

**Board of Trustees Regular Meeting
In-Person/Webinar/Recorded
May 20, 2025
Minutes**

Convene Meeting

Welcome

The meeting of the Board of Trustees for the North Carolina State Health Plan for Teachers and State Employees (Plan) was called to order by Chair Bradford B. Briner at 9:30 a.m. on Tuesday, May 20, 2025.

Chair Briner thanked the State Health Plan staff for their extensive efforts in addressing the Plan's financial challenges since January 1. He emphasized the progress made, including a reduction in the originally proposed premium increases and efforts to eliminate prior authorizations for independent primary care providers.

Roll Call for Attendance

Present: Bradford B. Briner; Melanie Bush; Russell "Rusty" Duke; Kimberly Jones; Brian Miller, M.D.; Mike Stevenson; Samuel Watts; and Kristin Walker.

Absent: Cy Vernon (absent for roll call for attendance through the financial update, but joined the meeting during the closed session) and Kerry Willis, M.D.

Chair Briner indicated that a quorum was present.

Conflict of Interest

Chair Briner reminded all Board members of their responsibility to avoid conflicts of interest and appearances of conflicts. No conflicts were reported.

Reading of SEI Statements into Minutes Pursuant to the Ethics Act § 138A-15(c)

The Statement of Economic Interest (SEI) for Executive Administrator Thomas Friedman was recorded in the minutes. **(Attachment 1)**

Consent Agenda (Requires Vote)

Approval of Minutes for prior meeting and Charter School New Group Form (S.L.2024-42)

Board Vote: Motion by Ms. Jones to approve the minutes for prior meeting and Charter School New Group Form; second by Judge Duke. Roll call vote was taken. The Board voted unanimously approved the motion.

Public Comments

Two individuals offered public comments:

- Opposition to the proposed premium increases.
- Challenges with claims payment and prior authorization process by Aetna.

Executive Administrator Update

Thomas Friedman, Executive Administrator, provided an update on Plan operations, highlighting the following:

- The Plan has begun communicating the end of the Clear Pricing Project and is focusing on quality, access, and cost in future vendor relationships.
- Prior authorizations are being eliminated for independent primary care providers.
- The Plan is developing a benefit and provider strategy focused on access and sustainability, particularly in rural communities.
- Premium decisions will be discussed at the August 15 meeting.

Legislative Update

Mr. Friedman and Dr. Emma Turner, Director of Analysis, Economics and Finance, reported:

- Both the House and Senate proposed budgets include approximately 5% premium increases per year for the Plan and fully funding the Plan's request.
- The Senate included \$25 million in FY2026 and \$28.5 million in FY2027 for GLP-1 anti-obesity medications. The House budget did not include these allocations.
- The House budget includes unfunded mandates for breast and cervical cancer screenings and broader language on prior authorizations.
- Continued legislative engagement is expected before final decisions.

Provider Engagement Update

Presentations and discussion focused on the following:

- New partnerships with independent primary care networks, including Community Care of North Carolina (CCNC), Aledade, and Wilmington Health.
- A multi-specialty provider pilot (Wilmington Health), with a focus on risk-based care and outcomes tracking.
- Development of a bundled surgical care strategy with statewide provider access and cost reductions.

- Emphasis on quality care, access, and affordability for members.
- Support for independent practices.
- Development of statewide network for bundled surgical services (orthopedic, cardiac, gastrointestinal, women’s health, etc.) to simplify access, minimize member out-of-pocket costs, and remove the need for prior authorizations.

2026 Benefits

The Board reviewed proposed benefit design changes for active and non-Medicare members and Medicare retirees.

Board Vote: Bundled Program Cost Sharing and Administrative Flexibility (Page 38 of Presentation): Motion by Ms. Jones to approve the member cost sharing detailed on presentation slide 38 for the new bundle programs; second by Judge Duke; Roll call vote was taken. The Board voted unanimously to approve the motion.

Board Vote: 2026 Plan Design Changes Active and Non-Medicare (Page 41); 2026 Plan Design Medicare Advantage Plans (page 45); 2026 Plan Design Changes Medicare 70/30 (Page 46): Motion by Mr. Watts to approve the changes to benefit plan design detailed on presentation slides 41, 45, and 46; second by Mr. Stephenson; Roll call vote was taken. 5 members voted “yes” (Ms. Bush, Judge Duke, Dr. Miller, Mr. Stevenson, and Mr. Watts). 1 member voted “no” (Ms. Jones). The motion was approved.

Financial Update

Dr. Emma Turner and Mr. Charles Sceiford presented the financial update. Key points included:

- Projection improved due to unexpected lower pharmacy and medical claims.
- Cash balance expected to exceed the Target Stabilization Reserve (TSR) by \$87 million at the end of 2026.
- Forecast continues to be uncertain.

Chair Briner called for a vote to move into Closed Session.

Board Vote to move into Executive Session: Motion by Mr. Watts, pursuant to G.S. 143-318.11(a)(1), G.S. 143-318.11(a)(3), G.S. 132-1.1(a), G.S. 132-1.2(1), and G.S. 135-48.10(a), to move into closed session to consultation with legal counsel regarding *Lake v. State Health Plan* and a vendor prelitigation dispute, as well as to receive a presentation on RFP #270-20250303ACT Actuarial/Analytical and Health Benefits Consulting Services. Second by Ms. Jones. Roll call vote was taken. The Board voted unanimously approved the motion.

The Board consulted with Ben Garner, Department General Counsel, and Joel Heimbach, Assistant General Counsel, regarding the case of *Lake v. State Health Plan* and a vendor prelitigation dispute.

The Board then received a presentation by Aaron Vodicka, Director of Contracting and Compliance, regarding RFP #270-20250303ACT Actuarial/Analytical and Health Benefits Consulting Services, including the RFP process, details of bidder proposals, scoring of those proposals, and the recommendation from the RFP's evaluation committee.

Chair Briner called for a vote to return to Open Session.

Board Vote to move into Open Session: Motion by Judge Duke to return to open session; second by Ms. Bush. Roll call vote was taken. The Board voted unanimously to return to open Session.

Approval of Actuarial/Analytical and Health Benefits Consulting Services Contract

Board Vote to approve RFP#270-20250303ACT Actuarial/Analytical and Health Benefits Consulting Services: Motion by Judge Duke to approve award of Actuarial/Analytical and Health Benefits Consulting Services contract to Segal; second by Dr. Miller. Roll call vote was taken. The Board voted unanimously to approve the contract.

Adjournment

Chair Briner called for a vote to adjourn the meeting.

Board Vote to adjourn the meeting: Motion to adjourn by Ms. Bush; second by Mr. Watts. Roll call vote was taken. The Board voted unanimously to adjourn the meeting at 12:45 p.m.

Minutes submitted by: Joel Heimbach, Secretary

Approved by: 

Bradford B. Briner
Chairman of Board of Trustees
North Carolina State Health Plan

A recording of the meeting can be found [here](#)

Attachment 1



STATE ETHICS COMMISSION

POST OFFICE BOX 27685
RALEIGH, NC 27611
PHONE: 919-814-3600

Via Email

March 6, 2025

The Honorable Bradford B. Briner
North Carolina Department of State Treasurer
3200 Atlantic Avenue
Raleigh, North Carolina 27604

**Re: Evaluation of Statement of Economic Interest
Mr. Thomas Friedman, III---Executive Administrator, State Health Plan**

Dear Treasurer Briner:

Our office has received a **2025** Statement of Economic Interest form from **Mr. Thomas Friedman, III** as **Executive Director, State Health Plan** for the **North Carolina Department of State Treasurer**. We have reviewed it for actual and potential conflicts of interest under the State Government Ethics Act (the "Act").

Compliance with the Act and avoidance of conflicts of interest in the performance of public duties are the responsibilities of every covered person, regardless of this letter's contents. This letter, meanwhile, is not meant to impugn the integrity of the covered person in any way. This letter is required by N.C.G.S. § 138A-28(a) and is designed to educate the covered person as to potential issues that could merit particular attention. Advice on compliance with the Act is available to certain public servants and legislative employees under N.C.G.S. § 138A-13.

We did not find an actual conflict of interest or the likelihood for a conflict of interest.

The Act establishes ethical standards for certain public servants and prohibits public servants from: (1) using their positions for their financial benefit or for the benefit of their extended family or business, N.C.G.S. § 138A-31; and (2) participating in official actions from which they or

The Honorable Bradford B. Briner
March 6, 2025
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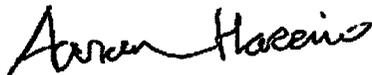
certain associated persons might receive a reasonably foreseeable financial benefit, N.C.G.S. § 138A-36(a). The Act also requires public servants to take appropriate steps to remove themselves from proceedings in which their impartiality might reasonably be questioned due to a familial, personal, or financial relationship with a participant in those proceedings. N.C.G.S. § 138A-36(c).

In addition to the conflict standards noted above, the Act prohibits public servants from accepting gifts from (1) a lobbyist or lobbyist principal, (2) a person or entity that is seeking to do business with the public servant's agency, is regulated or controlled by that agency, or has financial interests that might be affected by their official actions, or (3) anyone in return for being influenced in the discharge of their official responsibilities. N.C.G.S. § 138A-32. Exceptions to the gifts restrictions are set out in N.C.G.S. § 138A-32(e).

Finally, the Act mandates that all public servants attend an ethics and lobbying education presentation. N.C.G.S. § 138A-14. Please review the attached document for additional information concerning this requirement.

Please contact our office if you have questions concerning our evaluation or the ethical standards governing public servants under the Act.

Sincerely,



Aaron Harris, SEI Unit
State Ethics Commission

cc: Thomas Friedman, III
Elizabeth Hawley, Ethics Liaison

Attachment: Ethics Education Guide