

A regular meeting of the **Michigan Public School Employees Retirement System Board** was held at the General Office Building, 7150 Harris Drive, Conference Room A, Dimondale, Michigan, on Thursday, July 30, 2015. The following members, staff, and observers participated:

Members Present: C. Dan Christner, Retiree Member
Stephen Epstein, General Public Member, Investment Experience
Scott Koenigsknecht, Active Superintendent Member
Kevin Philipps, Representing Finance/Operations, non-Superintendents
Michael Ringuette, General Public Member, Actuarial Experience
Christine Veld, Non-Certified Educational Support Member
Larry Ward, Reporting Unit Board of Control Member (Via Phone)

Staff Present: Kerrie Vanden Bosch, Acting Executive Secretary
Chanda Donnan, Recording Secretary

Others Present: Regina Jamerson and Branko Bojicic of Blue Cross Blue Shield of Michigan; Cara Dobie of Capitol Services; Paula Brawdy of Priority Health; Richard Williams of Williams and Co.; Ronda Daugherty with Truven Health; Brian Morris, Ben Louagie and Gin Gibson of Towers Watson; Trudy Lehman of Delta Dental; Mandy Hitsman, Chuck Abshagen, Sharon Abshagen, Nicholas Colvos and Mark Guastella of Michigan Association of Retired School Personnel; Jocelyn Hain and Tracy Stephenson of Optum Rx; Patrick Fitzgerald of the Office of Attorney General; Erica Waltz of the Office of Retirement Services.

Call to Order

Chair Scott Koenigsknecht called the meeting to order at 10:42 a.m.

Excusing of Absent Members

Stephen Epstein moved, Kevin Philipps supported, to excuse the absences of Ivy Bailey, Mike Engle, Brian Whiston, Timothy Nelson and Timothy Raymer. The motion carried unanimously.

Approval of Agenda

Michael Ringuette moved, Kevin Philipps supported, to revise the agenda by moving agenda item 10. A. Special Reports to follow agenda item 7. New Pension Recipients. The motion carried unanimously.

Election of Officers

Acting Executive Secretary Kerrie Vanden Bosch asked the Nominating Committee for recommendations for the office of chair. On behalf of the Committee, Michael Ringuette nominated Scott Koenigsknecht for the office of chair. Ms. Vanden Bosch asked if there were any further nominations from the floor. Being no further nominations, Ms. Vanden Bosch closed the nominations and a voice vote was taken unanimously approving Scott Koenigsknecht for the office of chair.

Chair Scott Koenigsknecht asked the Nominating Committee for recommendations for the office of vice-chair. On behalf of the Committee, Stephen Epstein nominated Michael Ringuette for the office of vice-chair. Mr. Koenigsknecht asked if there were further nominations from the floor. Being no further nominations, Mr. Koenigsknecht closed the nominations and a voice vote was taken unanimously approving Michael Ringuette for the office of vice-chair.

Approval of Minutes

Michael Ringuette moved, Christine Veld supported, to approve the regular session meeting minutes of May 28, 2015. The motion carried unanimously.

Special Reports

Jocelyn Hain of Catamaran, presented the 2013 Managed Prescription Drug Program Report to Board members and answered questions.

Administrative Hearings

Proposal for Decision – Docket 15-009069-ORS

The Board considered the case materials. Michael Ringuette moved, Christine Veld supported, that the Board adopt as its own the recommendations of the Presiding Officer in the June 16, 2015 Proposal for Decision, including the proposed Findings of Fact and Conclusions of Law, and deny Petitioner's application for non-duty disability retirement benefits under MCL 38.1386. The motion carried unanimously.

Proposal for Decision – Docket 14-033541-ORS

The Board considered the case materials. Stephen Epstein moved, Kevin Philipps supported, that the Board adopt as its own the recommendations of the Presiding Officer in the April 10, 2015 Proposal for Decision, including the proposed Findings of Fact and Conclusions of Law, and deny Petitioner's application for non-duty disability retirement benefits under MCL 38.1386. The motion carried unanimously.

Proposal for Decision – Docket 14-038063-ORS

The Board considered the case materials. Michael Ringuette moved, Stephen Epstein supported, that the Board adopt as its own the recommendations of the Presiding Officer in the April 18, 2015 Proposal for Decision, including the proposed Findings of Fact and Conclusions of Law, and deny Petitioner's request to make a retiree health care election under MCL 38.1391a. The motion carried unanimously.

Proposal for Decision – Docket 14-026225-ORS

The Board considered the case materials. Stephen Epstein moved, Kevin Philipps supported, that the Board adopt as its own the recommendations of the Presiding Officer in the June 15, 2015 Proposal for Decision, including the proposed Findings of Fact and Conclusions of Law, and deny Petitioner's application for non-duty disability under MCL 38.1386. The motion carried unanimously.

Proposal for Decision – Docket 15-004821-ORS

The Board considered the case materials. Michael Ringuette moved, Dan Christner supported, that the Board adopt as its own the recommendations of the Presiding Officer in the May 27, 2015 Proposal for Decision, including the proposed Findings of Fact and Conclusions of Law, and deny Petitioner's request to change his retirement plan election under MCL 38.1359. The motion carried unanimously.

New Business

Resolution for Board Consideration and Approval

Stephen Epstein moved, Larry Ward supported, that the Board adopt the Resolution honoring Michael Flanagan, Superintendent of Public Instruction as presented. The motion carried unanimously.

Standing Reports

Legislative Summary - The Board received the current report.

Health Insurance Committee – 2016-2017 Health Care Initiatives

Ben Louagie of Towers Watson provided an update to the recommendation to address the cost gap and answered questions. Stephen Epstein moved, Kevin Philipps supported, that the Board accept the recommendation of the Health Insurance Committee in its entirety and update the plan in accordance with today's presentation, to:

- Adjust the medical deductible and out of pocket maximum to reflect inflation
- Adjust the emergency room copay to mirror Medicare

- Exclude me-too drugs from the formulary
- Move to a central fill specialty pharmacy for all specialty medications effective January 1, 2017
- Provide benefit enhancements by covering colonoscopies, flu vaccines, Licensed Master Social Worker mental health services, and dental implants. Furthermore, remove the deductible requirement for hospice care

The motion carried unanimously.

Executive Secretary Comments

Ms. Vanden Bosch informed the Board that Catamaran had been acquired by OptumRx and while we will soon see a change in branding we will not in services.

Board Comments

Chair Koenigsknecht thanked Ms. Vanden Bosch and Chanda Donnan for their work in implementing electronic delivery of board meeting materials, and also thanked the Office of Retirement Services and Towers Watson for their work in producing cost saving initiatives to help protect the system.

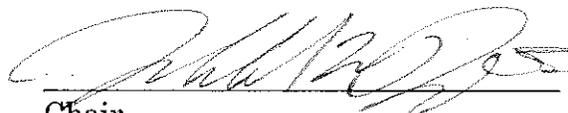
Public Comments

Comments were received from Mark Guastella.

Adjournment

Stephen Epstein moved, Michael Ringuette supported, that the meeting be adjourned. The motion carried unanimously and Chair Koenigsknecht adjourned the meeting at 12:28 p.m.

OFFICIAL MINUTES



Chair


Executive Secretary