

**Board of Trustees Meeting/Webinar
Minutes
December 15, 2020**

The meeting, in person and via webinar, of the North Carolina State Health Plan for Teachers and State Employees (Plan) Board of Trustees was called to order by Chair Dale R. Folwell at approximately 1:00 p.m. on Tuesday, December 15, 2020. The meeting adjourned at 3:25 p.m.

Board Members Present in person and via Webinar: Dale R. Folwell, Charles Perusse, Ted Brinn, Larry Chewning, Russell Duke, Wayne Fish, Lisa Grimes, Kim Hargett, Donald Martin, Peter Robie

Welcome

Chair Folwell welcomed the Board and members of the public to the meeting. He reviewed the rules for conducting remote meetings.

- a. Board members shall announce their name when speaking.
- b. All chats, instant messages, texts, or other written communications between members of the public body regarding the transaction of the public business during the remote meeting are deemed a public record.
- c. All votes shall be by roll call.

Conflict of Interest

No conflicts of interest were noted.

Reading of SEI Statements into Minutes Pursuant to the Ethics Act § 138A-15(c)

In the attached packet are new and updated Statement of Economic Interest (SEI) evaluations issued by the State Ethics Commission. These are being provided for Board members' review and for recording in the meeting minutes pursuant to the requirements of the State Government Ethics Act. Members are encouraged to review the updated evaluations to inform and remind them of the identified actual or potential conflicts of interest.

Public Comment Period

A State Health Plan member, who provided written information to the Board prior to the meeting, requested that Plan staff and the Board consider moving her from the 70/30 plan to the 80/20 plan. She stated that her enrollment information, sent via U.S. mail, arrived at her residence after the Open Enrollment period ended. Her case is currently being reviewed by the Office of Administrative Hearings.

A State Health Plan member was recently referred to a specialist by her primary care provider. Following the appointment, she received a bill that far exceeded the specialist copay amount, due to

facility charges. She requested the opportunity to work with Plan staff to rectify the cost of the 15-minute visit and encouraged the Plan build a system that promotes transparency and value-based care and eliminates waste and abuse.

Board Approval

Minutes – September 22, 2020, Meeting

Board Vote: Motion by Dr. Robie; second by Ms. Hargett; roll call vote was taken; unanimous approval by Board

Operational Updates

Clear Pricing Project (CPP) Phase II Update

Dee Jones, Executive Director for the Plan, provided an update on Phase II of the CPP. Phase I ended with approximately 25,000 providers joining. More than 1,000 new providers joined during the Open Window enrollment period, September 15-October 15, 2020.

During Phase II, an enhanced bundled payments program was developed and became effective October 1, 2020. Four orthopedic groups around the state participate in the program which includes bundled payments for total and partial knee replacements, total and partial hip replacements and total shoulder replacement. Deductibles are waived for members who qualify for the program.

Plan staff are working with an Alliance of Independent CPP providers (Value Alliance). This group, along with the Professional Consulting Group (PCG) provides support and feedback as the Plan builds a system based on transparency and support for independent providers. The goal is to provide members with lower cost opportunities by selecting and continuing care with a CPP provider.

Board Comments and Questions Addressed:

Most members wouldn't need to travel more than two hours to see one of the current orthopedic groups participating in the bundled payment program. Ideally, the Plan would have orthopedic providers in the program east of I-95 and north of I-40.

Financial Update – October 30, 2020 and COVID-19 Costs

Matthew Rish, Sr. Director of Finance, Planning & Analytics stated that revenue was nearly flat through the first four months of the fiscal year. Total Plan expenses and net income was favorable compared to the authorized budget. The Calendar Year results were somewhat different, with Plan revenue and the ending cash balance both under budget. Total Plan expenses were approximately \$139 million under budget.

Mr. Rish compared 2019 and 2020 calendar and fiscal year-to-date numbers. Plan revenue on the fiscal year-to-date report in 2020 is approximately 2% above where it was in 2019. Total Plan expenses and net income were both unfavorable in 2020 compared to 2019. The calendar year-to-date comparison demonstrated a similar report. Net claims payments were approximately 3% higher in 2020, which was less than the normal trend of approximately 5-6%.

Mr. Rish noted that the Plan has experienced increased administrative expenses with both Blue Cross North Carolina and Benefitfocus. He also stated that the Health Insurance Tax (HIT) was not in effect in 2019 but was assessed in 2020.

Board Comments and Questions Addressed:

The Health Insurance tax is a fee charged to insurance companies under the Affordable Care Act. Since 2014, the tax was collected in every year except 2017 and 2019. The cost to the Plan is approximately \$25 per member per month.

COVID-19 costs through November 30, 2020 and financial projections for calendar year 2021 were presented to the board. The total cost for tests, screening and treatment was approximately \$54.4 million. The Plan's internal projection of COVID-19 costs through 2021 is approximately \$194 million. Mr. Rish noted that the Plan is working closely with Blue Cross NC and Segal and stated that the projected cost for 2020 may be low given the increase in COVID-19 cases since October 1.

Mr. Rish also provided the number of telehealth visits and related costs from quarter 1, 2019 through quarter 3, 2020. The total number of telehealth visits in all of 2019 was 5,138 compared to 386,312 through the first three quarters in 2020. The cost of paid telehealth visits increased from \$289,460 to \$47,174,522 during the same time period.

Vaccine costs will be the Plan's responsibility at some point and wasn't included in the 2021 projections.

Of particular note, in the fiscal year 2021 projection, is the decline in Plan revenue. The adjustments made to the Plan's funding at the end of 2018 started a 'yo-yo' effect. Mr. Rish noted that with the fiscal year splitting the plan year, it's necessary to manage the numbers in both cycles so as not to exceed the caps set by legislation for employer premiums. The Plan experiences a volatile circle from year to year and 2021 is a projected down period for revenue. In addition, claims are expected to increase by 12% due to deferred care in 2020.

CPP providers also received increased reimbursement rates, which the Plan took into account. However, the increased payments for telehealth visits weren't anticipated. The Plan will continue to monitor costs.

Board Comments and Questions Addressed:

Chair Folwell acknowledged Plan staff and the Department's Legislative Liaison, Sam Watts, for aggressively lobbying the Governor and Office of State Budget and Management (OSBM) to reimburse the Plan for COVID-19 testing and treatment costs. Charles Perusse, OSBM Director, stated that this was due, in large part, to a timing issue between receipt and allocation of funds from the Coronavirus Aid, Relief, and Economic Security (CARES) Act. He added that this issue is a top priority and that back in the May/June legislative session, the amount needed by the Plan was unknown. Mr. Perusse will discuss reimbursement to the Plan with the Governor.

The majority of money NC received from the CARES Act has been allocated.

The Plan should be prepared for the cost of treatment of members who may suffer long-term due to the residual effects from COVID-19. This may include emotional/behavioral symptoms that aren't as readily definable.

Chair Folwell also requested an update on the restoration of employer contribution rates for Retiree Health and to the State Health Plan to the amounts in S.L. 2019-209. Mr. Perusse stated that it depends on federal funding, but that he's well aware of what is owed to the Plan and appreciates the improvement in benefits offered by the Plan.

Through November 30, 2020, 213,000 tests have been completed for 132,000 Plan members. It was noted that, depending on a member's place of employment, more COVID-19 tests are required for individuals.

Telehealth visits could well play a major role in the future as providers and patients become more comfortable with the technology and level of care provided. The Plan will continue to pay for telehealth visits through March 2021. There are payment modifiers depending on the service and type of provider.

The Plan is taking recent trends into account and could see higher COVID-19 related services in the first quarter of 2021, with those services significantly decreasing by the end of the year. Mental Health visits would be figured into the trends and assumptions.

Open Enrollment Wrap-up

Beth Horner, Director of Customer Experience & Communications, provided an update on results from the Plan's recent Open Enrollment period, which was conducted October 15-31, 2020. Non-Medicare members were moved to the 70/30 plan and had to take action if they wanted to enroll in the 80/20 plan or reduce their monthly premium. Medicare eligible members were moved from the UnitedHealthcare Base Plan to the Humana Medicare Advantage (MA) Base Plan and had the option of enrolling in the Humana Enhanced MA plan.

The Plan received positive feedback for offering more webinars and telephone town hall meetings in lieu of in person meetings this year. In addition, the Plan provided virtual training to Health Benefit Representatives (HBRs) over the summer and relied on them to share OE information with their employees.

Among active members, approximately 94% completed the tobacco attestation and the same percentage of members completed OE. Community colleges had the highest rate of OE completion among its employees. Approximately 75% of the Medicare primary members enrolled in the Humana Base Plan and 16% enrolled in the 70/30 plan. The Medicare Advantage Open Enrollment period is January 1-March 31, 2021. State Health Plan Medicare members in either the Base or the Enhanced Humana MA plans will have the opportunity to make one change during this period.

Plan membership increased by 7,342 members, bringing the total to approximately 749,000 covered lives. The number of members who have filed enrollment exceptions, so far, this year is less than half of what it was last year.

Board Comments and Questions Addressed:

The Plan produced a short, succinct video on benefits and OE which was much appreciated. The video was distributed to Union County Schools this year and it would be great if we could partner with the Department of Public Instruction to make a video like this mandatory for all school employees, like so many other videos are mandatory.

Some HBRs do an outstanding job of conveying information from the Plan to their employees. The Plan doesn't have the capability to track individual agency divisions or specific schools to determine where problems in disseminating information might exist.

Each exception request is reviewed, and a decision is made on its own merit. There's not a standard formula for approving or denying a request.

The Plan's cost for Medicare primary members in the 70/30 plan in 2019 was \$325 per member per month (PMPM). The Plan is funded at \$403 PMPM. The loss ratio is 81%.

2022 Benefit/Plan Design Changes

Caroline Smart, Sr. Director, Plan Integration reviewed the proposed 2022 benefit changes. The Plan is reviewing behavioral health copay reduction options for CPP providers, as well as incentives for non-preventive colonoscopies and CPP hospitals and expanding coverage for hearing aids. A financial analysis for the proposed changes is pending.

Open Session Closing Comments and Questions Addressed:

Congratulations to the Treasurer for winning a second term.

Remember essential employees who work every day around people who have COVID-19.

Expression of support for the direction in which the Plan is headed.

Important to continue reviewing trends.

Use contacts to influence legislature.

Discussion regarding money owed to SHP was very informative.

Chair Folwell expressed appreciation for the board comments and thanked Mr. Perusse for his commitment to reimburse the Plan and making it a top priority. He stated that if the Plan can get hospitals onboard with the CPP, North Carolina could be known as the state with transparent health care. He also shared his personal experience with COVID-19 and encouraged everyone to remember healthcare employees on the front line.

Chair Folwell requested a motion to move into executive session, remembering the police officers who recently lost their lives in the line of duty: Jared Allison and Tyler Herndon.

Board Vote to Move into Executive Session: Motion by Mr. Brinn; second by Mr. Chewning; roll call vote was taken; unanimous approval by Board to move into executive session.

Executive Session

COBRA Administration and Billing Services Contract

Ted Enarson, Sr. Director, Contracting and Compliance, presented a new COBRA Administration and Billing Services Contract to the Board for approval. The Plan's current contract for these services with iTEDIUM will expire on December 31, 2020.

On February 15, 2019, the Plan issued a Request for Information (RFI) in order to explore the COBRA Administration and Billing Services capabilities of other potential vendors and received four responses. After review of the responses, the Plan decided that it was in the best interest of the State to forego issuing a Request for Proposals (RFP) and instead utilize its procurement exemption to seek a new Contract with iTEDIUM.

Even though the Plan is entering into a new contract with the same vendor, several enhancements were made to the contract. These enhancements include: the Scope of Work being more inclusive of the work being performed, more targeted Performance Guarantees, enhanced Terms and Conditions, and

enhanced data security requirements.

Mr. Enarson presented the Plan's cost analysis performed by the Plan's Actuary Charles Sceiford. The cost analysis included a rate comparison between the current contract dating back to 2017 and the new contract. As a result of negotiations with iTEDIUM, the administrative fee per subscriber per month will remain the same as 2020 for 2021-2023 and then increase for each of the optional renewal years. The retirement system fee per subscriber per month will also remain the same as 2020 for 2021-2023 and then increase for the first optional renewal year, remaining flat for the second optional renewal year. Even though the rates will remain constant, the total cost to the Plan is expected to increase slightly in each of the first three years of the contract due to a projection for more subscribers.

Board Vote: Motion by Ms. Grimes; second by Judge Duke; roll call vote was taken; unanimous vote by Board to approve the COBRA Administration and Billing Services Contract.

Return to Open Session

Board Vote: Motion by Dr. Robie; second by Ms. Hargett; roll call vote was taken; unanimous approval by Board

Adjournment

Board Vote: Motion by Mr. Brinn; second by Mr. Chewning; roll call vote was taken; unanimous approval by Board to adjourn at 3:25 p.m.

Minutes submitted by: Kendall Bourdon, Acting Secretary

Approved by: _____


Dale R. Folwell, CPA, Chair

**State Health Plan Board of Trustees Meeting/Webinar – Tracking/Voting
December 15, 2020**

Board Member	Present for Quorum	Conflict of Interest	9/22/ 2020 Minutes	Exec Session	Affirm Alone	COBRA Contract	Open Session	Adjourn
Motion			Robie	Brinn		Grimes	Robie	Brinn
Second			Hargett	Chewing		Duke	Hargett	Chewing
Brinn, Ted	Y Y Y	N	Yes	Motion		Yes	Yes	Motion
Chewing, Larry	Y Y Y	N	Yes	Motion		Yes	Yes	Motion
Duke, Rusty	Y Y Y	N	Yes	Yes		Motion	Yes	Yes
Fish, Wayne	Y Y Y	N	Yes	Yes		Yes	Yes	Yes
Grimes, Lisa	Y Y Y	N	Yes	Yes		Motion	Yes	Yes
Hargett, Kim	Y Y Y	N	Motion	Yes		Yes	Motion	Yes
Martin, Donald	Y Y Y	N	Yes	Yes		Yes	Yes	Yes
Robie, Pete	Y Y Y	N	Motion	Yes		Yes	Motion	Yes
Perusse, Charles	Y	N		Non-Voting Member				
Folwell, Dale	Y Y Y	N		Votes Only in Event of Tie				
RESULT	8 voting members	None Noted	Unanimous	Unanimous		Unanimous	Unanimous	Unanimous

State Health Plan Board Meeting – December 15, 2020

3. Reading of SEI Statements into Minutes

In the following packet are Statement of Economic Interest (SEI) evaluation letters issued by the State Ethics Commission. These are being provided for Agency members' review and for recording in the meeting minutes pursuant to the requirements of the State Government Ethics Act. Members are encouraged to review the evaluations to inform and remind them of the identified actual or potential conflicts of interest.

The SEI Evaluations being provided are:

- Dale Folwell**
- Wilbur Ted Brinn**
- Larry Chewning**
- Donald Martin**



STATE ETHICS COMMISSION

POST OFFICE BOX 27685

RALEIGH, NC 27611

PHONE: 919-814-3600

Via Email

September 24, 2020

The Honorable Dale R. Folwell
North Carolina Department of State Treasurer
3200 Atlantic Avenue
Raleigh, North Carolina 27604

**Re: Evaluation of Statement of Economic Interest by Mr. Wilbur T. Brinn
Member of the State Health Plan Board of Trustees**

Dear Treasurer Folwell:

Our office has received **Mr. Wilbur T. Brinn's** 2019 Statement of Economic Interest and 2020 No-Change Form as a member of the **State Health Plan Board of Trustees ("the Board")**. We have reviewed the 2019 Statement of Economic Interest for actual and potential conflicts of interest pursuant to Chapter 138A of the North Carolina General Statutes ("N.C.G.S."), also known as the State Government Ethics Act (the "Act").

Compliance with the Act and avoidance of conflicts of interest in the performance of public duties are the responsibilities of every covered person, regardless of this letter's contents. This letter, meanwhile, is not meant to impugn the integrity of the covered person in any way. This letter is required by N.C.G.S. § 138A-28(a) and is designed to educate the covered person as to potential issues that could merit particular attention. Advice on compliance with the Act is available to certain public servants and legislative employees under N.C.G.S. § 138A-13.

We did not find an actual conflict of interest, but found the potential for a conflict of interest. The potential conflict identified does not prohibit service on this entity.

The State Health Plan insures more than 663,000 state employees, teachers, retirees, current and former lawmakers, state university and community college personnel, state hospital staff and their dependents. The State Health Plan Board of Trustees ("the Board") is statutorily charged with approving the benefits programs, premium rates, co-pays, deductibles, coinsurance maximums, and large contracts for the Plan. The Board also oversees administrative reviews and appeals and is charged with developing and maintaining a strategic plan.

The Act establishes ethical standards for certain public servants, and prohibits public servants from: (1) using their positions for their financial benefit or for the benefit of their extended family or business, N.C.G.S. § 138A-31; and (2) participating in official actions from which they or certain associated persons might receive a reasonably foreseeable financial benefit, N.C.G.S. § 138A-36(a). The Act also

requires public servants to take appropriate steps to remove themselves from proceedings in which their impartiality might reasonably be questioned due to a familial, personal, or financial relationship with a participant in those proceedings. N.C.G.S. § 138A-36(c).

Mr. Brinn fills the role of a member appointed by the State Treasurer. Because his spouse is a self-employed contractor who provides medical records scanning services, he has the potential for a conflict of interest. Therefore, Mr. Brinn should exercise appropriate caution in the performance of his public duties, should issues involving his spouse's medical records business come before the Board for official action.

In addition to the conflicts standards noted above, the Act prohibits public servants from accepting gifts from (1) a lobbyist or lobbyist principal, (2) a person or entity that is seeking to do business with the public servant's agency, is regulated or controlled by that agency, or has financial interests that might be affected by their official actions, or (3) anyone in return for being influenced in the discharge of their official responsibilities. N.C.G.S. § 138A-32. Exceptions to the gifts restrictions are set out in N.C.G.S. § 138A-32(e).

When this letter cites an actual or potential conflict of interest under N.C.G.S. § 138A-24(e), the conflict must be recorded in the minutes of the applicable board and brought to the membership's attention by the board's chair as often as necessary to remind all members of the conflict and to help ensure compliance with the Act. N.C.G.S. § 138A-15(c).

Finally, the Act mandates that all public servants attend an ethics and lobbying education presentation. N.C.G.S. § 138A-14. Please review the attached document for additional information concerning this requirement.

Please contact our office if you have any questions concerning our evaluation or the ethical standards governing public servants under the Act.

Sincerely,



Mary Roerden, SEI Unit
State Ethics Commission

cc: Wilbur T. Brinn
Laura Rowe, Ethics Liaison

Attachment: Ethics Education Guide



STATE ETHICS COMMISSION

POST OFFICE BOX 27685

RALEIGH, NC 27611

PHONE: 919-814-3600

Via Email

October 12, 2020

The Honorable Tim Moore
Speaker of the House of Representatives
16 West Jones Street, Room 2304
Raleigh, North Carolina 27601-1096

**Re: Evaluation of Statement of Economic Interest Filed by Mr. Lawrence "Larry" Chewning
Member of the State Health Plan Board of Trustees**

Dear Speaker Moore:

Our office has received **Mr. Lawrence "Larry" Chewning's** 2020 Statement of Economic Interest as a member of the **State Health Plan Board of Trustees (the "Board")**. We have reviewed it for actual and potential conflicts of interest pursuant to Chapter 138A of the North Carolina General Statutes ("N.C.G.S."), also known as the State Government Ethics Act (the "Act").

Compliance with the Act and avoidance of conflicts of interest in the performance of public duties are the responsibilities of every covered person, regardless of this letter's contents. This letter, meanwhile, is not meant to impugn the integrity of the covered person in any way. This letter is required by N.C.G.S. § 138A-28(a) and is designed to educate the covered person as to potential issues that could merit particular attention. Advice on compliance with the Act is available to certain public servants and legislative employees under N.C.G.S. § 138A-13.

We did not find an actual conflict of interest, but found the potential for a conflict of interest. The potential conflict identified does not prohibit service on this entity.

The State Health Plan insures more than over 720,000 state employees, teachers, retirees, current and former lawmakers, state university and community college personnel, state hospital staff and their dependents. The State Health Plan Board of Trustees ("the Board") is statutorily charged with approving the benefits programs, premium rates, co-pays, deductibles, coinsurance maximums, and large contracts for the Plan. The Board also oversees administrative reviews and appeals and is charged with developing and maintaining a strategic plan.

The Act establishes ethical standards for certain public servants, and prohibits public servants from: (1) using their positions for their financial benefit or for the benefit of their extended family or business, N.C.G.S. § 138A-31; and (2) participating in official actions from which they or certain associated persons might receive a reasonably foreseeable financial benefit, N.C.G.S. § 138A-36(a). The Act also requires public servants to take appropriate steps to remove themselves from proceedings in which their impartiality might reasonably be questioned due to a familial, personal, or financial relationship with a participant in those proceedings. N.C.G.S. § 138A-36(c).

Mr. Chewning fills the role on the Board of an expert in health economics. He is a retired chief executive officer of UNC Nash Health Care which participates in the State Health Plan. Mr. Chewning also serves as a board member for the Neighbor Clinic. In addition, Mr. Chewning received income from Rex Hospital and has worked as an independent contractor for the North Carolina Healthcare Association and for the healthcare finance company, Wellingham Financial. Therefore, Mr. Chewning has the potential for a conflict of interest and should exercise appropriate caution in the performance of his public duties should issues involving any of these entities come before the Board for official action.

In addition to the conflicts standards noted above, the Act prohibits public servants from accepting gifts from (1) a lobbyist or lobbyist principal, (2) a person or entity that is seeking to do business with the public servant's agency, is regulated or controlled by that agency, or has financial interests that might be affected by their official actions, or (3) anyone in return for being influenced in the discharge of their official responsibilities. N.C.G.S. § 138A-32. Exceptions to the gifts restrictions are set out in N.C.G.S. § 138A-32(e).

When this letter cites an actual or potential conflict of interest under N.C.G.S. § 138A-24(e), the conflict must be recorded in the minutes of the applicable board and brought to the membership's attention by the board's chair as often as necessary to remind all members of the conflict and to help ensure compliance with the Act. N.C.G.S. § 138A-15(c).

Finally, the Act mandates that all public servants attend an ethics and lobbying education presentation. N.C.G.S. § 138A-14. Please review the attached document for additional information concerning this requirement.

Please contact our office if you have any questions concerning our evaluation or the ethical standards governing public servants under the Act.

Sincerely,



Mary Roerden, SEI Unit
State Ethics Commission

cc: Lawrence "Larry" Chewning
Laura Rowe, Ethics Liaison

Attachment: Ethics Education Guide



STATE ETHICS COMMISSION

POST OFFICE BOX 27685

RALEIGH, NC 27611

PHONE: 919-814-3600

Via Email

October 12, 2020

The Honorable Dale R. Folwell
North Carolina Department of State Treasurer
3200 Atlantic Avenue
Raleigh, North Carolina 27604

**Re: Evaluation of Statement of Economic Interest
Member of the State Health Plan Board of Trustees**

Dear Treasurer Folwell:

Our office has received your 2020 Statement of Economic Interest as a member of the **State Health Plan Board of Trustees (the "Board")**. We have reviewed it for actual and potential conflicts of interest pursuant to Chapter 138A of the North Carolina General Statutes ("N.C.G.S."), also known as the State Government Ethics Act (the "Act").

Compliance with the Act and avoidance of conflicts of interest in the performance of public duties are the responsibilities of every covered person, regardless of this letter's contents. This letter, meanwhile, is not meant to impugn the integrity of the covered person in any way. This letter is required by N.C.G.S. § 138A-28(a) and is designed to educate the covered person as to potential issues that could merit particular attention. Advice on compliance with the Act is available to certain public servants and legislative employees under N.C.G.S. § 138A-13.

We did not find an actual conflict of interest, but found the potential for a conflict of interest. The potential conflict identified does not prohibit service on this entity.

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As the Treasurer of the State of North Carolina, you hold an ex officio role on the Board. Because you are an employee covered by the State Health Plan, you have the potential for a conflict of interest. Therefore, you should exercise appropriate caution in the performance of your public duties should issues involving your benefits come before the Board for official action.

In addition to the conflicts standards noted above, the Act prohibits public servants from accepting gifts from (1) a lobbyist or lobbyist principal, (2) a person or entity that is seeking to do business with the public servant's agency, is regulated or controlled by that agency, or has financial interests that might be affected by their official actions, or (3) anyone in return for being influenced in the discharge of their official responsibilities. N.C.G.S. § 138A-32. Exceptions to the gifts restrictions are set out in N.C.G.S. § 138A-32(e).

When this letter cites an actual or potential conflict of interest under N.C.G.S. § 138A-24(e), the conflict must be recorded in the minutes of the applicable board and brought to the membership's attention by the board's chair as often as necessary to remind all members of the conflict and to help ensure compliance with the Act. N.C.G.S. § 138A-15(c).

Finally, the Act mandates that all public servants attend an ethics and lobbying education presentation. N.C.G.S. § 138A-14. Please review the attached document for additional information concerning this requirement.

Please contact our office if you have any questions concerning our evaluation or the ethical standards governing public servants under the Act.

Sincerely,



Mary Roerden, SEI Unit
State Ethics Commission

cc: Laura Rowe, Ethics Liaison
Attachment: Ethics Education Guide



STATE ETHICS COMMISSION

POST OFFICE BOX 27685

RALEIGH, NC 27611

PHONE: 919-814-3600

Via Email

September 25, 2020

The Honorable Tim Moore
Speaker of the House of Representatives
16 West Jones Street, Room 2304
Raleigh, North Carolina 27601-1096

**Re: Evaluation of Statement of Economic Interest Filed by Dr. Donald L. Martin Jr.
Member of the State Health Plan Board of Trustees**

Dear Speaker Moore:

Our office has received **Dr. Donald L. Martin Jr.**'s 2020 Statement of Economic Interest as a member of the **State Health Plan Board of Trustees (the "Board")**. We have reviewed it for actual and potential conflicts of interest pursuant to Chapter 138A of the North Carolina General Statutes ("N.C.G.S."), also known as the State Government Ethics Act (the "Act").

Compliance with the Act and avoidance of conflicts of interest in the performance of public duties are the responsibilities of every covered person, regardless of this letter's contents. This letter, meanwhile, is not meant to impugn the integrity of the covered person in any way. This letter is required by N.C.G.S. § 138A-28(a) and is designed to educate the covered person as to potential issues that could merit particular attention. Advice on compliance with the Act is available to certain public servants and legislative employees under N.C.G.S. § 138A-13.

We did not find an actual conflict of interest, but found the potential for a conflict of interest. The potential conflict identified does not prohibit service on this entity.

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Dr. Martin fills the role of a member on the Board who is a retired educator. He is a former Superintendent of the Winston-Salem/Forsyth County Schools. Dr. Martin is an education consultant employed by Eury Consulting Services and serves as a Forsyth County Commissioner. In addition, he is the Director of the Northwest Regional Education Alliance. Considering these interests, he has the potential for a conflict of interest. Therefore, Dr. Martin should exercise appropriate caution in the performance of his public duties, should issues involving his benefits, his spouse's benefits or any of the aforementioned entities come before the Board for official action.

In addition to the conflicts standards noted above, the Act prohibits public servants from accepting gifts from (1) a lobbyist or lobbyist principal, (2) a person or entity that is seeking to do business with the public servant's agency, is regulated or controlled by that agency, or has financial interests that might be affected by their official actions, or (3) anyone in return for being influenced in the discharge of their official responsibilities. N.C.G.S. § 138A-32. Exceptions to the gifts restrictions are set out in N.C.G.S. § 138A-32(e).

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Finally, the Act mandates that all public servants attend an ethics and lobbying education presentation. N.C.G.S. § 138A-14. Please review the attached document for additional information concerning this requirement.

Please contact our office if you have any questions concerning our evaluation or the ethical standards governing public servants under the Act.

Sincerely,



Mary Roerden, SEI Unit
State Ethics Commission

cc: Dr. Donald L. Martin Jr.
Laura Rowe, Ethics Liaison

Attachment: Ethics Education Guide