



*North Carolina*  
**State Health Plan**  
FOR TEACHERS AND STATE EMPLOYEES



## *Transparency Workgroup Meeting Two*

*Transparency Workgroup*

April 25, 2014

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*A Division of the Department of State Treasurer*

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# Purpose of Workgroup

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## Purpose

- The North Carolina General Assembly passed HB 834 (S.L. 2013-382) which states the State Health Plan shall (Section 10.2):

*“Establish a workgroup to examine the best way to provide teachers and State employees greater transparency in the costs of health services provided under the State Health Plan. The State Health Plan for Teachers and State Employees shall report the findings and recommendations of the workgroup to the Joint Legislative Oversight Committee on Health and Human Services and the Joint Committee on Governmental Operations on or before December 31, 2013, and annually thereafter through December 31, 2016.”*

- The State Health Plan believes that a central component to transparency is quality
  - Cost data alone may be incomplete, and members shouldn't go to a provider simply because they are the lowest cost; the member and the Plan benefit from utilization of high quality care *that is provided at the most affordable setting*

# Goals of the Workgroup

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- Draft recommendations on:
  - Goals to achieve transparency for members
    - Short-term: Price related
    - Longer-term: quality related
  - Strategies to achieve the proposed transparency goals
  - Environmental scan based on current options available from current vendors and the marketplace

# Composition of Workgroup

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Active representation	Retiree representation	Provider community
<ul style="list-style-type: none"><li>• Chuck Stone – SEANC</li><li>• Marge Foreman – NCAE</li><li>• Ray Scerri – OSC/HR Roundtable</li><li>• Neal Alexander, Director - Office of State Human Resources</li><li>• Jane Phillips – NCCC system</li><li>• Ana Martinez – Wake Co. Public Schools</li><li>• Joe Williams – NC State</li></ul>	<ul style="list-style-type: none"><li>• Ed Regan - NCRGEA</li><li>• Pam Deardorff – NCRSP</li><li>• Nina Yeager – retired state employee</li><li>• Debbie Beavers – retired state employee</li><li>• Gina Upchurch -- retiree advocate representative</li></ul>	<ul style="list-style-type: none"><li>• Dr. Richard Bruch, MD</li><li>• Dr. Tom White, MD</li><li>• Mark Gregory</li><li>• Michael Vicario</li></ul>

# Guiding Principles

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- The State Health Plan believes that a central component to transparency is quality
  - Cost data alone may be incomplete, and members shouldn't go to a provider simply because they are the lowest cost; the member and the Plan benefit from utilization of high quality care *that is provided at the most affordable setting*
- The workgroup is tasked with making health care more transparent to our membership, not recommending how to make health care less costly; transparency arms our members with the opportunity to find lower cost providers
- The lowest cost option is not necessarily the best option for members
- Some services are more “shopable” than others
  - Transparency capabilities are most valuable for services where members have more ability to select the location of care
    - Non-emergency services and non-tertiary care
- Transparent prices can have the additional benefit/consequence of moving providers to competing more directly on the price they charge patients

# Today's meeting

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- Beginning the environmental scan of transparency tools
- Presentation of current price and quality tools available to SHP members through current vendor partners:
  - BCBSNC
    - Actives
    - Pre-65 retirees
    - Medicare retirees
  - Humana
    - Medicare retirees
  - UnitedHealthcare
    - Medicare retirees

# Items to consider

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- Accessibility
  - Website or mobile
- Usability
  - Is the site easy to navigate?
- Shopable services
  - What services can members price?
- Range of prices
  - Are the prices ranges broad or narrow?
- Quality metrics
  - Is quality measured?
  - How is quality measured and defined?



# Proposed Meeting Schedule

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- Proposed June meeting – Marketplace presentations
  - Proposed date
    - June 9<sup>th</sup> ?
    - June 16<sup>th</sup> ?
- Proposed July meeting – Marketplace presentations
- Proposed August meeting – Craft recommendations
- Proposed October meeting – Approve recommendations and discuss 2015 work plan