SC PUBLIC EMPLOYEE BENEFIT AUTHORITY- BOARD OF DIRECTORS

Health Care Policy Committee

Meeting Minutes [Adopted 8/1/2013]

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

Monday. June 24, 2013 – 1:00 p.m.

Health Care Committee Members Present:

Mr. Joe "Rocky" Pearce, Chairman (by telephone)
Mr. Audie Penn (by telephone)
Mr. Steve Heisler (by telephone)
Mr. Art Bjontegard (by telephone)

Additional Board Members Present:

Mr. Frank Fusco (in person)
Mrs. Peggy Boykin (by telephone)

Others present for all or a portion of the meeting:

David Avant, Lil Hayes, Stephen Van Camp, Travis Turner, Laura Smoak, & Virginia Wetzel from the South Carolina Public Employee Benefit Authority (PEBA); Wayne Pruitt and Donald Tudor with the Retiree Association of SC; Emerson Smith with Metromark Market Research, Inc.; and Mike Madalena (by telephone).

AGENDA

1. CALL TO ORDER; ADOPTION OF PROPOSED AGENDA

Chairman Pearce called the meeting to order at 1:00 p.m. Ms. Hayes confirmed meeting notice compliance with the Freedom of Information Act. Mr. Bjontegard moved to adopt the proposed agenda. Mr. Penn seconded, with the unanimous vote to approve.

2. Approval of Meeting Minutes- May 23, 2013

Chairman Pearce asked for amendments to the May 23, 2013 Health Care Policy Committee meeting minutes. There being none, Chairman Pearce asked for a motion to approve the minutes. Mr. Penn moved to approve the minutes; Mr. Bjontegard seconded. The meeting minutes were unanimously approved.

3. ACA Coverage for Temporary Employees

David Avant summarized options one through three provided in meeting materials regarding ACA requirements for full-time, nonpermanent employees for the State Health Plan Year 2014. Staff member Steven Van Camp presented a power point presentation with more detailed information regarding each option.

Chairman Pearce asked for a motion to adopt Option Three, which would be to amend the current plan eligibility and allow all full-time employees to participate. Because of concerns the Committee discussed about expense to the employers, he included in the motion that there be an amendment to allow employers to opt out of State Health Plan coverage for temporary, full-time employees if a more affordable private sector option becomes available during Plan Year 2014. The Board will approve under the assumption that staff will deliberately work toward creating an

alternative plan for temporary, full time employees through an internal self-insured plan or by selecting a private sector plan for 2015 Plan Year.

Action:
Chairman Pearce asked for a motion to approve the Option Three as amended. Mr. Bjontegard moved to approve Option Three as amended. Mr. Heisler seconded. Option Three as amended was unanimously approved.

4. New Business – 2014 Employee Health Plan

David Avant and Travis Turner provided a presentation summarizing the proposed details of the 2014 Employee State Health Plan.

Mr. Fusco suggested shifting projected plan revenue (taken from provider rates) from inflation growth to new health care incentive programs. He advised that potentially $50 million could go toward health care incentive programs. Board members would like staff to research a pilot program for Plan Year 2015 for health care incentive programs.

Action:
Chairman Pearce asked for a motion to approve the 2014 Employee Health Plan. Mr. Heisler moved to approve the 2014 Employee Health Plan. Mr. Penn seconded. The 2014 Employee Health Plan was unanimously approved.

5. Round Table Discussion:

Chairman Pearce mentioned that all Board members will have the opportunity to have individual educational meetings with Blue Cross Blue Shield. All members present were interested.

Staff advised that PEBA will publish the intent to award a contract for the Pharmacy Benefit Manager on July 12th.

There being nothing further to discuss, Chairman Pearce requested a motion to adjourn. Mr. Penn moved to adjourn and Mr. Bjontegard seconded. The committee unanimously voted to adjourn at 2:30 p.m.