



*North Carolina*  
**State Health Plan**  
FOR TEACHERS AND STATE EMPLOYEES



## Proposed Open Enrollment Strategy for 2017

*Board of Trustees Meeting*

February 5, 2016

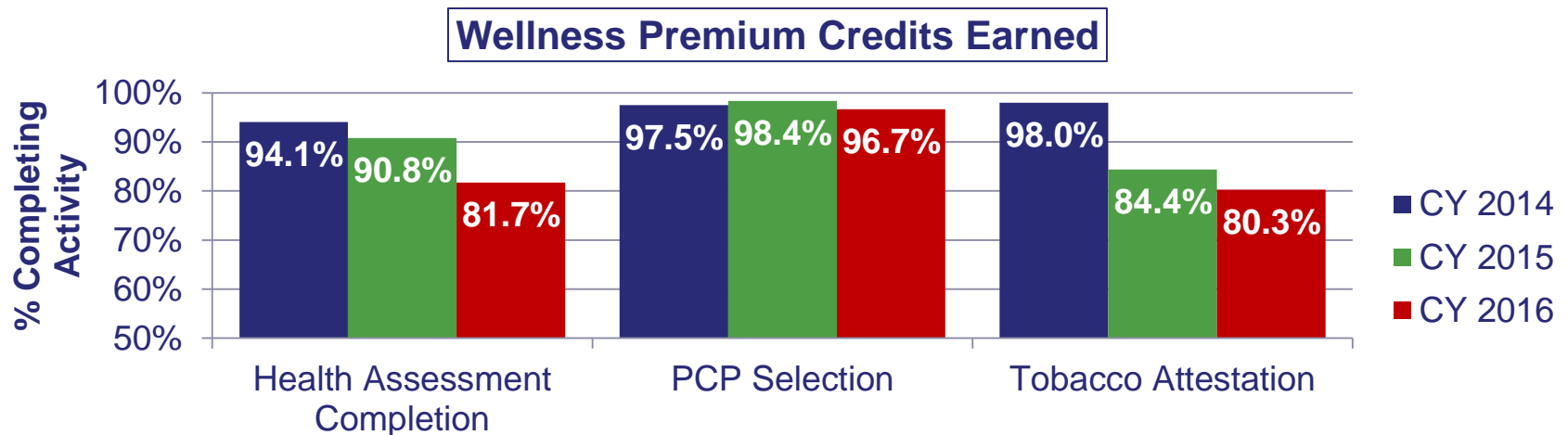
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*A Division of the Department of State Treasurer*

# 2017 Open Enrollment: Non-Medicare Primary Subscribers Default Strategy

The year that we introduced wellness premium credits into the enrollment strategy was the year that our members had the most success completing them.

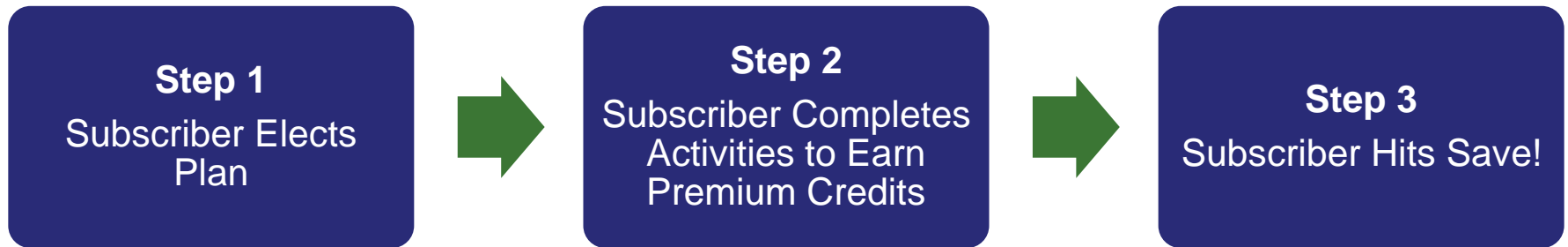
- **2014 Open Enrollment (OE)** – All members were moved to the Traditional 70/30 Plan and subscribers had to elect a higher value plan **and** complete healthy activities to earn premium credits
- **2015 & 2016 OE** – Members remained in the plan they elected for 2014 and if they did not want to change plans, only had to complete some of the wellness premium credits during OE



# 2017 Open Enrollment: Non-Medicare Primary Subscribers Default Strategy

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- Based on the first three years of experience, Plan staff believes the best strategy to engage members during OE is to move everyone back to the Traditional 70/30 as a starting point.
- Communicating that they **must take action** to elect the plan of their choice seems to resonate more with members. Like they did in year one, members will have to elect a higher value plan **and** complete the wellness premium credits.



- This strategy may have financial implications for employees beyond earning premium credits if a base premium is added to the Traditional 70/30 plan.

# 2017 Open Enrollment: Premium Credit Strategy

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- Similar to the default enrollment strategy, Plan staff believes the best course of action for the wellness premium credits is to require subscribers to complete all three credits again by the end of OE.
- By requiring subscribers to complete all three activities, there should be less confusion about what is required during OE. Subscribers will have to take action to enroll in the plan of their choice **and** to reduce their premiums.
  - **PCP Selections** – All subscribers will have to select a PCP for themselves and any enrolled dependents during OE. **Even if they had elected a PCP for a previous plan year, they will have to re-select a PCP during OE to earn the wellness premium credit for 2017.**
  - **Health Assessment** – All subscribers will have to complete a new Health Assessment to earn the credit for 2017. Their answers to the previous years' assessment will be removed, and they will need to complete the entire assessment. The time period for the completion will be shortened as well. Instead of allowing members to have a year from the last Annual Enrollment, members will have to complete the Health Assessment between March 1, 2016, and the end of OE.

# 2017 Open Enrollment: Premium Credit Strategy (continued)

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- **Tobacco Attestation** – Instead of requiring the subscriber to attest that he or she and if applicable, his or her spouse, is not a tobacco user or is participating in a tobacco cessation program, Plan staff proposes streamlining it so that the subscriber only attests to his or her tobacco status:



Non-tobacco user or



Tobacco user who agrees to participate in the QuitlineNC or



Tobacco user

- Those who attest that they agree to participate in the QuitlineNC will have their enrollment in that program validated. They will not receive the credit unless they have enrolled in that program.

# 2017 Open Enrollment: Premium Credit Strategy

- While the strategy for wellness premium credit completion is the same for both active and retired non-Medicare primary subscribers, only the active subscribers will have a tobacco attestation on the Traditional 70/30 plan.

2017 Wellness Premium Credits						
Active Subscribers				Non-Medicare Prime Retirees		
Plan Option	Traditional 70/30	Enhanced 80/20	CDHP	Traditional 70/30	Enhanced 80/20	CDHP
Premium Credits	Tobacco Attestation	Tobacco Attestation	Tobacco Attestation		Tobacco Attestation	Tobacco Attestation
		Health Assessment	Health Assessment		Health Assessment	Health Assessment
		PCP Election	PCP Election		PCP Election	PCP Election

# 2017 Open Enrollment Non-Medicare Primary Subscribers Recommendation

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Plan staff recommends all Non-Medicare primary subscribers be defaulted to the Traditional 70/30 Plan and required to take action to select either the Enhanced 80/20 Plan or CDHP for the 2017 benefit year if they do not want coverage under the Traditional 70/30 Plan.

# 2017 Wellness Premium Credits – PCP Selection Recommendation

2017 Wellness Premium Credits		
Traditional 70/30 PPO	Enhanced 80/20 PPO	Consumer-Directed Health Plan
NA	PCP Selection Each family member must select a PCP \$25	PCP Selection Each family member must select a PCP \$20



Plan staff recommends that non-Medicare primary subscribers be required to **re-select a valid PCP for each family member during the Open Enrollment period** to receive the PCP selection credit for 2017.



# 2017 Wellness Premium Credits – Health Assessment Recommendation

2017 Wellness Premium Credits		
Traditional 70/30 PPO	Enhanced 80/20 PPO	Consumer-Directed Health Plan
NA	Health Assessment (HA) Subscriber must complete HA \$25	Health Assessment (HA) Subscriber must complete HA \$20



Plan staff recommends that non-Medicare primary subscribers be required to **complete a new Health Assessment by the end of the Open Enrollment period** to receive the HA credit for 2017. The HA will be available for completion beginning March 1, 2016.

# 2017 Wellness Premium Credits – Tobacco Attestation Recommendation

2017 Wellness Premium Credits		
Traditional 70/30 PPO	Enhanced 80/20 PPO	Consumer-Directed Health Plan
<b>*Tobacco Attestation Applies to Subscriber Only \$40</b>	<b>Tobacco Attestation Applies to Subscriber Only \$40</b>	<b>Tobacco Attestation Applies to Subscriber Only \$40</b>



Plan staff recommends that non-Medicare primary subscribers be required to **attest to being a non-tobacco user or to enrolling in the QuitlineNC cessation program during the Open Enrollment period** to receive the tobacco premium credit for 2017.

*\*Does not apply to Retirees*

# Medicare Primary Enrollment

- Plan staff prefers a passive enrollment for existing Medicare Primary Retirees, Dependents and Surviving Dependents who have already made a Medicare Primary election.
- However, the Plan will not have information on renewal pricing (i.e. the fully insured premium rates applicable for 2017) from the Medicare Advantage carriers until later this year.
- Depending on the results of those discussions, Plan staff may recommend a different enrollment approach and will present a recommendation for Board approval at a later date.

Preferred Medicare Primary Enrollment Approach	
Member Type	Open Enrollment Type
Existing Medicare Primary Retirees, Dependents and Surviving Dependents	<b>Passive</b> - Unless they make a new election during Open Enrollment, they will remain in the Medicare Primary Plan they had previously elected
New Medicare Primary Enrollees (New Medicare Primary Retirees or Members who will age into Medicare primacy in November, December, January)	<b>Active</b> - Member will be auto-enrolled into a Medicare Advantage Base Plan and have the option to elect any of the other three Medicare Advantage Plans or the Traditional 70/30 Plan