



## Meeting Minutes | Health Care Policy Committee

Minutes Approved November 30, 2021

Wednesday, October 6, 2021 | 11:00 a.m.

Via Zoom Teleconference

**Board Members Present Via Telephone:** Mr. Calvin Elam, Mr. Joe “Rocky” Pearce, Chairman, and Mr. Alex Shissias.

**Others Present for All or a Portion of the Meeting Via Telephone:** Peggy Boykin, Robby Brown, Amber Carter, Sarah Corbett, Jessica Moak, Heather Muller, Laura Smoak, Rob Tester, Travis Turner, Stephen Van Camp, Angie Warren, Justin Werner, and Heather Young from the South Carolina Public Employee Benefit Authority (PEBA); Michelle Davis, Rene Frick, Brooks Goodman, Matt Shaffer, and Carmen Wilson from BlueCross BlueShield of South Carolina, Shelley Belling from Merck & Co, Inc.; and Richard Lomax from Novo Nordisk, Inc.

### I. Call to Order

Chairman Rocky Pearce called the PEBA Health Care Policy Committee (Committee) meeting to order at 11:01 a.m., and stated that the public meeting notice was posted in compliance with the Freedom of Information Act.

### II. Approval of Meeting Minutes – July 28, 2021

It was noted that the July 28, 2021, Committee meeting minutes were approved as presented.

### III. Value-Based Program Update

Mr. Rob Tester, Insurance Policy Director, introduced Ms. Michelle Davis of BlueCross BlueShield of South Carolina, to provide an update on the Patient-Centered Medical Home (PCMH) program, and Ms. Rene Frick, also from BlueCross, to provide a presentation on the Oncology, Rheumatology, and Chronic Kidney Disease value-based programs.

Ms. Frick advised that the State Health Plan joined the Oncology Care Model in July 2018, and achieved a total shared savings of \$862,000 by the end of the second year. Ms. Frick stated that that the program moved away from total cost shared savings in the third year, and now focuses on emergency room, inpatient and drug utilization.

Ms. Frick reported that the State Health Plan joined the Rheumatology program in 2020, which is for newly diagnosed rheumatoid arthritis patients. Ms. Frick advised that the main component of the program is pathway adherence, and practices receive a care coordination fee for the patients on the pathway. Ms. Frick reported that in 2019, there was an 85 percent pathway compliance rate, and savings of \$542,000 for the year.

Ms. Frick stated that the chronic kidney disease program began in January 2021, and the patient population are patients with stage three or higher chronic kidney disease. Ms. Frick advised that desired outcomes include a decrease in emergency room and inpatient utilization, and improvement of clinical measures. The State Health Plan has an average of 725 members per month in this program.

Ms. Davis turned the discussion to an update on the two PCMH models, including PCMH plus and PCMH Kids. Ms. Davis stated that the PCMH plus program is a total cost-of-care program that offers shared savings opportunities for participating practices. This model holds practices accountable for cost and quality, and has two performance tracks. Track one is upside risk only that has provider share of savings up to five percent. Track two is bi-directional risk, and has a provider share of savings or losses up to 20 percent. Ms. Davis advised that all adult PCMH practices transitioned to PCMH plus effective January 1, 2020, and there are 443 participating practices.

Ms. Davis stated that the PCMH Kids program began January 1, 2021, and is a quality model that holds practices accountable for improving quality. There are 105 practices participating today.

Ms. Davis concluded her presentation by reviewing PCMH program growth, updating the Committee on 2021 PCMH plus and PCMH Kids quality measures, and comparing PCMH versus Non-PCMH quality performance.

#### **IV. Approval of 2023 Initial State Health Plan Budget Requirements**

Mr. Rob Tester, Health Care Policy Director, reminded the Committee of the extraordinary claims expense that the State Health Plan has experienced during the first half of 2021, primarily due to COVID-19 expenses. Mr. Tester stated that PEBA will again ask the General Assembly to suspend 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.

Mr. Tester reviewed the 2023 Initial State Health Plan Budget and Continuation Requirements, and stated that PEBA will ask the General Assembly at the upcoming budget hearing for a supplemental appropriation of \$2,559.7 million to replenish the State Health Plan's cash reserve for the remainder of 2022.

Mr. Tester reported that there will be a 0.8 percent contribution rate increase effective January 1, 2022. Funding in the amount of \$3.873 million was appropriated for the January-June 2022 period, and a similar amount will be required in the upcoming budget for the July-December 2022 period to make agencies and school districts whole for the rate increase.

Mr. Tester advised that the 2023 rate increase would be 15.2 percent effective January 1, 2023, which equals to \$87.96 per subscriber per month. Mr. Tester advised if the increase is provided entirely through the employer, the State-appropriated funding for the rate increase would equal \$100.195 million for January-June 2023. If the increase is distributed proportionally to the employer and member, the State-appropriated funding for the rate increase would equal \$79.349 million for January-June 2023, and the average enrollee rate increase would be \$23.10 per month. Following further discussion, Mr. Alex Shissias made a motion, which was seconded by Mr. Calvin Elam, and passed unanimously, to recommend to the PEBA Board that it approve the preliminary

budget requirements for the 2023 State Health Plan as presented for submission in the state budget process, with a recommendation that the current plan be adjusted to adopt plan design savings permitted under ACA-grandfathered status and to include expanded well visit coverage.

**V. Old Business/Director's Report**

Ms. Peggy Boykin, Executive Director, reminded the Committee that PEBA's budget presentation to the Governor's office will be next Thursday, October 14, 2021.

**VI. Adjournment**

There being no further business, and upon a motion by Mr. Shissias, which was seconded by Mr. Elam, and approved unanimously, the Committee meeting adjourned at 11:57 a.m.