

SC PUBLIC EMPLOYEE BENEFIT AUTHORITY- BOARD OF DIRECTORS

Health Care Policy Committee-MINUTES Adopted 6.18.14

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

Monday, May 12, 2014 – 3:30 p.m.

Health Care Committee Members Present:

Mr. Joe “Rocky” Pearce, Chairman
Mr. Art Bjontegard
Mr. Audie Penn (via telephone)
Mr. Steve Heisler (via telephone)

Health Care Committee Members Absent:

Mrs. Stacy Kubu

Additional Board Members Present:

Mr. Frank Fusco

Others present for all or a portion of the meeting:

Colleen Clark, Kevin Crosby, Lil Hayes, Heather Muller, Laura Smoak, Travis Turner, Stephen Van Camp, and Justin Werner from the South Carolina Public Employee Benefit Authority (PEBA); Rob Tester, PEBA Consultant; Donald Tudor and Sam Griswold with the State Retirees Association of South Carolina; Carlton Washington from the South Carolina State Employees Association; Brooks Goodman with Blue Cross Blue Shield of South Carolina; John Wienges with McNair Law Firm, P.A.; Mike Madalena from Gabriel, Roeder, Smith and Company; Miranda Yeager from Catamaran; and Deborah Abrams with Yorkville Pharmacy.

1. CALL TO ORDER

Chairman “Rocky” Pearce called the Health Care Policy Committee (Committee) meeting to order at 3:30 p.m. Ms. Hayes confirmed meeting notice compliance with the Freedom of Information Act.

2. ADOPTION OF PROPOSED AGENDA

Chairman Pearce noted that agenda item number six regarding Old Business should be amended to include the ACA requirement for full-time temporary employees. Mr. Steve Heisler moved to adopt the agenda as amended. Mr. Audie Penn seconded the motion, which passed unanimously.

3. APPROVAL OF MEETING MINUTES- April 16, 2014

Chairman Pearce asked for amendments to the April 16, 2014, Committee meeting minutes. There being no amendments, Mr. Heisler made a motion, which was seconded by Mr. Penn, and passed unanimously, to approve the April 16, 2014, Committee meeting minutes.

4. PEBA LEGISLATIVE UPDATE

Mr. Travis Turner, Interim Director, stated that there is a proviso in the Senate Finance Committee that will require an independent audit of Catamaran pharmacy services by September 1, 2014, to insure that fair and equitable reimbursement practices are being followed.

Mr. Turner also stated that S.290 is a current telemedicine bill that has been in the House of Representatives since April 2013, and may be expanded to include kindergarten through grade 12 students.

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5. STATE HEALTH PLAN REVIEW AND STRATEGIC PLANNING

Ms. Laura Smoak provided an update on Plan spending, and reviewed charts showing the leading diagnosis by the top ten and five claimants, and the top five paid claims.

Mr. Mike Madalena, with Gabriel, Roeder, Smith and Company, reported that enrollment in the State Health Plan has grown approximately 5.27 percent in membership over the same period last year, primarily due to Blue Choice participants moving to the Plan.

Mr. Madalena stated that the current trend for January through April of 2014 produced a negative 2.0 percent in cost on the medical side, and a 4.27 percent increase on the pharmacy side over the same time period for 2013.

Mr. Brooks Goodman, with Blue Cross Blue Shield of South Carolina, provided current interventions and initiatives to contain the Plan's costs, including: pre-certification; management of in-patient care; behavioral health review; health and disease management; network management; claims management; and health information technology.

The Committee discussed focusing on quality health care by providing additional wellness and preventive resources to entice participants to live healthier.

Mr. Steven Van Camp, Legal Counsel, provided new initiatives and current pilot proposals to manage the Plan including creating a sub-committee to plan, design, and implement initiatives for the next several years to increase initiative effectiveness. Mr. Van Camp suggested diabetes related nutrition education in hospitals, and promoting and utilizing mental health coverage to prevent chronic illness burnout. Mr. Van Camp also proposed first directing wellness initiatives to members who already have a medical condition to prevent additional medical concerns, as opposed to directing wellness initiatives to all participating members.

The Committee discussed health information technology, and the importance of getting useful, timely, information to members before they make medical decisions that cost the Plan additional resources.

6. OLD BUSINESS

Mr. Van Camp provided a summary regarding the ACA requirement for full-time temporary employee coverage effective January 1, 2015. Mr. Van Camp reminded the Committee that failure of employers to offer minimum coverage to at least 70 percent of employees could result in penalties up to \$2000 per year for each full-time employee if at least one employee receives subsidized coverage from a health exchange.

Upon recommendation from Mr. Van Camp, Mr. Heisler moved to amend the State Health Plan in 2015 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. There was no second to the motion, and Mr. Heisler withdrew his motion.

Mr. Penn suggested revisiting the language of the previous motion. The motion was tabled until the next PEBA meeting on Friday, May 16, 2014.

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7. NEW BUSINESS

Mr. Turner gave the Executive Director's report. Mr. Turner welcomed Ms. Heather Muller to PEBA, and stated that Ms. Muller will help with administrative matters as needed.

Mr. Turner reported that PEBA will testify at a Senate Sub-Committee hearing regarding Catamaran on Wednesday, May 15, 2014. Mr. Turner asked for guidance from the Committee on PEBA's role with Catamaran, and recommendations going forward. The Committee noted that PEBA is self-funded and there is a limited amount of resources that can be spend on pharmacy and medical claims.

Ms. Deborah Abrams, with Yorkville Pharmacy, addressed the Committee on her concerns regarding Catamaran. Ms. Abrams stated that her pharmacy is not being reimbursed for prescriptions fairly from Catamaran.

Ms. Miranda Yeager, with Catamaran, addressed the Committee regarding recent prescription drug price changes. Ms. Yeager stated that Catamaran is reviewing the analysis that has been provided which details the reimbursement impact on independent pharmacies. Ms. Yeager said that PEBA was aware and agreed to the prescription drug pricing changes. Mr. Turner stated that PEBA did not agree to price and reimbursement changes for independent pharmacies.

8. EXECUTIVE SESSION

At 5:31 p.m., Mr. Heisler made a motion, which was seconded by Mr. Penn, and passed unanimously, to recede into executive session to receive legal advice pursuant to S.C. Code Ann. § 30-4-70 (a)(2).

The Committee reconvened in open session at 6:15 p.m. Chairman Pearce reported that the Committee did not take any reportable action while in executive session.

There being no further business, and upon motion by Mr. Heisler, which was seconded by Mr. Penn, and passed unanimously, the Committee meeting adjourned at 6:18 p.m.