

Board of Trustees Webinar Minutes
June 15, 2020

The meeting, 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 Folwell, at approximately 11:00 a.m. on Monday, June 15, 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

Chair Folwell welcomed the Board and members of the public joining the webinar 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 roll call.

Conflict of Interest

No conflicts of interest were noted.

Recognition for Departing Board Member

Chair Folwell read the resolution for Margaret Way, whose term on the Board expires June 30, 2020. He expressed his appreciation for her service on the Board the past four years.

Reading of SEI Statements into Minutes (as applicable)

No SEI statements were read into the minutes.

Public Comment Period

No requests to address the Board were submitted.

Board Approval

Minutes – April 6, 2020 Meeting

Amendment: Revise title of Mr. Brinn on page 1.

Board Vote: Motion by Dr. Martin; second by Lisa Grimes; unanimous approval by Board, with technical amendment.

Operational Updates

2021 Employee Medicare Advantage Premium Rates

Matt Rish, Sr. Director, Finance, Planning & Analytics, presented the Medicare Advantage (MA) rates for 2021. He stated that the rates were very favorable and would provide significant savings for members beginning in January 2021. Dependent rates in the 2021 MA Base Plan range from \$4-\$8, compared to \$73-\$219 in 2020. The dependent rates of \$4-\$8 is an Administrative Fee due by members, which is unchanged from prior years.

2021 Employee Medicare Advantage Rates

Requires Board Vote

	Base Plan		Enhanced Plan			Admin
	Premium	HIP Fee	Premium	Buyup	HIP Fee	
2020	84.00	24.00	84.00	63.00	31.00	4.00
2021	0.00	0.00	0.00	69.00	0.00	4.00

Coverage & Tiers	2020 Rates	2021 Rates
MA Base Retirees/Med Dependents		
Subscriber Only	\$0.00	\$0.00
Subscriber + Child(ren)	\$112.00	\$4.00
Subscriber + Spouse	\$112.00	\$4.00
Subscriber + Family	\$224.00	\$8.00
MA Enhanced Retirees/Med Dependents		
Subscriber Only	\$74.00	\$73.00
Subscriber + Child(ren)	\$256.00	\$146.00
Subscriber + Spouse	\$256.00	\$146.00
Subscriber + Family	\$438.00	\$219.00



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Board Vote on 2021 Medicare Advantage Premium Rates: Motion by Ms. Hargett; second by Dr. Robie; unanimous approval by Board.

2021 Benefit Changes

Caroline Smart, Sr. Director, Plan Integration, presented additional 2021 benefit and benefit administrative changes. One benefit not presented to the Board was a change in coverage of diabetic supplies on the medical benefit. The cost of changing this from a deductible/coinsurance benefit to a copay-based benefit is significant; therefore, the Plan will not be suggesting a change at this time. Plan staff will continue to monitor costs and discuss potential changes with the Board in the future.

Board Comments and Questions Addressed:

- The benefit change for orthotics places a limit on the number of annual visits.
- Plan members are welcome to address the Board during the public comment period at each Board meeting to request benefit changes. Those suggestions will be reviewed by Plan staff and may, or may not, be implemented.
- Plan staff doesn't analyze each cost-neutral benefit change on an annual basis but does track claims expenditures to determine if anomalies exist.

Additional 2021 Benefit & Benefit Administrative Changes Requires Board Vote

- Add lifetime limitations for the treatment of varicose veins as outlined on slide 2
- Add annual limits for orthotics as outlined on slide 2
- Extend the \$0 copay for insulin to *Non-Preferred* insulin



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Board Vote on the Additional 2021 Benefit and Benefit Administrative Changes: Motion by Mr. Chewning; second by Mr. Brinn; unanimous approval by Board.

Executive Director Report

Dee Jones, Executive Director, stated the Plan recently made a recommendation to the Treasurer to transfer funding from the Public Employee Health Benefit Fund (PEHBF) to the Retiree Health Benefit Trust Fund (RHBTFF). This recommendation was the result of an analysis of the funding for retiree health benefits. Since the move to Medicare Advantage Plans in 2014, the Plan has recognized significant savings. Taking this action will true-up the RHBTFF and reduce the unfunded liability, something that the Treasurer, Plan staff and others have wanted for some time.

To effectuate this transfer, the Treasurer sent a letter to Dee Jones, acknowledging the analysis and overfunding and requested the transfer. The Treasurer informed the Board that there may be a law passed that will require future true-ups of expenses going forward requiring a Board vote but this request does not require a vote. Plan staff and the Treasurer felt it important to inform the Board so that next year, when this comes up again, the Board will be familiar with the topic.

CPP Phase II Update: Ted Enarson, Sr. Director, Contracting and Compliance, reported that due to the COVID-19 situation, no formal workgroups convened. The Plan is working with Segal and Blue Cross and Blue Shield of North Carolina (Blue Cross NC) to review and assess Alternative Payment Models (APMs). Bundled payments will be the first method the Plan implements. Plan staff are also reviewing Pay for Performance incentive options.

Board Comments and Questions Addressed:

- The workgroups structure is different than what the Plan anticipated in the beginning. Staff are working with individual providers in certain areas, for instance, those who may have experience in APMs and bundled payments.

Medicare Advantage Humana Transition: Beth Horner, Director of Communications and Customer Experience stated that her team is working with Humana on member communications and preparing for Open Enrollment. With COVID-19 challenges, the Plan will be conducting more telephone townhall meetings and webinars than in the past.

On the technical side, Ms. Smart stated that with a vendor change, in this case, UnitedHealthcare (UHC) to Humana, no matter how smooth the implementation goes, some members may notice some disruption. The pharmacy benefit, for example will include some formulary changes. Also, members aging into Medicare eligibility, or who are 65 or older at the time of their retirement in late 2020, will be auto-enrolled into the UHC Medicare Advantage Base Plan for the last month or two of 2020 and Humana for 2021. These members need to read their communications closely to ensure they get the plan and benefit they expect.

Financial Update: Mr. Rish briefly discussed the impact of COVID-19, stating that the Plan has seen a 20% decline in claims payments, due to a decrease in provider visits, elective surgeries and other procedures. However, claims expenses have been in the normal range during the first two weeks in June. Plan finances, in general, are favorable to budget in the calendar and fiscal years through April 2020. The one exception is pharmacy claims, which was approximately \$50 million over the budgeted amount. He noted that the Plan and CVS changed the rules for maintenance medications, due to COVID-19, by waiving early medication refill limits on 30-day prescriptions.

The current financial report, compared to April 2019, demonstrated an increase in both medical and pharmacy claims.

Board Comments and Questions Addressed:

- The Plan will provide a more detailed breakdown of hospital-based claims.
- The Plan will closely monitor pharmacy claims over the next 2-3 months. This will provide a better idea of whether the increase over the past few months was a result of the Plan temporarily temporarily relaxing the refill rules.

Data Warehouse Update: The data team has worked for the past two years to bring claims, enrollment and eligibility data inhouse from multiple vendors. Dashboard reports have been developed and the team is working to get the method in place in order to publish the reports.

Plan staff will be able to analyze current and past data and identify trends. Claims data could be used to develop future pilot programs and provide insight for future programs and funding.

Current Projects: Ms. Jones commended Plan staff for the transition to working from home, stating that deadlines are being met and new projects developed. The Department of Health and Human Services has asked the Plan to help establish a return to work program. The Plan also worked with the Department of Public Safety and FastMed to provide COVID-19 testing for prison staff and inmates.

The Department of Public Instruction has a new enterprise accounting solution which must be interface with the Plan's system. Ms. Jones commended Plan staff for the perseverance to ensure that the project moves forward. In this five-year project, the Charlotte-Mecklenburg School system will be the first to use the new solution.

Future Meetings: In the near future, additional meetings will be conducted via webinar. Non-Medicare Advantage rates will be presented to the Board when funding information from the General Assembly becomes available. The Plan may also have contracts requiring Board approval. The next in-person meeting could be in September.

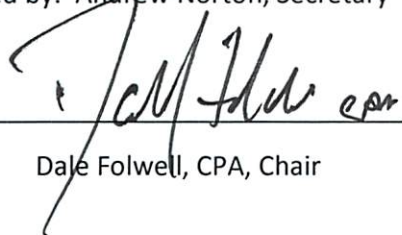
Board Comments and Questions Addressed:

- Each Board member expressed appreciation to Ms. Way for her service and contribution to the Board.
- The Board looks forward to a demonstration of the Data Warehouse and dashboard reports at a future meeting.
- The General Assembly may want to adjust 2021 rates.
- The Supreme Court ruling on LGBTQ may impact the Plan financially.
- Requiring elementary age children (12 and under) to wear masks when they return to school would be difficult, but the State shouldn't do anything to endanger children's lives. A vaccine could be available by the fall or winter.
- Ms. Way expressed her appreciation in being appointed to the Board and learning so much over the past few years. She thanked Plan staff and Board members for always keeping the Plan members in mind when making decisions.

Board Vote to adjourn the meeting at 12:20 p.m.: Motion by Dr. Martin; second by Ms. Grimes; unanimous approval by Board.

Minutes submitted by: Andrew Norton, Secretary

Approved by: _____



Dale Folwell, CPA, Chair

State Health Plan Board of Trustees Webinar

June 15, 2020, 11:00 a.m.

Tracking/Voting

Board Member	Present for Quorum	Conflict of Interest	4/6/20 Minutes *	MA Rates	Benefit Changes	Adjourn		
Motion			Donald Martin	Kim Hargett	Larry Chewning	Donald Martin		
Second			Lisa Grimes	Pete Robie	Ted Brinn	Lisa Grimes		
Brinn, Ted	Yes	No	Yes	Yes	Motion	Yes		
Chewning, Larry	Yes	No	Yes	Yes	Motion	Yes		
Fish, Wayne	Yes	No	Yes	Yes	Yes	Yes		
Grimes, Lisa	Yes	No	Motion	Yes	Yes	Motion		
Hargett, Kim	Yes	No	Yes	Motion	Yes	Yes		
Martin, Donald	Yes	No	Motion	Yes	Yes	Motion		
Robie, Pete	Yes	No	Yes	Motion	Yes	Yes		
Way, Margaret	Yes	No	Yes	Yes	Yes	Yes		
Perusse, Charles	Yes	No	Non-Voting Member					
Folwell, Dale	Yes	No	Votes Only in Event of Tie					
RESULT	Quorum	No Conflicts	Approved with Revision	Approved	Approved	Approved 12:20 pm		

*Title Revision; page 1, Motion to Approve March 12, 2020 Minutes; Dr. Brinn to Mr. Brinn;