

**Board of Trustees
State Health Plan for Teachers and State Employees
Department of State Treasurer
July 8, 2015**

The teleconference of the Board of Trustees of the North Carolina State Health Plan for Teachers and State Employees was called to order at approximately 12:00 p.m. on Wednesday, July 8, 2015.

Members Present:

Janet Cowell, Chair
Lee Roberts/John Sparrow
V. Kim Hargett
Charles Johnson
Bill Medlin
Genell Moore
David Rubin

Absent:

Paul Cunningham, MD
Warren Newton, MD

State Health Plan and Department of State Treasurer Staff: Mona Moon, Lotta Crabtree, Glenda Adams, Mark Collins, Tom Friedman, Dana Jones, Nidu Menon, Lorraine Munk, Caroline Smart

Welcome

Janet Cowell, Chair, welcomed Board members and State Health Plan and Department of State Treasurer staff to the teleconference.

Agenda Item – Conflict of Interest Statement

In compliance with the requirements of Chapter 138A-15(e) of the State Government Ethics Act, Chair Cowell requested that members who have either an actual or perceived conflict of interest identify the conflict and refrain from discussion and voting in those matters as appropriate. No conflicts were noted.

Agenda Item – 2016 Medicare Plan Design Options and Default Enrollment (Attachment 1)

Presented by Caroline Smart, Chief Operating Officer

Ms. Smart provided an overview of the current plan options for Medicare retirees and the proposed 2016 medical and pharmacy benefit design changes. Medicare retirees are currently offered five plan options, three of which are premium free for retirees. Monthly premiums for the two enhanced Medicare Advantage (MA) plans are currently \$33.

The MA enhanced proposed plan changes for 2016 were discussed but without a passed State budget, the Plan wasn't able to provide final premium information. Plan staff anticipates that the MA base plans will remain premium free for retirees and that dependent rates will most likely change. Initial mailings will not include rate information.

The Board discussed the possibility of moving the August Board meeting to September, anticipating that the budget would be passed by that time. Ms. Moon stated that Plan staff and the Treasurer would discuss the timing and an alternative plan and that Mr. Friedman would continue to work closely with the State Budget Office regarding budget information.

Plan staff recommended the approval of the budget design changes outlined in the presentation for the 2016 Medicare Advantage enhanced plans. It was noted that the retiree only premium in the enhanced plans is expected to increase approximately \$33 per month but couldn't be confirmed until all rates are analyzed, finalized and presented to the Board for approval.

In answer to a question from a Board member, Ms. Smart stated that from the information available, the Plan's Medicare Advantage benefit options are quite rich compared to individual Medicare Advantage plans that members could purchase. Ms. Smart also noted that Plan staff works with Segal and the MA carriers, individually, to determine the rates based on the Plan's retiree membership and benefit design.

After some discussion regarding the consequences if the Board didn't approve the design changes without the rate information, members agreed to take a vote. Following a motion by Ms. Moore and seconded by Mr. Medlin, the Board voted unanimously to approve the recommended 2016 design changes for Medicare retiree plan options.

Ms. Smart presented information on the revised Medicare Primary Annual Enrollment strategy. Due to the changes in the member cost share and premiums for the MA enhanced plans, the Plan recommends that all members in the enhanced plans be moved to the base plan of their 2015 carrier. During Annual Enrollment, retirees would have the ability to elect any of the five Medicare primary plan options.

The Board voiced their approval for the Plan's recommendation, provided that the move to base plans is clearly communicated to Medicare retiree members.

Following a motion by Dr. Rubin and seconded by Ms. Hargett, the Board voted unanimously to move all members in the MA enhanced plans to the base plan of their current carrier.

Following the vote, one Board member encouraged the Plan to consider reviewing the possibility of offering a Medigap policy to Plan retirees. Ms. Moon stated that it wouldn't be a possibility for 2016 but that Plan staff would consider the option and financial implications for 2017.

Agenda Item – Pharmacy Home Delivery Pilot (Attachment 2)

Presented by Caroline Smart, Chief Operating Officer

Ms. Smart provided an overview of a pharmacy home delivery pilot, effective August 2015. Express Scripts (ESI) would identify qualifying members and send them a letter outlining the program. ESI would also handle the transfer of the prescription from the retail pharmacy to the home delivery program. Refills reminders would be sent to members and the prescriptions would be automatically filled. Participation would be voluntary and members could opt out of the program any time.

There would no cost to the Plan or members to participate in the pilot. Ms. Moon noted that the program doesn't constitute a design change and the pilot doesn't require Board approval. She noted the Plan wanted the Board's opinion about whether or not the Plan should continue to pursue implementing the pilot.

Ms. Moon stated that home delivery might remove barriers from some members in getting their medications and improve medication adherence. One Board member suggested that retail pharmacists may oppose the pilot. Ms. Moon agreed that some might view it as a way to eventually implement mandatory mail order but that is not the Plan's intent in implementing the pilot program.

One Board member inquired about whether safeguards were in place to ensure that members wouldn't have adverse reactions with other drugs they might be taking. Since ESI has Plan members' drug information on file and members in this pilot have to enroll, Ms. Moon stated that it shouldn't be an issue.

The Plan will notify ESI of the Plan's desire to participate in the program and monitor the number of members enrolled and the number of prescriptions transferred to home delivery.

Time was granted to a Plan member, Marea Sanos, who was in attendance at the teleconference and requested to address the Board. As an employee with Yadkin County Schools, Ms. Sanos emphasized her concerns, as well as those of other employees and other school systems, regarding the transfer of eligibility and enrollment services from Benefitfocus to Aon Hewitt. New employees are not able to enroll, and the delay and effect of not having health benefit coverage is very undesirable. Ms. Moon and Ms. Crabtree acknowledged her concerns and offered to meet with her following the Board teleconference.

Following a motion by Ms. Moore and seconded by Mr. Medlin, the board voted unanimously to move into executive session pursuant to G.S. 143-318.11 and G.S. 132-1.2.

Agenda Item – Executive Session

Consultation with Legal Counsel – Contract Issue

Presented by Lotta Crabtree, Deputy Executive Administrator

Ms. Crabtree provided information to the Board outlining issues with a vendor contract and requested feedback from Board members.

Following a motion by Mr. Medlin and seconded by Ms. Moore, the Board voted unanimously to move into open session.

There being no further business, the teleconference concluded at 1:33 p.m.



Janet Cowell, Chair