



Meeting Minutes | Board of Directors Meeting

Thursday, October 1, 2020 | 11:00 a.m.

Via Zoom Teleconference

Minutes approved December 2, 2020

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

Others Present for All or a Portion of the Meeting Via Telephone: Peggy Boykin, Robby Brown, Ashley Brindle, Amber Carter, Sarah Corbett, 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); Mike Wright and Joe Ferguson from Segal Marco Advisors; and James D’Alessio, Stephanie Heckart, Tripp Jennings, and Carmen Wilson from BlueCrossBlueShield of South Carolina.

I. Call to Order

Due to technical difficulties and at the direction of Chairman John Sowards, PEBA’s Executive Director Ms. Peggy Boykin called the PEBA Board of Director’s (Board) meeting to order at 11:03 a.m. and stated that the public meeting notice was posted in compliance with the Freedom of Information Act.

II. Approval of Meeting Minutes- July 22, 2020

Mr. Steve Heisler made a motion, which was seconded by Mr. Steve Matthews, and passed unanimously, to approve the minutes from the July 22, 2020, Board meeting.

III. COVID-19 Update

It was noted that technical difficulties were corrected, and Chairman Sowards resumed the Chair of the meeting. Mr. Rob Tester, Health Care Policy Director, introduced Dr. Tripp Jennings, Clinical Innovation Officer, and Ms. Stephanie Heckart from BlueCross BlueShield of South Carolina, to provide an update to their July presentation on the effects and status of COVID-19 in South Carolina.

Dr. Jennings noted that globally, over one million lives have been lost due to COVID-19, and reviewed the current number of active cases in South Carolina. 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 stressed that it is important to evaluate data over an extended period (not just a few days), and to evaluate the data in context to the questions being asked. Dr. Jennings also reviewed COVID-19 cases specific to Richland County, and the number of hospitalizations in South Carolina.

Dr. Jennings pointed out that during the fall and winter months, it is going to be very difficult to differentiate between the coronavirus and the influenza virus. Dr. Jennings also noted that health care providers are cautiously optimistic with the last few weeks of data, and express extreme concern for the upcoming winter months.

Dr. Jennings concluded his discussion by reviewing pre-existing conditions that increase risk and complications with COVID-19, and stated that type II diabetes provides the largest risk factor.

Ms. Heckart reviewed behavioral health issues related to COVID-19 including stress, difficulty in sleeping, eating, and concentration, and the worsening of mental and physical health. Ms. Heckart advised that BlueCross BlueShield of South Carolina has seen a significant increase in the number of virtual visits for behavioral health, and advised that Care Management Teams are outreaching all members who have been infected and treated for COVID-19.

Ms. Heckart concluded her presentation by reviewing on-line tools, services, and support provided by BlueCross BlueShield of South Carolina to assist members in their care management.

IV. Legislative/Health Update

Mr. Tester introduced Mr. James D'Alessio, Vice-President of Governmental Relations, from BlueCross BlueShield, to present on current federal legislative efforts in healthcare. Mr. D'Alessio advised that it is highly unlikely that a Coronavirus Aid Package will be signed prior to the 2020 election. Mr. D'Alessio stated that the current administration continues to diminish Affordable Care Act (ACA) provisions, and if the President is reelected, we could expect to see more of the same.

Mr. D'Alessio advised that the Democratic Party's key access components are to expand and enhance the subsidy under the ACA, lowering the eligibility age for Medicare, and to institute a public option plan run by the government, in addition to the private plans that are available.

Mr. D'Alessio discussed proposed drug pricing provisions and whether Medicare should negotiate with pharmaceutical companies for drug pricing. In addition, it may be proposed that launch pricing for certain drugs be limited based on competition in the marketplace.

Mr. D'Alessio noted that there is bipartisan agreement related to the importation of drugs from Canada or other countries that meet a safety profile; however, other members of Congress have expressed disagreement with this proposal.

Mr. D'Alessio concluded his presentation by discussing the current political landscape and the possible election results.

V. Approval of 2021 Board and Committee Meeting Dates

Ms. Boykin reviewed the proposed 2021 quarterly Board and Committee meeting dates, and pointed out the expected schedule of items that will be discussed each meeting.

Mr. Matthews made a motion, which was seconded by Mr. Heisler, and passed unanimously, to adopt the schedule of board and committee meeting dates for 2021, as presented.

VI. Discussion of 2022 State Health Plan Budget Requirements

Mr. Tester stated that normally at this meeting, the Board would approve a proposed funding budget for the State Health plan for the 2021-2022 state fiscal year, but discussions will be postponed until the December 2, 2020, meeting to provide accurate claims information.

VII. Committee Reports

A. Finance, Administration, Audit and Compliance (FAAC) Committee

Mr. Matthews reported that the FAAC Committee met this morning and elected Ms. Jennifer Blumenthal to serve as the Committee's Vice-Chairman.

Mr. Matthews stated that the FAAC Committee voted to approve the FAAC Committee Charter as revised, and to recommend the revised Committee Charter to the full Board for approval. Chairman Sowards reminded the Board that a Committee motion does not require a second. The motion passed unanimously.

Mr. Matthews advised that the FAAC Committee received an update on the PEBA Internal Audit Plan for September-December 2020.

Mr. Matthews also stated that the FAAC Committee moves that the PEBA Board adopt the PEBA Business Opportunity Fiduciary Compliance and Conflict Disclosure Form as presented, and require its use for the purposes identified therein. Chairman Sowards stated that a Committee motion does not require a second. The motion passed unanimously.

B. Health Care Policy Committee

Mr. Rocky Pearce reported that the Health Care Policy Committee met earlier in the morning, and re-elected Mr. Alex Shissias as the Committee's Vice-Chairman.

Mr. Pearce stated that the Health Care Policy Committee moves that the PEBA Board approve the 2021 State Health Plan benefits and contributions, as presented. Chairman Sowards stated that a Committee motion does not require a second. The motion passed unanimously.

Mr. Pearce reported that the Health Care Policy Committee voted to approve the Health Care Policy Committee Charter as presented, and to recommend the revised Committee Charter to the Board for approval. Chairman Sowards stated that a Committee motion does not require a second. The motion passed unanimously.

C. Retirement Policy Committee

Mr. Steve Heisler reported that the Retirement Policy Committee met earlier in the morning as well, and re-elected Mr. Ed Walton as the Committee Vice-Chairman.

Mr. Heisler stated the Retirement Policy Committee voted to approve the Retirement Policy Committee charter as presented, and to recommend the revised Committee Charter to the full Board for approval. Chairman Sowards stated that a Committee motion does not require a second. The motion passed unanimously.

Mr. Heisler stated that the Retirement Policy Committee moves that the PEBA Board approve the investment line-ups for the State ORP and fund mapping schedule, as presented, to be

effective with the commencement of the new State ORP contract on January 1, 2021. It was noted that the State ORP investment lineups and fund mapping schedule is also a co-fiduciary recommendation from Segal Marco Advisors. Chairman Sowards stated that a Committee motion does not require a second. The motion passed unanimously.

VIII. Old Business

Director's Report

Ms. Peggy Boykin, Executive Director, provided the director's report, and stated that the General Assembly adjourned without adopting an annual appropriations bill. Ms. Boykin advised that the General Assembly adopted House Bill 3210 which, extended the earnings limitation exemption due to COVID-19 under the Coronavirus, Aid, Relief and Economic Security (CARES) Act funding provision until the end of the fiscal year.

Ms. Boykin advised that PEBA is operating under a Continuing Resolution that was passed by the General Assembly in March 2020. Ms. Boykin explained that PEBA had asked the General Assembly to suspend the sweep of the State Health Plan that would normally occur on January 31, 2020, to mitigate any higher medical claims that the State Health Plan may see next year due to COVID-19. Ms. Boykin reminded the Board that PEBA collects premiums and contributions for the State Health Plan which are used to pay claims. At the end of each January, any monies that are left in the plan in excess of the reserve are swept into the Other Post-Employment Benefits (OPEB) trust fund which cannot be reversed. Ms. Boykin stated that she has provided the General Assembly with a Joint Resolution to adopt as soon as they return in January 2021, that will allow PEBA to suspend the sweep of the State Health Plan.

Ms. Boykin stated that normally PEBA provides six hours of educational training at the Board Retreat. Due to COVID-19, PEBA will be providing the educational training online this year, and the information regarding the training will be posted on Director's Desk within the next few weeks.

Ms. Boykin stated that draft financial retirement statements are currently being submitted to the Comptroller General's Office and PEBA's external auditor, CliftonLarsonAllen, and she thanked PEBA staff for their tremendous efforts in getting the financial statements completed. Ms. Boykin also noted that the draft insurance financial statements will be submitted shortly as well.

Ms. Boykin provided the Board with an update regarding PEBA's office operations during COVID-19, and advised that she has limited the number of staff in the building due to recent positive COVID-19 exposures.

IX. Executive Session for the Purpose of Discussing Contractual Matters Pursuant to S.C. Code of Laws § 30-4-70(a)(2)

At 12:34 p.m., Mr. Calvin Elam made a motion, which was seconded by Mr. Matthews, and passed unanimously, to recede into executive session to discuss a contractual matter.

At 12:52 p.m. the meeting reconvened in open session. Chairman Sowards announced that no action was taken by the Board while in executive session.

X. Adjournment

There being no further business, and upon a motion by Mr. Matthews, which was seconded by Mr. Heisler, and approved unanimously, the Board meeting adjourned at 12:53 p.m.

**HAYNSWORTH
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August 21, 2020

VIA USPS FIRST CLASS MAIL

John A. Sowards
Chairman, South Carolina Public Employee
Benefit Authority Board of Directors
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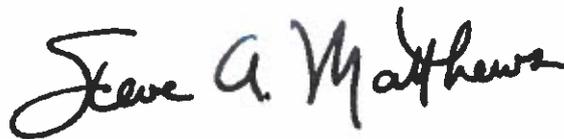
Re: Recusal of Steve A. Matthews

Dear John:

In accordance with the policies of the South Carolina Public Employee Benefit Authority Board of Directors with respect to recusals, I write to inform you that my firm represents Lexington County Health Services District which, I understand, owns and operates (or does business as) Lexington Medical Center. Should any matter relating to the District or the Center come within the purview of the Board, I hereby recuse myself from participating in any discussions or actions related to that matter or matters.

Also in accordance with the policies of the Board, I request that a copy of this letter be included in the minutes of the Board. With best regards, I remain

yours truly,



Steve A. Matthews

Copy to: Peggy Boykin, Executive Director
Stephen R. Van Camp, General Counsel