



North Carolina
State Health Plan
FOR TEACHERS AND STATE EMPLOYEES



CDHP Pharmacy Debit Card

Board of Trustees Meeting

May 22, 2015

A Division of the Department of State Treasurer

Consumer-Directed Health Plan (CDHP) Debit Card

Background

- Members enrolled in the CDHP must pay up front for their pharmacy expenses. If funds are available in their HRA, members are reimbursed by check, usually within two weeks.
- This potential out-of-pocket burden to members has been noted as a concern for members who are unable to pay up front for medication.
- The Plan was asked to explore options to address the issue.
- Blue Cross Blue Shield of NC's subcontractor, HealthEquity, is able to provide a debit card for members in the CDHP to use at point of sale for their medications.

Member Experience at Pharmacy with Debit Card



Advantages

- Members will not need to pay out-of-pocket at point of service and then wait for reimbursement
- Reduces potential barrier to obtain medication
- Debit card can be branded with State Health Plan logo for easy identification



Concerns

- For members with a Flexible Spending Account (FSA) and the CDHP HRA, two different cards may be confusing.
- If a member does not have the card at point of service they can still receive reimbursement, but it will not be paid automatically – the member must request reimbursement.
- The debit card is a payment mechanism only -- there is no validation that the prescription is for the card holder, so it is possible to pick up a prescription for someone not covered by the HRA. This is a known issue with an FSA as well.
- Cards are only accepted at pharmacies that are SIGIS certified which are typically larger, national pharmacies. Local (rural) pharmacies may not be certified, which may result in the card declining at point of service.
- Card may be able to be utilized for over-the-counter (OTC) expenses, which may not be an allowed or covered expense. This is a known issue with an FSA as well.
- Year 1, the card will only access current year funds. Year 2, the card would first access prior year (rollover) funds and then current year funds.
- Current CDHP members are not heavy web utilizers. With a debit card, there will be a need to manage the estimated 2 – 3% of card transactions that will require card substantiation to be provided.

Next Steps

- Plan staff is already working with BCBSNC to implement this offering for Jan. 1, 2016.
- Members who enroll in the CDHP in October will receive the debit card prior to Jan. 1, 2016.
- This new feature will be included in the 2016 Annual Enrollment materials and communications.