SC PUBLIC EMPLOYEE BENEFIT AUTHORITY- BOARD OF DIRECTORS

Wednesday, April 17, 2013 – 1:00 P.M. [MINUTES ADOPTED 5/15/2013]

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

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Board Members Present:

Mr. Art Bjontegard, Chairman (in person)
Ms. Peggy Boykin (in person)
Mr. Frank Fusco (in person)
Sheriff Leon Lott (in person)
Mr. Steve Matthews (in person)
Mr. Joe "Rocky" Pearce (in person)
Mr. Audie Penn (in person)
Mr. John Sowards (in person)
Mr. David Tigges (in person)

Others present for all or a portion of the meeting:

David Avant, Lil Hayes, Stephen Van Camp, Justin Werner, Robbie Bell, Matthew Davis, and Travis Turner from the South Carolina Public Employee Benefit Authority (PEBA); Carlton Washington and Roger Smith from the State Employees Association; Brooks Goodman from BlueCross BlueShield of South Carolina, Wayne Pruitt from the State Employees Retiree Association, and Linda Gamble from the State Treasurer's Office.

AGENDA

1. **Call to Order; Adoption of Proposed Agenda**
   Chairman Bjontegard called the meeting to order at 1:00 p.m. Mr. Penn gave the invocation. Ms. Hayes confirmed meeting notice compliance with the Freedom of Information Act. Chairman Bjontegard then asked for a motion to adopt the agenda, noting that the Treasurer—at the last minute—declined to attend the meeting. Mr. Sowards moved to adopt the agenda with this amendment. Mr. Tigges seconded. Unanimously approved.

2. **Minutes of Previous Meeting**
   Chairman Bjontegard requested a motion to adopt the minutes from the March 20, 2013 meeting. Mr. Sowards moved to adopt. Mr. Lott seconded. Unanimously approved. Chairman Bjontegard noted that Ms. Kubu and new member, Mr. Steve Heisler, were not in attendance. He also commended the Board members for submitting their *Statements of Economic Interest* by the April 15 deadline.

3. **Budget and Control Board and PEBA: Curtis Loftis, State Treasurer**
   Chairman Bjontegard explained that the Treasurer was scheduled to speak to the Board about his perspective on the relationship between the PEBA Board and the Budget and Control Board. He added that he had requested that the Treasurer refrain from discussing the impending Supreme Court case concerning the B&C Board's decision to split funding increases for the 2013 State Health Plan premiums in equal percentages between employers and employees. He then asked Mr. Avant to comment on the Treasurer's

decision to decline to attend. Mr. Avant explained that he was in the Health Policy Committee meeting when the Treasurer emailed him with a letter declining his attendance. Mr. Avant added that he would respond to the Treasurer's letter.

Retirement Policy Committee Report

4. Update on Hutto v. SCRS

Mr. Sowards asked Mr. Avant to provide the Board with the background on the *Hutto v. SCRS case.* He explained that the lawsuit was the final case in a matter relating to Act 153 of 2005, which required working retirees to pay employee contributions to the system just as any other employee would make. Mr. Avant added that this case is the third in a trilogy of cases regarding this new requirement. The first two cases—both related to individuals who retired prior to the effective date of the change—were Layman v. SCRS and Arnold v. PORS. These both had been resolved within a few years. He continued by explaining that the Hutto case—initiated by a retiree who retired after the effective date of Act 153—was brought before a federal court in 2010, charging that the requirement of withholding employee contributions from a working retiree's paycheck without giving a corresponding increase to that retiree's pension benefit violated the Takings and Due Process clauses of the U.S. Constitution. SCRS responded with a motion to dismiss. Judge Childs, the Federal District Court judge overseeing the case, dismissed the case on the grounds that—according to the Eleventh Amendment of the U.S. Constitution—the State of South Carolina could not be sued in a federal court over this matter without its consent. The litigants requested a reconsideration, which was denied. Mr. Avant added that the deadline for the plaintiffs to submit an appeal of this decision is May 6, after which time (if no appeal has been filed) the matter would be put to rest. Chairman Bjontegard recommended to the Board to accept Mr. Avant's explanation as information.

5. Update on Disability Retirement Study

Mr. Sowards then presented staff's additional research regarding the General Assembly's request for information regarding the effect and/or propriety of the changes to Act 278 which required disability retirees to meet Social Security's *any occupation* standard of disability in order to be approved for disability retirement benefits. He asked Mr. Avant to give a brief explanation of the update. Mr. Avant began by explaining that there was presently a bill being considered by the GA which would repeal the portion of Act 278 that implemented this change in standard for PORS and keep the previous *own occupation* standard. He noted that it would have a minimal impact on the unfunded liability, but could have a significant impact on valuations moving forward—possibly requiring increases to contributions as high as 12 percentage points.

Mr. Werner then explained that the Retirement Policy Committee requested PEBA staff to continue efforts to conduct comparative research related to disability retirement to get a better understanding of how South Carolina's disability retirement process and criteria measures against other states in the region and country. Staff will be reporting these findings to the RPC in the coming months.

Chairman Bjontegard mentioned the strategic plan for PEBA and the committee charters. Mr. Avant added that PEBA is in a process of developing a collective strategic plan, using the various plans developed by each component entity—Employee Insurance Program, Retirement Systems, and Deferred Compensation. He explained that PEBA has entered into a *Memo of Understanding* with the University of South Carolina's Institute of Public Policy and Research to facilitate the strategic planning process. He added that management would hope to enlist the input of Board members to develop the plan. PEBA will stream the plan components as they are developed to the Board via the Finance, Administration, Audit, and Compliance (FAAC) Committee.

Chairman Bjontegard added that he hopes to have a strategic plan for the Board to review and approve for the June 2013 Board meeting.

FAAC Committee

Mr. Matthews explained that a great deal of discussion has occurred with regard to consolidating EIP and Retirement staff into one facility or complex. He added that there are possibilities to provide for space and parking, including asking the SCRSIC to purchase land and rent it to PEBA to provide additional parking necessary to accommodate the staff consolidation. He added that PEBA has purchased several new computer terminals through Dell to update obsolete technologies.

6. Internal Auditor

Mr. Matthews then introduced the position description for an auditor position which would report to the Board on processes, finances, and other matters related to the functions of the PEBA agency. He added that the position will be finalized and advertised in the coming weeks both internally and externally.

Chairman Bjontegard added that the SCRSIC owns part of the building at 1201 Main St. Mr. Avant added that the 202 Arbor Lake Drive property is owned by PEBA as an operating asset.

Mr. Matthews also added that all Board members must attend a briefing conducted by the Agency Head Salary Commission. This is required by statute and will be conducted on May 15. He added that the Board is not required to evaluate Mr. Avant because of his interim status, but the Board wishes to conduct a preliminary evaluation anyway.

Chairman Bjontegard noted that Mr. Avant will also conduct an evaluation of the Board.

Mr. Fusco stated that he had previously constructed auditor positions for evaluating efficiency and performance measures and suggested the Board consider adding this function to the description for this Internal Auditor position. He also explained that he believed technology should be a large component of the auditing process. He added that the state has, in the past, used external consulting firms via DSIT for evaluations of technology.

Mr. Matthews asked Mr. Avant to report on the progress of the indemnification bill for the Board. Mr. Avant responded that the bill passed out of Senate Finance Committee on April 9. 2013, with discussion about staggering terms for Board members—although the bill was not amended. He added that the proposed bill to disband the PEBA Board and/or move its functions under a Department of Administration has not changed from what has previously been communicated to the Board.

Health Policy Committee Report

7. MUSC Proposal

Mr. Pearce began by introducing a proposal by MUSC. Mr. Avant explained that MUSC executives contacted PEBA regarding a way to recoup losses that will be incurred as a result of decreased revenue through the health care reform legislation. They proposed a pilot in which they would operate a patient-centered medical home for all of their covered lives—employees and dependents. He estimated this would impact about 12,000 covered lives. He opined that the pilot could be a beneficial test-run for the proposed PCMHs the Board has heard about in past meetings. Mr. Pearce agreed that it could help provide metrics and data regarding the actual savings to be realized through such a program. He then moved that the Board approve this pilot and any steps necessary to implement it. Mr. Matthews asked whether MUSC is ready to begin this program. Mr. Avant responded that PEBA needs to present its concerns to MUSC before moving ahead. Mr. Sowards added that there are a number of details still to be worked out. He proposed that the motion be tabled until more details are available. Mr. Pearce responded that staff stated a motion is required. Mr. Avant clarified that the motion is really to allow PEBA staff and the HPC to

pursue more information on the pilot and bring that information back to the Board at a later date.

8. SHP Options continued research

Mr. Pearce began by explaining that for 2014 the Plan will remain grandfathered based upon the General Assembly's instruction. He continued by explaining that the plan options must be considered long term for after 2014. Wellness benefits and other related initiatives must become priorities for the Board moving forward to defray increasing costs for health care. He stated that improving wellness benefits under the Plan may be one way to reduce costs, as long as they do not cost the Plan any more money. He also proposed that the Board consider changes to the Plan on a longer-term schedule than annually. He concluded by stating that there is nothing that can be done for 2014. Mr. Penn added that this requires the Board to be more diligent in developing plans for the future years. Mr. Sowards asked what the cycle is. Mr. Avant explained that the process requires having a proposed budget to the GA about 14 or 15 months in advance and that August is the self-imposed deadline for the Board to submit the proposed plan changes. Mr. Fusco interjected that the 2014 Plan approval by the PEBA Board must happen no later than the July meeting to allow the B&C Board time to approve the plan by its legally-imposed August 15 deadline.

9. Pharmacy Benefits Manager RFP Update

Mr. Pearce asked Mr. Avant to discuss the RFP for the Pharmacy Benefits Manager. Mr. Avant explained that the RFP was put out in mid-February. March 1 a pre-proposal conference was conducted to advise the potential proposers the opportunity to discuss the expectations of the RFP. He concluded that the rest of the information regarding the PBM would be discussed in executive session.

Chairman Bjontegard commended PEBA staff for working hard to conduct four meetings in a single week.

10. Director's Report

Mr. Avant suggested scheduling committee meetings well in advance of the scheduled PEBA meetings to aid staff in preparing and to give the Board the opportunity to review information before full Board meetings. Chairman Bjontegard added that formally scheduling these meetings will increase the likelihood of them taking place in advance of the meetings.

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

Chairman Bjontegard stated that he would postpone the round table discussion until after the executive session to provide members the opportunity to comment on information heard in the executive session. He then asked for a motion to enter executive session. Mr. Matthews moved to enter executive session. Mr. Sowards seconded. The Board unanimously voted to enter executive session at 1:53 p.m.

The Board re-entered general session at 2:40 p.m.

12. Round Table Discussion

Chairman Bjontegard then asked each Board member to provide any additional comments or input.

Ms. Boykin commented that determining what the Board's role is will be the most difficult challenge it faces.

Mr. Sowards had nothing to add.

Sheriff Lott had nothing to add.

Mr. Pearce had nothing to add.

Mr. Fusco commented that committees should try hard to meet well in advance to reduce the burden on staff. He also suggested that Board members speak to their sponsors to establish the Board's role.
Mr. Tigges suggested that a bill be proposed to reduce the requirement of monthly Board meetings to less frequently and conduct most of the Board's business in committee meetings.
Chairman Bjontegard commented that staff is working on bills addressing meeting frequency and staggered terms.

With nothing further to discuss, Chairman Bjontegard adjourned the meeting at 2:50 p.m.

SC PUBLIC EMPLOYEE BENEFIT AUTHORITY- BOARD OF DIRECTORS

Wednesday, April 17, 2013 – 1:00 P.M.

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

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AGENDA

1. **Call to Order; Adoption of Proposed Agenda**
2. **Minutes of Previous Meeting**
3. **Budget and Control Board and PEBA: Curtis Loftis, State Treasurer**

   Retirement Policy Committee Report

4. **Update on Hutto v. SCRS**
5. **Update on Disability Retirement Study**

   FAAC Committee

6. **Internal Auditor**

   Health Policy Committee Report

7. **MUSC Proposal**
8. **SHP Options continued research**
9. **Pharmacy Benefits Manager RFP Update**

10. **Director's Report**
11. **Round Table Discussion**
12. **Executive Session Pursuant to SC Code of Laws §30-4-70(a)(2)**

South Carolina
PUBLIC EMPLOYEE BENEFIT AUTHORITY
PEBA

DRAFT
South Carolina Public Employee Benefit Authority
Meeting Minutes

Wednesday, March 20, 2013, 10:00 A.M.

2nd Floor Conference Room
202 Arbor Lake Drive
Columbia, South Carolina 29223

Board Members Present:
Mr. Art Bjontegard, Chairman (in person)
Ms. Peggy Boykin (in person)
Mr. Frank Fusco (in person)
Ms. Stacy Kubu (in person)
Sheriff Leon Lott (in person)
Mr. Steve Matthews (via telephone)
Mr. Joe "Rocky" Pearce (in person)
Mr. Audie Penn (in person)
Mr. John Sowards (in person)
Mr. David Tigges (in person)

Others present for all or a portion of the meeting:
David Avant, Lil Hayes, Stephen Van Camp, Justin Werner, Robbie Bell, Matthew Davis, and Travis Turner from the South Carolina Public Employee Benefit Authority (PEBA); Carlton Washington and Roger Smith from the State Employees Association; Brooks Goodman from BlueCross BlueShield of South Carolina; Lynn Murray from McNair Law Firm; Wayne Pruitt and Wayne Bell from the State Retirees Association; and Sam Craig from TIAA-CREF.

I. CALL TO ORDER; ADOPTION OF PROPOSED AGENDA

Chairman Bjontegard called the meeting to order at 10:00 a.m. Mr. Sowards gave the invocation. Ms. Hayes confirmed meeting notice compliance with the Freedom of Information Act. Chairman Bjontegard requested an amendment to the agenda to swap items II and IV because David Avant was scheduled to meet with the Senate Finance Retirement Subcommittee and would need to leave the meeting early. Mr. Fusco moved to accept the amended agenda. Mr. Pearce seconded.

II. COMMITTEE REPORTS

Retirement

Committee Chairman Sowards began by introducing the Salary Spiking Study. He explained that the report is posted on the Board's extranet. This report is mandated by Act 278 and is due to the General Assembly by April 15. He explained that the study does not have any unexpected conclusions of severity, but that there is a trend noticeable that there is a 1-2% incidence of spiking in both SCRS and PORS. Mr. Avant explained that the report has been passed back and forth between PEBA staff and the actuarial firm, GRS, prior to being submitted in this draft form. Mr. Fusco pointed out that a 4% salary increase for three years in a row does not necessarily constitute spiking. He explained that spiking is back-end loading salaries to greatly increase a member's retirement benefit. He explained that the Board should take the stance that, even though spiking is difficult to define or

identify, spiking is an unacceptable practice. Mr. Sowards pointed out that the actuaries defined categories of spiking in contrast to standard merit raises and other regular pay increases. Mr. Avant explained that PEBA and GRS worked together to establish a standard definition of spiking. He also explained that the expected increase is about 4%. He added that PEBA monitors significant changes in earnable compensation at the end of an employee's career. He also explained that non-mandatory overtime income is, going forward, excluded from the Average Final Compensation calculation. Mr. Avant described the process of addressing apparent spiking. He explained that if compensation reported at the end of an employee's salary is identified as non-earnable compensation according to the statute, PEBA will return all of the contributions for that amount and will not consider it in the AFC calculation. Mr. Sowards asked the Board to continue reviewing the report draft in preparation of a final report to submit to the GA. Mr. Sowards pointed out that the due date of the report to the GA is before the Board's next meeting. He asked that Board members review the report and submit their comments and suggestions. He added that the Retirement Policy Committee can convene a meeting and incorporate the comments of the Board and develop a policy suggestion to the GA.

Mr. Sowards then talked about legislation currently being considered, which would reduce the number ORP vendors to two. He noted that Mr. Tigges continues to recuse himself from ORP vendor discussions due to a conflict of interest as noted in the February 1, 2013 meeting minutes. He explained that two vendors may be less confusing and easier to administer than four. He made the recommendation from the Retirement Policy Committee that the PEBA Board and staff be delegated the authority to make a policy determination regarding the appropriate number of ORP vendors. Mr. Matthews asked whether participants in the ORP have discretion to choose which vendors they use. Mr. Sowards confirmed they do. Mr. Fusco interjected that, as fiduciaries, the Board should be considering criteria such as administrative costs, benefit to the employees, etc. Mr. Matthews asked what criteria participants use to determine which vendor they use. Mr. Fusco added that the previously mentioned criteria should be used. Mr. Avant noted that they choose vendors when they sign up and can change annually during the enrollment period. Mr. Avant introduced Matthew Davis, who oversees the ORP at PEBA. Mr. Davis explained that the draw for participants from one vendor to another is based upon the fund lineups for each vendor. He added that the vendors differ in their service models too. Mr. Van Camp added that an employee may have also had experience with certain vendors with other employers. Chairman Bjontegard noted that he has dealt with two of the four current ORP vendors—VALIC and TIAA-Cref. He explained that TIAA-Cref is "the gold standard" in education, so many education employees will likely deal with them. He added that the decisions are often based upon the success of the funds, rather than the user experience. Mr. Avant explained that the recommendation on the table would be that PEBA would support any legislation that gives the Board the authority to determine the appropriate number and lineup of vendors. Mr. Sowards moved to recommend that the authority be delegated to the PEBA Board to choose vendors for ORP. Mr. Penn asked whether the Board has a sense of the intent of the legislation to change the number of ORP vendors. Mr. Sowards suggested that the decision is likely an economic decision—the fewer the number of vendors, the more lucrative it will be for those vendors. Mr. Fusco noted that this method of choosing conflicts with the Board's fiduciary duties—which are to the employees, not private businesses. Mr. Matthews agreed with Mr. Fusco's assertion. Mr. Sowards added that there could be benefits to the employees by narrowing the number of vendors in the form of lower fees. Ms. Boykin asked whether this decision would be premature. She noted that the PEBA Board has responsibility not only for ORP, but will also assume responsibility for the Deferred Compensation program on January 1, 2014. She stated that deciding now may ignore possible decisions in the future with regard to Deferred Compensation. Mr. Sowards interjected that he would be happy to amend his motion to take affect January 1, 2014. Mr. Avant concurred that waiting until Deferred Compensation becomes the Board's responsibility may be a preferable way to go. Chairman Bjontegard asked Ms. Hayes to read the motion as it exists at this

point. She stated that the motion took no stance on the pending legislation, but that the Board's recommendation would be to delegated authority to use best practices in determining vendors for ORP. Mr. Sowards volunteered to restate his motion. He moved to recommend that the PEBA Board be granted the authority to choose the number and lineup of vendors for the ORP. The Board voted unanimously to make this recommendation.

III. DIRECTOR'S REPORT

Chairman Bjontegard asked to insert Mr. Avant's report at this point, so that he would not be late to his meeting with the Senate Finance Retirement Subcommittee. Mr. Avant explained that he would advise the subcommittee on matters such as disability retirement standards for PORS, including EMS in PORS, and the prohibition of including private contractors in the state's retirement systems. Mr. Fusco stated his belief that there may not be sufficient information to decide on the current setup and that the Board be permitted to continue researching the issue before making a recommendation to the GA. He added that there is no real recommendation as to what the best practice or methodology should be. Chairman Bjontegard noted that the Social Security Disability evaluation process takes much longer than the current process and that this creates a hardship on the member who has no means of support while the determination is being made. Mr. Avant noted that the SSA process involves more stringent requirements than the current process, because the PORS member must be determined to be unable to perform any occupation after the three year initial period. Sheriff Lott asked what PEBA staff's recommendation is. Mr. Avant responded that staff advised the GA, but did not recommend anything regarding the legislation. Chairman Bjontegard asked Mr. Avant what his response would be in the subcommittee meeting if he is asked for a recommendation. Mr. Avant responded that he would advise the subcommittee that the decision is theirs to make. Mr. Avant noted that one fiscal impact of the change to SSA standards would be an overall savings to current active members. If the GA undoes the SSA standard provision, that savings will be forfeited by current active members. Mr. Sowards stated he did not believe PEBA staff should make a recommendation to the subcommittee. Mr. Avant agreed that, unless the Board gives him a directive, he did not feel comfortable making a recommendation. Mr. Avant concluded that the relationship between PEBA and the SCRSIC has been enhanced since the February 1, 2013 meeting. Chairman Bjontegard asked Mr. Avant to send something to the Board members detailing the developments in the relationship between PEBA and the SCRSIC. He excused himself to attend to the Senate Finance Retirement Subcommittee.

IV. COMMITTEE REPORTS (continued)

FAAC

Committee Chairman Matthews began by explaining that Mr. Avant would be addressing the proposed indemnification bill with the Senate Finance Retirement Subcommittee. He added that the committee charters will be considered in the next committee meeting. He noted that two important issues will be IT structure and data integrity. He stated his belief that in light of the Department of Revenue's recent breech, PEBA must be diligent in protecting the data it houses and uses. He suggested that, given the large number of issues the FAAC may need to address, there may be a need in the future to break the committee into multiple committees. Mr. Fusco added that the increase in funding requests for technology by both the SCRSIC and PEBA should be coordinated so that they make the best use of the funds and resources. Mr. Penn asked whether decisions regarding administrative issues are weighed in light of return-on-investment—specifically the IT upgrades that are being proposed. Mr. Matthews responded by explaining that as much as ROI, the upgrades are a matter of obsolescence. He noted that many of the filing and operating systems used by PEBA are very dated and are no longer supported. He also added that the security of the data being housed and used by PEBA is directly tied to the technology used to the store and transmit it.

Health

New Committee Chair Pearce began by commended Cindy Hartley for her work as the former chair of the Health Policy Committee. He stated that it is a "new day" in healthcare. He expressed his belief that PEBA remain in the front of the changes in healthcare, not behind it. He introduced Mr. Turner who began by explaining the proposed increase requirement communicated to House Ways and Means. He explained that the Governor's office budget suggested the 13.05% increase be added to the both the employer and employee contributions. He noted that the House budget includes an employer contribution increase of 6.8% and a 20% increase in the "copays" within the plan design. He explained that Senate Finance viewed the House budget plan as a starting point. He also noted that the House added a proviso that specifically directs PEBA with regard to how it spends the funds being offered by the House. He added that the Senate may likely do the same thing in order to avoid another issue like the one that occurred in 2012, when the Budget and Control Board revised the contribution rate structure for 2013. Mr. Fusco stated his concern that the proviso negates the need for the PEBA Board to take any action. Mr. Van Camp agreed. Mr. Fusco continued by suggesting the Board have discussions with the GA to explain the need for flexibility with regard to how the Board changes the plan design and/or contribution rates. Mr. Penn expressed his frustration at the way the Board is being made to respond to decisions by other bodies, rather than be a proactive agent in developing ways to contain, manage, and decrease costs to the health plan. Mr. Fusco agreed, noting that the Board is in the unique position of being able to devote resources and staff to, not only the economic aspect of plan design, but the scientific aspect. The Board and staff of PEBA are in positions to do the research and evaluate where the best improvements can be obtained with the greatest financial benefit. Mr. Van Camp added that the Board may want to consider looking to 2015 for its impact, as the 2014 decisions have more-or-less been made.

Mr. Turner then introduced a study required by legislation on the outcome of the plan paying for bariatric surgery for 100 patients. He noted that the report is required annually and that it appears preliminarily that weight-loss surgery is not cost-effective for the plan. Mr. Fusco asked what the cost for each surgery was. Mr. Turner responded that the average cost was about $25,000 per surgery. Ms. Hayes noted that the legislation did not specify what procedures would be covered, but that most patients who participated in this study opted for gastric bypass rather than lap-band. Mr. Fusco expressed concern that the control group used in the study was not an accurate measure against the study's outcomes. Chairman Bjontegard expressed frustration that the Board seems to receive information like this study without enough time to review it prior to a meeting. Mr. Turner apologized, stating that it was difficult to obtain the information and that it was his fault the information was not available sooner.

Mr. Turner went on to update the Board on the Pharmacy Benefits Manager procurement process. He described a study in which other plans served by ExpressScripts saw a decrease in traditional drug costs, but the State Health Plan's costs have gone up. Mr. Pearce stated that the current request for proposal for a new PBM will help the plan manage costs in the form of a better plan structure and better rebates. He added that the plan has a responsibility to inform members on how to properly manage their prescription use. Mr. Penn added that the members should be better informed about the self-funded nature of the plan. Mr. Pearce explained that there is a lot the Board and staff can do to improve the health and knowledge of the members. Mr. Turner added that it is difficult to come up with solutions to the current cost pressures when the Governor is offering a large amount of funds to maintain current plan structure. He noted that PEBA has already opted to introduce an Employer Group Waiver Plan to save the plan money with no impact on the members. Mr. Bjontegard asked whether there would be a concern about appeals to the procurement decision. Mr. Fusco noted that an entity can continue with the procurement in the face of a challenge if the

decision is critical to the agency's mission. Mr. Penn asked what changes are being targeted with the new PBM proposal. Mr. Turner responded that the savings and improvements to the plan are evaluated by price, communication, and service. He explained that there is a procurement panel, which will evaluate all the factors to determine the best plans.
Mr. Turner concluded that PEBA executive staff has developed a short-range timeline of things the agency and/or Board are responsible for on an annual basis. It includes logistical concerns, technological concerns, and statutorily required deadlines.

V. HIPAA presentation

Due to time constraints, Chairman Bjontegard asked whether any Board member objected to rescheduling the Board's HIPAA training presentation. No members objected, so Chairman Bjontegard advised staff to reschedule the HIPAA training for a future meeting.

VI. Round Table Discussion

Chairman Bjontegard then asked each Board member to provide any additional comments or input.
Ms. Kubu stated that she would like to have the meeting materials in advance of the meeting day so she could have a chance to review it.
Mr. Fusco agreed that having materials in advance would benefit the Board members when they are required to make decisions. He added that he would like PEBA staff to compile a timeline of the important decisions the Board is required to make on a regular basis. He also explained that he wants the Board to use the accountability report used by the B&C Board to measure the success of the PEBA agency.
Mr. Matthews did not have anything to add.
Mr. Pearce did not have anything to add.
Mr. Penn echoed Mr. Fusco and Ms. Kubu's sentiments that the material is extensive enough that it should be provided to the Board members as early as possible.
Sheriff Lott showed the Board a uniform shirt of a sheriff's deputy who had been shot the previous week. The shirt had a bullet hole in the chest. Sheriff Lott stated that the deputy had not been hurt because she was wearing a bullet-proof vest, but that she may likely require counseling as a result of the incident—especially because she shot and killed the suspect. He added that Post Traumatic Stress Disorder is not a covered by Workers' Compensation. He expressed concern that with the new disability requirements adopted by the PEBA legislation July 1, 2012, public safety officers will have a much more difficult time in situations like this.
Ms. Boykin explained that in addition to getting the materials ahead of time, she also believes the Board's extranet could be better-organized so that they can find new material quickly and easily. She added that she would like the Board's notebooks to have action sheets noting which items in the notebook require the Board to take an action.
Mr. Tigges expressed concern that the Board doesn't get too involved in the day-to-day operations of the PEBA agency. He explained that the Board could get bogged down if it goes into day-to-day operations instead of sticking to policy decisions.
Mr. Sowards did not have anything to add.

Chairman Bjontegard asked for a motion to move into executive session to receive legal advice from PEBA counsel. Mr. Sowards moved to go into executive session. Sheriff Lott seconded. Board voted unanimously to go into executive session.

VII. Executive Session to Discuss Legal Matters Pursuant to S.C. Code of Laws § 30-4-70(a)(2)

Adjournment

Upon concluding executive session, Chairman Bjontegard noted that the Board must vote to appoint Steven Van Camp as the parliamentarian. Sheriff Lott moved to appoint Mr. Van Camp as parliamentarian. Mr. Pearce seconded. Unanimously approved.
Chairman Bjontegard requested a motion to adjourn the meeting. Mr. Sowards moved to adjourn and Mr. Fusco seconded. The Board then unanimously voted to adjourn at 12:40 pm.

UNITED STATES DISTRICT COURT
DISTRICT OF SOUTH CAROLINA
FLORENCE DIVISION

Gail M. Hutto, Debra J. Andrews, Elizabeth W. Hodge, Margaret B. Lineberger, Lynn R. Rogers, Nancy G. Sullivan, Jane P. Terwilliger, Julian W. Walls, and all others similarly situated,	)	
Plaintiffs,	)	Civil Action No.: 4:10-cv-02018-JMC
v.	)	**ORDER AND OPINION**
The South Carolina Retirement System, the Police Officers Retirement System, the South Carolina Retirement Systems Group Trust, Mark Sanford, Governor of South Carolina, in his official capacity as *ex officio* Chairman of the South Carolina Budget and Control Board, Converse Chellis, Treasurer of the State of South Carolina, in his official capacity as an *ex officio* member of the South Carolina Budget and Control Board, Richard Eckstrom, Comptroller General of the State of South Carolina, in his official capacity as an *ex officio* member of the South Carolina Budget and Control Board, Hugh K. Leatherman, Chairman of the South Carolina Senate Finance Committee, in his official capacity as an *ex officio* member of the South Carolina Budget and Control Board, Daniel T. Cooper, Chairman of the South Carolina House of Representatives Ways and Means Committee, in his official capacity as an *ex officio* member of the South Carolina Budget and Control Board, Frank Fusco, in his official capacity as Executive Director of the South Carolina Budget and Control Board, and Peggy G. Boykin, in her official capacity as Director of the Retirement Division of the South Carolina Budget and Control Board,	)	
Defendants.	)	

This matter is before the court on Plaintiffs' Joint Motion for Reconsideration [Dkt. No. 45] the September 27, 2012, Order [Dkt. No. 43] dismissing Plaintiffs' complaint. The

procedural history and relevant facts of this case are set forth in detail in the court's Order and are incorporated herein.

A court may alter or amend a judgment pursuant to Rule 59(e) of the Federal Rules of Civil Procedure if the movant shows either (1) an intervening change in the controlling law; (2) new evidence that was not available at trial; or (3) that there has been a clear error of law or a manifest injustice. *Robinson v. Wix Filtration Corp.*, 599 F.3d 403, 407 (4th Cir. 2010).

Plaintiffs assert that the court erred in dismissing its claims for declaratory and injunctive relief against the individual Defendants serving in their official capacity. Specifically, Plaintiffs argue that the court made a clear error of law when it stated in a footnote that "[b]ecause Plaintiffs seek monetary damages, the claims against the individual Defendants are also barred." The court finds no error in its holding.

The doctrine espoused in *Ex parte Young*, 209 U.S. 123 (1908), provides that the Eleventh Amendment does not preclude private individuals from bringing suit against State officials for prospective injunctive or declaratory relief designed to remedy ongoing violations of federal law. However, "[t]he Eleventh Amendment bars a suit against state officials when 'the state is the real, substantial party in interest.'" *Pennhurst State Sch. & Hosp. v. Halderman*, 465 U.S. 89, 101 (1984) (citations omitted). Moreover, "just because a private citizen's federal suit seeks declaratory injunctive relief against State officials does not mean that it must automatically be allowed to proceed under an exception to the Eleventh Amendment protection." *Bell Atl. Md., Inc. v. MCI Worldcom, Inc.*, 240 F.3d 279, 294 (4th Cir. 2001). Instead, the court "must evaluate the degree to which a State's sovereign interest would be adversely affected by a federal suit seeking injunctive relief against State officials." *Bragg v. W. Virginia Coal Ass'n*, 248 F.3d 275, 293 (4th Cir. 2001).

Plaintiffs' request for injunctive relief seeks "a preliminary and permanent injunction against Defendant's preventing from all time the enforcement of South Carolina Code sections

9-1-1790(C) and 9-11-90(4)(c) and compelling the immediate return of all monies that have been required to forfeit to the Retirement Systems since July 1, 2005." Complaint, ¶ 74 [Dkt. No. 1, at 17]. In seeking the return of funds paid into the Retirement System, and in seeking to bar the enforcement of S.C. Code Ann. §§ 9-1-1790 (C) and 9-11-90(4), which require Plaintiffs to pay into the Retirement System, Plaintiffs' requested relief is undeniably monetary. Furthermore, the declaratory and injunctive relief sought would withdraw funds from or deny funds to the Retirement System. Such actions would ultimately impact the State treasury, thereby implicating the immunity from suit provided for by the Eleventh Amendment.

For the foregoing reasons, the court **DENIES** Plaintiffs' Joint Motion for Reconsideration [Dkt. No. 45].

IT IS SO ORDERED.

J. Michelle Childs

United States District Judge

April 4, 2013
Florence, South Carolina

UNITED STATES DISTRICT COURT
DISTRICT OF SOUTH CAROLINA
FLORENCE DIVISION

Gail M. Hutto, Debra J. Andrews, Elizabeth W. Hodge, Margaret B. Lineberger, Lynn R. Rogers, Nancy G. Sullivan, Jane P. Terwilliger, Julian W. Walls, and all others similarly situated,	)	
Plaintiffs,	)	Civil Action No.: 4:10-cv-02018-JMC
v.	)	**ORDER AND OPINION**
The South Carolina Retirement System, the Police Officers Retirement System, the South Carolina Retirement Systems Group Trust, Mark Sanford, Governor of South Carolina, in his official capacity as *ex officio* Chairman of the South Carolina Budget and Control Board, Converse Chellis, Treasurer of the State of South Carolina, in his official capacity as an *ex officio* member of the South Carolina Budget and Control Board, Richard Eckstrom, Comptroller General of the State of South Carolina, in his official capacity as an *ex officio* member of the South Carolina Budget and Control Board, Hugh K. Leatherman, Chairman of the South Carolina Senate Finance Committee, in his official capacity as an *ex officio* member of the South Carolina Budget and Control Board, Daniel T. Cooper, Chairman of the South Carolina House of Representatives Ways and Means Committee, in his official capacity as an *ex officio* member of the South Carolina Budget and Control Board, Frank Fusco, in his official capacity as Executive Director of the South Carolina Budget and Control Board, and Peggy G. Boykin, in her official capacity as Director of the Retirement Division of the South Carolina Budget and Control Board,	)	
Defendants.	)	

This matter is before the court on Plaintiffs' Joint Motion for Reconsideration [Dkt. No. 45] the September 27, 2012, Order [Dkt. No. 43] dismissing Plaintiffs' complaint. The

procedural history and relevant facts of this case are set forth in detail in the court's Order and are incorporated herein.

A court may alter or amend a judgment pursuant to Rule 59(e) of the Federal Rules of Civil Procedure if the movant shows either (1) an intervening change in the controlling law; (2) new evidence that was not available at trial; or (3) that there has been a clear error of law or a manifest injustice. *Robinson v. Wix Filtration Corp.*, 599 F.3d 403, 407 (4th Cir. 2010).

Plaintiffs assert that the court erred in dismissing its claims for declaratory and injunctive relief against the individual Defendants serving in their official capacity. Specifically, Plaintiffs argue that the court made a clear error of law when it stated in a footnote that "[b]ecause Plaintiffs seek monetary damages, the claims against the individual Defendants are also barred." The court finds no error in its holding.

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Plaintiffs' request for injunctive relief seeks "a preliminary and permanent injunction against Defendant's preventing from all time the enforcement of South Carolina Code sections

9-1-1790(C) and 9-11-90(4)(c) and compelling the immediate return of all monies that have been required to forfeit to the Retirement Systems since July 1, 2005." Complaint, ¶ 74 [Dkt. No. 1, at 17]. In seeking the return of funds paid into the Retirement System, and in seeking to bar the enforcement of S.C. Code Ann. §§ 9-1-1790 (C) and 9-11-90(4), which require Plaintiffs to pay into the Retirement System, Plaintiffs' requested relief is undeniably monetary. Furthermore, the declaratory and injunctive relief sought would withdraw funds from or deny funds to the Retirement System. Such actions would ultimately impact the State treasury, thereby implicating the immunity from suit provided for by the Eleventh Amendment.

For the foregoing reasons, the court **DENIES** Plaintiffs' Joint Motion for Reconsideration [Dkt. No. 45].

IT IS SO ORDERED.

J. Michelle Childs

United States District Judge

April 4, 2013
Florence, South Carolina

PUBLIC EMPLOYEE BENEFIT AUTHORITY AGENDA ITEM

Wednesday, April 17, 2013 **Agenda 7**

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1. Subject: Medical University of South Carolina Proposal

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2. Summary: PEBA staff and MUSC have been in discussions regarding a possible pilot program between the State Health Plan (SHP) and MUSC. The pilot would focus on establishing patient centered medical homes (PCMH) for MUSC employees in the hope of reducing healthcare costs and improving patient outcomes.

Background Information: The SHP currently has a number of smaller pilot projects testing PCMH's through BC/BS. This would be a much larger pilot project with approximately 12,000 covered lives. PEBA is currently exploring a similar project with Clemson University.

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3. What is Board asked to do? Receive as Information

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4. Supporting Documents:

(a) Attached:
1. MUSC Proposal

MUSC State Health Plan Proposal
Population Health Management Pilot
April 8, 2013

With reductions in Medicare and Medicaid reimbursements being phased in as part of healthcare reform, hospitals and health systems nationwide are working diligently to reduce costs and to improve patient care. Provisions in the Affordable Care Act (ACA) will result in the Medical University of South Carolina (MUSC) receiving $300 million in reduced reimbursements between the years of 2014-2020. While MUSC continues to streamline its operations and lower health care costs, the health system also seeks to explore new and innovative ways to improve the health of the citizens of South Carolina.

Population health, an approach that aims to improve the health of an entire population, is a key focus of current health reform efforts. As ACA is implemented, hospitals and health systems will increasingly need to develop expertise in managing the health of large, diverse populations. Such populations might include a single employer's workforce, a group of beneficiaries covered by a common insurance product, or even all of the citizens who reside in a particular county, region, or state.

In general, hospitals and health systems in South Carolina have much less managed care and population health management experience than do facilities located in other regions of the United States where managed care is more prevalent. As our state's healthcare system adapts to ACA, MUSC recognizes that it will need to partner with others to explore novel ways to improve the health of not only our own workforce, but also ways to improve the health of all South Carolinians.

Many hospitals in the United States self-insure their hospital workforce, providing the hospitals with direct financial incentives to reduce costs and improve the health of their employees. Although MUSC has undertaken many successful initiatives to improve the health of our own employees, MUSC aims to partner with the leadership and administrators of our State Health Plan to create additional programs and incentives to lower costs, increase quality and satisfaction, and improve the health of the populations we both serve. MUSC is confident that these collaborative efforts will result in successful outcomes that can be replicated by other hospitals and payers throughout our state.

Ideas MUSC would like to explore include:

1. Creating insurance products that reward beneficiaries for adopting healthy lifestyles
2. Aligning incentives among patients, providers, and payers to incentivize appropriate delivery and utilization of healthcare services
3. Establishing Patient Centered Medical Homes to transform the organization and delivery of primary care
4. Designing health information systems that aggregate data from many sources and permit real-time management of population health

Controlling costs and improving quality, already key initiatives at MUSC, will become increasingly important as our state's healthcare system evolves. By partnering with others, MUSC is confident we can develop and share novel ways of improving the health of the citizens of South Carolina. We look forward to exploring these ideas with you.

MUSC State Health Plan Proposal
Population Health Management Pilot
April 8, 2013

Suggested Areas of Initial Focus:

1. Creating insurance products that reward beneficiaries for adopting healthy lifestyles:
    a. Tobacco cessation
    b. Exercise
    c. Nutrition
    d. Blood pressure control
    e. Diabetes management

2. Aligning incentives among patients, providers, and payers to incentivize appropriate delivery and utilization of healthcare services:
    a. Births
    b. High cost outliers
    c. Radiology decision support
    d. Palliative care intervention

3. Incentivizing / Ensuring employees and dependents use Patient Centered Medical Homes:
    a. Development of PCMH network
    b. Requirement of employees and dependents to use a PCMH

4. Designing health information systems that aggregate data from many sources and permit real-time management of population health
    a. High cost outliers

PUBLIC EMPLOYEE BENEFIT AUTHORITY AGENDA ITEM

Wednesday, April 17, 2013 **Agenda 8**

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1. Subject: State Health Plan Options Research

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2. Summary: PEBA staff and consultants have been researching plan design options for the plan year beginning January 1, 2015. An array of options has been prepared that consist along a spectrum from the current plan design all the way to high performance networks with Accountable Care Organizations, Patient Centered Medical Homes and Medicare Advantage components.

Background Information: Plan design issues need to be decided as soon as possible such that the budget setting process for PY 2015 can begin during the summer. If we wish to dramatically alter the current plan design, we must have the approval to become Affordable Care Act (ACA compliant and must have the necessary level of funding to support this decision.

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3. What is Board asked to do? Receive as Information

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4. Supporting Documents:

(a) Attached:
1. DRAFT Plan design options

	Plan Design Continuum ***DRAFT: For discussion and illustrative purposes only.***						***Plan***
	Current SHP Standard Plan Design Through December 31, 2013		**Option A**		**Option B**		
	Standard Plan		**Remain Grandfathered**		**ACA Compliant**		
	In-Network	**Out-of-Network**	**In-Network**	**Out-of-Network**	**In-Network**	**Out-of-Network**	**High Performance Network**
Plan Provisions							
Annual Deductible							
• Individual	$350		$420		$500		
• Family	$700		$840		$1,000		
Per Occurance Deductible							
• Emergency Care	$125 (waived if admitted)		$150 (waived if admitted)		$150 (waived if admitted)		$0
• Inpatient Hospital Services	$0		$0		$250		$0
• Outpatient Facility Services	$75		$90		$90		$0
• Physician Office Visit	$10		$12		$12		$0
• Specialist Office Visit	$10		$12		$12		$0
• High End Radiology	based on setting		based on setting		$125 if at Outpatient Hospital		$0
Coinsurance	80%/20%	60%/40%	80%/20%	60%/40%	80%/20%	60%/40%	85%/15%
Coinsurance Maximum (excludes deductible)							
• Individual	$2,000	$4,000	$2,400	$4,800	$3,000	$6,000	$3,(
• Family	$4,000	$8,000	$4,800	$9,600	$6,000	$12,000	$6,(
Lifetime Maximum	None	None	None	None	None	None	None
Benefit Categories							
HOSPITAL AND FACILITY SERVICES							
Inpatient Hospital	80%/20% coinsurance after per occurance and annual deductibles	60%/40% coinsurance after per occurance and annual deductibles	80%/20% coinsurance after per occurance and annual deductibles	60%/40% coinsurance after per occurance and annual deductibles	80%/20% coinsurance after per occurance and annual deductibles	60%/40% coinsurance after per occurance and annual deductibles	85%/15% coinsurance after annual deductibles
Emergency Room	80%/20% coinsurance after per occurance and annual deductibles	60%/40% coinsurance after per occurance and annual deductibles	80%/20% coinsurance after per occurance and annual deductibles	60%/40% coinsurance after per occurance and annual deductibles	80%/20% coinsurance after per occurance and annual deductibles	60%/40% coinsurance after per occurance and annual deductibles	85%/15% coinsurance after annual deductibles
Outpatient Hospital or Facilities	80%/20% coinsurance after per occurance and annual deductibles	60%/40% coinsurance after per occurance and annual deductibles	80%/20% coinsurance after per occurance and annual deductibles	60%/40% coinsurance after per occurance and annual deductibles	80%/20% coinsurance after per occurance and annual deductibles	60%/40% coinsurance after per occurance and annual deductibles	85%/15% coinsurance after annual deductibles
Urgent Care Facility	80%/20% coinsurance after per occurance and annual deductibles	60%/40% coinsurance after per occurance and annual deductibles	80%/20% coinsurance after per occurance and annual deductibles	60%/40% coinsurance after per occurance and annual deductibles	80%/20% coinsurance after per occurance and annual deductibles	60%/40% coinsurance after per occurance and annual deductibles	85%/15% coinsurance after annual deductibles
PHYSICIAN AND LAB							
Office Visits							
• Primary Care Physician	80%/20% coinsurance after per occurance deductible	60%/40% coinsurance after per occurance deductible	80%/20% coinsurance after per occurance deductible	60%/40% coinsurance after per occurance deductible	80%/20% coinsurance after per occurance deductible	60%/40% coinsurance after per occurance deductible	85%/15% coinsurance after annual deductibles
• Specialist	80%/20% coinsurance after per occurance deductible	60%/40% coinsurance after per occurance deductible	80%/20% coinsurance after per occurance deductible	60%/40% coinsurance after per occurance deductible	80%/20% coinsurance after per occurance deductible	60%/40% coinsurance after per occurance deductible	85%/15% coinsurance after annual deductibles
• Chiropractor	Same as PCP and Specialist, except $2,000 annual maximum benefit		Same as PCP and Specialist, except $1,600 annual maximum benefit		Same as Specialist, except $1,600 annual maximum benefit		Same as Speciali
High End Radiology (MRI, MRA, CT and PET)	80%/20% coinsurance after per occurance deductible	60%/40% coinsurance after per occurance deductible	80%/20% coinsurance after per occurance deductible	60%/40% coinsurance after per occurance deductible	80%/20% coinsurance after per occurance deductible	60%/40% coinsurance after per occurance deductible	85%/15% coinsurance after annual deductibles
OTHER PREVENTIVE SERVICES							
Cervical Cancer Screening	100%	Plan pays 100% of allowed amount for an in-network provider	100%	Plan pays 100% of allowed amount for an in-network provider	100%	60%/40%	100%
Colorectal Cancer screening (age 50 and over, max 1 screening every 10 years)	80%/20% coinsurance after annual deductible	60%/40% coinsurance after annual deductible	80%/20% coinsurance after annual deductible	60%/40% coinsurance after annual deductible	80%/20% coinsurance after annual deductible	60%/40% coinsurance after annual deductible	80%/20% coinsurance after annual deductible
Immunizations							
• Age 18 and Under	100%	Not Covered	100%	Not Covered	100%	100%	100%
• Age 19 and Older	Not covered	Not Covered	Not covered	Not Covered	100%	60%/40% coinsurance after annual deductible	100%
Mammogram Screening							
• Age 35-39: one baseline	100%	Not Covered	100%	Not Covered	100%	Not Covered	100%
• Age 40+: 1 screening per calender year	100%	Not Covered	100%	Not Covered	100%	Not Covered	100%
Well Child Care Benefits							
• Under 1 year of age	100%	Not Covered	100%	Not Covered	100%	Not Covered	100%
• 1 year of age							
• 2-18 years of age							
Other Preventive Services included on USPSTF list A and B recommendations	Not covered	Not Covered	Not covered	Not Covered	100%	Not Covered	100%
PRESCRIPTION DRUG							
Retail Pharmacy							
• Tier 1 (Generic)	$9 Copay		$9 Copay		$9 Copay		
• Tier 2 (Preferred Brand)	$30 Copay		$30 Copay		$40 Copay		
• Tier 3 (Non-Preferred Brand)	$50 Copay		$60 Copay		$80 Copay		
• Tier 4 (Specialty)	N/A	Not Covered	N/A	Not Covered	10% coinsurance with a minimum of $125 and maximum of $250 per script	Not Covered	
• Tier 5 (Lifestyle drugs)	N/A		N/A		$75 Copay and/or Quantity Limits		
Mail Order Pharmacy							
• Tier 1 (Generic)	$22 Copay		$22 Copay		$22 Copay		
• Tier 2 (Preferred Brand)	$75 Copay		$90 Copay		$100 Copay		
• Tier 3 (Non-Preferred Brand)	$125 Copay		$150 Copay		$200 Copay		
• Tier 4 (Specialty)	N/A	Not Covered	N/A	Not Covered	10% coinsurance with a minimum of $125 and maximum of $250 per script	Not Covered	
• Tier 5 (Lifestyle drugs)	N/A		N/A		$188 Copay and/or Quantity Limits		
Maximum Rx Copay	$2,500	N/A	$3,000	N/A	$3,000	N/A	
NETWORK DESCRIPTION							
Medical	Broad		Broad or Limited		Broad or Limited		The High Performance Ne
Prescription Drug	Broad		Broad or Limited (excl Walgreens)		Broad or Limited (excl Walgreens)		Bro

Design Continuum *DRAFT: For discussion and illustrative purposes only.*

Option C		Option D				Option E (Non-Medicare participants only)		Option F (Medicare Primary participants only)
ACA Compliant		ACA Compliant				HDHP with HSA for Non-Medicare Participants		Medicare Advantage and EGWP+Wrap for Medicare Participants
In-Network	Out-of-Network	In-Network ACO *	In-Network PCMH**	In-Network	Out-of-Network	In-Network	Out-of-Network	In-Network
$500 $1,000		$350 $700	$350 $700	$500 $1,000		$1,500 $3,000	$3,000 $6,000	$150 N/A
$150 (waived if admitted) $250 $90 $12 $12 $125 if at Outpatient Hospital		N/A	N/A	$150 (waived if admitted) $250 $90 $12 $12 $125 if at Outpatient Hospital		N/A		N/A
80%/20%	60%/40%	85%/15%	85%/15%	80%/20%	60%/40%	80%/20%	60%/40%	N/A
)00)00	$6,000 $12,000	$2,000 $4,000	$2,000 $4,000	$3,000 $6,000	$6,000 $12,000	$4,750 $9,500	$3,250 $6,500	$3,000 N/A
None	None	None	None	None	None	None	None	None
80%/20% coinsurance after per occurance and annual deductibles	60%/40% coinsurance after per occurance and annual deductibles	$100 Copay per day ($500 max per admission) plus 85%/15% coinsurance	$100 Copay per day ($500 max per admission) plus 85%/15% coinsurance	80%/20% coinsurance after per occurance and annual deductibles	60%/40% coinsurance after per occurance and annual deductibles	80%/20% coinsurance after deductible	60%/40% coinsurance after deductible	$250 copay per stay (includes both facility and physician expenses)
80%/20% coinsurance after per occurance and annual deductibles	60%/40% coinsurance after per occurance and annual deductibles	$100 copay (waived if admitted) plus 85%/15% coinsurance	$100 copay (waived if admitted) plus 85%/15% coinsurance	80%/20% coinsurance after per occurance and annual deductibles	60%/40% coinsurance after per occurance and annual deductibles	80%/20% coinsurance after deductible	60%/40% coinsurance after deductible	$50 copay
80%/20% coinsurance after per occurance and annual deductibles	60%/40% coinsurance after per occurance and annual deductibles	$75 copay plus 85%/15% coinsurance	$75 copay plus 85%/15% coinsurance	80%/20% coinsurance after per occurance and annual deductibles	60%/40% coinsurance after per occurance and annual deductibles	80%/20% coinsurance after deductible	60%/40% coinsurance after deductible	$75 copay
80%/20% coinsurance after per occurance and annual deductibles	60%/40% coinsurance after per occurance and annual deductibles	$75 copay plus 85%/15% coinsurance	$75 copay plus 85%/15% coinsurance	80%/20% coinsurance after per occurance and annual deductibles	60%/40% coinsurance after per occurance and annual deductibles	80%/20% coinsurance after deductible	60%/40% coinsurance after deductible	$35 copay
80%/20% coinsurance after per occurance and annual deductibles	60%/40% coinsurance after per occurance and annual deductibles	$30 copay	$30 copay	80%/20% coinsurance after per occurance and annual deductibles	60%/40% coinsurance after per occurance and annual deductibles	80%/20% coinsurance after deductible	60%/40% coinsurance after deductible	$5 copay
80%/20% coinsurance after per occurance and annual deductibles	60%/40% coinsurance after per occurance and annual deductibles	$50 copay	$50 copay	80%/20% coinsurance after per occurance and annual deductibles	60%/40% coinsurance after per occurance and annual deductibles	80%/20% coinsurance after deductible	60%/40% coinsurance after deductible	$10 copay
st, except $1,600 annual maximum benefit		$50 copay Maximum benefit of $1,600	$50 copay Maximum benefit of $1,601	Same as Specialist, except $1,600 annual maximum benefit		80%/20% coinsurance after deductible	60%/40% coinsurance after deductible	95%/5% Coinsurance
80%/20% coinsurance after per occurance and annual deductibles	60%/40% coinsurance after per occurance and annual deductibles	See Outpatient Hospital	See Outpatient Hospital	80%/20% coinsurance after per occurance and annual deductibles	60%/40% coinsurance after per occurance and annual deductibles	80%/20% coinsurance after deductible	60%/40% coinsurance after deductible	95%/5% Coinsurance
100%	60%/40%	100%	100%	100%	60%/40%	0% coinsurance	Not covered	$0 copay
80%/20% coinsurance after annual deductible	60%/40% coinsurance after annual deductible	100%	100%	80%/20% coinsurance after annual deductible	60%/40% coinsurance after annual deductible	0% coinsurance	Not covered	$0 copay
100%	100%	100%	100%	100%	100%	0% coinsurance	Not covered	N/A
100%	60%/40% coinsurance after annual deductible	100%	100%	100%	60%/40% coinsurance after annual deductible			$0 copay
100% 100%	Not Covered Not Covered	100% 100%	100% 100%	100% 100%	Not Covered Not Covered	0% coinsurance	Not covered	N/A $0 copay
100%	Not Covered	100%	100%	100%	Not Covered	0% coinsurance	Not covered	N/A
100%	Not Covered	100%	100%	100%	Not Covered	0% coinsurance	Not covered	$0 copay
$9 Copay $40 Copay $80 Copay 10% coinsurance with a minimum of $125 and maximum of $250 per script $75 Copay and/or Quantity Limits	Not Covered	$9 Copay $40 Copay $80 Copay 10% coinsurance with a minimum of $125 and maximum of $250 per script $75 Copay and/or Quantity Limits		Not Covered		80%/20% coinsurance after deductible	Not covered	$9 Copay $40 Copay $80 Copay 10% coinsurance with a minimum of $125 and maximum of $250 per script $75 Copay and/or Quantity Limits
$22 Copay $100 Copay $200 Copay 10% coinsurance with a minimum of $125 and maximum of $250 per script $188 Copay and/or Quantity Limits	Not Covered	$22 Copay $100 Copay $200 Copay 10% coinsurance with a minimum of $125 and maximum of $250 per script $188 Copay and/or Quantity Limits		Not Covered		80%/20% coinsurance after deductible	Not covered	$22 Copay $100 Copay $200 Copay 10% coinsurance with a minimum of $125 and maximum of $250 per script $188 Copay and/or Quantity Limits
$3,000	N/A	$3,000		N/A		N/A	N/A	$3,000
etwork includes providers who quality and unit cost targets.		* If ACO, then no out-of-network benefits; ** If a PCMH member self refers, then out-of-network benefits apply. Deductibles and Coinsurance Maximums for in and out-of-network accumulate separately.				Broad or Limited Network		No out-of-network benefits; Assumes that the MA plan will replace the Medicare Supplement plan.
ad or Limited (excl Walgreens)		Broad or Limited (excl Walgreens)				Broad or Limited Network		Broad or Limited

PUBLIC EMPLOYEE BENEFIT AUTHORITY AGENDA ITEM

Wednesday, April 17, 2013 **Agenda9**

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1. Subject: Pharmacy Benefits Manager Contract update

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2. Summary: All proposals are currently being reviewed to identify and address any issues bearing upon eligibility for evaluation such as responsiveness or responsibility.

Based on this review discussions may be conducted, including the possibility of proposal revisions, with one or more offerors, but only for those proposals determined to be either acceptable or potentially acceptable.

Following the pre-evaluation review and any discussions, all responsive proposals will be distributed to the members of the review panel for evaluation.

The contract will go into effect for the insurance plan January 1, 2014.

Background Information: Five (5) responses were received by the due date.

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3. What is Board asked to do? Receive as Information

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4. Supporting Documents: None