

**SC PUBLIC EMPLOYEE BENEFIT AUTHORITY
BOARD OF DIRECTORS MEETING**

Wednesday, February 18, 2015 1:00 p.m. Minutes Approved 3.27.15
200 Arbor Lake Drive, Columbia SC, Main Conference Room 2nd Floor

Board Members Present:

Chairman Art Bjontegard
Vice Chairman Joe "Rocky" Pearce
Mr. Audie Penn
Mr. Frank Fusco
Mr. Steve Heisler
Mr. John Sowards
Mr. David Tigges (via telephone)
Ms. Stacy Kubu (via telephone)
Sheriff Leon Lott (via telephone)
Mr. Steve Matthews (via telephone)
Mr. Steve Osborne (via telephone)

Others present for all or a portion of the meeting:

Peggy Boykin, Sarah Corbett, Ariail Kirk, Megan Lightle, Heather Muller, Travis Turner, Stephen Van Camp, Justin Werner, and Heather Young from the South Carolina Public Employee Benefit Authority (PEBA); Rob Tester, PEBA Consultant; Wayne Bell, Sam Griswold, and Wayne Pruitt with the State Retirees Association; Brooks Goodman from Blue Cross Blue Shield of South Carolina; and Thompson Kinney from Milliken Law Firm.

1. CALL TO ORDER

Chairman Art Bjontegard called the PEBA Board of Director's (Board) meeting to order at 1:00 p.m., and stated that the public meeting notice was posted in compliance with the Freedom of Information Act.

2. ADOPTION OF PROPOSED AGENDA

Chairman Bjontegard asked for amendments to the proposed Board meeting agenda. There being none, Mr. Steve Heisler made a motion, which was seconded by Mr. Audie Penn, and passed unanimously, to adopt the agenda as presented.

3. APPROVAL OF MEETING MINUTES – JANUARY 21, 2015

Chairman Bjontegard asked for a motion to adopt the January 21, 2015, meeting minutes. Mr. Heisler made a motion, which was seconded by Mr. Frank Fusco, and approved unanimously, to adopt the January 21, 2015, meeting minutes as presented.

4. COMMITTEE REPORTS

A. HEALTH CARE POLICY COMMITTEE

Mr. Pearce reported that the Health Care Policy Committee met earlier in the morning, and received a report regarding the State Health Plan benchmarks. Mr. Pearce stated that the State Health Plan is in a negative trending mode with a good spread of risk compared to other public and private sector health plans.

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B. RETIREMENT POLICY COMMITTEE

Mr. John Sowards reported that the Retirement Policy Committee met on February 4, 2015, and received a Deferred Compensation fund performance report. Mr. Sowards stated that no action was taken, and the Committee will be receiving additional fund information at their next meeting.

C. FINANCE, ADMINISTRATION, AUDIT AND COMPLIANCE (FAAC) COMMITTEE

Mr. Steve Matthews reported that the FAAC Committee met on February 11, 2015, and received the fiscal year 2013-2014 Insurance Benefits Audited Financial Statements as information. Mr. Matthews advised that the FAAC Committee approved suggested modifications to the PEBA Board of Directors Bylaws; the PEBA Board of Directors Travel Policy; and the PEBA Board of Directors Continuing Education Policy. Mr. Matthews stated that the revised documents will be submitted to the full Board for approval at the March retreat.

5. OLD BUSINESS/DIRECTOR'S REPORT

Ms. Peggy Boykin, PEBA's Executive Director, provided the Director's Report, and stated that the Board retreat will be March 27-28, 2015, and will include six hours of continuing education training on March 27, and the regular business meeting on March 28.

Ms. Boykin expressed her appreciation to PEBA staff for their tremendous efforts and hard work related to the Funston Fiduciary Audit recommendations.

Ms. Boykin provided legislative information, and reported that S.225 is a Joint Resolution Bill that suspends Proviso 105.15 of the fiscal year 2014-2015 General Appropriations Act that requires the State Health Plan to reimburse all pharmacies participating in the network on an equal basis. Ms. Boykin stated that she expects a third reading on the bill today, and the proviso should be suspended officially as requested.

Ms. Boykin advised that PEBA presented the State Health Plan budget report to the House Ways and Means Committee Healthcare Subcommittee on February 4, 2015, and will also present the budget report to the Senate Finance Health and Human Services Subcommittee on February 25, 2015.

At the conclusion of the Director's Report, Chairman Bjontegard provided an opportunity for a roundtable discussion.

6. EXECUTIVE SESSION

At 1:15 p.m., Mr. Heisler made a motion, which was seconded by Mr. Penn, and passed unanimously, to recede into executive session to discuss contractual and legal matters pursuant to S.C. Code Ann. § 30-4-70.

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The Board reconvened in open session at 1:45 p.m. Chairman Bjontegard announced that no action was taken by the Board while in executive session.

7. ADJOURNMENT

There being no further business, and upon motion by Mr. Fusco, which was seconded by Mr. Penn, and approved unanimously, the Board meeting adjourned at 1:46 p.m.