

Exhibit 34

Message

From: Lotta Crabtree [/O=NCDST/OU=ALBEMARLE1/CN=RECIPIENTS/CN=LOTTA.CRABTREE]
Sent: 7/27/2016 11:40:41 AM
To: Mona Moon [Mona.Moon@nctreasurer.com]
Subject: RE: Bullet points for the BOT
Attachments: rtf-body.rtf; Information for the BOT.docx; image001.jpg; image002.png; image003.png; image004.png

See highlights for the information I have added to address your points. Thanks.

From: Mona Moon
Sent: Monday, July 25, 2016 9:48 AM
To: Lotta Crabtree
Subject: FW: Bullet points for the BOT

Looks good - and one page! I think it might be helpful to add a point or two noting the requirements we are moving forward with (grievance policy, taglines) and what requires Board approval (elimination of the categorical exclusions).

Let me know what you hear from Blake. Thanks!

From: Lotta Crabtree
Sent: Friday, July 22, 2016 4:56 PM
To: Mona Moon <Mona.Moon@nctreasurer.com <mailto:Mona.Moon@nctreasurer.com> >; Blake Thomas <Blake.Thomas@nctreasurer.com <mailto:Blake.Thomas@nctreasurer.com> >
Subject: Bullet points for the BOT

Attached are the bullet points I have pulled together...this seems like a lot of words...let me know if you think we need a different format. Thanks.

Lotta Crabtree
Deputy Executive Administrator & Legal Counsel
State Health Plan
Phone: (919) 814-4414

3200 Atlantic Avenue, Raleigh, NC 27604
www.shpnc.org <<http://www.shpnc.org/>>

<<https://twitter.com/nctreasurer>> <<http://www.facebook.com/shpnc>>
<<https://shp.nctreasurer.com/AboutSHP/connect/Pages/Sign-Up-for-Member-Focus.aspx>>

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Affordable Care Act – Section 1557 Final Rule

The Rule

- The final rule on Section 1557 of the ACA was issued May 18, 2016.
- Section 1557 prohibits discrimination based on race, color, national origin, sex, age or disability in certain health programs and activities.
- The rule applies to any health program or activity, any part of which receives funding from the Department of Health and Human Services (DHHS).
- The rule applies to the State Health Plan (Plan) which receives a retiree drug subsidy from DHHS for its Medicare Retirees covered under the Traditional 70/30 plan. The Plan received \$19.5 million last year.
- Individuals participating in the Plan may file a grievance with the Plan, the Office of Civil Rights (OCR), and have a private right of action to sue for violations of the rule.
- If OCR finds noncompliance it may require remedial action and has the ability to reduce or eliminate any financial assistance, and refer the matter to the Department of Justice for litigation.
- The rule requires covered entities to take reasonable steps to provide meaningful access to each individual with limited English proficiency to be served or likely to be encountered in their health programs and activities.
- The rule requires covered entities to make all programs and activities provided through electronic and information technology accessible; ensure physical accessibility of newly constructed or altered facilities; and to provide appropriate auxiliary aids and services for individuals with disabilities.
- The rule requires that women be treated equally in the health care they receive and also prohibits the denial of health care or health coverage based on an individual's sex, including discrimination based on pregnancy, gender identity, and sex stereotyping. Must treat individuals consistent with their gender identity.
- To the extent the rules require changes to health plan benefit design, such provisions have an applicability date of the first day of the first plan year beginning on or after January 1, 2017.

Implications for the State Health Plan

- Must have a grievance procedure and a compliance coordinator to intake and review complaints of discrimination. This has been completed and posted to the Plan's website. Chris Almberg, the Plan's compliance officer will also serve as the compliance coordinator.
- Must post notices of nondiscrimination and taglines that alert individuals with limited English proficiency to the availability of language assistance services. Required notices will be included in all future printed materials.
- Cannot deny health coverage solely on the basis of gender identity.
- Cannot categorically exclude all health services related to gender identity.
- Cannot categorically exclude all health services related to gender transition. The Plan's benefits currently contain the following categorical exclusions:
 - Treatment or studies leading to or in connection with sex changes or modifications and related care
 - Psychological assessment and psychotherapy treatment in conjunction with proposed gender transformation
- Removal of the above categorical exclusions will be a benefit change and will require BOT approval.
- Cannot deny or limit coverage based solely on the fact that the person identifies as belonging to a gender different from the sex assigned at birth.
- Must ensure that the Plan is administered with respect to services or treatments related to gender identity consistent with the generally applicable and neutral terms of the Plan.

Exhibit 35

November 1, 2016

Mr. Stuart Wohl
The Segal Company
1920 N Street N.W., Suite 400
Washington, D.C., 20036-1659

Subject: Letter of Agreement (LOA) for Assistance Related to Compliance with Section 1557 of the ACA.

Dear Stuart:

The State Health Plan for Teachers and State Employees (Plan) wishes to engage The Segal Company (Segal) to provide support regarding the Plan's compliance with Section 1557 of the Patient Protection and Affordable Care Act (ACA) pursuant to Section V.B.3.4.3 of the Actuarial and Analytical and Health Benefits Consulting Services Contract (Contract).

Section 1557 of the ACA prohibits discrimination on the basis of disability, race, color, national origin, language, age, sex, sexual identity (transgender), and sexual orientation in health programs and activities. No later than October 17, 2016, Section 1557 Covered Entities must assure that protected individuals have equal access to benefits under this law. The purpose of this LOA is to state the terms to which Segal will provide assistance to the Plan related to the Plan's compliance with Section 1557. The total cost of this engagement will not exceed \$36,744.00.

The Parties agree as follows:

A. Term

This LOA is effective upon execution and will terminate upon the Plan's acceptance of the final audit report and the final draft vendor questionnaire, unless otherwise terminated by the Plan.

B. Obligations of Segal:

1. Provide the services described in the 1557 Compliance Assistance Letter (Letter) dated October 31, 2016, labeled and attached as Exhibit One. All services, deliverables, terms and conditions described in the Letter, unless modified by this LOA, are incorporated into this LOA as though originally a part thereof.
2. Invoice the Plan for the services provided under this LOA as provided in the Contract under Section VII of the Contract and the Letter. Each invoice shall reflect actual billable hours incurred at the rates established in the Contract.

C. Obligations of the Plan:

The Plan will reimburse for approved services performed by the Segal team proposed in the attached Exhibit One, up to a maximum of thirty-six thousand, seven hundred forty-four dollars (\$36,744.00) based on actual hours incurred by skill level/title at the hourly rates established in the Contract and the subcontractor fee quoted in the Letter.

D. General Terms and Obligations

1. The Parties may modify or establish additional agreed upon due dates for any service or deliverable provided under this LOA as required by the Plan.
2. The Plan must approve, in writing, any revision in fees or changes in scope of work, deliverables, or key personnel for this project prior to the services being rendered. Key personnel includes only those individuals specifically named in the Letter; however, Segal may invoice the Plan for other staff or skill levels assisting in the development of material, assembly of information, or providing required services without prior notice to the Plan, provided the total cost of services performed by Segal personnel and approved subcontractors does not exceed the amount specified in Section C of this LOA.
3. The Letter notes that due to the specialized nature of this engagement Segal proposes using Federal Compliance Consulting, LLC as a subcontractor for this project. Pursuant to Section IV.OO of the Contract, the Plan approves the use of Federal Compliance Consulting, LLC as a subcontractor for this project.
4. Revisions to the due dates for submission of deliverables, as specified in the Letter, may be communicated and approved via email between the Plan's Deputy Executive Administrator and Legal Counsel, Lotta Crabtree, and Segal's Senior Vice President (SVP) and Account Manager, Stuart Wohl. Any other revisions must be approved by the Plan's Executive Administrator.
5. Except as otherwise provided in this LOA, all of the other terms and conditions of the Contract shall apply.

The remainder of this page is intentionally left blank. See following page.)

Stuart Wohl
November 1, 2016
Page 3 of 3

Please indicate your acknowledgment and acceptance to the above terms by signing below.

Sincerely,



Mona M. Moon
Executive Administrator
North Carolina State Health Plan for Teachers and State Employees

Acceptance:



Stuart Wohl
Senior Vice President
The Segal Company, Inc.

11/14/2016

Date

Exhibit 36

MEMORANDUM

To: Mona Moon

From: Kirsten R. Schatten, ASA, MAAA
Kenneth C. Vieira, FSA, MAAA

Date: November 29, 2016

Re: Transgender Cost Estimate

Section 1557 of the ACA prohibits discrimination in health programs on the basis of age, race, sex, national origin, color, or disability. We have attached Segal's publication in June 2016 that provides additional details and supporting documentation. It is likely that you are subject to the law ("covered entities"), because the State has a Medicaid program that receives federal funding from the Department of HHS and you also receive federal HHS funding from the RDS program. Plans must provide coverage for transgender health care no later than plan years beginning on or after 1-1-17. This includes removing exclusions for gender identity treatment.

This brief memo is focused on the calculation of potential cost impact to the North Carolina State Health Plan. Please note that there is a lack of information and data to provide specific information on estimated cost to the Plan. Therefore, we have provided a range of estimates based on potential utilization information gathered from research and treatment cost estimates from BCBSNC. Please also note there are wide variations in some of these studies, and past experience from various counties that have provided coverage long enough to have data to review have shown the prior estimates to be overstated.

Key Assumptions

Three key assumptions drive our cost estimates: prevalence of transgender members, percentage of those who seek benefits (including surgery) and the cost of the various treatment options.

Prevalence – According to the Centers for Disease Control and Prevention (CDC) 2015 Behavioral Risk Factor Surveillance System (BRFSS), approximately 0.58% of adults in the United States self-identify as transgender. This has increased slightly from 2014 & 2013.

The Williams Institute in June of 2016 published a paper entitled "How Many Adults Identify as Transgender in the United States?" which goes a little further by drilling down on prevalence by state and also providing ranges. This paper estimated a prevalence range of 0.35% to 1.03% for North Carolina.

Percentage Who Seek Benefits – Those seeking benefits is difficult to predict since a new benefit may alter past patterns. One study was published by Olyslager, F. & Conway, L. (September 2007) entitled "On the Calculation of the Prevalence of Transsexualism." This paper was presented at the WPATH 20th International Symposium, Chicago, Illinois. This study from 2007 estimates that, of those who identify as transgender, between 0.1% and 0.5% have taken some steps to transition from one gender to another.

NCSHP membership from age 18 to 64 is approximately 472,000. Applying the prevalence and utilization assumptions above, we would expect 8 to 24 members to use transgender benefits.

For those who seek benefits, the vast majority of cost comes from members choosing to have gender reassignment surgery. There are a couple of sources we found (Mohammed A. Memon, MD; February 22, 2016; “Gender Dysphoria and Transgenderism: Epidemiology” Medscape, as well as HealthResearchFunding.Org) that site prevalence rates for adults seeking reassignment surgery of 1 in 30,000 for males and 1 in 100,000 for females. Using these statistics, we would expect 6 males and 3 females in our expected scenario, and we have applied a range of +/- 50% to get a range of 6-13 adults in total.

Cost of Treatment – Information was provided at a very high level from BCBSNC. Their pricing analysis was based entirely on external studies and sources, so they caution that this may differ from what Dr. McCauley or others may say—

- For male to female surgery they assumed roughly \$28K, with \$3,600 in hormonal therapy
- For female to male surgery they assumed about \$56K, with \$7,200 in hormonal therapy

They also noted that there would be fairly substantial counseling costs associated with the surgery—roughly \$10K in a given year.

No other cost estimates were provided.

Financial Impact

Using the above, we have estimated the annual cost to range from \$350,000 to \$850,000. The costs are highly variable based on the assumptions described above. Below is brief summary;

		Prevalence		Estimated Cost	Cost Estimate	
		Low	High		Low	High
Surgical Benefits	Male	3.89	8.76	\$ 41,600	\$ 161,918	\$ 364,316
Surgical Benefits	Female	1.98	4.46	\$ 73,200	\$ 145,195	\$ 326,688
Surgical Benefits	Total	5.88	13.22	\$ 52,267	\$ 307,113	\$ 691,004
Non-Surgical Benefits	Male/Female	2.40	11.12	\$ 15,400	\$ 36,900	\$ 171,288
Total Using Benefits	Male/Female	8.27	24.34		\$ 344,013	\$ 862,292
Adult Members					472,682	
Total PMPM					\$ 0.06	\$ 0.15

There are a few other sources we found and reviewed that provide similar information and would bring us to a similar range of cost estimates. Based on approximately \$3.2 billion of premiums, the cost for NCSHP is estimated to be 0.011% to 0.027% of premium.

Exhibit 37

From: Schorr Johnson <Schorr.Johnson@nctreasurer.com>
Sent: Tue, 29 Nov 2016 09:05:01 -0500
To: Lotta Crabtree <Lotta.Crabtree@nctreasurer.com>
CC: Blake Thomas <Blake.Thomas@nctreasurer.com>, Mona Moon <Mona.Moon@nctreasurer.com>, Brad Young <Brad.Young@nctreasurer.com>
Subject: Re: 1557 draft statement

I like version 2 and think we need to have the outside counsel reference since we know the incoming Treasurer opposes this and will likely speak out.

Thanks,

Schorr

On Nov 29, 2016, at 8:44 AM, Lotta Crabtree <Lotta.Crabtree@nctreasurer.com> wrote:

I am not sure why we reference outside counsel since the rule is clear about action as it relates to benefit changes. Otherwise, I am good with either version. Thanks.

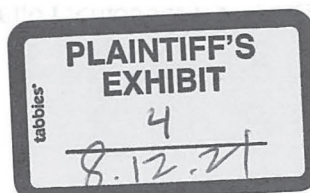
From: Blake Thomas
Sent: Tuesday, November 29, 2016 7:38 AM
To: Schorr Johnson; Mona Moon; Lotta Crabtree; Brad Young
Subject: RE: 1557 draft statement

Two versions of the message below for your consideration. The first version is just a small tweak. The second version adds a sentence noting that several states with conservative governance have already taken the action that the Plan is considering on Friday. I prefer the second version of the message, but would be fine with either.

Version 1 (small tweak)

"The State Health Plan Board of Trustees will be voting on complying with the federal Department of Health and Human Services final rule interpreting section 1557 of the Affordable Care Act. **The Plan's outside legal counsel determined this rule requires action by the Plan on or before January 1, 2017. If the Plan does not take action to comply,** the Plan risks losing millions of dollars in federal funding and could face discrimination lawsuits for non-compliance."

Version 2 (notes what other states are doing)



PLAN DEF0016424

"The State Health Plan Board of Trustees will be voting on complying with the federal Department of Health and Human Services final rule interpreting section 1557 of the Affordable Care Act. The Plan's outside legal counsel determined this rule requires action by the Plan on or before January 1, 2017. **States such as Indiana, Wyoming, Wisconsin, and Kentucky have already taken this compliance action.** If the Plan does not take action to comply, the Plan risks losing millions of dollars in federal funding and could face discrimination lawsuits for non-compliance."

--Blake

From: Schorr Johnson
Sent: Monday, November 28, 2016 4:15 PM
To: Mona Moon; Lotta Crabtree; Blake Thomas; Brad Young
Subject: RE: 1557 draft statement

I'm good with that. Blake?

"The State Health Plan Board of Trustees will be voting on complying with the federal Department of Health and Human Services final rule interpreting section 1557 of the Affordable Care Act, which the Plan's outside legal counsel determined must take effect before January 1, 2017. The Plan risks losing millions of dollars in federal funding **and could face discrimination lawsuits for non-compliance.**"

From: Mona Moon
Sent: Monday, November 28, 2016 2:47 PM
To: Schorr Johnson; Lotta Crabtree; Blake Thomas; Brad Young
Subject: RE: 1557 draft statement

Schorr, we also risk being sued by members who think our coverage is discriminatory. Should that be noted as well?

From: Schorr Johnson
Sent: Monday, November 28, 2016 2:27 PM
To: Mona Moon <Mona.Moon@nctreasurer.com>; Lotta Crabtree

PLAN DEF0016425

<Lotta.Crabtree@nctreasurer.com>; Blake Thomas <Blake.Thomas@nctreasurer.com>;
Brad Young <Brad.Young@nctreasurer.com>
Subject: 1557 draft statement

DRAFT STATEMENT (if we get press questions prior to Friday's meeting)—edit at will.
Separately, we will draft a statement from Treasurer Cowell for after the vote.

"The State Health Plan Board of Trustees will be voting on complying with the federal Department of Health and Human Services final rule interpreting section 1557 of the Affordable Care Act, which the Plan's outside legal counsel determined must take effect before January 1, 2017. The Plan risks losing millions of dollars in federal funding for non-compliance."

Background:

<http://www.hhs.gov/about/news/2016/05/13/hhs-finalizes-rule-to-improve-health-equity-under-affordable-care-act.html>

From DHHS:

"Under the final rule, categorical coverage exclusions or limitations for all health services related to gender transition are discriminatory. Also, a covered entity cannot deny or limit coverage, deny or limit a claim, or impose additional cost sharing or other limitations or restrictions, for any specific health services related to gender transition if such denial, limitation or restriction results in discrimination against a transgender individual."
[<http://www.hhs.gov/civil-rights/for-individuals/section-1557/1557faqs/index.html>]

PLAN DEF0016426

Exhibit 38

From: Mona Moon <Mona.Moon@nctreasurer.com>
Sent: Thu, 01 Dec 2016 11:30:05 -0500
To: Beth Horner <Beth.Horner@nctreasurer.com>, Lotta Crabtree <Lotta.Crabtree@nctreasurer.com>
Subject: RE: Inclusion of Sex Change Surgery on Plan?

My edit. Lotta may have others...

I think it's fine to send the response and copy the BOT members DST addresses.

From: Beth Horner
Sent: Thursday, December 01, 2016 11:04 AM
To: Lotta Crabtree <Lotta.Crabtree@nctreasurer.com>; Mona Moon <Mona.Moon@nctreasurer.com>
Subject: FW: Inclusion of Sex Change Surgery on Plan?

We received this inquiry in our PPO box. I'm sure it's not the last. I drafted the response below, see if you think it's appropriate and if you in fact want us to forward to board members.

Thank you for contacting the State Health Plan. Your concerns and feedback will be shared with the Plan's Board of Trustees. Currently, the Plan does not cover treatment of gender dysphoria which includes treatment or studies leading to or in connection with sex changes or modifications and related care or the psychological assessment and psychotherapy treatment in conjunction with proposed gender transformation.

However, the Plan's Board of Trustees will be voting this Friday, December 2, on removing these exclusions and offering this coverage effective January 1, 2017, **as required by Federal law and to preserve federal Retiree Drug Subsidy funds received by the Plan**. If the Board votes to remove these exclusions, utilization management policies will apply to transition surgery and the Plan will follow Blue Cross and Blue Shield of North Carolina's medical policy. Board materials are available on the Plan's [website](#) for review if you're interested in reviewing the proposed benefit changes regarding this coverage.

Thank you—

From: Jane Schairer

Sent: Thursday, December 01, 2016 9:19 AM
To: Beth Horner <Beth.Horner@nctreasurer.com>
Cc: PPO Inquiries (SHPNC) <PPO.Inquiries@nctreasurer.com>
Subject: FW: Inclusion of Sex Change Surgery on Plan?

Please see the inquiry below.....can you please provide some language for us to use regarding inquiries from members who are unhappy with the proposed benefit change.

Thanks!

Jane

From: PPO Inquiries (SHPNC)
Sent: Thursday, December 01, 2016 9:14 AM
To: Jane Schairer <Jane.Schairer@nctreasurer.com>
Subject: FW: Inclusion of Sex Change Surgery on Plan?

From: wjames2711 [<mailto:wjames2711@bellsouth.net>]
Sent: Thursday, December 01, 2016 9:05 AM
To: PPO Inquiries (SHPNC) <PPO.Inquiries@nctreasurer.com>
Subject: Inclusion of Sex Change Surgery on Plan?

Sirs:

I understand that there is a rumor afoot that the state authorities are recommending that sex change surgery be part of the coverage included in the State Employees Health Plan. If this rumor is correct, I can think of no more frivolous, wasteful, or absurd use of taxpayers' money! As a retiree who pays for his spouse's coverage, I see nothing but higher premiums for participants and heavier burdens for the taxpayer if the plan is expanded to include such nonsense.

There is serious medical and psychiatric opinion against the practice of sex change surgery. I call sex-changing just plain insane. Were we to live in a sane age, there would be no question of such a judgment.

Sincerely,

W. E. James

Reidsville