



Board of Trustees Meeting Minutes
June 5, 2019

The meeting of the NC State Health Plan for Teachers and State Employees (the Plan) Board of Trustees was called to order at approximately 10:00 a.m. on June 5, 2019.

Board Members Present/Participating via Phone

Dale R. Folwell, Chair, Ted Brinn, Peter Chauncey, Wayne Fish, Lisa Grimes, Kim Hargett, Donald Martin, Peter Robie, Margaret Way

Board Members Absent: Charles Perusse, Margaret Way

Welcome

Following the Pledge of Allegiance, Chair Folwell welcomed Board members and visitors to the meeting.

Conflict of Interest

No conflicts of interest were noted.

Public Comment

A Plan member stated that she suffers from rheumatoid arthritis, which she treated with prescription medication for 15 years. This alleviated some of the pain but caused unpleasant side effects. In 2017, she began regular acupuncture treatment, for which she pays out of pocket. Acupuncture has helped to alleviate both the pain and inflammation and she asked the Board to consider providing coverage for acupuncture.

Ms. Ginna Browning, a licensed acupuncturist and vice president of the NC Society of Acupuncture and Asian Medicine, asked the Board to consider providing coverage for acupuncture. She stated that the acupuncturists are ready to serve Plan members, adding that acupuncture can be used to treat pain, stress, and help people who want to stop smoking. More than 60 licensed acupuncturists around the state are ready to serve the Plan population.

Mr. Mike Tadych, Board Attorney for the NC Acupuncture Licensing Board, requested the Board to consider coverage for acupuncture. He receives treatment from an acupuncturist and stated that covering an alternative form of treatment for pain relief could be a step toward fighting the opioid epidemic crisis.

A Plan member who is hearing impaired asked the Board to consider providing coverage for hearing aids for adult Plan members after age 21. She stated that it can be extremely costly for members as hearing aids need to be replaced approximately every 4 years. Her job, seeing patients, requires her to use hearing aids.

Board Approval

Approval of Minutes – February 5, 2019 Meeting

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

Benefit Changes

Ms. Caroline Smart, Senior Director of Plan Integration, noted a small change in the out-of-pocket maximum on the 70/30 Plan in order for the Plan to be in compliance with the ACA requirements.

The 2020 tobacco cessation program changes were presented and discussed. Eliminating the need for member vouchers will not only streamline the process but will save the Plan money. Ms. Smart stated that the Plan is working with CVS Health regarding members' proximity to CVS pharmacies.

Ms. Smart reminded the Board that beginning January 1, 2020, preventive services on the 70/30 PPO Plan would now be covered at 100% without a copay. This means that preventive services like colonoscopies will no longer be subject to deductible and coinsurance.

2019 & 2020 Benefit Changes – **Requires Board Vote**

Changes for the 70/30 Plan:

- October 1, 2019 –Change tobacco cessation benefit to be covered at 100%.
- January 1, 2020 –Change the family out-of-pocket to \$16,300 to meet ACA requirements.

Board Vote: Motion by Ms. Hargett; second by Dr. Martin; unanimous approval of the 2019 and 2020 benefit changes.

Operations Update

Executive Director Updates

Ms. Dee Jones, Executive Director, acknowledged the diverse skills and creative ideas of the Plan's leadership team and thanked all staff for their dedication and hard work over the past few months. She also thanked the staff from Blue Cross North Carolina for their collaboration in enabling the Plan to move forward with the Clear Pricing Project (CPP).

Throughout the CPP planning process, the Plan met with, and listened to, providers and incorporated some of their ideas. Some independent providers and groups have already signed contracts and staff continue to field questions and provide clarification for others interested in joining the network. She noted that, to date, no hospitals have signed up.

Board Comments and Questions Addressed: Contracts are effective 1/1/20 and can be terminated by either the Plan or provider at any time. Providers and hospitals may have opportunities to implement pilot programs and alternative payment models, i.e. bundled payments.

Chair Folwell reiterated his and the Plan's willingness to meet with anyone, anywhere and at any time. He acknowledged the effort and work by Plan staff to bring the project to fruition in a short amount of time. The importance of transparency and knowing the value and cost of the medical services was noted by the Chair and Board members.

Financial Update – SFY 18/19 and CYTD FC 2019

Mr. Matt Rish, Senior Director of Finance, Planning and Analytics, presented the financial information for the first 10 months of the fiscal year. He stated that the Plan is actively reviewing the allocation of total expenditures, especially in the pharmacy area. Ms. Jones added that the Plan routinely looks for ways to save money through contracts, hiring practices, etc.

Follow-up from 2/25/19 Board meeting: Mr. Rish provided a chart on clinic and facility fees. In response to a request, Mr. Rish will provide a cost breakdown on the total fees. He noted the importance of highlighting these costs as it's a separate fee added to a procedure or office visit. In many circumstances, members are not made aware of this fee.

Closing Comments

Chair Folwell stated that the General Assembly is still in session and that the pension plan is fully funded. The House budget did not fund the State Health Plan, but the Senate budget includes 4%, on average, for each year of the upcoming biennium.

He acknowledged the exceptional contract between the Plan and UnitedHealthcare for the Medicare Advantage plan.

He stated that, in the coming weeks, the State Health Plan will be taking actions that lay the foundation of consumer protections and patient rights for Plan members. Among other things, these efforts will ensure that Plan members will be able to obtain medical services from health care providers and ensure that Plan members are protected from unfair and unlawful billing practices.

Following a motion by Mr. Chauncey and a second by Ms. Grimes, the Board unanimously voted to move into Executive Session pursuant to G.S. 143-318.11 and Chapter 132.

Executive Session

Consultation with Legal Counsel

Mr. Andrew Norton and Ms. Kendall Bourdon, attorneys for the Plan, presented information on the current lawsuit against the Plan, Executive Administrator and State Treasurer, pertaining to the exclusion of coverage for gender dysphoria and how benefit changes are analyzed and determined.

Following a motion by Mr. Brinn and a second by Ms. Hargett, the Board voted unanimously to move into open session.

Open Session

Next Board Meeting

A date for the next Board meeting has not yet been scheduled.

Adjournment

Following a motion to adjourn by Mr. Chauncey and a second by Mr. Fish, the Board voted unanimously to adjourn the meeting at approximately 12:10 p.m.

Minutes submitted by: Andrew J. Norton, Secretary

Approved by: _____

Dale R. Folwell, Chair

A handwritten signature in blue ink, appearing to read "Dale R. Folwell", is written over a horizontal line. The signature is fluid and cursive.