

**Board of Trustees
State Health Plan for Teachers and State Employees
Department of State Treasurer
September 5, 2013**

The teleconference of the Board of Trustees of the North Carolina State Health Plan for Teachers and State Employees was called to order at approximately 4:00 p.m. on Thursday, September 5, 2013.

Members Participating:

Chair Janet Cowell
Paul Cunningham, MD
V. Kim Hargett
Noah Huffstetler
Bill Medlin
Vice-Chair Genell Moore
Warren Newton, MD
Art Pope

Members Absent:

David Rubin

State Health Plan Staff: Mona Moon, Mark Collins, Lotta Crabtree, Thomas Friedman, Beverly Harris, Lorraine Munk, Caroline Smart, Tracy Stephenson, Nidu Menon

Department of State Treasurer Staff: Melissa Waller, Andrew Holton

Guests: Ed Regan

Welcome

Treasurer Janet Cowell, Chair, welcomed Board members, State Health Plan and Department of State Treasurer staff to the meeting.

Agenda Item - Conflict of Interest Statement

In compliance with the requirements of Chapter 138A-15(e) of the State Government Ethics Act, Chair Cowell read the "Conflict of Interest Statement" requesting members who have either an actual or perceived conflict of interest to identify the conflict and refrain from discussion and voting in those matters as appropriate. No disclosures were made and no conflicts identified.

Agenda Item – Proposed Revisions to the Premium Rates for 2014 (Attachment 1)

Presented by Caroline Smart, Director of Health Plan Operations, and Mark Collins, Financial Analyst

Mr. Collins reviewed information from the July meeting where premium rates were approved by the Board. He stated that the Plan has proposed premium revisions and additions which require a board vote.

Employers have notified the Plan that the monthly employer contribution must be an even number for those employees who are paid twice a month. That would change the contribution for non-Medicare employees and retirees from \$448.11 to \$448.12. The monthly contribution for Medicare primary employees and retirees would be \$348.24 rather than \$348.25.

Following a motion by Ms. Hargett and seconded by Dr. Cunningham, the Board voted unanimously to approve the revised premium rates.

Mr. Collins presented instances in which Medicare becomes the primary carrier for active employees and their dependents: After a member has End Stage Renal Disease (ESRD) for 30 months; in the final month before an active member retires who is eligible for Medicare or who has a Medicare-eligible dependent; during the 12 month Reduction in Force (RIF) period for a former active employee who is eligible for Medicare or has a Medicare-eligible dependent.

Plan staff recommended that all family members remain in their chosen plans. Contributions for the ESRD member will be based on the Medicare rates for the Traditional 70/30 plan. Employer contributions and/or dependent premiums would be based on the Medicare rates for the Traditional 70/30 plan. The number of members affected is very low.

Following a motion by Dr. Newton and seconded by Ms. Hargett, the Board voted unanimously to approve the proposed monthly premium rates for Medicare primary active employees and their dependents.

Mr. Collins discussed the issue regarding split Medicare contracts. There are cases in which one Medicare member in a household is deemed ineligible for a Medicare Advantage plan by the Centers for Medicare and Medicaid Services (CMS) and the other member is accepted. A split contract does not impact the employer contribution.

The Plan recommended mixing the approved MA rate with the appropriate Medicare rate for the Traditional plan in those cases where the issue of an ineligible member can't be resolved.

Following a motion by Dr. Newton and seconded by Ms. Moore, the Board voted unanimously to approve the premium rates for split Medicare contracts.

Following a motion by Dr. Newton and seconded by Dr. Cunningham, the Board also voted unanimously to authorize the Plan's Executive Administrator to modify premium rates and to make technical corrections or minor adjustments to ensure compliance or administrative feasibility.

Agenda Item – Update on Facilitators for Strategic Planning

Ms. Moon stated that the Plan has a contract with Lynn Spragens and Tom Gualtieri-Reed to provide strategic planning facilitator services to the Board. Ms. Spragens and Mr. Gualtieri-Reed will be contacting as many Board members as possible before the September Board meeting to solicit thoughts and concerns. A report on their findings will be provided at the September Board meeting.

Agenda Item – Wane Memorial Hospital

Presented by Mona Moon, Executive Administrator, and Caroline Smart, Director of Health Plan Operations

Wayne Memorial Hospital and Blue Cross and Blue Shield of North Carolina (BCBSNC) have not reached an agreement in their contract negotiation. If an agreement is not reached by December 5, 2013, BCBSNC will terminate the contract. Plan members will be affected and a transition plan will be put into place if an agreement is not reached.

Mr. Huffstetler disclosed a potential conflict given his representation for various hospital and medical providers. He stated that he would refrain from participating in the discussion.

The Board requested that staff prepare a disruption analysis to determine how the Plan assists members in these types of cases. The Plan will continue to provide updates to the Board on continued negotiations.

In response to a question by a Board member regarding teleconference meetings being public, Ms. Moon stated that a notice was posted to the Plan's website. Notification for special meetings and conference calls is made in the same manner as for regularly scheduled meetings. The Plan requests that visitors who want to participate in teleconference meetings attend in person.

Agenda Item – Wrap Up

Upon a recommendation by Dr. Newton and seconded by Mr. Huffstetler, the Board voted unanimously to adjourn the meeting.

The meeting was adjourned at approximately 4:50 p.m.



Janet Cowell, Chair