

SC PUBLIC EMPLOYEE BENEFIT AUTHORITY  
BOARD OF DIRECTORS

MINUTES ADOPTED 9.18.13

Wednesday, August 21, 2013 – 1:00 p.m.  
202 Arbor Lake Drive, Columbia SC, Main Conference Room 2nd Floor

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**Board Members Present:**

Mr. Art Bjontegard, Chairman (in person)  
Ms. Peggy Boykin (in person)  
Mr. Frank Fusco (in person)  
Mr. Steve Matthews (in person)  
Mr. Joe “Rocky” Pearce (in person)  
Mr. Audie Penn (in person)  
Mr. John Sowards (in person)  
Sheriff Leon Lott (in person)  
Mr. David Tigges (in person)

**Others present for all or a portion of the meeting:**

David Avant, Lil Hayes, Stephen Van Camp, Justin Werner, Travis Turner, Matt Davis, and Virginia Wetzel from the South Carolina Public Employee Benefit Authority (PEBA); Donald Tudor with the State Retirees Association; Carlton Washington with the South Carolina Employee Association ; Daniel Brennan with the SC State Treasurer’s Office; and William Kinney with Mullikin Law Firm.

**I. Call to order**

Chairman Bjontegard called the meeting to order at 1:00 p.m., and Sheriff Lott gave the invocation. Ms. Hayes confirmed meeting notice compliance with the Freedom of Information Act. Mr. Penn moved to adopt the agenda. Sheriff Lott seconded. The agenda was unanimously approved.

**II. Approval of minutes from the last meetings: July 17, 2013 and August 5, 2013**

Chairman Bjontegard asked for amendments to the July 17, 2013 and August 5, 2013 meeting minutes. Mr. Fusco moved to approve the July 17, 2013 meeting minutes. Ms. Boykin seconded. Unanimously approved. Changes were made to the August 5, 2013 meeting minutes. Mr. Penn moved to approve the August 5, 2013 meeting minutes as amended. Mr. Fusco seconded. Unanimously approved.

**III. Committee Reports**

**A. Retirement Policy Committee Report**

**VALIC Funding Changes:** [in notebook materials]

**Action:** Mr. Sowards asked for a motion to approve the VALIC funding changes as recommended by the Retirement Policy Committee. Chairman Bjontegard moved to approve. Mr. Matthews seconded. Unanimously approved.

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**Retirement Committee Charter:** [in notebook materials]

**Action:** Mr. Sowards gave the recommended motion to the Board to approve the Retirement Policy Committee Charter. Chairman Bjontegard noted the motion and called for the vote. Unanimously approved.

**Committee Updates:**

The Retirement Policy Committee received an introductory presentation on the Deferred Compensation Program during the meeting held on July 24, 2013. The Committee will continue an in-depth review of the Deferred Compensation Program with presentations from Great West Retirement Services and Segal Consultants during the next scheduled meeting, September 4, 2013.

Two Retirement Policy Committee Members participated in the Optional Retirement Program's quarterly performance call that took place on August 13, 2013. A summary of ORP quarterly performance will be reviewed during the next Committee meeting.

**B. Finance, Administration, Audit and Compliance Committee Report**

**Internal Auditor:**

The FAAC Committee reviewed comparative information from other States' Internal Auditor positions. The Position Description is still being developed. For the agency organization chart, the Committee recommends to the Board the following motion:

- The Internal Auditor will report directly to the FAAC Committee with a dotted line to the PEBA Director for administrative purposes.
- The FAAC Committee has the authority by the PEBA Board to develop the Internal Auditor position description, job parameters and a proposed Audit Unit structure and tasks.

**Action:** Mr. Matthews moved to approve the motion. Chairman Bjontegard seconded. Unanimously approved.

**PEBA's Strategic Plan:**

The FAAC Committee reviewed and amended PEBA's Strategic Plan during their meeting held on August 16, 2013. Committee feedback and changes were incorporated. Further changes were made by the Board.

**Action:** Mr. Matthews moved to approve PEBA's Strategic Plan as amended. Chairman Bjontegard seconded. Unanimously approved as amended.

**PEBA Agency's Budget:**

The FAAC Committee reviewed details of the agency's budget during their meeting held on August 16, 2013. There was discussion about information technology needs that will be part of future budget requests. Next month FAAC will review PEBA's budget documents due to the State Budget Office in early October.

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**FAAC Committee Charter:**

**Action:** Mr. Matthews moved to approve the FAAC Committee Charter as recommended by the FAAC Committee. Chairman Bjontegard seconded. Unanimously approved.

Mr. Bjontegard noted that each committee may want to incorporate a communication oversight item in each of their charters.

**PEBA's Accountability Report:**

Chairman Bjontegard thanked communications staff for their work in developing PEBA's accountability report. Staff is incorporating changes that were recommended by the FAAC Committee. The amended document will be sent to all Board members for review.

**Board Bylaws:**

Mr. Matthews indicated the FAAC Committee will address the current policy of no participation in executive session by telephone in their next committee meeting.

**C. Health Care Policy Committee Report**

**MUSC PCHM Pilot:**

Mr. Pearce thanked staff and the Board for their work towards the approval of the MUSC Patient Centered Medical Home (PCMH) Pilot Program. Staff confirmed that the pilot program has been submitted as an agenda item for the Budget and Control Board meeting scheduled for September 3, 2013. Staff will report to the PEBA Board any actions taken by the Budget and Control Board. Details of program implementation are in progress in anticipation of the Budget and Control Board's approval.

**PCMH Pilot Programs: Updates**

Travis Turner, Chief of Staff, reported there have been communications with Clemson University, Palmetto Health, SC Coalition on Health, and Midlands Orthopedic to discuss PCMH pilot plan initiatives and introductory plan details. It was noted that PCMH pilot programs with components within the parameters of the current 2014 State Health Plan will not require approval by the Budget and Control Board. All pilot programs are being reviewed by the PEBA Board as they arise. There was discussion about the bundling of health service fee agreements within various pilot programs.

**Telemedicine:** There was discussion regarding the status of the Telemedicine legislation (S. 290) that was not adopted during the 2013 Legislative Session. Mr. Avant advised that the 2014 SC State Health Plan (SHP) does not offer any impediments to "tele-consulting"; the SHP is already reimbursing for these claims.

**Three Year Health Vision:**

Mr. Pearce announced that the Health Care Policy Committee will be reviewing PEBA's three year health vision/initiatives during the month of September. It was noted that PCMH Pilot programs, bundling of health service fees, and future focus on quality outcomes for Centers for Excellence will be major components of the three year health vision.

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#### **IV. New Business**

There were no new business items discussed by the Board.

#### **V. Round Table Discussion**

Mr. Avant reported that he and Chairman Bjontegard met with Governor Haley on August 6, 2013 to discuss PEBA. An extremely preliminary 2015 State Health Plan budget was presented. It had versions based upon PEBA's current Affordable Care Act (ACA) grandfathered status and also included ACA-compliant options. PEBA's legislative agenda for 2014 was also discussed.

Mr. Pearce inquired about PEBA's current IT Risk Assessment. Mr. Avant advised that Deloitte Touche's final assessment results will be provided to the PEBA Board in early September 2013. There was discussion about seeking International Organization for Standardization Certification (ISO) for PEBA's IT systems.

Based upon feedback from the majority of the PEBA Board, Chairman Bjontegard announced that the 2014 annual retreat will be held February 28, 2013 through March 1, 2014. Mr. Tigges volunteered McNair Law Firm's facilities as the location of the retreat. Chairman Bjontegard asked all Board members continue to provide agenda topics. Staff was directed to begin initial planning for presentations.

Chairman Bjontegard announced that the PEBA Board will be meeting in a new Board room starting in November 2013.

Mr. Fusco asked when the PEBA Board will begin preparing technical amendments to be submitted to the SC General Assembly for the upcoming 2014 Legislative Session. Mr. Avant advised that PEBA staff has generated a list of technical amendments for the Board to review in the next few months.

Mr. Avant announced that PEBA's IT department is exploring the use of Windows tablets or iPads for the PEBA Board members. Chairman Bjontegard requested there be an IT demonstration of each and an overview highlighting the pros and cons of each platform during the October 2013 Board meeting.

#### **VI. Executive Session Pursuant to S.C. Code of Laws**

At 2:28 p.m., upon a motion by Mr. Sowards and second by Sheriff Lott, the Board voted unanimously to enter into executive session.

Open meeting resumed at 3:20 p.m. following the Executive Session. No action was taken by the Board while in Executive Session.

#### **VII. Adjournment**

There being nothing further to discuss, Chairman Bjontegard adjourned the meeting at 3:22 p.m.

**SC Public Employee Benefit Authority  
Board of Directors Meeting**

202 Arbor Lake Drive, Columbia SC, 29223 ♦Main Conference Room

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**Wednesday, August 21, 2013 – 1:00 P.M.**

**AGENDA**

1. Adoption of Proposed Agenda
2. Minutes of Previous Meetings: July 17, 2013 & August 5, 2013
3. Committee Reports
  - a. Retirement Policy Committee
  - b. Finance, Administration, Audit & Compliance Committee
  - c. Health Policy Committee
4. New Business
5. Round Table Discussion
6. Executive Session (if needed)

**NOTICE OF PUBLIC MEETING**

This notice is given to meet the requirements of the S.C. Freedom of Information Act and the Americans with Disabilities Act. Furthermore, this facility is accessible to individuals with disabilities, and special accommodations will be provided if requested in advance.

SC PUBLIC EMPLOYEE BENEFIT AUTHORITY  
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DRAFT MINUTES

Wednesday, July 17, 2013 – 1:00 p.m.  
202 Arbor Lake Drive, Columbia SC, Main Conference Room 2nd Floor

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**Board Members Present:**

Mr. Art Bjontegard, Chairman (in person)  
Ms. Peggy Boykin (in person)  
Mr. Frank Fusco (by telephone)  
Ms. Stacy Kubu (in person)  
Mr. Steve Matthews (in person)  
Mr. Joe “Rocky” Pearce (in person)  
Mr. Audie Penn (in person)  
Mr. Steve Heisler (in person)  
Mr. John Sowards (in person)  
Mr. David Tigges (in person)

**Others present for all or a portion of the meeting:**

David Avant, Travis Turner, Lil Hayes, Stephen Van Camp, Matthew Davis, Justin Werner, Virginia Wetzel, Phyllis Buie, and Denise Hunter from the South Carolina Public Employee Benefit Authority (PEBA); Donald Tudor and Wayne Pruitt with the State Retirees Association; Vlad Steeve with the State Treasurer’s Office; Mark Sweatman with MUSC; and Brooks Goodman with Blue Cross Blue Shield of South Carolina.

**I. Call to order**

Chairman Bjontegard called the meeting to order at 1:00 p.m., and Ms. Kubu gave the invocation. Ms. Hayes confirmed meeting notice compliance with the Freedom of Information Act. Mr. Sowards moved to adopt the agenda. Mr. Penn seconded. Unanimously approved.

**II. Approval of minutes from last meeting - June 19, 2013**

Mr. Pearce moved to approve the minutes of the June 19, 2013 meeting. Mr. Tigges seconded. Unanimously approved.

**III. Committee Reports/ Old Business**

**A. Health Care Policy Committee**

2014 State Health Plan

Interim Director, David Avant provided a presentation summarizing the proposed details of the 2014 Employee State Health Plan as amended (In notebook materials, Tab 3).

Amendments:

- Employer premiums will increase by 6.8%
- Subscriber premium will increase 0% for each tier
- Co-payments and deductibles will increase by 20%
- Removal of ACA health care coverage requirements for full time/ temporary employees
- Removal of exclusions for pre-existing conditions for all covered subscribers

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It was noted that the Health Care Policy Committee recommended on June 24, 2013, an option in compliance with ACA regulations to provide health care coverage for full-time/temporary employees. On July 5, 2013, the IRS announced that ACA compliance requirements for health care coverage for full time temporary employees would be postponed until 2015. Therefore, this would not be included in the 2014 State Health Plan. Staff has been directed to research various options for the 2015 State Health Plan.

Mr. Sowards inquired about reserves collected during the 2014 Plan Year. Mr. Avant indicated that all reserves are placed into the OPEB Trust Fund.

Mr. Penn inquired if there is going to be legislation introduced to change the definition of full-time temporary employees (working 30 hours or more). Mr. Avant indicated that will be addressed directly with employers as changes are made in the future.

Mr. Heisler inquired if there is a provision allowing PEBA to make adjustments to the plan during the plan year? Mr. Avant explained that the existing statute already includes provisions to allow for adjustments. Therefore a new provision is not needed.

**Action:**

Chairman Bjontegard asked for a motion to approve the 2014 State Health Plan as amended. Mr. Pearce moved to approve. Mr. Heisler seconded. The 2014 State Health Plan as amended was unanimously approved.

**Other Committee Updates:**

Pharmacy Benefits Manager

Staff Member Travis Turner explained that the Pharmacy Benefits Manager Contract will be finalized by the end of August 2013.

Patient Center Medical Home (PCMH) - Updates

Mr. Avant advised that staff has been reviewing 3 pilot programs:

<b>PCMH Pilot Program</b>	<b>Status</b>	<b>Potential Pilot Subscribers</b>
Clemson	<ul style="list-style-type: none"><li>• Internal operations still being finalized.</li><li>• Seeking revenue to start the program</li></ul>	8,000
Palmetto Health	<ul style="list-style-type: none"><li>• Scheduled meeting on July 23, 2013, with PEBA staff, Blue Cross Blue Shield, and Palmetto Health to go over introductory details of the pilot program.</li></ul>	1,200
MUSC	<ul style="list-style-type: none"><li>• Pilot program details in finalization stage</li><li>• Pilot would require new health care plan</li><li>• Concerned about timing of implementation of a new plan prior to October 2013 enrollment period.</li></ul>	18,000



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Mr. Avant advised that pilot programs requiring new health plans must be approved by the PEBA Board and then approved by the SC Budget and Control Board. All other PCMH pilot programs that do not require a new health plan can be implemented within the parameters of the current State Health Plan. Therefore, the MUSC Pilot Program would require an approval by the PEBA Board and the Budget and Control Board before plan implementation for the 2014 plan year (enrollment during October 2013).

Mr. Sowards and Ms. Boykin suggested that the PEBA Board have a telephonic meeting to review the MUSC Pilot Plan in a timely manner prior to the scheduled Budget and Control Board meeting on August 13, 2013.

Mr. Penn asked if there will be defined deliverables with measurable outcomes. Interim Director Avant explained that staff will work with MUSC to insure deliverables are established within plan design. He also stated that the current State Health Plan subscribers can serve as the population used to gather baseline data.

**Action:**

Chairman Bjontegard asked for a motion. Mr. Pearce made a motion to recognize that the Health Care Policy Committee will meet between now and August 5, 2013, to receive information about a potential MUSC Pilot Program that must be revenue neutral to the SC State Health Plan, must have PCMH components, and must include health wellness components. The Health Care Policy Committee must provide their recommendation to the PEBA Board during a telephonic Board meeting scheduled on August 5, 2013, at 1:00 p.m. The PEBA Board will then send their approvals to the Budget and Control Board during their scheduled meeting on August 13, 2013. Mr. Tigges moved to approve. Mr. Sowards seconded. The motion was unanimously approved.

Ms. Boykin asked for parameters requiring PEBA Board approvals of pilot programs. Mr. Avant explained that the PEBA Board will need to approve pilot programs that have terms and conditions apart from the State Health Plan. He advised that the PEBA Board is not legally required to approve pilot programs whose parameters fall within the terms and conditions of the State Health Plan. However, the Board can determine their level of involvement in the selection of pilot programs as they see fit. Chairman Bjontegard confirmed with the PEBA Board to give staff directive in all pilot programs whose parameters fall within the terms and conditions of the State Health Plan as approved by the PEBA Board.

## B. Retirement Policy Committee

**Committee Updates:**

Chairman Sowards announced that the Retirement Policy Committee will be meeting on July 24, 2013 to resume their review of the Deferred Compensation Program and the PEBA Board's strategic plans. He will report any recommendations on these issues to the Board during the August 2014 Board meeting.



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He reminded everyone that the State Optional Retirement Plan's quarterly performance call is scheduled for August 13, 2013. If any member would like to participate in that call they need to contact staff in advance.

He also reminded everyone of the NAGDCA Conference scheduled for September 8 – 11, 2013.

### **C. Finance, Administration, Audit and Compliance Committee**

#### **Committee Updates**

Mr. Matthews announced that the FAAC Committee will be meeting on August 16, 2013, and will be reviewing four agenda items:

- 1) Strategic Planning
- 2) PEBA's Accountability Report (due to the Office of State Budget on 9/16/2013)
- 3) PEBA's Detailed Agency Budget
- 4) Internal Auditor's Position.

He will report any recommendations on these issues to the Board during the August 2014 Board meeting.

Chairman Bjontegard would like to add an additional item to the FAAC scheduled meeting: Proxy Voting. Mr. Sowards and Mr. Tigges stated they were not in favor of proxy voting.

## **IV. New business**

### **A. 2014 Retreat:**

Chairman Bjontegard asked all Board members to consider several different dates for the 2014 Board Retreat (January 31, 2014 – February 1, 2014 or February 28, 2014 – March 1, 2014) and to provide staff with topics they would like to review.

Chairman Bjontegard suggested an educational meeting with PEBA's top ten vendors.

Board members expressed their desire to have the retreat centrally located in the Columbia area out of convenience for all Board Members.

### **B. Additional Resource Materials: Available on the Extranet and in Notebook**

Chairman Bjontegard asked members to review the following additional materials in their notebooks: Legislative Year End Update, PEBA Board Calendar, and the Past Action Report.

He would like to add 3 additional legislative bills that may require follow-up in the upcoming 2014 Legislative Session:

- 1) Senate Bill 290 (Telemedicine)
- 2) Senate Bill 568 (Certificate of Need)
- 3) Senate Bill 180 (Tobacco Surcharge)

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**C. Additional Updates**

Chairman Bjontegard announced that he and Mr. Avant will be meeting with Governor Hailey on August 6, 2013, to discuss PEBA's agenda for the upcoming legislative year. All Board members were encouraged to provide their input to be relayed to the Governor at this meeting.

**D. Report from Interim Director, David Avant**

DeLoitte & Touche IT Risk Assessment:

IT risk assessment will begin August 5, 2013, and will be a four week process to include project planning and initiation, external network vulnerability assessment, internal network vulnerability assessment, web application vulnerability assessment, and final reporting. The final score card will be reported to the PEBA Board during the September 2013 Board meeting.

Ms. Boykin wanted to insure the final assessment report would be reviewed by the PEBA Board prior to the PEBA Agency's budget request submittal (September 2013) in the event IT changes would require additional funding.

**V. Round Table Discussion**

There were no comments.

**VI. Executive Session Pursuant to S.C. Code of Laws**

At 2:05 p.m., upon a motion by Chairman Bjontegard and second by Mr. Pearce, the Board voted unanimously to enter into executive session.

Open meeting resumed at 2:45 p.m. following the Executive Session. No action was taken by the Board while in Executive Session.

**VII. Adjournment**

There being nothing further to discuss, Chairman Bjontegard requested a motion to adjourn. Mr. Penn moved to adjourn and Mr. Heisler seconded. The committee unanimously voted to adjourn at 2:50 p.m.

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**Statement for the minutes:**

"I was not present during the approval of the 2014 State Health Plan as amended but would have voted in favor of the 2014 State Health Plan as amended had I been present. I informed the Chairman and other Board members of my approval prior to the meeting."

-Frank Fusco

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**Board Members Present:**

Mr. Art Bjontegard, Chairman (by telephone)  
Ms. Peggy Boykin (by telephone)  
Mr. Frank Fusco (by telephone)  
Ms. Stacy Kubu (by telephone)  
Mr. Steve Matthews (by telephone)  
Mr. Joe “Rocky” Pearce (by telephone)  
Mr. Audie Penn (by telephone)  
Mr. Steve Heisler (by telephone)  
Mr. John Sowards (by telephone)

**Others present for all or a portion of the meeting:**

David Avant, Lil Hayes, Stephen Van Camp, Justin Werner, Laura Smoak, and Virginia Wetzel from the South Carolina Public Employee Benefit Authority (PEBA); Donald Tudor with the State Retirees Association; Betts Ellis, Karyn Rae, and Dr. Mark Lyles from MUSC (by telephone); Daniel Brennan with the SC State Treasurer’s Office; Adam Beam with the State Newspaper; and Will Kim with McNair Law Firm??.

**I. Call to order**

Chairman Bjontegard called the meeting to order at 1:00 p.m., and Chairman Bjontegard gave the invocation. Ms. Hayes confirmed meeting notice compliance with the Freedom of Information Act. Mr. Heisler moved to adopt the agenda. Mr. Penn seconded. The agenda was unanimously approved.

**II. MUSC Pilot Program**

Chairman Bjontegard introduced Dr. Mark Lyles with MUSC who presented an overview of the MUSC PCMH Pilot Program [In notebook materials. MUSC’s Proposed PCMH Pilot Program].

Health Care Policy Committee Chairman Rocky Pearce opened the floor for Board member questions for MUSC.

Mr. Penn noted that additional quality metrics for health and cost were added. However, there were no targeted values for each metric. Specifically, Quality Metric Number Sixteen, Fifteen, and Fourteen and Cost Metrics One through Four. Dr. Lyles explained that values will be identified once the health assessments have been completed during the initial year of the pilot.

Ms. Kubu wanted to insure that MUSC’s educational/ communication campaign target all level of employees. Dr. Lyles is confident that MUSC has a wide variety of communication tools to reach their entire workforce.

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Ms. Boykin also wanted to insure that the MUSC communication campaign expressly state that subscribers will continue to have the option of participating in the Standard Health Plan (SHP) or the new PCMH Pilot. Dr. Lyles confirmed they will disclose this information.

Mr. Penn questioned if there will be a targeted participate rate required to allow the continuation of the MUSC Pilot Plan. Mr. Avant confirmed that the anticipated target enrollment rate would be 70%. Currently, approximately 50% of MUSC employees utilize MUSC providers. He also explained that the PEBA Board will annually approve the continuation of this plan. Mr. Bjontegard requested the percentage of subscribers who live out of state (predominantly dependents). Dr. Lyles indicated it is a small percentage of the subscriber population and that the SHP Out of State benefit components would apply to this population.

Mr. Fusco asked if there was a point at which enrollment levels would not meet a targeted participation rate for continuation of the pilot program. He questioned if MUSC anticipated the 50 percent of those currently utilizing MUSC providers to enroll into the pilot program. Dr. Lyles indicated that 70 percent is the anticipated enrollment rate and MUSC was hopeful that the benefit incentives would drive plan commitment.

Mr. Penn and Mr. Fusco requested clarification on the enrollment process for the MUSC pilot plan. Mr. Avant indicated that enrollment status (Pilot program vs. SHP) will be determined by the subscriber's utilization of a particular provider (MUSC providers vs. SHP in or out of network providers). Therefore benefits would be determined by virtue of the type of provider chosen by the subscriber. At any point during the calendar year, subscriber benefits would change based upon the utilization of a MUSC provider or SHP provider (In or out of network). Based on enrollment structure and the fact that subscribers will not be definitely committed to the pilot plan, Mr. Penn and Mr. Fusco expressed concern about the management of the pilot's metric outcomes and measurement of pilot success or failure. Dr. Lyles explained that during the first year of the pilot program participation will be voluntary but it is their hope that the benefit incentives will drive and maintain participation.

Mr. Fusco asked PEBA staff if there will be a formal written document outlining the MUSC pilot plan. Ms. Kubu also requested confirmation that the MUSC pilot plan includes reporting requirements and guidelines which must be approved in advance by the Board. Mr. Van Camp indicated that a memorialized plan document will be completed by September or October of the 2013 Calendar Year.

Mr. Heisler also indicated concern that the enrollment structure of the pilot program may result in poor pilot measurement. Mr. Avant explained given the parameters of Section 1-11-710 of the Code of Laws and Proviso 105.7 of the FY 2013/2014 Appropriation Act this was the best plan option considering the overall pilot plan goals.

Mr. Fusco questioned if the actuarial assumptions would be more defined if subscribers were required to enroll into a specific plan and be committed to that plan for an entire plan year. Mr. Avant indicated that it would probably make a difference in the actuarial assumptions.

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Mr. Lyles reintegrated that this new plan would provide three sets of benefits with three sets of coordinating providers.

Chairman Bjontegard referred to Mr. Pearce to announce if an action should be taken on the MUSC pilot plan.

Mr. Pearce indicated that it is his understanding that the Board is in support of developing PCMH pilot programs to enhance the health of all South Carolinians if not during the current 2013/2014 plan year, definitely for the 2014/2015 plan year. Mr. Penn requested confirmation from MUSC that their Pilot Program may consists of three benefit sources, however, all subscribers utilizing all three benefits will be monitored for quality metric data accumulation and managed health care. MUSC confirmed yes. Mr. Heisler explained that it may be most beneficial to identify the following 3 populations for measurement: PCMH Subscribers Only; PCMH/ SHP Subscribers; SHP Subscribers Only.

Mr. Fusco expressed his support of a PCMH plan based upon the following features: Incent health prevention; the opportunity of a shared system to allow for measurement of health outcomes and satisfactions; and to reduce long term health care cost. He recommended that language be included in the memorialized MUSC Pilot plan document requiring frequent plan reporting to include data collection and measurement outcomes to the PEBA Health Care Policy Committee.

**Motion:**

Mr. Pearce asked for a motion to approve the proposed MUSC PCMH Pilot Health Plan. The proposal is as follows:

1. MUSC has proposed a Health Plan Pilot to study the cost-effectiveness and quality impact of a health plan based on a Patient Centered Medical Home model.
2. The participants in the Pilot will be MUSC employees and their dependents.
3. Those MUSC employees who have currently elected to participate in the Savings Plan or Blue Choice will be able to opt out of the Pilot program.
4. The PCMH Pilot is designed to be revenue neutral to PEBA.
5. The Pilot Plan has the same premiums as the SHP Standard Plan.
6. Pilot Plan participants may receive treatment at MUSC or with MUSC-affiliated physicians under the terms of the PCMH or may receive treatment from other providers participating in the SHP under the normal terms and conditions of the SHP.
7. The Pilot Plan is a non-grandfathered health plan under the ACA and includes all required features for a non-grandfathered plan, such as first dollar coverage of preventive care.

Mr. Heisler seconded this motion.

Chariman Bjontegard asked for any amendments to the motion to approve the MUSC PCMH Pilot Program.

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**Amendments:**

Chairman Bjontegard offered the following amendment:

There must be a formal memorialized MUSC Pilot Plan agreement presented to the PEBA Board by the end of September 2013.

Mr. Penn offered the following amendment:

The memorialized MUSC Pilot Plan agreement must include the validation of initial target metrics.

Mr. Fusco offered the following amendment:

The memorialized MUSC Pilot Plan agreement must include the requirement of continuous monitoring of metrics by the PEBA Health Care Policy Committee through continuous reporting by MUSC.

Mr. Matthews offered the following amendment:

The memorialized MUSC Pilot Plan agreement must include an annual approval process by the PEBA Board to include guidelines for plan continuation based upon the comparison of expressly stated baseline target metrics, actual target metrics, and expressly stated required target metrics.

**Action:**

Chairman Bjontegard asked for a motion to approve the following amendments to the MUSC PCMH Pilot Program. Due to the telephonic nature of the meeting the following roll call vote was taken.

Chairman Bjontegard:	AYE
Mr. Heisler:	AYE
Mr. Matthews:	AYE
Mr. Sowards:	AYE
Mr. Pearce:	AYE
Mr. Fusco:	AYE
Ms. Boykin:	AYE
Mr. Penn:	AYE
Ms. Kubu:	AYE

By a roll call vote of nine to zero the amendment was approved.

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**Action:**

Chairman Bjontegard asked for a motion to approve the MUSC Pilot Program as amended. Due to the telephonic nature of the meeting the following roll call vote was taken.

Chairman Bjontegard:	AYE
Mr. Heisler:	AYE
Mr. Sowards:	AYE
Mr. Pearce:	AYE
Mr. Fusco:	AYE
Ms. Boykin:	AYE
Mr. Penn:	AYE
Ms. Kubu:	AYE

By a roll call vote of eight to zero the MUSC Pilot Program as amendment was approved.

### **III. Round Table Discussion**

Chairman Bjontegard announced the dates of the upcoming meetings:

- PEBA Board Meeting: August 21, 2013, 1:00 p.m.
- FAAC Meeting: August 16, 2013, 2:00 p.m.
- Retirement Policy Committee Meeting: September 4, 2013, 2:00 p.m.

Chairman Bjontegard also encouraged all Board members to attend any PEBA committee meetings.

### **IV. Adjournment**

There being nothing further to discuss, Chairman Bjontegard requested a motion to adjourn. Mr. Heisler moved to adjourn and Mr. Penn seconded. The committee unanimously voted to adjourn at 2:00 p.m.



**PUBLIC EMPLOYEE BENEFIT AUTHORITY  
AGENDA ITEM**

**Meeting Date:** August 21, 2013

**Tab 3**

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**1. Subject: State Optional Retirement Program – VALIC Funding Changes**

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**2. Summary:** VALIC Fund Change Proposal

**Background Information:** Summit Strategies and PEBA staff have been working with VALIC (one of the State ORP vendors) for the past six months to prepare a proposal that would significantly change the vendor's investment lineup. This change was initiated by VALIC in order to lower participant fees and to differentiate themselves from the other State ORP vendors.

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**3. What is the Board asked to do?** Review and approve.

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**4. Supporting Documents:**

- (a) Attached:
  - 1. VALIC Funding Changes - Summary
  
- (b) Not Attached But Available:
  - 1. Summit Presentation – VALIC Fund Changes

## VALIC Funding Changes

PEBA Staff and Summit continue to work with ORP vendors to reduce overall costs and to provide the best value for plan participants. In response to these initiatives, VALIC is proposing several changes to its investment lineup.

➤ Proposed Changes:

▪ Fund Changes:

- Replace the current suite of actively managed target date funds with a passively managed suite.
- Replace the current actively managed mid cap core fund with a passively managed fund.
- Replace the current actively managed small cap growth, small cap core, and small cap value funds with a single passively managed small cap core fund.
- Add a passively managed emerging markets fund to the investment lineup.

- Utilize the least expensive (institutional) share class of all funds.
- Wrap each investment option (excluding the VALIC Fixed Interest option) with a 23 bps administrative fee, rather than using 12b-1 fees and other forms of revenue share to compensate VALIC.

➤ Summit and PEBA Staff view the proposed changes as a net positive to the ORP. Key factors include:

- Total costs go down.
- VALIC revenue is now fixed at the agreed upon 23 bps rate.
- The investment menu is moderately simplified, while providing participants with an additional international option (emerging markets fund).
- The proposed changes may cause other ORP vendors to follow suit by reducing fees.
- If approved, VALIC and the ORP should be prepared to answer participant questions regarding investment option and fee structure changes.

**PUBLIC EMPLOYEE BENEFIT AUTHORITY  
AGENDA ITEM**

**Meeting Date:** August 21, 2013

**Tab 4**

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**1. Subject: Retirement Committee Charter  
As recommended by the Retirement Policy Committee**

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**2. What is Board asked to do?** Review and approve.

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**3. Supporting Documents:**

- (a) Attached:
  - 1. Retirement Committee Charter

**Retirement Policy Committee Charter**  
**[As recommended by the Retirement Policy Committee on 7/24/13]**

**(A) Purpose:** To make recommendations and reports to the PEBA Board of Directors (“PEBA Board”) concerning issues arising out of PEBA’s administration of the retirement plans set out in Title 9 of the South Carolina Code of Laws, and after December 31, 2013, the Deferred Compensation Program.

**(B) Authority:** The authority of the Retirement Policy Committee is limited to information-gathering and advice and recommendations to, and on behalf of, the Board, and to ministerial acts. The Committee may invite administrators, consultants, staff, external auditors, and/or others to attend meetings and provide pertinent information as necessary. PEBA Board of Directors Bylaws, Section V(C)

**(C) Composition:** The Retirement Policy Committee shall be established pursuant to the process defined in the PEBA Board of Directors Bylaws.

**(D) Meetings**

- (1) The Retirement Policy Committee will meet as circumstances require upon the call of the Committee Chair.
- (2) Retirement Policy Committee meetings shall adhere to the rules outlined in the PEBA Board of Directors Bylaws and with applicable law.

**(E) Responsibilities:** The Retirement Policy Committee will carry out the following responsibilities:

- (1) Develop a strategic plan for PEBA retirement functions in conjunction with PEBA staff and consultants and make recommendations to the PEBA Board;
- (2) At least quarterly, meet with the PEBA Executive Director, or a designee, regarding the operational and financial performance of the PEBA retirement programs to monitor progress toward strategic objectives and make recommendations to the PEBA Board.
- (3) Review actuarial valuations for the various retirement systems and make recommendations to the PEBA Board;
- (4) Make recommendations to the PEBA Board concerning contribution rates for the various retirement systems;
- (5) Review actuarial assumptions for the various retirement systems on an annual basis and make recommendations to the PEBA Board;
- (6) Monitor the performance of the vendors and funds in the State Optional Retirement Program (State ORP) and make recommendations to the PEBA Board;
- (7) Review the State ORP Investment Policy at least annually and make recommendations to the PEBA Board;
- (8) Make recommendations to the PEBA Board regarding the termination, selection, and retention of funds in the State ORP pursuant to the

- investment benchmarks set forth in the State ORP Investment Policy approved by the PEBA Board;
- (9) Provide the PEBA Board with a recommended replacement fund for the State ORP in the event of a fund termination;
  - (10) After December 31, 2013, monitor the performance of the administrator of the S.C. Deferred Compensation Program along with the performance of the funds in the Program and make recommendations to the PEBA Board;
  - (11) After December 31, 2013, review the S.C. Deferred Compensation Program Investment Policy at least annually and make recommendations to the PEBA Board; and
  - (12) After December 31, 2013, make recommendations to the PEBA Board regarding the termination, selection, and retention of funds in the S.C. Deferred Compensation Program pursuant to the investment benchmarks set forth in the S.C. Deferred Compensation Investment Policy approved by the PEBA Board.

**As approved and adopted:**

**SOUTH CAROLINA PUBLIC EMPLOYEE BENEFIT  
AUTHORITY BOARD OF DIRECTORS**

By: \_\_\_\_\_  
Arthur M. Bjontegard, Jr., Chairman

By: \_\_\_\_\_  
Peggy G. Boykin, CPA

By: \_\_\_\_\_  
Frank W. Fusco

By: \_\_\_\_\_  
Cynthia A. Hartley

By: \_\_\_\_\_  
Stacy Kubu

By: \_\_\_\_\_  
Sheriff Leon Lott

By: \_\_\_\_\_  
Steve A. Matthews

By: \_\_\_\_\_  
Joe W. "Rocky" Pearce, Jr.

By: \_\_\_\_\_  
Audie Penn

By: \_\_\_\_\_  
John A. Sowards

By: \_\_\_\_\_  
David J. Tigges

Dated: \_\_\_\_\_

**PUBLIC EMPLOYEE BENEFIT AUTHORITY  
AGENDA ITEM**

**Meeting Date:** August 21, 2013

**Tab 5**

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**1. Subject: Internal Auditor**

**Summary:** The FAAC Committee recommends the following motion:

- The Internal Auditor will report directly to the FAAC Committee with a dotted line to the PEBA Director for administrative purposes.
- The FAAC Committee has the authority by the PEBA Board to develop the Internal Auditor position description, job parameters and a proposed Audit Unit structure and tasks.

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**2. What is the Board asked to do?** Approve the FAAC Committee's recommendation.

---

**3. Supporting Documents:**

No supporting documents at this time.

**PUBLIC EMPLOYEE BENEFIT AUTHORITY  
AGENDA ITEM**

**Meeting Date:** August 21, 2013

**Tab 6**

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**1. Subject: Strategic Plan**  
**As amended and recommended by the FAAC Committee**

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**2. What is the Board asked to do?** Review and approve.

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**3. Supporting Documents:**

- (a) Attached:
  - 1. PEBA Strategic Plan as amended and recommended by the FAAC Committee  
8.16.13



# South Carolina Public Employee Benefit Authority

## Strategic Plan: 2013-2014

[as recommended by the FAAC Committee on 8.16.13]

### **PART I – BASIC PRINCIPLES**

#### **Mission/Vision Statement**

**The mission of the South Carolina Public Employee Benefit Authority is to offer and administer a comprehensive program of retirement and insurance benefits for public employees in South Carolina. In establishing or recommending the design of benefits to be offered, the Public Employee Benefit Authority seeks to provide the retirement and insurance components of an overall compensation package for public employees that will allow South Carolina governmental employers to compete, on a cost-effective basis, for the excellent employees needed to provide high-quality government services to the citizens of the State of South Carolina. In administering these benefits, the Public Employee Benefit Authority seeks to effectively and efficiently operate sustainable retirement and insurance plans in accordance with the terms of those plans and its fiduciary duties to the beneficiaries of those plans.**

#### **Core Values**

- **Quality Customer Services and Products** – We consistently provide outstanding products and excellent customer services, as defined by our customers, and we strive for continuous improvement. Our interaction with customers is fair, fast, simple, and comprehensible.
- **Innovation** – We are receptive to and flexible with the changing environment and the evolving world of technology. We welcome challenges, embrace innovation, and encourage creativity.
- **Professionalism** – We perform our work with honesty, integrity, and loyalty. We are committed to performance that is credible, thorough, competent, and worthy of customer confidence.
- **Strong Workforce** – We are committed to having a strong workforce, with our employees placed in the right positions, well-trained, and motivated to consistently achieve high performance.

#### **Strategic Objectives**

At the broadest level, PEBA's strategic objectives are to:

- Create an organization driven by the pursuit of excellence in all areas.

- Design and implement an updated health care plan that focuses on improving health outcomes and reducing costs.
- Provide for the efficient and cost effective administration of the retirement systems for active and retired members of the systems.
- Ensure the highest fiduciary, legal and ethical standards are known and applied across the organization.

Expected Results

PEBA expects that, by pursuing the goals and objectives set out in this and future strategic plans, it will achieve the following results:

- Satisfied members, beneficiaries and stakeholders
- Engaged employees
- Improved fiscal and financial positions of the plans and programs administered by PEBA
- Long-term success for South Carolina’s governmental employee insurance and retirement plans

**PART II – SPECIFIC INITIATIVES**

***I. STRATEGIC PLANNING***

This Section addresses how PEBA pursues strategic planning and how PEBA will implement the strategies and goals developed during the process.

**Strategic Issue:** Strategic Planning: PEBA should establish a robust, ongoing strategic planning process. Ultimately, PEBA intends to apply for, and receive, the Governor’s Quality Award and the national Malcolm Baldrige Award.

*Goal:*

1. Annually, PEBA will conduct an organized process to create and update a comprehensive strategic plan.

*Broad Strategies*

1. Conduct a learning phase to identify the key stakeholders in PEBA’s activities and to analyze the expectations of those stakeholders for PEBA and PEBA’s expectations for those stakeholders.
2. Conduct an analysis of PEBA’s strengths, weaknesses, opportunities, and threats, both in the near- and long-term.
3. Develop strategic issues, goals, strategies, and action plans based upon those analyses.

4. Deploy the strategic plan through:
  - Communication
  - Workforce planning/education
  - Performance reviews
  - Detailed action plans for all key areas

The 2013-2014 strategic plan was developed, and will be deployed, under the process set out in this section. An action plan for 2013-2014 has been developed based on the issues, goals and strategies identified in this plan with the appropriate departments of PEBA tasked with necessary action steps.

## ***II. LEADERSHIP AND GOVERNANCE***

This section addresses how PEBA's Board of Directors and executive management define PEBA's mission, purpose, future vision, and the values by which PEBA will be managed.

For the 2013 – 2014 plan, the following goals and strategies have been established:

**Strategic Issue: Governance:** PEBA operates in a complex statutory scheme that involves multiple governmental bodies, including the PEBA Board of Directors, the General Assembly, the Budget and Control Board, and the South Carolina Retirement System Investment Commission. It is important that PEBA satisfies all of its statutory and fiduciary duties responsibilities and effectively manages its relationships with other governmental entities.

### *Goals*

1. The fiduciary responsibilities of the Board and its committees are clearly defined and they are able to satisfy them.
2. The PEBA Board is provided with education regarding its role as a Board of Trustees, and the Board focuses on policy-level activities under their authority.
3. The PEBA Board has confidence in the administrative abilities of the PEBA staff.
4. The PEBA Board has a unified set of goals for insurance and retirement.
5. The PEBA Board speaks with one voice through the Board or committee chairs so as to not to dilute its authority.
6. The PEBA Board anticipates and develops creative solutions to challenges faced by public employee insurance and retirement plans.
7. PEBA maintains an engaged and open relationship with the South Carolina Retirement System Investment Commission, the Budget and Control Board, and the General Assembly.

### *Broad Strategies*

1. Conduct regular and consistent Board training.
2. Develop fiduciary responsibility guidance and training.
3. Develop and periodically review committee by-laws and charters.
4. Refine communication process between Board, committee chairs, and PEBA staff.
5. Prioritize goals.
6. Develop the agency's governmental relations functions
7. Continue to enhance the relationship between PEBA and the RSIC to ensure that all necessary information is exchanged.

### **III. CUSTOMER FOCUS**

This Section addresses how PEBA intends to provide the best quality service to its stakeholders. These stakeholders include participants and dependents covered by its insurance plans, members and beneficiaries of its retirement systems, and interested governmental parties, including participating governmental employers in the plans, the South Carolina General Assembly, the South Carolina Budget and Control Board, and the South Carolina Retirement System Investment Commission.

**Strategic Issue:** Communication: PEBA stakeholders do not have a full understanding of the issues surrounding the provision of benefits to public employees in South Carolina.

#### *Goals*

1. Stakeholders understand the rationale behind policy decisions regarding PEBA products and services.
2. Members are educated on the nature of their benefits in order to make sound decisions regarding their benefit plans.
3. Internal staff is informed of policy decisions and understand the impact on their work.

### *Broad Strategies*

1. Evaluate current mechanisms of communication with stakeholders.
2. Utilize various, cost-effective mechanisms of communications.

3. Begin monthly management meetings with line managers and summarize and share results with employees.
4. Notify internal staff of the availability of Board meeting minutes; summarize important issues

**Strategic Issue: Service:** PEBA strives for continuous improvement of the level of service provided to members and benefits administrators.

#### *Goals*

1. Members and benefits administrators are able to receive services through a “one-stop shop”.
2. PEBA services are rated both cost effective and of high quality.

#### *Broad Strategies*

1. Benchmark services to identify gaps.
2. Cross-train employees.
3. Have one office location.
4. Enhance communication regarding value of benefits.
5. Seek feedback from members regarding plans provided and allocation of benefits.
6. Ensure adequate technical knowledge by providing education and training of PEBA employees to stay current on trends and issues.
7. Offer flexible service and communication mechanisms

#### **IV. PLAN MEASUREMENT AND ANALYSIS**

This section addresses how PEBA measures the performance and funding of the plans and programs it administers. The Section also addresses how PEBA analyzes performance data in order to make decisions regarding future directions for the plans and programs.

**Strategic Issue: Funding and Quality of the Plans:** PEBA ~~is under pressure from~~ **has responsibility to** its stakeholders to control public employee benefit costs while providing maximum benefits. The cost to members and taxpayers is impacted by investment performance, member behavior, competitive developments in relevant labor markets, policy determinations regarding cost-allocations, and the willingness to pay of participants and taxpayers.

#### *Goals*

1. Provide the **maximum** competitively-necessary benefit **within the available resources** on the most cost-efficient basis.

2. Plans are equitable.
3. Funding mechanisms established for the plans are fiscally sound.
4. There is progress toward eliminating unfunded liability ~~100% funding~~.
5. Contributions are predictable and reasonable.
6. ORP participants are retirement-ready
7. PEBA Board will be ready to assume Deferred Compensation duties on January 1, 2014

*Broad Strategies*

1. Conduct experience studies to set reasonable assumptions.
2. Conduct annual valuations.
3. Obtain audited financial statements.
4. Coordinate and communicate with RSIC on liquidity needs and liability requirements.
5. Pilot patient-centered medical homes (PCMH).
6. Make appropriate changes to health plan design to improve health outcomes and reduce costs, including changes designed to reduce member behaviors that negatively affect health outcomes.
7. Have appropriate contracts in place and monitor vendor and provider performance for both the insurance and retirement plans.
8. Ensure plans are in compliance with applicable federal and state rules and regulations.
9. Develop rolling three-year plan for health insurance plans.
10. Develop internal capability to collect and analyze health care data.
11. Ensure employer and member compliance with plan requirements.
12. Focus education for ORP participants on retirement readiness
13. Adopt best practices concerning plan ORP offerings and structure
14. PEBA Board of Directors assumes trustee role for South Carolina Deferred Compensation Program

**V. WORKFORCE PLANNING**

This Section addresses how PEBA intends to build a strong workforce, slot people in the right positions, train them, and keep them motivated or engaged to consistently achieve high performance.

**Strategic Issue: Workforce Planning:** Like many organizations, PEBA is faced with staffing challenges brought on by loss of staff due to retirement and new skills requirements due to advances in technology. PEBA has the additional challenge of integrating separate work units into one agency.

*Goals*

1. PEBA has the ability to recruit and maintain a stable, sufficient, and proficient workforce to carry out the strategic goals of the agency.
2. PEBA employees see themselves as one agency.
3. Integrate EIP and Retirement staffs' functions and responsibilities as appropriate.

*Broad Strategies*

1. Develop a workforce plan.
2. Initiate employee engagement activities
3. Initiate and continually update employee training related to maintaining necessary skills and improving systems and processes.

**VI. OPERATIONS MANAGEMENT**

This Section addresses how PEBA will improve its work systems. Work systems consist of both human resources and technological elements. The human resource elements and processes have been addressed in Sections III and V above. For information technology, PEBA's plan for 2013 – 2014 is as follows:

**Strategic Issue: Information Technology:** The agency is currently operating two separate, aging information systems- one for the retirement system and one for the insurance program.

*Goals*

1. PEBA will have a new, integrated system that improves efficiency in operations and effectiveness in service delivery.
2. PEBA will, at all times, ensure that its information technology resources are deployed in the most safe and secure manner feasible.

*Broad Strategies*



1. Educate policy makers on needs and costs of system
2. Conduct IT assessment
3. Implement assessment recommendations
4. Develop internal capability to collect and analyze health care data.

**PUBLIC EMPLOYEE BENEFIT AUTHORITY  
AGENDA ITEM**

**Meeting Date:** August 21, 2013

**Tab 7**

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**1. Subject: FAAC Committee Charter  
As amended and recommended by the FAAC Committee**

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**2. What is Board asked to do?** Review and approve.

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**3. Supporting Documents:**

- (a) Attached:
  - 1. FAAC Committee Charter as amended by FAAC on 8.16.13

## **Finance, Administration, Audit and Compliance Committee Charter** **[As amended and recommended by the FAAC Committee on 8.16.13]**

**(A) Purpose:** To make recommendations and reports to the PEBA Board concerning matters of PEBA's governance, administration and operations; financial reporting, audits and budgets; regulatory compliance; and technology platforms, privacy and data security.

**(B) Authority:** The authority of the Finance, Administration, Audit and Compliance (FAAC) Committee includes information-gathering and advice and recommendations to the Board. The Committee may invite administrators, consultants, staff, external auditors, and/or others to attend meetings and provide pertinent information as necessary. PEBA Board of Directors Bylaws, Section V(C).

**(C) Composition:** The FAAC Committee shall be established pursuant to the process defined in the PEBA Board of Directors bylaws.

### **(D) Meetings**

- (1) The FAAC Committee will meet as circumstances require upon the call of the Committee Chair.
- (2) FAAC Committee meetings shall adhere to the rules outlined in the PEBA Board of Directors Bylaws and with applicable law.

**(E) Responsibilities:** The FAAC Committee will carry out the following responsibilities:

- (1) Develop a strategic plan for PEBA governance, administration, financial reporting, auditing and regulatory compliance and make recommendations to the PEBA Board;
- (2) Monitor PEBA's financial reporting efforts to assess the status of financial reporting, to determine progress toward strategic objectives, and make recommendations to the PEBA Board;
- (3) Develop the Internal Auditor's reporting and unit structure, responsibilities and job description.<sup>[ID1]</sup>
- (4) Monitor PEBA's auditing function through the PEBA internal and external auditors to assess the status of auditing efforts, to determine progress toward strategic objectives, and make recommendations to the PEBA Board;
- (5) Monitor PEBA's regulatory compliance status to determine progress toward strategic objectives, and make recommendations to the PEBA Board;
- (6) Review any proposed changes to the governance of PEBA and make recommendations to the PEBA Board;
- (7) At least annually, review PEBA governance documents to determine compliance with the documents, to determine whether any changes to the governing documents are required and to make recommendations to the PEBA Board;

- (8) Develop, ~~and~~ review and oversee any legislative and executive branch initiatives (including budgeting) of the PEBA Board and make recommendations to the PEBA Board;
- (9) Periodically review status of property and equipment; ~~and~~
- (10) Monitor status of PEBA's data security, HIPAA and other privacy compliance;
- (11) Oversee development of Board member training and handbook;
- (12) Create and maintain a calendar of events for PEBA;
- (13) Develop a travel and education policy for PEBA Board members;
- (14) Oversight of litigation involving and/or affecting PEBA;
- (15) Oversight of Human Resource policies and procedures;
- (16) Oversee agency communications involving areas of FAAC responsibilities;

**As approved and adopted:**

**SOUTH CAROLINA PUBLIC EMPLOYEE BENEFIT  
AUTHORITY BOARD OF DIRECTORS  
FAAC COMMITTEE**

By: \_\_\_\_\_  
Steve A. Matthews, Chairman

By: \_\_\_\_\_  
Peggy G. Boykin, CPA

By: \_\_\_\_\_  
Sheriff Leon Lott

By: \_\_\_\_\_  
Arthur M. Bjontegard, Jr.