

State of Arkansas Employee Benefits Division

2026 Preliminary Rates
Through May 31st

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JULY 2025

Agenda

- Base Rates
- Employee and Retiree Contributions
- Assumptions and Methodology
- Appendices

Base Rates

Arkansas State Employees (ASE)

2026 Rates – Actives

	2025 Subscribers	2025 Base Rate	2026 Base Rate	Base Rate Change (\$)	Base Rate Change (%)
Premium					
Employee Only	11,169	\$571.44	\$621.60	\$50.16	8.8%
Employee + Spouse	1,521	\$1,428.61	\$1,554.00	\$125.39	8.8%
Employee + Child(ren)	4,050	\$1,085.74	\$1,181.04	\$95.30	8.8%
Family	1,375	\$1,942.89	\$2,113.42	\$170.53	8.8%
Classic					
Employee Only	1,776	\$496.80	\$540.41	\$43.61	8.8%
Employee + Spouse	210	\$1,242.00	\$1,351.02	\$109.02	8.8%
Employee + Child(ren)	538	\$943.91	\$1,026.77	\$82.86	8.8%
Family	276	\$1,689.11	\$1,837.38	\$148.27	8.8%
Basic					
Employee Only	2,046	\$438.47	\$476.96	\$38.49	8.8%
Employee + Spouse	153	\$1,096.18	\$1,192.41	\$96.23	8.8%
Employee + Child(ren)	270	\$833.10	\$906.23	\$73.13	8.8%
Family	164	\$1,490.81	\$1,621.66	\$130.85	8.8%

2026 Rates – Pre-65 Retirees

	2025 Subscribers	2025 Base Rate	2026 Base Rate	Base Rate Change (\$)	Base Rate Change (%)
Premium					
Retiree Only	1,166	\$1,028.60	\$1,118.87	\$90.27	8.8%
Retiree + NME Spouse	159	\$2,057.19	\$2,237.75	\$180.56	8.8%
Retiree + Child(ren)	68	\$1,411.46	\$1,535.34	\$123.88	8.8%
Retiree + NME Spouse + Child(ren)	33	\$2,440.05	\$2,654.22	\$214.17	8.8%
Retiree + ME Spouse	56	\$1,579.57	\$1,689.26	\$109.69	6.9%
Retiree + ME Spouse + Child(ren)	2	\$1,962.43	\$2,105.73	\$143.30	7.3%
Retiree + MAPD Spouse	63	\$1,248.91	\$1,399.18	\$150.27	12.0%
Retiree + MAPD Spouse + Child(ren)	2	\$1,631.77	\$1,815.65	\$183.88	11.3%
Classic					
Retiree Only	68	\$894.23	\$972.73	\$78.50	8.8%
Retiree + NME Spouse	17	\$1,788.46	\$1,945.46	\$157.00	8.8%
Retiree + Child(ren)	2	\$1,227.09	\$1,334.80	\$107.71	8.8%
Retiree + NME Spouse + Child(ren)	4	\$2,121.32	\$2,307.54	\$186.22	8.8%
Basic					
Retiree Only	50	\$789.25	\$858.52	\$69.27	8.8%
Retiree + NME Spouse	14	\$1,578.50	\$1,717.06	\$138.56	8.8%
Retiree + Child(ren)	1	\$1,083.03	\$1,178.09	\$95.06	8.8%
Retiree + NME Spouse + Child(ren)	5	\$1,872.28	\$2,036.63	\$164.35	8.8%

2026 Rates – Post-65 Retirees

	2025 Subscribers	2025 Base Rate	2026 Base Rate	Base Rate Change (\$)	Base Rate Change (%)
Primary (EBD Plan)					
Retiree Only	3,361	\$550.97	\$570.39	\$19.42	3.5%
Retiree + NME Spouse	72	\$1,579.56	\$1,689.27	\$109.71	6.9%
Retiree + Child(ren)	25	\$933.83	\$986.86	\$53.03	5.7%
Retiree + NME Spouse + Child(ren)	5	\$1,962.42	\$2,105.74	\$143.32	7.3%
Retiree + ME Spouse	980	\$1,101.94	\$1,140.78	\$38.84	3.5%
Retiree + ME Spouse + Child(ren)	10	\$1,484.80	\$1,557.25	\$72.45	4.9%
MAPD					
Retiree Only	5,333	\$220.31	\$280.31	\$60.00	27.2%
Retiree + NME Spouse	123	\$1,248.90	\$1,399.19	\$150.29	12.0%
Retiree + Child(ren)	30	\$603.17	\$696.78	\$93.61	15.5%
Retiree + MAPD Child ¹		\$440.62	\$560.62	\$120.00	27.2%
Retiree + NME Spouse + Child(ren)	6	\$1,631.76	\$1,815.66	\$183.90	11.3%
Retiree + NME Spouse + MAPD Child ¹		\$1,469.21	\$1,679.50	\$210.29	14.3%
Retiree + MAPD Spouse	1,564	\$440.62	\$560.62	\$120.00	27.2%
Retiree + MAPD Spouse + Child(ren)	20	\$823.48	\$977.09	\$153.61	18.7%
Retiree + MAPD Spouse + MAPD Child ¹		\$660.93	\$840.93	\$180.00	27.2%

¹Enrollment captured in other MAPD categories

Public School Employees (PSE)

2026 Rates – Actives

	2025 Subscribers	2025 Base Rate	2026 Base Rate	Base Rate Change (\$)	Base Rate Change (%)
Premium					
Employee Only	10,774	\$500.33	\$567.54	\$67.21	13.4%
Employee + Spouse	419	\$1,175.79	\$1,333.73	\$157.94	13.4%
Employee + Child(ren)	2,497	\$975.65	\$1,106.71	\$131.06	13.4%
Family	742	\$1,651.10	\$1,872.90	\$221.80	13.4%
Classic					
Employee Only	14,451	\$434.98	\$493.41	\$58.43	13.4%
Employee + Spouse	1,779	\$1,022.19	\$1,159.52	\$137.33	13.4%
Employee + Child(ren)	6,483	\$848.20	\$962.15	\$113.95	13.4%
Family	3,735	\$1,435.42	\$1,628.25	\$192.83	13.4%
Basic					
Employee Only	5,089	\$383.91	\$435.48	\$51.57	13.4%
Employee + Spouse	316	\$902.19	\$1,023.38	\$121.19	13.4%
Employee + Child(ren)	926	\$748.62	\$849.19	\$100.57	13.4%
Family	568	\$1,266.91	\$1,437.09	\$170.18	13.4%

2026 Rates – Pre-65 Retirees

	2025 Subscribers	2025 Base Rate	2026 Base Rate	Base Rate Change (\$)	Base Rate Change (%)
Premium					
Retiree Only	316	\$900.60	\$1,021.58	\$120.98	13.4%
Retiree + NME Spouse	10	\$1,801.20	\$2,043.16	\$241.96	13.4%
Retiree + Child(ren)	13	\$1,240.82	\$1,407.52	\$166.70	13.4%
Retiree + NME Spouse + Child(ren)	0	\$2,141.42	\$2,429.09	\$287.67	13.4%
Retiree + ME Spouse	80	\$1,139.24	\$1,279.76	\$140.52	12.3%
Retiree + ME Spouse + Child(ren)	3	\$1,479.46	\$1,665.70	\$186.24	12.6%
Retiree + MAPD Spouse	30	\$1,040.91	\$1,221.89	\$180.98	17.4%
Retiree + MAPD Spouse + Child(ren)	1	\$1,381.13	\$1,607.83	\$226.70	16.4%
Classic					
Retiree Only	2,019	\$782.96	\$888.14	\$105.18	13.4%
Retiree + NME Spouse	352	\$1,565.91	\$1,776.27	\$210.36	13.4%
Retiree + Child(ren)	79	\$1,078.74	\$1,223.65	\$144.91	13.4%
Retiree + NME Spouse + Child(ren)	57	\$1,861.69	\$2,111.79	\$250.10	13.4%
Basic					
Retiree Only	451	\$691.04	\$783.87	\$92.83	13.4%
Retiree + NME Spouse	80	\$1,382.07	\$1,567.73	\$185.66	13.4%
Retiree + Child(ren)	20	\$952.09	\$1,079.99	\$127.90	13.4%
Retiree + NME Spouse + Child(ren)	16	\$1,643.14	\$1,863.86	\$220.72	13.4%

2026 Rates – Post-65 Retirees

	2025 Subscribers	2025 Base Rate	2026 Base Rate	Base Rate Change (\$)	Base Rate Change (%)
Primary (EBD Plan)					
Retiree Only	9,132	\$238.64	\$258.18	\$19.54	8.2%
Retiree + NME Spouse	77	\$1,139.24	\$1,279.76	\$140.52	12.3%
Retiree + Child(ren)	14	\$578.86	\$644.12	\$65.26	11.3%
Retiree + NME Spouse + Child(ren)	2	\$1,479.46	\$1,665.69	\$186.23	12.6%
Retiree + ME Spouse	865	\$477.28	\$516.36	\$39.08	8.2%
Retiree + ME Spouse + Child(ren)	2	\$817.50	\$902.30	\$84.80	10.4%
MAPD					
Retiree Only	6,003	\$140.31	\$200.31	\$60.00	42.8%
Retiree + NME Spouse	30	\$1,040.91	\$1,221.89	\$180.98	17.4%
Retiree + Child(ren)	6	\$480.53	\$586.25	\$105.72	22.0%
Retiree + MAPD Child ¹		\$280.62	\$400.62	\$120.00	42.8%
Retiree + NME Spouse + Child(ren)	1	\$1,381.13	\$1,607.82	\$226.69	16.4%
Retiree + NME Spouse + MAPD Child ¹		\$1,181.22	\$1,422.20	\$240.98	20.4%
Retiree + MAPD Spouse	562	\$280.62	\$400.62	\$120.00	42.8%
Retiree + MAPD Spouse + Child(ren)	2	\$620.84	\$786.56	\$165.72	26.7%
Retiree + MAPD Spouse + MAPD Child ¹		\$420.93	\$600.93	\$180.00	42.8%

¹Enrollment captured in other MAPD categories

Employee Contributions

Arkansas State Employees (ASE)

2026 Rates – Actives

	2025 Subscribers	2025 Employee Contribution	2026 Employee Contribution	Employee Contribution Change (\$)	Employee Contribution Change (%)	Employer Subsidy
Premium						
Employee Only	11,169	\$151.80	\$151.80	\$0.00	0.0%	\$469.80
Employee + Spouse	1,521	\$452.48	\$452.48	\$0.00	0.0%	\$1,101.52
Employee + Child(ren)	4,050	\$310.56	\$310.56	\$0.00	0.0%	\$870.48
Family	1,375	\$594.32	\$594.32	\$0.00	0.0%	\$1,519.10
Classic						
Employee Only	1,776	\$72.42	\$72.42	\$0.00	0.0%	\$467.99
Employee + Spouse	210	\$258.68	\$258.68	\$0.00	0.0%	\$1,092.34
Employee + Child(ren)	538	\$164.62	\$164.62	\$0.00	0.0%	\$862.15
Family	276	\$333.98	\$333.98	\$0.00	0.0%	\$1,503.40
Basic						
Employee Only	2,046	\$0.00	\$0.00	\$0.00	0.0%	\$476.96
Employee + Spouse	153	\$105.20	\$105.20	\$0.00	0.0%	\$1,087.21
Employee + Child(ren)	270	\$49.28	\$49.28	\$0.00	0.0%	\$856.95
Family	164	\$127.64	\$127.64	\$0.00	0.0%	\$1,494.02

2026 Rates – Pre-65 Retirees

	2025 Subscribers	2025 Employee Contribution	2026 Employee Contribution	Employee Contribution Change (\$)	Employee Contribution Change (%)	Employer Subsidy
Premium						
Retiree Only	1,166	\$337.86	\$337.86	\$0.00	0.0%	\$781.01
Retiree + NME Spouse	159	\$886.76	\$886.76	\$0.00	0.0%	\$1,350.99
Retiree + Child(ren)	68	\$619.20	\$619.20	\$0.00	0.0%	\$916.14
Retiree + NME Spouse + Child(ren)	33	\$1,100.16	\$1,100.16	\$0.00	0.0%	\$1,554.06
Retiree + ME Spouse	56	\$697.60	\$703.60	\$6.00	0.9%	\$985.66
Retiree + ME Spouse + Child(ren)	2	\$978.64	\$984.64	\$6.00	0.6%	\$1,121.09
Retiree + MAPD Spouse	63	\$359.49	\$365.49	\$6.00	1.7%	\$1,033.69
Retiree + MAPD Spouse + Child(ren)	2	\$640.61	\$646.61	\$6.00	0.9%	\$1,169.04
Classic						
Retiree Only	68	\$217.46	\$217.46	\$0.00	0.0%	\$755.27
Retiree + NME Spouse	17	\$636.52	\$636.52	\$0.00	0.0%	\$1,308.94
Retiree + Child(ren)	2	\$444.04	\$444.04	\$0.00	0.0%	\$890.76
Retiree + NME Spouse + Child(ren)	4	\$795.20	\$795.20	\$0.00	0.0%	\$1,512.34
Basic						
Retiree Only	50	\$122.90	\$122.90	\$0.00	0.0%	\$735.62
Retiree + NME Spouse	14	\$438.96	\$438.96	\$0.00	0.0%	\$1,278.10
Retiree + Child(ren)	1	\$305.84	\$305.84	\$0.00	0.0%	\$872.25
Retiree + NME Spouse + Child(ren)	5	\$554.02	\$554.02	\$0.00	0.0%	\$1,482.61

2026 Rates – Post-65 Retirees

	2025 Subscribers	2025 Employee Contribution	2026 Employee Contribution	Employee Contribution Change (\$)	Employee Contribution Change (%)	Employer Subsidy
Primary (EBD Plan)						
Retiree Only	3,361	\$256.34	\$262.34	\$6.00	2.3%	\$308.05
Retiree + NME Spouse	72	\$805.68	\$811.68	\$6.00	0.7%	\$877.59
Retiree + Child(ren)	25	\$537.78	\$543.78	\$6.00	1.1%	\$443.08
Retiree + NME Spouse + Child(ren)	5	\$1,019.04	\$1,025.04	\$6.00	0.6%	\$1,080.70
Retiree + ME Spouse	980	\$614.11	\$626.11	\$12.00	2.0%	\$514.67
Retiree + ME Spouse + Child(ren)	10	\$896.54	\$908.54	\$12.00	1.3%	\$648.71
MAPD						
Retiree Only	5,333	\$22.03	\$28.03	\$6.00	27.2%	\$252.28
Retiree + NME Spouse	123	\$570.19	\$576.19	\$6.00	1.1%	\$823.00
Retiree + Child(ren)	30	\$302.47	\$308.47	\$6.00	2.0%	\$388.31
Retiree + MAPD Child ¹		\$44.06	\$56.06	\$12.00	27.2%	\$504.56
Retiree + NME Spouse + Child(ren)	6	\$783.53	\$789.53	\$6.00	0.8%	\$1,026.13
Retiree + NME Spouse + MAPD Child ¹		\$592.22	\$604.22	\$12.00	2.0%	\$1,075.28
Retiree + MAPD Spouse	1,564	\$44.06	\$56.06	\$12.00	27.2%	\$504.56
Retiree + MAPD Spouse + Child(ren)	20	\$324.04	\$336.04	\$12.00	3.7%	\$641.05
Retiree + MAPD Spouse + MAPD Child ¹		\$66.09	\$84.09	\$18.00	27.2%	\$756.84

¹Enrollment captured in other MAPD categories

Public School Employees (PSE)

2026 Rates – Actives

	2025 Subscribers	2025 Employee Contribution	2026 Employee Contribution	Employee Contribution Change (\$)	Employee Contribution Change (%)	Employer Subsidy
Premium						
Employee Only	10,774	\$201.96	\$201.96	\$0.00	0.0%	\$365.58
Employee + Spouse	419	\$706.92	\$706.92	\$0.00	0.0%	\$626.81
Employee + Child(ren)	2,497	\$457.28	\$457.28	\$0.00	0.0%	\$649.43
Family	742	\$779.68	\$779.68	\$0.00	0.0%	\$1,093.22
Classic						
Employee Only	14,451	\$88.38	\$88.38	\$0.00	0.0%	\$405.03
Employee + Spouse	1,779	\$347.76	\$347.76	\$0.00	0.0%	\$811.76
Employee + Child(ren)	6,483	\$209.30	\$209.30	\$0.00	0.0%	\$752.85
Family	3,735	\$391.88	\$391.88	\$0.00	0.0%	\$1,236.37
Basic						
Employee Only	5,089	\$43.24	\$43.24	\$0.00	0.0%	\$392.24
Employee + Spouse	316	\$241.58	\$241.58	\$0.00	0.0%	\$781.80
Employee + Child(ren)	926	\$140.02	\$140.02	\$0.00	0.0%	\$709.17
Family	568	\$262.12	\$262.12	\$0.00	0.0%	\$1,174.97

2026 Rates – Pre-65 Retirees

	2025 Subscribers	2025 Employee Contribution	2026 Employee Contribution	Employee Contribution Change (\$)	Employee Contribution Change (%)	Employer Subsidy
Premium						
Retiree Only	316	\$528.96	\$528.96	\$0.00	0.0%	\$492.62
Retiree + NME Spouse	10	\$1,246.62	\$1,246.62	\$0.00	0.0%	\$796.54
Retiree + Child(ren)	13	\$971.80	\$971.80	\$0.00	0.0%	\$435.72
Retiree + NME Spouse + Child(ren)	0	\$1,650.92	\$1,650.92	\$0.00	0.0%	\$778.17
Retiree + ME Spouse	80	\$696.78	\$702.78	\$6.00	0.9%	\$576.98
Retiree + ME Spouse + Child(ren)	3	\$1,139.64	\$1,145.64	\$6.00	0.5%	\$520.06
Retiree + MAPD Spouse	30	\$543.00	\$549.00	\$6.00	1.1%	\$672.89
Retiree + MAPD Spouse + Child(ren)	1	\$986.36	\$992.36	\$6.00	0.6%	\$615.47
Classic						
Retiree Only	2,019	\$252.18	\$252.18	\$0.00	0.0%	\$635.96
Retiree + NME Spouse	352	\$599.54	\$599.54	\$0.00	0.0%	\$1,176.73
Retiree + Child(ren)	79	\$460.78	\$460.78	\$0.00	0.0%	\$762.87
Retiree + NME Spouse + Child(ren)	57	\$759.94	\$759.94	\$0.00	0.0%	\$1,351.85
Basic						
Retiree Only	451	\$133.54	\$133.54	\$0.00	0.0%	\$650.33
Retiree + NME Spouse	80	\$334.40	\$334.40	\$0.00	0.0%	\$1,233.33
Retiree + Child(ren)	20	\$261.68	\$261.68	\$0.00	0.0%	\$818.31
Retiree + NME Spouse + Child(ren)	16	\$409.56	\$409.56	\$0.00	0.0%	\$1,454.30

2026 Rates – Post-65 Retirees

	2025 Subscribers	2025 Employee Contribution	2026 Employee Contribution	Employee Contribution Change (\$)	Employee Contribution Change (%)	Employer Subsidy
Primary (EBD Plan)						
Retiree Only	9,132	\$121.98	\$127.98	\$6.00	4.9%	\$130.20
Retiree + NME Spouse	77	\$765.18	\$771.18	\$6.00	0.8%	\$508.58
Retiree + Child(ren)	14	\$520.62	\$526.62	\$6.00	1.2%	\$117.50
Retiree + NME Spouse + Child(ren)	2	\$1,254.48	\$1,260.48	\$6.00	0.5%	\$405.21
Retiree + ME Spouse	865	\$298.10	\$310.10	\$12.00	4.0%	\$206.26
Retiree + ME Spouse + Child(ren)	2	\$737.06	\$749.06	\$12.00	1.6%	\$153.24
MAPD						
Retiree Only	6,003	\$14.03	\$20.03	\$6.00	42.8%	\$180.28
Retiree + NME Spouse	30	\$674.28	\$680.28	\$6.00	0.9%	\$541.61
Retiree + Child(ren)	6	\$372.22	\$378.22	\$6.00	1.6%	\$208.03
Retiree + MAPD Child ¹		\$28.06	\$40.06	\$12.00	42.8%	\$360.56
Retiree + NME Spouse + Child(ren)	1	\$1,107.06	\$1,113.06	\$6.00	0.5%	\$494.76
Retiree + NME Spouse + MAPD Child ¹		\$688.31	\$700.31	\$12.00	1.7%	\$721.89
Retiree + MAPD Spouse	562	\$28.06	\$40.06	\$12.00	42.8%	\$360.56
Retiree + MAPD Spouse + Child(ren)	2	\$440.84	\$452.84	\$12.00	2.7%	\$333.72
Retiree + MAPD Spouse + MAPD Child ¹		\$42.09	\$60.09	\$18.00	42.8%	\$540.84

¹Enrollment captured in other MAPD categories

Limitations

Paul Sakhrani and Greg Collins are Members of the American Academy of Actuaries and Fellows of the Society of Actuaries and meet the Qualification Standards of the American Academy of Actuaries to render actuarial opinion contained herein. To the best of our knowledge and belief, this analysis is complete and accurate and has been prepared in accordance with generally recognized and accepted actuarial principles and practices.

The assumptions used in the development of the 2026 rates relied on historical ASE and PSE medical and pharmacy claims from ABCBS, MedImpact and Navitus, respectively; funding and plan administration from EBD; historical ASE and PSE members by benefit plan, age/gender, and by month from EBD; 2024 and 2025 ASE and PSE benefit plan summaries from EBD; 2024 and 2025 fees and administrative expenses from EBD; conversations with EBD regarding the program, and actuarial judgment.

While we reviewed the ABCBS, MedImpact, Navitus, and EBD information for reasonableness, we have not audited or verified this data and other information. If the underlying data or information is inaccurate or incomplete, the results of our analysis may likewise be inaccurate or incomplete.

Expected outcomes are sensitive to the underlying assumptions used. Differences between our projections and actual amounts depend on the extent to which future experience conforms to the assumptions made for this analysis. It is certain that actual experience will not conform exactly to the assumptions used in this analysis. Actual amounts will differ from projected amounts to the extent that actual experience deviates from expected experience.

Any reader of this report should possess a certain level of expertise in areas relevant to this analysis to appreciate the significance of the assumptions and the impact of these assumptions on the illustrated results. The reader should also be advised by their own actuaries or other qualified professionals competent in the subject matter of this report, so as to properly interpret the material.

This presentation has been provided for the internal use of the management of the State of Arkansas Employee Benefits Division for setting the ASE and PSE rates for CY2026. The information contained in this presentation is confidential and proprietary. This information may not be appropriate for other uses and should not be distributed to or relied on by any other parties without Milliman's prior written consent. We do not intend this information to benefit any third party even if we permit the distribution of our work product to such third party. If this analysis is distributed internally or to a third party, we request that it be distributed in its entirety.



Thank you

Paul Sakhrani, FSA, MAAA

Greg Collins, FSA, MAAA

Appendices

Assumptions & Methodology

Assumptions - Trend

Division	Group	Medical Trend	Pharmacy Trend	Enrollment Trend
ASE	Active	6.0%	8.0%	0.5% for 2025, 0% thereafter
	Pre-65 Retirees	6.0%	8.0%	-7% for 2025, -2% thereafter
	Post-65 Retirees*	6.0%	8.0%	1.5% for 2025, 3% thereafter
PSE	Active	7.0%	8.0%	1.5% for 2025, 2% thereafter
	Pre-65 Retirees	7.0%	8.0%	2.5% for 2025, 2% thereafter
	Post-65 Retirees*	7.0%	8.0%	3.5% for 2025, 6% thereafter

*Post-65 Retirees enrolled in EBD's plan.

Assumptions & Methodology

Assumptions – Post-65 Retirees MAPD

Division	Year	Premium
ASE	2023	\$165.31
	2024	\$170.31
	2025	\$220.31
	2026	\$280.31
	2027 and beyond	6% increase per year
PSE	2023	\$85.31
	2024	\$90.31
	2025	\$140.31
	2026	\$200.31
	2027 and beyond	6% increase per year

	Post-65 Retiree Allocation			
	ASE		PSE	
Year	MAPD	Primary	MAPD	Primary
2023	64%	36%	43%	57%
2024	62%	38%	41%	59%
2025	62%	38%	40%	60%
2026	65%	35%	45%	55%
2027	68%	32%	50%	50%
2028	71%	29%	55%	45%
2029	74%	26%	60%	40%
2030	77%	23%	65%	35%

Assumptions & Methodology

Assumptions – Other

- Age/Gender
 - Age/Gender factor based on Milliman Health Cost Guidelines™
- Enrollment Projections
 - Actual enrollment utilized for April 2023 through May 2025
- Program Savings
 - Program savings offset as initiatives are reflected in the claims experience
- Plan Administration Expense
 - ASE - \$3.36 PMPM CY2025; \$3.64 PMPM CY2026
 - PSE - \$1.98 PMPM CY2025; \$1.94 PMPM CY2026
- Administration Fees include Health Advantage, UAMS, EAP (PSE), Navitus, and PCORI charges
- Wellness incentive program removed as of 2023
- Interest income yields a 4% return on assets in 2024, 3.5% in 2025, 3% in 2026, and 2.5% thereafter
- Minimum District Funding: \$161.87 in 2020, \$164.66 in 2021, and \$168.52 in 2022, \$300.00 in first half of 2023, \$234.50 starting in July 2023, \$320.00 starting in July 2025, \$0 in July 2026
- Department of Education funding: total \$142M, \$11.8M paid monthly through June 2026. Beginning in July 2026, the total funding amount is \$302M annually, \$25.2M paid monthly.

Assumptions & Methodology

Methodology

1. Summarized and blended two experience periods (EP) at a 25/75 weighting for fee-for service (FFS) medical and pharmacy claims. Medical claims are gross of withholds. Reports reflects the timing of when EBD is expected to pay the withhold.
 - EP 1: Incurred from April 1, 2023 to March 31, 2024 and paid April 1, 2023 to May 31, 2025
 - EP 2: Incurred from April 1, 2024 to March 31, 2025 and paid April 1, 2024 to May 31, 2025
2. Converted the paid and incurred claims to incurred claims using completion factors. This incorporates the incurred but not reported (IBNR) claim reserve.
3. Summarized and blended member months at a 25/75 weighting for experience periods 1 and 2.
4. Divided the summarized incurred claims by the appropriate member months to calculate PMPMs.
5. For 2023, utilized actual claims for January 2023 to December 2023.
6. For 2024, utilized actual claims for January 2024 to December 2024.
7. 2025-2030 projected the incurred claims PMPM from the midpoint of the experience period (e.g., EP 2: October 1, 2024) to the midpoint of the contract period (e.g., August 15, 2025).
8. Made adjustments for seasonality, benefit changes, and age/gender mix.
9. Accounted for rating period fees and administrative expenses.
10. Where applicable, converted incurred budget to paid budget based on historical payment patterns.

Budget Levers



**State and
School District
Funding**



**Employee/
Retiree
Contributions**



Plan Design



EBD Initiatives



Reserves

Guiding Principles & Vision Statement

Vision Statement

The Board will offer plan options that provide competitive value and health promotion in comparison to other states and consistently ensure that the plan is fully funded to maximize value and remain solvent



Plan
Performance is
Competitive



State Share of
Expense is
Competitive



Reserves are
Adequate to
Avoid Disruption



Offers Distinct
Plan Options



Employee
Contributions are
Affordable



Promotes
Wellbeing



Subsidy Splits
are Fair
(ASE/PSE,
Active/Ret,
Employee/Depen
dents)

Guiding Principles to Fulfill Vision Statement