

Minutes

State, Local Education and Local Government Insurance Committees

July 25 2019

1:00 pm (central)

The State, Local Education and Local Government Insurance Committees met on July 25, 2019 at 1:00 pm (central) in The Nashville Room, 3rd Floor, William R. Snodgrass Tennessee Tower, Nashville, TN.

State Insurance Committee members attending:

Eugene Neubert, representing Stuart McWhorter, Commissioner, Finance and Administration
Rick Dubray, representing David Lillard, State Treasurer
Rachel Buckley, representing Justin Wilson, Comptroller of the Treasury
Carter Lawrence, Commissioner, Commerce and Insurance
Juan Williams, Commissioner, Human Resources
Randy Stamps, Tennessee State Employees Association (TSEA)
Vicki Burton, state employee representative
Michelle Consiglio-Young, state employee representative
Rob Chance, representing Higher Education

Local Education Insurance Committee members attending:

Eugene Neubert, representing Stuart McWhorter, Commissioner, Finance and Administration
Rick Dubray, representing David Lillard, State Treasurer
Rachel Buckley, representing Justin Wilson, Comptroller of the Treasury
Carter Lawrence, Commissioner, Commerce and Insurance
Maryanne Durski, Department of Education
Scott Langford, Middle Tennessee teacher representative
Jennifer White, Tennessee School Board Association

Local Government Insurance Committee members attending:

Eugene Neubert, representing Stuart McWhorter, Commissioner, Finance and Administration
Rick Dubray, representing David Lillard, State Treasurer
Rachel Buckley, representing Justin Wilson, Comptroller of the Treasury
Kevin Krushenski, Tennessee Municipal League
Nathan Brock, Tennessee County Services Association (by teleconference)

The meeting was called to order at 1:00 pm (central). Deputy Commissioner Neubert made the following announcements regarding Committee membership:

- Michelle Consiglio-Young and Vicki Burton were elected as state employee representatives on the State Insurance Committee for a three year term beginning July 1, 2019

- Carter Lawrence, has been appointed as Commissioner of Commerce and Insurance and will be a member of the State and Local Education Insurance Committees.
- Jennifer White, Tennessee School Board Association, has joined the Committee following Randall Bennett’s retirement.
- Erin Johnson has been reappointed to the Local Education Insurance Committee as the east Tennessee teacher representative for a three year term beginning July 1, 2019.
- Scott Langford has been appointed to the Local Education Insurance Committee as the middle Tennessee teacher representative for a three year term beginning July 1, 2019.

A roll call attendance noted a quorum for each Committee. It was noted that actions of the Local Government Insurance Committee would require a roll call vote as Mr. Brock was participating by teleconference.

Agenda Item #1 – Minutes of May 23, 2019 - ALL

Laurie Lee, Executive Director, Benefits Administration (BA), stated that Ms. Consiglio-Young had requested that the minutes of May 23, 2019 meeting be revised to reflect that she had voted against the Pharmacy Benefits Management contract award. Mr. Stamps made a motion that the State Insurance Committee approve the minutes as amended. Mr. Dubray seconded the motion, which passed with a voice vote.

On behalf of the Local Education Insurance Committee, Ms. Durski made a motion that the minutes of the May 23, 2019 meeting be approved as amended. Mr. Langford seconded the motion, which passed with a voice vote.

On behalf of the Local Government Insurance Committee, Mr. Krushenski made a motion that the minutes of the February 21, 2019 meeting be approved as amended. Mr. Dubray seconded the motion, which passed with the following roll call vote:

Neubert	yes	Dubray	yes
Buckley	yes	Krushenski	yes
Brock	yes		

Agenda Item #2 – CVS Caremark Extension

Ms. Lee requested that the Committees authorize BA to seek approval from the Central Procurement Office (CPO) to enter into a one year contract extension with CVS Caremark until the new Pharmacy Benefit Management procurement was completed and to negotiate the contract extension with Caremark at the best terms and conditions available to the plans. This action was requested due to a protest being filed by CVS Caremark following the Committee’s award to MedImpact at the May 23, 2019 meeting. The protest resulted in a stay of the process to award a contract for PBM services which would make it impossible to begin a new contract by January 1, 2020. Ms. Lee stated that BA had made the determination that it was best to cancel the RFP and reissue the PBM procurement due to reasons unrelated to the protest. Deputy Commissioner

Neubert noted that all previously submitted proposals had shown the potential for significant savings and that BA would seek the best terms and conditions available in the contract extension.

Ms. Consiglio-Young made a motion on behalf of the State Insurance Committee to approve a one year contract extension with CVS Caremark. Mr. Stamps seconded the motion which passed with a voice vote.

On behalf of the Local Education Insurance Committee, Ms. Durski made a motion to approve a one year contract extension with CVS Caremark. Mr. Langford seconded the motion which passed with a voice vote.

On behalf of the Local Government Insurance Committee, Mr. Krushenski made a motion to approve a one year contract extension with CVS Caremark. Ms. Buckley seconded the motion which passed with the following roll call vote:

Neubert	yes	Dubray	yes
Buckley	yes	Krushenski	yes
Brock	yes		

Agenda Item #3 – PBM Request For Proposal (RFP)

Ms. Lee requested the Committees' approval to issue a new RFP for PBM services due to the cancellation of the prior RFP process. Mr. Chance made a motion that the State Insurance Committee approve the issuance of a RFP for PBM services with services effective July 1, 2021. Ms. Consiglio-Young seconded the motion which passed with a voice vote.

On behalf of the Local Education Insurance Committee, Mr. Langford made a motion to approve issuance of a RFP for PBM services. Ms. Durski seconded the motion which passed with a voice vote.

On behalf of the Local Government Insurance Committee, Mr. Krushenski made a motion to approve issuance of a RFP for PBM services. Mr. Dubray seconded the motion which passed with the following roll call vote:

Neubert	yes	Dubray	yes
Buckley	yes	Krushenski	yes
Brock	yes		

Agenda Item #4 – Plan Document Changes

Ms. Lee presented a recommendation to expand the definition of covered dental expenses under the medical benefits of the Plan Document to include dental expenses when medical treatment results in significant oral damage to sound, natural teeth. A discussion of coverage regarding damage to artificial teeth was held to determine where this type of service would be eligible for

benefits. The Committee requested to defer action on this item to allow for further research on this benefit change.

Agenda Item #5 – Legislative Update

Scott McAnally, Policy Research and Legislative Liaison for BA, presented an overview of legislation that had passed the first session of the 111th Tennessee General Assembly and legislation that is pending passage in next year's session. Mr. McAnally presented information on the following bills:

- Public Chapter 193 - The Proton Therapy Access Act that expands the conditions for proton therapy coverage for state group insurance program members.
- Public Chapter 407 – The Right to Shop Act, which requires health insurers to develop a shared savings program for members to shop for certain health care services. Passage of this legislation requires BA to conduct research on this issue and submit a report for the State Insurance Committee's consideration.
- Public Chapter 480 – The Pharmacy Benefit Manager regulation bill, which states that PBMs may no longer recoup pharmacy claims with clerical and certain other errors that do not result in overpayment to the pharmacy of patient.

Additionally, Mr. McAnally updated the Committee on other legislation regarding Affordable Care Act preservations, coverage mandates and carrier operations that had not passed but was either sent to summary study or held in legislative subcommittees.

Agenda Item #6 – Payflex Update – State Only

As a follow-up to the May 23, 2019 meeting, Ms. Lee informed the State Insurance Committee members that BA has continued to research customer complaints and worked with Payflex leadership to determine the root causes. Members were advised that Payflex had submitted a corrective action plan and were working to implement solutions including system changes. BA will continue to monitor the progress with these issues.

Agenda Item #7 – Customer Service Presentation

Debby Koch, Communications Director, and Patrice Steinhart, Operations Director, BA gave a presentation on BA's customer service and outreach efforts. A copy of the presentation is incorporated as part of the minutes.

There being no further business, the Committee meeting was adjourned.

Respectfully submitted,



Laurie S. Lee