



State of Arkansas, Executive Subcommittee

# Employee Health Benefits Actuarial Consulting Services

Finalist Presentation

July 20, 2022

# | Agenda

**Introductions**

**Segal's State Health Capabilities and Results**

**Scope of Work**

**Closing & Questions**

# Kickoff and Introductions



**Kenneth C. Vieira,**  
**FSA, FCA, MAAA**

Account Executive  
SVP & East Region Public  
Sector Market Leader



**Patrick J. Klein,**  
**FSA, MAAA**

Account Manager  
VP & Consulting Actuary



**Matthew A. Kersting,**  
**FSA, MAAA**

Lead Actuary  
VP & Consulting Actuary



**Kirsten Schatten,**  
**ASA, MAAA**

Strategic Consultant  
SVP & Public Sector Health  
Practice Leader

“Having the right partner...who is committed to creating something outstanding makes all the difference.”

# Your Public Sector Focused Team

## Specialized Expertise Ready to Serve

### Client Management Team

Account Executive
Kenneth C. Vieira, FSA, FCA, MAAA

Account Management
Patrick J. Klein, FSA, MAAA <i>Account Manager</i>
Matthew A. Kersting, FSA, MAAA <i>Lead Actuary</i>

### Strategic Support

Strategic Healthcare Consultant
Kirsten Schatten, ASA, MAAA

Health Actuaries & Analysts
Peter Wang, ASA, MAAA, EA, PhD Anthony Howard

### Subject Matter Experts

Wellness & Clinical
Joanna Balogh-Reynolds, RN-BC, MSN, DNP

Pharmacy
Scott McEachern, FSA, MAAA

# | Agenda

Introductions

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# Segal — Who We Are



Providing Employee Benefit Consulting for over 80 years



Employee-owned and privately-held



Deep public sector experience working with counties, cities, school systems and states throughout the country

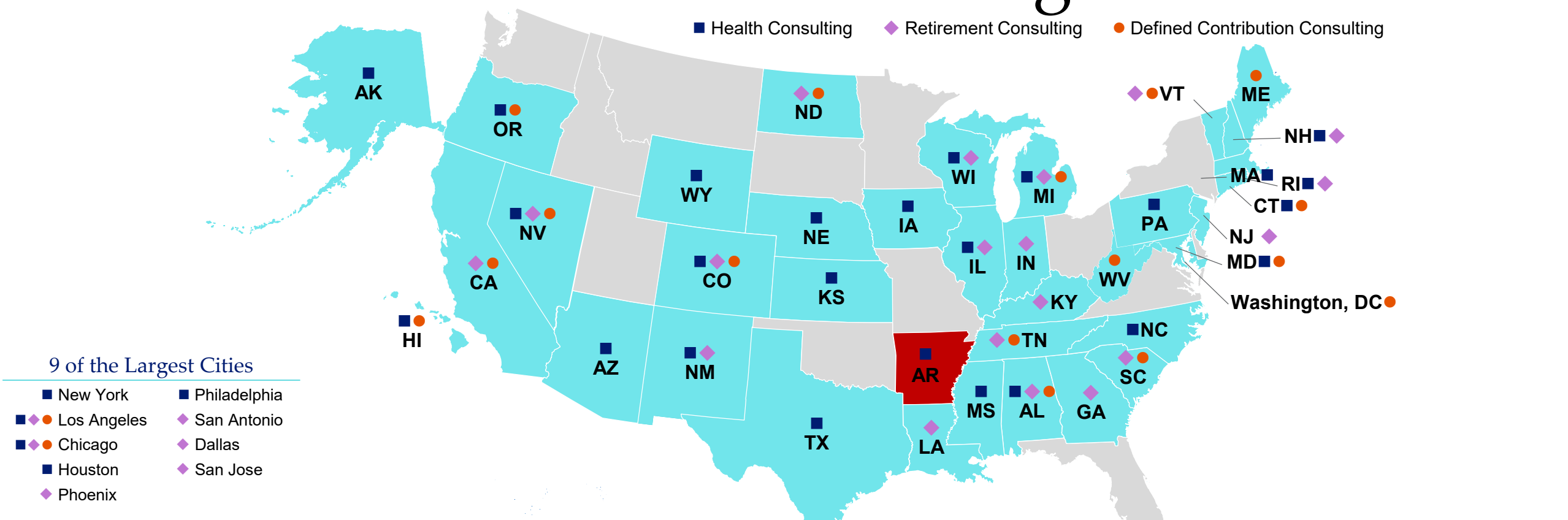


Expertise: Benefit Design, Actuarial, Communication and Compliance

We provide trusted advice that improves lives.

# Results: Segal's Large Public Sector Clients

## Health & Retirement Consulting



We currently perform health, retirement and/or defined contribution consulting for 37 states, 9 of the largest U.S. cities, 12 California county retirement systems, the District of Columbia, the U.S. Virgin Islands and Puerto Rico.

# Our Large State Experience

Project Description	AK	AL	AR	AZ	CO	CT	HI	IA	IL	KS	MD	MI	MS	NC	NE	NH	NM	NV	OR	PA	RI	TX	WI	WY
Financial Projections	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
IBNR	✓	✓		✓	✓	✓	✓	✓	✓	✓	✓			✓	✓	✓	✓	✓	✓	✓	✓	✓		✓
Funding Rates/Plan Cost Modeling	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Actuarial Rate Development	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Data Analysis/Trends	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Annual Comprehensive Financial Report	✓	✓		✓	✓	✓	✓	✓		✓	✓			✓	✓	✓		✓	✓		✓	✓		
Plan Design Review	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
CDHP (HSA/HRA)	✓			✓	✓				✓	✓			✓	✓	✓			✓			✓	✓	✓	✓
Kaiser					✓		✓				✓								✓					
Narrow Networks	✓			✓	✓	✓					✓			✓	✓		✓					✓	✓	
Benchmarking	✓						✓											✓	✓	✓	✓			
Medicare Advantage	✓	✓	✓	✓	✓	✓	✓		✓	✓				✓		✓	✓		✓	✓		✓	✓	
Medicare Supplement/Wrap	✓	✓	✓	✓		✓	✓	✓	✓	✓	✓			✓		✓	✓		✓	✓			✓	✓
Medicare Part D Consulting	✓	✓		✓	✓	✓	✓		✓	✓	✓			✓		✓	✓		✓	✓		✓		
OPEB Valuation				✓	✓	✓	✓	✓			✓	✓		✓	✓	✓	✓	✓	✓				✓	✓
Legislative Support	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
ACA Consulting/ Healthcare Reform	✓	✓			✓	✓	✓	✓	✓	✓	✓		✓	✓	✓	✓	✓	✓		✓	✓	✓	✓	✓
HIPAA Compliance	✓	✓				✓	✓	✓		✓	✓		✓	✓	✓	✓	✓			✓		✓	✓	
Other Compliance Support	✓				✓	✓	✓			✓			✓			✓					✓			
Total Health Management	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		✓	✓	✓	✓	✓	✓		✓	✓	✓	✓	
Wellness Plan Designs & Program Analysis	✓	✓	✓		✓	✓	✓		✓	✓	✓		✓	✓	✓	✓	✓				✓		✓	
Clinics/Wellness Centers	✓									✓														
Contract Negotiations	✓	✓		✓	✓	✓	✓	✓	✓	✓	✓		✓	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓
Direct Provider Contracting	✓			✓	✓	✓							✓							✓				
Strategic Planning/Migration Strategies	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		✓	✓	✓	✓	✓	✓		✓	✓	✓	✓	✓
Participation in Meetings and Workgroups	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Pharmacy	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Collective Bargaining Support	✓					✓			✓							✓					✓			
Procurement/Marketing	✓	✓		✓	✓	✓	✓	✓	✓	✓	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Reporting	✓	✓	✓	✓	✓	✓	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		✓	✓
Data Warehousing Services					✓	✓	✓											✓		✓	✓			
Local Governments/Schools	✓	✓	✓	✓	✓	✓	✓		✓	✓	✓	✓		✓			✓	✓	✓	✓		✓	✓	✓
Communications/Virtual Benefits Fair Website Hosting	✓			✓		✓	✓		✓		✓					✓			✓	✓	✓	✓		
Claims Auditing	✓					✓										✓	✓	✓		✓	✓		✓	
Technology Consulting/ Implementation	✓	✓				✓	✓	✓			✓					✓	✓			✓	✓	✓	✓	
SOC Reports Review																					✓			
Cafeteria Plan Support																					✓			



# Delivering Results

Project Description	AK	AL	AR	AZ	CO	CT	HI	IA	IL	KS	MD	MI	MS	NC	NE	NH	NM	NV	OR	PA	RI	TX	WI	WY
Financial Projections	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
IBNR	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Funding Rates/Plan Cost Modeling	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Actuarial Rate Development	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Data Analysis/Trends	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Annual Comprehensive Financial Report	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Plan Design Review	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
CDHP (HSA/HRA)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Kaiser	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Narrow Networks	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Benchmarking	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
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Medicare Part D Consulting	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
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Legislative Support	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
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Pharmacy	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Collective Bargaining Support	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
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Reporting	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Data Warehousing Services	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
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Communications/Virtual Benefits Fair Website Hosting	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Claims Auditing	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Technology Consulting/ Implementation	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
SOC Reports Review	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Cafeteria Plan Support	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

## Arkansas

- Benchmarked plans against surrounding states
- Recommended changes to retiree program, prescription drug programs, and budgeting process
- Analyzed the plan's health conditions and made clinical recommendations.
- Advocated for actuarial notes for legislative changes

💰 **Estimated Savings: \$70M+ annually**

# | Agenda

Introductions

Segal's State Health Capabilities and Results

**Scope of Work**

Closing & Questions

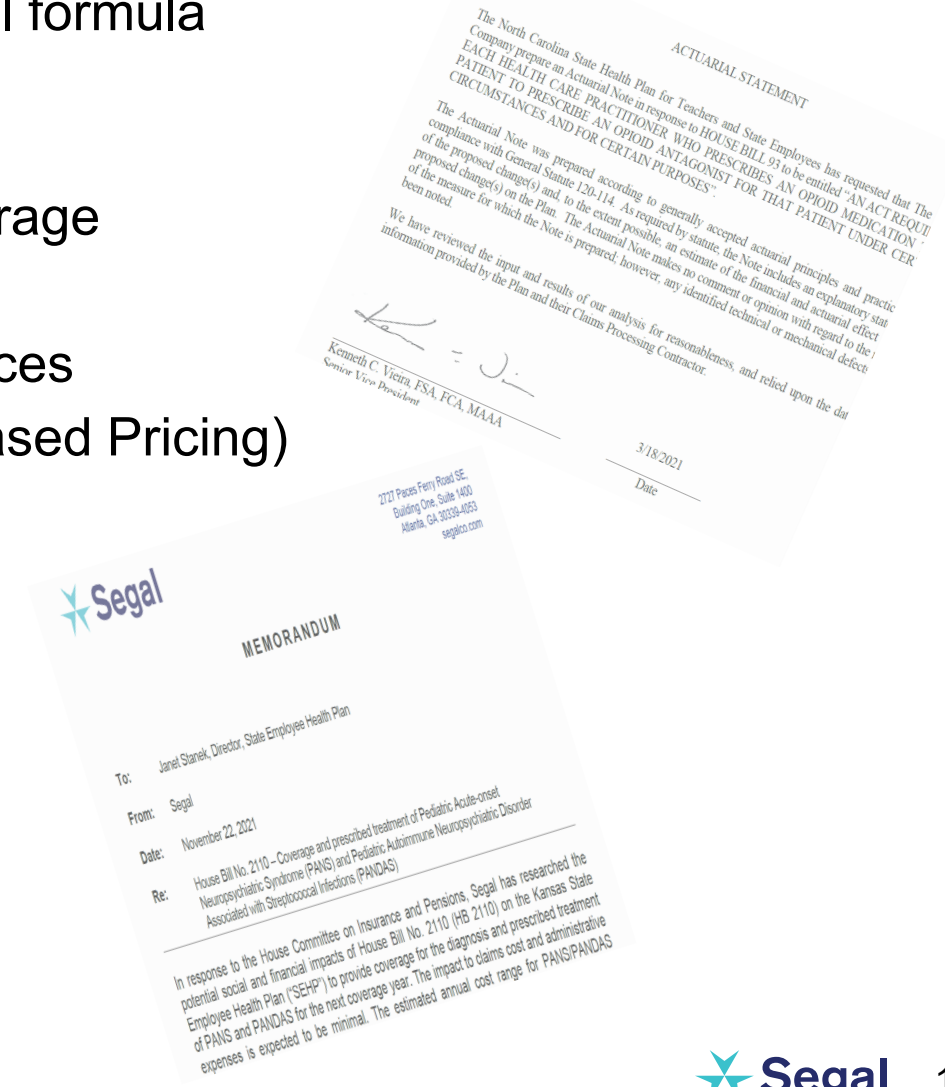
# Actuarial Statements

- Most states require legislative changes to be accompanied by an actuarial note or fiscal impact statement
- Incorporating this process allows legislators to fully understand the financial impact of any proposed changes
- Segal works with most of our state clients to provide these types of changes
  - Similar proposed legislation across our vast client base allows us to leverage prior analysis
  - Segal is familiar with the short timeframe in which the actuarial statement needs to be delivered



# Fiscal Statement Examples

- Kansas HB 2110 – PANS/PANDAS Coverage
- Kansas KB 2103 – Coverage for amino acid-based elemental formula
- Kansas – Bariatric Coverage
- North Carolina SB 868 – Adaptive Exercise Equipment Coverage
- North Carolina HB 93 – Opioid Management Strategy
- North Carolina HB 721 – Increase Access to Telehealth Services
- North Carolina HB 184 – Health Plan Design (Referenced Based Pricing)
- Wisconsin – Transgender Coverage
- Wisconsin – Impact of adding weight loss drugs
- Nebraska – LB 337 Step Therapy
- Nebraska – LB 370 Member cost sharing limit for Insulin
- Nebraska – LB 604 Right to Shop (Transparency)
- Nebraska – LB 1119 Direct Primary Care Pilot



# Scope of Work

- Provide fiscal impact statements as requested for proposed legislation
- Provide actuarial and cost analysis regarding proposed funding amounts for the Public School Employee Health Benefits Plan, as set forth in the biennial Education Adequacy Study
- Appear at legislative committee meetings, as requested, to present the findings and fiscal impact statements
- Attend committee meetings, as requested, to provide routine actuarial consultation on technical, policy, legal, or administrative questions

Segal is well positioned to meet the actuarial needs stated in the RFP

# Scope of Work

- Communicate new developments/trends in public employee health benefits programs and provide improvement recommendations
- Assist in preparation of proposed changes to related laws
- Provide consultation and advisory services in the policy and administrative problems of new legislation implementation
- Develop and provide various tables and factors as needed for legislative committees
- Be readily accessible to committee members and staff; and
- Be available for periodic educational discussions with committees and staff

Segal is well positioned to meet the actuarial needs stated in the RFP

# Core Actuarial Services

**More than 150 credentialed actuaries in 23 offices**

- Multi-year budget development
  - Expenses, Revenue and Fund Balance
- Annual development of actuarially sound rates and funding requirements
- Employee and Retiree contribution scenarios
- Selection risk modeling associated with changes in benefits, contributions and benefit options
- Trend analysis/projection and assumption development





# Core Actuarial Services

**More than 150 credentialed actuaries in 23 offices**

- IBNR calculations for self-insured health benefit programs
- Development and valuation of proposed benefit changes
- Incorporation of vendor contract parameters and guarantees
- Reports that are comprehensive and provide a clear understanding of our results/ recommendations and the data and methodology utilized
- Fiscal notes and valuation of proposed legislation





# | Agenda

Introductions

Segal's State Health Capabilities and Results

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**Closing & Questions**

# What Sets Segal Apart?

<b>Independence</b>	<p>Segal is not affiliated with any insurance company, brokerage firm or healthcare provider that may create a conflict of interest</p> <p>Our only interest is providing objective, independent consulting to our clients</p> <p>Segal is 100% employee-owned</p>
<b>Experience</b>	<p>We have worked with all of your vendors</p> <p>Your team has deep knowledge in all of the areas requested in the scope of work</p>
<b>Approach</b>	<p>We have developed and validated proven actuarial methodologies for our health data collection, analysis and review</p> <p>Our approach is highly personal and collaborative, and will always be scaled to fit your needs and budget</p>
<b>Credibility</b>	<p>Segal knows and is respected by all major carriers in today's market</p> <p>Segal is sensitive to multiple constituents of a client, including bargained groups</p> <p>Segal has been successful in optimizing our clients' health programs</p>
<b>Specialization in Public Sector</b>	<p>Segal understands the dynamics of the public sector market</p> <p>We serve as consultants to the full array of governance structures in the public sector</p> <p>Segal optimizes solutions for all stakeholders</p>

Based on our expertise, resources, and experience with the State of Arkansas, Segal is best positioned to provide the requested services of the RFP

# Thank You

What additional questions  
can we address today?