AGENDA
State and Public School Life and Health Insurance Board

October 16, 2018
1:00 p.m.

EBD Board Room – 501 Building, Suite 500

I. Call to Order ........................................................................................................Carla Haugen, Chair

II. Approval of September 2018 Minutes ..................................................................Carla Haugen, Chair

III. ASE-PSE September Financials .........................................................................Bonnie Casey, EBD Assistant Comptroller

IV. Benefits Sub-Committee Update .........................................................................Claudia Moran, Benefits Chair

V. DUEC Update .......................................................................................................Scott Pace, DUEC Chair

VI. Cheiron Update ....................................................................................................John Colberg, Gaelle Gravot, Cheiron

VII. Director’s Report .................................................................................................Chris Howlett, EBD Executive Director

Upcoming Meetings

November 20, 2018, December, 18, 2018

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

185th meeting of the State and Public School Life and Health Insurance Board (hereinafter called the Board), met on October 16, 2018 at 1:00 p.m. in the EBD Board Room, 501 Woodlane, Suite 500, Little Rock AR 72201.

Date | time 10/16/2018 1:00 PM | Meeting called to order by Carla Haugen, Chair

### Attendance

<table>
<thead>
<tr>
<th>Members Present</th>
<th>Members Absent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cindy Gillespie</td>
<td>Dr. Terry Fiddler</td>
</tr>
<tr>
<td>Stephanie Lilly-Palmer</td>
<td>Dr. Lanita White</td>
</tr>
<tr>
<td>Renee Mallory - Vice-Chair</td>
<td>Dr. John Kirtley</td>
</tr>
<tr>
<td>Greg Rogers</td>
<td></td>
</tr>
<tr>
<td>Carla Haugen - Chair</td>
<td></td>
</tr>
<tr>
<td>Rett Hatcher</td>
<td></td>
</tr>
<tr>
<td>Dori Gutierrez</td>
<td></td>
</tr>
<tr>
<td>Herb Scott</td>
<td></td>
</tr>
<tr>
<td>Melissa Moore</td>
<td></td>
</tr>
<tr>
<td>Lisa Sherrill</td>
<td></td>
</tr>
<tr>
<td>Cindy Allen</td>
<td></td>
</tr>
<tr>
<td>Chris Howlett, Employee Benefits Division Executive Director</td>
<td></td>
</tr>
</tbody>
</table>

### OTHERS PRESENT:

Rhoda Classen; Shalada Toles, Bonnie Casey, Cheryl Reed, EBD; Sandra Wilson, Active Health; Ronda Walthall, ARDOT; Marc Watts, ASEA; Dr. Dwight Davis, Dr. Micah Bard, UAMS EBRX; Jessica Akins, Takisha Sanders, Health Advantage; Elizabeth Montgomery, Mike Motley, ACHI; Sylvia Landers, Securian; Kristi Jackson, ComPsych; Sean Seago, MERCK; Donna Morey, ARTA; Jim Chapman, ABBVIE; Wayne Whitley, ARDOT; Sherry Bryant, EBD/UAMS; Karyn Langley, QualChoice; Marc Bagby, Lilly; Todd Forwood, ConnectYourCare; Tabatha Wilson, BLR; Greg Jones, MTI; Stephen Carroll, AllCare Specialty; Andy Davis, ADG; Lydia Wyatt, Charlie Easterling, Madisyn Strain, Kaley Hight, Kevin, UAMS

### Approval of Minutes by: Carla Haugen, Chair

**MOTION** by Scott

Motion to accept the September 18, 2018 minutes.

Mallory seconded; all were in favor.

Minutes approved.
Reed reports the financials for September 2018.

For PSE, we paid four weeks of claims for both medical and pharmacy. The FICA savings received for the month was $518,816, and year-to-date savings was $4,671,771. We had a net loss of $3.4 million for the month, and a net increase of $6.2 million year-to-date. Net assets available are $48.5 million, and an allocation of reserves was added at the June Board meeting.

For ASE, we paid four weeks of claims for both medical and pharmacy. We had a net loss of $2.8 million for the month, and a net gain of $5.7 million year-to-date. The net assets available are $11.7 million, and an allocation of reserves was added at the June Board meeting.

The projected vs. actual claims and expenditures report shows the numbers from the current month, the year-to-date and the differences. The monthly amounts are for September 2018, and the year-to-date amounts are for January-September 2018.

Benefits Sub-Committee Report by: Stephanie Lilly-Palmer, Benefits Sub-Committee Member

The Benefits Sub-Committee met on October 5, 2018, with Claudia Moran presiding. Montgomery and Motley provided a brief update on the analysis of the 8 most common low-value healthcare services provided to EBD members. They also provided a short overview of the Keiser Foundation Employer Health Benefits Survey. Choosing Wisely aims to promote conversations between clinicians and patients by helping patients choose care that is: supported by evidence, not duplicative of other tests or procedures already received, free from harm, and truly necessary. Colberg and Gaelle presented a brief update on the interim monitoring report through September 30, 2018.

Drug Utilization and Evaluation Committee Report by: Dr Scott Pace, DUEC Chair

The following report pertains to the DUEC meeting at 1:00 p.m. on October 1, 2018, with Scott Pace, PharmD presiding.

I. New Business

A. Formulary Clean-Up: by Dr. Micah Bard and Dr. Dwight Davis, UAMS

Drs. Dwight Davis and Micah Bard presented an overview of items as part of the ongoing Drug Formulary clean-up and maintenance.

<table>
<thead>
<tr>
<th>Drug Name</th>
<th>Recommendation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Clozapine Orally-Disintegrating Tablet</td>
<td>Exclude the ODT formulation. Generic clozapine tablets are available in 25mg, 50mg, 100mg, and 200mg strengths.</td>
</tr>
</tbody>
</table>
Risperidone Orally-Disintegrating Tablet | Exclude the ODT formulation. Generic risperidone is available in 0.25mg, 0.5mg, 1mg, 2mg, 3mg, 4mg strengths.
---|---
Oxaydo Tablets | Exclude Oxaydo. It is an oxycodone-containing Abuse-Deterrent formulation. It is available in 5mg and 7.5mg tablets. EBD has historically excluded the Abuse-Deterrent products.
---|---
ActoPlus Met XR Pioglitazone-Metformin | Exclude ActosPlus Met and its generic version. Members can take pioglitazone and metformin separately.
---|---
Rytary ER Capsules Sinemet CR Tablets | Exclude Rytary and branded Sinemet CR. Generic carbidopa-levodopa ER is available in 25/100, 50/200 strenghts (same as Sinemet CR).
---|---
Lanoxin Tablets | Exclude brand-name Lanoxin. Most utilization is with generic digoxin.
---|---
Tobramycin 300mg/5mL ampule | Currently T1: Move to T4 Specialty; change day supply requirement to 56.
---|---
Temozolomide Capsules | Currently T1: Move to T4 Specialty.
---|---
Epiceram (Emmolient Combination No. 32 | Exclude Epiceram. It is an emollient indicated for dry and itchy skin. There are multiple lower cost emollients available in the marketplace. (example: CeraVe)

The DUEC recommended: Adopt the recommendations summarized in the table above with the exception of tobramycin 300mg/5mL ampules. For tobramycin, the DUEC recommended to adopt the suggestion with the additional requirement that the patient only be charged one copay per fill of medication, regardless of the day supply change.

B. Rebate Summary: by Dr. Dwight Davis, UAMS

Dr. Dwight Davis presented on behalf of EBRx to seek permission from the DUEC to pursue rebate contracts, where possible, within the categories listed in the following table. Coverage policies as established by the DUEC would not be altered as a result of such contracting.

The drug categories listed below represent previously reviewed topics of the DUEC. Currently, drugs within these categories have specific formulary placement and, in many cases, established prior authorization/coverage policies in place. EBD currently reimburses for these products consistent with its coverage policies.

<table>
<thead>
<tr>
<th>Drug Category</th>
<th>Sample Products</th>
<th>Annualized EBD Spend</th>
</tr>
</thead>
<tbody>
<tr>
<td>Multiple Sclerosis Agents</td>
<td>Aubagio®, Gilenya®, Tecfidera®, Betaseron®, Copaxone®/Glatopa®, Rebif®, etc.</td>
<td>$9.3 million</td>
</tr>
</tbody>
</table>
### Misc. Antineoplastic Agents (Tyrosine Kinase Inhibitors)

<table>
<thead>
<tr>
<th>Product Names</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Imbruvica®, Jakafi®, Sprycel®, Sutent®, Tagrisso®, Tarceva®, Tykerb®, Votrient®</td>
<td>$6.3 million</td>
</tr>
</tbody>
</table>

### Colony Stimulating Factors, Hematopoietic Agents

<table>
<thead>
<tr>
<th>Product Names</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Neupogen®, Granix®, Zarzio®, Neulasta®, Epogen®, Procrit®, Aranesp®, Leukine®</td>
<td>$175K (pharmacy only)</td>
</tr>
</tbody>
</table>

### Pulmonary Arterial Hypertension Agents

<table>
<thead>
<tr>
<th>Product Names</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adcirca®, Adempas®, Letairis®, Opsumit®, Tracleer®, Uptravi®</td>
<td>$2.5 million</td>
</tr>
</tbody>
</table>

### Pancreatic Enzymes

<table>
<thead>
<tr>
<th>Product Names</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Creon®, Pancreaze®, Zenpep®</td>
<td>$770K</td>
</tr>
</tbody>
</table>

### 5-ASA Agents (Ulcerative Colitis Agents)

<table>
<thead>
<tr>
<th>Product Names</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Apriso®, Canasa®, Delzicol®, Lialda®, Pentasa®</td>
<td>$890K</td>
</tr>
</tbody>
</table>

**Totals**: $19.9 million

The DUEC recommended: Allow EBRx to pursue rebate contracts, where possible, within the listed categories.

### C. Rx to OTC Category Change: by Dr. Micah Bard, UAMS

Dr. Micah Bard presented a change in the classification of medications listed in the table below. These therapeutic categories and specific product names have been changed from “Rx” to “OTC”. The Plan will have to make a decision on how to handle these products going forward since EBD, historically, has not allowed coverage of over-the-counter medications.

<table>
<thead>
<tr>
<th>Therapeutic Categories</th>
<th>Product Names</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vitamin B, B12, D</td>
<td></td>
</tr>
<tr>
<td>Mineral Replacement (Calcium, Zinc, Fluoride, Iron)</td>
<td></td>
</tr>
<tr>
<td>Antioxidant Multivitamin Combinations</td>
<td></td>
</tr>
<tr>
<td>Folic Acid Preparations</td>
<td></td>
</tr>
<tr>
<td>Electrolyte Depleters</td>
<td></td>
</tr>
<tr>
<td>Herbal Drugs</td>
<td></td>
</tr>
<tr>
<td>Metabolic Deficiency Agents</td>
<td></td>
</tr>
<tr>
<td>Dietary Supplement, Misc</td>
<td></td>
</tr>
<tr>
<td>Protein Replacement</td>
<td></td>
</tr>
<tr>
<td>Urinary pH Modifiers</td>
<td></td>
</tr>
<tr>
<td>Bulk Chemicals</td>
<td></td>
</tr>
<tr>
<td>Protein Replacement</td>
<td></td>
</tr>
</tbody>
</table>

The DUEC recommended: Exclude the therapeutic categories and products listed in the table that are over-the-counter medications.

### D. New Drugs: by Dr. Rachel McCaleb and Dr. Ashley McPhee, UAMS

Drs. McCaleb and McPhee presented a review of new drugs to market.
1. Non-Specialty Medications
   a. Recommended Additions

<table>
<thead>
<tr>
<th>BRAND NAME</th>
<th>GENERIC NAME</th>
<th>PRICING (AWP)</th>
<th>INDICATION</th>
<th>SIMILAR THERAPIES ON FORMULARY</th>
<th>DUEC VOTE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retacrit</td>
<td>Epoetin Alfa</td>
<td>$132.36 / 10,000 units</td>
<td>Anemia</td>
<td>Epogen, Procrit</td>
<td>T4PA, Seek Rebates</td>
</tr>
<tr>
<td>Siklos</td>
<td>Hydroxyurea</td>
<td>$6 / tablet</td>
<td>Sickle Cell Anemia</td>
<td>Hydroxyurea 500 mg capsules</td>
<td>T4, QL #30/m (if need #2/d, go to the alternative Droxia. Age restriction &lt;4 years of age.</td>
</tr>
</tbody>
</table>

b. Recommended Exclusions

<table>
<thead>
<tr>
<th>BRAND NAME</th>
<th>GENERIC NAME</th>
<th>PRICING (AWP)</th>
<th>INDICATION</th>
<th>SIMILAR THERAPIES ON FORMULARY</th>
<th>DUEC VOTE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rhopressa 0.02%</td>
<td>Netarsudil Mesylate</td>
<td>$274.80 / Bottle</td>
<td>Elevated Intraocular Pressure</td>
<td>Multiple Agents</td>
<td>Exclude, code 13. Timolol and latanoprost are the alternatives.</td>
</tr>
<tr>
<td>Osmolex ER</td>
<td>Amantadine</td>
<td>$18 / tablet</td>
<td>Parkinson Disease</td>
<td>Generic amantadine IR tablets</td>
<td>Exclude, code 13</td>
</tr>
<tr>
<td>Lucemyra</td>
<td>Lofexidine HCl</td>
<td>$24.83 / tablet</td>
<td>Opioid Withdrawal</td>
<td>Buprenorphine / Naloxone</td>
<td>Exclude, code 13</td>
</tr>
<tr>
<td>Imvexxy</td>
<td>Estradiol</td>
<td>$27 / insert</td>
<td>Vulvar and vaginal atrophy</td>
<td>Generic estradiol vaginal cream and tablets</td>
<td>Exclude, code 13</td>
</tr>
<tr>
<td>Crysvita</td>
<td>Burosumab</td>
<td>$4080 / 10mg vial</td>
<td>Hyper - phosphatemia</td>
<td>N/A</td>
<td>Exclude, code 1 &amp; 8.</td>
</tr>
<tr>
<td>Roxybond</td>
<td>Oxycodone HCl</td>
<td>$9.34 / 12.44 per tablet</td>
<td>Pain</td>
<td>Multiple oxycodone generics</td>
<td>Exclude, code 13</td>
</tr>
</tbody>
</table>
Remove PA. QL #60/30.

### 2. Specialty Medications

#### a. Recommended Additions

<table>
<thead>
<tr>
<th>BRAND NAME</th>
<th>GENERIC NAME</th>
<th>PRICING (AWP)</th>
<th>INDICATION</th>
<th>SIMILAR THERAPIES ON FORMULARY</th>
<th>DUEC VOTE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cimduo 300-300mg</td>
<td>Lamivudine/Tenof ovir Disop Fum</td>
<td>$40.22 / tablet</td>
<td>HIV</td>
<td>Multiple HIV products covered T4</td>
<td>T4</td>
</tr>
<tr>
<td>Yonsa</td>
<td>Abiraterone Acet, submicronized</td>
<td>$92.10 / tablet</td>
<td>Prostate Cancer</td>
<td>Zytiga</td>
<td>T4PA; explore rebates between Yonsa &amp; Zytiga</td>
</tr>
<tr>
<td>Olumiant</td>
<td>Baricitinib</td>
<td>$82.20 / tablet</td>
<td>Rheumatoid Arthritis</td>
<td>Humira, Enbrel</td>
<td>T4PA; QL 30/30. Include in RA PA criteria only (for now).</td>
</tr>
<tr>
<td>Idelvion</td>
<td>FACTOR IX RECOM, ALBUMIN FUSION</td>
<td>$5.28/unit</td>
<td>Hemophilia</td>
<td>All other factors covered T4</td>
<td>T4PA</td>
</tr>
<tr>
<td>Symtuza</td>
<td>DARUNAVIR/COB/EMTRI/TENOF ALAF</td>
<td>$139.28/tablet</td>
<td>HIV</td>
<td>Multiple HIV products covered T4</td>
<td>T4; move Prezobix to T4</td>
</tr>
<tr>
<td>Fulphila</td>
<td>PEGFILGRASTIM-JMDB</td>
<td>$5,010 / 0.6 mL</td>
<td>Neutropenia</td>
<td>Neulasta</td>
<td>T4PA; explore rebates</td>
</tr>
</tbody>
</table>

#### b. Recommended Exclusions

<table>
<thead>
<tr>
<th>BRAND NAME</th>
<th>GENERIC NAME</th>
<th>PRICING (AWP)</th>
<th>INDICATION</th>
<th>SIMILAR THERAPIES ON FORMULARY</th>
<th>DUEC VOTE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jynarque</td>
<td>Tolvaptan</td>
<td>$279.45 / tablet</td>
<td>Hyponatremia; Autosomal dominant polycystic kidney disease</td>
<td>Samsca</td>
<td>Exclude, code 1</td>
</tr>
<tr>
<td>Product</td>
<td>Description</td>
<td>Price</td>
<td>Indication</td>
<td>Status</td>
<td>Notes</td>
</tr>
<tr>
<td>-------------</td>
<td>-------------------------------</td>
<td>-----------</td>
<td>-------------------------------------------------</td>
<td>-----------------</td>
<td>-----------------------------------</td>
</tr>
<tr>
<td>Tavalisse</td>
<td>Fostamatinib Disodium</td>
<td>$189 / tablet</td>
<td>Immune thrombocytopenia (ITP)</td>
<td>N/A</td>
<td>Exclude, code 1</td>
</tr>
<tr>
<td>Doptelet</td>
<td>Avatrombopag maleate</td>
<td>$1080 / tablet</td>
<td>Chronic liver disease associated thrombocytopenia</td>
<td>Promacta</td>
<td>Exclude, code 13</td>
</tr>
<tr>
<td>Palynziq</td>
<td>Pegvaliase</td>
<td>$1171.20 / ML</td>
<td>Phenylketonuria (PKU)</td>
<td>N/A</td>
<td>Exclude, code 1 &amp; 8</td>
</tr>
<tr>
<td>Dexonto</td>
<td>dexamethasone sodium phosphate</td>
<td>N/A</td>
<td></td>
<td>Generic</td>
<td>Exclude, code 3</td>
</tr>
<tr>
<td>Braftovi</td>
<td>ENCORAFENIB</td>
<td>$109.77 / tablet</td>
<td>Melanoma</td>
<td>N/A</td>
<td>Exclude, code 1, revisit 2/2019</td>
</tr>
<tr>
<td>Mektovi</td>
<td>BINIMETINIB</td>
<td>$73.18 / tablet</td>
<td>Melanoma</td>
<td>N/A</td>
<td>Exclude code 1 &amp; 8</td>
</tr>
<tr>
<td>Tibsovo</td>
<td>IVOSIDENIB</td>
<td>$522.30 / tablet</td>
<td>Acute Myeloid Leukemia</td>
<td>N/A</td>
<td>Exclude, code 1 &amp; 8; revisit 2.2019</td>
</tr>
<tr>
<td>IFE-PG20</td>
<td>ALPROSTADIL IN SODIUM CHLORIDE</td>
<td>N/A</td>
<td>Erectile Dysfunction</td>
<td>Multiple agents</td>
<td>Exclude, code 3 &amp; 13</td>
</tr>
<tr>
<td>IFE-BIMIX 30/1</td>
<td>PAPAYERINE/PHENTOLAMINE/WATER</td>
<td>N/A</td>
<td>Erectile Dysfunction</td>
<td>Multiple agents</td>
<td>Exclude, code 3 &amp; 13</td>
</tr>
<tr>
<td>Lokelma</td>
<td>SODIUM ZIRCONIUM CYCOSILICATE</td>
<td>$26.20 / tablet</td>
<td>Hyperkalemia</td>
<td>Multiple agents</td>
<td>Exclude, code 13</td>
</tr>
<tr>
<td>Macrilen</td>
<td>MACIMORELIN ACETATE</td>
<td>$5,400 / each</td>
<td>GH deficiency diagnostic</td>
<td>Insulin, clonidine, arginine, etc.</td>
<td>NA Medical</td>
</tr>
<tr>
<td>Onpattro</td>
<td>PATISIRAN SODIUM, LIPID COMPLEX</td>
<td>$2,280 / mL</td>
<td>Polyneuropathy</td>
<td>N/A</td>
<td>NA Medical</td>
</tr>
<tr>
<td>Galafold</td>
<td>MIGALASTAT HCL</td>
<td>$2,079 / capsule</td>
<td>Fabry disease</td>
<td>N/A</td>
<td>Exclude, code 1; revisit 9/2019</td>
</tr>
<tr>
<td>Poteligeo</td>
<td>MOGAMULIZUMAB-KPKC</td>
<td>$909.60 / mL</td>
<td>Sezary syndrome</td>
<td>N/A</td>
<td>NA Medical</td>
</tr>
<tr>
<td>Ilumya</td>
<td>TILDRAKIZUMAB-ASMN</td>
<td>$15,907 / mL</td>
<td>Plaque psoriasis</td>
<td>Multiple agents</td>
<td>Exclude, code 13</td>
</tr>
<tr>
<td>Drug</td>
<td>Indication</td>
<td>Price</td>
<td>Category</td>
<td>Action</td>
<td>Code</td>
</tr>
<tr>
<td>------------</td>
<td>------------------------------------------------</td>
<td>---------</td>
<td>-------------------------------</td>
<td>-----------------</td>
<td>--------</td>
</tr>
<tr>
<td>Mulpleta</td>
<td>LUSUTROMBOPAG Chronic Liver Disease - associated Thrombocytopenia</td>
<td>$1,457 / tablet</td>
<td>慢性肝病 - 相关的血小板减少症</td>
<td>Promacta</td>
<td>Exclude, code 13</td>
</tr>
<tr>
<td>Orilissa</td>
<td>ELAGOLIX SODIUM Endometriosis</td>
<td>$36.21 / tablet</td>
<td>子宫内膜异位症</td>
<td>N/A</td>
<td>Exclude, code 13 &amp; 1</td>
</tr>
</tbody>
</table>

### c. Tabled Drugs

<table>
<thead>
<tr>
<th>Drug</th>
<th>Indication</th>
<th>Price</th>
<th>Category</th>
<th>Action</th>
<th>Action Code</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aimovig</td>
<td>Erenumab</td>
<td>$690 / dose</td>
<td>偏头痛预防</td>
<td>Tabled</td>
<td></td>
</tr>
</tbody>
</table>

**The DUEC recommended**: Adopt the recommendations listed in the tables.

**MOTION by Hatcher**

I make a motion to accept the DUEC report as presented with the correction of the two drugs (Braftovi and Mektovi) being moved to the additions list from the exclusions.

Lilly-Palmer seconded; all were in favor.

**Motion approved.**

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**Cheiron Update by: John Colberg & Gaelle Gravot, Cheiron**

Colberg and Gravot provided an update on the interim monitoring report for both ASE and PSE.

**ASE**

- Calendar year 2018 is projected to be a gain of approximately $2.4 million. Based on the most recent experience, calendar year 2019 is projected to be a loss of $2.7 million.
- Projected assets, net of reserves, as of the end of 2019 are projected to be $6.1 million.
- Enrollment patterns indicate that for 2019 the plan could see about 100 more actives and about 25 fewer retirees than projected.
- Medical claims since May have been higher than projected, while pharmacy claims have been close to projected.

**PSE**

- Calendar year 2018 and 2019 are projected to be approximately breakeven, with income (including allocated reserves) equaling benefits and expenses.
- Projected assets, net of reserves, as of the end of 2019 are projected to be $45 million.
- Enrollment patterns have been close to projected, and our projections for 2019 continue to be an increase in enrollment of approximately 1,700 employees and retirees.
- Medical claims and pharmacy claims since May have been slightly higher than projected.

**Discussion**
Haugen: On the enrollment part, we have less people waiving? Do we know what that trend is? Is it due to other plans not allowing spouses on plans?

Colberg: We don’t know why.

**Director’s Report by: Chris Howlett, EBD Executive Director**

Howlett gave updates on several programs. In the next month or two we will be reconvening the Wellness committee to further expand on what was done for 2018 activities for 2019 benefit as well as considering 2020 benefit. Part of that arrangement was what latitude we had with finding ways to incentivize per the present law. There was a AARP EEOC litigation and the court pushed that back to the EEOC for determination at this point. They are looking at January 2019 to render the effects of that ruling and come back with other rules and regulations associated with that.

Catapult has had 33,815 worksite check-ups completed as of 10/15/18 and is projected to rise to 36,000. There are 1747 remaining checkups and 113 open appointments.

The Naturally Slim phase two has 1257 ASE and 1644 PSE with a total of 2901 participants.

Kannact, the diabetic program approved by this board, has 1074 participants that are committed and 975 participants that are being actively engaged.

Lastly, on the Life part of the Board, we are ramping up activities to get the RFP out for early next year. We are currently implementing the new arrangement that was procured this past summer with Health Advantage for both active and retiree populations in a combination contract. In that, the medical management and the carrier contracts will be bundled together for some cost savings. That kicks off on 1/1/19. We also have the HSA/FSA with ConnectYourCare that is also in full swing and set to kick off on 1/1/19.

Haugen: How is open enrollment going so far?

Howlett: It is going very well. We have had some days where we have peaked and hit the higher call volume days. We have had a lot of password resets which shows activity going towards the website for the portal. Anytime we can engage the population telephonically and/or through online services it is very beneficial.

**MOTION** by Herb:

I motion to adjourn the meeting.

Lilly-Palmer seconded; all were in favor.

**Meeting Adjourned.**
Arkansas State Employees (ASE) Financials - January 1, 2018 through September 30, 2018

<table>
<thead>
<tr>
<th></th>
<th>EMPLOYEE ONLY</th>
<th>EMPLOYEE + DEPENDENTS</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>ACTIVES RETIRES MEDICARE TOTAL</td>
<td>ACTIVES RETIRES MEDICARE TOTAL</td>
</tr>
<tr>
<td><strong>BASIC</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1654</td>
<td>48</td>
<td>1702</td>
</tr>
<tr>
<td><strong>CLASSIC</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2114</td>
<td>66</td>
<td>2180</td>
</tr>
<tr>
<td><strong>PREMIUM</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>209</td>
<td>10132</td>
<td>10341</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>26072</td>
<td>2379</td>
</tr>
</tbody>
</table>

**REVENUES & EXPENDITURES**

**Funding**
1. State Contribution  $14,579,045  $130,977,084
2. Employee Contribution  $8,038,907  $72,632,737
3. Other  $1,197,883  $16,173,190
4. Allocation of Reserves  $1,501,000  $13,509,000

**Total Funding**  $25,316,835  $233,292,011

*4 wks medical and 4 pharmacy claims*

**Expenses**
5. Medical Expenses  $18,636,381  $149,510,691
6. Claims IBNR  $ -  $ -
7. Medical Administration Fees  $1,314,815  $10,985,079
8. Refunds  $ -  $ -
9. Employee Assistance Program (EAP)  $54,147  $490,009
10. Life Insurance  $78,055  $707,063
11. Pharmacy Expenses  $ -  $ -
12. RX Claims  $7,356,935  $61,476,068
13. RX IBNR  $ -  $(600,000)
14. RX Administration  $122,006  $1,102,847
15. Plan Administration  $555,171  $3,842,597

**Total Expenses**  $28,117,510  $227,514,353


**BALANCE SHEET**

**Assets**
17. Bank Account  $7,999,210
18. State Treasury  $92,151,522
19. Due from Cafeteria Plan  $10,652,466
20. Due from PSE  $1,400,000
21. Receivable from Provider  $308,008

**Total Assets**  $111,111,206

22. Accounts Payable  $803
23. Deferred Revenues  $3,780
24. Due to Cafeteria  $(1,626)
25. Due to PSE  $187,679
26. Health IBNR  $25,700,000
27. RX IBNR  $1,400,000

**Total Liabilities**  $27,290,635

**Net Assets**  $83,820,571

Less Reserves Allocated
28. Premiums for Plan Year 1/1/18 - 12/31/18 $(55,040,000 + 8,262,000 + 4,710,000) $(4,500,000)
29. Premiums for Plan Year 1/1/19 - 12/31/19 $(55,508,000 + 22,826,000 + 13,370,000) $(21,704,000)
30. Premiums for Plan Year 1/1/20 - 12/31/20 $(11,884,000 + 8,020,000) $(9,904,000)
31. Premiums for Plan Year 1/1/21 - 12/31/21 $(5,350,000) $(5,350,000)
32. Catastrophic Reserve (2017 $20,600,000) $(30,600,000)
33. **Net Assets Available**  $(11,759,571)
# Arkansas State Employees (ASE) Financials - January 1, 2017 through September 30, 2017

## REVENUES & EXPENDITURES

### Funding

<table>
<thead>
<tr>
<th></th>
<th>Current Month</th>
<th>Year to Date (9 Months)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 State Contribution</td>
<td>$14,554,092</td>
<td>$131,585,720</td>
</tr>
<tr>
<td>2 Employee Contribution</td>
<td>$8,080,017</td>
<td>$72,924,598</td>
</tr>
<tr>
<td>3 Other</td>
<td>$1,232,013</td>
<td>$12,603,548</td>
</tr>
<tr>
<td>4 Allocation of Reserves</td>
<td>$1,777,500</td>
<td>$15,997,500</td>
</tr>
<tr>
<td><strong>Total Funding</strong></td>
<td><strong>$25,643,622</strong></td>
<td><strong>$233,111,366</strong></td>
</tr>
</tbody>
</table>

### Expenses

#### Medical Expenses

<table>
<thead>
<tr>
<th>Description</th>
<th>Current Month</th>
<th>Year to Date (9 Months)</th>
</tr>
</thead>
<tbody>
<tr>
<td>5 Claims Expense</td>
<td>$17,764,235</td>
<td>$123,459,040</td>
</tr>
<tr>
<td>6 Claims IBNR</td>
<td>$ (2,000,000)</td>
<td>$ (2,000,000)</td>
</tr>
<tr>
<td>7 Medical Administration Fees</td>
<td>$1,094,424</td>
<td>$10,231,317</td>
</tr>
<tr>
<td>8 Refunds</td>
<td>$97</td>
<td>$3,802</td>
</tr>
<tr>
<td>9 Employee Assistance Program (EAP)</td>
<td>$55,184</td>
<td>$494,503</td>
</tr>
<tr>
<td>10 Life Insurance</td>
<td>$79,633</td>
<td>$712,325</td>
</tr>
</tbody>
</table>

#### Pharmacy Expenses

<table>
<thead>
<tr>
<th>Description</th>
<th>Current Month</th>
<th>Year to Date (9 Months)</th>
</tr>
</thead>
<tbody>
<tr>
<td>11 RX Claims</td>
<td>$7,539,116</td>
<td>$57,683,655</td>
</tr>
<tr>
<td>12 RX IBNR</td>
<td>$300,000</td>
<td></td>
</tr>
<tr>
<td>13 RX Administration</td>
<td>$121,376</td>
<td>$1,053,158</td>
</tr>
<tr>
<td>14 Plan Administration</td>
<td>$359,579</td>
<td>$3,554,948</td>
</tr>
<tr>
<td><strong>Total Expenses</strong></td>
<td><strong>$27,013,643</strong></td>
<td><strong>$195,192,749</strong></td>
</tr>
</tbody>
</table>

#### Net Income/(Loss)

<table>
<thead>
<tr>
<th>Description</th>
<th>Current Month</th>
<th>Year to Date (9 Months)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Income/(Loss)</td>
<td>$(1,370,021)</td>
<td>$37,918,617</td>
</tr>
</tbody>
</table>

## BALANCE SHEET

### Assets

<table>
<thead>
<tr>
<th>Description</th>
<th>Current Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>10 Bank Account</td>
<td>$18,917,986</td>
</tr>
<tr>
<td>11 State Treasury</td>
<td>$96,419,993</td>
</tr>
<tr>
<td>12 Due from Cafeteria Plan</td>
<td>$5,561,503</td>
</tr>
<tr>
<td>13 Due from PSE</td>
<td>$541</td>
</tr>
<tr>
<td>17 Receivable from Provider</td>
<td>$347,946</td>
</tr>
<tr>
<td>18 Accounts Receivable</td>
<td>$121,247,428</td>
</tr>
</tbody>
</table>

### Liabilities

<table>
<thead>
<tr>
<th>Description</th>
<th>Current Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>22 Accounts Payable</td>
<td>$3,143</td>
</tr>
<tr>
<td>23 Deferred Revenues</td>
<td>$3,780</td>
</tr>
<tr>
<td>24 Due to Cafeteria</td>
<td>$414</td>
</tr>
<tr>
<td>25 Due to PSE</td>
<td>$311,692</td>
</tr>
<tr>
<td>26 Due to Federal Government ($27 fee)</td>
<td>$ -</td>
</tr>
<tr>
<td>27 Health IBNR</td>
<td>$25,700,000</td>
</tr>
<tr>
<td>28 RX IBNR</td>
<td>$2,000,000</td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td><strong>$28,019,029</strong></td>
</tr>
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</table>

### Net Assets

<table>
<thead>
<tr>
<th>Description</th>
<th>Current Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Assets</td>
<td>$93,228,399</td>
</tr>
</tbody>
</table>

### Loss Reserves Allocated

<table>
<thead>
<tr>
<th>Description</th>
<th>Current Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>29 Premiums for Plan Year 1/1/17 - 12/31/17 ($7,560,000 + $13,770,000)</td>
<td>$(5,332,500)</td>
</tr>
<tr>
<td>30 Premiums for Plan Year 1/1/18 - 12/31/18 ($5,040,000 + $8,262,000 + $4,710,000)</td>
<td>$(18,012,000)</td>
</tr>
<tr>
<td>31 Premiums for Plan Year 1/1/19 - 12/31/19 ($5,508,000 + $2,826,000)</td>
<td>$(8,334,000)</td>
</tr>
<tr>
<td>32 Premiums for Plan Year 1/1/20 - 12/31/20 ($1,884,000)</td>
<td>$(1,884,000)</td>
</tr>
<tr>
<td>33 Catastrophic Reserve (2017 $20,600,000)</td>
<td>$(30,600,000)</td>
</tr>
<tr>
<td><strong>Net Assets Available</strong></td>
<td>$29,065,899</td>
</tr>
</tbody>
</table>

35 Fifth Week of Claims $5,893,156.33
### Public School Employees (PSE) Financials - January 1, 2018 through September 30, 2018

#### REVENUES & EXPENDITURES

<table>
<thead>
<tr>
<th>Funding</th>
<th>Current</th>
<th>Year to Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Month</td>
<td>(9 Month)</td>
<td></td>
</tr>
<tr>
<td>1 Per Participating Employee Funding (PPE Funding)</td>
<td>$8,352,449</td>
<td>$74,685,501</td>
</tr>
<tr>
<td>2 Employee Contribution</td>
<td>$9,870,465</td>
<td>$87,840,648</td>
</tr>
<tr>
<td>3 Department of Education $35,000,000 &amp; $15,000,000 &amp; Other Funding</td>
<td>$4,583,333</td>
<td>$70,600,000</td>
</tr>
<tr>
<td>4 Other</td>
<td>$1,133,938</td>
<td>$10,073,938</td>
</tr>
<tr>
<td>5 Allocation of Reserves</td>
<td>$1,883,333</td>
<td>$16,949,997</td>
</tr>
<tr>
<td><strong>Total Funding</strong></td>
<td><strong>$25,823,519</strong></td>
<td><strong>$260,150,084</strong></td>
</tr>
</tbody>
</table>

**Medical Expenses**
- Claims Expense | $20,921,806 | $169,251,158 |
- Claims IBNR | - | $2,300,000 |
- Medical Administration Fees | $2,028,948 | $16,892,980 |
- Refunds | - | - |
- Employee Assistance Program (EAP) | $78,935 | $711,978 |

**Pharmacy Expenses**
- RX Claims | $5,430,921 | $41,513,838 |
- RX IBNR | - | $(400,000) |
- RX Administration | $191,308 | $1,708,736 |
- Plan Administration | $601,407 | $3,818,105 |
| **Total Expenses** | **$23,253,325** | **$235,796,795** |

**Less DOE Allocation** | $(18,100,000) |

**Net Income/(Loss)** | $(3,429,806) | $6,253,290 |

#### BALANCE SHEET

<table>
<thead>
<tr>
<th>Assets</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>17 Bank Account</td>
<td>$22,982,391</td>
</tr>
<tr>
<td>18 State Treasury</td>
<td>$142,244,080</td>
</tr>
<tr>
<td>19 Receivable from Provider</td>
<td>-</td>
</tr>
<tr>
<td>20 Accounts Receivable</td>
<td>$6,166,155</td>
</tr>
<tr>
<td>21 Due from ASE</td>
<td>$187,679</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td><strong>$171,580,304</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Liabilities</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>22 Accounts Payable</td>
<td>$290</td>
</tr>
<tr>
<td>23 Due to ASE</td>
<td>-</td>
</tr>
<tr>
<td>24 Deferred Revenues</td>
<td>$5,875</td>
</tr>
<tr>
<td>25 Due to Federal Government ($27 fee)</td>
<td>-</td>
</tr>
<tr>
<td>26 Health IBNR</td>
<td>$28,000,000</td>
</tr>
<tr>
<td>27 RX IBNR</td>
<td>$1,000,000</td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td><strong>$29,006,165</strong></td>
</tr>
</tbody>
</table>

**Net Assets** | $142,574,140 |

Less Reserves Allocated

| Premiums for Plan Year 1/1/18 - 12/31/18 ($3,840,000 + $660,000 + $18,100,000 DOE) | $(5,650,003) |
| Premiums for Plan Year 1/1/19 - 12/31/19 ($396,000 + $12,260,000) | $(12,656,000) |
| Premiums for Plan Year 1/1/20 - 12/31/20 ($264,000 + $7,360,000) | $(7,624,000) |
| Premiums for Plan Year 1/1/21 - 12/31/21 ($4,900,000) | $(4,900,000) |
| Premium Assistance (FICA Savings) | $(4,671,777) |
| Catastrophic Reserve (2017 $58,500,000) | $(58,500,000) |
| **Net Assets Available** | **$48,572,360** |
### PUBLIC SCHOOL EMPLOYEES (PSE) FINANCIALS - JANUARY 1, 2017 THROUGH SEPTEMBER 30, 2017

#### BASIC

<table>
<thead>
<tr>
<th>Category</th>
<th>ACTIVES</th>
<th>RETIRES</th>
<th>MEDICARE</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>CLASSIC</td>
<td>4152</td>
<td>446</td>
<td></td>
<td>4598</td>
</tr>
<tr>
<td>PREMIUM</td>
<td>23353</td>
<td>2182</td>
<td></td>
<td>25535</td>
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<tr>
<td>PRIMARY</td>
<td>17888</td>
<td>756</td>
<td></td>
<td>18644</td>
</tr>
<tr>
<td>TOTAL</td>
<td>45393</td>
<td>3450</td>
<td>12010</td>
<td>60853</td>
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</table>

#### EMPLOYEE + DEPENDENTS

<table>
<thead>
<tr>
<th>Category</th>
<th>ACTIVES</th>
<th>RETIRES</th>
<th>MEDICARE</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>6197</td>
<td>585</td>
<td></td>
<td></td>
<td>6782</td>
</tr>
<tr>
<td>43772</td>
<td>2617</td>
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<td></td>
<td>46389</td>
</tr>
<tr>
<td>25638</td>
<td>816</td>
<td></td>
<td></td>
<td>24454</td>
</tr>
<tr>
<td>113</td>
<td>13088</td>
<td></td>
<td></td>
<td>13221</td>
</tr>
<tr>
<td>TOTAL</td>
<td>73607</td>
<td>4151</td>
<td>13088</td>
<td>90846</td>
</tr>
</tbody>
</table>

#### REVENUES & EXPENDITURES

**Funding**

1. Per Participating Employee Funding (PPE Funding)  
   - Current Month: $8,144,482  
   - Year to Date (9 Months): $73,216,005
2. Employee Contribution  
   - Current Month: $9,751,860  
   - Year to Date (9 Months): $86,989,263
3. Department of Education $35,000,000 & $15,000,000 & Other Funding  
   - Current Month: $4,583,333  
   - Year to Date (9 Months): $59,009,091
4. Other  
   - Current Month: $1,202,022  
   - Year to Date (9 Months): $7,680,494
5. Allocation of Reserves  
   - Current Month: $3,792,121  
   - Year to Date (9 Months): $32,483,536

**Total Funding**  
- Current Month: $27,473,819  
- Year to Date (9 Months): $259,368,489

**Expenses**

6. Medical Expenses  
   - Current Month: $20,434,202  
   - Year to Date (9 Months): $144,373,533
7. Claims IBNR  
   - Current Month: $ -  
   - Year to Date (9 Months): $(4,300,000)
8. Medical Administration Fees  
   - Current Month: $1,716,661  
   - Year to Date (9 Months): $15,533,098
9. Refunds  
   - Current Month: $ -  
   - Year to Date (9 Months): $ -
10. Employee Assistance Program (EAP)  
    - Current Month: $77,611  
    - Year to Date (9 Months): $699,818
11. Pharmacy Expenses  
    - Current Month: $5,135,553  
    - Year to Date (9 Months): $37,440,621
12. RX Claims  
    - Current Month: $ -  
    - Year to Date (9 Months): $300,000
13. RX IBNR  
    - Current Month: $185,657  
    - Year to Date (9 Months): $1,592,893
14. Plan Administration  
    - Current Month: $343,181  
    - Year to Date (9 Months): $3,886,020

**Total Expenses**  
- Current Month: $27,892,864  
- Year to Date (9 Months): $199,525,982

15. Less DOE Allocation  
- Current Month: $(18,100,000)

16. Net Income/(Loss)  
- Current Month: $(419,045)  
- Year to Date (9 Months): $41,742,507

#### BALANCE SHEET

**Assets**

17. Bank Account  
- Current Month: $13,844,016
18. State Treasury  
- Current Month: $139,734,697
19. Receivable from Provider  
- Current Month: $ -
20. Accounts Receivable  
- Current Month: $5,796,768
21. Due from ASE  
- Current Month: $311,692

**Total Assets**  
- Current Month: $159,687,174

**Liabilities**

22. Accounts Payable  
- Current Month: $1,199
23. Due to ASE  
- Current Month: $ -
24. Deferred Revenues  
- Current Month: $ -
25. Due to Federal Government ($27 fee)  
- Current Month: $ -
26. Health IBNR  
- Current Month: $25,700,000
27. RX IBNR  
- Current Month: $1,400,000

**Total Liabilities**  
- Current Month: $27,101,199

28. Net Assets  
- Current Month: $132,585,975

Less Reserves Allocated

29. Premiums for Plan Year 1/1/17 - 12/31/17 ($5,760,000 + $20,000,000 + $18,100,000 DOE)  
- Current Month: $(11,376,364)
30. Premiums for Plan Year 1/1/18 - 12/31/18 ($3,840,000 + $660,000)  
- Current Month: $(4,500,000)
31. Premiums for Plan Year 1/1/19 - 12/31/19 ($396,000)  
- Current Month: $(396,000)
32. Premiums for Plan Year 1/1/20 - 12/31/20 ($264,000)  
- Current Month: $(264,000)
33. Premium Assistance (FICA Savings)  
- Current Month: $(4,610,158)
34. Catastrophic Reserve (2017 $58,500,000)  
- Current Month: $(58,500,000)
35. Net Assets Available  
- Current Month: $52,939,454

36. Fifth Week of Claims $5,979,856.20
# ASE Cafeteria Plan Financials - January 1, 2018 through September 30, 2018

## Revenues & Expenditures

<table>
<thead>
<tr>
<th>Funding</th>
<th>Current Month</th>
<th>Year to Date (9 month)</th>
</tr>
</thead>
<tbody>
<tr>
<td>FICA Savings</td>
<td>$ 423,766</td>
<td>$ 3,843,141</td>
</tr>
<tr>
<td>Interest, Penalties, Tax Set Off</td>
<td>$ 13,852</td>
<td>$ 94,951</td>
</tr>
<tr>
<td><strong>Total Funding</strong></td>
<td><strong>$ 437,618</strong></td>
<td><strong>$ 3,938,092</strong></td>
</tr>
</tbody>
</table>

## Expenses

<table>
<thead>
<tr>
<th>Expenses</th>
<th>Current Month</th>
<th>Year to Date (9 month)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Plan Administration</td>
<td>$ 1,015</td>
<td>$ 7,505</td>
</tr>
<tr>
<td>Forfeited Benefits (Annual Expense)</td>
<td>$ -</td>
<td>$ -</td>
</tr>
<tr>
<td>FICA Savings Transfer (Annual Expense)</td>
<td>$ -</td>
<td>$ 5,090,963</td>
</tr>
<tr>
<td><strong>Total Expenses</strong></td>
<td><strong>$ 1,015</strong></td>
<td><strong>$ 5,098,468</strong></td>
</tr>
</tbody>
</table>

## Net Income/(Loss)

<table>
<thead>
<tr>
<th>Net Income/(Loss)</th>
<th>Current Month</th>
<th>Year to Date (9 month)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$ 436,603</td>
<td>(1,160,377)</td>
</tr>
</tbody>
</table>

## Balance Sheet

### Assets

<table>
<thead>
<tr>
<th>Assets</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>State Cafeteria (Flexible Benefits)</td>
<td>$ 783,366</td>
</tr>
<tr>
<td>Admin Acct (FICA Savings)</td>
<td>$ 4,656,605</td>
</tr>
<tr>
<td>State Treasury</td>
<td>$ 6,511,335</td>
</tr>
<tr>
<td>Due from Health Plan</td>
<td>$ (1,626)</td>
</tr>
<tr>
<td>Due from State Employee Fund</td>
<td>$ -</td>
</tr>
<tr>
<td>Accounts Receivable</td>
<td>$ 33,916</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td><strong>$ 11,983,596</strong></td>
</tr>
</tbody>
</table>

### Liabilities

<table>
<thead>
<tr>
<th>Liabilities</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts Payable</td>
<td>$ 41,619</td>
</tr>
<tr>
<td>Due to Health Plan (FICA Savings Annual)</td>
<td>$ 9,797,321</td>
</tr>
<tr>
<td>Due to Health Plan (Forfeited Benefits Annual)</td>
<td>$ 857,589</td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td><strong>$ 10,646,529</strong></td>
</tr>
</tbody>
</table>

## Net Assets

<table>
<thead>
<tr>
<th>Net Assets</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$ 1,287,068</td>
</tr>
</tbody>
</table>
# ASE Cafeteria Plan Financials - January 1, 2017 through September 30, 2017

## Revenues & Expenditures

<table>
<thead>
<tr>
<th>Funding</th>
<th>Current Month</th>
<th>Year to Date (9 months)</th>
</tr>
</thead>
<tbody>
<tr>
<td>FICA Savings</td>
<td>$ 424,060</td>
<td>$ 3,637,775</td>
</tr>
<tr>
<td>Interest, Penalties, Tax Set Off</td>
<td>$ 6,793</td>
<td>$ 52,115</td>
</tr>
<tr>
<td><strong>Total Funding</strong></td>
<td><strong>$ 430,853</strong></td>
<td><strong>$ 3,689,890</strong></td>
</tr>
</tbody>
</table>

## Expenses

<table>
<thead>
<tr>
<th>Expenses</th>
<th>Current Month</th>
<th>Year to Date (9 months)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Plan Administration</td>
<td>$ 5,267</td>
<td>$ 21,420</td>
</tr>
<tr>
<td>Forfeited Benefits (Annual Expense)</td>
<td>$ -</td>
<td>$ 82,649</td>
</tr>
<tr>
<td>FICA Savings Transfer (Annual Expense)</td>
<td>$ -</td>
<td>$ 4,703,255</td>
</tr>
<tr>
<td><strong>Total Expenses</strong></td>
<td><strong>$ 5,267</strong></td>
<td><strong>$ 4,807,324</strong></td>
</tr>
</tbody>
</table>

## Net Income/(Loss)

| Net Income/(Loss)                      | $ 425,586 | $(1,117,434) |

## Balance Sheet

### Assets

<table>
<thead>
<tr>
<th>Assets</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>State Cafeteria (Flexible Benefits)</td>
<td>$ 817,665</td>
</tr>
<tr>
<td>Admin Acct (FICA Savings)</td>
<td>$ 231,878</td>
</tr>
<tr>
<td>State Treasury</td>
<td>$ 5,777,184</td>
</tr>
<tr>
<td>Due from Health Plan</td>
<td>$ 414</td>
</tr>
<tr>
<td>Due from State Employee Fund</td>
<td>$ -</td>
</tr>
<tr>
<td>Accounts Receivable</td>
<td>$ 42,670</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td><strong>$ 6,869,811</strong></td>
</tr>
</tbody>
</table>

### Liabilities

<table>
<thead>
<tr>
<th>Liabilities</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts Payable</td>
<td>$ 85,965</td>
</tr>
<tr>
<td>Due to Health Plan (FICA Savings Annual)</td>
<td>$ 4,703,914</td>
</tr>
<tr>
<td>Due to Health Plan (Forfeited Benefits Annual)</td>
<td>$ 857,589</td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td><strong>$ 5,647,468</strong></td>
</tr>
</tbody>
</table>

## Net Assets

| Net Assets                               | $ 1,222,343 |
### PROJECTED PAID CLAIMS AND EXPENSES BY MONTH

#### PSE
2018 September

<table>
<thead>
<tr>
<th></th>
<th>PROJECTED</th>
<th>ACTUAL</th>
<th>DIFFERENCE</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Medical Claims</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Monthly</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Amount</td>
<td>18,480,000</td>
<td>20,921,806</td>
<td>2,441,806</td>
</tr>
<tr>
<td></td>
<td>YTD</td>
<td>YTD</td>
<td>YTD</td>
</tr>
<tr>
<td></td>
<td>160,250,000</td>
<td>168,251,158</td>
<td>8,001,158</td>
</tr>
<tr>
<td><strong>Pharmacy Claims</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Monthly</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Amount</td>
<td>5,090,000</td>
<td>5,430,921</td>
<td>340,921</td>
</tr>
<tr>
<td></td>
<td>YTD</td>
<td>YTD</td>
<td>YTD</td>
</tr>
<tr>
<td></td>
<td>42,920,000</td>
<td>41,513,838</td>
<td>(1,406,162)</td>
</tr>
<tr>
<td><strong>Expenses/Other</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Monthly</td>
<td>2,740,000</td>
<td>2,900,598</td>
<td>160,598</td>
</tr>
<tr>
<td></td>
<td>YTD</td>
<td>YTD</td>
<td>YTD</td>
</tr>
<tr>
<td></td>
<td>24,490,000</td>
<td>23,131,799</td>
<td>(1,358,201)</td>
</tr>
</tbody>
</table>

**Note:** IBNR increased for Medical by $2,300,000

**Note:** IBNR decreased for Pharmacy by $400,000

#### ASE
2018 September

<table>
<thead>
<tr>
<th></th>
<th>PROJECTED</th>
<th>ACTUAL</th>
<th>DIFFERENCE</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Medical Claims</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Monthly</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Amount</td>
<td>15,680,000</td>
<td>18,636,381</td>
<td>2,956,381</td>
</tr>
<tr>
<td></td>
<td>YTD</td>
<td>YTD</td>
<td>YTD</td>
</tr>
<tr>
<td></td>
<td>141,630,000</td>
<td>149,510,691</td>
<td>7,880,681</td>
</tr>
<tr>
<td><strong>Pharmacy Claims</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Monthly</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Amount</td>
<td>7,210,000</td>
<td>7,356,935</td>
<td>146,935</td>
</tr>
<tr>
<td></td>
<td>YTD</td>
<td>YTD</td>
<td>YTD</td>
</tr>
<tr>
<td></td>
<td>65,270,000</td>
<td>61,476,068</td>
<td>(3,793,932)</td>
</tr>
<tr>
<td><strong>Expenses/Other</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Monthly</td>
<td>2,150,000</td>
<td>2,592,159</td>
<td>442,159</td>
</tr>
<tr>
<td></td>
<td>YTD</td>
<td>YTD</td>
<td>YTD</td>
</tr>
<tr>
<td></td>
<td>19,530,000</td>
<td>17,127,595</td>
<td>(2,402,405)</td>
</tr>
</tbody>
</table>

**Note:** IBNR no change

**Note:** IBNR decreased pharmacy $600,000
### PROJECTED PAID CLAIMS AND EXPENSES BY MONTH

#### PSE
2017 September

<table>
<thead>
<tr>
<th>Medical Claims</th>
<th>PROJECTED</th>
<th>ACTUAL</th>
<th>DIFFERENCE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Monthly Amount</td>
<td>23,360,000</td>
<td>20,434,202</td>
<td>(2,925,798)</td>
</tr>
<tr>
<td>Monthly Total</td>
<td>159,000,000</td>
<td>140,073,533</td>
<td>(18,926,467)</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Pharmacy Claims</th>
<th>PROJECTED</th>
<th>ACTUAL</th>
<th>DIFFERENCE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Monthly Amount</td>
<td>6,050,000</td>
<td>5,135,553</td>
<td>(914,447)</td>
</tr>
<tr>
<td>Monthly Total</td>
<td>39,700,000</td>
<td>37,740,621</td>
<td>(1,959,379)</td>
</tr>
</tbody>
</table>

Note: IBNR increased for Pharmacy by $300,000

<table>
<thead>
<tr>
<th>Expenses/Other</th>
<th>PROJECTED</th>
<th>ACTUAL</th>
<th>DIFFERENCE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Monthly Amount</td>
<td>2,750,000</td>
<td>2,323,110</td>
<td>(426,890)</td>
</tr>
<tr>
<td>Monthly Total</td>
<td>24,750,000</td>
<td>21,711,829</td>
<td>(3,038,171)</td>
</tr>
</tbody>
</table>

#### ASE
2017 September

<table>
<thead>
<tr>
<th>Medical Claims</th>
<th>PROJECTED</th>
<th>ACTUAL</th>
<th>DIFFERENCE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Monthly Amount</td>
<td>19,970,000</td>
<td>17,764,235</td>
<td>(2,205,765)</td>
</tr>
<tr>
<td>Monthly Total</td>
<td>143,820,000</td>
<td>121,156,040</td>
<td>(22,663,960)</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Pharmacy Claims</th>
<th>PROJECTED</th>
<th>ACTUAL</th>
<th>DIFFERENCE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Monthly Amount</td>
<td>8,210,000</td>
<td>7,539,116</td>
<td>(670,884)</td>
</tr>
<tr>
<td>Monthly Total</td>
<td>60,810,000</td>
<td>57,903,655</td>
<td>(2,826,345)</td>
</tr>
</tbody>
</table>

Note: IBNR increased for Pharmacy by $300,000

<table>
<thead>
<tr>
<th>Expenses/Other</th>
<th>PROJECTED</th>
<th>ACTUAL</th>
<th>DIFFERENCE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Monthly Amount</td>
<td>1,980,000</td>
<td>1,710,293</td>
<td>(269,707)</td>
</tr>
<tr>
<td>Monthly Total</td>
<td>17,820,000</td>
<td>16,050,053,00</td>
<td>(1,769,947)</td>
</tr>
</tbody>
</table>
NOTES FOR September 2018 FINANCIALS

PSE
- We paid 4 weeks of claims for both medical and pharmacy.
- FICA Savings received for the month was $518,816, YTD savings $4,671,777.
- We had a net Loss of $3.4 million for the month and a net increase $6.2 million year-to-date – Line 16.
- Net Assets available are $48.5 million – Line 34. Allocation of reserves added (June Board Meeting).

ASE
- We paid 4 weeks of claims for both medical and pharmacy.
- We had a net loss of $2.8 million for the month and net gain of $5.7 million year-to-date – Line 15.
- Net Assets available are $11.7 million – Line 33. Allocation of reserves added (June Board Meeting).

Projected vs. Actual Report
The projected vs. actual claims and expenditures report shows the numbers from the current month, the year-to-date (YTD) and the differences. The monthly amounts are for September 2018 and YTD amounts are for January-September 2018.
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 October 5, 2018, with Claudia Moran presiding.

Topics Discussed:

- Approval of Minutes
- Choosing Wisely Update/Cost Drivers
- Cheiron Update
- Director’s Report

Choosing Wisely Update/Cost Drivers: Izzy Montgomery & Mike Motley, ACHI
Montgomery and Motley provided a brief update on the analysis of the 8 most common low-value healthcare services provided to EBD members. They also provided a short overview of the Keiser Foundation Employer Health Benefits Survey. Choosing Wisely aims to promote conversations between clinicians and patients by helping patients choose care that is: supported by evidence, not duplicative of other tests or procedures already received, free from harm, and truly necessary.

Cheiron Update: John Colberg, Gaelle Gravot, Cheiron
Colberg and Gaelle presented a brief update on the interim monitoring report through September 30, 2018

ASE

- Assets by the end of 2018 are expected to be about $12 million lower than at year end 2017. Projected assets, net of reserves, as of then, end of 2019 are projected to be $2.6 million lower than what was projected in June.
- Enrollment patterns indicate that for 2019 the plan could see about 100 more actives and about 25 fewer retirees than projected.
• Medical claims and Pharmacy claims since May have been slightly lower than projected.

PSE

• Assets by the end of 2018 are expected to be about the same as at year end 2017. Projected assets, net of reserves, as of then, end of 2019 are projected to be $0.9 million lower than what was projected in June.
• Enrollment patterns have been close to projected, and our projections for 2019 continue to be for an increase in enrollment of approximately 1,700 employees and retirees.
• Medical claims since May have been higher than projected. Pharmacy claims have been close to projected.

**Director’s Report: Chris Howlett, EBD Executive Director**

EBD Director Chris Howlett provided an update on Kannact, Bariatric pilot, Catapult, and Naturally Slim.
The following report pertains to the DUEC meeting at 1:00 p.m. on October 1, 2018, with Scott Pace, PharmD presiding.

I. **New Business**

A. **Formulary Clean-Up: by Dr. Micah Bard and Dr. Dwight Davis, UAMS**

Drs. Dwight Davis and Micah Bard presented an overview of items as part of the ongoing Drug Formulary clean-up and maintenance.

<table>
<thead>
<tr>
<th>Drug Name</th>
<th>Recommendation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Clozapine Orally-Disintegrating Tablet</td>
<td>Exclude the ODT formulation. Generic clozapine tablets are available in 25mg, 50mg, 100mg, and 200mg strengths.</td>
</tr>
<tr>
<td>Risperidone Orally-Disintegrating Tablet</td>
<td>Exclude the ODT formulation. Generic risperidone is available in 0.25mg, 0.5mg, 1mg, 2mg, 3mg, 4mg strengths.</td>
</tr>
<tr>
<td>Oxaydo Tablets</td>
<td>Exclude Oxaydo. It is an oxycodone-containing Abuse-Deterrent formulation. It is available in 5mg and 7.5mg tablets. EBD has historically excluded the Abuse-Deterrent products.</td>
</tr>
<tr>
<td>ActoPlus Met XR Pioglitazone-Metformin</td>
<td>Exclude ActosPlus Met and its generic version. Members can take pioglitazone and metformin separately.</td>
</tr>
<tr>
<td>Rytary ER Capsules Sinemet CR Tablets</td>
<td>Exclude Rytary and branded Sinemet CR. Generic carbidopa-levodopa ER is available in 25/100, 50/200 strengths (same as Sinemet CR).</td>
</tr>
<tr>
<td>Lanoxin Tablets</td>
<td>Exclude brand-name Lanoxin. Most utilization is with generic digoxin.</td>
</tr>
<tr>
<td>Tobramycin 300mg/5mL ampule</td>
<td>Currently T1: Move to T4 Specialty; change day supply requirement to 56.</td>
</tr>
<tr>
<td>Temozolomide Capsules</td>
<td>Currently T1; Move to T4 Specialty.</td>
</tr>
</tbody>
</table>
Epiceram (Emmolient Combination No. 32) | Exclude Epiceram. It is an emollient indicated for dry and itchy skin. There are multiple lower cost emollients available in the marketplace. (example: CeraVe)

The **DUEC recommended**: Adopt the recommendations summarized in the table above with the exception of tobramycin 300mg/5mL ampules. For tobramycin, the DUEC recommended to adopt the suggestion with the additional requirement that the patient only be charged one copay per fill of medication, regardless of the day supply change.

**B. Rebate Summary: by Dr. Dwight Davis, UAMS**

Dr. Dwight Davis presented on behalf of EBRx to seek permission from the DUEC to pursue rebate contracts, where possible, within the categories listed in the following table. Coverage policies as established by the DUEC would not be altered as a result of such contracting.

The drug categories listed below represent previously reviewed topics of the DUEC. Currently, drugs within these categories have specific formulary placement and, in many cases, established prior authorization/coverage policies in place. EBD currently reimburses for these products consistent with its coverage policies.

<table>
<thead>
<tr>
<th>Drug Category</th>
<th>Sample Products</th>
<th>Annualized EBD Spend</th>
</tr>
</thead>
<tbody>
<tr>
<td>Multiple Sclerosis Agents</td>
<td>Aubagio®, Gilenya®, Tecfidera®, Betaseron®, Copaxone®/Glatopa®, Rebif®, etc.</td>
<td>$9.3 million</td>
</tr>
<tr>
<td>Misc. Antineoplastic Agents (Tyrosine Kinase Inhibitors)</td>
<td>Imbruvica®, Jakafi®, Sprycel®, Sutent®, Tagrisso®, Tarceva®, Tykerb®, Votrient®</td>
<td>$6.3 million</td>
</tr>
<tr>
<td>Colony Stimulating Factors, Hematopoietic Agents</td>
<td>Neupogen®, Granix®, Zarzio®, Neulasta®, Epogen®, Procrit®, Aranesp®, Leukine®</td>
<td>$175K (pharmacy only)</td>
</tr>
<tr>
<td>Pulmonary Arterial Hypertension Agents</td>
<td>Adcirca®, Adempas®, Letairis®, Opsumit®, Tracleer®, Upravi®</td>
<td>$2.5 million</td>
</tr>
<tr>
<td>Pancreatic Enzymes</td>
<td>Creon®, Pancreaze®, Zenpep®</td>
<td>$770K</td>
</tr>
<tr>
<td>5-ASA Agents (Ulcerative Colitis Agents)</td>
<td>Apriso®, Canasa®, Delzicol®, Lialda®, Pentasa®</td>
<td>$890K</td>
</tr>
<tr>
<td><strong>Totals</strong></td>
<td></td>
<td><strong>$19.9 million</strong></td>
</tr>
</tbody>
</table>

The **DUEC recommended**: Allow EBRx to pursue rebate contracts, where possible, within the listed categories.

**C. Rx to OTC Category Change: by Dr. Micah Bard, UAMS**

Dr. Micah Bard presented a change in the classification of medications listed in the table below. These therapeutic categories and specific product names have been changed from “Rx” to “OTC”. The Plan will have to make a decision on how to handle these products going forward since EBD, historically, has not allowed coverage of over-the-counter medications.
Therapeutic Categories | Product Names
---|---
Vitamin B, B12, D | 
Mineral Replacement (Calcium, Zinc, Fluoride, Iron) | 
Antioxidant Multivitamin Combinations | 
Folic Acid Preparations | 
Electrolyte Depleters | 
Herbal Drugs | 
Metabolic Deficiency Agents | 
Dietary Supplement, Misc | 
Protein Replacement | 
Urinary pH Modifiers | 
Bulk Chemicals | 
Protein Replacement | 

**The DUEC recommended:** Exclude the therapeutic categories and products listed in the table that are over-the-counter medications.

**D. New Drugs: by Dr. Rachel McCaleb and Dr. Ashley McPhee, UAMS**

Drs. McCaleb and McPhee presented a review of new drugs to market.

1. **Non-Specialty Medications**
   
   a. **Recommended Additions**

<table>
<thead>
<tr>
<th>BRAND NAME</th>
<th>GENERIC NAME</th>
<th>PRICING (AWP)</th>
<th>INDICATION</th>
<th>SIMILAR THERAPIES ON FORMULARY</th>
<th>DUEC VOTE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retacrit</td>
<td>Epoetin Alfa</td>
<td>$132.36 / 10,000 units</td>
<td>Anemia</td>
<td>Epogen, Procrit</td>
<td>T4PA, Seek Rebates</td>
</tr>
<tr>
<td>Siklos</td>
<td>Hydroxyurea 100mg</td>
<td>$6 / tablet</td>
<td>Sickle Cell Anemia</td>
<td>Hydroxyurea 500 mg capsules</td>
<td>T4, QL #30/m (if need #2/d, go to the alternative Droxia. Age restriction &lt;4 years of age.</td>
</tr>
</tbody>
</table>

   b. **Recommended Exclusions**

<table>
<thead>
<tr>
<th>BRAND NAME</th>
<th>GENERIC NAME</th>
<th>PRICING (AWP)</th>
<th>INDICATION</th>
<th>SIMILAR THERAPIES ON FORMULARY</th>
<th>DUEC VOTE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rhopressa 0.02%</td>
<td>Netarsudil Mesylate</td>
<td>$274.80 / Bottle</td>
<td>Elevated Intraocular Pressure</td>
<td>Multiple Agents</td>
<td>Exclude, code 13. Timolol and latanoprost are the alternatives.</td>
</tr>
<tr>
<td>BRAND NAME</td>
<td>GENERIC NAME</td>
<td>PRICING (AWP)</td>
<td>INDICATION</td>
<td>SIMILAR THERAPIES ON FORMULARY</td>
<td>DUEC VOTE</td>
</tr>
<tr>
<td>------------------------</td>
<td>-------------------------------</td>
<td>----------------</td>
<td>-----------------------</td>
<td>------------------------------------------------</td>
<td>----------</td>
</tr>
<tr>
<td>Osmolex ER</td>
<td>Amantadine</td>
<td>$18 / tablet</td>
<td>Parkinson Disease</td>
<td>Generic amantadine IR tablets</td>
<td>Exclude, code 13</td>
</tr>
<tr>
<td>Lucemyra</td>
<td>Lofexidine HCl</td>
<td>$24.83 / tablet</td>
<td>Opioid Withdrawal</td>
<td>Buprenorphine / Naloxone</td>
<td>Exclude, code 13</td>
</tr>
<tr>
<td>Imvexxy</td>
<td>Estradiol</td>
<td>$27 / insert</td>
<td>Vulvar and vaginal atrophy</td>
<td>Generic estradiol vaginal cream and tablets</td>
<td>Exclude, code 13</td>
</tr>
<tr>
<td>Crysvita</td>
<td>Burosumab</td>
<td>$4080 / 10mg vial</td>
<td>Hyper - phosphatemia</td>
<td>N/A</td>
<td>Exclude, code 1 &amp; 8.</td>
</tr>
<tr>
<td>Roxybond</td>
<td>Oxycodone HCl</td>
<td>$9.34 / 12.44 per tablet</td>
<td>Pain</td>
<td>Multiple oxycodone generics</td>
<td>Exclude, code 13</td>
</tr>
</tbody>
</table>

2. **Specialty Medications**

   a. **Recommended Additions**
<table>
<thead>
<tr>
<th>BRAND NAME</th>
<th>GENERIC NAME</th>
<th>PRICING (AWP)</th>
<th>INDICATION</th>
<th>SIMILAR THERAPIES ON FORMULARY</th>
<th>DUEC VOTE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Idelvion</td>
<td>FACTOR IX RECOM, ALBUMIN FUSION</td>
<td>$5.28/unit</td>
<td>Hemophilia</td>
<td>All other factors covered T4</td>
<td>T4PA</td>
</tr>
<tr>
<td>Symtuza</td>
<td>DARUNAVIR/COB/ EMTRI/TENOF ALAF</td>
<td>$139.28/tablet</td>
<td>HIV</td>
<td>Multiple HIV products covered T4.</td>
<td>T4; move Prezobix to T4</td>
</tr>
<tr>
<td>Fulphila</td>
<td>PEGFILGRASTIM-JMDB</td>
<td>$5,010 / 0.6 mL</td>
<td>Neutropenia</td>
<td>Neulasta</td>
<td>T4PA; explore rebates</td>
</tr>
</tbody>
</table>

b. Recommended Exclusions

<table>
<thead>
<tr>
<th>BRAND NAME</th>
<th>GENERIC NAME</th>
<th>PRICING (AWP)</th>
<th>INDICATION</th>
<th>SIMILAR THERAPIES ON FORMULARY</th>
<th>DUEC VOTE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jynarque</td>
<td>Tolvaptan</td>
<td>$279.45 / tablet</td>
<td>Hyponatremia; Autosomal dominant polycystic kidney disease</td>
<td>Samsca</td>
<td>Exclude, code 1</td>
</tr>
<tr>
<td>Tavalisse</td>
<td>Fostamatinib Disodium</td>
<td>$189 / tablet</td>
<td>Immune thrombocytopenia (ITP)</td>
<td>N/A</td>
<td>Exclude, code 1</td>
</tr>
<tr>
<td>Doptelet</td>
<td>Avatrombopag maleate</td>
<td>$1080 / tablet</td>
<td>Chronic liver disease associated thrombocytopenia</td>
<td>Promacta</td>
<td>Exclude, code 13</td>
</tr>
<tr>
<td>Palynziq</td>
<td>Pegvaliase</td>
<td>$1171.20 / ML</td>
<td>Phenylketonuria (PKU)</td>
<td>N/A</td>
<td>Exclude, code 1 &amp; 8</td>
</tr>
<tr>
<td>Dexonto</td>
<td>dexamethasone sodium phosphate</td>
<td>N/A</td>
<td>Generic</td>
<td></td>
<td>Exclude, code 3</td>
</tr>
<tr>
<td>Braftovi</td>
<td>ENCORAFENIB</td>
<td>$109.77 / tablet</td>
<td>Melanoma</td>
<td>N/A</td>
<td>Exclude, code 1, revisit 2/2019</td>
</tr>
<tr>
<td>Mektovi</td>
<td>BINIMETINIB</td>
<td>$73.18 / tablet</td>
<td>Melanoma</td>
<td>N/A</td>
<td>Exclude code 1 &amp; 8</td>
</tr>
<tr>
<td>Tibsovo</td>
<td>IVOSIDENIB</td>
<td>$522.30 / tablet</td>
<td>Acute Myeloid Leukemia</td>
<td>N/A</td>
<td>Exclude, code 1 &amp; 8; revisit 2.2019</td>
</tr>
<tr>
<td>IFE-PG20</td>
<td>ALPROSTADIL IN SODIUM CHLORIDE</td>
<td>N/A</td>
<td>Erectile Dysfunction</td>
<td>Multiple agents</td>
<td>Exclude, code 3 &amp; 13</td>
</tr>
<tr>
<td>IFE-BIMIX 30/1</td>
<td>PAPAVERINE/PHENTOLAMINE/WATER</td>
<td>N/A</td>
<td>Erectile Dysfunction</td>
<td>Multiple agents</td>
<td>Exclude, code 3 &amp; 13</td>
</tr>
<tr>
<td>Lokelma</td>
<td>SODIUM ZIRCONIUM CYCOSILICATE</td>
<td>$26.20 / tablet</td>
<td>Hyperkalemia</td>
<td>Multiple agents</td>
<td>Exclude, code 13</td>
</tr>
<tr>
<td>Macrilen</td>
<td>MACIMORELIN ACETATE</td>
<td>$5,400 / each</td>
<td>GH deficiency diagnostic</td>
<td>Insulin, clonidine, arginine, etc.</td>
<td>NA Medical</td>
</tr>
<tr>
<td>Onpattro</td>
<td>PATISIRAN SODIUM, LIPID COMPLEX</td>
<td>$2,280 / mL</td>
<td>Polyneuropathy</td>
<td>N/A</td>
<td>NA Medical</td>
</tr>
<tr>
<td>Galafold</td>
<td>MIGALASTAT HCL</td>
<td>$2,079 / capsule</td>
<td>Fabry disease</td>
<td>N/A</td>
<td>Exclude, code 1; revisit 9/2019</td>
</tr>
<tr>
<td>Poteligeo</td>
<td>MOGAMULIZUMAB-KPKC</td>
<td>$909.60 / mL</td>
<td>Sezary syndrome</td>
<td>N/A</td>
<td>NA Medical</td>
</tr>
<tr>
<td>Ilumya</td>
<td>TILDRAKIZUMAB-ASMN</td>
<td>$15,907 / mL</td>
<td>Plaque psoriasis</td>
<td>Multiple agents</td>
<td>Exclude, code 13</td>
</tr>
<tr>
<td>Mulpleta</td>
<td>LUSUTROMBOPAG</td>
<td>$1,457 / tablet</td>
<td>Chronic Liver Disease - associated Thrombocytopenia</td>
<td>Promacta</td>
<td>Exclude, code 13</td>
</tr>
<tr>
<td>Orilissa</td>
<td>ELAGOLIX SODIUM</td>
<td>$36.21 / tablet</td>
<td>Endometriosis</td>
<td>N/A</td>
<td>Exclude, code 13 &amp; 1</td>
</tr>
</tbody>
</table>

### C. Tabled Drugs

<table>
<thead>
<tr>
<th>Brand</th>
<th>Ename</th>
<th>Cost</th>
<th>Indication</th>
<th>Dosage Form</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aimovig</td>
<td>Erenumab</td>
<td>$690 / dose</td>
<td>Migraine Prophylaxis</td>
<td>Multiple agents</td>
<td>Tabled</td>
</tr>
</tbody>
</table>

**The DUEC recommended**: Adopt the recommendations listed in the tables.

**Meeting Adjourned.**

**Respectfully submitted,**

Scott Pace, PharmD
Chair, DUEC
### New Drug Code Key:

<table>
<thead>
<tr>
<th>Code</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Lacks meaningful clinical endpoint data; has shown efficacy for surrogate endpoints only.</td>
</tr>
<tr>
<td>2</td>
<td>Drug's best support is from single arm trial data</td>
</tr>
<tr>
<td>3</td>
<td>No information in recognized information sources (PubMed or Drug Facts &amp; Comparisons or Lexicomp)</td>
</tr>
<tr>
<td>4</td>
<td><strong>Convenience Kit Policy</strong>: As new drugs are released to the market through Medispan, those drugs described as &quot;kits&quot; 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 &quot;kit&quot; is greater than the individual items purchased separately.</td>
</tr>
<tr>
<td>5</td>
<td><strong>Medical Food Policy</strong>: 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 &quot;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.&quot; 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.</td>
</tr>
<tr>
<td>6</td>
<td><strong>Cough &amp; Cold Policy</strong>: 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 &quot;excluded&quot; 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.</td>
</tr>
<tr>
<td>7</td>
<td><strong>Multivitamin Policy</strong>: 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 &quot;excluded&quot; 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.</td>
</tr>
<tr>
<td>8</td>
<td>Drug has limited medical benefit &amp;/or lack of overall survival data or has overall survival data showing minimal benefit</td>
</tr>
<tr>
<td>9</td>
<td>Not medically necessary</td>
</tr>
<tr>
<td>10</td>
<td>Peer-reviewed, published cost effectiveness studies support the drug lacks value to the plan.</td>
</tr>
<tr>
<td>11</td>
<td><strong>Oral Contraceptives Policy</strong>: 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.</td>
</tr>
<tr>
<td>12</td>
<td>Other</td>
</tr>
<tr>
<td>13</td>
<td>Insufficient clinical benefit OR alternative agent(s) available</td>
</tr>
<tr>
<td>Section</td>
<td>Page</td>
</tr>
<tr>
<td>----------------------------------------------</td>
<td>------</td>
</tr>
<tr>
<td>I. Comments</td>
<td>3</td>
</tr>
<tr>
<td>II. Total Plan Experience</td>
<td>4</td>
</tr>
<tr>
<td>III. Enrollment</td>
<td>8</td>
</tr>
<tr>
<td>IV. Claims Comparisons</td>
<td>9</td>
</tr>
</tbody>
</table>

**Appendices**

| A. Contribution Rates                        | 11   |
| B. Summary of Plan or Policy Changes         | 15   |
| C. Provider Contract Summary                 | 17   |
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Comments

• Calendar year 2018 is projected to be a gain of approximately $2.4 million. Based on the most recent experience, calendar year 2019 is projected to be a loss of $2.7 million.

• Projected assets, net of reserves, as of the end of 2019 are projected to be $6.1 million.

• Enrollment patterns indicate that for 2019 the plan could see about 100 more actives and about 25 fewer retirees than projected.

• Medical claims since May have been higher than projected, while pharmacy claims have been close to projected.

Please see Appendix E which describes the methods and assumptions used to develop these conclusions and includes information on the scope, limitations, and certification of this report.
## Total Plan Experience

<table>
<thead>
<tr>
<th>Accounting Basis</th>
<th>Calendar Year 2017</th>
<th>Calendar Year 2018 - 1/1/2018 - 12/31/2018 - Projection performed in</th>
<th>Calendar Year 2019 - 1/1/2019 - 12/31/2019 - Projection performed in</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employer Contributions</td>
<td>$175.2</td>
<td>$175.4</td>
<td>$174.4</td>
</tr>
<tr>
<td>Participant Contributions</td>
<td>97.0</td>
<td>98.6</td>
<td>96.8</td>
</tr>
<tr>
<td>Other Income</td>
<td>15.6</td>
<td>12.2</td>
<td>18.2</td>
</tr>
<tr>
<td>Reserves Allocated</td>
<td>21.3</td>
<td>18.0</td>
<td>18.0</td>
</tr>
<tr>
<td><strong>TOTAL INCOME</strong></td>
<td>$309.1</td>
<td>$304.2</td>
<td>$307.4</td>
</tr>
<tr>
<td>Medical Claims Paid + IBNR Change</td>
<td>(169.0)</td>
<td>(199.0)</td>
<td>(203.4)</td>
</tr>
<tr>
<td>Pharmacy Claims Paid + IBNR Change</td>
<td>(76.6)</td>
<td>(88.3)</td>
<td>(87.4)</td>
</tr>
<tr>
<td>Expenses / Other</td>
<td>(21.4)</td>
<td>(26.0)</td>
<td>(22.7)</td>
</tr>
<tr>
<td><strong>TOTAL EXPENDITURES</strong></td>
<td>($267.0)</td>
<td>($304.2)</td>
<td>($300.8)</td>
</tr>
<tr>
<td><strong>NET PLAN GAIN / (LOSS)</strong></td>
<td>$42.1</td>
<td></td>
<td>6.6</td>
</tr>
</tbody>
</table>

### PLAN ASSETS AT YEAR END

<table>
<thead>
<tr>
<th></th>
<th>Calendar Year 2017</th>
<th>Calendar Year 2018 - 1/1/2018 - 12/31/2018 -</th>
<th>Calendar Year 2019 - 1/1/2019 - 12/31/2019 -</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Assets (Prior to IBNR)</td>
<td>$119.9</td>
<td>$93.6</td>
<td>$103.5</td>
</tr>
<tr>
<td>IBNR Reserve</td>
<td>(27.7)</td>
<td>(27.7)</td>
<td>(27.1)</td>
</tr>
<tr>
<td>Catastrophic Reserve</td>
<td>(30.6)</td>
<td>(30.6)</td>
<td>(30.6)</td>
</tr>
<tr>
<td>Reserve for Current and Future Premiums</td>
<td>(28.2)</td>
<td>(10.2)</td>
<td>(15.3)</td>
</tr>
<tr>
<td><strong>NET ASSETS AVAILABLE</strong></td>
<td>$33.4</td>
<td>$35.1</td>
<td>$13.1</td>
</tr>
</tbody>
</table>

### ENROLLMENT

<table>
<thead>
<tr>
<th></th>
<th>Calendar Year 2017</th>
<th>Calendar Year 2018 - 1/1/2018 - 12/31/2018 -</th>
<th>Calendar Year 2019 - 1/1/2019 - 12/31/2019 -</th>
</tr>
</thead>
<tbody>
<tr>
<td>Active Employees (includes COBRA)</td>
<td>26,151</td>
<td>26,033</td>
<td>26,313</td>
</tr>
<tr>
<td>Retirees</td>
<td>12,061</td>
<td>12,722</td>
<td>12,385</td>
</tr>
<tr>
<td><strong>Total Enrolled</strong></td>
<td>38,212</td>
<td>38,755</td>
<td>38,698</td>
</tr>
</tbody>
</table>

### TOTAL INCOME PEPM

<table>
<thead>
<tr>
<th></th>
<th>Calendar Year 2017</th>
<th>Calendar Year 2018 - 1/1/2018 - 12/31/2018 -</th>
<th>Calendar Year 2019 - 1/1/2019 - 12/31/2019 -</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>TOTAL INCOME PEPM</strong></td>
<td>$674</td>
<td>$654</td>
<td>$663</td>
</tr>
<tr>
<td><strong>TOTAL EXPENDITURES PEPM</strong></td>
<td>$(582)</td>
<td>$(654)</td>
<td>$(648)</td>
</tr>
</tbody>
</table>

---

1 The IBNR Change reflects only the June 30 modification shown on the financial statements.
Reserves Allocation by Year

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

<table>
<thead>
<tr>
<th>Year Initially Allocated</th>
<th>Total Amount</th>
<th>Year Allocated Reserves Are Used</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2017</td>
<td>2018</td>
</tr>
<tr>
<td>2015</td>
<td>$25.2</td>
<td>$7.6</td>
</tr>
<tr>
<td>2016</td>
<td>27.5</td>
<td>$13.8</td>
</tr>
<tr>
<td>2017</td>
<td>9.4</td>
<td>$4.7</td>
</tr>
<tr>
<td>2018</td>
<td>26.7</td>
<td></td>
</tr>
<tr>
<td><strong>Total:</strong></td>
<td>$21.3</td>
<td>$18.0</td>
</tr>
<tr>
<td><strong>End of Year Balance:</strong></td>
<td>$28.2</td>
<td>$37.0</td>
</tr>
</tbody>
</table>
Income vs. Expenditures

The chart below displays the total income and expenditures by calendar year as reported in the financial statements. The total expenditures, shown by the red line, include paid claims, IBNR change, and expenses. The income includes State contributions, participant contributions and other income. 2018 and 2019 figures are based on the updated
End of Year Assets Available

The chart below displays the total EOY assets available to offset for future contributions. The darker shade shows assets that have been already allocated by the Board. The unallocated assets represent any additional assets available. The lighter shade shows the allocated catastrophic reserve. The 2018 and 2019 figures are based on the updated projection developed for this report.
## Enrollment

### Enrollment by Status

<table>
<thead>
<tr>
<th>Year</th>
<th>Active</th>
<th>NME Retiree</th>
<th>ME Retiree</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>7,419</td>
<td>2,222</td>
<td>27,984</td>
</tr>
<tr>
<td>2013</td>
<td>7,912</td>
<td>2,797</td>
<td>27,918</td>
</tr>
<tr>
<td>2014</td>
<td>8,355</td>
<td>2,642</td>
<td>27,825</td>
</tr>
<tr>
<td>2015</td>
<td>8,780</td>
<td>2,472</td>
<td>26,972</td>
</tr>
<tr>
<td>2016</td>
<td>9,192</td>
<td>2,483</td>
<td>26,181</td>
</tr>
<tr>
<td>2017</td>
<td>9,593</td>
<td>2,468</td>
<td>26,151</td>
</tr>
<tr>
<td>2018 prj</td>
<td>9,992</td>
<td>2,393</td>
<td>26,313</td>
</tr>
<tr>
<td>2019 prj</td>
<td>10,429</td>
<td>2,391</td>
<td>26,353</td>
</tr>
</tbody>
</table>

### Active Enrollment by Plan

<table>
<thead>
<tr>
<th>Year</th>
<th>HA Novastys Gold Premium</th>
<th>Silver</th>
<th>HD Bronze-Classic</th>
<th>Basic</th>
<th>Waived</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>5,947</td>
<td>4,589</td>
<td>5,026</td>
<td>5,065</td>
<td>5,022</td>
</tr>
<tr>
<td>2013</td>
<td>5,231</td>
<td>4,854</td>
<td>4,765</td>
<td>5,128</td>
<td>5,062</td>
</tr>
<tr>
<td>2014</td>
<td>5,155</td>
<td>4,894</td>
<td>4,742</td>
<td>5,065</td>
<td>5,022</td>
</tr>
<tr>
<td>2015</td>
<td>5,092</td>
<td>4,781</td>
<td>4,705</td>
<td>5,065</td>
<td>5,022</td>
</tr>
<tr>
<td>2016</td>
<td>5,026</td>
<td>4,756</td>
<td>4,675</td>
<td>5,065</td>
<td>5,022</td>
</tr>
<tr>
<td>2017</td>
<td>5,066</td>
<td>4,785</td>
<td>4,702</td>
<td>5,065</td>
<td>5,022</td>
</tr>
<tr>
<td>2018 prj</td>
<td>5,066</td>
<td>4,785</td>
<td>4,702</td>
<td>5,065</td>
<td>5,022</td>
</tr>
<tr>
<td>2019 prj</td>
<td>5,066</td>
<td>4,785</td>
<td>4,702</td>
<td>5,065</td>
<td>5,022</td>
</tr>
</tbody>
</table>

### Average for Calendar Year

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Actives by Plan</strong> (includes COBRA contracts)</td>
<td></td>
<td></td>
<td></td>
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<td>26,151</td>
<td>26,033</td>
<td>26,238</td>
<td>26,313</td>
<td>26,256</td>
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<td>26,033</td>
<td>26,238</td>
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<td>48</td>
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<td>12,722</td>
<td>12,423</td>
<td>12,385</td>
<td>12,847</td>
</tr>
<tr>
<td><strong>Members</strong></td>
<td>15,810</td>
<td>16,391</td>
<td>16,198</td>
<td>16,130</td>
<td>16,772</td>
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<td>10,016</td>
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<td><strong>Total</strong></td>
<td>12,061</td>
<td>12,722</td>
<td>12,423</td>
<td>12,385</td>
<td>12,847</td>
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<tr>
<td><strong>Members</strong></td>
<td>15,810</td>
<td>16,391</td>
<td>16,198</td>
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### Total Employees & Retirees

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<th>2019</th>
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<td>38,698</td>
</tr>
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<td>38,212</td>
<td>38,755</td>
<td>38,661</td>
<td>38,698</td>
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<tr>
<td>2014</td>
<td>38,212</td>
<td>38,755</td>
<td>38,661</td>
<td>38,698</td>
</tr>
<tr>
<td>2015</td>
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<td>38,755</td>
<td>38,661</td>
<td>38,698</td>
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<tr>
<td>2016</td>
<td>38,212</td>
<td>38,755</td>
<td>38,661</td>
<td>38,698</td>
</tr>
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<td>38,212</td>
<td>38,755</td>
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<td>38,698</td>
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<td>2018 prj</td>
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<td>38,755</td>
<td>38,661</td>
<td>38,698</td>
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<td>38,755</td>
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### Total Members

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<th>2018</th>
<th>2019</th>
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<td>60,968</td>
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<tr>
<td>2013</td>
<td>60,653</td>
<td>61,049</td>
<td>60,968</td>
<td>61,012</td>
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<tr>
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<td>61,049</td>
<td>60,968</td>
<td>61,012</td>
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<tr>
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<tr>
<td>2016</td>
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<td>61,049</td>
<td>60,968</td>
<td>61,012</td>
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<tr>
<td>2017 prj</td>
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<td>61,049</td>
<td>60,968</td>
<td>61,012</td>
</tr>
<tr>
<td>2018 prj</td>
<td>60,653</td>
<td>61,049</td>
<td>60,968</td>
<td>61,012</td>
</tr>
<tr>
<td>2019 prj</td>
<td>60,653</td>
<td>61,049</td>
<td>60,968</td>
<td>61,012</td>
</tr>
</tbody>
</table>
Medical Claims vs. Projections (Year-to-Date)

The chart below shows the medical claims for calendar year 2018 (shown by the red bars) compared to the various medical claims projections. Each month shows the cumulative year-to-date total through that month.
Pharmacy Claims vs. Projections (Year-to-Date)

The chart below shows the pharmacy claims for calendar year 2018 (shown by the red bars) compared to the various pharmacy claims projections. Each month shows the cumulative year-to-date total through that month.
## Appendix A. - Contribution Rates: Actives
### Calendar Year 2019

<table>
<thead>
<tr>
<th>Actives</th>
<th>Total Monthly Premium</th>
<th>State Contributions</th>
<th>Reserve Allocation</th>
<th>2019 EE Total Cost*</th>
<th>2018 EE Total Cost*</th>
<th>Change in Premiums ($ / %)</th>
<th>Assumed Enrollment</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Premium</strong></td>
<td></td>
<td></td>
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<td></td>
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<td>561.03</td>
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<td>0.00 / 0%</td>
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<td>112.74</td>
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<td>315.18</td>
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</table>

* Monthly Total EE Cost is $75 higher if no wellness credit
## Appendix A - Contribution Rates: Retirees
### Calendar Year 2019

<table>
<thead>
<tr>
<th>Non Medicare Eligible Retirees</th>
<th>Total Monthly Premium</th>
<th>State Contributions</th>
<th>Reserve Allocation</th>
<th>2019 Ret. Total Cost</th>
<th>2018 Ret. Total Cost</th>
<th>Change in Premiums ($ / %)</th>
<th>Assumed Enrollment</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Premium</strong></td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
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</table>

<table>
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<th>ME Retirees</th>
<th>Total Monthly Premium</th>
<th>State Contributions</th>
<th>Reserve Allocation</th>
<th>2019 Ret. Total Cost</th>
<th>2018 Ret. Total Cost</th>
<th>Change in Premiums ($ / %)</th>
<th>Assumed Enrollment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Medicare Eligible</td>
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</tr>
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<td>Retiree &amp; ME SP &amp; CH</td>
<td>1,172.16</td>
<td>482.72</td>
<td>63.90</td>
<td>625.54</td>
<td>625.54</td>
<td>0.00 / 0%</td>
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<tr>
<td><strong>Est. Monthly Total ($mil)</strong></td>
<td>$ 5.4</td>
<td>$ 2.5</td>
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<td>$ 2.5</td>
<td>$ 2.5</td>
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<td>10,455</td>
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<tr>
<td>Total (Est. Annual)</td>
<td>$ 64.8</td>
<td>$ 30.4</td>
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<td>$ 30.4</td>
<td>$ 30.4</td>
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</table>
# Appendix A. - Contribution Rates: Actives

## Calendar Year 2018

<table>
<thead>
<tr>
<th>Actives</th>
<th>Total Monthly Premium</th>
<th>State Contributions</th>
<th>Reserve Allocation</th>
<th>2017 EE Total Cost</th>
<th>2016 EE Total Cost</th>
<th>Change in Premiums ($ / %)</th>
<th>Assumed Enrollment</th>
</tr>
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<tbody>
<tr>
<td><strong>Premium</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employee Only</td>
<td>$ 488.72</td>
<td>$ 346.20</td>
<td>$ 34.60</td>
<td>$ 107.92</td>
<td>$ 107.92</td>
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<td>Employee &amp; Spouse</td>
<td>1,097.30</td>
<td>642.61</td>
<td>64.23</td>
<td>390.46</td>
<td>390.46</td>
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<td>Employee &amp; Child(ren)</td>
<td>819.46</td>
<td>548.31</td>
<td>54.81</td>
<td>216.34</td>
<td>216.34</td>
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<td>4,907</td>
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<td>Family</td>
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<td>844.73</td>
<td>84.43</td>
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<td>498.88</td>
<td>0.00 0%</td>
<td>1,876</td>
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<td>Est. Monthly Total ($mil)</td>
<td>$ 15.5</td>
<td>$ 10.2</td>
<td>$ 1.0</td>
<td>$ 4.3</td>
<td>$ 4.3</td>
<td>-</td>
<td>22,243</td>
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<td><strong>Classic</strong></td>
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<tr>
<td>Employee Only</td>
<td>$ 425.50</td>
<td>$ 343.31</td>
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<td>Employee &amp; Spouse</td>
<td>950.36</td>
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<td>Employee &amp; Child(ren)</td>
<td>710.76</td>
<td>543.68</td>
<td>54.34</td>
<td>112.74</td>
<td>112.74</td>
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<td>340</td>
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<tr>
<td>Family</td>
<td>1,235.62</td>
<td>836.80</td>
<td>83.64</td>
<td>315.18</td>
<td>315.18</td>
<td>0.00 0%</td>
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<tr>
<td>Est. Monthly Total ($mil)</td>
<td>$ 1.2</td>
<td>$ 0.9</td>
<td>$ 0.1</td>
<td>$ 0.2</td>
<td>$ 0.2</td>
<td>-</td>
<td>1,973</td>
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<tr>
<td><strong>Basic</strong></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Employee Only</td>
<td>$ 375.36</td>
<td>$ 341.25</td>
<td>$34.11</td>
<td>-</td>
<td></td>
<td>$0.00 n/a</td>
<td>1,239</td>
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<td>Employee &amp; Spouse</td>
<td>831.10</td>
<td>631.52</td>
<td>63.12</td>
<td>136.46</td>
<td>136.46</td>
<td>0.00 0%</td>
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<td>Employee &amp; Child(ren)</td>
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<td>540.06</td>
<td>53.98</td>
<td>29.00</td>
<td>29.00</td>
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<td>Family</td>
<td>1,078.80</td>
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<td>83.00</td>
<td>165.46</td>
<td>165.46</td>
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<tr>
<td>Est. Monthly Total ($mil)</td>
<td>$ 0.9</td>
<td>$ 0.8</td>
<td>$ 0.1</td>
<td>$ 0.1</td>
<td>$ 0.1</td>
<td>-</td>
<td>1,816</td>
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<tr>
<td><strong>Total (Monthly) ($ mil)</strong></td>
<td>$ 17.6</td>
<td>$ 11.9</td>
<td>$ 1.2</td>
<td>$ 4.5</td>
<td>$ 4.5</td>
<td>-</td>
<td>26,033</td>
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<tr>
<td><strong>Est. Annual Total ($ mil)</strong></td>
<td>$ 211.6</td>
<td>$ 143.1</td>
<td>$ 14.3</td>
<td>$ 54.1</td>
<td>$ 54.1</td>
<td>-</td>
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</table>

* Monthly Total EE Cost is $75 higher if no wellness credit
### Appendix A - Contribution Rates: Retirees
#### Calendar Year 2018

<table>
<thead>
<tr>
<th>Non-Medicare Eligible Retirees</th>
<th>Total Monthly Premium</th>
<th>State Contributions</th>
<th>Reserve Allocation</th>
<th>2017 EE Total Cost</th>
<th>2016 EE Total Cost</th>
<th>Change in Premiums ($ / %)</th>
<th>Assumed Enrollment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Premium</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Retiree Only</td>
<td>$488.72</td>
<td>$202.12</td>
<td>$20.20</td>
<td>$266.40</td>
<td>$266.40</td>
<td>$0.00</td>
<td>0%</td>
</tr>
<tr>
<td>Retiree &amp; NME SP</td>
<td>$1,097.30</td>
<td>$377.67</td>
<td>37.75</td>
<td>$681.88</td>
<td>$681.88</td>
<td>0.00</td>
<td>0%</td>
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<tr>
<td>Retiree &amp; Child(ren)</td>
<td>$819.46</td>
<td>297.45</td>
<td>29.73</td>
<td>$492.28</td>
<td>$492.28</td>
<td>0.00</td>
<td>0%</td>
</tr>
<tr>
<td>Retiree &amp; NME SP&amp;CH</td>
<td>$1,428.04</td>
<td>473.00</td>
<td>47.28</td>
<td>$907.76</td>
<td>$907.76</td>
<td>0.00</td>
<td>0%</td>
</tr>
<tr>
<td>Retiree &amp; ME SP</td>
<td>$881.20</td>
<td>333.12</td>
<td>33.30</td>
<td>$514.78</td>
<td>$514.78</td>
<td>0.00</td>
<td>0%</td>
</tr>
<tr>
<td>Retiree &amp; ME SP &amp; CH</td>
<td>$1,211.94</td>
<td>428.45</td>
<td>42.83</td>
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<td>$740.66</td>
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</tr>
<tr>
<td>Est. Monthly Total ($mil)</td>
<td>$456.00</td>
<td>197.17</td>
<td>19.71</td>
<td>$206.36</td>
<td>$206.36</td>
<td>0.00</td>
<td>0%</td>
</tr>
<tr>
<td>Classic</td>
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<td></td>
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<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Employee Only</td>
<td>$425.50</td>
<td>197.17</td>
<td>19.71</td>
<td>$206.36</td>
<td>$206.36</td>
<td>0.00</td>
<td>0%</td>
</tr>
<tr>
<td>Employee &amp; Spouse</td>
<td>950.36</td>
<td>371.49</td>
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<td>$541.74</td>
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<td>0%</td>
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<td>Employee &amp; Child(ren)</td>
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<td>292.81</td>
<td>29.27</td>
<td>$388.68</td>
<td>$388.68</td>
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<td>0%</td>
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<td>46.50</td>
<td>$724.06</td>
<td>$724.06</td>
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<td>0%</td>
</tr>
<tr>
<td>Est. Monthly Total ($mil)</td>
<td>$0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>$0.00</td>
<td>$0.00</td>
<td>0.00</td>
<td>0%</td>
</tr>
<tr>
<td>Basic</td>
<td></td>
<td></td>
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</tr>
<tr>
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<td>$375.36</td>
<td>197.17</td>
<td>19.71</td>
<td>$158.48</td>
<td>$158.48</td>
<td>0.00</td>
<td>0%</td>
</tr>
<tr>
<td>Employee &amp; Spouse</td>
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<td>366.58</td>
<td>36.64</td>
<td>$427.88</td>
<td>$427.88</td>
<td>0.00</td>
<td>0%</td>
</tr>
<tr>
<td>Employee &amp; Child(ren)</td>
<td>623.04</td>
<td>289.19</td>
<td>28.91</td>
<td>$304.94</td>
<td>$304.94</td>
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<td>0%</td>
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<tr>
<td>Family</td>
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<td>458.62</td>
<td>45.84</td>
<td>$574.34</td>
<td>$574.34</td>
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<td>0%</td>
</tr>
<tr>
<td>Est. Monthly Total ($mil)</td>
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<td>0.00</td>
<td>0.00</td>
<td>$0.00</td>
<td>$0.00</td>
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<td>0%</td>
</tr>
<tr>
<td>Total (Monthly) ($mil)</td>
<td>$1.70</td>
<td>0.60</td>
<td>0.10</td>
<td>$1.00</td>
<td>$1.00</td>
<td>0.00</td>
<td>0%</td>
</tr>
<tr>
<td>Est Annual Total ($mil)</td>
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<td>7.70</td>
<td>0.80</td>
<td>$11.40</td>
<td>$11.40</td>
<td>0.00</td>
<td>0%</td>
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<table>
<thead>
<tr>
<th>ME Retirees</th>
<th>Total Monthly Premium</th>
<th>State Contributions</th>
<th>Reserve Allocation</th>
<th>2017 EE Total Cost</th>
<th>2016 EE Total Cost</th>
<th>Change in Premiums ($ / %)</th>
<th>Assumed Enrollment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Medicare Eligible</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Retiree Only</td>
<td>$392.48</td>
<td>205.15</td>
<td>20.51</td>
<td>$166.82</td>
<td>$166.82</td>
<td>$0.00</td>
<td>0%</td>
</tr>
<tr>
<td>Retiree &amp; NME SP</td>
<td>881.20</td>
<td>271.74</td>
<td>27.16</td>
<td>$582.30</td>
<td>$582.30</td>
<td>0.00</td>
<td>0%</td>
</tr>
<tr>
<td>Retiree &amp; Child(ren)</td>
<td>770.38</td>
<td>343.36</td>
<td>34.32</td>
<td>$392.70</td>
<td>$392.70</td>
<td>0.00</td>
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</tr>
<tr>
<td>Retiree &amp; NME SP&amp;CH</td>
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<td>47.60</td>
<td>$808.18</td>
<td>$808.18</td>
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<td>0%</td>
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<td>Retiree &amp; ME SP</td>
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<td>328.58</td>
<td>32.84</td>
<td>$399.66</td>
<td>$399.66</td>
<td>0.00</td>
<td>0%</td>
</tr>
<tr>
<td>Retiree &amp; ME SP &amp; CH</td>
<td>1,138.98</td>
<td>466.78</td>
<td>46.66</td>
<td>$625.54</td>
<td>$625.54</td>
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<td>0%</td>
</tr>
<tr>
<td>Est. Monthly Total ($mil)</td>
<td>$5.20</td>
<td>2.40</td>
<td>0.20</td>
<td>$2.50</td>
<td>$2.50</td>
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<td>0%</td>
</tr>
<tr>
<td>Total (Est. Annual)</td>
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<td>29.30</td>
<td>2.90</td>
<td>$29.70</td>
<td>$29.70</td>
<td>0.00</td>
<td>0%</td>
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## Appendix B. - Summary of Plan or Policy Changes

<table>
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<tr>
<th>Date</th>
<th>Major Change</th>
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<tbody>
<tr>
<td>For 2019 Plan Year</td>
<td>No changes.</td>
</tr>
<tr>
<td>For 2018 Plan Year</td>
<td>No changes.</td>
</tr>
<tr>
<td>For 2017 Plan Year</td>
<td>$75 wellness credit extended to spouses of active employees. Participants must have had wellness exam and taken a health assessment in the previous year. Embedd Individual Medical OOP Max is applied for Classic and Basic within the family OOP Max. The individual and family OOP max amounts remain the same as in 2015. Effective 7/1/2018 Change to MedImpact Healthcare Systems Inc. as the pharmacy benefits manager.</td>
</tr>
<tr>
<td>For 2016 Plan Year</td>
<td>Plans were renamed Premium, Classic, and Basic to avoid confusion with metallic plans from Exchange. Premium is former Gold with $100/$1,000 deductible for individual/family. Office Visit copays at $25/$50 for Primary Care Physician (PCP)/Specialists, no copay on hospitalization, $3,500/$7,200 individual/family Out-of-Pocket (OOP) max for Rs. $1900/$200 deductable for Out-of-Network (OON) benefits, and no OOP max for OON benefits. Classic is former Bronze with a $25/$50 for individual/family monthly HSA contribution, a $2,500/$5,000 deductible for individual/family, a $3,000/$5,000 coinsurance OOP max for individual/family, and a true OOP max (including deductible, coinsurance, copay) of $4,450/$8,900 for individual/family. Classic provides no coverage for non-preferred brand drugs, has a $4,000/$8,000 deductible for individual/family and no OOP max for OON benefits. Basic is another HSA qualified plan with $25/$50 individual/family monthly HSA contributions, a $6,450/$12,900 individual/family In-Network deductible, 100% coverage thereafter. Basic provides no coverage for non-preferred brand drugs, and no OON coverage. Wellness credit: Active employee contributions are reduced by $75/month if the employee had a physical exam in the past year (new hires get the credit automatically).</td>
</tr>
<tr>
<td>For 2015 Plan Year</td>
<td>Increase Gold Plan In-network maximum out-of-pocket (MOOP) to $2,500 for individual, $5,000 for family Increase Gold and Silver Plans’ Office Visit copays to $25/$50 for Primary Care Physician (PCP)/Specialists Increase Gold and Silver Plans’ Pharmacy copays to $15/$40/$60/$100 for Generic/Preferred Brand/Non-Preferred Brand/Specialty drugs Increase Gold Plan ER copay to $250, Silver Plan ER copay to $300, Gold and Silver Plans’ Ambulance copay to $50 Change Gold and Silver Plans’ rehab cost share to $35 copay Increase Silver Plan In-Network deductible to $1,000 for individual, $2,000 for family, MOOP to $3,000 for individual, $6,000 for family Increase Silver Plan Out-of-Network deductible to $2,000 for individual, $4,000 for family, MOOP to $8,000 for individual, $16,000 for family Increase Bronze Plan In-Network deductible to $2,000 for individual, $3,000 for family, MOOP to $8,250 for individual, $15,525 for family Increase Bronze Plan Out-of-Network deductible to $4,000 for individual, $8,000 for family, MOOP to $12,700 for individual, $19,000 for family</td>
</tr>
<tr>
<td>For 2014 Plan Year</td>
<td>Women’s preventive care covered at 100%</td>
</tr>
<tr>
<td>For 2013 Plan Year</td>
<td>AHP health plan became Gold Plan; network is only Health Advantage (NovaSys no longer an option) High PPO became Bronze Plan; network changed from NovaSys to Health Advantage Silver Plan with $25 PCP copay and $750 deductible offered through QualChoice NME Retirees eligible to elect Gold, Silver, or Bronze (ME Retirees are Gold only) Bariatric surgery covered through pilot program Coverage for Autism added Behavioral Health changed to self-insured and integrated with Medical</td>
</tr>
<tr>
<td>For 2011 Plan Year</td>
<td>Lifetime Max for Out-of-Network (OON) changed to match the In-Network’s (INN) Unlimited Lifetime Maximum Immunizations covered at 100% for OON coverage Some services under behavioral health now do not require pre-authorization Intensive Out-Patient Services under behavioral health now require 20% member coinsurance $10,000 Benefit Maximum Removed for Durable Medical Equipment / Enteral Feeding Hearing/Vision Screening copayment changed to $35 OON (AHP), and $35 INN &amp; OON (AHP Health HD) Active and non-Medicare retiree experience was blended in determining the rates Increased credibility was given to the High Deductible Plan in determining the rates Child covered until age 26</td>
</tr>
</tbody>
</table>

---

**Cheiron**
## Appendix B. - Summary of 2018 & 2019 Benefits

<table>
<thead>
<tr>
<th>Benefit Option Name</th>
<th>Premium 1/1/2015</th>
<th>Classic 1/1/2018</th>
<th>Basic 1/1/2016</th>
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</thead>
<tbody>
<tr>
<td><strong>In-Network (INN) Benefits</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Deductible (Individual / Family)</td>
<td>$500 / $1000</td>
<td>$2500 / $5000</td>
<td>$6450 / $12900</td>
</tr>
<tr>
<td>Coinsurance</td>
<td>20%</td>
<td>20%</td>
<td>0%</td>
</tr>
<tr>
<td>Coinsurance limit (after Ded.) Individual/Family</td>
<td>$2500 / $5000</td>
<td>$3950 / $7900</td>
<td>n/a / n/a</td>
</tr>
<tr>
<td>Copays</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>OV - Specialist Care Provider (SCP)</td>
<td>$50</td>
<td>Ded &amp; Coins.</td>
<td>Ded &amp; Coins.</td>
</tr>
<tr>
<td>Urgent Care (UC)</td>
<td>$100</td>
<td>Ded &amp; Coins.</td>
<td>Ded &amp; Coins.</td>
</tr>
<tr>
<td>Hospital Facility - Outpatient - Co-Pay</td>
<td>$100</td>
<td>Ded &amp; Coins.</td>
<td>Ded &amp; Coins.</td>
</tr>
<tr>
<td>Out-of-Pocket Max (Individual / Family)</td>
<td>$3000 / $6000</td>
<td>$6450 / $12900</td>
<td>$6450 / $12900</td>
</tr>
<tr>
<td><strong>Out-of-Network (OON) Benefits</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Deductible (Individual / Family)</td>
<td>$2000 / $4000</td>
<td>$4000 / $8000</td>
<td>Not Covered</td>
</tr>
<tr>
<td>Coinsurance</td>
<td>40%</td>
<td>40%</td>
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</tr>
<tr>
<td>Out-of-Pocket Max (Individual / Family)</td>
<td>Unlimited / Unlimited</td>
<td>Unlimited / Unlimited</td>
<td>Unlimited</td>
</tr>
<tr>
<td><strong>Annual Maximum INN / OON</strong></td>
<td>Unlimited</td>
<td>Unlimited</td>
<td>Unlimited</td>
</tr>
<tr>
<td><strong>Prescription Drugs</strong></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Separate Deductible then the following Copays:</td>
<td>None</td>
<td>Included with Medical</td>
<td>Included with Medical</td>
</tr>
<tr>
<td>Retail (31 Days) - Generic/Formulary /Non-Form / Specialty</td>
<td>$15 / $40 / $80 / $100</td>
<td>$45 / $120 / $240 / $300</td>
<td>$1400 per ear every 3 years</td>
</tr>
<tr>
<td>Mail Order (93 Days) - Generic/Form. /Non-Form/ Specialty</td>
<td>Yes</td>
<td>n/a</td>
<td>n/a</td>
</tr>
<tr>
<td>Out-of-Pocket Max (Individual / Family)</td>
<td>$3100 / $6200</td>
<td>n/a / n/a</td>
<td>n/a / n/a</td>
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<tr>
<td><strong>Selected Detail Benefits</strong></td>
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<tr>
<td></td>
<td>OON: Ded &amp; Coins.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rehabilitation (i.e., speech, occup. physical):</td>
<td>INN: $25 Copay;</td>
<td>Ded &amp; Coins.</td>
<td>Ded. &amp; Coins.</td>
</tr>
<tr>
<td></td>
<td>OON: Ded &amp; Coins.</td>
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</tr>
<tr>
<td></td>
<td>OON: Ded &amp; Coins.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hearing Aids</td>
<td>No Copay; Limit of $1400 per ear every 3 years</td>
<td>Ded. &amp; Coins.</td>
<td>Ded. &amp; Coins.</td>
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<tr>
<td>Durable Medical Equipment (DME)</td>
<td>N/A</td>
<td>$25 Single/$50 Family</td>
<td>Ded. &amp; Coins.</td>
</tr>
<tr>
<td>Monthly HSA Contributions</td>
<td></td>
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</table>

1 When an in-network provider is not available within 50 miles of a hospital and 25 miles for all other providers, then in-network benefits apply.
2 OOP Max includes the deductible.
3 A $2,700 embedded individual deductible maximum applies for family coverage.
4 Deductible and Co-insurance also apply.
# Appendix C. - Provider Contract Summary

<table>
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<tr>
<th>Service Providers</th>
<th>Cost</th>
<th>Effective Dates</th>
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<tr>
<td><strong>Benefit and Claims Coordination (Actives &amp; Retirees)</strong></td>
<td></td>
<td></td>
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<tr>
<td>- Premium (Health Advantage)</td>
<td>$26.70 Per Employee Per Month</td>
<td>For Calendar Year</td>
</tr>
<tr>
<td>- Classic (Health Advantage)</td>
<td>$24.60 Per Employee Per Month</td>
<td>2017 &amp; 2018 unless noted</td>
</tr>
<tr>
<td>- Basic (Health Advantage)</td>
<td>$24.60 Per Employee Per Month</td>
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</tr>
<tr>
<td>- Primary (QualChoice)</td>
<td>$23.89 Per Employee Per Month</td>
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<tr>
<td><strong>Prescription Drugs Claims Administration</strong></td>
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<tr>
<td>- MedImpact (Does NOT include contract employees)</td>
<td>$1.05 Per Member Per Month</td>
<td></td>
</tr>
<tr>
<td>- MedImpact Employees</td>
<td>$25,598 Monthly (salary &amp; benefits)</td>
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<tr>
<td><strong>Medical Appeals - UAMS</strong></td>
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<td></td>
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<tr>
<td>- Physician Appeals</td>
<td>$150.00 Per Physician Appeal</td>
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<tr>
<td><strong>Pharmacy Prior Authorization - EBRx</strong></td>
<td></td>
<td></td>
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<tr>
<td>- Prior Authorization &amp; on-site pharmacist</td>
<td>$1.16 Per Employee Per Month</td>
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<tr>
<td><strong>Pharmacy Appeals</strong></td>
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<tr>
<td>Physician Appeals - ActiveHealth Management, Inc</td>
<td>$100.00 Per Physician Appeal</td>
<td>Began 3/1/17</td>
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<tr>
<td><strong>Medical Utilization/Condition Mgmt/Case Mgmt - ActiveHealth</strong></td>
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<tr>
<td>ACHI</td>
<td>$3.58 Per Member Per Month</td>
<td></td>
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<tr>
<td><strong>Employee Assistance Program - ComPsych</strong></td>
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<td></td>
</tr>
<tr>
<td>Health Savings Account (HSA) Administrator - DataPath</td>
<td>$2.25 Per Enrolled Per Month</td>
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<tr>
<td>Flexible Spending Account (FHSA) Administrator - DataPath</td>
<td>$2.25 Per Enrolled Per Month</td>
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<tr>
<td>COBRA admin fee - DataPath</td>
<td>$0.38 Per Active Ee Per Month</td>
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<tr>
<td>Office of Health Information Technology (Actives and NME Retirees)</td>
<td>$0.20 Per Employee Per Month</td>
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# Appendix D. - Enrollment Details: Actives

<table>
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<th>2019</th>
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<td><strong>Premium</strong></td>
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<tr>
<td>Single</td>
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<td>13,365</td>
<td>13,669</td>
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<td>Employee/Spouse</td>
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<td>2,096</td>
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<td>Employee/Child(ren)</td>
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<td>4,907</td>
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<td>Family</td>
<td>1,918</td>
<td>1,876</td>
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<td><strong>Total</strong></td>
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<td>22,243</td>
<td>22,575</td>
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<td><strong>Member Counts</strong></td>
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<td>38,440</td>
<td>38,796</td>
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<td><strong>Classic</strong></td>
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<tr>
<td>Single</td>
<td>1,275</td>
<td>1,293</td>
<td>1,321</td>
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<td>Employee/Spouse</td>
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<td>154</td>
<td>159</td>
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<tr>
<td>Employee/Child(ren)</td>
<td>331</td>
<td>340</td>
<td>343</td>
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<tr>
<td>Family</td>
<td>188</td>
<td>187</td>
<td>212</td>
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<td><strong>Total</strong></td>
<td>1,949</td>
<td>1,973</td>
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<td><strong>Member Counts</strong></td>
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<td>3,273</td>
<td>3,414</td>
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<td><strong>Basic</strong></td>
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<tr>
<td>Single</td>
<td>1,088</td>
<td>1,239</td>
<td>1,145</td>
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<tr>
<td>Employee/Spouse</td>
<td>132</td>
<td>153</td>
<td>123</td>
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<tr>
<td>Employee/Child(ren)</td>
<td>199</td>
<td>256</td>
<td>214</td>
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<td>Family</td>
<td>147</td>
<td>168</td>
<td>146</td>
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<td><strong>Total</strong></td>
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<td>1,816</td>
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<td><strong>Member Counts</strong></td>
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<td>2,945</td>
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<td><strong>TOTAL</strong></td>
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<tr>
<td>Single</td>
<td>15,985</td>
<td>15,897</td>
<td>16,134</td>
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<td>Employee/Spouse</td>
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<td>2,402</td>
<td>2,378</td>
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<td>Employee/Child(ren)</td>
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<td>Family</td>
<td>2,253</td>
<td>2,230</td>
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<td><strong>Total</strong></td>
<td>26,151</td>
<td>26,033</td>
<td>26,238</td>
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<tr>
<td><strong>Member Counts</strong></td>
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# Appendix D. - Enrollment Details: Retirees

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<tbody>
<tr>
<td><strong>Average for Calendar Year</strong></td>
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<tr>
<td><strong>Projection performed in (if applicable)</strong></td>
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<tr>
<td><strong>Retirees</strong></td>
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<tr>
<td>Retiree Only</td>
<td>1,676</td>
<td>1,749</td>
<td>1,647</td>
<td>1,646</td>
<td>1,635</td>
<td>1,642</td>
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<td>Retiree + NME Spouse</td>
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<td>386</td>
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<td>305</td>
<td>313</td>
<td>307</td>
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<tr>
<td>Retiree + Child(ren)</td>
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<td>94</td>
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<td>94</td>
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<tr>
<td>Retiree + NME Spouse + Child(ren)</td>
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<td>43</td>
<td>42</td>
<td>42</td>
<td>41</td>
<td>42</td>
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<tr>
<td>Retiree + ME Spouse</td>
<td>182</td>
<td>190</td>
<td>184</td>
<td>180</td>
<td>181</td>
<td>179</td>
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<tr>
<td>Retiree + ME Spouse + Child(ren)</td>
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<td><strong>Total</strong></td>
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<td>2,473</td>
<td>2,290</td>
<td>2,278</td>
<td>2,272</td>
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<tr>
<td><strong>Classic</strong></td>
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<td></td>
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<tr>
<td>Retiree Only</td>
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<td>49</td>
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<td>48</td>
<td>46</td>
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<tr>
<td>Retiree + NME Spouse</td>
<td>16</td>
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<tr>
<td>Retiree + Child(ren)</td>
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<td>2</td>
<td>2</td>
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<tr>
<td>Retiree + NME Spouse + Child(ren)</td>
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<td>2</td>
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<td><strong>Total</strong></td>
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<td>71</td>
<td>69</td>
<td>68</td>
<td>65</td>
<td>65</td>
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<tr>
<td><strong>Basic</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Retiree Only</td>
<td>31</td>
<td>30</td>
<td>35</td>
<td>35</td>
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<td>40</td>
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<tr>
<td>Retiree + NME Spouse</td>
<td>7</td>
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<td>Retiree + Child(ren)</td>
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<td>2</td>
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<td>55</td>
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<td><strong>TOTAL</strong></td>
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<tr>
<td>NME Retirees</td>
<td>2,468</td>
<td>2,584</td>
<td>2,407</td>
<td>2,393</td>
<td>2,391</td>
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<td>NME Member Counts</td>
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<td>3,466</td>
<td>3,509</td>
<td>3,474</td>
<td>3,531</td>
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<tr>
<td>Retiree Only</td>
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<td>7,388</td>
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<tr>
<td>Retiree + NME Spouse</td>
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<td>344</td>
<td>318</td>
<td>309</td>
<td>339</td>
<td>340</td>
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<tr>
<td>Retiree + Child(ren)</td>
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<td>79</td>
<td>78</td>
<td>90</td>
<td>89</td>
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<tr>
<td>Retiree + NME Spouse + Child(ren)</td>
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<td>24</td>
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<td>21</td>
<td>23</td>
<td>24</td>
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<td></td>
</tr>
<tr>
<td>Retiree + ME Spouse</td>
<td>2,372</td>
<td>2,551</td>
<td>2,450</td>
<td>2,444</td>
<td>2,564</td>
<td>2,557</td>
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<td></td>
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<tr>
<td>Retiree + ME Spouse + Child(ren)</td>
<td>33</td>
<td>37</td>
<td>29</td>
<td>29</td>
<td>32</td>
<td>31</td>
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</tr>
<tr>
<td><strong>Total</strong></td>
<td>9,593</td>
<td>10,138</td>
<td>10,016</td>
<td>9,992</td>
<td>10,455</td>
<td>10,429</td>
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<tr>
<td>ME Member Counts</td>
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<td>12,925</td>
<td>12,689</td>
<td>12,655</td>
<td>13,241</td>
<td>13,205</td>
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</table>
Appendix E. - Definitions & Methods

Definitions:
Actual: Results based on actual incurred claims and enrollment experience through September 2018, paid through September 2018. Actual incurred reflects an updated estimate of incurred but not recorded (IBNR) claims.
Updated Projections: Projections produced in October 2018 by Cheiron.

Methods:
Updated Projections: Population projections for the remainder of 2018 are based population as of September 2018 and historical monthly changes. Population projections for 2019 are as shown in Appendix D. Claims projections for 2018 and 2019 use the same methods and trend assumptions as projections. The experience period used was July 2017 through June 2018 for medical and September 2017 through August 2018 for pharmacy.

Incurred Claims: Based on service dates through September 30, 2018 and process dates through September 30, 2018. Claims are before subtracting retiree drug subsidy or rebates. A blend of methods based on actuarial judgment was used to estimate the incurred claims by month.

IBNR (Incurred But Not Recorded) Claim Reserves: Actual Reserves are those certified by Cheiron and effective May 2018. Original and updated reserve projections are based on expected changes in incurred and paid claims. Note that any projected IBNR Reserves presented in this report may NOT be used for financial statements.

Qualification Statements:
Reliance Statement: In preparing our report, we relied without audit, on information (some oral and some written) supplied by the Employee Benefits Division and the Plans' vendors. This information includes, but is not limited to, the Plan provisions, employee data, and financial information. We performed an informal examination of the obvious characteristics of the data for reasonableness and consistency in accordance with Actuarial Standard of Practice No. 23.

Scope: Actuarial computations provided in this report are for purposes of assisting the Trustees in monitoring the Plans' experience. The projections and reserve calculations reported in the enclosed exhibits have been made on a basis consistent with our understanding of the associated Actuarial Standards of Practice. Determinations for purposes other than monitoring the Plans' performance (for example, rate setting, benefit design changes or vendor evaluation) may be significantly different from the results in this report. Actual results will be different than our projections and vary to the extent that the Plan experience differs from the assumptions.

Certification: To the best of our knowledge, this report has been prepared in accordance with generally recognized and accepted actuarial principles and practices which are consistent with the applicable Actuarial Standards of Practice as Promulgated by the Actuarial Standards Board. We are members of the American Academy of Actuaries, and we meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained in this report. This report does not address any contractual or legal issues. We are neither attorneys nor accountants, and our firm does not provide any legal or tax services or advice.

Third Party Reliance: This report was prepared for the Arkansas State Employees (ASE) and Public School Employees (PSE) Health Benefits Program Trustees for the purposes described herein. Other users of this report are not intended users as defined in the Actuarial Standards of Practice, and Cheiron assumes no duty or liability to any other user.
Public School Employees (PSE)

Interim Monitoring Report
Through September 30, 2018

Presented on
October 16, 2018

John L. Colberg, FSA, MAAA
Gaelle Gravot, FSA, MAA
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<table>
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<tr>
<th>Section</th>
<th>Page</th>
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<tbody>
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<tr>
<td>III. Enrollment</td>
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<td>IV. Claims Comparisons</td>
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### Appendices

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<td>A. Contribution Rates</td>
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<tr>
<td>B. Summary of Plan or Policy Changes</td>
<td>15</td>
</tr>
<tr>
<td>C. Provider Contract Summary</td>
<td>18</td>
</tr>
<tr>
<td>D. Enrollment Details</td>
<td>20</td>
</tr>
<tr>
<td>E. Definitions &amp; Methods</td>
<td>21</td>
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</table>
Comments

- Both calendar year 2018 and 2019 are projected to be approximately break even, with income (including allocated reserves) equaling benefits and expenses.

- Projected assets, net of reserves, as of the end of 2019 are projected to be $45 million.

- Enrollment patterns have been close to projected, and our projections for 2019 continue to be for an increase in enrollment of approximately 1,700 employees and retirees.

- Medical claims and Pharmacy claims since May have been slightly higher than projected.

Please see Appendix E, which describes the methods and assumptions used to develop these conclusions and includes information on the scope, limitations, and certification of this report.
# Total Plan Experience

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<th>ACCOUNTING BASIS</th>
<th>Actual</th>
<th>Calendar Year 2018 - 1/1/2018 - 12/31/2018 - Projection performed in</th>
<th>Calendar Year 2019 - 1/1/2019 - 12/31/2019 - Projection performed in</th>
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<tr>
<td>State Contributions for Plan Year</td>
<td>$96.5</td>
<td>$88.1                 $88.1                 $88.1</td>
<td>$88.1                 $88.1</td>
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<tr>
<td>Minimum District Contributions</td>
<td>84.5</td>
<td>85.1                  86.5                  86.9</td>
<td>89.3                  69.4</td>
</tr>
<tr>
<td>Participant Contributions</td>
<td>129.5</td>
<td>129.1                 130.6                 130.3</td>
<td>132.0                 132.0</td>
</tr>
<tr>
<td>Reserve Allocated</td>
<td>5.8</td>
<td>4.5                   4.5                   4.5</td>
<td>12.7                  12.7</td>
</tr>
<tr>
<td>Other Income</td>
<td>10.7</td>
<td>8.4                   14.1                  14.8</td>
<td>11.3                  12.6</td>
</tr>
<tr>
<td><strong>TOTAL INCOME</strong></td>
<td>$327.0</td>
<td>$315.2                 $323.8                 $324.6</td>
<td>$333.4                 $334.8</td>
</tr>
<tr>
<td>Medical Claims Paid + IBNR Change¹</td>
<td>(192.9)</td>
<td>(221.0)                (235.2)                (236.3)</td>
<td>(241.9)                (243.3)</td>
</tr>
<tr>
<td>Pharmacy Claims Paid + IBNR Change¹</td>
<td>(51.1)</td>
<td>(61.5)                 (55.7)                 (57.9)</td>
<td>(60.6)                 (60.7)</td>
</tr>
<tr>
<td>Expenses</td>
<td>(29.0)</td>
<td>(32.7)                 (30.0)                 (30.7)</td>
<td>(30.8)                 (30.9)</td>
</tr>
<tr>
<td><strong>TOTAL EXPENDITURES</strong></td>
<td>$(273.0)</td>
<td>$(315.2)               $(320.9)               $(324.9)</td>
<td>$(333.3)               $(334.9)</td>
</tr>
<tr>
<td><strong>NET PLAN GAIN / (LOSS)</strong></td>
<td>$54.0</td>
<td>-                     2.9                   $(0.3)</td>
<td>$0.1                   $(0.1)</td>
</tr>
</tbody>
</table>

## PLAN ASSETS (END OF YEAR)

| Net Assets (Prior to Reserves Allocated)   | $160.4 | $125.2 | $160.6 | $157.7 | $148.0 | $145.0 |
| IBNR Reserve                             | (27.1) | (27.1) | (29.0) | (29.0) | (29.0) | (29.0) |
| Catastrophic Reserve                     | (58.5) | (40.5) | (58.5) | (58.5) | (58.5) | (58.5) |
| Reserve for Future Premiums              | (5.2)  | (0.7)  | (25.2) | (25.2) | (12.5) | (12.5) |
| **NET ASSETS AVAILABLE**                 | $69.6  | $56.9  | $47.9  | $45.0  | $48.0  | $45.0  |

## ENROLLMENT

| Active Employees (includes COBRA)         | 45,144 | 45,012 | 45,900 | 45,970 | 46,807 | 46,818 |
| Retirees                                 | 14,997 | 16,118 | 15,777 | 15,721 | 16,603 | 16,604 |
| **TOTAL ENROLLED**                       | 60,140 | 61,130 | 61,677 | 61,691 | 63,410 | 63,421 |

## TOTAL INCOME PEPM

| Total Income PEPM                       | $453   | $430   | $437   | $438   | $438   | $440   |
| Total Expenditures PEPM                 | $(378) | $(430) | $(434) | $(439) | $(438) | $(440) |

1 The IBNR Change reflects only the June 30 modification shown on the financial statements.
Reserves Allocation by Year

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

### Year Initially Allocated

<table>
<thead>
<tr>
<th>Year Initially Allocated</th>
<th>Total Amount</th>
<th>Year Allocated Reserves Are Used</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2017 2018 2019 2020 2021</td>
<td></td>
</tr>
<tr>
<td>2015</td>
<td>$19.2 $5.8 $3.8</td>
<td>$ -   $ -   $ -</td>
</tr>
<tr>
<td>2016</td>
<td>-</td>
<td>$ -   $0.7 $0.4 $0.3</td>
</tr>
<tr>
<td>2017</td>
<td>1.3</td>
<td>$12.3 $7.4 $4.9</td>
</tr>
<tr>
<td>2018</td>
<td>24.5</td>
<td>$12.7 $7.6 $4.9</td>
</tr>
</tbody>
</table>

**Total:** $19.2 $5.8 $12.7 $7.6 $4.9

**End of Year Balance:** $5.2 $25.2 $12.5 $4.9 $ -
The chart below displays the total income and expenditures by calendar year as reported in the financial statements; however, State contributions are allocated to the fiscal for which they are used to offset the rates even if they were contributed in the prior calendar year. The total expenditures shown by the red line include paid claims, IBNR change, and expenses. The income includes State contributions, minimum District contribution, participant contributions and other income. 2018 and 2019 figures are based on the updated projections developed for this report.
End of Year Assets Available

The chart below displays the total EOY assets available to offset for future contributions, excluding amounts that are contributed by the State for the following plan year. The darker shade shows assets that have been already allocated by the Board. The unallocated assets represent any additional assets available. The lighter shade shows the allocated catastrophic reserve. The 2018 and 2019 figures are based on the updated projection developed for this report.
Medical Claims vs. Projections (Year-to-Date)

The chart below shows the medical claims for calendar year 2018 (shown by the red bars) compared to the various medical claims projections. Each month shows the cumulative year-to-date total through that month.
Pharmacy Claims vs. Projections (Year-to-Date)

The chart below shows the pharmacy claims for calendar year 2018 (shown by the red bars) compared to the various pharmacy claims projections. Each month shows the cumulative year-to-date total through that month.
## Appendix A. - Contribution Rates: Actives

**Calendar Year 2019**

<table>
<thead>
<tr>
<th>Actives</th>
<th>Base Monthly Premium</th>
<th>State and Plan Contribution</th>
<th>School District Contribution</th>
<th>2019 Total EE Cost*</th>
<th>2018 Total EE Cost*</th>
<th>Change in Premiums ($/%)</th>
<th>Assumed Enrollment</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Premium</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employee Only</td>
<td>$555.98</td>
<td>$206.02</td>
<td>$159.10</td>
<td>$190.86</td>
<td>$183.46</td>
<td>$7.40 4%</td>
<td>13,987</td>
</tr>
<tr>
<td>Employee &amp; Spouse</td>
<td>1,328.58</td>
<td>330.88</td>
<td>159.10</td>
<td>838.60</td>
<td>831.20</td>
<td>7.40 1%</td>
<td>250</td>
</tr>
<tr>
<td>Employee &amp; Child(ren)</td>
<td>967.92</td>
<td>330.88</td>
<td>159.10</td>
<td>477.94</td>
<td>470.54</td>
<td>7.40 2%</td>
<td>2,149</td>
</tr>
<tr>
<td>Family</td>
<td>1,555.82</td>
<td>555.88</td>
<td>159.10</td>
<td>840.84</td>
<td>833.44</td>
<td>7.40 1%</td>
<td>442</td>
</tr>
<tr>
<td><strong>Est. Monthly Total ($mil)</strong></td>
<td><strong>$10.9</strong></td>
<td><strong>$3.9</strong></td>
<td><strong>$2.7</strong></td>
<td><strong>$4.3</strong></td>
<td><strong>$4.2</strong></td>
<td><strong>$0.1</strong></td>
<td><strong>16,828</strong></td>
</tr>
<tr>
<td><strong>Classic</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employee Only</td>
<td>$313.40</td>
<td>$100.88</td>
<td>$159.10</td>
<td>$53.42</td>
<td>$46.02</td>
<td>$7.40 16%</td>
<td>14,320</td>
</tr>
<tr>
<td>Employee &amp; Spouse</td>
<td>717.00</td>
<td>195.88</td>
<td>159.10</td>
<td>362.02</td>
<td>354.62</td>
<td>7.40 2%</td>
<td>1,604</td>
</tr>
<tr>
<td>Employee &amp; Child(ren)</td>
<td>520.80</td>
<td>195.88</td>
<td>159.10</td>
<td>165.82</td>
<td>158.42</td>
<td>7.40 5%</td>
<td>5,888</td>
</tr>
<tr>
<td>Family</td>
<td>900.70</td>
<td>375.88</td>
<td>159.10</td>
<td>365.72</td>
<td>358.32</td>
<td>7.40 2%</td>
<td>3,563</td>
</tr>
<tr>
<td><strong>Est. Monthly Total ($mil)</strong></td>
<td><strong>$11.9</strong></td>
<td><strong>$4.3</strong></td>
<td><strong>$4.0</strong></td>
<td><strong>$3.6</strong></td>
<td><strong>$3.4</strong></td>
<td><strong>$0.2</strong></td>
<td><strong>25,375</strong></td>
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<tr>
<td><strong>Basic</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employee Only</td>
<td>$251.64</td>
<td>$73.88</td>
<td>$159.10</td>
<td>$18.66</td>
<td>$11.26</td>
<td>$7.40 66%</td>
<td>3,429</td>
</tr>
<tr>
<td>Employee &amp; Spouse</td>
<td>535.16</td>
<td>95.88</td>
<td>159.10</td>
<td>280.18</td>
<td>272.78</td>
<td>7.40 3%</td>
<td>276</td>
</tr>
<tr>
<td>Employee &amp; Child(ren)</td>
<td>384.24</td>
<td>95.88</td>
<td>159.10</td>
<td>129.26</td>
<td>121.86</td>
<td>7.40 6%</td>
<td>512</td>
</tr>
<tr>
<td>Family</td>
<td>603.00</td>
<td>160.88</td>
<td>159.10</td>
<td>283.02</td>
<td>275.62</td>
<td>7.40 3%</td>
<td>386</td>
</tr>
<tr>
<td><strong>Est. Monthly Total ($mil)</strong></td>
<td><strong>$1.4</strong></td>
<td><strong>$0.4</strong></td>
<td><strong>$0.7</strong></td>
<td><strong>$0.3</strong></td>
<td><strong>$0.3</strong></td>
<td><strong>$0.0</strong></td>
<td><strong>4,604</strong></td>
</tr>
<tr>
<td><strong>Total (Monthly) ($ mil)</strong></td>
<td><strong>$24.2</strong></td>
<td><strong>$8.6</strong></td>
<td><strong>$7.4</strong></td>
<td><strong>$8.2</strong></td>
<td><strong>$7.9</strong></td>
<td><strong>$0.3</strong></td>
<td><strong>46,807</strong></td>
</tr>
<tr>
<td><strong>Est. Annual Total ($ mil)</strong></td>
<td><strong>$290.8</strong></td>
<td><strong>$102.8</strong></td>
<td><strong>$89.4</strong></td>
<td><strong>$98.6</strong></td>
<td><strong>$94.5</strong></td>
<td><strong>$4.2</strong></td>
<td></td>
</tr>
</tbody>
</table>

Employee Cost assumes wellness participation. Wellness penalties subtracted from Total Rates.
### Appendix A. - Contribution Rates: Retirees
#### Calendar Year 2019

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Premium</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Retiree Only</td>
<td>$555.98</td>
<td>$0.00</td>
<td>($85.16)</td>
<td>$641.14</td>
<td>$641.14</td>
<td>$0.00</td>
<td>0%</td>
</tr>
<tr>
<td>Retiree &amp; NME SP</td>
<td>1,328.58</td>
<td>0.00</td>
<td>(128.60)</td>
<td>1,457.18</td>
<td>1,457.18</td>
<td>0.00</td>
<td>0%</td>
</tr>
<tr>
<td>Retiree &amp; Child(ren)</td>
<td>967.92</td>
<td>0.00</td>
<td>(224.68)</td>
<td>1,192.60</td>
<td>1,192.60</td>
<td>0.00</td>
<td>0%</td>
</tr>
<tr>
<td>Retiree &amp; NME SP &amp; CH</td>
<td>1,555.82</td>
<td>0.00</td>
<td>(452.82)</td>
<td>2,008.64</td>
<td>2,008.64</td>
<td>0.00</td>
<td>0%</td>
</tr>
<tr>
<td>Retiree &amp; ME SP</td>
<td>747.16</td>
<td>0.00</td>
<td>(47.96)</td>
<td>795.12</td>
<td>795.12</td>
<td>0.00</td>
<td>0%</td>
</tr>
<tr>
<td>Retiree &amp; ME SP &amp; CH</td>
<td>1,159.10</td>
<td>0.00</td>
<td>(187.48)</td>
<td>1,346.58</td>
<td>1,346.58</td>
<td>0.00</td>
<td>0%</td>
</tr>
<tr>
<td>Est. Monthly Total ($mil)</td>
<td>$ 0.3</td>
<td>$ -</td>
<td>($0.00)</td>
<td>$ 0.4</td>
<td>$ 0.4</td>
<td>$ -</td>
<td></td>
</tr>
<tr>
<td><strong>Classic</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employee Only</td>
<td>$313.40</td>
<td>$0.00</td>
<td>$40.10</td>
<td>$273.30</td>
<td>$273.30</td>
<td>$ -</td>
<td>0%</td>
</tr>
<tr>
<td>Employee &amp; Spouse</td>
<td>717.00</td>
<td>0.00</td>
<td>151.22</td>
<td>565.78</td>
<td>565.78</td>
<td>0.00</td>
<td>0%</td>
</tr>
<tr>
<td>Employee &amp; Child(ren)</td>
<td>520.80</td>
<td>0.00</td>
<td>50.38</td>
<td>469.82</td>
<td>469.82</td>
<td>0.00</td>
<td>0%</td>
</tr>
<tr>
<td>Family</td>
<td>900.70</td>
<td>0.00</td>
<td>154.50</td>
<td>746.20</td>
<td>746.20</td>
<td>0.00</td>
<td>0%</td>
</tr>
<tr>
<td>Est. Monthly Total ($mil)</td>
<td>$ 0.8</td>
<td>$ -</td>
<td>$0.12</td>
<td>$ 0.7</td>
<td>$ 0.71</td>
<td>$ -</td>
<td></td>
</tr>
<tr>
<td><strong>Basic</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employee Only</td>
<td>$251.64</td>
<td>$0.00</td>
<td>$103.14</td>
<td>$148.50</td>
<td>$148.50</td>
<td>$0.00</td>
<td>0%</td>
</tr>
<tr>
<td>Employee &amp; Spouse</td>
<td>535.16</td>
<td>0.00</td>
<td>265.44</td>
<td>269.72</td>
<td>269.72</td>
<td>0.00</td>
<td>0%</td>
</tr>
<tr>
<td>Employee &amp; Child(ren)</td>
<td>384.24</td>
<td>0.00</td>
<td>145.72</td>
<td>238.52</td>
<td>238.52</td>
<td>0.00</td>
<td>0%</td>
</tr>
<tr>
<td>Family</td>
<td>603.00</td>
<td>0.00</td>
<td>267.28</td>
<td>335.72</td>
<td>335.72</td>
<td>0.00</td>
<td>0%</td>
</tr>
<tr>
<td>Est. Monthly Total ($mil)</td>
<td>$ 0.2</td>
<td>$ -</td>
<td>$0.37</td>
<td>$ 0.1</td>
<td>$ 0.1</td>
<td>$ -</td>
<td></td>
</tr>
<tr>
<td>Total (Monthly) ($ mil)</td>
<td>$ 1.3</td>
<td>$ -</td>
<td>$0.14</td>
<td>$ 1.2</td>
<td>$ 1.2</td>
<td>$ -</td>
<td></td>
</tr>
<tr>
<td>Est. Annual Total ($ mil)</td>
<td>$ 16.0</td>
<td>$ -</td>
<td>$1.59</td>
<td>$ 14.3</td>
<td>$ 14.3</td>
<td>$ -</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>ME Retirees</th>
<th>Base Monthly Premium</th>
<th>Direct State Contributions</th>
<th>Reserve Used / (Added)</th>
<th>2019 Total Ret. Cost</th>
<th>2018 Total Ret. Cost</th>
<th>Change in Premiums ($/%)</th>
<th>Assumed Enrollment</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Medicare Eligible</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Retiree Only</td>
<td>$191.18</td>
<td>$39.62</td>
<td>$50.78</td>
<td>$100.78</td>
<td>$100.78</td>
<td>$ -</td>
<td>0%</td>
</tr>
<tr>
<td>Retiree &amp; NME SP</td>
<td>747.16</td>
<td>0.00</td>
<td>(36.76)</td>
<td>783.92</td>
<td>783.92</td>
<td>$ -</td>
<td>0%</td>
</tr>
<tr>
<td>Retiree &amp; Child(ren)</td>
<td>603.11</td>
<td>0.00</td>
<td>(153.99)</td>
<td>757.10</td>
<td>757.10</td>
<td>$ -</td>
<td>0%</td>
</tr>
<tr>
<td>Retiree &amp; NME SP &amp; CH</td>
<td>1,159.10</td>
<td>0.00</td>
<td>(362.38)</td>
<td>1,521.48</td>
<td>1,521.48</td>
<td>$ -</td>
<td>0%</td>
</tr>
<tr>
<td>Retiree &amp; ME SP</td>
<td>358.00</td>
<td>74.07</td>
<td>20.99</td>
<td>263.04</td>
<td>263.04</td>
<td>$ -</td>
<td>0%</td>
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<tr>
<td>Retiree &amp; ME SP &amp; CH</td>
<td>769.93</td>
<td>0.00</td>
<td>(118.55)</td>
<td>888.58</td>
<td>888.58</td>
<td>$ -</td>
<td>0%</td>
</tr>
<tr>
<td>Est. Monthly Total ($mil)</td>
<td>$ 2.8</td>
<td>$0.56</td>
<td>$0.53</td>
<td>$ 1.58</td>
<td>$ 1.58</td>
<td>$ -</td>
<td></td>
</tr>
<tr>
<td>Total (Est. Annual)</td>
<td>$ 33.3</td>
<td>$6.73</td>
<td>$7.50</td>
<td>$18.97</td>
<td>$18.97</td>
<td>$ -</td>
<td></td>
</tr>
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</table>
# Appendix A. - Contribution Rates: Actives
## Calendar Year 2018

<table>
<thead>
<tr>
<th>Actives</th>
<th>Base Monthly Premium</th>
<th>State and Plan Contribution</th>
<th>School District Contribution</th>
<th>2018 EE Total Cost*</th>
<th>2017 EE Total Cost*</th>
<th>Change in Premiums ($/%)</th>
<th>Assumed Enrollment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Premium</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employee Only</td>
<td>$584.28</td>
<td>$243.32</td>
<td>$157.50</td>
<td>$183.46</td>
<td>$183.46</td>
<td>0%</td>
<td>14,620</td>
</tr>
<tr>
<td>Employee &amp; Spouse</td>
<td>1,362.48</td>
<td>373.78</td>
<td>157.50</td>
<td>831.20</td>
<td>831.20</td>
<td>0%</td>
<td>273</td>
</tr>
<tr>
<td>Employee &amp; Child(ren)</td>
<td>1,022.96</td>
<td>394.92</td>
<td>157.50</td>
<td>470.54</td>
<td>470.54</td>
<td>0%</td>
<td>1,989</td>
</tr>
<tr>
<td>Family</td>
<td>1,801.16</td>
<td>810.22</td>
<td>157.50</td>
<td>833.44</td>
<td>833.44</td>
<td>0%</td>
<td>407</td>
</tr>
<tr>
<td>Est. Monthly Total ($mil)</td>
<td>$11.7</td>
<td>$4.8</td>
<td>$2.7</td>
<td>$4.2</td>
<td>$4.2</td>
<td>0%</td>
<td>17,289</td>
</tr>
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<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
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<tr>
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<td>Family</td>
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<td>Est. Monthly Total ($mil)</td>
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<td>Est. Annual Total ($mil)</td>
<td>$267.6</td>
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<td>$89.6</td>
<td>$89.6</td>
<td>0%</td>
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* Monthly Total EE Cost is $75 higher if no wellness credit.
### Appendix A. - Contribution Rates: Retirees

**Calendar Year 2018**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
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<td><strong>Premium</strong></td>
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<tr>
<td>Retiree Only</td>
<td>$584.28</td>
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<td>(56.66)</td>
<td>$641.14</td>
<td>$641.14</td>
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<tr>
<td>Retiree &amp; NME SP</td>
<td>1,362.48</td>
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<td>Retiree &amp; Child(ren)</td>
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<td>(169.64)</td>
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<td>1,192.60</td>
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<td>Retiree &amp; NME SP &amp; CH</td>
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<td>2,008.64</td>
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<tr>
<td>Retiree &amp; ME SP</td>
<td>767.26</td>
<td>0.00</td>
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<td>795.12</td>
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<tr>
<td>Retiree &amp; ME SP &amp; CH</td>
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<td>$0.63</td>
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<td><strong>Classic</strong></td>
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</tr>
<tr>
<td>Employee Only</td>
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<td>10.74</td>
<td>$273.30</td>
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<td>658.76</td>
<td>658.76</td>
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<td>Employee &amp; Child(ren)</td>
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<td>469.82</td>
<td>469.82</td>
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<td>$(0.04)</td>
<td>$0.69</td>
<td>$0.69</td>
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</tr>
<tr>
<td><strong>Basic</strong></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
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<td>9.18</td>
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<td>46.86</td>
<td>269.72</td>
<td>269.72</td>
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<td>238.52</td>
<td>238.52</td>
<td>0.00 0%</td>
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<td>335.72</td>
<td>335.72</td>
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<tr>
<td>Est. Monthly Total ($mil)</td>
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<td>$0.00</td>
<td>$(0.01)</td>
<td>$0.07</td>
<td>$0.07</td>
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<tr>
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</tr>
<tr>
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<td>$(0.09)</td>
<td>$16.81</td>
<td>$16.81</td>
<td>$0.00 0%</td>
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<tr>
<td><strong>ME Retirees</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Medicare Eligible</td>
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<td></td>
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<td></td>
</tr>
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<td>Retiree Only</td>
<td>$182.98</td>
<td>$43.20</td>
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<td>0.00 0%</td>
<td>11,508</td>
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<td>756.08</td>
<td>(27.84)</td>
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<td>783.92</td>
<td>783.92</td>
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<td>82</td>
</tr>
<tr>
<td>Retiree &amp; Child(ren)</td>
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<td>(84.94)</td>
<td>0.00</td>
<td>757.10</td>
<td>757.10</td>
<td>0.00 0%</td>
<td>15</td>
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<tr>
<td>Retiree &amp; NME SP &amp; CH</td>
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<td>(121.62)</td>
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<td>1,521.48</td>
<td>1,521.48</td>
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<tr>
<td>Retiree &amp; ME SP</td>
<td>342.08</td>
<td>48.07</td>
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<td>263.04</td>
<td>263.04</td>
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</tr>
<tr>
<td>Retiree &amp; ME SP &amp; CH</td>
<td>831.26</td>
<td>(57.32)</td>
<td>0.00</td>
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<td>888.58</td>
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<td>0</td>
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<tr>
<td>Est. Monthly Total ($mil)</td>
<td>$2.53</td>
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<tr>
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<td>$6.52</td>
<td>$(5.77)</td>
<td>$18.11</td>
<td>$18.11</td>
<td>$0.00 0%</td>
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</table>
# Appendix B - Summary of Plan or Policy Changes

<table>
<thead>
<tr>
<th>Date</th>
<th>Major Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>For 2019 Plan Year</td>
<td>Individual in-network deductibles were decreased by $250 for Premium, Classic, and Basic and by $500 (Premium &amp; Basic) and $250 (Classic) for families.</td>
</tr>
<tr>
<td>For 2018 Plan Year</td>
<td>No Changes</td>
</tr>
<tr>
<td>For 2017 Plan Year</td>
<td>$75 wellness credit extended to spouses of active employees. Participants must have had wellness exam and taken a health assessment in the past year.</td>
</tr>
<tr>
<td>For 2016 Plan Year</td>
<td>Embedded Individual Medical OOP Max is applied for Classic and Basic within the family OOP Max. The individual and family OOP max amounts remain the same as in 2015. Effective 7/1/2016 Change to Medimpact Healthcare Systems Inc. as the pharmacy benefits manager.</td>
</tr>
<tr>
<td>For 2015 Plan Year</td>
<td>Plans were renamed Premium, Classic, and Basic to avoid confusion with metallic plans from Exchange. Premium is former Gold with $1,000/$2,000 deductible for individual/family, Office Visit copays at $25/$50 for Primary Care Physician (PCP)/Specialists, no copay on hospitalization, $3,100/$6,600 individual/family Out-of-Pocket (OOP) max for Rx, $2,000/$4,000 deductible for Out-of-Network (OON) benefits, and no OOP max for OON benefits. Classic is former Bronze with a $4,450/$6,675 coinsurance OOP max, and a true OOP max (including deductible, coinsurance, copays) of $6,450/$9,675 for individual/family. Classic provides no coverage for non-preferred brand drugs, and no OOP max for OON benefits. Basic is another HSA qualified plan with a $4,250/$8,500 individual/family In-Network deductible, a $2,200/$4,400 coinsurance max, and a true OOP max of $6,450/$12,900. Basic provides no coverage for non-preferred brand drugs, and no OON coverage. Wellness credit: Active employee contributions are reduced by $75/mo if the employee had a physical exam in the past year (new hires get the credit automatically).</td>
</tr>
<tr>
<td>For 2014 Plan Year</td>
<td>Increase Gold Plan In-Network maximum out of pocket (MOOP) to $2,500 for individual, $5,000 for family. Increase Gold and Silver Plans’ Office Visit copays to $35/$70 for Primary Care Physician (PCP)/Specialists. Increase Gold and Silver Plans’ Pharmacy copays to $15/$40/$50/$100 for Generic/Preferred Brand/Non-Preferred Brand/Specialty drugs. Increase Gold Plan ER copay to $250, Silver plan ER copay to $300, Gold and Silver Plans’ Ambulance copay to $50. Change Gold and Silver Plans’ rehab cost share to $35 copay. Increase Silver Plan In-Network deductible to $1,000 for individual, $2,000 for family, maximum out of pocket to $3,000 for individual, $6,000 for family. Increase Silver Plan Out-Of-Network deductible to $2,000 for individual, $4,000 for family, maximum out of pocket to $8,000 for individual, $16,000 for family. Increase Bronze Plan In-Network deductible to $2,000 for individual, $3,000 for family, MOOP to $6,350 for individual, $9,525 for family. Increase Bronze Plan Out-Of-Network deductible to $4,000 for individual, $8,000 for family, MOOP to $12,700 for individual, $19,000 for family.</td>
</tr>
<tr>
<td>For 2013 Plan Year</td>
<td>Women’s preventive care covered at 100%.</td>
</tr>
<tr>
<td>For 2012 Plan Year</td>
<td>ARHealth plan became Gold Plan; network is only Health Advantage (NovaSys no longer an option). HD PPO became Bronze Plan; network changed from NovaSys to Health Advantage. Silver Plan with $25 PCP copay and $750 deductible offered through QualChoice. NME Retirees eligible to elect Gold, Silver or Bronze (ME Retirees are Gold only). Bariatric surgery covered through pilot program. Coverage for Autism added. Behavioral Health changed to self-insured and integrated with Medical.</td>
</tr>
<tr>
<td>For 2011 Plan Year</td>
<td>Lifetime Max for Out-of-Network (OON) changed to match the In Network’s (INN) Unlimited Lifetime Maximum. Immunizations covered at 100% for OON coverage. Some services under Behavioral Health now do not require pre-authorization. Intensive Out-Patient Services under Behavioral Health now require 20% member coinsurance. $10,000 Benefit Maximum Removed for Durable Medical Equipment / Enteral Feeding. Hearing/Vision Screening copayment changed to $35 OON (ARHealth), and $35 INN &amp; OON (ARHealth HD). Active and non-Medicare experience was blended in determining the rates. Increased credibility was given to the High Deductible Plan in determining the rates. Child covered until age 26.</td>
</tr>
</tbody>
</table>
# Appendix B - Summary of 2017/2018 Benefits

<table>
<thead>
<tr>
<th>Benefit Option Name</th>
<th>Premium 1/1/2015</th>
<th>Classic 1/1/2018</th>
<th>Basic 1/1/2016</th>
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</thead>
<tbody>
<tr>
<td><strong>In-Network (INN) Benefits</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Deductible (Individual / Family)</td>
<td>$1000 / $2000</td>
<td>$2000 / $3000</td>
<td>$4250 / $8500</td>
</tr>
<tr>
<td>Coinsurance</td>
<td>20%</td>
<td>20%</td>
<td>20%</td>
</tr>
<tr>
<td>Coinsurance limit (after Ded.) Individual/Family</td>
<td>$2500 / $5000</td>
<td>$4450 / $6675</td>
<td>$2200 / $4400</td>
</tr>
<tr>
<td>Copays</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>OV - Specialist Care Provider (SCP)</td>
<td>$50</td>
<td>Ded &amp; Coins.</td>
<td>Ded &amp; Coins.</td>
</tr>
<tr>
<td>Urgent Care (UC)</td>
<td>$100</td>
<td>Ded &amp; Coins.</td>
<td>Ded &amp; Coins.</td>
</tr>
<tr>
<td>Hospital Facility - Outpatient - Co-Pay</td>
<td>$100</td>
<td>Ded &amp; Coins.</td>
<td>Ded &amp; Coins.</td>
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<tr>
<td>Out-of-Pocket Max (Individual / Family)</td>
<td>$3500 / $7000</td>
<td>$6450 / $9675</td>
<td>$6450 / $12900</td>
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<tr>
<td><strong>Out-of-Network (OON) Benefits</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Deductible (Individual / Family)</td>
<td>$2000 / $4000</td>
<td>$3000 / $6000</td>
<td>Not Covered</td>
</tr>
<tr>
<td>Coinsurance</td>
<td>40%</td>
<td>40%</td>
<td></td>
</tr>
<tr>
<td>Out-of-Pocket Max (Individual / Family)</td>
<td>Unlimited / Unlimited</td>
<td>Unlimited / Unlimited</td>
<td></td>
</tr>
<tr>
<td><strong>Annual Maximum INN / OON</strong></td>
<td>Unlimited</td>
<td>Unlimited</td>
<td>Unlimited</td>
</tr>
<tr>
<td><strong>Prescription Drugs</strong></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Separate Deductible then the following Copays</td>
<td>None</td>
<td>Included with Medical</td>
<td>Included with Medical</td>
</tr>
<tr>
<td>Retail (31 Days) - Generic/Formulary (Non-Formulary/ Specialty)</td>
<td>$15 / $40 / $80 / $100</td>
<td>Included with Medical</td>
<td>Included with Medical</td>
</tr>
<tr>
<td>Mail Order (93 Days) - Generic/Formulary (Non-Formulary/ Specialty)</td>
<td>$45 / $120 / $240 / $300</td>
<td>Included with Medical</td>
<td>Included with Medical</td>
</tr>
<tr>
<td>Non-Formulary Covered</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Out-of-Pocket Max (Individual / Family)</td>
<td>$3100 / $6200</td>
<td>n/a / n/a</td>
<td>n/a / n/a</td>
</tr>
<tr>
<td><strong>Selected Detail Benefits</strong></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Rehabilitation (i.e., speech, occup. physical)</td>
<td>INN $25 Copay.</td>
<td>Ded &amp; Coins.</td>
<td>Ded. &amp; Coins.</td>
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<tr>
<td>Non-Medicare Providers Covered</td>
<td>Non-Par &amp; Non-Accepting</td>
<td>Non-Par &amp; Non-Accepting</td>
<td>Non-Par &amp; Non-Accepting</td>
</tr>
<tr>
<td>Pharmacy Covered</td>
<td>Non-Par &amp; Non-Accepting</td>
<td>Non-Par &amp; Non-Accepting</td>
<td>Non-Par &amp; Non-Accepting</td>
</tr>
</tbody>
</table>

1When an in-network provider is not available within 50 miles for a hospital and 25 miles for all other providers, then in-network benefits apply.

2OOP Max includes the deductible.

3A $2,700 embedded individual deductible maximum applies for family coverage.

4Deductible and Co-Insurance also applies.
### Appendix B. - Summary of 2019 Benefits

<table>
<thead>
<tr>
<th>Benefit Option Name:</th>
<th>Premium 1/1/2019</th>
<th>Classic 1/1/2019</th>
<th>Basic 1/1/2019</th>
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<tbody>
<tr>
<td><strong>In-Network (INN) Benefits</strong></td>
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<td></td>
</tr>
<tr>
<td>Deductible (Individual / Family)</td>
<td>$750 / $1500</td>
<td>$1750 / $2750&lt;sup&gt;3&lt;/sup&gt;</td>
<td>$4000 / $6000</td>
</tr>
<tr>
<td>Co-insurance</td>
<td>20%</td>
<td>20%</td>
<td>20%</td>
</tr>
<tr>
<td>Co-insurance limit (after Ded.) Individual/Family</td>
<td>$2500 / $5000</td>
<td>$4700 / $6925</td>
<td>$2450 / $4900</td>
</tr>
<tr>
<td><strong>Copays</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Office Visit - Primary Care (PCP)</td>
<td>$25</td>
<td>Ded. &amp; Coins.</td>
<td>Ded. &amp; Coins.</td>
</tr>
<tr>
<td>OV - Specialist Care Provider (SCP)</td>
<td>$50</td>
<td>Ded. &amp; Coins.</td>
<td>Ded. &amp; Coins.</td>
</tr>
<tr>
<td>Urgent Care (UC)</td>
<td>$100</td>
<td>Ded. &amp; Coins.</td>
<td>Ded. &amp; Coins.</td>
</tr>
<tr>
<td>Hospital Facility - Inpatient &amp; SNF (Co-pay/Admission)&lt;sup&gt;6&lt;/sup&gt;</td>
<td>$0</td>
<td>Ded. &amp; Coins.</td>
<td>Ded. &amp; Coins.</td>
</tr>
<tr>
<td>Hospital Facility - Outpatient - Co-Pay&lt;sup&gt;4&lt;/sup&gt;</td>
<td>$0</td>
<td>Ded. &amp; Coins.</td>
<td>Ded. &amp; Coins.</td>
</tr>
<tr>
<td><strong>Out-of-Pocket Max (Individual / Family)&lt;sup&gt;2&lt;/sup&gt;</strong></td>
<td>$3250 / $6500</td>
<td>$6450 / $9675&lt;sup&gt;5&lt;/sup&gt;</td>
<td>$6450 / $12900&lt;sup&gt;7&lt;/sup&gt;</td>
</tr>
<tr>
<td><strong>Out-of-Network (OON) Benefits</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Deductible (Individual / Family)</td>
<td>$2000 / $4000</td>
<td>$3000 / $6000&lt;sup&gt;3&lt;/sup&gt;</td>
<td>Not Covered</td>
</tr>
<tr>
<td>Co-insurance</td>
<td>40%</td>
<td>40%</td>
<td></td>
</tr>
<tr>
<td><strong>Out-of-Pocket Max (Individual / Family)&lt;sup&gt;2&lt;/sup&gt;</strong></td>
<td>Unlimited / Unlimited</td>
<td>Unlimited / Unlimited</td>
<td>Unlimited</td>
</tr>
<tr>
<td><strong>Annual Maximum INN / OON</strong></td>
<td>Unlimited</td>
<td>Unlimited</td>
<td>Unlimited</td>
</tr>
<tr>
<td><strong>Prescription Drugs</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Separate Deductible then the following Copays:</td>
<td>None</td>
<td>Included with Medical</td>
<td>Included with Medical</td>
</tr>
<tr>
<td>Retail (31 Days) - Generic/Formulary /Non-Form./Specialty</td>
<td>$15 / $40 / $50 / $100</td>
<td>Included with Medical</td>
<td>Included with Medical</td>
</tr>
<tr>
<td>Mail Order (93 Days) - Generic/Formulary /Non-Form./Specialty</td>
<td>$45 / $120 / $240 / $300</td>
<td>Included with Medical</td>
<td>Included with Medical</td>
</tr>
<tr>
<td>Non-Formulary Covered</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Out-of-Pocket Max (Individual / Family)&lt;sup&gt;2&lt;/sup&gt;</td>
<td>$3350 / $6700</td>
<td>n/a / n/a</td>
<td>n/a / n/a</td>
</tr>
<tr>
<td><strong>Selected Detail Benefits</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<sup>1</sup> When an in-network provider is not available within 50 miles for a hospital and 25 miles for all other providers, then in-network benefits apply

<sup>2</sup> OOP Max includes the deductible

<sup>3</sup> A $2,700 embedded individual deductible maximum applies for family coverage

<sup>4</sup> Deductible and Co-insurance also applies
## Appendix C. - Provider Contract Summary

<table>
<thead>
<tr>
<th>Service Providers</th>
<th>Cost</th>
<th>Effective Dates</th>
</tr>
</thead>
<tbody>
<tr>
<td>Benefit and Claims Coordination (Actives &amp; Retirees)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Premium (Health Advantage)</td>
<td>$26.70 Per Employee Per Month</td>
<td>For Calendar Year</td>
</tr>
<tr>
<td>- Classic (Health Advantage)</td>
<td>$24.60 Per Employee Per Month</td>
<td>2017 &amp; 2018 unless noted</td>
</tr>
<tr>
<td>- Basic (Health Advantage)</td>
<td>$24.60 Per Employee Per Month</td>
<td></td>
</tr>
<tr>
<td>- Primary (Qual/Choice)</td>
<td>$23.89 Per Employee Per Month</td>
<td></td>
</tr>
<tr>
<td>Prescription Drugs Claims Administration</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- MedImpact (Does NOT include contract employees)</td>
<td>All Plans</td>
<td></td>
</tr>
<tr>
<td>- MedImpact Employees</td>
<td>$1.05 Per Member Per Month</td>
<td></td>
</tr>
<tr>
<td>Medical Appeals - UAMS</td>
<td>$25,598 Monthly (salary &amp; benefits)</td>
<td></td>
</tr>
<tr>
<td>- Physician Appeals</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pharmacy Prior Authorization - EBRx</td>
<td>$150.00 Per Physician Appeal</td>
<td></td>
</tr>
<tr>
<td>- Prior Authorization &amp; on-site pharmacist</td>
<td>$1.16 Per Employee Per Month</td>
<td></td>
</tr>
<tr>
<td>Pharmacy Appeals</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Physician Appeals - ActiveHealth Management, Inc.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Medical Utilization/Condition Mgmt/Case Mgmt- ActiveHealth</td>
<td>$100.00 Per Physician Appeal</td>
<td>Began 3/1/17</td>
</tr>
<tr>
<td>ACHI</td>
<td>$3.58 Per Member Per Month</td>
<td></td>
</tr>
<tr>
<td>Employee Assistance Program - ComPsych</td>
<td>$0.25 Per Member Per Month</td>
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</tr>
<tr>
<td>Health Savings Account (HSA) Administrator -DataPath</td>
<td>$1.73 Per Employee Per Month</td>
<td></td>
</tr>
<tr>
<td>Flexible Spending Account (FHSA) Administrator - DataPath</td>
<td>$2.25 Per Enrolled Per Month</td>
<td></td>
</tr>
<tr>
<td>COBRA admin fee - DataPath</td>
<td>$2.25 Per Enrolled Per Month</td>
<td></td>
</tr>
<tr>
<td>Office of Health Information Technology (Actives and NME Retirees)</td>
<td>$0.38 Per Active Ee Per Month</td>
<td></td>
</tr>
<tr>
<td></td>
<td>$0.20 Per Employee Per Month</td>
<td></td>
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</table>
## Appendix D. - Enrollment Details: Actives

<table>
<thead>
<tr>
<th>Average for Calendar Year</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Actual</td>
<td>Jun-17</td>
<td>Jun-18</td>
<td>Oct-18</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Premium</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Single</td>
<td>15,297</td>
<td>14,620</td>
<td>14,717</td>
<td>14,496</td>
<td>13,987</td>
</tr>
<tr>
<td>Employee/Spouse</td>
<td>285</td>
<td>273</td>
<td>276</td>
<td>274</td>
<td>250</td>
</tr>
<tr>
<td>Employee/Child(ren)</td>
<td>2,179</td>
<td>1,989</td>
<td>2,149</td>
<td>2,177</td>
<td>2,149</td>
</tr>
<tr>
<td>Family</td>
<td>441</td>
<td>407</td>
<td>430</td>
<td>436</td>
<td>442</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>18,203</td>
<td>17,289</td>
<td>17,572</td>
<td>17,382</td>
<td>16,828</td>
</tr>
<tr>
<td><strong>Member Counts</strong></td>
<td>23,934</td>
<td>22,549</td>
<td>23,222</td>
<td>23,102</td>
<td>22,485</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Classic</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Single</td>
<td>13,368</td>
<td>13,633</td>
<td>13,801</td>
<td>13,852</td>
<td>14,320</td>
</tr>
<tr>
<td>Employee/Spouse</td>
<td>1,357</td>
<td>1,394</td>
<td>1,483</td>
<td>1,481</td>
<td>1,604</td>
</tr>
<tr>
<td>Employee/Child(ren)</td>
<td>5,158</td>
<td>5,163</td>
<td>5,483</td>
<td>5,576</td>
<td>5,888</td>
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<tr>
<td>Family</td>
<td>3,108</td>
<td>3,136</td>
<td>3,334</td>
<td>3,366</td>
<td>3,563</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>22,991</td>
<td>23,327</td>
<td>24,101</td>
<td>24,274</td>
<td>25,375</td>
</tr>
<tr>
<td><strong>Member Counts</strong></td>
<td>43,293</td>
<td>43,760</td>
<td>45,850</td>
<td>46,277</td>
<td>48,691</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Basic</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employee/Spouse</td>
<td>216</td>
<td>187</td>
<td>241</td>
<td>242</td>
<td>276</td>
</tr>
<tr>
<td>Employee/Child(ren)</td>
<td>391</td>
<td>366</td>
<td>444</td>
<td>462</td>
<td>512</td>
</tr>
<tr>
<td>Family</td>
<td>360</td>
<td>308</td>
<td>378</td>
<td>378</td>
<td>386</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>3,951</td>
<td>4,396</td>
<td>4,227</td>
<td>4,313</td>
<td>4,604</td>
</tr>
<tr>
<td><strong>Member Counts</strong></td>
<td>5,931</td>
<td>6,158</td>
<td>6,379</td>
<td>6,498</td>
<td>6,940</td>
</tr>
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<td></td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Single</td>
<td>31,650</td>
<td>31,788</td>
<td>31,683</td>
<td>31,579</td>
<td>31,736</td>
</tr>
<tr>
<td>Employee/Spouse</td>
<td>1,858</td>
<td>1,854</td>
<td>2,000</td>
<td>1,997</td>
<td>2,131</td>
</tr>
<tr>
<td>Employee/Child(ren)</td>
<td>7,727</td>
<td>7,519</td>
<td>8,076</td>
<td>8,214</td>
<td>8,548</td>
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<tr>
<td>Family</td>
<td>3,909</td>
<td>3,852</td>
<td>4,141</td>
<td>4,180</td>
<td>4,391</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>45,144</td>
<td>45,012</td>
<td>45,900</td>
<td>45,970</td>
<td>46,807</td>
</tr>
<tr>
<td><strong>Member Counts</strong></td>
<td>73,159</td>
<td>72,467</td>
<td>75,450</td>
<td>75,877</td>
<td>78,116</td>
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</table>
### Appendix D. - Enrollment Details: Retirees

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Actual</td>
<td>Jun-17</td>
<td>Jun-18</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Oct-18</td>
<td>Oct-18</td>
</tr>
<tr>
<td>Retirees</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Retiree Only</td>
<td>728</td>
<td>778</td>
<td>565</td>
</tr>
<tr>
<td>Retiree + NME Spouse</td>
<td>36</td>
<td>38</td>
<td>23</td>
</tr>
<tr>
<td>Retiree + Child(ren)</td>
<td>8</td>
<td>9</td>
<td>8</td>
</tr>
<tr>
<td>Retiree + NME Spouse + Child(ren)</td>
<td>6</td>
<td>6</td>
<td>5</td>
</tr>
<tr>
<td>Retiree + ME Spouse</td>
<td>62</td>
<td>68</td>
<td>52</td>
</tr>
<tr>
<td>Retiree + ME Spouse + Child(ren)</td>
<td>2</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>841</td>
<td>901</td>
<td>702</td>
</tr>
<tr>
<td>Classic</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Retiree Only</td>
<td>1,733</td>
<td>1,799</td>
<td>1,813</td>
</tr>
<tr>
<td>Retiree + NME Spouse</td>
<td>239</td>
<td>252</td>
<td>248</td>
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<tr>
<td>Retiree + Child(ren)</td>
<td>55</td>
<td>53</td>
<td>57</td>
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<tr>
<td>Retiree + NME Spouse + Child(ren)</td>
<td>44</td>
<td>48</td>
<td>37</td>
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<tr>
<td><strong>Total</strong></td>
<td>2,071</td>
<td>2,152</td>
<td>2,149</td>
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<tr>
<td>Basic</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Retiree Only</td>
<td>307</td>
<td>344</td>
<td>351</td>
</tr>
<tr>
<td>Retiree + NME Spouse</td>
<td>55</td>
<td>59</td>
<td>63</td>
</tr>
<tr>
<td>Retiree + Child(ren)</td>
<td>17</td>
<td>14</td>
<td>23</td>
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<tr>
<td>Retiree + NME Spouse + Child(ren)</td>
<td>11</td>
<td>8</td>
<td>19</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>390</td>
<td>425</td>
<td>444</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>NME Retirees</td>
<td>3,302</td>
<td>3,478</td>
<td>3,295</td>
</tr>
<tr>
<td>NME Member Counts</td>
<td>16,695</td>
<td>4,193</td>
<td>3,989</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Jun-17</td>
<td>Jun-18</td>
<td>Oct-18</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Retirees</td>
<td>10,656</td>
<td>11,508</td>
<td>11,365</td>
</tr>
<tr>
<td>Medicare</td>
<td></td>
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</tr>
<tr>
<td>Eligible (ME)</td>
<td>78</td>
<td>82</td>
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<td>16</td>
<td>15</td>
<td>16</td>
</tr>
<tr>
<td></td>
<td>1</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td></td>
<td>943</td>
<td>1,033</td>
<td>1,004</td>
</tr>
<tr>
<td></td>
<td>1</td>
<td>0</td>
<td>2</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>11,695</td>
<td>12,639</td>
<td>12,456</td>
</tr>
<tr>
<td><strong>ME Member Counts</strong></td>
<td>12,702</td>
<td>13,742</td>
<td>13,512</td>
</tr>
</tbody>
</table>
Appendix E. - Definitions & Methods

Definitions:
Actual: Results based on actual incurred claims and enrollment experience through September 2018, paid through September 2018. Actual incurred reflects an updated estimate of incurred but not recorded (IBNR) claims.
Updated Projections: Projections produced in October 2018 by Cheiron.

Methods:
Updated Projections: Population projections for the remainder of 2018 are based population as of September 2018 and historical monthly changes. Population projections for 2019 are as shown in Appendix D. Claims projections for 2018 and 2019 use the same methods and trend assumptions as projections. The experience period used was July 2017 through June 2018 for medical and September 2017 through August 2018 for pharmacy.

Incurred Claims: Based on service dates through September 30, 2018 and process dates through September 30, 2018. Claims are before subtracting retiree drug subsidy or rebates. A blend of methods based on actuarial judgment was used to estimate the incurred claims by month.

IBNR (Incurred But Not Recorded) Claim Reserves: Actual Reserves are those certified by Cheiron and effective May 2018. Original and updated reserve projections are based on expected changes in incurred and paid claims. Note that any projected IBNR Reserves presented in this report may NOT be used for financial statements.

Qualification Statements:
Reliance Statement: In preparing our report, we relied without audit on information (some oral and some written) supplied by the Employee Benefits Division and the Plans’ vendors. This information includes, but is not limited to, the Plan provisions, employee data, and financial information. We performed an informal examination of the obvious characteristics of the data for reasonableness and consistency in accordance with Actuarial Standard of Practice No. 23.

Scope: Actuarial computations provided in this report are for purposes of assisting the Trustees in monitoring the Plans’ experience. The projections and reserve calculations reported in the enclosed exhibits have been made on a basis consistent with our understanding of the associated Actuarial Standards of Practice. Determinations for purposes other than monitoring the Plans’ performance (for example, rate setting, benefit design changes or vendor evaluation) may be significantly different from the results in this report. Actual results will be different than our projections and vary to the extent that the Plan experience differs from the assumptions.

Certification: To the best of our knowledge, this report has been prepared in accordance with generally recognized and accepted actuarial principles and practices which are consistent with the applicable Actuarial Standards of Practice as Promulgated by the Actuarial Standards Board. We are members of the American Academy of Actuaries, and we meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained in this report. This report does not address any contractual or legal issues. We are neither attorneys nor accountants, and our firm does not provide any legal or tax services or advice.

Third Party Reliance: This report was prepared for the Arkansas State Employees (ASE) and Public School Employees (PSE) Health Benefits Program Trustees for the purposes described herein. Other users of this report are not intended users as defined in the Actuarial Standards of Practice, and Cheiron assumes no duty or liability to any other user.