



Meeting Minutes | Board of Directors Meeting

Wednesday July 22, 2020 | 1:00 p.m.

Via Zoom Teleconference

Minutes Approved October 1, 2020

Board Members Present Via Telephone: Ms. Amanda Blankenship, Ms. Jennifer Blumenthal, Mr. Calvin Elam, Mr. Steve Heisler, Mr. Steve Matthews, Sherriff Steve Mueller; Vice Chairman Joe “Rocky” Pearce, Mr. Alex Shissias, Chairman John Sowards, and Mr. Ed Walton.

Board Members Absent: Ms. Paige Lewis

Others Present for All or a Portion of the Meeting Via Telephone: Peggy Boykin, Robby Brown, Amber Carter, Heather Muller, Laura Smoak, Rob Tester, Stephen Van Camp, Angie Warren, Justin Werner, and Heather Young from the South Carolina Public Employee Benefit Authority (PEBA); Brooks Goodman, Dr. Tripp Jennings, and Carmen Wilson from BlueCross BlueShield of South Carolina; and Bill Tomes from Public Management Leadership Development Services, LLC.

I. Call to Order

Chairman John Sowards called the PEBA Board of Director’s (Board) meeting to order at 1:03 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 4, 2020 and April 17, 2020

It was noted that the March 4, 2020 and the April 17, 2020, Board meeting minutes were approved as presented.

III. Recognition to the PEBA Board

Chairman Sowards expressed his heartfelt thanks and appreciation to Sheriff Leon Lott who served the PEBA Board for eight years, and to Mr. Chuck Richardson who also served the PEBA Board for several years. Both Board members terms ended June 30, 2020.

Chairman Sowards noted a *Resolution in Recognition and Profound Appreciation of Distinguished Service by the Honorable Leon Lott*. It reads as follows:

“WHEREAS, for eight years Sheriff Leon Lott served honorably, faithfully, and with great distinction as a member of the Board of Directors for the Public Employee Benefit Authority; and,

WHEREAS, as a member of the first Board of Directors for the Public Employee Benefit Authority, Sheriff Lott provided outstanding leadership and guidance in the successful creation and launch of

the State agency responsible for providing retirement benefits and insurance coverage for South Carolina public employees, retirees and their families; and,

WHEREAS, Sheriff Lott worked with great dedication to advance the cause of providing sustainable retirement and insurance benefits to hundreds of thousands of South Carolina public employees, retirees, and their families, and to ensure that the public safety community in South Carolina was well-represented on the Board of Directors; and,

WHEREAS, in his service on the Finance, Administration, Audit and Compliance (FAAC) and Retirement Policy Committees, Sheriff Lott made significant and profound contributions to the success of the Public Employee Benefit Authority as an agency and to the effective management of the State's retirement plans and programs;

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the Public Employee Benefit Authority hereby expresses its deep gratitude and appreciation for the distinguished and faithful service of Sheriff Leon Lott as a member of the Board of Directors of the Public Employee Benefit Authority. The Board thanks and congratulates Sheriff Lott for a job well done.

ADOPTED by the South Carolina Public Employee Benefit Authority Board of Directors this 22nd day of July 2020.”

Vice Chairman Rocky Pearce made a motion, which was seconded by Mr. Ed Walton, and passed unanimously, to adopt the Resolution for Sheriff Lott as presented.

Chairman Sowards also noted a *Resolution in Recognition and Profound Appreciation of Distinguished Service by Charles Richardson*. It reads as follows:

“WHEREAS, since his appointment in 2017, Charles “Chuck” Richardson served honorably, faithfully, and with distinction as a member of the Board of Directors for the Public Employee Benefit Authority; and,

WHEREAS, as a member of the Board of Directors for the Public Employee Benefit Authority, Mr. Richardson worked with great dedication to advance the cause of providing sustainable retirement and insurance benefits to hundreds of thousands of South Carolina public employees, retirees, and their families, and to ensure that our public school teachers and administrators in South Carolina were well-represented on the Board of Directors; and,

WHEREAS, in his service on the Finance, Administration, Audit and Compliance (FAAC) Committee, Mr. Richardson made significant and profound contributions to the success of the Public Employee Benefit Authority as an agency;

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the Public Employee Benefit Authority hereby expresses its deep gratitude and appreciation for the distinguished and faithful service of Chuck Richardson as a member of the Board of Directors of the Public Employee Benefit Authority. The Board thanks and congratulates Mr. Richardson for a job well done.

ADOPTED by the South Carolina Public Employee Benefit Authority Board of Directors this 22nd day of July 2020.”

Steve Matthews made a motion, which was seconded by Ms. Jennifer Blumenthal, and passed unanimously, to adopt the Resolution for Chuck Richardson as presented.

IV. Welcome to the PEBA Board

Chairman Sowards welcomed Sheriff Steve Mueller to the PEBA Board. Sheriff Mueller is the Sheriff of Cherokee County and is appointed by the President of the Senate.

Chairman Sowards also welcomed Ms. Amanda “Mandy” Blankenship to the PEBA Board. Mandy is a teacher at Sumter High School, and is appointed by the Chairman of the House Ways and Means Committee.

V. Election of Chairman and Vice-Chairman

Mr. Rocky Pearce made a motion, which was seconded by Mr. Steve Heisler, to reelect Mr. John Sowards as Chairman of the PEBA Board of Directors. The motion passed by acclamation.

Mr. Heisler made a motion, which was seconded by Mr. Calvin Elam, to reelect Mr. Rocky Pearce as Vice-Chairman of the PEBA Board of Directors. The motion passed by acclamation.

VI. Announcement of Committee Assignments and Committee Chairman

Chairman Sowards asked Mr. Matthews to continue to serve as Chairman of the Finance, Administration, Audit and Compliance (FAAC) Committee.

Chairman Sowards asked Mr. Heisler to continue to serve as Chairman of the Retirement Policy Committee.

Chairman Sowards asked Mr. Pearce to continue to serve as Chairman of the Health Care Policy Committee.

VII. Director’s Report

Ms. Peggy Boykin, Executive Director, provided the director’s report, and advised that normally at the July meeting, the Health Care Policy Committee adopts the plan of benefits for the plan year beginning January 1, 2021, which must conform to funding provided in the annual appropriations bill adopted by the General Assembly. However, the General Assembly adopted a Continuing Resolution and will not return until September 15, 2020, to finalize the appropriations bill. Since the Health Care Policy Committee must wait until our meeting on September 30, 2020, to finalize the health plan of benefits, they will not meet this month. Similarly, the Retirement Policy Committee will not meet this month. While the March quarterly market reports are available, they are not necessarily relevant since the June quarter proved a reversal of the majority of the losses.

Ms. Boykin concluded her report by providing an update on PEBA’s operations during the COVID-19 pandemic. Ms. Boykin extended her deep appreciation to the PEBA staff for their commitment to PEBA’s success, and stated that she was truly honored to work with such great individuals.

VIII. Finance, Administration, Audit and Compliance Committee- Fiscal Year 2022 Agency Budget Approval

Mr. Steve Matthews reported that the FAAC Committee met before the Board meeting, and presented the annual agency budget report. Mr. Matthews explained that PEBA’s General Fund appropriations are pass through appropriations only, and are not used for PEBA’s operating

expenses. Mr. Matthews noted that PEBA's fiscal year 2022 total authorized budget request is the same amount as last year. Mr. Matthews advised that the FAAC Committee made a motion to recommend that the full Board accept the proposed fiscal year 2022 agency budget effective July 1, 2021. Chairman Sowards stated that a Committee motion does not require a second. The motion passed unanimously.

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

At 1:30 p.m., Mr. Matthews made a motion, which was seconded by Mr. Calvin Elam, and passed unanimously, to recede into executive session to discuss a personnel matter and to receive legal advice.

At 1:52 p.m. the meeting reconvened in open session. Chairman Sowards announced that no action was taken by the Board while in executive session.

X. COVID-19 Update

Mr. Rob Tester, Health Care Policy Director, introduced Dr. Tripp Jennings, Clinical Innovation Officer, and Carmen Wilson, Account Executive, from Blue Cross Blue Shield of South Carolina, to address multiple issues involved in the analysis of the COVID-19 pandemic in South Carolina.

Dr. Jennings noted that there is a large percentage of the population that have COVID-19 either without any symptoms or very mild symptoms, which makes it very difficult to contain. Dr. Jennings stated that COVID-19 is primarily spread through small respiratory droplets when a person sneezes, coughs, or talks.

Dr. Jennings pointed out that most of the data and updates on COVID-19 come from the Center for Systems Science and Engineering at Johns Hopkins University. Dr. Jennings reviewed the upward trend in COVID-19 cases, and discussed cases in the United States compared to cases worldwide.

Dr. Jennings advised that it is difficult to determine how contagious and deadly the COVID-19 pandemic has become because epidemiologists cannot accurately predict case mortality rate during the first or second phases of a pandemic.

Dr. Jennings reviewed some of the possible symptoms of COVID-19, and discussed how pre-existing conditions exacerbate the symptoms and increase mortality rates. Dr. Jennings also pointed out that cases continue to rise not only because people are increasingly more mobile, but also because of people's behaviors, thus making social distancing and masks so important.

Ms. Wilson stated that State Health Plan members can receive diagnostic testing at no cost; temporary/emergency telehealth services have been expanded; and Blue CareOnDemand is currently offered as no cost to members or the State Health Plan. Ms. Wilson also reviewed the State Health Plan data and analytics related to COVID-19 testing claims and hospital admissions.

Mr. Tester concluded the presentation by discussing some of the "stay-at-home" effects on claims experience in the State Health Plan. Mr. Tester advised that the refill-too-soon limits were waived following the state-wide lockdown, and subsequent surges in pharmacy expenses occurred. Mr. Tester stated that service types were affected very differently by the lockdown, and across the board there is a greater effect on volume than on expenditure. Mr. Tester explained that lower complexity,

less expensive services are more likely to be avoided, and higher complexity, more expensive services are more likely to occur.

Mr. Tester also advised that dental claims fell drastically with the lockdown, but are beginning to surge with the re-opening of dentist offices and establishment of COVID-19 safety protocols.

XI. Old Business

Chairman Sowards noted that his Chairmanship, as well as the Chairs of each Committee are all serving their last term, so Chairman succession planning will take place over the next couple of years.

Chairman Sowards thanked the Board, Ms. Boykin, and PEBA staff for their hard work in preparation for the Board meeting on Zoom. Mr. Heisler and Mr. Elam echoed Chairman Sowards remarks and thanked PEBA staff for their tremendous efforts.

XII. Adjournment

There being no further business, and upon a motion by Mr. Elam, which was seconded by Ms. Blumenthal, and approved unanimously, the Board meeting adjourned at 3:10 p.m.