North Carolina State Health Plan
FOR TEACHERS AND STATE EMPLOYEES
A Division of the Department of State Treasurer

State Health Plan Transparency Workgroup

Calendar Year 2014 Report

NCHEALTH Smart

Background and Workgroup Composition

Section 10.2 of S.L. 2013-382directed the State Health Plan (Plan) to, "*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*."

To comply with State law, the Plan organized and convened a workgroup that consists of 16 members representing various stakeholders, including active and retired Plan members and the provider community. A list of workgroup members is attached. The workgroup met six times in calendar year (CY) 2014.

The workgroup reviewed the transparency tools currently available to Plan members via presentations from Blue Cross Blue Shield of North Carolina (BCBSNC), the Plan's third party administrator (TPA) for medical claims processing, Humana, UnitedHealthcare (UHC), the Plan's Medicare Advantage vendors, and Express Scripts (ESI), the Plan's pharmacy benefit manager. Plan members have access to the tool(s) available for the benefit plan option for which they are currently enrolled. For example, members enrolled in a plan option administered by BCBSNC do not have access to UHC's Medicare Advantage tool. The presentations by the Plan's current contractors demonstrated the functionality of their transparency tools and included information on upgrades or improvements that are expected to be available in the near term.

In addition to reviewing the capabilities of the Plan's contractors, the workgroup reviewed five transparency tools that are available in the marketplace. The vendors (Castlight Health, Clearcost, HealthDax, Hoopayz, and Truven) included both market leaders and North Carolina-based firms. The vendors presented live demonstrations and/or detailed screenshots of their tools and provided suggestions on how their tools could positively impact transparency for Plan members.
The group reconvened to review the pros and cons of the current tools, discuss the external vendors, view enhancements made to BCBSNC's transparency tool (detailed in the finding below), and develop a framework for recommendations. The group convened in December 2014 to review and approve the findings and recommendations for CY 2014. The group had a brief discussion about CY 2015 meetings and the proposed content of those meetings.

Workgroup Findings

A. Current State Health Plan Transparency Tools

1. Every Plan member has access to a transparency tool based on their plan selection/enrollment; Medicare Advantage members have access through their Medicare Advantage carrier and all other members have access through BCBSNC and ESI
2. Vendors are continually enhancing their transparency tools; BCBSNC is rolling out a major upgrade in January 2015 for Plan members
3. On average, less than 1% of members access their transparency tool in any given month
4. The three available medical tools (BCBSNC, Humana and UHC) all have different approaches to providing cost and quality data
5. Price data provided to members is either real time or historic averages that may include current data
6. Quality data is measured differently; however, vendors appear to have consistency in the sources used for quality metrics
7. Members have the ability to provide feedback on providers in most of the tools
8. All tools allow members to track their expenditures as they relate to their plan's cost-sharing
9. There is not a direct link to transparency tools from the SHP homepage; members have to log-in through BCBSNC, UHC, or Humana.

B. Transparency Tools Available in the Marketplace

1. There are multiple vendors in the marketplace that offer transparency tools
2. All tools include price transparency, access to quality data (typically from a third party), and ways to engage members to use the tool
3. The central difference in the transparency tools that were viewed by the workgroup is how the tools engage members and allow members to shop for services
4. The prices displayed in any external tool is dependent on what data the Plan's TPAs/vendors are willing to share
5. Several tools can incorporate historic spending to provide guidance on future utilization and finding lower cost providers
6. Each vendor stated they could incorporate data from all Plan vendors into their tool and provide plan design and vendor specific results
7. North Carolina hospital data will be available in 2015 through a state run database through DHHS.

Workgroup Recommendations

1. To be meaningful, transparency tools should incorporate provider quality information and be presented in an accessible and understandable manner, in addition to price information, to fully encompass true health care price transparency
2. The goal for CY 2015 should be to better educate, communicate, encourage members to using current transparency tools, and incent members to utilize the current transparency tools in place and to increase utilization

3. In addition to providing transparency tools, the Workgroup recommends considering adding education materials for how to engage with providers on the cost of care
4. Transparency information needs to be provided to members in a manner that is relatively straightforward and allows members to make informed choices about their health care utilization
5. Where appropriate, transparency tools should eliminate or reduce barriers to care
6. The Workgroup believes that adding an external tool in the short-term will not improve transparency for Plan members because members do not access current tools
7. Members should have more information and better communication about where they receive care, how much the care costs, and the quality of the care
8. The Plan should consider incenting members to use transparency tools
9. The Plan should work with vendors to provide direct linkages from the State Health Plan Homepage to member transparency tools
10. Quality data should include definitions and examples that members can understand
11. The key areas where members need to have transparent price data include:
    a. Services where there is a facility fee attached to the visit
    b. Services for which members can be reasonably expected to shop (i.e., primary care providers and specialists versus emergency procedures)
    c. Services where providers charge different rates based on the setting in which care is provided (for example, office visit versus facility)
    d. Where possible, include information on services in which out-of-network providers will be billing and/or providing care so that members understand the impact on their cost-sharing
    e. Services where there are lower cost, higher quality alternatives
    f. Highlight services where members can reduce costs through bundled or alternative payments
12. The key areas where members need to have transparent quality data include:
    a. All areas where price information is provided. Plan members need to understand that the lowest cost provider may not be the lowest quality and high cost providers may not be the highest quality.
    b. Descriptions of any accreditations that providers or hospitals receive and when they received them and for what services
    c. Opportunities to provide feedback on the member experience with providers
    d. Volume of procedures performed annually by the provider (where applicable)
    e. Providing members educational tools to understand quality information
13. The Plan should consider engaging members on the type of information and data that they would most likely find helpful in a transparency tool

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Transparency Workgroup

Purpose of Workgroup: Section 10.2 of SL 2013-382 (HB 834) directs the State Health Plan to "*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.*"

Transparency Workgroup:

Representing Active Employees:

1. Department of Public Instruction employee –Ana Martinez
2. NC Association of Educators (NCAE) - Marge Foreman
3. NC Community College System employee – to be designated NCCCS
4. Office of State Human Resources representative – to be designated OSHR
5. State Employees Association of NC (SEANC) – Chuck Stone
6. State Health Plan Human Resources Roundtable member - Ray Scerri
7. University of North Carolina system employee - Joe Williams

Representing Retired Employees:

8. NC Retired Governmental Employees Association (NCRGEA) – Ed Regan
9. NC Retired School Personnel (NCRSP) - Pam Deardorff
10. Retiree advocate representative - Gina Upchurch
11. Retired State employee, at large member - Deborah Beavers
12. Retired State employee, at large member - Nina Yeager

Representing Provider Community:

13. Hospital representative through North Carolina Hospital Association (NCHA) – Michael Vicario
14. North Carolina Academy of Family Physicians recommendation - Dr. Thomas R. White, MD
15. North Carolina Medical Society recommendation– Dr. Richard Bruch, MD
16. Pharmacy representative – Mark Gregory

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