

<b>AGENCY NAME:</b>	South Carolina Public Employee Benefit Authority		
<b>AGENCY CODE:</b>	F500	<b>SECTION:</b>	105

## Fiscal Year 2016-2017 Accountability Report

### SUBMISSION FORM

<b>AGENCY MISSION</b>	PEBA's mission is to provide competitive retirement and insurance benefit programs for South Carolina public employers, employees and retirees.
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<b>AGENCY VISION</b>	Serving those who serve South Carolina
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Please select 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.

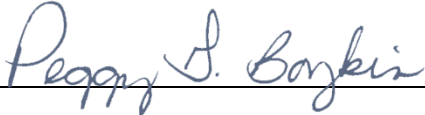
	Yes	No
<b>RESTRUCTURING RECOMMENDATIONS:</b>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Please identify your agency's preferred contacts for this year's accountability report.

	<i>Name</i>	<i>Phone</i>	<i>Email</i>
<b>PRIMARY CONTACT:</b>	Peggy G. Boykin, CPA	803.734.8117	pboykin@peba.sc.gov
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I have reviewed and approved the enclosed FY 2016-2017 Accountability Report, which is complete and accurate to the extent of my knowledge.

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

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

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## **AGENCY'S DISCUSSION AND ANALYSIS**

The South Carolina Public Employee Benefit Authority (PEBA) is the state agency responsible for the administration and management of the state's employee insurance programs and retirement systems for South Carolina's public workforce. PEBA administers insurance benefits to more than 480,000 members. More than 575,000 public employees are covered by the five defined benefit retirement plans. An additional 44,000 members participate in the defined contribution retirement plan. PEBA disburses more than \$3.1 billion in retirement benefits and more than \$2 billion in insurance claims expenditures each year.

By the close of fiscal year 2017, 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 2018 and beyond.

### **Promote financially sound PEBA programs**

In fiscal year 2017, the State Health Plan expenditure growth remained significantly below other public and private sector insurance plans. This expenditure growth trend was accomplished while providing a deductible and employer and employee premiums that are significantly less than other public and private sector insurance plans. PEBA has continued to offer additional value-based benefits to our members while maintaining our positive financial benchmarks.

### **State Health Plan vs. national trends**

*Data from the 2017 Segal Health Plan Cost Trend Survey*

	<b>Public and private sector insurance plans<sup>1</sup></b>	<b>State Health Plan<sup>2</sup></b>
<b>2012</b>	6.7%	6.4%
<b>2013</b>	5.6%	4.0%
<b>2014</b>	7.9%	-1.4%
<b>2015</b>	8.2%	8.8%
<b>2016</b>	9.0%	4.4% (12/18) <sup>3</sup>

<sup>1</sup>Includes active participants and retirees under the age of 65 in private and public sector insurance plans.

<sup>2</sup>Trend is defined as claims paid per member (includes employee and dependents).

<sup>3</sup>"12/18" means incurred in 12 months; paid in 18 months

### **2016 average annual deductible**

*Data from the Kaiser Family Foundation Employer Health Benefits 2016 Annual Survey*

	<b>Amount</b>
<b>State Health Plan</b>	\$445
<b>Lg. public &amp; private sector employers<sup>1</sup></b>	\$814
<b>Public &amp; private sector in South<sup>2</sup></b>	\$1,024

<sup>1</sup>Lg. public and private sector employers: ≥ 200 employees in public and private sectors

<sup>2</sup>Public & private sector employers in South: Includes Alabama, Arkansas, Delaware, District of Columbia, Florida, Georgia, Kentucky, Louisiana, Maryland, Mississippi, North Carolina, Oklahoma, South Carolina, Tennessee, Texas, Virginia and West Virginia

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**2016 average monthly total premiums**

*Data from the Kaiser Family Foundation Employer Health Benefits 2016 Annual Survey*

Totals include employee and employer contributions

	Single	Family
<b>State Health Plan</b>	\$458	\$1,200
<b>Lg. public &amp; private sector employers<sup>1</sup></b>	\$572	\$1,607
<b>Public &amp; private sector in South<sup>2</sup></b>	\$540	\$1,474
<b>Public employers</b>	\$606	\$1,497
<b>Private – manufacturing</b>	\$578	\$1,676
<b>Private – financial services</b>	\$583	\$1,654

<sup>1</sup>Lg. public and private sector employers: ≥ 200 employees in public and private sectors

<sup>2</sup>Public & private sector employers in South: Includes Alabama, Arkansas, Delaware, District of Columbia, Florida, Georgia, Kentucky, Louisiana, Maryland, Mississippi, North Carolina, Oklahoma, South Carolina, Tennessee, Texas, Virginia and West Virginia

PEBA maintains this favorable cost structure by continually focusing on cost containment and health outcomes. A review of the major cost drivers of the State Health Plan was completed during fiscal year 2017 and further study to include recommendations will be made regarding cost containment and health outcomes in these areas.

Effective January 1, 2017, PEBA transitioned to Express Scripts’ National Preferred Formulary. This allows the State Health Plan to achieve the lowest net cost for covered prescriptions. Estimated annual savings from the reduction in pharmacy costs is \$6.4 million with additional rebate guarantees valued at \$16.2 million. Express Scripts’ Hepatitis C Care Value Program and Cholesterol Care Value Program were also adopted effective January 1, 2017, to address specialty pharmacy challenges.

PEBA participated in CEM’s pension administration benchmarking service in 2016. The survey measures costs and services associated with administering pension systems. PEBA’s total pension administration cost was \$33 per active member and annuitant. This cost was \$47 below the peer average of \$80 and the fourth lowest cost. According to the results, our cost decreased an average of 2.8 percent per year between 2013 and 2016. This was primarily due to the growth of our active and annuitant membership. Our total pension administration cost has remained relatively flat over this period, but our membership has grown an average of 2.5 percent per year during this period.

PEBA continued to work with the General Assembly, the Joint Committee on Pension Systems Review and the South Carolina Retirement System Investment Commission to address funding of the defined benefit retirement plans it manages. The Retirement System Funding and Administration Act of 2017 was signed into law in April. This act was designed to meet the priorities outlined by the Joint Committee and accelerate the plans’ progress toward fully funding the unfunded liabilities. PEBA staff will continue to work closely with the Joint Committee as it resumes meeting to discuss potential benefit structure changes.

During the fiscal year, PEBA awarded contracts to vendors for various services. BlueCross BlueShield of South Carolina (BlueCross) was awarded the contract for third-party administration of the State Health Plan. Companion Benefit Alternatives, Inc. was awarded the contract for behavioral health management services. Selman and Company was awarded the contract for the TRICARE Supplement Plan as a sole source vendor. PEBA

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staff worked closely with all vendors to implement the new contracts as of January 1, 2017. PEBA staff continue to work and meet with BlueCross staff regularly to manage the State Health Plan.

**Improve health outcomes and promote retirement awareness**

Through our PEBA Perks initiative, the agency promoted value-based benefits available at no cost to State Health Plan primary members throughout the year including colorectal cancer screenings, breast pumps, flu vaccines, tobacco cessation, preventive screenings, adult vaccines, the No-Pay Copay program and well child benefits.

- A goal was set to increase the number of eligible employer groups hosting a preventive screening by 6 percentage points to 266 worksites by the end of 2017. In 2016, a total of 226 employer groups hosted 942 total screenings events. As of June, 30, 2017, 165 unique employers have hosted a preventive screening.
- A goal was set to increase State Health Plan member current rate for colorectal cancer screenings by 1.5 percentage points by the end of 2017. The 2016 colorectal cancer screening rate for eligible members was 53.4 percent. As of June 30, 2017, the rate for eligible members is 54.3 percent.

PEBA continued to make progress in fiscal year 2017 toward increasing retirement awareness among its members through the addition of seminars, presentations, videos and flyers. Our *Be aware and prepare* series provides members with information that can help them make smart decisions about their financial future. The agency continued to provide a retirement planning seminar for members who are a few years away from retirement eligibility, as well as 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**

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. Many technology upgrades have provided for enhanced customer experiences. Members with insurance benefits-related questions can now contact a customer service representative via our Live Chat feature, which was previously only used for retirement benefits. Member portal enhancements expanded user capabilities such as electronic retirement payments, electronic document uploads of supporting documentation and online retirement refund status updates. During the fiscal year, we also purchased and implemented a new call management system, which replaced our previous 20-year-old system.

A new informational series, *Navigating Your Benefits*, was developed and launched to assist members in making insurance and retirement decisions through common-language explanations. The series offers a variety of flyers and videos. A new member e-newsletter, pebapulse, was implemented to provide up-to-date insurance and retirement information. And, with increased emphasis on retirement awareness and wellness, many new communications were developed to assist members and employers in making informed decisions.

Many State Health Plan changes effective January 1, 2017, offered enhanced service and/or added value to our members. Rally Health, a digital platform, was successfully implemented. Rally provides personalized recommendations to help members improve their health outcomes and connect to health coaching. Telehealth was added as a covered service through Blue CareOnDemand. These video visits allow members to see a doctor 24/7/365 for common, non-severe issues. Coverage for breast pumps at contracted providers was also added at no cost to the member.

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PEBA sent the second Employer Group Report, along with other information about resources available to members, to the executive-level contact and primary benefits administrator in May 2017. The customized report provides a better understanding of the health of each employer’s 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. In fiscal year 2017, we also developed and delivered a comprehensive health and wellness presentation designed to engage participating entity leadership in improved health outcomes.

The South Carolina Deferred Compensation program’s Business Transformation Project was completed and will improve administration of the plan and provide a more uniform customer experience. Key requirements of the project for participating employers included: the ability for participants to contribute on a pre-tax and post-tax basis to both 401(k) and 457(b) plans; the ability for participants to repay loans via payroll deduction; secure, electronic remittance of contributions; and comprehensive, electronic reporting of participant data.

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 2017, the agency issued a request for proposals for life insurance. A request for proposals was also issued for an investment consultant for the State Optional Retirement Program and South Carolina Deferred Compensation Program.

**Responsibly manage risk to the organization**

The Enterprise Risk Management and Compliance Department has made strides to improve management of the programs that oversee PEBA’s compliance with state and federal regulations as well as the monitoring of those programs. The privacy officer role was moved under the ERM Department and a new privacy officer was hired to manage PEBA’s regulations related to information privacy such as HIPAA. A few of the initiatives that have been implemented under the new privacy officer include: improving PEBA’s internal processes for reporting internal incidents, improving training programs for staff, completing a HIPAA risk assessment for the agency and finalizing a new privacy policy for the agency.

The director of Enterprise Risk Management and Compliance has made progress in the development of the risk program through:

- The creation and approval of an *Enterprise Risk Management Charter*;
- The creation of an ongoing third party due diligence process for high risk vendors;
- The development of a vendor evaluation program to determine the vendor’s capabilities related to information security and privacy used in the procurement process;
- Continued implementation and development of privacy and security policies; and
- Improvement of the charter and governance processes for agency’s Privacy and Security Committee.

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

In fiscal year 2017, an online new employee onboarding program was developed and implemented. New employees receive a comprehensive review of PEBA basics through the program and then attend two classroom sessions, The PEBA Way and a meet-and-greet with executive staff. In addition to the state required information security training, an online privacy, security and safety module specific to PEBA was produced and delivered. Mandatory classroom sessions were also conducted to reinforce the significance of this growing concern.

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In addition to required training, staff were provided numerous opportunities for voluntary self-development. Several online trainings were offered and two open registration courses were offered throughout the year, including The PEBA Way and Managing Conflict. A Tuition Assistance Policy was developed and implemented to assist interested employees in furthering their education. In addition to regularly hosted lunch-and-learn events, employees were offered the opportunity to participate in book clubs. Two book clubs were hosted and provided well received personal and professional development.

With wellness and health outcomes being a top priority for the State Health Plan, PEBA deployed several initiatives in support of the health and wellbeing of its own employees. Fresh fruits and vegetables (supported by employee funds) are offered weekly as an alternative to unhealthy snacks. Several lunchtime fitness initiatives were offered to include yoga and beginner cardio. Additionally, the agency adopted a Tobacco-free Workplace Policy effective June 1, 2017.

**Improve internal efficiencies through new system implementation**

One of the most significant operational challenges the agency faces is the pending replacement of its legacy information systems. A request for proposals for a client services vendor to facilitate and support the replacement of our information systems was issued in September 2016. An intent to award was posted January 13, 2017. However, the award was protested and the procurement is still in protest.

In fiscal year 2017, a contract project manager was hired to assist with the completion of the project, named peba:connect.

**Risk assessment and mitigation strategies**

PEBA’s custom written information technology systems 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.

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

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, too. PEBA is working closely with the Joint Committee on Pension Systems Review.

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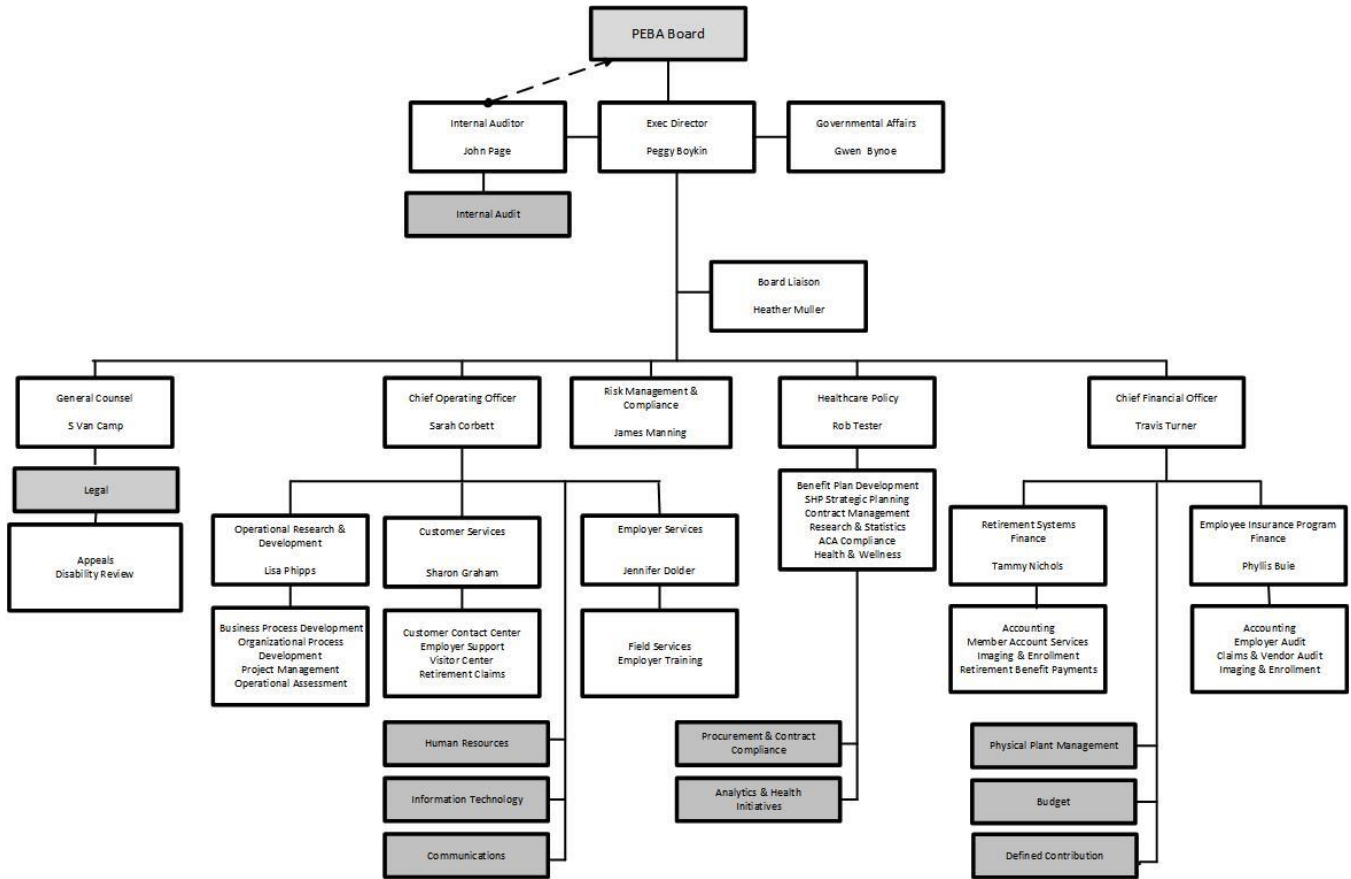
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Organization chart





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**Strategic Planning Template**

Type	Goal	Item # Strat	Object	Associated Enterprise Objective	Description
<b>G</b>	<b>1</b>			<b>Maintaining Safety, Integrity and Security</b>	<b>Promote financially sound PEBA programs</b>
<b>S</b>		<b>1.1</b>			<b>Research best practices, and recommend and implement health plan design changes</b>
<i>O</i>			<i>1.1.1</i>		<i>Review major cost drivers of the State Health Plan and develop methods for improvement</i>
<i>O</i>			<i>1.1.2</i>		<i>Evaluate Patient-Centered Medical Home initiative's effectiveness, provider accessibility and member participation; continue to evaluate PCMH cost effectiveness</i>
<i>O</i>			<i>1.1.3</i>		<i>Continue to evaluate new opportunities for reference based pricing strategies and continue a phased-in approach to implement current reference-based pricing</i>
<b>G</b>	<b>2</b>			<b>Healthy and Safe Families</b>	<b>Improve health outcomes and promote retirement awareness</b>
<b>S</b>		<b>2.1</b>			<b>Promote member engagement with both retirement and insurance programs to ensure</b>
<i>O</i>			<i>2.1.1</i>		<i>Develop and execute marketing plans and goals for MoneyPlus/cafeteria plan</i>
<i>O</i>			<i>2.1.2</i>		<i>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</i>
<i>O</i>			<i>2.1.3</i>		<i>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</i>
<b>G</b>	<b>3</b>			<b>Government and Citizens</b>	<b>Enhance the customer service experience for members and employers</b>
<b>S</b>		<b>3.1</b>			<b>Implement cost effective integrated systems and processes that are intuitive, practical and provide value for members and employers</b>
			<i>3.1.1</i>		<i>Ensure customer service credibility and responsiveness for members and employers</i>
<i>O</i>			<i>3.1.2</i>		<i>Complete requirements for new Governmental Accounting Standards Board other post-employment benefits (OPEB) standards (GASB 74)</i>

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**Strategic Planning Template**

Type	Goal	Item # Strat	Object	Associated Enterprise Objective	Description
O			3.1.3		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
O			3.1.4		Complete requirements for new Governmental Accounting Standards Board other post-employment benefits (OPEB) standards (GASB 75)
<b>G</b>	<b>4</b>			<b>Maintaining Safety, Integrity and Security</b>	<b>Responsibly manage risk to the organization</b>
<b>S</b>		<b>4.1</b>			<b>Implement enterprise risk management</b>
O			4.1.1		Develop a risk management framework
O			4.1.2		Complete an agency risk assessment
<b>G</b>	<b>5</b>				<b>Maintain a workforce and work environment conducive to achievement of agency goals and</b>
<b>S</b>		<b>5.1</b>			<b>Develop and maintain effective training and development programming</b>
O			5.1.1		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			5.1.2		Implement Phase II of onboarding process (includes expansion of education on agency
<b>S</b>		<b>5.2</b>			<b>Ensure a safe, secure and functional physical working environment</b>
O			5.2.1		Execute a long-term facilities plan to include updates to the physical property
<b>G</b>	<b>6</b>			<b>Government and Citizens</b>	<b>Improve internal efficiencies through new system implementation</b>
<b>S</b>		<b>6.1</b>			<b>Conduct and maintain multi-phase initiatives to generate system and operational changes to</b>
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	Last Value	Current Target Value	Current Value	Future Target Value	Time Applicable	Data Source and Availability	Calculation Method	Associated Objective(s)	Meaningful Use of Measure
1	Call Center Wait Times- Insurance and Retirement	2 minutes 33 seconds	< 1 min. 45 sec.	3 min. 13 sec.	3 minutes 0 seconds	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	Ensure outstanding member and employer customer service
2	Visitor Wait Time- Insurance	6 minutes	< 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	3.1.1	Ensure outstanding member and employer customer service
3	Visitor Wait Time- Retirement	8 minutes	< 15 minutes	11 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	3.1.1	Ensure outstanding member and employer customer service
4	Call Center Customer Satisfaction Survey Results- Insurance and Retirement	98.90%	> 95%	90.41%	> 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	Ensure outstanding member and employer customer service
5	Visitor Customer Satisfaction Survey Results- Insurance and Retirement	99.07%	> 95%	99.65%	> 95%	Fiscal Year	ZIP SURVEY, daily	Percentage of respondents to the Visitors Center Post-Counseling Satisfaction Survey who gave a response of "satisfied"	3.1.1	Ensure outstanding member and employer customer service
6	Retirement Benefits Member Access Users	128,273	128,273	155,669	187,169	June 30	ADABAS file for Member Access account holders, daily	Total number of existing active accounts in the Member Access system	3.1.1	Gauge level of engagement with members through the portal to plan for future enhancements
7	IT System Availability- Percent Available	99.85%	99%	99.80%	99.85%	Fiscal Year	Illient, daily	Hours recorded downtime divided by hours available	3.1.1	Gauge reliability of system and confidence
8	Percentage of IT Helpdesk Calls Resolved Within 24-hour Business Cycle	91.50%	90%	89.30%	91.50%	Fiscal Year	Illient, daily	1 minus the # of help desk calls taking more than 24 hours to resolve divided by total help desk calls	3.1.1	Determine efficiency and effectiveness of helpdesk support
9	State Health Plan expenditure growth per subscriber	4.10%	5.50%	4.40%	at least two percentage points below the five year average	Calendar year	SHP specific weighted value from annual Segal Health Plan Cost Trend Survey	Average claims dollars per member (includes employee and dependents) increase current year compared to previous year	1.1.1	Ensure plan is properly funded
10	State Health Plan actuarial value ratio (AVR)	80.20%	76.55%	80.20%	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	1.1.1	Assess value of benefits
11	State Health Plan actuarial value ratio (AVR)	80.20%	75.21%	80.20%	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	1.1.1	Assess value of benefits
12	State Health Plan net expenditure to revenue loss ratio	0.965	<= 1.0	0.945	less than or equal to 1.0	Calendar year	SHP revenue and claims data	Plan expenses as compared to Plan revenue	1.1.3	Ensure plan is properly funded

13	Cumulative cash balance of self-funded health plan reserves	186.00%	>= 140%	229.00%	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	1.1.3	Ensure plan is properly funded
14	State Health Plan average employer monthly composite premium	\$510.60	\$702.77	\$516.12	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	1.1.1	Evaluate cost of plan
15	State Health Plan average enrollee monthly composite premium	\$159.51	\$187.51	\$159.88	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	1.1.1	Evaluate cost of plan
16	State Health Plan average total monthly composite premium	\$670.11	\$890.29	\$676.00	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	1.1.1	Evaluate cost of plan
17	Maintain overall patient health risk score for non-Medicare primary adult State Health Plan members that is adjusted for demographics	1.4665	1.4665	1.4891	<= 1.4665	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	Help balance the overall plan risk with a cost of increased wellness awareness
18	Trust: members feel the State Health Plan is a plan they can trust	8.3	8.0	8.1	at least 8 out of 10 where 1 means strongly disagree 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	Determine trust and confidence in plan
19	Likelihood to recommend: how likely members are to recommend the State Health Plan to family and friends	8.3	8.0	8.4	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	Determine trust and confidence in plan
20	State Health Plan medical Third Party Administrator customer satisfaction	4.5	4.5	4.6	>= 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	Determine trust and confidence in plan
21	Deferred Compensation Third Party Administrator customer satisfaction	4.68	4.5	4.72	>= 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	3.1.1	Ensure outstanding member and employer customer service

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Program Template

Program/Title	Purpose	FY 2016-17 Expenditures (Actual)				FY 2017-18 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		\$ 275,382		\$ 275,382		\$ 295,582		\$ 295,582	4.1.1, 4.1.2
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		\$ 9,129,181		\$ 9,129,181		\$ 11,709,301		\$ 11,709,301	1..1.1 through 1.1.3; 2.1.1 through 2.1.33; 3.1.1 through 3.1.4; 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.		\$ 12,516,077		\$ 12,516,077		\$ 14,221,472		\$ 14,221,472	1..1.1 through 1.1.3; 2.1.1 through 2.1.33; 3.1.1 through 3.1.4; 6.1.1 through 6.1.5
II. C. Operational IT System	To develop and implement a new pension and benefits administration system.						\$ 10,000,000		\$ 10,000,000	6.1.1 through 6.1.5
III. Employee Benefits	To increase the economic security of agency staff and improve worker retention		\$ 5,214,017		\$ 5,214,017		\$ 5,803,736		\$ 5,803,736	5.1.1 through 5.2.1
					\$ -				\$ -	
Total Restricted Funds			\$ 27,134,657		\$ 27,134,657		\$ 42,030,091		\$ 42,030,091	
					\$ -				\$ -	
General Funds	Employer Contribution pass-throughs	\$ 7,374,047			\$ 7,374,047	\$ 125,737,331			\$ 125,737,331	
					\$ -				\$ -	
Agency Total					\$ 34,508,704				\$ 167,767,422	

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Legal Standards Template

Item #	Law Number	Jurisdiction	Type of Law	Statutory Requirement and/or Authority Granted	Does this law specify who (customer) the agency must or may serve? (Y/N)	Does the law specify a deliverable (product or service) the agency must or may provide? (Y/N)
1	S.C. Const. art. X, § 16	State	Statute	Requires funding of the state retirement systems on a sound actuarial basis and establishes	Yes	Yes
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	Yes	Yes
a	S.C. Code Ann. § 1-11-705	State	Statute	Establishes PEBA's responsibilities as trustee and administrator of the Retiree Health	Yes	Yes
b	S.C. Code Ann. § 1-11-707	State	Statute	Establishes PEBA's responsibilities as trustee and administrator of the Long Term Disability	Yes	Yes
c	S.C. Code Ann. § 1-11-710	State	Statute	Provides for PEBA's responsibilities in adopting and administering the state's employee	Yes	Yes
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	Yes	Yes
a	S.C. Code Ann. § 8-23-20	State	Statute	Establishes PEBA's responsibilities in implementing and administering the Deferred	Yes	Yes
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)	Yes	Yes
a	S.C. Code Ann. § 9-1-210	State	Statute	Provides that PEBA is responsible for the administration and operation of SCRS	No	Yes
b	S.C. Code Ann. § 9-1-1310	State	Statute	Names PEBA as co-trustees of the state's retirement systems	No	Yes
5	S.C. Code Ann. § 9-2-20	State	Statute	Requires PEBA to appoint the members of the South Carolina Retirement and Preretirement	No	No
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	Yes	Yes
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	Yes	Yes
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	No	Yes
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)	Yes	Yes
a	S.C. Code Ann. § 9-8-30	State	Statute	Provides that PEBA is responsible for the administration and operation of JSRS	No	Yes
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)	Yes	Yes
a	S.C. Code Ann. § 9-9-30	State	Statute	Provides that PEBA is responsible for the administration and operation of GARS	No	Yes
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)	Yes	Yes
a	S.C. Code Ann. § 9-10-20	State	Statute	Provides that PEBA is responsible for the administration and operation of the SCNG Plan	Yes	Yes

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)	Yes	Yes
a	S.C. Code Ann. § 9-11-30	State	Statute	Provides that PEBA is responsible for the administration and operation of PORS	No	Yes
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 (QEBAs)	Yes	Yes
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	Yes	Yes
a	S.C. Code Ann. § 9-16-20	State	Statute	Designates the PEBA Board as trustees of the retirement systems' investment group trust	No	Yes
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	No	Yes
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	Yes	Yes
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)	Yes	Yes
a	S.C. Code Ann. § 9-20-30	State	Statute	Provides that PEBA is responsible for the administration of the ORP	Yes	Yes
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	Yes	Yes
18	2016-2017 Appropriations Act, Part IB Proviso 106.1	State	Proviso	Directs the use of appropriated funds for SCRS and PORS contribution rate increases	Yes	Yes
19	2016-2017 Appropriations Act, Part IB Provisos 108.1 to 108.11	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.	Yes	Yes
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	No	No
		Federal	Regulation		No	No
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	No	No
		Federal	Regulation		No	No
22	State statutes and regulations that generally apply to the operations of state	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	No	No
		State	Regulation		No	No
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	No	No
		Federal	Regulation		No	No
		State	Statute		No	No
		State	Regulation		No	No

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Customer Template

Divisions or Major Programs	Description	Service/Product Provided to Customers	Customer Segments	<i>Specify only for the following Segments: (1) Industry: Name; (2) Professional Organization: Name; (3) Public: Demographics.</i>
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		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	











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Partner Template

Name of Partner Entity	Type of Partner Entity	Description of Partnership	Associated Objective(s)
General Assembly	State Government		
Retirement System Investment Commission	State Government	RSIC manages and invests the public pension trust funds that are administered by our agency.	
State Fiscal Accountability Authority	State Government		
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	2.1.3
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.	2.1.1, 3.1.3
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.	
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
Clifton Larson Allen	Private Business Organization	Clifton Larson Allen serves as the auditor for the agency.	
Mandiant	Private Business Organization	Mandiant provides security risk assessment services.	4.1.1, 4.1.2
Sungard Availability Services	Private Business Organization	Sungard Availability Services provides off-site disaster recovery services for our information systems.	

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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	09/30/16	Report is an audit of the South Carolina Public Employee Benefit Authority, Insurance Benefits and Other Post Employment Benefits Trust Funds	<a href="http://www.peba.sc.gov/factsfigures.html">http://www.peba.sc.gov/factsfigures.html</a>
2	Retirement Financial Statements	South Carolina Office of the State Auditor	State	Annually	10/15/16	Report is an audit of the South Carolina Public Employee Benefit Authority Retirement Systems' financial statements	<a href="http://www.peba.sc.gov/factsfigures.html">http://www.peba.sc.gov/factsfigures.html</a>
3	Retirement Comprehensive Annual Financial Report	PEBA Board	State	Annually	10/15/16	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	<a href="http://www.peba.sc.gov/factsfigures.html">http://www.peba.sc.gov/factsfigures.html</a>
4	State of South Carolina Retiree Health Care Plan Actuarial Valuation Report	General Assembly	State	Annually	02/09/17	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).	<a href="http://www.peba.sc.gov/factsfigures.html">http://www.peba.sc.gov/factsfigures.html</a>
5	South Carolina Retirement System Actuarial Valuation	General Assembly	State	Annually	12/31/16	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.	<a href="http://www.peba.sc.gov/factsfigures.html">http://www.peba.sc.gov/factsfigures.html</a>
6	Police Officers Retirement System Actuarial Valuation	General Assembly	State	Annually	12/31/16	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.	<a href="http://www.peba.sc.gov/factsfigures.html">http://www.peba.sc.gov/factsfigures.html</a>
7	Judges and Solicitors Retirement System Actuarial Valuation	General Assembly	State	Annually	12/31/16	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.	<a href="http://www.peba.sc.gov/factsfigures.html">http://www.peba.sc.gov/factsfigures.html</a>

8	General Assembly Retirement System Actuarial Valuation	General Assembly	State	Annually	12/31/16	<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>	<a href="http://www.peba.sc.gov/factsfigures.html">http://www.peba.sc.gov/factsfigures.html</a>
9	South Carolina National Guard Supplemental Retirement Plan Actuarial Valuation	General Assembly	State	Annually	12/31/16	<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>	<a href="http://www.peba.sc.gov/factsfigures.html">http://www.peba.sc.gov/factsfigures.html</a>

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**External Review Template**

Item	Name of Entity Conducted External Review	Type of Entity	External Review Timeline (MM/DD/YYYY to MM/DD/YYYY)	Method to Access the External Review Report
1	CliftonLarsonAllen (Financial Statement Auditors - opinion issued 10/12/2016)	Outside Organization	07/01/2015 to 06/30/2016	Go to <a href="http://www.peba.sc.gov/factsfigures.html">http://www.peba.sc.gov/factsfigures.html</a> ; see links to financial reports and external financial auditor opinions for the retirement and health plans
2	Gabriel, Roeder, Smith & Company (Consultants & Actuaries - report issued 12/08/2016)	Outside Organization	07/01/2015 to 06/30/2016	Go to <a href="http://www.peba.sc.gov/factsfigures.html">http://www.peba.sc.gov/factsfigures.html</a> ; see links to the actuarial valuation reports for the retirement and health plans
3	CliftonLarsonAllen (401k and 457 Plan Financial Statement Auditors - opinion issued 11/29/2016)	Outside Organization	01/01/2015 - 12/31/2015	Contact Ashley M. Brindle, CPA - PEBA Defined Contribution Manager, <a href="mailto:abrindle@peba.sc.gov">abrindle@peba.sc.gov</a>
4	PEBA - Agency Internal Audit Department (Report on Check Receipts and Deposits)	State	07/01/2016 to 08/31/2016	Contact John E. Page, CIA, CISA - PEBA Director of Internal Audit, <a href="mailto:jpage@peba.sc.gov">jpage@peba.sc.gov</a>
5	PEBA - Agency Internal Audit Department (Report on Removable Media)	State	04/01/2017 to 05/31/2017	Contact John E. Page, CIA, CISA - PEBA Director of Internal Audit, <a href="mailto:jpage@peba.sc.gov">jpage@peba.sc.gov</a>
6	Segal Consulting	Outside Organization	07/01/2015 to 06/30/2016	Go to <a href="http://www.peba.sc.gov/assets/limitedscopeauditreport.pdf">http://www.peba.sc.gov/assets/limitedscopeauditreport.pdf</a>
7	CliftonLarsonAllen (GASB 68 Auditors)	Outside Organization	07/01/2015 to 06/30/2016	Go to <a href="http://www.peba.sc.gov/assets/06.30.16-audit-report_final.pdf">http://www.peba.sc.gov/assets/06.30.16-audit-report_final.pdf</a>