

North Carolina
State Health Plan

for Teachers and State Employees

www.shpn.org

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March 4, 2010

Bruce C. McKinney, PhD
President, UNCW Faculty Senate
Associate Professor
Department of Communication Studies
University of North Carolina Wilmington
601 South College Road
Wilmington, NC 28403

Dear Dr. McKinney:

I am writing to follow up on your email about the State Health Plan's tobacco cessation initiative which appeared in the *Progressive Pulse Blog* on March 1, 2010. I was very surprised to read that you believe the Plan has been unresponsive to your questions, especially given the fact that you and I spoke extensively on the phone in December about your concerns, and that I addressed the UNC-Wilmington Faculty Senate on December 8, 2009 at your invitation. In addition to providing answers to a number of questions that you provided at that time, that presentation focused on an overview of the Plan and how it functions, particularly in regard to the passage of legislation like the Comprehensive Wellness Initiative.

Following the meeting, I had offered my assistance should additional questions arise. Therefore, I would like to address the questions posed in your email.

- 1) What research supports the belief that these initiatives will be cost effective?

Response: The Plan worked with our contracted actuarial firm to evaluate the cost-effectiveness of the Comprehensive Wellness Initiative. The analysis included costs for members who use tobacco products and estimates of savings based on the movement from the 80/20 to the 70/30 benefit. The savings for the initiative are projected to more than cover the cost of testing, administrative expenses, and the additional supports offered to members through the NC Tobacco Use Quitline, the Eat Smart Move More Weigh Less program, and the added benefits for nutrition counseling.

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- 2) How will privacy be respected? How will the testing be done?

Response: The Plan and the testing vendor (to be determined through a competitive bid process) will adhere to all state and federal laws concerning testing, privacy and confidentiality. Testing will be conducted away from the worksite, according to strictly outlined protocols. Neither employers nor the Plan will see a member's testing results.

- 3) Why do the initiatives penalize whole families by moving them to the 70/30 coverage if the primary care giver smokes or is above the stated BMI?

Response: The Plan is offered to employees and their eligible dependents. There are a number of major systems involved in administering health plan benefits, and these systems operate on some basic principles. Payroll systems withhold premium contributions based on plan selection and type of dependent coverage. Claims systems accumulate out of pocket maximums for the family based on the family unit. All of these systems are built around the subscriber/dependent model in which all members of the family have the same benefit package. To revamp these systems would be very expensive and is not feasible.

- 4) What published research demonstrates that these types of initiatives have been successful in other states?

Response: The Plan based the Comprehensive Wellness Initiative on benefit differential programs implemented by other states. While there is extensive research about the costs associated with tobacco use and obesity, interventions to address these lifestyle choices are relatively new. Although many states and employer groups are introducing new strategies in an effort to address the increasing costs of health care, there is little published research from other states that we are aware of at this time. The Plan will begin evaluating these interventions and the effect on both health status and costs of care when adequate data are available.

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- 5) What is being done to assess the reliability and validity of the measures used to determine if a person is smoking?

Response: The Plan has identified a saliva test that offers the highest level of sensitivity and specificity as compared with other similar tests. In addition, the test is non-invasive and the results may be provided to the member at the time of testing. The RFP requires the testing vendor facility to be Clinical Laboratory Improvement Amendments (CLIA) Certified to address test quality concerns.

I hope this information is helpful to you. Please note that the State Health Plan regularly adds such Frequently Asked Questions to the Web site at www.shpnc.org in order to clarify the components of the Comprehensive Wellness Initiative and provide pertinent updates.

I remain available to answer any additional questions that you might have about the State Health Plan.

Regards,



Lacey Barnes
Deputy Executive Administrator

cc: Senator Dan Blue
Representative Hugh Holliman
Senator Stan Bingham
Senator William Purcell
Rosemary DePaolo, Ph.D., Chancellor, UNC Wilmington