

## Meeting Minutes | Board of Directors

Thursday, April 20, 2017 | 1:00 p.m.  
200 Arbor Lake Dr., Columbia, SC 29223 | Second Floor Conference Room

Minutes approved May 18, 2017

**Board Members Present:** Mr. Frank Fusco, Vice Chairman Joe “Rocky” Pearce, and Chairman John Sowards

**Board Members Present via Telephone:** Mr. Steve Heisler, Mr. Steve Matthews, Mr. Audie Penn, and Mr. Ed Walton

**Board Members Absent:** Sheriff Leon Lott and Mr. David Tigges

**Others Present for All or a Portion of the Meeting:** Peggy Boykin, Amber Carter, Megan Lightle, Heather Muller, Darry Oliver, Stephen Van Camp, and Justin Werner from the South Carolina Public Employee Benefit Authority (PEBA); Brooks Goodman from Blue Cross Blue Shield of South Carolina; Terrall Robertson from Strategic Wealth Advisory Group, LLC.; Sam Sisney from the South Carolina Office of the State Treasurer; and Thompson Kinney from Milliken Law Firm.

### I. Call to Order

Chairman John Sowards called the PEBA Board of Director’s (Board) meeting to order at 1:00 p.m., and stated that the public meeting notice was posted in compliance with the Freedom of Information Act.

### II. Adoption of Proposed Agenda

It was noted that the proposed Board meeting agenda was adopted unanimously as presented.

### III. Approval of Meeting Minutes- March 23, 2017

It was noted that the March 23, 2017, meeting minutes were adopted unanimously as presented.

### IV. Committee Reports

#### A. Health Care Policy Committee

Mr. Rocky Pearce reported that the Health Care Policy Committee did not meet in April.

#### B. Retirement Policy Committee

Mr. Ed Walton stated that the Retirement Policy Committee did not meet in April.

#### C. Finance, Administration, Audit and Compliance (FAAC) Committee

Mr. Steve Matthews advised that the FAAC Committee did not meet in April.

## **V. Old Business**

### **A. Director's Report**

Ms. Peggy Boykin, Executive Director, advised that the budget has passed both the House and the Senate, and is back in the House where it is expected to be further amended. Ms. Boykin stated that the current version of the budget includes approximately \$25 million for full funding of the State Health Plan (excluding adult well visits), with no employee premium increase, and no changes in co-payments or deductibles. Ms. Boykin informed the Board that the Senate version of the budget includes a proviso that requires PEBA to provide the Senate with a report by December 1, 2017, related to the issues regarding the inclusion of adult well visits to the State Health Plan. This report will address cost, benefits, and potential cost savings associated with adult well visits.

Ms. Boykin also advised that the Senate version of the budget includes requiring the State Health Plan to cover prescribed contraceptives for dependents under the same terms and conditions as for subscribers of the State Health Plan.

Ms. Boykin stated that both versions of the budget include provisions for the State Health Plan to cover a subscriber's former spouse, who is eligible for coverage by a court order, on their own individual policy at the full amount of the premium. Subscribers may continue to cover their current spouse, and premiums would be paid on a pre-tax basis.

Ms. Boykin explained that the House and Senate versions of the budget differ in how they fund retirement contributions. For state agencies and school districts, the House version of the budget intends for the general fund to cover approximately \$34 million of the first one percent of the increase in employer contribution rates, and the entire second one percent (approximately \$118 million) of the increase in employer contribution rates for all employers regardless of source of funds. Ms. Boykin added that the Senate version of the budget covers the normal share of the first one percent, and the second one percent would be funded through the local government employee benefits pool, and money derived from federal and other funds.

Ms. Boykin advised if the pension bill is vetoed by the Governor and the veto is not overridden, employer and employee contributions will be increased by 50 basis points on July 1, 2017. The assumed rate-of-return would also remain at 7.50 percent.

### **B. Roundtable Discussion**

At the conclusion of the Director's Report, Chairman Sowards provided an opportunity for a roundtable discussion. Mr. Pearce stated that he and Mr. Fusco recently attended the Baldrige Quest for Excellence Conference in Baltimore, Maryland, which was designed around performance excellence initiatives.

## **VI. Adjournment**

There being no further business, and upon motion by Mr. Frank Fusco, which was seconded by Mr. Pearce, and approved unanimously, the Board meeting adjourned at 1:38 p.m.