



Meeting Minutes | Board of Directors Retreat

Wednesday, August 28, 2024 | 10:00 a.m.

Wampee Conference Center | 2213 Pinopolis Road, Pinopolis, SC 29469

Minutes Approved October 23, 2024

Board Members Present for All or a Portion of the Meeting: Ms. Amanda Blankenship, Ms. Jennifer Blumenthal, Mr. Calvin Elam, Mr. Steve Heisler, Ms. Paige Lewis, Mr. Steve Matthews, Sheriff Steve Mueller, Chairman Joe “Rocky” Pearce, Mr. Alex Shissias, Mr. John Sowards, and Mr. Ed Walton.

Others Present for All or a Portion of the Meeting: Peggy Boykin, Ashley Brindle, Robby Brown, Amber Carter, Heather Muller, Lisa Phipps, Laura Smoak, Rob Tester, Travis Turner, and Justin Werner from the South Carolina Public Employee Benefit Authority (PEBA); Jesse Epting, Matt Shaffer, Derrick Wenning, and Carmen Wilson from BlueCross BlueShield of South Carolina; Chris Auberger, Jonathan Bethke, Jim Engler, Jeremy Fredell, Frank Gentilella, Annika Mitchell, and Robin Scott from Express Scripts, Inc.; Mike Madalena, PEBA Consultant; Joe Newton and Danny White from Gabriel, Roeder, Smith & Company; and Marybeth Daubenspeck from Empower.

I. Call to Order

Chairman Rocky Pearce called the PEBA Board of Director’s (Board) Retreat to order at 10:00 a.m., and stated that the public meeting notice was posted in compliance with the Freedom of Information Act.

II. Approval of Meeting Minutes- June 26, 2024

Mr. Calvin Elam made a motion, which was seconded by Mr. Steve Heisler, and passed unanimously, to approve the minutes from the June 26, 2024, Board meeting.

III. Actuarial Topics Update

Mr. Danny White, Senior Consultant, and Mr. Joe Newton, from Gabriel, Roeder, Smith & Company (GRS), presented an overview of actuarial topics including alternative sources of pension contributions, a cost-of-living adjustment overview, and layered amortization funding. Mr. White also reviewed an updated projected financial condition for the South Carolina Retirement System (SCRS) and the Police Officer’s Retirement System (PORS).

IV. Empowering America’s Financial Journey: Government Sector 2024

Empower’s third annual Empowering America’s Financial Journey (EAFJ) study for the government sector helps provide a picture of how public sector employees are progressing on their journeys to financial freedom. Marybeth Daubenspeck, Vice President of Government Markets for Empower, reviewed findings from the study and strategies employed by Deferred Comp to address key takeaways for plan sponsors.

V. Journey to a New Benefits Administration System

Ms. Lisa Phipps, PEBA's Operational Research and Development Director, shared the journey PEBA has been on since 2010 in its quest for a new benefits administration system. She reviewed the processes of assessing PEBA's current systems; analyzing "to be" goals for a new system; developing Request for Proposals (RFPs) for contractor support to include project oversight, data cleansing and conversion, and implementation; awarding contracts; and initiating and executing the PEBA:Connect project to date. It was noted that the PEBA:Connect update also included a 2024-2025 Strategic Plan Update.

VI. Looking Ahead: Specialty Pharmacy Pipeline and Biosimilars

Specialty pharmacy remains the fastest growing cost sector of the State Health Plan, and it was the largest driver of the Plan's high 2023 trend. Jeremy Fredell, Vice President for Pharma Trade Relations for Express Scripts, presented on what the industry sees here in the immediate future and opportunities to mitigate specialty's expense to an extent. In addition, Mr. Fredell reviewed regulatory pressures that may impact pharma pricing, as well as net price strategies of pharma.

VII. Healthcare Trends in Employer Sponsored Insurance

Since the pandemic, claims trends have been increasing in the State Health Plan. Matt Shaffer and Derick Wenning from BlueCross BlueShield of South Carolina shared the latest trends in the industry and reviewed the data. The presentation examined the statistics and trends, reviewed advancements in medical technology, and evaluated how they are impacting costs.

The PEBA Board Retreat recessed until 9:30am on Thursday, August 29, 2024