

PSERS Health Care Committee Charter

Article II Section 6

I. Purpose and Authority

The primary purpose of the Health Care Committee (“Committee”) is to assist the Board in fulfilling its fiduciary oversight responsibilities with respect to the health insurance program.

The Board hereby delegates all necessary power and authority to the Committee for the Committee to perform the duties and responsibilities described in this Charter. Nothing in this Charter shall be construed as giving the Committee the authority to take any action on behalf of the Board or Board Chairperson without first obtaining the approval of the Board.

II. Composition

The Committee shall consist of five (5) current members of the Board.

The Committee shall elect its Chair and Vice-Chair as provided for in the Bylaws.

The Deputy Executive Director and Director of Defined Contribution Investments will be the primary staff liaison with the Committee.

III. Meetings

Committee meetings shall be conducted in accordance with the Bylaws. The Committee shall meet at least four (4) times every year. The Committee Chair, after consulting with the Committee Members, shall set the dates and times of the committee meetings and request that the Secretary of the Board provide notice of meetings in accordance with the Bylaws.

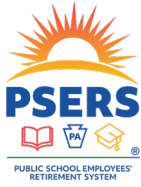
IV. Responsibilities

A. *Conduct activities on behalf of the Board*

1. Conduct the search (using any of the methods of source selection defined in the Procurement Code) for the health plan consultant, with the assistance of staff, and make recommendations to the Board. The Committee should ensure the search is conducted for the health plan consultant contract at least every five (5) years unless the Board directs otherwise.
2. Evaluate the performance of all health plan service providers necessary or desirable for the administration of the health plan annually. The Committee should ensure that RFPs are conducted for each key service provider contract at least every five (5) years unless the Board chooses otherwise.

B. *Recommend direction and policy to the full Board*

1. Annually identify anticipated health insurance policy priorities and establish a calendar of anticipated policy decisions and discuss with the Board.
2. Review and recommend vital signs and metrics for health insurance and identify tolerances for acceptable vs. unacceptable variability in performance.



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C. Recommend approval of key decisions

1. Make recommendations to the Board regarding changes to the health insurance programs and to the Premium Assistance Program, including, but not limited to, changes to the type or level of benefits offered to retirees and the scope of the health insurance programs; and shall recommend the annual administrative budgets for the health insurance and Premium Assistance Programs.

D. Oversee Board-approved direction

1. Monitor and review the operations of the health insurance programs which the System offers to its retirees and their dependents.
2. Monitor and review the Premium Assistance Program which the System administers for the purpose of reimbursing eligible retirees for out-of-pocket health insurance premium expenses

E. Obtain independent verification

1. Periodically obtain appropriate health plan benchmarking information which compares the PSERS health insurance program to peer programs with respect to cost and outcomes and to present the results to the Board.

V. Reporting to the Board

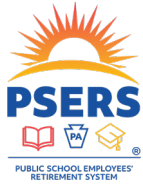
The Committee Chair, with the support of staff, is responsible for reporting on the Committee's activities and recommendations to the Board. Subsequent to each Committee meeting, the Chair should provide:

- Minutes summarizing the Committee's deliberations;
- Documentation in support of any recommendations to the Board; and
- The proposed agenda for the next Committee meeting.

The Chair should ensure that the Board receives sufficient and reliable information to enable the Board to fulfill its fiduciary responsibility of monitoring and overseeing PSERS governance.

VI. Self-Evaluation

The Committee shall conduct a self-evaluation of the Committee's performance as part of the Board's self-evaluation process. In addition to identifying opportunities for the Committee to improve, the self-evaluation should also seek to identify unmet trustee continuing education needs to be communicated to the Board Governance Committee to add to the curriculum.

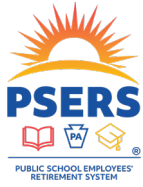


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VII. Frequency of Review / History

The Committee shall collaborate with PSERS staff and the Office of Chief Counsel to review this Committee Charter at least every three years. The Committee shall recommend any changes to the Board, as appropriate.



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Document Properties

Document Owner: PSERS Board

Document Author: PSERS Board – Health Care Committee

Summary of Changes:

Date	Version	Author	Summary
March 15, 2022	1.0	Funston Advisory Services and Health Care Committee	
June 17, 2022	2.0	Health Care Committee	<ul style="list-style-type: none"> • Removed redundant language regarding Committee composition. • Clarified language regarding procurement of consultants. • Removed language regarding elections misplaced in this Charter and relocated to Governance and Administration Charter. • Moved misplaced recommendation language regarding health care programs from Part B. to Part C.