

SC PUBLIC EMPLOYEE BENEFIT AUTHORITY- BOARD OF DIRECTORS

Health Care Policy Committee-MINUTES Approved 9.16.15

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

Wednesday, July 8, 2015 – 9:30 a.m.

Health Care Committee Members Present:

Mr. Joe “Rocky” Pearce, Chairman
Mr. Art Bjontegard
Mr. Steve Heisler
Mr. Frank Fusco
Mr. Audie Penn

Others present for all or a portion of the meeting:

Peggy Boykin, Phyllis Buie, Tom Cone, Sarah Corbett, Ariail Kirk, Heather Muller, Jacalin Shealy, Laura Smoak, Rob Tester, Justin Werner, and Heather Young from the South Carolina Public Employee Benefit Authority (PEBA); Wayne Pruitt from the State Retirees Association of South Carolina; Brooks Goodman from Blue Cross Blue Shield of South Carolina; Eric St. Pierre from Gabriel, Roeder, Smith & Company (via telephone); Brad Wright from the McNair Law Firm; and Thompson Kinney from Milliken Law Firm.

1. CALL TO ORDER

Chairman Rocky Pearce called the PEBA Health Care Policy Committee (Committee) 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.

2. ADOPTION OF PROPOSED AGENDA

Mr. Steve Heisler made a motion, which was seconded by Mr. Audie Penn, and approved unanimously, to adopt the proposed Committee meeting agenda.

3. EXECUTIVE SESSION TO RECEIVE LEGAL ADVICE CONCERNING THE PBM CONTRACT PROTEST PURSUANT TO SC CODE OF LAWS § 30-4-70 (a)(2)

At 9:35 a.m., Mr. Heisler made a motion, which was seconded by Mr. Frank Fusco, and approved unanimously, to recede into executive session to receive legal advice concerning the Pharmacy Benefit Management contract protest pursuant to S.C. Code Ann. § 30-4-70.

The Committee reconvened in open session at 10:00 a.m. It was noted that no action was taken while in executive session.

4. STRATEGIC INITIATIVES UPDATE

Mr. Rob Tester, PEBA’s Health Care Policy Director, presented an update on strategic initiatives presented at the March 26, 2015, Committee meeting including:

- A. High-performance hospital network development;
- B. Reference-based pricing;
- C. Patient center medical homes (PCMH);
- D. Specialty pharmacy management;
- E. Value-based insurance design (VBID);
- F. Continued focus on wellness; and
- G. Physician dispensing and pharmacy network management.

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5. 2016 STATE HEALTH PLAN CHANGES

Mr. Tester also presented the proposed health plan program changes effective January 1, 2016, including:

A. All Health Plans

- i. Employer contribution increase of 4.5 percent;
- ii. No enrollee contribution increase;
- iii. Composite contribution increase of 3.4 percent which is the amount funded in the fiscal 2016 Appropriations Act and detailed in Proviso 108.6 of the Act.

B. State Health Plan

- i. Elimination of patient cost sharing for covered contraceptives (mandated in Proviso 108.13 of fiscal 2016 Appropriations Act); and
- ii. Patient-Centered Medical Home incentive.

Mr. Tester stated that patients obtaining services at practices participating in the Blue Cross Blue Shield of South Carolina PCMH program will receive a waiver of the \$12 Physician Office deductible, and provision of Plan coinsurance at 90 percent (rather than 80 percent at other network providers).

- iii. VBID services: The following services will be provided with no patient liability:
 - a. Colonoscopies;
 - b. Adult vaccinations;
 - c. Tobacco cessation pharmaceuticals; and
 - d. Diabetes education services.

C. MUSC Health Plan

- i. Increase Specialist Copay to \$45/visit (from \$35/visit)

D. Flexible Benefits (MoneyPlus)

- i. Eliminate the one-year waiting period for employee to establish a Medical Spending Account; and
- ii. Establish a \$1500 limit for 2016 on Dependent Care Accounts for highly-compensated employees.

Following further discussion, Mr. Heisler made a motion, which was seconded by Mr. Art Bjontegard, and approved unanimously, to approve the 2016 State Health Plan changes.

6. ADJOURNMENT

There being no further business, and upon motion by Mr. Fusco, which was seconded by Mr. Penn, and approved unanimously, the Committee meeting adjourned at 11:15 a.m.