

**Committee on Actuarial Valuation of Retired Employees' Health Benefits**  
**May 31, 2023 at 11:00 a.m.**  
**Meeting Minutes**

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

**Others attending:** Robin Deaver, Rodney Bizzell, and Emma Turner (Treasurer's Office); Charles Sceiford (State Health Plan); Ben Agsten, Mary Grace Corr, Zavia Dickerson, Devin Rouson, Kelly Hopkins, and Zeren Chen (OSBM); and Robert Burrell, and Kenneth Vieira (Segal).

The Committee met by conference call and convened at 11:00 a.m. Director Walker welcomed those in attendance.

Director Walker read the Ethics Awareness and Conflict of Interest Reminder statement. No member indicated a conflict. Director Walker invited Committee members to share any opening remarks. No opening remarks were made.

Charles Sceiford introduced Robert Burrell from Segal to provide an update on the valuation.

Mr. Burrell began his presentation on the Segal valuation, noting that it has been updated based on working group feedback and that today's discussion will review the highlights of the assumption recommendations. He noted that certain assumptions are tied to pension plan assumptions, some are set by Segal as the health actuary, and some are required by GASB.

Mr. Burrell outlined important dates for this valuation – the valuation date itself will be December 31st, 2023, the measurement date will be June 30th, 2024, and under GASB 74, the reporting date must be the same as the measurement date. However, under GASB 75, the reporting date is June 30th, 2024. Segal will provide the 2024 GASB 74 report in at the August 29, 2024 OPEB meeting and the 2025 GASB 75 report in January or February of 2025.

Next Mr. Burrell outlined the assumptions set by the health actuary annually – substantive plan, plan changes, claims cost rates, Medicare advantage, short term health trends, prescription rate, migration assumption, tobacco attestation, administrative expense rates, employer/employee contributions, ultimate health trends, Medicare eligibility, and morbidity.

Then, Mr. Burrell outlined the GASB 74/75 assumptions and methods for accounting – actuarial cost method, discount rate, expense methodology, and application of expense to contributing employers (agencies).

Finally, Mr. Burrell outlined the timeline for the valuation moving forward:

- August 7, 2024 - Financial Operations Division provides final FYE RHBT Financial Statements to Segal

- August 13, 2024 - "Working Group" receives Segal DRAFT GASB 74 Report
- August 16, 2024 - Segal Presents draft GASB 74 Report to "Working Group"
- August 23, 2024 - "Working Group" Submits Report revisions
- August 29, 2024 - Segal provides FINAL GASB 74 Report; Segal presentation; OPEB Committee consensus as to GASB 74 Report acceptance
- December 15, 2024 - Segal provides draft GASB 75 Report and Allocation Tables
- February 7, 2025 - FOD asks questions, clarifications, and comments regarding GASB 75 Report and Allocation Tables
- February 21, 2025 - Segal provides Final GASB 75 Report and Allocation Tables

Controller Nels Roseland moved to approve the valuation assumptions; Treasurer Dale Folwell seconded the motion. The valuation assumptions were approved unanimously.

The Committee adjourned at 11:46 a.m.

Mary Grace Corr  
May 31, 2024