



North Carolina
State Health Plan
FOR TEACHERS AND STATE EMPLOYEES
A Division of the Department of State Treasurer



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STATE TREASURER OF NORTH CAROLINA
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Plan Integration Updates

Board of Trustees Meeting

February 8, 2018

A Division of the Department of State Treasurer

Tobacco Usage Update

Open Enrollment: Self-Reported Tobacco Usage

Tobacco Attestation is part of the online enrollment process for:

- All subscribers enrolling in the 80/20 Plan
- 70/30 Plan subscribers who are not enrolled through the Retirement Systems

| Attestation | 2017* | 2018 | Percent Change | Tobacco User |
|---|---------|---------|----------------|--------------|
| Not a Tobacco User | 294,921 | 311,086 | 6% Increase | No |
| Tobacco User willing to Enroll in Cessation Program | 10,490 | 9,294 | 11% Decrease | Yes |
| Tobacco User | 3,804 | 2,927 | -23% Decrease | Yes |
| Did Not Respond | 31,070 | 18,505 | 40% Decrease | Maybe? |

Total Subscribers Eligible to Attest:

2017 – 340,285

2018 – 341,812

Self-Reported Tobacco Users:

2017 – 14,294 (4%)

2018 - 12,221 (4%)

**All CDHP attested as well.*

Open Enrollment: Self-Reported Tobacco Usage

- **Tobacco Premium Credit** - Whether the subscriber says he/she is a tobacco user or skips the attestation, the outcome is the same. The tobacco surcharge is applied.
- **Tobacco Users** - Should we assume that some of those that take no action, are actually tobacco users?
 - According to the Centers for Disease Control & Prevention (CDC), 15% of Americans smoked cigarettes in 2015.
 - If we assume a majority of the non-responders are actually tobacco users, our numbers are more in line with the CDC.

| Attestation | 2017* | 2018 | Tobacco User | Premium Impact |
|---|------------------|------------------|--------------|-------------------|
| Not a Tobacco User | 294,921 (87%) | 311,086 (91%) | No | \$60 Reduction |
| Tobacco User Willing to Enroll in Cessation Program | 10,490 (3%) | 9,294 (3%) | Yes | \$60 Reduction |
| Tobacco User | 34,874 (10%) | 21,432 (6%) | Yes | No Reduction |
| Did Not Respond | | | Yes | No Reduction |

Open Enrollment: Self-Reported Tobacco Usage

Tobacco Cessation Program Enrollment

- 5520 Subscribers (59.4%) Enrolled in the QuitlineNC by the deadline, December 31, 2017
- 3774 Subscribers (40.6%) took no action; therefore, their credit has been removed
- Plan staff will continue to explore strategies to ensure the validity of the attestations.

| Attestation | 2018 Original | 2018 Adjusted | Tobacco User |
|---|-------------------------|------------------|--------------|
| Not a Tobacco User | 311,086 (91%) | 311,086 (91%) | No |
| Tobacco User willing to Enroll in Cessation Program | 9,294 (3%) | 5,520 (1.6%) | Yes |
| Tobacco User | 2,927 (less than 1%) | 6,695 (2%) | Yes |
| Did Not Respond | 18,505 (5%) | 18,505 (5%) | Yes |

**All CDHP attested as well.*

Third Party Administrator (TPA) Implementation Updates

2019 TPA Contract Implementation Update: Program Evaluations

Completed: Clinical Programs

✓ Medical Management

✓ Medical Specialty Pharmacy Management

✓ Population Health Management

Completed: Operational

✓ Claims

✓ Claims Recovery

✓ Banking

Under Way: Customer Experience Programs

Secure Member Portal

Vendor Portal Integration

Customer Service

In addition to evaluating Blue Cross' customer service tools, we are also evaluating how these integrate with other Plan vendors' web tools to ensure the best member experience.

2019 TPA Contract Implementation Update: ID Cards

New ID Card design is in development

Blue Cross logo moved to back of card

BACK of CARD

State Health Plan Administered by:



Average Premiums Paid

Employers Pay: \$3,104,000,000

18% 82%

Members Pay: \$689,000,000

Claims may be subject to review. For nonparticipating providers, members are responsible for ensuring the prior review/cert is obtained. For non-NC providers, members are responsible for ensuring the prior review/cert is obtained for Professional and/or outpatient services.

BlueCross and BlueShield of North Carolina, an independent licensee of the BlueCross and BlueShield Association, provides administrative services and does not assume any financial risk for claims.

New value statement

Member: **Mary Doe** YPYW12345678

Subscriber: John Doe

Phone

Benefits & Claims..... 888-234-2416
 Eligibility & Enrollment..... 888-859-0966
 Find Non-NC Providers..... 800-810-2583
 Provider Service..... 800-214-4844
 Prior Review/Certification..... 800-672-7897
 Mental Health/Substance Use.... 800-367-6143
 Pharmacy Help Desk*..... 800-365-6331
 CVS Caremark*..... 888-321-3124

* Contracts directly with group

Mail

BlueCross and BlueShield of North Carolina
 PO Box 30087
 Durham, NC 27702-0035

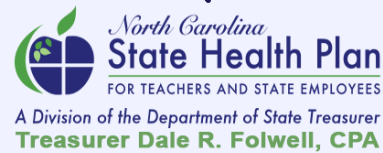
Providers send claims to their local BlueCross BlueShield Plan

Online

SHPNC.org

More prominent Plan logo

FRONT of CARD



In-Network Member Copay

Selected PCP **\$10**
 Designated Specialist **\$45**
 Specialist **\$85**
 Physical/Occupational/
 Speech Therapy, Chiropractic **\$52**
 Urgent Care **\$70***
 ER **\$300 + Ded** + 20%***

* same for out-of-network

** Deductible



Member: **MARY DOE** 02

Subscriber: JOHN DOE

Subscriber ID:
YPYW12345678

Department of State Treasurer

Date Issued: **01/01/2019** Group No: **SR1009**

RXBIN/RXPCN **004336** ADV/RXGRP **RX0274**

Primary Care Provider (PCP)

Walter Fowler
 Novant Health Durham
 919-477-6900

BlueOptions: 80/20 Plan

Paid by YOU and other NC Taxpayers

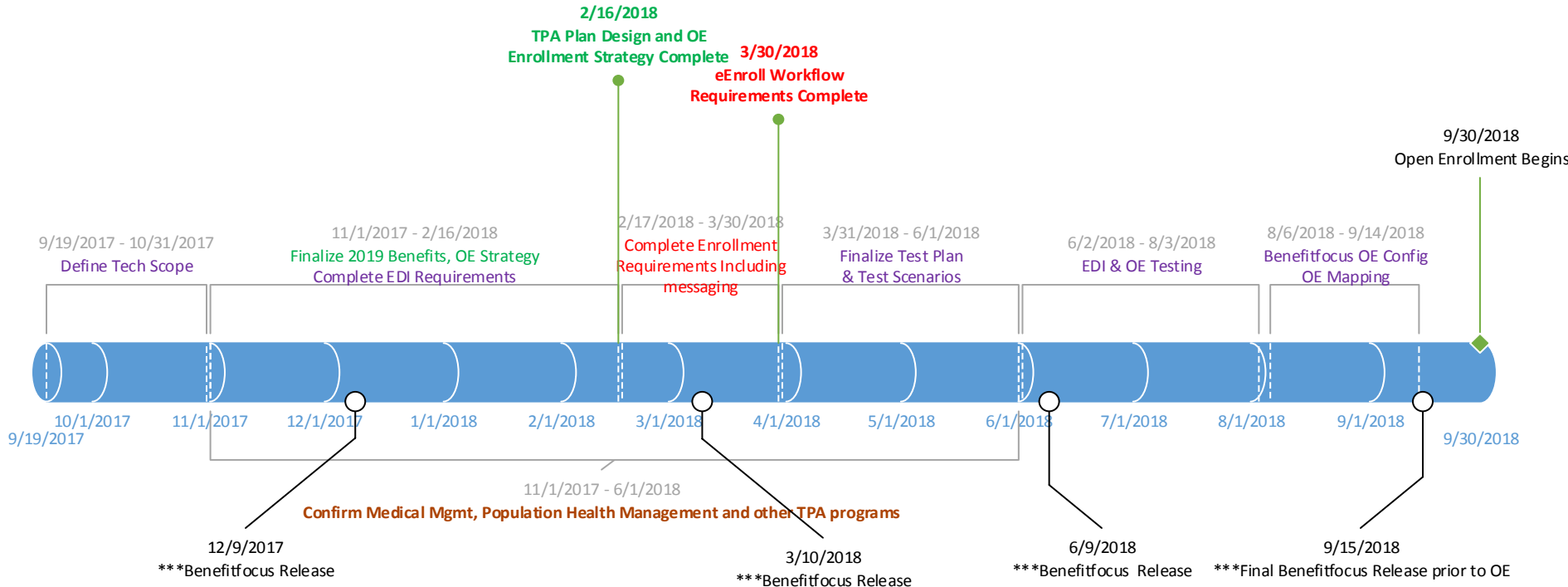
TPA Contract: Vendor Infrastructure Changes

| Requirement | Vendors Impacted | Customer Impacted | Complexity, Savings or Compliance | Status |
|---|---|-------------------|---|---|
| Move High Deductible Health Plan (HDHP) Administration to Blue Cross NC | <ul style="list-style-type: none"> • Blue Cross NC • Benefitfocus • CVS • iTEDIUM | Members and HBRs | <ul style="list-style-type: none"> • Reduces enrollment and premium billing complexity by consolidating all group premium billing under Blue Cross NC • Saves \$120k/year | <ul style="list-style-type: none"> ✓ Requirements Complete ✓ System Development Under Way ✓ Employing Unit Communications Under Way ✓ HBR Training in Development |
| Add Leave of Absence and Workers Comp Direct Billing Functionality | <ul style="list-style-type: none"> • Blue Cross NC • Benefitfocus • iTEDIUM | Members and HBRs | <ul style="list-style-type: none"> • Reduces complexity for HBRs because the Plan will assume premium collection for members on LOA • Ensures employing units are in compliance with statutory requirements around eligibility and premium for members who are not actively at work. We believe many EUs carry members who are no longer eligible for coverage. • No additional ongoing cost to Plan | <ul style="list-style-type: none"> ✓ Requirements Complete ✓ System Development Under Way ▪ Final Rollout is TBD – we want to implement HDHP first, then roll out LOA processing |

TPA Contract: Vendor Infrastructure Changes

| Requirement | Vendors Impacted | Customer Impacted | Complexity, Savings or Compliance | Status |
|--|--|--------------------------------------|---|--|
| Group Transfer Functionality | <ul style="list-style-type: none"> Blue Cross NC Benefitfocus CVS | Members and HBRs | <ul style="list-style-type: none"> Reduces enrollment complexity for members. Currently when members move from one employing unit to another they must re-enroll in Plan benefits. With this process improvement, coverage and documents would be transferred and members would have 30 days from their hire date to make changes. Not enrolling within 30 days of hiring is our No. 1 exception outside of Open Enrollment. No additional ongoing cost to the Plan | <p>Benefitfocus has not delivered an estimate for the full solution.</p> <ul style="list-style-type: none"> ✓ Document Transfers - Requirements complete - Development Under Way - Deploys in March <p>Full functionality - TBD</p> |
| New Medicare ID Number (Not a TPA Contract requirement, but a new Federal requirement that we are implementing in conjunction with other changes) | <ul style="list-style-type: none"> Blue Cross NC Benefitfocus CVS iTEDIUM UHC | Medicare Primary Members and Vendors | <ul style="list-style-type: none"> The conversion is complex and the impact to members will be complex and confusing May impact our ability to auto-enroll new Medicare members into Medicare Advantage There is no savings or ongoing cost to Plan | <ul style="list-style-type: none"> ✓ Requirements Complete ✓ Development Under Way ✓ Go-live is April 1, 2018 |

TPA Implementation Timeline



- ◆ Integration Team and Vendor Technical Teams
- ◆ Plan Senior Leadership & OST**Requires Board Vote
- ◆ Customer Experience, Plan Integration, OST
- ◆ Plan Senior Leadership Group & OST*Requires amendment

*** Each vendor and payroll group will have their own deployment schedule that will have to be worked into the timeline

Dependent Eligibility Verification Audit (DEVA)

Dependent Eligibility Verification Audit: Timeline

Project Goals:

- Confirm eligibility of all dependents
- Attach verified documents to dependents' electronic records so that future audits are not required
- Terminate dependents who are not eligible



May 8 & May 12, 2017
Initial HBR Alerts sent



May 22, 2017
Audit begins



July 11, 2017*
Follow up letter mailed to non-responders



July 26, 2017
Reminder Postcard mailed to Non-responders



August – December 2017
Emailed, mailed, and where possible, called non-responders



May 18, 2017
Initial letters mailed to members



July 1, 2017
Outbound calls to retirees begin



July 17, 2017
Outbound calls to active members in state agencies



July 31, 2017
Documentation submission deadline



January 1, 2018
Dependents terminated effective February 1, 2018

Dependent Eligibility Verification Audit: Initial Audit Phase Results

The audit population included 187,791* covered dependents under the age of 75.

92% Verified!

7% Did not Respond

1% Responded with invalid documents

| Entity | Dependent Count | Verified | Invalid Documents | No response |
|---------------------|-----------------|--------------|-------------------|-------------|
| Public Schools | 87,390 | 79,813 / 91% | 817 / 0.9% | 6,760 / 8% |
| Universities | 33,187 | 31,674 / 95% | 191 / 0.6% | 1,322 / 4% |
| State Agencies | 31,363 | 28,957 / 92% | 323 / 1% | 2,083 / 7% |
| Retirees | 19,176 | 16,901 / 88% | 386 / 2% | 1,889 / 10% |
| Community Colleges | 8,702 | 8,256 / 95% | 63 / 1% | 383 / 4% |
| Local Governments | 4,417 | 3,806 / 86% | 45 / 1% | 566 / 13% |
| Charter Schools | 2,592 | 2,347 / 90% | 13 / 1% | 232 / 9% |
| COBRA Participants | 778 | 248 / 32% | 4 / 1% | 526 / 67% |
| Direct Bill Members | 186 | 145 / 78% | 5 / 3% | 36 / 19% |

Dependent Eligibility Verification Audit Results: Final Audit Results

Of the original 187,791* covered dependents under the age of 75 that were audited, 1,314 were terminated effective 2/1/2018.

99% Verified!

1% Did not Respond

| Entity | Dependent Count | Verified | No response |
|---------------------|-----------------|--------------|-------------|
| Public Schools | 87,390 | 86,789 / 99% | 601 / 1% |
| Universities | 33,187 | 33,058 / 99% | 129 / 1% |
| State Agencies | 31,363 | 31,040 / 99% | 323 / 1% |
| Retirees | 19,176 | 18,979 / 99% | 197 / 1% |
| Community Colleges | 8,702 | 8,683 / 99% | 19 / 1% |
| Local Governments | 4,417 | 4,396 / 99% | 21 / 1% |
| Charter Schools | 2,592 | 2,570 / 99% | 22 / 1% |
| COBRA Participants | 778 | 777 / 99% | 1 / 1% |
| Direct Bill Members | 186 | 185 / 99% | 1 / 1% |

Dependent Eligibility Verification Audit: January 2018

- The processing of terminations on January 1, 2018, generated termination notices and COBRA offers to impacted members. Such notices resulted in members contacting us to provide the required documentation.
- February began with 1,314 dependents terminated as a result of the audit.

| Reinstatements By Week | Count |
|---|------------|
| Week ending January 2 | 150 |
| Week ending January 8 | 0 |
| Week ending January 15 | 90 |
| Week ending January 22 | 87 |
| Week ending January 29 | 106 |
| Total Dependents Reinstated in January | 433 |

Dependent Eligibility Verification: Next Steps

Ongoing Audits

- Since August, Plan staff have developed several tools and reports that have enabled the team to begin auditing:
 - Qualifying Life Event (QLE) Documentation – Documents that support the ability of a subscriber to add dependent(s) outside of initial or Open Enrollment
 - Dependent Verification Documentation – Appropriate documentation accompanies each new dependent that is added

Gap Audit

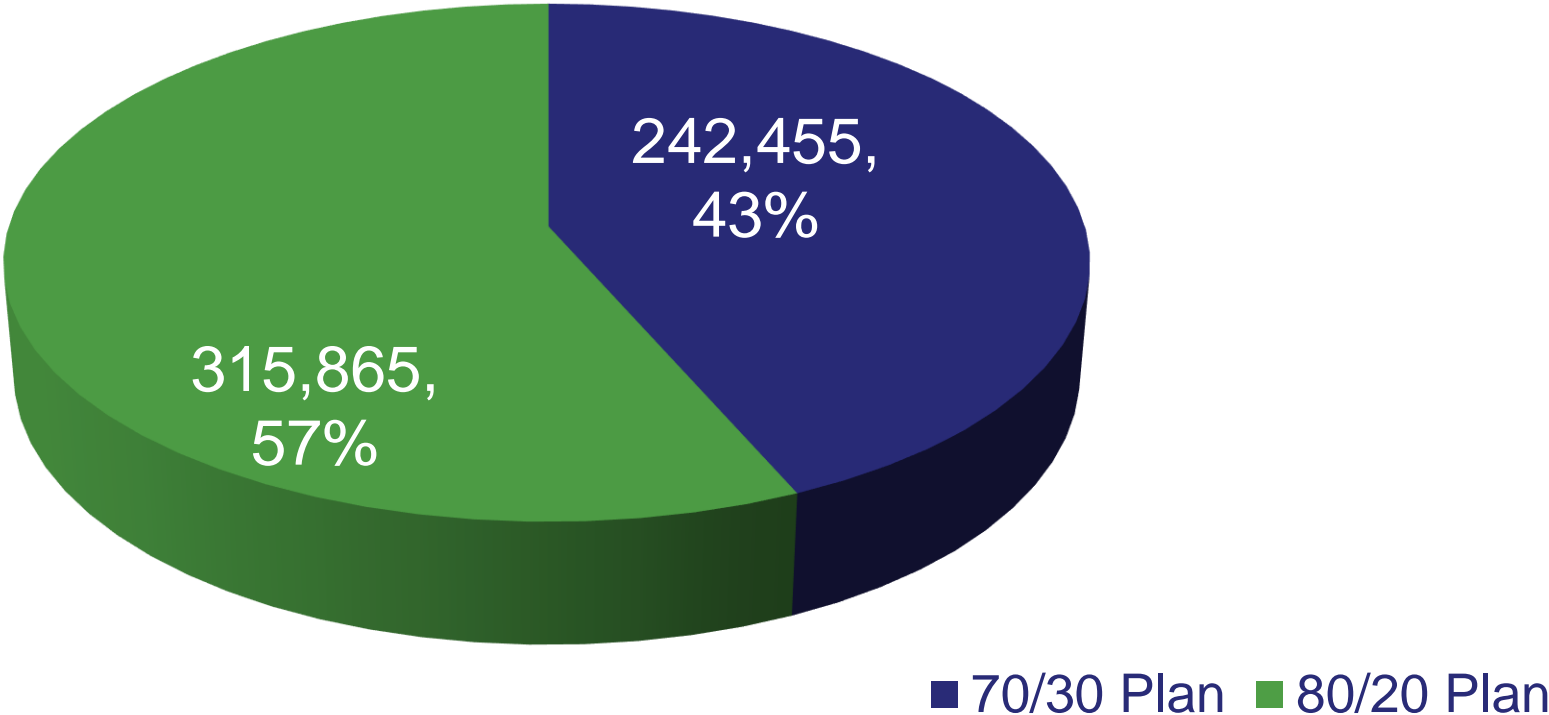
- Developing an audit plan to audit dependents that:
 - Enrolled after the initial DEVA audit file was created *and*
 - Before the ongoing audits were implemented

Exceptions

- Process any exceptions submitted on terminated dependents
 - To be approved:
 - Exception must include required documentation
 - Must be retroactively reinstated, which means multiple months of premiums will be collected

Open Enrollment Updates (Actives & Retirees)

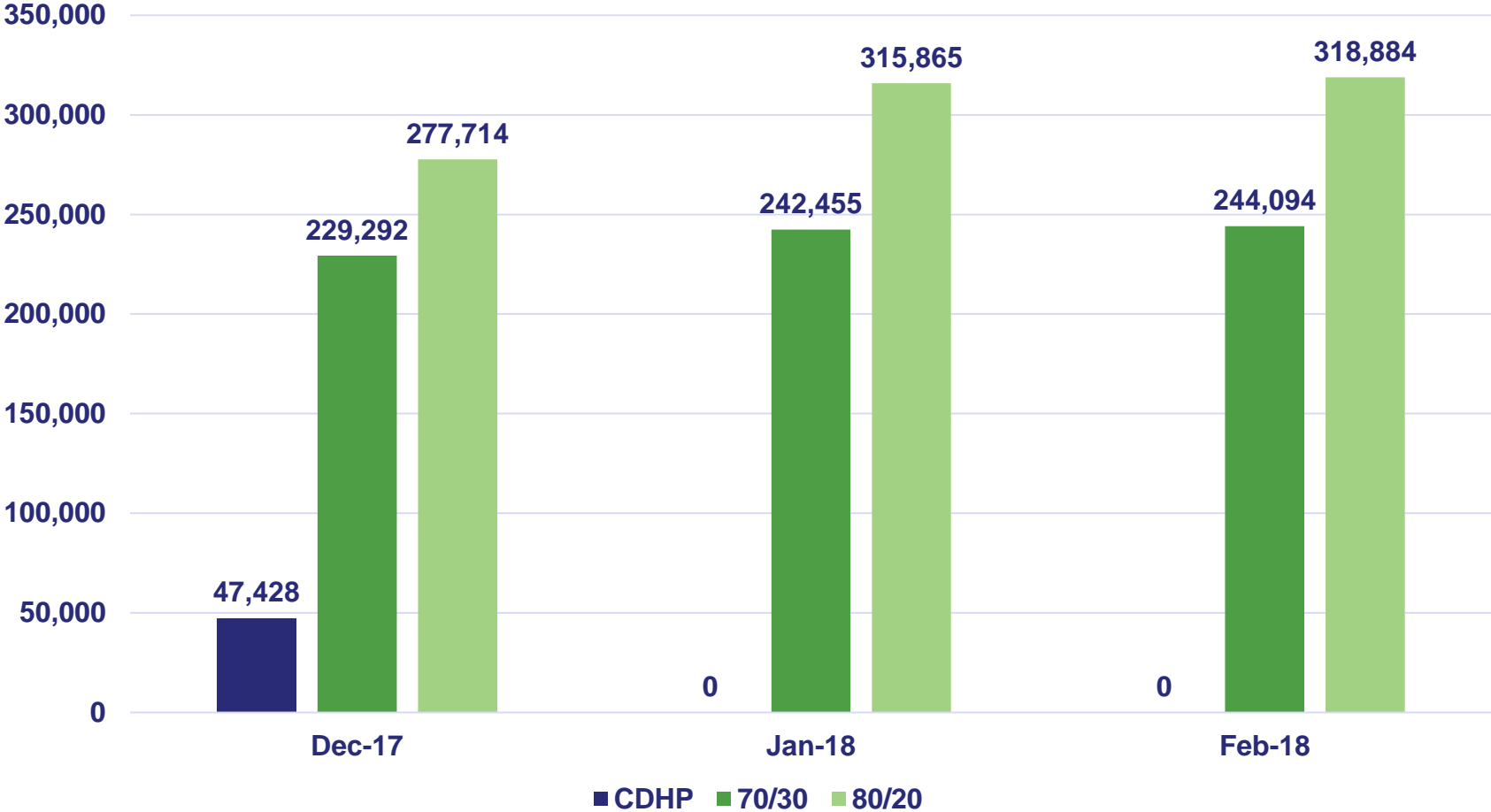
Open Enrollment Results: Non-Medicare Primary Plan Selections



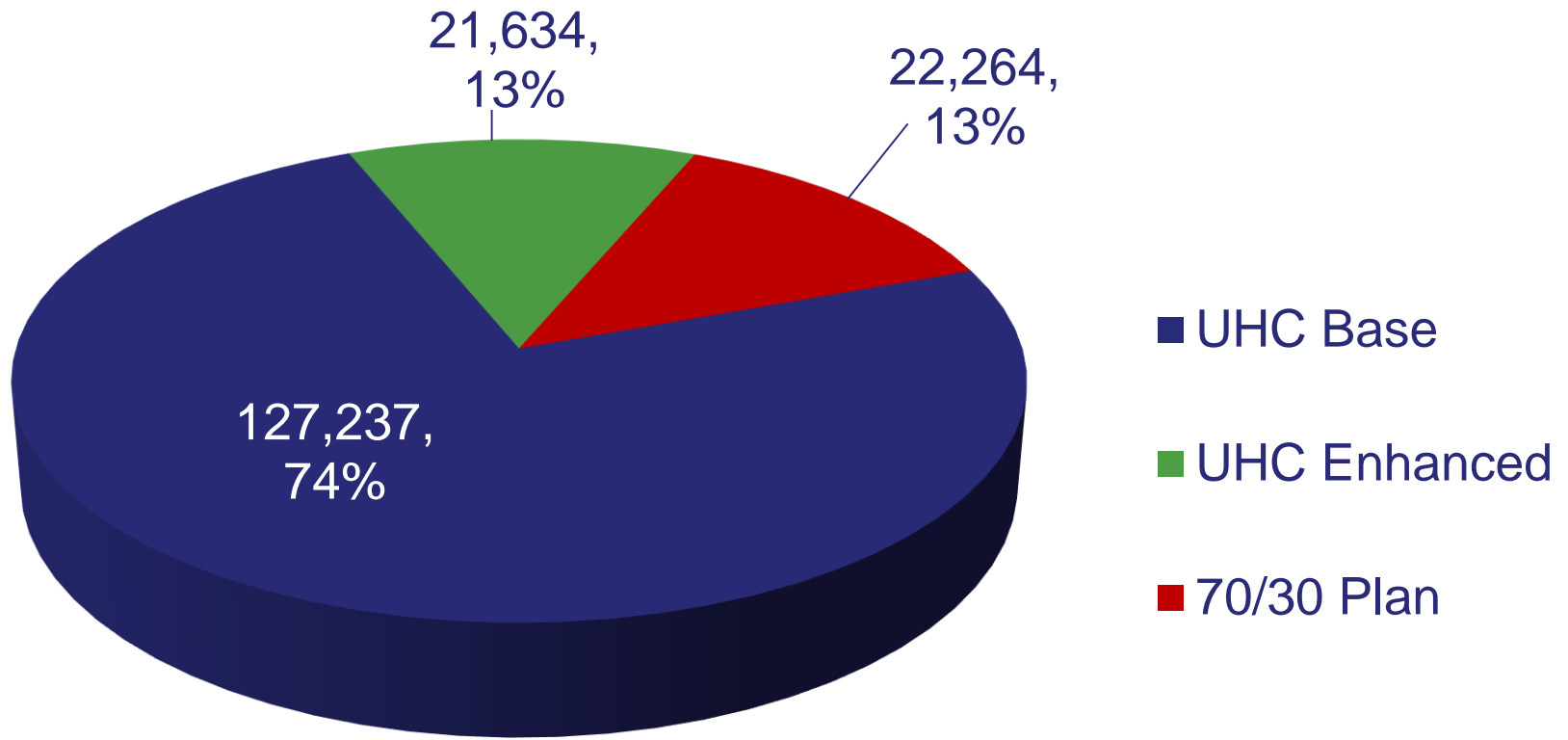
**Counts are based on reports run 2/2/18.*

Non-Medicare Primary Enrollment: Month over Month

Non-Medicare Primary Enrollment



Open Enrollment Results: Medicare Primary Plan Selections



- Counts are based on reports run 2/2/18
- January and February counts will continue to change
 - Medicare Advantage Enrollment has not been finalized by CMS
 - Not all of the January 1 retirements have been finalized (Jan retirement = Feb. 1, SHP effective date)

Medicare Primary Enrollment: Month over Month

Medicare Primary Enrollment

