AGENCY NAME:	Public Employee Benefit Authority		
AGENCY CODE:	F500	SECTION:	105

Fiscal Year 2015-16 Agency Budget Plan

FORM A – SUMMARY

RECURRING FUNDS *(FORM B DECISION PACKAGES)*	**My agency is submitting the following recurring decision packages (Form B):** 3424
	For FY 2015-16, my agency is (mark "X"):
	[ ] Requesting a net increase in recurring General Fund appropriations.
	[X] Not requesting a net increase in recurring General Fund Appropriations.
CAPITAL & NON-RECURRING FUNDS *(FORM C DECISION PACKAGES)*	**My agency is submitting the following one-time decision packages (Form C):**
	For FY 2015-16, my agency is (mark "X"):
	[ ] Requesting capital and/or non-recurring funds.
	[ ] Not requesting capital and/or non-recurring funds.
PROVISOS	**For FY 2015-16, my agency is (mark "X"):**
	[X] Requesting a new proviso and/or substantive changes to existing provisos.
	[ ] Only requesting technical proviso changes (such as date references).
	[ ] Not requesting any proviso changes.

Please identify your agency's preferred contacts for this year's budget process.

	Name	*Phone*	*Email*
PRIMARY CONTACT:	Darry Oliver	737-4675	doliver@peba.sc.gov
SECONDARY CONTACT:	David Burgis	734-0574	dburgis@peba.sc.gov

I have reviewed and approved the enclosed FY 2015-16 Agency Budget Plan, which is complete and accurate to the extent of my knowledge.

	Agency Director	*Board or Commission Chair*
SIGN/DATE:		9/29/14
TYPE/PRINT NAME:	Peggy G. Boykin	Arthur M. Bjontegard, Jr.

This form must be signed by the department head – not a delegate.

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FORM B – PROGRAM REVISION REQUEST

DECISION PACKAGE	**3424**

Provide the decision package number issued by the PBF system ("Governor's Request").

TITLE	**Realign budget to reflect the newly elected Executive Director**

Provide a brief, descriptive title for this request.

AMOUNT	**0**

What is the net change in requested appropriations for FY 2015-16? This amount should correspond to the decision package's total in PBF across all funding sources.

ENABLING AUTHORITY	Code of Law Section 9-4-10.

What state or federal statutory, regulatory, and/or administrative authority established this program? Is this decision package prompted by the establishment of or a revision to that authority?

FACTORS ASSOCIATED WITH THE REQUEST

Mark "X" for all that apply:

	(Base Adjustment) Allocation of statewide employee benefits.
X	(Base Adjustment) Realignment within existing programs and lines.
	(Base Adjustment) Restructuring of agency programs – *requires pre-approval*.
	Change in cost of providing current services to existing program audience.
	Change in case load / enrollment under existing program guidelines.
	Non-mandated change in eligibility / enrollment for existing program.
	Non-mandated program change in service levels or areas.
	Proposed establishment of a new program or initiative.
	Loss of federal or other external financial support for existing program.
	Exhaustion of fund balances previously used to support program.

RECIPIENTS OF FUNDS	N/A. Net change is zero.

What individuals or entities would receive these funds (contractors, vendors, grantees, individual beneficiaries, etc.)? How would these funds be allocated – using an existing formula, through a competitive process, based upon predetermined eligibility criteria?

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RELATED REQUEST(S)	No.

Is this decision package associated with other decision packages requested by your agency or other agencies this year? Is it associated with a specific capital or non-recurring request?

MATCHING FUNDS	N/A. Net change is zero.

Would these funds be matched by federal, institutional, philanthropic, or other resources? If so, identify the source, amount, and terms of the match requirement.

FUNDING ALTERNATIVES	N/A. Net change is zero.

What other possible funding sources were considered? Could this request be met in whole or in part with the use of other resources, including fund balances? If so, please comment on the sustainability of such an approach.

SUMMARY	This request is being submitted to realign PEBA's base budget within I. Administration to reflect the approved salary for the newly elected Executive Director per the Agency Head Salary Commission.

Provide a summary of the rationale for the decision package. Why has it been requested? How specifically would the requested funds be used? If the request is related to information security or information technology, explain its relationship to the agency's security or technology plan.

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METHOD OF CALCULATION	Per the Agency Head Salary Commission.

How was the amount of the request calculated? What factors could cause deviations between the request and the amount that could ultimately be required in order to perform the underlying work?

FUTURE IMPACT	No.

Will the state incur any maintenance-of-effort or other obligations by adopting this decision package? What impact will there be on future capital and/or operating budgets if this request is or is not honored? Has a source of any such funds been identified and/or obtained by your agency?

PRIORITIZATION	N/A. Net change is zero.

If no or insufficient new funds are available in order to meet this need, how would the agency prefer to proceed? By using fund balances, generating new revenue, cutting other programs, or deferring action on this request in FY 2015-16?

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INTENDED IMPACT	N/A

What impact is this decision package intended to have on service delivery and program outcomes, and over what period of time?

PROGRAM EVALUATION	N/A

How would the use of these funds be evaluated? What specific outcome or performance measures would be used to assess the effectiveness of this program?

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FORM D – PROVISO REVISION REQUEST

NUMBER	**105.12** *Cite the proviso according to the renumbered list for FY 2015-16 (or mark "NEW").*
TITLE	**PEBA: Pharmacy Benefit Manager Audit** *Provide the title from the FY 2014-15 Appropriations Act or suggest a short title for any new request.*
BUDGET PROGRAM	**N/A** *Identify the associated budget program(s) by name and budget section.*
DECISION PACKAGE	No. *Is this request associated with a decision package you have submitted for FY 2015-16? If so, cite it here.*
REQUESTED ACTION	**Delete** *Choose from: Add, Delete, Amend, or Codify.*
OTHER AGENCIES AFFECTED	N/A *Which other agencies would be affected by the recommended action? How?*
SUMMARY	**105.12.** (PEBA: Pharmacy Benefit Manager Audit) By September 1, 2014, the Public Employee Benefit Authority shall have prepared a detailed report and have prepared an independent audit of its contract with Catamaran for Pharmacy Benefit Manager services to ensure, among other things, that fair and equitable reimbursement practices are being followed. The independent auditor must have experience in conducting Pharmacy Benefit Manager services audits. *Summarize the existing proviso. If requesting a new proviso, describe the current state of affairs without it.*

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EXPLANATION	Deletion requested as report was submitted by due date of September 1, 2014.

Explain the need for your requested action. For deletion requests due to recent codification, please identify SC Code section where language now appears.

FISCAL IMPACT	N/A

Provide estimates of any fiscal impacts associated with this proviso, whether for state, federal, or other funds. Explain the method of calculation.

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PROPOSED PROVISO TEXT	~~(PEBA: Pharmacy Benefit Manager Audit) By September 1, 2014, the Public Employee Benefit Authority shall have prepared a detailed report and have prepared an independent audit of its contract with Catamaran for Pharmacy Benefit Manager services to ensure, among other things, that fair and equitable reimbursement practices are being followed. The independent auditor must have experience in conducting Pharmacy Benefit Manager services audits.~~

Paste FY 2014-15 text above, then bold and underline insertions and strikethrough deletions. For new proviso requests, enter requested text above.

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FORM D – PROVISO REVISION REQUEST

NUMBER	**105.13** *Cite the proviso according to the renumbered list for FY 2015-16 (or mark "NEW").*
TITLE	**PEBA: Litigation Review** *Provide the title from the FY 2014-15 Appropriations Act or suggest a short title for any new request.*
BUDGET PROGRAM	**N/A** *Identify the associated budget program(s) by name and budget section.*
DECISION PACKAGE	No. *Is this request associated with a decision package you have submitted for FY 2015-16? If so, cite it here.*
REQUESTED ACTION	**Delete** *Choose from: Add, Delete, Amend, or Codify.*
OTHER AGENCIES AFFECTED	N/A *Which other agencies would be affected by the recommended action? How?*
SUMMARY	**105.13.** (PEBA: Litigation Review) The Public Employee Benefit Authority shall submit to the Chairman of the Senate Finance Committee and the Chairman of the House Ways and Means Committee, no later than December 1, 2014, a report on the settlement between the State of South Carolina and the Bank of New York Mellon that provides review and comment upon the benefits of the settlement for the employees and retirees of South Carolina. In conducting the review and preparing the report, the Public Employee Benefit Authority may use appropriated or available funds as necessary to retain independent expert assistance, including legal counsel of its choosing. *Summarize the existing proviso. If requesting a new proviso, describe the current state of affairs without it.*

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EXPLANATION	Deletion requested as report is due and will be submitted by December 1, 2014.

Explain the need for your requested action. For deletion requests due to recent codification, please identify SC Code section where language now appears.

FISCAL IMPACT	N/A

Provide estimates of any fiscal impacts associated with this proviso, whether for state, federal, or other funds. Explain the method of calculation.

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PROPOSED PROVISO TEXT	~~(PEBA: Litigation Review) The Public Employee Benefit Authority shall submit to the Chairman of the Senate Finance Committee and the Chairman of the House Ways and Means Committee, no later than December 1, 2014, a report on the settlement between the State of South Carolina and the Bank of New York Mellon that provides review and comment upon the benefits of the settlement for the employees and retirees of South Carolina. In conducting the review and preparing the report, the Public Employee Benefit Authority may use appropriated or available funds as necessary to retain independent expert assistance, including legal counsel of its choosing.~~

Paste FY 2014-15 text above, then bold and underline insertions and strikethrough deletions. For new proviso requests, enter requested text above.

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FORM D – PROVISO REVISION REQUEST

NUMBER	**105.15** *Cite the proviso according to the renumbered list for FY 2015-16 (or mark "NEW").*
TITLE	**PEBA: Self-Insured Group Health Benefits Plan** *Provide the title from the FY 2014-15 Appropriations Act or suggest a short title for any new request.*
BUDGET PROGRAM	**N/A** *Identify the associated budget program(s) by name and budget section.*
DECISION PACKAGE	No *Is this request associated with a decision package you have submitted for FY 2015-16? If so, cite it here.*
REQUESTED ACTION	**Delete** *Choose from: Add, Delete, Amend, or Codify.*
OTHER AGENCIES AFFECTED	N/A *Which other agencies would be affected by the recommended action? How?*
SUMMARY	**105.15.** (PEBA: Self-Insured Group Health Benefits Plan) Effective January 1, 2015, the self-insured group health benefits plan for state employees and retirees established under Section 1-11-710 et seq. (the State Health Plan) and administered by the Public Employee Benefit Authority pursuant to Section 9-4-10 et seq. (PEBA) shall reimburse all pharmacies participating in the State Health Plan's retail pharmacy network on an equal and uniform per-product basis. This requirement applies whether the network is established via direct contract with the State Health Plan or via an authorized pharmacy benefit manager. *Summarize the existing proviso. If requesting a new proviso, describe the current state of affairs without it.*

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EXPLANATION	Deletion requested as pricing for pharmacy was resolved with an amendment to the contract with the pharmacy benefit manager.

Explain the need for your requested action. For deletion requests due to recent codification, please identify SC Code section where language now appears.

FISCAL IMPACT	N/A

Provide estimates of any fiscal impacts associated with this proviso, whether for state, federal, or other funds. Explain the method of calculation.

PROPOSED PROVISO TEXT

~~(PEBA: Self-Insured Group Health Benefits Plan) Effective January 1, 2015, the self-insured group health benefits plan for state employees and retirees established under Section 1-11-710 et seq. (the State Health Plan) and administered by the Public Employee Benefit Authority pursuant to Section 9-4-10 et seq. (PEBA) shall reimburse all pharmacies participating in the State Health Plan's retail pharmacy network on an equal and uniform per-product basis. This requirement applies whether the network is established via direct contract with the State Health Plan or via an authorized pharmacy benefit manager.~~

Paste FY 2014-15 text above, then bold and underline insertions and strikethrough deletions. For new proviso requests, enter requested text above.