

## Meeting Minutes | Health Care Policy Committee

Thursday, March 17, 2016 | 10:00 a.m.  
200 Arbor Lake Dr., Columbia, SC 29223 | Second Floor Conference Room

Minutes approved May 19, 2016

**Board Members Present:** Mr. Frank Fusco, Mr. Steve Heisler, and Mr. Audie Penn

**Board Members Absent:** Mr. Joe “Rocky” Pearce, Chairman

**Others Present for All or a Portion of the Meeting:** Peggy Boykin, Phyllis Buie, Sarah Corbett, Bobby George, Denise Hunter, Ariail Kirk, Heather Muller, Justice Perkins, Jacalin Shealy, Laura Smoak, Rob Tester, Stephen Van Camp, and Heather Young from the South Carolina Public Employee Benefit Authority (PEBA); Sam Griswold from the State Retirees Association of South Carolina; Brooks Goodman, Karen Patton, and Matt Shaffer from Blue Cross Blue Shield of South Carolina; Kent Miyamote, Robin Scott and Traci Young from Express Scripts, Inc.; Mike Madalena and Eric St. Pierre from Gabriel, Roeder, Smith & Company; Michael Craig from Novo Nordisk, Inc.; and Thompson Kinney from Milliken Law Firm.

### I. Call to Order

Vice-Chairman Steve Heisler called the PEBA Health Care Policy Committee (Committee) meeting to order at 10:00 a.m., and stated that the public meeting notice was posted in compliance with the Freedom of Information Act.

### II. Adoption of Proposed Agenda

Mr. Audie Penn made a motion, which was seconded by Mr. Frank Fusco, and approved unanimously, to adopt the proposed Committee meeting agenda.

### III. Approval of Meeting Minutes- February 18, 2016

Mr. Penn made a motion, which was seconded by Mr. Fusco, and approved unanimously, to approve the February 18, 2016, Committee meeting minutes.

### IV. Continued Strategic Planning Discussion

Mr. Bobby George, Training and Development Director, facilitated the strategic planning discussion. Mr. George stated that based on suggestions from last month’s strategic planning session, the Health Care Policy Committee Mission Statement has been revised as follows: “To ensure a financially sustainable health program that improves member health and provides a positive member experience.”

Mr. Fusco made a motion, which was seconded by Mr. Penn, and approved unanimously, to adopt the revised Health Care Policy Committee Mission Statement.

Mr. George turned the discussion to the Committee's goals and key measures. It was noted that the three Committee goals for the State Health Plan are:

1. To remain financially sustainable;
2. Improve member health outcomes; and
3. Provide a positive member experience.

The Committee agreed that key measures to determine financial sustainability of the State Health Plan (SHP) include:

1. SHP expenditure growth per subscriber for the SHP is at least two percentage points below the five-year average national benchmark.
2. SHP Actuarial Value Ratio (AVR) is equal to or higher than the benchmark of the average of bordering peer plans (North Carolina, Georgia, Florida and Tennessee) and the southeast regional states.
3. SHP net expenditure to revenue loss ratio at or less than 1.
4. Cumulative cash balance of self-funded health plan reserves is at least 140 percent of current estimated outstanding liability.
5. SHP average monthly employer premium at or below the southeast state employee plan average.
6. SHP average monthly enrollee premium at or below the southeast regional state employee plan average.
7. SHP average monthly total premium at or below the southeast regional state employee plan average.

Following further discussion, the committee decided to add an additional financial sustainability measure related to per member per month expense.

The Committee agreed that the key measure to determine improving member health includes maintaining an overall patient health risk score for non-Medicare primary adult SHP members that is adjusted for demographics.

The Committee agreed that the key measures to determine a positive member experience include:

1. Trust: members feel the SHP is a Plan they can trust: score at least an 8 out of 10 on a customer satisfaction survey where "1" means strongly disagree and "10" means strongly agree.
2. Likelihood to recommend: how likely members are to recommend the SHP to family and friends on a customer satisfaction survey; score at least an 8 out of 10 where "1" means very unlikely to recommend and "10" means likely to recommend.
3. SHP Medical Third Party Administrator Customer Satisfaction After-Call Survey average total score is greater than or equal to 4.5 where "1" means very dissatisfied and "5" means very satisfied.
4. PEBA Customer Satisfaction survey score should be greater than or equal to a 95 percent satisfaction rate for both the Visitor and Customer Contact Center.

Discussion ensued regarding various Committee reports. Examples were given for each report, and the Committee decided which reports would be beneficial to receive on a quarterly basis.

It was noted that the only amendment to the Health Care Policy Committee Charter is in Section (A) related to the Health Care Policy Mission. Mr. Fusco made a motion, which was seconded by Mr. Penn, and approved unanimously, to approve the revised Health Care Policy Committee Charter.

**V. Old Business/Director's Report**

Ms. Peggy Boykin, PEBA's Executive Director, provided the Director's report, and stated that the House will begin budget deliberations next week. Ms. Boykin reminded the Committee that the House version of the budget fully funds the State Health Plan so there will not be a cost share increase for employees. Ms. Boykin added that the House version includes funding that will cover only the general fund portion of the one-half percent increase in employer contribution rates. The House version includes a one percent pay increase for state employees, and a one-half percent increase in the employer and employee contribution rates.

Ms. Boykin advised the Committee that the State Fiscal Accountability Authority (SFAA), will hold a special meeting to review the 2016 Experience study, the 2015 Actuarial Valuations, and funding issues in regards to PEBA and RSIC on April 19, 2016. Ms. Boykin pointed out that alternative dates will need to be selected for the PEBA Board retreat that was scheduled for April 19, 2016, as well as the April Board meeting since the Board is required by statute to meet monthly. Ms. Boykin stated that a possible alternative date for the April Board meeting would be April 20, 2016, and asked the Committee to decide if they should meet in April as well. Ms. Boykin noted that the Board Retreat may be postponed until the end of the legislative session.

**VI. Adjournment**

There being no further business, and upon motion by Mr. Fusco, which was seconded by Mr. Penn, and approved unanimously, the Committee meeting adjourned at 12:00 p.m.