



PEBASM
SC Retirement Systems
and State Health Plan

South Carolina Public Employee Benefit Authority
Serving those who serve South Carolina

Meeting Agenda

| Board of Directors

Thursday, June 5, 2025 | 202 Arbor Lake Drive., Columbia, SC 29223 | 1st Floor Conference Room

Board of Directors | 10:30 a.m.

- I. Call to Order
- II. Approval of Meeting Minutes- March 12, 2025
- III. Approval of State Health Plan Benefits and Contributions for Plan Year 2026
- IV. Executive Session for the Purpose of Discussing Contractual Matters and Receiving Legal Advice Pursuant to S.C. Code of Laws § 30-4-70(a)(2)
- V. Adjournment

Notice of public meeting

This notice is given to meet the requirements of the S.C. Freedom of Information Act and the Americans with Disabilities Act. Furthermore, this facility is accessible to individuals with disabilities, and special accommodations will be provided if requested in advance.

**PUBLIC EMPLOYEE BENEFIT AUTHORITY AGENDA ITEM
BOARD MEETING**

Meeting Date: June 5, 2025

1. Subject: Approval of 2026 State Health Plan of Benefits and Contributions

2. Summary: Proviso 108.6, as contained in the Governor's Executive Budget and in the final versions of the FY 2026 Appropriations Act adopted by the House and Senate, provides for a 4.6 percent increase in the employer premium and a zero percent increase in the employee premium for the State Health Plan for the 2026 plan year.

Rob Tester will present contribution rates and a plan design change for the State Health Plan for the 2026 plan year. The contribution rates conform to the anticipated provisions of Proviso 108.6, and the plan design change reflects an attempt to achieve savings.

3. What is the Board asked to do? Approve the State Health Plan of Benefits and Contributions for the 2026 plan year as presented.

4. Supporting Documents:

- (a) Attached: 1. Approval of State Health Plan Benefits and Contributions for Plan Year 2026



Approval of State Health Plan benefits and contributions for plan year 2026

State Health Plan funding proviso from Appropriations Act

108.6. (PEBA: State Health Plan) Of the funds authorized for the State Health Plan pursuant to Section 11 710(A)(2) of the 1976 Code, an employer premium increase of 4.6 percent and a subscriber premium increase of zero percent will result for the standard State Health Plan for Plan Year 2026.

Notwithstanding the foregoing, pursuant to Section 11 710(A)(3), the Public Employee Benefit Authority may adjust the plan, benefits or contributions of the State Health Plan during Plan Year 2026 to ensure the fiscal stability of the Plan.

2026 Employer contributions

- 4.6% composite employer-only increase corresponds with funding provided in the annual Appropriations Bill.
- An employer-only increase of 4.6% and no subscriber increase equals a 3.9% overall increase in contributions.

Coverage level	Rate
Subscriber only	\$551.48
Subscriber/spouse	\$1,161.96
Subscriber/children	\$946.88
Full family	\$1,517.80

2026 Employee/retiree premiums (no change from 2025)

Coverage level	Standard Plan and Medicare Supplemental Plan	Savings Plan
Subscriber only	\$97.68	\$9.70
Subscriber/spouse	\$253.36	\$77.40
Subscriber/children	\$143.86	\$20.48
Full family	\$306.56	\$113.00

Plan design addition

Establishment of a set copayment for certain services at Ambulatory Surgery Centers

Outpatient Hospital services are the largest cost driver among medical care settings in the State Health Plan. The largest component in Outpatient Hospital is surgery. Many surgeries that are performed in an Outpatient Hospital setting may also be performed in an Ambulatory Surgery Center (ASC) at a lower cost.

We are exploring bundled payment rates with ASCs for selected surgeries, that is, a set price for facility and professional services associated with these procedures. This action is intended to control the provision of ancillary services associated with the surgery as well as obtaining better unit pricing. It is proposed that the Plan consider establishing a set copayment for these surgeries obtained at an ASC, as a patient incentive to seek these services in this setting rather than the Outpatient Hospital department. These selected surgeries, as identified at this time, are:

- 1) Knee replacement
- 2) Hip replacement
- 3) Knee arthroscopic surgery
- 4) Hip arthroscopic surgery
- 5) Rotator cuff repair
- 6) Carpal tunnel repair

It is proposed that a \$100 patient copay be authorized for all services associated with these surgeries at an ASC. This is comparable to the \$115 per occurrence deductible in the Outpatient Hospital setting, plus regular patient cost share for the remainder of the outpatient allowance as well as for surgeon and ancillary professional allowable charges.

There were 4,249 of the above procedures performed in the Plan in 2024. Of the total, 2,752 were performed in the Outpatient Hospital department, with 1,497 performed in an ASC.

This action is contingent on the Plan's ability to execute favorable contracts with ASCs with bundled pricing terms.

5.30.2025