




# HBR Monthly Webinar

March 23, 2026

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



# Presentation Overview

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- Lantern Surgical Benefit Update
- Point Solutions Update
- Board of Trustees Information
- 2027 Benefits



# Lantern Surgery Benefit Update

*The network of Lantern providers in North Carolina continues to grow! Novant Health and EmergeOrtho were just added and more will be coming.*

As a reminder, Lantern covers more than 1,500 planned, non-emergency surgeries. Lantern surgeons are individually vetted and among the best in their field. A dedicated Lantern Care Advocate will work to match you with an excellent surgeon in the Lantern network as close to your home as possible. When close to home isn't possible, there is a travel benefit members may utilize, if available.

## COMMONLY COVERED PROCEDURE CATEGORIES:

- Spine
- Orthopedic
- Joint
- Ear, Nose, & Throat
- Cardiac
- Gynecology
- General Surgery
- Gastrointestinal
- Spine & Ortho
- Injections
- Urology
- Bariatrics



Members will need to call Lantern to determine if a surgery is covered. Lantern sent all eligible\* members an ID card to keep in your wallet as a reminder of this great benefit. When a member uses a Lantern provider, they will utilize this ID card.

Visit the Benefits Booklet at [www.shpnc.gov](http://www.shpnc.gov) for full benefit details.

*\*Medicare Primary members are not eligible to participate.*

# Lantern Benefit Open Cases – 2,072

OPEN CASES AS OF MARCH 19, 2026

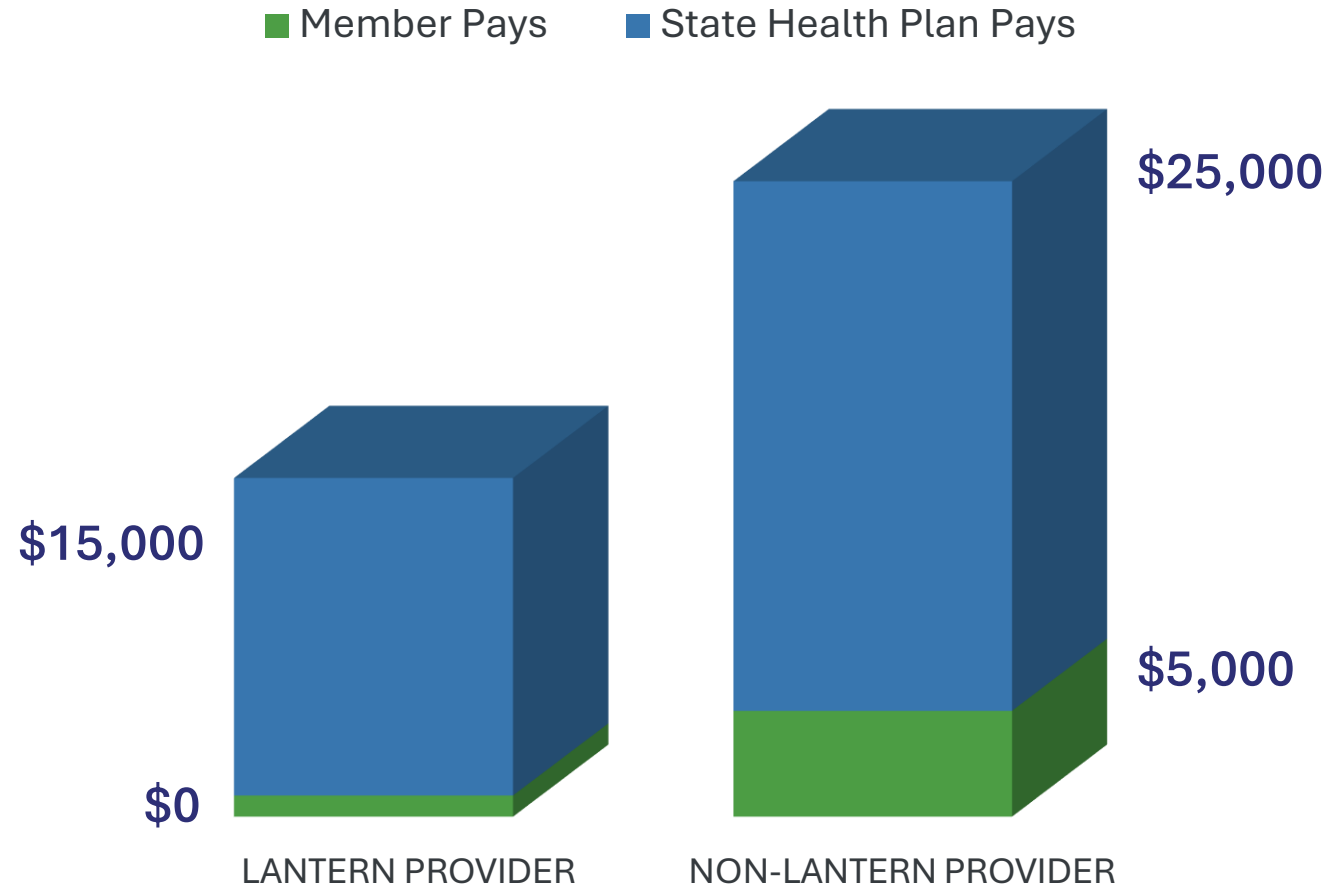


## PENDING PROCEDURES - 429

- Joint Replacement – 127
- Bariatric – 107
- GI – 17
- GYN – 14
- General – 49
- Orthopedic – 85
- ENT – 16
- Spine – 12
- Pain Management – 2

COMPLETED PROCEDURES | 548 as of March 19, 2026

# Lantern Surgical Benefit Savings Example



# Lantern HBR Resources

- Digital promotional materials are available on the Plan's website for HBRs to utilize to promote this benefit.
  - Flyers
  - Brochures
  - Digital Images
- Archived webinars and information for HBRs are also posted.




## Training and Development

The State Health Plan recognizes the value in providing HBRs with ongoing training opportunities to assist in carrying out duties as they relate to the Plan. Below is a list of resources available to you as an HBR. **We know how important you are to our members, and we're here to help you learn what you need to know!**



## Learn More About the NEW Lantern Surgical Benefit

The Plan offered informational webinars where HBRs could learn more about the upcoming Lantern Surgical Benefit. You can view a recording of the webinar and view the presentation below:

- [Recording](#) 
- [Presentation](#) 
- [Lantern HBR Resource Center](#)  - *This resource center has promotional materials HBRs can use to educate employees about the Lantern Surgical Benefit.*



# Point Solutions

- Last year, the State Health Plan launched several point solutions to improve health for some of our most vulnerable members and as a strategy to reduce overall cost.
- As we look ahead, we are excited to dig into the evaluation component of these solutions to determine if we're meeting the goals and objectives behind these programs along with the financial impacts they're having.
- Hinge and Hello Heart are targeted, and members must meet the criteria.
- Hinge participation currently has a waitlist.



# How We Got Here

## 2025

We closed a \$507M deficit and are working on \$1.4B deficit.



Members



Providers



General Assembly

## 2026

### Medical and Pharmacy Trends



	2019	2020	2021	2022	2023	2024	2025
Trend Survey	6.8%	-2.1%	14.0%	2.5%	6.9%	7.1%	7.9%
SHAPE - PS	5.0%	-4.9%	14.1%	1.9%	6.3%	9.3%	
NCSHP	6.1%	-0.6%	15.2%	-0.6%	5.7%	4.9%	12.0%

### vs Funding



Members



Providers



General Assembly



Partners

## Looking Ahead



We Have a Cost Problem

Narrow Provider Approach

– OR –

Decrease Benefits

# Managing Cost: *We're ALL in this Together*

Providers, the State Health Plan, and members all have a role in REDUCING COST GROWTH.

Managing cost growth and maintaining long-term affordability and sustainability will take a **COLLABORATIVE EFFORT** between our stakeholders.

The Plan needs appropriate incentives and disincentives built in for both providers and members.

Key incentive areas for providers:

**PATIENT STEERAGE | REVENUE | DATA | FLEXIBILITY**

We will **ONLY** be **SUCCESSFUL IF** members choose to access, and are able to access, Preferred Providers or engage in health improvement activities. Healthier members are better for **ALL** parties.

# How We Think about Access and Accessibility

- Access isn't **EQUAL** or **EQUITABLE** in NC.
- Most rural patients are **ALREADY TRAVELING** for care so “disruption” looks different than some might indicate.
  - Despite three options in Brunswick county, YTD only 4% of members get their images in Brunswick county preferring New Hanover and Durham.
  - YTD 77% of members in Henderson county go to Buncombe or Burke for care despite imaging at Advent and UNC Pardee.
- Quality varies.
- Prices vary significantly.
- Capacity varies significantly.
- Over time we can **MANUFACTURE ACCESS TO MORE** rural communities with low utilization, high cost, and limited access.



# Where is the Care Delivered?

70% of Care is Delivered in 10 COUNTIES.

83% of Care is Delivered in 20 COUNTIES.

County	# of TIN Owner	Sum of SERVICES
Wake	24	8,563
Durham	11	7,157
Orange	6	5,526
Mecklenburg	25	5,601
Forsyth	12	4,679
Pitt	8	4,656
Guilford	16	2,561
New Hanover	8	2,156
Catawba	9	1,334
Buncombe	10	1,264
<b>Grand TOTAL</b>	<b>127</b>	<b>43,497</b>



Primary focus for Preferred Provider Tier and High-cost Tier.

# Looking Ahead: Three Tier Structure

Aligning COST, ACCESS and movement toward VALUE across all provider tiers.



## PREFERRED PROVIDERS

- Focuses on reducing total cost of care and improving health outcomes
- Trades volume and reduced cost-sharing for discounts and/or a share of savings
- Not all providers can be included in a given geography
- Can be specific to a specialty to play to provider strengths



## ACCESS PROVIDERS

- Maintains essential access points in rural areas and outside of NC with limited provider options
- Doesn't apply to all specialties or services based on member utilization and price
- Maintains the current benefit integrity
- Median cost provider options is the target




## NON-PREFERRED PROVIDERS

(more competitive markets)

- Higher cost providers who have not participated in the preferred provider program, where lower cost access providers are available
- Misaligned incentives

# 2027 Three Tier Structure

SERVICES 	2026		2027	
	STANDARD	PLUS	STANDARD	PLUS
ANNUAL DEDUCTIBLE	\$3,000 Individual \$9,000 Family	\$1,500 Individual \$4,500 Family	Preferred Access Non-preferred	Preferred Access Non-preferred
Out-of-Pock Maximum	\$6,500 Individual \$16,300 Family	\$5,000 Individual \$15,000 Family	Preferred Access Non-preferred	Preferred Access Non-preferred
PRIMARY CARE PROVIDER (PCP)	\$15 Preferred / ID card \$40 Other PCP / ID card \$50 Other PCP	\$10 Preferred / ID card \$30 Other PCP / ID card \$40 Other PCP	No Change	No Change
WALK-IN CLINIC	\$100	\$70	Fold into PCP Benefit	Fold into PCP Benefit
SPECIALISTS	\$50 Preferred Provider \$94 Other Provider	\$40 Preferred Provider \$80 Other Provider	Preferred Access Non-preferred	Preferred Access Non-preferred
IMAGING	Deductible / Coins	Deductible / Coins	\$XXX / \$XX* / \$XX* *then 30% after deductible	\$XXX / \$XX* / \$XX* *then 20% after deductible
OUTPATIENT SURGERY	\$0 Lantern \$350 then 30% after deductible	\$0 Lantern \$300 then 20% after deductible	\$0 Lantern / \$XX* / \$XX* *then 30% after deductible	\$0 Lantern / \$XX* / \$XX* *then 20% after deductible
INPATIENT HOSPITAL	\$600 then 30% after deductible	\$500 then 20% after deductible	\$XXX / \$XX* / \$XX* *then 30% after deductible	\$XXX / \$XX / \$XX *then 20% after deductible
AMBULATORY	Deductible / Coins	Deductible / Coins	\$0 Lantern / \$XX* / \$XX* *then 30% after deductible	\$0 Lantern / \$XX* / \$XX* *then 20% after deductible

# Out-of-Pocket Maximum

The out-of-pocket (OOP) maximum is the maximum amount a member will pay in a year.

**CURRENTLY**, the Plus and Standard PPO Plans have two separate OOPs:

- In-network OOP
- Non-network OOP

When a member goes to a non-network provider their OOP costs apply to both the non-network and in-network OOP.

When they go to an in-network provider, their OOP costs only apply to the in-network OOP.

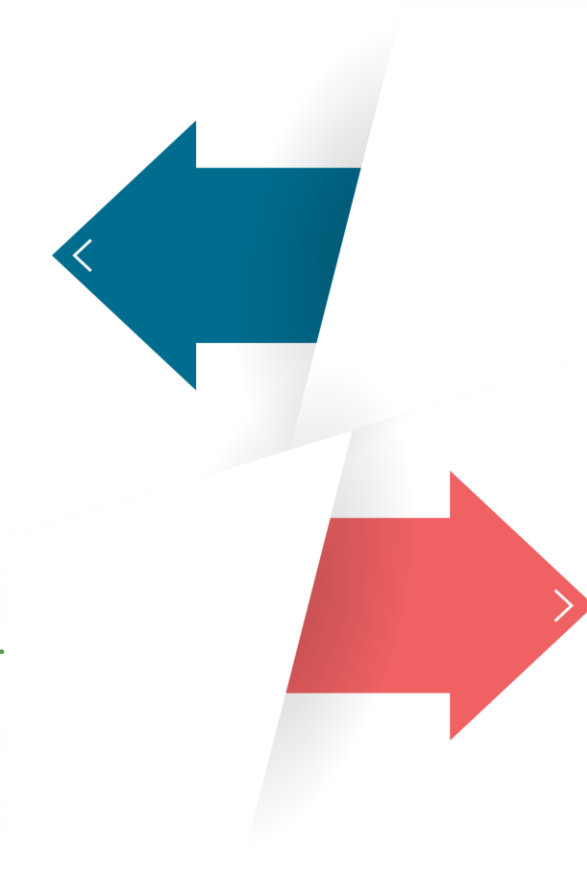
**IN 2027**, the Plan intends to tier the in-network OOP. Each tier will cross-accumulate with the other. The non-network OOP will be separate.

	Tier	OOP Maximum	Member utilizes a Tier 1 Provider and incurs \$3,000 charge	Same member then goes to Tier 3 Provider and incurs a \$5,000 charge	Same member then goes to Non-network Provider and incurs a \$1,500 charge
			<i>EXAMPLE: After Tier 1 Claim (\$3,000)</i>	<i>EXAMPLE: After Tier 3 Claim (\$5,000)</i>	<i>EXAMPLE: After Non-Network Claim (\$1,500)</i>
Cross-Accumulation	Preferred (In-network)	\$3,000	\$3,000 / \$3,000 (Satisfied)	Satisfied	Satisfied
	Access (In-network)	\$5,000	\$3,000 / \$5,000	\$5,000 / \$5,000 (Satisfied)	Satisfied
	Non-Preferred (In-network)	\$9,000	\$3,000 / \$9,000	\$3,000 + \$5,000 / \$9,000 (Satisfied)	\$1,000 remaining
	Non-network	\$10,000	\$0 / \$10,000	\$0 / \$10,000	\$1,500 / \$10,000

# Aligning Incentives

## The BENEFITS

- **MEMBER** – At point of care, member saves first if they choose a Preferred Provider. Neutral if they utilize an Access Provider and will spend significantly more for a higher cost provider option when a lower option is available.
- **PROVIDERS** – Preferred Providers make more revenue. Access Providers make the same, and higher-cost providers make less revenue. Creates **PROVIDER INCENTIVE to lower costs.**
- **PLAN** – This translates to lower premium increases, lower employer contribution increases, share savings, and investments in population health.



## The RISKS

- If members don't change their care patterns where possible **THEY WILL PAY MORE.**
- Lowers ability to manage premium growth, employer contribution growth and invest in health.
- Disincentivizes future provider discounts.



# Member Survey Coming Soon!

- The State Health Plan will be conducting a member survey to solicit feedback on a variety of topics regarding benefits, premiums, provider preferences.
- We would love your support once the time comes to communicate and encourage member participation.



**Your feedback helps us improve  
the services you rely on.**

# April's HBR Webinar

April's HBR Monthly webinar will focus on how to help you with your EMPLOYEES that are **NEARING RETIREMENT**.

TIMING and COMMUNICATION to these employees is **CRITICAL**, so we want to make sure you have the tools and resources to educate your employees.



To register and view other training resources visit the HBR Tab on the Plan's website.

**April 23, 2026 at 11 a.m.**

# Stay Connected with State Health Plan News

KEEP ENGAGED so you can be in the know regarding your Plan benefits and offers!

SUBSCRIBE to the Plan's monthly e-newsletter by visiting [www.shpnc.gov](http://www.shpnc.gov).

FOLLOW the State Health Plan on  @SHPNC and  @nchealthplan.

