



North Carolina
State Health Plan
FOR TEACHERS AND STATE EMPLOYEES



Summary of Transparency Workgroup Findings

A Division of the Department of State Treasurer

Presentation Overview

- Review of Legislative Mandate
- Components of Transparency
- Review of Vendor Presentations
- Lessons Learned
- Recommendations
- Future Plans

Legislative Mandate: SL 2013-382 (HB 834)

- *SECTION 10.2. The State Health Plan for Teachers and State Employees shall establish a workgroup to examine the best way to provide teachers and State employees greater transparency in the costs of health services provided under the State Health Plan. The State Health Plan for Teachers and State Employees shall report the findings and recommendations of the workgroup to the Joint Legislative Oversight Committee on Health and Human Services and the Joint Committee on Governmental Operations on or before December 31, 2013, and annually thereafter through December 31, 2016.*
 - The State Health Plan's Strategic Plan includes quality metrics as a key component of transparency so that component was included in the definition of transparency.
 - **The Transparency Workgroup recommends that member engagement was also a key component.**

Summary of Transparency Workgroup CY 2014

- The State Health Plan invited representatives of active employees, retirees, and provider groups to serve as the Transparency Workgroup
- The Transparency Workgroup met with current Plan vendors to learn what transparency tools are currently available to members and how often they are currently used
- The Transparency Workgroup met with industry leaders to determine what additional components might be available in the marketplace

Transparency Workgroup Vendor Presentations

Current Vendor

- Blue Cross and Blue Shield of North Carolina
- Express Scripts
- Humana
- UnitedHealthcare

Transparency Vendors

- Castlight Health
- Clearcost Health
- Health Dax
- Hoopayz
- Truven Analytics

Review of Current Vendors

- BCBSNC provides coverage for about 75% of the Plan population:
 - All active and Non-Medicare retirees
 - **27%** of Medicare retirees (all Medicare retirees can elect BCBSNC at enrollment)
- Humana and UnitedHealthcare provide coverage for:
 - **73%** of Medicare retirees
 - **25%** Humana
 - **48%** UnitedHealthcare
- BCBSNC's tool provides a cost range for shoppable services
 - Lacks comparison component
- UnitedHealthcare's tool provides the option to customize a search for real time cost
 - Lacks retiree quality data
- Humana's tool focuses on Rx costs and total quality information
 - Lacks medical cost information

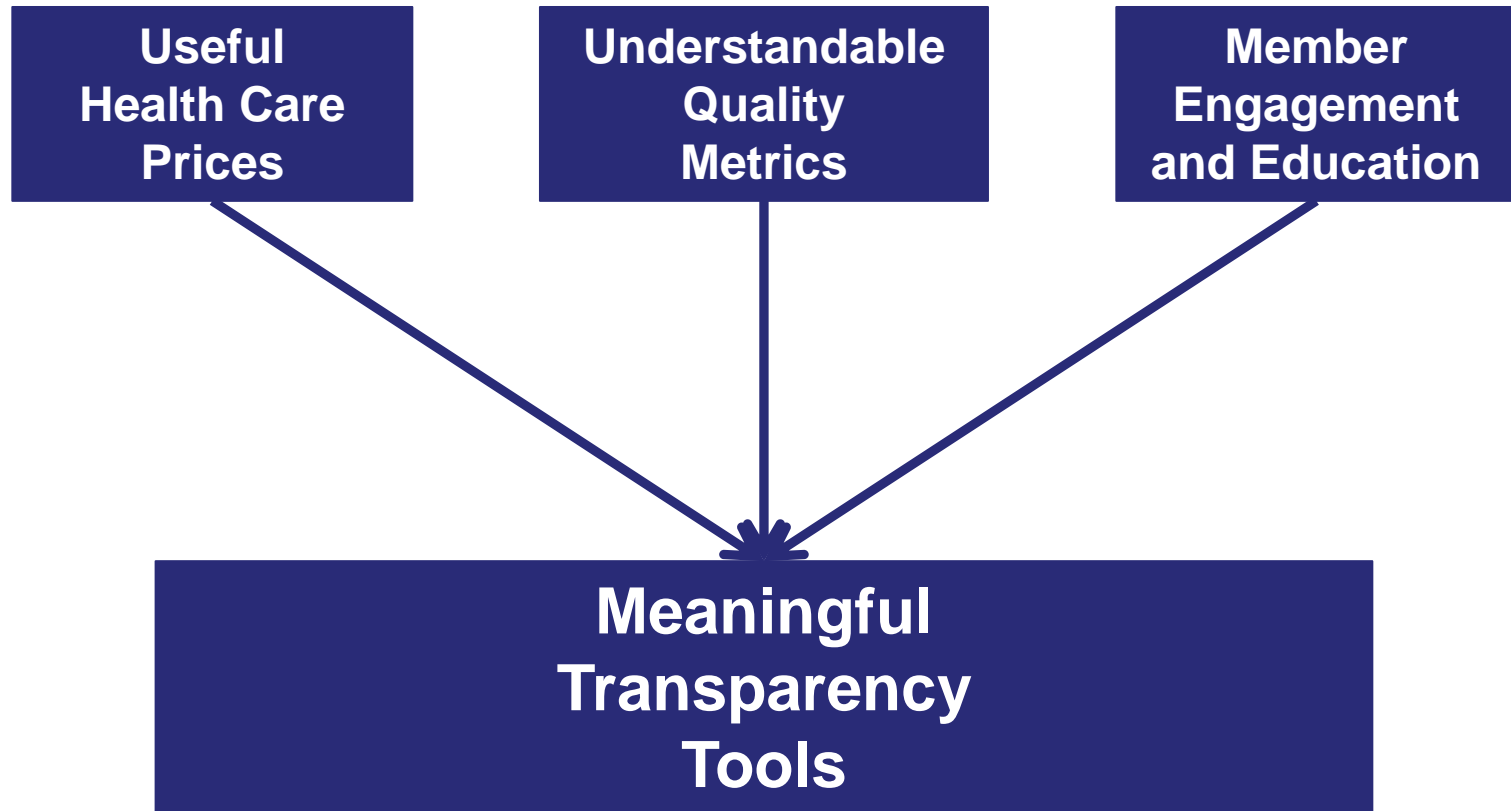
Summary of Vendor Presentations' Key Similarities

- All potential vendors have web and mobile capabilities
 - All but one identified web as the preferred approach
- All vendors can customize vendor tool to account for each member's benefits and where they are in meeting their out-of-pocket obligations
- All tools incorporate multi-platform strategies to engage members
- All tools include some form of quality metrics

Summary of Vendor Presentations' Key Differences

- Vendors have a different approach to selecting, defining, and presenting quality metrics
- Some vendors allow for side by side comparison of providers to compare quality and cost
- Vendors either provide “exact” pricing or a range of likely costs for services and some provide alternative options
- Some vendors allow for user reviews
- Large differences in ability to engage membership

Components to Developing Meaningful Transparency Tools



Lessons Learned: What is Useful Price Information

- Transparency tools should:
 - Help the member understand the cost differentials on shoppable services and provide options to access high quality, low cost care
 - Primary care versus Emergency surgery
 - Show the member how the cost differences impact their health care benefits
 - Accumulators versus All Payer Claims Database dumps
 - Real-time or near real-time data
 - What something is likely to cost now versus what something did cost 12 months ago?
 - Ranges for a bundle of services and accurate estimates for isolated services
 - Knee surgery versus MRI on knee

Lessons Learned: Defining Understandable Quality Metrics

- Quality means different things to different populations
 - Bedside manner versus Clinical scores versus Accreditation
 - Active employees, retirees, and providers all can view quality through different lenses
- There is a wide set of metrics and tools that define quality differently
- High Quality ratings at facilities don't necessarily mean the facility is high quality for all services
 - People want quality information for the services they will use
- None of the current vendors or market tools seem to have perfected a quality measuring tool and there isn't a lot of consistency with presentation of this data
 - Many use third parties for their quality metrics

Lessons Learned: Member Engagement and Education

- The State Health Plan serves employees/retirees of state agencies, school districts, universities
 - Differences exist in membership needs and expectations on their role in health care costs
 - Members have different levels of health literacy
 - Members on copay plans versus copay/coinsurance plans have different motivations in utilization of transparency tools
 - Members have different preferences in how they would prefer to communicate
 - Web, mobile, paper, telephonic, etc.
 - Quality and understanding quality mean different things to different members
 - Reviews, quality metrics, or scores

Questions to Consider

- Do members know about the current tools?
- With respect to transparency, what can the Plan impact most in the short-term? Long-term?
 - Price Transparency (currently, each segment has a tool in place)
 - Quality (consistent metrics don't seem to be fully formed, nor is the communication around them)
 - Engaging members to utilize current tools (0.3% of members visit the BCBSNC provider portal in a given month).
- Should the Plan consider investing in new tools for all members, segments of the population, or improving communication around current tools?

Next Steps

- December – Finalize recommendations
- Early 2015 – Plan CY 2015 meeting timing and next steps