



## Meeting Minutes | Health Care Policy Committee

Minutes Approved October 6, 2021

Wednesday, July 28, 2021 | 10:30 a.m.

202 Arbor Lake Dr., Columbia, SC 29223 | First Floor Conference Room | Via Zoom Teleconference

**Board Members Present:** Mr. Calvin Elam and Mr. Joe “Rocky” Pearce, Chairman

**Board Members Present Via Telephone:** Mr. Alex Shissias

**Others Present for All or a Portion of the Meeting:** Peggy Boykin, Robby Brown, Sarah Corbett, Paul Graham, Denise Hunter, Heather Muller, Laura Smoak, Rob Tester, Stephen Van Camp, and Justin Werner from the South Carolina Public Employee Benefit Authority (PEBA); Michael Craig from UCB; Sara Grace Bailey and Brooks Goodman from BlueCross BlueShield of South Carolina; and Dr. David Louder from the Medical University of South Carolina (MUSC).

**Others Present for All or a Portion of the Meeting Via Telephone:** Amber Carter, Jessica Moak, Heather Young, and Angie Warren from the South Carolina Public Employee Benefit Authority (PEBA).

### 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 – March 3, 2021

Mr. Calvin Elam made a motion, which was seconded by Mr. Alex Shissias, and passed unanimously, to approve the minutes from the March 3, 2021, Committee meeting.

### III. Strategic Key Measures Review

Mr. Rob Tester, Insurance Policy Director, reviewed strategic key measures for the State Health Plan (SHP), and stated that there are 509,718 total participants in the SHP, and 807 total employers.

Mr. Tester reviewed the SHP financial analysis as of June 2021, and noted that there was a surge in COVID related expenses beginning in November 2020, which became a significant part of overall medical claims for 2020 and 2021. Mr. Tester added that pharmacy medical expenses were very good for the first half of 2021.

Ms. Peggy Boykin, Executive Director, reminded the Committee that the General Assembly adopted a Joint Resolution in January 2021, allowing PEBA to suspend the Other Post-

Employment Benefits (OPEB) sweep of the State Health Plan that would normally occur on January 31, 2021, to mitigate any higher medical claims that the State Health Plan may see in 2021 due to COVID-19. Ms. Boykin added that PEBA may ask the General Assembly to suspend the OPEB sweep for January 31, 2022, as well.

Mr. Tester reviewed the historical SHP increases and funding, and stated that there has not been an employee increase in the last ten years.

Mr. Tester concluded his presentation by reviewing various benchmark data for the SHP including Dental Plus, Optional Life, and Supplemental Long-Term Disability.

#### **IV. 2022 State Health Plan Approval of Benefits and Contributions**

Mr. Tester advised that SHP employer contribution rates for Plan Year 2022 will increase .08 percent. Employee contribution rates and copayments for participants of the SHP will remain the same as in Plan Year 2021.

Mr. Tester noted a SHP program change that will begin effective January 1, 2022, and stated that Express Scripts, the Plan's pharmacy benefit manager, has an administrative solution where if a product purchased in a pharmacy by a Medicare beneficiary is under Part B, it automatically bills Medicare for its share of the expense. The estimated annual savings associated with this recommendation is \$10.5 million.

Mr. Elam made a motion, which was seconded by Mr. Shissias, and passed unanimously, to recommend that the PEBA Board approve the 2022 State Health Plan Benefits and Contributions for Plan Year 2022 as presented.

#### **V. MUSC Health Plan Update**

In this annual review of the Medical University of South Carolina (MUSC) Health Plan, Mr. Tester discussed the latest financial performance, while Dr. Dave Louder, Executive Director of the MUSC Health Alliance, presented the Plan's quality metrics, and discussed the overall status of the MUSC plan. Dr. Louder stated that the MUSC Health Plan performance continues to see overall favorable trends over time.

Dr. Louder advised that effective August 1, 2021, MUSC Health will acquire three hospitals including Providence Health Downtown, Providence Health Northeast, and Providence Health Fairfield. Also included is Kershaw Health Medical Center and Employed Physician Practices.

#### **VI. MUSC Health Plan of Benefits Amendment**

Mr. Justin Werner, Deputy General Counsel, stated that currently, participation in the MUSC Health Plan is limited to employees of the Medical University of South Carolina ("MUSC") and the Medical University Hospital Authority ("MUHA"). However, pursuant to Section 59-123-60(E)(13) of the South Carolina Code of Laws, MUHA is authorized to establish affiliated non-profit corporations as necessary to assist MUHA in carrying out its functions. Employees of these affiliated non-profit corporations are not considered employees of MUHA and would not currently be eligible to participate in the MUSC Health Plan.

As part of its recent acquisitions of several hospitals in South Carolina, MUHA has acquired physicians' practice groups that it intends to operate through an affiliated non-profit corporation

established pursuant to Section 59-123-60(E)(13). The proposed amendments to the MUSC Health Plan would allow MUHA-affiliated, governmental non-profit corporations created under Section 59-123-60(E)(13) to elect to participate in the MUSC Health Plan for their eligible employees.

Mr. Elam made a motion, which was seconded by Mr. Shissias, and passed unanimously, to recommend to the PEBA Board that it amend the Plan of Benefits for the MUSC Health Plan to allow a MUHA-affiliated governmental entity created pursuant to Section 59-123-60(E)(13) to elect to participate in the MUSC Health Plan for its eligible employees.

**VII. Old Business/Director's Report**

Ms. Boykin stated that she would provide the Director's Report at the full Board meeting.

**VIII. Adjournment**

There being no further business, the Committee meeting adjourned at 11:24 a.m.