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From the Triangle Business Journal:

<https://www.bizjournals.com/triangle/news/2019/08/09/days-after-missed-deadline-nc-changes-health-plan.html>

Days after missed deadline, NC changes health plan to bring in major hospitals

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Following months of resistance and back-and-forth between State Treasurer Dale Folwell and North Carolina's major hospital systems over the future of the State Health Plan, Folwell has suddenly acted to bring the systems into his plan – despite their lack of buy-in or cooperation.

On Thursday evening, Folwell announced that his revised State Health Plan – which provides coverage to 727,000 state employees, retirees and beneficiaries – would include Blue Options Network – through Blue Cross and Blue Shield of N.C. – in addition to his new North Carolina State Health Plan Network.

The decision will meld together Folwell's roughly 28,000 providers that signed onto his plan prior to the deadline, as well as the state's major hospital systems into a hybrid plan that includes 68,000 providers, according to Folwell's office.

The move comes after the state's major systems joined together in opposition to his plan, which would move the state health plan onto a reference-based pricing model based on Medicare reimbursement.

On Monday, just hours before the extended deadline for providers to sign onto the plan – UNC Health leadership and Folwell met to no avail. Following the meeting, UNC's Board of Trustees Chairman, Charles Owen, sent Folwell a letter saying the system had no intention to sign onto the plan and suggested the retention of a mediator to find a solution.

The failed meeting was just one conflict in a concerted opposition effort the major health systems and the North Carolina Healthcare Association (NCHA) have undergone since Folwell announced his intention in late 2018.

However, negotiations had seemingly stalled. Following the second deadline, Folwell himself characterized the dispute between the systems and himself as "diametrically opposed" – wrangling over entirely different health care models.

But both Folwell and the health systems were likely feeling the pressure of the prospect of more than 700,000 state employees having to pay larger out-of-network bills for the majority of hospitals in the state.

In Thursday's announcement of bringing in the Blue Options Network, Folwell's office said the network was "designed to comply with access to care requirements for hospital coverage."

Prior to adding the major systems, only five hospitals had signed onto Folwell's plan: Catawba Valley Medical Center in Hickory, CaroMont Regional Medical Center in Gastonia, Randolph Hospital in Asheboro, Martin General Hospital in Williamston and North Carolina Specialty Hospital in Durham.

The move was praised by providers around the state.



DATHAN KAZSUK
North Carolina Treasurer Dale Folwell.

"We are pleased to see this positive step forward for the benefit of North Carolina teachers, state employees and retirees," a statement from NCHA read. "While the specific benefit design for this plan has yet to be seen, this move will help maintain access to in-network care for state employees, teachers and retirees. NCHA and our members look forward to working with the Treasurer and the General Assembly to develop a stronger, sustainable, transparent future for the State Health Plan."

UNC Health heralded the plan as well, which will now allow its own employees to receive in-network care.

"UNC Health Care is pleased to learn that North Carolina's State Employees and Teachers will be guaranteed the access to primary, specialty and hospital care they've become accustomed to through the State Health Plan," a UNC Statement read. "That includes thousands of our own colleagues at UNC Health Care."

Seth Thomas Gullede
Staff Writer
Triangle Business Journal

