

Minutes

State, Local Education and Local Government Insurance Committees
September 26, 2019
1:00 pm (central)

The State, Local Education and Local Government Insurance Committees met on September 26, 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
Brian Hoffmeister, representing Carter Lawrence, Commissioner, Commerce and Insurance
Juan Williams, Commissioner, Human Resources
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
Brian Hoffmeister, representing Carter Lawrence, Commissioner, Commerce and Insurance
Maryanne Durski, Department of Education
Scott Langford, Middle Tennessee teacher representative
Jennifer White, Tennessee School Board Association
Erin Johnson, East Tennessee teacher representative (by teleconference)

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). A roll call attendance noted a quorum was present for each Committee. It was noted that the Local Education and Local Government Insurance Committees would require a roll call vote as members were participating by teleconference.

Agenda Item #1A – July 25, 2019 Meeting Minutes

Mr. Hoffmeister made a motion, on behalf of the State Insurance Committee, that the minutes of the July 25, 2019 meeting be approved. Mr. Chance seconded the motion, which passed with a unanimous vote.

On behalf of the Local Education Insurance Committee, Mr. Langford made a motion that the minutes of the July 25, 2019 meeting be approved. Ms. Durski seconded the motion, which passed with the following roll call vote:

Neubert	yes	Durski	yes
Buckley	yes	Langford	yes
Dubray	yes	Johnson	yes
Hoffmeister	yes	White	yes

On behalf of the Local Government Insurance Committee, Mr. Krushenski made a motion that the minutes of the July 25, 2019 meeting be approved. Mr. Dubray seconded the motion, which passed with the following roll call vote:

Neubert	yes	Krushenski	yes
Buckley	yes	Brock	yes
Dubray	yes		

Agenda Item #1B - August 22, 2019 Meeting Minutes (State Only)

Mr. Dubray made a motion that the minutes be approved as presented. Mr. Hoffmeister seconded the motion, which passed with a unanimous vote.

Agenda Item #2 – Plan Document Change

Laurie Lee, Executive Director, Benefits Administration (BA), presented a benefit enhancement for expanded coverage for dental expenses under the medical plan. Ms. Lee noted that this item had initially been presented to the Committee in July 2019 and that staff had conducted additional research at the request of Committee members. The proposed changes expand coverage for damage to sound natural teeth and/or jaw when deterioration or loss is documented to be a direct result of medically necessary treatment that significantly impairs a covered person’s ability to masticate and maintain a healthy weight.

Commissioner Williams joined the meeting at this point.

Mr. Hoffmeister made a motion, on behalf of the State Insurance Committee, that the proposed Plan Document changes be approved. Ms. Michelle Consiglio-Young seconded the motion, which passed with a unanimous voice vote.

On behalf of the Local Education Insurance Committee, Mr. Langford made a motion that the proposed Plan Document changes be approved. Ms. Durski seconded the motion, which passed with the following roll call vote:

Neubert	yes	Durski	yes
Buckley	yes	Langford	yes
Dubray	yes	Johnson	yes
Hoffmeister	yes	White	yes

On behalf of the Local Government Insurance Committee, Mr. Krushenski made a motion that the proposed Plan Document changes be approved. Mr. Dubray seconded the motion, which passed with the following roll call vote:

Neubert	yes	Krushenski	yes
Buckley	yes	Brock	yes
Dubray	yes		

Agenda Item #3 – Research Study

Ms. Lee advised the Committee that BA would be participating in the national Employer Hospital Price Transparency Project which will be conducted by the RAND Corporation in collaboration with private purchasers of health care across the country. The project will provide detailed comparative cost data which will help BA in its provider contracting strategy. The fee to participate and receive the study results is \$15,000. Ms. Lee noted that the study analyzes the commercial rates paid by private health care purchasers as compared with Medicare to produce high level and detailed price comparisons. These data will help to determine insurance benefit design recommendations, address pricing variation with third party administrators and improve health care contracting. Committee members were advised that this is the third year of the RAND price transparency project and BA's first year to participate. In response to a member request Ms. Lee stated that she would follow up with the type of information provided, including geographic display of the data such as regional vs. urban or rural breakdown.

This item was presented for informational purposes only; no action was required by the Committees.

Agenda Item #4 – Procurement Process

Seannalyn Brandmeir, BA Contract and Procurement Manager, and Lucian Geise, F & A Legal Counsel, reviewed the Procurement and Contracting Process through a PowerPoint presentation. Items reviewed included procurement authority, the procurement process, procurement timelines and the responsibilities of BA's Vendor Services Team. (The Powerpoint presentation will be incorporated as part of the official minutes.)

Agenda Item #5 – Program Development Research

Bob Smith, Director of Voluntary Benefits, BA, reviewed a PowerPoint presentation regarding the dental coverage options currently available to plan members. Mr. Smith reviewed research conducted prior to the release of the next RFP, network strategy, and the premium rate structure. For the dental preferred option, members were advised that no changes to the benefits, exclusions or limitations were recommended for the next dental procurement. The following recommendations were presented for the next procurement for the dental prepaid option:

- Change the mileage distance to allow cancellation of prepaid enrollment if there is no in-network general dentist within a 25-mile radius of the employee's residence (currently 40-mile radius)
- Continue coverage for orthodontia
- Add coverage for implants – 1 new implant per calendar year; replacement of implant 1 per 10 years
- Include provision in next contract to provide extension of benefits for treatment in process at the end of the contract if the carrier does not win the next contract award

Additionally, staff noted that in the previous RFP the member cost proposal structure required respondents to propose one amount for the most common procedure codes. BA is proposing that the new RFP contain five member out of pocket cost proposal tables for Memphis, Nashville, Chattanooga, Knoxville and all other TN zip codes. Members requested they be provided with information on which additional counties would be included with the urban counties. The dental procurement details will be presented for approval at the October 24, 2019 meeting. (The Powerpoint presentation will be incorporated as part of the official minutes.)

Kendra Gipson, Director of Vendor Services, BA, reviewed a PowerPoint presentation regarding research conducted by staff on Medicare Advantage plans. Ms. Gipson reviewed the state's supplement to Medicare, The Tennessee Plan, which is equivalent to Model D plan of the National Association of Insurance Commissioners (NAIC). Committee members were advised of The Tennessee Plan enrollment and subsidy amounts based on years of service. Ms. Gipson noted that employees hired after June 30, 2015 would not be eligible for the Tennessee Plan but could shop on the individual market for a supplement. As part of its research, BA had issued a Request for Information (RFI) in June 2019 and had received eight responses. Additionally, staff had surveyed 13 states and received responses from four states, all of whom offer a

Medicare Advantage Plan. Staff will continue to research options and would sync any additional offerings, if applicable, with the Medicare Supplement procurement which would have a January 1, 2022 effective date. (The Powerpoint presentation will be incorporated as part of the official minutes.)

Next, Ms. Gipson discussed the Health Savings Account (HSA) and Flexible Spending Account (FSA) offerings under the current contract with Payflex. The current contract includes administration of the HSA and FSA (for state and higher education employees only) and the Plan pays the monthly HSA fee for all members. Committee members were advised of the current enrollment, HSA contributions and amount spent, investments and member education and outreach efforts. Ms. Gipson noted that a RFI was issued on April 2019 to understand how the market for these services had changed since the last procurement in 2015. Thirteen responses to the RFI were received in May 2019. Some observations from the RFI responses include that strong competition exists in the market, technology has expanded and flexibility exists regarding establishing the investment portfolio. The current contract with Payflex ends December 31, 2020 and staff will issue a RFP incorporating information gathered through the RFI process. Approval for this procurement will be presented at the October 24, 2019 meeting. (The Powerpoint presentation will be incorporated as part of the official minutes).

Ms. Consiglio-Young commented that she had been contacted by numerous employees about issues related to Payflex and their customer service. Staff acknowledged that they were aware of issues with Payflex and was working with the company to improve their interaction with employees.

Ms. Consiglio-Young stated that members had contacted her regarding the annual enrollment period only lasting two weeks, wishing instead for a month long enrollment period.

There being no further business to discuss, the meeting was adjourned at 3:00 pm.

Respectfully submitted,



Laurie S. Lee