

SC PUBLIC EMPLOYEE BENEFIT AUTHORITY- BOARD OF DIRECTORS

Health Care Policy Committee-MINUTES Adopted 5-12-2014

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

Wednesday, April 16, 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)

Health Care Committee Members Absent:

Mrs. Stacy Kubu

Additional Board Members Present:

Mr. Frank Fusco (in person)

Others present for all or a portion of the meeting:

Travis Turner, Lil Hayes, Stephen Van Camp, and Laura Smoak from the South Carolina Public Employee Benefit Authority (PEBA); Donald Tudor with the State Retirees Association of SC; Brooks Goodman with Blue Cross Blue Shield of South Carolina; Will Kinney with Mullikin Law Firm; and Sunnie Harmon, Maciek Sasinowski, John Merser, and Robb Bohannier from HDL, Inc.

AGENDA

1. CALL TO ORDER;

Mr. Pearce called the meeting to order at 10:00 a.m. Ms. Hayes confirmed meeting notice compliance with the Freedom of Information Act

2. ADOPTION OF PROPOSED AGENDA

Mr. Heisler moved to adopt the proposed agenda. Mr. Penn seconded, with the unanimous vote to approve.

3. Approval of Meeting Minutes- January 15, 2014

Mr. Pearce asked for amendments to the January 15, 2014, 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.

4. Health Diagnostic Laboratory Inc. Proposal

Members from the Health Diagnostic Laboratory Inc gave a presentation to the Committee on how their special blood tests could pinpoint people with genetic markers that indicate they could be predisposed to developing certain chronic diseases. The Committee asked various questions, including wanting a list of other governmental entities that they do business with, questions on return-on-investment, coaching the patients, etc.

The Committee stated that consideration for the program was at a very high level and would require much more due-diligence.

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5. PEBA Legislative Update (In notebook materials)

Mr Turner stated there were not many changes in the bills that effect PEBA. The Committee noted the PEBA Omnibus Bill (S.954) had stalled, but with the current amendments it was better that the bill not proceed. It was also noted that the Senate Finance Committee was currently working on the Budget.

6. Pilot/Wellness Program

Mr. Pearce announced that he conducted business with the University of South Carolina and recused himself from any actions the Committee might take on this subject.

Mr. Penn noted that the proposal sounds like it would fit the overall mission of wellness, but it would cost about \$1 million to PEBA. His concern was that the Committee has not decided what part of wellness will be included in the Committee's Strategic Plan.

Mr. Fusco stated that PEBA needs to determine what PEBA wants, evaluate what USC wants and steer this program to help PEBA, and how the results would be evaluated and who would do that.

The Committee noted that PEBA needs to design a program to make employees well and productive; we cover 10% of SC's population so we have influence. The Committee agreed there needs to be a plan first, with a list of things that can be done. Mr. Fusco believed that staff should provide a list of initiatives that could be done, evaluated and expanded if it's good. There needs to be utilization of predicted analytics through the State Office of Research and Statistics. The Board needs to know what we are doing now and what the results of that are.

The Committee discussed methodologies for funding initiatives, including earmarking funds at the beginning of the Plan year so that un-utilized funds would not be swept into the OPEB Trust at the end of the year. Mr. Turner mentioned that the providers are not getting CPI increases and are threatening to leave the network.

Mr. Turner mentioned the very first thing needed is for members of the plan to fill out the Health Risk Assessments so that any and all programs could be measured from a consistent baseline.

7. PEBA Health Care Pilot Parameters and Guidelines

8. Old Business

There was no old business to discuss.

9. New Business

Mr. Travis Turner gave the Executive Director's report. There was follow-up discussion on putting the Long Term Disability Program out for a Third Party Vendor, but the data reflected that would not be a good investment because the program is self-insured through PEBA and the administrative cost is low.

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The transfer of funds from the Health Trust to the Other Post Employment Benefit Trust was discussed, as well as the assumed rate of return for the fund and the unfunded liability of \$10 billion.

There was no further new business to discuss.

10. Executive Session: Pursuant to SC Code of Laws § 30-4-70 (a)(2)

At 11:58, Chairman Pearce asked for a motion to convene to Executive Session for legal advice. Mr. Heisler moved and Mr. Penn seconded the motion, to which the Committee agreed unanimously.

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Open session resumed at 12:29 p.m. Chairman Pearce stated there were no actions taken while in Executive Session.

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 12:29 p.m.