

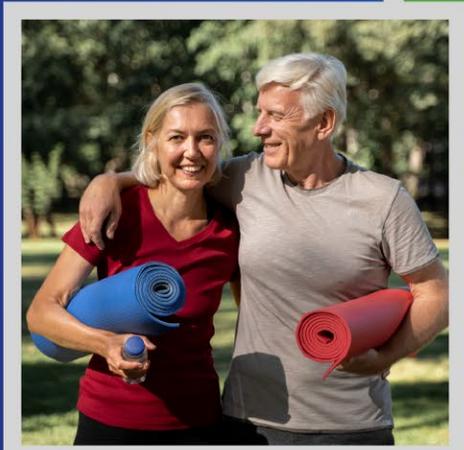
North Carolina State Health Plan

Board of Trustees Meeting

Dec. 14, 2022



Dale R. Folwell, CPA
STATE TREASURER OF NORTH CAROLINA
DALE R. FOLWELL, CPA



2023 Open Enrollment Results

Board of Trustees Meeting

Dec. 14, 2022

Communication Outreach Summary

- The Customer Experience & Communications Team engaged with members prior to and during OE using a variety of platforms.



Our Road Crew

- **696** HBRs attended OE Training in July.
- **3,354** Active/Non-Medicare members attended (12) webinars.
- **1,354** Medicare members attended (10) webinars hosted by Humana and the Plan.
- **1,840** Medicare members attended (24) in-person events across the state.
- **11,000** members participated in the Telephone Town Hall hosted by Humana and the Plan.

Communication Outreach Summary

- The Plan took a targeted approach to mailed communications this year prior to OE and focused on Medicare members specifically including those enrolled in the Base PPO Plan (70/30).

STATE HEALTH PLAN North Carolina State Health Plan FOR TEACHERS AND STATE EMPLOYEES A Division of the Department of State Treasurer

Get a Head Start on
Open Enrollment!

SAVE THE DATE:
State Health Plan Open Enrollment
OCTOBER 10-28, 2022

STATE HEALTH PLAN MEMBERS who use tobacco have convenient options to earn their 2023 premium credit.
Take action NOW to save money throughout 2023!

See back for details.

Attention State Health Plan Medicare Members Enrolled in the Base PPO Plan (70/30)!

There is a BETTER plan at NO charge!

State Health Plan Open Enrollment Oct. 10-28, 2022

Medicare members currently in the Base PPO Plan (70/30) administered by Blue Cross NC will be automatically enrolled into the Humana® Group Medicare Advantage (PPO) Base Plan (90/10)* effective January 1, 2023. All members currently enrolled in the Humana Medicare Advantage (Base or Enhanced) Plan (90/10)* will REMAIN on that plan for 2023.

IF YOU WANT TO CHANGE PLANS OR NEED TO MAKE CHANGES REGARDING YOUR DEPENDENTS, YOU WILL NEED TO TAKE ACTION DURING OPEN ENROLLMENT.



North Carolina State Health Plan FOR TEACHERS AND STATE EMPLOYEES
A Division of the Department of State Treasurer

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2023 STATE HEALTH PLAN OPEN ENROLLMENT

MEDICARE OUTREACH EVENT SCHEDULE

SEE INSIDE FOR IN-PERSON AND VIRTUAL EVENT DATES + TIMES

“ As your State Treasurer, it’s my job to ensure that you are educated on the savings opportunities available to you through our Humana Medicare Advantage Plans. When Medicare members take advantage of these plans, the State Health Plan is placed on a more financially sustainable path, so I encourage you to re-evaluate your coverage during Open Enrollment. Thank you for your service! **”**

“ I encourage you to attend one of our events so you can learn more about Open Enrollment. I’m pleased that over 80% of our retirees continue to enjoy the Humana Medicare Advantage (90/10) plans. These plans are different than what you see advertised on television. Our plans often offer better, more comprehensive coverage. In addition, for those eligible, the Base Plan is \$0 for members and just \$4 a month to add a dependent, all at no cost to taxpayers. **”**

Dale R. Folwell, CPA • State Treasurer

Your **NORTH CAROLINA STATE HEALTH PLAN**

2023 OPEN ENROLLMENT DECISION GUIDE
OCTOBER 10-28, 2022



“As State Treasurer, it’s my honor to work on your behalf to lower health care costs for teachers, state employees, and others who serve the people of North Carolina.

In 2023, our shared goal is to protect the State Health Plan’s financial future and promote quality and affordable health care through our Clear Pricing Project, our joint replacement bundle program and other initiatives.

I’m thrilled that we have frozen premiums for the fifth year in a row! With the help of State Health Plan members, we will continue the fight for health cost transparency, lower costs and greater access to quality care. I encourage you to review your options in this Decision Guide and take action if necessary.”

Dale R. Folwell, CPA • State Treasurer

Eligibility and Enrollment Support Center

- The Plan's Eligibility and Enrollment Support Center offered extended call center hours throughout OE.
 - Monday-Friday, 8am-10pm
 - Saturday, 8am-5pm
- The call center handled 128,260 calls
- Extremely low wait times for callers on 11 of the 17 days, at around 2 minutes or less average
- Virtual Holds helped members to stay in line without having to stay on the phone line – especially on days where wait times were higher
- Call center volume for 2023 OE was nearly 10% higher than 2022 OE – 128,260 vs. 116,739
- Active members accounted for nearly 77% of calls vs. 54% last year

Open Enrollment Call Volume			
Week 1	Week 2	Week 3	Total
42,857	36,462	48,941	128,260

Open Enrollment Summary

- Open Enrollment (OE) was held Oct. 10-28, 2022.
- If **Active Subscribers** did not take action during OE, they were enrolled in the Base PPO Plan (70/30) for 2023. They also missed the opportunity to:
 - Elect the Enhanced PPO Plan (80/20)
 - Drop coverage for themselves
 - Add or drop dependents
 - Reduce their premium by \$60 per month by completing the tobacco attestation
- All **Active/Non-Medicare** members were moved to the Base PPO Plan (70/30) and needed to take action to enroll in the Enhanced PPO Plan (80/20) or to reduce their premium.
- **Non-Medicare Subscribers** in the Retirement Systems who did not take action during OE were enrolled in the Base PPO Plan (70/30) for 2022. While they were not impacted by the tobacco attestation as the plan will remain premium-free, they also missed the opportunity to:
 - Elect the Enhanced PPO Plan (80/20)
 - Add dependents
- **Medicare Members** enrolled in the Base PPO Plan (70/30) were moved to the Humana Medicare Advantage Base Plan for 2023, but could move back during Open Enrollment.

2023 Open Enrollment Results

- Open Enrollment by all accounts was successful.
 - The Plan wanted **319,000** subscribers to take action during Open Enrollment.
 - **48,893** enrollments were completed telephonically (14% of total).
 - **343,405** enrollments were updated online (some members made updates on multiple occasions).

2022 OE vs 2023 OE Comparison		
	2022	2023
Online Enrollment	337,973	343,405
Telephonic Enrollment	42,727	48,893
Total Enrollments	380,700	392,298
Distinct Subscribers	317,977	322,667

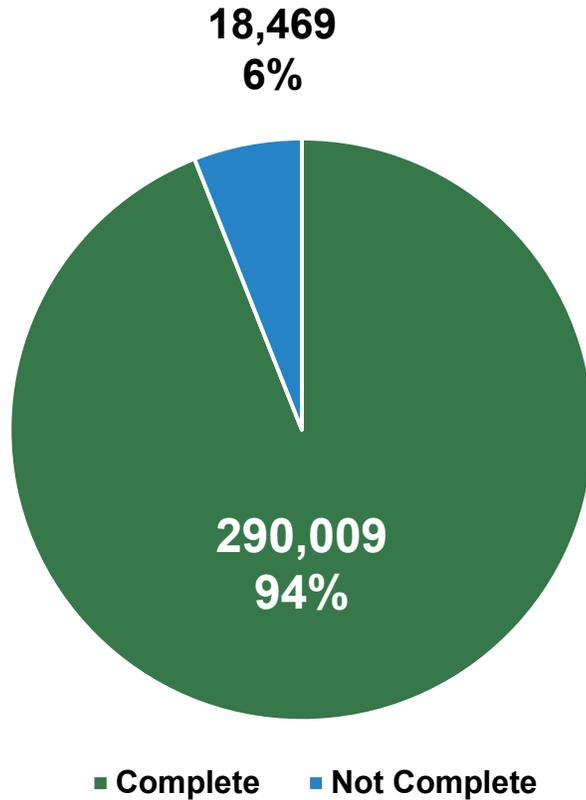
2023 Open Enrollment Results: Active Employees

- All active employees enrolled in the Enhanced and Base PPO Plans need to take action during OE to complete their tobacco attestation.

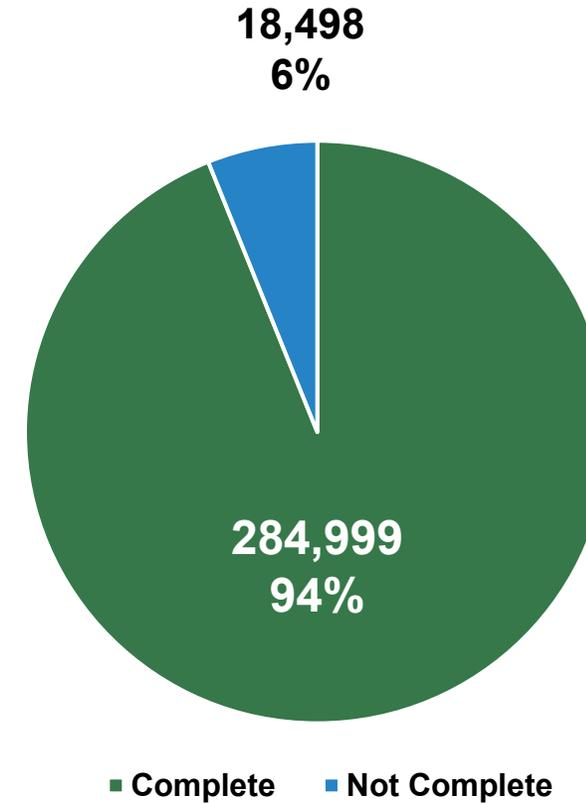
Entity	Total Employees that Took Action	Percentage of Employees that Took Action
State Agencies	57,442	95%
Charter Schools	7,022	96%
Community Colleges	19,654	97%
Local Governments	10,831	95%
Public Schools	139,877	93%
Universities	50,123	94%

Tobacco Attestation Completion Rate (Active Members)

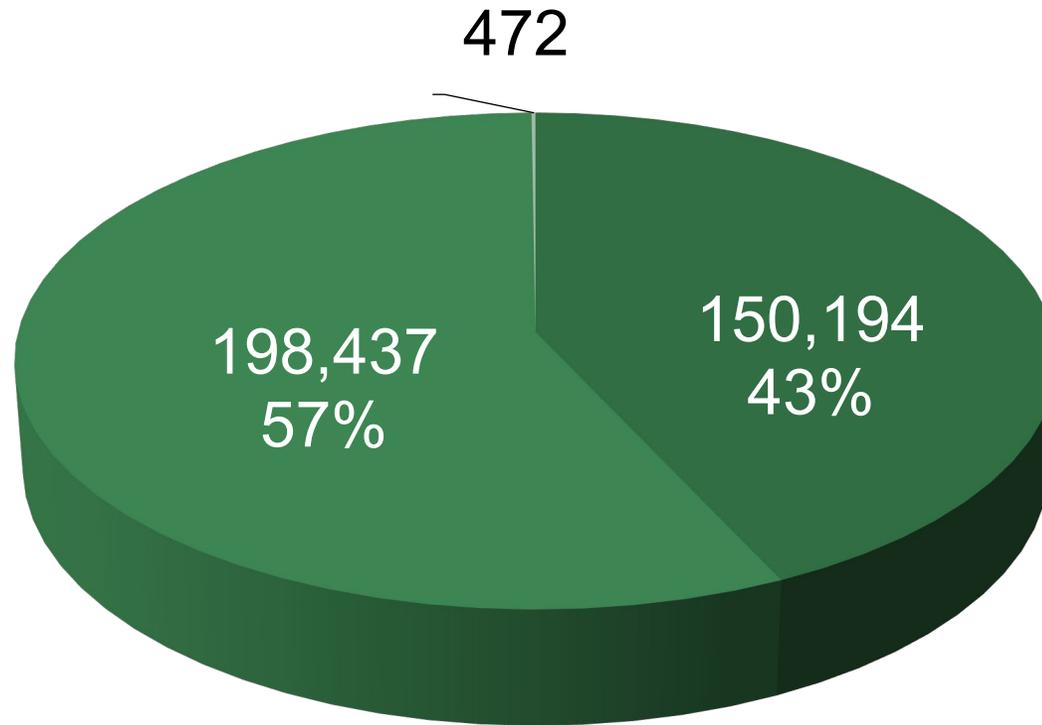
2022 OE



2023 OE

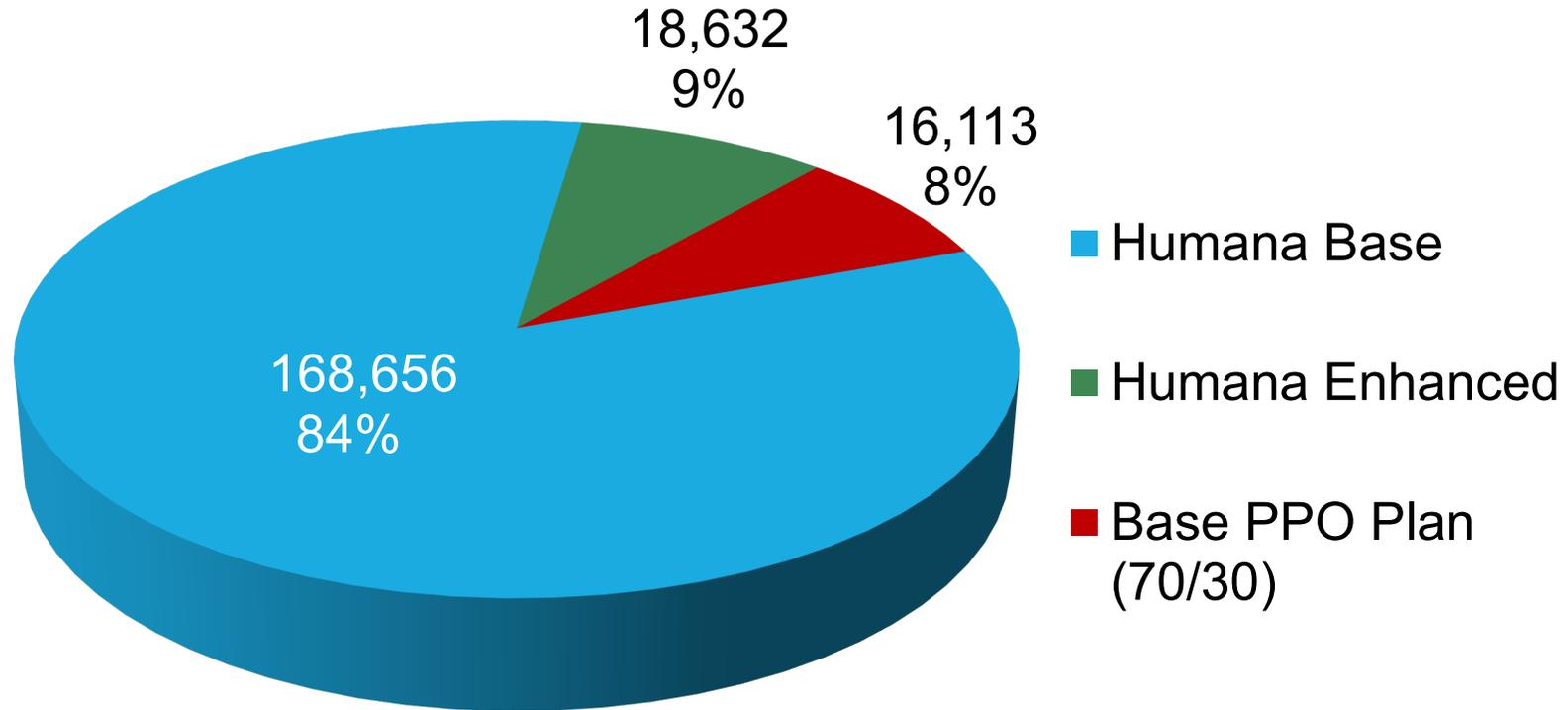


Open Enrollment Results: Non-Medicare Plan Selections



- Base PPO Plan (70/30)
- Enhanced PPO Plan (80/20)
- High Deductible Health Plan

Open Enrollment Results: Medicare Primary Plan Selections



- 200,255 Medicare members.
- Counts are based on the last day of Open Enrollment.
- The final enrollment results will not be available until the end of the Medicare Advantage Open Enrollment Period, which will run from Jan. 1 – March 31, 2023.
 - Plan members enrolled in a Medicare Advantage Plan will be able to make one change during this period.
 - Plan members enrolled in the Base PPO Plan (70/30) will not be able to change plans.

2023 Open Enrollment – Next Steps

- 2023 ID cards are on the way to members! All members on Base and Enhanced PPO Plans (70/30, 80/20) will be issued new ID cards.
- 2023 premium invoices have already generated for employing units.
- OE exceptions are under way!

Exceptions Breakdown Through 12/9/2022					
Year	Approved	Denied	TOTAL Exceptions	Enrollments Expected	Exceptions as % of Enrollment
2022	46	128	174	334,585	Less than 1%
2023*	135	210	345*	319,000	Less than 1%

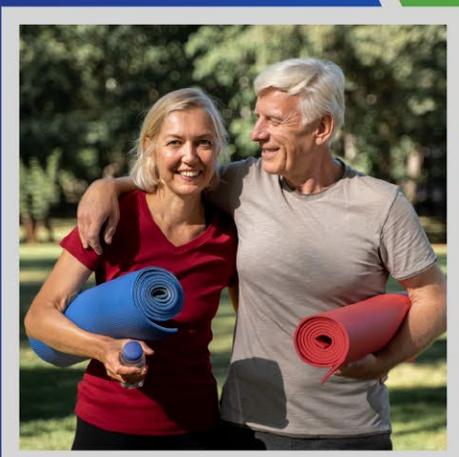
*77 Exceptions were from Medicare Primary Members moved to Humana. Wanted to move back to the Base PPO Plan (70/30) for 1/1/2023.

2023 Open Enrollment – Next Steps

- Post Open Enrollment Medicare Primary Changes
 - Plan Members that were enrolled in the Humana Base Group Medicare Advantage Plan at the end of open enrollment and subsequently enrolled in another Medicare Advantage Plan continue to be moved back to the Base PPO Plan effective January 1, 2023.
 - Some members simply may not qualify for the Medicare Advantage Plan. They are also moved back to the Base PPO Plan.

Enrollment	Start of OE	End of OE	As of 12/12/2022	Percentage 12/12/22
Medicare Advantage	162,406	187,288 (+24,882)	184,883 (-2,405)	91%
Base PPO Plan (70/30)	37,462	16,113 (-21,349)	18,946 (+2,833)	9%

- Between January 1, 2023 and March 31, 2023, members enrolled in a Medicare Advantage Plan may make one plan change effective first of the following month; therefore, these numbers will continue to change through Q1 2023.



Financial Update

Board of Trustees Meeting

December 14, 2022

Financial Results: Fiscal Year to Date October 2022 [FY21/FY22]

Fiscal Year 2022	Actual thru OCTOBER 2022	Actual thru OCTOBER 2021	Variance Fav/(Unfav)
Beginning Cash Balance	\$850.1m	\$765.9m	\$84.2m
Plan Revenue	\$1.313b	\$1.238b	\$75.0m
Net Claims Payments	\$1.377b	\$1.328b	(\$49.7m)
Medicare Advantage Premiums	\$6.3m	\$4.9m	(\$1.4m)
Net Administrative Expenses	\$40.5m	\$55.8m	\$15.4m
Total Plan Expenses	\$1.424b	\$1.388b	(\$35.8m)
Net Income/(Loss)	(\$111.1m)	(\$150.4m)	\$39.3m
Ending Cash Balance	\$739.0m	\$615.5m	\$123.5m
Target Stabilization Reserve (TSR)	\$356.0m	\$356.0m	\$0

Financial Results: Calendar Year to Date October 2022 [CY21/CY22]

Calendar Year 2022	Actual thru OCTOBER 2022	Actual thru OCTOBER 2021	Variance Fav/(Unfav)
Beginning Cash Balance	\$590.7m	\$1.064b	(\$473.2m)
Plan Revenue	\$3.288b	\$3.065b	\$222.6m
Net Claims Payments	\$3.168b	\$3.171b	\$3.0m
Medicare Advantage Premiums	\$ 12.5m	\$10.4m	(\$2.1m)
Net Administrative Expenses	\$104.8m	\$144.9m	\$40.0m
Total Plan Expenses	\$3.285b	\$3.326b	\$41.0m
Net Income/(Loss)	\$2.2m	(\$261.4m)	\$263.6m
Non-Operating Cash Transfer	\$69.0m	\$187.0m	\$118.0m
COVID-19 Reimbursement	\$215.0m	\$0	\$215.0m
Ending Cash Balance	\$739.0m	\$615.5m	\$123.5m
Target Stabilization Reserve (TSR)	\$359.9m	\$336.9m	\$22.9m

COVID-19 Costs Update

Board of Trustees Meeting

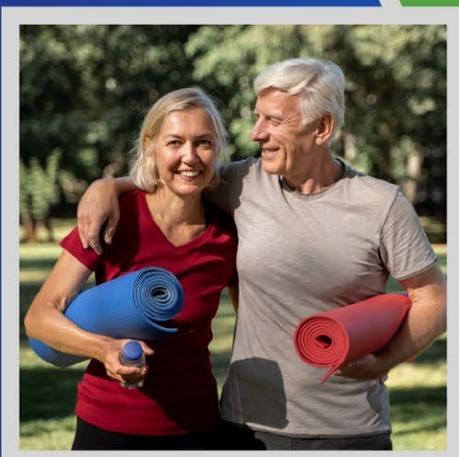
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COVID-19 Costs by Period (Testing, Treatment and Vaccinations)

	CY 2020	CY 2021	CY 2022	Total COVID-19 Related Claims Paid Through 11/30/22
PCR Test	\$37,680,551	\$82,255,144	\$40,623,987	\$160,559,682
Antibody Test	\$690,925	\$735,442	\$224,453	\$1,650,821
Screening	\$13,059,862	\$20,601,761	\$11,254,743	\$44,916,367
Vaccines	\$10,965	\$8,632,220	\$926,306	\$9,569,491
Treatment	\$51,437,685	\$114,517,801	\$37,491,755	\$203,447,240
PBM	N/A	\$13,344,888	\$5,332,388	\$18,677,276
Total	\$102,879,988	\$240,087,256	\$95,853,632	\$438,820,877



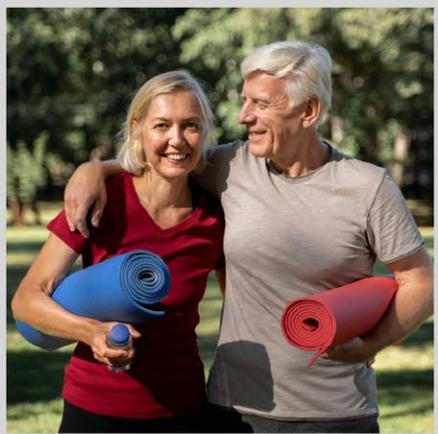
OPEB Update

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SHP / OPEB History

Year	Discount Rate	Gross OPEB Liability (\$B)	Assets (\$B)	Net OPEB Liability (\$B)	Funding Ratio
6/30/2016	2.85%	\$44,578	\$1,074	\$43,503	2.4%
6/30/2017	3.58%	33,983	1,197	32,787	3.5%
6/30/2018	3.87%	29,798	1,310	28,488	4.4%
6/30/2019	3.50%	33,095	1,456	31,639	4.4%
6/30/2020	2.21%	29,802	2,061	27,741	6.9%
6/30/2021	2.16%	33,500	2,585	30,916	7.7%
6/30/2022	3.54%	26,557	2,810	23,747	10.6%



Appendix

Board of Trustees Meeting

December 14, 2022

Financial Results: Actual vs. Budgeted Fiscal Year to Date October 2022

Fiscal Year 2022	Actual thru OCTOBER 2022	Authorized Budget (per Segal 8-05-21)	Variance Fav/(Unfav) Budget
Beginning Cash Balance	\$850.1m	\$791.0m	\$59.0m
Plan Revenue	\$1.313b	\$1.335b	(\$22.2m)
Net Claims Payments	\$1.377b	\$1.437b	\$59.8m
Medicare Advantage Premiums	\$6.3m	\$5.0m	(\$1.2m)
Net Administrative Expenses	\$40.5m	\$43.8m	\$3.3m
Total Plan Expenses	\$1.424b	\$1.486b	\$61.8m
Net Income/(Loss)	(\$111.1m)	(\$150.7m)	\$39.6m
Ending Cash Balance	\$739.0m	\$640.3m	\$98.7m
Target Stabilization Reserve (TSR)	\$356.0m	\$356.0m	\$0

Financial Results: Actual vs. Budgeted Calendar Year to Date October 2022

Calendar Year 2022	Actual thru OCTOBER 2022	Authorized Budget (per Segal 05-2022)	Variance Fav/(Unfav) Budget
Beginning Cash Balance	\$590.7m	\$596.5m	(\$5.8m)
Plan Revenue	\$3.288b	\$3.349b	(\$61.6m)
Net Claims Payments	\$3.168b	\$3.377b	\$166.2m
Medicare Advantage Premiums	\$12.5m	\$12.2m	(\$305.7k)
Net Administrative Expenses	\$104.8m	\$107.5m	\$2.7m
Total Plan Expenses	\$3.285b	\$3.497b	\$211.4m
Net Income/(Loss)	\$2.2m	(\$147.5m)	\$149.8m
Non-Operating Cash Transfer	\$69.0m	\$0	(\$69.0m)
COVID-19 Reimbursement	\$215.0m	\$215.0m	\$0
Ending Cash Balance	\$739.0m	\$664.0m	\$75.0m
Target Stabilization Reserve (TSR)	\$337m	\$337m	\$0