



*North Carolina*  
**State Health Plan**  
FOR TEACHERS AND STATE EMPLOYEES



## **NC Institute of Medicine 30<sup>th</sup> Anniversary Annual Meeting**

*Ensuring Accountability in Public Programs*

September 9, 2013

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*A Division of the Department of State Treasurer*

# NC State Health Plan Mission

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Our mission is to improve the health and health care of North Carolina teachers, state employees, retirees, and their dependents, in a financially sustainable manner, thereby serving as a model to the people of North Carolina for improving their health and well-being.

# Oversight and Accountability – *State Treasurer*

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- Historically the State Health Plan reported directly to the NC General Assembly via a legislative oversight committee
- January 1, 2012, the Plan became a division of the Department of the State Treasurer
- Plan's Executive Administrator appointed by the Treasurer
- State Treasurer may delegate powers and duties to the Executive Administrator, Board of Trustees or Plan staff, but ultimately maintains responsibility for the performance of those powers and duties and the performance of the Plan
- A listening tour, a membership satisfaction survey and focus groups yielded feedback from members that has assisted the Plan and Board of Trustees in strategizing next steps

# Oversight and Accountability – *Board of Trustees*

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Fiduciary board with statutory duty to:

- Approve benefit programs, as provided in G.S. 135-48.30(2)
- Approve premium rates, co-pays, deductibles and coinsurance maximums, as provided in G.S. 135-48.30(2)
- Oversee administrative reviews and appeals, as provided in G.S. 135-48.24
- Approve contracts in excess of \$500,000, as provided in G.S. 135-48.33(a)
- Consult with and advise the State Treasurer
- Develop and maintain a strategic plan

10 Members, 2 Ex Officio and 8 Appointed

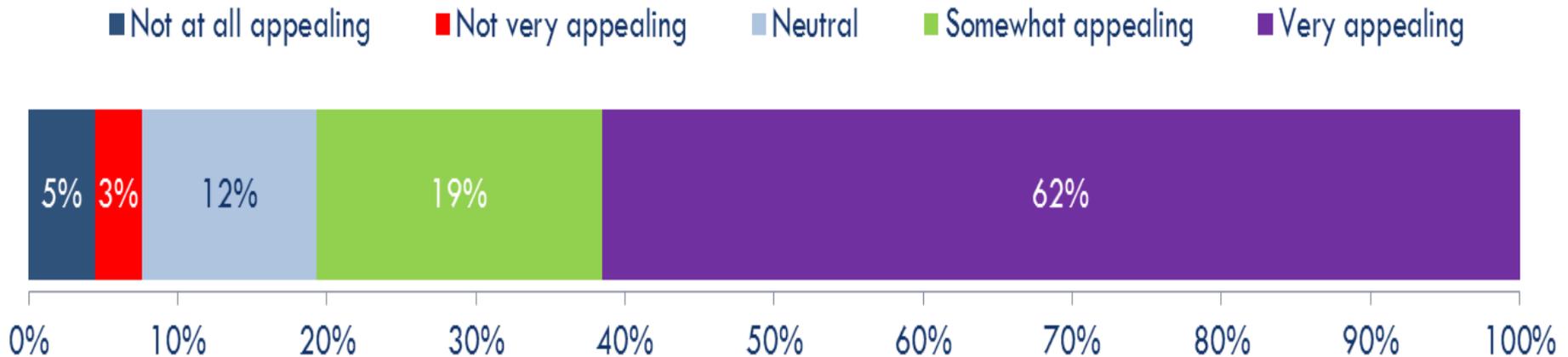
- Governor, State Treasurer, House of Representatives and Senate each appoint 2 members
- Director of the Office of State Budget and Management
- Active employee and teacher, retired employee and teacher
- Experts in actuarial science, health economics, benefits and administration, and policy and law

# Membership Satisfaction Survey Results

More than 10,000 respondents in Fall of 2012

## Lower Premiums for Health Lifestyles

- Slightly more than 80% of the respondents found the health plan that offers a lower monthly premium because of healthy lifestyle choice appealing – 62% of them found such a plan very appealing



# Overarching Themes and Goals

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Board engaged in a significant strategic planning effort since January 2012. Those discussions generated several overarching themes and goals:

- Improve the health and wellness of Plan members
- Need to “bend” the health care cost curve to promote long term financial sustainability of the Plan and affordability for Plan members
- Increase member engagement and accountability
- Incent and reward healthy behaviors to provide members with opportunities to reduce their out-of-pocket expenses
- Increase choice and flexibility by offering more benefit options
- Increase provider engagement

# Integrated Health Management

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- Mission is to offer an integrated platform of high-quality, cost-effective health management tools, resources and services to empower and support our members in being as healthy as they can be.
- NC Health*Smart* is the Plan's healthy living initiative offering members various preventive and health management services including disease and case management, healthy lifestyle programs, tobacco cessation and weight management in an effort to improve their health and well-being.

NCHEALTH  
*Smart*

An initiative of the State Health Plan

# Worksite Wellness Pilot Programs

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The Plan has used pilot programs to look for effective and efficient ways to:

- Increase member awareness of their health status
- Increase awareness of and engagement in NC Health*Smart* resources
- Test incentives
- Improve member health and decrease spend

Brown Creek Correctional Institution (BCCI)

Department of Health and Human Services (DHHS)

Charlotte-Mecklenburg Schools (CMS)

Early results: BCCI – awareness alone is not sufficient to increase engagement in NC Health*Smart* resources

# DHHS and CMS Pilots

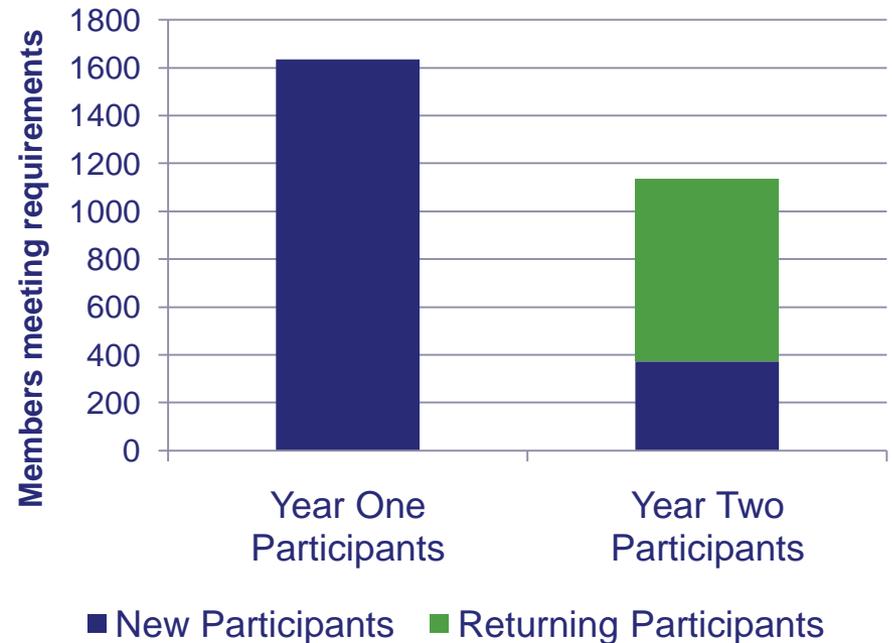
## Two-year pilot offering \$15 copay reduction for primary care office visits

### Year One Requirements:

- Biometric Screening
- Health Assessment (HA) completion

### Year Two Requirements:

- Biometric Screening
- HA completion
- Completion of one of the following healthy activities:
  - Work with a Health Coach
  - Track physical activities
  - Participate in Fall Walk challenge (CMS)
  - Complete digital coaching module

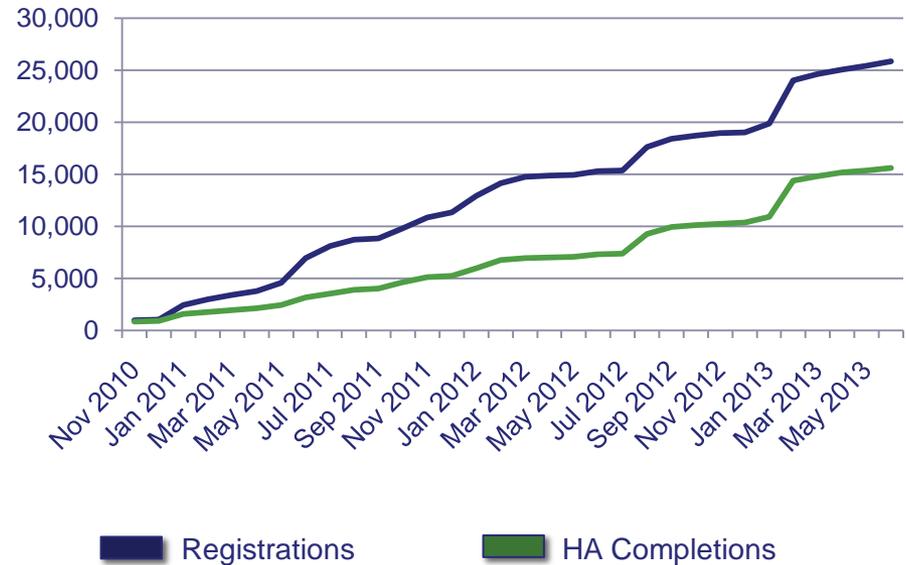


Participation decreased over 30% from Year 1 to Year 2 as healthy activities added, suggesting the reduced participation is due to adding an action step/increasing requirements

# iPad Drawing Incentive

Month	Registered	Completed	% Monthly Increases	
		HAs	Reg	HAs
Jan 2011	2,417	1,540		
Jan 2012	12,879	5,960	13.8%	14.3%
Feb 2012	14,119	6,761	9.6%	13.4%
Mar 2012	14,722	6,920	4.3%	2.4%
Apr 2012	14,839	6,993	0.8%	1.1%
May 2012	14,897	7,028	0.4%	0.5%
Jun 2012	15,276	7,320	2.5%	4.2%
Jul 2012	15,348	7,382	0.5%	0.8%
Aug 2012	17,620	9,262	14.8%	25.5%
Sep 2012	18,400	9,915	4.4%	7.1%
Oct 2012	18,720	10,105	1.7%	1.9%
Nov 2012	18,943	10,249	1.2%	1.4%
Dec 2012	19,036	10,318	0.5%	0.7%
Jan 2013	19,871	10,919	4.4%	5.8%
Feb 2013	23,993	14,358	20.7%	31.5%
Mar 2013	24,622	14,829	2.6%	3.3%
Apr 2013	25,069	15,144	1.8%	2.1%
May 2013	25,445	15,370	1.5%	1.5%
June 2013	25,829	15,575	1.5%	1.3%

Health Assessment Completions & Portal Registrations



Portal registrations increased **69.1%** in the past 12 months, since June 2012, when iPad Drawing promotions began. Assessments have increased by **112.8%** in that same period. Over **60% of registrants** have completed their HA.

# Health Plan Options for 2014

## Enhanced 80/20 Plan

- The current Standard 80/20 Plan with a new name to match the new features
- \$0 ACA Preventive Services
- \$0 ACA Preventive Medications
- New Wellness Incentives
  - Reduced medical copay opportunities

## NEW: Consumer-Directed Health Plan (CDHP) with HRA

- A new health plan option
- A high-deductible medical plan
- A Health Reimbursement Account (HRA) to help offset the deductible
- 85/15 Coinsurance
- \$0 ACA Preventive Services
- \$0 ACA Preventive Medications
- CDHP Preventive Medication List (\$0 deductible)
- New wellness incentives
  - Additional HRA funds for visiting certain providers

## Traditional 70/30 Plan

- The current Basic 70/30 Plan with a new name
- No incentives available
- No \$0 ACA Preventive Services
- No \$0 ACA Preventive Medications

Plan Options Available to Active Employees and Non-Medicare Retirees

# A New Focus On Wellness Incentives

## Enhanced 80/20 Plan

- **Wellness premium credits when:**
  - Subscriber completes a Health Assessment
  - Subscriber attests for him/herself and spouse (if applicable) to not smoking...or to being in a smoking cessation program
  - Selecting a Primary Care Provider (PCP) for self and all dependents
- **Additional wellness incentives**
  - \$15 copay reduction for utilizing the PCP (or someone in that practice) listed on the ID card
  - \$10 specialist copay reduction for utilizing a Blue Options Designated Specialist
  - \$0 inpatient hospital copay for utilizing a Blue Options Designated Hospital

## NEW: Consumer-Directed Health Plan (CDHP) with HRA

- **Wellness premium credits when:**
  - Subscriber completes a Health Assessment
  - Subscriber attests for him/herself and spouse (if applicable) to not smoking...or to being in a smoking cessation program
  - Selecting a Primary Care Provider (PCP) for self and dependents
- **Additional wellness incentives**
  - \$15 added to the HRA when the PCP (or someone in that practice) listed on the ID card is seen
  - \$10 added to the HRA when a Blue Options Designated Specialist is seen
  - \$50 added to the HRA when a Blue Options Designated Hospital is utilized for inpatient services

## Traditional 70/30 Plan

- No incentives available
- No \$0 ACA Preventive Services
- No \$0 ACA Preventive Medications

# Moving Forward

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- The Plan is offering more choices for coverage and financial incentives for members to improve their health
- The Consumer-Directed Health Plan will engage members in shopping for healthcare services to become more informed consumers
- 100% coverage for preventive medical services and medications will encourage members to maintain or improve their health by removing financial barriers
- Healthy activities will evolve over time to create a process of population health improvement through increased member engagement and accountability



**Mona M. Moon**  
**Executive Administrator**



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