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DEPARTMENT OF FINANCE AND ADMINISTRATION  
BENEFITS ADMINISTRATION  
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MEMORANDUM OF UNDERSTANDING  
BETWEEN THE STATE OF TENNESSEE  
AND LOCAL GOVERNMENT AGENCY

TERMS AND DEFINITIONS

1. **Additional Benefits** means benefit plans offered separately by Local Government Agencies, including those which provide (a) dental benefits, (b) vision benefits, (c) long-term care benefits, (d) disability insurance benefits, (e) life insurance benefits, (f) tort liability or workers' compensation benefits, (g) benefits for a specific disease and/or illness (e.g., cancer, heart, stroke), (h) benefits limited to a fixed amount per day (or other period) of hospitalization, (i) accident, death and dismemberment benefits and (j) any other benefits approved in writing by the Division of Benefits Administration. Any of the above listed plans or policies which reimburses, subsidizes, supplements or pays the costs of participating in the Local Government Health Insurance Plan, or provides coverage, subsidies, credits or payouts of any kind for or related to services or pharmaceuticals covered by the Local Government Health Insurance Plan, including co-pays, member contributions, coinsurance and deductibles, **must** be submitted to [benefits.info@tn.gov](mailto:benefits.info@tn.gov) and approved in writing by the Division of Benefits Administration.
2. **Agency Benefits Coordinator (ABC)** means an individual who serves as the liaison between the State Group Insurance Program, members and Benefits Administration.
3. **Annual Enrollment** means a period in the fall when members are able to change, add or remove benefits. Specific dates for this period are set by Benefits Administration each year.
4. **ACH** means Automatic Clearing House.
5. **Benefits Administration (BA)** means the division of the Tennessee Department of Finance & Administration that administers the State Group Insurance Program.
6. **Business Days** means traditional workdays, including Monday, Tuesday, Wednesday, Thursday and Friday. State government holidays are excluded.

7. **Calendar Days** means all seven days of the week.
8. **CFR** means Code of Federal Regulations.
9. **COBRA** means Consolidated Omnibus Budget Reconciliation Act.
10. **Day(s)** means Calendar Day(s) unless otherwise specified in the MOU.
11. **Edison** means the State's enterprise resource planning system for the administration of benefits enrollment and premium data.
12. **GASB** means Governmental Accounting Standards Board.
13. **Head of Agency** means the chief signing authority for the Local Government Agency.
14. **HIPAA** means Health Insurance Portability and Accountability Act of 1996, Public Law 104-191 and implementing regulations.
15. **HITECH** means Health Information Technology for Economic and Clinical Health Act.
16. **LGA** means Local Government Agency.
17. **Local Government Health Insurance Plan** (also Local Government Plan) means the insurance plans authorized by Tenn. Code Ann. 8-27-702.
18. **Local Government Insurance Committee** means the policy making body for the Local Government Insurance Plan established under Tennessee state law.
19. **Local Government Plan Document** (also Plan Document) means the legal publication that defines eligibility, enrollment, benefits and administrative rules of the Local Government Health Insurance Plan.
20. **Member** means any person who is enrolled in one of the medical benefit or voluntary benefit plan options offered through the Local Government Plan.
21. **MOU** means Memorandum of Understanding.
22. **Notify**, unless otherwise specified within this MOU, means to notify Benefits Administration in writing, and the notification may be delivered by electronic mail, facsimile or the U.S. Postal Service.
23. **OPEB** means Other Post-Employment Benefits (other than pensions) that an employee is eligible to receive at the start of retirement.
24. **PHI** means Protected Health Information.
25. **PPACA** means Patient Protection and Affordable Care Act, Public Law 111-148 as amended by Public Law 111-152.
26. **State** means the State of Tennessee.
27. **State Government Holidays** means those days on which official holidays and commemorations as defined in Tennessee Code Annotated 15-1-10 I et seq. are observed.
28. **State Group Insurance Program** means the system operating the insurance plans and benefits for individuals from public sector organizations in Tennessee. The program is operated under the authority of the Local Government Insurance Committee and managed by Benefits Administration within the Department of Finance and Administration.

29. **TCA** means Tennessee Code Annotated.
30. **TCRS** means Tennessee Consolidated Retirement System.
31. **The Tennessee Plan** means the plan offering supplemental medical insurance for retirees with Medicare as defined in Tenn. Code Ann. 8-27-706.
32. **Voluntary Benefits** means benefits other than health insurance benefits which are established and offered by the Local Government Insurance Committee, and fully paid by the employee as defined in Tenn. Code Ann. 8-27-104. Examples include dental and vision insurance.
33. **Website** means the ParTNers for Health Website ([www.tn.gov/partnersforhealth](http://www.tn.gov/partnersforhealth)), which includes a section specifically for ABCs. ParTNers for Health and ABC information, including publications and forms, can be accessed from this site by going to [www.tn.gov/partnersforhealth](http://www.tn.gov/partnersforhealth).

## INTRODUCTION

This Memorandum of Understanding (MOU) defines the administrative responsibilities of the Tennessee Department of Finance and Administration, Benefits Administration ("BA") and the \_\_\_\_\_, an eligible Local Government Agency ("LGA") for the provision of group plan coverage through the State of Tennessee Local Government Health Insurance Plan ("Local Government Plan"), and any available voluntary benefit plans pursuant to TCA 8- 27-702 *et seq.* and TCA 8-27-104.

The Local Government Plan Document ("Plan Document"), approved by the Local Government Insurance Committee pursuant to TCA 8-27-702, defines the eligibility, enrollment, benefits and administrative provisions for the Local Government Insurance Plan. Tenn. Code Ann. 8-27-703(c)(2) requires LGAs to implement and comply with the financial determination of the Insurance Committee, including entering into an MOU. Should any terms of this MOU conflict with any provision of the Plan Document, the Plan Document and Summary Plan Description for The Tennessee Plan (Supplemental Medical Insurance for Retirees with Medicare), or the current certificates of coverage for voluntary benefits, the provisions of those Plan Documents and/or certificates shall control.

This MOU supersedes and replaces all prior MOUs, agreements or other documentation between BA and the LGA describing the responsibilities of the parties with respect to such group benefits.

## SECTION 1A- RESPONSIBILITIES OF THE LGA

1. The LGA and its officers and employees shall abide by and enforce all the eligibility criteria for all benefit options offered, including but not limited to, the health plan which is outlined in the Local Government Plan Document, the Plan Document and Summary Plan Description for The Tennessee Plan and the current certificates of coverage for voluntary benefits.

Individual agencies shall not determine eligibility in a way that conflicts with the Local Government Plan Document or eligibility documents for the voluntary benefit plans, including the Plan Document for The Tennessee Plan and the certificates of coverage. For example, the LGA shall not use a different set of required hours worked to be eligible.

The eligibility, enrollment, benefit and administrative provisions of the Plan Document, the Plan Document for The Tennessee Plan or the current certificates of coverage for voluntary benefits shall be uniformly enforced by the LGA.

The LGA shall offer ALL options of the medical plans, including any carriers, networks or plan types available to them. If the LGA elects to participate in the voluntary benefit plans, the LGA shall offer ALL options of those voluntary plans to employees for their selection, including any carriers, networks or plan types available to them.

2. At execution of this MOU, the LGA shall identify a contact person within the organization to serve as an Agency Benefits Coordinator ("ABC"). The ABC must be an employee of the LGA responsible for plan administration and be a liaison between the LGA, its employees and BA. Only ABCs shall have data update and/or inquiry access to Edison for the employees of the agency and their dependents. In no event shall an ABC allow an insurance agent, insurance broker or insurance agency access to Edison. Duties and responsibilities of the ABC are outlined in Section 2 of this document.
3. The LGA shall notify BA within ten (10) business days after a current ABC terminates employment or is no longer responsible for the duties of an ABC. The LGA shall also provide BA with contact information for the new ABC immediately upon designation.
4. The LGA shall notify BA within ten (10) business days of the appointment or election of a new Head of Agency.
5. A first time participating LGA shall complete the Retiree Coverage Election Form, selecting one of the retiree coverage options listed on the form and obtaining appropriate approvals and signatures as outlined on the form. Existing participating LGAs who have previously chosen to opt-in active employees and current retirees or a limited opt out with continued retiree coverage for only current retirees may change its election in a subsequent plan year in accordance with Plan Document section 4.06(A). All retiree coverage elections shall remain in effect unless changed in the manner set out in Plan Document section 4.06(A).
6. The LGA shall assist BA with any audits and other requests related to the compliance of all parties with the Plan Document, the Plan Document and Summary Plan Description for The Tennessee Plan, or eligibility rules for the voluntary plans within fifteen (15) business days of the request.

**The LGA shall be responsible for a financial assessment equal to any expense assessed to BA as a result of the LGA's failure to provide information as requested. BA may deduct assessed expenses from the LGA's Automatic Clearing House (ACH) debit account.** BA reserves the ability to waive the assessment as it deems appropriate, and its decisions shall not be subject to appeal or review.

7. The LGA shall respond to survey and information requests from BA within fifteen (15) business days, including but not limited to surveys related to (a) employer/participating agency premium contributions for employees and dependents; (b) employer/participating agency contribution levels based on retirees' years of service for Government Accounting Standards Board Statement #75 (GASB 75)/Other Post-Employment Benefits (OPEB) purposes; and (c) documentation, including pamphlets, enrollment materials, policies, etc. of all additional benefits and other products offered by the employer/participating agency.

**Failure of the LGA to provide the information required by paragraph number 7 may result in BA assessing and collecting the costs incurred by the LGA's failure to cooperate. This assessment may include actuarial consulting fees and the additional cost to the plan caused by non-compliance. In addition, non-compliance may also result in termination of the LGA's participation in the plan. Additionally, the LGA's failure to provide the requested survey information with regard to data required for an OPEB calculation required by GASB 75 shall result in said LGA being excluded from the annual actuarial calculations, valuations and OPEB liability determinations by the actuaries under contract with the State's Department of Finance & Administration.** BA reserves the ability to waive the assessment as it deems appropriate, and its decisions shall not be subject to appeal or review.

8. The LGA shall remit the premiums for health and any voluntary plans of coverage if applicable, by means of an ACH debit account. The LGA shall provide the Department of Finance & Administration with at least sixty (60) days' notice before making any change to its bank account or other information that may impact ACH transactions. The LGA shall use the ACH form, instructions and contact information available under the Agency Benefits Coordinator section of the Website as

described in item 33 of the Terms and Definitions section of this MOU.

9. LGA participation in the Local Government Plan shall continue for at least twenty-four (24) consecutive months unless the LGA is determined to be in violation of requirements which necessitates termination by the Local Government Committee.
10. If the LGA discontinues participation in the Local Government Plan, the LGA may not rejoin the Local Government Plan for twenty-four (24) consecutive months, following the date of termination. The LGA shall provide BA with a sixty (60)-day written notice before terminating its participation with the Local Government Plan. BA will terminate any COBRA or retiree participants, including retirees billed through their TCRS pension or direct bill, from the Plan, along with the active employees if the LGA terminates participation. See Exhibit A, Plan Withdrawal Document, for more detail regarding the withdrawal process.
11. A LGA participating in the Local Government Health Insurance Plan may offer the state-sponsored voluntary plan(s) to its employees and retirees. Retiree vision coverage may only be offered if the LGA has opted in to retiree medical coverage. The dental and/or vision voluntary plan(s) may be effective on the agency's original effective date or on a subsequent January 1. The LGA must submit a written intent to enroll notice to BA by July 1, or another date announced by BA, of the year preceding the January 1 effective date for dental and/or vision. LGA participation in the dental plan and/or vision plan shall continue for at least twelve (12) consecutive months coinciding with a calendar year. The LGA shall provide BA with a sixty (60) day written notice before terminating its participation in the voluntary plans. If the LGA discontinues participation in the dental and/or vision plan, the LGA acknowledges that its employees will not be eligible for COBRA and that the LGA may not rejoin the dental and/or vision plan for at least twelve (12) consecutive months, beginning on the date of termination. If the LGA rejoins the dental and/or vision plan, eligible employees may sign up during the next annual enrollment period. (For example, an agency that drops the dental plan as of 3/1/18 would not be able to offer the dental plan again until 1/1/20.) If a LGA discontinues participation in the medical insurance plan, participation in the voluntary plans will terminate on the same date as the medical insurance plan.
12. Prohibition on other coverages:
  - (a) A LGA participating in the Local Government Health Insurance Plan **shall not** offer, subsidize or incentivize enrollment of individuals eligible for the state-sponsored group insurance program into any health plan, health insurance policy or medical expenses plan other than the state-sponsored group insurance plan (including state offered voluntary benefits) and those plans which constitute "additional benefits" as defined in (b) below. A LGA participating in the Local Government Plan may offer additional benefits approved by Benefits Administration, instead of or in addition to the voluntary benefits in the state group insurance program.
  - (b) For the purpose of (a) above, the term "health plan" includes any health plan or policy, medical insurance plan or policy, excepted benefit policy, supplemental benefit policy, gap or bridge policy and any plan or policy that reimburses, indemnifies, contributes to, supplements or pays the costs of participating in the Local Government Health Insurance Plan, or provides coverage, subsidies or credits for services or pharmaceuticals covered by the Local Government Health Insurance Plan, including co-pays, member contributions, coinsurance and deductibles. For purposes of this MOU, this definition of "health plan" is not affected by whether a plan, or expenses paid under a plan, is considered a supplemental plan, health plan or an excepted benefit under Federal law.
  - (c) Failure of the LGA to provide the information required by paragraph number 7 regarding additional benefit plans may result in Benefits Administration assessing and collecting the costs incurred by the LGA's failure to cooperate. This assessment may include actuarial consulting fees and the additional cost to the plan caused by non-compliance. In addition, non-compliance may also result in termination of the LGA's participation in the plan.
  - (d) A LGA's offering, subsidizing or incentivizing participation in any product prohibited by section (a) above may result in Benefits Administration assessing and collecting the costs incurred by the

LGA's failure to cooperate. This assessment may include actuarial consulting fees and the additional cost to the plan caused by non-compliance. In addition, non-compliance may also result in termination of the LGA's participation in the plan.

13. If the LGA does not have any employees enrolled in health coverage for more than sixty (60) days, the agency will be terminated from the Local Government Plan and shall be ineligible to re-join the Local Government Plan for at least twenty-four (24) months.
14. The LGA shall abide by the refund policy as stated in the Local Government Plan Document, with the understanding that any ineligible claims will be recovered before a refund is released to the agency.
15. The LGA has the primary responsibility for determining eligibility pursuant to the provisions of the Plan Document and/or the voluntary benefits eligibility documents. The LGA may refer any eligibility question to BA for written clarification. In the absence of such written clarification, the LGA shall reimburse the State for the cost of benefits provided because of any inaccurate representation of eligibility that its employees may make that result in an otherwise ineligible individual becoming enrolled for and receiving benefits. The LGA shall terminate enrollment for the employee and dependents and notify BA when it is discovered that an employee and/or dependent(s) was ineligible for coverage.
16. All LGAs shall download the Premiums Due Collections Applied reports through Edison (the State's enterprise resource planning system used for the administration of benefits enrollment and premium data). If the LGA fails to download such reports and requests hard copies, the LGA shall first pay an annual fee of six hundred dollars (\$600.00) to BA payable/collected through the ACH debit account. BA reserves the authority to waive the annual fee as it deems appropriate, and its decisions shall not be subject to appeal or review.
17. If the LGA has more than twenty-five (25) members, it shall maintain two (2) ABCs who have access to Edison at all times. For security purposes, no LGA shall have more than two ABCs with Edison access unless additional ABCs have been authorized by BA.
18. Each ABC shall perform data entry in Edison. This includes adding biographical and job information for all employees. If the LGA has less than one hundred (100) employees, it must maintain, at minimum, "view only" access to Edison and shall have the option to perform data entry in Edison but only through the end of the 2016 calendar year. Effective 1/1/2017, all LGAs shall perform data entry in Edison regardless of number of employees.
19. The LGA may request in writing a copy of its claims experience and/or enrollment information from BA. BA will only provide a copy of such report results directly to the ABC or other authorized LGA employee. At no time shall BA deliver such report to an insurance agent or broker. Such report shall not contain any personal identifiers or individual claims detail or other information restricted by HIPAA. The guidelines for release of claims and enrollment information and the formal "Request for Enrollment or Claims Information" may be found on the ABC section of the Website as described in item 33 of the Terms and Definitions section of this MOU. BA shall provide claims data consistent with the requirements to provide claims data under TCA §8-27-302(g).
20. The LGA shall notify BA within five (5) business days of receipt of a Medicare demand letter or other notice explaining that Medicare may have made a primary payment for services instead of a secondary payment for services. The LGA shall deliver a copy of such letter or other notice via facsimile, electronic mail or hard copy delivery within the same five-day time period.
21. The LGA shall maintain an up-to-date insurance file on each participating member which shall include, at a minimum, the signed "Employee Insurance Checklist - Local Government Plan" (a copy may be found on the ABC section of the website at [www.tn.gov/partnersforhealth/agency-benefits-coordinators](http://www.tn.gov/partnersforhealth/agency-benefits-coordinators)), a copy of any manually completed enrollment forms and a copy of any Edison reports reflecting benefits chosen by the member. The LGA can maintain either an electronic or hard copy (or both). Copies of files may be requested by BA for audit determination.

22. The LGA shall be responsible for complying with all employer reporting requirements and employee notifications required under the Patient Protection and Affordable Care Act (PPACA). Each agency on the Plan is considered to be a self-insured employer and must follow the self-insured reporting guidelines.
23. The LGA shall be responsible for any penalties imposed for failure to comply with PPACA. This responsibility includes but is not limited to penalties under the PPACA amendments to the Public Health Service Act (42 U.S.C. 300 gg et seq), the employer responsibility section of the Internal Revenue Code (26 U.S.C. 4980H), and regulations implementing those provisions. The LGA shall also reimburse BA for any expenses caused by the LGA's failure to terminate coverage in Edison when that failure leads to claims being paid after the coverage should have been terminated. This could create a risk of a rescission under the PPACA regulations if untimely notice leads to retroactive termination.
24. For each member termination, the LGA shall enter the termination into Edison or notify BA if the ABC does not have access to Edison within five (5) business days of the termination. The LGA shall reimburse the State for any penalties, fines, assessments or damages incurred associated with late COBRA and other notices that result from a delayed notification from the LGA to BA of the termination of an employee or member. Any termination entered after five (5) business days from the date of termination, shall be subject to premium refund provisions of the Local Government Plan Document.
25. To the extent that the LGA varies its employer contribution by benefit option, third party administrator or premium tier, the LGA assumes all compliance duties and risks associated with the statutory requirements of federal and state law, including but not limited to the nondiscrimination and wellness requirements in the Health Insurance Portability and Accountability Act (HIPAA, Pub. L. 104-191) as amended and the Americans with Disability Act (ADA, Pub. L. 101-336), as amended. The LGA may refer to "Contributions" in the Local Government Plan Document and any other publications or frequently asked questions (FAQs) which BA may publish for information regarding the State's contribution policy. The LGA shall also consult with its legal counsel to ensure that the LGA's approach is in compliance with all applicable legal requirements.
26. In the event that a change in federal laws or regulations, including but not limited to COBRA, requires changes in the procedures set out in Section I of this MOU, the LGA will comply with those requirements regardless of whether this MOU is formally amended.
27. Hold Harmless. The LGA agrees to reimburse the State for financial losses caused by the LGA's violation of Federal laws or regulations governing the conduct of a health insurance plan. Such Federal provisions include, but are not limited to the Patient Protection and Affordability Act (PPACA); the Health Insurance Portability and Accountability Act (HIPAA), the Health Information Technology for Economic and Clinical Health Act (HITECH), and the Consolidated Omnibus Budget Reconciliation Act (COBRA). The LGA's responsibility under this provision includes any fines, penalties or legal costs incurred by the State as a result of the LGA's violation of Federal law.

## **SECTION 1B - OTHER RESPONSIBILITIES OF THE LOCAL GOVERNMENT AGENCY - OBLIGATIONS AND ACTIVITIES WITH REGARDS TO HIPAA**

### **HIPAA and HITECH Compliance**

1. The LGA shall comply with obligations under HIPAA and HITECH and their accompanying regulations. The Local Government Plan is a covered entity under the Administrative Simplification Provisions of HIPAA. The LGA shall take all appropriate measures to protect the privacy and security of the protected health information it receives from members electing coverage under the Plan. All agency employees who have access to Edison insurance benefits are required to complete the annual HIPAA training online. Failure to comply with mandatory training requirements may result in suspension of insurance

benefits access. Training requirements will not be waived unless approved in advance by the BA HIPAA compliance officer.

2. The LGA warrants that it is familiar with the requirements of HIPAA and HITECH and their accompanying regulations and shall comply with all applicable HIPAA and HITECH requirements in the course of this Contract, including but not limited to the following:
  - Compliance with the Privacy Rule, Security Rule, Notification Rule;
  - The creation of and adherence to sufficient Privacy and Security Safeguards and Policies;
  - Timely reporting of violations in use and disclosure of PHI; and
  - Timely reporting of privacy and/or security incidents.
3. The LGA warrants that it will cooperate with the covered entity, including cooperation and coordination with covered entity privacy officials and other compliance officers required by HIPAA and HITECH and its regulations, in the course of performance of the duties so that both parties will be in compliance with HIPAA and HITECH.

### **Privacy & Confidentiality**

1. The LGA shall develop, adopt and implement standards, which are, at a minimum, compliant with the HIPAA privacy and security rules in 45 CFR Part 164, to safeguard the privacy and confidentiality of all PHI about members. For example, the LGA shall ensure that it does not have completed forms containing PHI sitting in public view, left in unsecured boxes or files or left unattended in any off-site location (e.g., in an automobile). The LGA's procedures shall include but not be limited to safeguarding the identity of members as members of the State Group Insurance Program and preventing the unauthorized disclosure of PHI. The LGA shall comply with the HIPAA amendments in Public Law 111-5, the HITECH Act, and any implementing regulations when they become effective.
2. The PHI shall be used for the purposes of carrying out the responsibilities of this MOU related to the LGA's participation in the Local Government Insurance Plan.
3. The LGA shall not use or further disclose PHI other than as permitted or required by HIPAA; or as required by law. Use of PHI for payment, treatment or health care operations may include disclosure only as permitted by HIPAA, including when such information is strictly necessary to resolve the issue or concern under discussion and the person has adequate permission or legal authority to review such information.
4. The LGA shall use appropriate safeguards to prevent the unauthorized use or disclosure of the PHI. The LGA shall report to the State any unauthorized use or disclosure of the PHI.
5. The LGA shall mitigate, to the extent practicable, any harmful effect that is known to the LGA of a use or disclosure of PHI by the LGA in violation of the requirements of the federal privacy rule.
6. The LGA shall provide access to PHI in a "designated record set" in order to meet the requirements under 45 CFR §164.524.
7. The LGA shall make any amendment(s) to PHI in a "designated record set" pursuant to 45 CFR §164.526.
8. The LGA shall document disclosures of PHI and information related to such disclosures as would be required to respond to a request by an individual for an accounting of disclosures of PHI in accordance with 45 CFR §164.528.
9. The LGA shall cooperate in making relevant records available to the secretary of health and human services for determining HIPAA compliance when required by 45 CFR 164.504(e)(2)(ii)(1)
10. The LGA shall (i) implement administrative, physical and technical safeguards that reasonably and appropriately protect the confidentiality, integrity and availability of the electronic PHI that it creates,



receives, maintains or transmits, (ii) report to the State any security incident (within the meaning of 45 CFR § 164.304) of which the LGA becomes aware, and (iii) ensure that any agent of the LGA, including any subcontractor, agrees to the same restrictions and conditions that apply to the LGA with respect to such information.

11. The LGA shall comply with all privacy and security requirements of the Health Insurance Portability and Accountability Act (HIPAA) of 1996 and the Health Information Technology for Economic and Clinical Health (HITECH) Act. Unless the State prior approves in writing the LGA's use of alternate mitigating controls, the LGA shall use Federal Information Processing Standards (FIPS) 140-2 compliant technologies to encrypt all PHI in motion or rest, including back-up media.
12. The LGA shall have full financial responsibility for any penalties, fines or other payments imposed or required as a result of the LGA's non-compliance with or violation of HIPAA or HITECH requirements, and the LGA shall indemnify the State with respect to any such penalties, fines or payments.
13. The LGA is authorized to use PHI for the purpose of carrying out its duties under the MOU. In the course of carrying out these duties, including but not limited to carrying out Benefits Administration's duties under HIPAA. LGA shall fully comply with the requirements under the Privacy Rule applicable to "business associates", as that term is defined in the Privacy Rule and not use or further disclose PHI other than as permitted or required by this agreement or as required by law. Business Associate is subject to requirements of the Privacy Rule as by Public Law 111-5, Section 13404 [designated as 42 U.S.C. 17934].
14. Minimum Necessary- LGA (and its agents or subcontractors) shall only request, use and disclose the minimum amount of protected information necessary to accomplish the purpose of the request, use or disclosure, in accordance with the Minimum Necessary requirements of the Privacy Rule including, but not limited to, 45 C.F.R. Sections 164.502(b) and 164.514(d).
15. Notification of Breach- During the term of this MOU, LGA shall notify Benefits Administration within two (2) business days of any suspected or actual breach of security, intrusion or unauthorized use or disclosure of PHI and/or any actual or suspected use or disclosure of data in violation of any applicable federal or state laws or regulations. LGA shall take (i) prompt corrective action to cure any such deficiencies and (ii) any action pertaining to such unauthorized disclosure required by applicable federal and state laws and regulations.
16. This Agreement authorizes and LGA acknowledges and agrees covered entity shall have the right to immediately terminate this agreement and service contracts in the event LGA fails to comply with, or violates a material provision of, requirements of the Privacy and/or Security Rule or this Memorandum. Upon termination of this MOU for any reason, LGA agrees to return or destroy PHI covered by this agreement at the direction of the Covered Entity as required by 45 CFR 164.504(e)(2)(ii)(J).

## **SECTION 2 - RESPONSIBILITIES OF THE AGENCY BENEFITS COORDINATOR (ABC)**

Note: Applicable forms and publications may be found on the ParTners For Health Website under the ABC heading.

1. The ABC shall serve as a liaison between the LGA, its employees and BA.
2. During the new employee orientation, the ABC shall:
  - Ensure the employee reviews and signs "Employee Insurance Checklist - Local Government Plan," which shall then be placed in the employee insurance file;
  - Provide to the new employee a TennCare notice and any other notices or information required by the Patient Protection and Affordable Care Act (PPACA), including the federal Marketplace letter;
  - Provide access to the "Benefits Administration Eligibility and Enrollment Guide" for Local Government Employees, HIPAA Notice of Privacy Practices brochure, applicable vendor materials, enrollment forms, any applicable dental and vision handbooks or brochures, provide

web address to locate the Summary of Benefits and Coverage [tn.gov/partnersforhealth](http://tn.gov/partnersforhealth) or provide a printed copy if requested, and provide any materials related to new plans of coverage to the new employee;

- Provide to the employee the deadline to return completed enrollment forms or make their selections online using Employee Self Service (ESS) in Edison;
  - Describe to the eligible employee all available benefits options offered under the Local Government Plan;
  - Ensure the employee receives any new employee orientation materials provided by BA;
  - Explain to the employee the enrollment options including the consequences and next steps if the employee elects not to enroll either self and/or eligible dependents during the initial enrollment period, and how the annual enrollment period works;
  - Identify the effective date of coverage for the employee and any dependents;
  - Describe to the employee how and when to add newly acquired dependents, and explain the member's responsibility to provide documentation to verify dependent eligibility;
  - Provide information to employee on premium amounts for all available benefit programs;
  - Specify to the employee how to make changes to coverage or terminate coverage on either self or dependents, including the employee's obligation to immediately notify the ABC and BA of any change in dependent eligibility status;
  - Review with the employee the impact of a leave of absence from employment on benefits;
  - List for the employee the benefits options members have at the time of termination of employment (COBRA, retirement); and
  - Ensure that each new employee is aware of the BA Website and the ParTners For Health Website (as described in item 33 of the Terms and Definitions section of this MOU), the BA Service Center contact information, and the contact information for each vendor
3. All ABCs must participate in monthly/weekly ABC calls with BA staff.
  4. All ABCs must complete any annual mandatory training offered by Benefits Administration. New ABCs, including those who are replacing other ABCs, shall complete initial mandatory training offered by Benefits Administration and may be required to pass a test to get system access. Initial ABC training must be completed within sixty (60) days of becoming a new ABC. Failure to comply with all training requirements will result in suspension of insurance benefits access. Training requirements will not be waived unless approved in advance by BA.
  5. All new ABCs must complete initial HIPAA training module in Edison ELM within thirty (30) days of access to system. All ABCs (primary & backup) must complete the HIPAA training ANNUALLY during the scheduled training month or as otherwise prescribed. ABCs are responsible for enrolling and accessing the HIPAA training in the Edison ELM module. Failure to complete the annually HIPAA training will result in suspension of access to Edison and will not be restored until HIPAA training is complete. There is an instructional video for the training provided on the Partners for Health YouTube channel.
  6. All ABCs shall comply with the procedures set forth in the "ABC Training Presentation - Session I and ABC Training Presentation - Session II" and the "External Agency Calendar" of Edison activities published on the ABC section of the Website as described in item 33 of the Terms and Definitions section of this MOU. Some of these procedures include but are not limited to:
    - Entering into Edison personal and job information for employees;
    - Answering general member questions on benefits and eligibility;
    - Keeping members' addresses and telephone numbers current in Edison; and
    - Downloading reports as necessary via Edison.
  7. The ABC shall refer all eligibility or policy questions related to creditable years of service and monetary retirement benefits to the Tennessee Consolidated Retirement System (TCRS) staff. The ABC shall also be familiar with the various provisions in the "Local Government Plan Document" related to insurance benefits and eligibility for coverage. Questions about retiree eligibility and questions about the annual enrollment period for retirees shall be directed to BA. The ABC is responsible for certifying the Application to Continue Insurance at Retirement.
  8. The ABC shall refer the member to the ParTners For Health Website at [www.tn.gov/partnersforhealth](http://www.tn.gov/partnersforhealth) for information concerning the process for appeals. This information is available in the Member Handbooks, the Summary of Benefits and Coverage and the Plan Document,

all of which are posted on the Website.

9. The ABC shall answer general questions on the coverages offered by the Local Government Plan. The ABC shall refer any detailed eligibility inquiries to the BA Service Center. The ABC shall refer any detailed benefits inquiries to the appropriate insurance carrier.
10. The ABC shall coordinate or assist with events or benefits fairs related to these products, including reserving meeting space, as requested by BA and ensuring that employees/members are aware of these events.
11. The ABC shall assist with requests from BA to help with ensuring the agency members respond to requests for information and otherwise comply with sections "5.04, Subrogation"; "5.05, Right of Reimbursement"; and "5.06, Recovery of Payment" of the Local Government Plan Document.
12. Quarterly, upon request, the ABC shall provide an email address file for all their employees to Benefits Administration within fifteen (15) days of the request.
13. The ABC shall limit the number of administrative error letters submitted. Administrative errors submitted will be reviewed quarterly. An excessive amount of administrative error letters will result in BA contacting the ABC for retraining. The ABC shall lose access to Edison until retraining is completed. The number of errors allowed will be defined and communicated to all agencies based on agency size.
14. The ABC will be required to respond to a yearly audit of ABC security access for their agency. Failure to comply within the time frame given in the audit email communication will result in removal of the agency's access to the Edison system.
15. The ABC will receive quarterly reports from a data match with the NCOA (National Change of Address) database. The ABC shall update addresses in Edison based on the results.
16. The ABC will receive monthly emails on any missing valid Social Security numbers (SSN) for enrolled members. The ABC shall provide the correct SSN to BA by the end of the current month.

### **SECTION 3 - RESPONSIBILITIES OF BA**

1. BA will notify the LGA of any annual premium increase or benefit changes as soon as this information is available.
2. BA, in conjunction with the State of Tennessee Comptroller of the Treasury, will conduct audits to verify that policies and procedures of the Local Government Plan Document are enforced. In addition, BA will conduct reviews of new enrollments to determine if they are eligible for coverage based on Plan Document provisions.
3. BA will publish an up-to-date version of the Plan Document on the ParTNers For Health Website and notify the LGA of any changes.
4. BA will establish and maintain a call center to assist the ABCs and LGA employees in understanding eligibility Plan provisions of and obtaining benefits under the Local Government Plan.
5. BA will provide information to the ABCs on the programs offered under the State Group Insurance Program.
6. BA will assist the ABCs with policy, premium and eligibility questions, processing enrollment/change applications and refund issues.
7. BA will provide each LGA with any available new employee orientation materials.
8. BA will provide training for ABCs. BA will refer new ABCs to the "ABC Training Presentation

- Day 1 and ABC Training Presentation - Day 2" and will answer questions on using Edison when contacted by ABCs.

9. BA will make available an electronic copy of the "ABC Training Presentation - Session I and ABC Training Presentation Session II" and post a monthly "External Agency Calendar" of scheduled Edison activities on the ParTners For Health Website under the ABC heading.
10. BA will ensure that members have access to an appeals process.
11. BA will administer the continuation of insurance through COBRA.
12. Where appropriate, BA will provide the LGA with information necessary to assist the agency in complying with employer reporting requirements and employee notifications required PPACA.
13. BA will conduct monthly conference calls to provide information and updates. The conference calls will be held weekly leading up to and during the annual enrollment period. Weekly emails will be sent throughout the year to communicate updated information.

Legal Advice: This is a document that binds the signing parties to legally enforceable obligations. BA recommends that you have your legal counsel review this document. BA does not provide legal advice to LGAs and any information that BA provides concerning State or Federal laws is not intended as legal advice.

**We understand and agree to abide by the terms and conditions set forth in this document.**

**LOCAL GOVERNMENT AGENCY:**

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**Primary ABC** (Printed Name/Signature)

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Date

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**Head of Agency** (Printed Name/Signature)

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Date

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**Fiscal Officer** (Printed Name/Signature)

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Date

**BENEFITS ADMINISTRATION:**

By: Laurie Lee, Executive Director

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Signature

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Date