, we may not be able to exclude that.

Dr. Bemberg asked if we would like to table this until later.

McCook would like to move to table his motion until the September meeting so that research can be done. Harrison seconded.

Motion Approved.

IV. ACA Update

Statin	Dose, mg			Current Coverage	Proposed Coverage
	Low	Moderate	High		
Atorvastatin		10-20	40-80	Tier 1	10-20: PA, $0 40-80: Tier 1
Fluvastatin	20-40	40 BID		RBP	RBP
Fluvastatin XL		80		RBP	RBP
Lovastatin	10-20	40		Tier 1	PA, $0
Pitavastatin	1	2-4		Excluded	Excluded
Pravastatin	10-20	40-80		Tier 1	PA, $0
Rosuvastatin		5-10	20-40	Tier 1	5-10: PA, $0 20-40: Tier 1
Simvastatin	10	20-40	80	Tier 1	10-40: PA, $0 80: Tier 1

Recommendation:

- Cover statins as noted in the “Proposed Coverage” column.
    - Low-moderate strength statins currently in Tier 1 will move to $0, PA, and QL
    - High-dose statins currently in Tier 1 will remain in Tier 1
    - RBP statins will remain RBP
    - Excluded statins will remain excluded
- PA will be good for 5 years.

Dr. Kirtley inquired if you don’t meet the criteria, you don’t need the drug.

Dr. Bemberg responded no, you could have CVD and not meet the criteria. We're simply saying the only way we will offer it for a $0 copay, to be in line with the USPSTF recommendations, is they only address primary prevention of CVD.

McCook asked why we don't have a choice to cover them with a $0 copay?

Dr. Bemberg stated that the Affordable Care Act requires the plan to cover any USPSTF recommendation with an A or B recommendation.

McCook motioned to approve the recommendations. Harrison seconded.

Motion Approved.

V. New Drugs

Dr. Jill Johnson reported on new drugs. The review covered products released December 5, 2016 – February 27, 2017.

A. Recommended Additions

1. Nonspecialty Medications

BRAND NAME	GENERIC NAME	PRICING (AWP)	INDICATION	SIMILAR THERAPIES ON FORMULARY	DUEC VOTE
Synjardy XR	empagliflozin/metformin 5-1000mg, 10-1000mg, 12.5-1000mg, 25-1000mg ER tabs	$8.61-$17.22/tab	Diabetes, Type II	Synjardy covered Tier 2 PA (rebated)	T2PA
Stamaril	yellow fever vaccine live/PF	$168.79	Yellow fever prevention		T3

2. Specialty Medications

BRAND NAME	GENERIC NAME	PRICING (AWP)	INDICATION	SIMILAR THERAPIES ON FORMULARY	DUEC VOTE
Dupixent	dupilumab 300mg/2mL	$1,707.70/syringe	Atopic dermatitis	Some agents covered T2/T4 w/ PA	T4PA
Ocrevus	ocrelizumab 300mg/10mL	$19,500/vial	Multiple sclerosis, relapsing or progressive	Covered MS agents at Tier 4 w/PA	Cover, PA medical
Tepadina	thiotepa 100mg	$7,200/vial	Antineoplastic		NA Medical
Kevzara	sarilumab 150mg/1.14mL, 200mg/1.14mL	$1,800/syringe	Rheumatoid arthritis	Some agents covered T2/T4 w/ PA	T4PA, revisit TIMs

B. Recommended Exclusions

1. Nonspecialty Medications

BRAND NAME	GENERIC NAME	PRICING (AWP)	INDICATION	SIMILAR THERAPIES ON FORMULARY	DUEC VOTE
Xermelo	telotristat etiprate 250mg tablet	$73.77/tab	Carcinoid syndrome diarrhea	loperamide available OTC; diphenoxylate-atropine available T1 (MAC)	Exclude, code 1
Locort	dexamethasone 1.5mg dose packs	$7.54-$8.28/tab	Multiple indications	Dexamethasone tabs available in multiple strengths T1 (MAC)	Exclude, code 13

BRAND NAME	GENERIC NAME	PRICING (AWP)	INDICATION	SIMILAR THERAPIES ON FORMULARY	DUEC VOTE
Zonacort	dexamethasone 1.5mg dose packs	$17.56-$25.92/tab	Multiple indications	Dexamethasone tabs available in multiple strengths T1 (MAC)	Exclude, code 13
Rhofade	oxymetazoline 1% cream	$570/tube	Rosacea	generic metronidazole cream & gel available T1; Finacea available T3	Exclude, code 13
Paingo KFT	lidocaine-prilocaine-methyl salicylate-menthol 2.5%-2.5%	$1,495/tube		lidocaine creams available T1 (MAC)	Exclude, code 13
Motofen	difenoxin HCl/atropine sulfate 1-0.025mg tablet	$8.25/tablet	Diarrhea	loperamide available OTC; diphenoxylate-atropine available T1 (MAC)	Exclude, code 13
Kovanaze	tetracaine HCl/oxymetazoline 6-0.1mg/0.2		Dental anesthesia		Exclude, code 13
Arymo ER	morphine sulfate 15mg, 30mg, 60mg tablets	$5.18-$20.76/tab	Pain management	generic morphine available T1	Exclude, code 13
Morphabond ER	morphine sulfate 15mg, 30mg, 60mg, 100mg tablets	$6.48-$33.96/tab	Pain management	generic morphine available T1	Exclude, code 13

AirDuo Respiclick	fluticasone/salmeterol 55-14mcg, 113-14mcg, 232-14mcg	$342	Asthma	Same active ingredients as Advair. Rebated category. Covered agents: Dulera, Symbicort Tier 2. Advair Diskus 100-50 covered for kids.	Exclude, code 13
Tranzarel	lidocaine HCl 4% gel	$577.06/tube	Topical anesthesia	Multiple lidocaine products & strengths available Tier 1 (MAC)	Exclude, code 13
Xadago	safinamide mesylate 50mg, 100mg tab	$26.80/tab	Parkinson disease	rasagiline Tier 2 (MAC), selegiline Tier 1 (MAC)	Exclude, code 13
Xatmep	methotrexate 2.5mg/mL oral solution	$18.96/mL	Multiple indications	tablets available T1 (MAC)	Exclude, code 13
Intrarosa	prasterone (DHEA) 6.5mg insert	$7.50/insert	Dyspareunia		Exclude, code 13

2. Specialty Drugs

BRAND NAME	GENERIC NAME	PRICING (AWP)	INDICATION	SIMILAR THERAPIES ON FORMULARY	DUEC VOTE
Kisqali	ribociclib succinate 200mg/day, 400mg/day, 600mg/day tabs	$208.57-$250.29/tab	Advanced or metastatic breast cancer	Covered oncology agents at Tier 4 w/PA	Exclude, code 1
Kisqali Femara Co-Pack	ribociclib succinate/letrozole 200-2.5mg, 400-2.5mg, 600-2.5mg	$5,256-$13,140/month	Breast cancer	Covered oncology agents at Tier 4 w/PA	Exclude, code 1
Siliq	brodalumab 210mg/1.5mL	$2,100/vial	Plaque psoriasis	Some agents covered T2/T4 w/ PA	Exclude; relook in Feb
Bavencio	avelumab 200mg/10mL	$1,804.80/vial	Merkel cell carcinoma, urothelial carcinoma	Covered oncology agents at Tier 4 w/PA	Exclude, code 1
Austedo	deutetrabenazine 6mg, 9mg, 12mg tablets	$65.76-$98.64/tablet	Chorea associated w/ Huntington disease	Tetrabenazine covered Tier 1	Exclude, code 13
Ingrezza	valbenazine tosylate 40mg capsule	$211/capsule	Tardive dyskinesia	Tetrabenazine covered Tier 1	Exclude, code 13

Zejula	niraparib tosylate 100mg capsule	$196.67/capsule	Ovarian, fallopian tube, or primary peritoneal cancer	Covered oncology agents at Tier 4 w/PA	Exclude, code 1
Alunbrig	brigatinib 30mg tablet	$95/tablet	Non-small cell lung cancer	Covered oncology agents at Tier 4 w/PA	Exclude, code 2
Imfinzi	durvalumab 120mg/2.4mL, 500mg/10mL	$417.46/mL	Urothelial carcinoma	Covered oncology agents at Tier 4 w/PA	Exclude, code 1
Rydapt	midostaurin 25mg capsule	$160.61/capsule	AML, mast cell leukemia	Covered oncology agents at Tier 4 w/PA	Table to DCWG
Tymlos	abaloparatide 80mcg/dose	$1,250/mL	Osteoporosis	Forteo - Tier 4 PA	Exclude, code 13, along with Forteo
Brineura	cerliponase alfa 300mg/10mL	$2,160/mL	Neuronal ceroid lipofuscinosis type 2		Exclude, code 1 & 8
Radicava	edaravone 30mg/100mL	$6.516/mL	ALS		Exclude, code 1 & 8

BRAND NAME	**GENERIC NAME**	**PRICING (AWP)**	**INDICATION**	**SIMILAR THERAPIES ON FORMULARY**	**DUEC VOTE**
Syndros	dronabinol 5mg/mL	$38.92/mL	Anorexia associated with AIDs, N/V associated with chemo	Dronabinol caps available T1 (MAC)	Exclude, code 13

Simmons recommended that we approve these recommendations with the exception of Radicava, in which he would like to table.

McCook made a motion to approve the recommendations as presented except Radicava due to tabling until further discussion. Boyd seconded.

What will be substituted for the Forteo. Normally, when you exclude something you allow something else.

Dr. Bemberg stated that we currently cover oral bisphosphonates, we also cover Zoledronic Acids which is the drug that Tymlos and Forteo were both compared to in cost and efficacy. We also cover Prolia and Xgeva.

Motion Approved.

VI. Board Report

Opioid programming is going into place starting September 5th. All immediate release opioids will be limited to a 7-day limit, not to exceed 50 mmE/day. New starts for extended release will require a Prior Authorization. Current utilizers will not be addressed at this time. None of the coding will apply to malignancy or end of life care. Letters detailing these edits have been sent to the Arkansas Medical Society, Arkansas Academy of Family Physicians, Arkansas Academy of Pediatricians, and the Arkansas Pharmacy Association.

Dr. Bemberg stated that at the request of Dr. Thompson letters were sent detailing these changes to several medical societies as well as the Pharmacists Association asking for input and/or comments.

Benefits Sub-Committee Report by: Chris Howlett, EBD Executive Director

The following report resulted from a meeting of the Benefits Sub-Committee on August 11, 2017, with Claudia Moran presiding.

Topics Discussed:

- June and July Financials
- ACHI Updates
- Pharmacy Updates
- Wellness Options

April PSE-ASE Financials: Marla Wallace, EBD Fiscal Officer

Wallace reported the financials for June and July, 2017.

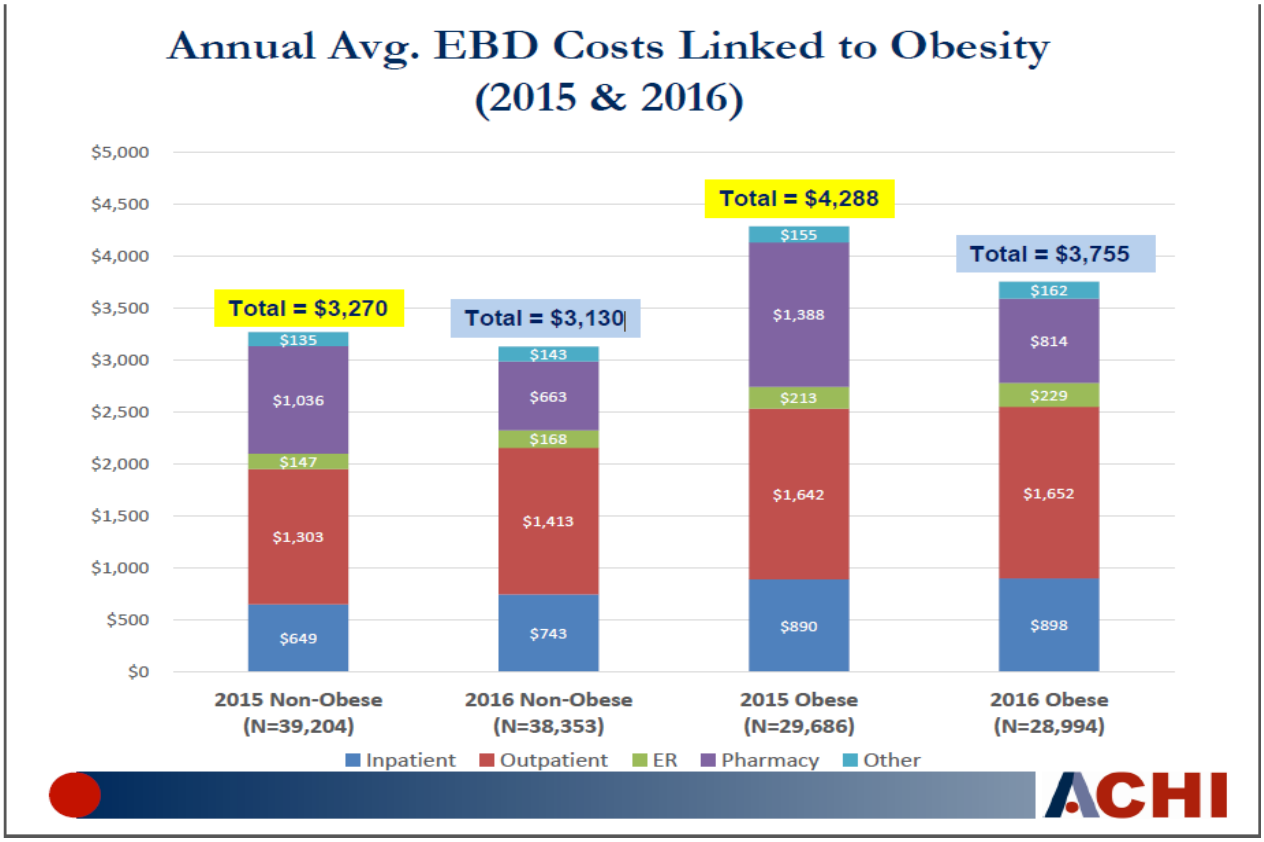
ACHI UPDATES: Mike Motley, Elizabeth Whittington, ACHI

Choosing Wisely Recommendation-Nonspecific Low Back Pain (AAFP)

- Don't do imaging for low back pain within the first six weeks, unless red flags are present. Red flags include, but are not limited to:
- Severe or progressive neurological deficits or
- When serious underlying conditions such as osteomyelitis (infection in a bone) are suspected
- Trauma

Imaging of the lower spine before six weeks does not improve outcomes, but does increase costs and increases the likelihood of surgery

2016 Health Risk Assessment (HRA) Analysis



EBD Rates of Smoking from HRA Data

- Smoking rate from 2015 HRA: 9.4%
- Smoking rate from 2016 HRA: 8.9%
- Arkansas Current Smoker Statistics (2015):
  - 24.9% of adults (18+) current smoke cigarettes
  - Ranked 49th among the states

Pharmacy Updates: Dr. Geri Bemberg, UAMS

Dr. Bemberg spoke on how the current tobacco cessation program works.

Current program setup

- Member may enroll unlimited times in the Tobacco Cessation Program (TCP) through Guidance Resources.
  - To complete the program, the patients completes at least 5 sessions. The calls can be weekly, bi-weekly, etc. based on the individual patient's goals and needs.
- Member may enroll up to a **lifetime maximum of 3 times** in the Tobacco Cessation Program Pharmacy benefit; each enrollment is good for 3 months. The pharmacy benefit allows the member to obtain 1 of 3 tobacco cessation products at a $0 copay.

Proposed TCP pharmacy benefit setup:

- Continue offering the same 3 tobacco cessation products (patch, bupropion SR, Chantix)
- Continue requirement to be enrolled in behavioral counseling

- Address the lifetime maximum of enrollments (Benefits committee)
    - Option 1: Continue lifetime maximum of 3 enrollments, but allow each enrollment to extend to 6 months.
    - Option 2: Remove lifetime maximum, and allow unlimited enrollments in TCP pharmacy benefit
    - Option 3: Remove life maximum. Allowed unlimited lifetime enrollments in TCP pharmacy benefit, but limit the number of yearly enrollments to twice per year.
    - Option 4: Do nothing. Leave TCP pharmacy benefit the way it currently stands.

Wellness Options: Dr. John Vinson, APA

Quality of Care Committee Report by: Elizabeth Whittington, Mike Motley, ACHI

The following report resulted from a meeting of the Quality of Care Sub-Committee on August 15, 2017, with Margo Bushmiaer presiding.

1. Choosing Wisely Recommendation for Low Back Pain Imaging and Related Analysis

 During this month's Quality of Care Subcommittee meeting, analysis related to the Choosing Wisely recommendation on imaging (X-Ray, MRI, CT-Scans) for uncomplicated low back pain was presented

 We also reviewed background on overuse, which was defined by an Institute of Medicine Roundtable as the following: When a service is provided under circumstances in which its potential for harm exceeds possible benefits

 As previously reviewed with the Board, the American Academy of Family Physicians (AAFP) have developed the following Choosing Wisely recommendation related to this topic:

o "Don't do imaging for low back pain within the first six weeks unless red flags are present."

 To complete our analysis, we used a national measure (HEDIS) to determine the rate of EBD members that received a potentially wasteful imaging service for uncomplicated back pain, which was approximately 27 percent during a one-year period (October 2014—September 2015)

o Additionally, we saw considerable variation amongst providers in the rate of associated patients who received potentially wasteful imaging services

 From our presentation, we received some additional questions/next steps for this analysis; We will continue this exploration into next month's Quality of Care meeting

2. Health Risk Assessment Analysis Phase 2

 ACHI has received and analyzed the 2016 HRA data, replicating similar analyses as presented to the Board and Subcommittees related to the 2015 HRA data

 This information was also presented to the Quality of Care Subcommittee during this month's meeting

 Similar trends are present in rates and associated claims costs across all the three risk factors we assessed (obesity, smoking, and physical inactivity)

 Next steps include replicating Venn diagrams which display overlapping rates of members with multiple risk factors within the EBD population, along with associated claims costs

Wellness Report by: Dr. John Vinson, Wellness & Quality Committee Member

The following report resulted from a meeting of the Wellness Discussion Committee on July 19, 2017, with Dr. John Vinson presiding.

Topics Discussed:

Recommendation from Wellness Subcommittee:

1. To be eligible for a premium incentive amount (to be determined by the Board), members will be required to complete the following:

    a. Undergo annual biometric screening and completion of health risk assessment (HRA):
        i. Modify the HRA questionnaire to ensure that information captured in the biometric screening is not duplicated in the HRA
        ii. Revise the HRA to include educational components to alert members about EBD resources/covered benefits

    b. All components of biometric screening must be completed by the member in order to receive the premium incentive, inclusive of:
        i. Annual nicotine screening, with requirement that member be nicotine free to be eligible for incentive (with exemptions for members who are actively enrolled in EBD's tobacco cessation program)
        ii. Annual height/weight measure to derive BMI
        iii. Annual blood pressure measurement
        iv. Collection of cholesterol and blood glucose in 2018 for 2019 incentive credit

    c. Flu shot requirement; HRA would include a self-attestation that the member intends to receive a flu shot or has already received a flu shot for the current year flu season

2. Based on outcomes and data from initial year of implementation, the Board will consider, for 2019 activities and 2020 incentive determination, required enrollment in tobacco cessation for members who test positive for nicotine, and enrollment in weight management or obesity counseling for members whose BMI is over 40

*The goal of the Wellness Committee is for primary members and spouses both to be required to complete activities for incentives; however, the Board will make the final determination

Howlett reported having mobile options offered statewide, it is a cost reduction on all the options we have seen, which can be done for $20-$25 from all vendors. It has been verified with all the presentations we have seen that they can do biometric as well as nicotine testing. It could be operationalized starting November 1st and moving forward or if we decide to go with January 1

through October 31 trial. We can get the best of both worlds from a mobile option. We can reduce claims expense and the member, provider, and the medical management vendor for our plan will all get the data. We may need to create a form to capture that data.

McCook inquired about the tobacco cessation program.

Dr. Kirtley stated that the big question is: is it going to be limited to for tobacco cessation program? Is it going to be limited to a maximum lifetime of three times per lifetime? Is it a three month or a six month?

McCook motioned to remove the lifetime limit and extend the supply to 6 months and will require phone in counsel. Haugen seconded.

Motion Approved

Dr. Vinson stated that there is also a question of whether this would be for just the member or both member and spouse. It is the recommendation from the wellness committee that it be for members and spouses.

Howlett asked for reports on the data from the flu shots.

Dr. Vinson reported that the ACHI reports showed that about 28% of the population had been vaccinated.

Brech inquired that if there the Department of Health is at 99%, if they are taken out of the equation what is the real percentage for the rest of the population.

Dr. Vinson stated that is a great question.

Director's Report: by Chris Howlett, EBD Executive Director

Howlett reported that several acts have gone into effect and EBD is on track for those. The wellness committee will have more information up through the Benefits and Quality of Care and on to this Board for a vote, hopefully in September. Starting in September, for the Benefits and Quality of Care and on to this full Board, information based on the Emerging Therapies Act that was passed this year. We have until the end of this year to listen to those.

Howlett would to like the Board to consider a shift of the financials. We are at $36.2 million on line 34 for ASE, the request is to shift $10 million to line 33 and put an extra $10 million in the catastrophic reserve totaling $30.6 million. Also in PSE, we are at $68.8 million on line 35 and would like to shift 18 million from line 35 to line 34 which puts it into the catastrophic reserve as well. That would put us at $60,800,000 on PSE and $26.2 million on ASE.

McCook would like to make a motion to approve the transfer of money. Haugen seconded.

Motion Approved.

Dr. Kirtley asked for motion to adjourn. Harrison motioned to adjourn. Haugen seconded. All were in favor.

Meeting Adjourned.

Public School Employees (PSE) Financials - January 1, 2017 through June 30, 2017

	EMPLOYEE ONLY					EMPLOYEE + DEPENDENTS			
	ACTIVES	RETIREES	MEDICARE	TOTAL		ACTIVES	RETIREES	MEDICARE	TOTAL
BASIC	3763	419		**4182**		5685	533		**6218**
CLASSIC	22277	2171		**24448**		42160	2609		**44769**
PREMIUM	17857	787		**18644**		23470	847		**24317**
PRIMARY		66	11783	**11849**			132	12845	**12977**
TOTAL	**43897**	**3443**	**11783**	**59123**		**71315**	**4121**	**12845**	**88281**

REVENUES & EXPENDITURES

		Current Month	Year to Date (6 Months)
	Funding		
1	Per Participating Employee Funding (PPE Funding)	$ 8,211,746	$ 49,356,923
2	Employee Contribution	$ 9,612,811	$ 57,981,509
3	Department of Education $35,000,000 & $15,000,000 & Other Funding	$ -	$ 41,509,091
4	Other	$ 1,144,869	$ 4,701,350
5	Allocation of Reserves	$ 3,792,121	$ 21,107,273
	Total Funding	$ 22,761,547	$ 174,656,146
	Expenses		
	Medical Expenses		
6	Claims Expense	$ 25,126,816	$ 96,421,570
7	Claims IBNR	$ -	$ (4,300,000)
8	Medical Administration Fees	$ 1,982,412	$ 10,310,156
9	Refunds	$ -	$ -
10	Employee Assistance Program (EAP)	$ 78,442	$ 471,333
	Pharmacy Expenses		
11	RX Claims	$ 6,239,604	$ 25,134,459
12	RX IBNR	$ -	$ 300,000
13	RX Administration	$ 184,566	$ 1,044,379
14	Plan Administration	$ 679,769	$ 2,502,964
	Total Expenses	$ 34,291,609	$ 131,884,861
15	Less DOE Allocation		$ (18,100,000)
16	**Net Income/(Loss)**	$ (11,530,062)	$ 24,671,285

BALANCE SHEET

	Assets	
17	Bank Account	$ 17,867,473
18	State Treasury	$ 139,211,276
19	Receivable from Provider	$ 304,167
20	Accounts Receivable	$ 1,912,523
21	Due from ASE	$ 8,122
	Total Assets	$ 159,303,561
	Liabilities	
22	Accounts Payable	$ 5,295,586
23	Due to ASE	$ -
24	Deferred Revenues	$ 16,859
25	Due to Federal Government ($27 fee)	$ -
26	Health IBNR	$ 25,700,000
27	RX IBNR	$ 1,400,000
	Total Liabilities	$ 32,412,445
28	**Net Assets**	$ 126,891,116
	Less Reserves Allocated	
29	Premiums for Plan Year 1/1/17 - 12/31/17 ($5,760,000+$20,000,000 + $18,100,000 DOE)	$ (22,752,727)
30	Premiums for Plan Year 1/1/18 - 12/31/18 ($3,840,000)	$ (3,840,000)
31	Premium Assistance (FICA Savings)	$ (3,101,215)
32	Catastrophic Reserve (2017 $40,500,000)	$ (40,500,000)
33	**Net Assets Available**	$ 56,697,174

34 Fifth Week of Claims $5,624,790.53 Sixth Week of Claims $5,255,791.62

Public School Employees (PSE) Financials - January 1, 2016 through June 30, 2016

	EMPLOYEE ONLY				EMPLOYEE + DEPENDENTS			
	ACTIVES	RETIREES	MEDICARE	TOTAL	ACTIVES	RETIREES	MEDICARE	TOTAL
BASIC	3126	294		**3420**	4713	367		**5080**
CLASSIC	21359	2036		**23395**	39967	2473		**42440**
PREMIUM	18711	1009		**19720**	24326	1078		**25404**
PRIMARY		85	10972	**11057**		170	11963	**12133**
TOTAL	**43196**	**3424**	**10972**	**57592**	**69006**	**4088**	**11963**	**85057**

REVENUES & EXPENDITURES

		Current Month	Year to Date (6 Months)
	Funding		
1	Per Participating Employee Funding (PPE Funding)	$ 8,162,176	$ 49,104,463
2	Employee Contribution	$ 9,234,827	$ 55,816,086
3	Department of Education $35,000,000 & $15,000,000 & Other Funding	$ -	$ 23,409,091
4	Other	$ 945,408	$ 3,967,662
5	Allocation of Reserves	$ 3,975,000	$ 23,850,000
	Total Funding	$ 22,317,411	$ 156,147,301
	Expenses		
	Medical Expenses		
6	Claims Expense	$ 24,767,657	$ 100,802,982
7	Claims IBNR	$ -	$ 2,000,000
8	Medical Administration Fees	$ 1,708,437	$ 9,931,767
9	Refunds	$ -	$ -
10	Employee Assistance Program (EAP)	$ 77,440	$ 465,413
	Pharmacy Expenses		
11	RX Claims	$ 6,441,278	$ 26,090,166
12	RX IBNR	$ -	$ (300,000)
13	RX Administration	$ 310,577	$ 1,854,519
14	Plan Administration	$ 1,670,753	$ 4,085,777
	Total Expenses	$ 34,976,142	$ 144,930,625
16	**Net Income/(Loss)**	$ (12,658,731)	$ 11,216,676

BALANCE SHEET

	Assets	
17	Bank Account	$ 15,956,058
18	State Treasury	$ 108,973,339
19	Receivable from Provider	$ -
20	Accounts Receivable	$ 2,943,585
21	Due from ASE	$ 162
	Total Assets	$ 127,873,144
	Liabilities	
22	Accounts Payable	$ 5,671,958
23	Due to ASE	$ -
24	Deferred Revenues	$ 17,058
25	Due to Federal Government ($27 fee)	$ 1,010,826
26	Health IBNR	$ 30,000,000
27	RX IBNR	$ 1,100,000
	Total Liabilities	$ 37,799,842
28	**Net Assets**	$ 90,073,302
	Less Reserves Allocated	
29	Premiums for Plan Year 1/1/16 - 12/31/16 ($9,600,000 + $20,000,000 DOE + 18,100,000 DOE)	$ (23,850,000)
30	Premiums for Plan Year 1/1/17 - 12/31/17 ($5,760,000)	$ (5,760,000)
31	Premiums for Plan Year 1/1/18 - 12/31/18 ($3,840,000)	$ (3,840,000)
33	Premium Assistance (FICA Savings)	$ (2,940,799)
32	Catastrophic Reserve (2016 $10,500,000)	$ (10,500,000)
34	**Net Assets Available**	$ 43,182,503

35 Fifth Week of Claims $4,894,322 Sixth Week of Claims $5,645,196

Public School Employees (PSE) Financials - January 1, 2017 through July 31, 2017

	EMPLOYEE ONLY					EMPLOYEE + DEPENDENTS			
	ACTIVES	RETIREES	MEDICARE	TOTAL		ACTIVES	RETIREES	MEDICARE	TOTAL
BASIC	3726	441		**4167**		5623	573		**6196**
CLASSIC	22101	2232		**24333**		41903	2681		**44584**
PREMIUM	17486	784		**18270**		23057	842		**23899**
PRIMARY		68	11883	**11951**			137	12953	**13090**
TOTAL	**43313**	**3525**	**11883**	**58721**		**70583**	**4233**	**12953**	**87769**

REVENUES & EXPENDITURES

		Current Month	Year to Date (7 Months)
	Funding		
1	Per Participating Employee Funding (PPE Funding)	$ 7,905,754	$ 57,262,677
2	Employee Contribution	$ 9,622,605	$ 67,604,114
3	Department of Education $35,000,000 & $15,000,000 & Other Funding	$ 8,333,333	$ 49,842,424
4	Other	$ 677,692	$ 5,379,043
5	Allocation of Reserves	$ 3,792,121	$ 24,899,394
	Total Funding	$ 30,331,506	$ 204,987,651
	Expenses		
	Medical Expenses		
6	Claims Expense	$ 10,632,795	$ 107,054,365
7	Claims IBNR	$ -	$ (4,300,000)
8	Medical Administration Fees	$ 1,638,815	$ 11,948,971
9	Refunds	$ -	$ -
10	Employee Assistance Program (EAP)	$ 75,942	$ 547,275
	Pharmacy Expenses		
11	RX Claims	$ 3,123,136	$ 28,257,595
12	RX IBNR	$ -	$ 300,000
13	RX Administration	$ 182,001	$ 1,226,381
14	Plan Administration	$ 717,216	$ 3,220,180
	Total Expenses	$ 16,369,906	$ 148,254,767
15	Less DOE Allocation		$ (18,100,000)
16	**Net Income/(Loss)**	$ 13,961,600	$ 38,632,885

BALANCE SHEET

	Assets	
17	Bank Account	$ 19,971,839
18	State Treasury	$ 139,383,032
19	Receivable from Provider	$ -
20	Accounts Receivable	$ 4,806,426
21	Due from ASE	$ 496
	Total Assets	$ 164,161,794
	Liabilities	
22	Accounts Payable	$ 1,199
23	Due to ASE	$ -
24	Deferred Revenues	$ -
25	Due to Federal Government ($27 fee)	$ -
26	Health IBNR	$ 25,700,000
27	RX IBNR	$ 1,400,000
	Total Liabilities	$ 27,101,199
28	**Net Assets**	$ 137,060,595
	Less Reserves Allocated	
29	Premiums for Plan Year 1/1/17 - 12/31/17 ($5,760,000+$20,000,000 + $18,100,000 DOE)	$ (18,960,606)
30	Premiums for Plan Year 1/1/18 - 12/31/18 ($3,840,000 + $660,000)	$ (4,500,000)
31	Premiums for Plan Year 1/1/19 - 12/31/19 ($396,000)	$ (396,000)
32	Premiums for Plan Year 1/1/20 - 12/31/20 ($264,000)	$ (264,000)
33	Premium Assistance (FICA Savings)	$ (3,602,283)
34	Catastrophic Reserve (2017 $40,500,000)	$ (40,500,000)
35	**Net Assets Available**	$ 68,837,706

36 Fifth Week of Claims $

Public School Employees (PSE) Financials - January 1, 2016 through July 31, 2016

	EMPLOYEE ONLY				EMPLOYEE + DEPENDENTS			
	ACTIVES	RETIREES	MEDICARE	TOTAL	ACTIVES	RETIREES	MEDICARE	TOTAL
BASIC	3123	317		**3440**	4695	393		**5088**
CLASSIC	21131	2120		**23251**	39626	2584		**42210**
PREMIUM	18421	1016		**19437**	24021	1087		**25108**
PRIMARY		84	11089	**11173**		168	12086	**12254**
TOTAL	**42675**	**3537**	**11089**	**57301**	**68342**	**4232**	**12086**	**84660**

REVENUES & EXPENDITURES

		Current Month	Year to Date (7 Months)
	Funding		
1	Per Participating Employee Funding (PPE Funding)	$ 7,863,394	$ 56,967,857
2	Employee Contribution	$ 9,224,164	$ 65,040,250
3	Department of Education $35,000,000 & $15,000,000 & Other Funding	$ 6,931,818	$ 30,340,909
4	Other	$ 531,514	$ 4,499,176
5	Allocation of Reserves	$ 3,975,000	$ 27,825,000
	Total Funding	$ 28,525,891	$ 184,673,192
	Expenses		
	Medical Expenses		
6	Claims Expense	$ 11,381,443	$ 112,184,425
7	Claims IBNR	$ -	$ 2,000,000
8	Medical Administration Fees	$ 1,593,950	$ 11,525,717
9	Refunds	$ -	$ -
10	Employee Assistance Program (EAP)	$ 74,729	$ 540,142
	Pharmacy Expenses		
11	RX Claims	$ 2,734,648	$ 28,824,814
12	RX IBNR	$ -	$ (300,000)
13	RX Administration	$ 66,807	$ 1,921,326
14	Plan Administration	$ 752,353	$ 4,838,131
	Total Expenses	$ 16,603,930	$ 161,534,555
16	**Net Income/(Loss)**	$ 11,921,961	$ 23,138,637

BALANCE SHEET

	Assets	
17	Bank Account	$ 16,165,296
18	State Treasury	$ 109,027,362
19	Receivable from Provider	$ -
20	Accounts Receivable	$ 5,118,710
21	Due from ASE	$ -
	Total Assets	$ 130,311,368
	Liabilities	
22	Accounts Payable	$ 2,917
23	Due to ASE	$ 177,363
24	Deferred Revenues	$ -
25	Due to Federal Government ($27 fee)	$ 1,010,826
26	Health IBNR	$ 30,000,000
27	RX IBNR	$ 1,100,000
	Total Liabilities	$ 32,291,106
28	**Net Assets**	$ 98,020,263
	Less Reserves Allocated	
29	Premiums for Plan Year 1/1/16 - 12/31/16 ($9,600,000 + $20,000,000 DOE + 18,100,000 DOE)	$ (19,875,000)
30	Premiums for Plan Year 1/1/17 - 12/31/17 ($5,760,000)	$ (5,760,000)
31	Premiums for Plan Year 1/1/18 - 12/31/18 ($3,840,000)	$ (3,840,000)
33	Premium Assistance (FICA Savings)	$ (3,412,815)
32	Catastrophic Reserve (2016 $10,500,000)	$ (10,500,000)
34	**Net Assets Available**	$ 54,632,448

35 Fifth Week of Claims $0

Arkansas State Employees (ASE) Financials - January 1, 2017 through June 30, 2017

	EMPLOYEE ONLY				EMPLOYEE + DEPENDENTS			
	ACTIVES	RETIREES	MEDICARE	TOTAL	ACTIVES	RETIREES	MEDICARE	TOTAL
BASIC	1585	44		1629	2519	61		2580
CLASSIC	1946	73		2019	3227	98		3325
PREMIUM	22587	2172		24759	38940	2761		41701
PRIMARY		208	9625	9833		432	12545	12977
TOTAL	26118	2497	9625	38240	44686	3352	12545	60583

REVENUES & EXPENDITURES

		Current Month	Year to Date (6 Months)
	Funding		
1	State Contribution	$ 14,654,304	$ 87,931,060
2	Employee Contribution	$ 8,086,882	$ 48,670,597
3	Other	$ 6,642,167	$ 9,959,058
4	Allocation of Reserves	$ 1,777,500	$ 10,665,000
	Total Funding	$ 31,160,852	$ 157,225,715
	Expenses		
	Medical Expenses		
5	Claims Expense	$ 20,153,673	$ 84,167,710
6	Claims IBNR	$ -	$ (2,300,000)
7	Medical Administration Fees	$ 1,343,627	$ 6,805,640
8	Refunds	$ 2,213	$ 3,435
9	Employee Assistance Program (EAP)	$ 55,201	$ 329,364
	Life Insurance	$ 79,538	$ 474,278
	Pharmacy Expenses		
11	RX Claims	$ 8,806,662	$ 39,607,467
12	RX IBNR	$ -	$ 300,000
13	RX Administration	$ 121,655	$ 689,023
14	Plan Administration	$ 682,363	$ 2,278,441
	Total Expenses	$ 31,244,931	$ 132,355,358
15	**Net Income/(Loss)**	$ (84,079)	$ 24,870,357

BALANCE SHEET

	Assets	
16	Bank Account	$ 14,699,055
17	State Treasury	$ 96,058,820
18	Due from Cafeteria Plan	$ 5,561,503
19	Due from PSE	$ -
20	Receivable from Provider	$ 575,989
21	Accounts Receivable	$ 1,262,550
	Total Assets	$ 118,157,918
	Liabilities	
22	Accounts Payable	$ 4,884,072
23	Deferred Revenues	$ 42,488
24	Due to Cafeteria	$ 10,596
25	Due to PSE	$ 8,122
26	Due to Federal Government ($27 fee)	$ -
27	Health IBNR	$ 25,700,000
28	RX IBNR	$ 2,000,000
	Total Liabilities	$ 32,645,278
	Net Assets	$ 85,512,639
	Less Reserves Allocated	
29	Premiums for Plan Year 1/1/17 - 12/31/17 ($7,560,000 +13,770,000)	$ (10,665,000)
30	Premiums for Plan Year 1/1/18 - 12/31/18 ($5,040,000 + 8,262,000)	$ (13,302,000)
31	Premiums for Plan Year 1/1/19 - 12/31/19 ($5,508,000)	$ (5,508,000)
32	Catastrophic Reserve (2017 $20,600,000)	$ (20,600,000)
33	**Net Assets Available**	$ 35,437,639

34 Fifth Week of Claims $5,245,484.55 Sixth Week of Claims $4,789,535.92

Arkansas State Employees (ASE) Financials - January 1, 2016 through June 30, 2016

	EMPLOYEE ONLY				EMPLOYEE + DEPENDENTS			
	ACTIVES	RETIREES	MEDICARE	TOTAL	ACTIVES	RETIREES	MEDICARE	TOTAL
BASIC	1267	32		1299	2104	47		2151
CLASSIC	1759	68		1827	2944	92		3036
PREMIUM	23164	2169		25333	40406	2805		43211
PRIMARY		212	9217	9429		433	12052	12485
TOTAL	26190	2481	9217	37888	45454	3377	12052	60883

REVENUES & EXPENDITURES

		Current Month	Year to Date (6 Months)
	Funding		
1	State Contribution	$ 14,689,808	$ 88,156,936
2	Employee Contribution	$ 7,936,486	$ 47,827,176
3	Other	$ 5,717,111	$ 8,955,479
4	Allocation of Reserves	$ 1,350,000	$ 8,100,000
	Total Funding	$ 29,693,405	$ 153,039,592
	Expenses		
	Medical Expenses		
5	Claims Expense	$ 21,844,971	$ 91,380,459
6	Claims IBNR	$ -	$ 3,300,000
7	Medical Administration Fees	$ 1,130,088	$ 6,598,767
8	Refunds	$ 105	$ 265
9	Employee Assistance Program (EAP)	$ 55,163	$ 331,963
10	Life Insurance	$ 79,373	$ 477,015
	Pharmacy Expenses		
11	RX Claims	$ 8,829,236	$ 40,708,350
12	RX IBNR	$ -	$ (100,000)
13	RX Administration	$ 214,859	$ 1,282,336
14	Plan Administration	$ 1,231,362	$ 2,983,669
	Total Expenses	$ 33,385,156	$ 146,962,824
15	**Net Income/(Loss)**	$ (3,691,750)	$ 6,076,767

BALANCE SHEET

	Assets	
16	Bank Account	$ 3,514,449
17	State Treasury	$ 90,940,122
18	Due from Cafeteria Plan	$ 5,018,599
19	Due from PSE	$ -
20	Receivable from Provider	$ -
21	Accounts Receivable	$ 1,582,039
	Total Assets	$ 101,055,209
	Liabilities	
22	Accounts Payable	$ 5,313,845
23	Deferred Revenues	$ -
24	Due to Cafeteria	$ 668
25	Due to PSE	$ 162
26	Due to Federal Government ($27 fee)	$ 664,295
27	Health IBNR	$ 28,000,000
28	RX IBNR	$ 1,700,000
	Total Liabilities	$ 35,678,969
	Net Assets	$ 65,376,240
	Less Reserves Allocated	
29	Premiums for Plan Year 1/1/16 - 12/31/16 ($3,600,000 + $12,600,000)	$ (8,100,000)
30	Premiums for Plan Year 1/1/17 - 12/31/17 ($7,560,000)	$ (7,560,000)
31	Premiums for Plan Year 1/1/18 - 12/31/18 ($5,040,000)	$ (5,040,000)
32	Catastrophic Reserve (2016 $10,700,000)	$ (10,700,000)
33	**Net Assets Available**	$ 33,976,240

34 Fifth Week of Claims $4,601,512 Sixth Week of Claims $5,197,118.30

Arkansas State Employees (ASE) Financials - January 1, 2017 through July 31, 2017

	EMPLOYEE ONLY					EMPLOYEE + DEPENDENTS			
	ACTIVES	RETIREES	MEDICARE	TOTAL		ACTIVES	RETIREES	MEDICARE	TOTAL
BASIC	1574	44		**1618**		2492	61		**2553**
CLASSIC	1969	72		**2041**		3251	95		**3346**
PREMIUM	22528	2168		**24696**		38819	2739		**41558**
PRIMARY		212	9674	**9886**			441	12606	**13047**
TOTAL	**26071**	**2496**	**9674**	**38241**		**44562**	**3336**	**12606**	**60504**

REVENUES & EXPENDITURES

		Current Month	Year to Date (7 Months)
	Funding		
1	State Contribution	$ 14,568,288	$ 102,499,348
2	Employee Contribution	$ 8,089,927	$ 56,760,523
3	Other	$ 176,113	$ 10,135,172
4	Allocation of Reserves	$ 1,777,500	$ 12,442,500
	Total Funding	$ 24,611,828	$ 181,837,543
	Expenses		
	Medical Expenses		
5	Claims Expense	$ 7,867,476	$ 92,035,186
6	Claims IBNR	$ -	$ (2,300,000)
7	Medical Administration Fees	$ 1,049,256	$ 7,854,895
8	Refunds	$ -	$ 3,435
9	Employee Assistance Program (EAP)	$ 54,863	$ 384,228
	Life Insurance	$ 79,063	$ 553,340
	Pharmacy Expenses		
11	RX Claims	$ 4,599,562	$ 44,207,029
12	RX IBNR	$ -	$ 300,000
13	RX Administration	$ 121,420	$ 810,443
14	Plan Administration	$ 636,898	$ 2,915,339
	Total Expenses	$ 14,408,538	$ 146,763,896
15	**Net Income/(Loss)**	$ 10,203,290	$ 35,073,648

BALANCE SHEET

	Assets	
16	Bank Account	$ 17,372,081
17	State Treasury	$ 96,177,336
18	Due from Cafeteria Plan	$ 5,561,503
19	Due from PSE	$ -
20	Receivable from Provider	$ -
21	Accounts Receivable	$ 2,535,109
	Total Assets	$ 121,646,029
	Liabilities	
22	Accounts Payable	$ 3,143
23	Deferred Revenues	$ 3,780
24	Due to Cafeteria	$ 181
25	Due to PSE	$ 496
26	Due to Federal Government ($27 fee)	$ -
27	Health IBNR	$ 25,700,000
28	RX IBNR	$ 2,000,000
	Total Liabilities	$ 27,707,600
	Net Assets	$ 93,938,429
	Less Reserves Allocated	
29	Premiums for Plan Year 1/1/17 - 12/31/17 ($7,560,000 + $13,770,000)	$ (8,887,500)
30	Premiums for Plan Year 1/1/18 - 12/31/18 ($5,040,000 + $8,262,000 + $4,710,000)	$ (18,012,000)
31	Premiums for Plan Year 1/1/19 - 12/31/19 ($5,508,000 + $2,826,000)	$ (8,334,000)
32	Premiums for Plan Year 1/1/20 - 12/31/20 ($1,884,000)	$ (1,884,000)
33	Catastrophic Reserve (2017 $20,600,000)	$ (20,600,000)
34	**Net Assets Available**	$ 36,220,929

35 Fifth Week of Claims $

Arkansas State Employees (ASE) Financials - January 1, 2016 through July 31, 2016

	EMPLOYEE ONLY				EMPLOYEE + DEPENDENTS			
	ACTIVES	RETIREES	MEDICARE	TOTAL	ACTIVES	RETIREES	MEDICARE	TOTAL
BASIC	1267	38		1305	2099	53		2152
CLASSIC	1764	68		1832	2952	93		3045
PREMIUM	22802	2186		24988	39809	2828		42637
PRIMARY		213	9286	9499		435	12130	12565
TOTAL	25833	2505	9286	37624	44860	3409	12130	60399

REVENUES & EXPENDITURES

		Current Month	Year to Date (7 Months)
	Funding		
1	State Contribution	$ 14,702,184	$ 102,859,120
2	Employee Contribution	$ 7,931,881	$ 55,759,057
3	Other	$ 96,426	$ 9,051,905
4	Allocation of Reserves	$ 1,350,000	$ 9,450,000
	Total Funding	$ 24,080,490	$ 177,120,082
	Expenses		
	Medical Expenses		
5	Claims Expense	$ 9,357,992	$ 100,738,452
6	Claims IBNR	$ -	$ 3,300,000
7	Medical Administration Fees	$ 1,074,348	$ 7,673,114
8	Refunds	$ -	$ 265
9	Employee Assistance Program (EAP)	$ 54,881	$ 386,844
	Life Insurance	$ 78,983	$ 555,998
	Pharmacy Expenses		
11	RX Claims	$ 3,919,090	$ 44,627,440
12	RX IBNR	$ -	$ (100,000)
13	RX Administration	$ 43,950	$ 1,326,286
14	Plan Administration	$ 655,629	$ 3,639,298
	Total Expenses	$ 15,184,873	$ 162,147,697
15	**Net Income/(Loss)**	$ 8,895,618	$ 14,972,385

BALANCE SHEET

	Assets	
16	Bank Account	$ 7,096,482
17	State Treasury	$ 90,985,205
18	Due from Cafeteria Plan	$ 5,018,599
19	Due from PSE	$ 177,363
20	Receivable from Provider	$ -
21	Accounts Receivable	$ 9,757
	Total Assets	$ 103,287,406
	Liabilities	
22	Accounts Payable	$ 1,253
23	Deferred Revenues	$ -
24	Due to Cafeteria	$ -
25	Due to PSE	$ -
26	Due to Federal Government ($27 fee)	$ 664,295
27	Health IBNR	$ 28,000,000
28	RX IBNR	$ 1,700,000
	Total Liabilities	$ 30,365,548
	Net Assets	$ 72,921,858
	Less Reserves Allocated	
29	Premiums for Plan Year 1/1/16 - 12/31/16 ($3,600,000 + $12,600,000)	$ (6,750,000)
30	Premiums for Plan Year 1/1/17 - 12/31/17 ($7,560,000)	$ (7,560,000)
31	Premiums for Plan Year 1/1/18 - 12/31/18 ($5,040,000)	$ (5,040,000)
32	Catastrophic Reserve (2016 $10,700,000)	$ (10,700,000)
33	**Net Assets Available**	$ 42,871,858

34 Fifth Week of Claims $0

PROJECTED PAID CLAIMS AND EXPENSES BY MONTH

PSE

2017 June

Medical Claims

PROJECTED Monthly Amount	ACTUAL Monthly Amount	DIFFERENCE Monthly Amount	PROJECTED YTD Total	ACTUAL YTD Total	DIFFERENCE YTD Total
24,870,000	25,126,816	256,816	101,700,000	92,121,570	(9,578,430)

Note: IBNR decreased for Medical by $4,300,000

Pharmacy Claims

PROJECTED Monthly Amount	ACTUAL Monthly Amount	DIFFERENCE Monthly Amount	PROJECTED YTD Total	ACTUAL YTD Total	DIFFERENCE YTD Total
6,500,000	6,239,604	(260,396)	25,730,000	25,434,459	(295,541)

Note: IBNR increased for Pharmacy by $300,000

Expenses/Other

PROJECTED Monthly Amount	ACTUAL Monthly Amount	DIFFERENCE Monthly Amount	PROJECTED YTD Total	ACTUAL YTD Total	DIFFERENCE YTD Total
2,750,000	2,925,189	175,189	16,500,000	14,328,832.00	(2,171,168)

ASE

2017 June

Medical Claims

PROJECTED Monthly Amount	ACTUAL Monthly Amount	DIFFERENCE Monthly Amount	PROJECTED YTD Total	ACTUAL YTD Total	DIFFERENCE YTD Total
23,060,000	20,153,673	(2,906,327)	97,360,000	81,867,710	(15,492,290)

Note: IBNR decreased for Medical by $2,300,000

Pharmacy Claims

PROJECTED Monthly Amount	ACTUAL Monthly Amount	DIFFERENCE Monthly Amount	PROJECTED YTD Total	ACTUAL YTD Total	DIFFERENCE YTD Total
9,550,000	8,806,662	(743,338)	41,570,000	39,907,467	(1,662,533)

Note: IBNR increased for Pharmacy by $300,000

Expenses/Other

PROJECTED Monthly Amount	ACTUAL Monthly Amount	DIFFERENCE Monthly Amount	PROJECTED YTD Total	ACTUAL YTD Total	DIFFERENCE YTD Total
1,980,000	2,284,597	304,597	11,880,000	10,580,181.00	(1,299,819)

PROJECTED PAID CLAIMS AND EXPENSES BY MONTH

PSE

2017 July

Medical Claims

PROJECTED Monthly Amount	ACTUAL Monthly Amount	DIFFERENCE Monthly Amount	PROJECTED YTD Total	ACTUAL YTD Total	DIFFERENCE YTD Total
13,910,000	10,632,795	(3,277,205)	115,610,000	102,754,365	(12,855,635)

Note: IBNR decreased for Medical by $4,300,000

Pharmacy Claims

PROJECTED Monthly Amount	ACTUAL Monthly Amount	DIFFERENCE Monthly Amount	PROJECTED YTD Total	ACTUAL YTD Total	DIFFERENCE YTD Total
3,320,000	3,123,136	(196,864)	29,050,000	28,557,595	(492,405)

Note: IBNR increased for Pharmacy by $300,000

Expenses/Other

PROJECTED Monthly Amount	ACTUAL Monthly Amount	DIFFERENCE Monthly Amount	PROJECTED YTD Total	ACTUAL YTD Total	DIFFERENCE YTD Total
2,750,000	2,613,974	(136,026)	19,250,000	16,942,807	(2,307,193)

ASE

2017 July

Medical Claims

PROJECTED Monthly Amount	ACTUAL Monthly Amount	DIFFERENCE Monthly Amount	PROJECTED YTD Total	ACTUAL YTD Total	DIFFERENCE YTD Total
11,290,000	7,867,476	(3,422,524)	108,650,000	89,735,186	(18,914,814)

Note: IBNR decreased for Medical by $2,300,000

Pharmacy Claims

PROJECTED Monthly Amount	ACTUAL Monthly Amount	DIFFERENCE Monthly Amount	PROJECTED YTD Total	ACTUAL YTD Total	DIFFERENCE YTD Total
4,710,000	4,599,562	(110,438)	46,280,000	44,507,029	(1,772,971)

Note: IBNR increased for Pharmacy by $300,000

Expenses/Other

PROJECTED Monthly Amount	ACTUAL Monthly Amount	DIFFERENCE Monthly Amount	PROJECTED YTD Total	ACTUAL YTD Total	DIFFERENCE YTD Total
1,980,000	1,941,500	(38,500)	13,860,000	12,521,680.00	(1,338,320)

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

The following report pertains to a meeting of the DUEC on August 7, 2017 with Dr. Scott Pace presiding.

I. Delivery Coordination Workgroup Report: *by Dr. Geri Bemberg, UAMS*

Dr. Bemberg gave an update and recommendation of medications reviewed by the DCWG Group.

	Current Coverage	**Proposed Coverage**
Macular Edema		
Eylea (aflibercept)	Covered medical	Cover, medical PA
Lucentis (ranibizumab)	Covered medical	Exclude
Avastin (bevacizumab)	Covered medical	No change, cover medical

The committee also reviewed 3 new indications for Keytruda (pembrolizumab): Hodgkin lymphoma, microsatellite instability high cancers, and urothelial carcinoma.

The committee recommended approval of the above recommendations.

II. 2nd review of Drugs: *Dr. Geri Bemberg, UAMS*

Dr. Bemberg reviewed and made recommendations for the following medications.

A. Rosuvastatin: Dr. Bemberg reviewed Rosuvastatin.
Recommendation: Remove PA.

B. Tobacco Cessation Program: Dr. Bemberg reviewed the plan's current setup for the Tobacco Cessation Program. She made a recommendation based on the latest evidence from the US Preventive Services Task Force to remain covering nicotine patches, bupropion (Zyban), and Chantix for smoking cessation. She also shared with the committee that she would be presenting at Benefits regarding the current lifetime limit on the tobacco cessation program. The committee weighed in that they believed there should not be a lifetime limit on enrollment in the program, however, they do believe the proper steps need to be taken to ensure that the plan is protected from diversion of the products. They also suggested lengthening each enrollment to 6 months.

Dr. Bemberg would like a recommendation to stick with these three medications for tobacco cessation.
The committee recommended approval of the above recommendations.

III. Multiple Sclerosis Strategy: by Dr. Jill Johnson, UAMS

	Route	EBD 2017 Pharmacy Q2 Utilizers	2017 Q2 Pharmacy cost	2017 08 01 EBD Current Coverage	Propose for EBD
Alemtuzumab (Lemtrada®, Sanofi Genzyme)	IV Inf	0	0	T4PA	T4PA
Ocrelizumab (Ocrevus®, Genentech)	IV Inf	0	0	New	Not covered; covered only for PPMS, T4PA
Rituximab (Rituxan®, Genentech)	IV inf	medical	medical	T4PA	T4PA
Daclizumab (Zinbryta®, Biogen and AbbVie)	SC	0	0	Excluded	Exclude
Natalizumab (Tysabri®, Biogen)	IV Inf	1	$17,142.37	T4 pharmacy, also covered on medical	T4PA
Dimethyl fumarate (Tecfidera®, Biogen)	PO	15	$224,555.00	T4PA, QL	T4PA, QL
Peginterferon β-1a (Plegridy®, Biogen)	SC	0	0	T4PA	Exclude
Interferon β-1b (Betaseron®, Bayer OR EXTAVIA, Novartis)	SC	0	0.00	T4PA	T4PA Extavia
(Betaseron)	SC	6	$112,559.24		Exclude
Fingolimod (Gilenya®, Novartis)	PO	15	$348,722.63	T4PA	Exclude
Teriflunomide (Aubagio®, Sanofi Genzyme)	PO	17	$285,989.28	T4PA, QL	T4PA, QL
Interferon β-1a (Rebif®, EMD Serono)	SC	8	$164,541.26	T4PA	Exclude
Glatiramer acetate (Copaxone®, Teva)	SC			Excluded	Exclude
Glatiramer acetate (Glatopa)	SC	35	$498,009.44	T4PA	T4PA, QL

Interferon B-1a (Avonex)	SC	8	$267,872.00	T4PA	Exclude
Interferon β-1a (Rebif®, EMD Serono)	SC	1	$12,722.95	T4PA	Exclude
Teriflunomide (Aubagio®, Sanofi Genzyme)	PO	3	$58,502.80	T4PA, QL	Exclude
Glatiramer acetate (Copaxone®, Teva)	SC	0	$0.00	Excluded	Exclude

The committee recommended approval of the above recommendations, with grandfathering for current utilizers.

IV. ACA Update: *by Dr. Geri Bemberg, UAMS*

Statin	Dose, mg			Current Coverage	Proposed Coverage
	Low	Moderate	High		
Atorvastatin		10-20	40-80	Tier 1	10-20: PA, $0 40-80: Tier 1
Fluvastatin	20-40	40 BID		RBP	RBP
Fluvastatin XL		80		RBP	RBP
Lovastatin	10-20	40		Tier 1	PA, $0
Pitavastatin	1	2-4		Excluded	Excluded
Pravastatin	10-20	40-80		Tier 1	PA, $0
Rosuvastatin		5-10	20-40	Tier 1	5-10: PA, $0 20-40: Tier 1
Simvastatin	10	20-40	80	Tier 1	10-40: PA, $0 80: Tier 1

Recommendation:

- Cover statins as noted in the "Proposed Coverage" column.
    - Low-moderate strength statins currently in Tier 1 will move to $0, PA, and QL
    - High-dose statins currently in Tier 1 will remain in Tier 1
    - RBP statins will remain RBP
    - Excluded statins will remain excluded
- PA will be good for 5 years.

The committee recommended approval of the above recommendations.

V. New Drugs*: by Dr. Jill Johnson, UAMS*

Dr. Jill Johnson reported on new drugs. The review covered products released December 5, 2016 – February 27, 2017.

A. Recommended Additions

1. Nonspecialty Medications

BRAND NAME	GENERIC NAME	PRICING (AWP)	INDICATION	SIMILAR THERAPIES ON FORMULARY	DUEC VOTE
Synjardy XR	empagliflozin/metformin 5-1000mg, 10-1000mg, 12.5-1000mg, 25-1000mg ER tabs	$8.61-$17.22/tab	Diabetes, Type II	Synjardy covered Tier 2 PA (rebated)	T2PA
Stamaril	yellow fever vaccine live/PF	$168.79	Yellow fever prevention		T3

2. Specialty Medications

BRAND NAME	GENERIC NAME	PRICING (AWP)	INDICATION	SIMILAR THERAPIES ON FORMULARY	DUEC VOTE
Dupixent	dupilumab 300mg/2mL	$1,707.70/syringe	Atopic dermatitis	Some agents covered T2/T4 w/ PA	T4PA
Ocrevus	ocrelizumab 300mg/10mL	$19,500/vial	Multiple sclerosis, relapsing or progressive	Covered MS agents at Tier 4 w/PA	Cover, PA medical
Tepadina	thiotepa 100mg	$7,200/vial	Antineoplastic		NA Medical
Kevzara	sarilumab 150mg/1.14mL, 200mg/1.14mL	$1,800/syringe	Rheumatoid arthritis	Some agents covered T2/T4 w/ PA	T4PA, revisit TIMs

B. Recommended Exclusions

1. Nonspecialty Medications

BRAND NAME	GENERIC NAME	PRICING (AWP)	INDICATION	SIMILAR THERAPIES ON FORMULARY	DUEC VOTE
Xermelo	telotristat etiprate 250mg tablet	$73.77/tab	Carcinoid syndrome diarrhea	loperamide available OTC; diphenoxylate-atropine available T1 (MAC)	Exclude, code 1
Locort	dexamethasone 1.5mg dose packs	$7.54-$8.28/tab	Multiple indications	Dexamethasone tabs available in multiple strengths T1 (MAC)	Exclude, code 13

BRAND NAME	GENERIC NAME	PRICING (AWP)	INDICATION	SIMILAR THERAPIES ON FORMULARY	DUEC VOTE
Zonacort	dexamethasone 1.5mg dose packs	$17.56-$25.92/tab	Multiple indications	Dexamethasone tabs available in multiple strengths T1 (MAC)	Exclude, code 13
Rhofade	oxymetazoline 1% cream	$570/tube	Rosacea	generic metronidazole cream & gel available T1; Finacea available T3	Exclude, code 13
Paingo KFT	lidocaine-prilocaine-methyl salicylate-menthol 2.5%-2.5%	$1,495/tube		lidocaine creams available T1 (MAC)	Exclude, code 13
Motofen	difenoxin HCl/atropine sulfate 1-0.025mg tablet	$8.25/tablet	Diarrhea	loperamide available OTC; diphenoxylate-atropine available T1 (MAC)	Exclude, code 13
Kovanaze	tetracaine HCl/oxymetazoline 6-0.1mg/0.2		Dental anesthesia		Exclude, code 13
Arymo ER	morphine sulfate 15mg, 30mg, 60mg tablets	$5.18-$20.76/tab	Pain management	generic morphine available T1	Exclude, code 13
Morphabond ER	morphine sulfate 15mg, 30mg, 60mg, 100mg tablets	$6.48-$33.96/tab	Pain management	generic morphine available T1	Exclude, code 13
AirDuo Respiclick	fluticasone/salmeterol 55-14mcg, 113-14mcg, 232-14mcg	$342	Asthma	Same active ingredients as Advair. Rebated category. Covered agents: Dulera, Symbicort Tier 2. Advair Diskus 100-50 covered for kids.	Exclude, code 13
Tranzarel	lidocaine HCl 4% gel	$577.06/tube	Topical anesthesia	Multiple lidocaine products & strengths available Tier 1 (MAC)	Exclude, code 13
Xadago	safinamide mesylate 50mg, 100mg tab	$26.80/tab	Parkinson disease	rasagiline Tier 2 (MAC), selegiline Tier 1 (MAC)	Exclude, code 13
Xatmep	methotrexate 2.5mg/mL oral solution	$18.96/mL	Multiple indications	tablets available T1 (MAC)	Exclude, code 13
Intrarosa	prasterone (DHEA) 6.5mg insert	$7.50/insert	Dyspareunia		Exclude, code 13

2. Specialty Drugs

BRAND NAME	GENERIC NAME	PRICING (AWP)	INDICATION	SIMILAR THERAPIES ON FORMULARY	DUEC VOTE
Kisqali	ribociclib succinate 200mg/day, 400mg/day, 600mg/day tabs	$208.57-$250.29/tab	Advanced or metastatic breast cancer	Covered oncology agents at Tier 4 w/PA	Exclude, code 1
Kisqali Femara Co-Pack	ribociclib succinate/letrozole 200-2.5mg, 400-2.5mg, 600-2.5mg	$5,256-$13,140/month	Breast cancer	Covered oncology agents at Tier 4 w/PA	Exclude, code 1
Siliq	brodalumab 210mg/1.5mL	$2,100/vial	Plaque psoriasis	Some agents covered T2/T4 w/ PA	Exclude; relook in Feb
Bavencio	avelumab 200mg/10mL	$1,804.80/vial	Merkel cell carcinoma, urothelial carcinoma	Covered oncology agents at Tier 4 w/PA	Exclude, code 1
Austedo	deutetrabenazine 6mg, 9mg, 12mg tablets	$65.76-$98.64/tablet	Chorea associated w/ Huntington disease	Tetrabenazine covered Tier 1	Exclude, code 13
Ingrezza	valbenazine tosylate 40mg capsule	$211/capsule	Tardive dyskinesia	Tetrabenazine covered Tier 1	Exclude, code 13
Zejula	niraparib tosylate 100mg capsule	$196.67/capsule	Ovarian, fallopian tube, or primary peritoneal cancer	Covered oncology agents at Tier 4 w/PA	Exclude, code 1
Alunbrig	brigatinib 30mg tablet	$95/tablet	Non-small cell lung cancer	Covered oncology agents at Tier 4 w/PA	Exclude, code 2
Imfinzi	durvalumab 120mg/2.4mL, 500mg/10mL	$417.46/mL	Urothelial carcinoma	Covered oncology agents at Tier 4 w/PA	Exclude, code 1
Rydapt	midostaurin 25mg capsule	$160.61/capsule	AML, mast cell leukemia	Covered oncology agents at Tier 4 w/PA	Table to DCWG
Tymlos	abaloparatide 80mcg/dose	$1,250/mL	Osteoporosis	Forteo - Tier 4 PA	Exclude, code 13, along with Forteo
Brineura	cerliponase alfa 300mg/10mL	$2,160/mL	Neuronal ceroid lipofuscinosis type 2		Exclude, code 1 & 8
Radicava	edaravone 30mg/100mL	$6.516/mL	ALS		Exclude, code 1 & 8

BRAND NAME	GENERIC NAME	PRICING (AWP)	INDICATION	SIMILAR THERAPIES ON FORMULARY	DUEC VOTE
Syndros	dronabinol 5mg/mL	$38.92/mL	Anorexia associated with AIDs, N/V associated with chemo	Dronabinol caps available T1 (MAC)	Exclude, code 13

The committee recommended the proposed coverage for non-specialty additions, specialty additions, non-specialty exclusions, and specialty exclusions.

VI. Board Report*: by Dr. Geri Bemberg, UAMS*

Opioid programming is going into place starting September 5th. All immediate release opioids will be limited to a 7-day limit, not to exceed 50 mmE/day. New starts for extended release will require a PA. Current utilizers will not be addressed at this time. None of the coding will apply to malignancy or end of life care. Letters detailing these edits have been sent to the Arkansas Medical Society, Arkansas Academy of Family Physicians, Arkansas Academy of Pediatricians, and the Arkansas Pharmacy Association.

***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 eternally 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

State and Public School Life and Health Insurance Board
Benefits Sub-Committee Summary Report

The following report resulted from a meeting of the Benefits Sub-Committee on August 11, 2017, with Claudia Moran presiding.

Topics Discussed:

- June and July Financials
- ACHI Updates
- Pharmacy Updates
- Wellness Options

April PSE-ASE Financials: Marla Wallace, EBD Fiscal Officer

Wallace reported the financials for June and July, 2017.

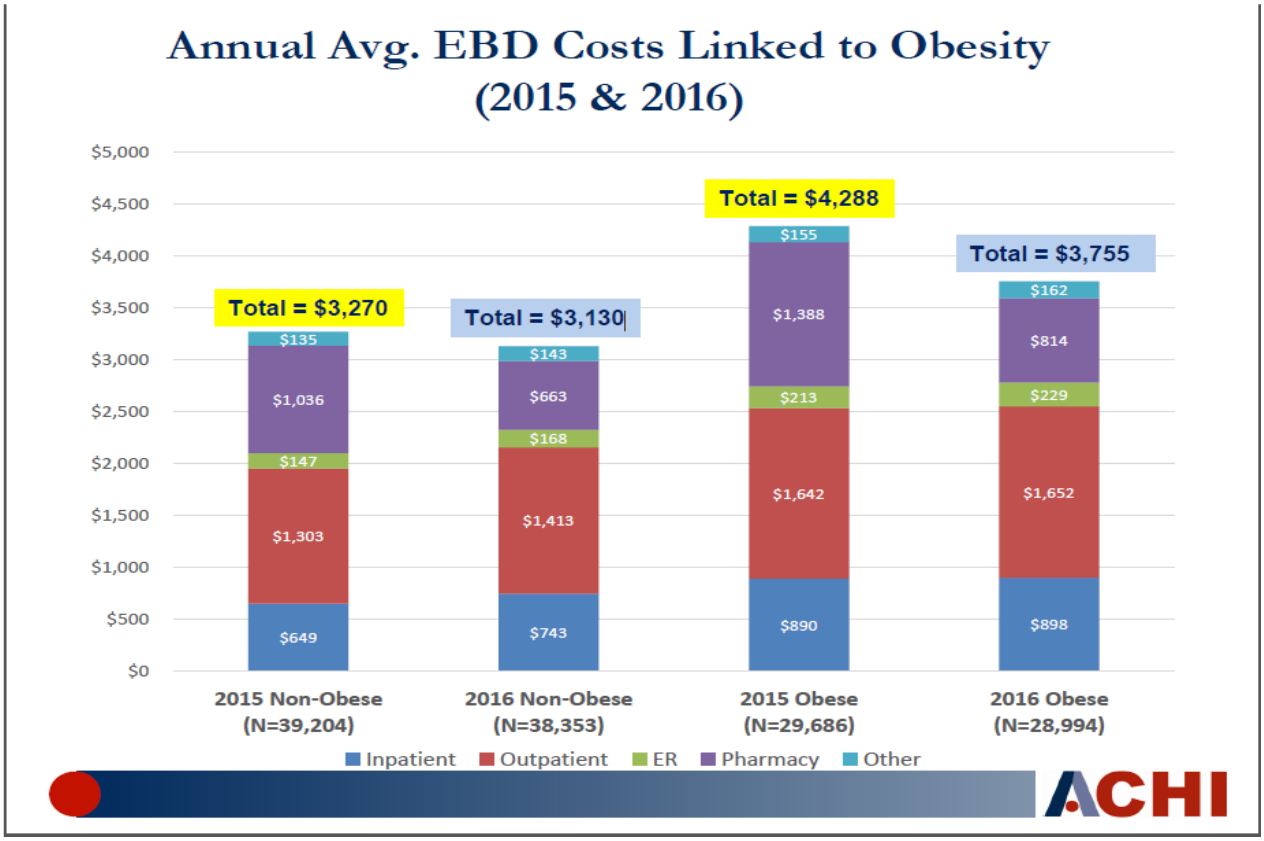
ACHI UPDATES: Mike Motley, Elizabeth Whittington, ACHI

Choosing Wisely Recommendation-Nonspecific Low Back Pain (AAFP)

- Don't do imaging for low back pain within the first six weeks, unless red flags are present. Red flags include, but are not limited to:
- Severe or progressive neurological deficits or
- When serious underlying conditions such as osteomyelitis (infection in a bone) are suspected
- Trauma

Imaging of the lower spine before six weeks does not improve outcomes, but does increase costs and increases the likelihood of surgery

2016 Health Risk Assessment (HRA) Analysis



EBD Rates of Smoking from HRA Data

- Smoking rate from 2015 HRA: 9.4%

- Smoking rate from 2016 HRA: 8.9%

- Arkansas Current Smoker Statistics (2015):
  - 24.9% of adults (18+) current smoke cigarettes
  - Ranked 49th among the states

Pharmacy Updates: Dr. Geri Bemberg, UAMS

Dr. Bemberg spoke on how the current tobacco cessation program works.

Current program setup

- Member may enroll unlimited times in the Tobacco Cessation Program (TCP) through Guidance Resources.
    - To complete the program, the patients completes at least 5 sessions. The calls can be weekly, bi-weekly, etc based on the individual patient's goals and needs.
- Member may enroll up to a **lifetime maximum of 3 times** in the Tobacco Cessation Program Pharmacy benefit; each enrollment is good for 3 months. The pharmacy benefit allows the member to obtain 1 of 3 tobacco cessation products at a $0 copay.

Proposed TCP pharmacy benefit setup:

- Continue offering the same 3 tobacco cessation products (patch, bupropion SR, Chantix)
- Continue requirement to be enrolled in behavioral counseling
- Address the lifetime maximum of enrollments (Benefits committee)
    - Option 1: Continue lifetime maximum of 3 enrollments, but allow each enrollment to extend to 6 months.
    - Option 2: Remove lifetime maximum, and allow unlimited enrollments in TCP pharmacy benefit
    - Option 3: Remove life maximum. Allowed unlimited lifetime enrollments in TCP pharmacy benefit, but limit the number of yearly enrollments to twice per year.
    - Option 4: Do nothing. Leave TCP pharmacy benefit the way it currently stands.

Wellness Options: Dr. John Vinson, APA

<u>Recommendation from Wellness Subcommittee:</u>

1. To be eligible for a premium incentive amount (to be determined by the Board), member's will be required to complete the following:

    a. Undergo annual biometric screening and completion of health risk assessment (HRA):
        i. Modify the HRA questionnaire to ensure that information captured in the biometric screening is not duplicated in the HRA

ii. Revise the HRA to include educational components to alert members about EBD resources/covered benefits

b. All components of biometric screening must be completed by the member in order to receive the premium incentive, inclusive of:
    i. Annual nicotine screening, with requirement that member be nicotine free to be eligible for incentive (with exemptions for members who are actively enrolled in EBD's tobacco cessation program)
    ii. Annual height/weight measure to derive BMI
    iii. Annual blood pressure measurement
    iv. Collection of cholesterol and blood glucose in 2018 for 2019 incentive credit

c. Flu shot requirement; HRA would include a self-attestation that the member intends to receive a flu shot or has already received a flu shot for the current year flu season

2. Based on outcomes and data from initial year of implementation, the Board will consider, for 2019 activities and 2020 incentive determination, required enrollment in tobacco cessation for members who test positive for nicotine, and enrollment in weight management or obesity counseling for members whose BMI is over 40

*The goal of the Wellness Committee is for primary members and spouses both to be required to complete activities for incentives; however, the Board will make the final determination

Updates to EBD Board
August 22, 2017

1. Choosing Wisely Recommendation for Low Back Pain Imaging and Related Analysis
    - During this month's Quality of Care Subcommittee meeting, analysis related to the Choosing Wisely recommendation on imaging (X-Ray, MRI, CT-Scans) for uncomplicated low back pain was presented
    - We also reviewed background on overuse, which was defined by an Institute of Medicine Roundtable as the following: When a service is provided under circumstances in which its potential for harm exceeds possible benefits
    - As previously reviewed with the Board, the American Academy of Family Physicians (AAFP) have developed the following Choosing Wisely recommendation related to this topic:
        - "Don't do imaging for low back pain within the first six weeks unless red flags are present."
    - To complete our analysis, we used a national measure (HEDIS) to determine the rate of EBD members that received a potentially wasteful imaging service for uncomplicated back pain, which was approximately 27 percent during a one year period (October 2014—September 2015)
        - Additionally, we saw considerable variation amongst providers in the rate of associated patients who received potentially wasteful imaging services
    - From our presentation, we received some additional questions/next steps for this analysis; We will continue this exploration into next month's Quality of Care meeting

2. Health Risk Assessment Analysis Phase 2
    - ACHI has received and analyzed the 2016 HRA data, replicating similar analyses as presented to the Board and Subcommittees related to the 2015 HRA data
        - This information was also presented to the Quality of Care Subcommittee during this month's meeting
    - Similar trends are present in rates and associated claims costs across all the three risk factors we assessed (obesity, smoking, and physical inactivity)
    - Next steps include replicating Venn diagrams which display overlapping rates of members with multiple risk factors within the EBD population, along with associated claims costs