

DEPARTMENT OF FINANCE AND ADMINISTRATION
DIVISION OF BENEFITS ADMINISTRATION

STATE INSURANCE COMMITTEE DECISIONS REPORT

DELIVERED PURSUANT TO SECTION 5 PART A OF
THE COUNCIL ON PENSIONS AND INSURANCE
STATE INSURANCE COMMITTEE POLICY
DOCUMENT AS REFERENCED IN TCA 8-27-
203(A)(3)

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DECISIONS MADE MAY 26TH, 2017

Benefit Design, Funding Structures and Services Provided Under the Plan

Director Lee and representatives from Aon Hewitt, the state's qualified independent actuary, gave a presentation on proposed benefit changes for 2018 to the State Insurance Committee. The proposals were as follows:

The wellness requirement for access to any plan should be eliminated. Therefore, no wellness activities are required and no wellness premium incentive/HSA incentive or surcharge should be placed on any plan. The Committee should offer a wellness program with incentives for members of any plan based on the completion of certain wellness activities.

The plans should continue to offer disease management and lifestyle management on a voluntary basis.

The plans should cover proton beam therapy using the Medicare local coverage determination policy applied in Tennessee at reimbursement rates similar to conventional radiation therapies such as intensity-modulated radiation therapy (IMRT).

The Partnership PPO Plan should be renamed the Premier PPO Plan and remain the highest valued plan. The change in name reflects the elimination of the wellness "Partnership Promise." The Standard PPO Plan and the Consumer Directed Health Plan should remain in place.

There should be a reduction in the HSA contribution in the CDHP plan to reflect the optional wellness incentive program and there should be no changes to member cost sharing for 2018.

Premium Increases

Aon Hewitt staff recommended a 4% aggregate increase in premiums for members of the state and higher education plan. The health plans should be re-priced to reflect their actuarial value and the elimination of the wellness incentives. Specific plan option increases/decrease reflect this re-pricing. The existing premium surcharge for members that choose the statewide network should remain in place.

Committee Action

James Layman made a motion to approve the benefit design and premium changes. Christin Lotz seconded that motion, which passed with a unanimous roll call vote. The vote for the motion was as follows:

Neubert	yes	Layman	yes
Lotz	yes	Campbell	yes
Bachus	yes	Stamps	yes
Bass	yes	Preston	yes
Hunter	yes	Watson	yes