



STATE HEALTH PLAN STRATEGIC PLAN EXECUTIVE SUMMARY STATUS REPORT

For the time period of July 2015 - September 2015

Purpose:

The purpose of this report is to provide an **executive level** summary of the overall progress of the State Health Plan's (Plan's) Strategic Plan. This is intended to be a **discussion document** used to provide updates to the North Carolina State Treasurer, Plan Board of Trustees and Plan Executive Administrator.

Frequency:

This report will be prepared on a quarterly basis for the Plan Leadership team and at least three (3) times per year for the North Carolina State Treasurer and Plan Board of Trustees.

Time period:

The critical updates will reflect the changes over the time period since the most recent update was provided.

Key:

The overall status of an initiative is based on a review of measured outcomes or overall progress against key milestones as defined by the Plan leadership team.

Indicator	Description
	On track or making good progress against measures. No major challenges or risks.
	Challenges or risks exist but progress is being made.
	Major challenges or risks exist and there are concerns on the ability to achieve desired outcomes.
	Deferred or not yet started.

STRATEGIC PRIORITY: IMPROVE MEMBERS' HEALTH

Projects & Programs - Key Milestones				
2014	2015	2016	2017	2018
✓ High Prevalence Care Management (Release 1.0)	<input type="checkbox"/> PCMH Pilot <input type="checkbox"/> Transitions of Care <input type="checkbox"/> Wellness Champions <input type="checkbox"/> Wellness Wins	<input type="checkbox"/> High Prevalence Care Management (Release 2.0) <input type="checkbox"/> Chronic Pain <input type="checkbox"/> Value-Based Design (Release 1.0)	<input type="checkbox"/> PCMH – Statewide Model	<input type="checkbox"/> Value-Based Design (Release 2.0)

Initiatives	Status	Status Summary	Key Accomplishments	Key Challenges/Risks	Major Next Steps
Maximize Patient Centered Medical Home (PCMH) Effectiveness		<ul style="list-style-type: none"> The Plan is beginning preparations for year 2 of the initiative. 	<ul style="list-style-type: none"> Quarterly practice meetings were completed with 3 of the 4 practices. All practices demonstrate significant improvements in the quality metrics. Practices can partner with the Plan and other Statewide Partners on the Tobacco Affinity Group and the Choose Wisely Campaign. 	<ul style="list-style-type: none"> Care coordination work flows remain time intensive for AHM. AHM's involvement in the PCMH pilot has become more than envisioned in the pilot model. 	<ul style="list-style-type: none"> Planning a joint "Best Practice" meeting for the participants to share lessons learned to improve quality and efficiency. Design Y2 of the pilot and implement changes for metric options and definitions. Assist practices with preparation with assessments Reassess practice level care coordination work flows.
Assist Members to Effectively Manage High Cost High Prevalence Chronic Conditions		<ul style="list-style-type: none"> High Utilizer (HU) Program is being redesigned for higher engagement and impact. TOC is limited by the quality of ADT data currently being received. 	<ul style="list-style-type: none"> Alternate approaches are being tested for enhancing engagement with high utilizers. 	<ul style="list-style-type: none"> Inability of the current AHM approach to reach and engage members into the HU program. Lack of current and correct contact information on members. Data translation challenges. 	<ul style="list-style-type: none"> Resolve data issues with ADT feed so TOC program can make more traction. Implement alternate strategies to further engage more high utilizers into CM.

Initiatives	Status	Status Summary	Key Accomplishments	Key Challenges/Risks	Major Next Steps
Offer Health-Promoting and Value-Based Benefit Designs		<ul style="list-style-type: none"> CY 2016 Health Engagement Program (HEP) finalized for CDHP members. 	<ul style="list-style-type: none"> HEP and Incentives defined. Business requirements signed off prior to decision to include Rival Health as an option. AHM defined as vendor to implement program. BOT approval received. RTC approval received. 	<ul style="list-style-type: none"> Vendor capabilities. Timely communications for members with chronic conditions dependent of BF's ability to produce enrollment file in a timely manner after open enrollment. Communication on two programs for all members. 	<ul style="list-style-type: none"> Define business requirements. Coordination of data around incentives. Communication timing and plan. Finalize contracting requirements. Launch of program for members with chronic conditions in January 2016. Launch of all members program April 1, 2016.
Promote Worksite Wellness		<p>Wellness Champions: Currently 150 Wellness Champions are registered.</p> <p>Wellness Wins: Successfully recruited 2 state agencies and 4 schools.</p> <p>CRN and Resource Inventory to address CDC Score Card topics in developmental stage with UNC and CCCPH.</p>	<p>Wellness Champions</p> <ul style="list-style-type: none"> 52 Wellness Champions completed a second Quarterly Questionnaire. The program currently has the ability to reach approximately 12,591 members and engaged 3,337 members this past quarter. Wellness Champions now receive monthly newsletters on health topics. <p>Wellness Wins:</p> <ul style="list-style-type: none"> 62% of CDC Score Card topics have been addressed in the Resource Inventory being developed by UNC and CCCPH. Fully executed contract with Prevention Partners. 	<p>Wellness Champions:</p> <ul style="list-style-type: none"> Staff and technical resources. Ability to provide the tools and resources to maintain engagement. Procurement and distribution of quarterly awards and incentives. <p>Wellness Wins:</p> <ul style="list-style-type: none"> Lack of participation of schools at the end of the school year (June-August). Vacant key positions at DPH and Prevention Partners. 	<p>Wellness Champions:</p> <ul style="list-style-type: none"> Refining the program to streamline the procurement and distribution process for incentives. Create an evolving incentive design. Host meetings to facilitate collaboration, sharing of ideas, etc. <p>Wellness Wins:</p> <ul style="list-style-type: none"> Approve contracts with CCNC. Recruit additional agencies to participate. Finalize contracts. Worksite Wellness training. Annual Enrollment presentations for agencies and schools (Nov.). WorkHealthy America assessment completions by state agencies.

STRATEGIC PRIORITY: IMPROVE MEMBERS' EXPERIENCE

Projects & Programs - Key Milestones				
2014	2015	2016	2017	2018
<ul style="list-style-type: none"> ✓ New Enrollment Vendor ✓ Blue Connect ✓ Medicare Primary ✓ Active and Non-Medicare ✓ Annual Enrollment 	<ul style="list-style-type: none"> <input type="checkbox"/> Coordinated Communication Campaign <input type="checkbox"/> Medicare Primary <input type="checkbox"/> Active and Non-Medicare <input type="checkbox"/> Annual Enrollment 	<ul style="list-style-type: none"> <input type="checkbox"/> Transparency and Literacy <input type="checkbox"/> Medicare Primary <input type="checkbox"/> Active and Non-Medicare <input type="checkbox"/> Annual Enrollment 	<ul style="list-style-type: none"> <input type="checkbox"/> Incentive Rewards Program <input type="checkbox"/> Medicare Primary <input type="checkbox"/> Active and Non-Medicare <input type="checkbox"/> Annual Enrollment 	<ul style="list-style-type: none"> <input type="checkbox"/> Medicare Primary <input type="checkbox"/> Active and Non-Medicare <input type="checkbox"/> Annual Enrollment

Initiatives	Status	Status Summary	Key Accomplishments	Key Challenges/Risks	Major Next Steps
Create Comprehensive Communication & Marketing Plan		<ul style="list-style-type: none"> ▪ 2016 Annual Enrollment (AE) Communication Plan had to be reworked because of required re-implementation of the EES contract. 	<ul style="list-style-type: none"> ▪ Kick-off meeting held with Buck Consultants, the Plan's new marketing and communications vendor. ▪ Tele-Town Hall Meetings and Medicare Primary Annual Enrollment Meetings scheduled and communicated. 	<ul style="list-style-type: none"> ▪ Global Comm Director Position remains vacant. ▪ Had to modify communication strategy due to transition. 	<ul style="list-style-type: none"> ▪ Final tele-town hall meetings held. ▪ Execute Annual Enrollment Communication Plan. ▪ Development and implementation of a project strategy with Buck Consultants.
Improve the Member Enrollment Experience		<ul style="list-style-type: none"> ▪ The June 1 transition of the EES contract has negatively impacted new member enrollment and existing members' changes. 	<ul style="list-style-type: none"> ▪ Decision made to re-implement Benefitfocus contract. ▪ Completed Member Satisfaction Survey. Overall service satisfaction increased from 59% to 61% 	<ul style="list-style-type: none"> ▪ Call service levels and the overall member experience were negatively impacted by the EES contract issues. 	<ul style="list-style-type: none"> ▪ 100% focused on re-implementing a new EES contract and restoring confidence and service levels.
Promote Health Literacy		<ul style="list-style-type: none"> ▪ Developed and Implemented Health Benefit Calculator completed 	<ul style="list-style-type: none"> ▪ Hired new Product Manager to focus on health literacy. ▪ Took the first step in CDHP literacy by developing CDHP videos and mailers that highlighted CDHP Myths and Facts. ▪ Completed development, testing and implementation of HB Calculator. 	<ul style="list-style-type: none"> ▪ SHP 101 educational series postponed until EES contract fully implemented. ▪ Little progress made on health literacy due to AE challenges and focus. 	<ul style="list-style-type: none"> ▪ Refocus efforts on health literacy after AE.

STRATEGIC PRIORITY: ENSURE A FINANCIALLY STABLE STATE HEALTH PLAN



























Projects & Programs - Key Milestones				
2014	2015	2016	2017	2018
<ul style="list-style-type: none"> ✓ Fraud, Waste, Overuse & Abuse ✓ Alternative Payment Models ✓ State Leadership ✓ Legislative Agenda 	<ul style="list-style-type: none"> <input type="checkbox"/> Avoidable Admissions & Emergency Services <input type="checkbox"/> Place of Service <input type="checkbox"/> Specialty Pharmacy <input type="checkbox"/> State Leadership <input type="checkbox"/> Legislative Agenda 	<ul style="list-style-type: none"> <input type="checkbox"/> Alternative Payment Models <input type="checkbox"/> State Leadership <input type="checkbox"/> Legislative Agenda 	<ul style="list-style-type: none"> <input type="checkbox"/> State Leadership <input type="checkbox"/> Legislative Agenda 	<ul style="list-style-type: none"> <input type="checkbox"/> State Leadership <input type="checkbox"/> Legislative Agenda




Initiatives	Status	Overall Status	Key Accomplishments	Key Challenges/Risks	Major Next Steps
Target Acute Care and Specialist Medical Expense		<ul style="list-style-type: none"> ▪ Inconsistent results on current program from Segal and BCBSNC. 	<ul style="list-style-type: none"> ▪ Met with BCBSNC to review outcomes. ▪ Identifying regional opportunities. 	<ul style="list-style-type: none"> ▪ Many members not utilizing incentive. ▪ Impacting member choices going forward. 	<ul style="list-style-type: none"> ▪ Communicate CY 2016-17 benefits when final. ▪ Understand member concerns on narrow networks.
Target Pharmacy Expense		<ul style="list-style-type: none"> ▪ PBM RFP completed and ready to post. 	<ul style="list-style-type: none"> ▪ New pharmacy director on boarded. ▪ Pharmacy RFP ready to post. ▪ Mail order pilot implemented. 	<ul style="list-style-type: none"> ▪ Transition in clinical pharmacy positions. ▪ Rising drug trends overall particularly with specialty drugs PBM and TPA. 	<ul style="list-style-type: none"> ▪ Mail Order Pilot results. ▪ Implement opportunities on specialty Rx. ▪ Selection of a Pharmacy Vendor for 1/1/2017.
Pursue Alternative Payment Models		<ul style="list-style-type: none"> ▪ Process in review. 	<ul style="list-style-type: none"> ▪ Meeting with potential partners and discussing with vendors. ▪ PCMH Pilots improving quality of care. ▪ BCBSNC moving toward alternative contracting with ACO groups. 	<ul style="list-style-type: none"> ▪ Availability throughout the State. ▪ Quantifying savings in short and long-term. 	<ul style="list-style-type: none"> ▪ Identify actionable opportunities.
Ensure Adequate, Stable Funding from the State of North Carolina		<ul style="list-style-type: none"> ▪ House and Senate require significant cuts. 	<ul style="list-style-type: none"> ▪ Second long session of NCGA funding Plan at higher than necessary increase. ▪ Final budget requires the Plan to hold substantial reserves. ▪ Final budget authorizes CY17 premium increase contingent upon sufficient reductions for FY17-19. ▪ Cash balance remains high. 	<ul style="list-style-type: none"> ▪ Increases costs to members in near term. ▪ Cost trend seems to be rising in recent months. 	<ul style="list-style-type: none"> ▪ Define sufficient. ▪ Determine future strategy. ▪ Modify benefit design as necessary. ▪ Approve CY 2017 rates.

VENDOR CONTRACT DEPENDENCIES

The following chart outlines the anticipated effective dates of new contracts as well as the optional renewal and termination dates for existing contracts that are important to the strategic plan. The Board is required to approve all contracts with a value of \$500,000 or more. Vendor dependencies and contract requirements will be continuously assessed as the details of the deliverables of specific projects and programs are developed. The chart below only reflects active contracts. Additional vendor contracts may be required in order to implement the initiatives, and Board approvals will be acquired as needed.

Vendor Contract Reference Chart

Category / Contractor	2014		2015		2016		2017		2018		2019	
	Jan-Jun	Jul-Dec	Jan-Jun	Jul-Dec	Jan-Jun	Jul-Dec	Jan-Jun	Jul-Dec	Jan-Jun	Jul-Dec	Jan-Jun	Jul-Dec
TPA / BCBSNC						 12/31/16		 12/31/17		 12/31/18		
TPA / MedCost LLC		 10/1/14		 12/31/15		 12/31/16		 12/31/17				
MAPDP / Humana						 12/31/16		 12/31/17		 12/31/18		
MAPDP / UnitedHealthcare						 12/31/16		 12/31/17		 12/31/18		
PBM / Express Scripts				<div>RFP extended 12/31/15</div> 		 12/31/16		 12/31/17				
PHMS / ActiveHealth Management		 12/31/14		Extended  12/31/15		 12/31/16						
COBRA & Billing / COBRAGuard						 12/31/16		 12/31/17		 12/31/18		
EES / Benefitfocus			Terminated contract 6/30/15 	New contract 9/15/15 						 12/31/18		 12/31/19

	New Contract		Option to Renew Contract		Contract Expires
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LIST OF ACRONYMS

Acronym	Name	Explanation
ACO	Accountable Care Organization	Provider-led entity focused on delivering coordinated care
AHM	Active Health Management (vendor)	State Health Plan Population Health Management Vendor
BCBSNC	Blue Cross Blue Shield of North Carolina	State Health Plan Population Third Party Administrator
BO	Blue Options	Program through BCBSNC where hospitals and specialists are tiered based on quality and cost
CDHP	Consumer Driven Health Plan	Benefit option that features deductibles and coinsurance versus copay driven benefit. Can be paired with additional dollars to offset member cost sharing
COBRA	Consolidated Omnibus Budget Reconciliation Act	Provides coverage for members following their leaving of the eligibility, member pays at least 100% of premium
CRN	Collaborative Referral Network	Provider arrangement that focuses coordinating member care through referrals to manage cost
CY	Calendar Year	January through December of a given year
DPH CCCCPH	Division of Public Health, Community and Clinical Connections for Prevention and Health Branch	A branch of the Chronic Disease and Injury Section in the North Carolina Division of Public Health
EMR	Electronic Medical Record	Provides non-claims based medical data on members such as test results
FRD	Fiscal Research Division	Division of the General Assembly staff that prepares fiscal notes and financial information on the Plan to legislators
HBR	Health Benefit Representative	State employee that provides their agency or division information on the Plan
HEP	Health Engagement Program	Programs that incentivizes member engagement in high value medical care and healthy lifestyle choices
LOA	Letters of Agreement	Agreement between the Plan and a vendor to provide services
MA	Medicare Advantage	Benefit option for Medicare beneficiaries
NCGA	North Carolina General Assembly	The State Legislature
OSBM	Office of State Budget and Management	State Office that manages State Budget and drafts the Governor's Budget
OSHR	Office of State Human Resources	State Office that manages employee issues, staffing, and NC Flex
PBM	Pharmacy Benefits Manager	TPA that SHP uses for Rx discounts and pharmacy network
PCMH	Patient Centered Medical Home	A model for organizing primary care to emphasize care coordination, communication and patient centeredness in the delivery of care.
PCP	Primary Care Provider	Provider who serves as the entry point to members and coordinates care when necessary
PMPM	Per Member Per Month	Used to abbreviated costs/expenditures for members
RFP	Request for Proposal	A solicitation used to acquire bids for State Health Plan services
SHP	State Health Plan of North Carolina	Division of the Department of State Treasurer, also referred to as the Plan
SRD	State Retirement Division	Division of the Department of State Treasurer
TOC	Transitions of Care	Coordination of care as individuals' transition to and from one care setting to another.
TPA	Third Party Administrator	Entity tasked with providing the Plan with provider discounts and network access
UM	Utilization Management	Program decided to assist members receive care in the most appropriate setting