

Sam Watts

From: Sam Watts
Sent: Monday, January 16, 2023 9:11 AM
To: Sam Watts
Subject: Fwd: Disappointing start to 2022

Sam Watts
919-810-8747

From: Dee Jones <Dee.Jones@nctreasurer.com>
Sent: Friday, February 18, 2022 5:23 PM
To: Tunde Sotunde (Blue Cross NC) <tunde.sotunde@bcbsnc.com>; Roy Watson Jr. (roy.watson@bcbsnc.com) <roy.watson@bcbsnc.com>
Cc: Dee Jones <Dee.Jones@nctreasurer.com>; Dale Folwell <Dale@Nctreasurer.com>
Subject: RE: Disappointing start to 2022

Tunde and Roy,

It has been an exhausting week for both of our teams and I appreciate the effort. It is my hope that BCNC can begin to resolve these issues without having to involve Plan and BF staff on calls for hours on end. That said, I also do not want to slow the progress.

I do want to provide “shout outs” to the following people for their efforts to resolve these issues. Specifically, Sandi B Murray, Lynnette T, Aimee F and her team and Roy W for their focus on this work. It is appreciated. In contrast, I’m not sure we are getting the expected hands on leadership from the Director, SHP Operations.

Below is our feedback and understanding of the issues that Tunde provided feedback on Tue evening. As we were not 100% I agreement as to that feedback, I chose to wait until today to provide an update with the latest roster of open/closed issues anticipating some overall improvement.

- **Infusion Claims:** This issue was resolved on 2/9 and claims were released on 2/11. All adjusted claims, except for 245, have been resolved; the remaining 245 are being worked and will be included in this week’s payment cycle. **The Plan agrees – information was received after Friday’s communication.**
- **Allergy Shots:** This issue was resolved on 2/10 and new claims, or claims that were on hold, are released and processing normally. Any adjusted claims will be processed this week. **The Plan agrees – information was received after Friday’s communication.**
- **Retirement Systems Claims Holds:** These claims holds are due to COB discrepancies between Benefitfocus and our data regarding other carrier coverage and Medicare coverage. Note Benefitfocus does not have other insurance carrier information or Medicare data direct from CMS as we do. While we recognize the desire to release these claims quickly, we want to ensure accurate claims processing downstream that is dependent upon correct COB information. **The Plan wonders if this should have been taken into account from the start.** We will release the 80/20 claims this week for payment, as instructed by your team we continue to work the remaining volume of COB discrepancies with urgency. We fully understand the impact to affected members and are committed to resolving the issue to your satisfaction. **From the Plan’s perspective, the real issue is that BCNC got behind on Medicare updates in December and have had difficulty recovering. This seems to be the result of a combination of inexperience with Facets and not having the right skill set managing the work. Plan staff and Benefitfocus worked with BCNC this week to review the issues and agreed to release all Retirement Systems claims on Thursday. This is good news.**

- **Claims holds tied to the federal Surprise Billing legislation:** These claims holds are not unique to Facets nor the SHP. This federal regulation requires us to cover emergency services as in-network for our members regardless of facility participation status. Due to the complex nature of the rules and changing federal guidance, we are temporarily holding claims until we can properly configure and release for payment. Our target date for release is 4/7. As of 2/14, SHP has 62 claims on hold.
- **PCP Issues:**
 - Retro Terminated PCPs in error: Unfortunately, Benefitfocus will not accept a retro effective date for a member's PCP. Therefore when we have retro-active provider maintenance, we are unable to stay in-synch with Benefitfocus. While this manifests as an error on the reconciliation log, the PCP designation is correct in Facets and we are able to process claims. **BF not accepting a retro effective date is by design and known so this seems to be a BCNC requirements miss for Facets.**
 - Not terminating PCPs by absence: We have identified a fix for these circumstances where we do not have complete PCP information from Benefitfocus. We are making a code change on our end to accommodate for this, which will go in by 3/1. **Per the latest status report, the fix was deployed 2/17.**
 - PCP effective dates: We plan to deploy a fix on 2/20 to address the scenario when Benefitfocus sends an effective date value earlier than those members' benefit effective date. – **Per Plan requirements, BF is to send the original effective date of the PCP. The benefit effective date requirement was introduced by the migration to Facets.**
 - Letters mailed in error about terminated PCP: This issue was resolved on 1/19. Corrected ID cards and apology letters were issued to ~7,000 members.
 - Dropping ECU Physicians from directory in error: Providers will be displayed in the directory on 2/16. Corrected ID cards and apology letters will be issued by next week. **Per the latest status, we understand BCNC to be on track to get this done next week.**
- **Billing Issues:** The root cause has been identified for all three issues and all three issues are resolved. **The Plan understands some of the issues, like retroactivity bills, are being resolved through workarounds.**
- **Employer Portal:** There are three unique issues that were reported last week. Two issues will be fixed 2/16 with the remaining issue fixed by next week. **All the current EP issues have TBD resolution date.**
- **Blue Connect Split Contracts:** A fix has been identified for the Blue Connect access issue and we plan to deploy the fix on 2/18. **Per today's status, a fix was deployed 2/16.**
- **Blue-e:** We propose replacing the error message regarding SHP CPP network with a custom message in Blue-e that will provide CPP providers their fee schedule information. In addition, a news article will be shared in Blue-e to educate the providers. The enhancement to show the SHP CPP network and fee schedules in Blue-e is targeted for 2Q. **Per the status, the target resolution date is 6/30/2022.**
- **Retro legacy enrollments:** Of total of 282 retro changes received in February, 266 were successfully enrolled and given their PowerMHS member ID on 2/11. **Per the latest status report, the original 266 members were just called this week.** The remaining 16 members will be contacted by the Membership team. **Per today's status report, BCNC is targeting to resolve these members on 2/21/22.** We'll continue to work with the State on future retroactive enrollments for 2021.

This week has further demonstrated there is still a great deal of work to be done. The Plan, Benefitfocus and BCNC teams met for seven hours on Thursday and uncovered multiple new problems to be researched by BCNC. It is hard to group these at the moment and what we know is something prevented the enrollment from updating properly at BCNC. Once again, the Plan is waiting on a resolution plan from BCNC.

Best regards,

Dee Jones

Executive Director

State Health Plan

Cell: 919.215.2795

Email: dee.jones@nctreasurer.com

From: Tunde Sotunde <Tunde.Sotunde@bcbsnc.com>

Sent: Tuesday, February 15, 2022 8:24 PM

To: Dale Folwell <Dale@Nctreasurer.com>; Roy Watson <Roy.Watson@bcbsnc.com>; Dee Jones <Dee.Jones@nctreasurer.com>

Subject: RE: Disappointing start to 2022

Dee. As a follow up to my earlier note, please know that our team is giving the resolution of these issues the highest priority. A number of the issues you raised in your email have been resolved or have planned fixes going in shortly and my team is urgently working the remaining issues. Below is a summary of current status:

- **Infusion Claims:** This issue was resolved on 2/9 and claims were released on 2/11. All adjusted claims, except for 245, have been resolved; the remaining 245 are being worked and will be included in this week's payment cycle.
- **Allergy Shots:** This issue was resolved on 2/10 and new claims, or claims that were on hold, are released and processing normally. Any adjusted claims will be processed this week.
- **Retirement Systems Claims Holds:** These claims holds are due to COB discrepancies between Benefitfocus and our data regarding other carrier coverage and Medicare coverage. Note Benefitfocus does not have other insurance carrier information or Medicare data direct from CMS as we do. While we recognize the desire to release these claims quickly, we want to ensure accurate claims processing downstream that is dependent upon correct COB information. We will release the 80/20 claims this week for payment, as instructed by your team we continue to work the remaining volume of COB discrepancies with urgency. We fully understand the impact to affected members and are committed to resolving the issue to your satisfaction.
- **Claims holds tied to the federal Surprise Billing legislation:** These claims holds are not unique to Facets nor the SHP. This federal regulation requires us to cover emergency services as in-network for our members regardless of facility participation status. Due to the complex nature of the rules and changing federal guidance, we are temporarily holding claims until we can properly configure and release for payment. Our target date for release is 4/7. As of 2/14, SHP has 62 claims on hold.
- **PCP Issues:**
 - Retro Terminated PCPs in error: Unfortunately, Benefitfocus will not accept a retro effective date for a member's PCP. Therefore when we have retro-active provider maintenance, we are unable to stay in-synch with Benefitfocus. While this manifests as an error on the reconciliation log, the PCP designation is correct in Facets and we are able to process claims.
 - Not terminating PCPs by absence: We have identified a fix for these circumstances where we do not have complete PCP information from Benefitfocus. We are making a code change on our end to accommodate for this, which will go in by 3/1.
 - PCP effective dates: We plan to deploy a fix on 2/20 to address the scenario when Benefitfocus sends an effective date value earlier than those members' benefit effective date.
 - Letters mailed in error about terminated PCP: This issue was resolved on 1/19. Corrected ID cards and apology letters were issued to ~7,000 members.
 - Dropping ECU Physicians from directory in error: Providers will be displayed in the directory on 2/16. Corrected ID cards and apology letters will be issued by next week.

- **Billing Issues:** The root cause has been identified for all three issues and all three issues are resolved.
- **Employer Portal:** There are three unique issues that were reported last week. Two issues will be fixed 2/16 with the remaining issue fixed by next week.
- **Blue Connect Split Contracts:** A fix has been identified for the Blue Connect access issue and we plan to deploy the fix on 2/18.
- **Blue-e:** We propose replacing the error message regarding SHP CPP network with a custom message in Blue-e that will provide CPP providers their fee schedule information. In addition, a news article will be shared in Blue-e to educate the providers. The enhancement to show the SHP CPP network and fee schedules in Blue-e is targeted for 2Q.
- **Retro legacy enrollments:** Of total of 282 retro changes received in February, 266 were successfully enrolled and given their PowerMHS member ID on 2/11. The remaining 16 members will be contacted by the Membership team. We'll continue to work with the State on future retroactive enrollments for 2021.

Again, I apologize for the operational issues you have experienced and I assure you that our teams are urgently working to resolve the outstanding problems. However, I wanted to provide you with an update as the team works these issues and in parallel, putting together a comprehensive action plan with dedicated resources focused on categories of work in order to accelerate resolution.

Please let me know if any questions or concerns on any of the above.

Thx.TS

From: Dale Folwell <Dale@Nctreasurer.com>
Sent: Sunday, February 13, 2022 1:54 AM
To: Tunde Sotunde <Tunde.Sotunde@bcbsnc.com>; Roy Watson <Roy.Watson@bcbsnc.com>; Dee Jones <Dee.Jones@nctreasurer.com>
Subject: Re: Disappointing start to 2022

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My thoughts are to press this fiasco.
Please Stop taking this account for granted and get your hands dirty and fix your problems!
Good luck,
T

Dale R. Folwell, CPA
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From: Tunde Sotunde <Tunde.Sotunde@bcbsnc.com>
Sent: Saturday, February 12, 2022 11:57:34 AM
To: Roy Watson <Roy.Watson@bcbsnc.com>; Dee Jones <Dee.Jones@nctreasurer.com>
Cc: Dale Folwell <Dale@Nctreasurer.com>
Subject: RE: Disappointing start to 2022

Dee and Treasurer Folwell. I sincerely apologize for the challenges experienced by the plan through the 1/1 migration. You have my assurances that we will do everything we can and commit the necessary resources needed to address all the concerns raised. To Roy's earlier comments, we will provide the plan with a detailed remediation plan with timelines to bring the issues identified to resolution and proactively address any other areas of concern. We will also make sure to provide updates, daily if necessary of the progress being made to put these issues behind us and also as a reaffirmation of our commitment to the plan.

Thx. TS

From: Roy Watson <Roy.Watson@bcbsnc.com>
Sent: Friday, February 11, 2022 10:13 PM
To: Dee Jones <Dee.Jones@nctreasurer.com>; Tunde Sotunde <Tunde.Sotunde@bcbsnc.com>
Cc: Dale Folwell <Dale@Nctreasurer.com>
Subject: RE: Disappointing start to 2022

Hey Dee,

We are in receipt of your email and acknowledge the concerns you have raised. An action plan is being developed that will address each of your concerns. We are committed to bringing all of the issues you've raised to resolution and will put forth the necessary resources to do so.

I apologize that we have gotten to this point. We will fix these issues and get our relationship back on track.

Thanks, Roy

Roy Watson, Jr | Vice President, Group and State Segment
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Blue Cross Blue Shield of North Carolina
4611 University Drive, Durham, NC 27707

From: Dee Jones <Dee.Jones@nctreasurer.com>
Sent: Friday, February 11, 2022 6:25 PM
To: Roy Watson <roy.watson@bcbsnc.com>; Tunde Sotunde <tunde.sotunde@bcbsnc.com>
Cc: Dee Jones <Dee.Jones@nctreasurer.com>; Dale Folwell <Dale@Nctreasurer.com>
Subject: Disappointing start to 2022

EXTERNAL: This email originated from outside of the organization. Do not click any links or open any attachments unless you trust the sender and know the content is safe.

Roy and Tunde,

As you are no doubt aware, the State Health Plan has experienced numerous challenges as it begins 2022. This beginning represents our introduction to FACETS as well as the Plan's new TPA contract period. Neither are going well and quite frankly, it is very disappointing.

The Plan was intentionally the last major commercial entity to go live on FACETS so that the "bugs and kinks" could be worked out. Unfortunately, based on the issues and the amount of time that Plan staff and Benefitfocus have had to engage with BCNC to solve its issues, it would seem as if the Plan is the first to be introduced to FACETS.

Roy and his team have been very engaged and are appropriately trying to find the root causes and put forth the proper technical fixes but the issue list is long and continues to compound. Frustrations are high everywhere. The Plan is not convinced that there are enough of the right operations staff focused and skilled on Plan issues that can identify and solve these problems. Case in point, Plan staff has had to identify many of the issues.

I am intentionally including a list of issues and impacts below to illustrate we are not talking about a single major issue. The issues are grouped into seven categories.

Claims Holds

There are several system configuration issues impacting claims; therefore, claims are on hold or have just been released for each of the following:

- Infusion Claims
 - 749 are in the process of being adjusted
 - 8,200 on hold
- Allergy Shots
 - 782 that need to be adjusted (there were paid before the problem was discovered)
 - 6,800 on hold
- Retirement Systems Claims hold (just over \$80K in claims)
 - Several issues impacting BCNC's ability to manage Medicare information
 - In December and January, it became apparent that the BCNC Membership Team was not fully versed on how to manage Medicare in Facets which lead to delays and inaccurate Medicare updates.

- The Plan determined the best course of action was to wait until the February Retirement Systems audit between Benefitfocus and BCNC could be conducted to ensure the data was correct.
- Upon reviewing the audit results on February 10, 2022, it became apparent that BCNC still had accuracy issues with the data.
- Upon the Plan's approval, BCNC released the 80/20 claims on 2/10/2022 which is approximately \$30K of the \$80K on hold
- BCNC is continuing to hold the 70/30 claims
- BCNC is working through the weekend to clean-up their Medicare data. We will evaluate the results Monday afternoon.
- While this is not a FACETS issue, BCNC is also holding a small number of claims to configure the Qualified Payment Amounts required for the Surprise Billing legislation. They anticipate this hold to be in place through the end of Q1 2022.

Primary Care Providers (PCPs)

BCNC has encountered multiple issues managing PCPs

- Retro-terminated 354 PCPs in error
- Not terminating PCPs by absence
- Mailed thousands of letters to members advising them their PCP had been terminated when it wasn't
- Multiple problems with PCP effective dates
- Dropping PCPs in error from the directory (ECU Physicians)

Group Premium Billing

The Plan is certainly aware of the challenges created by the significant budget delays relative to the Group Premium Billing issues. However, this doesn't seem to cover all of the billing issues.

- Multiple problems delivering the BEACON invoice on time and accurately
- Problems with retroactivity invoices
- Missed several invoice dates for other groups

Employer Portal

- Multiple display issues

Split Contracts

- Members are unable to access Blue Connect

Blue E

- Providers get an error message displaying "Provider is no longer affiliated with the network" on Blue E fee schedule page when selecting SHP drop down (CPP).

Retro Legacy Enrollments

- Members retroactively enrolled in December coverage do not have access to their Member ID which is needed to submit claims

The Treasurer and I had hoped FACETS would be a significant technological improvement and it is clear that is unlikely to be the case. The Treasurer and I had hoped the start of the new contract period would go smoothly. The lack of success on both fronts certainly challenges our relationship right from the start.

Dee Jones

Executive Director

State Health Plan

Cell: 919.215.2795

Email: dee.jones@nctreasurer.com

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Lorraine Munk

From: Lorraine Munk
Sent: Monday, March 14, 2022 11:36 AM
To: Charles Perusse; Cherie Dunphy; Dale Folwell; Donald Martin; Kim Hargett; Mike Stevenson; Pete Robie; Russell (Rusty) Duke; Wayne Fish
Cc: Dee Jones
Subject: FACETS Implementation
Attachments: Facets Issues Tracking and Resolution Log 3 8 2022.pdf

Message sent on behalf of Dee Jones

Board members,

As a follow-up to a request from the Board of Trustees at the meeting on March 2, I am forwarding a message and spreadsheet sent to Blue Cross NC on Friday, March 11, 2022, outlining the current FACETS Implementation issues Tunde Sotunde, MD, is the President & CEO and Roy Watson is Vice-President and oversees State Operations, If you have any questions, please feel free to contact me.

Dee

Tunde and Roy,

It's become too arduous to continue the format of my previous emails given the continued high volume of challenges. I'm now using the BCNC tracking spreadsheet for open items (tab 1) and closed items (tab 2). As you can see, 50 items have been closed and 52 items are currently open as of this Tuesday's (3/8) report. I've highlighted several items that are particularly problematic but this should not remove importance in any way from the other issues.

I'll say again, while I get that the Plan is unique to most of the BCNC commercial businesses, this tracking log represents a significant number of issues for a program that was rolled out years ago. I think what frustrates my team the most is lack of advance preparation from the BCNC ops team prior to the calls which then tend to take significant time to go through the issues. I hear that Benefitfocus seems to be more prepared for the calls with far fewer resources. Furthermore, while everyone's preference is to try and resolve without Plan staff, which is appreciated, there is concern that BCNC staff is not able to resolve without Plan assistance.

The Account team is quite knowledgeable of Plan activities and nuances and I would have expected the operations team to have a similar understanding after 30 years. Alas, that is not to be the case and the current result remains disappointing. I hear additional resources may be forthcoming but obviously will take time to get up to speed. The Plan expects these resource issues to be fully evaluated and right-sized.

Regards,

Dee Jones

Executive Director

State Health Plan

Cell: 919.215.2795

Email: dee.jones@nctreasurer.com

Lorraine Munk

From: Lorraine Munk
Sent: Wednesday, April 6, 2022 5:50 PM
To: Charles Perusse; Cherie Dunphy; Dale Folwell; Donald Martin; Kim Hargett; Mike Stevenson; Pete Robie; Russell (Rusty) Duke; Wayne Fish
Cc: Dee Jones ; Joel Heimbach
Subject: Status Report - BCNC FACETS Implementation

Board Members,

As requested at the March 2, 2022 Board of Trustee meeting, below is a copy of an email Dee sent to Blue Cross North Carolina outlining the ongoing FACETS Implementation issues. Please feel free to contact Dee if you have any questions.

From: Dee Jones <Dee.Jones@nctreasurer.com>
Sent: Tuesday, March 29, 2022 4:49 PM
Subject: FACETS Implementation_03.29.2022

Tunde and Roy,

On the 3/08/2022 tracking log, there were 52 items on the OPEN list and 50 items on the CLOSED list.

On the 3/25/2022 tracking log, there are 56 items on the OPEN list and 63 items on the CLOSED list.

This suggests 102 TOTAL issues have been identified since the tracking log was created and 119 TOTAL issues resolved as of 3/25/2022. While there is progress being made, there continue to be issues discovered and there doesn't seem to be a plan as to how to resolve issues and by what date.

I also expected a greater number of claims to appear on this week's claims payment file but the dollars are only barely close to where they should be. I do hope next week is significantly higher.

I know there are a lot of people trying to solve these issues but I have lost confidence that there will be complete resolution any time soon. I have also lost confidence in Blue Cross NC's ability to provide the right resources to effectively administer the Plan's business needs. The Plan expects these resource issues to be fully evaluated and right-sized.

Regards,

Dee Jones

Executive Director
State Health Plan
Cell: 919.215.2795
Email: dee.jones@nctreasurer.com

Lorraine Munk

From: Lorraine Munk
Sent: Wednesday, April 20, 2022 2:25 PM
To: Charles Perusse; Cherie Dunphy; Dale Folwell; Donald Martin; Kim Hargett; Mike Stevenson; Pete Robie; Russell (Rusty) Duke; Wayne Fish
Cc: Dee Jones ; Joel Heimbach
Subject: FACETS Update

From Dee Jones

Board Members,

As requested at the March 2, 2022 Board of Trustee meeting, below is a copy of an email Dee sent to Blue Cross North Carolina today regarding the ongoing FACETS Implementation issues. Please feel free to contact Dee if you have any questions.

Tunde and Roy,

While there is progress being made, there continue to be weekly if not daily issue discoveries, member concerns and resolution shortfalls. Additionally, I remain concerned that claims payments have not been fully caught up. To underscore our concerns, Blue Cross NC staff advised Plan staff as recently as yesterday that there are simply too many open issues to be able to address individual enrollment concerns in a timely manner.

On a positive note, I am relieved to hear that Blue Cross NC has finally recognized the need to have a dedicated SHP Team – unfortunately, it took almost 5 years to determine the changes made in 2017 did not work.

A synopsis of the tracking log and subsequent progress is below.

- On the 3/08/2022 tracking log, there were 52 items on the OPEN list and 50 items on the CLOSED list for a total of 102 items identified.
- On the 3/25/2022 tracking log, there were 56 items on the OPEN list and 63 items on the CLOSED list for a total of 119 items identified.
- On the 4/14/2022 tracking log, there are 22 items on the OPEN Incident list, 34 items on the CLOSED Incident list; 15 items on the OPEN Feature list, 4 items on the CLOSED Feature list; 13 items on the OPEN General Inquiries list, and 40 items on the CLOSED General Inquiries list.

While I appreciate the attempt at a revised breakdown, it's hard to reconcile the progress. It appears that there have been at TOTAL of 128 issues identified, 78 issues resolved and 50 OPEN items as of 4/14/2022.

I have already discussed this with Roy, but it is for all of the reasons above, the Plan has lost confidence in Blue Cross NC and will be posting a TPA RFP later this year to proactively ensure that the Plan's needs are met.

Regards,

Dee Jones

Executive Director
State Health Plan
Office: (919) 814-4400
Work Cell: (919) 215-2795

3200 Atlantic Avenue, Raleigh, NC 27604

www.SHPNC.org



Lorraine Munk

From: Lorraine Munk
Sent: Tuesday, May 17, 2022 9:05 AM
To: Charles Perusse; Cherie Dunphy; Dale Folwell; Donald Martin; Kim Hargett; Mike Stevenson; Pete Robie; Russell (Rusty) Duke; Wayne Fish
Cc: Dee Jones ; Joel Heimbach
Subject: FACETS Update

Message from Dee Jones:

Board Members,

As requested at the March 2, 2022 Board of Trustee meeting, below is a copy of an email Dee sent to Blue Cross North Carolina regarding the ongoing FACETS Implementation issues. Please feel free to contact Dee if you have any questions.

Tunde and Roy,

I'm actually at a loss. The Plan has asked repeatedly if all claims have been caught up and processed only to find that the Quality Team is behind and no one seemed to know. The Plan was informed on Friday (5/13) that 3,708 claims (mostly high dollar) were discovered. It seems most if not all were released totaling \$55.6M making our total payout this week \$113M (we are normally in the \$50M-\$60M range). Is this everything?

Blue Cross NC is paying Prompt Payment interest, which, thru April, has already exceeded last year's total by 50% at \$300k. Performance Guarantees will be forthcoming.

Manual work arounds are in place to resolve a number of issues and they will need to be finally and fully resolved with system fixes at some point. This cannot be ignored.

The provider portal and member ID cards are experiencing display issues which creates downstream concerns.

As we have discussed, some of these issues are taking longer than they should to resolve due to not having the right resources in place to do the work under the appropriate oversight. I hope Blue Cross NC is able to hire employees that are problem solvers and willing to dig in and do the work as learning the Plan's account will be a steep learning curve.

This is clearly just a snapshot of the issues that are still disrupting our respective businesses. My bigger concern is the heavy toll it is taking on our respective teams.

Regards,

Dee Jones

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www.SHPNC.org



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Lorraine Munk

From: Lorraine Munk
Sent: Thursday, June 30, 2022 1:59 PM
To: Charles Perusse; Cherie Dunphy; Dale Folwell; Donald Martin; Kim Hargett; Mike Stevenson; Pete Robie; Russell (Rusty) Duke; Wayne Fish
Cc: Dee Jones ; Joel Heimbach
Subject: Questions for Blue Cross North Carolina
Attachments: SHP Board Questions for Blue Cross NC_06.30.22.pdf

Message from Dee Jones

Board members,

Attached is the list of questions for Blue Cross Blue Shield NC (BCNC) captured at the Board of Trustees' meeting on Tuesday. If you have additional questions you'd like to add, please send them to Lorraine or me by noon on Friday, July 1. The final document will be sent to BCNC tomorrow afternoon for their response. The quick turnaround request is because the questions and answers will be included in the minutes which will require your approval at the July 13, 2022 meeting.

Lorraine Munk

Executive Assistant to Dee Jones
State Health Plan
Office: (919) 814-4409

3200 Atlantic Avenue, Raleigh, NC 27604
www.SHPNC.org



Dale R. Folwell, CPA
STATE TREASURER OF NORTH CAROLINA
DALE R. FOLWELL, CPA

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State Health Plan Board of Trustees
Questions for Blue Cross NC
June 28, 2022

1. Judge Duke
 - a. How long have the problems/issues been going on?
 - b. What has been done to correct these problems/issues?
 - c. How long do you anticipate the problems/issues continuing?
2. Kim Hargett
 - a. It seems there has been significant State Health Plan staff involvement in solving the Facet problems/issues – what is the possibility of getting some form of compensation returned to the Plan?
 - b. Do Prompt Payment penalties go to SHP or to providers?
 - c. It is good that Blue Cross NC is creating a dedicated Plan organization, albeit a bit late. Is it possible to have member services staff that has a regional specialization? For example, East, West, Triangle, Triad, Charlotte areas?
3. Dr. Martin
 - a. Has Blue Cross NC lost business due to the Facets issues/problems?
4. Dr. Robie
 - a. Regarding late payment penalties, where does the money come from to pay these penalties?
 - b. It seems Plan staff has had to be overly involved in identifying and solving the Facets problems/issues – how much longer do you anticipate this unanticipated level of involvement?
5. State Treasurer
 - a. The Plan was at or toward the end of the implementation cycle with the Blue Cross NC book of business which should have minimized the risk of so many problems/issues; why has this not been realized?
 - b. Why have so few providers called the Treasurer about late payments?
 - c. Could the Plan have chosen to not transition to Facets?
 - d. Was Blue Cross NC aware of the amount of money that the Plan had paid for its other vendors to update their systems relative to the Facets transition (likely between \$1.0M to \$1.5M)?
 - e. Will Blue Cross NC consider reimbursing the Plan for incurred costs?
6. Staff – Charles Sceiford
 - a. You responded that issues around the transition to FACETS are generally resolved after 12 months. Would the Plan's large membership create additional difficulty that would extend that time beyond 12 months? If yes, how much additional time would you anticipate?
 - b. Have other groups in their 2nd half of the 12-month FACETS transition period had a large amount of "Incurred But Not Reported" claims that were eventually found?

Lorraine Munk

From: Lorraine Munk
Sent: Monday, December 7, 2015 12:58 PM
To: Christine Jouannet
Subject: Accepted: FW: BCBSNC, SHP, Benefitfocus discussion about Facets implementation

Lorraine Munk

From: Lorraine Munk on behalf of Mona Moon
Sent: Tuesday, January 19, 2016 10:56 AM
To: Anita Malloy
Subject: Accepted: Facets and media coverage due to customer service issues

Lorraine Munk

Subject: FACETS Migration - SHP/Benefitfocus
Location: Microsoft Teams Meeting

Start: Thu 6/10/2021 3:00 PM
End: Thu 6/10/2021 4:00 PM
Show Time As: Tentative

Recurrence: (none)

Meeting Status: Not yet responded

Organizer: Lorraine Munk
Required Attendees: Dee Jones; Caroline Smart; Mark Pfohl; Drew Harbison; Matt Levin
Optional Attendees: Katie Giannelli

Microsoft Teams meeting

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Board Meeting - March 2, 2022

EA Comments

1. Public Health Emergency was extended on 1/15/22 and is currently set to expire 4/15/22
2. At Home Covid Testing (see Member Alert draft)
 - Federal Guidelines established requiring payers to cover 100% of costs
 - Federal Program – free tests via COVIDtests.gov with delivery via USPS – 4/address; additional sets now possible
 - SHP Program – free tests via pharmacy benefit; purchase and request reimbursement via SHP or CVS websites (limit of 8 per 30 days)
3. 2022 Challenges
 - Employing Unit Challenges
 - i. Winston-Salem – incorrect 50%/100% deductions
 - ii. UNC Healthcare - incorrect 50%/100% deductions
 - iii. Randolph Co - incorrect 50%/100% deductions
 - iv. BEACON – incorrect 100% deductions for part-time employees
 - v. Rutherford Co – improper policies being applied; notification letter sent
 - vi. Polk Co – late payment created by FACETS – now corrected
 - vii. Washington Co – late payment created by FACETS
 - FACETS Go Live Status – huge disruption; SHP was supposed to be the final business transitioned
 - i. Claims Payment Delays due to various issues – Jan/Feb low claims payments status
 - ii. Retirement Systems Claims Processing – at one point, \$80M claims held until mid-February due to coordination of benefit issues (**currently all released and processing**)
 - iii. PCP Effective Data Issues – unanticipated date issues created PCP terminations possibly impacting members (**fix deployed**)
 - iv. ECU Physicians dropped from the CPP provider directory – ID cards have been reissued with apology letters (**correction near complete with claims adj and incorrect copays**)
 - v. Surprise Billing Claims on Hold – 132 claims on hold
 - vi. EOB Issues – “Calculation w/in Pymnt Overview” – (**issue validated; work in process**)
 - vii. Member Portal (BlueConnect) was not viewable in a split-contract scenario (subscriber enrolled in Humana/dependent(s) in 70/30 or 80/20). (**fix deployed**)
 - viii. Employee Portal– ID card viewing issues (**now corrected**)
 - ix. Provider Portal (Blue-E) – CPP providers unable to see fee schedules (**fix due 6/30/22**)
 - x. Reporting – 11 reports incorrect; while standard, specific to SHP (**now corrected**)
4. Anticipated Future Meeting / Date
 - March 2, 2022 – general meeting
 - Mid Jul 2022 – 2023 rates approval
 - Mid Sep – actuarial RFP approval
 - Late Nov/Early Dec – 2024 Planning
 - Possible May meeting – strategy discussion

Lorraine Munk

From: Lorraine Munk
Sent: Monday, March 14, 2022 11:36 AM
To: Charles Perusse; Cherie Dunphy; Dale Folwell; Donald Martin; Kim Hargett; Mike Stevenson; Pete Robie; Russell (Rusty) Duke; Wayne Fish
Cc: Dee Jones
Subject: FACETS Implementation
Attachments: Facets Issues Tracking and Resolution Log 3 8 2022.pdf

Message sent on behalf of Dee Jones

Board members,

As a follow-up to a request from the Board of Trustees at the meeting on March 2, I am forwarding a message and spreadsheet sent to Blue Cross NC on Friday, March 11, 2022, outlining the current FACETS Implementation issues. Tunde Sotunde, MD, is the President & CEO and Roy Watson is Vice-President and oversees State Operations, If you have any questions, please feel free to contact me.

Dee

Tunde and Roy,

It's become too arduous to continue the format of my previous emails given the continued high volume of challenges. I'm now using the BCNC tracking spreadsheet for open items (tab 1) and closed items (tab 2). As you can see, 50 items have been closed and 52 items are currently open as of this Tuesday's (3/8) report. I've highlighted several items that are particularly problematic but this should not remove importance in any way from the other issues.

I'll say again, while I get that the Plan is unique to most of the BCNC commercial businesses, this tracking log represents a significant number of issues for a program that was rolled out years ago. I think what frustrates my team the most is lack of advance preparation from the BCNC ops team prior to the calls which then tend to take significant time to go through the issues. I hear that Benefitfocus seems to be more prepared for the calls with far fewer resources. Furthermore, while everyone's preference is to try and resolve without Plan staff, which is appreciated, there is concern that BCNC staff is not able to resolve without Plan assistance.

The Account team is quite knowledgeable of Plan activities and nuances and I would have expected the operations team to have a similar understanding after 30 years. Alas, that is not to be the case and the current result remains disappointing. I hear additional resources may be forthcoming but obviously will take time to get up to speed. The Plan expects these resource issues to be fully evaluated and right-sized.

Regards,

Dee Jones

Executive Director
State Health Plan
Cell: 919.215.2795
Email: dee.jones@nctreasurer.com

Category	Issue	Status	Status - Detail	Blue Cross Owner	Added to Log	Resolution Date/Target	CR/SR	INC/REQ
Billing	Beacon consolidated invoice file	Resolved	George sent email to Beacon groups on 1/25 confirming the following: Blue Cross updated both FIM009 and FP103 on Thursday 1/27	Andre	1/26/2022	1/27/2022	I-81	-
Billing	Updates to FP103	Resolved	Blue Cross updated both FIM009 and FP103 on Thursday 1/27	Andre	1/26/2022	1/27/2022	N/A	-
Billing	Premium Interest Invoices did not produce in Facets	Resolved	Incident ticket open	Andre	1/26/2022	1/31/2022	I-80	-
Billing	Retro PowerMHS Invoices	Resolved	2/10: AR fiscal period was opened, we were able to produce mock	Andre	2/10/2022	2/27/2022	-	-
Blue Connect	Issue seeing ID cards for all members	Resolved	Resolved	Lynette	1/26/2022	2/9/2022	I-82, I-51	-
Blue Connect	Members cannot see their PCP	Resolved	2/9 - Fix deployed	Lynette	1/26/2022	2/9/2022	I-104	INC2499668
Blue Connect	Linking Symbolic Family Policies in Blue Connect	Resolved	2/16: Fix deployed.	Lynette	1/26/2022	2/16/2022	I-67	INC2489034
Claims	Infusion Configuration/Claims on Hold	Resolved	2/14: All but 245 claims adjusted and included in last week's payment	Sandi B	1/26/2022	2/10/2022	I-83	-
Claims	Allergy Configuration/Claims on Hold	Resolved	2/14: Configuration implemented 2/11. Claims adjustment occurring	Sandi B	1/26/2022	2/10/2022	I-83	-
Claims	Inconsistent Place of Service	Resolved	Denying multiple visits in different service locations on the same day.	Sandi B	1/31/2022	2/16/2022	I-83	-
Claims	ABT Configuration/Claims on Hold	Resolved	2/14: Configuration implemented 2/11. Claims adjustment occurring	Sandi B	1/31/2022	2/16/2022	I-83	-
Claims	Retiree Group (Medicare) Claims on Hold	Resolved	2/21: 80/20 and 70/30 claims that didn't pend for other reasons were	Sandi B	2/10/2022	2/18/2022 (release 70/30 claims)	-	-
Claims	Provider Escalation Regarding Authorizations	Resolved	2/14: Claims query identified 208 claims that denied in error on	Johnson	2/10/2022	2/18/2022	-	-
Employer Portal	Current Group/Subgroup on Member Search Screen	Resolved	Resolved	Lynette	1/26/2022	1/27/2022	I-37	INC2477312
Employer Portal	EOBs were unavailable	Resolved	Resolved	Lynette	1/26/2022	1/27/2022	I-86	-
Employer Portal	SHP PCP not showing in EP for 3/1 effective date	Resolved	2/10: PCP now showing.	Lynette	2/17/2022	2/13/2022	N/A	INC2505086
Employer Portal	System Down Error for Some SSNs	Resolved	2/14: Root cause identified and code fix required.	Lynette	2/10/2022	2/16/2022	I-118	INC2509026
Employer Portal	System Down Error for Dependents without PCP	Resolved	2/14: Root cause identified and code fix required.	Lynette	2/10/2022	2/16/2022	I-118	INC2509140
Employer Portal	System Down Error in PCP Quad for Dependents without	Resolved	2/24: Resolved.	Lynette	2/10/2022	2/16/2022	I-117	RTM2348014
Employer Portal	System Down Error in PCP Quad for Dependents without	Resolved	2/24: Resolved.	Lynette	2/10/2022	2/16/2022	I-117	INC2509055
ID Cards	None Selected ID Cards sent in Error	Resolved	Apology letter sent to initial list of 7k on 1/20. Letter being sent to	Taqueena	1/26/2022	1/28/2022	I-64	-
Membership	COB inventory added to workflow	Resolved	Blue Cross testing adding COB inventory report into workflow to	Taqueena	1/26/2022	1/30/2022	N/A	-
Membership	Benefitfocus COB indicator without COB info	Resolved	2/17: Fix deployed.	Lynette	1/26/2022	2/17/2022	I-95	REC0212034
Membership	COBRA Eligibility in Facets	Resolved	2/17: Fix deployed.	Trudy	1/26/2022	2/17/2022	I-31	Defect 47324
Membership	Missing PowerMHS WID for December Adds	Resolved	2/22: Code assigned 11 of the 16 remaining member WIDs. The	Lynette	2/17/2022	2/11/2022 (266 members assigned, TBD for	-	-
Membership	February SRS Audit Tab 5 (Medicare Exceptions)	Resolved	2/21: Marking resolved for February audit. Will track March audit	Shaunda	2/19/2022	2/14/2022	TBD	-
PCP	PCP not terming in absence	Resolved	2/17: Fix deployed.	Shaunda	2/19/2022	2/14/2022	I-89	INC2495099
PCP	PCP Reconnect for Retroactive Provider Maintenance	Resolved	ID Cards will go out indicating none selected for this group of	Lynette	1/26/2022	2/17/2022	I-50	-
PCP	Provider Escalation Regarding PCP Status	Resolved	2/14: Change will be made by 2/15.	Lynette	1/31/2022	1/27/2022	-	-
PCP	Updating PCP Effective Dates for Members Every Few	Resolved	2/17: Discussed with Plan on 2/17 Dig that fix went in 2/8, and as of	Johnson	2/10/2022	2/14/2022	-	-
Reporting	Group Premium Billing Timeliness on CUS101	Resolved	2/22: Revised report sent to the Plan.	Lynette	2/16/2022	2/19/2022	-	INC2507241
Reporting	Restate Q4 Reports (Performance Guarantees)	Resolved	2/21: BCNC responded with explanation to address Plan's question	Dorinda/Aimee/	2/16/2022	N/A	-	-
Reporting	CUS102 Question on Number of Hits	Resolved	2/21: CLM012 delivered on 2/14 reflected Q4 performance for both	Shaunda/Johnson	2/17/2022	2/22/2022	-	-
Reporting	CUS101 Enrollment/EDI Numbers	Resolved	2/22: Revised report sent to the Plan.	Dorinda/Johnson	2/17/2022	2/22/2022	-	-
Reporting	OPS001 PCP Selection Report	Resolved	2/22: All monthly performance guarantee tracking will be included on	Dorinda/Johnson	2/21/2022	2/21/2022	-	-
Reporting	CLM101 High Claims Report	Resolved	2/24: Revised report sent to Plan.	Dorinda/Johnson	2/21/2022	2/24/2022	-	INC2514412
Reporting	FIN022 Summary of Billed Charges	Resolved	2/23: Revised report sent to Plan.	Dorinda	2/21/2022	2/24/2022	-	INC2514396
Reporting	FIN023 Statement of Account	Resolved	2/24: Revised report sent to Plan.	Dorinda	2/21/2022	2/24/2022	-	INC2514644
Reporting	FP104 Prompt Pay Interest	Resolved	2/24: Revised report sent to Plan.	Dorinda	2/21/2022	2/24/2022	-	-
Reporting	FP105 Triangulation Report by Service	Resolved	2/23: Revised report sent to Plan.	Dorinda	2/21/2022	2/23/2022	-	INC2514390
Reporting	MAT101-105	Resolved	2/23: Revised report sent to Plan.	Dorinda	2/21/2022	2/23/2022	-	INC2514645
Reporting	MAT106 Premium Billing	Resolved	2/23: Revised report sent to Plan.	Dorinda	2/21/2022	2/23/2022	-	INC2514648
PCP	Retroactive PCP Terminations	Resolved	2/28: All approvals have been received for deployment.	Lynette	2/21/2022	2/28/2022	CR2280	-
PCP	Retro PCP Effective Dates from Benefitfocus	Resolved	2/28: All approvals have been received for deployment.	Lynette	2/21/2022	2/28/2022	-	-
Reporting	Tobacco Cessation Weekly Report	Resolved	2/28: Report has been remediated and distributed to Plan.	Lynette	2/21/2022	2/28/2022	-	NC5208-386
Finance	EOB Checks Printing with Incorrect Signature	Resolved	3/1-49 checks issued between 1/30 - 2/21 were printed with the	Dorinda/Dawn	2/21/2022	2/28/2022	-	-
PCP	PCP Cameron Hardee Participation Status & Directory	Resolved	3/1-49 checks issued between 1/30 - 2/21 were printed with the	Linda	3/1/2022	3/1/2022	-	-
Provider	Blue Ridge ENT Escalation Regarding Split Auths	Resolved	2/28: Per research by PDM, notification of provider leaving the group	Lynette/Johnson	2/25/2022	2/28/2022	-	-
Employer Portal	SSN Not Showing Results	Resolved	3/7: Research concluded that claims are paying as appropriate, and	Johnson	3/7/2022	3/7/2022	-	-
Employer Portal	Facets PCP not Displaying for Dependent	Resolved	3/7: Search functionality now working when searching with SSN	Lynette	3/4/2022	3/7/2022	-	INC2526040
Employer Portal	Facets PCP not Displaying for Dependent	Resolved	3/7: PCP now displaying (timing).	Lynette	3/4/2022	3/7/2022	-	INC2520630

Lorraine Munk

From: Lorraine Munk
Sent: Wednesday, April 6, 2022 5:50 PM
To: Charles Perusse; Cherie Dunphy; Dale Folwell; Donald Martin; Kim Hargett; Mike Stevenson; Pete Robie; Russell (Rusty) Duke; Wayne Fish
Cc: Dee Jones ; Joel Heimbach
Subject: Status Report - BCNC FACETS Implementation

Board Members,

As requested at the March 2, 2022 Board of Trustee meeting, below is a copy of an email Dee sent to Blue Cross North Carolina outlining the ongoing FACETS Implementation issues. Please feel free to contact Dee if you have any questions.

From: Dee Jones <Dee.Jones@nctreasurer.com>
Sent: Tuesday, March 29, 2022 4:49 PM
Subject: FACETS Implementation_03.29.2022

Tunde and Roy,

On the 3/08/2022 tracking log, there were 52 items on the OPEN list and 50 items on the CLOSED list.

On the 3/25/2022 tracking log, there are 56 items on the OPEN list and 63 items on the CLOSED list.

This suggests 102 TOTAL issues have been identified since the tracking log was created and 119 TOTAL issues resolved as of 3/25/2022. While there is progress being made, there continue to be issues discovered and there doesn't seem to be a plan as to how to resolve issues and by what date.

I also expected a greater number of claims to appear on this week's claims payment file but the dollars are only barely close to where they should be. I do hope next week is significantly higher.

I know there are a lot of people trying to solve these issues but I have lost confidence that there will be complete resolution any time soon. I have also lost confidence in Blue Cross NC's ability to provide the right resources to effectively administer the Plan's business needs. The Plan expects these resource issues to be fully evaluated and right-sized.

Regards,

Dee Jones

Executive Director

State Health Plan

Cell: 919.215.2795

Email: dee.jones@nctreasurer.com

Lorraine Munk

From: Lorraine Munk
Sent: Tuesday, April 19, 2022 11:14 AM
To: Matthew Rish
Subject: RE: FACETS issues

If this meeting is in the "more urgent" category, I may need to request moving the meeting you and Charles have with Joan tomorrow. You and Caroline are both out on Friday and she's not returning until the following Wednesday (late morning).

From: Matthew Rish <Matthew.Rish@nctreasurer.com>
Sent: Tuesday, April 19, 2022 10:52 AM
To: Lorraine Munk <Lorraine.Munk@nctreasurer.com>
Cc: Dee Jones <Dee.Jones@nctreasurer.com>
Subject: FW: FACETS issues

Lorraine,

Can you assist with availability for Dee, Caroline and me?

Thanks!
Matt

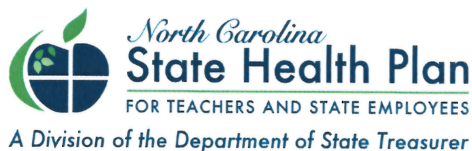
Matthew T. Rish

*Sr. Director of Finance,
Planning & Analytics*
State Health Plan
Office: (919) 814-4413
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Dale R. Folwell, CPA
STATE TREASURER OF NORTH CAROLINA
DALE R. FOLWELL, CPA

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From: Kuhn, Stephen <SKuhn@segalco.com>
Sent: Tuesday, April 19, 2022 10:17 AM
To: Dee Jones <Dee.Jones@nctreasurer.com>; Matthew Rish <Matthew.Rish@nctreasurer.com>
Cc: Wohl, Stuart <SWohl@Segalco.com>; Timmons, Amy S <atimmons@segalco.com>; Mills, Jeffrey S. <jsmills@segalco.com>
Subject: RE: FACETS issues

Dee & Matt,

Here are some times (through next Monday) that work for the Segal team to discuss the issues you are having with Blue Cross NC's claims system. We were thinking that booking an hour would make sense.

- Wednesday 4/20 = 10:00-11:00, 4:00-5:00
- Thursday = 12:00-1:00
- Friday = 12:00-1:30, 4:00-5:00
- Monday 4/25 = 9:00-10:00, 11:00-12:30

Please let us know what time works best for you or if we need us to send additional times.

Thanks,
Steve

Stephen L. Kuhn

Segal

T 617.424.7341 | M 617.875.7018

From: Wohl, Stuart <SWohl@Segalco.com>
Sent: Friday, April 15, 2022 10:00 AM
To: Matthew Rish <Matthew.Rish@nctreasurer.com>
Cc: Kuhn, Stephen <SKuhn@segalco.com>
Subject: FACETS issues

Matt,

We definitely have heard the issues you are having with the FACETS system. I asked leaders of our Administration and Technology Consulting Group about their experiences with FACETS issues and a wave of familiarity came over their faces.

We know that the SHP is currently facing significant issues and challenges with the Blue Cross NC new claims adjudication system, FACETS. Segal's Administration and Technology Consulting Group is available to assist and typically include some or all the following depending on the needs of SHP. Areas to explore include:

- Do the systems, security and data have the appropriate governance in place?
- Is there an effective roadmap in place for both the short-term and the long-term improvements?
- Were all of the SHP's processing requirements implemented in an efficient and effective manner during the system implementation?
- How quickly and effectively are bugs and outstanding issues being addressed and resolved?
- How effective is the communication process between SHP and the vendor and what tools and methodologies are being utilized to ensure success?

We could help by:

- Evaluating end user satisfaction of the project deliverables to-date and related issues. As part of the process we would interview project users, review a sample of design documents, testing results and history of testing metrics.
- Analyze overall project budget and spending to-date under current contract and scope of deliverables compared to contract.

- Provide overall project management and reporting structure (status calls, project updates, deliverable sign-off and approval, etc.).
- Project management process and utilization of project resources (both SHP and vendor).
- Implement testing process (i.e., use/test cases, testing methodology, etc.) and the history of test cases.
- Assist in the overall communication between SHP and vendor.
- Identify Major project risks.

Matt – If any of the above resonates, Steve or I could set up a TEAMS call between you (and anyone else) and our ATC folks to dig a little deeper and to determine if we might be able to help. Just let us know.

Stuart

Stuart Wohl
Senior Vice President / East Region Leader
Segal
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Thank you.

Lorraine Munk

From: Lorraine Munk
Sent: Wednesday, April 20, 2022 2:25 PM
To: Charles Perusse; Cherie Dunphy; Dale Folwell; Donald Martin; Kim Hargett; Mike Stevenson; Pete Robie; Russell (Rusty) Duke; Wayne Fish
Cc: Dee Jones ; Joel Heimbach
Subject: FACETS Update

From Dee Jones

Board Members,

As requested at the March 2, 2022 Board of Trustee meeting, below is a copy of an email Dee sent to Blue Cross North Carolina today regarding the ongoing FACETS Implementation issues. Please feel free to contact Dee if you have any questions.

Tunde and Roy,

While there is progress being made, there continue to be weekly if not daily issue discoveries, member concerns and resolution shortfalls. Additionally, I remain concerned that claims payments have not been fully caught up. To underscore our concerns, Blue Cross NC staff advised Plan staff as recently as yesterday that there are simply too many open issues to be able to address individual enrollment concerns in a timely manner.

On a positive note, I am relieved to hear that Blue Cross NC has finally recognized the need to have a dedicated SHP Team – unfortunately, it took almost 5 years to determine the changes made in 2017 did not work.

A synopsis of the tracking log and subsequent progress is below.

- On the 3/08/2022 tracking log, there were 52 items on the OPEN list and 50 items on the CLOSED list for a total of 102 items identified.
- On the 3/25/2022 tracking log, there were 56 items on the OPEN list and 63 items on the CLOSED list for a total of 119 items identified.
- On the 4/14/2022 tracking log, there are 22 items on the OPEN Incident list, 34 items on the CLOSED Incident list; 15 items on the OPEN Feature list, 4 items on the CLOSED Feature list; 13 items on the OPEN General Inquiries list, and 40 items on the CLOSED General Inquiries list.

While I appreciate the attempt at a revised breakdown, it's hard to reconcile the progress. It appears that there have been at TOTAL of 128 issues identified, 78 issues resolved and 50 OPEN items as of 4/14/2022.

I have already discussed this with Roy, but it is for all of the reasons above, the Plan has lost confidence in Blue Cross NC and will be posting a TPA RFP later this year to proactively ensure that the Plan's needs are met.

Regards,

Dee Jones

Executive Director
State Health Plan
Office: (919) 814-4400
Work Cell: (919) 215-2795

3200 Atlantic Avenue, Raleigh, NC 27604

www.SHPNC.org



Lorraine Munk

From: Lorraine Munk
Sent: Tuesday, May 17, 2022 9:05 AM
To: Charles Perusse; Cherie Dunphy; Dale Folwell; Donald Martin; Kim Hargett; Mike Stevenson; Pete Robie; Russell (Rusty) Duke; Wayne Fish
Cc: Dee Jones ; Joel Heimbach
Subject: FACETS Update

Message from Dee Jones:

Board Members,

As requested at the March 2, 2022 Board of Trustee meeting, below is a copy of an email Dee sent to Blue Cross North Carolina regarding the ongoing FACETS Implementation issues. Please feel free to contact Dee if you have any questions.

Tunde and Roy,

I'm actually at a loss. The Plan has asked repeatedly if all claims have been caught up and processed only to find that the Quality Team is behind and no one seemed to know. The Plan was informed on Friday (5/13) that 3,708 claims (mostly high dollar) were discovered. It seems most if not all were released totaling \$55.6M making our total payout this week \$113M (we are normally in the \$50M-\$60M range). Is this everything?

Blue Cross NC is paying Prompt Payment interest, which, thru April, has already exceeded last year's total by 50% at \$300k. Performance Guarantees will be forthcoming.

Manual work arounds are in place to resolve a number of issues and they will need to be finally and fully resolved with system fixes at some point. This cannot be ignored.

The provider portal and member ID cards are experiencing display issues which creates downstream concerns.

As we have discussed, some of these issues are taking longer than they should to resolve due to not having the right resources in place to do the work under the appropriate oversight. I hope Blue Cross NC is able to hire employees that are problem solvers and willing to dig in and do the work as learning the Plan's account will be a steep learning curve.

This is clearly just a snapshot of the issues that are still disrupting our respective businesses. My bigger concern is the heavy toll it is taking on our respective teams.

Regards,

Dee Jones

Executive Director
State Health Plan
Office: (919) 814-4400
Work Cell: (919) 215-2795

3200 Atlantic Avenue, Raleigh, NC 27604
www.SHPNC.org



Completed 06.08.2022

1. Financial Update – only CYTD and SFYTD [Matt]
2. Medicare Advantage Plan adjustments – info only – effective 1/1/2023
3. SHP Funding Strategy [Sam]
 - Lengthy discussion around Lake
 - Lengthy discussion around funding

Lorraine Munk

From: Lorraine Munk
Sent: Thursday, June 9, 2022 4:56 PM
To: Charles Perusse; Cherie Dunphy; Dale Folwell; Donald Martin; Kim Hargett; Mike Stevenson; Pete Robie; Russell (Rusty) Duke; Wayne Fish
Cc: Dee Jones ; Joel Heimbach
Subject: June Board Meeting

Message from Dee Jones

Board Members,

I wanted to follow up today and address confusion at the end of yesterday's Board meeting. For those who had to drop off early, we lost a quorum so were not able to close out the meeting in accordance with our standard process. Therefore, we stand in recess until we reconvene to complete this meeting. Lorraine is working to schedule time in the coming weeks for the Board to resume this meeting and complete the outstanding agenda items. Specifically, this will consist of additional operational updates from me and the opportunity for the Board to address and ask Blue Cross NC questions regarding the FACETS transition.

I will provide you a summary of the emails that I have sent over the past few months. If you have any questions for me, please don't hesitate to reach out.

For your calendars, we need to complete this meeting as soon as possible, preferably in June. We will appreciate your flexibility to get this scheduled. In mid-late July, we will be scheduling a meeting to approve rates (employer premiums by rate category and group) and use Executive Session to discuss legal matters. In mid-late September, we will be scheduling a meeting to start discussions for the 2024 benefit year and will again use Executive Session to discuss legal matters. Our final meeting of the year will be in December.

As an FYI, the TEAMS phone application is very good and easy to use in the event you may need to take a call or join a meeting while away from your computer. We are happy to help you set up your phone.

As always, thank you for your service to the State Health Plan.

Dee

Lorraine Munk

From: Lorraine Munk
Sent: Wednesday, June 15, 2022 4:08 PM
To: Charles Perusse; Cherie Dunphy; Dale Folwell; Donald Martin; Kim Hargett; Mike Stevenson; Pete Robie; Russell (Rusty) Duke; Wayne Fish
Cc: Dee Jones ; Joel Heimbach
Subject: Board Meeting

Board members,

A date has been set for the June board meeting; however, only four members have confirmed their attendance. While that constitutes a quorum of voting members, there's a risk of losing a quorum should anything happen to preclude one of the four board members from participating. In addition, Blue Cross Blue Shield of NC staff will be attending the meeting to field questions from the board and Plan staff. Dee will also share supplementary information to the emails you've received since the March 2, 2022 board meeting.

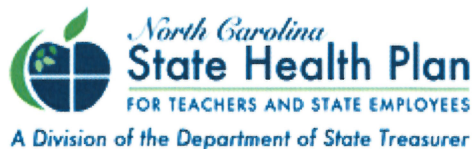
Keeping that in mind, a new poll will be sent with additional dates and times in hopes that everyone can attend.

As always, the Plan appreciates your service and commitment to the State Health Plan's Board of Trustees.

Lorraine Munk

Executive Assistant to Dee Jones
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Dale R. Folwell, CPA
STATE TREASURER OF NORTH CAROLINA
DALE R. FOLWELL, CPA

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Lorraine Munk

From: Lorraine Munk
Sent: Tuesday, June 28, 2022 4:59 PM
To: Charles Perusse; Cherie Dunphy; Dale Folwell; Donald Martin; Kim Hargett; Mike Stevenson; Pete Robie; Russell (Rusty) Duke; Wayne Fish
Cc: Dee Jones ; Joel Heimbach
Subject: Board Meeting Today

Board members,

Thank you for your participation in the meetings today. If you have any follow-up questions from the discussion with Blue Cross, please send them to Dee and me.

Thank you!

Lorraine

Lorraine Munk

Executive Assistant to Dee Jones
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Dale R. Folwell, CPA
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Board Meeting

June 8 (8:00 – 9:00) and Reconvened on June 28 (3:00– 4:00), 2022

EA Comments

Operations Updates

1. Public Health Emergency was extended on 4/15/22 and is currently set to expire 7/15/22 (no word on extensions)
2. Anticipated Future Meetings / Dates (executive sessions if/when needed)
 - **Jul 13 2022** – 2023 rates approval (virtual)
 - Mid Sep – SFY 21/22 updates; Long Session Strategy; 2024 Planning (in person)
 - Dec – TPA Award; 2024 Planning (in person)
3. BCNC Facets Issues – reference document emailed to board
 - I will provide an overview
 - Blue Cross shall have 4-5 minutes for its statement
 - Board members will have 2-3 minutes each for questioning
 - Plan staff will be following up with Blue Cross NC on all questions for written responses
 - All questions and response will be made part of the minutes for the Board.
 - Resources
 - Prompt Pay Penalties and Performance Guarantees
 - Enrollment Challenges
 - Primary Care Providers
 - Medicare Data Synchronization
 - Portal Issues
 - OE Testing
4. Blue Cross NC Response and Board Q&A
5. Notice that TPA RFP will be posted Q3 and awarded in Q4
6. Turn over to Treasurer for Final Comments and Adjournment

Blue Cross NC Facets Implementation Issues

June 28, 2022

Introduction

Facets is the Blue Cross NC (Blue Cross NC) claims processing system. This system replaces the Power MHS system (legacy system) that has been in place since the 1970s. In early 2016, BCNC transferred 400,000 customers to Facets and ran into numerous over-billing and dropped coverage issues. These concerns were widely reported in the local media. At that time, BCNC decided to wait and convert the NC State Health Plan (Plan), with 685,000 members, at a later date. ¹

As a result of these issues, BCNC was fined by the Department of Insurance in September of 2016. BCNC signed a settlement agreement for \$3.6 million in civil penalties because of the significant over-billing and dropped coverages mentioned previously. This fine is in addition to \$11.3 million in premium refunds and \$8.3 million in late interest payments on claims made to health care providers. ²

The Plan intentionally waited until the most recent contract was to be implemented before committing to transitioning to Facets. Plan staff worked with BCNC staff from the late February 2020 award date until the January 1, 2022, Go Live date to prepare for the transition. Unfortunately, the transition did not go well. Plan staff is still – in June - materially involved in solving major conversion issues with the BCNC team every week.

Facets Issues Outlined ³

It has become clear, after five plus months of troubleshooting, that BCNC did not adequately anticipate the impact of more than 10 years of customization on the Power MHS system (legacy system). Plan staff was told the customizations did not convert as anticipated. This challenge has impacted multiple issues that are described below.

1. Resources – lack of Plan experience and expertise

BCNC reorganized 5-6 years ago moving away from a centralized, dedicated team for the Plan. The negative impact of this transition was immediate as key players left because of the changes. Over time, additional people left

Blue Cross NC Facets Implementation Issues

June 28, 2022

taking their Plan expertise with them. Unfortunately, the BCNC membership team has struggled to manage Plan enrollment ever since.

The Plan's eligibility rules and premium structures are complex and take time to fully understand; the lack of bench strength at BCNC has created a void that is not easy to fill. What we have determined over the last six months is that BCNC staff is unable to triage and resolve issues without assistance from Plan staff and Benefitfocus.

Fortunately, BCNC has now determined that dedicated resources are required to effectively manage Plan activity and they are working toward a new organizational structure to include additional, dedicated staff.

2. *Timeliness of Claims Payments – system configuration issues*

On the Go Live date, January 1, 2022, simple claims processed correctly. Unfortunately, most claims are not simple.

- a. Infusion Claims – held > 8,200 claims until mid-February
- b. Allergy Shots – held > 6,800 claims until mid-February
- c. Retirement Systems (Medicare Prime) – held > 80,000 claims until mid-February until the Medicare data could be updated correctly
- d. Copays – Multiple issues related to taking the correct copay for certain services remain unresolved
- e. Claims “stuck” with other non-operations teams causing them to be released way outside their targeted 30-day turnaround time (resulted in prompt pay penalties)
- f. Overall claims payments delays – the Monthly Payment History table below shows the monthly payment history for 2022 vs. 2021. While we are finally close to a reasonable year to date amount, it is clear there has been significant fluctuation to date 2022.

Blue Cross NC Facets Implementation Issues

June 28, 2022

Monthly Payment History

Month	2022	2021	\$ Diff	% Diff
January	\$220,374,297	\$249,175,763	(\$28,801,466)	-12%
February	\$170,958,628	\$206,969,976	(\$36,011,348)	-17%
March	\$181,007,544	\$220,573,630	(\$39,566,086)	-18%
April	\$227,888,714	\$222,704,889	\$5,183,825	2%
May	\$340,224,223	\$284,056,746	\$56,167,477	20%
Total May to Date	\$1,140,456,406	\$1,183,481,004	(\$43,024,598)	-4%

Source: BCNC FP104 report at 05.31.22

3. Prompt Pay Penalties – significant fluctuation has led to penalties

- a. The Plan is subject to Prompt Payment laws, and thus requires the TPA to abide by those requirements. These laws dictate efficiency and timeliness of Claims Payments
- b. BCNC is required by contract to make provider payments in accordance with NC G.S. 58-3-225 (e) or pay an interest penalty of 18% APR beginning on the date following the day on which the claim should have been paid.
- c. BCNC self-reports claims payment timeliness and provides the Plan with detailed reports for validation
- d. As of May 31, 2022 - BCNC has paid \$2.6M (0.23% of claims payments) in prompt pay penalties**
- e. For context, during the entire calendar year 2021, BCNC paid \$2.3M (0.09% of claims payments) in prompt pay penalties**

4. Enrollment Challenges – multiple challenge areas

The implementation of new enrollment files between Benefitfocus and BCNC was, while not a complete failure, a huge disappointment. Multiple scenarios that passed all testing scripts, failed in production. Since early January 2022, the Plan, BCNC and Benefitfocus have met at least 2 hours per day, Monday thru Thursday, to resolve individual enrollment issues,

Blue Cross NC Facets Implementation Issues

June 28, 2022

triage root causes and determine required fixes. Unfortunately, new issues are still being uncovered and fixes are taking time to fully implement.

5. *Primary Care Providers (PCPs) – numerous issues discovered with PCPs*

- a. Retro-terminated 354 Primary Care Providers (PCP) in error
- b. Q1 - Mailed > 3,000 of letters to members stating PCP was terminated in error
- c. Q2 - Mailed another 3,500 letters out in error advising members that their PCP had terminated
- d. PCP Maintenance – multiple issues maintaining accurate PCP data

6. *Medicare Data Audits – quarterly audits with CMS ensure the Plan has the most current Medicare information for members. Medicare data impacts both premiums and claims.*

- a. Initial Facets audit, conducted in December 2021, uncovered the fact that BCNC did not have their Facets Medicare processes outlined appropriately therefore the audit was not finalized
- b. Second Facets audit, conducted in March, showed little improvement
- c. Third Facets audit is not yet completed

7. *Portal Issues – various issues and now mostly resolved*

- a. Blue Connect – member portal
 - i. Display issues (member ID cards, claims etc.)
 - ii. Split contracts not initially supported
- b. Employer Portal – Multiple display issues
- c. Provider portal (Blue E) not fully able to support CPP providers

8. *Open Enrollment Testing – not ready 6/20/22 as promised*

¹ Retrieved June 10, 2022 from <https://www.fiercehealthcare.com/payer/no-end-sight-for-bcbs-north-carolina-technology-woes>; By Evan Sweeney, February 8, 2016.

² Retrieved June 10, 2022 from <https://www.bluecrossnc.com/provider-news/department-insurance-voluntary-settlement-agreement-signed>. Published September 15, 2016.

³ Weekly Facets issues logs dated from 03/11/2022 to current.

Lorraine Munk

From: Lorraine Munk
Sent: Thursday, June 30, 2022 1:59 PM
To: Charles Perusse; Cherie Dunphy; Dale Folwell; Donald Martin; Kim Hargett; Mike Stevenson; Pete Robie; Russell (Rusty) Duke; Wayne Fish
Cc: Dee Jones ; Joel Heimbach
Subject: Questions for Blue Cross North Carolina
Attachments: SHP Board Questions for Blue Cross NC_06.30.22.pdf

Message from Dee Jones

Board members,

Attached is the list of questions for Blue Cross Blue Shield NC (BCNC) captured at the Board of Trustees' meeting on Tuesday. If you have additional questions you'd like to add, please send them to Lorraine or me by noon on Friday, July 1. The final document will be sent to BCNC tomorrow afternoon for their response. The quick turnaround request is because the questions and answers will be included in the minutes which will require your approval at the July 13, 2022 meeting.

Lorraine Munk

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State Health Plan Board of Trustees
Questions for Blue Cross NC
June 28, 2022

1. Judge Duke
 - a. How long have the problems/issues been going on?
 - b. What has been done to correct these problems/issues?
 - c. How long do you anticipate the problems/issues continuing?
2. Kim Hargett
 - a. It seems there has been significant State Health Plan staff involvement in solving the Facet problems/issues – what is the possibility of getting some form of compensation returned to the Plan?
 - b. Do Prompt Payment penalties go to SHP or to providers?
 - c. It is good that Blue Cross NC is creating a dedicated Plan organization, albeit a bit late. Is it possible to have member services staff that has a regional specialization? For example, East, West, Triangle, Triad, Charlotte areas?
3. Dr. Martin
 - a. Has Blue Cross NC lost business due to the Facets issues/problems?
4. Dr. Robie
 - a. Regarding late payment penalties, where does the money come from to pay these penalties?
 - b. It seems Plan staff has had to be overly involved in identifying and solving the Facets problems/issues – how much longer do you anticipate this unanticipated level of involvement?
5. State Treasurer
 - a. The Plan was at or toward the end of the implementation cycle with the Blue Cross NC book of business which should have minimized the risk of so many problems/issues; why has this not been realized?
 - b. Why have so few providers called the Treasurer about late payments?
 - c. Could the Plan have chosen to not transition to Facets?
 - d. Was Blue Cross NC aware of the amount of money that the Plan had paid for its other vendors to update their systems relative to the Facets transition (likely between \$1.0M to \$1.5M)?
 - e. Will Blue Cross NC consider reimbursing the Plan for incurred costs?
6. Staff – Charles Sceiford
 - a. You responded that issues around the transition to FACETS are generally resolved after 12 months. Would the Plan's large membership create additional difficulty that would extend that time beyond 12 months? If yes, how much additional time would you anticipate?
 - b. Have other groups in their 2nd half of the 12-month FACETS transition period had a large amount of "Incurred But Not Reported" claims that were eventually found?

Board Meeting

September 14, 2022 (1p-4p)

EA Comments

Operations Updates

1. Blue Cross NC / FACETS migration status

- At the request of the Treasurer and the Board, Blue Cross NC has reimbursed Plan \$1 million dollars for staff time, inconvenience, etc.
- Still running into issues – some are significant
 - i. Recently identified that Facets/Legacy Specialty Med rebates had not been processed for Q1 – catching up this month
 - ii. Open defects without a resolution/fix date
 - iii. Continue to uncover problems related PCP matching and maintenance which can impact members' copay incentives
 - iv. While BCNC has developed workarounds to address some of the enrollment defects, their ability to successfully manage the workarounds has been inconsistent
 - v. Employer Portal display issues continue which makes it difficult for Plan staff to monitor enrollment corrections
 - vi. Sense of urgency is a struggle

2. Biennium Funding Strategy

- As we have discussed for a while now, Plan funding is below Plan trend levels. The Plan has been fortunate to manage other costs to the extent possible but medical, and in particular, pharmacy costs, continue to rise due to pricing.
- Steps the Plan can control:
 - i. Reducing administrative costs without hurting Plan operations
 - ii. Implementing an Employee Premium - \$166M
 - iii. Reducing major contract costs: \$1.5B over 3 years
 - 1. PBM contract starting 2023-2025 - \$700M over 3 years
 - 2. MA contract 2021-2023 - \$590M over 3 years and potentially \$1B over 5 years
 - 3. TPA contract 2022-2034 - \$170M over 3 years

- Steps the Plan cannot control:
 - i. Member Utilization
 - ii. Hospital Pricing
 - iii. Concerns about the Lake case (Joel will provide a brief update) make it difficult to put forth appropriate Medicare Prime funding strategies
- Plan is wondering if the board would sign off on an approved letter addressed to legislative leaders to address funding

Request a Board Member to ask Plan staff to finalize a letter to the House and Senate leadership outlining the Board's and Plan's concerns. This letter should identify the projected funding shortfalls over the next five years. Lastly, it should be made clear to the NCGA that absent pricing concessions or Clear Pricing from major healthcare providers or material shifts in reimbursement strategy, the State and its taxpayers will be called on to fund the entire increased amount over the next five years.

3. Brief Lake Update – (pitch to Joel)

Board Meeting will be in December – will send out dates by next week. The key activities will be to award the TPA RFP and discuss benefit updates for 2023 or 2024.

Board Meeting

December 14, 2022 (9ap-1p)

EA Comments

Operations Updates

1. This is our 6th meeting this year; thank you recognizing the importance of your participation and for your support of Plan staff and all Plan members
2. Blue Cross NC / FACETS migration status
 - Not all technical fixes will be deployed by the end of 2022 but rather into January so there will continue to be issues
 - i. 95% functional
 - ii. Coordination of benefits
 - iii. PCP issues
 - iv. Error reporting issues
 - BCNC behind in supporting a February 2023 deployment for the Medicare EDI enhancement requested by the Plan to reduce COB discrepancies between BCNC and BF; BF will deploy the code and BCNC be able to digest the data and hope to finalize in April or May 2023
 - Plan and BF still meeting several hours with BCNC to resolve individual members issues and determine root cause
 - If you recall, BCNC paid the Plan \$1M in August; while this was appreciated and it was mentioned that this was the cost that the Plan paid BF for their piece of the Facets implementation, it is almost impossible to quantify the costs of lost time that the implementation issues have caused the Plan, Benefitfocus, members, providers and BCNC staff
3. Biennium Funding Strategy
 - Sam has been having discussions with House and Senate leadership regarding the Plan's funding strategy.
 - *Steps the Plan can control:*
 - i. *Reducing administrative costs without hurting Plan operations*
 - ii. *Implementing an Employee Premium - \$166M*

- iii. *Reducing major contract costs: \$1.5B over 3 years*
 - 1. *PBM contract starting 2023-2025 (\$700M over 3 years)*
 - 2. *MA contract 2021-2023 (\$590M over 3 years)*
 - 3. *TPA contract 2022-2034 (\$170M over 3 years)*
- *Steps the Plan cannot control:*
 - i. *Member Utilization*
 - ii. *Hospital Pricing*
 - iii. *Lake Case Outcome*

Next Board Meeting will be in February 2023 - will send out dates by end of Dec.

Dee's news