

**PUBLIC SCHOOL EMPLOYEES' RETIREMENT BOARD**  
**5 North Fifth Street**  
**Harrisburg, Pennsylvania**

**Special  
Board Meeting**

**Minutes**

**August 22, 2008**  
**4:06 P.M.**

**Board Members Present by Telephone**

Ms. Melva S. Vogler , Chairman  
Ms. Rebecca May Cole for Representative Dwight Evans  
Mr. Glen S. Galante  
Mr. Hal Moss  
Mr. Andrew Ritter for Representative Steven R. Nickol  
Mr. Richard N. Rose  
Mr. James M. Sando  
Ms. Sally J. Turley  
Mr. Leo Pandeladis for Treasurer Robin L. Wiessmann  
Mr. Scott Sikorski for Senator Rob Wonderling  
Mr. Everette James for Secretary Gerald L. Zahorchak

**Committee Members Absent**

Ms. Tina Byles Williams  
Senator Vincent J. Fumo  
Mr. Thomas J. Gentzel  
Ms. Patricia A. Tozer

**Staff Present**

Mr. Jeffrey B. Clay  
Ms. Sydna Boyer  
Ms. Barbara Flurie  
Mr. Gerald Gornish  
Mr. Richard Michlovitz  
Ms. Donna Peterson  
Ms. Terrill J. Savidge  
Mr. Mark F. Schafer  
Mr. Steve Skoff  
Ms. Evelyn Tatkovski

**Staff Present by Telephone**

Mr. Joseph E. Wasiak, Jr.

**Others Present by Telephone**

Mr. Ed Kaplan, The Segal Company  
Mr. Richard Johnson, The Segal  
Company

CALL TO ORDER

Chairman Vogler called the meeting to order at 4:06 P.M. in the fourth floor Board Room at PSERS' headquarters.

HEALTH CARE COMMITTEE REPORT

Ms. Turley reported on the meeting held on August 22, 2008.

EXECUTIVE SESSION

Ms. Turley reported that the Committee met in Executive Session to discuss the status of the PSERS/Highmark contract negotiations for the proposed Medicare Private Fee-for-Service Plan.

PSERS/HIGHMARK  
CONTRACT  
NEGOTIATIONS

Ms. Turley moved that the Board approve the recommendation of Executive Director Jeffrey B. Clay in his memorandum dated August 21, 2008 that (i) all current HOP Medicare Advantage and pre-65 managed care participants shall have the option to remain in their current plans or benefits for Plan Year 2009 or to elect another of the 2009 HOP plan options and (ii) effective January 1, 2009, all new HOP Medicare Advantage and pre-65 managed care plan enrollees shall be enrolled in the new Highmark Medicare Advantage plan or pre-65 managed care plan, as the case may be.

Further resolved, that effective January 1, 2009, the monthly premium rates and benefits for the new Highmark Medicare Advantage plan and pre-65 managed care plan shall be as recommended by Mark F. Schafer in his memorandum dated August 20, 2008 and previous reports dated August 2008 (the report entitled 2009 Premium Rates and Benefits and the report entitled Summarizing the Negotiations with Highmark), subject to final contract negotiations. The final terms and conditions of the contracts for said plans shall be acceptable to the Health Insurance Administrator, the Office of Chief Counsel, and the Office of the Executive Director, as evidenced by the appropriate signatures on the implementing contract or by a memo to that effect appended to the implementing contract. If the final contract negotiations result in a substantial change in either the recommended rates or benefits, or cannot be concluded successfully by 12:00 P.M. on September 1, 2008, then:

- the existing Plan Year (PY) 2008 plan structure for the HOP's Medicare Advantage plans and pre-65 managed care plans will remain the same for PY 2009; and

- the status of the proposed Highmark Medicare Advantage plan and pre-65 managed care plan will be brought back to the Board, through its Health Care Committee at its September 2008 meeting, for further action, if any.

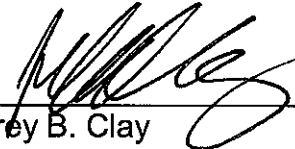
Further resolved, that this Resolution shall supersede PSERB Resolution 2008-65 (August 14, 2008) in its entirety and said Resolution shall be without further force or effect.

Mr. Rose seconded the motion, which passed unanimously.

Chairman Vogler adjourned the meeting at 4:07 P.M. The next regularly scheduled meeting of the Board of Trustees of the Public School Employees' Retirement Board will be held on September 26, 2008, in PSERS Board Room, 5 North 5<sup>th</sup> Street, Harrisburg, PA.

ADJOURNMENT AND  
NEXT REGULARLY  
SCHEDULED MEETING

Date 9/15/08

Approved   
Jeffrey B. Clay  
Executive Director