

## PURPOSE OF SB 181

To mandate coverage for use of intravenous immunoglobulin to treat certain pediatric disorders caused by infections; and to declare an emergency

## ACTUARIAL STATEMENT

The Fiscal Impact Statement was prepared according to generally accepted actuarial principles and practices, in compliance with ACT 112. The Statement provides an estimate of the financial and actuarial effect of the proposed change(s) on the Plans, if possible. The Statement makes no comment or opinion with regard to the merits of the measure for which the Statement is prepared; however, any identified technical or mechanical defects have been noted.

We have reviewed the input and results of our analysis for reasonableness and relied upon the data and information provided by the Plans and their Claims Processing Contractors.

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3/13/2023

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Patrick Klein, FSA, MAAA  
Vice President

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Date

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3/13/2023

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Matthew Kersting, FSA, MAAA  
Vice President

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Date

## PROJECTED COSTS

Plan	Annual Estimated Cost	Estimated Cost as a Percent of Total Annual Medical Spend
EBD	No Impact	Not Applicable
UOA	\$1,544,000	1.3%
ASU	\$199,000	1.1%
UCA	\$131,000	1.4%
AHEC	\$58,000	1.4%
NWACC	\$32,000	1.2%
SAU	\$36,000	1.5%

## PRICING APPROACH AND COMMENTS

Senate Bill 181 amends the Arkansas Code mandating the use of intravenous immunoglobulin (“IVIg”) to treat individuals diagnosed with pediatric acute-onset neuropsychiatric syndrome (“PANS”) or pediatric autoimmune neuropsychiatric disorders associated with streptococcal infection (“PANDAS”), or both, on or after January 1, 2024 and declares an emergency in the state of Arkansas.

To develop the cost impact for the remaining university system health plans, cost and utilization metrics were sourced from administrators of EBD and the university system health plans, internal Segal data, similar analysis performed on House Bill 2110 for the State of Kansas, and publicly available data. The magnitude of the fiscal impact for each plan was estimated based on a set of developed cost and utilization assumptions. Cost sharing provisions were considered to isolate the plan’s cost.

An average per treatment cost of approximately \$15,000 was assumed. Research shows that multiple treatments may be necessary to sufficiently treat PANS or PANDAS. The number of IVIg treatments necessary for each patient varies depending on numerous factors including the patient’s response to treatment and the dosage used. The calculations above assume an average of 3 treatments per patient. Projections include an estimated 1 in 1,000 members would utilize the benefit. The utilization information was supplied by BCBS and is consistent with metrics used in Segal’s analysis performed for Kansas House Bill 2110. EBD’s vendor confirmed this coverage was already being provided. If this treatment is not currently covered, there would be a similar impact as seen in the University plans, with a cost of approximately \$5.7 million or 1.2% of medical spend.

Actual legislative cost impacts to health plans may vary as actual future experience differs from the assumptions made in developing these cost estimates. Potential for actual experience to vary from the assumptions made in these estimates includes underlying changes to the cost of IVIg for the treatment of PANS and PANDAS and changes in the incidence of PANS and PANDAS in the participants of each plan.