

Minutes

State, Local Education and Local Government Insurance Committees
October 22, 2020
1:00 pm (central)

The State, Local Education and Local Government Insurance Committees met on October 22, 2020 at 1:00 pm (central) via WebEx.

State Insurance Committee members participating:

Butch Eley, Commissioner, Finance and Administration
Justin Wilson, Comptroller of the Treasury
Rick Dubray, representing David Lillard, State Treasurer
Hodgen Mainda, Commissioner, Commerce and Insurance
Juan Williams, Commissioner, Human Resources
Michelle Consiglio-Young, state employee representative
Randy Stamps, Tennessee State Employees Association
Rob Chance, representing Higher Education
Representative Susan Lynn, Chair, House Finance Ways and Means Committee

Local Education Insurance Committee members participating:

Butch Eley, Commissioner, Finance and Administration
Justin Wilson, Comptroller of the Treasury
Rick Dubray, representing David Lillard, State Treasurer
Hodgen Mainda, Commissioner, Commerce and Insurance
Maryanne Durski, Department of Education
Jennifer White, Tennessee School Board Association

Local Government Insurance Committee members participating:

Butch Eley, Commissioner, Finance and Administration
Justin Wilson, Comptroller of the Treasury
Rick Dubray, representing David Lillard, State Treasurer
Kevin Krushenski, Tennessee Municipal League
Nathan Brock, Tennessee County Services Association

Commissioner Eley called the meeting to order at 1:00 pm (central). A roll call of attendance noted a quorum was present for each Committee. Commissioner Eley advised that Executive Order #60 signed by Governor Lee provides that a governing body may conduct essential business by electronic means without a quorum of members present in the same location, if the governing body determines that meeting electronically is necessary to protect the health, safety, and welfare of Tennesseans in light of the COVID-19 outbreak.

The items on the agenda for the Committees' consideration included:

- Minutes of September 24, 2020
- Approval of Plan Document Changes
- Procurement Subcommittee Report

Commissioner Mainda made a motion that the State Insurance Committee approve proceeding electronically without a quorum present at the same location. Comptroller Wilson seconded the motion which passed with the following roll call vote:

Eley	yes	Wilson	yes
Dubray	yes	Mainda	yes
Williams	yes	Consiglio-Young	yes
Stamps	yes	Chance	yes
Lynn	yes		

On behalf of the Local Education Insurance Committee, Ms. White made a motion to approve proceeding electronically without a quorum present at the same location. Commissioner Eley seconded the motion which passed with the following roll call vote:

Eley	yes	Wilson	yes
Dubray	yes	Mainda	yes
White	yes		

On behalf of the Local Government Insurance Committee, Mr. Brock made a motion to approve proceeding electronically without a quorum present at the same location. Comptroller Wilson seconded the motion which passed with the following roll call vote:

Eley	yes	Wilson	yes
Dubray	yes	Krushenski	yes
Brock	yes		

Agenda Item #1 – Minutes of September 24, 2020 Meeting

Comptroller Wilson made a motion that the State Insurance Committee approve the minutes as presented. Mr. Stamps seconded the motion which passed with the following roll call vote:

Eley	yes	Wilson	yes
Dubray	yes	Mainda	yes
Williams	yes	Consiglio-Young	yes
Stamps	yes	Chance	yes
Lynn	yes		

On behalf of the Local Education Insurance Committee, Comptroller Wilson made a motion to approve the minutes as presented. Ms. Durski seconded the motion which passed with the following roll call vote:

Eley	yes	Wilson	yes
Dubray	yes	Mainda	yes
Durski	yes	White	yes

On behalf of the Local Government Insurance Committee, Comptroller Wilson made a motion to approve the minutes as presented. Mr. Krushenski seconded the motion which passed with the following roll call vote:

Eley	yes	Wilson	yes
Dubray	yes	Krushenski	yes
Brock	yes		

Agenda Item #2 – Plan Document Changes

Laurie Lee, Executive Director, Benefits Administration (BA), presented the proposed Plan Document changes noting staff were conducting a comprehensive review of the Plan Documents to clarify the intent of the Plan provisions, ensure consistence with BA’s operations and ensure compliance with applicable state and federal laws. Members were advised that BA would continue to bring proposed changes to the Committees over the next several meetings. Ms. Lee noted that all items currently proposed were clarifications and did not alter benefits offered through the Plans. The recommended changes include:

1. Elimination of section 4.10 (Conversion Privileges) because that provision is unnecessary since the plan allows other continuation options, including COBRA, and the TPA contracts do not offer a conversion option;
2. Modification to sections 5.01 through 5.07 to clarify plan intent for Coordination of Benefits (COB) and simplify language related to subrogation, reimbursement and recovery;
3. Elimination of section 5.08 (Plan Purpose) because it repeats information covered within other parts of section 5;
4. Modification of sections 6.01 through 6.03 to clarify the relationship between BA and the Insurance Committees and responsibility for the different plan functions;
5. Elimination of Section 6.04 (Fiduciary Responsibilities) since it is inconsistent with the Tennessee Code Annotated sections establishing the responsibilities of the Committees;
6. Replacement of section 6.05 (Appeals) to add additional details for plan members about their appeal rights and demonstrate compliance with applicable federal and state law;
7. Modification to sections 7.01 through 7.03 and section 7.06 to simplify language, clarify intent and use consistent terminology based on Plan Document definitions;

8. Elimination of section 7.04 (Disputed Claim) because information is covered in the revised appeals language in section 6;
9. Elimination of section 7.05 (Liability for Benefits) because it is unnecessary and does not properly reflect the operations of the plans as self-insured entities; and
10. For the **State Committee only** – addition of language to the flexible benefits portion of the State Plan Document to address questions from members requesting refunds of unused flex contributions

In response to an inquiry from Ms. Consiglio-Young, Ms. Lee explained that members affected by the COB changes received a letter prior to annual enrollment to ensure that they were aware of the COB clarification. It was noted that the COB change was proposed after consultation with the Department of Commerce and Insurance regarding the language used by the National Association of Insurance Commissioners relative to COB. Ms. Lee noted that the change did not prevent secondary coverage and BA wanted to advise members of the clarification in the event it affected their enrollment options during the annual enrollment. Dr. Andrea Dowdy, Clinical Director, BA, advised members that individuals for whom the Plans pay primary benefits would see no change in COB; only individuals for whom the Plans pay secondary coverage would be affected. Members were advised that this information was shared with employees through webinars and with agency benefits coordinators during weekly calls and distribution of call notes.

Mr. Krushenski sought clarification on the elimination of Section 4.10 (Conversion Privileges) and its effect on local government agencies with small enrollment numbers. Ms. Lee responded that this elimination would not affect local government employees from access to extended coverage through the Consolidated Omnibus Budget Reconciliation Act (COBRA) provisions.

Mr. Stamps made a motion that the State Insurance Committee approved the Plan Document changes as presented. Comptroller Wilson seconded the motion which passed with the following roll call vote:

Eley	yes	Wilson	yes
Dubray	yes	Mainda	yes
Williams	yes	Consiglio-Young	no
Stamps	yes	Chance	yes
Lynn	yes		

On behalf of the Local Education Insurance Committee, Ms. Durksi made a motion that the Plan Document changes be approved as presented. Comptroller Wilson seconded the motion which passed with the following roll call vote:

Eley	yes	Wilson	yes
Dubray	yes	Mainda	yes
Durksi	yes	White	yes

On behalf of the Local Government Insurance Committee, Comptroller Wilson made a motion to approve the Plan Document changes as presented. Mr. Krushenski seconded the motion which passed with the following roll call vote:

Eley	yes	Wilson	yes
Dubray	yes	Krushenski	yes
Brock	yes		

Agenda Item #3 – Procurement Subcommittee Report

Commissioner Eley expressed appreciation to the members of the Procurement Subcommittee for their thorough review of the procurement process. Seannalynn Brandmeir, Contract and Procurement Manager, BA, presented the report noting that the Subcommittee’s charge was to review the procurement process and identify best practices and develop recommendations for BA’s process within statutory framework. Committee members were provided with research and informational items reviewed by the Subcommittee. Next, Ms. Brandmeir reviewed the Subcommittee’s recommendation identifying areas where BA had already implemented those recommendations in the current procurement cycle. The Subcommittee recommended that the group reconvene in one year to review process modifications and additional feedback/recommendation. No action was required by the full Committees.

Agenda Item #4 – Public Health Emergency Update

Ms. Lee advised members that the federal government had extended the COVID-19 public health emergency for an additional 90 days, until January 21, 2021. Members were advised that this extension determined the period during which group health plans and insurers must pay for COVID-19 tests and related services without charging member cost-sharing.

Commissioner Eley noted that the next Insurance Committee meeting was scheduled for December 4, 2020 at 9:00 am (central). There being no further business, the meeting was adjourned at 1:45 pm.

Respectfully Submitted,



Laurie S. Lee