



North Carolina
State Health Plan
FOR TEACHERS AND STATE EMPLOYEES



Transparency Workgroup Kickoff

Transparency Workgroup

March 21, 2014

A Division of the Department of State Treasurer

Summary of Contents

- Purpose of workgroup
- Composition of workgroup
- Discuss HB 834
- Goals of workgroup
- Guiding principles
- Definition and purpose of Health Care Transparency
- Proposed meeting schedule and content

Purpose of Workgroup

Purpose

- The North Carolina General Assembly passed HB 834 (S.L. 2013-382) which states the State Health Plan shall (Section 10.2):

“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 believes that a central component to transparency is quality
 - Cost data alone may be incomplete, and members shouldn't go to a provider simply because they are the lowest cost; the member and the Plan benefit from utilization of high quality care *that is provided at the most affordable setting*

Composition of Workgroup

Active representation	Retiree representation	Provider community
<ul style="list-style-type: none">• Chuck Stone – SEANC• Marge Foreman – NCAE• Ray Scerri – Office of State Controller & HR Roundtable• Neal Alexander, Director Office of State Human Resources• Jane Phillips – North Carolina Community College System• Ana Martinez – Wake County Public Schools• Joe Williams – North Carolina State University	<ul style="list-style-type: none">• Ed Regan - NCRGEA• Pam Deardorff – NCRSP• Nina Yeager – retired state employee• Debbie Beavers – retired state employee• Gina Upchurch -- retiree advocate representative	<ul style="list-style-type: none">• Dr. Richard Bruch, MD• Dr. Tom White, MD• Mark Gregory• Michael Vicario

Discussion of other Health Care Provisions in HB 834 (S.L. 2013-382)

- Sections of HB 834 (S.L. 2013-382) proposed first steps to increase price transparency throughout the health care system in North Carolina
 - Section 10 (§ 131E-214.7): Beginning in late 2014, both hospitals and ambulatory surgical facilities will be required to report charge information by admissions, surgical procedure, DRG, and CPT codes
 - Charge data does not correlate to actual paid amounts
 - Information will be reported by patient's insured status (commercial coverage, no coverage, Medicare, Medicaid)
 - Information will be posted in an online repository
 - Section 10 (§ 131E-214.8): Requirements on disclosure of hospital charity care policies
 - Section 12.1: Rules on fair billing and collection policies for providers

Goals of the Workgroup

- Draft recommendations on:
 - Goals to achieve transparency for members
 - Short-term: Price related
 - Longer-term: quality related
 - Strategies to achieve the proposed transparency goals
 - Environmental scan based on current options available from current vendors and the marketplace

Guiding Principles

- The State Health Plan believes that a central component to transparency is quality
 - Cost data alone may be incomplete, and members shouldn't go to a provider simply because they are the lowest cost; the member and the Plan benefit from utilization of high quality care *that is provided at the most affordable setting*
- The workgroup is tasked with making health care more transparent to our membership, not recommending how to make health care less costly; transparency arms our members with the opportunity to find lower cost providers
- The lowest cost option is not necessarily the best option for members
- Some services are more “shopable” than others
 - Transparency capabilities are most valuable for services where members have more ability to select the location of care
 - Non-emergency services and non-tertiary care
- Transparent prices can have the additional benefit/consequence of moving providers to competing more directly on the price they charge patients

What is Transparency? (Starting point)

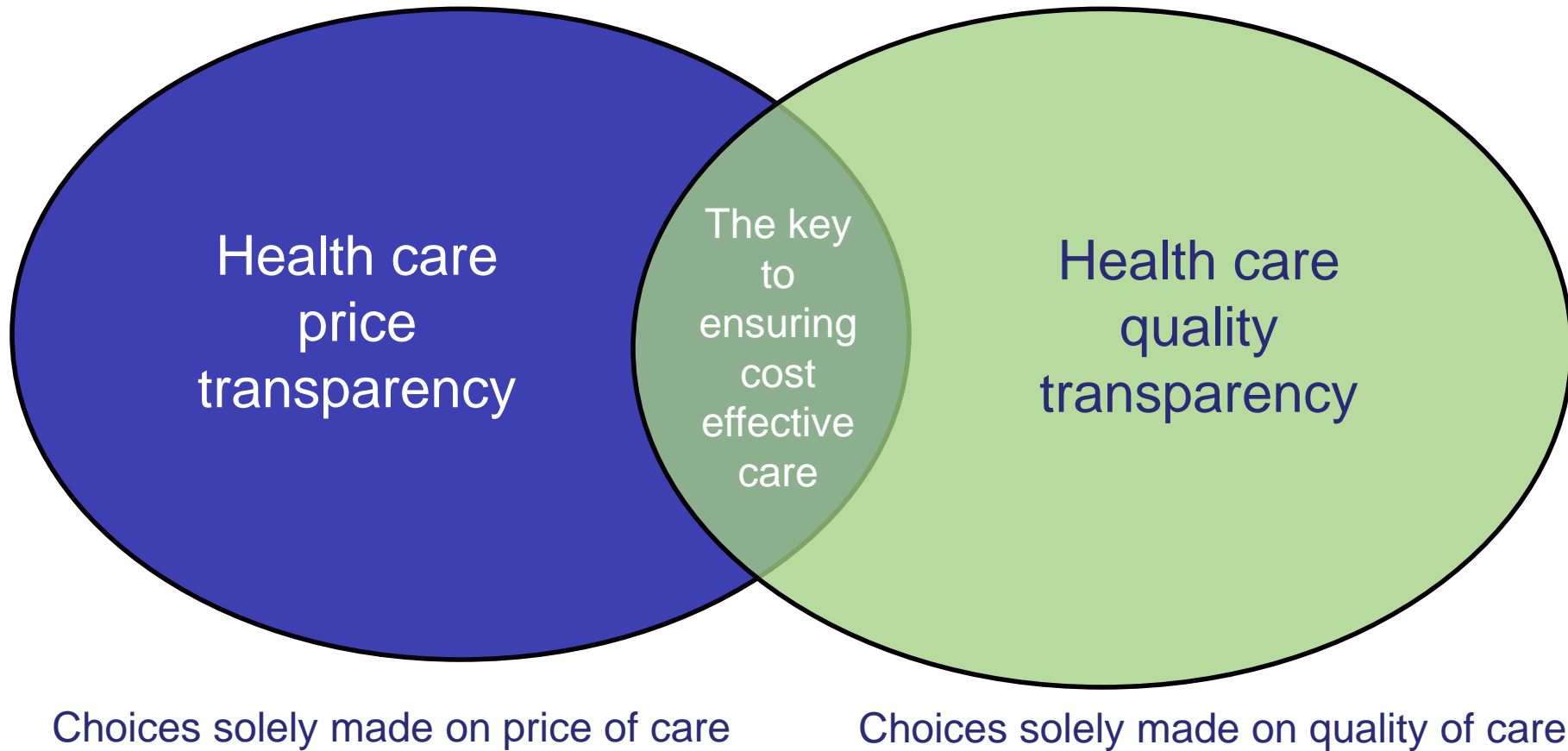
Health Care Transparency:

- The ability for a patient to determine a range of expected Plan and out-of-pocket costs by provider for:
 - office visits (shopable),
 - MRIs (shopable),
 - lab work,
 - inpatient episodes (potentially shopable),
 - outpatient surgery (potentially shopable),
 - maternity care (potentially shopable),
 - prescription drugs (shopable), and
 - other health care services
- The ability for the patient to reasonably determine the provider's ability to provide high quality health care

Why is Transparency Important? (Starting point)

- Transparency (cost and quality) can provide our members with opportunities to make informed decisions about where they seek care and how much that care may cost
 - All of our active and pre-65 retiree plans include deductibles and coinsurance; transparency in health care prices would allow members to understand their out-of-pocket costs
 - Transparency tools allow members to predict their annual OOP expenditures
 - Transparency in health care quality will allow members to make informed decisions on where to seek the appropriate level of care
- Transparent quality metrics (if agreed upon) can push providers to provide higher quality care and improve their compliance measures

Transparency Decision Making



Proposed Meeting Agendas for 2014

- Presentation of current price and quality tools available to SHP members through current vendor partners:
 - BCBSNC
 - Humana
 - UnitedHealthcare
- Two to three meetings with presentations from transparency vendors in the marketplace
- Craft recommendations describing how the State Health Plan can provide members with better transparency tools and the related timeframe

Proposed Meeting Schedule

- Proposed April/May meeting – Current vendor partner presentations
 - April 25?
 - May 2?
- Proposed June meeting – Marketplace presentations
- Proposed July meeting – Marketplace presentations
- Proposed August meeting – Craft recommendations
- Proposed October meeting – Approve recommendations and discuss 2015 work plan