

AGENCY NAME:	South Carolina Public Employee Benefit Authority		
AGENCY CODE:	F500	SECTION:	105

**Fiscal Year 2015-16
Accountability Report**

SUBMISSION FORM

AGENCY MISSION	PEBA's mission is to provide competitive retirement and insurance benefit programs for South Carolina public employers, employees and retirees.
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AGENCY VISION	Serving those who serve South Carolina
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Please state yes or no if the agency has any major or minor (internal or external) recommendations that would allow the agency to operate more effectively and efficiently.

RESTRUCTURING RECOMMENDATIONS:	No
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Please identify your agency's preferred contacts for this year's accountability report.

	<i>Name</i>	<i>Phone</i>	<i>Email</i>
PRIMARY CONTACT:	Peggy G. Boykin, CPA	803.734.8117	pboykin@peba.sc.gov
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I have reviewed and approved the enclosed FY 2015-16 Accountability Report, which is complete and accurate to the extent of my knowledge.

AGENCY DIRECTOR (SIGN AND DATE):	
(TYPE/PRINT NAME):	Peggy G. Boykin, CPA

BOARD/CMSN CHAIR (SIGN AND DATE):	
(TYPE/PRINT NAME):	John A. Sowards

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AGENCY'S DISCUSSION AND ANALYSIS

By the close of fiscal year 2016, the South Carolina Public Employee Benefit Authority (PEBA) had undertaken myriad tasks that spanned the agency's scope and mission and better positioned PEBA to continue to meet its mission in fiscal year 2017 and beyond.

Promote financially sound PEBA programs

During the fiscal year, PEBA awarded contracts to vendors for pharmacy benefits management services. PEBA staff worked closely with Express Scripts to transition the State Health Plan from another pharmacy benefits manager with as little disruption to members as possible. The implementation and transition phases of the contract were completed for a January 1, 2016, launch date. PEBA staff continue to work and meet with Express Scripts staff regularly to manage the administration of benefits.

In fiscal year 2016, the agency implemented a referenced based pricing strategy for the State Health Plan for certain imaging, pathology and endoscopy services commonly performed in non-hospital settings to make pricing more comparable with those other settings and evaluated plan impact related to new strategy. We also implemented State Health Plan benefit design encouraging members to receive care at a network Patient-Centered Medical Home (PCMH) by waiving the \$12 office visit copay for Standard Plan members and reducing the member coinsurance to 10 percent from 20 percent for Standard and Savings Plan members.

One challenge PEBA faces is the funding of the defined benefit retirement plans it manages. Due to stagnant, down-turned investment markets, the public pension trust funds have not met the assumed rate of investment return for the second consecutive year. Projections are for continued less than expected returns for the next five years. The South Carolina Retirement System Investment Commission, which is responsible for the investment and management of the pension trust funds, will be involved with PEBA in upcoming public hearings being held by a joint subcommittee of the South Carolina General Assembly.

Improve health outcomes and promote retirement awareness

As part of its management of the state's employee insurance programs and retirement plans, PEBA contracts with vendors to provide administrative and claims processing, health management, auditing, actuarial, recordkeeping and administration and defined contribution plan investment program services on behalf of the agency's customers. Likewise, contracts are maintained for insured products and services. In fiscal year 2016, the agency issued requests for proposals for behavioral health management services and the third-party administration of the health benefits plan.

The State Health Plan administrative services contract was due for renewal in fiscal year 2016 and staff took the opportunity to include additional requirements for vendors in the RFP issued during the fiscal year. PEBA staff continue to review processes and resources, and make recommendations for additional components to upcoming RFPs. The agency is ensuring that the RFPs and ensuing contracts result in increased collaboration with and accountability from vendors.

Through our PEBA Perks initiative, the agency promoted several value-based benefits available at no cost to State Health Plan primary members throughout the year including diabetes education, preventive screenings, colonoscopies, adult vaccines, flu vaccines, the No-Pay Copay program and tobacco cessation.

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- A goal was set to increase the unique count of members participating in a tobacco cessation program or utilizing tobacco cessation prescription drugs by 5 percent by the end of 2016. As of June 2016, 1,237 unique members are participating in a program or utilizing a prescription drug. Compared to the same period last year, this represents a 50.1 percent increase.
- A goal was set to increase participation in the No-Pay Copay to at least 7 percent of the eligible population. As of June 2016, 9,662 members are participating in the program, which represents 8.4 percent of the eligible population.
- The flu vaccine was offered at no cost to members beginning July 2015. During the first year, 96,575 State Health Plan members (adults and children) received the flu vaccine. This represents 20.5 percent of the State Health Plan population.

PEBA made additional progress in fiscal year 2016 toward increasing retirement awareness among its members through the addition of seminars, presentations, videos and flyers. Our *Be aware and prepare* series launched in Spring 2016 and is designed to provide members with information that can help them make smart decisions about their financial future. This four-part series includes information on creating a budget; setting financial goals and building a financial safety net; saving for your future; and investing for your future. Additionally, the agency has always provided a retirement planning seminar for members who are a few years away from retirement eligibility. In fiscal year 2016, we created an early- to mid-career seminar for those members who are still years away from retirement to explain what they need to consider now and how to take action now to help ensure a secure financial future.

Enhance the customer experience for members and employers

As part of its focus on continual improvement in customer service, and to provide a single point of service for customers, PEBA launched a new public website that supplanted the agency’s three, disparate websites. Agency staff developed and implemented the consolidated website, which continues to be maintained in-house. Elimination of one of the three previous sites also saved the agency more than \$300,000 annually in outside contractor costs.

PEBA’s vision is to serve those who serve South Carolina and the agency does this by focusing efforts in areas that will provide the best service to the customer. In fiscal year 2016, the agency launched additional efforts to educate employers and members on a variety of topics. The Employer Services Department, created in fiscal year 2015, launched its Employer Advisory Group meetings, held regularly at PEBA’s office in Columbia. PEBA extends invitations to all employers through its weekly employer e-newsletter, *PEBA Update*. Staff from other departments, such as Communications, and Health and Wellness, attend the meetings to provide updates to and receive feedback from the employers. The meetings are well received and have resulted in a number of improvements to PEBA’s operational processes and communications tools.

A tenet central to PEBA’s mission is to provide information and education to the employers and members whose benefits the agency administers. PEBA’s Communications team works closely and collaboratively with other agency departments and external contractors to continually hone messages and campaigns to ensure that our customers have information available at all times. In addition to the new website, PEBA launched its YouTube channel, PEBA TV, in fiscal year 2016. PEBA TV features a variety of animated and filmed videos and presentations about the benefits the agency sponsors. PEBA produces the content in-house, which provides significant cost savings compared to using outside contractors for production.

Also launched in fiscal year 2016 was the PEBA Health Hub, a collaboration with BlueCross BlueShield of South Carolina, which provides a host of turnkey information toolkits on a dedicated website for employers to simply

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download and share with employees. The Health Hub features a wide variety of topics and includes information about targeted and promotional programs. PEBA also launched health and wellness text messaging through BlueCross. Many of the messages and the content of promotional campaigns and informational deliverables focus on ways to live healthier lives, which include tools and programs for helping members do so, and on the prudent use of the health plan’s resources, which includes educational efforts to ensure members know the plan is self-funded and how they can help keep costs low for themselves and their employers.

PEBA developed a customized report for each employer that provides a better understanding of the health of their active employees and their dependents at the group level. The report is intended for the executive team and benefits administrator to use to identify areas of opportunity to improve member health outcomes for their population. The first Employer Group Report, along with other information about resources available to members, was sent to the executive-level contact and primary benefits administrator in May 2016. The report will be distributed annually via email to participating employer groups each May.

In fiscal year 2016, the agency also issued a request for proposals for a single investment consultant for the State Optional Retirement Program (State ORP) and the Deferred Compensation Program. PEBA also issued new contracts with four State ORP vendors to accommodate implementation of industry best practices features into the program. Among these were the elimination of revenue-sharing investment options, which resulted in a more transparent fee structure for participants.

Responsibly manage risk to the organization

PEBA’s responsibility and commitment to safeguarding the information with which it has been entrusted took another step forward with the hiring of a risk management and compliance director. This director monitors the agency’s policies and programs for compliance issues, working closely with each department to identify gaps in policies and manages compliance priorities for the agency. He also is responsible for developing and managing an overall risk management framework including developing an incident response plan for the agency, conducting risk assessments for the agency, working with the Information Technology Department on security and privacy initiatives, as well as evaluating third party vendors.

To comply with the State Information Security Policies, the agency developed its first, formal business continuity plan that defines actions to be taken during a disaster that interferes with PEBA’s ability to conduct business and resources needed to run critical business processes. The plan was approved by the PEBA Board of Directors and staff will be trained on their roles during fall 2016. The plan will be reviewed, tested and updated on an annual basis.

Maintain a workforce and work environment conducive to achievement of agency goals and objectives

In fiscal year 2016, the agency hired its first training director, a role identified the prior year as being critical to the agency’s ongoing success. The new training director began securing outside presenters and conducting his own in-house seminars for staff, producing learning modules about the Characteristics of High Performance PEBA adopted in fiscal year 2015 and developing the agency’s new hire onboarding program and deliverables. PEBA’s leadership team continued holding town-hall style meetings with all employees to both keep staff apprised of issues and activities, and to garner feedback. PEBA developed a formal survey to gauge employee satisfaction with the meetings. The survey launched after the end of the fiscal year.

Improve internal efficiencies through new system implementation

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One of the most significant operational challenges the agency faces is the pending replacement of its legacy information systems. PEBA’s current core operational systems were built in the early 1990s on a then-current Adabas/Natural technology foundation; a 15-20 year system life was expected. A three-phase operational assessment was completed in fiscal year 2016. The scope of the assessment included reviewing current processes and highlighting issues and non-standard industry operations; defining a future state operating model leveraging best practices; analyzing the current architecture and technology platform; recommending the best approach to reduce risk and achieve the future state; researching the benefit solution market and available PEBA options; and formulating a recommended planning roadmap, documenting required activity, costs and resources. Recommendations were made following the assessment and staff are working to finalize a roadmap for completion of the project that will occur over the next five years.

Risk assessment and mitigation strategies

PEBA currently has custom written information technology systems that cover critical operational functions such as paying monthly retirement benefits and collecting monetary contributions to fund retirement benefits and health care payments. PEBA’s current IT systems are written in a dying language. Additionally, 45 percent of our workforce will be eligible to retire within the next five years. Staff eligible to retire includes critical IT system programmers and critical business subject matter experts. If PEBA does not complete the replacement of the legacy information systems prior to the retirement of those key individuals, does not recruit and train new employees to become new subject matter experts or does not implement the new system in a timely manner, the core functions of PEBA will be at risk.

PEBA covers approximately 10 percent of the state’s population through its retirement and insurance programs. More than 150,000 members receive a monthly retirement benefit from PEBA, and more than 450,000 members are covered by the State Health Plan. A disruption in services for either one of these populations would affect the members themselves as well as the local economies.

The process to implement a new technology system will take at least five years and will cost approximately \$50 million. The General Assembly can help PEBA mitigate these operational IT risks by funding PEBA’s authorization requests for the new system.

Another major risk to PEBA programs is the increasing cost of health care and retirement. Health care costs as a whole are continually increasing. PEBA manages its cost with the goal of being below the national trend in health care expenses. However, even with prudent program management, health care costs continue to increase. Retirement costs have continued to increase due to demographics such as increased mortality as well as investment performance less than the assumed rate of return of 7.5 percent. The General Assembly has already created a joint Committee to review the Retirement Systems.

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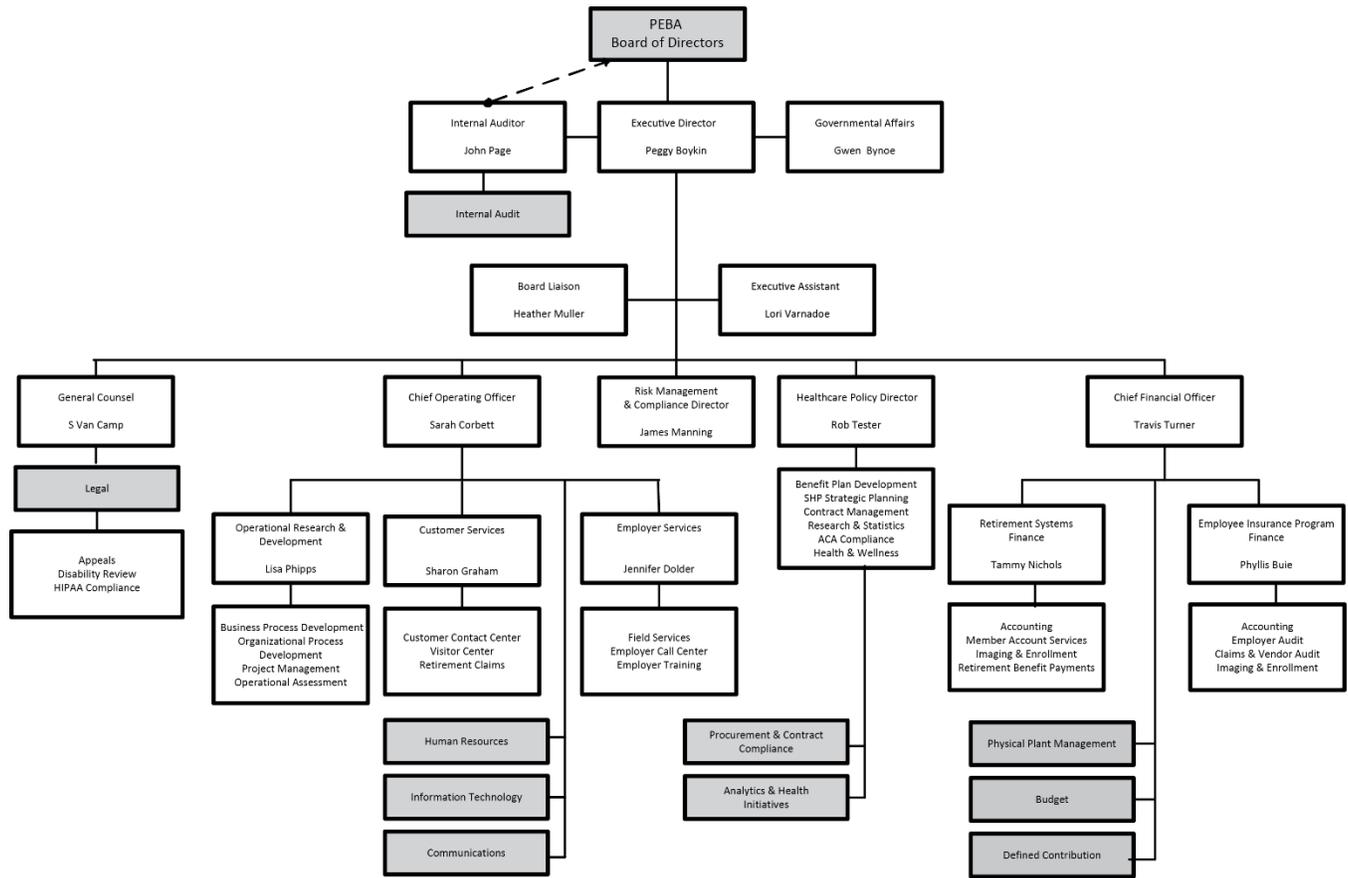
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Organization chart



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Strategic Planning Template

Type	Goal	Item # Strat	Object	Associated Enterprise Objective	Description
G	1			Maintaining Safety, Integrity and Security	Promote financially sound PEBA programs
S		1.1			Provide the legislature with information to properly determine contributions and funding to ensure long-term viability of benefit programs
O			1.1.1		Communicate results of experience study and required contribution rate increases for retirement systems
O			1.1.2		Communicate the proposed budget requirements for both the State Health Plan and Basic Dental Plan for the 2018 plan year
O			1.1.3		Conduct an independent actuarial audit one year after the next scheduled experience study
S		1.2			Research best practices, and recommend and implement health plan design changes
O			1.2.1		Develop strategies to address specialty pharmacy spend and to better manage specialty pharmacy sector; work collaboratively with pharmacy and medical contractors
O			1.2.2		Continue financial analysis of MUSC Health Plan pilot performance and work collaboratively with MUSC on plan management
O			1.2.3		Complete a review of the major cost drivers of the State Health Plan and develop methods for improvement
O			1.2.4		Evaluate Patient-Centered Medical Home initiative's effectiveness, provider accessibility and member participation; continue to evaluate PCMH cost effectiveness
O			1.2.5		Continue to evaluate new opportunities for reference based pricing strategies and continue a phased-in approach to implement current reference-based pricing
G	2			Healthy and Safe Families	Improve health outcomes and promote retirement awareness
S		2.1			Promote member engagement with both retirement and insurance programs to ensure members understand benefit options and can make educated decisions and take personal responsibility regarding health and retirement
O			2.1.1		Reach 40 percent of State Health Plan active employees through employer participation in PEBA Health Hub
O			2.1.2		Increase unique count of members participating in tobacco cessation program or utilizing tobacco cessation prescription drugs by 5 percent
O			2.1.3		Increase rate of State Health Plan members current with colorectal cancer screening by 1.5 percentage points
O			2.1.4		Achieve 10,000 interactions with members and employers to promote retirement awareness through the following channels- online resources, seminars, Customer Contact Center, and increasing active accounts for deferred compensation
O			2.1.5		Require worksite screening providers to electronically provide biometric data to the plan

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Type	Goal	Item # Strat	Object	Associated Enterprise Objective	Description
O			2.1.6		Implement Rally, a new digital platform to help members get and stay healthy through personalized challenges, rewards and content
O			2.1.7		Develop and execute marketing plans and goals for MoneyPlus/cafeteria plan
O			2.1.8		Engage employers to host worksite or regional preventive screenings using participating PEBA screening providers and collaborate with employers using their own screening provider to potentially share biometric data
O			2.1.9		Develop a "navigating your benefits" series to provide members with easy-to-use information about their insurance and retirement benefits
O			2.1.10		Target and engage executive management of our employers in managing the health of their employees and provide ready-to-use resources to promote benefits available to State Health Plan members
G	3			Government and Citizens	Enhance the customer service experience for members and employers
S		3.1			Implement cost effective integrated systems and processes that are intuitive, practical and provide value for members and employers
O			3.1.1		Implement an updated call management system
O			3.1.2		Evaluate demand for additional regional services and/or offices
O			3.1.3		Implement the Business Transformation Project for the South Carolina Deferred Compensation Program
O			3.1.4		Complete requirements for new Governmental Accounting Standards Board other post-employment benefits (OPEB) standards (GASB 74)
O			3.1.5		Implement data sharing between PEBA and the third-party record keepers for the State Optional Retirement Program and Deferred Compensation Program in order to simplify enrollment and claims processes for members and employers
O			3.1.6		Complete requirements for new Governmental Accounting Standards Board other post-employment benefits (OPEB) standards (GASB 75)
G	4			Maintaining Safety, Integrity and Security	Responsibly manage risk to the organization
S		4.1			Implement enterprise risk management to ensure compliance with internal and external policies, procedures and reporting requirements
O			4.1.1		Develop a risk management framework
O			4.1.2		Incorporate risk identification and measures into the change management program for the agency
O			4.1.3		Develop a plan to communicate high-risk changes and the associated plan for controls, transfer or acceptance of risk
O			4.1.4		Complete an agency risk assessment

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Strategic Planning Template

Type	Goal	Item # Strat	Object	Associated Enterprise Objective	Description
O			4.1.5		Document agency compliance requirements and responsibilities
O			4.1.6		Develop a risk action plan with associated controls, risk acceptance or risk transfer in association with business leaders for existing high-risk processes
S		4.2		Create a culture of risk awareness through the development, implementation and maintenance of an Enterprise Risk Management (ERM) program	
O			4.2.1		Develop a strategy to assess risks associated with third-party vendors
O			4.2.2		Document the identified risks associated with third-party vendors, including financial impacts associated with risks
O			4.2.3		Develop a risk plan that documents the mitigating controls, transfer or acceptance of identified risks for third-party vendors
O			4.2.4		Document a strategy for ongoing evaluations
S		4.3		Ensure information technology resources are utilized to implement continuing security	
O			4.3.1		Develop an ongoing program to review policies and compliance with the policies
O			4.3.2		Evaluate the need for cyber insurance
G	5			Maintain a workforce and work environment conducive to achievement of agency goals and objectives	
S		5.1		Ensure a consistent, viable talent pool that adapts effectively and fulfills business needs for the present and future	
O			5.1.1		Conduct bi-annual employee satisfaction and engagement survey
O			5.1.2		Map succession needs and actions (positions, retirement eligibility)
O			5.1.3		Benchmark and assess turnover rate and absenteeism
S		5.2		Develop and maintain effective training and development programming	
O			5.2.1		Ensure each operational area has up-to-date written policies and procedures, as well as specific training to be used in cross-training and on-the-job training
O			5.2.2		Implement Phase I of onboarding process (includes new employee education of immediate compliance and awareness issues)
O			5.2.3		Assess, identify and deliver employee and organizational training and development opportunities
O			5.2.4		Implement Phase II of onboarding process (includes expansion of education on agency functions and operations)
O			5.2.5		Develop and deliver "The PEBA Way" training for all employees
S		5.3		Foster an agency culture driven by high performance	
O			5.3.1		Develop and deliver monthly high performance characteristics training
O			5.3.2		Research the utilization of bonuses
S		5.4		Ensure a safe, secure and functional physical working environment	

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Strategic Planning Template

Type	Goal	Item # Strat	Object	Associated Enterprise Objective	Description
O			5.4.1		Execute a long-term facilities plan to include updates to the physical property
G	6			Government and Citizens	Improve internal efficiencies through new system implementation
S		6.1			Conduct and maintain multi-phase initiatives to generate system and operational changes to
O			6.1.1		Define, develop, release RFP and award contract for client support services
O			6.1.2		Define, develop, release RFP to procure new benefits administration system
O			6.1.3		Define, develop, release RFP and award contract to data migration vendor
O			6.1.4		Award contract to vendor for new system implementation
O			6.1.5		Identify and collaborate with business units to implement process improvements specific to data integrity and operational efficiencies prior to new system implementation

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Performance Measurement Template

Item	Performance Measure	Target Value	Actual Value	Future Target Value	Time Applicable	Data Source and Availability	Calculation Method	Associated Objective(s)
1	Call Center Wait Times- Insurance and Retirement	< 1 min. 45 sec.	2 minutes 33 seconds	< 1 min. 45 sec.	Fiscal Year	CMS, daily	Number of minutes and seconds between the time a call enters the call center queue and the time the call is answered	3.1.1
2	Visitor Wait Time- Insurance	< 15 minutes	6 minutes	< 15 minutes	Fiscal Year	UNIX, daily	Number of minutes between the time a visitor signs in at reception and the time the visitor meets with a counselor	3.1.2
3	Visitor Wait Time- Retirement	< 15 minutes	8 minutes	< 15 minutes	Fiscal Year	UNIX, daily	Number of minutes between the time a visitor signs in at reception and the time the visitor meets with a counselor	3.1.2
4	Call Center Customer Satisfaction Survey Results- Insurance and Retirement	> 95%	98.90%	> 95%	Fiscal Year	Survey Box (Voicemail System), monthly	Percentage of respondents to the Call Center Post-Call Satisfaction Survey who gave a response of "satisfied"	3.1.1
5	Visitor Customer Satisfaction Survey Results- Insurance and Retirement	> 95%	99.07%	> 95%	Fiscal Year	ZIP SURVEY, daily	Percentage of respondents to the Visitors Center Post-Counseling Satisfaction Survey who gave a response of "satisfied"	3.1.2
6	Retirement Benefits Member Access Users	95,052	128,273	>128,273	June 30	ADABAS file for Member Access account holders, daily	Total number of existing active accounts in the Member Access system	4.3.2
7	IT System Availability- Percent Available	99%	99.85%	99%	Fiscal Year	Illient, daily	Hours recorded downtime divided by hours available	4.3.2
8	Percentage of IT Helpdesk Calls Resolved Within 24-hour Business Cycle	90%	91.50%	90%	Fiscal Year	Illient, daily	1 minus the # of help desk calls taking more than 24 hours to resolve divided by total help desk calls	4.3.2
9	State Health Plan expenditure growth per subscriber	7.00%	4.10%	at least two percentage points below the five year average	Calendar year	SHP specific weighted value from 2016 Segal Health Plan Cost Trend Survey	Average claims dollars per member (includes employee and dependents) increase current year compared to previous year	1.2.3

10	State Health Plan actuarial value ratio (AVR)	79.02	80.2	equal to or higher than the benchmark of the average of bordering peer plans (FL, GA, NC, and TN)	Calendar year	Benefit design for each plan applied to CMS Actuarial Calculator	Portion the plan pays of the total allowable amount taking into account patient cost-sharing elements such as deductible, coinsurance and copayments	1.2.3
11	State Health Plan actuarial value ratio (AVR)	73.758	80.2	equal to or higher than the benchmark of the average of the southeast regional states	Calendar year	Benefit design for each plan applied to CMS Actuarial Calculator	Portion the plan pays of the total allowable amount taking into account patient cost-sharing elements such as deductible, coinsurance and copayments	1.2.3
12	State Health Plan net expenditure to revenue loss ratio	<= 1.0	0.965	less than or equal to 1.0	Calendar year	SHP revenue and claims data	Plan expenses as compared to Plan revenue	1.2.5
13	Cumulative cash balance of self-funded health plan reserves	>=140%	186%	at least 140 percent of current estimated outstanding liability	Calendar year	SHP revenue and claims data	the amount of cash reserves available for claims payment and for any unexpected claims fluctuation	1.2.5
14	State Health Plan average employer monthly composite premium	\$661.20	\$510.60	at or below the southeast regional state average for the employer	Calendar year	PEBA's annual <i>50 State Survey</i>	Composite premium is calculated based on current enrollment by coverage tier and premium for coverage tier	1.2.3
15	State Health Plan average enrollee monthly composite premium	\$174.80	\$159.51	at or below the southeast regional state average for the enrollee	Calendar year	PEBA's annual <i>50 State Survey</i>	Composite premium is calculated based on current enrollment by coverage tier and premium for coverage tier	1.2.3
16	State Health Plan average total monthly composite premium	\$830.00	\$670.11	at or below the southeast regional state average for total premium	Calendar year	PEBA's annual <i>50 State Survey</i>	Composite premium is calculated based on current enrollment by coverage tier and premium for coverage tier	1.2.3
17	Maintain overall patient health risk score for non-Medicare primary adult State Health Plan members that is adjusted for demographics	1.5148	1.4665	< = 1.5148	Calendar year	SHP eligibility and claims data	Third-party tool that calculates a prospective risk score based on health care consumption and demographics	2.1.1 through 2.1.3; 2.1.6 through 2.1.10
18	Trust: members feel the State Health Plan is a plan they can trust	8	8.3	at least 8 out of 10 where 1 means strongly disagrees and 10 means strongly agree	Calendar year	Annual BCBS Consumer Brand Index Survey	Sum of responses divided by the number of questions	2.1.1 through 2.1.3; 2.1.6 through 2.1.10

19	Likelihood to recommend: how likely members are to recommend the State Health Plan to family and friends	8	8.3	at least 8 out of 10 where 1 means very unlikely and 10 means very likely	Calendar year	Annual BCBS Consumer Brand Index Survey	Sum of responses divided by the number of questions	2.1.1 through 2.1.3; 2.1.6 through 2.1.10
20	State Health Plan medical Third Party Administrator customer satisfaction	4.5	4.5	>= 4.5 where 1 means very dissatisfied and 5 means very satisfied	Calendar year	BCBSSC State Health Plan after-call survey	Sum of responses divided by the number of questions	2.1.1 through 2.1.3; 2.1.6 through 2.1.10
21	Deferred Compensation Third Party Administrator customer satisfaction	4.5	4.68	>= 4.5 where 1 means very dissatisfied and 5 means very satisfied	Calendar year	Empower Client Services Survey	Sum of responses divided by the number of questions	3.1.3

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Program Template

Program/Title	Purpose	FY 2015-16 Expenditures (Actual)				FY 2016-17 Expenditures (Projected)				Associated Objective(s)
		General	Other	Federal	TOTAL	General	Other	Federal	TOTAL	
Restricted Funds:					\$ -				\$ -	
I. Administration	To provide executive leadership to the Employee Insurance Program and Retirement Systems		\$ 1,078,841		\$ 1,078,841		\$ 289,290		\$ 289,290	4.1.1 through 4.3.2
II. A. Employee Insurance Program	To provide cost effective insurance benefits to employees and retirees of public sector employers in South Carolina to include health, dental, life, long term care and flexible spending accounts. Includes adoption assistance		\$ 8,682,463		\$ 8,682,463		\$ 11,963,739		\$ 11,963,739	1..1.1 through 1.2.5; 2.1.1 through 2.1.10; 3.1.1 through 3.1.6; 6.1.1 through 6.1.5
II. B. Retirement Systems	To administer a comprehensive program of retirement benefits responsive to the needs of public employees and to perform fiduciary duties as stewards of the contributions and distributions of the pension trust funds.		\$ 11,822,503		\$ 11,822,503		\$ 14,499,583		\$ 14,499,583	1..1.1 through 1.2.5; 2.1.1 through 2.1.10; 3.1.1 through 3.1.6; 6.1.1 through 6.1.5
III. Employee Benefits	To increase the economic security of agency staff and improve worker retention		\$ 4,844,309		\$ 4,844,309		\$ 5,277,479		\$ 5,277,479	5.1.1 through 5.4.1
					\$ -				\$ -	
Total Restricted Funds			\$ 26,428,116		\$ 26,428,116		\$ 32,030,091		\$ 32,030,091	
					\$ -				\$ -	
General Funds	Employer Contribution pass-throughs	\$ 7,417,719			\$ 7,417,719	\$ 7,495,020			\$ 7,495,020	
					\$ -				\$ -	
Agency Total					\$ 33,845,835				\$ 39,525,111	

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Legal Standards Template

Item #	Law Number	Jurisdiction	Type of Law	Statutory Requirement and/or Authority Granted	Associated Program(s)
1	S.C. Const. art. X, § 16	State	Statute	Requires funding of the state retirement systems on a sound actuarial basis and establishes that retirement funds must be held for the exclusive benefit of members	Retirement Systems
2	Title 1, Chapter 11, Article 5 of the South Carolina Code of Laws (S.C. Code Ann. §§ 1-11-703 to 1-11-780)	State	Statute	Provides for the administration of the state's employee insurance benefit plans by PEBA	Employee Insurance Program
a	S.C. Code Ann. § 1-11-705	State	Statute	Establishes PEBA's responsibilities as trustee and administrator of the Retiree Health Insurance Trust Fund	Administration
b	S.C. Code Ann. § 1-11-707	State	Statute	Establishes PEBA's responsibilities as trustee and administrator of the Long Term Disability Insurance Trust Fund	Administration
c	S.C. Code Ann. § 1-11-710	State	Statute	Provides for PEBA's responsibilities in adopting and administering the state's employee insurance benefit plans	Administration
3	Title 8, Chapter 23 of the South Carolina Code of Laws (S.C. Code Ann. §§ 8-23-10 to 8-23-110)	State	Statute	Provides for the administration of the state's Deferred Compensation Program	Administration
a	S.C. Code Ann. § 8-23-20	State	Statute	Establishes PEBA's responsibilities in implementing and administering the Deferred Compensation Program	Administration
4	Title 9, Chapter 1 of the South Carolina Code of Laws (S.C. Code Ann. §§ 9-1-10 to 9-1-2210)	State	Statute	Provides for the administration of the South Carolina Retirement System (SCRS)	Administration
a	S.C. Code Ann. § 9-1-210	State	Statute	Provides that PEBA is responsible for the administration and operation of SCRS	Administration
b	S.C. Code Ann. § 9-1-1310	State	Statute	Names PEBA as co-trustees of the state's retirement systems	Retirement Systems
5	S.C. Code Ann. § 9-2-20	State	Statute	Requires PEBA to appoint the members of the South Carolina Retirement and Preretirement Advisory Panel (RPAP)	Retirement Systems
6	Title 9, Chapter 3 and Chapter 5 of the South Carolina Code of Laws (S.C. Code Ann. §§ 9-3-10 to 9-3-580 and 9-5-10 to 9-5-500)	State	Statute	Designates the South Carolina Retirement System and its Director as the state agency responsible for administering the state's agreement for Social Security coverage of its public employees	Administration
7	Title 9, Chapter 4 of the South Carolina Code of Laws (S.C. Code Ann. §§ 9-4-10 to 9-4-50)	State	Statute	Creates and establishes the responsibilities of PEBA	Administration

a	S.C. Code Ann. § 9-4-10	State	Statute	Establishes PEBA, sets the membership and qualifications of the PEBA Board of Directors, and provides for PEBA's responsibility for the administration of the former Employee Insurance Program and Retirement Division of the Budget and Control Board	Administration
8	Title 9, Chapter 8 of the South Carolina Code of Laws (S.C. Code Ann. §§ 9-8-10 to 9-8-270)	State	Statute	Provides for the administration of the Retirement System for Judges and Solicitors of the State of South Carolina (JSRS)	Administration
a	S.C. Code Ann. § 9-8-30	State	Statute	Provides that PEBA is responsible for the administration and operation of JSRS	Administration
9	Title 9, Chapter 9 of the South Carolina Code of Laws (S.C. Code Ann. §§ 9-9-5 to 9-9-260)	State	Statute	Provides for the administration of the Retirement System for Members of the General Assembly of the State of South Carolina (GARS)	Administration
a	S.C. Code Ann. § 9-9-30	State	Statute	Provides that PEBA is responsible for the administration and operation of GARS	Administration
10	Title 9, Chapter 10 of the South Carolina Code of Laws (S.C. Code Ann. §§ 9-10-10 to 9-10-80)	State	Statute	Provides for the administration of the National Guard Retirement System (SCNG Plan)	Administration
a	S.C. Code Ann. § 9-10-20	State	Statute	Provides that PEBA is responsible for the administration and operation of the SCNG Plan	Administration
11	Title 9, Chapter 11 of the South Carolina Code of Laws (S.C. Code Ann. §§ 9-11-10 to 9-11-525)	State	Statute	Provides for the administration of the South Carolina Police Officers' Retirement System (PORS)	Administration
a	S.C. Code Ann. § 9-11-30	State	Statute	Provides that PEBA is responsible for the administration and operation of PORS	Administration
12	Title 9, Chapter 12 of the South Carolina Code of Laws (S.C. Code Ann. §§ 9-12-10 to 9-12-120)	State	Statute	Provides for the administration of qualified excess benefits arrangements (QEBA's)	Administration
13	Portions of Title 9, Chapter 16 of the South Carolina Code of Laws (S.C. Code Ann. §§ 9-16-10, 9-16-20, 9-16-40, 9-16-60, 9-16-70, 9-16-80)	State	Statute	Sets out certain responsibilities for PEBA as trustee of the assets of the state's retirement systems	Retirement Systems
a	S.C. Code Ann. § 9-16-20	State	Statute	Designates the PEBA Board as trustees of the retirement systems' investment group trust	Retirement Systems
14	S.C. Code Ann. § 9-16-335	State	Statute	Sets the assumed rate of return of the investments of the retirement systems' assets to be used in the valuation of the systems	Retirement Systems
15	Title 9, Chapter 18 of the South Carolina Code of Laws (S.C. Code Ann. §§ 9-18-10 to 9-18-100)	State	Statute	Provides for the administration of qualified domestic relations orders (QDROs) related to members' benefits under the state's retirement systems	Administration

16	Title 9, Chapter 20 of the South Carolina Code of Laws (S.C. Code Ann. §§ 9-20-10 to 9-20-60)	State	Statute	Provides for the administration of the State Optional Retirement Program (ORP)	Administration
a	S.C. Code Ann. § 9-20-30	State	Statute	Provides that PEBA is responsible for the administration of the ORP	Administration
17	Title 9, Chapter 21 of the South Carolina Code of Laws (S.C. Code Ann. §§ 9-21-10 to 9-21-70)	State	Statute	Establishes the South Carolina Retirement Systems Claims Procedures Act for the resolution of claims involving the administration of the retirement systems	Retirement Systems
18	2016-2017 Appropriations Act, Part IB Proviso 106.2	State	Proviso	Directs the use of appropriated funds for SCRS and PORS contribution rate increases	Retirement Systems
19	2016-2017 Appropriations Act, Part IB Provisos 108.1 to 108.10	State	Proviso	Sets out several provisos related to the employee benefit plans administered by PEBA, including provisions related to premium increases for the State Health Plan, certain coverage requirements for the State Health Plan, funding for the SCNG Plan, and transfers between SCRS and ORP accounts.	Employee Insurance Program
20	Federal tax law related to qualified governmental retirement plans	Federal	Statute	PEBA must ensure that the governmental defined contribution and defined benefit retirement plans it administers comply with the applicable provisions of the Internal Revenue Code and related Treasury regulations to maintain the tax-deferred nature of the plans	Retirement Systems
		Federal	Regulation		Retirement Systems
21	Federal law related to operation of governmental health insurance plans	Federal	Statute	PEBA must ensure that its administration of the state's health insurance plans complies with the applicable provisions of federal law related to insurance plans, including, but not limited to, HIPAA, COBRA, ACA, Medicare statutes and regulations, GINA, and the Mental Health Parity Act, among others	Administration
		Federal	Regulation		Administration
22	State statutes and regulations that generally apply to the operations of state agencies	State	Statute	As a state agency, PEBA is subject to the provisions of state statutes and regulations that generally apply to the operations of all state agencies, including, but not limited to, the South Carolina Administrative Procedures Act, the South Carolina Freedom of Information Act, the South Carolina Consolidated Procurement Code and regulations, and the State Ethics Act, among others	Administration
		State	Regulation		Administration
23	Federal and State laws and regulations applicable to PEBA as an employer	Federal	Statute	As an employer, PEBA is subject to various federal and state laws and regulations that apply to employers, including, but not limited to, federal employment laws like the ADA, ADEA, USERRA, and FMLA, as well as state human resources statutes and regulations. Some of these laws, like USERRA and FMLA, also have implications for PEBA's administration of the employee benefit plans.	Administration
		Federal	Regulation		Administration
		State	Statute		Administration
		State	Regulation		Administration

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Divisions or Major Programs	Description	Service/Product Provided to Customers	Customer Segments	Specify only for the following Segments: (1) Industry: Name; (2) Professional Organization: Name; (3) Public: Demographics.
Administration and Operations	Provides oversight of internal operations and administrative functions to include customer service, employer services, information technology and human resources; directs operational research and development, as well as the development and implementation of agency strategic plans		Executive Branch/State Agencies	
			Legislative Branch	
			Judicial Branch	
			Local Govts.	
			School Districts	
Financial	Directs the financial activity and financial reporting of the retirement plans and insurance benefits offered to public employees Directs the financial activity and financial reporting of the retirement plans and insurance benefits offered to public employees Directs the financial activity and reporting of the retirement plans and insurance benefits offered to public employees; provides oversight to the financial operations of insurance benefits and Other Post-employment Benefits trust funds, five defined benefit plans, one defined contribution plan and the South Carolina Deferred Compensation Program		Executive Branch/State Agencies	
			Legislative Branch	
			Judicial Branch	
			Local Govts.	
			School Districts	
Health Care Policy	Directs contract and plan compliance to offer the most cost effective options while providing maximum benefit within regulatory requirements; oversees the research, analysis and pricing of the State Health Plan		Executive Branch/State Agencies	
			Legislative Branch	
			Judicial Branch	
			Local Govts.	
			School Districts	
Risk Management and Compliance	Monitors the agency's policies and programs for compliance issues; develops and manages an overall risk management framework and incident response plans		Executive Branch/State Agencies	

		Legislative Branch
		Judicial Branch
		Local Govts.
		School Districts
Governmental Affairs	Provides research and assistance to legislative staff in the provision of retirement and health benefits, both in the service of constituents and relative to the statutes and regulations that govern our agency	Legislative Branch
Legal	Provides consultation to agency leadership and staff concerning the operation and compliance of governmental employee retirement and insurance benefit plans; represents the agency in matters at the administrative, trial and appellate levels and coordinates associated outside legal counsel	Executive Branch/State Agencies
		Legislative Branch
		Judicial Branch
		Local Govts.
		School Districts
Internal Audit	Provides the PEBA Board of Directors independent and timely execution of risk-based internal audits in accordance with agency processes, policies and internal controls	Executive Branch/State Agencies
		Legislative Branch
		Judicial Branch
		Local Govts.
		School Districts

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Partner Template

Name of Partner Entity	Type of Partner Entity	Description of Partnership	Associated Objective(s)
General Assembly	State Government		1.1.1, 1.1.2, 1.1.3
Retirement System Investment Commission	State Government	RSIC manages and invests the public pension trust funds that are administered by our agency.	1.1.1
State Fiscal Accountability Authority	State Government		1.1.1, 1.1.2, 1.1.3
State agencies	State Government		
Higher education	Higher Education Institute	PEBA offers retirement and insurance benefits to public employees and retirees of these employer types; PEBA works collaboratively with employers to manage benefits	1.2.2, 2.1.4, 2.1.5, 2.1.6, 2.1.10, 3.1.1, 3.1.2
School districts	K-12 Education Institute		
Local subdivisions of government	Local Government		
Other employers	Private Business Organization		
BlueCross BlueShield of South Carolina	Private Business Organization		
Companion Benefit Alternatives	Private Business Organization		
Express Scripts	Private Business Organization		
EyeMed	Private Business Organization		
Securian	Private Business Organization		
Selman and Company	Private Business Organization	PEBA works collaboratively alongside major vendors with which it contracts to administer its retirement and insurance benefits.	1.2.1, 2.1.6, 2.1.7, 3.1.3, 3.1.5,
The Standard	Private Business Organization		
WageWorks	Private Business Organization		
Empower Retirement	Private Business Organization		
MassMutual	Private Business Organization		
MetLife Resources	Private Business Organization		
TIAA	Private Business Organization		
VALIC	Private Business Organization		
Gabriel Roeder Smith	Private Business Organization	Gabriel Roeder Smith serves as the actuary for the State Health Plan and Retirement Systems.	1.1.3
Summit	Private Business Organization	Summit serves as the investment consultant for the State Optional Retirement Program and South Carolina Deferred Compensation Program	3.1.3, 3.1.5
Clifton Larson Allen	Private Business Organization	Clifton Larson Allen serves as the auditor for the agency.	1.1.3
Linea Solutions	Private Business Organization	Linea Solutions provides consultation services for the Operational Assessment.	N/A- Assessment Completed
IceMiller	Private Business Organization	IceMiller serves as the outside legal counsel for the agency.	4.2.1
Mandiant	Private Business Organization	Mandiant provides security risk assessment services.	4.1.1, 4.1.4, 4.1.5, 4.1.6

Sungard Availability Services

Private Business Organization

Sungard Availability Services provides off-site disaster recovery services for our information systems.

4.3.1

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Report Template

Item	Report Name	Name of Entity Requesting the Report	Type of Entity	Reporting Frequency	Submission Date (MM/DD/YYYY)	Summary of Information Requested in the Report	Method to Access the Report
1	Insurance Financial Statements	South Carolina Office of the State Auditor	State	Annually	09/30/15	Report is an audit of the South Carolina Public Employee Benefit Authority, Insurance Benefits and Other Post Employment Benefits Trust Funds	http://www.peba.sc.gov/factsfigures.html
2	Retirement Financial Statements	South Carolina Office of the State Auditor	State	Annually	10/15/15	Report is an audit of the South Carolina Public Employee Benefit Authority Retirement Systems' financial statements	http://www.peba.sc.gov/factsfigures.html
3	Retirement Comprehensive Annual Financial Report	PEBA Board	State	Annually	10/15/15	Section 9-1-300 of the South Carolina Code of Laws requires that a report be published annually showing the fiscal transactions of the systems	http://www.peba.sc.gov/factsfigures.html
4	South Carolina Retirement System Actuarial Experience Study	General Assembly	State	Every 4 years	02/12/16	Report includes a discussion of the recent experience of the System, it presents recommendations for updated actuarial assumptions and methods, and it provides information about the actuarial impact of these recommendations on the liabilities and contribution rates. An actuarial experience study of the retirement systems is required by statute (§9-1-250) and must be conducted a minimum of every 5 years. During the most recent experience study dated July 2015, the actuary made a recommendation and the PEBA Board agreed to adjust period to every 4 years	http://www.peba.sc.gov/factsfigures.html
5	State of South Carolina Retiree Health Care Plan Actuarial Valuation Report	General Assembly	State	Annually	02/09/16	Report includes the results of an Actuarial Valuation of the liabilities associated with the employer financed retiree health benefits and long term disability benefits provided through PEBA for the State of South Carolina. Annual actuarial valuations are required by statute (§9-1-260).	http://www.peba.sc.gov/factsfigures.html
6	South Carolina Retirement System Actuarial Valuation	General Assembly	State	Annually	12/31/15	This report describes the current actuarial condition of the South Carolina Retirement System (SCRS), determines the calculated employer and member contribution rates, and analyzes changes in the System's financial condition. In addition, the report provides various summaries of the data. Annual actuarial valuations are required by statute (§9-1-260). Additionally pension reform legislation in 2012 now requires copies of the valuation of the retirement systems to be provided to the General Assembly by the second Tuesday in January every year.	http://www.peba.sc.gov/factsfigures.html

7	Police Officers Retirement System Actuarial Valuation	General Assembly	State	Annually	12/31/15	<p>This report describes the current actuarial condition of the Police Officers Retirement System (PORS), determines the calculated employer and member contribution rates, and analyzes changes in this system's financial condition. In addition, the report provides various summaries of the data. Annual actuarial valuations are required by statute (§9-1-260). Additionally pension reform legislation in 2012 now requires copies of the valuation of the retirement systems to be provided to the General Assembly by the second Tuesday in January every year.</p>	http://www.peba.sc.gov/factsfigures.html
8	Judges and Solicitors Retirement System Actuarial Valuation	General Assembly	State	Annually	12/31/15	<p>This report describes the current actuarial condition of the Retirement System for Judges and Solicitors of the State of South Carolina (JSRS), determines the calculated employer contribution requirement, and analyzes changes in the System's financial condition. In addition, the report provides various summaries of the data.</p>	http://www.peba.sc.gov/factsfigures.html
9	General Assembly Retirement System Actuarial Valuation	General Assembly	State	Annually	12/31/15	<p>This report describes the current actuarial condition of the Retirement System for Members of the General Assembly of the State of South Carolina (GARS), determines the calculated employer contribution requirement, and changes in the System's financial condition. In addition, the report provides various summaries of the data. •Annual actuarial valuations are required by statute (§9-1-260). Additionally pension reform legislation in 2012 now requires copies of the valuation of the retirement systems to be provided to the General Assembly by the second Tuesday in January every year.</p>	http://www.peba.sc.gov/factsfigures.html
10	South Carolina National Guard Supplemental Retirement Plan Actuarial Valuation	General Assembly	State	Annually	12/31/15	<p>This report describes the current actuarial condition of the South Carolina National Guard Supplemental Retirement Plan (SCNG), determines the calculated employer contribution requirement, and analyzes changes in the System's financial condition. In addition, the report provides various summaries of the data. Annual actuarial valuations are required by statute (§9-1-260). Additionally pension reform legislation in 2012 now requires copies of the valuation of the retirement systems to be provided to the General Assembly by the second Tuesday in January every year.</p>	http://www.peba.sc.gov/factsfigures.html

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Oversight Review Template

Item	Name of Entity Conducted Oversight Review	Type of Entity	Oversight Review Timeline (MM/DD/YYYY to MM/DD/YYYY)	Method to Access the Oversight Review Report
1	CliftonLarsonAllen (Financial Statement Auditors)	Outside Organization	07/01/2014 to 06/30/2015	Go to http://www.peba.sc.gov/factsfigures.html ; see links to financial reports and external financial auditor opinions for the retirement and health plans
2	CliftonLarsonAllen (GASB 68 Auditors)	Outside Organization	07/01/2014 to 06/30/2015	Go to http://www.peba.sc.gov/assets/gasb68auditreport2015.pdf
3	Gabriel, Roeder, Smith & Company (Consultants & Actuaries)	Outside Organization	07/01/2014 to 06/30/2015	Go to http://www.peba.sc.gov/factsfigures.html ; see links to the actuarial valuation reports for the retirement and health plans
4	Stonebridge Business Partners (Vendor Disbursements Recovery Audit)	Outside Organization	07/01/2012 - 06/30/2014	Contact Travis J. Turner, CPA, CISA - PEBA Chief Financial Officer, tturner@peba.sc.gov
5	Elliott Davis Decosimo (401k and 457 Plan Financial Statement Auditors)	Outside Organization	01/01/2014 - 12/31/2014	Contact Ashley M. Brindle, CPA - PEBA Defined Contribution Manager, abrindle@peba.sc.gov
6	SC Legislative Audit Council (Review of the Public Pensions Administered by the State of South Carolina)	State	07/01/2004 - 06/30/2014	Go to http://lac.sc.gov/LAC_Reports/2015/Pages/Pension_Funds.aspx
7	PEBA - Agency Internal Audit Department (Report on Investment Controls)	State	07/01/2014 to 06/30/2015	Contact John E. Page, CIA, CISA - PEBA Director of Internal Audit, jpage@peba.sc.gov
8	PEBA - Agency Internal Audit Department (Analytical Review of Retirement Accounts and Claims)	State	01/01/2015 - 12/31/2015	Contact John E. Page, CIA, CISA - PEBA Director of Internal Audit, jpage@peba.sc.gov
9	PEBA - Agency Internal Audit Department (Data Security Audit - Third Parties)	State	06/01/2015 - 02/29/2016	Contact John E. Page, CIA, CISA - PEBA Director of Internal Audit, jpage@peba.sc.gov