



## **AGENDA**

### **State and Public School Life and Health Insurance Board Benefits Sub-Committee**

**July 17<sup>th</sup>, 2020  
10:00 a.m.**

**EBD Board Room – 501 Building, Suite 500**

- I. Call to Order..... Susan Gardner, Chair*
- II. Approval of June Minutes..... Susan Gardner, Chair*
- III. COVID Update.....Elizabeth Montgomery & Mike Motley, ACHI*
- IV. Plan Update.....Paul Sakhrani & Courtney White, Milliman*
- V. Director's Report.....Chris Howlett, EBD Director*
- VI. Adjournment..... Susan Gardner, Chair*

***2020 Upcoming Meetings:***

***August 14<sup>th</sup>, September 18<sup>th</sup>, October 16<sup>th</sup>***

***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.***

# BENEFITS MEETING MINUTES

The Benefits Sub-Committee of the State and Public School Life and Health Insurance Board (hereinafter called the Committee) met on July 17, 2020, at 10:00 a.m. via teleconference

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*Date | time 7/17/2020 10:00 AM | Meeting called to order by Susan Gardner, Chair*

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## In Attendance

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### Members Present

Susan Gardner – Chair  
Claudia Moran  
Stephanie Lilly-Palmer  
Ronnie Kissire – Vice-chair  
Cindy Allen  
Carla Haugen  
Herb Scott  
Chris Howlett, Employee Benefits Division (EBD) Director

### Members Absent

### Others Present

Rhoda Classen, Mary Massirer, Terri Freeman, Stella Greene, EBD; Elizabeth Montgomery, Mike Motley, ACHI; Micah Bard, Sherry Bryant, Octawia DeYoung, EBRx UAMS; Jessica Akins, Takisha Sanders, HA; Paul Sakhrani, Courtney White, Scott Cohen, Milliman; Treg Long, ACS; Sidney Keisner, UAMS; Suzanne Woodall, Kristin Dolfy, Medimpact; Marissa Keith, BI; Donna Morey, ARTA; Jim Musick, Sanofi; Lauren Brakebill; Kelly Strack; Mary Grace Smith, Sheila Weddington, ASE Retiree

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## Approval of Minutes by Susan Gardner, Chair

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### MOTION by Kissire:

Move to approve the June 12, 2020 minutes.

Scott seconded; all were in favor.

### Minutes Approved.

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## COVID Update: Elizabeth Montgomery & Mike Motley, ACHI

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Montgomery and Motley presented ongoing analyses regarding COVID-19 impact on the plan, reviewed preliminary output on COVID-19 drug treatment utilization within the plan, assessed preliminary output on COVID-19-related telemedicine utilization within the plan, and presented analyses regarding COVID-19 financial impact on the plan.

### Discussion:

Allen: Is there any difference in the charge for having a telemedicine visit as opposed to an in-person visit?

Howlett: It depends on the coding for a telemedicine visit. There are up to 40 different options for codes. There's an evaluation and monitoring code and additional codes that are in place from a telephonic perspective. There are only certain codes relative to the telemedicine visit, and the same codes can be used in an in-person visit. The restrictions would be that there are certain codes that cannot be used because they're at a brick and mortar doctor's office.

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### **Plan Update by Paul Sakhrani & Courtney White, Milliman**

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Sakhrani and White provided an update on plan experience for ASE and PSE.

#### **ASE**

- 2020 & 2021 projections updated to incorporate claims data incurred from March 2019 to February 2020 and paid through June 2020
- 2020 projected plan experience
  - Allocated reserves for 2020 is \$25.1M
  - Estimated deficit of \$11.1M
  - End of Year Assets: \$60.4M
  - Incorporate estimated impact of COVID from deferred services, pent-up demand, and treatment / testing costs
  - No plan changes / 5% increase in employee contributions
- 2021 plan experience
  - No additional funding (\$14.5M allocated assets)
  - Projected deficit: \$35.4M
  - End of Year Assets: \$10.6M
  - No plan design or contribution changes
  - Increased membership based on historical patterns
  - Baseline trends (medical: 5%, pharmacy: 8%)

#### **PSE**

- Projections updated to incorporate claims data incurred from March 2019 to February 2019 and paid through June 2020
- 2020 plan experience
  - Allocated reserves for 2020 is \$25.3M
  - Estimated deficit of \$20.1M
  - End of Year Assets: \$102.7M
  - Incorporate estimated impact of COVID from deferred services, pent-up demand, and treatment / testing costs
  - No plan changes / 0% increase to employee contributions
- 2021 plan experience
  - No additional funding (\$15.5M allocated assets)
  - Projected deficit: \$67.0M

- End of Year Assets: \$20.2M
- No plan design or contribution changes
- Increased membership based on historical patterns
- Baseline trends (medical: 7%, pharmacy: 8%)

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### **Director's Report by Chris Howlett, EBD Director**

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Howlett stated that the biggest thing is that we are monitoring the COVID scenario and the impact to the plan. We are also looking at different scenarios to bring forward to the committee and board regarding rates. Respective to ongoing, we are trying to get more real time data to be able to get that in front of you so that you can see the impact. As far as the rates, we'll have some more information that we're working with Milliman on to be able to provide some options for consideration.

**MOTION** by Scott:

I make a motion to adjourn the meeting.

Moran seconded; all were in favor.

**Meeting Adjourned**

# JULY 2020 BENEFITS SUBCOMMITTEE PRESENTATION

Mike Motley, MPH  
Director, Analytics

Izzy Montgomery, MPA  
Policy Analyst

7.17.2020

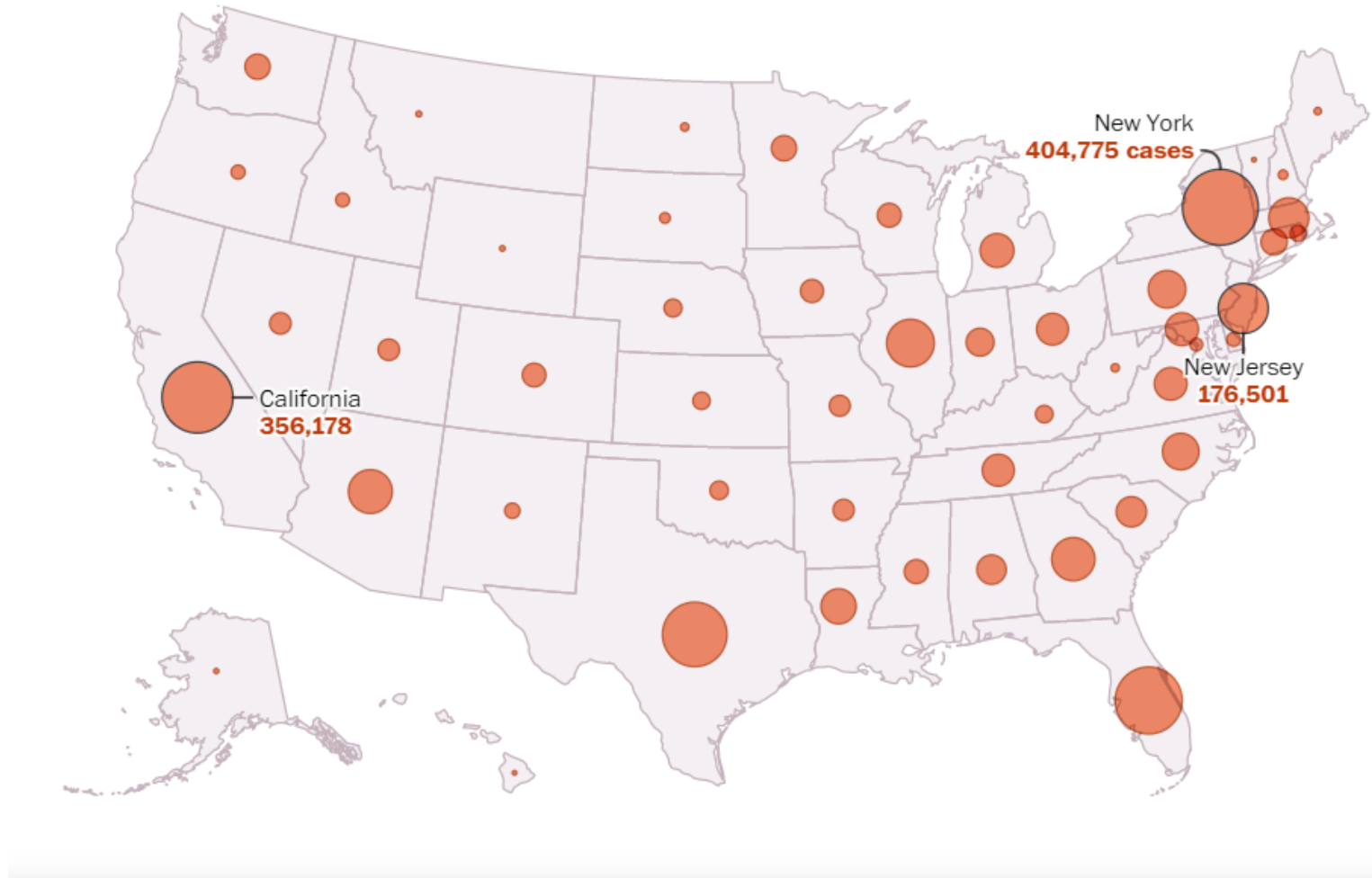


# OBJECTIVES

- Present ongoing analyses regarding COVID-19 impact on plan
- Review preliminary output on COVID-19 drug treatment utilization within plan
- Assess preliminary output on COVID-19-related telemedicine utilization within plan
- Present analyses regarding COVID-19 financial impact on plan



# COVID-19: CONFIRMED CASES & DEATHS IN U.S.



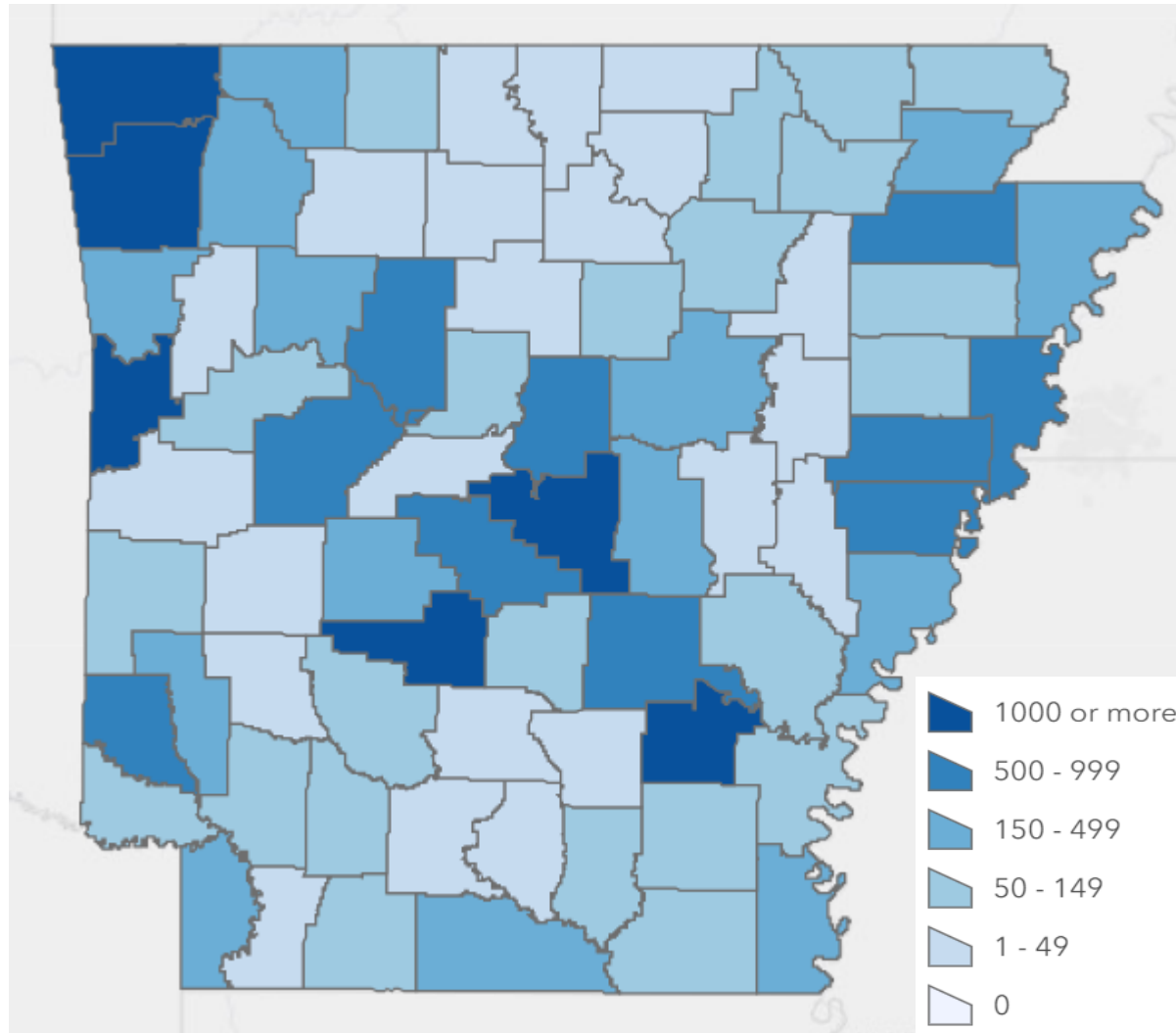
At least  
**3,548,000**  
confirmed cases

At least  
**135,000**  
reported deaths

Sources: Washington Post and Johns  
Hopkins University, as of July 17



# COVID-19: CONFIRMED CASES BY AR COUNTY



**Cumulative Cases:**  
**31,114 (6,578 active)**

*Source: Arkansas Department of Health, as of July 17*





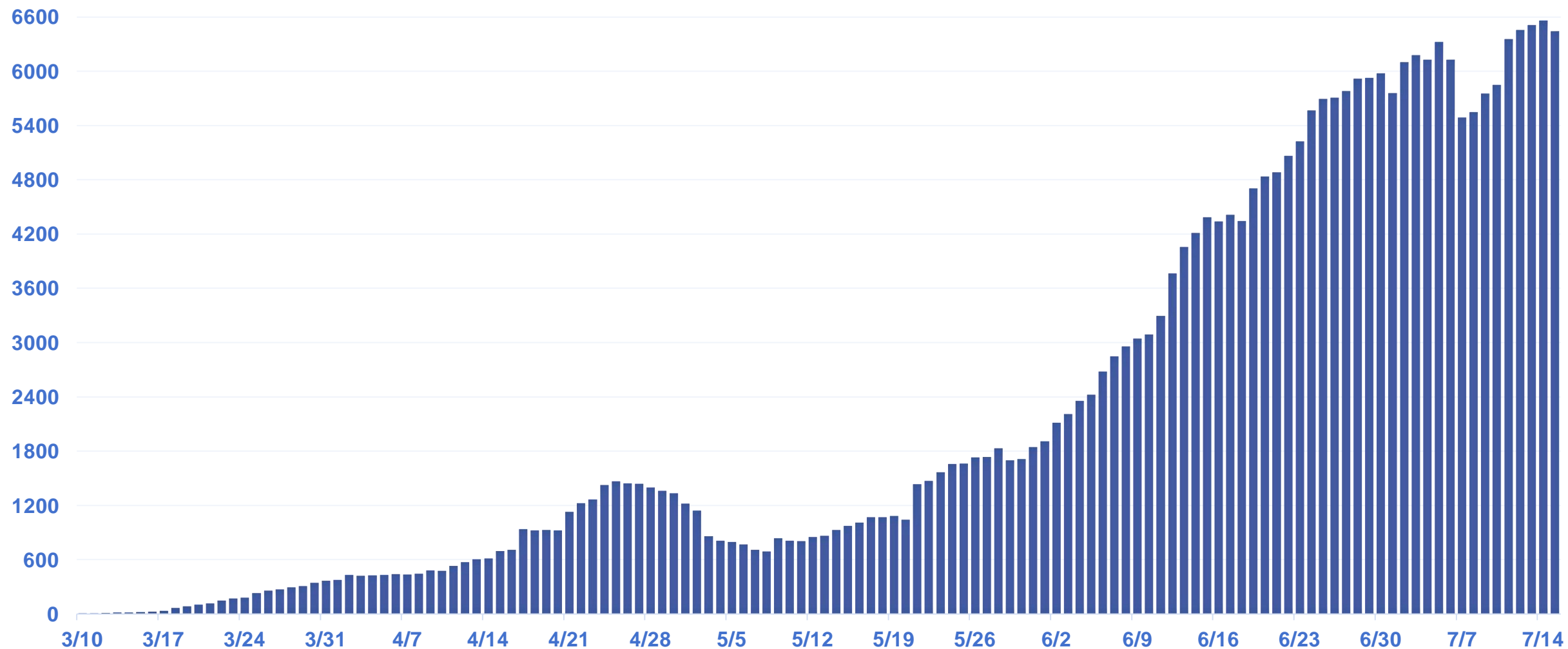
# ADDITIONAL COVID-19 STATEWIDE STATISTICS

- Hospitalized: 470
- On Ventilator: 101
- Deaths: 341

Source: Arkansas Department of Health, as of July 17

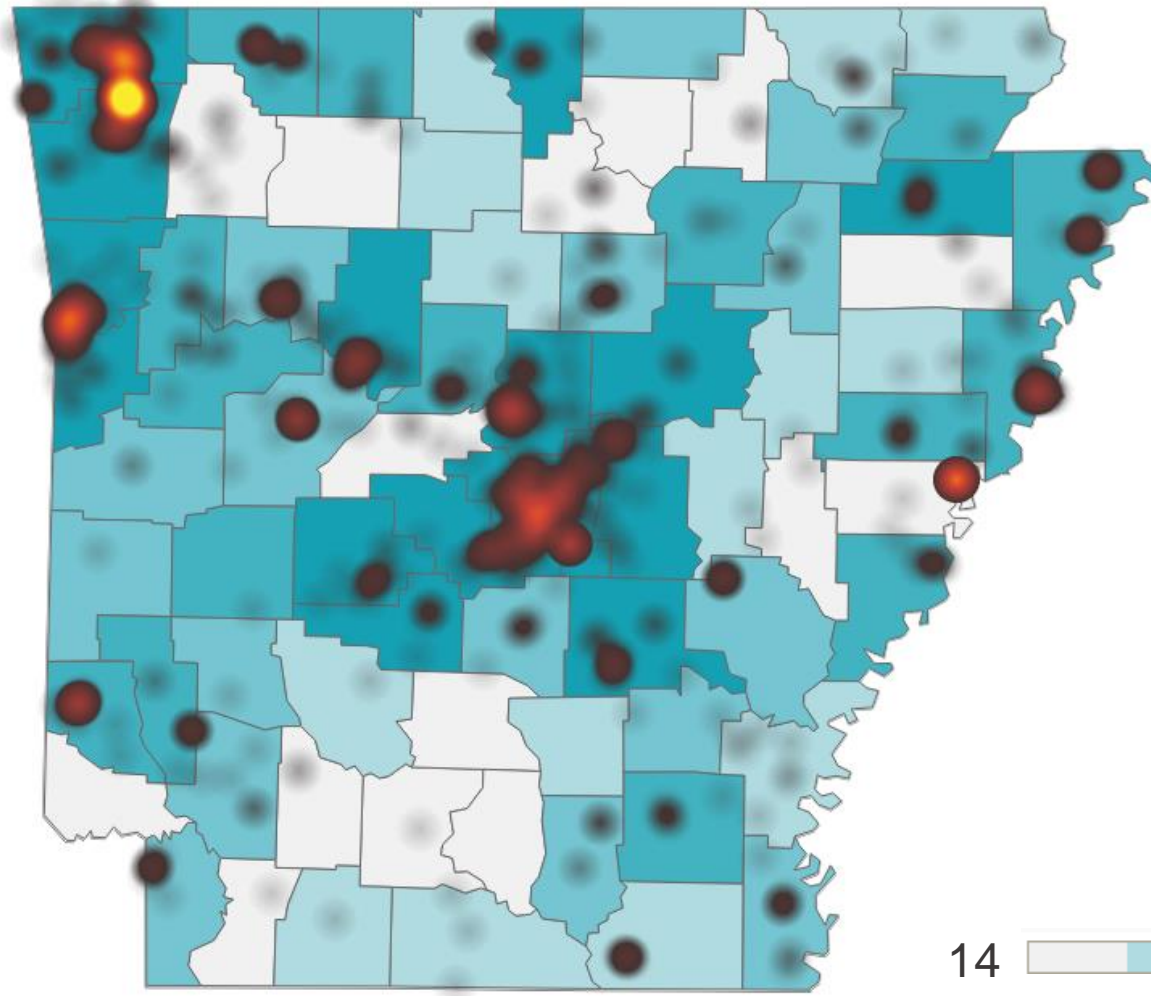


# DAILY ACTIVE COVID-19 CASES



Source: Arkansas Department of Health

# WEEK 26: POSITIVE CASES AND NUMBER OF TESTS



Week beginning:  
**June 28, 2020**

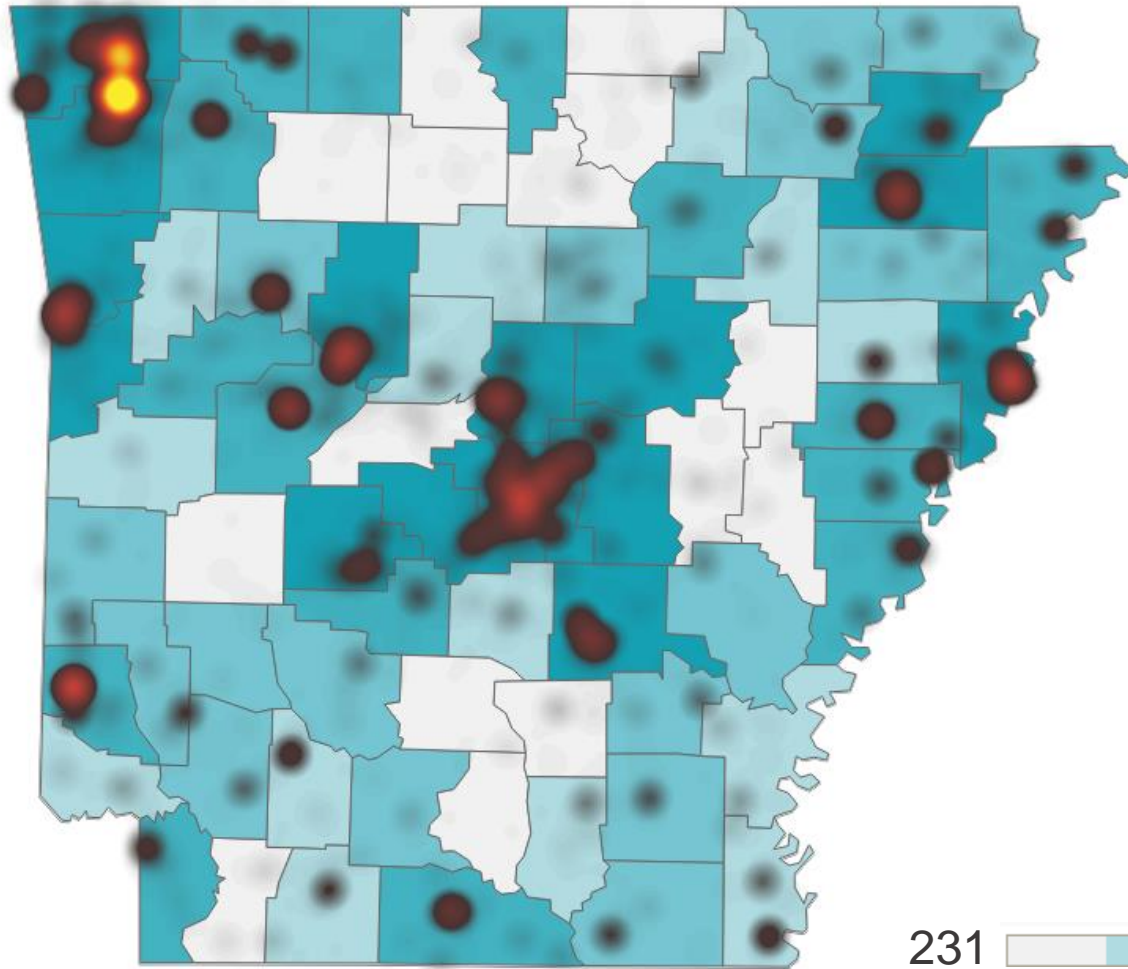
Notes: Excludes jail, not  
cumulative

Partial week

14 3,122



# ALL: POSITIVE CASES AND NUMBER OF TEST



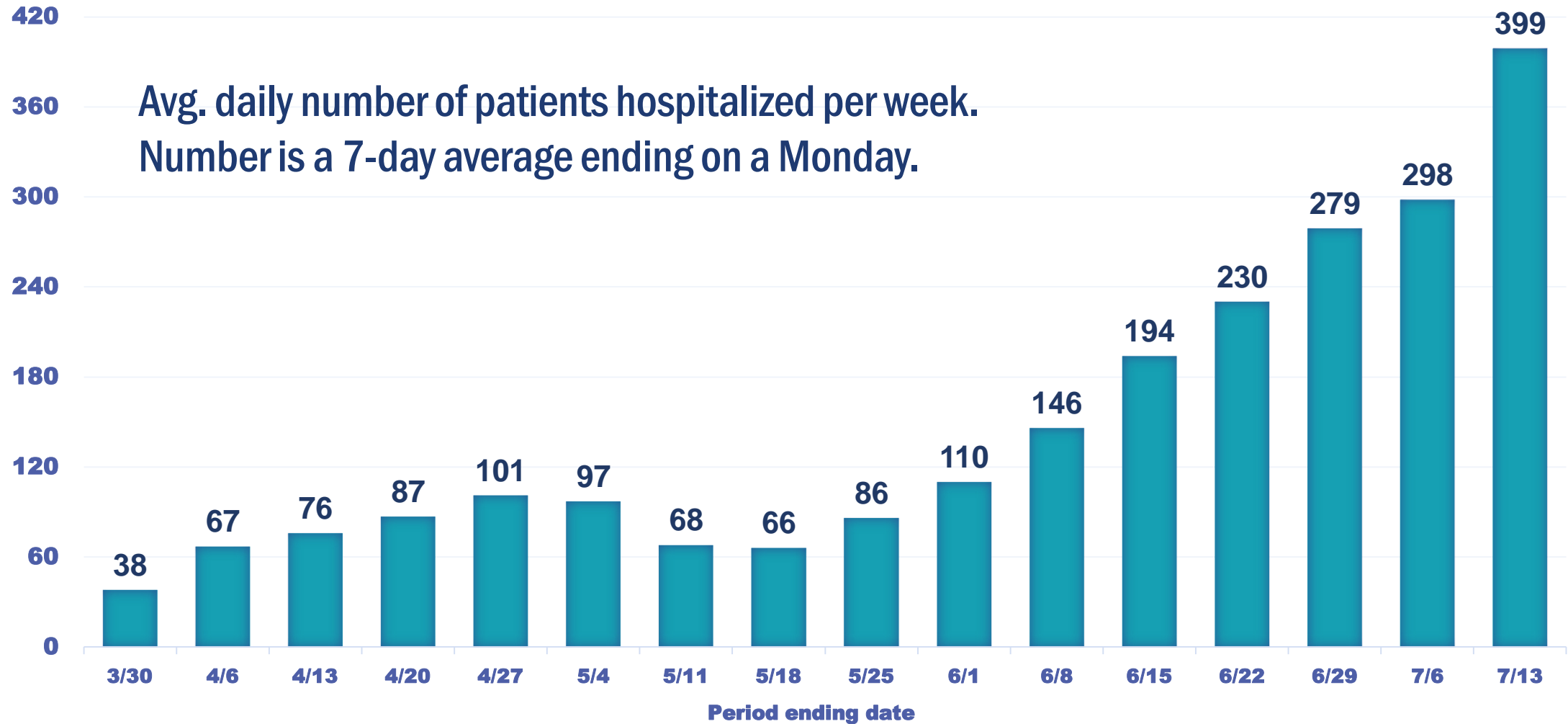
Cumulative

Notes: Excludes jail

231 28,898



# COVID-19 HOSPITALIZATIONS IN ARKANSAS

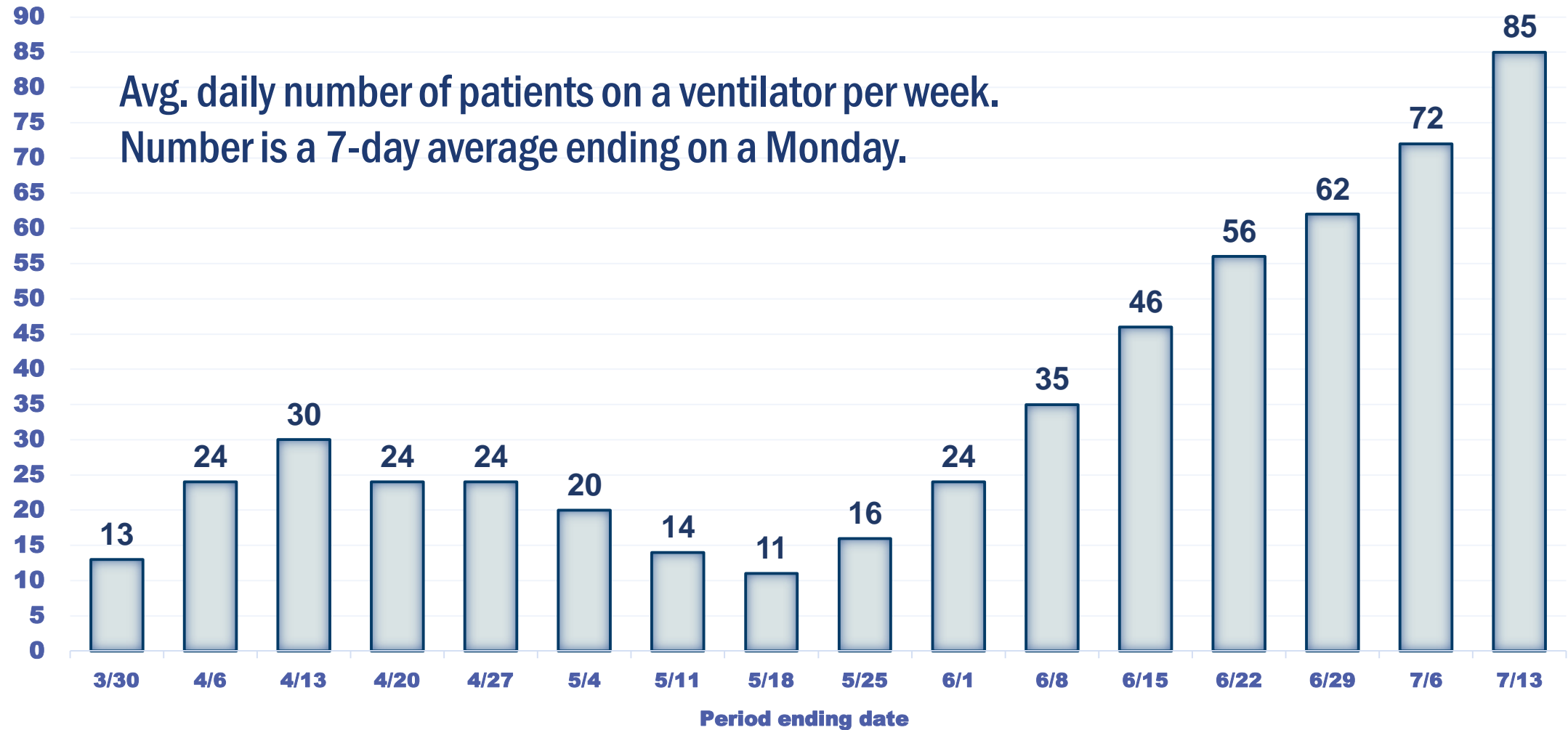


# ADH ANALYSIS OF ARKANSANS HOSPITALIZED WITH COVID-19

- Information presented at July 1 press conference
- Of the 1,300 ever hospitalized (at that time):
  - 860 were discharged (66.2%)
  - 263 were still hospitalized (20.2%)
  - 177 died (13.6%)



# COVID-19 PATIENTS ON A VENTILATOR IN ARKANSAS



# ADH ANALYSIS OF ARKANSANS ON VENTILATORS WITH COVID-19

- Information presented at July 1 press conference
- Of the 203 ever on a ventilator (at that time):
  - 94 died (46.3%)
  - 57 were taken off a ventilator (28.1%)
  - 52 were still on a ventilator (25.6%)





# COVID-19 PLAN IMPACT

- ACHI has worked with Arkansas Department of Health to obtain COVID-19 data
- Developing analyses to determine ongoing impact of COVID-19
- Analyses today include updates on estimated number of members tested, number of positive tests, and number of hospitalizations



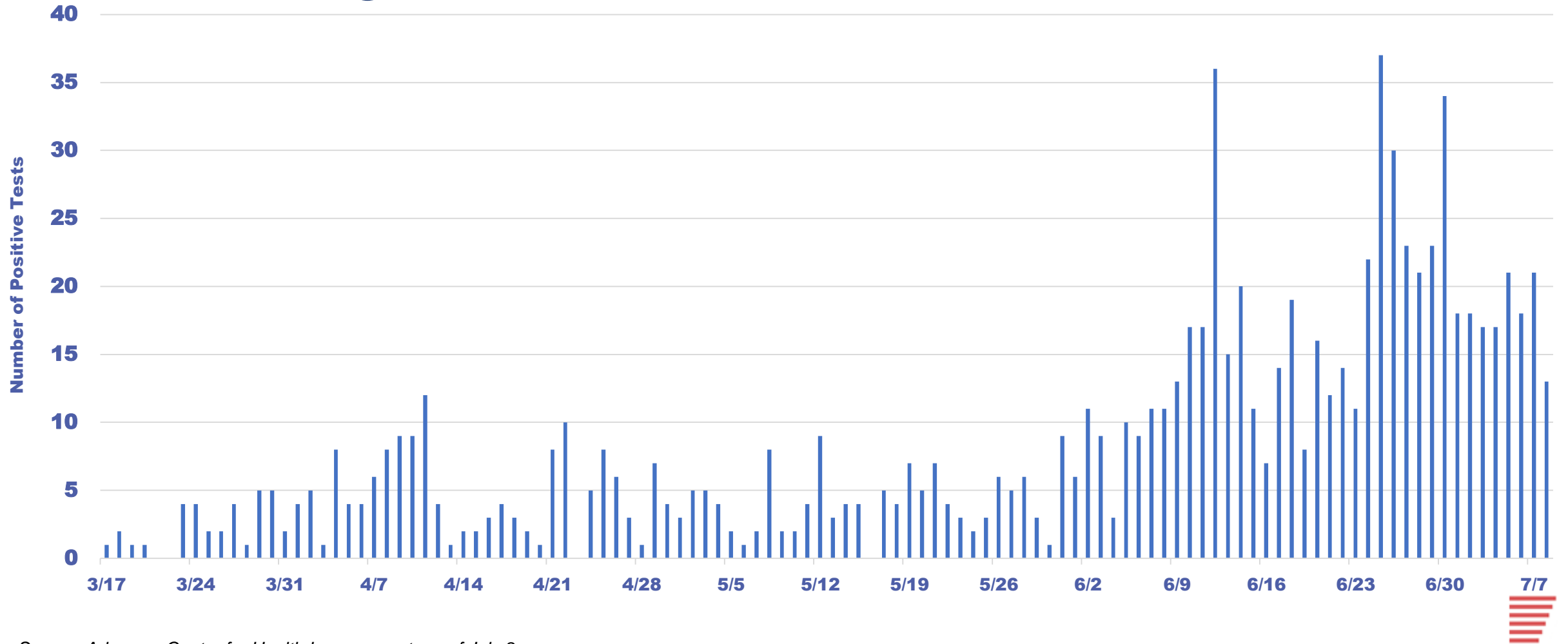
# COVID-19 ANALYSES

- Data from March 17 through July 8, 2020
- Estimated total number of members ever tested: 19,100
- Total number of members with positive test: 942
- Total number of members ever hospitalized: 66
- Total numbers of members ever in ICU: 28
- Total number of members ever intubated: 10

Source: Arkansas Center for Health Improvement, as of July 8

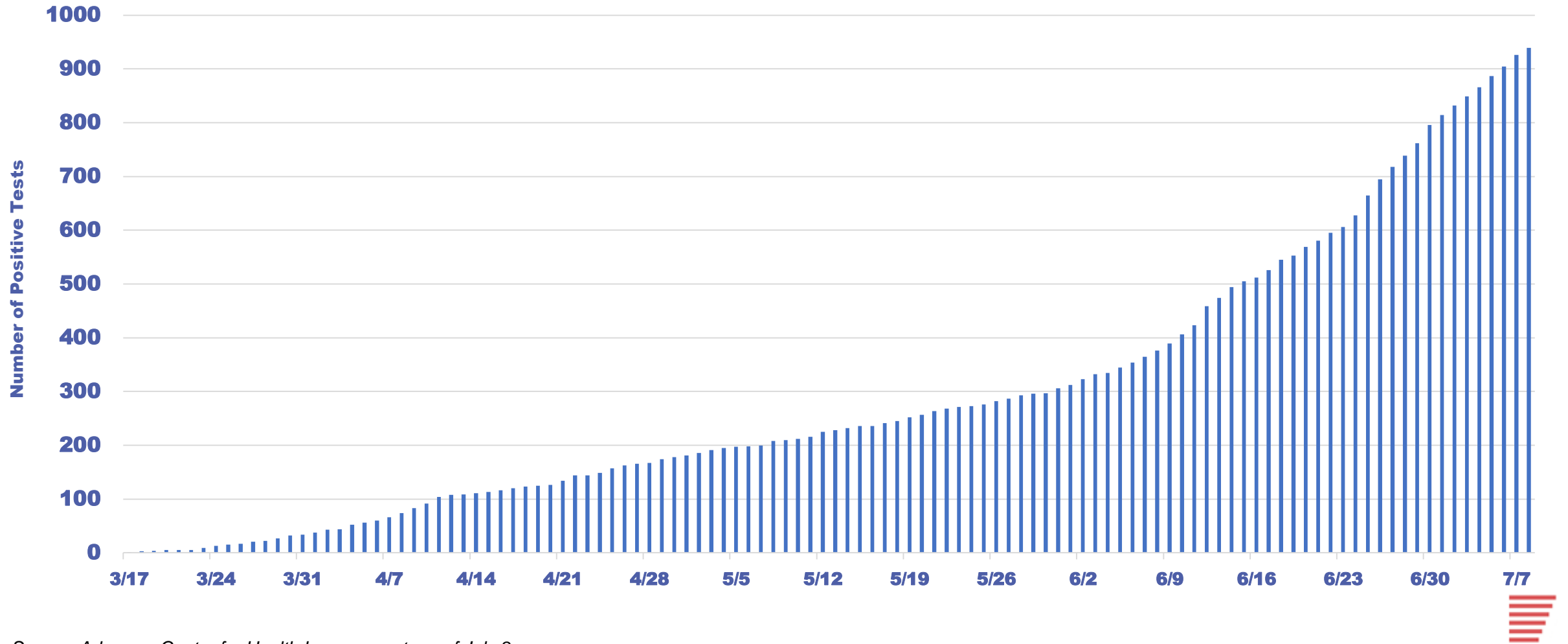


# DAILY POSITIVE TEST COUNT AMONG EBD MEMBERS



Source: Arkansas Center for Health Improvement, as of July 8

# CUMULATIVE POSITIVE TEST COUNT AMONG EBD MEMBERS



Source: Arkansas Center for Health Improvement, as of July 8

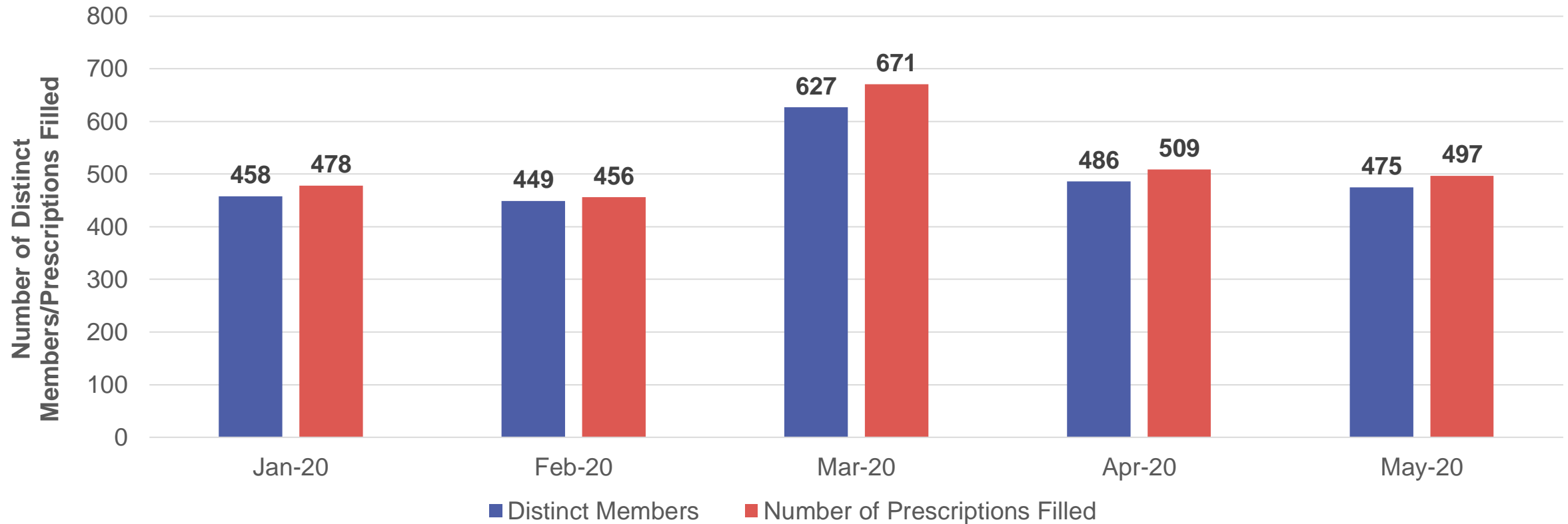


# COVID-19 TREATMENT UPDATES

- Convalescent plasma
- Remdesivir
  - Update: U.S. insurers will pay \$3,120 for 5-day course
- Hydroxychloroquine
- Dexamethasone



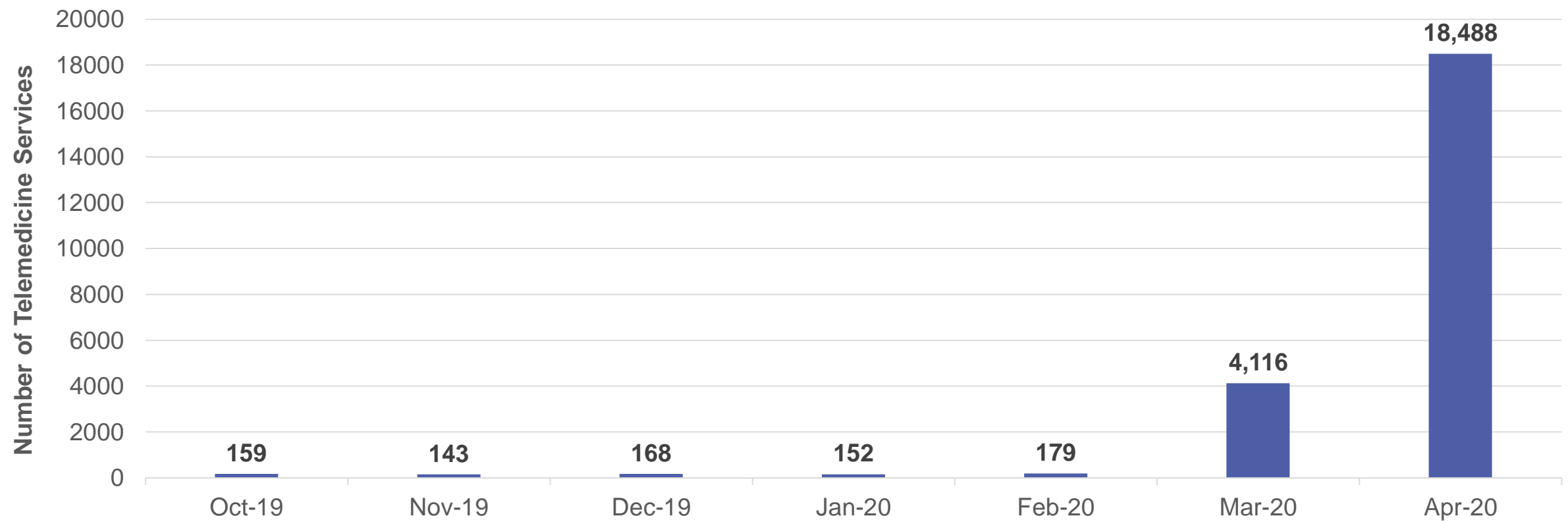
# HYDROXYCHLOROQUINE UTILIZATION WITHIN PLAN (JAN. 2020 – MAY 2020)



Source: Arkansas Center for Health Improvement



# TELEMEDICINE SERVICE UTILIZATION WITH PLAN (OCT. 2019–APR. 2020)



Source: Arkansas Center for Health Improvement



# EBD PLAN PAID AMOUNT FOR TELEMEDICINE SERVICES (OCT. 2019– APR. 2020)



Source: Arkansas Center for Health Improvement





# COVID-19 FINANCIAL IMPACT ASSESSMENT

In addition to tracking COVID-19 positive tests, hospitalizations, and number of members tested, ACHI is also assessing financial impacts to plan:

- Costs of COVID-19 related hospitalizations
- Related costs for all members with a positive test result
- Costs to the plan for testing and related assessments
- Additional costs related to expanded telemedicine utilization



# COVID-19 FINANCIAL IMPACT ASSESSMENT

- To assess financial impact, ACHI is linking claims data to ADH COVID-19 data
- Current plan claims data available to ACHI is as current as May 20, 2020
- Current analyses includes total costs for members with a positive test and for members with a related hospitalization
- Analyses also include costs of testing (molecular) and related assessment visits



# COVID-19 HOSPITALIZATION COSTS

- Due to 6-month timely filing requirements and necessary claims run-out periods, costs analyses specific to all hospital stays are not available at this time
- ACHI will update hospitalization-specific cost analyses as more claims experience becomes available



# COSTS RELATED TO TESTING AND ASSESSMENTS

- Through May 21, claims for tests = 1,624
- Costs for tests = \$125,504 (average of \$77 per test)
- Outpatient or emergency department (ED) visits were associated with 1,003 of 1,624 tests (62%)
- Additional costs for associated OP or ED visits = \$48,537
- Total amount paid by the plan for testing and associated OP or ED visits = \$174,041



# COSTS FOR MEMBERS WITH A HOSPITALIZATION

- As of June 4, 32 members were identified as having a hospitalization related to COVID-19
- 24 members deemed as having been hospitalized had claims experience within one week prior to their COVID positive test date through May 21
- Total amount paid by the plan across those claims = \$197,468 (average of \$8,228 per member)
- Future claims experience will provide a more complete picture of hospital costs



# COSTS FOR MEMBERS WITH A POSITIVE TEST

- 121 members had claims within one week prior to their positive test date through May 21
- Total amount paid by the plan (including those with a hospitalization) = \$237,825 (average of \$1,965 per member)



# NEXT STEPS

- ACHI will continue to provide updates on estimated number of members tested, number of positive tests, and number of hospitalizations
- Will continue providing updates on drug therapy utilization
- Will continue providing updates on telemedicine utilization and plan spend, including an update May 2020 experience
- Will continue assessing financial impact of COVID-19 on plan



# State of Arkansas Employee Benefits Division

## Interim Monitoring Report

Through June 30th

State and Public School Life and Health Insurance Benefits Subcommittee

Courtney White, FSA, MAAA  
Paul Sakhrani, FSA, MAAA

17 JULY 2020



# Agenda

- Arkansas State Employees (ASE)
  - Plan Experience
- Public School Employees (PSE)
  - Plan Experience
- Appendices
  - A. Plan summary
  - B. Assumptions / methodology
  - C. Limitations & caveats

**Arkansas State Employees (ASE)**

# Executive Summary

- 2020 & 2021 projections updated to incorporate claims data incurred from March 2019 to February 2020 and paid through June 2020.
- 2020 projected plan experience
  - Allocated reserves for 2020 is \$25.1M
  - Estimated deficit of \$11.1M
  - End of Year Assets: \$60.4M
  - Incorporate estimated impact of COVID from deferred services, pent-up demand, and treatment / testing costs
  - No plan changes / 5% increase in employee contributions
- 2021 projected plan experience
  - No additional funding (\$14.5M allocated assets)
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  - Increased membership based on historical patterns
  - Baseline trends (medical: 5%, pharmacy: 8%)

# Total Plan Experience

<u>Funding</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
State Contribution	\$ 173.61	\$ 172.24	\$ 172.24
Employee Contribution	97.45	99.56	100.24
Other	23.47	21.65	21.80
<b>Total Income</b>	<b>\$ 294.53</b>	<b>\$ 293.46</b>	<b>\$ 294.28</b>
Medical Claims	\$ (194.59)	\$ (216.03)	\$ (222.99)
Pharmacy Claims	(86.58)	(99.15)	(109.26)
Administration Fees	(18.30)	(17.51)	(17.63)
Plan Administration	(2.90)	(2.81)	(2.90)
<b>Total Expenses</b>	<b>\$ (302.37)</b>	<b>\$ (335.50)</b>	<b>\$ (352.78)</b>
Program Savings	\$ -	\$ 5.85	\$ 8.66
<b>Net Income / (Loss) Before Reserve Allocation</b>	<b>\$ (7.84)</b>	<b>\$ (36.19)</b>	<b>\$ (49.84)</b>
Allocation of Reserves	\$ 21.70	\$ 25.08	\$ 14.46
<b>Net Income / (Loss) After Reserve Allocation</b>	<b>\$ 13.86</b>	<b>\$ (11.10)</b>	<b>\$ (35.38)</b>

<u>Average Membership</u>			
Active Employees / Pre-65 Retirees	47,752	46,885	46,885
Post-65 Retirees	13,345	13,815	14,229
<b>Total Enrolled</b>	<b>61,098</b>	<b>60,700</b>	<b>61,114</b>

<b>Total Income PMPM<sup>1</sup></b>	<b>\$ 431.32</b>	<b>\$ 437.32</b>	<b>\$ 420.99</b>
<b>Total Expenses PMPM<sup>2</sup></b>	<b>\$ (412.41)</b>	<b>\$ (452.56)</b>	<b>\$ (469.23)</b>

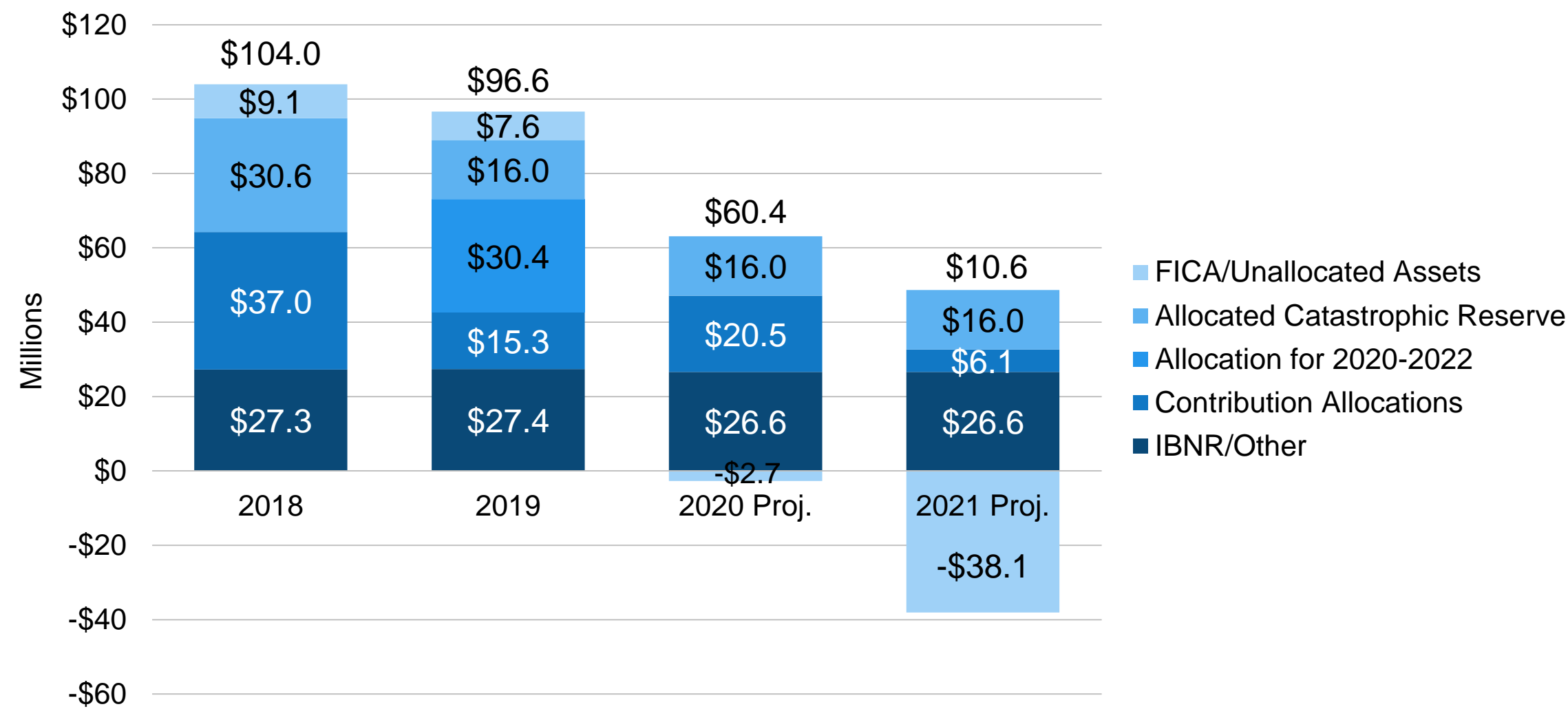
<sup>1</sup> Allocation of Reserves included in Total Income

<sup>2</sup> Total Expenses offset by Program Savings

# Projected Assets: 2019 – 2021

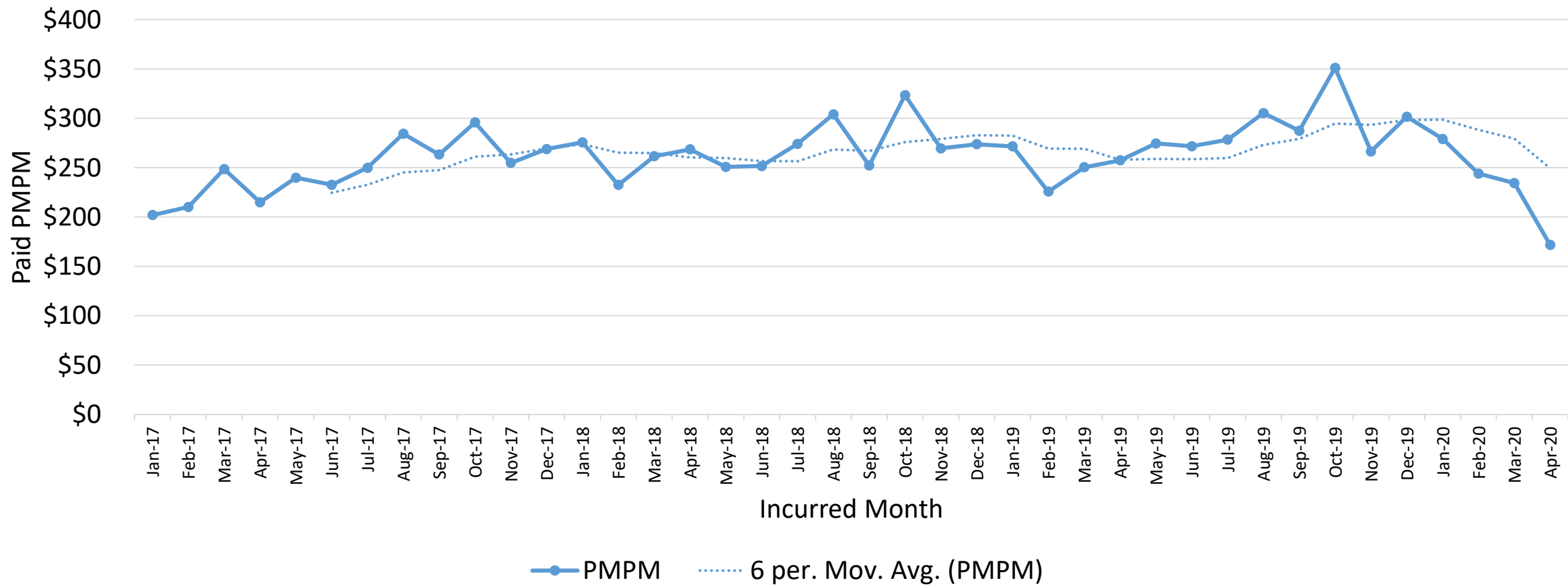
Development of 2021 End-of-Year Assets (\$millions)			
(a)	2019	End-of-Year Assets	\$96.6
(b)	2020	Total Income	\$293.5
(c)		Total Expenses	(\$329.6)
(d)		Allocated Assets	<u>\$25.1</u>
(e) = (b) + (c) + (d)		Total Surplus / (Deficit)	(\$11.1)
(f) = (a) - (d) + (e)		End-of-Year Assets	\$60.4
(g)	2021	Total Income	\$294.3
(h)		Total Expenses	(\$344.1)
(i)		Allocated Assets	<u>\$14.5</u>
(j) = (g) + (h) + (i)		Total Surplus / (Deficit)	(\$35.4)
(k) = (f) - (i) + (j)		End-of-Year Assets	\$10.6

# End of Year Assets

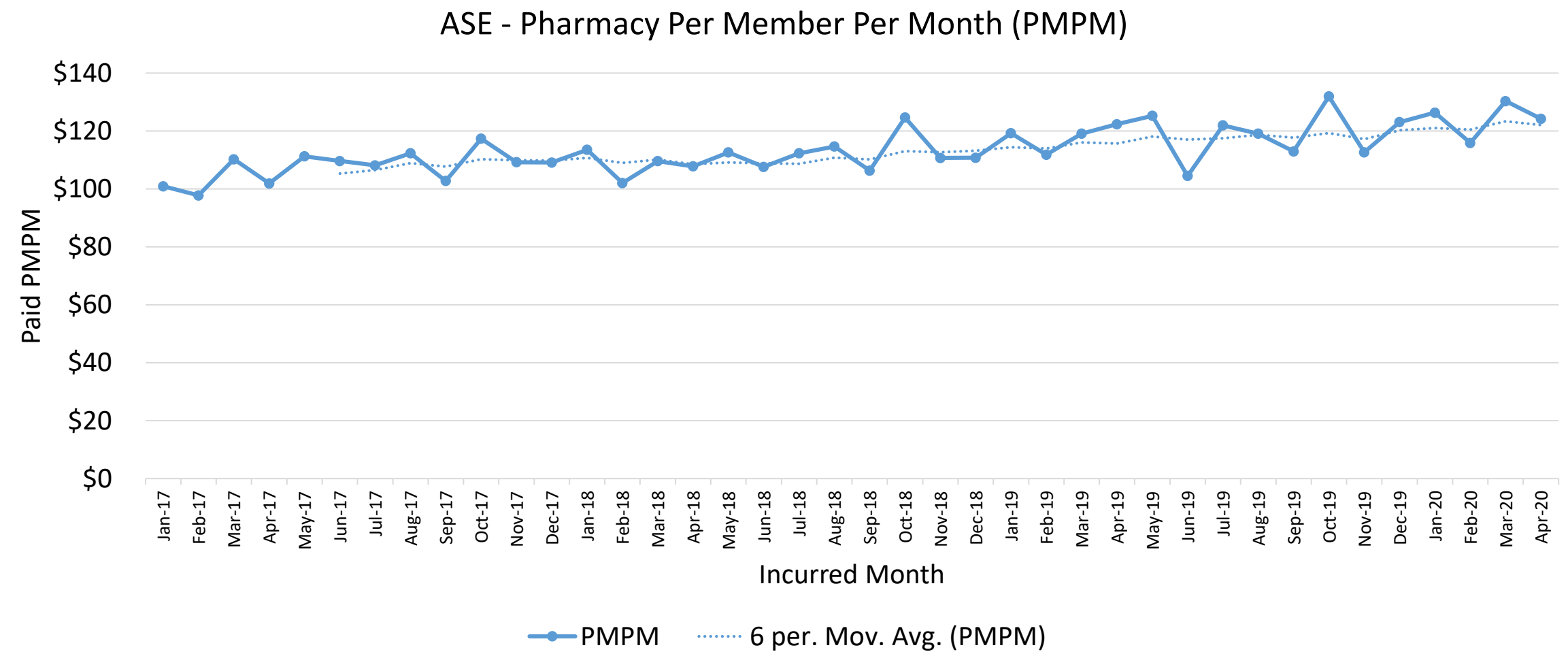


# Monthly Trend - Medical

ASE - Medical Per Member Per Month (PMPM)



# Monthly Trend - Pharmacy





**Public School Employees (PSE)**

# Executive Summary

- 2020 & 2021 projections updated to incorporate claims data incurred from March 2019 to February 2020 and paid through June 2020.
- 2020 plan experience
  - Allocated reserves for 2020 is \$25.3M
  - Estimated deficit of \$21.1M
  - End of Year Assets: \$102.7M
  - Incorporate estimated impact of COVID from deferred services, pent-up demand, and treatment / testing costs
  - No plan changes / 0% increase to employee contributions
- 2021 projected plan experience
  - No additional funding (\$15.5M allocated assets)
  - Projected deficit: \$67.0M
  - End of Year Assets: \$20.2M
  - No plan design or contribution changes
  - Increased membership based on historical patterns
  - Baseline trends (medical: 7%, pharmacy: 8%)

# Total Plan Experience

<u>Funding</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
PPE Funding	\$ 102.39	\$ 105.38	\$ 108.89
Employee Contribution	121.12	124.21	128.35
Dept of Ed Funding	88.10	88.10	88.10
Other	15.02	14.88	15.38
<b>Total Income</b>	<b>\$ 326.64</b>	<b>\$ 332.56</b>	<b>\$ 340.72</b>
Medical Claims	\$ (247.12)	\$ (280.49)	\$ (317.69)
Pharmacy Claims	(60.87)	(72.20)	(80.03)
Administration Fees	(28.46)	(28.18)	(29.20)
Plan Administration	(2.61)	(2.55)	(2.63)
<b>Total Expenses</b>	<b>\$ (339.06)</b>	<b>\$ (383.42)</b>	<b>\$ (429.56)</b>
Program Savings	\$ -	\$ 4.55	\$ 6.34
<b>Net Income / (Loss) Before Reserve Allocation</b>	<b>\$ (12.42)</b>	<b>\$ (46.31)</b>	<b>\$ (82.50)</b>
Allocation of Reserves	\$ 12.66	\$ 25.25	\$ 15.48
<b>Net Income / (Loss) After Reserve Allocation</b>	<b>\$ 0.23</b>	<b>\$ (21.05)</b>	<b>\$ (67.02)</b>

<u>Average Membership</u>			
Active Employees / Pre-65 Retirees	82,391	84,441	86,856
Post-65 Retirees	14,279	15,038	15,940
<b>Total Enrolled</b>	<b>96,669</b>	<b>99,478</b>	<b>102,795</b>

<b>Total Income PMPM<sup>1</sup></b>	<b>\$ 292.49</b>	<b>\$ 299.75</b>	<b>\$ 288.76</b>
<b>Total Expenses PMPM<sup>2</sup></b>	<b>\$ (292.28)</b>	<b>\$ (317.38)</b>	<b>\$ (343.09)</b>

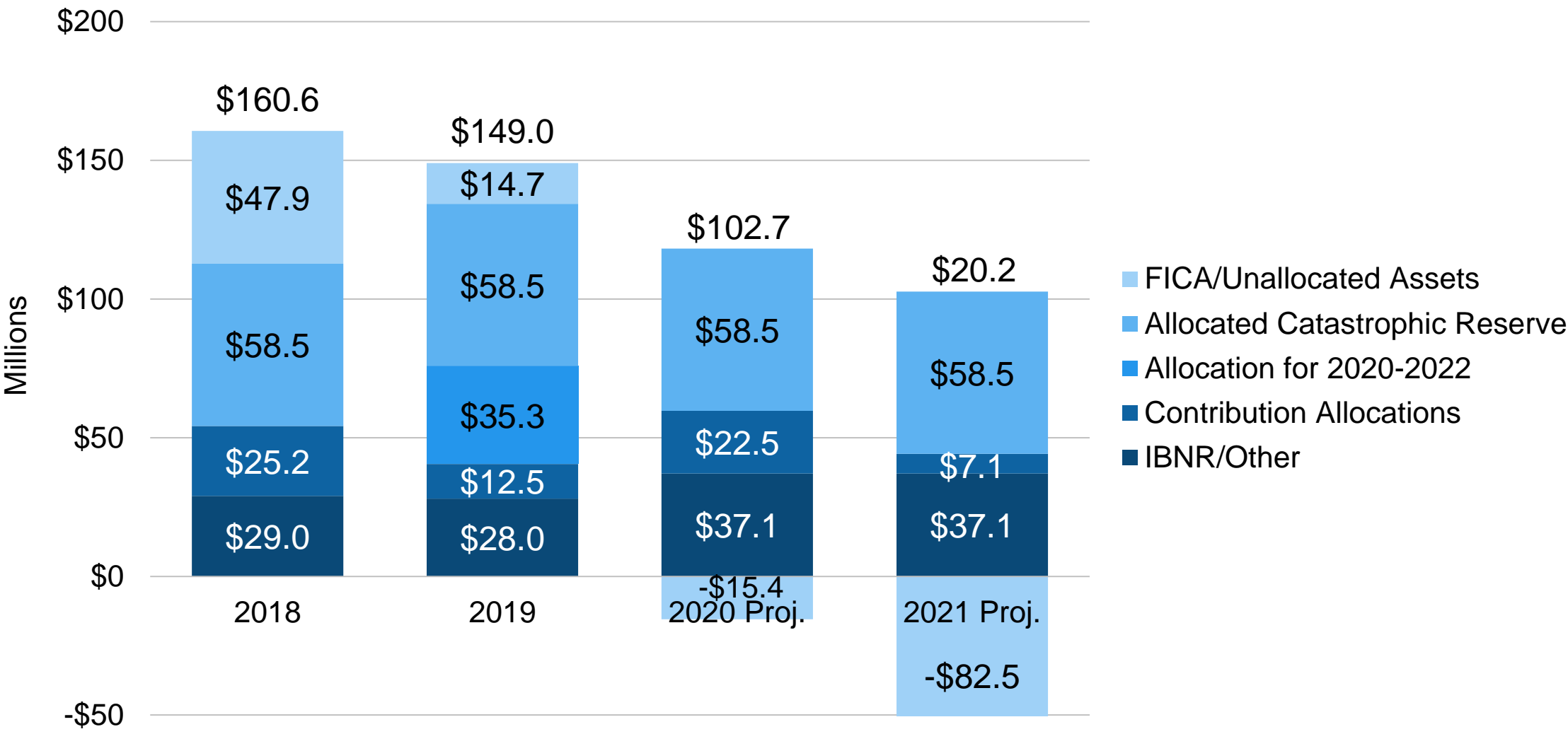
<sup>1</sup> Allocation of Reserves included in Total Income

<sup>2</sup> Total Expenses offset by Program Savings

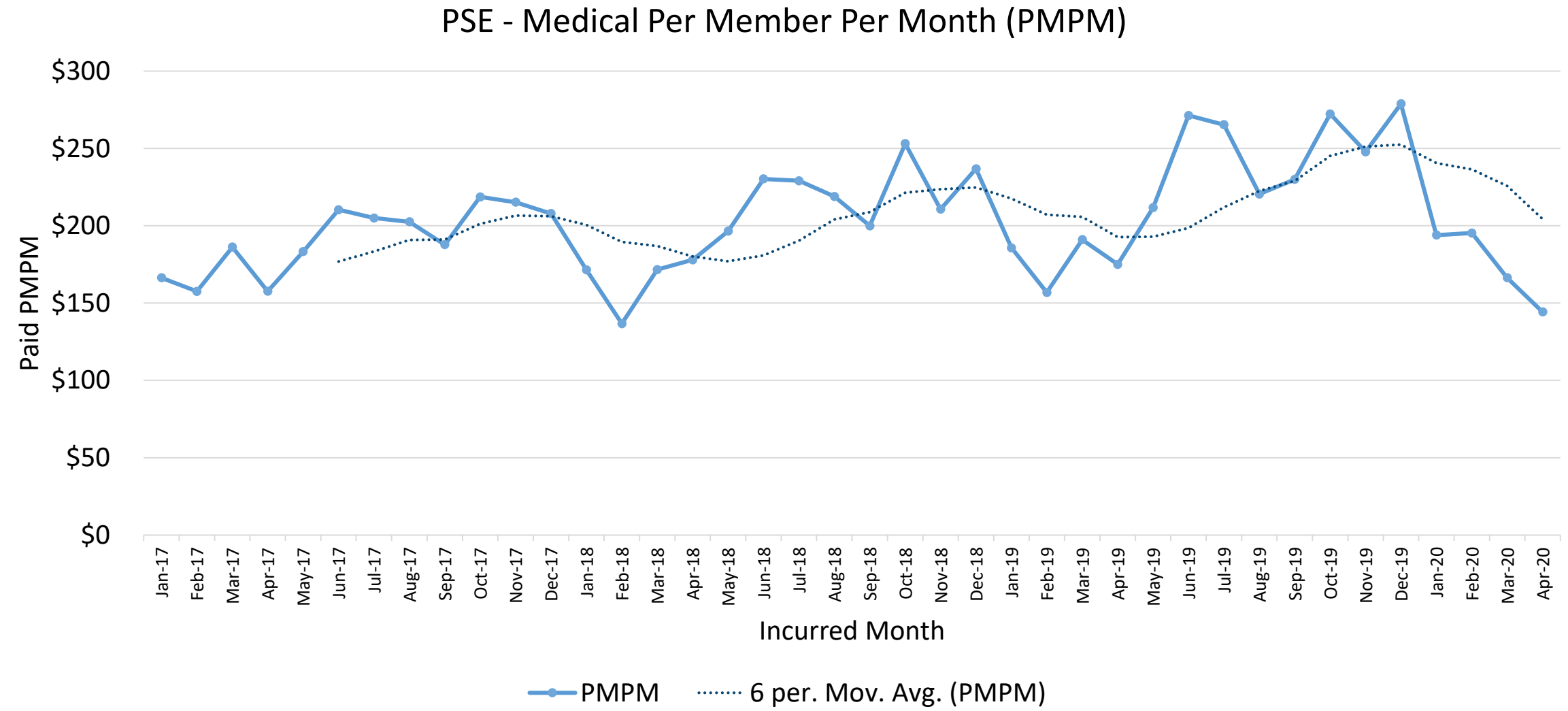
# Projected Assets: 2019 – 2021

Development of 2021 End-of-Year Assets (\$millions)			
(a)	2019	End-of-Year Assets	\$149.0
(b)	2020	Total Income	\$332.6
(c)		Total Expenses	(\$378.9)
(d)		Allocated Assets	<u>\$25.3</u>
(e) = (b) + (c) + (d)		Total Surplus / (Deficit)	(\$21.1)
(f) = (a) - (d) + (e)		End-of-Year Assets	\$102.7
(g)	2021	Total Income	\$340.7
(h)		Total Expenses	(\$423.2)
(i)		Allocated Assets	<u>\$15.5</u>
(j) = (g) + (h) + (i)		Total Surplus / (Deficit)	(\$67.0)
(k) = (f) - (i) + (j)		End-of-Year Assets	\$20.2

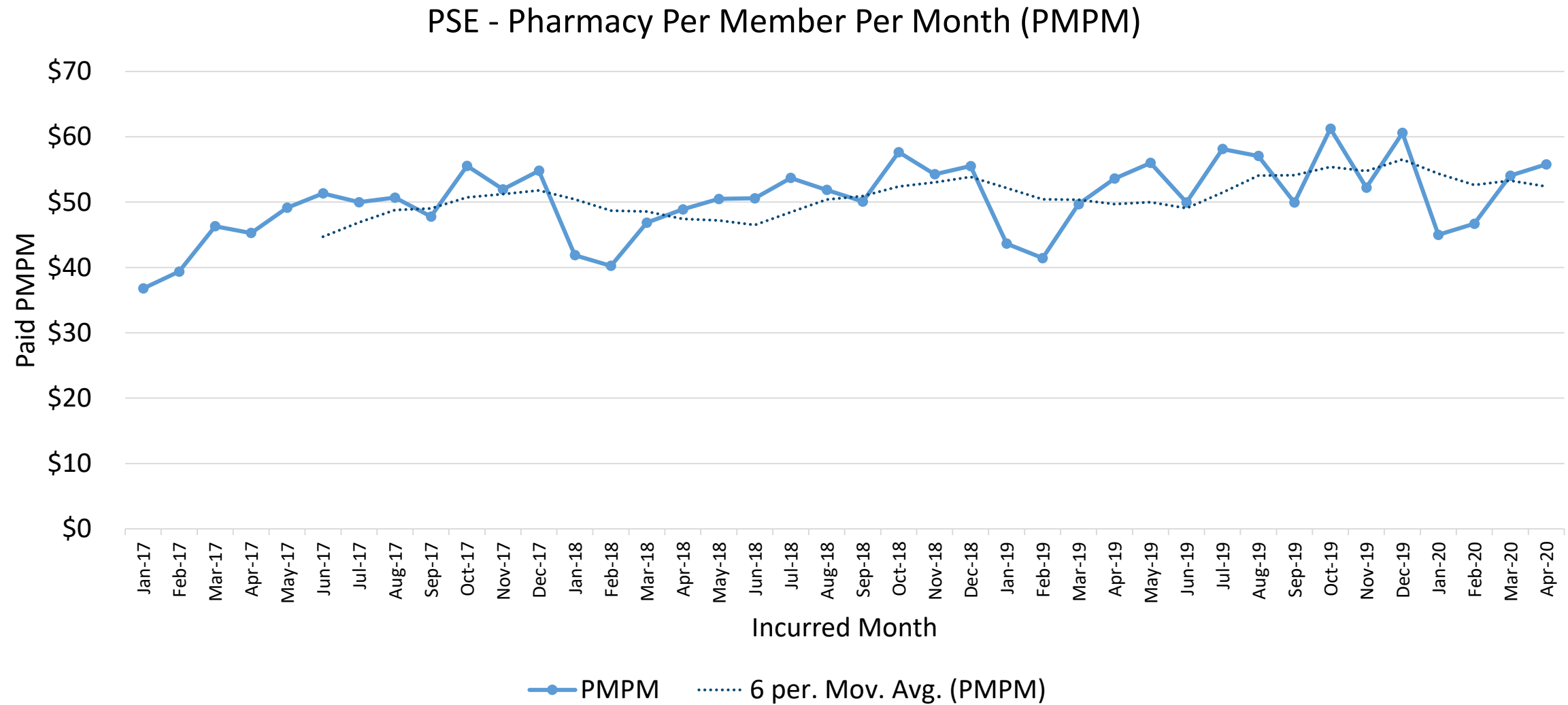
# End of Year Assets



# Monthly Trend - Medical



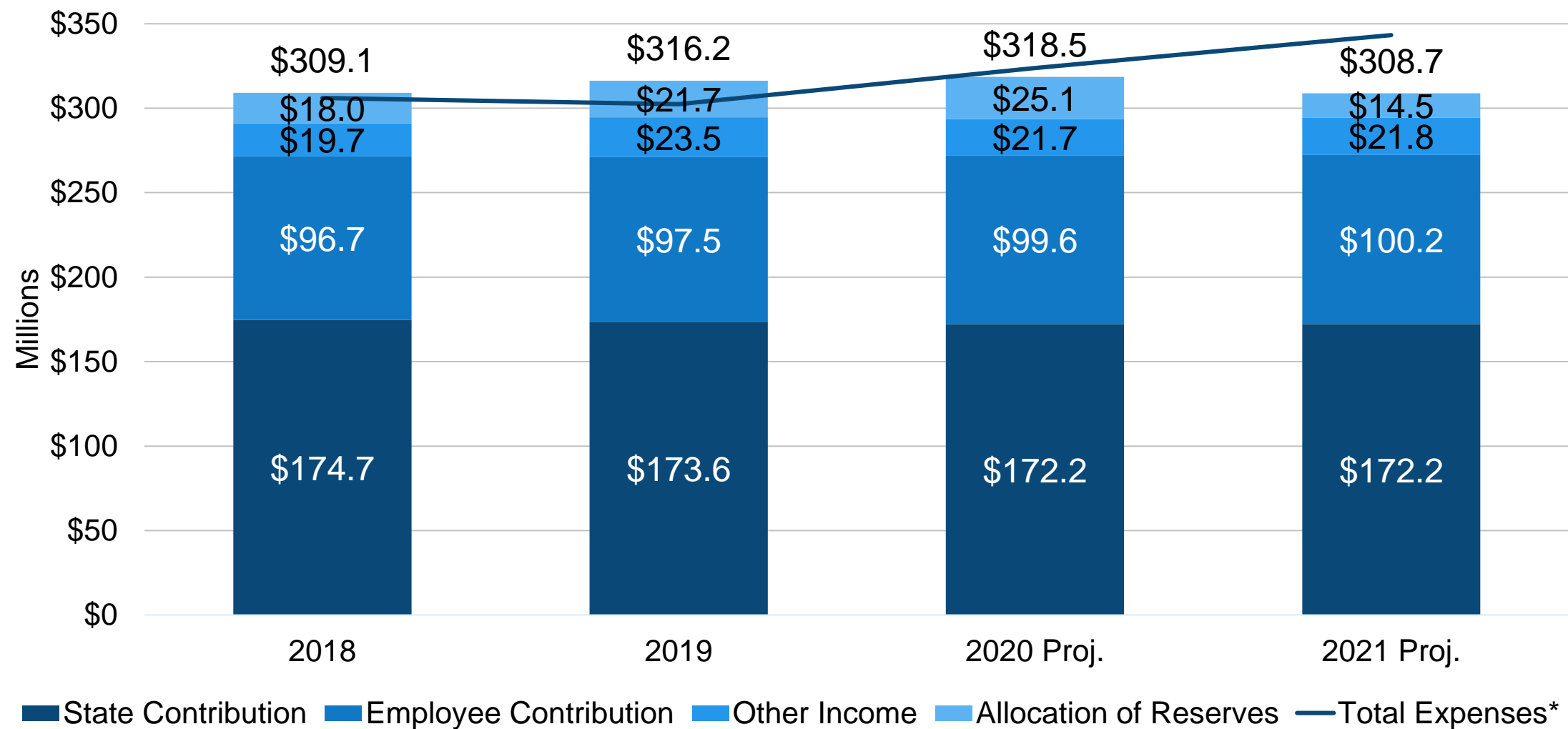
# Monthly Trend - Pharmacy



# Appendix



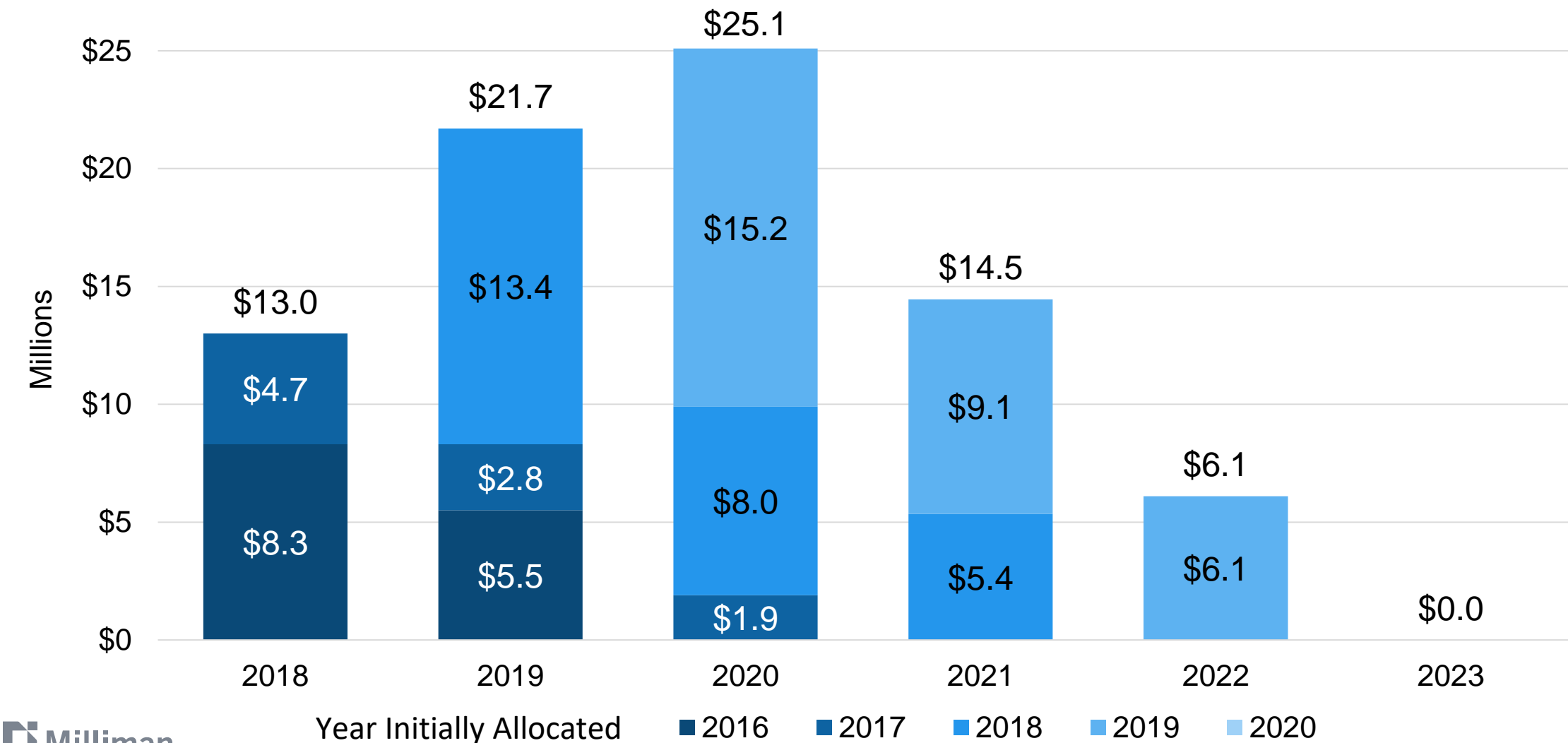
# ASE - Income vs. Expenditure



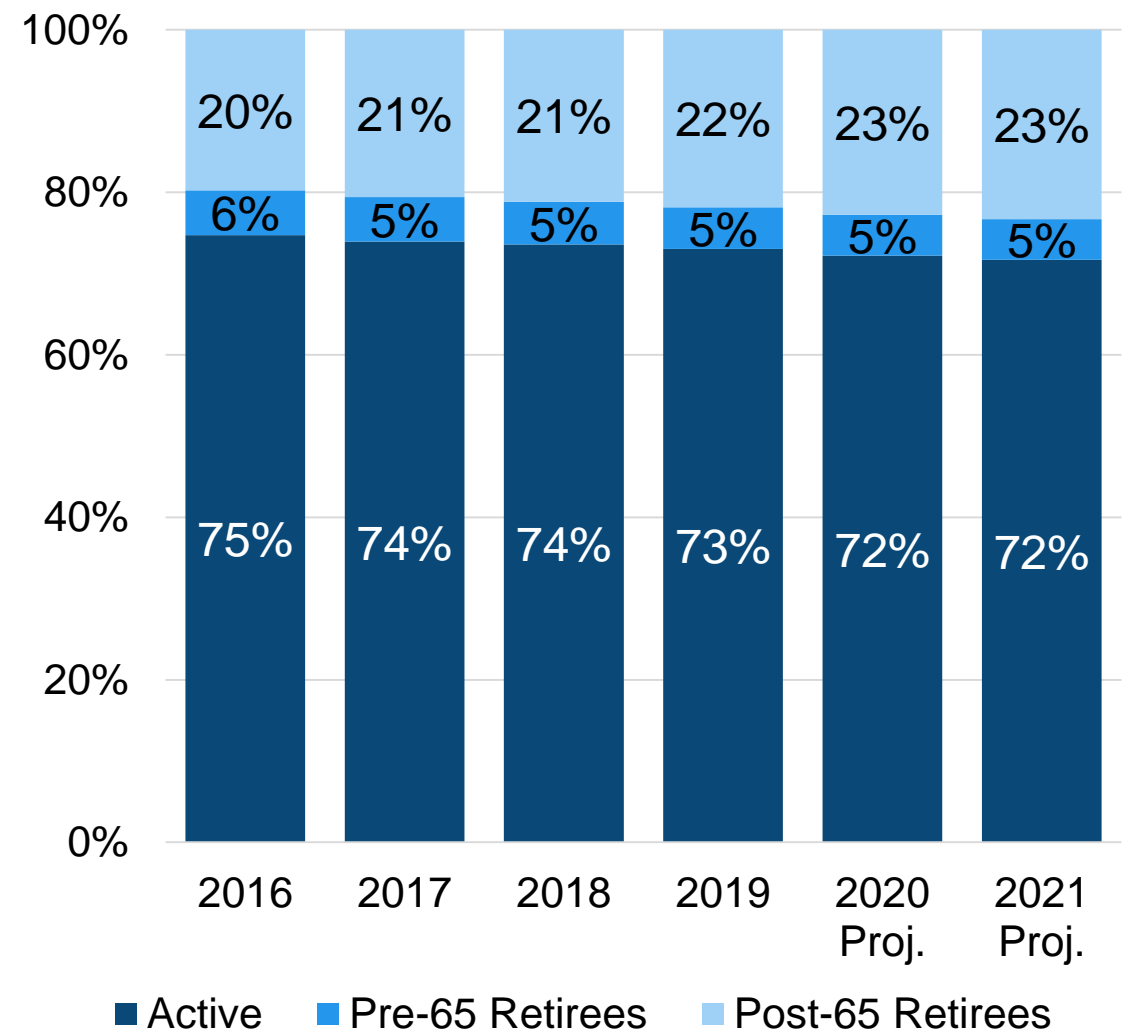
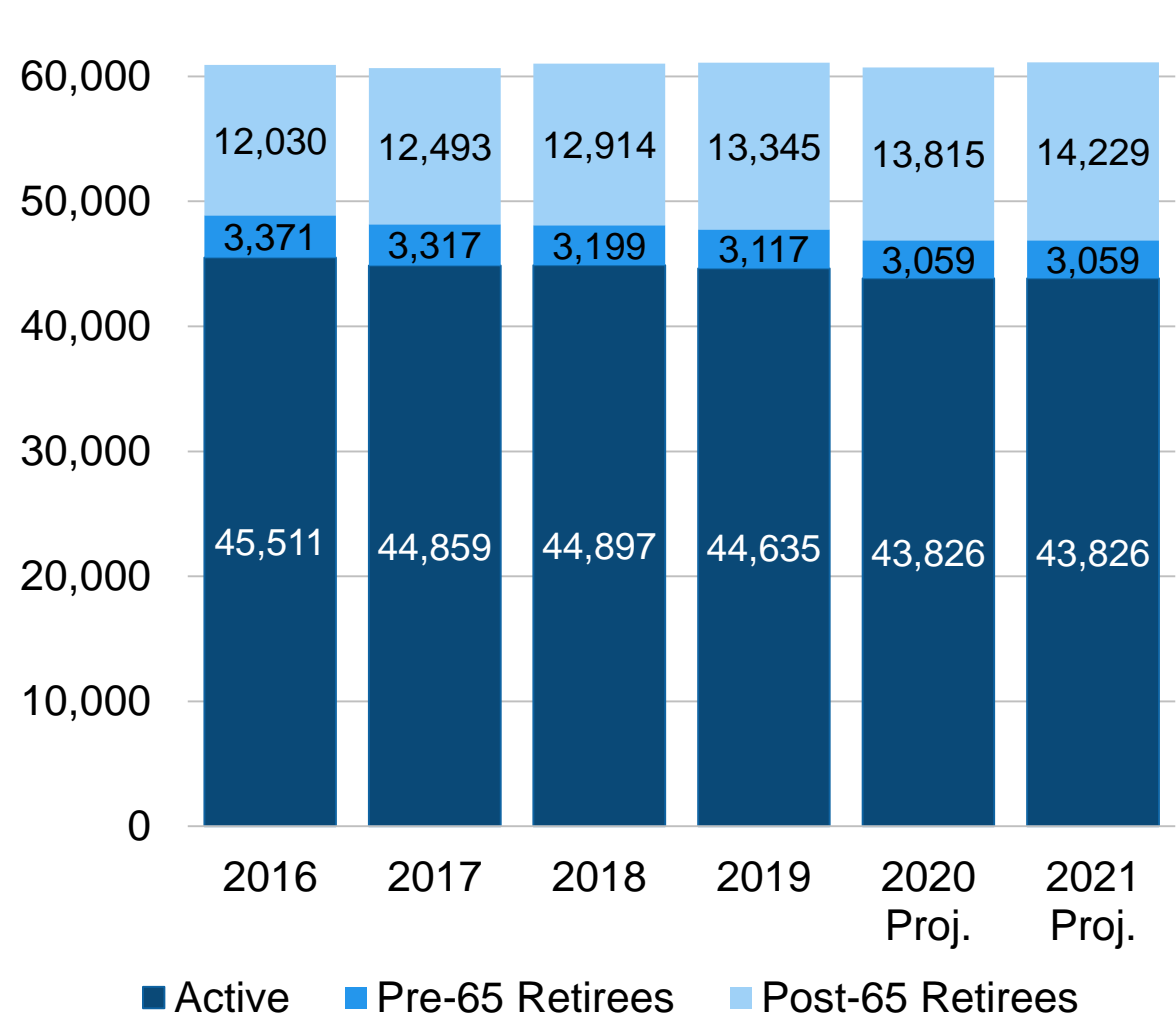
\* Total Expenses offset by Program Savings

# ASE - Reserves Allocation by Year

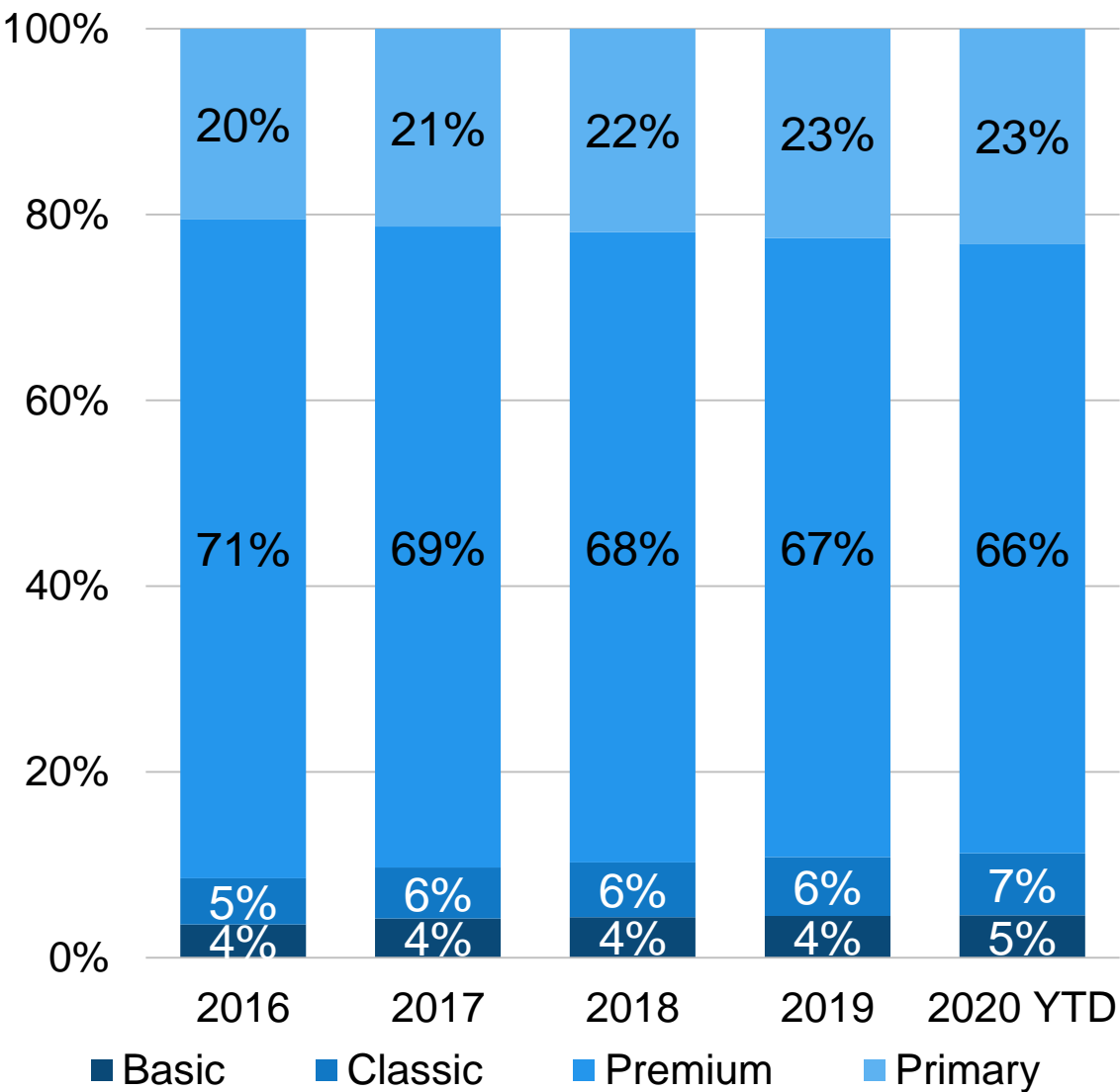
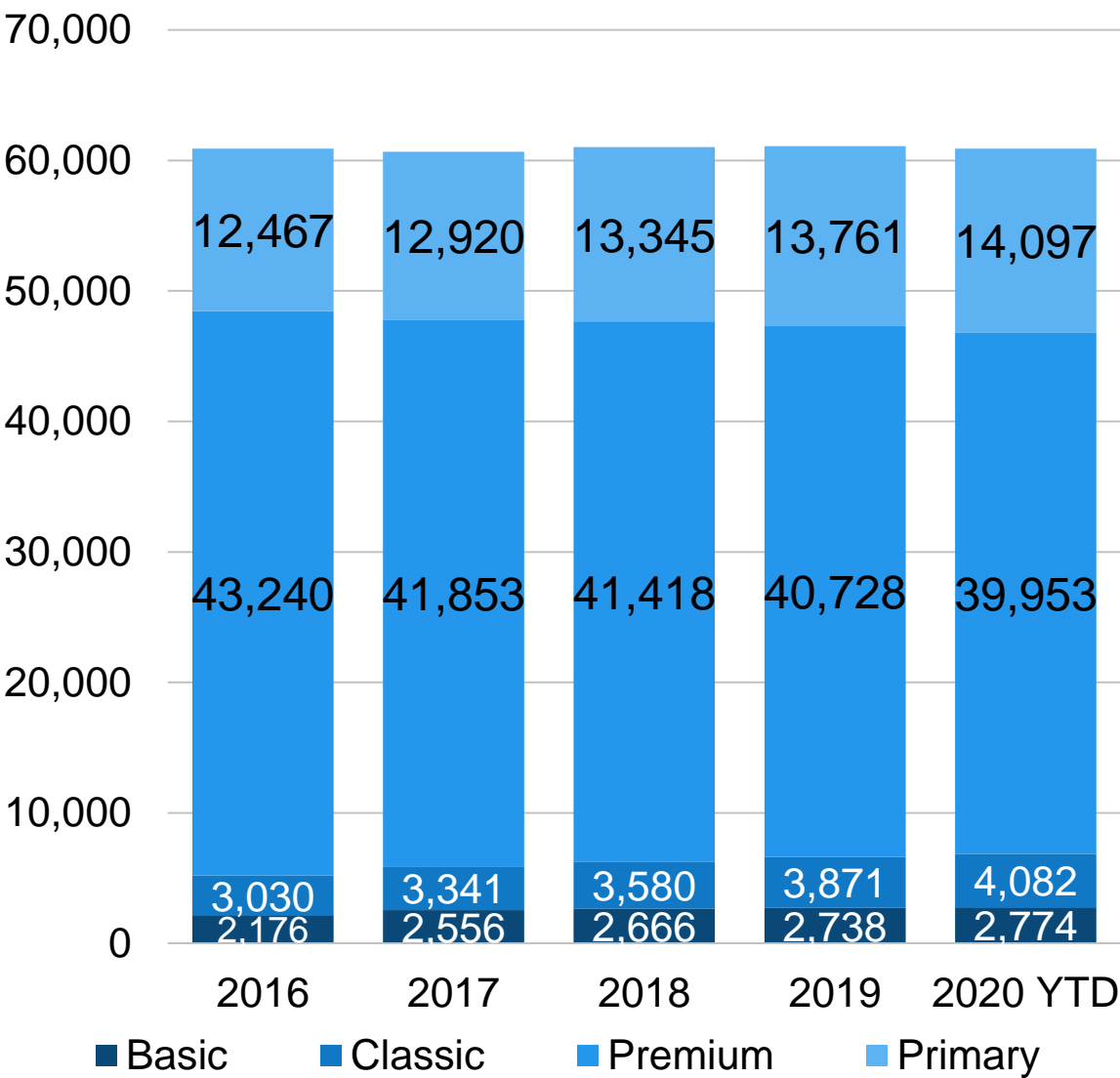
The chart represents the reserves amounts allocated each year (in millions), and how much reserves are available each year.



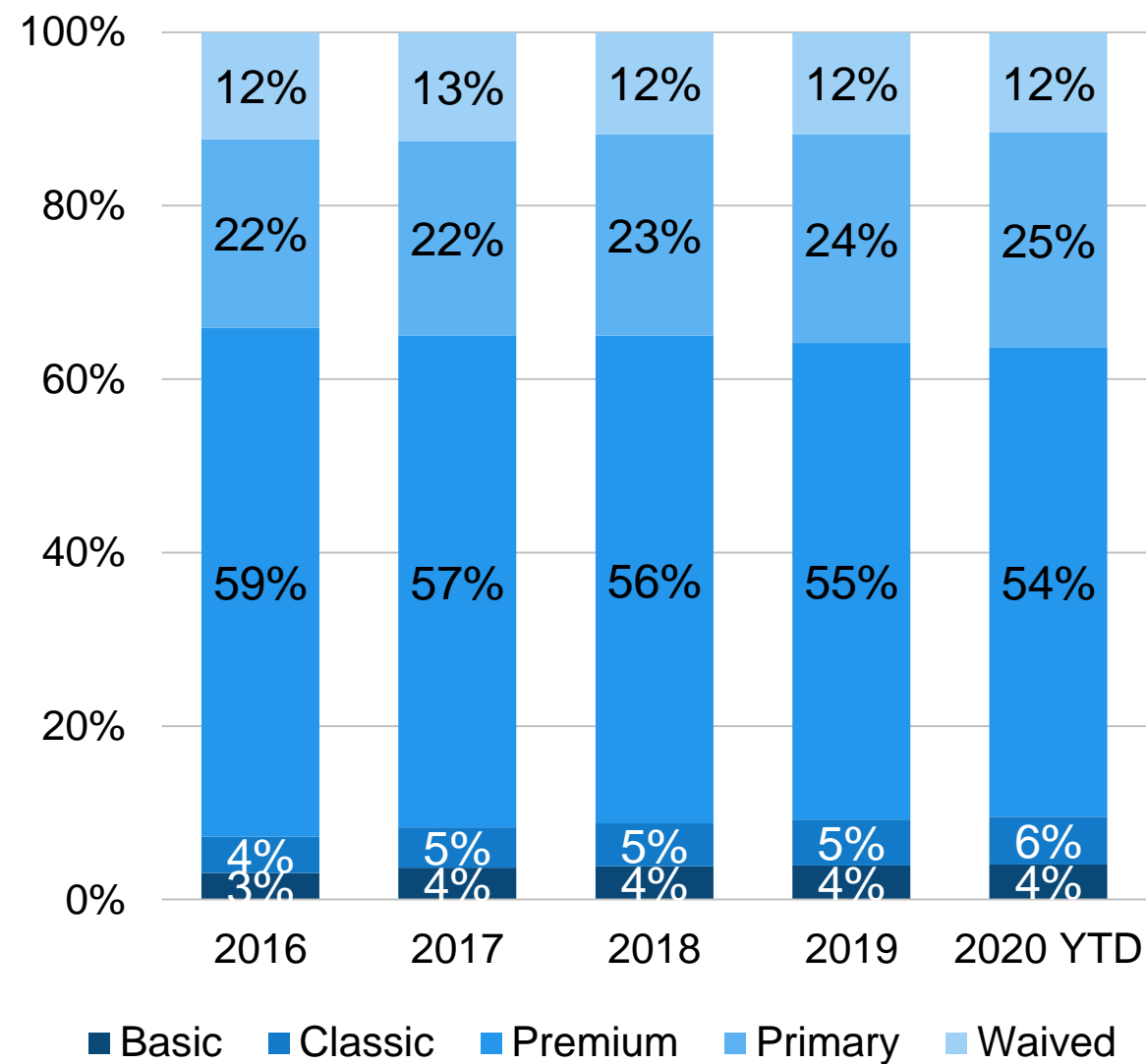
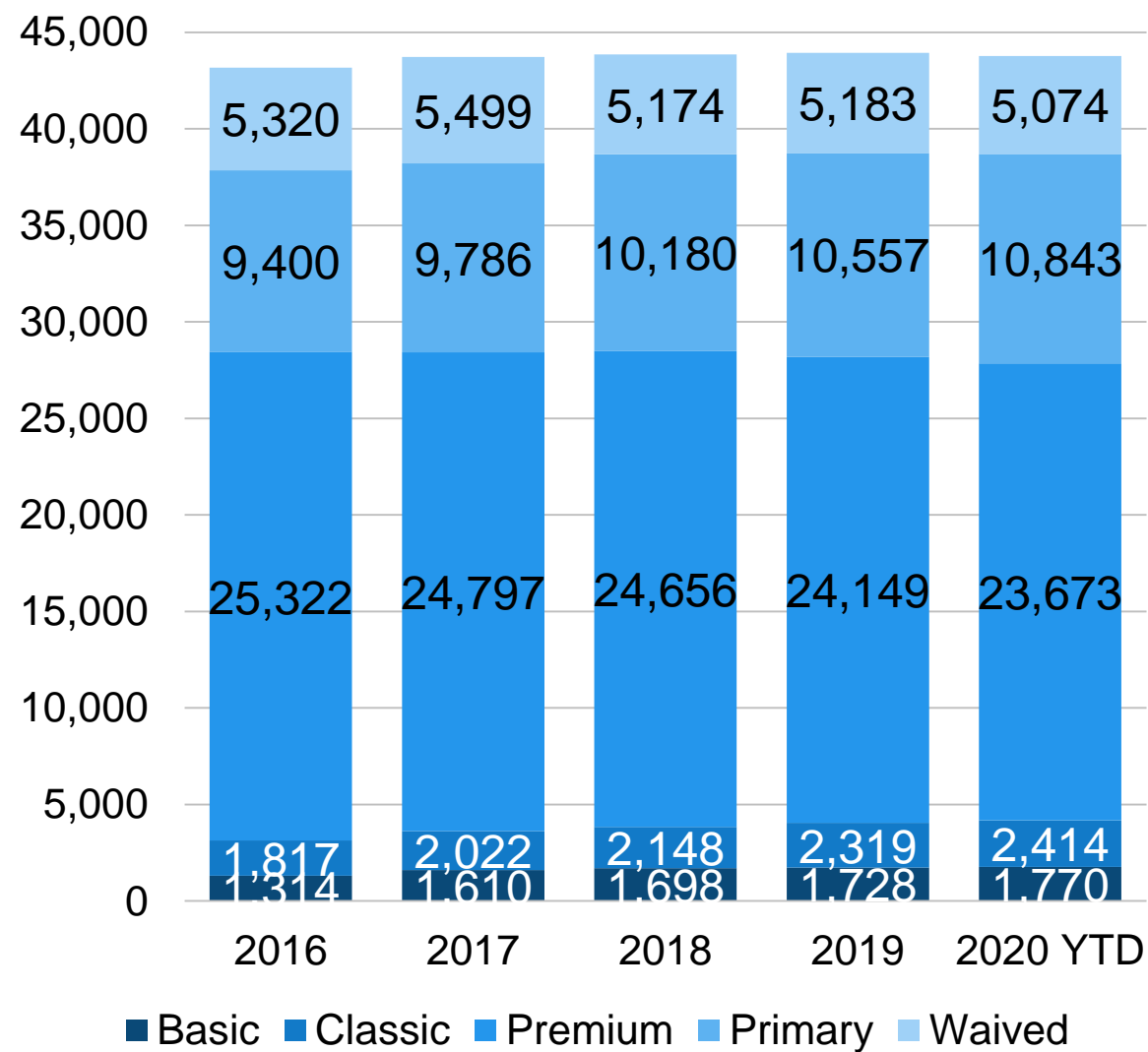
# ASE - Average Membership by Status



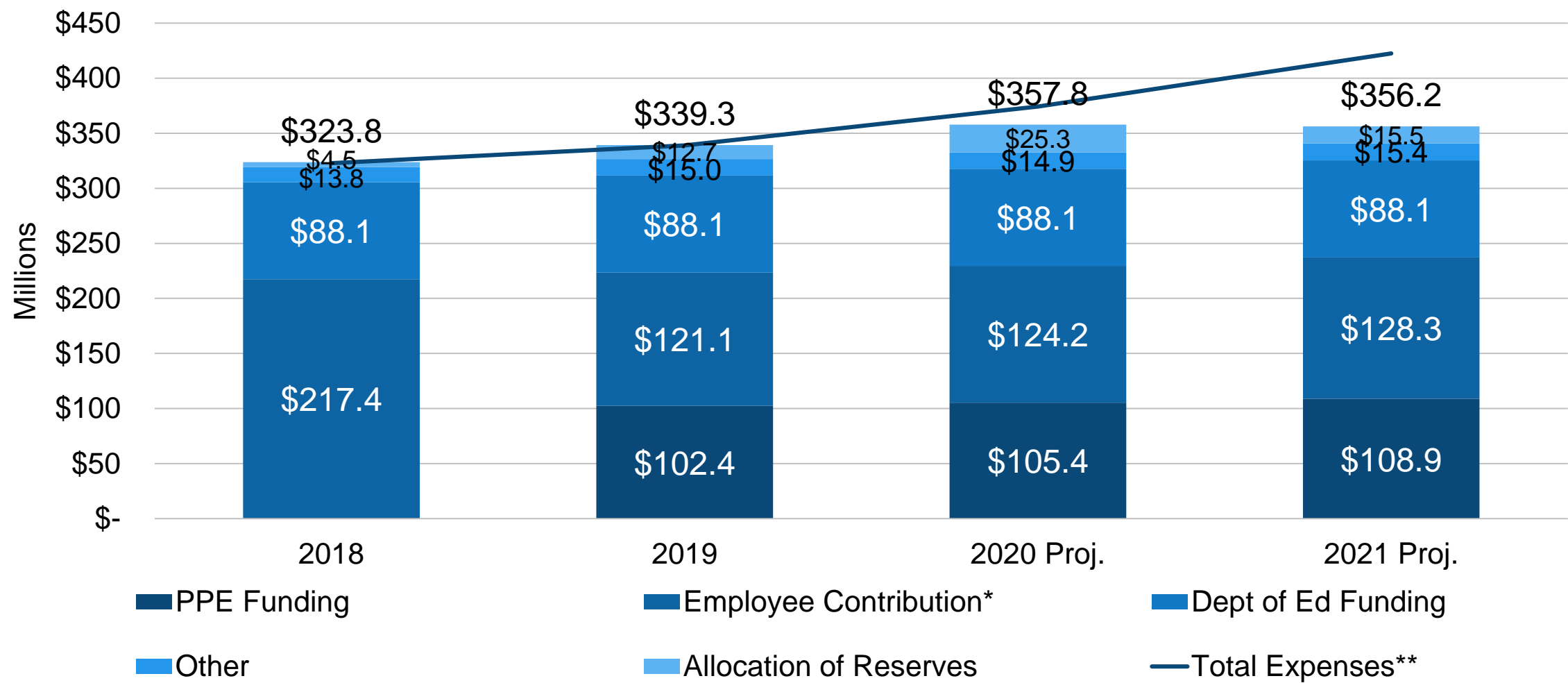
# ASE - Average Membership by Plan



# ASE - Average Enrollment (Subscribers) by Plan



# PSE - Income vs. Expenditure

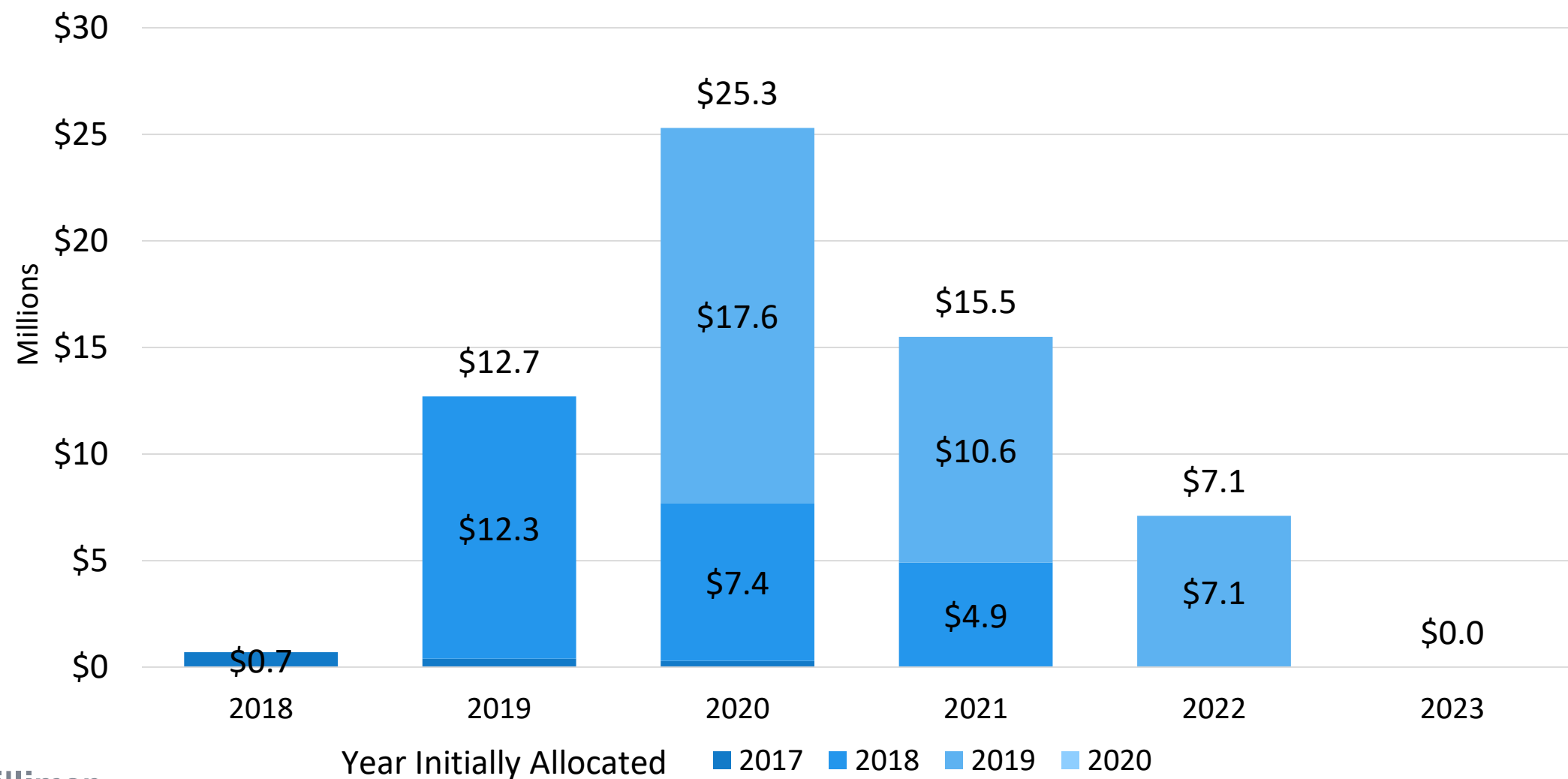


\* 2018 Employee Contribution includes PPE Funding

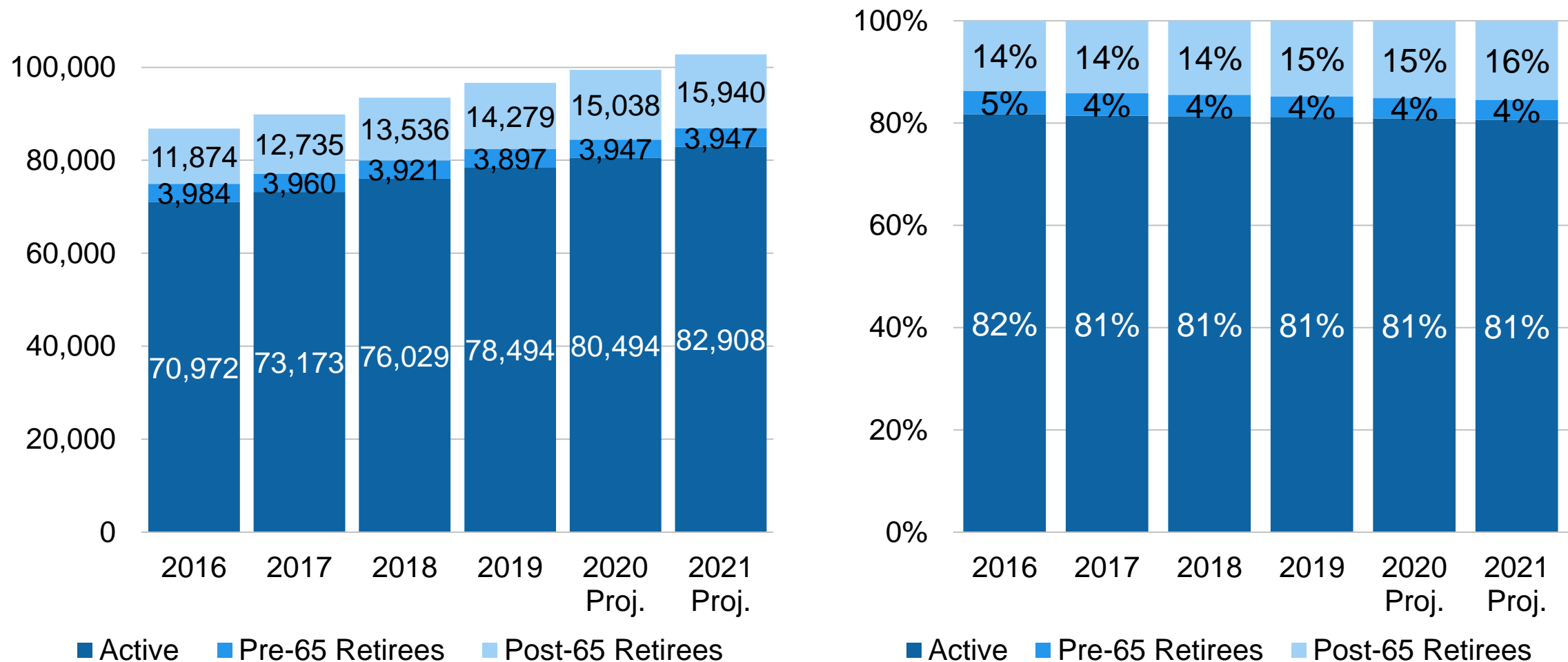
\*\* Total Expenses offset by Program Savings

# PSE - Reserves Allocation by Year

The chart represents the reserves amounts allocated each year (in millions), and how much reserves are available each year.

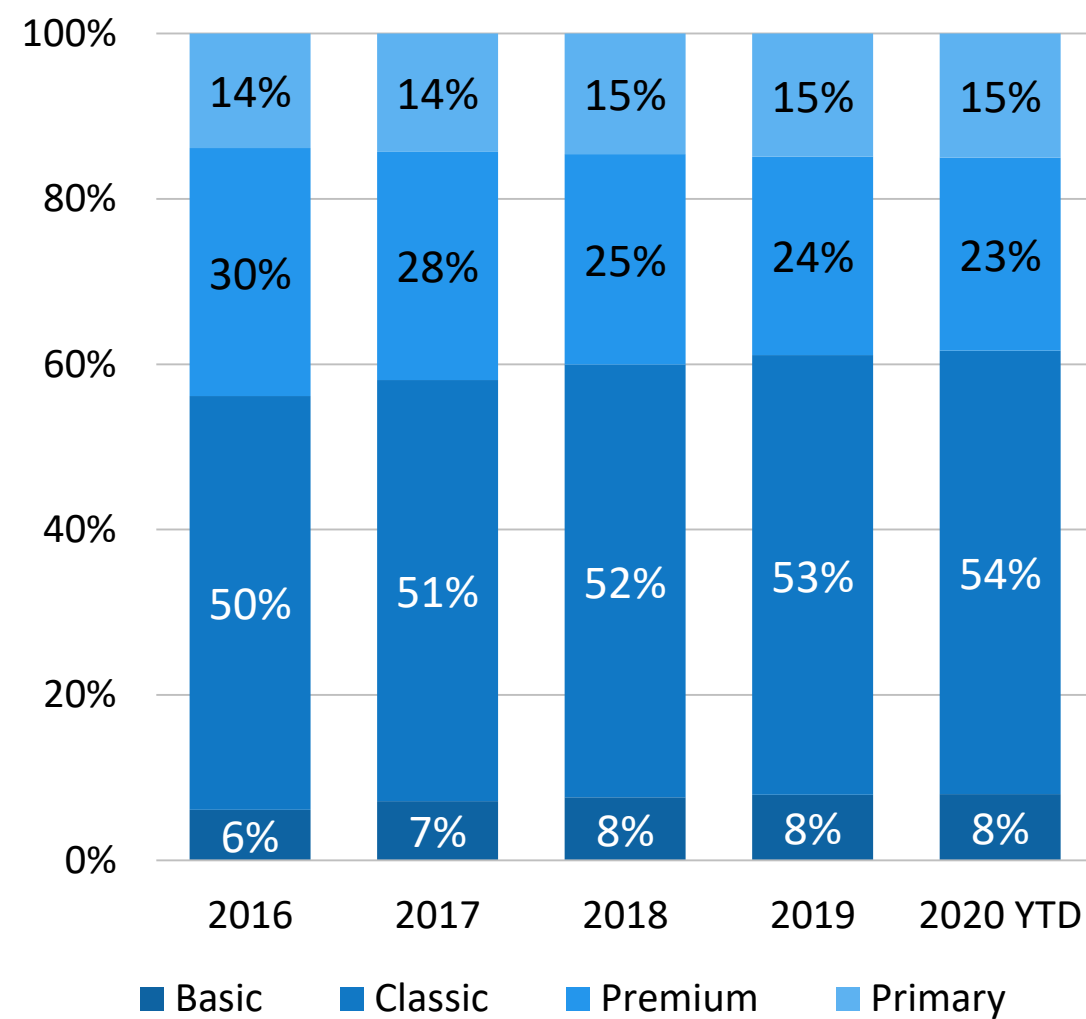
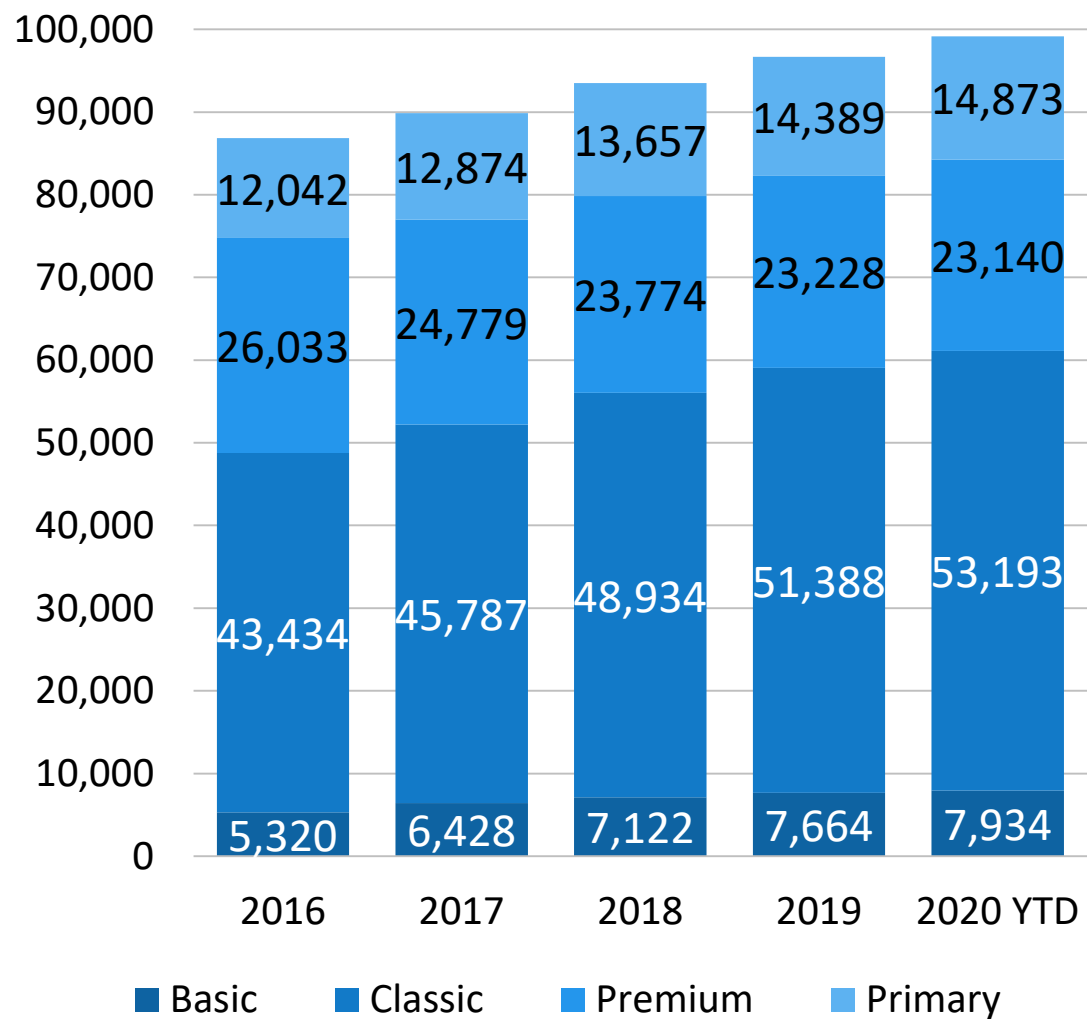


# PSE - Average Membership by Status

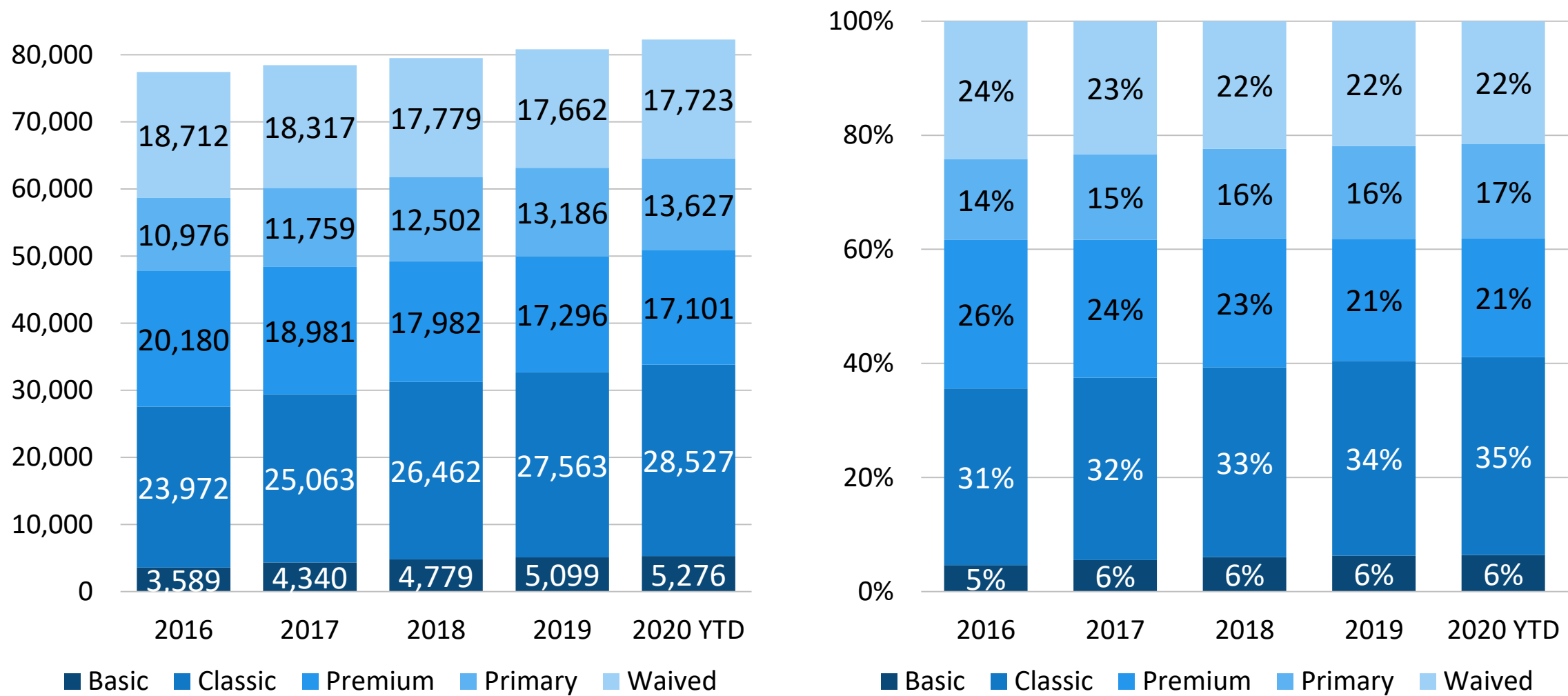




# PSE - Average Membership by Plan



# PSE - Average Enrollment (Subscribers) by Plan



# Assumptions & Methodology

## Assumptions - Trend

Division	Group	Medical Trend	Pharmacy Trend
ASE	Active/Pre-65 Retirees	5.0%	8.0%
	Post-65 Retirees	5.0%	8.0%
PSE	Active/Pre-65 Retirees	7.0%	8.0%
	Post-65 Retirees	7.0%	8.0%

# Assumptions & Methodology

## Assumptions – Benefit Plan Changes (2019 to 2021)

- ASE
  - No significant plan cost changes for Active, Pre-65, and Post-65 benefit plans
- PSE
  - No significant plan cost changes for Active, Pre-65, and Post-65 benefit plans

# Assumptions & Methodology

## Assumptions – Other

- Age/Gender
  - Age/Gender factor based on Milliman Health Cost Guidelines™
- Enrollment Projections
  - Actual enrollment utilized for March 2019 through May 2020
  - Projected June – December 2020 based on historical patterns
- Program Savings
  - Projected program of \$1.25 million per month for 2020, allocated between ASE / PSE based on pharmacy claims expense.
- Plan Administration Expense
  - ASE - \$3.85 PMPM for CY2020 (\$3.96 PMPM for CY2021)
  - PSE - \$2.14 PMPM for CY2020 (\$2.14 PMPM for CY2021)
- Plan Administration Fees include PCORI charges for 2020 and 2021
- Percentage of Population earning wellness incentive
  - ASE – 82%
  - PSE – 82%

# Assumptions & Methodology

## Methodology

1. Summarized fee-for-service (FFS) medical and pharmacy claims incurred from March 1, 2019 to February 29, 2020 and paid from March 1, 2019 to June 30, 2020. Medical claims are gross of withholds. Reports reflects the timing of when EBD is expected to pay the withhold.
2. Converted the paid and incurred claims to incurred claims using completion factors. This incorporates the incurred but not reported (IBNR) claim reserve.
3. Summarized member months for March 1, 2019 to February 29, 2020.
4. Divided the summarized incurred claims by the appropriate member months to calculate PMPMs.
5. 2020 Projected the incurred claims for May 2020 to December 2020 based on the PMPM from the midpoint of the experience period (September 1, 2019) to the midpoint of the projection period (September 1, 2020). Utilize actual claims for January 2020 to April 2020 with completion.
6. 2021 Projected the incurred claims PMPM from the midpoint of the experience period (September 1, 2019) to the midpoint of the contract period (July 1, 2021).
7. Made adjustments for seasonality, benefit changes, and age/gender mix.
8. Accounted for rating period fees and administrative expenses.
9. Where applicable, converted incurred budget to paid budget based on historical payment patterns.

# Limitations

Courtney White and Paul Sakhrani are Members of the American Academy of Actuaries and a Fellow of the Society of Actuaries and meets the Qualification Standards of the American Academy of Actuaries to render opinion contained herein. To the best of our knowledge and belief, this analysis is complete and accurate and has been prepared in accordance with generally recognized and accepted actuarial principles and practices.

The assumptions used in the development of the 2020 and 2021 budget are based on historical ASE and PSE claims, funding, and plan administration, historical ASE and PSE members by benefit plan, age/gender, and by month, 2019 and 2020 ASE and PSE benefit plan summaries, 2020 fees and administrative expenses, conversations with EBD regarding the program, and actuarial judgment.

While we reviewed the ABCBS and EBD information for reasonableness, we have not audited or verified this data and other information. If the underlying data or information is inaccurate or incomplete, the results of our analysis may likewise be inaccurate or incomplete.

Expected outcomes are sensitive to the underlying assumptions used. Differences between our projections and actual amounts depend on the extent to which future experience conforms to the assumptions made for this analysis. Actual amounts will differ from projected amounts to the extent that actual experience deviates from expected experience.

Any reader of this report should possess a certain level of expertise in areas relevant to this analysis to appreciate the significance of the assumptions and the impact of these assumptions on the illustrated results. The reader should be advised by their own actuaries or other qualified professionals competent in the subject matter of this report, so as to properly interpret the material.

This presentation has been prepared for the sole use of the management of the State of Arkansas Employee Benefits Division for setting the ASE and PSE budget for CY2020 and CY2021. It may not be appropriate for other purposes. Milliman does not intend to benefit any third party from this analysis.



# Thank you

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