A meeting of the State Board of Finance of the State of Arkansas was held Tuesday, June 1, 2021 at 9:30 am, pursuant to notice duly given to each member of the Board by the Chairman. The meeting was held in the Timberlands Conference Room, in the Winthrop Rockefeller Building. A Zoom recording of the meeting is available through the Treasurer of State’s office.

The following members were present:

Larry Walther, Secretary of DFA
Dennis Milligan, Treasurer of State
Andrea Lea, Auditor of State
Susannah Marshall, Arkansas Bank Commissioner
Eric Munson, Commissioner, Arkansas Securities Department
Cale Turner, Appointed Member
Keith Konecny, Appointed Member
Amy Fecher, Governor’s designee, and Secretary of Transformation and Shared Services
Clay Conly, Appointed Member (Zoom)

Others present were Jason Brady, Grant Wallace, TJ Fowler, Stacy Peterson, and Autumn Sanson, of the Treasurer’s staff, and Alan McVey, Paul Louthian, and Debbie Rogers of the Department of Finance and Administration. Jake Bleed, Director of EBD, and several employees of the Employment Benefit Division were also in attendance. Secretary Walther seeing a quorum, called the meeting to order.

Minutes of the meeting held on Tuesday, May 25, 2021 were approved as presented.
Mr. Walther recognized Secretary Fecher to briefly go over the agenda. Mrs. Fecher stated to the board that one of the main goals of the meeting would be to address questions that were asked in prior meetings. Mrs. Fecher recognized Mr. Paul Sakhrani, with Milliman Consulting, who presented benchmarking results of plan designs, wellness programs, and tobacco programs of neighboring states versus Arkansas. Mr. Sakhrani also reviewed the retiree coordination of benefits and the financial impact of potential changes, specifically surrounding Medicare deductible, employee copayments, and Medicare Part D deductible/coinsurance.

Mr. Sakhrani answered additional questions regarding coverage of a retiree’s spouse and clarification of subsidy and employee contributions based on possible plan modifications.

Mr. Walther asked the board if there was discussion to a possible motion of recommendation to Arkansas Legislative Council. Commissioner Munson made a motion to recommend the following initiatives to Arkansas Legislative Council pursuant to Act 1004 of 2021, regarding Arkansas State Employee health insurance:

1. 5% Contribution Increase for Actives, Pre-65 Retirees, and Post-65 Retirees (5.4M)
2. State Funding Increase from $450.00 per month, per member to $500.00, starting August 1, 2021.
3. Reduction in Wellness Credit from $50.00 to $25.00 ($5.2M)
4. Increase Non-Wellness Contribution for Actives from $0.00 to $25.00 (1.7M)
5. Eliminate Onsite Wellness Clinics, Requiring an Active Member Receive a Wellness Check through Member’s Primary Care Physician ($2.7M)
6. Request Arkansas Legislative Council allocate $10M from the Restricted Reserve Fund with which Employee Benefits Division could access if projected deficit of the Arkansas State Employees Health Plan did not decrease. This access is requested through calendar year 2022.

7. Any ASE Plan Recommendations not approved by ALC would require a one-time funding transfer from the Restricted Reserve fund equal to the plan initiative’s probable savings.

8. Defer Medicare Part D and Coordination of Benefits for Post-65 Retirees.

The motion was seconded by Mr. Konecny. Vote was 6-3 for; motion passed.

Commissioner Marshall made a motion that the board submit these recommendations to Arkansas Legislative Council immediately, rather than wait for a decision on the Public School Employee insurance plan. The motion was seconded by Commissioner Munson. Vote was 6-3 for; motion passed.

Chairman Walther then asked Secretary Fecher if Employee Benefits Division was prepared to present information regarding public school employee health insurance. Secretary Fecher recognized Mr. Paul Sakhrani to briefly go over that plan. Chairman Walther then suggested that the board review the public school employee health plan and be prepared for further discussion at the next meeting on June 8, 2021. Seeing no additional business, Chairman Walther asked for a motion to adjourn and reconvene on Tuesday, June 8, 2021 at 9:30. Mr. Konecny made the motion for adjournment and Commissioner Munson seconded. All members were in favor.