

MINUTES OF MEETING
STATE BOARD OF FINANCE
March 18, 2022

An emergency meeting of the State Board of Finance of the State of Arkansas was held Friday, March 18, 2022, at 10:00 am, pursuant to notice duly given to each member of the Board and the press by the Chairman. This meeting solely pertained to Employee Benefits Division business. The meeting was held virtually using video conferencing platform, Zoom. A 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, Commissioner, Arkansas Bank Department
Eric Munson, Arkansas Securities Commissioner
Cale Turner, Appointed Member
Amy Fecher, Governor's designee, and Secretary of Transformation and Shared Services
Clay Conly, Appointed Member
Brent Morgan, Appointed Member
Alan McClain, Arkansas Insurance Commissioner

Others present were Jason Brady, Stacy Peterson, Grant Wallace, TJ Fowler, and Autumn Sanson, all from the Arkansas State Treasury. Also present were Paul Louthian, Debbie Rogers, and Paul Gehring of the Department of Finance and Administration. Arkansas State Representative, Deborah Ferguson, was in attendance. Additionally, Jake Bleed, Director of EBD, was present.

Mr. Walther called the meeting to order and explained that the immediate request for a board meeting was due to approaching time constraints. Mr. Walther then recognized Mr. Jake Bleed, Director of EBD, to present agenda items. Mr. Bleed first discussed recommendations

brought before EBD by the Segal Group, LLC. He explained that the urgency for the meeting and proposed recommendations was due to an implementation deadline of January 1, 2023. The recommendation included a Request for Proposal (RFP) for a Medicare Advantage Vendor with Pharmaceutical Drug Coverage, and the second item, an RFP for a Pharmacy Benefits Manager. Mr. Bleed briefly described the process of reviewing and scoring the proposals according to state law and stated that his hope would be to bring recommendations, based on those results, before the board in June 2022. Mr. Walther asked for a motion to approve the proposal from EBD and to move forward on drafting an RFP for a Medicare Advantage Options (vendor), with Pharmaceutical Drug Coverage. Commissioner Marshall made the motion, and Commissioner Munson seconded. All members were in favor. Additionally, Mr. Walther asked for a motion to approve the proposal from EBD regarding the Pharmacy Benefits Manager. Commissioner McClain made the motion and Commissioner Munson seconded. All members were in favor. [00:01:50-00:19:50, Zoom recording]

Mr. Walther again recognized Mr. Bleed to discuss the impending proposal to extend certain existing contracts. Mr. Bleed informed the board that there would be no action needed at the current meeting and would propose the contract extensions at the April meeting for a vote at that time. The first contract was for Mainstream Technologies, the company that runs the ARBenefits portal. The second contract was MedImpact, which is the current Pharmacy Benefits Manager. The third contract was Optum, the company that manages the Health Savings Accounts and Flex Spending Accounts. Finally, the fourth contract was Evidence Based Prescription Drug Program (EBRx), which helps with pharmaceutical coverage and rebate contracting. The contracts would expire on June 30, 2022, therefore the proposal at the next SBF meeting would be to extend the aforementioned contracts to calendar year end 2022, allowing proper time to complete the RFPs previously voted on. [00:19:50-00:35:38, Zoom recording]

Mr. Walther recognized Mr. Bleed to discuss the formation of subcommittees in compliance with Act 114 of 2022. Mr. Bleed explained that Act 114 of 2022 detailed the creation of two supporting subcommissions of the State Board of Finance. The first, Public School Employee Health Benefit Advisory Commission, and the second, State Employee Health Benefit Advisory Commission. Mr. Bleed explained that the responsibility of the subcommissions would include extensive research and examination of relative information that is defined in Act 114 of 2022. The subcommissions would then, in turn, present appropriate recommendations to the State Board of Finance. Mr. Bleed additionally stated that pursuant to Act 114 of 2022, Mr. Alan McClain, Arkansas Insurance Commissioner, would join the State Board of Finance specifically related to EBD business. There were no actions taken concluding this agenda item. [00:35:38-00:29:00, Zoom recording]

Mr. Walther again recognized Mr. Bleed to discuss EBD budget projections and reporting. Mr. Bleed reported positive changes in revenue, expenses, and assets that impact both the State Employee program and the Public School Employee program. He continued by reviewing budget projections, based on changes made by the State Board of Finance and the Arkansas Legislature. Mr. Bleed concluded by informing the board that the Financial Statement report, which included projected financials and actual financials, would be presented to the board quarterly. No action was taken with this agenda item. [00:29:00-00:35:38, Zoom recording]

Mr. Walther, seeing no additional questions or business, declared the meeting adjourned.