



**Board of Trustees Webinar Minutes
April 6, 2020**

The meeting, via webinar, of the N.C. State Health Plan for Teachers and State Employees (the Plan) Board of Trustees was called to order by Acting Chair, Chris M. Farr, at approximately 1:00 p.m. on Monday, April 6, 2020.

Board Members Participating: Dale R. Folwell, Charles Perusse, Ted Brinn, Larry Chewing, Wayne Fish, Kim Hargett, Lisa Grimes, Donald Martin, Peter Robie, Margaret Way

Welcome

Acting Chair Farr welcomed Board members to the webinar, noting that Chair Folwell was on the call but that she would be chairing the meeting.

Conflict of Interest

No conflicts of interest were noted.

Board Approval

Minutes – February 28, 2020 Meeting

Board Vote: Motion by Dr. Martin; second by Dr. Robie; unanimous approval by Board.

Minutes – March 12, 2020 Webinar

Board Vote: Motion by Mr. Brinn; second by Ms. Hargett; unanimous approval by Board.

Operational Updates

2021 Medicare Advantage Enhanced Plan Benefits

Caroline Smart, Senior Director of Plan Integration, provided historical information regarding the Medicare Advantage plans and the proposed 2021 plan design options for the Medicare Advantage Enhanced Plan. In order to provide more value for Plan members and to ensure the Enhanced plan remained affordable, Plan staff worked with Humana to increase the cost-share for some services in order to decrease the member copay in other areas.

Board Comments and Questions Addressed:

- In order to determine where the member cost-share could be decreased and increased, Plan staff reviewed the services members used more and less frequently.
- The correct language used for prescriptions in 2021 should be a 30-day supply, rather than a 31-day supply. The language is different depending on the vendor.
- The Board vote is only for the proposed 2021 changes outlined on pages 5-7 of the presentation. Everything else remains the same.

Current 2020 Plan Design				Proposed for 2021
Plan Design Feature	70/30 Plan	Medicare Advantage Base	Medicare Advantage Enhanced	Medicare Advantage Enhanced
Annual Deductible	\$1,500 in-network \$3,000 out-of-network	\$0	\$0	\$0
Annual OOP	\$5,900 in-network \$11,800 out-of-network	\$4,000	\$3,300	\$3,300
Preventive Svcs	\$0	\$0	\$0	\$0
PCP Visits	\$45, or \$30 if PCP on ID card used	\$20	\$15	\$10
Specialist Visits	\$94	\$40	\$35	\$35
Lab Visits	If done in office, no additional fee; if outpatient, deductible/coinsurance	\$40	\$20	\$10
Chiropractic Visits	\$72	\$20	\$20	\$20

Current 2020 Plan Design				Proposed for 2021
Plan Design Feature	70/30 Plan	Medicare Advantage Base	Medicare Advantage Enhanced	Medicare Advantage Enhanced
Urgent Care	\$100	\$50	\$40	\$40
Emergency Room	\$337 + Deductible/Coinsurance	\$65	\$65	\$65
Outpatient Hospital	Deductible/Coinsurance	\$125	\$100	\$100
Outpatient Surgery in ASC	Deductible/Coinsurance	\$250	\$250	\$250
Radiology - OP	Deductible/Coinsurance	\$40	\$25	\$40
Radiation Therapy	Deductible/Coinsurance	\$40	\$10	\$40
Inpatient Hospital	\$337 + Deductible/Coinsurance	\$160 – Days 1-10	\$150 – Days 1-10	\$125 Days 1-10
Partial Hospitalization	Deductible/Coinsurance	\$55	\$55	\$15

Current 2020 Plan Design				Proposed for 2021
Rx Plan Design Feature	70/30 Plan	Medicare Advantage Base	Medicare Advantage Enhanced	Medicare Advantage Enhanced
Rx Out-of-Pocket	NA	\$2,500	\$2,500	\$2,500
Tier 1	\$16 / 30-day supply \$48 / 90-day supply	\$10 / 31-day supply \$24 / 90-day supply	\$10 / 31-day supply \$20 / 90-day supply	\$10 / 30-day supply \$24 / 90-day supply
Tier 2	\$47 / 30-day supply \$141 / 90-day supply	\$40 / 31-day supply \$80 / 90-day supply	\$35 / 31-day supply \$70 / 90-day supply	\$40 / 30-day supply \$80 / 90-day supply
Tier 3	Deductible/Coinsurance	\$64 / 31-day supply \$128 / 90-day supply	\$50 / 31-day supply \$100 / 90-day supply	\$50 / 30-day supply \$100 / 90-day supply
Tier 4	\$200 / 30-day supply \$600 / 90-day supply	25% up to \$100 / 30 day supply 25% up to \$300 / 90 day supply	25% up to \$100 / 31 day supply 25% up to \$200 / 90 day supply	25% up to \$100 / 30 day supply 25% up to \$200 / 90 day supply*
Tier 5	\$350 / 30-day supply \$1,050 / 90-day supply	NA	NA	NA
Tier 6	Deductible/Coinsurance	NA	NA	NA

Group Medicare Advantage (PPO) Enhanced Plan Recommendation

Requires Board Vote

- Group Medicare Advantage (PPO) Enhanced Plan
 - Approve plan design for the Medicare Advantage (PPO) Enhanced Plan as outlined on slides 5-7.

Board Vote on Group Medicare Advantage (PPO) Enhanced Plan Recommendation: Motion by Mr. Chewning; second by Dr. Robie; unanimous approval by Board

2021 Open Enrollment Strategy – All Plans

Beth Horner, Director of Customer Experience and Communications, provided historical information on the default enrollment strategy since 2014. The enrollment process proved to be more successful during the years where non-Medicare primary members were moved to the 70/30 Plan and had to engage and take action if they wanted to be in another plan.

Plan staff recommended that non-Medicare primary members default to the 70/30 Plan at the start of Open Enrollment (OE) and take action if they want to move to the 80/20 Plan. The Plan recommended that Medicare Primary members in the Medicare Advantage Enhanced Plan default to the Medicare Advantage Base Plan. Members would still have the opportunity to select another plan during OE in October.

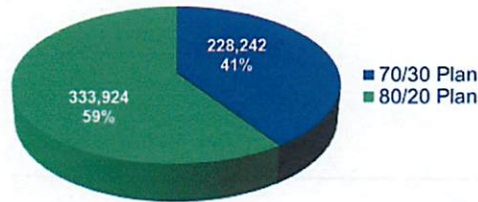
Board Comments and Questions Addressed:

- Navigating between plan options is quite simple during the OE period. Members can either change to another plan online or via phone.
- The Plan wants to ensure that members truly understand the difference between the Medicare Advantage Enhanced and Basic Plans. However, with the Enhanced plan likely being premium free for dependents, more members may choose this option.
- The recommended Open Enrollment strategy provides consistent messaging to our Non-Medicare members in that, members need to remain engaged and take action each year to review their coverage.

Enrollment Strategy Recommendation (Non-Medicare Primary)

Requires Board Vote

- Move all subscribers to the 70/30 Plan for the start of OE.
 - If subscriber has no other changes, then the only requirement would be to complete the tobacco attestation and follow the enrollment workflow through to the final save button.

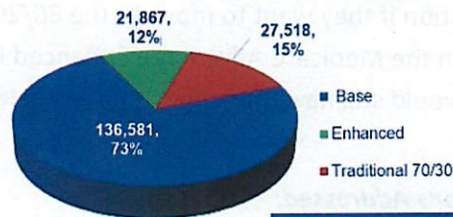


Board Vote on the 2021 Enrollment Strategy for Non-Medicare Primary Members: Motion by Ms. Hargett; second by Ms. Grimes; unanimous approval by Board.

Medicare Primary Enrollment Strategy Recommendation

Requires Board Vote

- Move all members currently in the Enhanced Medicare Advantage Plan to the Base Medicare Advantage Plan at the start of OE.
 - All other Medicare Primary members will remain in the plan they are currently enrolled in or have the opportunity to change plans during OE.



185,966 Medicare Members

Board Vote on the 2021 Enrollment Strategy for Medicare Primary Members: Motion by Ms. Way; second by Dr. Martin; unanimous approval by Board.

COVID-19 Status

Dee Jones, Executive Director, thanked Plan staff for their hard work, given the significant additional activity generated by COVID-19. She also expressed appreciation to Chris Farr for her leadership during Treasurer Folwell's absence and to the Board for their support during this unprecedented event. The Plan will continue to provide information to the Board on a monthly basis, as well as the financial impact of COVID-19 after the crisis has subsided.

Ms. Jones stated that the Plan will continue to collaborate with Blue Cross and Blue Shield of North Carolina (Blue Cross NC) and CVS to assist members while continuing to maintain its fiduciary responsibility. To date, the Plan has announced:

- Primary Care Provider (PCP), Urgent Care and Specialist visits, including tele-health, and COVID-19 testing will be a \$0 copay and will not be subject to deductible/coinsurance during this time. It was noted that Clear Pricing Project (CPP) providers are benefiting from increased reimbursement for COVID-19-related tele-health services.
- Continued work with CVS to further define a policy regarding early refills for maintenance medications.
- COVID-19 diagnosis-related treatment will be covered at no cost for members effective immediately through June 1, 2020.

Matt Rish, Senior Director of Finance, Planning and Analytics, stated that the Plan's Actuarial Consulting vendor, Segal, is modeling various scenarios on the potential financial impact of COVID-19-related costs. The modeling is based on national and regional numbers, as well as information from other Segal clients, taking into account prevalence, severity, testing, treatment, hospitalization, etc.

The potential financial impact for COVID-19-related costs could range anywhere from \$12 million to \$85 million, depending on many factors. He noted that some of the costs could be offset by other scheduled medical procedures and surgeries that Plan members have postponed.

Board members expressed appreciation to Ms. Jones and State Health Plan staff for the quick response to the current crisis. Then Treasurer Folwell stated that he's observed the work being done, while recuperating, and expressed his appreciation to Ms. Farr, Ms. Jones and staff. He also thanked his physicians and the many people who provided care for him while hospitalized. He spoke passionately about the care provided by his wife and family and the challenge and stress created by the fact that they were unable to be at the hospital with him. Lastly, he mentioned how well-funded the NC pension fund is during this turbulent time, noting that it lost only 7% of its value compared to the overall market loss of 22%.

Acting Chair Farr called for a motion to adjourn the meeting.

Board Vote to adjourn the meeting at 2:10 p.m.: Motion by Ms. Grimes; second by Dr. Martin; unanimous approval by Board.

Minutes submitted by: Andrew Norton, Secretary

Approved by: 

Chris M. Farr, Acting Chair