

SC PUBLIC EMPLOYEE BENEFIT AUTHORITY- BOARD OF DIRECTORS

Health Care Policy Committee-MINUTES Adopted Wednesday, April 16, 2014

202 Arbor Lake Drive, Columbia SC, Main Conference Room 2nd Floor

Wednesday, January 15, 2014 – 10:00 a.m.

Health Care Committee Members Present:

Mr. Joe "Rocky" Pearce, Chairman (in person)

Mr. Audie Penn (in person)

Mr. Steve Heisler (in person)

Mr. Art Bjontegard (in person)

Additional Board Members Present:

Mr. Frank Fusco (in person)

Others present for all or a portion of the meeting:

David Avant, Lil Hayes, Travis Turner, Stephen Van Camp, Laura Smoak, Justin Werner, Colleen Clark, Phyllis Buie, Tammy Caudill, and Virginia Wetzel from the South Carolina Public Employee Benefit Authority (PEBA); Wayne Pruitt and Donald Tudor with the State Retirees Association of SC; Brooks Goodman with Blue Cross Blue Shield of South Carolina; Thompson Kinney with Mullikin Law Firm; and Carlton Washington with the SC State Employees Association.

AGENDA

1. CALL TO ORDER; ADOPTION OF PROPOSED AGENDA

Mr. Pearce called the meeting to order at 10:00 a.m. Ms. Hayes confirmed meeting notice compliance with the Freedom of Information Act. Mr. Penn moved to adopt the proposed agenda. Mr. Heisler seconded, with the unanimous vote to approve.

2. Approval of Meeting Minutes- November 20, 2013

Mr. Pearce asked for amendments to the November 20, 2013, Health Care Policy Committee meeting minutes. There being no amendments, Mr. Pearce asked for a motion to approve the minutes. Mr. Heisler moved to approve the minutes. Mr. Pearce seconded, with unanimous vote to approve.

3. Dependent Verification Review (In notebook materials)

Mr. Pearce introduced Phyllis Buie and Tammy Caudill with PEBA who explained the dependent verification origins and methodology. There was discussion regarding resulting savings calculations, future trends for decreasing claims, amnesty periods for submittal of required dependent documentation, and the estimated completion of the process. The Committee received the report as information and requested PEBA staff to provide recommendations on State Health Plan changes regarding coverage of non-traditional dependants, an analysis of annual savings and resulting claims trend decrease due to removal of ineligible dependants, and resources needed to accelerate the estimated completion date of the process.

4. Long Term Disability Program Review (In notebook materials)

Mr. Pearce referred to Travis Turner, PEBA Staff, to present a report on the Long Term Disability Trust Fund. There was discussion regarding the overfunded status of the program. It was noted that Gabriel Roeder Smith & Company, PEBA's actuary consultant, recommended no change should be made to premiums at this time due to changes in disability eligibility pursuant to Act

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278 of 2012. The Committee received this as information and directed staff to research the possibility of outsourcing to a third party provider instead of self-funding.

5. Health Post-Expenditure Analysis (In notebook materials)

Mr. Pearce recognized Brooks Goodman with Blue Cross Blue Shield who described programs and processes to detect and prevent health claim fraud. The Committee received this as information and requested Mr. Goodman to work with PEBA and Catamaran to create a patient engagement plan to educate members about the cost of fraud, and what steps they could take to prevent future fraud. The Committee also requested a statistical report on past fraud cases.

6. Legislative Update

Governor's FY 13/14 Budget Review

The Committee discussed the details of the Governor's Budget recommendation and noted that the House Ways and Means Committee plans to review PEBA's Health Plan budget recommendation later in January 2014. The Committee noted that the Governor recommended an ACA grandfathered plan.

Tobacco User Differential Study: 12/14 Appropriations Act, Proviso 105.6

PEBA Interim Director, David Avant, advised the Committee that the Governor recommended deletion of the proviso. The Committee received this as information and requested PEBA staff to research new data collection methodology for tobacco users.

7. Old Business

An update was given on the transition of the Pharmacy Benefits Manager contract to Catamaran and the new Patient Centered Medical Home Pilot program with MUSC.

Mr. Fusco suggested that PEBA develop a patient engagement plan to promote consumerism. He provided the Patient Engagement Framework created by the National eHealth Collaborative as a reference tool.

The Committee requested Blue Cross Blue Shield to prepare a report on new findings for telemedicine and medical tourism/ travel centers of excellence.

8. New Business

There was no new business.

9. Adjournment

Mr. Pearce thanked Mr. Avant for his service to the Board and the PEBA agency as the interim director. He closed the meeting by stating that the Committee is committed to creating a consumer driven health plan to incorporate opportunities in new ACA standards.

There being nothing further to discuss, Chairman Pearce requested a motion to adjourn. Mr. Heisler moved to adjourn and Mr. Penn seconded. The committee unanimously voted to adjourn at 12:06 p.m.