

Special Report

Arkansas Legislative Audit

Arkansas State and Public School Employees Health Benefits

Department of Transformation and Shared Services –
Employee Benefits Division

For the Fiscal Year Ended June 30, 2021



INTRODUCTION

Ark. Code Ann. § 21-5-416 mandates that the Legislative Joint Auditing Committee conduct a review of the entity administering the claims of the State Employee Health and Life Insurance Program (Program). The Program was established to manage life and health insurance plan options for the benefit of state employees, state employee retirees, public school employees, and public school retirees. The Arkansas General Assembly routinely enacts changes affecting the benefits provided by the Program.

Health and pharmacy claim payments for Arkansas state and public school employees are administered by the Department of Transformation and Shared Services (DTSS) – Employee Benefits Division (EBD). This report is designed to provide information to assist in the legislative decision-making process regarding the state and public school employee health and benefit plans.

OBJECTIVES

The objectives of this report were to:

- Analyze the fund balances of the state and public school employee health and benefit plans at June 30, 2021.
- Review high-dollar claims and their corresponding case management services.
- Summarize primary service provider contracts.

SCOPE AND METHODOLOGY

This review was conducted for the period July 1, 2020 through June 30, 2021. Arkansas Legislative Audit (ALA) staff analyzed the fund balances of the state and public school employee health and benefit plans by reviewing financial data from the Arkansas Administrative Statewide Information System (AASIS). Additional information for this review was obtained from relevant documents, such as contracts, claims, plan descriptions, board minutes, actuarial reports, accounting systems, and claim review documentation, as well as discussions with EBD and DTSS employees and third party-vendors.

FUND BALANCES

EBD administers the health and benefit plans for both state and public school employees. Benefits are provided through self-funding, a method by which the State takes in contributions from both the employee and the employing agencies. The two funds are as follows:

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- Arkansas State Employee (ASE) Health and Benefit Plan General Fund.
- Public School Employee (PSE) Health and Benefit Plan Proprietary Fund.

The purposes of these funds are to pay health and pharmacy claims and to serve as reserves to prevent dramatic rate increases for subscribers (i.e., participating employees and retirees).

Both the ASE and PSE health plans are administered on a calendar-year basis (January to December). During plan years 2020 and 2021, Health Advantage managed the Premium, Classic, Basic, and Medicare Primary Plans. Pharmacy claims were managed by MedImpact. Actuarial services were provided by Health Advantage, and prescription drug plan management support was provided via a memorandum of understanding with the Evidence-Based Prescription Program (EBRx) at the University of Arkansas for Medical Sciences (UAMS).

As detailed in **Exhibit I**, from fiscal year 2020 to 2021, the number of subscribers decreased by 1,093 for the ASE Plan and increased by 776 for the PSE Plan, creating a net decrease of 317 for both plans. See **Schedule 1 on page 11** for detailed subscriber enrollment by plan type.

Exhibit I

Arkansas State Employee (ASE) and Public School Employee (PSE)
Health and Benefit Plan Participants, Including Retirees
At June 30, 2020 and 2021

	ASE		PSE	
	<u>Subscribers</u>	<u>Members</u>	<u>Subscribers</u>	<u>Members</u>
Enrollment at June 30, 2020	38,552	60,629	64,398	98,987
Change in enrollment	(1,093)	(2,042)	776	1,736
Enrollment at June 30, 2021	37,459	58,587	65,174	100,723

Note: *Subscribers* refers to employees and retirees who are enrolled in the health and benefit plans. *Members* refers to subscribers plus their family members who are enrolled in the health and benefit plans.

Source: *Department of Transformation and Shared Services – Employee Benefits Division (unaudited by Arkansas Legislative Audit)*

Arkansas State Employee (ASE) Fund Balance Analysis

ASE Fund Revenue

As illustrated in **Exhibit II on page 3**, the primary sources of revenue for the ASE Fund are employer (i.e., state agency) and subscriber contributions. Employer contributions are based on Ark. Code Ann. § 21-5-414, which requires each state agency to make a monthly contribution for each budgeted state employee position. The employer contribution amount for calendar year 2020 was \$5,040 (\$420 per month) and increased in calendar year 2021 to \$5,400 (\$450 per month) for an average of \$435 per month per budgeted position in fiscal year 2021. The 33,760 budgeted positions for 2021 decreased 436 from the number of positions reported in the previous fiscal year.¹ For the current fiscal year, employer premium contributions totaled \$176.5 million. Employer contributions increased by \$5.3 million (3.1%) from the previous year.

¹ The number of budgeted positions is provided by the Department of Finance and Administration and can fluctuate throughout the year.

Subscriber contributions are based on plan type (Premium, Classic, or Basic) and coverage selected (employee only, employee and spouse, employee and family, employee and child(ren), retired, or COBRA). **Schedule 2 on page 12** provides subscriber contribution amounts for monthly premiums for plan year 2021. For the year, subscriber premium contributions totaled \$105 million, an increase of \$6 million from the previous year. Monthly premiums again increased 5% for the 2021 plan year. Wellness program participants experienced a \$25 reduction in the wellness discount, from \$75 to \$50 per month. The net effect of the premium increase and wellness discount reduction was an increase in subscribers' out-of-pocket monthly premium payments ranging from 10% to 87% for plan year 2021. Additionally, there was a 2.8% decrease in the number of subscribers, along with a shift in active subscribers from the Premium plan to the Classic and Basic plans.

Additionally, other revenues (FICA savings, investment income, and pharmacy rebates) decreased by \$7.3 million from the previous year. This decrease was primarily due to lower FICA savings transfers of \$2.6 million, lower pharmacy contract rebates of \$2.3 million, and a slightly lower Medicare Part D Subsidy of \$1.5 million. Furthermore, the plan suffered a decrease in return on investment from the Treasurer's money management trust fund of \$1.2 million from the previous year.

ASE Fund Expenditures

Health and pharmacy claims are the primary expenditures for the ASE Fund. For fiscal year 2021, health and pharmacy claims paid from the Fund totaled \$212 million and \$93.8 million, respectively. As shown in **Exhibit III on page 4**, from fiscal year 2020 to 2021, health claims increased \$9.6 million, and pharmacy claims increased \$3.8 million. See **Schedule 3 on page 13** for health and pharmacy claims by plan type. Factors contributing to these changes, identified through ALA staff discussions with EBD management, included the following:

- Rebound of deferred elective care postponed due to COVID-19.
- Coverage of COVID-19 testing and vaccinations.
- An increase of \$4.9 million in claims over \$250,000.

Administrative cost was \$18.8 million in fiscal year 2021, a decrease of \$2.7 million from 2020. This decrease was largely due to \$2.5 million in administrative expenditures being transferred to and paid from EBD's FICA Savings Fund.

The health and pharmacy claim costs to the Fund per subscriber totaled \$680.05 per month, a \$48.38 increase from the prior year's \$631.67 per subscriber per month claim cost. The out-of-pocket costs to subscribers increased slightly from \$337.11 per subscriber per month in fiscal year 2020 to \$352.44 per subscriber per month in the current fiscal year. **Exhibit IV on page 5** shows changes in health and pharmacy claims and administrative costs, as well as premiums and other revenues, for fiscal years 2017 through 2021.

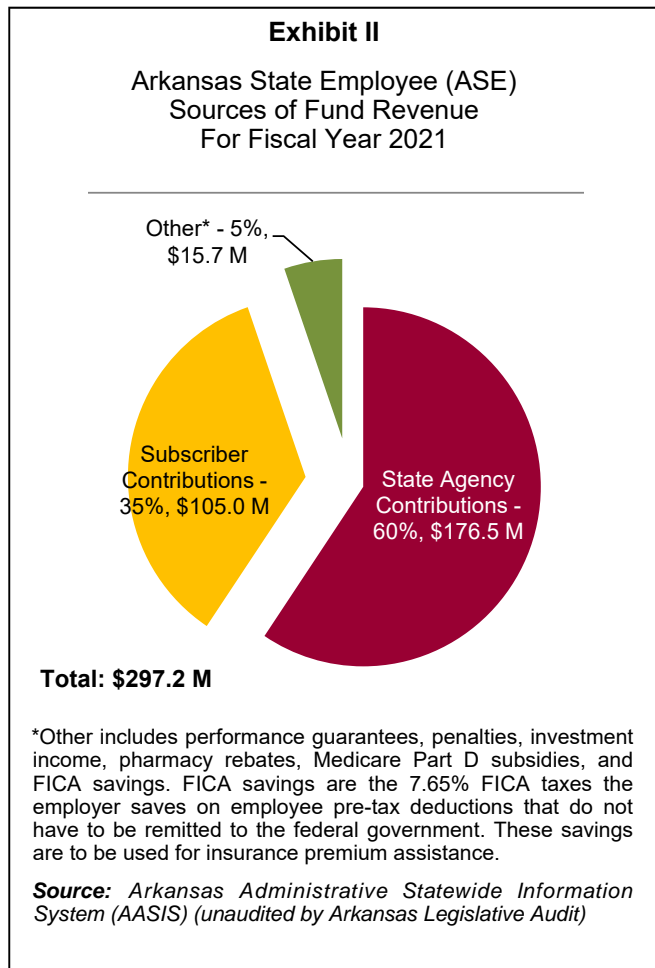
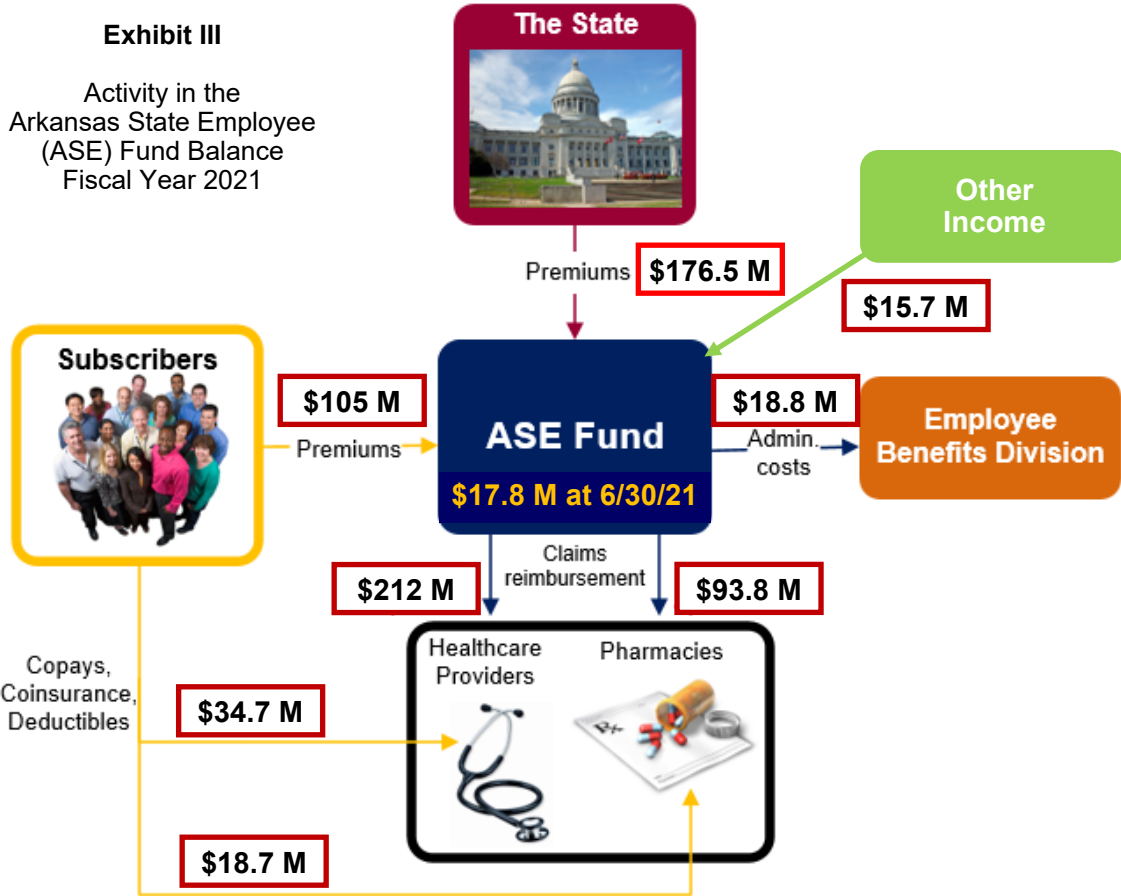


Exhibit III

Activity in the Arkansas State Employee (ASE) Fund Balance Fiscal Year 2021



	Total Amount Paid		Increase / (Decrease) from FY2020 to FY2021	Average Amount Paid Per Subscriber* Per Month in FY2021
	FY2020	FY2021		
Premiums and Other Income				
Paid by the State				
Premiums	\$ 171,281,776	\$ 176,547,147 ^A	\$ 5,265,371	\$ 393
Paid by Subscribers				
Premiums	98,980,540	105,024,236 ^A	6,043,696	234 ^D
Other Income				
FICA tax savings	5,277,194	2,701,261	(2,575,933)	6
Medicare Part D subsidy	5,972,848	4,506,332	(1,466,516)	10
Pharmacy rebate	10,305,751	8,029,603	(2,276,148)	18
Other income	1,372,387	411,990	(960,397)	1
Total other income	22,928,180	15,649,186	(7,278,994)	35
Total plan premiums and income	\$ 293,190,496	\$ 297,220,569	\$ 4,030,073	\$ 662
Other Items Paid by Subscribers				
Copays, coinsurance, and deductibles				
Healthcare providers	\$ 37,090,306	\$ 34,743,675	\$ (2,346,631)	\$ 77
Pharmacy	19,885,842	18,655,121	(1,230,721)	42
Total copays, coinsurance, and deductibles	\$ 56,976,148	\$ 53,398,796	\$ (3,577,352)	\$ 119 ^D
Paid from the ASE Fund				
Administrative costs	\$ 21,579,598	\$ 18,838,993	\$ (2,740,605)	\$ 42
Claims reimbursements				
Healthcare providers	202,270,102	211,919,050 ^B	9,648,948	471 ^C
Pharmacy	89,954,171	93,769,791 ^B	3,815,620	209 ^C
Total paid from the ASE Fund	\$ 313,803,871	\$ 324,527,834	\$ 10,723,963	\$ 722

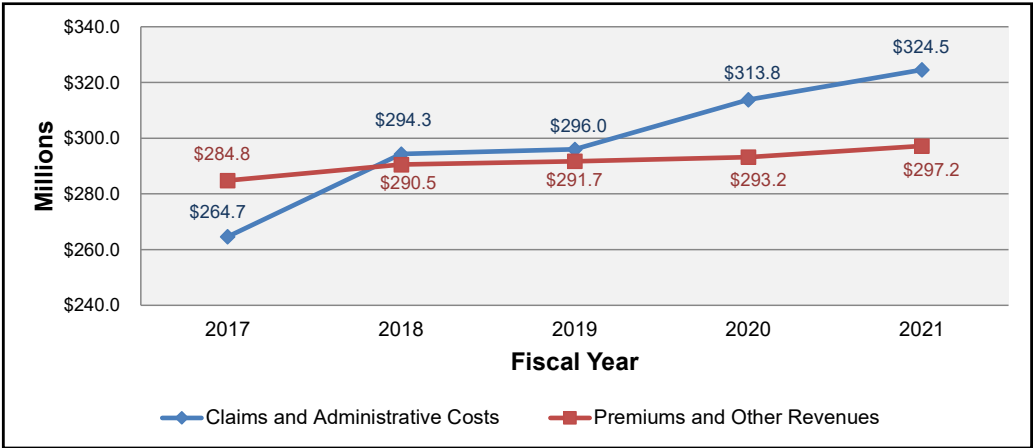
Sum of A = \$281,571,383; Sum of B = \$305,688,841; Sum of C = \$680; Sum of D = \$353

*Subscriber includes active and retired employees.

Source: Arkansas Administrative Statewide Information System (AASIS) and Department of Transformation and Shared Services – Employee Benefits Division (unaudited by Arkansas Legislative Audit)

Exhibit IV

Arkansas State Employee (ASE) Health and Benefit Plan
 Claims and Administrative Costs/Premiums and Other Revenues by Year
 For Fiscal Years Ending June 30, 2017 through 2021



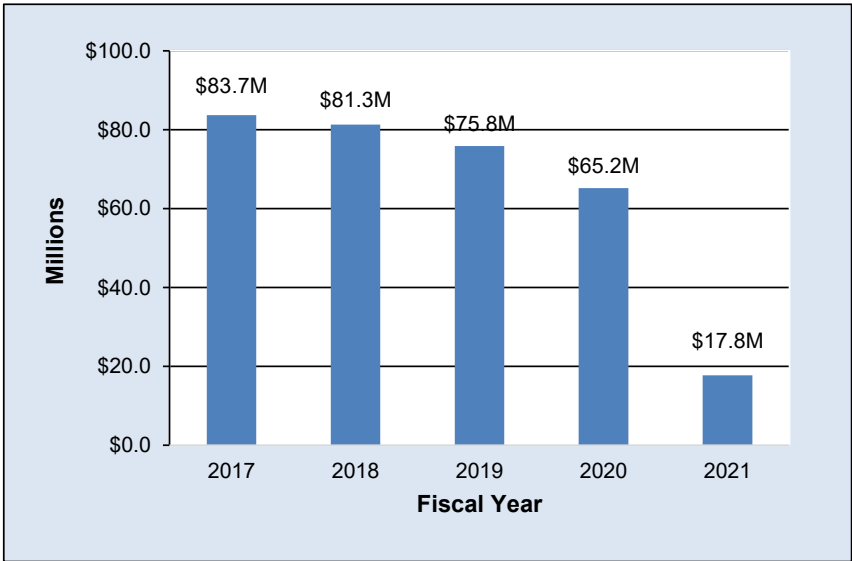
Source: Arkansas Administrative Statewide Information System (AASIS) and Department of Transformation and Shared Services – Employee Benefits Division (unaudited by Arkansas Legislative Audit)

ASE Fund Balance

As shown in **Exhibit V**, the ASE fund balance decreased to \$17.8 million at the end of the fiscal year. The fund had a declining rate of 14% in fiscal year 2020 compared to the 72.8% declining rate in fiscal year 2021. The decline in fiscal year 2021 was primarily the result of plan expenditures exceeding revenues by \$27.3 million, an \$11.5 million increase in the actuarial IBNR (Incurred But Not Reported) claims, health and pharmacy claims, and accounting adjustments.

Exhibit V

Arkansas State Employee (ASE) Health and Benefit Plan
 General Fund Balance
 At June 30, 2017 through 2021



Source: Arkansas Administrative Statewide Information System (AASIS) and Department of Transformation and Shared Services – Employee Benefits Division (unaudited by Arkansas Legislative Audit)

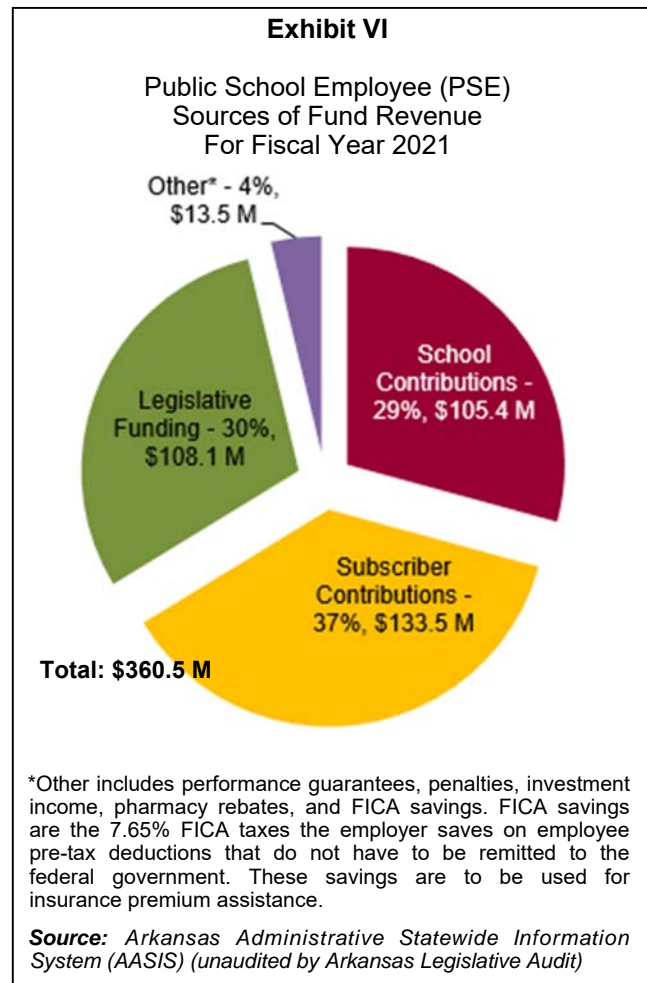
Public School Employee (PSE) Fund Balance Analysis

PSE Fund Revenue

As illustrated in **Exhibit VI**, the primary sources of revenue for the PSE Fund are school contributions, state appropriations, and subscriber contributions. School contributions are based on Ark. Code Ann. § 6-17-1117, which requires each school district to make a monthly contribution of not less than \$150.00, plus an adjustment for inflation, for each active subscriber. For the current fiscal year, this amount was \$164.66. The average school contribution amount for the current fiscal year was \$1,617.60 (\$134.80 per month) per active and retired subscriber. For the current fiscal year, school premium contributions totaled \$105.4 million, a \$1.5 million (1.5%) increase from the previous year’s \$103.9 million.

State premium contributions of \$108.1 million were funded in the current fiscal year through the following appropriations:

- \$55 million from the Arkansas Department of Education, in accordance with Ark. Code Ann. § 6-17-1117.
- \$15 million from Act 154 of 2020.
- \$18.1 million in bond savings from general facilities and supplemental millage incentive funding from Ark. Code Ann. § 6-20-2503.
- \$20 million from Act 1006 of 2021.



Subscriber contributions are based on plan type (Premium, Classic, Basic) and coverage selected (employee only, employee and spouse, employee and family, employee and child(ren), retired, or COBRA). **Schedule 2 on page 12** provides subscriber contribution amounts for monthly premiums for the current plan year. For the year, subscriber premium contributions totaled \$133.5 million, a \$13.4 million increase from the previous year. Premium contributions totaled \$347 million for fiscal year 2021, a net increase of \$35 million from the \$312 million in premium contributions for the prior year. This increase was primarily due to the \$20 million in additional legislative funding from Act 1006 of 2021. Other increases were due to 776 new subscribers joining the plan from the previous year, primarily retiree subscribers who joined the Medicare employee-only plan. Additionally, the number of active subscribers decreased in the higher-priced Premium plan and increased slightly in the lower-priced Classic and Basic employee-only plans. While premium rates did not increase for active or retiree subscribers, the wellness discount decreased \$25 per month, from \$75 to \$50, increasing the out-of-pocket contributions of wellness program participants by anywhere from 3% to 222%. Additionally, COBRA rates increased.

PSE Fund Expenditures

Health and pharmacy claims are the primary expenditures for the PSE Fund. For the current fiscal year, health and pharmacy claims paid from the Fund totaled \$282.6 million and \$73.1 million, respectively. As shown in **Exhibit VII on page 8**, from the previous fiscal year to the current fiscal year, health claims increased \$21.6 million, and pharmacy claims increased \$9.1 million. See **Schedule 3 on page 13** for health and pharmacy claims by plan type.

Factors identified as contributing to these increases include the following:

- An increase of 1,736 covered members in fiscal year 2021.
- Rebound of deferred elective care postponed due to COVID-19.
- Coverage of COVID-19 testing and vaccinations.

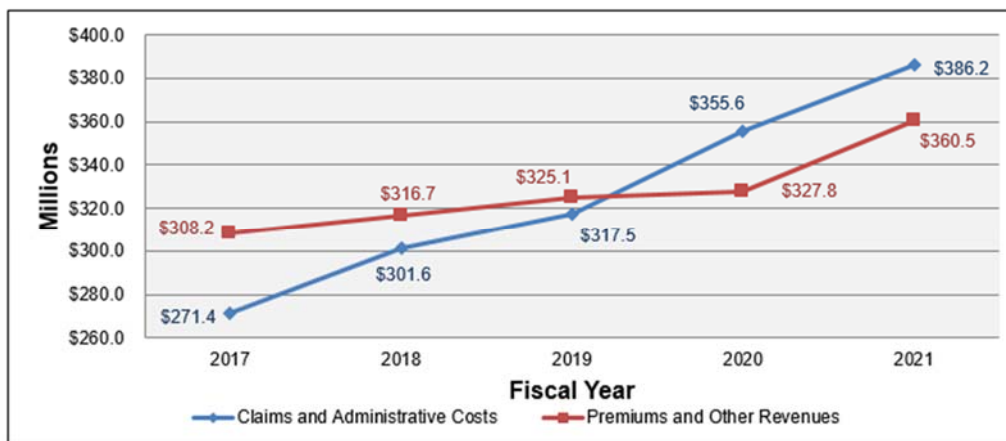
Additionally, administrative cost decreased \$89,666 to \$30.4 million in fiscal year 2021.

The health and pharmacy claim costs to the plan per subscriber totaled \$454.90 per month, a \$34.28 increase from the prior year's \$420.62 per subscriber per month claim cost. Out-of-pocket costs to the employees increased \$13.25 from \$281.41 per subscriber per month in the previous fiscal year to \$294.66 per subscriber per month.

Exhibit VIII shows changes in health and pharmacy claims and administrative costs, as well as premiums and other revenues, for fiscal years 2017 through 2021.

Exhibit VIII

Public School Employee (PSE) Health and Benefit Plan
Claims and Administrative Costs/Premiums and Other Revenues by Year
For Fiscal Years Ending June 30, 2017 through 2021

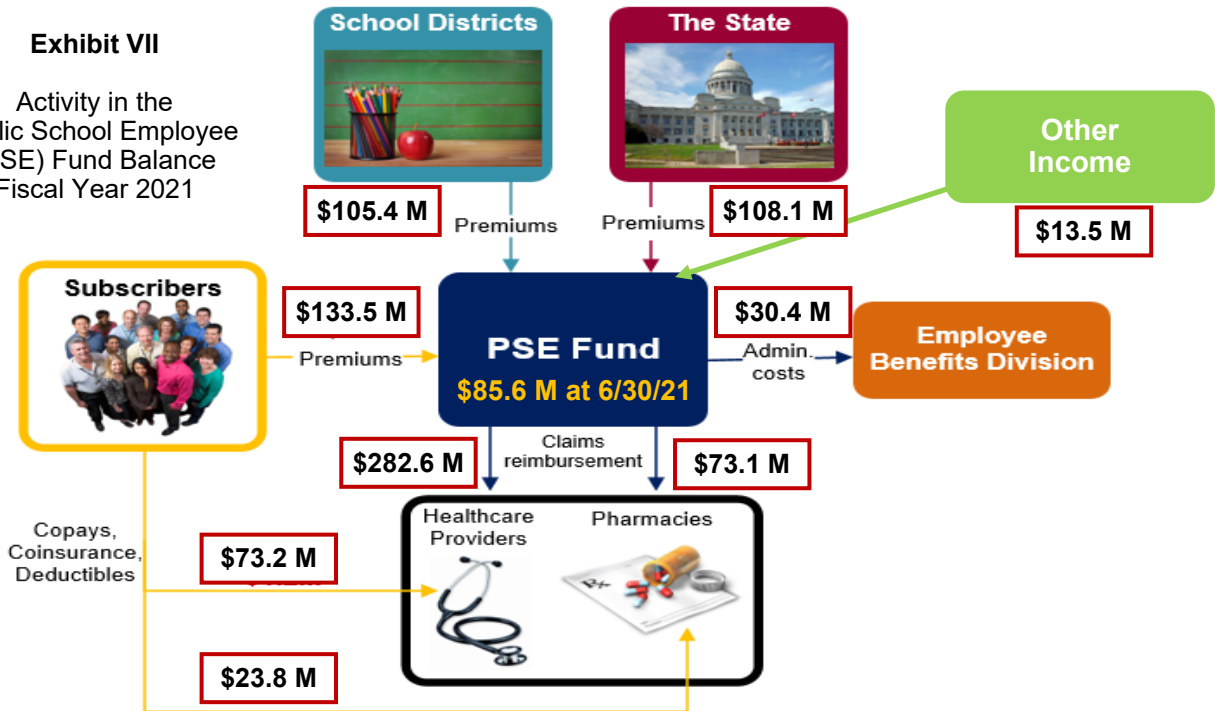


Source: Arkansas Administrative Statewide Information System (AASIS) and Department of Transformation and Shared Services – Employee Benefits Division (unaudited by Arkansas Legislative Audit)

Arkansas State and Public School Employees Health Benefits – Employee Benefits Division

Exhibit VII

Activity in the Public School Employee (PSE) Fund Balance Fiscal Year 2021



	Total Amount Paid		Increase / (Decrease) from FY2020 to FY2021	Average Amount Paid Per Subscriber* Per Month in FY2021
	FY2020	FY2021		
Premiums and Other Income				
Paid by the State				
Premiums	\$ 88,100,000	\$ 108,100,000 ^A	\$ 20,000,000	\$ 138
Paid by School Districts				
Premiums	103,878,617	105,425,318 ^A	1,546,701	135
Paid by Subscribers				
Premiums	120,050,545	133,459,951 ^A	13,409,406	171 ^D
Other Income				
FICA tax savings	\$ 6,492,113	\$ 7,030,796	538,683	\$ 9
Interest income	2,143,318	236,842	(1,906,476)	0
Pharmacy rebate	7,023,183	5,783,043	(1,240,140)	7
Other income	79,944	494,302	414,358	1
Total other income	15,738,558	13,544,983	(2,193,575)	17
Total plan premiums and income	\$ 327,767,720	\$ 360,530,252	\$ 32,762,532	\$ 461
Other Items Paid by Subscribers				
Copays, coinsurance, and deductibles				
Healthcare providers	\$ 73,694,812	\$ 73,203,477	\$ (491,335)	\$ 94
Pharmacy	23,724,298	23,786,673	62,375	30
Total copays, coinsurance, and deductibles	\$ 97,419,110	\$ 96,990,150	\$ (428,960)	\$ 124 ^D
Paid from the PSE Fund				
Administrative costs	\$ 30,518,860	\$ 30,429,194	\$ (89,666)	\$ 39
Claims reimbursements				
Healthcare providers	261,045,279	282,635,753 ^B	21,590,474	361 ^C
Pharmacy	63,999,758	73,138,437 ^B	9,138,679	94 ^C
Total paid from the PSE Fund	\$ 355,563,897	\$ 386,203,384	\$ 30,639,487	\$ 494

Sum of A = \$346,985,269; Sum of B = \$355,744,190; Sum of C = \$455; Sum of D = \$295

*Subscriber includes active and retired employees.

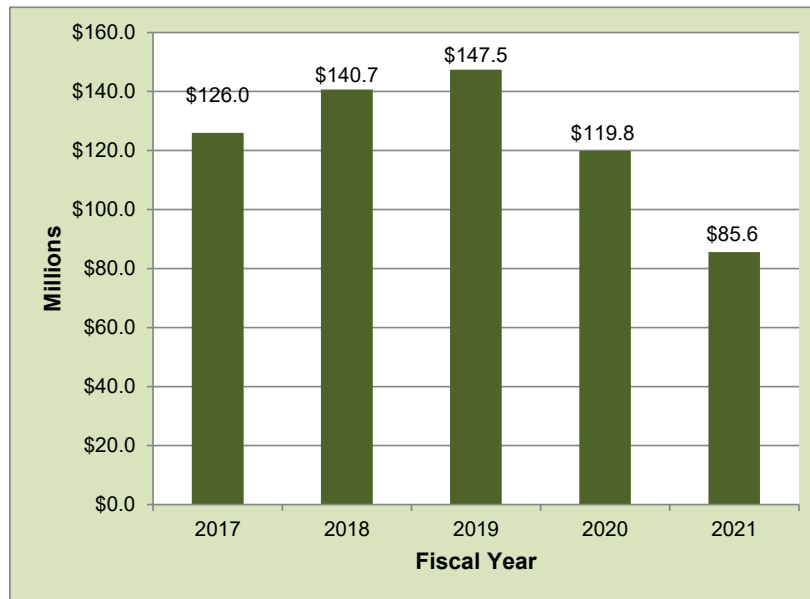
Source: Arkansas Administrative Statewide Information System (AASIS) and Department of Transformation and Shared Services – Employee Benefits Division (unaudited by Arkansas of Legislative Audit)

PSE Fund Balance

As shown in **Exhibit IX**, the PSE fund balance decreased to \$85.6 million at the end of the fiscal year. The fund had a declining rate of 18.7% in fiscal year 2020 compared to the 28.6% declining rate in fiscal year 2021. The fund's decline was primarily the result of a \$30.7 million increase in health and pharmacy claims due to an increase in plan membership (1,736 new covered members) and expenditures related to COVID-19.

Exhibit IX

Public School Employee (PSE) Health and Benefit Plan
Proprietary Fund Balance
At June 30, 2017 through 2021



Source: Arkansas Administrative Statewide Information System (AASIS) and Department of Transformation and Shared Services – Employee Benefits Division (unaudited by Arkansas Legislative Audit)

LARGE CLAIMS AND CLAIMANTS REVIEW

From the previous fiscal year to the current fiscal year, overall expenditures for large claims (those exceeding \$250,000) increased \$4.9 million to a total of \$9.6 million for the ASE Plan and decreased \$3.2 million to a total of \$10.4 million for the PSE Plan. **Schedule 4 on page 14** provides a list of 15 ASE members and 22 PSE members with a health claim exceeding \$250,000 during the current fiscal year. ALA staff conducted a test of claims exceeding \$250,000 for accuracy and timeliness in eligibility, covered procedures, payment amounts, and case management services. No material discrepancies were noted.

Additionally, for fiscal year 2021, 19 ASE members and 21 PSE members had cumulative claims greater than \$500,000. ALA reviewed the accuracy and timeliness of case management services for these members and noted no discrepancies. The 2021 total cumulative health and pharmacy claims exceeding \$500,000 increased \$3.1 million to \$33.7 million.

SERVICE PROVIDER CONTRACTS

For fiscal year 2021, EBD entered into various contracts with outside vendors to assist in providing insurance benefits to plan participants at a cost of \$18.8 million for ASE participants and \$30.4 million for PSE participants. A list of professional service contracts and other administrative costs by vendor, a description of the services provided, and the total cost per contract for the current fiscal year is available in **Schedule 5 on page 15**.

CONCLUSION

In fiscal year 2021, the fund balances of the ASE and PSE Plans declined \$47.4 million and \$34.2 million, respectively. The growth rates for both funds declined in fiscal year 2021, primarily due to increases in health and pharmacy claims. Expenses exceeded revenues for the fourth year in a row for the ASE Fund and for the second year in a row for the PSE Fund.

Schedule 1

Arkansas State Employee (ASE) and Public School Employee (PSE) Health and Benefit Plan Subscribers
At June 30, 2021

Arkansas State Employees (ASE)						
Coverage Available to Subscriber	Premium Plan	Classic Plan	Basic Plan	Medicare Plan	2021 Total	Increase (Decrease) From 2020
<i>Active and COBRA</i>						
Employee Only	12,001	1,537	1,322		14,860	(768)
Employee and Child(ren)	4,673	418	233		5,324	(306)
Employee and Spouse	1,743	172	128		2,043	(148)
Employee and Family	1,662	237	141		2,040	(82)
2021 Total	20,079	2,364	1,824		24,267	
Increase (Decrease)	(1,433)	14	115			(1,304)
<i>Retirees</i>						
Employee Only	1,536	58	48	7,992	9,634	246
Employee and Child(ren)	97	2	3	57	158	1
Employee and Spouse	411	13	10	2,857	3,291	(40)
Employee and Family	51	6	2	49	108	4
2021 Total	2,095	79	63	10,955	13,192	
Increase (Decrease)	(71)	7	7	268		211
Public School Employees (PSE)						
Coverage Available to Subscriber	Premium Plan	Classic Plan	Basic Plan	Medicare Plan	2021 Total	Increase (Decrease) From 2020
<i>Active and COBRA</i>						
Employee Only	12,791	14,936	3,678		31,405	(532)
Employee and Child(ren)	2,218	6,575	608		9,401	275
Employee and Spouse	238	1,690	282		2,210	62
Employee and Family	495	3,729	431		4,655	100
2021 Total	15,742	26,930	4,999		47,671	
Increase (Decrease)	(879)	572	212			(95)
<i>Retirees</i>						
Employee Only	339	1,822	381	13,171	15,713	776
Employee and Child(ren)	6	61	20	13	100	3
Employee and Spouse	68	271	62	1,221	1,622	88
Employee and Family	2	37	20	9	68	4
2021 Total	415	2,191	483	14,414	17,503	
Increase (Decrease)	(51)	119	17	786		871

COBRA - The U.S. Consolidated Omnibus Budget Reconciliation Act of 1985 allows an individual to continue health insurance coverage for a time after termination of employment.

Note: *Subscriber* refers to employees and retirees who are enrolled in the health and benefit plans.

Source: *Department of Transformation and Shared Services – Employee Benefits Division (unaudited by Arkansas Legislative Audit)*

Arkansas State Employee (ASE) and Public School Employee (PSE) Maximum Monthly Premiums
For Plan Year 2021

Arkansas State Employee (ASE)					
Coverage Available to Subscriber	Premium Plan	Classic Plan	Basic Plan	Regular Medicare Plan (Medical & Pharmacy)	Regular Medicare Plan (Medical Only)
<i>Active</i>					
Employee Only	\$ 143.99	\$ 77.79	\$ 0	N/A	N/A
Employee and Spouse	455.48	300.98	175.44	N/A	N/A
Employee and Child(ren)	263.52	149.30	56.98	N/A	N/A
Employee and Family	575.01	372.49	207.43	N/A	N/A
<i>Retirees</i>					
Retiree Only	\$ 293.71	\$ 227.51	\$ 174.72	\$ 183.92	\$ 158.92
Retiree and Non-Medicare Spouse	751.78	597.26	471.74	641.99	616.99
Retiree and Child(ren)	542.75	428.53	336.19	432.96	407.96
Retiree, Non-Medicare Spouse, and Child(ren)	1,000.80	798.27	633.21	891.01	866.01
Retiree and Medicare Primary Spouse	567.55	N/A	N/A	440.62	415.62
Retiree, Medicare Primary Spouse, and Child(ren)	816.59	N/A	N/A	689.66	664.66

Note: ASE premiums without a wellness visit ranged from \$50.00 for the "Basic/Emp Only" plan type to \$625.01 for the "Premium/Emp and Family" plan type. COBRA premiums ranged from \$432.25 for the "Basic/Emp Only" plan type to \$1,650.75 for the "Premium/Emp and Family" plan type.

Public School Employee (PSE)				
Coverage Available to Subscriber	Premium Plan	Classic Plan	Basic Plan	Regular Medicare Plan
<i>Active</i>				
Employee Only	\$ 208.46	\$ 71.02	\$ 36.26	N/A
Employee and Spouse	856.20	379.62	297.78	N/A
Employee and Child(ren)	495.54	183.42	146.86	N/A
Employee and Family	858.44	383.32	300.62	N/A
<i>Retirees</i>				
Retiree Only	\$ 641.14	\$ 273.30	\$ 148.50	\$ 100.78
Retiree and Non-Medicare Spouse	1,457.18	565.78	269.72	783.92
Retiree and Child(ren)	1,192.60	469.82	238.52	757.10
Retiree, Non-Medicare Spouse, and Child(ren)	2,008.64	746.20	335.72	1,521.48
Retiree and Medicare Primary Spouse	795.12	N/A	N/A	263.04
Retiree, Medicare Primary Spouse, and Child(ren)	1,346.58	N/A	N/A	888.58

Note: PSE premiums without a wellness visit ranged from \$86.26 for the "Basic/Emp Only" plan type to \$908.44 for the "Premium/Emp and Family" plan type. COBRA premiums ranged from \$317.67 for the "Basic/Emp Only" plan type to \$1,846.77 for the "Premium/Emp and Family" plan type.

COBRA - The U.S. Consolidated Omnibus Budget Reconciliation Act of 1985 allows an individual to continue health insurance coverage for a time after termination of employment.

Note: *Subscriber* refers to employees and retirees who are enrolled in the health and benefit plans. Deductible amounts are different for each of the ASE and PSE Plans. Public School districts have the option of paying a portion of the employees' premiums.

Source: Department of Transformation and Shared Services – Employee Benefits Division (unaudited by Arkansas Legislative Audit)

Schedule 3

Arkansas State Employee (ASE) and Public School Employee (PSE)
Health and Pharmacy Claims by Plan Type
Fiscal Year 2021

Plan Type	Arkansas State Employees		Public School Employees	
	Health Plan Claims	Pharmacy Plan Claims	Health Plan Claims	Pharmacy Plan Claims
Active¹				
Premium	\$ 150,872,147	\$ 43,272,650	\$ 99,113,104	\$ 39,347,729
Classic	7,375,984	1,286,665	119,439,562	24,787,768
Basic	2,972,842	645,208	10,382,973	1,947,645
Active Total	\$ 161,220,973	\$ 45,204,523	\$ 228,935,639	\$ 66,083,142
Retiree				
Premium	\$ 16,314,601	\$ 6,897,209	\$ 6,362,824	\$ 1,875,064
Classic	202,373	86,145	14,644,152	4,317,298
Basic	230,288	103,750	2,306,135	324,404
Medicare Primary	32,504,940	40,336,288	30,037,487	208,310
Primary Retired	1,445,875	1,141,876	349,516	330,219
Retiree Total	\$ 50,698,077	\$ 48,565,268	\$ 53,700,114	\$ 7,055,295
Total Claims	\$ 211,919,050	\$ 93,769,791	\$ 282,635,753	\$ 73,138,437

¹ Includes COBRA plans.

Source: Arkansas Administrative Statewide Information System (AASIS) and Department of Transformation and Shared Services – Employee Benefits Division (unaudited by Arkansas Legislative Audit)

Schedule 4

**Arkansas State Employee (ASE) and Public School Employee (PSE)
Individual Patient Health Claims Exceeding \$250,000 in Total
Fiscal Year 2021**

ASE Health Claims Exceeding \$250,000			PSE Health Claims Exceeding \$250,000		
Patient	Diagnosis	Amount	Patient	Diagnosis	Amount
1	Bloodstream Infection	\$ 352,249	1	Cancer	\$ 543,007
2	Cancer	457,261	2	Cancer	348,430
3	Cancer	351,383	3	Cancer	280,368
4	COVID-19	306,293	4	Cancer	268,564
5	Crohn's Disease	256,993	5	COVID-19	831,114
6	Emphysema	300,479	6	Encephalitis	519,890
7	Heart Disease	2,749,996	7	Heart Defect	681,538
8	Heart Disease	387,709	8	Heart Defect	291,918
9	Laceration of Spleen	566,676	9	Heart Disease	431,749
10	Pancreatitis	397,367	10	Heart Failure	642,789
11	Renal Failure	1,795,396	11	Heart Failure	262,831
12	Sepsis	489,767	12	Newborn with Complications	350,687
13	Sepsis	290,579	13	Orbital Fracture	283,338
14	Sepsis of Newborn	489,265	14	Pregnancy complication	999,276
15	Spinal Cord Injury	401,397	15	Pregnancy complication	648,705
			16	Pregnancy complication	378,083
			17	Prosthetic Heart Valve Complication	305,144
			18	Renal Failure	477,615
			19	Sepsis	980,482
			20	Sepsis	264,540
			21	Sepsis of Newborn	283,517
			22	Spondylosis	300,499
ASE Total		\$ 9,592,810	PSE Total		\$ 10,374,084

Note: Patients are identified by number to protect their privacy.

Source: Department of Transformation and Shared Services – Employee Benefits Division (unaudited by Arkansas Legislative Audit)

Schedule 5

Arkansas State Employee (ASE) and Public School Employee (PSE) Fund
Professional Service Contracts and Other Administrative Costs Paid Per Fund
Fiscal Year 2021

Vendor	Services Provided	ASE Amount	PSE Amount
Arkansas Center for Health Improvement	Access to electronic medical records	\$ 68,007	\$ 116,726
ConnectYourCare Administrative Services	Health Savings Account administration and Flexible Spending Account management	0	5,877
Delta Dental	Dental Insurance	98,554	0
EBRx	Prior authorization and on-site pharmacist	815,088	1,014,978
Health Advantage	Premium, Classic, and Basic Plan member benefits and claim coordination, comprehensive primary care initiative payments, recovery fees, and transplant fees	15,047,786	26,326,289
Humana	Vision insurance	23,625	0
Mainstream	Software programming and maintenance	1,017,688	1,017,687
MedImpact	Prescription drug claims administration and ASE retiree Medicare Part D administration	723,842	1,069,475
Patient-Centered Outcomes Research Institute	Research available for patients, clinicians, purchasers and policy-makers, in making informed health decisions	154,810	243,820
Other administrative costs		889,593	634,342
Totals		\$ 18,838,993	\$ 30,429,194

Source: Department of Transformation and Shared Services – Employee Benefits Division (unaudited by Arkansas Legislative Audit)

