



Meeting Minutes | Board of Directors Meeting

Wednesday, June 15, 2022 | 2:00 p.m.

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

Minutes Approved August 25, 2022

Board Members Present for All or a Portion of the Meeting: Mr. Steve Heisler, Ms. Paige Lewis, Chairman Joe “Rocky” Pearce, Mr. Alex Shissias, John Sowards, and Mr. Steve Matthews.

Board Members Present for All or a Portion of the Meeting Via Virtual Means: Ms. Amanda Blankenship, Ms. Jennifer Blumenthal, and Sheriff Steve Mueller.

Board Members Absent: Mr. Calvin Elam and Mr. Ed Walton

Others Present for All or a Portion of the Meeting: Peggy Boykin, Kim Brown, Robby Brown, Sarah Corbett, James Manning, Heather Muller, Laura Smoak, Rob Tester, Travis Turner, Stephen Van Camp, Justin Werner, and Heather Young from the South Carolina Public Employee Benefit Authority (PEBA); and Bill Tomes from Public Management Leadership Development Services, LLC.

Others Present for All or a Portion of the Meeting Via Virtual Means: Amber Carter and Tammy Nichols from PEBA.

I. Call to Order

Chairman Rocky Pearce called the PEBA Board of Director’s (Board) meeting to order at 2:00 p.m., and stated that the public meeting notice was posted in compliance with the Freedom of Information Act.

II. Approval of Meeting Minutes- March 2, 2022

Mr. John Sowards made a motion, which was seconded by Mr. Alex Shissias, and passed unanimously, to approve the minutes from the March 2, 2022, Board meeting.

III. Committee Reports

A. Health Care Policy Committee

Mr. Shissias reported that the Health Care Policy Committee met earlier in the morning, and stated the Mr. Rob Tester, Insurance Policy Director, reviewed the 2023 State Health Plan Approval of Benefits and Contributions.

Mr. Shissias advised that the Health Care Policy Committee made a motion that the PEBA Board approve the 2023 State Health Plan Approval of Benefits and Contributions as

presented. Chairman Pearce reminded the Board that a Committee motion does not require a second. The motion passed unanimously.

Mr. Shissias noted that effective January 1, 2023, the State Health Plan will cover adult well visits annually with no patient cost sharing for all State Health Plan primary adult members.

Mr. Shissias reported that the Committee also received an update regarding the Medical University of South Carolina (MUSC) Health Plan, and an annual update regarding Wondr Health (formally Naturally Slim).

B. Finance, Administration, Audit and Compliance (FAAC) Committee

Ms. Jennifer Blumenthal reported that the FAAC Committee met earlier in the morning, and stated that Mr. John Page, Director of Internal Audit, presented internal audit reports related to Check Receipts and Deposits, and Physical and Logical Access Controls. Mr. Page also provided the June 2022 PEBA Internal Audit Plan Update to the Committee.

Ms. Blumenthal stated that Mr. Travis Turner, Chief Financial Officer, provided the fiscal year 2024 Agency Administrative Budget for approval.

Ms. Blumenthal advised that the FAAC Committee made a motion to recommend that the full Board accept the proposed fiscal year 2024 agency administrative budget as presented. Chairman Pearce reminded the Board that a Committee motion does not require a second. The motion passed unanimously.

C. Retirement Policy Committee

Ms. Paige Lewis reported that the Retirement Policy Committee met this afternoon, and Empower Retirement presented the first quarter Deferred Compensation Program Quarterly Plan Summary to the Committee.

IV. Old Business

Director's Report

Ms. Peggy Boykin, Executive Director, provided the Director's Report, and stated that the General Assembly is meeting today to deliberate the Fiscal Year 2023 Appropriations Bill, which will be sent to the Governor for his consideration. Ms. Boykin stated that the Appropriations Bill includes approximately \$102 million to fund the state's share of the State Health Plan's premium increase that will become effective January 1, 2023. Employee premiums will not increase, and they have remained the same since 2012.

Ms. Boykin reported that the funding for the State Health Plan includes an 18.1 percent employer only rate increase effective January 1, 2023, with no employee premium rate increase.

Ms. Boykin reminded the Board that the General Assembly suspended the sweep of the State Health Plan into the Other Post-Employment Benefits (OPEB) trust fund that would normally occur on January 31, 2021, so that any surplus could be retained to pay claims expenses in 2022. It was noted that a proviso was added to allow PEBA to suspend the sweep each year going forward if needed to keep the Plan funding stable.

Ms. Boykin advised that a proviso was added to authorize the State Health Plan to receive up to \$200 million from the American Rescue Plan Act (ARPA) funds to replenish the State Health Plan's cash reserve that was depleted due to COVID expenditures.

Ms. Boykin advised that the budget also includes funding to cover the general fund share of the one percent of the increase in employer contribution rates effective July 1, 2022. The one percent increase was suspended in 2020 as a result of the continuing resolution. The phase-in of the additional one percent increase in the contribution rate was reinstated last year, and the final one percent increase will be added in July 2023.

Ms. Boykin noted that May 20, 2022, was PEBA's Employee Appreciation Day, and service awards were presented to 22 employees.

Ms. Boykin reported that the State Auditor's Office selected Crowe to be PEBA's new external auditor (taking the place of CliftonLarsonAllen). Mr. Turner and his staff will continue to work with the State Auditor's Office to ensure that the new auditors understand the required reporting deadlines with the Comptroller General's Office.

V. Executive Session for the Purpose of Discussing Personnel Matters and Legal Advice Pursuant to S.C. Code of Laws § 30-4-70(a)(1)(2)

At 2:17 p.m., Mr. Sowards made a motion, which was seconded by Mr. Steve Heisler, and passed unanimously, to recede into executive session to discuss personnel matters and receive legal advice.

At 2:40 p.m., the meeting reconvened in open session. Chairman Pearce announced that no action was taken by the Board while in executive session.

VI. Adjournment

There being no further business, and upon a motion by Mr. Steve Matthews, which was seconded by Ms. Lewis, and approved unanimously, the Board meeting adjourned at 2:41 p.m.