

SC PUBLIC EMPLOYEE BENEFIT AUTHORITY- BOARD OF DIRECTORS

Health Care Policy Committee Minutes- Approved 6.17.15

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

Wednesday, May 20, 2015 – 10:00 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:

Sara Bailey, Peggy Boykin, Phyllis Buie, Sarah Corbett, Denise Hunter, Ariail Kirk, Megan Lightle, Heather Muller, Chanequa Roy, Laura Smoak, Rob Tester, Ken Turnbull, Travis Turner, Stephen Van Camp, Justin Werner, and Heather Young from the South Carolina Public Employee Benefit Authority (PEBA); Rex Gale, Brooks Goodman, Dr. Will Harms, Noreen O'Donnell, and Matt Shaffer from Blue Cross Blue Shield of South Carolina; Ed Spencer from the South Carolina Department of Mental Health; Wayne Pruitt and Donald Tudor from the State Retirees Association of South Carolina; 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 10:00 a.m.

2. ADOPTION OF PROPOSED AGENDA

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

3. APPROVAL OF MEETING MINUTES: MARCH 26, 2015

Mr. Heisler made a motion, which was seconded by Mr. Audie Penn, and approved unanimously, to approve the March 26, 2015, Committee meeting minutes.

4. TELEMEDICINE UPDATE

As a follow-up to the presentation on telemedicine at the March 26, 2015, meeting, Mr. Ed Spencer from the SC Department of Mental Health discussed the state's telepsychiatry initiative, and its positive effects on patient access to services and quality of care. Mr. Spencer stated that the addition of telepsychiatry offices in 21 hospitals in the state have significantly lowered the wait time for mental health patients. The primary goals of telepsychiatry include:

1. Timely psychiatric assessment;
2. Rapid initiation of treatment;
3. Increased quality of care;
4. Reduced lengths of stay;
5. Comprehensive discharge planning; and
6. Savings to the hospital and community.

Mr. Spencer reported that since the inception of the program in March 2009, there have been over 23,600 telepsychiatry consultations; a 53 percent reduction in emergency department lengths of stay; and a 200 percent increase in aftercare referrals.

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Mr. Spencer concluded his presentation by stating that telepsychiatry utilizes hospital resources efficiently, and has had a positive impact on patients and emergency departments.

Chairman Pearce thanked Mr. Spencer for his excellent presentation.

5. MUSC PILOT UPDATE

Mr. Rob Tester, PEBA's Health Care Policy Director, provided the Medical University of South Carolina (MUSC) pilot update, and stated that the PEBA-sponsored MUSC Health Plan was developed in 2014. Mr. Tester advised that the MUSC Health Plan is compliant with the Affordable Care Act (ACA), and operates with a higher degree of care coordination than currently exists throughout the State Health Plan (SHP). Mr. Tester stated that claims experience from the initial year is nearly complete, and reported the analysis of results. Mr. Tester advised that historically, claims experience for MUSC employees has been about 13-15 percent more expensive than for SHP active employees, and 3-4 percent of this difference is attributable to greater risk on the part of MUSC employees compared to the SHP active employee population.

Mr. Tester reported that the margin of difference between MUSC's expense and loss ratio and that for SHP active employees was reduced substantially in the first year, and PEBA will work closely with MUSC to continue analyzing the data. Mr. Tester advised that this is a multi-year project, and it is too early to project the final outcome.

Mr. Tester also reviewed MUSC's Pilot presentation to the State Budget and Control Board on April 28, 2015, and discussed various Healthcare Effectiveness Data and Information Set (HEDIS) performance measures for MUSC and the State Health Plan.

6. PATIENT-CENTERED MEDICAL HOME UPDATE FROM BLUE CROSS BLUE SHIELD

Ms. Noreen O'Donnell, from Blue Cross Blue Shield of South Carolina, provided an update regarding Patient-Centered Medical Home (PCMH), which is a model of health care designed to strengthen the physician-patient relationship by moving from reactive care to proactive care. Ms. O'Donnell advised that PCMH has experienced rapid expansion in the last three years and includes:

1. Coordinated proactive care;
2. Care for patient's overall health;
3. Same-day appointments;
4. A physician-led team;
5. Coordinated referrals within the PCMH;
6. Continuous quality improvement; and
7. Ongoing follow-up care to avoid disease and improve health.

Ms. O'Donnell stated that the types of conditions that are targeted for PCMH care and coordination fees include: adult diabetes; adult hypertension; adult congestive heart failure; pediatric wellness; and pediatric asthma.

Ms. O'Donnell concluded her presentation by reviewing PCMH State Health Plan cost and utilization data, clinical outcome measures, and patient satisfaction surveys.

Chairman Pearce thanked Ms. O'Donnell for her presentation.

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7. OPEB ACTUARIAL VALUATIONS

Ms. Peggy Boykin, PEBA's Executive Director, stated that highlights of the Other Post Employment Benefits (OPEB) valuations were discussed at the PEBA Board retreat in February 2015, and the valuations are presented to the Committee to receive as information. Mr. Fusco commented that he would like additional time to thoroughly review the OPEB valuations. Ms. Boykin provided a summary of the valuations, and it was noted that Committee members may ask questions at a later time.

8. HEALTH CARE POLICY LEGISLATIVE UPDATES

Mr. Tester stated that both the House and Senate have passed their version of the appropriations bill, and the funding of the State Health Plan is the same in both bodies. Mr. Tester advised that the 2016 SHP is fully funded, and includes a 4.5 percent employer increase and no additional employee increase. Mr. Tester also reported that the senate version of the appropriations bill included a proviso to waive the patient cost-sharing on contraceptives for 2016.

9. OLD BUSINESS/DIRECTOR'S REPORT

Ms. Boykin provided the director's report, and advised that the both the house and senate version of PEBA's budget includes a \$8.7 million increase due to PEBA absorbing additional responsibilities that were previously performed by the Budget and Control Board.

Ms. Boykin stated that the Governor has endorsed the wellness incentives that the Health Care Committee adopted, and plans to implement the incentives in cabinet agencies, and collaborate with the South Carolina Human Resources Division to ensure that all state employees are aware of the benefits.

10. ADJOURNMENT

There being no further business, and upon motion by Mr. Fusco, which was seconded by Mr. Heisler, and approved unanimously, the Committee meeting adjourned at 12:15 p.m.