

## **Meeting Minutes | Health Care Policy Committee**

Wednesday, November 18, 2015 | 11 a.m.  
200 Arbor Lake Dr., Columbia, SC 29223 | Second Floor Conference Room

Approved December 16, 2015

**Board Members Present:** Mr. Art Bjontegard, Mr. Joe “Rocky” Pearce, Chairman, and Mr. Audie Penn

**Board Members Present via Telephone:** Mr. Steve Heisler

**Board Members Absent:** Mr. Frank Fusco

**Others Present for All or a Portion of the Meeting:** Peggy Boykin, Phyllis Buie, Sarah Corbett, Georgia Gillens, Denise Hunter, Ariail Kirk, Heather Muller, Jacalin Shealy, Laura Smoak, Rob Tester, Travis Turner, Stephen Van Camp, Justin Werner, and Heather Young from the South Carolina Public Employee Benefit Authority (PEBA); Wayne Bell and Wayne Pruitt from the State Retirees Association of South Carolina; Carlton Washington from the South Carolina State Employees Association; Brooks Goodman from Blue Cross Blue Shield of South Carolina; Jeff Scott, Robin Scott, and Traci Young from Express Scripts, Inc.; and Thompson Kinney from Milliken Law Firm.

### **I. Call to Order**

Chairman Rocky Pearce called the PEBA Health Care Policy Committee (Committee) meeting to order at 11:00 a.m., and stated that the public meeting notice was posted in compliance with the Freedom of Information Act.

### **II. Adoption of Proposed Agenda**

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

### **III. Approval of Meeting Minutes- October 21, 2015**

Mr. Penn made a motion, which was seconded by Mr. Bjontegard, and approved unanimously, to approve the October 21, 2015, Committee meeting minutes.

### **IV. Express Scripts, Inc. Implementation Update**

Mr. Rob Tester, PEBA’s Health Care Policy Director, introduced Ms. Traci Young, Senior Account Executive, from Express Scripts, Inc. (ESI) to the Committee. Mr. Tester stated that the new Pharmacy Benefit Manager (PBM) contract with ESI is on schedule to begin January 1, 2016. Ms. Young provided an implementation update including setup, member communication, and operations that will be closely monitored to ensure a seamless transition. Ms. Young stated that ESI is working closely with Catamaran by obtaining open prior authorizations, claims history, and open refills. Ms. Young advised that welcome packets will be mailed to members during the middle of December, and will include new identification cards and benefit information. Ms.

Young also confirmed that the communication materials and identification cards will be co-branded with the ESI and PEBA Logos.

**V. 2017 State Health Plan Budget Requirements**

Mr. Tester stated that PEBA has submitted State Health Plan (SHP) estimated budget requirements for fiscal year 2016-2017 to the Governor's Office, and to other parties involved in the appropriations process. Mr. Tester reported that the SHP will require a 0.6 percent rate increase effective January 1, 2017, to maintain the 2016 level of benefits. Mr. Tester added that if the Affordable Care Act (ACA) mandated benefits are added to the SHP, total rate increase requirements would be 3.2 percent for 2017.

Mr. Tester reported that the State Dental Plan has not incurred an increase in employer contribution rates since 1997. It is proposed that the State fund a 15 percent increase in the Dental Plan's employer contribution, from \$11.72/month to \$13.48/month in order to bring the program's fiscal situation in accord with statutory requirements as well as sound business practices.

Mr. Tester also advised the Committee that PEBA has submitted the three-year budget projection to the Revenue and Fiscal Affairs officer as required by statute.

**VI. Old Business/Director's Report**

Ms. Peggy Boykin, PEBA's Executive Director, provide the Director's Report, and stated that staff has been working with Blue Cross Blue Shield to follow up on recommendations made at the annual outcomes meeting related to readmissions avoidance in orthopedic and in intensive care, as well as disease management coaching and wellness recommendations.

**VII. Executive Session Pursuant to S.C. Code of Laws § 30-4-70(a)(1) and 30-4-70(a)(2) for the specific purpose of receiving legal advice concerning contractual matters related to the PBM contract, and to discuss employment of an individual with wellness expertise.**

At 11:50 a.m., Mr. Bjontegard made a motion, which was seconded by Mr. Penn, and approved unanimously, to recede into executive session to receive legal advice concerning contractual matters related to the Pharmacy Benefit Management contract, and to discuss employment of an individual with wellness expertise.

The Committee reconvened in open session at 12:40 p.m. It was noted that no action was taken while in executive session.

**VIII. Adjournment**

There being no further business, and upon motion by Mr. Steve Heisler, which was seconded by Mr. Bjontegard, and approved unanimously, the Committee meeting adjourned at 12:42 p.m.