

**PEBA**<sup>SM</sup>  
SC Retirement Systems  
and State Health Plan

**South Carolina Public Employee Benefit Authority**  
*Serving those who serve South Carolina*

## Meeting Agenda

**| Health Care Policy Committee | Finance, Administration, Audit and Compliance Committee  
| Retirement Policy Committee | Board of Directors**

Wednesday, June 3, 2026 | 202 Arbor Lake Drive., Columbia, SC 29223 | 1<sup>st</sup> Floor Conference Room

### **Health Care Policy Committee | 10:30 a.m.**

- I. Call to order
- II. Approval of meeting minutes – March 4, 2026
- III. MUSC Plan update
- IV. New dental overview and strategy
- V. Old business/Director's report
- VI. Adjournment

### ***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.

**PUBLIC EMPLOYEE BENEFIT AUTHORITY AGENDA ITEM  
HEALTH CARE POLICY COMMITTEE**

**Meeting Date:** June 3, 2026

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**1. Subject:** MUSC Plan Annual Update

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**2. Summary:** PEBA and MUSC have partnered to sponsor the MUSC Health Plan for its employees and hospitals since 2014. Dr. David Louder, Executive Director of the MUSC Health Alliance, will make his annual presentation as to the performance of the health plan and general events in the Medical University system.

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**3. What is Committee asked to do?** Receive as information

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**4. Supporting Documents:**

- (a) Attached: 1. MUSC Health Plan 2025 Review

# MUSC Health Plan

PEBA Health Committee

June 3, 2026



Changing What's Possible | [MUSC.edu](https://www.musc.edu)



# MUSC Health Plan

- Originated in 2014
- Goals:
  - Create “domestic” tier for MUSC as a care provider and employer
  - Gain experience in value-based care
    - Improve quality and decrease costs
- Richer (ACA required) benefits offset by decreased hospital reimbursement
- Financial model unchanged since origination
- Quality measures updated annually
- Savings target has never been met



# 2025 Quality Performance

	2025	2024	2023
Adult HEDIS	27/35	27/35	21/35
Pediatric HEDIS	9/33	14/33	15/27
ED utilization	8/16	0/16	4/16
Readmissions	0/16	0/16	0/8
TOTAL Quality	44%	41%	41%

2025	Members	Avg. Total Paid	Comparison
Adults (63% female)	23,918	\$9,837	\$9,723 (NS)
Children	7,554	\$3,256	\$3,330 (NS)

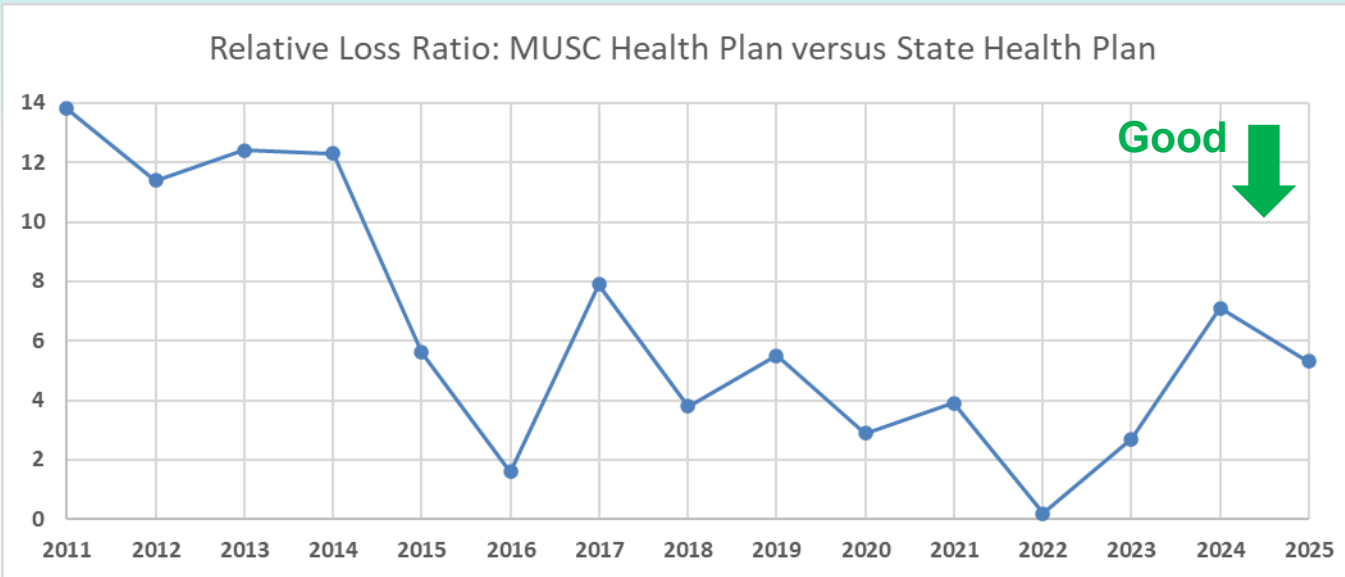
Lower prevalence of chronic illnesses, except migraines

Higher rates for well child visits, dental care and screening for breast cancer and cervical cancer

Lower rates for vaccinations, colon cancer screening, Health Risk Assessment, kids vision, and participation in PEBA digital wellness



# MUSC Health Plan and State Health Plan Loss Ratio Performance



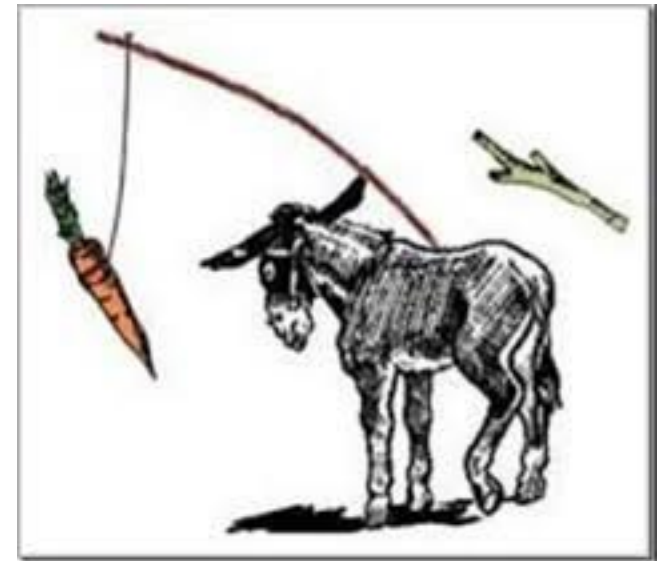
- Pre-MUSC Health Plan performance 12-14% unfavorable
- 2015: New benefit and payment structure decrease loss ratio
- Performance < 0% results in gain sharing
  
- 2025: 5.3% unfavorable, improved prior 2024
  
- “Unfavorable” means that the MUSC Health Plan risk adjusted expenditures exceeded those for active beneficiaries of the State Health Plan



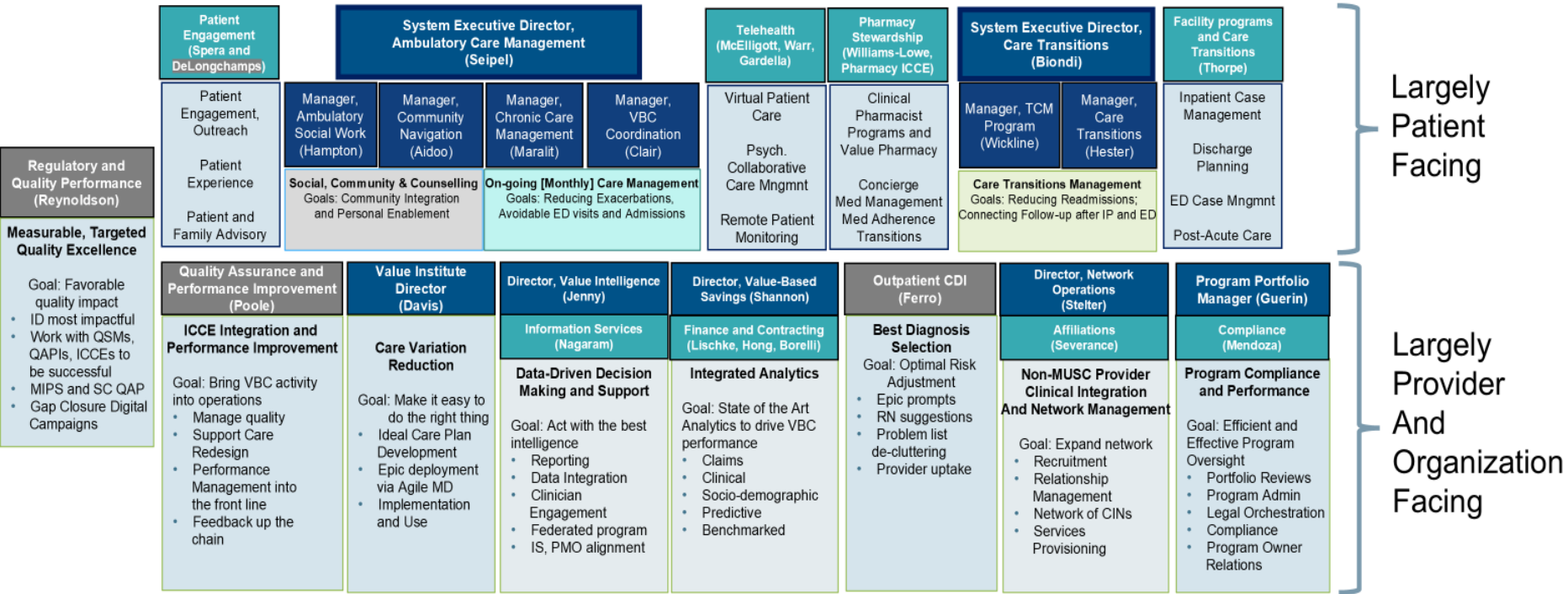
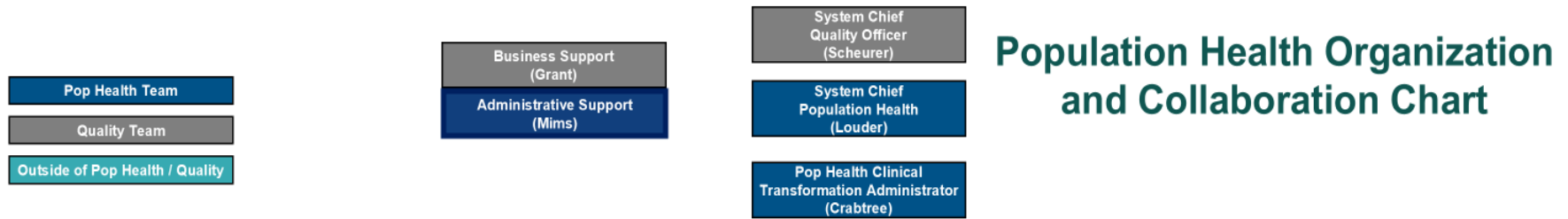
# 2026 MUSC Health Plan Terms

- Stair-stepped financial goals to get to 0% goal in 3 years
- Downside financial risk
  - If MUSC is unfavorable to target, it pays back to PEBA
- Quality performance indicators
- Low-value utilization indicators

Goal: add some sticks to the carrots while moving the carrots a little closer for 3 years.



# How does MUSC act to improve quality and decrease costs? Pop Health investment



# Whole System Engagement

- Pat Cawley is doubling-down: Value-Based Care is the future and success in it is critical
- Weekly Population Health Steering Committee led by System CEO
- C-Suite Execs now leading monthly Population Health Committees
- 47 changes to support Population Health
- \$3.5M Information Services add-on to support changes
- 1000 leaders training in December at our Leader Institute

**Think like a dolphin:** dolphins use half of brain to breathe while sleeping

- Half of brain is used for Fee For Service
- Half of brain is used for Value-Based Care



# System Approaches

## HIGHLY-ENGAGED TEAM: COLLABORATIVE, MISSION-DRIVEN, PROBLEM SOLVING

- Patient Engagement and Patient/Family Advisory
- Telehealth and Remote Patient Monitoring
- Hospital Case Management, Discharge Planning and coordination with home health and nursing homes
- Pharmaceutical Cost Management optimization
- Program Management and Payer Coordination
- Academic Integration: Teaching and training the future of healthcare to succeed in value-based care
- Network and Health System Affiliations
- Grant-funded programs to support testing innovation and to serve the underserved



# Patient Engagement Teams

- Chronic and High Risk Care Management: 23 FTEs;
  - Improve Patient Outcomes and **Reduce Admissions**
  - On-going care coordination and navigation
- Care Transitions and Emergency Dept Patient Engagement: 28 FTEs
  - Improve Patient Outcomes and **Reduce Readmissions**
  - Guide patients in the month after a hospital discharge and assure engagement of clinical services
- Community Health Workers: 15 FTEs
  - Improve Patient Outcomes; **Decrease Care Utilization**
  - Close gaps in Social Determinants of Health (Food, Transportation, Housing, Funds)
  - Connect patients to community services
- Ambulatory Social Workers: 11 FTEs
  - Improve Patient Outcomes and **Decrease Avoidable Utilization**
  - Help sick patients and families connect to support and services
- Tobacco Cessation: Improves Health and **Reduces Utilization**
- Diabetes Prevention: **Prevents progression to diabetes**



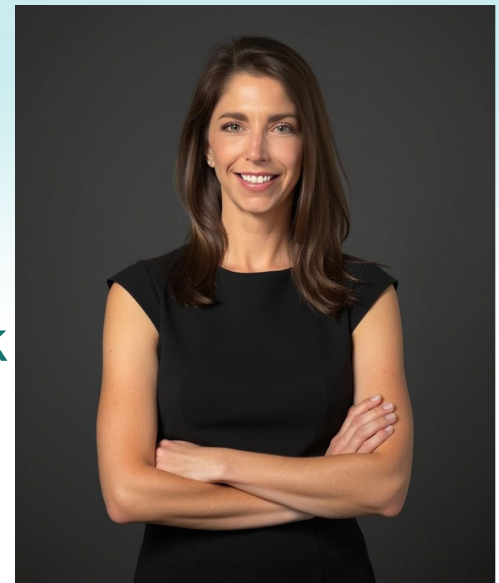
# Provider Engagement Teams

- **Quality Performance: 10 FTEs**
  - **Improves Quality Outcomes** through Performance Improvement
- **Value Intelligence: 4 FTEs**
  - **Improves Quality of Outcomes, Care, and Provider Engagement**
  - Optimizes EMR use with training and workflow optimization
- **Value-Based Savings: 4 FTEs**
  - **Generates insights to achieve higher quality and lower cost**
  - Aligns claims, clinical and other data and connects to clinical decision support
- **Value Institute: 7 FTEs**
  - Embeds evidence-based best practices into the electronic medical record to **make it easy to do the right thing**



# MUSC Health Alliance: Clinically-Integrated Network

- “Clinically-Integrated” provides a legal framework for distinct healthcare organizations to work together to improve quality and decrease costs
  - Stark and Anti-Trust regulatory/legal protections
- **Abby Stelter** new Director of Network Operations
- Opportunities
  - Tier A of the MUSC Health Plan
  - “Network sufficiency” of doctors across the State
  - Building relationships with independent physician practices and skilled nursing facilities
  - Statewide Network of Clinically-Integrated Networks



# MUSC BY THE NUMBERS 2026

The Only Comprehensive Academic Health System in South Carolina



**202** Years of service

1824 |++++|++++|++++|++++| 2026

**3.21** MILLION  
Patient encounters annually



**280,000+**  
Patients in value-based care contract



**18\***  
Hospitals  
(5 in development)



**2,815**  
Licensed beds



**1,046+**  
Care locations



\*Includes owned and governing interest

Statewide health system



Serving all  
**46**  
counties



1 of 2 National  
Telehealth Centers  
of Excellence

**464** Telehealth sites

**50,000+**  
Jobs supported annually

**10 = 12**

For every 10 jobs MUSC creates, 12 more South Carolina jobs are generated\*

\*Average

**36,215** Total people



Faculty, physicians, researchers, employees, care team members, contract employees and affiliates

**3,491** Students



The Medical University

**6** Colleges



**1,061**  
Residents & Fellows



**41** Degree programs



University Hospital  
**#1** rated in S.C. by U.S. News & World Report



**8.9** BILLION  
Total enterprise operating budget



**10.1** BILLION  
Current estimated economic impact

**\$349** MILLION  
Research funding



**1,240** Clinical trials

**648** U.S. and international patents

**67** Active faculty startups

**73** Products in market

**12** Trademarks



NCI-designated cancer center

REV. 202604



# Charleston Cancer Hospital



- Statewide resource to support statewide Hollings Cancer Center network
  - Cancer treatment (HCC network) in all MUSC Health markets
- Goals: Next level NCI designation, clinical trials enrollment



# Further Integration

## June 2026 Update



- Exploring Value-Based Care Opportunities
- Will bring Tidelands Health into Tier A of MUSC Health Plan
  - We already had a handful of employees in the Murrells Inlet area
- 100 more employees (Cancer Center) moving to MUHA mid-June
- 200 physicians and advanced practice providers migrate to MUSC Community Physicians employment July
- Integration of Tidelands Population Health activities into MUSC System Population Health.



# Palmetto Primary Care Physicians



- 118 providers
- 40 locations: 3 Grand Strand, 6 Midlands, others Lowcountry
- Strong primary care (and specialty) practice with demonstrated performance in Value-Based Care
- At the moment, functioning largely as it was prior to acquisition
  - Migration to Epic EMR a first order of business



# Questions?

Dave Louder

[louder@musc.edu](mailto:louder@musc.edu)



**PUBLIC EMPLOYEE BENEFIT AUTHORITY AGENDA ITEM  
HEALTH CARE POLICY COMMITTEE**

**Meeting Date:** June 3, 2026

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**1. Subject:** New dental overview and strategy

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**2. Summary:** Dylan Minney, Director of Dental Product and Sales at BlueCross BlueShield of South Carolina, will present on dental coverage for PEBA's roughly 560,000 members and outline strategies that emphasize the connection between oral health and overall health. He oversees PEBA's account along with local, national, and large-group business.

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**3. What is the Committee asked to do?** Receive as information

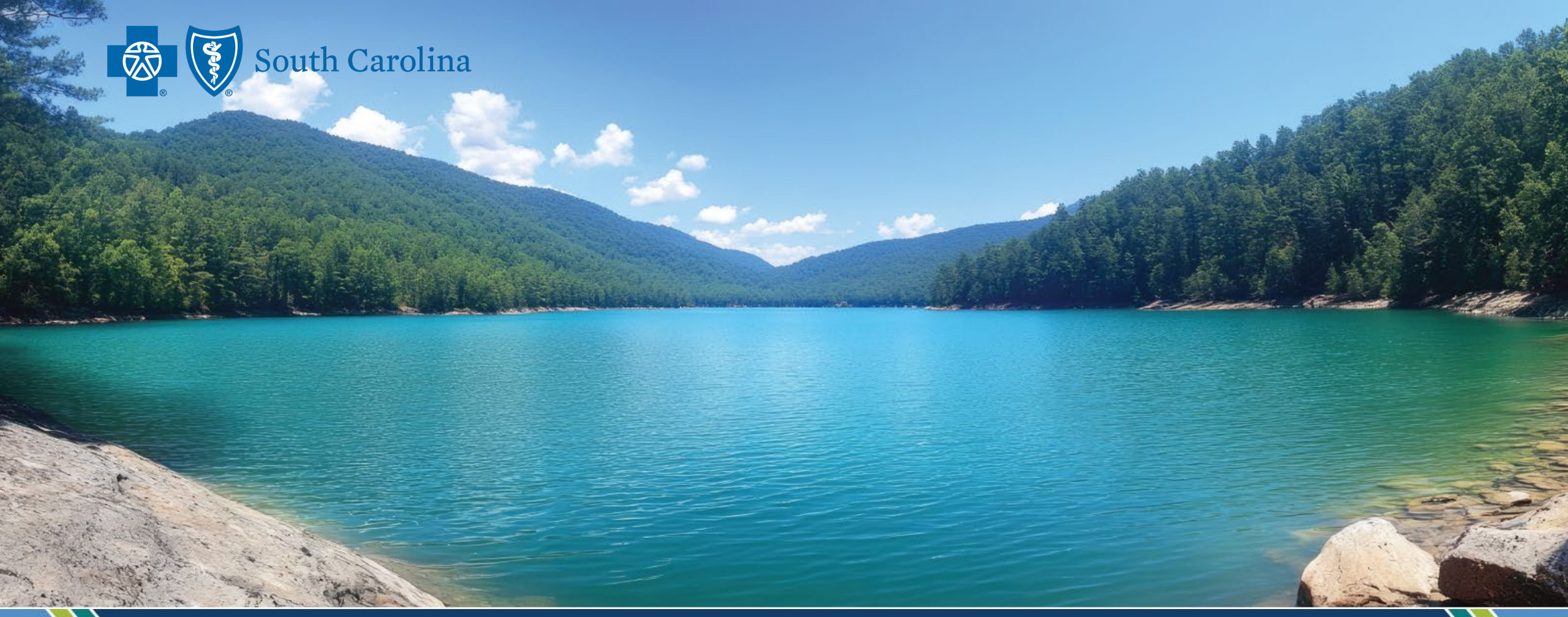
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**4. Supporting Documents:**

- (a) Attached: 1. Improving member health through good dental coverage



South Carolina



# Improving member health through good dental coverage

Dylan Minney, BlueCross BlueShield of South Carolina



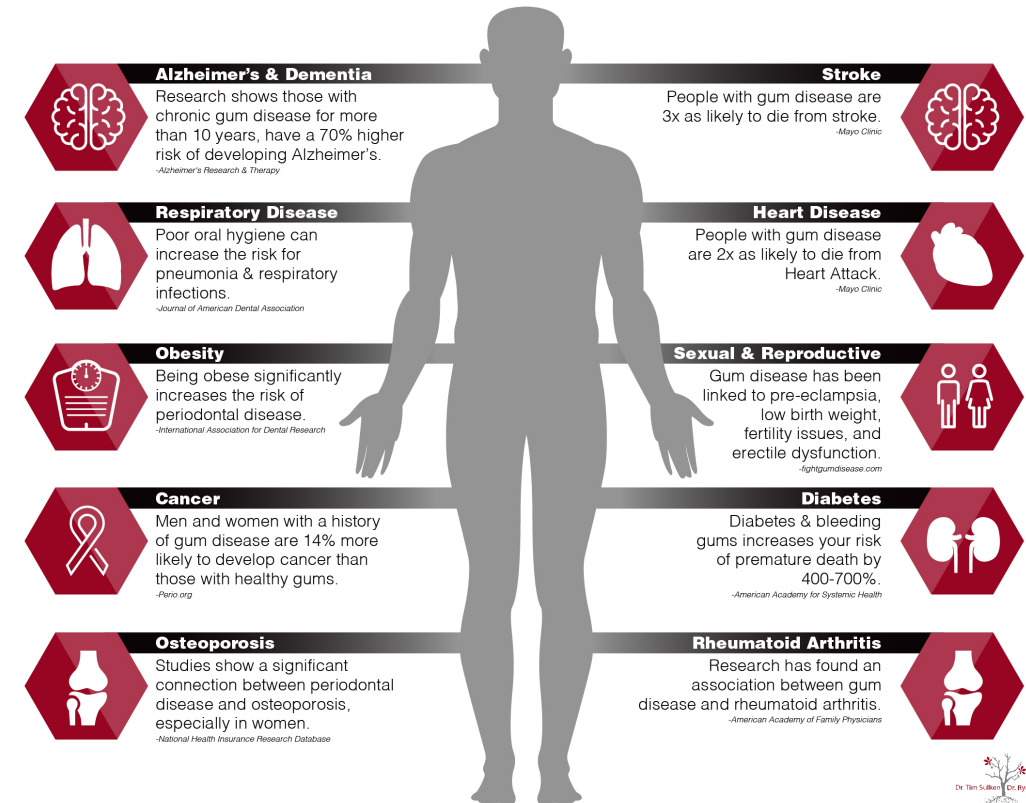
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# Importance of oral and whole-body health

- Seeing a dentist can help prevent gum disease and tooth decay. A professional cleaning goes deeper than brushing and flossing. Early detection can keep small problems from becoming larger ones.
- 90% of all systematic diseases have oral manifestations. Receiving preventive oral care is one of the best methods for condition management and early detection of chronic diseases.
- Most prevalent conditions: heart disease, diabetes, stroke.

## MOUTH BODY Connection

*The Surgeon General reports that at least 80% of American Adults have gum disease but the impact goes far beyond the mouth.*  
-AAOASH

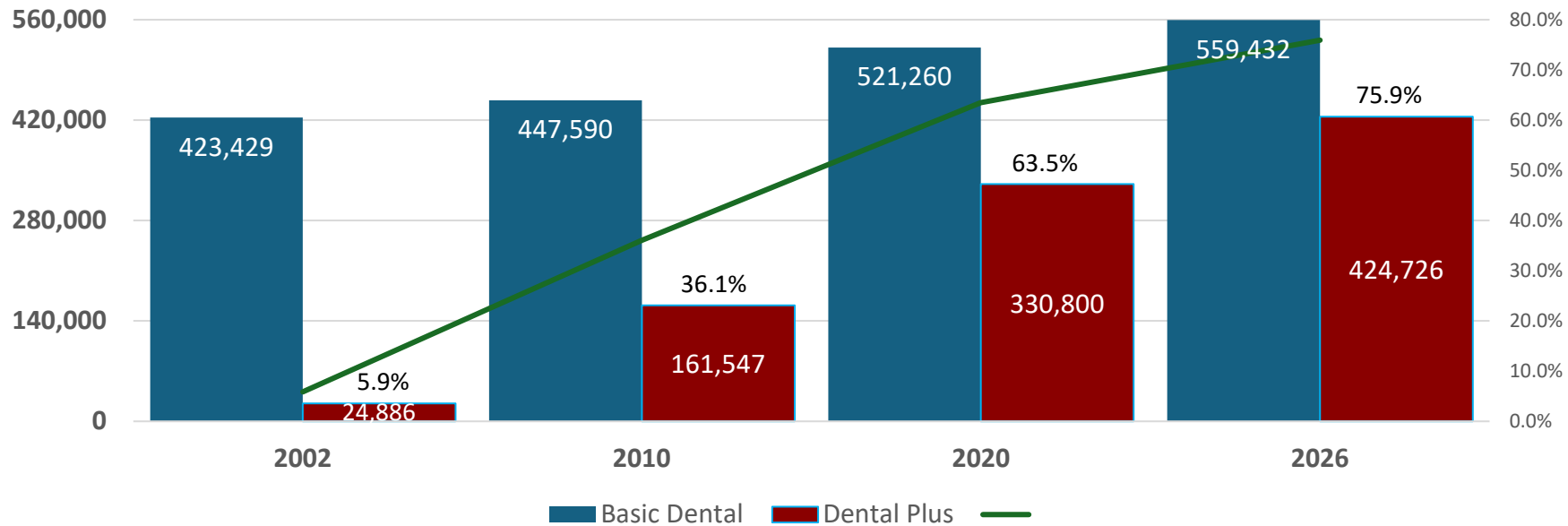


## Background of dental benefits

- Dental benefits were introduced to the State group in 1985. The self-funded State Dental Plan (Basic Dental) started at that time. It is funded through a mix of employer and employee contributions.
- Dental Plus was added as a voluntary enhancement to State group dental coverage in 2002. It is offered on an employee-pay-all basis for members willing to pay more to provide more generous allowances for dental services. Dental Plus is fully insured through the dental carrier.
- Basic Dental and Dental Plus operate as a single plan from the perspective of the member. Basic Dental pays its share first, and Dental Plus pays the residual up to the enhanced allowance, less applicable patient cost share.
- Coverage is the same throughout both elements of the dental program. However, there is no additional coverage in Dental Plus for orthodontics.
- BlueCross has served as the State's dental carrier since 2004.

# The emergence of Dental Plus

Covered lives enrollment growth - 2002-2026



- Fewer than 6% of members enrolled in Basic Dental enrolled in Dental Plus at initial rollout in 2002. Percentage has grown steadily, and it is now nearly 76%.

## Dental plan design – Basic Dental

- Four classes of services:
  - Class I (diagnostic and preventive): exams, cleanings, X-rays; paid at 100% of allowed amount.
  - Class II (basic): fillings, oral surgery, root canals; paid at 80% of allowed amount.
  - Class III (prosthodontics): crowns, bridges, dentures, implants; paid at 50% of allowed amount.
  - Class IV (orthodontics): available only to covered children ages 18 and younger; \$1,000 lifetime benefit.
- No deductible for Class I services; \$25 per person deductible for all others.
- No network for Basic Dental; provider can charge for difference in charges and allowed amount.

## Dental plan design – Dental Plus

- Dental Plus covers Class I, II and III services only.
- Dental Plus fee schedule has higher allowed amounts than Basic Dental.
- Dental Plus has a network of dental providers that cannot balance bill members for the difference in charges and the allowed amount.
- As of March 2026, there were 3,905 access points in the Dental Plus network.
  - 926 new access points added in 2025 representing 11% growth.
- As of March 2026, there were 1,560 unique credentialed providers in the Dental Plus network.
  - 275 new unique credentialed providers added in 2025 representing 12% growth.

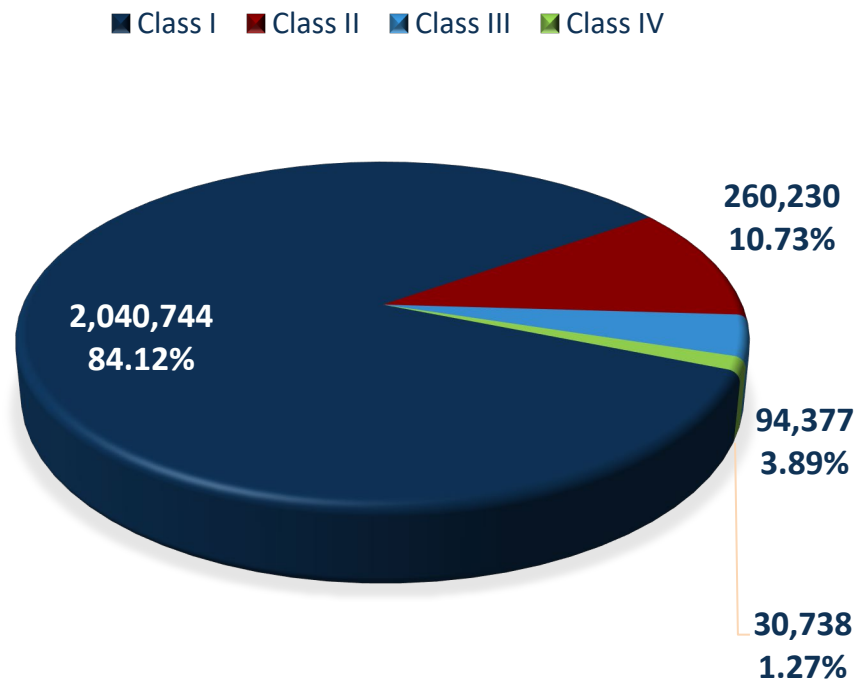
## Promotion of dental program

- Beginning in 2019 and every two years since, PEBA has emailed active employees enrolled in Basic Dental who did not have a dental claim in the previous year.
  - Meant to encourage enrollment in Dental Plus and use of benefits.
  - Promotes maintaining good oral health and supports overall better health.
  - 24,339 emails sent in Fall 2025; 3,117 (12.8%) who received letter enrolled in Dental Plus.
- PEBA began marketing Dental Plus as the more valuable option in 2020.
  - Premiums for both options combined to simplify enrollment decisions.
  - Reversed order of options in publications to give priority to Dental Plus.

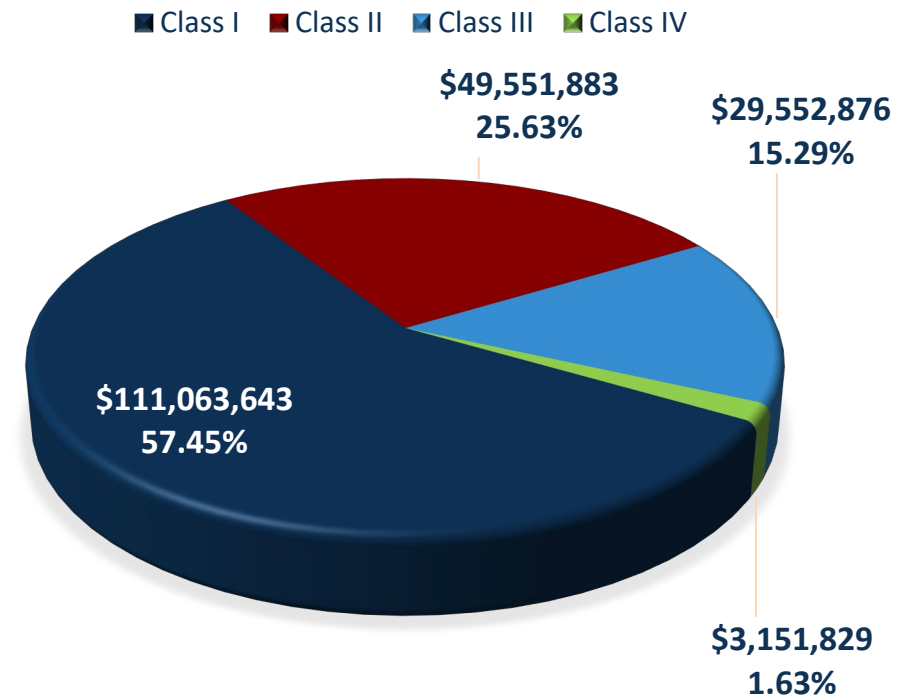
# Dental utilization 2025

- Class I accounts for most of the services, as well as most of the cost.
- Class I services are considered best practices for avoiding costlier and more urgent procedures.
- 62% of enrolled members received a dental service in 2025.

## NUMBER OF SERVICES\*



## COST OF SERVICES\*



\* Basic Dental and Dental Plus combined.

# Dental benchmarks

- PEBA shares dental utilization with employers through annual reports.

## All PEBA employer groups 2025

	Adult count	Adult percentage	Child count	Child percentage
Had a dental cleaning	162,388	58.0%	55,823	78.6%
Enrolled in Dental Plus	205,441	73.4%	55,992	78.9%

- PEBA uses HEDIS benchmark (annual dentist visit for ages 2-20) to measure its population.
  - Last benchmark was 49.3% in 2022; measure is retired, but PEBA still tracks its performance.
  - PEBA is consistently above 70% and increasing each year.

## Elevated risk utilization

- Increasing utilization among members with specific medical conditions is a strategic priority for PEBA.
- Leveraging PEBA's medical claims data, we can identify and close gaps in care for members who are most at risk of complications from chronic disease.
- In a 12-month period:
  - Diabetes: 53% of members received at least one cleaning.
  - Stroke: 37% of members received at least one cleaning.
  - Heart disease: 57% of members received at least one cleaning.
  - Cancer: 52% of members received at least one cleaning.

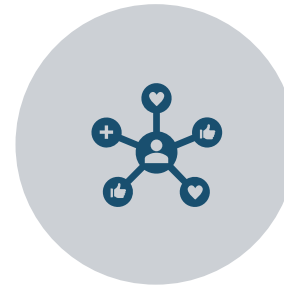
# STRATEGIC INITIATIVES

# Strengthening dental care

## Strategic initiatives



Increase preventive utilization through proactive outreach.



Increase convenience for employees to receive preventive care.



Dental Plus network growth and increasing network utilization.



Continued promotion of importance of oral health to whole-body health with an emphasis on elevated risk claimants.

# Strategic initiatives

## Increasing preventive utilization - outreach

- Developed reporting to help promote the importance of oral health in connection to whole-body health to members who are not maximizing their benefits.
- On a rolling nine-month basis, identify members with no cleaning visits.
- Using preferred contact method, encourage members to schedule an appointment with a dentist.
- Outreach member's respective dental provider for help scheduling these important preventive visits.
- PEBA will continue member letter campaign each dental enrollment year.
- Notify PCMH providers of patients without recent dental cleanings so they can reinforce the importance of good oral health.

# Strategic initiatives

## Increasing preventive utilization – early education for children

- Firstgrin – Introduction to dental care kits for babies and toddlers
  - **Prevents early childhood cavities**, which are among the most common chronic conditions in children and can lead to pain, infection and difficulty eating or speaking.
  - **Supports healthy development**, as good oral health contributes to proper chewing, nutrition, speech development and overall physical growth.
  - **Builds lifelong habits**, helping children and parents establish routines that reduce dental issues later in life.
  - **Improves overall health**, since poor oral health is linked to broader health concerns, including infections and inflammatory conditions.



# Strategic initiatives

Increasing convenience for preventive care – Blue Smiles mobile dental provider

- Blue Smiles brings a fully equipped mobile dental office on site:
  - Removes accessibility barrier.
  - Increases utilization.
  - Offers preventive exams, cleanings, scaling and root planing.
  - Employees seen at Blue Smiles events averaged 2.3 years since their last visit.
  - Blue Smiles providers are in Dental Plus network.
- Since its inception in 2026, there have been seven employer events, and 85 employees received services. 14 more events are scheduled for later this year.

# Strategic initiatives

## Dental Plus network growth

- Growing and retaining high quality network providers.
  - Attending South Carolina Dental Association annual session.
    - Averages more than 1,200 local dentists in attendance.
    - Provides valuable face-time to recruit and retain providers.
  - Continue growing in all segments of providers with a focus on Top 20 out-of-network providers by total spend.
  - Focusing network growth on local providers with support from national chain providers.

# Strategic initiatives

Turning medical insights into better total-health outcomes

- Oral Health Connectivity program targets conditions such as heart disease, stroke, diabetes, cancer and pregnancy, with plans to expand to 12-15 conditions within 12 months.
- Diabetes and periodontal disease amplify one another. When dental care is missed:
  - Blood sugar increases.
  - Inflammation worsens.
  - Medical complications (outcomes worsen and costs rise).
- Key data:
  - Only 34% of diabetics in our book of business visit a dentist annually.
  - Low dental utilization leads to \$549 higher annual medical spend per member.\*
  - Each preventive dental visit reduces inpatient admissions by 11%.\*
- This is the power of connected care.

\*Visiting the dentist saves money, reduces likelihood of hospitalization for people with diabetes or coronary artery disease - Mayo Clinic News Network

# Questions?



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South Carolina

A scenic landscape at sunset. In the foreground, a wooden boardwalk with railings leads across a body of water. The water reflects the colorful sky, which transitions from deep blue to orange and pink. In the background, a line of trees and a house are visible on the shore. The overall mood is peaceful and serene.

Thank you!