

State Health Plan



Protect access to health care.

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The North Carolina State Health Plan should adopt proven methods to provide and coordinate quality-driven care to improve the lives of state employees and retirees, while achieving efficiencies in cost to both the plan and taxpayers.

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With the latest proposal to implement reference-based pricing, administrators of North Carolina's State Health Plan are playing a risky game of chicken with the health care of millions of North Carolinians.

By forcing care providers to choose between accepting low Medicare-based rates, or being deemed out-of-network for more than 720,000 people, it is easy to see that SHP is leveraging its significant negotiating power at the risk of limiting healthcare access not only for its members, but for all North Carolinians.

Under the new SHP network proposal, hospitals and health systems – whether or not they choose to participate – will have to make the difficult decision to discontinue some services. Some smaller hospitals, already operating on razor-thin margins, could close.

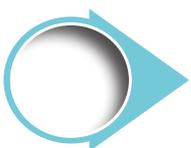
With hospitals and health systems among the largest employers in 72 of the state's 100 counties, the economic impact could be devastating.

Our state's healthcare providers stand ready to help build a better State Health Plan, with sustainable changes to improve care and preserve access.

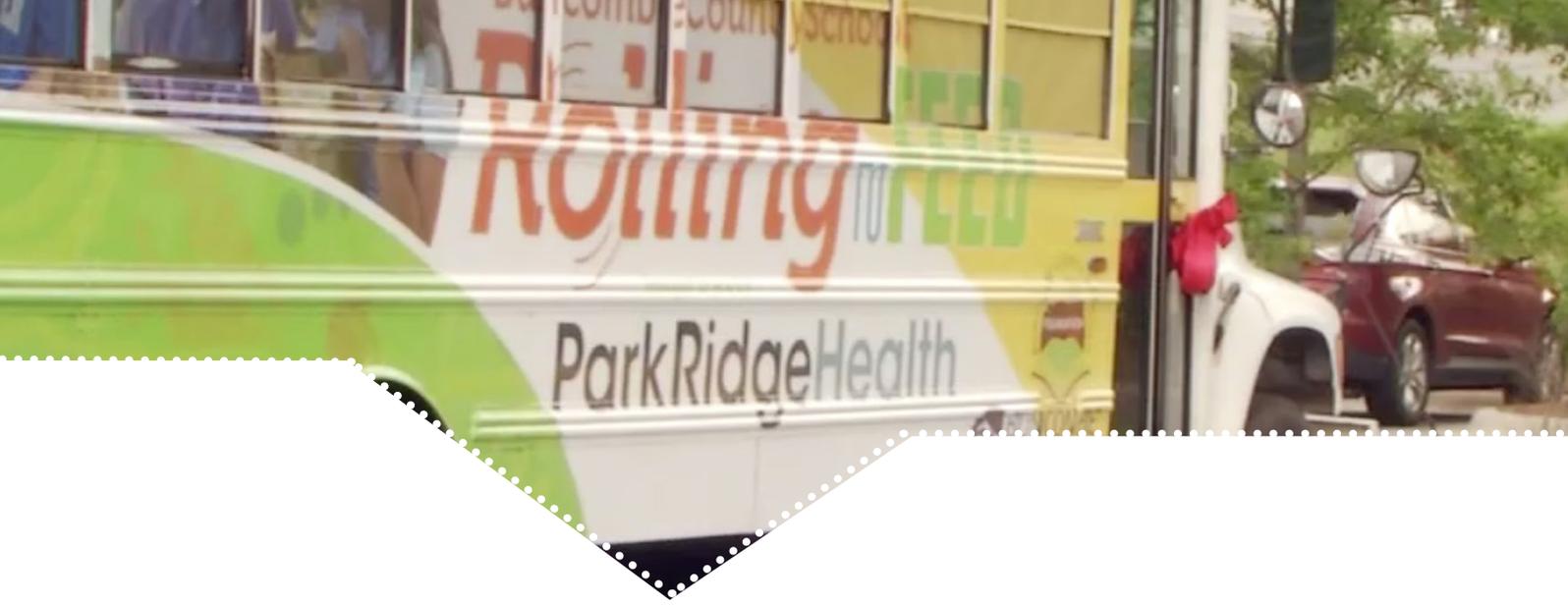
\$465M

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Hospitals and health systems estimate the SHP network proposal could reduce payments for care provided by \$465 million each year. This will be devastating to communities across the state, especially in rural areas.



For more information, please contact Leah Burns at lburns@ncha.org or at 919-677-2400.

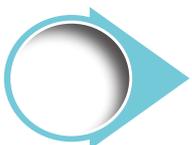
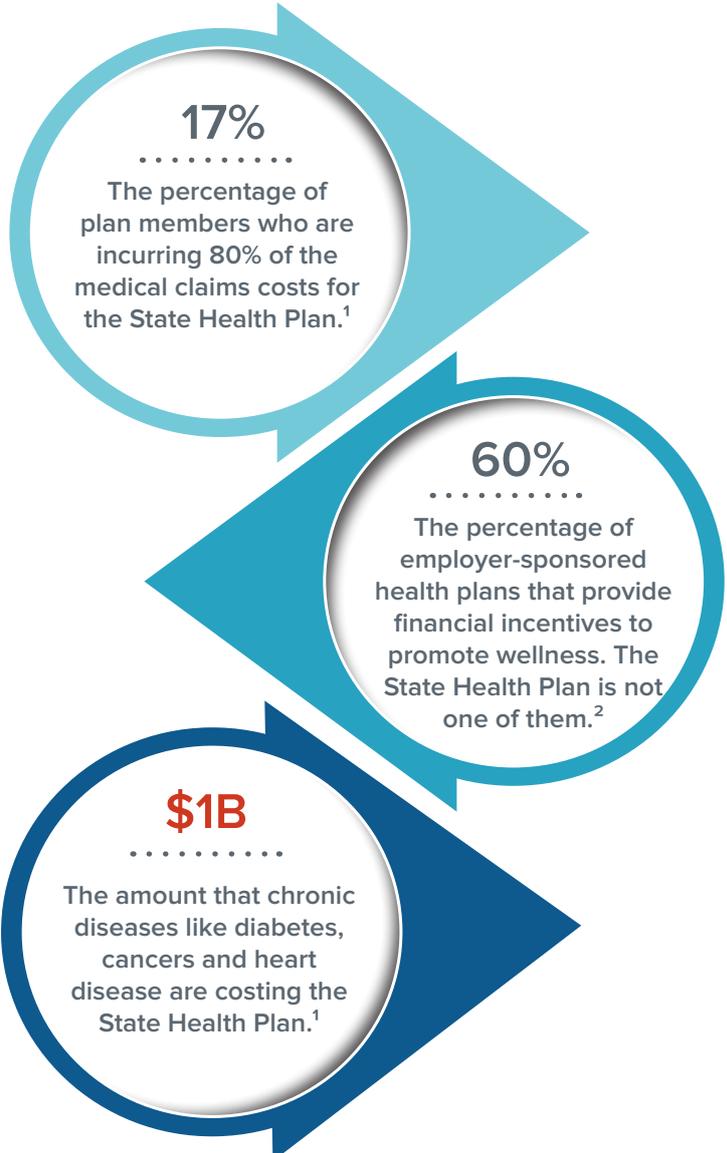


Despite the best efforts of healthcare professionals to work with them, North Carolina State Health Plan administrators do not seem to be focused on the actual health of state employees, teachers or retirees, nor are they interested in implementing proven ways to improve the health of participants and reduce plan health care costs.

For example, more than 60% of employer-sponsored health plans for businesses with more than 500 employees provide financial incentives to promote engagement in health and well-being programs. This is not the case with the North Carolina State Health Plan.

And as with most employer-sponsored plans, high-cost claims are a primary driver of SHP costs. According to SHP administrators, 80% of the medical claims costs for non-Medicare Advantage members in 2017 were incurred by 17% of plan members. The top high-cost conditions among SHP members are diabetes, cancers, cardiology, orthopedics, and rheumatology. And yet the proposed structure does not address these issues.

The current leadership of the State Health Plan lacks the expertise needed to ensure a sustainable strategy for the State Health Plan. North Carolina healthcare providers stand ready to help build a smarter health plan that promotes health and manages costs.



For more information, please contact Leah Burns at lburns@ncha.org or at 919-677-2400.



Sources: ¹ "The North Carolina State Health Plan for Teachers and State Employees: Strategies in Creating Financial Stability While Improving Member Health," D. Jones and B. Horner, Jan.-Feb. 2018, Vol. 79 No. 1 pgs. 56-61. ² "Mercer Annual Survey Finds Health Benefit Cost Growth Will Hold at 4.1% in 2019," presentation given by Bruce Lee, Las Vegas, NV, Sept. 12, 2018.