



Office of State Human Resources

**ROY COOPER**  
Governor

**BARBARA GIBSON**  
Director, State Human Resources

***By E-Mail and U.S. Mail***

December 14, 2023

Sam Watts  
Executive Director, State Health Plan  
3200 Atlantic Avenue  
Raleigh, NC 27604  
[sam.watts@nctreasurer.com](mailto:sam.watts@nctreasurer.com)

Dear Mr. Watts:

This message responds to the State Health Plan's letter dated November 14, 2023, which State Health Plan staff have acknowledged was sent on November 20, 2023. (The November 20 email sending the letter is attached as Exhibit 1.)

The Office of State Human Resources ("OSHR") uses the State Health Plan's vendor, Benefitfocus, to enroll state and university employees in NCFlex benefits. The University of North Carolina System (the "University System") also historically used Benefitfocus for enrollment of University System employees subscribing to NCFlex benefits. But over the past 18 months, the University System has transitioned these employees to a new enrollment vendor, Empyrean. This transition started in Summer 2022. In Fall 2023, the University System transitioned the remaining flex benefits for a January 1, 2024, effective date.

As OSHR has watched the experiences of the University System and its employees enrolling through Empyrean, OSHR has become interested in potentially making the same change that the University System has already made. That change could potentially provide a better enrollment experience for state employees, and that change could lower members' costs.

OSHR is doing due diligence about whether to replace Benefitfocus with Empyrean, and if so, when that transition would be best to occur. Like any business or government enterprise, OSHR evaluates alternatives. OSHR leadership has not yet approved any transition. If OSHR

decides to transition from Benefitfocus to Empyrean, the earliest possible transition date would be August 1, 2024. The State Health Plan's November 20 letter suggested that the transition take place five months later, on January 1, 2025. If a transition is made, OSHR will want to have a conversation with the State Health Plan about whether August 1 or January 1 — or some other date — is best. In either scenario, OSHR would provide much more than the amount of notice required under the agreement between OSHR and the State Health Plan. As discussed further below, the agreement requires “ninety (90) days’ written notice.” Memorandum of Agreement (“MOA”) § V.C (Exhibit 2).

As noted at the end of this letter, we believe the next step is for OSHR, the State Health Plan, the University System, and Benefitfocus to sit down around a table and talk. We suggest a time and date for that meeting on the last page of this letter. That being said, we want to be clear that the State Health Plan's November 20 letter is based on a fundamental misconception of what the contract says, as well as what has happened between the State Health Plan, NCFlex, and the University System over the past few years.

### **Why the State Health Plan's Legal Assertions Lack Merit**

The State Health Plan claims that OSHR should have contacted them earlier about OSHR considering an alternative to Benefitfocus. Instead of following the 90-day period in the contract, the State Health Plan's November 20 letter points to a vague clause elsewhere in the agreement that suggests that the parties will “work ... to ensure ongoing service needs are met” and “cooperate in the resolution of any issues or concerns” with respect to “the scope of work” on the State Health Plan's Benefitfocus contract. MOA § I.B. The State Health Plan asserts that doing due diligence on alternative vendors breached this clause. The State Health Plan's letter cited no case law or legal authority supporting these assertions. For at least three reasons, the State Health Plan's arguments are mistaken.

### **The November 20 Letter Misstates the Facts, Which Show Years of Work by OSHR Seeking Unsuccessfully to Have the State Health Plan Resolve OSHR's Issues and Concerns**

First, OSHR has reached out to the State Health Plan repeatedly over the course of several years, fruitlessly seeking compromises to reflect the needs of NCFlex and its customers. The State Health Plan has claimed that NCFlex breached a contractual duty to “work” or “cooperate” with the State Health Plan. But, as shown below, the facts are inconsistent with this remark. When NCFlex has reached out to the State Health Plan to raise concerns and seek a compromise, the State Health Plan has responded in writing by saying that it refuses to even have a conversation.

- In November 2022, the State Health Plan, with no notice or opportunity for discussion, changed the annual cutoff date for changes to NCFlex benefit providers. For many years, the State Health Plan had required NCFlex to finalize by June 1 the awards coming out of RFPs for new or replacement benefit providers. (These contracts then go into effect on January 1 of the next year.) The State Health Plan moved this date up to April 1 in late 2021. Then, on November 10, 2022, the State Health Plan unilaterally moved this date up by an additional month — to March 1 — after OSHR had drafted and was finalizing an RFP with a fixed schedule ending April 1. The State Health Plan’s email stated, “This is not a flexible deadline.” (Exhibit 3 at page 2.)
- Three business days later, on November 15, 2022, the head of NCFlex responded. NCFlex pointed out that an April 1 cutoff date was “already aggressive,” because it required the RFP to be based on “old” claims data. The State Health Plan was requiring providers to give and guarantee rates “months in advance of the effective date.” (Exhibit 3 at page 1.) Moving the deadline to March 1 would exacerbate this problem. NCFlex wrote, “This timeframe may work for a self-insured TPA contract, but it does not work for fully insured [NCFlex] vendors.” NCFlex asked to talk with the State Health Plan. In the email sent on November 15, 2022, the head of NCFlex wrote, “Let’s discuss a compromise. There needs to be some flexibility, especially in light of the fact that NCFlex pays almost \$2 million per year of the health plan’s administrative cost for the Benefitfocus platform.” (Exhibit 3 at page 2.)
- A week later, on November 22, 2022, the State Health Plan refused to have a conversation about NCFlex’s needs. In a four-sentence email, the State Health Plan responded, “Unfortunately, there is no flexibility in this timeline within which to negotiate a compromise. Thank you for your understanding.” (Exhibit 3 at page 1.)
- In the following weeks, OSHR staff repeatedly raised this issue when speaking with State Health Plan staff. Because of the change in the cutoff date, NCFlex did not move forward with the RFP in late 2022.
- Further, the State Health Plan has repeatedly determined the date and duration of the open enrollment period without consulting NCFlex. This means that the sign-up period for NCFlex’s products is set without any input from NCFlex.
- Compounding these issues, the State Health Plan has been slow to support employers being added to NCFlex. Charter schools are authorized to provide NCFlex benefits to their employees. The State Health Plan and Benefitfocus do not allow NCFlex to add new groups, such as charter schools, if they express interest in joining NCFlex after July 1 of each year. Most charter schools make decisions on benefits after this date. The

State Health Plan's July 1 deadline for new groups forces each charter school to extend contracts with their current vendors and delay the transition. That delay means these schools cannot offer their employees better prices, since NCFlex uses its economy of scale – the ability to provide benefits to 120,000 employees – to improve pricing. The State Health Plan's inflexibility keeps NCFlex from being able to immediately do what charter schools need, and it takes dollars out of teachers' wallets.

The State Health Plan controls a critical part of public employees' benefits. The State Health Plan's pattern of unilateral decision-making — and the State Health Plan's declared unwillingness to even consider compromise — does not help provide state, university, and local employees with the best benefits.

When a state agency is not getting the service it needs under a cooperative agreement with another agency, it is entitled to think about alternatives. The facts show that it is the State Health Plan — not NCFlex — that has failed to negotiate potential solutions. In fact, the State Health Plan specifically responded to NCFlex concerns by declaring that “there is no flexibility ... to negotiate a compromise.” (Exhibit 3 at page 1.) Even if the section of the OSHR-State Health Plan agreement that is cited in the November 20 letter applied to due diligence about a potential transition, OSHR fulfilled that section by repeatedly raising concerns.

#### *The November 20 Letter Overlooks Key Words in the Contract*

The second reason that the State Health Plan's legal argument lacks merit is that it overlooks a key limiting phrase in the contract clause that the State Health Plan is trying to use. Section I.B.2 of the contract states that the parties should “cooperate in the resolution of any issues or concerns regarding the performance of Benefitfocus and iTEDIUM, with respect to the scope of work or other requirements for the NCFlex component of the EES Contract and COBRA IB Contract.” MOA § I.B.2 (emphasis added). The phrase “EES Contract” and “COBRA IB Contract” are defined as the contract between the State Health Plan and Benefitfocus and the contract between the State Health Plan and iTEDIUM, respectively. MOA, page 1. This clause in Section I.B.2 shows that the section was intended to be a mechanism for OSHR to suggest changes to the contract between the State Health Plan and Benefitfocus. This is necessary because OSHR is not a party to that contract; a clause like Section I.B.2 is the only way OSHR could have input on the contract's scope of work. The State Health Plan's November 20 letter tries to transform Section I.B.2 into a general notice provision covering any kind of concern. This is simply not what the contract says.

### The November 20 Letter Overlooks a Key Principle of Contract Law

Third, the November 20 letter from the State Health Plan turns upside down one of the basic principles of legal contract interpretation. If a transition is necessary, the specific contract term on point will be Section V.C, which allows the agreement between the State Health Plan and OSHR to “be terminated without cause by either Party upon ninety (90) days’ written notice.” MOA § V.C (Exhibit 2 at page 10).

Section V.C, the agreement’s specific language about termination, covers the precise situation that may come to pass here – a transition away from Benefitfocus to Empyrean and a resulting termination of the agreement between the State Health Plan and OSHR. Instead of citing this specific term, the State Health Plan’s November 20 letter cites general terms about how OSHR will “work with the Plan” and “cooperate in the resolution of any issues and concerns” about the “scope of work” for the State Health Plan’s contract with Benefitfocus. (Exhibit 1, quoting MOA § I.B.)

In contract interpretation, a specific clause dealing with a particular topic takes precedence over any general language elsewhere in the contract. *Wood-Hopkins Contracting Co. v. N.C. State Ports Auth.*, 284 N.C. 732, 738, 202 S.E.2d 473, 476 (N.C. 1974) (“[W]hen general terms and specific statements are included in the same contract and there is a conflict, the general terms should give way to the specifics.”). *See also, e.g., Development Enterprises of Raleigh v. Ortiz*, 86 N.C. App. 191, 194-95, 356 S.E.2d 922, 924-25 (N.C. App. 1987) (holding that the specific clause in a partnership agreement governing what happens when a partner dies must take precedence over any clause elsewhere regarding transfer of partner interests). The courts have repeatedly rejected the arguments made by the State Health Plan in the November 20 letter.

In summary, the State Health Plan’s November 20 letter misstates the facts, leaves out key words of the contract, and ignores the law.

### Why a Transition Might Be Better for State Employees

The State Health Plan has suggested that any attempt to move away from the State Health Plan and the State Health Plan’s enrollment vendor, Benefitfocus, would “create chaos.” But this year, more than 50,000 university employees successfully completed Open Enrollment using Empyrean. The University System moved enrollment for these employees from Benefitfocus to Empyrean in two stages. Some benefits moved to Empyrean in 2022. Then, for Open Enrollment this year, all the remaining NCFlex benefits for university employees moved from Benefitfocus to Empyrean. The transition has gone smoothly for employees.

The due diligence being performed by NCFlex shows several possible benefits to state employees and taxpayers if state employees' flex benefit enrollment were to transition from Benefitfocus to Empyrean:

- In the flex benefits market, enrollment providers (like Empyrean) generally negotiate preferred pricing discounts with flex benefit providers. Those discounts are passed through to the plan sponsors (like NCFlex), which can use the savings to provide further discounts or subsidies to state employees. It appears that for the current set of NCFlex benefit providers, Empyrean offers preferred pricing discounts, but Benefitfocus does not. These discounts would allow NCFlex to lower the rates employees pay for their flex benefits.
- Currently, NCFlex pays the State Health Plan slightly less than \$2 million per year for Benefitfocus enrollment and eligibility services and iTEDIUM COBRA services. We are interested in whether those fees can be reduced through a transition.
- Because the University System has elected to move its employees to Empyrean for flex benefits, the NCFlex subscriber population is now split between two platforms. This leads to difficulty identifying and removing duplicate enrollments.<sup>1</sup> Because the University System has chosen Empyrean, the only way to automatically screen for this problem would be moving state agency NCFlex subscribers to Empyrean as well.
- Empyrean suggests that its cutoff date for new or replacement NCFlex vendors would be August of each year, which is five months better than the State Health Plan's March cutoff date. NCFlex staff believe that a long lead time between the RFP and the go-live date leads to less favorable pricing for NCFlex customers. An August cutoff date, rather than March, would allow RFPs to be based on more accurate claims data. NCFlex staff believe that vendors bidding on NCFlex products will be more willing to offer aggressive, pro-customer pricing if they do not need to make assumptions about future trends. A transition to Empyrean would create this favorable pressure on pricing.
- We believe that Empyrean would be able to provide a shorter lead time for adding charter schools or other new employers to NCFlex. This would allow NCFlex to offer better-priced benefits faster to these employees.

The University System's transition to Empyrean has shown that transitioning NCFlex enrollment away from Benefitfocus may provide better services, at lower cost, with no

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<sup>1</sup> This problem is specific to married couples where one spouse works for a university, but the other works for a state agency. In this situation, the university employee could be subscribed to NCFlex benefits on Empyrean's platform while also being subscribed on the Benefitfocus platform as a dependent of the state employee spouse.

difficulties for the employees using the new system. We have a responsibility to our fellow state employees to evaluate that alternative. We hope that the State Health Plan will participate in a conversation about the pros and cons of a transition.

**How the State Health Plan's Invoices to NCFlex Show a Transition Would Create Little or No Burden on the State Health Plan**

When an organization is transitioning away from a vendor, less work is generally required from that vendor, because the vendor no longer needs to plan for how it will provide services in the future. And generally, having a transition take place earlier, rather than later, reduces the current vendor's work.

In contrast to what we would expect, the State Health Plan's November 20 letter suggests that a transition away from Benefitfocus would create more, not less, work for Benefitfocus and the State Health Plan. The November 20 letter states that the Plan is currently engaged in two complex projects "with go-live dates in the latter half of 2024," that "Benefitfocus and iTEDIUM project resources are already 100% dedicated to these efforts," and that a "mid-year 2024 transition will interfere with both of these projects." (Exhibit 1 at page 4.)

To evaluate whether a transition would increase work for Benefitfocus and the State Health Plan, we looked at the actual impact of the University System's recent transition away from Benefitfocus. We conferred with the University System, which confirmed that no hours of effort from Benefitfocus were required to convert the University System to Empyrean. The University System reached out to Benefitfocus in 2022 for potential help with initial reporting. However, when Benefitfocus quoted the cost, the University System determined that it could complete the job itself, and it required no work from Benefitfocus.

This is consistent with the invoices that the State Health Plan has issued to NCFlex over the past year, as the University System has transitioned away from Benefitfocus. The contract between the State Health Plan and OSHR allows the State Health Plan to bill NCFlex on an hourly basis for "[t]ime and materials costs charged by Benefitfocus for development and implementation of services supporting NCFlex benefits." MOA § I.C.1.b.ii (Exhibit 2 at page 2). This clause covers the NCFlex benefits provided to university employees that the University System recently transitioned to Empyrean. However, the bills submitted to OSHR by the State Health Plan through October 31, 2023, show no hourly fees for time and materials costs from Benefitfocus. (Invoices issued from July 18, 2023, to Nov. 15, 2023, attached as Exhibit 4.) It appears that the University System's transition to Empyrean required zero hours of work.

If NCFlex makes the same transition, we have no reason to believe that the result would be any different. We would expect that having NCFlex transition away from the State Health

Plan for enrollment would reduce — not increase — any burden or distraction for State Health Plan staff.<sup>2</sup> It is hard for us to imagine how more work would be required from no longer supporting NCFlex. Similarly, we think that an earlier transition date would reduce any burden on the State Health Plan most. If this is wrong, we need to know specific reasons why. So far, the State Health Plan has only suggested that a transition would “interfere,” without providing any details. (Exhibit 1 at page 4.)

### **Working Together**

We were disappointed that, instead of giving OSHR leadership a call or sitting down across a table to talk, the State Health Plan chose to send a threatening letter written by a lawyer. Sending this kind of letter does not increase the chance that OSHR will extend its contract with the State Health Plan.<sup>3</sup> Likewise, when the State Health Plan chose to offer no details in the letter about why a transition would be better on January 1, it did not increase the chance that OSHR would agree to have a transition take place on that date.

Instead of exchanging lawyers’ letters, I hope the State Health Plan will agree to sit down for a discussion of what’s best for our NCFlex customers and state government as a whole. We want to meet with the State Health Plan to discuss the facts. If there are reasons why NCFlex should not change vendors, we want to discuss them. If there are burdens from a transition, we would want to minimize them.

We request a meeting with the State Health Plan, Benefitfocus, the University System, and OSHR to further discuss the State Health Plan’s November 20 letter and explore any burdens that might result from a transition. **We and the University System are available for that meeting on December 18, 2023, at 1:00 p.m., on December 19, 2023, at 4:00 p.m., or at a reasonable time the State Health Plan may request. We would prefer for that meeting to be in person.** We look forward to the State Health Plan’s response.

Because OSHR’s office is moving effective December 15, please send an additional e-mail copy to me and Denise Mazza ([denise.mazza@nc.gov](mailto:denise.mazza@nc.gov)) on the same day that you mail any

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<sup>2</sup> There is only one part of the University System’s transition from Benefitfocus to Empyrean that seems not to have gone smoothly. The State Health Plan’s November 20 letter noted appropriately that a burst of work from State Health Plan staff was required in September 2023 when the University System identified that there would be a gap in COBRA administration benefits as part of its transition. This work will not be required for any NCFlex transition. NCFlex is aware of the need to arrange in advance a transition of COBRA administration benefits, and NCFlex will avoid work of this type by the State Health Plan or its vendors.

<sup>3</sup> Although the State Health Plan’s November 20 letter stated a 30-day period to respond, the Treasurer’s Office issued a press release eight business days later, on December 4, about the matter. The State Health Plan and the Treasurer’s Office are certainly free to go to the press at any time. But when the State Health Plan jumped ahead of the response deadline stated in its November 20 letter, it did not show a commitment to working together as business partners.



letters that you mail to our office. This will ensure that we are able to timely respond. OSHR's mailing address will continue to be 1331 Mail Service Center, but paper mail may be delayed as it is routed to OSHR's new location. We appreciate the State Health Plan sending a courtesy copy by email of the November 20 letter.



Blake Thomas  
General Counsel  
Office of State Human Resources

cc: Barbara Gibson, Director, Office of State Human Resources *(by e-mail)*  
Linda Forsberg, State Benefits Manager, NCFlex *(by e-mail)*  
Denise Mazza, Paralegal, OSHR *(by e-mail)*  
Ben Garner, General Counsel, Department of State Treasurer *(by e-mail and U.S. mail)*  
Joel Heimbach, Assistant General Counsel for the State Health Plan *(by e-mail,*

**EXHIBIT 1**

## Thomas, Blake

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**From:** Sam Watts <Sam.Watts@nctreasurer.com>  
**Sent:** Monday, November 20, 2023 3:12 PM  
**To:** Gibson, Barbara J  
**Cc:** Thomas, Blake; Garner, Ben; Heimbach, Joel N; Smart, Caroline W; Taylor, Adam L  
**Subject:** [External] OSHR Planned Transition of NCFLEX Enrollment from Benefitfocus to Empyrean  
**Attachments:** OSHR Noncompliance Letter.pdf

**CAUTION:** External email. Do not click links or open attachments unless verified. Report suspicious emails with the Report Message button located on your Outlook menu bar on the Home tab.

Director Gibson,

Please see attached letter documenting our concerns and requests.

-Sam

Sam Watts  
Executive Administrator, State Health Plan  
Department of State Treasurer  
Mobile Phone: (919) 810-8747  
[www.nctreasurer.com](http://www.nctreasurer.com)



November 14, 2023

Barbara Gibson  
Deputy Director  
North Carolina Office of State Human Resources  
116 W. Jones Street  
Raleigh, NC 27603

1331 Mail Service Center  
Raleigh, NC -27699-1331

Re: OSHR Planned Transition of NCFlex Enrollment from Benefitfocus to Emyrean

Dear Director Gibson:

The North Carolina State Health Plan for Teachers and State Employees (“Plan”) has learned through a third party that the North Carolina Office of State Human Resources (“OSHR”) is planning to transition its NCFlex enrollment from the Benefitfocus platform to the Emyrean platform in 2024 through a contract managed by the University of North Carolina System. Further, the Plan is aware through a third-party that OSHR is targeting a mid-year transition for this project.

As you are aware, the Plan and OSHR have held the longstanding position that it is in the best interest of State employees and their dependents to have a single platform from which to enroll in benefits. In serving the best interest of State employees and their dependents, the Plan has sought to be a helpful partner to OSHR, and the Plan and OSHR incurred legal obligations to this end. The Plan and OSHR memorialized this in the agreement titled “Memorandum of Understanding,” executed on October 5, 2020, and amended on November 10, 2021 (collectively the “Agreement”).

The Plan has met and surpassed these legal obligations. Most recently, in September 2023, OSHR made an urgent request to the Plan to provide “gap” COBRA administration for university employees with NCFlex benefits that are transitioning to the Emyrean platform on January 1, 2024. While the Plan was under no legal obligation to assist in this way, in a spirit of partnership, the Plan responded to OSHR’s needs and developed a process to facilitate the transition.

Unfortunately, OSHR has not shown the same spirit of partnership and compliance with its legal obligations in its current actions to implement a unilateral and surreptitious mid-year transition of NCFlex enrollment to Emyrean. Under the Agreement, OSHR is required to work with the Plan to ensure ongoing service needs are met and notify and cooperate with the Plan in resolving issues with Benefitfocus and iTEDIUM. Clearly, OSHR’s actions fall under these obligations. OSHR has provided the Plan no notice and has neither cooperated nor worked with the Plan to resolve this issue. Accordingly, OSHR is in breach of its obligations under the Agreement, and the Plan provides OSHR thirty (30) days from the date of this letter to cure its breach.

Further, under the Agreement, (A) the Plan is the only entity contracted with Benefitfocus for eligibility and enrollment services and iTEDIUM for COBRA administration and individual billing services and (B) the Plan is the owner of these contracts. The Plan is currently engaged in two complex and critical projects pursuant to these contracts—the migration of group premium billing from the TPA contract to the billing



vendor contract and the implementation of the Aetna TPA transition. Both projects have go-live dates in the latter half of 2024, and Benefitfocus and iTEDIUM project resources are already 100% dedicated to these efforts. OSHR's contemplated mid-year 2024 transition will interfere with both of these projects and thereby cause irreparable harm to the Plan and its members. Therefore, under our fiduciary duty to the Plan, we cannot agree to a mid-year 2024 transition of NCFlex benefits off the Benefitfocus platform.

If OSHR cures its breach, the Plan is willing to develop a transition plan to enable OSHR to enroll NCFlex benefits on the Empyrean platform during open enrollment for 2025; however, NCFlex enrollment will remain on the Benefitfocus platform for 2024. Please note, OSHR will also have to transition any remaining NCFlex COBRA members to NCFlex's new COBRA administrator effective January 1, 2025, since the Plan will no longer maintain data exchanges with the NCFlex vendors for effective dates after December 1, 2024. Any costs associated with the COBRA transition will be paid by OSHR.

The Plan stands ready to help OSHR correct its non-compliance and, thereby, prevent any negative impact to State employees and dependents resulting from OSHR's actions.

Sincerely,



Samuel W. Watts  
Executive Administrator  
North Carolina State Health Plan

CC:

Caroline Smart  
Sr. Director of Plan Integration  
North Carolina State Health Plan

Ben Garner  
General Counsel  
Department of the State Treasurer

Joel Heimbach  
Assistant General Counsel  
North Carolina State Health Plan

**EXHIBIT 2**

## MEMORANDUM OF AGREEMENT

This Memorandum of Agreement (“MOA”) is entered into between the North Carolina Office of State Human Resources (“OSHR”) and the North Carolina State Health Plan for Teachers and State Employees (“Plan”), a division of the Department of State Treasurer. OSHR and the Plan are each a separate “Party” and shall collectively be referred to as the “Parties.”

### **Background:**

The purpose of this MOA is to identify the obligations of the Parties regarding the Eligibility and Enrollment Services Contract between the Plan and Benefitfocus.com (“Benefitfocus”), dated October 1, 2020, (“EES Contract”) and the COBRA Administration and Individual Billing Services Contract between the Plan and iTEDIUM, Inc. (iTEDIUM), dated August 20, 2012, (“COBRA IB Contract”).

### **Goals:**

- 1) While the EES Contract is between the Plan and Benefitfocus, the provisions of the EES Contract support both the Plan and OSHR’s NCFlex program by:
  - a) Providing a robust, intuitive eligibility and enrollment platform that enables Members to enroll in appropriate Plan and NCFlex benefits;
  - b) Providing superior customer service to the Plan, OSHR, Employing Units, and Members;
  - c) Providing accurate and timely EDI to Plan and NCFlex Partners/Vendors; and
  - d) Providing accurate and timely reports, as requested by the Plan and/or OSHR.
  
- 2) While the COBRA IB Contract is between the Plan and iTEDIUM, the provisions of the COBRA IB Contract support both the Plan and OSHR’s NCFlex program by:
  - a) Providing a robust, intuitive enrollment and billing platform that facilitates enrollment into COBRA and online billing and payment for COBRA and other direct Subscriber bills
  - b) Providing a superior customer service to the Plan, OSHR, and Members;
  - c) Providing accurate and timely EDI to Plan and NCFlex Vendors/Partners;
  - d) Producing and mailing invoices to Members;
  - e) Depositing funds and tracking receivables;
  - f) Administering COBRA;
  - g) Disbursing funds; and
  - h) Providing accurate and timely reports, as requested by the Plan and/or OSHR.

### **The Parties agree as follows:**

#### **I. Obligations:**

##### **A. The Plan agrees to:**

1. Contract with Benefitfocus and iTEDIUM to support both Plan and NCFlex benefits.

2. Consult with OSHR regarding the technical requirements to be included in the EES Contract and COBRA IB Contract to support NCFlex benefits.
3. Act as "owner" of the EES Contract with Benefitfocus and the COBRA IB Contract with iTEDIUM and address contract performance issues. However, each Party is required to monitor the performance of Benefitfocus and iTEDIUM regarding the services provided to that Party.
4. Work with OSHR to identify the prioritization of defects for Benefitfocus and iTEDIUM to address.
5. Act as the lead in addressing Performance Guarantee (PG) measurements to ensure that OSHR issues are addressed.

**B. OSHR agrees to:**

1. Continue to work with the Plan to ensure ongoing service needs are met.
2. Notify the Plan and cooperate in the resolution of any issues or concerns regarding the performance of Benefitfocus and iTEDIUM, with respect to the scope of work or other requirements for the NCFlex component of the EES Contract and COBRA IB Contract.
3. Disclose any affiliation, business relationship, or other association with any Plan Vendor throughout the life of the MOA. A full list of Plan Vendors is available at: <https://www.shpnc.org/about-us/state-health-plan-contracted-vendors>.
4. Share the costs associated with the EES Contract and COBRA IB Contract by reimbursing the Plan for fees related to services provided to support NCFlex benefits based upon the methodology described in Section C. of the MOA.
5. Pay the Plan an administrative fee for the services performed by the Plan in Section I. A. of the MOA.

**C. Cost Reimbursement and Invoicing:**

1. Cost Reimbursement and Invoicing for Benefitfocus:
  - a) The Plan is responsible for remitting payment to Benefitfocus for all services provided under the EES Contract with Benefitfocus.
  - b) OSHR shall reimburse the Plan for NCFlex Eligibility and Enrollment Services provided by Benefitfocus as follows:
    - i. 50% of the per subscriber per month ("PSPM") administrative fee charged by Benefitfocus times the number of NCFlex Subscribers.
    - ii. Time and materials costs charged by Benefitfocus for development and implementation of services supporting NCFlex benefits.
  - c) OSHR's share of the PSPM administrative fee shall be applied to the number of NCFlex



web Subscribers reflected in the monthly membership report provided by Benefitfocus.

d) OSHR shall reimburse the Plan for NCFlex COBRA Administration Services provided by Benefitfocus as follows:

i. \$0.68 per eligible Employee per month.

2. Cost Reimbursement and Invoicing for iTEDIUM:

a) The Plan is responsible for remitting payment to iTEDIUM for all services provided under the COBRA IB Contract with iTEDIUM.

b) OSHR shall reimburse the Plan for services provided by iTEDIUM to support NCFlex benefits which will be itemized on the monthly invoices from iTEDIUM. Proration is not required.

3. Cost Reimbursement and Invoicing for both Benefitfocus and iTEDIUM:

a) The Plan will invoice OSHR for services provided by Benefitfocus and iTEDIUM to support NCFlex benefits within thirty (30) days of receipt of both the Benefitfocus and iTEDIUM invoices and appropriate supporting documentation. The Plan will email invoices to linda.forsberg@nc.gov. The Plan will accommodate changes regarding the invoice recipient upon notification in writing by OSHR of the requested change.

b) OSHR shall reimburse the Plan within thirty (30) days of receipt of the Plan's invoices.

c) The Plan will reduce OSHR invoices for any PG payment made by Benefitfocus and/or iTEDIUM that includes services supporting NCFlex benefits within thirty (30) days of receipt of the PG payment. Except where PG payments are specific to either Plan or NCFlex services, OSHR shall share in any reduction in fees associated with PG payments. For PG payments made pursuant to the EES Contract, OSHR shall share in any reduction in fees in proportion to OSHR's share of administrative fees. OSHR invoices will be reduced for the full amount of any payment received for a PG that is specific to services supporting NCFlex benefits.

4. Cost Reimbursement and Invoicing for Plan Services:

a) OSHR shall pay the Plan an administrative fee of \$1,000.00 per month.

b) Payment must be made to the Plan via check no later than thirty (30) days from receipt of the Plan's administrative fee invoice.

**D. Confidentiality of Member Information:**

Pursuant to N.C.G.S. §§ 135-48.10, 132-1.2, 132-1.10, and 75-65 and in accordance with other applicable state and federal law, including the Health Insurance Portability and Accountability Act (HIPAA) and the Health Information Technology for Economic and Clinical Health Act (HITECH), OSHR and its subcontractors or agents shall maintain the confidentiality of all Plan Member information, in whatever form, and however it is obtained. OSHR shall require any subcontractors, whether currently contracted or contracted in the future, to enter into, and maintain for the duration of this MOA, Business Associate Agreements with Benefitfocus and

ITEDIUM. In addition, OSHR shall require any other entity receiving Protected Health Information in relation to this MOA to enter into appropriate Business Associate Agreements.

Any Business Associate Agreements which are entered into in order to fulfill this obligation must meet or exceed the standards set by the Plan’s Business Associate Agreements with its own subcontractors. Attachment 1, Business Associate Agreement, is included as an example and should be modified to suit the needs of the particular parties, but demonstrates the minimum standards for any Business Associate Agreements. Any use of the term “subcontractor” or “subcontractors” in this agreement has the same meaning as it does in HIPAA.

OSHR shall provide copies of any Business Associate Agreements entered into in relation to this MOA to the Plan within five (5) business days of execution. The obligation to protect Plan Member privacy and to keep Plan Member information confidential survives the termination, cancellation, expiration, or other conclusion of this MOA and any Business Associate Agreement.

**E. Security of Plan Data:**

1. Notification:

a) OSHR shall promptly notify the Plan of any security breaches within twenty-four (24) hours as required by N.C.G.S. § 143B-1379. See N.C.G.S. § 75-60 *et seq.* For any security breach by OSHR or its subcontractors, the Plan shall have the right to require OSHR to provide notice to and offer credit monitoring for affected Members, all at OSHR’s sole expense. The Plan shall make the final decision on whether OSHR shall notify affected persons of a security breach and the implementation of any remediation plan.

2. Breach Obligations:

a) When OSHR becomes aware of any security breach, OSHR shall, at its own expense: (1) perform a root cause analysis thereon, (2) investigate such security breach, (3) provide a remediation plan, acceptable to the Plan, to address the security breach and prevent any further incidents, (4) conduct a forensic investigation to determine what systems, data and information have been affected by such event; and (5) cooperate with the Plan, and any law enforcement or regulatory officials, credit reporting companies, and credit card associations investigating such security breach.

3. Policies:

a) OSHR shall maintain written policies governing access to and the security of the systems housing Plan data and shall require the same of its subcontractors or agents. OSHR shall provide copies of these policies to the Plan upon execution of this MOA, and any time that substantive updates are made to these policies.

4. Restricted or Highly Restricted Data:

a) OSHR acknowledges its responsibility for securing any restricted or highly restricted data, as defined by the Statewide Data Classification and Handling Policy (<https://it.nc.gov/document/statewide-data-classification-and-handling-policy>), that is stored in any OSHR site or other OSHR housing systems including, but not limited to, computer systems, networks, servers, or databases, maintained by OSHR or its subcontractors or agents in connection with this MOA. OSHR warrants, at its sole cost and expense, that it shall implement processes and maintain the security of data classified as

restricted or highly restricted and provide reasonable care and efforts to detect fraudulent activity involving the data.

5. Secure Passwords:

a) OSHR shall implement and maintain secure passwords for any OSHR systems housing Plan data, as well as all appropriate administrative, physical, technical, and procedural safeguards at all times during the term of this MOA to secure such Plan data from Data Breach and protect the Plan data from loss, corruption, unauthorized disclosure, and the introduction of viruses, disabling devices, malware, and other forms of malicious or inadvertent acts.

6. Security Certification:

a) OSHR certifies to the Plan:

- i. The sufficiency of OSHR's and its subcontractors' or agents' security standards, tools, technologies, and procedures involved in handling Plan data pursuant to this MOA.
- ii. That any Cloud Infrastructure Service (IaaS), Platform as a Service (PaaS), and Software as a Service (SaaS) solutions system(s) used to handle Plan data pursuant to this MOA have, and will maintain, a third party security assertion with a favorable opinion for the proposed system that is consistent with the data classification level and a security controls appropriate for moderate information system(s) per the National Institute of Standards and Technology NIST 800-53 revision 4. The current and favorable third-party security assertions will be verified yearly, and OSHR will be required to provide updated reports or bridge letters verifying that the system environments and functions have not changed since the last Security Assertion reports were produced (bridge letter option only valid for two years after full third-party assessment).
- iii. It is the Plan's preference that any subcontractors who will access, use, maintain, or transmit Plan PHI in fulfilling this MOA provide full SOC2, Type 2 security assessment reports to the Plan. If the subcontractors maintain that any information contained in such reports is proprietary or otherwise confidential, the subcontractors may redact these portions of the reports, and supply the un-redacted portions to OSHR to provide to the Plan for review. Alternatively, the subcontractors may submit any of the following for all service components used/involved in the handling of Plan data (i.e. IaaS, PaaS, and SaaS). All component names and types shall be clearly defined and outlined.
  - a. The Opinion Letter from the third party that performed the assessment stating that the SOC2, Type 2 report shows a favorable opinion; or
  - b. A signed letter from the subcontractor's highest ranking officer attesting that the subcontractor has passed as SOC2, Type 2 security assessment within the last year with a favorable opinion; or
  - c. A SOC3 showing that the subcontractor maintained effective controls over its systems for the last year.
- iv. A third-party SOC2, Type 2 security assessment report is preferred, but assessment reports performed under other security frameworks will be considered as a substitute as long as the security controls can be cross-walked to the appropriate NIST-800-53 security

control requirements (e.g. ISO 27001, HITRUST). The Plan reserves the right to independently evaluate, audit, and verify such requirements, including requesting the performance of a penetration test with satisfactory results. OSHR shall provide the full version of any substitute third party assessment report(s). If the associated subcontractor maintains that any information contained in such report(s) is proprietary or otherwise confidential, the subcontractor may redact these portions of the report, and supply the un-redacted portions to DPI to provide to the Plan for review. The subcontractor shall supply a third-party security assertion for all service components used/involved in the proposed services (i.e. IaaS, PaaS, and SaaS). The report shall clearly define the service type(s) included in the assertion.

- v. If OSHR provides a substitute security framework from any subcontractors, the Plan reserves the right to, based upon its evaluation, require OSHR and/or the associated subcontractor to provide cyber security liability insurance coverage for any loss resulting from a data breach and/or obtain a favorable SOC2, Type 2 security assessment as a condition of continuation of this MOA.

**7. Compliance Certification:**

a) OSHR certifies to the Plan that OSHR's and its subcontractors' systems involved with handling Plan data pursuant to this MOA comply with the following:

- i. All North Carolina Department of Information Technology ("DIT") security policies regarding Cloud Computing and the DIT Statewide Information Security Policy Manual; to include encryption requirements as defined below:
  - a. OSHR shall encrypt all non-public data in transit regardless of the transit mechanism.

b) For sensitive personally identifiable or otherwise confidential information, this data shall be encrypted at rest. Examples are social security number, date of birth, driver's license number, financial data, federal/state tax information, and hashed passwords. OSHR's encryption shall be consistent with validated cryptography standards as specified in National Institute of Standards and Technology FIPS140-2, Security Requirements. If OSHR cannot offer encryption at rest, it must maintain, for the duration of the MOA, cyber security liability insurance coverage for any loss resulting from a data breach. Additionally, if encryption of data at rest is not possible, OSHR must describe existing security measures that provide a similar level of protection;

- i. Privacy provisions of the Federal Privacy Act of 1974;
- ii. The North Carolina Identity Theft Protection Act, N.C.G.S. Chapter 75, Article 2A (e.g., N.C.G.S. § 75-65 and -66);
- iii. The North Carolina Public Records Act, N.C.G.S. Chapter 132;
- iv. Applicable Federal, State, and industry standards and guidelines including, but not limited to, relevant security provisions of the Payment Card Industry (PCI) Data Security Standard (PCIDSS), including the PCIDSS Cloud Computing Guidelines, Criminal Justice Information, The Family Educational Rights and Privacy Act

(FERPA), and Health Insurance Portability and Accountability Act (HIPAA); and

- v. Any requirements implemented by the State under N.C.G.S. §§ 143B-1376 and -1377.

8. Destruction:

a) At the conclusion of this MOA and upon request from the Plan, OSHR, including its subcontractors, shall destroy all Plan data in its possession using the guidelines outlined in the National Institute of Standards and Technology (“NIST”) Special Publication 800-88 Revision 1 (or most recent update) located at: <https://nvlpubs.nist.gov/nistpubs/SpecialPublication/NIST.SP.800-88r1.pdf>. After all data has been destroyed, an authorized representative of OSHR and each of its subcontractors with knowledge of the data destruction shall complete and return a Certificate of Data Sanitization provided by the Plan. This requirement shall survive the conclusion of the MOA.

**II. MOA Administrators**

**A. Plan MOA Administrator for day-to-day activities, Plan MOA Administrator for all MOA issues, and Plan HIPAA and Contract Compliance Coordinator are listed below:**

Plan MOA Administrator for day-to-day activities:

Caroline Smart  
Senior Director, Plan Integration  
North Carolina State Health Plan for Teachers and State Employees  
3200 Atlantic Avenue  
Raleigh, NC 27604  
Phone: (919) 814-4454  
Email: [Caroline.Smart@nctreasurer.com](mailto:Caroline.Smart@nctreasurer.com)

Plan MOA Administrator for all MOA issues:

Sharon Smith  
Manager of Contracting and Compliance  
North Carolina State Health Plan for Teachers and State Employees  
3200 Atlantic Avenue  
Raleigh, NC 27604  
Phone (919) 814-4432  
Email: [Sharon.Smith@nctreasurer.com](mailto:Sharon.Smith@nctreasurer.com)

Plan HIPAA and Contract Compliance Coordinator for all privacy related matters:

Chris Almberg  
HIPAA Privacy and Security Officer  
North Carolina State Health Plan for Teachers and State Employees

3200 Atlantic Avenue  
Raleigh, NC 27604  
Phone (919) 814-4428  
Email: [Chris.Almberg@nctreasurer.com](mailto:Chris.Almberg@nctreasurer.com)



**III. Access to Persons and Records:**

During and after the term of this MOA, the State Auditor, pursuant to N.C.G.S. § 147-64.7, and each Party's internal auditors shall have access to persons and records related to the MOA to, *inter alia*, verify accounts and data affecting fees or performance under the MOA.

**IV. Compliance with Laws:**

OSHR shall comply with all laws, ordinances, codes, rules, regulations, and licensing requirements that are applicable to the conduct of its business and its performance in accordance with the MOA, including those of federal, state, and local agencies having jurisdiction and/or authority.

**V. Term and Termination:**

- A. **Term:** This MOA is effective upon execution by both Parties and, unless terminated earlier, shall remain in effect until expiration or termination of the EES Contract between the Plan and Benefitfocus.
- B. **Termination by Mutual Consent:** This MOA may be terminated by mutual consent of the Parties documented in writing and duly executed by an authorized representative of each Party.
- C. **Termination without Cause:** This MOA may be terminated without cause by either Party upon ninety (90) days' written notice.
- D. **Termination for Cause:** This MOA may be terminated at any time by either Party, with cause, upon providing written notice of intent to terminate due to material breach of this MOA and allowing the breaching party no fewer than thirty (30) days to cure. If at the end of such 30-day period the breach has not been cured, the non-breaching Party may terminate immediately or, in the non-breaching Party's discretion, such later time upon written notice to the breaching Party.
- E. **Compensation in the Event of Termination:** In the event of termination, whether by mutual consent, without cause, or without cause, the Plan shall be entitled to receive just and equitable compensation for any work or services satisfactorily completed up through the effective date of termination but for which payment has not yet been made. Likewise, the Plan shall repay to OSHR any compensation it has received in excess of the compensation to which it is entitled as of that date.

**VI. Amendments:**

Upon mutual agreement, this MOA may be amended to change the duration, scope, terms, and/or responsibilities. Such agreement shall be memorialized in a writing executed by an authorized representative of each Party and incorporated as an Amendment to this MOA



**North Carolina State Health Plan for Teachers and State Employees**

By: Dee Jones  
Dee Jones, Executive Administrator

Signature Date: 10/5/2020

**Office of the State Treasurer**

By: Chris Farr  
Dale R. Folwell, CPA  
State Treasurer of North Carolina

Signature Date: 10/5/2020

**North Carolina Office of State Human Resources**

By: Glenda K. Farrell  
Glenda K. Farrell, Chief Deputy

Signature Date: 10/5/2020

[Attachment 1 – Business Associate Agreement (Example)]

## **ATTACHMENT A: BUSINESS ASSOCIATE AGREEMENT (EXAMPLE)**

This HIPAA Business Associate Agreement (“BAA”) is entered into between the North Carolina State Health Plan for Teachers and State Employees (“the Plan”), a division and covered healthcare component of the Department of State Treasurer (“DST”), and [INSERT COMPANY NAME] (hereinafter the “Contractor”), referred to as “Party” or collectively as “Parties.” This BAA is effective when signed by the parties and shall remain in effect for so long as the relationship between the Parties necessitates the use or disclosure of Protected Health Information (PHI).

### **BACKGROUND**

The Department of State Treasurer includes as a division the North Carolina State Health Plan for Teachers and State Employees. The Plan is a health benefit plan which, standing alone, would be a covered entity under the Health Insurance Portability and Accountability Act of 1996 (HIPAA). DST - which includes several divisions that do not qualify as covered entities and whose functions are not regulated by HIPAA - has designated itself a “hybrid entity.” The Parties believe that the relationship between Contractor and the Plan is such that Contractor is or may be a Business Associate within the meaning of the HIPAA Privacy and Security Rules.

The purpose of this BAA between Contractor and the Plan is to protect the Plan Member information in accordance with the HIPAA Privacy and Security Rules. The parties enter into this BAA with the intent to comply with HIPAA provisions that allow for 1) a covered healthcare component of a hybrid entity (the Plan) to disclose PHI to a business associate and 2) a business associate (Contractor) to create, maintain, transmit, or receive PHI on behalf of the Plan once the Plan obtains satisfactory assurances that Contractor will appropriately safeguard the information.

Specifically, Sections 261 through 264 of the Federal Health Insurance Portability and Accountability Act of 1996, Public Law 104-191, known as “the Administrative Simplification provisions,” direct the Department of Health and Human Services to develop standards to protect the security, confidentiality, and integrity of health information. The “Health Information Technology for Economic and Clinical Health” (“HITECH”) Act (Title XIII of Division A and Title IV of Division B of the American Recovery and Reinvestment Act of 2009 (Pub. L. 111-5)) modified and amended the Administrative Simplification provisions. Pursuant to the Administrative Simplification provisions, the Secretary of Health and Human Services (“Secretary”) issued regulations modifying 45 C.F.R. Parts 160 and 164 (the “HIPAA Rules”), as further amended by the Omnibus Final Rule (78 Fed. Reg. 5566), (hereinafter, the Administrative Simplification provisions, HITECH, such rules, amendments, and modifications, including any that are subsequently adopted, will be collectively referred to as “HIPAA”).

The Parties wish to enter into a contract through which Contractor will provide certain services and/or products to the Plan. Pursuant to such arrangement, Contractor may be considered a “business associate” of the Plan as defined by HIPAA in that Contractor may have access to Protected Health Information in fulfilling its responsibilities.

The Parties agree as follows:

## **I. GENERAL TERMS AND CONDITIONS**

- A. **Definitions:** Except as otherwise defined herein, any and all capitalized terms in this Section shall have the definitions set forth by HIPAA. In the event of an inconsistency between the provisions of this BAA and mandatory provisions of HIPAA, HIPAA shall control. Where provisions of this BAA are different from those mandated by HIPAA, but are nonetheless permitted by HIPAA, the provisions of this BAA shall control.
- B. **Ambiguous Terms:** In case of ambiguous, inconsistent, or conflicting terms within this BAA, such terms shall be resolved to allow for compliance with HIPAA.
- C. **Application of Civil and Criminal Penalties:** Contractor acknowledges that it is subject to 42 U.S.C. 1320d-5 and 1320d-6 in the same manner as such sections apply to a Hybrid Entity, to the extent that Contractor violates §§ 13401(a), 13404(a), or 13404(b) of the HITECH Act and 45 C.F.R. §164.502(e) and 164.504(e). Furthermore, Contractor is liable for the acts of their business associates under 45 C.F.R. §160.402(c).
- D. **Assignment:** Contractor shall not assign or transfer any right or interest in this BAA. Any attempt by Contractor to assign or transfer any right or interest in this BAA is void and has no effect.
- E. **Forum:** The laws of the State of North Carolina shall govern this BAA and any and all interpretations of this BAA. The venue for any claim, demand, suit, or causes of action shall be in the state and federal courts located in North Carolina.
- F. **Hybrid Entity:** HIPAA defines a hybrid entity as one that uses or discloses PHI for only a part of its business operations. DST has taken the designation of hybrid entity because it includes the Plan as a division.
- G. **Indemnification:** Any breaches of HIPAA or this BAA shall be subject to the Indemnification clause which can be found in Section 14, "General Indemnity of Attachment B, "North Carolina General Contract Terms and Conditions" of the Contract.
- H. **Regulatory References:** Any reference in this BAA to a federal or state statute or regulation (whether specifically or generally) means that statute or regulation which is in effect on the date of any action or inaction relating to the BAA section which refers to such statute or regulation.
- I. **Stricken Provisions:** In the event any portion of this BAA is determined by a court or other body of competent jurisdiction to be invalid or unenforceable, that portion alone will be deemed void, and the remainder of the BAA will continue in full force and effect.
- J. **Termination of BAA:** Except as otherwise provided below, either Party shall have the right to terminate this BAA and the Contract if either Party determines that the other Party

has violated any material term of this BAA. Upon either Party's belief of a material Breach of this BAA by the other Party, the non-breaching Party:

1. Shall give written notice of belief of material breach within a reasonable time after forming that belief. The non-breaching Party shall provide an opportunity for the breaching Party to cure the Breach or end the violation and, if the breaching Party does not cure the Breach or end the violation within the time specified by the non-breaching Party, the non-breaching Party may terminate this BAA and the Contract; or
2. May immediately terminate this BAA and the Contract if the breaching Party has breached a material term of this BAA and cure is not possible; or
3. Shall report the violation to the Secretary of the United States Department of Health and Human Services if neither termination nor cure is possible. The Plan shall abide by Federal reporting regulations.

**II. OBLIGATIONS AND ACTIVITIES OF BUSINESS ASSOCIATE**

- A. Contractor acknowledges and agrees that all Protected Health Information that is created, maintained, transmitted or received by the Plan, and disclosed or made available in any form, including paper record, oral communication, audio recording, and electronic display by the Plan or its operating units to Contractor, or PHI which, on behalf of the Plan, is created, maintained, transmitted or received by Contractor or a Subcontractor, shall be subject to this BAA. This obligation to protect the Plan Member privacy and to keep such PHI confidential survives the termination, cancellation, expiration, or other conclusion of the BAA as set forth below.
- B. Contractor agrees it is aware of and will comply with all provisions of HIPAA that are directly applicable to business associates.
- C. Contractor shall use or disclose any Protected Health Information solely as would be permitted by HIPAA if such use or disclosure were made by Covered Entity: (1) for meeting its obligations as set forth in the Data Use Agreement, or any other agreements between the Parties evidencing their business relationship, or (2) as required by applicable law, rule or regulation, or by accrediting or credentialing organization to whom Covered Entity is required to disclose such information or as otherwise permitted under this Agreement, the Data Use Agreement (if consistent with this Agreement and HIPAA), or HIPAA. All such uses and disclosures shall be subject to the limits set forth in 45 CFR § 164.514 regarding limited data sets and 45 CFR § 164.502(b) regarding the minimum necessary requirements.
- D. Contractor shall develop, document, implement, maintain, and use appropriate administrative, physical, and technical safeguards to prevent unauthorized use or disclosure of PHI, and to protect the integrity, availability, and confidentiality of that PHI. The safeguards that Contractor implements shall meet the requirements set forth by the United States Department of Health and Human Services including, but not limited to, any

requirements set forth in the HIPAA and North Carolina state law requirements as applicable.

- E. Contractor shall implement security policies and procedures and provide the Plan's HIPAA Privacy and Security Officer with a copy of such.
- F. Contractor agrees that if it enters into an agreement with any agent or subcontractor, under which PHI could or would be disclosed or made available to the agent or subcontractor, Contractor will have an appropriate BAA, that conforms to applicable law and is consistent with this Agreement, in place with the agent or subcontractor before any PHI is disclosed or made available to the agent or subcontractor.
- G. Contractor shall disclose to the Plan a list of any and all agents or subcontractors who have access to or use of PHI on behalf Contractor for the benefit of the Plan.
- H. If Contractor provides PHI created, maintained, transmitted, or received by the Plan to any agent or subcontractor, the agent or subcontractor shall agree that with respect to such information, the same restrictions and conditions that apply through this BAA to Contractor shall also apply to the agent or subcontractor.
- I. Contractor shall obtain and document "satisfactory assurances" of any agent or subcontractor to whom it provides PHI shared by Contractor on behalf of the Plan through a written contract or other agreement with Contractor that meets the requirements of 45 C.F.R. §164.504(e).
- J. Contractor agrees that if and to the extent it conducts in whole or part Standard Transactions on behalf of the Plan, Contractor shall comply, and shall require any and all agents or subcontractors involved with the conduct of such Standard Transactions to comply, with each applicable requirement of 45 C.F.R. Parts 160 and 162 and the HITECH Act as if they were the Plan. Contractor shall not enter into (or permit its agents or subcontractors to enter into) any trading partner contracts in connection with the conduct of Standard Transactions for or on behalf of the Plan that:
  - 1. Changes the definition, data condition, or use of data element or segment in Standard Transaction;
  - 2. Adds any data element or segment to the maximum defined data set;
  - 3. Uses any code or data element that is marked "not used" in the Standard Transaction's Implementation specification or is not in the Standard Transaction's Implementation specification; or
  - 4. Changes the meaning or intent of the Standard Transaction's implementation specification.

- K. At the request of the Plan and in a reasonable time and manner, Contractor shall provide access to PHI in a Designated Record Set (to the extent Contractor maintains PHI in a Designated Record Set) to the Plan, or (as directed by the Plan) to an individual or an individual's personal representative, for inspection and copy in order to meet obligations under 45 C.F.R. § 164.524. This paragraph applies only to that PHI that is in Contractor's care, custody, or control.
- L. At the request of the Plan or an Individual or that Individual's Personal Representative and in the time and manner requested, Contractor shall make any amendment(s) to PHI in a Designated Record Set (to the extent Contractor maintains PHI in a Designated Record Set) that the Plan directs or agrees to pursuant to 45 C.F.R. § 164.526. This paragraph applies only to the PHI that is in Contractor's care, custody, or control.
- M. Contractor agrees that the Plan shall have the right to audit Business Associates policies, procedures, and practices related to the use and disclosure of the Plan's PHI.

### **III. BREACH NOTIFICATION REQUIREMENTS**

- A. Upon discovery by Contractor of a suspected or actual breach of unsecured PHI, Contractor must notify the Plan's HIPAA Privacy and Security Officer ("PSO"), in writing, within three State Business Days. For purposes of this section "discovery" means having obtained knowledge in any manner from any source and in any form, including from an agent or subcontractor. See "Attachment A" for PSO contact information.
- B. If Contractor determines that a breach of unsecured PHI has occurred, Contractor shall provide written notice, on behalf of the Plan, without unreasonable delay, but no later than sixty days following the date the breach of unsecured PHI is discovered by Contractor, or such later date as is authorized under 45 C.F.R. §164.412, to:
  - 1. each individual whose unsecured PHI has been, or is reasonably believed by Contractor to have been, accessed, acquired, used, or disclosed as a result of the Breach; and
  - 2. the media, to the extent required under 45 C.F.R. §164.406.
- C. Contractor shall send notices to individuals using the last known address of the individual on file with Contractor, unless the individual has agreed to electronic notice as set forth in 45 C.F.R. §164.404. If the notice to any individual is returned as undeliverable, Contractor shall take such action as is required by the Breach Notification Rule.
- D. Contractor shall be responsible for the drafting, content, form, and method of delivery of each of the notices required to be provided by Contractor under this section. Contractor shall comply, in all respects, with 45 C.F.R. §164.404 and any other applicable notification provisions of the Breach Notification Rule, including without limitation 45 C.F.R. Part 164 Subpart D, Section 13402 of the HITECH Act and applicable state law, as interpreted by Contractor.

- E. Contractor notices must be reviewed by the Plan's PSO before being sent to State Health Plan Members.
- F. Any notices required to be delivered by Contractor shall be at the expense of Contractor; provided that Contractor has: 1) made the determination, in its sole discretion, that notices are required pursuant to this section; and 2) maintained control of the drafting, content, form, and method of distribution of the notices pursuant to this section.
- G. Contractor shall conduct any risk assessment necessary to determine whether notification is required and will maintain any related records in accordance with Contractor's internal policies and procedures and the applicable provisions of the Breach Notification Rule as interpreted by Contractor. The risk assessment must consider the nature and extent of the PHI involved, including the types of identifiers and the likelihood of re-identification; the unauthorized person who used the PHI or to whom the disclosure was made; whether the PHI was actually acquired or viewed; and the extent to which the risk to the PHI has been mitigated. The risk assessment must be thorough, conducted in good faith, and reach a reasonable conclusion. Contractor shall provide the Plan with a copy of the risk assessment or report.
- H. Contractor shall mitigate, to the extent practicable, any harmful effect that is known to Contractor of a use or disclosure of PHI by Contractor in violation of the requirements of this BAA. Contractor shall submit a formal report to the PSO (at the address listed in the signature block below) as soon as possible, but no later than within ten State Business Days from the time the Breach or Security Incident is discovered or initially reported or learns of such non-permitted use or disclosure. The formal report shall include, to the extent possible, the following:
  - 1. A brief description of what happened (identify the nature of the non-permitted use or disclosure), including the date of the breach and the date of the discovery of the Breach;
  - 2. A description of the types of unsecured PHI that were involved in the breach (e.g., Member's full name, Social Security number, date of birth, home address, account number, etc.);
  - 3. Identify who made the non-permitted use or disclosure;
  - 4. Identify who received the non-permitted use or disclosure;
  - 5. A brief description of what Contractor did or is doing to investigate the Breach;
  - 6. A brief description of what Contractor did or will do to mitigate any and all harmful effects and losses of the non-permitted use or disclosure;
  - 7. Identify what corrective action Contractor took or will take to prevent and protect against further breaches;

8. Identify the steps Members should take to protect themselves from potential harm resulting from the breach;
  9. Contact procedures for Members to ask questions or learn additional information, which shall include a toll-free telephone number, an e-mail address, Web site, or postal address; and
  10. In addition to a written report, provide such other information as the Plan may reasonably request.
- I. Contractor shall provide to the Plan or an Individual, in the reasonable time and manner requested by the PSO, information collected in accordance with Section III of this BAA, to permit the Plan to respond to a request by an Individual or that Individual's Personal Representative for an accounting of disclosures of PHI in accordance with 45 C.F.R. § 164.528.
  - J. Contractor shall provide the Plan with an annual report of all suspected or actual breaches of unsecured PHI by Contractor or by any agent or subcontractor of Contractor.

#### **IV. ACCOUNTING FOR DISCLOSURES AND SALE OF PHI**

- A. If applicable, Contractor shall comply with HITECH Act provisions regarding accounting for disclosures of PHI and Electronic Health Records (EHR).
- B. Contractor shall comply with the prohibition on the sale of EHR and PHI set forth in 42 U.S.C. § 17935(d).
- C. Contractor shall use and disclose PHI for marketing purposes only as expressly directed by the Plan, and in accordance with 42 U.S.C. § 17936(a).
- D. Contractor agrees that the Plan shall review all marketing materials given to, prepared, or assembled by Contractor prior to its disclosure in order to meet obligations under ARRA, Title XIII, Subtitle D, Section 13406 and 45 C.F.R. §§ 164.501, 164.508, and 164.514.

#### **V. PERMITTED USES AND DISCLOSURES BY CONTRACTOR**

- A. Except as otherwise limited in this BAA, Contractor may use or disclose PHI on behalf of, or to provide services to, the Plan as described in [*agreement description*].
- B. Except as otherwise limited in this BAA, Contractor may use PHI for the proper management and administration of Contractor or to carry out the legal responsibilities of Contractor.
- C. Except as otherwise limited in this BAA, Contractor may disclose PHI for the proper management and administration of the Contract, if disclosures are required by law; or if Contractor obtains reasonable assurances by means of a written agreement from the person



to whom the information is disclosed that it shall remain confidential and used or further disclosed only as required by law or for the purpose for which it was disclosed to the person. The person must notify Contractor of any instances it is aware of that the confidentiality of the information has been breached.

- D. To the extent provided for under the Contract, and except as otherwise limited in this BAA, Contractor may use PHI to provide Data Aggregation services to the Plan as permitted by 45 C.F.R. § 164.504(e)(2)(i)(B).
- E. Contractor may use PHI to report violations of law to appropriate federal and state authorities, as permitted by 45 C.F.R. § 164.502(j)(1).
- F. Contractor shall make internal practices, books, and records - including policies and procedures and PHI, relating to the use and disclosure of PHI received from, or created, maintained, transmitted or received by Contractor on behalf of the Plan - available to the PSO, or to the Secretary, in a time and manner requested or designated by the Secretary, for purposes of the Secretary determining the Plan's compliance with HIPAA.
- G. If an individual or an individual's personal representative requests an accounting of disclosures of PHI (in accordance with 45 C.F.R. § 164.528), Contractor shall provide documentation of disclosures of PHI (and information related to such disclosures) in the same manner as would be required of the Plan.
- H. Contractor shall make reasonable efforts to limit the use, disclosure, or request of PHI to the minimum necessary to accomplish the intended purpose of the use, disclosure, or request if performing any function or act on behalf of the Plan. 45 C.F.R. §164.502(b).
- I. Contractor shall be in compliance with the HIPAA minimum necessary provision (45 C.F.R. § 164.502) if it limits its uses, disclosures, or requests of PHI to a limited data set ("LDS") to the extent practicable or, if needed, to the minimum necessary to accomplish an intended purpose.
- J. The Minimum Necessary Standard does not apply to such uses, disclosures, and requests set forth in 45 C.F.R. § 164.502(b)(2).
- K. Contractor is prohibited from receiving direct or indirect remuneration (subject to certain enumerated exceptions) in exchange for any PHI of a Member, unless a valid authorization has been obtained from the Member in accordance with 45 C.F.R. § 164.508. A valid authorization includes, in accordance with such Section, a specification of whether the PHI can be further exchanged for remuneration by the entity receiving PHI of that Member.

**VI. OBLIGATIONS OF THE PLAN**

- A. The Plan shall notify Contractor of any limitation(s) in the Plan's notice of privacy practices in accordance with 45 C.F.R. § 164.520, to the extent that such limitation may affect Contractor's use or disclosure of PHI.

- B. The Plan shall notify Contractor of any changes in, or revocation of, permission by Individual to use or disclose PHI, to the extent that such changes may affect Contractor's use or disclosure of PHI.
- C. The Plan shall notify Contractor of any restriction to the use or disclosure of PHI that the Plan has agreed to in accordance with 45 C.F.R. § 164.522, to the extent that such restriction may affect Contractor's use or disclosure of PHI.
- D. The Plan shall not request that Contractor use or disclose PHI in any manner that would be impermissible by the Plan under HIPAA.

**VII. RETENTION AND DESTRUCTION OF RECORDS**

- A. **Retention Period:** Unless otherwise specified in this BAA, Contractor shall retain any and all documentation (including documentation in electronic form) required under 45 C.F.R. § 164.530(j)(1) for six years from the date of its creation or the date when it last was in effect, whichever is later. 45 C.F.R. §164.530(j)(2).
- B. **Return or Destruction of Records:** Upon termination, cancellation, expiration, or other conclusion of the BAA, Contractor shall:
  - 1. Return to the Plan or destroy any and all PHI, in whatever form or medium (including any electronic medium under Contractor's custody or control), that Contractor created or received from the Plan, or created or received while carrying out a function on behalf of the Plan. Such return or destruction shall occur in a reasonable time period, but no later than thirty days after the termination, cancellation, expiration, or other conclusion of the Contract and/or BAA.
    - a. **Guidelines for Destruction:** Contractor and its agents or subcontractors shall destroy PHI in accordance with the recommendations outlined by the National Institute of Standards and Technology (NIST) Special Publication 800-88 Revision 1, or the most current subsequent update.
    - b. **Certificate of Data Sanitization:** After all PHI has been destroyed, an authorized representative of Contractor with knowledge of the data destruction shall complete and return to the Plan an attestation of destruction supplied by the Plan no later than thirty days after the end of the BAA and/or Contract. Upon completion, Contractor shall return the attestation by email to the Manager of Contracts and Compliance, or designee, and mail the original to the Plan.
  - 2. If return or destruction of such information is not feasible, then Contractor shall extend the protections of this BAA to the information retained, and limit its further use or disclosure of such information to those purposes that make return or destruction of that information infeasible. Contractor shall sign an attestation as to why the information

cannot be returned or destroyed, and that the protections of this BAA will be extended to the retained information.

### **VIII. SECURITY OF PHI**

- A. Contractor shall comply with the provisions of 45 C.F.R. §§ 164.308, 164.310, 164.312, and 164.316 relating to implementation of administrative, physical, and technical safeguards with respect to Electronic PHI in the same manner that such provisions apply to a HIPAA Covered/Hybrid Entity.
- B. Contractor shall obtain security-related written assurances from HIPAA covered subcontractors by way of business associate agreements conforming to applicable law and consistent with the terms under this Agreement.
- C. Contractor shall implement and maintain policies and procedures for compliance with the Security Rule.
- D. Contractor shall follow all documentation and maintenance requirement under the Security Rule.
- E. Contractor shall also comply with any additional security requirements contained in the HITECH Act that are applicable to a HIPAA Covered/Hybrid Entity.

EXHIBIT 3

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**From:** Kendall Bourdon <[Kendall.Bourdon@nctreasurer.com](mailto:Kendall.Bourdon@nctreasurer.com)>  
**Sent:** Tuesday, November 22, 2022 10:46 AM  
**To:** Forsberg, Linda T <[linda.forsberg@nc.gov](mailto:linda.forsberg@nc.gov)>; Drew, Christopher J <[christopher.drew@nc.gov](mailto:christopher.drew@nc.gov)>  
**Cc:** Smart, Caroline W <[caroline.smart@nctreasurer.com](mailto:caroline.smart@nctreasurer.com)>; Farrell, Glenda K <[glenda.farrell@nc.gov](mailto:glenda.farrell@nc.gov)>; Thomas, Blake <[Blake.Thomas@nc.gov](mailto:Blake.Thomas@nc.gov)>; Jones, Dorothy C <[dee.jones@nctreasurer.com](mailto:dee.jones@nctreasurer.com)>; Heimbach, Joel N <[Joel.Heimbach@nctreasurer.com](mailto:Joel.Heimbach@nctreasurer.com)>  
**Subject:** RE: [External] Dental RFP

**CAUTION:** External email. Do not click links or open attachments unless you verify. Send all suspicious email as an attachment to [Report Spam](#).

Hi Linda,

I appreciate your reconsideration of the Dental Services RFP plan in light of the March 1<sup>st</sup> deadline. As the Plan has communicated repeatedly, the March 1, 2023 deadline is an absolute cutoff in order for BenefitFocus to implement a new vendor to go live January 1, 2024. Unfortunately, there is no flexibility in this timeline within which to negotiate a compromise. Thank you for your understanding.

Respectfully,  
Kendall

---

**From:** Forsberg, Linda T <[linda.forsberg@nc.gov](mailto:linda.forsberg@nc.gov)>  
**Sent:** Tuesday, November 15, 2022 2:32 PM  
**To:** Kendall Bourdon <[Kendall.Bourdon@nctreasurer.com](mailto:Kendall.Bourdon@nctreasurer.com)>; Drew, Christopher J <[christopher.drew@nc.gov](mailto:christopher.drew@nc.gov)>  
**Cc:** Caroline Smart <[Caroline.Smart@nctreasurer.com](mailto:Caroline.Smart@nctreasurer.com)>; Farrell, Glenda K <[glenda.farrell@nc.gov](mailto:glenda.farrell@nc.gov)>; Thomas, Blake <[Blake.Thomas@nc.gov](mailto:Blake.Thomas@nc.gov)>  
**Subject:** RE: [External] Dental RFP

Hi Kendall,

The post-Covid trends for all dental plans are very volatile right now. The current RFP timeline is already aggressive to get fully insured rates 8 months in advance of the effective date with the current dental market showing record claims and the claims data being old, much less asking a vendor to guarantee rates with a whole year of current claims data and enrollment data that would not be accounted for in the 1/1/25 timeline. This timeframe may work for a self-insured TPA contract, but it does not work for fully insured vendors.

In an attempt to meet your requested timeline of March 1, we will tighten our RFP deadlines, but we cannot guarantee an award by March 1. Please keep in mind, that our NCFlex files are far less complicated and do not need the same amount of time to implement as the health plan. Benefitfocus has integrations with most of larger national dental vendors. Implementation timelines are greatly reduced when one of these carriers is selected and is 90 days or less.

Let's discuss a compromise. There needs to be some flexibility, especially in light of the fact that NCFlex pays almost \$2 million per year of the health plan's administrative cost for the Benefitfocus platform.

Linda

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**From:** Kendall Bourdon <[Kendall.Bourdon@nctreasurer.com](mailto:Kendall.Bourdon@nctreasurer.com)>  
**Sent:** Thursday, November 10, 2022 12:29 PM  
**To:** Drew, Christopher J <[christopher.drew@nc.gov](mailto:christopher.drew@nc.gov)>  
**Cc:** Forsberg, Linda T <[linda.forsberg@nc.gov](mailto:linda.forsberg@nc.gov)>; Smart, Caroline W <[caroline.smart@nctreasurer.com](mailto:caroline.smart@nctreasurer.com)>  
**Subject:** [External] Dental RFP

**CAUTION:** External email. Do not click links or open attachments unless you verify. Send all suspicious email as an attachment to [Report Spam](#).

Good afternoon,

The Plan is aware of NCFlex's current dental RFP, targeted for release December 15, 2022. Notably, we are bringing to your awareness a significant problem with OSHR's intention to award by April 1, 2023. We are alerting you that this timeframe cannot be operationalized. March 2023 is the cutoff for the Plan and BenefitFocus to implement a new vendor to go live January 1, 2024. This is not a flexible deadline. Please reconsider your RFP plans to either (1) award prior to March 1, 2023 to begin the implementation process immediately on March 1<sup>st</sup>; or, (2) extend your current contract for the 2024 benefit year to allow this current RFP to begin services January 1, 2025.

Thank you,

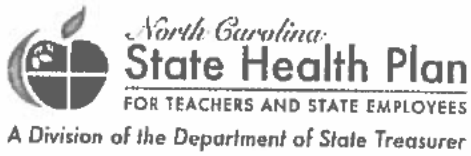
Kendall

**Kendall M. Bourdon**

*Director of Contracting and Compliance*  
State Health Plan  
Office: (919) 814-4411

3200 Atlantic Avenue, Raleigh, NC 27604  
[www.SHPNC.org](http://www.SHPNC.org)





*Dale R. Folwell, CPA*  
STATE TREASURER OF NORTH CAROLINA  
DALE R. FOLWELL, CPA

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**EXHIBIT 4**



*North Carolina*  
**State Health Plan**  
 FOR TEACHERS AND STATE EMPLOYEES

*A Division of the Department of State Treasurer*

**Invoice Number: SHP202306.1**

**Invoice Date: 7/18/2023**

North Carolina Office of State Human Resources  
 116 West Jones Street  
 Raleigh, NC 27603

*Remit to:*  
 North Carolina State Health Plan for Teachers and State Employees  
 3200 Atlantic Avenue  
 Raleigh, NC 27604

Description	Benefitfocus Invoice #	NCFlex Enrollment	PSPM Rate	Amount	Subtotals
<b>NCFlex Enrollment</b> NC Flex count - 116,297- Invoice Date 6/12/2023 Service Period: 5/01/23 - 5/31/23	90447	116,297	1.345	\$156,419.47	<b>\$156,419.47</b>
<b>ITedium COBRA Admin Fees</b>	8762076	116,234	0.11	\$12,785.74	<b>\$12,785.74</b>
<b>Monthly Admin Fee</b> Jun-23				\$1,000.00	<b>\$1,000.00</b>
				<b>CURRENT TOTAL</b>	<b>\$170,205.21</b>

***Payment Due Within 30 Days***





*North Carolina*  
**State Health Plan**

FOR TEACHERS AND STATE EMPLOYEES

*A Division of the Department of State Treasurer*

**Invoice Number: SHP202307.1**

**Invoice Date: 7/31/2023**

North Carolina Office of State Human Resources  
 116 West Jones Street  
 Raleigh, NC 27603

*Remit to:*  
 North Carolina State Health Plan for Teachers and State Employees  
 3200 Atlantic Avenue  
 Raleigh, NC 27604

Description	Benefitfocus Invoice #	NCFlex Enrollment	PSPM Rate	Amount	Subtotals
<b>NCFlex Enrollment</b> NC Flex count - 116,234- Invoice Date 7/24/2023 Service Period: 6/01/23 - 6/30/23	91177	116,234	1.345	\$156,334.73	<b>\$156,334.73</b>
<b>ITedium COBRA Admin Fees</b>	8762076	116,234	0.11	\$12,785.74	<b>\$12,785.74</b>
<b>Monthly Admin Fee</b> Jul-23				\$1,000.00	<b>\$1,000.00</b>
				<b>CURRENT TOTAL</b>	<b>\$170,120.47</b>

***Payment Due Within 30 Days***



*North Carolina*  
**State Health Plan**  
 FOR TEACHERS AND STATE EMPLOYEES

*A Division of the Department of State Treasurer*

**Invoice Number: SHP202308.1**

**Invoice Date: 8/18/2023**

North Carolina Office of State Human Resources  
 116 West Jones Street  
 Raleigh, NC 27603

*Remit to:*  
 North Carolina State Health Plan for Teachers and State Employees  
 3200 Atlantic Avenue  
 Raleigh, NC 27604

Description	Benefitfocus Invoice #	NCFlex Enrollment	PSPM Rate	Amount	Subtotals
<b>NCFlex Enrollment</b> NC Flex count - 115,949- Invoice Date 8/9/2023 Service Period: 7/01/23 - 7/31/23	91667	115,949	1.345	\$155,951.41	<b>\$155,951.41</b>
<b>ITedium COBRA Admin Fees</b>	8812654	115,949	0.11	\$12,754.39	<b>\$12,754.39</b>
<b>Monthly Admin Fee</b> Aug-23				\$1,000.00	<b>\$1,000.00</b>
				<b>CURRENT TOTAL</b>	<b>\$169,705.80</b>

***Payment Due Within 30 Days***



*North Carolina*  
**State Health Plan**

FOR TEACHERS AND STATE EMPLOYEES

*A Division of the Department of State Treasurer*

**Invoice Number: SHP202309.1**

**Invoice Date: 9/18/2023**

North Carolina Office of State Human Resources  
 116 West Jones Street  
 Raleigh, NC 27603

*Remit to:*  
 North Carolina State Health Plan for Teachers and State Employees  
 3200 Atlantic Avenue  
 Raleigh, NC 27604

Description	Benefitfocus Invoice #	NCFlex Enrollment	PSPM Rate	Amount	Subtotals
<b>NCFlex Enrollment</b> NC Flex count - 115,884 - Invoice Date 9/12/2023 Service Period: 8/01/23 - 8/31/23	92308	115,884	1.345	\$155,863.98	<b>\$155,863.98</b>
<b>ITedium COBRA Admin Fees</b>	8864232	115,884	0.11	\$12,747.24	<b>\$12,747.24</b>
<b>Monthly Admin Fee</b> Sep-23				\$1,000.00	<b>\$1,000.00</b>
				<b>CURRENT TOTAL</b>	<b>\$169,611.22</b>

***Payment Due Within 30 Days***



*North Carolina*  
**State Health Plan**

FOR TEACHERS AND STATE EMPLOYEES

*A Division of the Department of State Treasurer*

Invoice Number: SHP202310.1

Invoice Date: 11/1/2023

North Carolina Office of State Human Resources  
116 West Jones Street  
Raleigh, NC 27603

*Remit to:*  
North Carolina State Health Plan for Teachers and State Employees  
3200 Atlantic Avenue  
Raleigh, NC 27604

Description	Benefitfocus Invoice #	NCFlex Enrollment	PSPM Rate	Amount	Subtotals
<b>NCFlex Enrollment</b> NC Flex count - 116,684 - Invoice Date 10/16/2023 Service Period: 9/01/23 - 9/30/23	93097	116,684	1.345	\$156,939.98	\$156,939.98
<b>ITedium COBRA Admin Fees</b>	8907491	116,684	0.11	\$12,835.24	\$12,835.24
<b>Video Services</b> NC Flex and Open Enrollment	92487			\$4,800.00	\$4,800.00
<b>Monthly Admin Fee</b> OCT-23				\$1,000.00	\$1,000.00
				<b>CURRENT TOTAL</b>	<b>\$175,575.22</b>

**Payment Due Within 30 Days**



*North Carolina*  
**State Health Plan**

FOR TEACHERS AND STATE EMPLOYEES

*A Division of the Department of State Treasurer*

Invoice Number: SHP202311.1

Invoice Date: 11/15/2023

North Carolina Office of State Human Resources  
 116 West Jones Street  
 Raleigh, NC 27603

*Remit to:*  
 North Carolina State Health Plan for Teachers and State Employees  
 3200 Atlantic Avenue  
 Raleigh, NC 27604

Description	Benefitfocus Invoice #	NCFlex Enrollment	PSPM Rate	Amount	Subtotals
<b>NCFlex Enrollment</b> NC Flex count - 116,728 - Invoice Date 11/13/2023 Service Period: 10/01/23 - 10/31/23	93747	116,728	1.345	\$156,999.16	<b>\$156,999.16</b>
<b>iTedium COBRA Admin Fees</b>	9113062	116,728	0.11	\$12,840.08	<b>\$12,840.08</b>
<b>Video Services</b> NC Flex Accident Plan	92572			\$9,500.00	<b>\$9,500.00</b>
<b>Monthly Admin Fee</b> Nov-23				\$1,000.00	<b>\$1,000.00</b>
				<b>CURRENT TOTAL</b>	<b>\$180,339.24</b>

**Payment Due Within 30 Days**