



**Board of Trustees Teleconference Minutes
September 12, 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 4:15 p.m. on September 12, 2019.

Board Members Participating: Dale R. Folwell, Chair, Charles Perusse, Ted Brinn, Larry Chewning, Wayne Fish, Kim Hargett, Peter Robie

Absent: Lisa Grimes, Donald Martin, Margaret Way

Welcome

Chair Folwell welcomed Board members to the meeting. Dee Jones, Executive Director, stated that Ted Enarson would be acting Secretary for the Board in Andrew Norton's absence.

Conflict of Interest

No conflicts of interest were noted.

Board Approval

2020 Rates - Revision

Matt Rish, Sr. Director of Finance, Planning & Analytics, reviewed the board-approved employee and conditional employer contribution rates from the August 27, 2019 meeting. Mr. Rish then reviewed the revised proposed premium contribution rates for 2020, with the approval of House Bill (HB) 226 on August 30, 2019. The Plan recommended a 2.65% employer/Retirement Systems contribution increase for the Medicare Primary and non-Medicare subscribers, and High Deductible Health Plan members, effective January 1, 2020.

Board Comments and Questions Addressed: Ms. Jones stated that the Plan was somewhat disappointed but not surprised by the numbers in HB 226. She noted that it did, however, create a challenge from a Communications standpoint in explaining the calculations over the biennium. As for the projected employer contributions through 2025, Mr. Rish stated that Plan calculations include an overlay of the plan year with the fiscal year since rates can't be changed in the middle of the year. Chair Folwell added that this change to the anticipated budgeted employer contribution was not the desired outcome.

Ms. Jones reminded the Board that the majority of the 2020 member premiums wouldn't change. She reiterated that employing units, COBRA members and 100%/50% contributory subscribers would be affected, and the Plan would need to carefully develop a communication plan. Mr. Rish stated that the average increase over the two years would be approximately 4%.

2020 Premium Rates – Requires Board Vote

Employer/Retirement System Contributions

- ✓ Approve a 2.65% increase in employer/Retirement Systems contributions for permanent employees and retirees, as from the HB 226 (SL 2019-209) and shown on page 3 of this presentation.

High Deductible Health Plan

- ✓ Approve a 2.65% increase in the employer premium rate for HDHP as shown on page 6 of this presentation.

Other Member Groups (50% and 100% contributory; COBRA; National Guard, Firefighters, etc.)

- ✓ Approve premium rate policies for "other member groups," as described on page 7 of this presentation.



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

Next Board Meeting

The next Board meeting will be scheduled in early December. The agenda will include a discussion on the 2021 Plan benefit design and updates on Open Enrollment. Information will also be provided on the formation of a committee to review alternative payment models.

Adjournment

A motion to adjourn was made by Mr. Chewning and seconded by Ms. Hargett. The Board voted unanimously to adjourn at 4:40 p.m.

Minutes submitted by: Ted Enarson, Acting Secretary

Approved by: _____


Dale R. Folwell, Chair