EXHIBIT C

MINUTES

SENATE AND HOUSE COMMITTEES ON INSURANCE AND COMMERCE
MEETING JOINTLY

Monday, September 28, 2020
9:00 AM
MAC, Room A
Little Rock, Arkansas

Committee members present: Senators Jason Rapert, Chair; Cecile Bledsoe, Vice Chair; Joyce Elliott, Jane English, Missy Irvin, Mark Johnson, and Larry Teague; Representatives Mark Lowery, Chair; Robin Lundstrum, Vice Chair; Fred Allen, Joe Cloud, Bruce Coleman, Denise Ennett, Deborah Ferguson, Kenneth Ferguson, Roger Lynch, John Maddox, Reginald Murdock, Mark Perry, Aaron Pilkington, and Laurie Rushing

Other Members Present: Senators Eddie Cheatham, Jonathan Dismang, Trent Garner, Kim Hammer, Keith Ingram, and Terry Rice; Representatives LeAnne Burch, Nicole Clowney, Andrew Collins, Cameron Cooper, Marsh Davis, Jim Dotson, Les Eaves, John Eubanks, Vivian Flowers, Jack Fortner, Megan Godfrey, David Hillman, Lee Johnson, Fredrick Love, Tippi McCullough, Johnny Rye, Jamie Scott, Dan Sullivan, Dwight Tosh, Jeff Wardlaw, and Carlton Wing

Representative Lowery called the meeting to order.

Consideration to Approve August 31, 2020, Meeting Minutes [Exhibit C]
Senator Irvin made a motion to approve the August 31, 2020, with a second by Senator English. The motion carried.

Discussion Regarding Employee Benefits Division (EBD) Board Decision to Eliminate Pharmacy Benefits in the State Retiree's Health Insurance Plan for 2021 [Exhibits D1a-D1e]
Ms. Amy Fecher, Secretary, Department of Transformation and Shared Services, Mr. Chris Howlett, Director, Employee Benefits Division, and Mr. Courtney White, Principal and Consulting Actuary, Milliman, provided an update regarding the changes to the health care plan for State employees and retired public school teachers that were made at the EBD board meeting on August 5, 2020. Ms. Fecher stated in response to the feedback they received there is a proposed alternative plan. The alternative plan will need legislative support due to funding issues and it will require a vote by the Board at the next meeting on September 29, 2020. The alternative plan is to postpone the effective date for the loss of coverage for pharmacy benefits for retirees over 65 for one year therefore, it would not be effective until January 1, 2022. The proposed plan will give retirees the option if they choose to enroll in Medicare this year, then they will receive a $25 discount to their health care premium and if they decide to stay throughout 2021 we are proposing a 5% increase in premiums. The proposed plan will leave the health care plan in a projected deficit of over $3 million at the end of 2021 and will leave us without a reserve fund.

Mr. White stated the five aspects of management for the plan are State funding, employee and retiree contributions, planned design, cost management techniques, and reserves. On August 5, 2020, the EBD Board voted to increase employee contributions by 5%, reduced the wellness discount by $25, increased state funding from $420 to $450, and the pharmacy coverage was eliminated and expected to be received through the Medicare Part D market. The new proposal will increase the retirees' contributions by 5% and Medicare pharmacy coverage will now be voluntary.

Mr. White notified EBD the expected loss of $30 million for 2021 in March 2020 and again in April and May. Losses in the plan are due to historical funding levels. Assets are decreasing, contribution allocations offset premiums, help manage it, and run the program. The catastrophic reserve fund is low and the unallocated assets are negative. Rate increases to active and retired employees has been minimal over time; State funding has not changed since 2011; and reserves have been used to fund its program. High-cost, low-frequency events have had an impact on the overall cost of the plan.

In response to Representative Love's questions regarding the issue with the catastrophic fund, Mr. White stated the catastrophic fund could be fixed by an influx of cash to be set aside in reserves or changes made such that revenue outpaces expenses in 2021 to create a surplus or the claims come down lower than we expect. Reinsurance could help mitigate significant increases for smaller groups. A group over 5,000 typically does not have reinsurance because it is big enough to reabsorb additional claims. There is a leveling out of funding. The catastrophic fund was set up to offset the ebbs and flows of high cost claims.

Insurance Claims or Coverage Issues Related to Covid-19 in Arkansas; Health Insurance Exchange Report and Reports Received [Exhibits E1-E3] & [Exhibit K]
Mr. Alan McClain, Commissioner, Arkansas Insurance Department, stated there have not been many complaints that are COVID related. The Arkansas Insurance Department's (AID) position on business interruption insurance is that it is not covered under a pandemic. Workers' Compensation Commission reported 1,321 injury claims filed and there 353 workers' compensation claims filed by state employees.

Possible Resumption of Disconnection for Non Payment by Arkansas Utilities
Mr. Ted Thomas, Chairman, Arkansas Public Service Commission (APSC), stated all utilities suspended disconnection activity during the COVID-19 pandemic. APSC formalized the suspension of utility disconnection in an order, docket number 2012 20-012-A, for utilities to present APSC plans in terms of resuming disconnections. Specifically, to address communication with their customers about what is going on and working in terms of payment plans. When utilities resume disconnections and the legislature begins to hear about it, APSC wants the legislature to know it has not made a decision yet.

Covid-19 Claims Issues
Ms. Max Greenwood, Vice President of Government and Media Affairs, Arkansas Blue Cross and Blue Shield (ABCBS), stated there was a decrease in claims during the onset of the COVID-19 pandemic. Advanced accelerated payments were received totaling $38 million for for-profit hospitals and primary care clinics across the state to help increase their cash flow, and an additional $4 million in grants through Arkansas Blue Cross and Blue Shield (ABCBS). The contributions through the ABCBS foundation included telemedicine equipment for our rural areas, PPE for our hospitals, infection control systems for our hospitals, and mobile screening and testing for Arkansans in our underserved areas. ABCBS also contributed $286,000 to help Marshallese and Hispanic populations. Arkansas fully insured businesses are 10% below claims receipts post pandemic, however there has been a tenfold surge in telehealth claims. The total amount from March 15th to September 18th of telehealth claims for fully insured businesses was $20 million. Of that $20 million, slightly $9 million were for the Arkansas Works population. Mental health services for fully insured businesses were $10.8 million. Since the pandemic, ABCBS has pulled from its surplus in order to offset the pandemic initiatives.

Contact Tracing
Dr. Jennifer A. Dillaha, M.D., State Epidemiologist, Medical Director, Immunization and Outbreak Response, Arkansas Department of Health (ADH), gave an overview of the contact tracing process. There are 785 contact

tracers contracted through General Dynamics Information Technologies, Arkansas Foundation for Medical Care, and College of Public Health. Dr. Dillaha stated it is hard to determine where an outbreak started. There are two types of testing the ADH uses, the polymerase chain reaction (PCR) test, and the antigen test. ADH does not encourage the PCR test because there can be a residual positive even though the patient is not still infectious with the antigen test a positive case could be missed. If a patient tests negative and has symptoms, ADH would use the PCR test to confirm.

Mr. G.B. Cazes, Metova Inc., stated the exposure notification mobile application (app) compliments contact tracing by sending communication received from ADH to everyone near the exposure. Smart phones are automatically sending and receiving unique keys with all of the other phones around them so essentially everyone with the app on their phone around would be notifying and collecting keys that are unique and not identifiable to a person or to a location. Through the app and with communication with ADH, a person could push out a notification to everyone that is connected that they were exposed. The Application Programming Interface (API) is already on phones through Google and Apple. Apple and Google have gone through great lengths to protect privacy and not share API. The application tracks how close and how long one has proximity to an infected person.

Mr. Bob Sanders, General Manager, Arkansas Information Consortium, added the process is voluntary both for opting into the app, and when ADH notifies someone of a positive test. That person has a choice to send the notification out or not.

Discussion on Reports of Certain Pharmacies Refusing to Fill Prescriptions for Hydrochloroquine and Issues with Restrictions Placed on Doctors or Hospitals Prescribing Hydrochloroquine or any Medication or Procedure Doctors Order or Prescribe to Treat COVID-19 Patients

Mr. John Vinson, Pharm. D., Chief Executive Officer and Executive Vice President, Arkansas Pharmacists Association (APA), stated APA has been communicating to its members and pharmacists through weekly meetings, newsletters, and Facebook message groups, that there is no ban and no directive against the use of hydroxychloroquine or chloroquine in Arkansas. Hydroxychloroquine should be treated like any other prescription, either for intended use or for off label use. Pharmacists might council and communicate with the local prescribers to understand their rationale, but it would be unusual for a pharmacist to refuse to fill it under corporate policy.

Ms. Amy Embry, Executive Director, Arkansas Medical Board, and Kevin O'Dwyer, Attorney, Arkansas Medical Board, mentioned the Arkansas Medical Board has no restrictions on physicians prescribing hydroxychloroquine and has not taken a position on any medication regarding COVID-19.

ADH has not issued a directive to the Arkansas Medical Board to limit or given permission to use hydroxychloroquine in the treatment of COVID-19.

With no further business, the meeting adjourned at 1:47 p.m.