

APPENDIX A

Request Form for Board of Trustee Consideration of a Change to SHP Benefits

This form is to be used by individuals or groups that would like to propose new benefits coverage or request changes to benefits already covered by the State Health Plan. Please read the Procedure – Requests for Benefits Changes, SHP-PRO-7001-SHP for more information regarding these types of requests.

Please submit completed forms by email to SHP.Board@nctreasurer.com or mail to NC State Health Plan Board of Trustees, 4901 Glenwood Avenue, Suite 300, Raleigh, NC 27612-3638.

Name of Requestor: Chuck Stone, SEANC

Contact Information (phone, email, mailing address):

1621 Midtown Place, Raleigh, NC, 27609, cstone@seanc.org, 919-833-6434

Requested Change in Benefits Coverage: see attachments

Reason for Request: see attachments

Proposed Effective Date of Change: see attachments

Supporting Documentation (Please provide documents to support your request; examples include research or studies regarding medical services, treatment or procedures, fiscal impact analyses if available, or petitions from members.):

Would you like to speak with the Board of Trustees about this issue at a Board of Trustees meeting?

The Board of Trustees reviews select requests annually at a regularly scheduled Board of Trustee meeting. For calendar year 2013, requests will be reviewed at the November meeting. For calendar year 2014, requests will be reviewed at the July meeting. Review of requests in no way obligates the State Treasurer to make changes to benefits.

DST Reference:	SHP-PRO-7001-SHP
Title:	Procedure – Requests for Benefit Changes
Cross reference:	
Chapter:	SHP Board of Trustees
Current Effective Date:	November 6, 2013

DST Reference:	SHP-PRO-7001-SHP
Title:	Procedure - Requests for Benefit Changes
Cross Reference:	n/a
Chapter:	State Health Plan Board of Trustees
Current Effective Date:	November 6, 2013
Revision History:	
Original Effective Date:	November 6, 2013

Applies to: NC Department of State Treasurer – SHP Division

Keywords: Board of Trustees, benefits, coverage, presentation, meeting, changes

Purpose

The purpose of this procedure is to provide a process for the public to communicate with the State Health Plan Board of Trustees regarding requests for changes to member benefits coverage. This procedure is specifically targeted towards groups or individuals that may represent the interest of certain segments of State Health Plan membership as it relates to their health and health care.

Related Statutes, Rules, and Policies

The By-Laws for the North Carolina State Health Plan Board of Trustees provide that one meeting per year will be used to review requests made by individuals or groups for changes in benefits under the State Health Plan.

Procedure

In fulfilling its mission to improve the health and health care of North Carolina teachers, state employees, retirees, and their dependents, this procedure establishes a forum for individuals or groups to propose changes in benefits coverage to the State Health Plan Board of Trustees. The Board of Trustees will designate one meeting per calendar year to review requests for changes in benefits coverage that are submitted by the public in accordance with this procedure.

DST Reference:	SHP-PRO-7001-SHP
Title:	Procedure – Requests for Benefit Changes
Cross reference:	
Chapter:	SHP Board of Trustees
Current Effective Date:	November 6, 2013

Implementation

- Individuals or groups wishing to request changes to benefits must complete a “Request Form for Board of Trustee Consideration of a Change to SHP Benefits.” The required form is attached to this procedure as Appendix A.
- Request forms should be submitted by email to SHP.Board@nctreasurer.com or mailed to: NC State Health Plan Board of Trustees, 4901 Glenwood Avenue, Suite 300, Raleigh, NC 27612-3638.
- The Board of Trustees will designate one meeting each calendar year to review requests. Not all requests may be reviewed at the meeting; whether or not a request will be reviewed at the designated meeting is at the discretion of the State Treasurer.
- Requestors will be allowed to present or address the Board of Trustees at the discretion of the State Treasurer.
- If the requestor will be allowed to address the Board of Trustees regarding the request, notice of the time and place of the meeting will be provided to the requestor at least one week before the designated Board of Trustees meeting.
- Requests submitted to the Board of Trustees for consideration in no way obligates the State Treasurer to allow the requestor to address the Board of Trustees or make changes to benefits.

Revision History

Version/Revision	Date Approved	Description of Changes
V1.0	11/6/13	Initial Procedure

For questions or clarification on any of the information contained in this policy, please contact the procedure owner or designated contact point: (Lotta.Crabtree@nctreasurer.com). For general questions about department-wide policies and procedures, contact the DST Policy Coordinator: Sandra.Johnson@nctreasurer.com.

**STATE HEALTH PLAN BENEFIT CHANGE PROPOSALS
STATE EMPLOYEES ASSOCIATION OF NORTH CAROLINA**

Presenter: Chuck Stone, Director of Operations SEANC

Contact: (919) 812-2341 or cstone@seanc.org

August 27-28, 2015

Requested Change in Benefits Coverage (SEANC 1): Provide a Medicare Supplement/Medigap Policy or cash benefit for Medicare Retirees with automatic adjustments for health care inflation, age and adverse risk. Alternately, provide a PPO 80/20 Option for Medicare Retirees wishing to maintain Traditional Medicare.

Reason for Request:

1. Many retirees have requested this as an option.
2. Development of a Medicare Supplement option must avoid adverse impact on other State Health Plan options for retirees.

Proposed Effective Date: January 1, 2016 or January 1, 2017

Requested Change In Benefits Coverage (SEANC 2): Provide active, non-retired state employees with the option to select retiree health insurance coverage or free dependent coverage equivalent in value to the current retiree health care coverage. The benefit will be adjusted annually for health care inflation using an appropriate national health care inflation index such as that used by the Center for Medicare Services (CMS). Funding of current unfunded liabilities should be treated the same as state bond indebtedness since the services and costs have already been provided and accrued, and should be honored in accordance with the state motto: "To Be Rather Than to Seem."

Reason for Request:

1. Enable the state to compete with the private sector and local/state/federal government in recruiting and retaining a career workforce more representative of the average workforce age.
2. Reduce unfunded liabilities for future retiree health insurance benefits.
3. Provide greater transparency and accountability to the taxpayers in comparing State Health Plan benefits and costs to large private sector employers; and provide greater budget prediction since future health care costs are difficult or impossible to estimate.
4. Provides accountability by requiring funding on a pay-as-you go basis, rather than the current unfunded liability system.
5. Allow retired military personnel with TriCare for Life to maximize their retiree health insurance benefits.
6. Increase the number of insured North Carolinians since most State Health Plan members cannot afford dependent coverage. The percentage of Adjusted Gross Income to purchase family coverage in the State Health Plan exceeds the level required under the Affordable Care Act mandating health insurance coverage. Thus, many state employees have dependents without insurance coverage resulting in increased costs to those with insurance.

Proposed Effective Date: January 1, 2016 or January 1, 2017

Requested Change in Benefits Coverage (SEANC 3): Provide a combined medical and pharmaceutical maximum out-of-pocket limit not to exceed \$5,000 annually per covered member for the PPO options.

Reason for Request:

1. Allows State Health Plan members to budget better for medical expenses.
2. Limits financial liability of State Health Plan members for out-of-pocket expenses which is essential given the lack of pay raises and low salaries.
3. Allows State Health Plan members to focus on job responsibilities rather than medical bills.

Proposed Effective Date: January 1, 2016 or January 1, 2017

Requested Change in Benefits Coverage (SEANC 4): Reduce generic drug copays to a maximum of \$10 per script.

Reason for Request:

1. The current generic drug copay of \$12 is near the maximum of the scale and not competitive with large employer prescription drug copays for generics.
2. A lower generic drug copay would increase medication adherence and reduce more costly medical care.
3. While state law requires pharmacies to charge State Health Plan members the lesser of the current generic copay, or the price charged to the general public, anecdotal evidence suggests that many pharmacies evade this provision by requiring a pharmacy prescription drug card to qualify for lower generic copays (such as \$4 for a one month supply) or automatically defaulting to the \$12 generic copay.
4. Save money for State Health Plan members.

Proposed Effective Date: January 1, 2016

Requested Change in Benefits Coverage (SEANC 5): Reestablish a premium free health care benefit equivalent to the current PPO 80/20 and eliminate Wellness Premium Surcharges for the new PPO 80/20. Request General Assembly provide funding for positive cash incentives of \$50 for designating a Primary Care Physician and \$50 for Completion of a Health Assessment.

Reason for Request:

1. Benefit reductions, premium increases and other changes to the State Health Plan since 2008 cost-shifted an average of \$1,300 annually to every active employee/early retiree and \$1,000 annually to every Medicare retiree. (General Assembly Fiscal Notes)
2. State Employees have only had a 1.2% pay increase in the past 5 years.
3. While many health insurance plans have begun imposing premium surcharges for smoking, the use of premium surcharges for designation of a Primary Care Physician and Completion of Health Assessments is not routine. Some other health insurance plans provide cash incentives for the Primary Care Physician and Health Assessment.

Proposed Effective Date: January 1, 2016

Requested Change in Benefits Coverage (SEANC 6): Seek coverage for acupuncture benefits in the State Health Plan when performed by health care providers, including non-Medical Doctors, appropriately trained and certified in acupuncture for medical conditions where acupuncture has been proven to have therapeutic medical value.

Reason for Request:

1. Acupuncture has proven to have therapeutic medical value for many medical conditions, thus reducing or eliminating the need for prescription drugs with addiction potential and other adverse side effects.
2. Improve medical outcomes and speed recovery reducing other health care costs.
3. Requirements to cover Accupuncture only when performed by an M.D. limit access in most areas of the state and increase costs for the State Health Plan.

Proposed Effective Date: January 1, 2016