

Committee on Actuarial Valuation of Retired Employees' Health Benefits
August 31, 2023

Committee members attending: Chief Deputy Budget Director Kristin Walker (Presiding), State Treasurer Dale Folwell, State Controller Nels Roseland, and State Health Plan Executive Administrator Sam Watts.

Others attending: Mary Ellen Burns, Jim Dolan, Laura Klem, Elizabeth John, Troy Scoggins, and Virginia Sisson (State Controller); Joan Fontes (State Treasurer); Patrick Kinlaw and Charles Sceiford (State Health Plan); Ben Agsten, Mary Grace Corr, Lanier McRee, and Jessica Robinson (OSBM); David Vanderweide (FRD); and Daniel Rhodes, Kenneth Vieira, Peter Wang, and Stewart Wohl (Segal).

The Committee met by conference call and convened at 2:00 p.m. Ms. Walker welcomed those in attendance and welcomed Nels Roseland to the committee. Ms. Walker read the Ethics Awareness and Conflict of Interest Reminder statement. No member indicated a conflict.

Ms. Walker asked for a motion to adopt the Committee meeting minutes from May 31, 2023. Treasurer Folwell made a motion to adopt the minutes and Nels Roseland seconded this motion. The motion passed with all members voting aye.

Daniel Rhodes, Segal Company, began by noting that they have presented the Committee with two documents: the first being a summary of results then presented the GASB 74 report. There has been an increase in liability from the last report. Sam Watts asked about the percentage of the OPEB plan currently at 10.73% funding in relation to the pension funding level at roughly 95% percentage. Treasurer Folwell noted that the increase in liability has not taken the future change that comes from Medicare Advantage and changes in enrollment once the state health plan changes from Blue Cross Blue Shield to Aetna has not been factored in heavily enough.

Daniel Rhodes presented the sensitivity of valuation results as part of the report appendix related to funded contributions. The Total actuarially determined contribution could cover the contribution deficiencies and bring the plan to full funding in future years. Sam Watts mentioned that there is a long-term worry that receipt funded agencies may push back on required contributions into the pay-as-you-go plan when employees are not covered by the plan.

Ms. Walker asked for a motion for a vote on the report and valuation. Nels Roseland made a motion to approve the report and valuation noting that we need to report for the ACFR in November. Sam Watts seconded. The motion passed with Nels Roseland, Sam Watts, and Kristin Walker voting aye. Treasurer Dale Folwell voted nay.

Director Walker made the motion to adjourn, and Sam Watts seconded. The motion to adjourn passed with all members voting aye and the meeting concluded at 3:05pm.

Jessica Robinson
August 31, 2023