

SC PUBLIC EMPLOYEE BENEFIT AUTHORITY- BOARD OF DIRECTORS

Health Care Policy Committee-Adopted 8/7/14

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

Wednesday, July 16, 2014 – 10:00 a.m.

Health Care Policy Committee Members Present:

Mr. Joe "Rocky" Pearce, Chairman

Mr. Art Bjontegard

Mr. Frank Fusco

Mr. Audie Penn (via telephone)

Mr. Steve Heisler

Others present for all or a portion of the meeting:

Kevin Crosby, Dayle DeLong, Lil Hayes, Tiffany Latimer, Laura Smoak, Travis Turner, and Stephen Van Camp from the South Carolina Public Employee Benefit Authority (PEBA); Wayne Bell and Wayne Pruitt from the State Retirees Association of South Carolina; Brooks Goodman, Sarah Martin, and Maria Platanis, from Blue Cross Blue Shield of South Carolina; Jessica Johnston from the University of South Carolina; Dr. David Patterson from the South Carolina Budget and Control Board; Thompson Kinney from Milliken Law Firm; and Katie Brennan from Catamaran.

1. CALL TO ORDER

Mr. Rocky Pearce called the Health Care Policy Committee (Committee) meeting to order at 10:00 a.m.

2. ADOPTION OF PROPOSED AGENDA

Mr. Steve Heisler made a motion, which was seconded by Mr. Frank Fusco, and passed unanimously, to adopt the agenda as presented.

3. APPROVAL OF MEETING MINUTES- JUNE 18, 2014

Mr. Pearce asked for amendments to the June 18, 2014, Committee meeting minutes. There being no amendments, Mr. Heisler made a motion, which was seconded by Mr. Fusco, and passed unanimously, to approve the June 18, 2014, Committee meeting minutes.

4. ELECTION OF COMMITTEE CHAIRMAN

Mr. Fusco made a motion, which was seconded by Mr. Heisler, and passed unanimously, for Mr. Pearce to continue as the Health Care Policy Committee Chairman.

5. APPROVAL OF 2015 STATE HEALTH PLAN

Mr. Travis Turner, PEBA's Interim Executive Director, reviewed the 2015 State Health Plan (Plan) 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. Stephen Van Camp, General Counsel, confirmed that the contents of the Plan are the same as 2014, except that the 2015 Plan has been amended to allow nonpermanent full-time employees to participant 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.

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

6. WELLNESS RESEARCH STRATEGY TEAM UPDATE

Chairman Pearce welcomed Dr. David Patterson, Chief of Health and Demographics, with the South Carolina Budget and Control Board, to provide an overview of the Wellness Research Strategic Team (WeReST) pilot project.

Ms. Dayle Delong, Manager, PEBA Call Center, 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 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.

Ms. Delong described various communication and marketing efforts, and advised that employer resources and employee engagement are crucial to the Healthy Rewards success. Ms. Delong stated that employers will be provided with marketing materials that can be co-branded to incorporate an agency's existing wellness efforts.

Ms. Delong advised that for plan year 2015, the cost of the Healthy Rewards program with 55 percent of subscribers and 25 percent of spouses participating will be \$3.4 million. Ms. Delong also explained the cost associated with the program for each additional year up to 2018.

Sarah Martin, with Blue Cross Blue Shield of South Carolina (BCBSSC), described the Re-Admission Avoidance Program (REAP), and stated that REAP provides early intervention for at risk members after being discharged from the hospital. Ms. Martin advised that a BCBSSC nurse calls members within four days of discharge, identifies gaps in care, and collaborates with member's healthcare providers. REAP also provides education to members about their condition and proper care, and reduces avoidable emergency room visits or re-admission.

The Committee expressed that it would like to see an analysis of how well REAP has performed in other states before making a decision to invest in the program.

Mr. Pearce thanked the Wellness Research Strategy Team for their report.

7. COMMITTEE CHARTER REVIEW

Mr. Heisler made a motion, which was seconded by Chairman Bjontegard, to approve the Health Care Policy Committee Charter as presented. Further discussion ensued. Mr. Penn made a motion, which was seconded by Mr. Fusco, and passed unanimously, to amend the original

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motion by adding the following language in bold to the Committee Charter under section (E) 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.**”

Chairman Bjontegard made a motion, which was seconded by Mr. Heisler, and passed unanimously, to approve the motion as amended.

8. OLD BUSINESS/DIRECTOR’S REPORT

Mr. Turner thanked everyone on the Wellness Research Strategy Team for their hard work in a compressed time frame.

9. EXECUTIVE SESSION: PURSUANT TO SC CODE OF LAWS § 30-4-70

The Committee recessed into Executive Session at 11:54 a.m. for the purpose of receiving legal advice on a contractual matter.

The Committee reconvened in open session at 12:20 p.m. No action was taken while in Executive Session.

10. ADJOURN

There being no further business, the Committee meeting adjourned at 12:21 p.m.