

Proposed 2022 Premium Contribution Rates

Board of Trustees Meeting
August 25, 2021

2022 Employee Premium Rates

Employer/Retirement System Contributions¹

- ✓ Approve of 7.9% increases in employer/Retirement Systems contributions for permanent employees and retirees to comply with OSBM Memorandum for Continuing Operations and shown on page 3 of this presentation.

80/20 and 70/30 Plan (Self-funded)

- ✓ Approve the 2022 employee premium rates for the 80/20 and 70/30 plans, as shown on page 4 of this presentation.

High Deductible Health Plan

- ✓ Approve of 7.9% increase in the employer premium rate¹ for HDHP as shown on page 5 of this presentation.

Medicare Advantage Plan

- ✓ Approve 2022 employee premium rates for the MA Base and MA Enhanced plans are included on page 6 of this presentation.

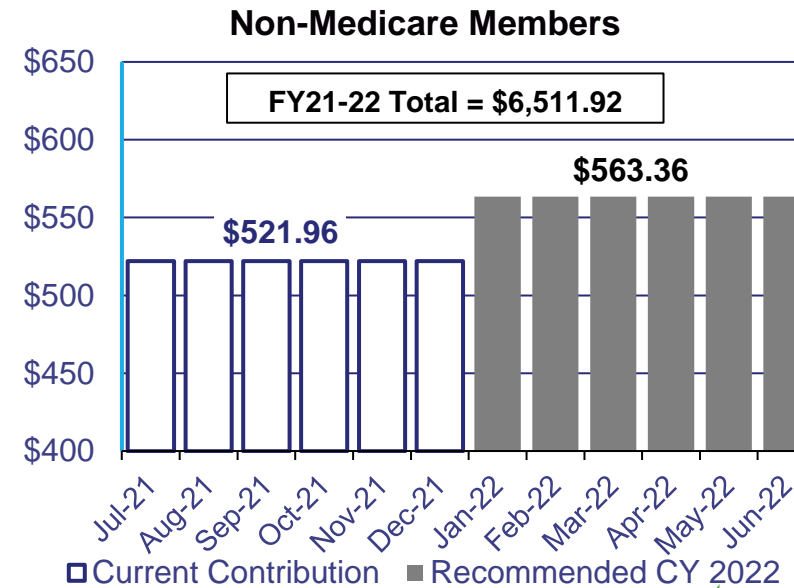
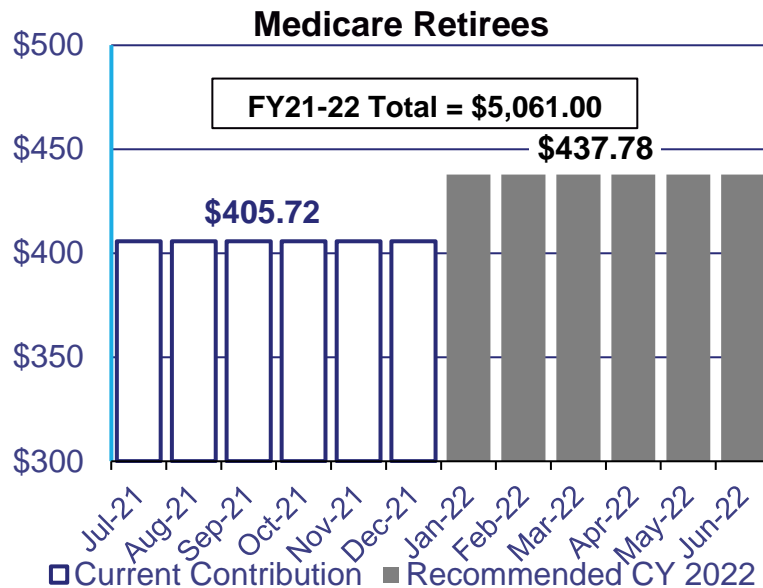
Other Member Groups (50% and 100% contributory; COBRA; National Guard, Firefighters, etc.)

- ✓ Approve premium rate policies for “other member groups,” as described on page 7 of this presentation.

1) Employer and Retirement System Contributions may change with proposed legislation SB 105.

Employer/Retirement Systems Contributions: 2022 Recommendation

- The General Assembly has not passed legislation (as of 8/25/21) to appropriate money to be paid from employers or the Retiree Health Trust Fund into the Public Employee Health Benefit Fund.
- OSBM distributed a memorandum for continuing operations without the passed legislation and provided guidance to use rates as stated in SL. 2020-41 (HB 1218)
- The fiscal year maximum is translated to monthly contribution amounts the Plan is authorized to collect for each employee, retiree, and disabled member.
- Due to the 2.9% increase on a Fiscal Year basis, the premiums must increase 7.9% in 2022 from 2021 levels.
- **Proposed Legislation SB 105:** Has updated methodology change of having Active and Retiree rates instead of Non-Medicare and Medicare rates in order to reduce Retiree subsidization of Active costs.
- **Plan staff recommends decreases to:**
 - **\$437.78/month** for the Medicare primary population
 - **\$563.36/month** for the non-Medicare primary population



80/20 and 70/30 Plans: 2022 Recommendation

- **Base Premiums:**
 - Base premiums would not change for 2022.
 - Tobacco Attestation wellness surcharge kept flat at \$60.
- **Dependent Tiers:**
 - Premiums for the dependent tiers would not change for 2022.
 - The “Subscriber + Family” and “Subscriber + Children” tiers are frozen at the same level as 2018.

Coverage & Tiers	2021 Rates	2022 Rates
80/20 Employees *		
Subscriber Only	\$50.00	\$50.00
Subscriber + Child(ren)	\$305.00	\$305.00
Subscriber + Spouse	\$700.00	\$700.00
Subscriber + Family	\$720.00	\$720.00
80/20 Retirees / Non-Med Dependents		
Subscriber Only	\$50.00	\$50.00
Subscriber + Child(ren)	\$305.00	\$305.00
Subscriber + Spouse	\$700.00	\$700.00
Subscriber + Family	\$720.00	\$720.00

*Assumes "Yes" completion of tobacco attestation

Actuarial Value	
80/20 Active & Non-Medicare Plans	82.5%
70/30 Active & Non-Medicare Plans	77.4%
70/30 Medicare Plan	91.9%

Coverage & Tiers	2021 Rates	2022 Rates
70/30 Employees *		
Subscriber Only	\$25.00	\$25.00
Subscriber + Child(ren)	\$218.00	\$218.00
Subscriber + Spouse	\$590.00	\$590.00
Subscriber + Family	\$598.00	\$598.00
70/30 Retirees/Non-Med Dependents		
Subscriber Only	\$0.00	\$0.00
Subscriber + Child(ren)	\$218.00	\$218.00
Subscriber + Spouse	\$590.00	\$590.00
Subscriber + Family	\$598.00	\$598.00
70/30 Retirees/Med Dependents		
Subscriber Only	\$0.00	\$0.00
Subscriber + Child(ren)	\$155.00	\$155.00
Subscriber + Spouse	\$425.00	\$425.00
Subscriber + Family	\$444.00	\$444.00

*Assumes "Yes" completion of tobacco attestation

High Deductible Health Plan: 2022 Recommendation

- **Employer Premiums** decrease by the same percentage as non-Medicare premiums.
- **Employee Premiums** would stay the same in 2022.
- HDHP COBRA rates: COBRA participants would pay the full monthly premium (the employer and employee shares).
- Affordability Safe Harbor caps Employee only contributions at \$105.50.

Member Premium	2021 Rates	2022 Rates
HDHP		
Employee Only	\$96.00	\$96.00
Employee + Children	\$284.00	\$284.00
Employee + Spouse	\$513.00	\$513.00
Family	\$617.00	\$617.00

	2021	2022
HDHP Employer Contribution	\$142.66	\$153.98

Medicare Advantage Plans: 2022 Recommendation

- The Plan switched Medicare Advantage carriers from United Healthcare to Humana effective 1/1/2021. This resulted in a negotiated monthly premiums of \$0 for the Base plan and \$69 for Enhanced plan.
- Administration fees are included in all dependent rates and are included with the MA Enhanced Buyup option for subscribers.
- 2022 rates did not change from 2021.

	Base Plan Premium	Enhanced Plan Premium	Buyup	Admin
2021	0.00	0.00	69.00	4.00
2022	0.00	0.00	69.00	4.00

Coverage & Tiers	2021 Rates	2022 Rates
MA Base Retirees/Med Dependents		
Subscriber Only	\$0.00	\$0.00
Subscriber + Child(ren)	\$4.00	\$4.00
Subscriber + Spouse	\$4.00	\$4.00
Subscriber + Family	\$8.00	\$8.00
MA Enhanced Retirees/Med Dependents		
Subscriber Only	\$73.00	\$73.00
Subscriber + Child(ren)	\$146.00	\$146.00
Subscriber + Spouse	\$146.00	\$146.00
Subscriber + Family	\$219.00	\$219.00

Premium Rates for Other Member Groups: 2022 Recommendation

- **100% Contributory Subscribers & COBRA Participants:**
 - Employee Premium + 2022 Employer Premium + Tobacco surcharge (\$0 or \$60)
 - Vary based on Medicare status, coverage, and tier.
 - Tobacco Wellness surcharge also applies for Active, COBRA, and 80/20 Non-Medicare Retirees.
- **50% contributory Subscribers:**
 - Employee Premium + (50% x 2022 Employer Premium) + Tobacco surcharge (\$0 or \$60)
 - Vary based on Medicare status, coverage, and tier.
 - Tobacco Wellness surcharge also applies for Active, COBRA, and 80/20 Non-Medicare Retirees
 - Medicare Advantage subscribers will not add more than the fully insured premium + administrative costs to the Non-contributory premiums in the same tier.
 -
- **National Guard, Firefighters, and Emergency Medical Personnel:**
 - (Employee Premium + 2022 Employer Premium) x 120% + Tobacco surcharge (\$0 or \$60)
 - Vary based on coverage and tier.
 - The additional 20% rate factor to protect against adverse selection (See §135-48.58 NC General Statutes)
 - If the tobacco attestation is not complete, the \$60 tobacco surcharge applies.

2022 Premium Rates – Requires Board Vote

Employer/Retirement System Contributions

- Approve a 7.9% increase in employer/Retirement Systems contributions for permanent employees and retirees, as requested by OSBM and allowed by SL 2020-41 (HB 1218) and shown on page 3 of this presentation.
- Approve a +/- 10% window for Employer rates once a final budget is approved.

80/20 and 70/30 Plan (Self-funded)

- Approve the 2022 Employee premium rates for the 80/20 and 70/30 plans, as shown on page 4 of this presentation.

High Deductible Health Plan

- Approve a 7.9% increase in the employer premium rate for HDHP as shown on page 5 of this presentation, and approve the 2022 Employee premium.

Medicare Advantage Plan

- Approve 2022 employee premium rates for the MA Base and MA Enhanced plans are included on page 6 of this presentation.

Other Member Groups (50% and 100% contributory; COBRA; National Guard, Firefighters, etc.)

- Approve premium rate policies for “other member groups,” as described on page 7 of this presentation.

Appendix: Detailed Rate Sheets

Active Employees and COBRA Recommended 2022 Premium Rates

Active Employee Group	80/20 Plan Tobacco Attestation Complete? *		70/30 Plan Tobacco Attestation Complete? *		Employer Contribution
	Yes	No	Yes	No	
Active Employees					
Subscriber Only	\$50.00	\$110.00	\$25.00	\$85.00	\$563.36
Subscriber + Child(ren)	\$305.00	\$365.00	\$218.00	\$278.00	\$563.36
Subscriber + Spouse	\$700.00	\$760.00	\$590.00	\$650.00	\$563.36
Subscriber + Family	\$720.00	\$780.00	\$598.00	\$658.00	\$563.36
Job Share Employees (50% Contributory)					
Subscriber Only	\$331.68	\$391.68	\$306.68	\$366.68	\$281.68
Subscriber + Child(ren)	\$586.68	\$646.68	\$499.68	\$559.68	\$281.68
Subscriber + Spouse	\$981.68	\$1,041.68	\$871.68	\$931.68	\$281.68
Subscriber + Family	\$1,001.68	\$1,061.68	\$879.68	\$939.68	\$281.68
LOA, Direct Bill & COBRA (100% Contribution)					
Subscriber Only	\$613.36	\$673.36	\$588.36	\$648.36	\$0.00
Subscriber + Child(ren)	\$868.36	\$928.36	\$781.36	\$841.36	\$0.00
Subscriber + Spouse	\$1,263.36	\$1,323.36	\$1,153.36	\$1,213.36	\$0.00
Subscriber + Family	\$1,283.36	\$1,343.36	\$1,161.36	\$1,221.36	\$0.00

* Tobacco Attestation:

YES = Subscriber is not a tobacco user **or** has agreed to participate in a cessation program.

NO = Subscriber is a tobacco user and has **not** agreed to participate in a cessation program.

Non-Medicare Retirees and Disabled Members Recommended 2022 Premium Rates

Non-Contributory Non-Medicare Members	80/20 Plan Tobacco Attestation Complete? *		70/30 Plan	Retirement System Contribution
	Yes	No		
Subscriber and All Dependents are Non-Medicare				
Subscriber Only	\$50.00	\$110.00	\$0.00	\$563.36
Subscriber + Child(ren)	\$305.00	\$365.00	\$218.00	\$563.36
Subscriber + Spouse	\$700.00	\$760.00	\$590.00	\$563.36
Subscriber + Family	\$720.00	\$780.00	\$598.00	\$563.36
Medicare Primary for One or More Dependent(s)				
<i>Medicare Primary Dependents on MA Base Plan</i>				
Subscriber + Child(ren)	\$54.00	\$114.00	\$4.00	\$563.36
Subscriber + Spouse	\$54.00	\$114.00	\$4.00	\$563.36
Subscriber + Family	\$58.00	\$118.00	\$8.00	\$563.36
<i>Medicare Primary Dependents on MA Enhanced Plan</i>				
Subscriber + Child(ren)	\$123.00	\$183.00	\$73.00	\$563.36
Subscriber + Spouse	\$123.00	\$183.00	\$73.00	\$563.36
Subscriber + Family	\$196.00	\$256.00	\$146.00	\$563.36
<i>Medicare Primary Dependents on 70/30 Plan</i>				
Subscriber + Child(ren)	\$205.00	\$265.00	\$155.00	\$563.36
Subscriber + Spouse	\$475.00	\$535.00	\$425.00	\$563.36
Subscriber + Family	\$494.00	\$554.00	\$444.00	\$563.36

* Tobacco Attestation:

YES = Subscriber is not a tobacco user **or** has agreed to participate in a cessation program.

NO = Subscriber is a tobacco user and has **not** agreed to participate in a cessation program.

MA = Medicare Advantage

50% Contributory Non-Medicare Retirees Recommended 2022 Premium Rates

50% Contributory Non-Medicare Retirees	80/20 Plan Tobacco Attestation Complete? *		70/30 Plan	Retirement System Contribution
	Yes	No		
Retiree and All Dependents are Non-Medicare				
Subscriber Only	\$331.68	\$391.68	\$281.68	\$281.68
Subscriber + Child(ren)	\$586.68	\$646.68	\$499.68	\$281.68
Subscriber + Spouse	\$981.68	\$1,041.68	\$871.68	\$281.68
Subscriber + Family	\$1,001.68	\$1,061.68	\$879.68	\$281.68
Medicare Primary for One or More Dependent(s)				
<i>Medicare Primary Dependents on MA Base Plan</i>				
Subscriber + Child(ren)	\$335.68	\$395.68	\$285.68	\$281.68
Subscriber + Spouse	\$335.68	\$395.68	\$285.68	\$281.68
Subscriber + Family	\$339.68	\$399.68	\$289.68	\$281.68
<i>Medicare Primary Dependents on MA Enhanced Plan</i>				
Subscriber + Child(ren)	\$404.68	\$464.68	\$354.68	\$281.68
Subscriber + Spouse	\$404.68	\$464.68	\$354.68	\$281.68
Subscriber + Family	\$477.68	\$537.68	\$427.68	\$281.68
<i>Medicare Primary Dependents on 70/30 Plan</i>				
Subscriber + Child(ren)	\$486.68	\$546.68	\$436.68	\$281.68
Subscriber + Spouse	\$756.68	\$816.68	\$706.68	\$281.68
Subscriber + Family	\$775.68	\$835.68	\$725.68	\$281.68

* Tobacco Attestation:

YES = Subscriber is not a tobacco user or has agreed to participate in a cessation program.

NO = Subscriber is a tobacco user and has not agreed to participate in a cessation program.

MA = Medicare Advantage

100% Contributory Non-Medicare Retirees Recommended 2022 Premium Rates

100% Contributory Non-Medicare Retirees	80/20 Plan Tobacco Attestation Complete? *		70/30 Plan	Retirement System Contribution
	Yes	No		
Retiree and All Dependents are Non-Medicare				
Subscriber Only	\$613.36	\$673.36	\$563.36	\$0.00
Subscriber + Child(ren)	\$868.36	\$928.36	\$781.36	\$0.00
Subscriber + Spouse	\$1,263.36	\$1,323.36	\$1,153.36	\$0.00
Subscriber + Family	\$1,283.36	\$1,343.36	\$1,161.36	\$0.00
Medicare Primary for One or More Dependent(s)				
<i>Medicare Primary Dependents on MA Base Plan</i>				
Subscriber + Child(ren)	\$617.36	\$677.36	\$567.36	\$0.00
Subscriber + Spouse	\$617.36	\$677.36	\$567.36	\$0.00
Subscriber + Family	\$621.36	\$681.36	\$571.36	\$0.00
<i>Medicare Primary Dependents on MA Enhanced Plan</i>				
Subscriber + Child(ren)	\$686.36	\$746.36	\$636.36	\$0.00
Subscriber + Spouse	\$686.36	\$746.36	\$636.36	\$0.00
Subscriber + Family	\$759.36	\$819.36	\$709.36	\$0.00
<i>Medicare Primary Dependents on 70/30 Plan</i>				
Subscriber + Child(ren)	\$768.36	\$828.36	\$718.36	\$0.00
Subscriber + Spouse	\$1,038.36	\$1,098.36	\$988.36	\$0.00
Subscriber + Family	\$1,057.36	\$1,117.36	\$1,007.36	\$0.00

* Tobacco Attestation:

YES = Subscriber is not a tobacco user or has agreed to participate in a cessation program.

NO = Subscriber is a tobacco user and has not agreed to participate in a cessation program.

MA = Medicare Advantage

Medicare Primary Subscribers

Recommended 2022 Premium Rates

	Medicare Advantage		Medicare 70/30 Plan	Retirement System Contribution
	Base Plan	Enhanced Plan		
Non-Contributory Medicare Primary Subscribers				
Medicare Primary for Retiree and One or More Dependents				
Subscriber Only	\$0.00	\$73.00	\$0.00	\$437.78
Subscriber + Child(ren)	\$4.00	\$146.00	\$155.00	\$437.78
Subscriber + Spouse	\$4.00	\$146.00	\$425.00	\$437.78
Subscriber + Family	\$8.00	\$219.00	\$444.00	\$437.78
Non-Medicare Primary for Dependent(s)				
<i>Dependents on 80/20 Plan</i>				
Subscriber + Child(ren)	\$255.00	\$328.00	\$255.00	\$437.78
Subscriber + Spouse	\$650.00	\$723.00	\$650.00	\$437.78
Subscriber + Family	\$670.00	\$743.00	\$670.00	\$437.78
<i>Dependents on 70/30 Plan</i>				
Subscriber + Child(ren)	\$218.00	\$291.00	\$218.00	\$437.78
Subscriber + Spouse	\$590.00	\$663.00	\$590.00	\$437.78
Subscriber + Family	\$598.00	\$671.00	\$598.00	\$437.78

50% Contributory Medicare Primary Subscribers Recommended 2022 Premium Rates

50% Contributory Medicare Retirees	Medicare Advantage		Medicare 70/30 Plan	Retirement System Contribution
	Base Plan	Enhanced Plan		
Medicare Primary for Retiree and One or More Dependents				
Subscriber Only	\$4.00	\$73.00	\$218.89	\$218.89
Subscriber + Child(ren)	\$8.00	\$146.00	\$373.89	\$218.89
Subscriber + Spouse	\$8.00	\$146.00	\$643.89	\$218.89
Subscriber + Family	\$12.00	\$219.00	\$662.89	\$218.89
Non-Medicare Primary for Dependent(s)				
<i>Dependents on 80/20 Plan</i>				
Subscriber + Child(ren)	\$259.00	\$328.00	\$473.89	\$218.89
Subscriber + Spouse	\$654.00	\$723.00	\$868.89	\$218.89
Subscriber + Family	\$674.00	\$743.00	\$888.89	\$218.89
<i>Dependents on 70/30 Plan</i>				
Subscriber + Child(ren)	\$222.00	\$291.00	\$436.89	\$218.89
Subscriber + Spouse	\$594.00	\$663.00	\$808.89	\$218.89
Subscriber + Family	\$602.00	\$671.00	\$816.89	\$218.89

COBRA and 100% Contributory Medicare Primary Subscribers Recommended 2022 Premium Rates

100% Contributory Medicare Primary Subscribers	Medicare Advantage		Medicare 70/30 Plan	Retirement System Contribution
	Base Plan	Enhanced Plan		
Medicare Primary for Retiree and One or More Dependents				
Subscriber Only	\$4.00	\$73.00	\$437.78	\$0.00
Subscriber + Child(ren)	\$8.00	\$146.00	\$592.78	\$0.00
Subscriber + Spouse	\$8.00	\$146.00	\$862.78	\$0.00
Subscriber + Family	\$12.00	\$219.00	\$881.78	\$0.00
Non-Medicare Primary for Dependent(s)				
<i>Dependents on 80/20 Plan</i>				
Subscriber + Child(ren)	\$259.00	\$328.00	\$692.78	\$0.00
Subscriber + Spouse	\$654.00	\$723.00	\$1,087.78	\$0.00
Subscriber + Family	\$674.00	\$743.00	\$1,107.78	\$0.00
<i>Dependents on 70/30 Plan</i>				
Subscriber + Child(ren)	\$222.00	\$291.00	\$655.78	\$0.00
Subscriber + Spouse	\$594.00	\$663.00	\$1,027.78	\$0.00
Subscriber + Family	\$602.00	\$671.00	\$1,035.78	\$0.00

Firefighters, Rescue Squad Workers, and National Guard Recommended 2022 Premium Rates

Firefighters, Rescue Squad Workers, and National Guard	80/20 Plan Tobacco Attestation Complete? *		70/30 Plan Tobacco Attestation Complete? *		Employer Contribution
	Yes	No	Yes	No	
Subscriber Only	736.03	796.03	706.03	766.03	\$0.00
Subscriber + Child(ren)	\$1,042.03	\$1,102.03	\$937.63	\$997.63	\$0.00
Subscriber + Spouse	\$1,516.03	\$1,576.03	\$1,384.03	\$1,444.03	\$0.00
Subscriber + Family	\$1,540.03	\$1,600.03	\$1,393.63	\$1,453.63	\$0.00

* Tobacco Attestation:

YES = Subscriber is not a tobacco user or has agreed to participate in a cessation program.

NO = Subscriber is a tobacco user and has not agreed to participate in a cessation program.



2022 Technical Benefit Adjustments

Board of Trustees Meeting

August 25, 2021

2022 Technical Benefit Adjustments: Compliance

- Last month, the Board of Trustees reviewed these changes for possible consideration.
- Our current coverage practice already does not distinguish between *the reasons why* someone may seek mental health services.
- Mental Health Parity regulations require health plans to offer equally favorable mental health benefits as compared to other medical benefits.
- To maintain compliance with Mental Health Parity regulations and to align current coverage practices, *Plan staff recommends removing the following exclusions effective January 1, 2022:*

Current Exclusion	Rationale for Change
Mental health services received in psychiatric residential treatment facilities when age 18 or older	Required to maintain compliance with Federal Mental Health Parity regulations
Psychological assessment and psychotherapy treatment in conjunction with proposed gender transformation	Required to maintain compliance with Federal Mental Health Parity regulations; aligns with current coverage practice for mental health services
Counseling with relatives about a patient with mental illness, alcoholism, drug addiction or substance abuse	Standard coverage for most health plans

2022 Technical Benefit Adjustments: Administrative

- Staff routinely reviews Plan benefits that:
 - are different from what is offered through Blue Cross NC, or
 - are more cost effective to cover rather than maintain review procedures and pre-authorization requirements.
- The twin goals for these benefit adjustments are to reduce the Plan’s administrative burden (and costs!) and improve the efficient delivery of benefits.
- For these reasons, *Plan staff recommends removing the following exclusions effective January 1, 2022:*

Current Exclusion	Rationale for Change
Audiologic function test: Bekesy audiometry	Few claims a year with a total cost of under \$150
Hot water bottle	Zero claims last year; reduce administrative burden
Infrared heating pad system	Zero claims last year; reduce administrative burden
Heel, pad, removable for spur	Zero claims last year; reduce administrative burden

2022 Technical Benefit Adjustments: Administrative

- The Plan currently excludes certain Durable Medical Equipment (DME) items that are covered by most other health plans. The total annual spending for all items is less than \$250,000.
- Items may have new limitations and medical necessity requirements.
- To reduce the Plan’s administrative burden and align with Blue Cross NC, *Plan staff recommends removing the following exclusions effective January 1, 2022:*

Current Exclusion	Rationale for Change
All Compression stockings and supplies	Cover when prescribed and medically necessary. Limited to 8 individual units per year.
Pocket nebulizers	Cover
Helmet, protective, soft, prefabricated, includes all components and accessories. (The Plan already covers 1 helmet per lifetime for infants.)	Remove limits and cover when prescribed, custom made and medically necessary.
Sitz type bath or equipment, portable, used with or without commode, with faucet attachment(s) and sitz bath chair	Cover
Commode chairs, seat lifts, toilet rails, toilet benches	Cover – May require a prescription
<p>The following mattress accessories:</p> <ul style="list-style-type: none"> ▪ Powered pressure reducing mattress overlay/pad, alternating, with pump ▪ Pump for alternating pressure pad (for replacement only) ▪ Dry mattress pad ▪ Gel or gel-like pressure pad for mattress ▪ Air pressure mattress ▪ Water pressure mattress ▪ Synthetic sheepskin pad ▪ Lambswool sheepskin pad, any size ▪ Positioning cushion/pillow/wedge, any shape or size, includes all components and accessories 	Cover – Used in the prevention of skin breakdown for members who are primarily confined to the bed and are unable to adequately reposition their body in the bed.

New 2022 Technical Benefit Adjustments: Administrative

- Blue Cross NC recently introduced three additional benefit changes for 2022 to create alignment.
 - Replacement breast pump supplies will not be separately reimbursable on the same date of service as the breast pump, as the supplies are included in the initial purchase.
 - Limit breast pump supplies to 2 units per code, per year.
 - Limit mastectomy bras to two per year.
- To reduce the Plan's administrative burden and align with Blue Cross NC, *Plan staff recommends removing these exclusions effective January 1, 2022.*

2022 Technical Benefit Adjustments: Continuous Glucose Monitors (CGMs)

- **P&T Committee asked** Plan staff to consider covering CGMs under Pharmacy Benefit.
- **CGMs are devices** used for monitoring blood glucose on a continual basis for diabetics requiring insulin.
- **The Plan cover CGMs** under the medical benefit requiring the member to pay deductibles and coinsurance prior to the Plan's payment.
- **Most plans** are beginning to cover CGMs under the pharmacy benefit.
- **Adults and children with type 1 diabetes benefit** from having a real-time CGM compared with a blood glucose monitor (BGM) to potentially reduce A1C levels, episodes of hypoglycemia and achieve modest improvements to “time in target range” (TIR) facilitating safer intensification of glucose control.
- **Patients with type 2 diabetes who use intensive insulin therapy** but not achieving glucose targets benefit, especially if experiencing problematic hypoglycemia.

2022 Technical Benefit Adjustment: From P&T Committee

- The Plan currently covers CGMs on the medical benefit.
 - The upfront member cost share is higher on the medical benefit than it would be on the pharmacy benefit.

Plan Design	Cost Share	Medical Benefit	Pharmacy Benefit
80/20 PPO Plan		\$1,200 Deductible 20% Coinsurance	\$30 Copay
70/30 PPO Plan		\$1,500 Deductible 30% Coinsurance	\$47 Copay

- The Plan proposes also adding CGMs to the pharmacy benefit.
 - It will potentially cost the Plan \$1.3 million in 2022 to shift the upfront cost to the Plan, but the improvement in adherence and monitoring could more than offset the cost.
- To improve adherence and monitoring, which we expect will significantly lower long-term costs, *Plan staff recommends adding CGMs to the Tier 2 pharmacy benefit (Preferred Brand).*
- Note: Plan staff will closely monitor member usage to measure the overall impact.

2022 Technical Benefit Adjustments

Requires Board Vote

- Achieve **federal compliance and promote clarity for what is already covered**: remove three mental health exclusions (slide 2)
- Achieve **efficiencies**: reduce the Plan's administrative burden and align with Blue Cross NC (slides 3, 4, & 5)
- Improve **adherence and drive down long-term costs**: create an additional delivery option for CGMs through the pharmacy benefit (slide 7)