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

Board of Trustees
of the
State Health Plan for Teachers and State Employees

Strategic Plan
2014 – 2018

Adopted September 19, 2014

Potential Revisions for Consideration April 27, 2016*

** The potential revisions represent initial changes to the strategic plan for discussion purposes. Once the Board has finalized revisions to the strategic initiatives, Plan staff will propose revisions to the Strategic Roadmap to outline anticipated projects and programs for 2016 – 2020.*

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

TABLE OF CONTENTS

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

EXECUTIVE SUMMARY

The State Health Plan for Teachers and State Employees (Plan) was created by statute to make available comprehensive health benefits for eligible teachers, employees, retirees and their eligible dependents. The Plan is governed by the State Treasurer, Board of Trustees (Board) and the Executive Administrator, who carry out their duties and responsibilities as fiduciaries for the Plan. The Board is responsible, by statutory mandate, for developing and maintaining a strategic plan for the Plan. This document outlines the current strategic plan ~~for the years 2014 through 2018~~ and will be updated periodically to reflect the changing healthcare landscape and priorities of the Board.

The strategic plan is organized by first identifying the Plan's mission, vision and values followed by "guiding principles" that describe the intent and motivation behind the Plan's actions. Next, the Board has identified three strategic priorities ~~for 2014-2018~~: 1) Improve members' health; 2) Improve members' experience; and 3) Ensure a financially stable State Health Plan. A description of what each means, what will be done, and why it is important, is also included. Specific initiatives designed to achieve each strategic priority are then identified and described again in terms of what each means, what will be done, and why it is important. Finally, a roadmap is provided that identifies major projects and programs within each initiative along with key decision points regarding contracts or benefits, launch dates, and an indication of the magnitude relative to members impacted or resources needed.

This strategic plan is designed to align the mission and vision of the State Health Plan with the programs and services provided to its members, and along with the values expressed, will serve as a guide over the period identified. This document is considered a "living document." That is, specific projects and programs are expected to be modified on a frequent basis, as appropriate, with the priorities, initiatives and measures being revisited on an annual basis as agreed upon by the Board.

Ongoing performance monitoring, detailed project plans and other progress updates will be provided on a regularly scheduled or as needed basis. Background information, including environmental scans and other supporting analyses and conclusions used by the Board in the development of this strategic plan, are available on the Plan's website at www.shpnc.org under the Board of Trustees quick link.

MISSION

Our mission is to improve the health and health care of North Carolina teachers, state employees, retirees, and their dependents, in a financially sustainable manner, thereby serving as a model to the people of North Carolina for improving their health and well-being.

VISION

Our vision is to be a health plan that is a leader in North Carolina in providing access to cost-effective, quality health care and wellness programs on behalf of our membership.

VALUES

***Member Focus** – Keeping the member at the forefront of our actions*

***Collaboration** – Partnering with individuals and other stakeholders on behalf of our members*

***Transparency** – Acting in an open manner with the highest possible degree of integrity in all we do*

***Quality** – Striving for the best quality of care and service for our members*

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

STRATEGIC PLAN GUIDING PRINCIPLES

The following guiding principles were used in developing the strategic priorities and measures of success for the State Health Plan's strategic plan:

1. The State Health Plan's **Mission Statement** will serve as the primary guide in the development of a strategic plan.

   "Our mission is to improve the health and health care of North Carolina teachers, state employees, retirees, and their dependents, in a financially sustainable manner, thereby serving as a model to the people of North Carolina for improving their health and well-being."

2. It is the intent of the Board and Plan leadership team to ensure that the **perspective of the member**, including experience and value, is factored into the strategic plan.
3. It is the intent of the Board and Plan leadership team to support the development of benefit offerings that are **affordable** to state employees, retirees and their dependents and the State of North Carolina. Therefore the Board and Plan leadership team will make every effort to work on behalf of the members and State of North Carolina to develop the competitively priced offerings that **improve the health and well-being of its members**.
4. The Board and Plan leadership team recognize the responsibility to work to ensure that members have **access to quality care** and that their **patient experience is continuously improved**.
5. Given the Plan's responsibility to serve members across the state, the Board and Plan leadership team recognize the need to develop benefit offerings and programs that **balance cost and access to quality care**. Access includes addressing issues such as distance to providers, cost and length of time to schedule an appointment.
6. There needs to continue to be a **sense of urgency** to ensure the Plan remains financially stable to fulfill the mission of improving the health and health care of its members. That said, the Board and Plan leadership team acknowledge that the ability to make operational changes requires time and resources. Therefore, it is prudent to have **a reasonable period of stabilization** to manage recent member and operational impacts and to have time to measure the results of recent changes. Continuous measurement and monitoring will be an integral part of the strategic planning process.
7. The Board and Plan leadership team recognize the opportunity to develop benefit offerings and programs that will require longer time horizons to determine measurable results. Therefore, it is the intent of the Board and Plan leadership team to **develop a balanced portfolio of both near and long term strategic initiatives**.
8. It is the intent of the Board and Plan leadership team to effectively manage premiums that members are required to pay for coverage and for out-of-pocket health care expenses. The Board and Plan leadership team **support the development of programs and benefit offerings that encourage healthy lifestyles** and the appropriate use of incentives and cost sharing as levers in influencing the use of health care services and improving the health of plan members. Ongoing communication and education will be critical.
9. The Board and Plan leadership team acknowledge that there will be a dependency on the **support of the North Carolina General Assembly** to fund or operationally execute on the strategic plan. The Board and Plan leadership team will work collaboratively with that constituency to ensure the strategic plan fulfills the mission of the Plan.
10. Given the dependency on 3rd party vendors, business partners, providers and other stakeholders the Plan, working in the best interests of the Plan members and State of North Carolina, will take a **collaborative** and **partnership approach** with all stakeholders in developing and executing on the strategic plan. This will include utilizing others' areas of expertise and information to guide the decisions and actions of the Board and Plan leadership team.
11. The Board and Plan leadership team recognize their **fiduciary responsibility** first and foremost to the members of the Plan but also to the State of North Carolina and its citizens.
12. It is the intent of the Board and Plan leadership team to act in a manner that is in **the best interests of all members** of the Plan and actively work toward **consensus** that will enable the fulfillment of the mission of the Plan.

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

STRATEGIC PRIORITIES

Priority	What It Means	What We Will Do	Why It Is Important
Improve Members' Health	Population health management is a model for managing all aspects of member health from wellness to chronic disease with a focus both on engaging members in their health and improving the quality and coordination of care within the health care system. The goal is maintaining or improving the health of members and lowering medical claims cost for members and the Plan.	• Maintain or improve member health as appropriate including the support of members with chronic conditions • Engage health care providers in improving the quality and coordination of care • Identify and address gaps in access to quality care or in the care itself • Promote a culture of wellness	About ~~51~~50% of members have at least one chronic condition and account for 76% of claims expenditures. Duplication of services and the provision of services in higher cost settings significantly contribute to the cost of care. Better coordination of care and better health of the population can improve member well-being and lower costs for both members and the Plan. In addition, offering programs and products that attract membership for all stages of health ensures a more stable Plan.
Improve Members' Experience	The member experience includes the relationship members have with the Plan including enrollment, access to information, benefit designs, and affordability of coverage; services and programs provided by the Plan and its vendor partners; and access to providers and quality care through effective relationships with the Plan's network providers. The Plan also seeks to foster and improve the direct relationship between the member and the provider including the provider's practice and staff.	• Improve communication with members about benefit design, enrollment, and eligibility to promote health literacy • Increase transparency of the cost of care and the quality of network providers • Provide reliable, quality services for enrollment, claims processing, and population health management • Address member concerns regarding Plan operations, benefit design, coverage, and costs • Develop partnerships and benefit designs that improve members' experience with providers and practices	Members who are informed and satisfied with their service experience are more likely to engage with the Plan and participate in benefit designs and programs aimed at improving their health, leading to improved health and well-being for the member and lower health care costs for the both the Plan and the member.
Ensure a Financially Stable State Health Plan	The Plan must address the cost of health care, the delivery of health care, and the utilization of benefits in order to minimize State and member premium contributions, provide a cost-effective and sustainable benefit and optimize the benefits offered to members within the financial resources available.	• Manage the cost of medical claims • Manage the cost of pharmacy claims with a specific focus on specialty pharmacy management • Encourage members to use benefits appropriately and to be informed consumers of medical services • Develop programs focused on reducing fraud, waste, abuse and overuse • Collaborate with the General Assembly and Office of State Budget and Management to help ensure predictable funding for health benefits	Financial stability and cost management protect the State and members from large premium increases. Maintaining a strong reserve balance enables the Plan to invest in initiatives to improve health and experience while managing future cost increases and cash flow. The Plan's expense trend has been at or below the medical Consumer Price Index for the last four fiscal years and reserves at the end of FY 2014 were approximately four times the targeted amount. Recent experience has allowed the Plan to offer more options and enhanced benefits for 2014 and forgo premium increases for the State and members in 2015.

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

STRATEGIC INITIATIVES

Priority	Initiative	What It Means	What We Will Do	Why It Is Important

Improve Members' Health	Maximize ~~Patient Centered Medical Home (PCMH)~~ Medical Home Effectiveness	The ~~Patient Centered Medical Home~~Medical Home model is a way of organizing primary care that emphasizes care coordination (including appropriate setting), reduction in duplication in ~~and~~services and communication to transform primary care to include population health management. Medical homes are an example that can lead to higher quality and lower costs, and can improve patients' and providers' experience of care. Multiple practices are abandoning PCMH accreditation in favor of alternative approaches such as ACOs; the Plan would like to leverage multiple models of care coordination.	• Support providers and practices in serving as ~~PCMHs~~ Medical Homes through data analytics, care management, and/or enhanced payment through the Population Health Management Services vendor to designated ~~PCMH~~ Medical Home groups
			• Groups will be identified for support/ partnership (directly or through vendor partners) based on willingness to engage and opportunity for improved patient outcomes based on review of available clinical measures
			• Develop metrics and benchmarks to demonstrate the impact of improved care delivery and coordination such as medication adherence, reduced ED use, hospital readmissions and nationally benchmarked HEDIS measures
			• Design and communicate incentives and other benefit designs that encourage members to have designated ~~PCMHs~~ Medical Homes serve as their primary care provider
				• At the heart of ~~the~~ ~~PCMH~~ Medical Home ~~are~~ is the patient and the primary care physician who serves as the key to better coordination of care and patient engagement
				• For 2014, 98% of members in the 80/20 and 99% of members in the CDHP plans selected a primary care provider
				• Increasing the number of primary care providers that are ~~PCMHs~~ Medical Homes will help ensure timely access to care and increase the focus on quality of care indicators such as:
				  • Diabetes HbA1c testing rate is 88.9% while the national benchmark at the 75th percentile is 91% and at the 90th percentile is 94%
				  • Cholesterol LDL-C testing rate is 81.3% while the national benchmark at the 75th percentile is 87% and at the 90th percentile is 89%

	Assist Members to Effectively Manage High Cost, High Prevalence Chronic Conditions	Focused programs designed to assist members and their providers to effectively manage a member's chronic condition(s). The targeted chronic conditions include asthma, COPD, cardiovascular diseases & diabetes. This includes a focus on members with multiple and complex chronic conditions. Additional programs will focus on high cost members or "super utilizers" that could	• Develop chronic care management programs focused on high volume and high cost conditions where there is opportunity to collaborate with providers to improve both quality of care and member engagement • Collaborate with other state entities and stakeholders, including the NC Department of Health and Human Services, on addressing how to improve these conditions across the state • Identify super utilizers and assist those members in seeking more appropriate sites of service. • Utilize programs such as Transitions of	• Members with at least one chronic condition account for 76% of total cost of care (Non-Medicare) • Prevalence of high cost chronic conditions (for actives): Hypertension 25%, Asthma/COPD – 10%, Diabetes – 9%, CAD – 3% • Members with one or more chronic conditions utilize $7,664 of services while healthy members (those without a chronic disease related claim) utilize about $1,283, roughly 1/6th the cost of those with a chronic condition • 2013 medication adherence rates for active members with diabetes was 46%,

Priority	Initiative	What It Means	What We Will Do	Why It Is Important
		be better managed.	Care, the SHP High Utilizers Program, and Telehealth	hypertension is 57% and high cholesterol was 65%
Improve Members' Health	Offer Health-Promoting and Value-Based Benefit Designs	Benefit designs that reduce barriers to care and are directed at sustaining long-term health and managing chronic disease and incent members to seek high value and appropriate treatment from high quality, cost effective providers	• Offer benefit designs that provide no-cost access for preventive care, encourage utilization of ~~PCMHs~~ PPHMs and use of high quality primary care providers, encourage healthy behaviors and engage members • Consider additional value-based benefit designs that offer quality and cost options around ~~providers,~~providers, appropriate treatments and medications • Incent members to make long-term healthy lifestyle choices and more effectively manage chronic disease	• Access to high quality, appropriate care at cost effective settings helps sustain health and allow for management of chronic disease • When offered a premium credit, 84% of active members selecting the CDHP and 80/20 plan options completed a health assessment, chose a PCP and attested they did not smoke or were enrolled in a smoking cessation program
	Promote Worksite Wellness	Any employment based activity or employer sponsored benefit aimed at promoting healthy behaviors (primary or secondary prevention). These are programs that require longer time horizons by which to measure results and impacts.	• ~~Using the NC HealthSmart program, partner~~ Partner with state agencies to influence environmental and workplace policies and tailor programs suited to the different strata of membership across the state • Develop programs and approaches that ensure the continuous engagement of members throughout the year • Create a culture of wellness to include participation and support from employing units and agency leadership	• National data suggests that worksite wellness programs help employees feel more valued • 45% of employees say these programs encourage them to stay with their employer

Priority	Initiative	What It Means	What We Will Do	Why It Is Important

Improve Members' Experience	Create and Implement a Comprehensive Communication & Marketing Plan	Providing members with materials ~~they can understand~~through multiple mediums to help them effectively utilize their health benefits. Communicating regularly, not just at Annual Enrollment, to allow members the opportunity to maximize their experience, reduce their costs, and improve their access to the health care services available to them.	• Develop a comprehensive and continuous communication strategy, including print, email, web-based and mobile applications and media, regarding benefit plan options, how to get the most value out of the benefit programs and explain the value of the benefits that are offered, including:
			  ○ Improve member contact information
			  ○ Develop a branding campaign in coordination with the Department of State Treasurer
			  ○ Regularly meet with provider community to distinguish Plan services from BCBSNC services
			• Demonstrate the value of and promote Plan offerings
				• Health benefits are utilized throughout the year and therefore, regular benefits communications will assist members with benefit questions and managing their care
				• There are opportunities to increase the use of online communication channels because fewer than 1% of members now access NCHealth*Smart* resources online
				• Over 80% of retired members prefer written materials while active members prefer online communications. This demonstrates the need for a variety of communication channels

	Improve the Member Enrollment Experience	Members are able to enroll in and access the benefits they choose and their premium credits are accurately reflected. Enrollment tools meet current technology standards. Streamline customer service calls and online access.	• Develop a consistent and stable platform for members' enrollment experience • Provide a customer service call center to provide members with timely and accurate enrollment and benefit information • Ensure that enrollment data is accurately collected, maintained and transmitted in a timely manner • Where possible, provide single sign-on from the originating secure site to other sites to eliminate the need for multiple passwords and user IDs	• Enrollment is the gateway to the provision of benefits and it is imperative that the member's enrollment experience is as simple as possible and that enrollment information is accurately captured, displayed and transmitted to ensure access to appropriate benefits and to improve the trust of members • Having multiple contact numbers and login IDs can be a barrier to access and timeliness of service • Improving member experience can enable increased engagement
	Promote Health Literacy	Provide access to tools and resources designed to assist members in understanding costs, treatment and provider options to support members in communicating with their provider and engaging in their health care decisions.	• Develop and market tools and resources, particularly web-based and mobile applications, that provide cost and quality transparency metrics and assist members in making informed choices on appropriate treatment options, cost, provider selections, and site of service	• Providing tools to access high quality, site appropriate, and low cost care encourages improved health outcomes, raises member satisfaction, and reduces Plan cost growth • Only 0.2% of members access the provider portal, which houses the current transparency tools • Web-based and mobile platforms improve accessibility to information

Priority	Initiative	What It Means	What We Will Do	Why It Is Important
Ensure a Financially Stable State Health Plan	Target Acute Care and Specialist Medical Expense	The management of specific categories/ treatments of care that exceed the Plan forecast and/or medical expense trends. The management of member out-of-pocket costs in high cost services and care settings such as hospitalizations and specialized medical care. The management of fraud, waste, abuse and overuse of medical services.	• Develop and implement targeted programs or benefit designs that specifically address the following: ○ Appropriate use of emergency rooms and urgent care centers ○ Avoidable inpatient admissions, readmissions, duplicative care ○ Use, costs and/or site of service for specialty medical services ○ Implement targeted programs focused on reducing fraud, waste, abuse and overuse of medical services. ○ Reinforce payment for necessary care only and minimize payment for unnecessary, duplicative care (e.g., preventable patient safety incidents otherwise known as “never events”)	• Hospital inpatient costs averaged $3,266 per day in 2013 and represented $612 million in spending (17.5% of total) • The average cost of a hospital stay for Plan members was $15,553 in 2013 • Emergency room costs represent another $146 million in medical costs (4.2%)
	Target Pharmacy Expense	The management of specialty medications across the medical and pharmacy benefits as well as fraud, waste, abuse and overuse of pharmaceuticals	• Implement targeted programs or benefit designs that manage the cost, use, and/or site of service of specialty medications. • Implement targeted programs focused on reducing fraud, waste, abuse and overuse of pharmaceuticals. • Develop a scorecard to evaluate prescribers and pharmacies.	• Pharmacy costs are 29% of total plan medical costs • 2.6% of non-Medicare membership uses specialty medications under the medical benefit which accounts for 6.7% of total plan (non-Medicare) medical payments • Medical specialty pharmacy trend is 11.3% • <2 % of members use specialty medications under the pharmacy benefit which accounts for 22% of plan pharmacy cost. This is projected to be 50% by 2018. • Specialty pharmacy (pharmacy benefit) trend is currently 16%

Priority	Initiative	What It Means	What We Will Do	Why It Is Important
Ensure a Financially Stable State Health Plan	Pursue Alternative Payment Models	Shift away from the current pay for volume approach in health care to paying for outcomes based on evidence based metrics. Utilize the spectrum of alternative payment strategies, ranging from PCMH to pure capitation, to more efficiently compensate providers to provide care in the most effective setting. Take a long-term, prospective view to improve member health to manage cost growth versus only short-term price reductions.	• Partner with current and future third party administrators (TPA)/carriers to identify opportunities to incent quality of care and pay for outcomes while facilitating the development of successful evidence-based practices that are emerging in North Carolina • Partner with other payers, where appropriate, to implement consistent approaches to alternative payment strategies throughout North Carolina • Engage with providers who are able to work directly with the Plan on value based payments and metrics through both claims and other sources	• Moving away from pure fee for service provides an incentive to focus on better coordination and effective care • 15.6% of hospital admissions had a readmit within 30 days • Average inpatient cost per day has increased by 4.4% over the past year
	Ensure Adequate, Stable Funding from the State of North Carolina	Work to secure the necessary stable funding sources by maintaining stakeholder confidence in and support for the Plan.	• Act in an open and transparent manner as appropriate in all interactions with the Governor, Office of State Budget and Management (OSBM), General Assembly, Fiscal Research Division (FRD), state agencies and the public • Use all reasonable tools, processes and assumptions to accurately forecast revenues, expenses, and required premium contributions • Proactively work with the Governor, OSBM, General Assembly, and FRD to protect the Plan's reserves and ensure adequate funding is appropriated each year to enable the Plan to achieve its mission • Partner with employee and retiree stakeholder groups to support the Plan's funding and legislative requests	• Maintaining the confidence in and support for the Plan by key stakeholders in a time of fiscal challenges and competing priorities will help ensure adequate funding is available over the long term, thereby producing a stable financial environment to support the mission of the Plan • Maintaining stable funding helps prevent against benefit erosion and allows the Plan to offer and evaluate the cost-effectiveness of alternative benefit designs, incentives and pilot programs as well as invest in programs and initiatives to improve the member experience and access to quality care

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

STRATEGIC MEASURES OF SUCCESS

Priority	Description	Metric	Rationale	Timeframe/Baseline
Improve Members' Health	~~PCMH~~ ~~MeH~~Medical Home utilization	Increase % of members receiving care from a ~~NCQA recognized PCMH~~~~MeH~~Medical Home	~~PCMH~~ ~~MeH~~Medical Home practices provide an opportunity to improve care and care coordination for members	Annual comparison to year-end 2013
	Quality of care measure	Increase % of members with targeted high prevalence conditions receiving care according to national clinical standards	Monitoring delivery of clinical quality of care standards ensures Plan members are receiving quality health care	Annual comparison to year-end 2013
	Worksite wellness	Increase number of worksites offering worksite wellness initiatives	The number of worksites offering onsite wellness initiatives are a proxy for measuring a culture of wellness across State agencies	Annual comparison to year-end 2013
Improve Members' Experience	Customer satisfaction	Maintain or improve overall customer satisfaction score	Overall customer satisfaction is a proxy to monitor the overall Plan's effectiveness	Annual comparison to year-end 2012
	Annual Enrollment service level agreements (SLA)	Improve Annual Enrollment customer service SLAs	Enrollment is the gateway to the provision of benefits and an opportunity to instill trust in the member	Annual comparison to year-end 2013 (from October 2013 enrollment period)
	Member engagement	• Increase in the number of active members registered as users on TPA's website • Increase in the usage of TPA's provider search and transparency tools by active members • Increase in attendance at educational roadshows	Measuring members engaged in communication and health literacy efforts is a proxy for measuring the Plan's effectiveness at targeted member outreach	Annual comparison to year-end 2013
Ensure a Financially Stable State Health Plan	Net income/loss	Net income/loss actual at or above certified or authorized budget (as forecasted by actuaries) for plan year	Provides a comprehensive measure of Plan finances	Annual comparison
	PMPM claims expenditures	PMPM claims expense at or below certified or authorized budget (as forecasted by actuaries) for plan year	Claims expense is the main variable driving financial performance	Annual comparison
	Member cost-sharing	% of total claims cost paid by members through copays, deductibles and coinsurance at or below benchmark	Member cost-sharing is an important component in member affordability	Annual comparison to year-end benchmark

Note: All years are based on the calendar year ending in December, unless specifically noted as fiscal year (FY). Measures will be reported as part of the Plan scorecard and updates will be provided according to the financial reporting schedule.

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

VENDOR CONTRACT DEPENDENCIES

The following chart outlines the anticipated effective dates of new contracts as well as the optional renewal and termination dates for existing contracts that are important to the strategic plan. The timing of contract terminations and the length of time required to procure new vendors may impact the strategic initiatives as well as the sequence and timing of the initiatives. The estimated length of time to change vendors or make significant changes to existing contracts can take between 18 and 24 months including development, procurement and implementation. The Board is required to approve all contracts with a value of $500,000 or more.

Vendor dependencies and contract requirements will be continuously assessed as the details of the deliverables of specific projects and programs are developed. Depending on the final detailed design of each initiative as well as other contracting or vendor selection or negotiation issues, the vendor contract reference chart and the timelines associated with each initiative outlined in the roadmap on the following pages could be modified. In addition, the chart below only reflects active contracts. Additional vendor contracts may be required in order to implement the initiatives, and Board approvals will be acquired as needed.

Vendor Contract Reference Chart

Category / Contractor	2016		2017		2018		2019		2020	
	Jan-Jun	Jul-Dec	Jan-Jun	Jan-Jun	Jul-Dec	Jul-Dec	Jan-Jun	Jul-Dec	Jan-Jun	Jul-Dec
TPA / BCBSNC		12/31/16		12/31/17		12/31/18				
TPA / MedCost LLC				12/31/17						
MA / Humana		12/31/16		12/31/17		12/31/18				
MA / UnitedHealthcare		12/31/16		12/31/17		12/31/18				
PBM / Express Scripts		12/31/16								
PBM/ New Contract			1/1/17					12/31/19		12/31/20
PHMS / ActiveHealth Management		12/31/16		12/31/17						
COBRA & Billing / COBRAGuard		12/31/16		12/31/17		12/31/18				
EES / Benefitfocus								12/31/19		12/31/20

New Contract Option to Renew Contract Contract Terminates

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

Vendor Contract Reference Chart

Category / Contractor	2016		2017		2018		2019		2020	
	Jan-Jun	Jul-Dec	Jan-Jun	Jan-Jun	Jul-Dec	Jul-Dec	Jan-Jun	Jul-Dec	Jan-Jun	Jul-Dec
TPA / BCBSNC		12/31/16		12/31/17		12/31/16		12/31/17		12/31/18
TPA / MedCost LLC										
MA / Humana		12/31/16			12/31/16	12/31/16		12/31/17		12/31/18
MA / UnitedHealthcare		12/31/16			12/31/16	12/31/16		12/31/17		12/31/18
PBM / Express Scripts		12/31/16			12/31/16	12/31/16				
PBM/ New Contract										
PHMS / ActiveHealth Management										
COBRA & Billing / COBRAGuard		12/31/16			12/31/16	12/31/16		12/31/17		12/31/18
EES / Benefitfocus		12/31/16			12/31/16	12/31/16		12/31/17		12/31/18

New Contract Option to Renew Contract Contract Terminates

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

STRATEGIC ROADMAP

July 2014 – December 2018

Background and Definitions

The charts on the following pages outline the high level roadmap for each of the strategic initiatives included in the strategic plan. Each chart includes a brief description of the project or program, any associated contract decisions and/or benefit approvals, an estimated launch date, and an indication of the magnitude of impact relative to the membership. Although not necessarily described in the charts, each of the projects or programs include planning (discovery interviews, market research, synthesis, and gaining consensus), building (developing detailed designs, acquiring necessary approvals, contracts, staff, and training), and implementation (communication, launch, and ongoing monitoring and management). Details on specific programs or benefit designs will be communicated as proposals are developed. The purpose is to organize the major work streams and key milestones, particularly those that will require Board approval. The Plan leadership team will provide updates to the Board proactively on progress as appropriate and as needed.

In addition, the estimated milestones take into consideration the dependencies on vendor contracts based on what is known at the time of planning. The dates on the charts that follow are **not intended to communicate actual contract dates or otherwise indicate that Board approval will be required for every contract decision.** As a planning document, the charts are intended to indicate the possibility of vendor contracts or Board action and final decisions and actions will depend on the details of each initiative.

The following reference table outlines the elements of the work and timelines included in the charts:

Term or Key Indicator	Definition
Projects & Programs	Short description of the major work efforts that will be delivered in support of the initiative
	Possible Board benefit approval point. The need for any approvals will depend on the final detailed design of any new project or program.
	Possible contract decision point – reflects the anticipated point in time when a decision regarding contract extensions or amendments or Board approval of a new contract is required. Contract decisions may or may not require Board action. The need for any approvals will depend on whether it is a new contract with a value of $500,000 or more.
	Indicates the estimated launch date for small or moderately sized projects or programs. For example, pilots, regional programs or projects impacting a relatively small number of Plan members.
	Indicates the estimated launch date for large, statewide projects or programs. For example new products or a disease management program available statewide that impacts a large number of members.

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

Strategic Priority: Improve Members' Health

	Projects & Programs	Jul – Dec 2014	2015	2016	2017	2018
PCMH	**PCMH Pilot:** PCMH pilots established with at least 4 health care systems or provider groups. The goal of the pilot is to identify a statewide standard for the PCMH model, to inform the next iteration of the Plan's contract with its population health management vendor and to assess the readiness of these health care systems for alternative payment methods.	Implemented and Ongoing				
	PCMH Model: Implementation of the PCMH model statewide. This will take place through the contract with the population health management vendor.	Contract Decision- PHMS		Delayed		
High Prevalence Conditions	**High Prevalence High Cost Care Management:** Develop and implement a high utilizer care management/coordination plan for members with a diagnosis of diabetes, asthma/COPD, hypertension or CAD in partnership with the Plan's population health management vendor. The intent of the initiative is to promote the delivery of appropriate and timely care within appropriate settings.	Implemented and Ongoing				
	Chronic Pain Pilot: Implement a new program designed to identify and address prescription abuse, improve the safety of members who are taking narcotics and identify care management options.		Delayed			
	Transition of Care Program: Target high priority members who are transitioning out of the hospital for care management to assist in reconciling prescriptions post discharge (Medication Therapy Management – MTM), coordinating follow-up appointments as necessary and to providing education and information on conditions. This will be accomplished through the contract with the population health management vendor.	Contract Decision - ADT feeds Implemented and Ongoing				
Value-Based Benefits	**Value Based Benefit Design:** Implement the next generation of wellness activities, premium credits, and incentives to increase member engagement and accountability, improve medication adherence, reduce waste and encourage the use of quality providers.	In Progress				
Worksite Wellness	**Wellness Champions Pilot:** Develop a network of wellness champions within worksites to lead employees in worksite wellness initiatives. The Plan will provide incentives that reward those worksites with high levels of participation as well as support worksite with resources like speakers and toolkits.	Implemented and Ongoing				
	Multipronged Three County Pilot: A three pronged, two year pilot in Greene, Jones and Lenoir counties aimed at addressing the high prevalence, high cost chronic conditions of diabetes, asthma, COPD, hypertension, CAD, and stroke. The Plan and its vendors would help develop capacity to implement wellness initiatives within worksites in three counties, develop provider engagement with Plan membership and empower members in seeking appropriate health care and leveraging community resources.	Implemented and Ongoing				

Strategic Priority: Improve Members' Experience

	Projects & Programs	Jul – Dec 2014	2015	2016	2017	2018
Communication & Marketing	**Coordinated Communication Campaign:** Implement a communication approach for Retiree Health Benefits that is coordinated with the Retirement System and the Department of State Treasurer.	Implemented and Ongoing				
	Medicare Primary Communication: Enhance current Medicare Primary learning module and develop additional outreach strategies.	Implemented and Ongoing				
	Active and Non-Medicare Primary Communication: Develop learning module for Active and non-Medicare Primary members to enhance their health literacy and understanding of Plan Benefits.	Implemented and Ongoing				
Enrollment Experience	**New Eligibility and Enrollment vendor:** Transition all eligibility and enrollment services to a new vendor no later than July 1, 2015. In order to launch the new services all testing must be completed by March 31, 2015, and the communication plan with members, vendors and other stakeholders completed by December 31, 2014.	Contract Decision Implemented and Ongoing				
	Annual Enrollment and Benefit Design Communication: Implement a comprehensive communication and marketing campaign each year regarding Annual Enrollment and benefit designs. Focus campaigns to emphasize the healthy activities required to earn premium wellness credits and value-based designs.	Implemented and Ongoing				
Health Literacy	**BlueConnect Launch:** BCBSNC is implementing a new member web portal in January 2015. Partner with BCBSNC to develop a communication strategy to increase engagement and utilization with the new functionality**.**	Implemented and Ongoing				
	Transparency & Literacy Tools Program: Implement programs that promote and incentivize members to utilize web-based transparency tools for identifying high quality, cost effective providers; calculate their best plan options based on expected utilization; and identify resources to assist with chronic conditions.	Implemented and Ongoing				
	Incentive Rewards Program: Implement a program that rewards members for healthy lifestyles, use of preventive benefits, and benefit engagement. An example of a potential reward is a Fitbit® for participating in a walking program or engaging with a health coach.	Implemented and Ongoing				

Strategic Priority: Ensure a Financially Stable State Health Plan

	Projects & Programs	Jul – Dec 2014	2015	2016	2017	2018
Acute Care and Specialists	**Avoidable Admissions and Emergency Department Visits:** Implement a telehealth option to provide a less costly alternative to an ED visit but that also provides the member with direct and immediate access to a physician.			Delayed		
	Place of Service: Incent members through benefit design to utilize the appropriate provider in the most cost effective setting for health care services. For example, incent members to choose a location without an associated facility fee.	In Progress				
Pharmacy	**Specialty Pharmacy Management:** Implement programs that encourage the cost effective use of specialty pharmacy drugs including member and provider incentives regarding drug infusion site of care, equity in member cost share across pharmacy and medical benefits, and utilization management.			Delayed		
	Enhanced Fraud Waste & Abuse Program: Replace the high utilization program, which restricts a member to one pharmacy due to the high utilization of targeted drugs (controlled substances and muscle relaxants) with a comprehensive Enhanced Fraud, Waste and Abuse Program. The Enhanced Program includes a review of both medical and pharmacy claims to accurately identify members who meet the robust criteria for restriction to one pharmacy and up to two prescribers for controlled substances and other drugs of abuse. The goal is to decrease fraud, waste and abuse (which includes improper use) of controlled substances and other drugs of abuse.		Delayed			
Alternative Payment Models	**Alternative Payment Models:** Implement alternative payment models with 2 to 3 accountable care organizations (ACOs) and then expand.		Implemented and Ongoing			
Adequate, Stable Funding	**Communication with State Government Leadership:** Provide the Governor, General Assembly and other key stakeholders with regular updates and targeted communications on the Plan's strategic plan and financial results as well as policy and programmatic priorities through contact with the Office of the Governor, committees and individual members of the General Assembly, leadership staff, OSBM, FRD and state agencies.		Ongoing			
	Legislative Agenda: Develop and communicate funding requirements and requests for statutory changes for the long and short sessions to address the Plan's administrative, financial and policy needs and provide information, actuarial notes, and educational sessions as needed and requested.		Ongoing			

LIST OF ACRONYMS

ACO	Accountable Care Organization
ADT	Admissions, Discharge and Transfer
BCBSNC	Blue Cross Blue Shield of North Carolina
CAD	Coronary Artery Disease
CDHP	Consumer-Directed Health Plan
COPD	Chronic Obstructive Pulmonary Disease
ED	Emergency Department
EES	Eligibility and Enrollment Services
FRD	Fiscal Research Division
HEDIS	Healthcare Effectiveness Data and Information Set
MA	Medicare Advantage
MTM	Medication Therapy Management
NCQA	National Committee on Quality Assurance
OSBM	Office of State Budget and Management
PBM	Pharmacy Benefit Manager
PCHM	Patient Centered Medical Home
PCP	Primary Care Provider
PHMS	Population Health Management Services
SLA	Service Level Agreement
TPA	Third Party Administrator