



South Carolina Public Employee Benefit Authority

202 Arbor Lake Drive | Columbia, SC 29223
803.737.6800 | 888.260.9430
www.peba.sc.gov

Meeting Minutes | Health Care Policy Committee

Wednesday, December 2, 2020 | 10:30 a.m.
Via Zoom Conference

Minutes Approved March 3, 2021

Board Members Present: Mr. Calvin Elam, Mr. Joe "Rocky" Pearce, Chairman, and Mr. Alex Shissias

Others Present for All or a Portion of the Meeting: Peggy Boykin, Robby Brown, Phyllis Buie, Amber Carter, Sarah Corbett, Heather Muller, John Page, Laura Smoak, Rob Tester, Travis Turner, Stephen Van Camp, Angie Warren, Justin Werner, and Heather Young from the South Carolina Public Employee Benefit Authority (PEBA); Michelle Davis, Brooks Goodman, Matt Shaffer, and Carmen Wilson from BlueCrossBlueShield of South Carolina; and Mike Madalena; PEBA Consultant.

I. Call to Order

Chairman Rocky Pearce called the PEBA Health Care Policy Committee (Committee) meeting to order at 10:30 a.m., and stated that the public meeting notice was posted in compliance with the Freedom of Information Act.

II. Approval of Meeting Minutes – October 1, 2020

Mr. Alex Shissias made a motion, which was seconded by Mr. Calvin Elam, and passed unanimously, to approve the minutes from the October 1, 2020, Committee meeting.

III. Approval of 2022 Initial State Health Plan Budget Requirements

Ms. Boykin reminded the Committee that PEBA has 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 advised that PEBA collects premiums and contributions for the State Health Plan which are used to pay claims, and 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 explained that normally the Committee would approve a proposed funding budget for the State Health plan for the 2021-2022 state fiscal year in October, but discussions were postponed until this meeting to provide accurate claims information due to the possibility of additional COVID-19 claims. Ms. Boykin advised that that initial budget requirements will continue to be updated throughout the beginning of next year as the House and Senate debate the budget.

Ms. Boykin advised that in addition to the budget continuation requirements, there will be a continued recommendation of an additional \$8.7 million for expanding adult well visits to all members regardless of age and frequency.

Mr. Rob Tester, Health Care Policy Director, reviewed the 2022 State Health Plan Budget and Continuation Requirements, and stated that there will be a 0.6 percent contribution rate increase for 2022 based on current projections, to be effective January 1, 2022. Mr. Tester advised if the increase is provided entirely through the employer, the state appropriated funding for the rate increase would equal \$3.873 million for January-June 2022, and the average enrollee rate increase would equal \$0.94 per month. Mr. Tester also advised that the 2021-2022 retiree growth rate increase is estimated to be 2.055 million. In summary, the total is estimated to be \$5.928 million for continuation of the State Health Plan. The additional \$8.7 million for expanding the adult well visits regardless of age and frequency would increase the total to \$14.642 million.

Mr. Elam made a motion, which was seconded by Mr. Shissias, and passed unanimously, to recommend that the PEBA Board approve the 2022 initial budget requirements for the State Health Plan as presented, to include the Board's previous recommendations regarding well visits.

COVID-19 Effects on SHP Claims Experience and Population Health

Mr. Tester introduced Mr. Mike Madalena; PEBA Consultant, and Laura Smoak, PEBA's Analytics and Health Initiatives director, for a presentation on the direct and indirect effects of COVID-19 on the State Health Plan's (SHP) claims experience and member population health. Discussion included patient subgroups; claims cost and utilization; mortality; work at home effects; and care delays.

Mr. Madalena reported that based on SHP claims paid through November 22, 2020, there have been an estimated 10,506 confirmed cases of COVID-19, 50,189 probable cases, and 61,516 possible cases, which totals approximately 23 percent of the SHP population.

Mr. Madalena advised that medical claims expenditures for SHP members with COVID-19 is \$71.1 million, and prescription drug expenses for members is \$6.7 million through November 22, 2020.

Mr. Madalena turned the discussion to general utilization trends including inpatient and outpatient hospital encounters; physician encounters; surgeries; dental services; physical versus virtual office visits; and maternity services, and hip/knee replacements.

Ms. Smoak concluded the presentation by reviewing the stay at home effects on time sensitive services such as chemotherapy, dialysis, and emergency room services; high value services such as colonoscopies, mammograms, well child visits and immunizations; and a delayed diagnosis case study.

IV. PCMH Update and Review

Ms. Michelle Davis, director of the Patient-Centered Medical Home (PCMH) Program of BlueCross BlueShield, discussed the most recent PCMH program results, as well as how the program's structure is evolving. Ms. Davis reported that the shared savings prospective billing rate will be updated for 2021; the COVID adjustment plan for shared savings calculations has been approved and implemented; and the SHP prescription drug data has been added to the shared savings calculation.

Ms. Davis advised that the PCMH Kids Program is launching on January 1, 2021. All current pediatric practices will transition to the new program and the goal is to have at least 30 pediatric practices by the end of 2021.

Ms. Davis concluded her presentation by reviewing program statistics, updating the Committee on 2021 PCMH plus quality measures, and comparing PCMH versus Non-PCMH quality performance.

V. Adjournment

There being no further business, the Committee meeting adjourned at 12:04 p.m.