

**Board of Trustees
Meeting/Webinar Minutes
September 22, 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 11:00 a.m. on Tuesday, September 22, 2020. The meeting adjourned at 1:00 p.m.

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

Board Members Absent: Charles Perusse

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.

Public Comment Period

A State Health Plan member who requested to address the Board was not able to connect to the meeting via webinar.

Board Resolution – Clear Pricing Project (CPP) Phase II Support

Chair Folwell thanked the Board for their support and signing the resolution.

Board Approval

Minutes – August 11, 2020, Meeting

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

Additional 2021 Benefit Changes

Caroline Smart, Senior Director, Plan Integration, provided a summary of the additional requested benefit changes for 2021.

Additional 2021 Benefit Changes

Requires Board Vote

Plan staff recommend changing the benefits outlined in this presentation to cover each of the following:

- Genetic testing for ALS
- Lithotripsy
- Alternative Communication Devices
- Lubricants and antiseptics when used in conjunction with specialized self-care procedures such as intermittent catheterization and insulin pumps.



4

A Division of the Department of State Treasurer

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

Operational Updates

CPP Phase II

Dee Jones, Executive Director for the Plan, provided an update on the CPP project "Open Window." The window for new providers to electronically sign up for the CPP is currently open and will end on October 15, 2020. Plan staff are working with an Alliance of independent CPP Providers, Blue Cross NC (BSNC) and the Public Consulting Group (PCG) to create pilot programs and bundled payments.

COVID-19 Payer Updates

Ms. Jones also reported that the Plan continues to operate under the CARES Act requirement. BCNC has recommended extending waivers for prior authorizations for COVID-19 hospital admissions, as well as member cost-share waivers for office visits, testing and treatment until the end of the year.

UnitedHealthcare (UHC) will continue to cover non-COVID-19 telehealth visits at 100% for Medicare Advantage members through December 31, 2020. Visits related to COVID-19 will be covered at 100% until October 22, 2020, after which time the member will be responsible for copays. Testing and treatment cost-share waivers are currently expected to expire September 30, 2020.

Humana will cover COVID-19 testing, treatment and vaccines, when available, at 100% for Medicare Advantage members through the end of 2021.

Board Comments and Questions Addressed:

The Plan isn't yet aware of what changes, if any, BCNC might consider after December 31, 2020. However, BCNC has been frequently re-evaluating COVID-19-related coverage options.

Dr. Robie asked Board members to consider volunteering for vaccine trials, while understanding this is a personal decision for each person. Larger hospital systems should be able to provide information for those interested in signing up for a trial.

Financial Update

Matthew Rish, Senior Director, Finance, Planning & Analytics, addressed a request by the Board regarding COVID-19 related costs. He stated that BCNC is providing regular reports on testing and treatment costs which, so far, amounted to \$28.7 million through September 19, 2020. This amount relates only to members on one of the BCNC plan options.

The Plan has been working with Segal to provide forecasting on potential COVID-19 costs. Anticipated costs, as noted on a mid-August report, could reach approximately \$64.5 million for members in one of the BCNC plans by the end of 2020.

Mr. Rish stated that, with COVID cases spiking in July and early August in North Carolina, the Plan will continue to closely monitor claims payments and also state trends.

The Plan's COVID-19-related administrative fees currently total less than \$5,000. This includes cleaning supplies and costs related to working from home, such as Department-issued cell phones, headsets, WiFi hotspots, etc.

Dee Jones, Executive Director for the Plan, noted that the Plan's healthy cash balance has helped to weather the COVID-19 costs. However, with COVID-19 costs, and a current 6.5% medical trend with only 4% funding from the General Assembly, the Plan's cash balance could rapidly decrease. A complete financial report will be presented at the December meeting.

Board Comments and Questions Addressed:

The Plan is unable to track claims down to the worksite location but can certainly trace claims data by school districts or agencies.

There are some noteworthy advancements on the therapeutic side for COVID-19 treatment. Current drugs on the market that may help, to some degree, are Remdesivir and Dexamethasone.

Coding for hospital visits may not correctly indicate the primary reason for a visit. A member may present with an injury and end up testing positive for COVID-19. Insurance and provider audits are addressing those concerns. The same concerns apply to death certificates. Monthly reports from BCNC may help to clear up some of the issues noted in that a secondary diagnosis code may replace the first one.

Open Enrollment

Beth Horner, Director of Customer Experience and Communications, provided an update on Open Enrollment which begins October 15. Adjustments were made to the normal Open Enrollment communication activities due to COVID-19, notably that on-site member meetings were replaced with webinars, tele-town halls and other channels of communication. Ms. Horner stated that agency Health

Benefit Representatives (HBRs) have been very engaged with training and communicating with Plan staff. Agencies have requested webinars and “lunch and learns” since many state employees are working from home. She noted that the Eligibility and Enrollment Support Center hours will expand during Open Enrollment, October 15-31.

Diabetes Pilot Program Results

Ms. Horner presented information on a diabetes pilot program which began June 1, 2020, noting that the treatment of diabetes is a high cost driver for both the Plan and members. Members with type 2 diabetes, who didn’t qualify for nursing support through the Health Care Support program, were targeted for the pilot program.

The intent of the program was to encourage engagement with participants in order to provide easy-to-access information on how to better manage their condition via the Wellframe app, provided by Blue Cross NC. The goal was to enroll at least 50 members in the program and have at least 50% of enrolled members complete the entire 45-day program.

The program measured member engagement and whether members completed a 45-day program using the Wellframe app, which provided diabetes education and support. Members who completed the 45-day program earned a three-month copay waiver for certain diabetic medications. Over time, the Plan will be able to track pharmacy and medical claims and adherence metrics for members who earned the incentive to determine any impact.

Out of approximately 800 eligible members, 51 members enrolled in the program and 36 (70.5%) completed the 45-day program exceeding the goal of 50%. Regarding the 15 members who did not complete the program:

- 2 members completed more than 14 days of the program.
- 7 members completed between 1 and 7 days of the program.
- 6 members did not complete any days of the program after enrolling.

Participants received messaging throughout the program via the app or emails to encourage those who fell behind to continue with the program or congratulate members on their progress.

A satisfaction survey conducted at the end demonstrated that this particular incentive (waiving of copays) worked. Approximately 96% of the participants gave the program a high rating and 97% stated that they achieved the goal they set for themselves. In addition, 97% said the program made them feel more in control of their health.

Board Comments and Questions Addressed:

For patients not taking insulin, continuous glucose monitoring is proven to work.

Chair Folwell thanked the Board for their support in eliminating the cost of insulin for members. He noted that approximately 12,000 Plan members, excluding Medicare Advantage members, are on insulin. He stated that the overall goal is medication adherence, which will ultimately reduce costs.

The quality of insulin hasn’t really improved, but the cost has dramatically increased over the past 7 years.

Participation in the pilot program was approximately 6% of members with diabetes with approximately 4% completing the program. It appears this might be a program that could be expanded. The Plan is reviewing several options moving forward and will, hopefully, be ready to provide more information at the December Board meeting.

Open Enrollment Readiness Update

Caroline Smart stated that months of preparation are required to prepare for OE, especially when transitioning from one vendor to another. However, the Plan Integration team has worked through all issues and are meeting the targeted dates of completion.

Ms. Smart stated that several call centers for OE have been established, and that one site that performed poorly last year would not be used again. Staff training at the sites began earlier this year and new representatives have already started to take calls. Consequently, trainers have been able to identify and correct the problems and retrain staff before OE begins.

Approximately 600 members have completed the tobacco attestation ahead of OE. Approximately 3,000 Plan members attest to smoking.

Board Vote to move into executive session: Motion by Judge Duke; second by Mr. Fish; roll call vote was taken to move into executive session and for members to affirm no one else was privy to the discussion; unanimous approval and affirmation by Board members participating on call

Eligibility and Enrollment Services Contract

Ted Enarson, Senior Director of Contracting and Compliance, provided an overview and history of the Eligibility and Enrollment Services Contract. In 2012, the Plan awarded the contract to Benefitfocus and subsequently terminated it in 2015. The Plan contracted with an alternative vendor but terminated that contract later in 2015 and went back to Benefitfocus. The current contract with Benefitfocus will expire at the end of 2020.

Knowing that the current contract would expire in 2020, the Plan issued a Request for Information ("RFI") in 2018. An RFI is shorter than an RFP and targets specific areas of importance to the Plan in order to gather information on vendor capabilities. No contract award results from an RFI. It is simply an information gathering exercise that can be used to inform contracting strategy. After reviewing the RFI responses, the Plan determined that it was in the best interest of the State to forego issuing an RFP and instead pursue a new contract with Benefitfocus under the Plan's procurement exemption.

Mr. Enarson reviewed the enhancements that would exist in the new contract. He then provided an overview of the cost structure and rates for the new contract and stated that the Plan negotiated the rates with Benefitfocus over the course of two weeks after requesting a line-by-line justification from Benefitfocus. Mr. Enarson shared a comparison of the initial proposed rates from Benefitfocus to the final rates, including the % and dollar savings for the Plan. The total value of the new contract will be approximately \$113.5 million for Plan services if all optional renewal years are exercised.

If approved, the new contract will be effective October 1, 2020, in time for Open Enrollment, and run through 12/31/2023, with the option to renew for two additional one-year periods.

Chair Folwell stated that he was reticent to enter into a contract of this size that could potentially encumber a new Treasurer due to the timing of the upcoming election. However, with this contract expiring and the importance of it being the “front door” for Plan members, he felt it was necessary to move forward.

Board Vote: Motion by Judge Duke; second by Dr. Martin; unanimous approval by Board to approve the Eligibility and Enrollment Services contract

Return to Open Session

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

Open Session

Chair Folwell requested a motion to adjourn in honor of Henderson County Sheriff’s Deputy Ryan Hendrix, who was killed in the line of duty on September 10, 2020.

Adjournment

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

Minutes submitted by: Kendall Bourdon, Acting Secretary

Approved by: _____



Dale R. Folwell, CPA, Chair

