



## Board of Trustees Teleconference Minutes July 24, 2019

The meeting of the NC State Health Plan for Teachers and State Employees (the Plan) Board of Trustees was called to order at approximately 3:00 p.m. on July 24, 2019.

### **Board Members Present/Participating via Phone**

Dale R. Folwell, Chair, Charles Perusse, Ted Brinn, Peter Chauncey, Wayne Fish, Lisa Grimes, Kim Hargett, Donald Martin, Peter Robie, Margaret Way

### **Welcome**

Chair Folwell welcomed Board members and visitors to the meeting and noted that Mr. Ted Enarson was standing in for Mr. Andrew Norton as acting secretary to the Board.

### **Conflict of Interest**

No conflicts of interest were noted.

### **Board Approval**

#### Approval of Minutes – June 5, 2019 Meeting

**Board Vote:** Motion by Mr. Brinn; second by Mr. Fish; unanimous approval by Board.

Following a motion by Dr. Martin and a second by Ms. Way, the Board unanimously voted to move into Executive Session pursuant to G.S. 143-318.11 and Chapter 132.

### **Executive Session**

#### RFP Recommendation – Third Party Liability RFP

Mr. Ted Enarson summarized the procurement process for third party liability services, noting that all contracts over \$500,000 must be approved by the Board. This contract was also subject to approval by the Department of Administration, Division of Purchase and Contract and the Attorney General's office. He noted that the current contract with Health Management Systems, Inc. (HMS) expires August 5, 2019.

The Plan received proposals from three vendors. Two of the three vendors who submitted bids did not meet the minimum requirements. The remaining vendor was the incumbent, HMS. However, the Plan will realize improvements under the new contract, including updated terms and conditions, new tools, enhanced service, and better pricing. Specifically, through the best and final offer (BAFO) process, the Plan was able to lower the contingency fee paid to HMS. HMS also agreed to extend this lower fee to cases during the runout period of the current contract.

Following a brief discussion, Mr. Enarson requested Board approval to award and execute the contract with HMS, Inc.

**Board Vote:** Motion by Dr. Robie; second by Dr. Martin; unanimous approval by Board.

Legal Consultation – Rules Update

The Treasurer stated that there was nothing new to report on existing rules.

Following a motion by Dr. Robie and a second by Mr. Brinn, the Board voted unanimously to move into open session.

**Open Session**

Next Board Meeting

A teleconference is currently scheduled for Wednesday, August 7, 2019, 3:30-4:30 p.m. Ms. Dee Jones requested the Board members to also hold Thursday, August 15, 9-10 a.m. and Tuesday, August 27, 3:30-4:30 p.m., to vote on premium rates, depending on when the State budget is approved.

Chair Folwell thanked Mr. Peter Chauncey for his service to the Board, noting that his perspective and leadership will continue to have an impact on future policies and decisions. Mr. Chauncey stated that it was a privilege to serve on the State Health Plan Board and that keeping the Plan financially viable is a challenge. He noted that the Clear Pricing Project is a reasonable first step for an innovative approach to addressing financial viability.

Members of the Board also thanked Mr. Chauncey for his contributions over the past two years.

Chair Folwell stated the Plan network currently has over 27,000 providers. The window for providers to contract with the Plan was extended to August 5, 2019. He noted that he and Plan staff have met with everyone who requested a meeting during this process.

The Treasurer's office and Plan staff have responded to erroneous information coming from various outlets and will continue to do so.

Adjournment

In honor of Mr. Chauncey's service to the Board, a motion to adjourn was made by Mr. Brinn and seconded by Dr. Martin. The Board voted unanimously to adjourn at 3:48 p.m.

Minutes submitted by: Ted Enarson, Acting Secretary

Approved by: \_\_\_\_\_

Dale R. Folwell, Chair