

Committee on Actuarial Valuation of Retired Employees' Health Benefits

August 29, 2024
Meeting Minutes

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: Lanier McRee, Ben Agsten, Loretta Peace-Bunch, and Mary Grace Corr (OSBM); David Vanderweide, Mary Schuler (NCGA Fiscal Research Division); Robert Burrell (Segal); Troy Scoggins, Charles Sceiford (Treasurer's Office);

The Committee met by conference call and convened at 3:20 p.m. Director Walker welcomed those in attendance took official attendance (*see Committee members attending above*). Director Walker read the Ethics Awareness and Conflict of Interest Reminder statement. No member indicated a conflict.

Director Walker asked for a motion to adopt the Committee meeting minutes from May 31, 2024. Treasurer Folwell made a motion to adopt the minutes and Nels Roseland seconded this motion. The motion passed with all members voting aye.

Next, Director Walker introduced Robert Burrell to explain findings from their valuations.

Robert Burrell started by outlining the changes from the prior report, including starting claims costs, revised short-term trend assumptions, plan election and migration assumptions, updated employer contributions, inflation reduction act, removal of GLP-1 AOM coverage, and discount rate.

Details of the valuation's findings are attached.

Controller Nels Roseland moved to approve the report by Segal. Treasurer Dale Folwell seconded the motion. The motion was approved unanimously.

Director Walker opened the meeting for discussion among the group. Treasurer Dale Folwell noted that for the first time in eight years, the plan is moving in the wrong direction. Sam Watts added that he appreciated Segal's management of expectations to keep them realistic. The NC Health Plan is experiencing significant shortfalls. Controller Nels Roseland asked if there is a timeline on when the strain on benefits provide a significant challenge. Mr. Burrell hopes that the decrease in contributions by employers will level things out, and the investments assets will start paying off soon.

Sam Watts moved to adjourn the meeting, and it was approved unanimously.

The Committee adjourned at 3:47 p.m.

Mary Grace Corr