

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

Wednesday, July 16, 2014 1:00 p.m. MINUTES ADOPTED 8-20-14
200 Arbor Lake Drive, Columbia SC, 29201

Board Members Present:

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

Others present for all or a portion of the meeting:

Kim Brown, Robbie Bell, Dayle DeLong, Lil Hayes, Tiffany Latimer, Megan Lightle, Lisa Phipps, Paulette Redfern, Laura Smoak, Travis Turner, Stephen Van Camp, and Justin Werner from the South Carolina Public Employee Benefit Authority (PEBA); Wayne Bell, Sam Griswold, and Wayne Pruitt with the State Retirees Association; Brooks Goodman with Blue Cross Blue Shield of South Carolina; Jessica Johnston from the University of South Carolina; Daniel Brennan from the South Carolina Office of the State Treasurer; Gantt Taylor from Capital Consultants; Thompson Kinney from Milliken Law Firm; and Katie Brennan from Catamaran.

1. CALL TO ORDER

Chairman Art Bjontegard called the PEBA Board of Director's (Board) meeting to order at 1:04 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 no amendments, the agenda was adopted as presented.

3. MINUTES OF PREVIOUS MEETINGS – JUNE 18, 2014 AND JULY 8, 2014

Chairman Bjontegard asked for a motion to adopt the June 18, 2014, meeting minutes. Mr. John Sowards made the motion, which was seconded by Mr. Steve Heisler, and approved unanimously, to adopt the June 18, 2014, meeting minutes as presented.

Chairman Bjontegard asked for a motion to adopt the July 8, 2014, meeting minutes. Mr. Sowards made the motion, which was seconded by Mr. Rocky Pearce, and approved unanimously, to adopt the July 8, 2014, meeting minutes as presented.

SC Public Employee Benefit Authority - Board of Directors

200 Arbor Lake Drive, Columbia SC, 29223 2nd Floor Conference Room

PEBA's Mission: To recommend, offer and administer competitive programs of retirement and insurance benefits for SC public employers, employees and retirees.

Wednesday, July 16, 2014 – 1:00 p.m.

AGENDA

- 1. Call to Order**
- 2. Adoption of Proposed Agenda**
- 3. Minutes of Previous Meetings – June 18, 2014 and July 8, 2014**
- 4. Executive Session to Discuss Personnel Matters
(Pursuant to SC Code of Laws §30-4-70)**
- 5. Election of PEBA Board Chairman and Vice-Chairman**
- 6. Legislative Update**
- 7. Building and Equipment Update**
- 8. Replacement of Board Tablets for iPads**
- 9. Committee Reports**
 - a. Health Care Policy Committee**
 - i. Committee Charter Adopted**
 - ii. Committee Chairman Elected**
 - iii. Approval of 2015 State Health Plan**
 - iv. Wellness Research Strategy Team Report**
 - b. Retirement Policy Committee**
 - i. Committee Charter Adopted**
 - ii. Committee Annex II Adopted**
 - iii. Committee Chairman Elected**
 - c. Finance, Administration, Audit and Compliance (FAAC) Committee**
 - i. Committee Charter Adopted**
- 10. Old Business**
 - a. Director's Report**
 - b. Roundtable Discussion**
- 11. 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.

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

Wednesday, June 18, 2014 1:00 p.m. MINUTES Adopted 7.16.14
200 Arbor Lake Drive, Columbia SC, Main Conference Room 2nd Floor

Board Members Present:

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

Others present for all or a portion of the meeting:

Kevin Crosby, Matt Davis, Lil Hayes, Heather Muller, Laura Smoak, Travis Turner, Stephen Van Camp, and Justin Werner from the South Carolina Public Employee Benefit Authority (PEBA); Sarah Corbett and Erlinda Doherty from the South Carolina Retirement System Investment Commission (RSIC); Brian Lamkin and Patrick Maley from the South Carolina Office of Inspector General; Daniel Brennan from the South Carolina Office of the State Treasurer; Wayne Pruitt and Donald Tudor from the State Retirees Association; Nancy Ornduff from Great-West Retirement Services; Joe Mack from Prudential; Brooks Goodman from Blue Cross Blue Shield of South Carolina; Alex Tomlinson from Millikin Law Firm; Gantt Taylor from Capitol Consultants; and Ed Poliakoff from TIAA-CREF Financial Services.

1. CALL TO ORDER

Chairman Art Bjontegard called the PEBA Board of Director's (Board) meeting to order at 1:00 p.m.

2. ADOPTION OF PROPOSED AGENDA

Chairman Bjontegard asked to amend the agenda by noting that Mr. Steve Heisler will present the Health Care Policy Committee Report, and adding a roundtable discussion under section six related to Old Business. Mr. Heisler made a motion, which was seconded by Mr. John Sowards, and approved unanimously, to adopt the agenda as amended.

3. APPROVAL OF MEETING MINUTES – MAY 16, 2014

Chairman Bjontegard asked for a motion to adopt the May 16, 2014, meeting minutes. Mr. Heisler made the motion, which was seconded by Mr. Audie Penn, and approved unanimously, to adopt the May 16, 2014, meeting minutes as presented.

4. LEGISLATIVE UPDATE

Mr. Travis Turner, Interim Director, provided the legislative update to the Board. Mr. Turner stated that the proviso requiring the Pharmacy Benefit Manager Audit by September 1, 2014,

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

Wednesday, June 18, 2014 1:00 p.m. MINUTES Adopted 7.16.14
200 Arbor Lake Drive, Columbia SC, Main Conference Room 2nd Floor

and the proviso that would require PEBA to hire an external counsel to provide a report concerning the validity and impact of the Bank of New York Mellon (BONY) settlement on retirees and active members by December 1, 2014, were ratified and passed by the General Assembly.

Mr. Stephen Van Camp, General Counsel, stated that bill S0897 which would allow persons retiring from a solicitor's office to participate in health and dental plans regardless if their county of employment participates, was also ratified by the General Assembly, but would have no fiscal impact on the Judges and Solicitors Retirement System (JSRS), since the employee would have to pay both employee and employer costs to participate.

5. PRESENTATION ON PEBA'S FY 2015-2016 FIDUCIARY PROCESS

Mr. Patrick Maley, South Carolina Inspector General, provided information related to the upcoming fiduciary performance audit. Mr. Maley advised that the fiduciary audit will be conducted over a three-month time period starting in approximately October 2014. Mr. Maley stated that the fiduciary audit is designed to examine PEBA's structure, policies, functions, and processes; identify opportunities for improvement; and recognize examples of best practices being employed by PEBA fiduciaries and staff.

Mr. Brian Lampkin, from the South Carolina Inspector General's Office, provided a sample of key questions to be answered including:

- How are governance polices developed and implemented?
- Does the organizational structure provide for effective governance to the fiduciaries?
- Do the daily operations of PEBA provide for effective communication to its stakeholders?
- Do the key benefit administrative functions provide for effective customer service to its beneficiaries in a cost effective and secure manner?

Chairman Bjontegard thanked Mr. Maley and Mr. Lampkin for their presentation.

6. COMMITTEE REPORTS

Chairman Bjontegard reminded the Board that several Committee assignments will be changing including Mr. Frank Fusco moving to the Health Care Policy Committee; Ms. Peggy Boykin moving to the Retirement Policy Committee; and Ms. Stacy Kubu moving to the Finance, Administration, Audit, and Compliance Committee (FAAC).

A. HEALTH CARE POLICY COMMITTEE

Mr. Heisler reported that the Health Care Policy Committee met on June 6, 2014, and June 18, 2014, and updated the Board on the Wellness Research Strategy Team (WeReST). Mr. Heisler stated that the goal of WeReST is to establish at least one pilot project for Plan Year 2015 that focuses on improved health and lower cost, with appropriate evaluation methods of health

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outcomes, costs, and resources identified. The pilot project will be presented to the PEBA Board at the July 16, 2014, meeting.

Mr. Heisler reported that the Health Care Policy Committee recommends amending the State Health Plan in 2015 to allow nonpermanent full-time employees to participate in the State Health Plan, with the provision that an employer can elect to obtain their own coverage for those nonpermanent full-time employees if they can obtain a more affordable private sector option. Following further discussion, the motion was amended to read: "the Health Care Policy Committee recommends amending the State Health Plan in 2015 to allow nonpermanent full-time employees to participate in the State Health Plan, with the provision that an employer can elect to obtain their own coverage for those nonpermanent full-time employees."

Chairman Bjontegard stated that the motion presented is a Committee motion which does not require a second. The motion passed unanimously.

Mr. Heisler reported that the Health Care Policy Committee updated their Committee Charter, and the updated version will be presented at the July 16, 2014, PEBA Board meeting.

B. RETIREMENT POLICY COMMITTEE

Mr. John Sowards reported that the Retirement Policy Committee met on June 4, 2014, and stated that the Retirement Policy Committee received as information the Defined Contribution Unit Quarterly Reports for the Deferred Compensation Plan and the Optional Retirement Plan (ORP).

Mr. Sowards reported that the actuarial valuations were presented to the Budget and Control Board on June 17, 2014.

Mr. Sowards stated that the Retirement Policy Committee Charter will be updated and presented to the PEBA Board at the July 16, 2014, meeting.

Mr. Sowards reported that the Retirement Policy Committee approved accepting the following Defined Contribution Unit best practice recommendations for the South Carolina Deferred Compensation Program:

The Retirement Policy Committee moved to recommend that the PEBA Board support and seek input to provide PEBA with the flexibility to implement automatic enrollment to the Deferred Compensation Program if this feature is deemed appropriate. It was noted that management will survey stakeholders regarding the prospect of implementing automatic enrollment, and active choice was approved for implementation.

The Retirement Policy Committee moved to recommend that the PEBA Board accept the Defined Contribution Unit recommendation that participants be provided with annual fee disclosures.

**SC PUBLIC EMPLOYEE BENEFIT AUTHORITY
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The Retirement Policy Committee moved to recommend that the PEBA Board accept the Defined Contribution Unit recommendation that participants be allowed to convert pre-tax assets to Roth assets within the Program. Mr. Matthew Davis, Defined Contribution Manager, stated that this motion would require an amendment to the Plan document, which must be approved by the PEBA Board. Chairman Bjontegard stated that the motion presented is a Committee motion and does not require a second. The motion passed unanimously.

The Retirement Policy Committee moved to recommend that the PEBA Board accept the Defined Contribution Unit recommendation that the number of available participant loans be reduced from two to one, and that the loans must be repaid via payroll deduction while the participant is working for a participating employer. Mr. Davis stated that some smaller employers do not have the capability to offer payroll deduction, and would have to alter their remittance methods to provide participant loans in the future. Following further discussion, Mr. Fusco amended the previous motion by recommending that the PEBA board only accept the Defined Contribution Unit recommendation that the number of available participant loans be reduced from two to one. There was no second to the motion; therefore, the amended motion failed. The original motion passed with Mr. Fusco abstaining.

The Retirement Policy Committee moved to recommend that the PEBA Board require all participating employers to offer all features of the Program, effective January 1, 2017, and adhere to standardized remittance and reporting requirements, if economically feasible, and includes the reasonable judgment of PEBA Staff.

The Retirement Policy Committee moved to recommend that the PEBA Board accept the Defined Contribution Unit recommendation that effective January 1, 2015, access to investments within the Self-Directed Brokerage (SDB) Option be limited with the following specifications: (1) Participants would be required to have at least \$2,500 in Program assets in order to utilize the SDB option; (2) All transfers to the SDB option be at least \$1,000; and (3) Participants be allowed to invest no more than 50 percent of their Program assets within the SDB option. Mr. Sowards stated that this recommendation would require an amendment to the investment policy statement, which must be approved by the PEBA Board. The motion passed unanimously.

The Retirement Policy Committee moved to recommend that the PEBA Board accept the Defined Contribution Unit recommendation that the 84-month Certificate option be frozen to new investments and that all assets in maturing certificates, as well as all contributions directed to this option, be automatically mapped to the SSgA Target Retirement Income Fund, unless otherwise directed by the participant. Mr. Sowards stated that this recommendation would require an amendment to the investment policy statement, which must be approved by the PEBA Board. The motion passed unanimously.

**SC PUBLIC EMPLOYEE BENEFIT AUTHORITY
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Wednesday, June 18, 2014 1:00 p.m. MINUTES Adopted 7.16.14
200 Arbor Lake Drive, Columbia SC, Main Conference Room 2nd Floor

Mr. Sowards reported that the Retirement Policy Committee approved accepting the following Defined Contribution Unit best practice recommendations for the Optional Retirement Program:

The Retirement Policy Committee moved to recommend that the PEBA Board accept the Defined Contribution Unit recommendation that the PEBA Board support and seek sponsorship of a bill to provide PEBA with the flexibility to determine the appropriate vendor structure. It was noted that the Defined Contribution Unit Management and Summit Strategies Group are conducting research to determine how to best structure the program. Mr. Sowards stated that this recommendation would require a statutory change which must first be approved by the PEBA Board. The motion passed unanimously.

The Retirement Policy Committee moved to recommend that the PEBA Board accept the Defined Contribution Unit recommendation that all revenue generated by the mutual fund investment options be returned to PEBA and not used to compensate record keepers. Mr. Sowards stated that this recommendation would require a plan amendment which must first be approved by the PEBA Board. The motion passed unanimously.

The Retirement Policy Committee moved to recommend that the PEBA Board accept the Defined Contribution Unit recommendation that effective July 1, 2015, investment advice, including a managed account service be made available to all participants. Mr. Sowards stated that this recommendation would require a plan amendment which must first be approved by the PEBA Board. The motion passed unanimously.

Mr. Sowards concluded the Retirement Policy Committee update by stating that Segal Rogerscasey and Summit Strategies Group have provided written best practices recommendations which mirrors the Defined Contribution Unit best practices recommendations.

Upon recommendation from Chairman Bjontegard, Mr. Heisler made a motion for the Health Committee to take responsibility of the pilot project from inception to completion, and Mr. Fusco made a motion to delegate oversight and direction of the securities lending issue to the Retirement Policy Committee. The motion was seconded, and passed unanimously.

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

Mr. Steve Matthews stated that the FAAC Committee met on June 3, 2014, and received as information a Human Resources Quarterly Report, Workforce Planning Update, and a Performance Excellence Update.

Mr. Matthews stated that revisions have been made to the PEBA Boards Ethics and Conflict-of-Interest Policy. After further discussions, Mr. Sowards made a motion, which was second by Mr. Heisler, and passed unanimously, to approve the PEBA Boards Ethics and Conflict-of-Interest Policy as amended.

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7. OLD BUSINESS/DIRECTOR'S REPORT

Mr. Turner provided a brief update regarding the RSIC investment retreat at Wampee, SC on June 16-17, 2014.

Chairman Bjontegard provided an opportunity for roundtable discussions.

8. EXECUTIVE SESSION

At 2:15 p.m., Mr. Heisler made a motion, which was seconded by Mr. Matthews, and passed unanimously, to recede into executive session to receive legal advice and discuss personnel matters pursuant to S.C. Code Ann. § 30-4-70 (a)(1), (a)(2).

The Board reconvened in open session at 5:15 p.m. It was noted that no action was taken by the Board while in executive session.

9. ADJOURNMENT

There being no further business, Chairman Bjontegard adjourned the meeting at 5:20 p.m.

SC PUBLIC EMPLOYEE BENEFIT AUTHORITY
BOARD OF DIRECTORS MEETING

Tuesday, July 8, 2014 9:30 a.m. MINUTES Adopted 7.16.14
1201 Main Street, 22nd floor, Columbia SC, 29201

Board Members Present:

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

Board Members Absent:

Sheriff Leon Lott

Others present for all or a portion of the meeting:

Peggy Boykin and Stephen Van Camp from the South Carolina Public Employee Benefit Authority (PEBA); and Daniel Brennan from the South Carolina Office of the State Treasurer.

1. CALL TO ORDER

Chairman Art Bjontegard called the PEBA Board of Director's (Board) meeting to order at 9:30 a.m., and stated that the public meeting notice was posted in compliance with the Freedom of Information Act. It was noted that Ms. Peggy Boykin was recused from the meeting, and attended as a guest rather than as a Board member.

2. ADOPTION OF PROPOSED AGENDA

Chairman Bjontegard asked for amendments to the proposed Board meeting agenda. There being no amendments, the agenda was adopted as presented.

3. EXECUTIVE SESSION

At 9:35 a.m., Mr. Steve Matthews made a motion, which was seconded by Mr. Audie Penn, and passed unanimously, to recede into executive session to discuss personnel matters pursuant to S.C. Code Ann. § 30-4-70.

The Board reconvened in open session at 4:45 p.m. Mr. Matthews announced that no action was taken by the Board while in executive session.

4. ADJOURNMENT

There being no further business, Chairman Bjontegard adjourned the meeting at 4:50 p.m.

Health Care Policy Committee Charter

[As adopted by the PEBA Board on 7.16.14]

- (A) Mission:** To ensure a financially sustainable health program that improves member health, provides a positive member experience (outcomes: safety; satisfaction), and gives the participating employers a competitive, productively engaged workforce.
- (B) Authority:** The authority of the Health Care Policy Committee is limited to information-gathering and advice and recommendations to, and on behalf of, the Board, and to ministerial acts. The Committee may invite administrators, consultants, staff, external auditors, and/or others to attend meetings and provide pertinent information as necessary. PEBA Board of Directors Bylaws, Section V(C).
- (C) Composition:** The Health Care Policy Committee shall be established pursuant to the process defined in the PEBA Board of Directors Bylaws.
- (D) Meetings:**
- (1) The Health Care Policy Committee will meet as circumstances require upon the call of the Committee Chair.
 - (2) Health Care Policy Committee meetings shall adhere to the rules outlined in the PEBA Board of Directors Bylaws and with applicable law.
- (E) Responsibilities:** The Health Care Policy Committee will carry out the following responsibilities:
- (1) Develop a strategic plan for PEBA insurance functions in conjunction with PEBA staff and consultants, make recommendations to the PEBA Board, and evaluate the implementation and success of the plan.
 - (2) Approve pilot projects for upcoming plan years that focuses on improved health and lower costs, with appropriate evaluation methods of health outcomes, costs, and resources identified;
 - (3) At least quarterly, meet with the PEBA Executive Director, or a designee, regarding the operational and financial performance of the PEBA insurance programs to monitor progress toward strategic objectives and make recommendations to the PEBA Board;
 - (4) No later than October of each year, develop recommendations to the PEBA Board concerning a proposed State Health Plan design for the Plan Year beginning fourteen months later;
 - (5) No later than November of each year, develop recommendations to the PEBA Board concerning proposed premiums for the proposed State Health Plan for the Plan Year beginning thirteen months later for purposes of the State's budgeting process;
 - (6) No later than July of each year, considering the final State budget, make recommendations to the PEBA Board regarding the final State Health Plan design and final premiums for the State Health Plan for the Plan Year beginning six months later;

- (7) Receive information from the actuaries concerning the Other Post Employment Benefits (OPEB) valuations for retirees in the State Health Plan and for beneficiaries of Long-Term Disability benefits and make recommendations to the PEBA Board; and
- (8) Oversee agency communications involving areas of Health Care responsibilities.

As approved and adopted:

**SOUTH CAROLINA PUBLIC EMPLOYEE BENEFIT AUTHORITY
BOARD OF DIRECTORS**

By: _____
Arthur M. Bjontegard, Jr., Chairman

By: _____
Peggy G. Boykin, CPA

By: _____
Frank W. Fusco

By: _____
Stephen Heisler

By: _____
Stacy Kubu

By: _____
Sheriff Leon Lott

By: _____
Steve A. Matthews

By: _____
Joe W. "Rocky" Pearce, Jr.

By: _____
Audie Penn

By: _____
John A. Sowards

By: _____
David J. Tigges

Dated: _____

Standard Plan Benefit Structure

| | 2015 | 2014 | 2013 |
|-------------------------------|---------------|---------------|---------------|
| Deductible | \$450/\$900 | \$420/\$840 | \$350/\$700 |
| Coinsurance max | \$2600/\$5200 | \$2400/\$4800 | \$2000/\$2400 |
| Physician co-pay | \$13 | \$12 | \$10 |
| Emergency room co-pay | \$160 | \$150 | \$125 |
| Outpatient Hospital co-pay | \$97 | \$90 | \$75 |
| Pharmacy co-pay | \$9/\$39/\$65 | \$9/\$36/\$60 | \$9/\$30/\$50 |

Standard Plan Benefit Cost

| | General Fund | Premium increase Employer (PEPM) | Premium increase Employee (PEPM) |
|---------------------------|--------------|-------------------------------------|-------------------------------------|
| Shared increase (2.9%) | \$53.620M | \$12.80 | \$4.54 |
| Employer only (3.9%) | \$57.174M | \$17.34 | \$0.00 |
| Employee only (11.1%) | \$43.606M | \$0.00 | \$17.34 |

2015 Proposal

Wellness Research Strategy Team (WeReST)

- **Goal** – Establish at least one pilot project for Plan Year 2015 that focuses on improved health and lower costs: The team is to design a meaningful project(s) with appropriate evaluation methods of health outcomes and costs, incentives, engagement methods, budget and resources clarified.

○ Current initiatives

- Clinical Programs
 - NIA Radiology Management, Village Health Disease Management, Alere Complex Care Management, Oncology Pathways and Patient Centered Medical Homes
- Medical Management
 - Utilization and Case Management, Health Coaching, Personal Health Assessments
- Wellness Incentive – Copay Waiver Program
- Quit for Life – Tobacco Cessation Program
- Prevention Partners
 - Worksite screenings, on-site chronic disease education, workplace wellness program development

○ Background

- 2013 – 23,402 eligible members participated in a workplace screening (9%)
 - PEBA currently uses multiple screening providers
 - Tests outside the basic panel vary by provider
 - PEBA receives aggregate data from existing screening providers but needs more detailed data
- 2013 - 3496 members participate in the copay waiver program
 - Member awareness of program is very low
 - Marketing efforts were not consistent
- 2013 – 3,079 eligible members participated in PHA (1%)

○ Strategy for 2015

- Gather detailed information about the current health of members through workplace screenings and personal health assessments
- Conduct risk assessments of participants
- Further identify and engage participants in disease management programs
- Track outcomes over time
- Utilize findings to develop additional wellness programs tailored to meet the needs of our members

○ Four Initiatives

- Offer an employee incentive for participation in workplace screenings, the online PHA and behavior modification activities
- Increase employer participation in PEBA-sponsored workplace screenings
- Increase awareness and participation in the existing wellness incentive (copay waiver) program
- Utilize data to further identify members for participation in disease management programs and opportunities for future wellness programs

2015 Incentive Proposal

**PEBA
HEALTHY
REWARDS**

What is the PEBA Healthy Rewards program?

- A multi-phased incentive program designed to engage members and improve the overall health of the member population

How does it work?

- Incentive paid in the form of a premium reduction
- **Phase 1 –Initial Qualification Period**
 - Complete the PHA and biometric screening in year one (between January 1 – October 31) to qualify for a \$20/month premium reduction beginning January 1 the following year
 - **PHA** – Personal Health Assessment - completed on BCBSSC website
 - **Biometric Screening** – blood draw for metabolic panel -- no cost to member through **designated worksite screening provider** or via voucher for designated lab

2015 Incentive



- **Phase 2** – Receive \$20/month incentive for meeting Phase 1 requirement.
 - Must complete PHA and biometric again (January 1 – October 31) to continue to receive the \$20/month premium reduction the following year
- **Phase 3** - If participant completes PHA, biometric screening and a recommended behavior modification activity (January 1 – October 31), the premium reduction for the following year will increase to \$25/month.
 - **Behavior Modification Activities** -- Tailored activities based on member's PHA & screening information.

2015 Incentive



- **Phase 4** – Once a member reaches Phase 3, the member is eligible to qualify for the Phase 4 incentive
 - Complete the PHA, biometric screening and behavior modification activity; **and**
 - Attain a specific health goal (TBD), the incentive increases from \$25/month to \$30/month

Who is eligible?

- **2015** – Employees of **state agencies and higher education institutions** (and their spouses) enrolled in the SHP Standard Plan
- **2016** – Add employees of **public school districts** (and their spouses) enrolled in the SHP Standard Plan
- **2017** – Add employees of **local subdivisions** (and their spouses) enrolled in the SHP Standard Plan

2015 Incentive

ROLLOUT SCHEDULE

2015



2016



2017



2018



| | |
|---------|------------------------------------|
| GROUP A | State Agencies Higher Education |
| GROUP B | School Districts |
| GROUP C | Local Subdivisions |



Communication & Marketing

○ Employer Engagement

- Agency leadership – PEBA will reach out to agency leadership of the 135 initial pilot group employers to explain the purpose of the incentive, obtain a signed agreement and a list of employees' email addresses for direct marketing efforts by PEBA
- Agency HR/Benefit Administrators – PEBA will communicate program at the annual Benefits at Work Conference and through various employer publications, newsletters and training programs

Communication & Marketing

○ Employer Resources

- Provide employers with marketing materials that can be co-branded to incorporate an agency's existing wellness efforts
- Actively solicit agencies for worksite screenings with PEBA's designated screening provider
- Identify agencies with specific health education needs and deploy Prevention Partners to assist with the development of worksite-specific wellness programs
- Reach out and provide support to employers who host employee health fairs and those who would like to host a health fair

Communication & Marketing

○ Employee Engagement

- Launch program in the Insurance Advantage newsletter (issued annually in September)
- Create an e-marketing campaign for employees of pilot groups to encourage participation in PEBA Healthy Rewards and educate members about PEBA
- Rebrand the copay waiver program as a component of PEBA Healthy Rewards and collaborate with BCBS/Catamaran to identify and contact members eligible to participate in the copay waiver program
- Incorporate PEBA Healthy Rewards in all electronic and print publications

How much will it cost*?

| Plan Year | Participation Level 55% Subscribers 25% Spouses | Participation Level 100% Subscribers 25% Spouses |
|-----------|---|--|
| 2015 | \$3.4 million | \$4.7 million |
| 2016 | \$16 million | \$24.8 million |
| 2017 | \$31.2 million | \$50.3 million |
| 2018 | \$40.5 million | \$66.4 million |

*Costs include screenings, premium reduction and administrative fees.

Current Contracts



Clinical medical programs



Medical management



Wellness incentives and member engagement



My Health Toolkit® and transparency tools



Actuarial and reform support



Legal support



Network administration and strategy



Behavioral health and Quit for Life®

Existing Components

Added Post-bid

\$0



Incentive administration



Personal Health Assessment and wellness tools



South Carolina



New Wellness Engagement Solution



Personal Health Assessment



Incentive tracking



Personalized missions (move, feel, care, eat)



Customized, interactive challenges



Comprehensive communities



Promotional communication e-toolkit



Integrated device tracking



Mobile application



Robust analytics



Health coach integration



Biometrics

Rally: The Platform

PEBA specific program banners



Post-survey users receive a "Rally" age and recommended interventions



Health survey with user experience in mind



PEBA: Year One Pilot Strategy

A two pronged “dual-layer” approach for driving and sustaining core program engagement



(1) Incentives for Health Activities

- Health Screening
- Health Survey
- Reward is a premium incentive

(2) Online Sweepstakes

- Users accrue coins as they engage in healthy activities
- Bi-weekly giveaways are included in platform fee

The screenshot displays the RALLY mobile application interface. At the top, the RALLY logo is on the left, and a search bar, notification icon, settings gear, user profile (4UnderPar, 10 coins), and Log Out button are on the right. Below the header is a navigation bar with tabs for Dashboard, Challenges, Goals, Communities, and Rewards (which is highlighted in orange). The main content area features a large blue banner with the text "Get Screened" and a sub-headline: "It isn't fun, but colorectal screenings save lives every day. Get your colorectal screening and we'll toss in a \$200 health savings account deposit." A green "View Details" button is positioned below the text. To the right of the banner is a photograph of a green tree against a blue sky. Below the banner is a section titled "Available Rewards" with three items: a LINK Armband, a Fitbit Flex, and a UP by Jawbone. Each item has a small image and a brief description. To the right of the rewards section is a "Earn Coins" section with an icon of three people and the text: "Check in often! Every day you check in to a goal with a device. Earn 10 coins. Join a goal."



PEBA: Year Two Pilot Strategy

Expand program to incent behavior modification programs

(1) Incentives for Health Activities

- Health Screening
- Health Survey
- Check-in/Complete Missions
- Check-in/Complete Challenges
- Check-in/Complete Goals
- Health Coaching offline
- Reward is a premium incentive

(2) Online Sweepstakes

- Users accrue coins as they engage in healthy activities
- Bi-weekly giveaways are included in platform fee

The screenshot displays the RALLY mobile application interface. At the top, there's a navigation bar with 'RALLY' and 'Search Here'. Below it, a menu includes 'Dashboard', 'Missions', 'Challenges', 'Communities', and 'Rewards'. The main content area features a large green banner with the text 'Tell Us About Yourself!' and a call to action 'Take Survey'. Below this, there's a section for 'Available Rewards' with four items: a \$50 Gift Card from Amazon, an Apple TV, a \$50 Gift Card from Amazon, and an Apple iPad nano 1600. Each reward has a 'Take Survey' button. The bottom section shows 'Coin Activity' with a balance of 6429 coins, 'My Incentives Progress' with a \$400 goal, and 'Rewards Activity' with a list of recent rewards.



PEBA: Long-Term Planning

Technology enables progression to outcomes-based design

Example Activities:

- Biometric Targets
 - Example: $BMI \leq 30$
- Wellness Exam
- Dental Screening
- Included management of a reasonable alternative as required under HIPAA and PPACA

The screenshot shows the RALLY website interface. At the top, there's a navigation bar with 'RALLY' logo and links for 'Dashboard', 'Mission', 'Challenges', 'Certificates', and 'Rewards'. The main banner features a 'Get Screened' campaign with a dandelion image and text: 'Complete a mammography screening and you'll earn a \$200 health savings account deposit.' Below this is a 'Learn more' button.

The 'Available Rewards' section displays four reward cards:

- \$200 HSA deposit:** Complete a mammography screening and you'll earn a \$200 health savings account deposit. [Learn more]
- Apple TV:** You'll find everything you need to watch on Apple TV. [Learn more]
- \$200 HSA deposit:** Earn a \$200 deposit in your health savings account just for taking an eye exam and eye health survey. [Take Survey]
- Apple iPod nano 16GB:** Apple iPod nano 16GB - 1st Generation. [Learn more]

The 'Coin Activity' section shows 6429 coins earned and 25 coins spent. The 'My Incentives Progress' section shows a progress bar for a \$400 goal.

The 'Rewards Activity' section lists completed activities:

- \$200 HSA deposit:** Completed 02/19/2014
- Smart Body Analyzer:** Consider decisions of the fat-free index and Body Mass Index to make sure you target the right goals. Completed 02/07/2014

On the right side, there's a 'Earn Coins' section with a 'Learn how' link and a note: 'It's easy to earn coins on Rally.'

2015 Initiative

**Re-Admission
Avoidance
Program
(REAP)**

What is REAP?

- Provides early intervention for at risk members after being discharged from the hospital
- BCBSSC nurse calls members within 4 days of discharge and identifies gaps in care and collaborates with member's healthcare providers
- Provides education to member about condition and proper care
- Reduces avoidable emergency room visits or re-admissions

Two Programs Available

- REAP OrthoCare
 - Hips, Knees and Back surgeries
- REAP Intensive Care
 - Conditions other than Ortho

Recommendation

- Adopt both programs in 2015

State Health Plan (SHP) Re-Admission Avoidance Outbound Call Program Proposal

Maria Platanis, RN BSN Director Utilization Management

Brooks Goodman, Assistant Vice President State Health Plan Operations

Purpose

The purpose of the SHP Readmission Avoidance Outbound Call program is to provide early intervention for at risk members post hospitalization, thus avoiding potential discharge complications and re-admission. On the call the nurse is able to identify gaps in care and initiate an action to close the gaps. The nurse is a resource to the member and the provider after discharge that extends the continuum of care for members at risk who are not currently followed through case management programs. Using a secure web-based intranet platform, the nurse is able to implement interventions telephonically; providing education, collaboration between healthcare providers and access to care, and potentially reducing the incidence of avoidable emergency room visits or admissions. The Utilization Management Re-admission Avoidance Program is designed to allow for interactive health plan involvement providing an avenue for the Health Plan to identify member health literacy, collaborate between disciplines, stimulate member engagement, and enhance service to our members and providers. It also provides a means to endorse patient safety initiatives and compliance with URAC standards regarding safety measures.

Results

In 2013, a pilot program was developed for the Federal Employee Program (FEP) and focused on surgeries specific to hip replacement, knee replacement, spinal surgery and bariatric surgery. During the 4th quarter of the 2013 FEP Pilot Program, we identified 134 unique members for our 2013 Re-admission Avoidance Outbound Call Program. The Program displayed an 84% engagement rate based on 113 successful contacts. Approximately 87% of the members reported overall satisfaction in the outbound call program. 15% of members verbalize an understanding of their surgery and medications. 9% of the members were assisted in obtaining either an appointment with their provider or a post-surgery service. The calls were able to avoid complications or delay in care for 28% of our members. The office of FEP at BlueCross Association has been pleased with our approach to readmission avoidance and has asked us to present our program and outcomes at several FEP Town Hall Calls. It is significant to note that the FEP population very closely matches that of the SHP population in age, gender, and utilization.

Goal

The goal of the programs is to reduce readmissions by facilitating a successful transition of care following hospital admission through direct interventions, cohesiveness between all members of the medical management team; and encouraging participation in appropriate disease management, case management, and behavioral health management programs. Emphasis will be placed on collaborating and coordinating with existing community re-admission programs.

Programs

REAP OrthoCare

Target those SHP members scheduled for a knee, hip, or back surgery and who are screened to be at risk for re-admission to the hospital.

REAP IntensiveCare

Target SHP members with complex health care needs identified by an inpatient census report (outside of hips, knees, and back surgeries) and who are screened and have multiple comorbid conditions, behavioral health comorbid conditions and a history of multiple admissions.

REAP Comprehensive

Combination of UM and REAP programs.

Retirement Policy Committee Charter

[As Adopted by the PEBA Board on 7.16.14]

(A) Mission Statement: The Retirement Policy Committee must fulfill all fiduciary responsibilities related to all aspects of the retirement plans and the oversight of the staff related thereto accomplished through the following four areas:

- (1) Administrative: Interface (collaborate/communicate/coordinate) with the staff on the administration of the retirement plans;
- (2) Policy: Review the structure of the plans and their administration to ensure they are taking advantages of best practices (including plan design and strategic planning);
- (3) Financial: Review the financial results of the plans (audited results; quarterly reviews; compliance with investment policy); and
- (4) Reporting: Recommend/report to the PEBA Board.

(B) Authority: The authority of the Retirement Policy Committee is limited to information-gathering and advice and recommendations to, and on behalf of, the Board, and to ministerial acts. The Committee may invite administrators, consultants, staff, external auditors, and/or others to attend meetings and provide pertinent information as necessary. PEBA Board of Directors Bylaws, Section V(C).

(C) Composition: The Retirement Policy Committee shall be established pursuant to the process defined in the PEBA Board of Directors Bylaws.

(D) Meetings:

- (1) The Retirement Policy Committee will meet as circumstances require upon the call of the Committee Chair.
- (2) Retirement Policy Committee meetings shall adhere to the rules outlined in the PEBA Board of Directors Bylaws and with applicable law.

(E) Strategic Priorities:

- (1) Evaluate the investment, custody, design and administration (including the adequacy of PEBA staff and resources) of State Retirement Plans and make such recommendations or changes as are necessary to fulfill fiduciary best practices related thereto.
- (2) Evaluate the information, communication and educational efforts undertaken to encourage participants to obtain retirement readiness and make such recommendations or changes as are necessary to achieve best practices related thereto.

(F) Annual Priorities: The Retirement Policy Committee shall create annually a list of initiatives to advance the strategic priorities. Establish reporting requirements to measure the success of the initiatives. See Annex I.

(G)**Responsibilities:** The Retirement Policy Committee will carry out the responsibilities outlined in Annex II.

As approved and adopted:

**SOUTH CAROLINA PUBLIC EMPLOYEE BENEFIT
AUTHORITY BOARD OF DIRECTORS**

By: _____
Arthur M. Bjontegard, Jr., Chairman

By: _____
Peggy G. Boykin, CPA

By: _____
Frank W. Fusco

By: _____
Stephen Heisler

By: _____
Stacy Kubu

By: _____
Sheriff Leon Lott

By: _____
Steve A. Matthews

By: _____
Joe W. "Rocky" Pearce, Jr.

By: _____
Audie Penn

By: _____
John A. Sowards

By: _____
David J. Tigges

Dated: _____

PEBA Retirement Policy Committee Charter 2014-2016- Annex II

The Retirement Policy Committee will carry out the following responsibilities:

Monthly:

Receive as information any Retirement Systems- related Legislative Updates (during the Legislative Session).

Quarterly:

Optional Retirement Program- Receive as information a quarterly report on the performance of the ORP vendors and funds. As needed, make recommendations to the PEBA Board regarding the termination, selection, and retention of funds in the State ORP pursuant to the investment benchmarks set forth in the State ORP Investment Policy approved by the PEBA Board.

Provide the PEBA Board with a recommended replacement fund for the State ORP in the event of a fund termination.

SC Deferred Compensation Program- Quarterly Report on the performance of the vendor and funds. As needed, make recommendations to the PEBA Board regarding the termination, selection, and retention of funds in the SC Deferred Compensation Program pursuant to the investment benchmarks set forth in the SC Deferred Compensation Investment Policy approved by the PEBA Board.

Provide the PEBA Board with a recommended replacement fund for the SC Deferred Compensation Program in the event of a fund termination.

Annually:

Review Retirement Policy Committee Charter;

Revisit Strategic Priorities list;

Review actuarial assumptions and valuations, and submit to the PEBA Board recommended actions regarding employer contribution rates for the SC Retirement Systems;

Review the actuarial requirement for General Fund appropriations for the National Guard System;

Review the annual SC Deferred Compensation Program Audit Report;

Review the annual Optional Retirement Program Audit Report;

Review the State ORP Investment Policy at least annually and make recommendations to the PEBA Board; and

Review the SC Deferred Compensation Program Investment Policy at least annually and make recommendations to the PEBA Board.

Finance, Administration, Audit and Compliance Committee Charter

[As adopted by the PEBA Board on 7.16.14]

(A) Purpose: To preserve and approve the operational integrity of PEBA by making recommendations and reports to the PEBA Board concerning matters of PEBA's governance, administration and operations; financial reporting, audits and budgets; regulatory compliance; and technology platforms, privacy and data security.

(B) Authority: The authority of the Finance, Administration, Audit and Compliance (FAAC) Committee includes information-gathering and advice and recommendations to the Board. The Committee may invite administrators, consultants, staff, external auditors, and/or others to attend meetings and provide pertinent information as necessary. PEBA Board of Directors Bylaws, Section V(C).

(C) Composition: The FAAC Committee shall be established pursuant to the process defined in the PEBA Board of Directors bylaws.

(D) Meetings:

- (1) The FAAC Committee will meet as circumstances require upon the call of the Committee Chair.
- (2) FAAC Committee meetings shall adhere to the rules outlined in the PEBA Board of Directors Bylaws and with applicable law.

(E) Responsibilities: The FAAC Committee will carry out the following responsibilities:

- (1) Develop a strategic plan for PEBA governance, administration, financial reporting, auditing and regulatory compliance and make recommendations to the PEBA Board;
- (2) Monitor PEBA's financial reporting efforts to assess the status of financial reporting, to determine progress toward strategic objectives, and make recommendations to the PEBA Board;
- (3) Develop the Internal Auditor's reporting and unit structure, responsibilities and job description;
- (4) Monitor PEBA's auditing function through the PEBA internal and external auditors to assess the status of auditing efforts, to determine progress toward strategic objectives, and make recommendations to the PEBA Board;
- (5) Monitor PEBA's regulatory compliance status to determine progress toward strategic objectives, and make recommendations to the PEBA Board;
- (6) Review any proposed changes to the governance of PEBA and make recommendations to the PEBA Board;
- (7) At least annually, review PEBA governance documents to determine compliance with the documents, to determine whether any changes to the governing documents are required and to make recommendations to the PEBA Board;

- (8) Develop, review and oversee any legislative and executive branch initiatives (including budgeting) of the PEBA Board and make recommendations to the PEBA Board;
- (9) Periodically review status of property and equipment
- (10) Monitor status of PEBA's data security, HIPAA and other privacy compliance;
- (11) Oversee development of Board member training and handbook;
- (12) Create and maintain a calendar of events for PEBA;
- (13) Develop a travel and education policy for PEBA Board members;
- (14) Oversight of litigation involving and/or affecting PEBA;
- (15) Oversight of Human Resource policies and procedures;
- (16) Oversee agency communications involving areas of FAAC responsibilities.

As approved and adopted:

**SOUTH CAROLINA PUBLIC EMPLOYEE BENEFIT
AUTHORITY BOARD OF DIRECTORS**

By: _____
Arthur M. Bjontegard, Jr., Chairman

By: _____
Peggy G. Boykin, CPA

By: _____
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Stacy Kubu

By: _____
Sheriff Leon Lott

By: _____
Steve A. Matthews

By: _____
Joe W. "Rocky" Pearce, Jr.

By: _____
Audie Penn

By: _____
John A. Sowards

By: _____
David J. Tigges

Dated: _____

South Carolina Public Employee Benefit Authority
Board of Directors Continuing Education Policy
[Adopted by the Board on 10/16/13]

The Public Employee Benefit Authority Board of Directors recognizes its fiduciary responsibility to remain aware of significant current events impacting the retirement and insurance programs administered by PEBA and to be well-informed and educated on topics related to those programs, including best practices for the programs. Accordingly, the purpose of this policy is to promote high professional standards of trusteeship by the Board of Directors and to assure the participants of PEBA's retirement and insurance plans of the Board's continuing professional competence, consistent with prevailing industry standards.

1. As nearly as practical, members of the Board of Directors shall participate in no less than eighteen (18) hours of qualifying educational training programs or conferences every two fiscal years. The annual PEBA Board retreat will include a minimum of six (6) hours of such qualifying educational credit. Other qualifying educational credit shall be approved at the discretion of the Chairman of the Board of Directors. By way of illustration, the additional educational credit that may be approved by the Chairman may include, but is not limited to: attendance at educational training programs and conferences offered by organizations related to governmental retirement and insurance plans; attendance at training sessions provided by PEBA staff, consultants, and affiliates; and participation in professional continuing educational programs related to the member's qualifications to serve on the Board. Qualifying participation in educational training programs and conferences may include both in-person attendance at educational programs as well as participation in programs by electronic means, such as viewing webinars or completing on-line training modules.
2. At the discretion of the Chairman of the Board, a Board member may be reimbursed for reasonable registration fees and travel expenses related to the member's attendance and or participation in an educational training program or conference that is pertinent to the retirement and insurance plans administered by PEBA. If approved by the Chairman, registration fees for these educational programs or conferences and associated travel expenses will be paid by PEBA in accordance with the Board's travel policy and applicable state laws and regulations in effect at the time of travel.
3. Board members should promptly report all qualifying educational training to the Chairman, and records of each member's qualifying educational credit will be included in the regular reports of the members' attendance to their appointing authorities. However, if a member has failed to participate in the required amount of qualifying educational credit within two fiscal years, the member will be allowed forty-five (45) days to obtain the necessary credit before any deficiency in the member's educational credit is reported to the member's appointing authority.
4. The terms of this policy may be suspended or modified at the discretion of the Chairman of the Board, owing to the non-availability of funding or other limitations.

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

Wednesday, July 16, 2014 1:00 p.m. MINUTES ADOPTED 8-20-14
200 Arbor Lake Drive, Columbia SC, 29201

4. EXECUTIVE SESSION

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

The Board reconvened in open session at 2:23 p.m. Chairman Bjontegard announced that no action was taken by the Board while in executive session.

5. ELECTION OF PEBA BOARD CHAIRMAN AND VICE-CHAIRMAN

Chairman Bjontegard vacated the Chair for the election of the PEBA Board Chairman. Mr. Heisler assumed the Chair. Mr. Frank Fusco made a motion, which was seconded by Mr. Steve Matthews, and approved unanimously, to re-elect Mr. Bjontegard as Chairman.

After the election, Chairman Bjontegard re-assumed the Chair. Mr. Fusco made a motion, which was seconded by Mr. Sowards, and approved unanimously, to re-elect Mr. Pearce as Vice-Chairman.

6. LEGISLATIVE UPDATE

Mr. Travis Turner, PEBA's Interim Executive Director, stated that he did not have any legislative updates at this time.

7. BUILDING AND EQUIPMENT UPDATE

Chairman Bjontegard expressed his concerns regarding the conference telephones air conditioner, and related programming issues with the building, and asked for a building and equipment update from PEBA staff.

Ms. Lisa Phipps, Director of Information Technology, stated that PEBA is working on Policy Development with the Division of Information Security on three aspects including: identifying information technology roles and responsibilities; a plan of action related to gap analysis and mediation of the plan; and execution of the action plan.

Ms. Phipps added that annual security training is set for August 2014, and new PEBA identification badges have been issued.

Ms. Phipps advised the Board that an information technology assessment will be conducted in the future due to the age of the current equipment, and the merger of the SC Retirement Systems and the Employee Insurance Program.

Ms. Phipps reported that the information technology department has been working with the vendor and manufacturer of the phone system to prevent the phone from periodically disconnecting. Ms. Phipps also stated that a new phone line is in place that eliminates the previous "time-out" issues.

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

Wednesday, July 16, 2014 1:00 p.m. MINUTES ADOPTED 8-20-14
200 Arbor Lake Drive, Columbia SC, 29201

Ms. Paulette Redfern, Administrative Manager, provided a report regarding the main conference room at 200 Arbor Lake Drive. Ms. Redfern stated that a new HVAC unit has been installed and is working properly. Ms. Redfern added that a lock on the thermostat to eliminate temperature fluctuations is under consideration.

Ms. Redfern concluded her report by providing an update regarding the building at 202 Arbor Lake Drive.

8. REPLACEMENT OF BOARD TABLETS FOR IPADS

Chairman Bjontegard stated that several of the tablets assigned to the Board are not functioning properly. Following further discussion, Mr. Heisler made a motion, which was seconded by Mr. Sowards, and passed unanimously, to replace the Board tablets with iPads.

9. COMMITTEE REPORTS

A. HEALTH CARE POLICY COMMITTEE

Mr. Pierce reported that the Health Care Policy Committee met on July 16, 2014, and adopted the Health Care Policy Committee Charter. Mr. Pierce also advised that the Health Care Policy Committee elected the Committee Chairman for the next two years.

Mr. Pierce stated that the Health Care Policy Committee approved the 2015 State Health Plan and proposed changes as directed in the adopted provisos ratified by the General Assembly on June 5, 2014. Mr. Turner stated that Plan changes include higher deductibles and co-pays for employees, and premium increases for employers.

Mr. Heisler made a motion, which was seconded by Mr. Sowards, and passed unanimously, to approve the 2015 State Health Plan.

Mr. Pierce invited Ms. Dayle Delong, Manager, PEBA Call Center, to provide a summary regarding the Wellness Research Strategy Team Report. Ms. Delong stated that the 2015 Pilot Incentive Proposal, "Healthy Rewards", is a multi-phased incentive program designed to engage members and improve the overall health of the member population. Ms. Delong described each of the four phases of the Healthy Rewards program, and advised that the incentive is paid in the form of a monthly premium reduction once the participant completes at least the first two phases.

Ms. Delong stated that the Healthy Rewards rollout schedule starts in 2015 with phase one, and ends in 2018 with the completion of phase four. Ms. Delong added that in 2015, employees of state agencies and higher education institutions (including spouses) who are currently enrolled in the Standard Health Plan will be eligible to participate in Healthy Rewards. In 2016, employees of public school districts (including spouses) who are currently enrolled in

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

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the Standard Health Plan will be eligible; and in 2017 employee of local subdivisions (including spouses) who are currently enrolled in the Standard Health Plan will be eligible.

Mr. Pierce stated that no action was taken on the Healthy Rewards program, but the Health Care Policy Committee will meet again prior to the August 20, 2014, Board meeting, and will have further information to report. Mr. Pearce thanked the members of the Wellness Research Strategy Team for their continuing efforts and dedication to the Healthy Rewards program.

B. RETIREMENT POLICY COMMITTEE

Mr. Sowards reported that the Retirement Policy Committee met on July 7, 2014, and adopted the Committee Charter, including the Annex II addition.

Mr. Sowards also advised that the Retirement Policy Committee elected the Committee Chairman for the next two years.

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

Mr. Steve Matthews stated that the FAAC Committee did not meet in July, but had already prepared and approved the FAAC Committee Charter.

10. OLD BUSINESS

Mr. Turner thanked the PEBA Board and staff for their support over the past 15 years of his tenure, and wished everyone much success in the future.

Chairman Bjontegard reminded the Board to be diligent in obtaining continuing education credits as defined by the PEBA Board of Director's Continuing Education Requirements.

Chairman Bjontegard provided an opportunity for roundtable discussion. The Board thanked Mr. Turner for his outstanding service and dedication to the PEBA Board and staff.

11. ADJOURNMENT

There being no further business, Chairman Bjontegard adjourned the meeting at 3:15 p.m.