



## Meeting minutes | Health Care Policy Committee

Wednesday, March 12, 2025 | 9:30 a.m.

202 Arbor Lake Dr., Columbia, SC 29223 | First Floor Conference Room

Minutes approved October 22, 2025

**Board members present for all or a portion of the meeting:** Mr. Steve Heisler, PEBA Board Chairman Joe “Rocky” Pearce, and Committee Chairman Alex Shissias.

**Board members absent:** Mr. John Sowards

**Others present for all or a portion of the meeting:** Lee Allen, Peggy Boykin, Robby Brown, Amber Carter, Heather Kirby, Heather Muller, Jacalin Shealy, Laura Smoak, Rob Tester, Travis Turner, Justin Werner, and Heather Young from the South Carolina Public Employee Benefit Authority (PEBA); Jessie Epting, Dr. Tripp Jennings, Matt Shaffer, and Carmen Wilson from BlueCross BlueShield of South Carolina; Robin Scott and Gordon Sherard from Express Scripts, Inc., Dr. Frank Dumont and Ms. Desi Romanowski from Virta; Richard Lomax from Novo Nordisk; Will Kenney from The Mullikin Law Firm; and Sam Griswold from the State Retirees Association of South Carolina.

**Others present for all or a portion of the meeting via virtual means:** Amber Carter and Jessica Moak from PEBA.

### I. Call to order

Chairman Alex Shissias called the PEBA Health Care Policy Committee (Committee) meeting to order at 9:30 a.m., and stated that the public meeting notice was posted in compliance with the Freedom of Information Act.

### II. Approval of meeting minutes – December 4, 2024

Mr. Steve Heisler made a motion, which was seconded by PEBA Board Chairman Rocky Pearce, and passed unanimously, to approve the minutes from the December 4, 2024, Committee meeting as presented.

### III. State Health Plan benchmark review

Mr. Rob Tester, Insurance Policy Director, presented the State Health Plan (SHP) benchmarking review in which key SHP measures are compared with peer and national benchmarks. Mr. Tester reviewed the SHP enrollment as of March 2025; the SHP growth and expenditure per member versus national trends; the SHP contribution rate increases versus the Consumer Price Index growth for medical care; and the 2024 average monthly total premiums.

Mr. Tester also reviewed the 2024 average annual deductible; the 2023 average annual gross plan

cost per active employee; and the 2025 composite monthly premiums. Mr. Tester stated that the State Health Plan continues to compare favorably to other public and private employers, regionally and nationally.

Ms. Peggy Boykin, Executive Director, commented that even though the SHP compares favorably to regional and national averages, the General Assembly continues to be concerned about the rising cost of health care, and has asked PEBA to provide feedback on what changes could be made to the Plan to lower the cost. Ms. Boykin advised that the House of Representatives completed their budget yesterday, and were not able to fully fund the State Health Plan (which is approximately \$112 million), and have proposed an increase in the 2026 premiums for active employees. Ms. Boykin advised that Mr. Tester will provide additional information relative to changes in co-payments and deductibles to the Senate when they begin their budget deliberations, and staff will keep the Committee informed throughout the budget process.

#### **IV. Virta clinical outcomes annual review**

Mr. Tester introduced Dr. Frank Dumont and Ms. Desi Romanowski from Virta to discuss clinical outcomes and observations of the program. Ms. Romanowski stated that Virta is a leading telehealth provider that is clinically proven to reverse type 2 diabetes through nutritional therapy. Ms. Romanowski advised that Virta is delivered through a telehealth platform, and each member is assigned a personal health coach and a provider who is responsible for managing the member's care. The health coach helps monitor nutrition therapy which can lower the member's A1c values and help them regulate their blood sugar levels without medications.

Dr. Dumont discussed analytics of PEBA members clinical progress with Virta over the last year including: the average A1c reduced 07 percent; the number of diabetes-specific medications reduced 38 percent; and weight reduced 7.9 percent. Dr. Dumont stated that 50 percent of members have eliminated diabetes medications including insulin, and other members have reduced their insulin dosages by 75 percent. Dr. Dumont concluded by adding that 59 percent of members with type 2 diabetes have achieved clinically significant weight loss, which has reduced the risk of heart disease and other chronic conditions, improved blood pressure, reduced inflammation, and positively impacted arthritis and fatty liver disease.

#### **V. AI in the healthcare industry- artificial or intelligent?**

Dr. Tripp Jennings from BlueCross BlueShield of South Carolina, presented an overview of artificial intelligence (AI) in health care. Dr. Jennings reported that global AI in the healthcare market grew from \$1.1 billion in 2016, to \$22.4 billion in 2023, and is projected to reach \$45.2 billion by 2026. By 2025, 90 percent of large healthcare organizations are expected to have adopted AI and machine learning technologies.

Dr. Jennings turned the discussion to managing AI risks such as misinformation amplification, cybersecurity vulnerabilities, privacy erosion, algorithmic bias and discrimination, concentration of power, environmental impact, and alignment challenges.

Dr. Jennings provided some examples of AI in the insurance industry including automated claims processing, personalized insurance plans, and fraud detection. For example, it was reported that United Healthcare has saved \$300 million in fraud-related losses by using an AI system to scan 50 million claims annually.

Dr. Jennings concluded by discussing change management and workforce readiness related to AI, historical parallels to AI job displacement fears, and AI prospects in the future.

**VI. Committee Charter review**

Mr. Justin Werner, General Counsel, advised the PEBA Board's standing committees periodically review their committee charters to ensure the charters remain relevant and appropriate. This review is now scheduled to occur at the same time as the triennial review of the Board's Governance Manual. Mr. Werner noted that PEBA staff does not have any recommended changes to the Health Care Policy Committee's Charter.

**VII. Old business/Director's report**

Ms. Boykin stated that she would provide the Director's Report at the full Board meeting.

**VIII. Adjournment**

There being no further business, and upon a motion by PEBA Board Chairman Pearce, which was seconded by Mr. Heisler, and approved unanimously, the Committee meeting adjourned at 10:59 a.m.