

REPORT OF THE  
EMPLOYEE BENEFITS DIVISION OVERSIGHT SUBCOMMITTEE  
OF THE  
JOINT BUDGET COMMITTEE  
February 4, 2025

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Co-Chairs:

The Employee Benefits Division Oversight Subcommittee met on Tuesday, January 28, 2025, at 8:00 a.m., in Room MAC B.

The Subcommittee heard the Employee Benefits Division's request for ratification of the NAVITUS HEALTH SOLUTION, LLC, contract - presented by Grant Wallace, Director, EBD, Department of Transformation and Shared Services.

The Subcommittee reviewed the ratification contingent on Legislative Audit review.

The Subcommittee approved the contract amendment contingent on Legislative Audit review.

Respectfully submitted by Subcommittee Co-Chairs Senator Dan Sullivan and Representative Jon Milligan.

SUMMARY SCHEDULE OF STATE AGENCY CONTRACTS  
FOR ARKANSAS LEGISLATIVE COUNCIL REVIEW  
*Out-of-State Contracts*

**1. Agency:** Department of Transformation and Shared Services

**Contractor:** NAVITUS HEALTH SOLUTIONS LLC

**Location:** MADISON

**State:** WI

**Service Type:** Technical & General Services (TGS)

**Total Authorized:** \$11,512,800.00 **Org. Term:** 07/01/2023 12/31/2026 **Procurement:** RFP

**Total After Review:** \$33,512,800.00 **Funding:** Cash - 100%

**Total Projected:** \$26,863,200.00 **MOF:** **Contract Number:** 4600052301

<u>Org/Amt:</u>	<u>Amount</u>	<u>Paid To Date</u>	<u>Objective:</u>	<u>New Exp Date</u>
Amd. 3	22,000,000.00	11,455,488.27	Add funds for 2025-2026 and increase total projected cost for potential life of contract, 7/1/2023-6/30/2030	12/31/2026
Amd. 2	0.00	1,834,295.14	CLARIFYING TERMS AND OPERTIONAL CONDITIONS.	12/31/2026
Amd. 1	0.00	332,110.65	PHARMACY BENEFIT MANAGER REVISED SCOPE OF WORK LAYOUT.	12/31/2026
	11,512,800.00		PHARMACY BENEFIT MANAGER	



Department of Transformation and Shared Services  
Governor Sarah Huckabee Sanders  
Secretary Leslie Fiskien

January 22, 2025

The Arkansas Legislative Council  
Senator Ben Gilmore, Senate Co-Chair  
Representative Les D. Eaves, House Co-Chair  
Marty Garrity, Director, Bureau of Legislative Research

Subject: Ratification Request for Navitus PBM Contract 4600052301

Dear Senator Gilmore and Representative Eaves,

We request ratification of the pharmacy benefit manager contract and seek exemption from the standard contract suspension during this process.

On January 15, 2025, we determined that funds for the administrative fee for the initial contract term were exhausted. This occurred because:

1. Administrative fee allocations were used for pharmacy claim reimbursements due to a misunderstanding of the vendor payment process.
2. Our internal controls did not detect this misallocation in time to alert EBD.

We have not suspended the services due to the emergent nature of these services. We continue to cover the pharmaceutical claims during this time and urge a favorable review.

Sincerely,

A handwritten signature in black ink, appearing to read "Grant Wallace", with a large, sweeping flourish extending to the right.

Grant Wallace, Director  
Employee Benefits Division

cc: Leslie Fiskien, Secretary, Arkansas Department of Transformation and Shared Services