North Carolina State Health Plan

FOR TEACHERS AND STATE EMPLOYEES

Strategic Plan Annual Update

Board of Trustees

November 19, 2015

A Division of the Department of State Treasurer

Presentation Overview

- Review of Current Strategic Plan
  - Improve Members' Health
  - Improve Members' Experience
  - Ensure Financial Stability
- Progress Report of Priorities and Initiatives
- Why Refresh the Strategic Plan?
- Strategic Planning Updates and Evaluation
- Staff Observations of Strategic Plan
- Timing to Update Strategic Plan

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Layout of the Strategic Plan

- Strategic Priorities
  - 3 broad goals
  - Each includes 3 to 4 Initiatives per priority

- Strategic Initiatives
  - What We Will Do
  - Each Initiative contains 1 to 3 Projects and/or Programs

- Projects and Programs Roadmap

- Strategic Metrics
  - Review in April with complete CY 2015 data

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Strategic Plan Priority Areas

Strategic Priority	Key Initiatives
Improve Members' Health	• Maximize Patient Centered Medical Home (PCMH) Effectiveness • Assist Members to Effectively Manage High Cost High Prevalence Chronic Conditions • Offer Health-Promoting and Value-Based Benefit Designs • Promote Worksite Wellness
Improve Members' Experience	• Create Comprehensive Communication & Marketing Plan • Improve the Member Enrollment Experience • Promote Health Literacy
Ensure Financial Stability	• Target Acute Care and Specialist Medical Expense • Target Pharmacy Expense • Pursue Alternative Payment Models • Ensure Adequate, Stable Funding from the State of North Carolina

Strategic Plan Updates and Evaluation

Strategic Plan Tracking

- Staff prepares a quarterly status report to highlight progress/challenges on each of the key initiatives in the Strategic Plan
  - Typically produced a month after the end of each calendar quarter H
  - Highlights key topics to discuss with the Board
  - Executive team uses the document to assess overall progress and guide operational priorities

Strategic Plan Evaluation

- Staff developed a scorecard to evaluate how well the Strategic Plan initiatives are being addressed
  - Scorecard metrics are a calendar year basis
  - CY 2015 results should be available in April 2016 to allow proper claims run out

Review of Improve Members' Health Initiatives, Programs, and Projects (CY 2015)

Successes	Ongoing Project	Revising Approach	Future Project	Potential to Reconsider
• PCMH Pilot with 4 practices up and running • Transition of Care Program Implemented • Chronic HEP designed for CY 2016 • Wellness Champions Implemented • Wellness Wins Implemented	• PCMH Pilot • Transition of Care Program • HEP Programs in CY 2016 • Wellness Champions	• High Utilizer Program • PCMH Pilot Year 2	• Chronic Pain Pilot • Identifying areas for value based design integration • Further opportunities for provider partnerships	• Focus on PCMH versus broadly on high quality providers

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Challenges to Success – Improve Members' Health (CY 2015)

- Maximize PCMH Effectiveness:
  - *Highly successful in implementing in CY 2015*
  - Challenge: There has yet to be broad statewide adoption of PCMH accreditation despite North Carolina being one of the most engaged states
  - Challenge: Identifying practices with the right level of engagement and mutual capacity
  - ***Potential Solution: Broaden PCMH to include more forms of high quality providers in a transparent and consistent manner***

- High Prevalence Chronic Conditions
  - *Key Success: Design of Health Engagement Program for members with chronic conditions for CY 2016*
  - Challenge: Communication and member uptake for high utilizers
  - Challenge: Member Plan election remains high in Traditional 70/30
  - Challenge: Staff capacity to implement and appropriately manage multiple initiatives

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Challenges to Success – Improve Members' Health (CY 2015)

- Value-based Benefit Design:

  - *Key Success: Implementation of Health Engagement Program for CY 2016*
  - Challenge: General Assembly pressure to reduce cost growth limits flexibility to invest in health
  - Challenge: Member plan election
  - Challenge: Vendor capabilities and benefit integration
  - ***Potential Solution: Identify approaches to incorporate Enhanced 80/20***

- Worksite Wellness:

  - *Highly successful in CY 2015*
  - Challenge: Difficulty in being able to design and implement a worksite program that is able to attract and retain enough interest
  - Challenge: Lack of broad statewide policy to incorporate in a manner that can be duplicated

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Review of Improve Members' Experience Initiatives, Programs, and Projects (CY2015)

Successes	Ongoing Project	Revising approach	Future Project	Potential to Reconsider
• BCBSNC transparency deployed • HEP Programs in place for CY 2016 • Re-implemented Benefitfocus and completed AE despite challenges • Awarded Communication & Marketing Services Contract • Communicated with more members through Telephone Town Hall meetings	• Improving the member enrollment experience and stabilizing the enrollment platform • HEP Programs in CY 2016 • Continuing to improve customer satisfaction • Meet regularly with provider community • Develop non-Medicare primary health literacy campaign	• Searching for a new benefits calculator tool • Improve member contact information	• Enhance Medicare Primary learning opportunities • Develop learning modules for all members • Implement a communications and marketing campaign	

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Challenges to Success – Improve Members' Experience (CY 2015)

- ## Overarching Challenges:
  - Director of Global Benefits Communications Director position vacant

  - Enrollment and Eligibility Vendor Transition
    - Consumed staff resources and capacity
    - Issues with data transfer and file setup
    - Members are vendor transition weary

  - New programs and/or enhancements require technology development and vendor integration which must be prioritized and resourced by the vendors
    - Leads to longer implementation timelines

Review of Ensure Financial Stability Initiatives, Programs, and Projects (CY 2015)

Successes	Ongoing Project	Revising approach	Future Project	Potential to Reconsider
• Implement alternative payment models with 2 to 3 ACOs • Communication with State Gov't Leadership • Legislative Agenda • Identify opportunities to incent quality of care • Direct provider engagement • Act in an open and transparent manner • Ensure adequate funding • Partner with stakeholders	• Incent members to utilize appropriate providers • Communication with State Gov't Leadership • Legislative Agenda • Reduce Avoidable admissions • Partner to identify opportunities to incent quality of care • Direct provider engagement	• Communication with State Gov't Leadership • Reduce Avoidable admissions • Partner to identify opportunities to incent quality of care • Direct provider engagement • Proactively work with State Gov't to protect Plan's reserves and ensure adequate funding	• Specialty Rx programs • Enhanced Fraud, Waste, and Abuse • Partner to identify opportunities to incent quality of care • Direct provider engagement	• Implement a telehealth option

Challenges to Success – Ensure Financial Stability (CY 2015)

- Acute and Specialist Care:
  - Challenge: Opportunities are not emerging uniformly around the State
  - Challenge: Incorporating into benefit design and communicating benefit changes

- Target Pharmacy Expense:
  - Challenge: Specialty drug trends continue to drive overall trend
  - Challenge: Staff turnover, recruitment and onboarding

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Challenges to Success – Ensure Financial Stability (CY 2015)

- Pursue Alternative Payment Models:
  - Challenge: Opportunities are not emerging uniformly around the State
  - Challenge: Incorporating into benefit design and communicating benefit changes

- Ensure Adequate, Stable Funding from the State of North Carolina
  - Challenge: General Assembly asking for short-term savings or cost-shifting at the expense of long-term planning
  - Challenge: Reserve for low employer contribution growth

Why Refresh the Strategic Plan?

- The Strategic Plan is designed to be a living document that reflects the priorities of the Board, the health care environment in North Carolina, and administrative capabilities of our current vendor partners
  - Reviewing the status of these factors annually:
    - Helps maintain relevancy of the Strategic Plan
    - Provides a useful tool to guide Plan staff and operational priorities

- Multiple lessons learned and Board feedback from the past year to incorporate that will enhance the Strategic Plan

- The healthcare space is rapidly changing

- Vendor and provider capabilities are changing at different rates

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Next Steps

- Discussion following Friday's meeting
- Revise the Plan based on Board feedback
- Update metrics in April

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