

Minutes

State, Local Education and Local Government Insurance Committees

October 24, 2019

1:00 pm (central)

The State, Local Education and Local Government Insurance Committees met on October 24, 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
David Lillard, State Treasurer
Rachel Buckley, representing Justin Wilson, Comptroller of the Treasury
Brian Hoffmeister, representing Hodgen Mainda, 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
Randy Stamps, representing Tennessee State Employees Association

Local Education Insurance Committee members attending:

Eugene Neubert, representing Stuart McWhorter, Commissioner, Finance and Administration
David Lillard, State Treasurer
Rachel Buckley, representing Justin Wilson, Comptroller of the Treasury
Brian Hoffmeister, representing Hodgen Mainda, Commissioner, Commerce and Insurance
Maryanne Durski, Department of Education
Jennifer White, Tennessee School Board Association

Local Government Insurance Committee members attending:

Eugene Neubert, representing Stuart McWhorter, Commissioner, Finance and Administration
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 Government Insurance Committee would require a roll call vote as a member was participating by teleconference.

Agenda Item #1 – Minutes of September 26, 2019

Deputy Commissioner Neubert asked if there were additions or corrections to the minutes of the September 26, 2019 meeting. Treasurer Lillard made a motion that the State Insurance Committee approve the minutes as presented. Commissioner Williams seconded the motion, which passed with a unanimous voice vote.

On behalf of the Local Education Insurance Committee, Ms. Durski made a motion that the minutes of the September 26, 2019 meeting be approved as presented. Treasurer Lillard seconded the motion, which passed with a unanimous voice vote.

On behalf of the Local Government Insurance Committee, Mr. Krushenski made a motion that the minutes of the September 26, 2019 meeting be approved as presented. Treasurer Lillard seconded the motion which passed with the following roll call vote:

Neubert	yes	Lillard	yes
Buckley	yes	Krushenski	yes
Brock	yes		

Agenda Item #2 – Dental Benefits

Laurie Lee, Executive Director, Benefits Administration (BA), presented the staff's recommendation of changes to the dental benefits which would be included in the next procurement. The changes which were detailed at the September 26, 2019 Committee meeting include:

- Contract for Prepaid Dental
 - Change process regarding distance to general dentist from 40-mile radius to 25-mile radius for allowing cancellation of enrollment by subscriber
 - Continue offering benefit for orthodontia services
 - Add benefit for implants
 - Include extension of benefits for select procedures in process upon termination of contract
- Contract for Preferred Dental
 - Include extension of benefits for select procedures in process upon termination of contract

Additionally, Ms. Lee advised members that the pricing component of the Request For Proposal (RFP) would be based on five areas (Nashville, Chattanooga, Knoxville, Memphis and the remaining portion of the state) which was different from the single price across the state utilized in the prior RFP. In response to a member question regarding coverage for orthodontia services, Mr. Bob Smith, Director of Voluntary Benefits, noted that coverage for orthodontia services had been in place for several years for the Preferred plan and would be a new requirement in the Prepaid benefit plan for coverage effective January 1, 2021.

Mr. Hoffmeister made a motion that the State Insurance Committee approve the benefit structure for dental coverage with an effective date of January 1, 2021. Ms. Consiglio-Young seconded the message which passed with a unanimous voice note.

On behalf of the Local Education Insurance Committee, Ms. Durski made a motion to approve the benefit structure for dental coverage effective January 1, 2021. Ms. White seconded the motion which passed with a unanimous voice vote.

On behalf of the Local Government Insurance Committee, Mr. Krushenski made a motion to approve the benefit structure for dental coverage effective January 1, 2021. Treasurer Lillard seconded the motion which passed with the following roll call vote:

Neubert	yes	Lillard	yes
Buckley	yes	Krushenski	yes
Brock	yes		

Agenda Item #3 – Procurement Schedule

Ms. Lee presented the proposed procurement schedule for calendar year 2020. The schedule includes procurements for the health savings account (HSA) and flexible spending account (FSA), dental preferred provider organization (DDPO) plan and the dental pre-paid plan with services to begin January 1, 2021.

Ms. Lee requested that the Committee authorize BA to extend contracts with BlueCross BlueShield of Tennessee and Cigna for third party administrator (TPA) services for one additional year through December 31, 2021. The administrative fee structures would remain the same for the one year extension. Ms. Lee explained that BA would be conducting four other procurements and there was a lack of operational and procurement capacity to manage a fifth major procurement in 2020.

Mr. Stamps made a motion that the State Insurance Committee approve the procurement schedule as presented. Ms. Consiglio-Young seconded the motion which passed with a unanimous voice vote.

On behalf of the Local Education Insurance Committee, Ms. White made a motion to approve the procurement schedule as presented. Ms. Durski seconded the motion which passed with a unanimous voice vote.

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

Neubert	yes	Lillard	yes
Buckley	yes	Krushenski	yes
Brock	yes		

Agenda Item #5 – Audit Committee Report

Christa Martin, Director of Financial Management and Program Integrity, BA, advised that the Audit Committee had met on January 25, May 23, and October 24, 2019. Ms. Martin summarized the agenda items reviewed by the Audit Committee at each meeting. Ms. Consiglio-Young requested that members be provided with the Pharmacy Benefits Manager (PBM) Audit and Monitoring Report which was provided to the legislature. This agenda item was for informational purposes only.

Other Business

Ms. Lee expressed appreciation to members for their participation in the recent survey conducted by BA relative to functions of the Insurance Committees. The survey indicated that members would benefit from materials being provided more in advance of the meeting and BA is committed to fulfilling that request. Additionally, in response to member comments relative to advance notice of items to be considered at future

meetings. Ms. Lee noted that there would not be a meeting in November and staff intended to discuss a diabetes reversal pilot program at the December 6, 2019 meeting.

Agenda Item #4 – 2020 Meeting Schedule

Ms. Lee presented the proposed meeting schedule for 2020 (below) noting that once approved, the schedule would be added to BA website:

January 24, 2020	9:00 am
February 27, 2020	1:00 pm
March 26, 2020	1:00 pm
April 24, 2020	9:00 am
May 21, 2020	9:00 am
June 25, 2020	1:00 pm
July 23, 2020	1:00 pm
August 27, 2020	1:00 pm
September 24, 2020	1:00 pm
October 22, 2020	1:00 pm
December 4, 2020	9:00 am

All meetings are scheduled for The Nashville Room, 3rd Floor, Tennessee Tower and are central time.

Mr. Chance made a motion that the State Insurance Committee approve the 2020 Insurance Committee meeting schedule. Treasurer Lillard seconded the motion which passed with a unanimous voice vote.

On behalf of the Local Education Insurance Committee, Ms. Durski made a motion to approve the 2020 Insurance Committee meeting schedule. Ms. White seconded the motion which passed with a unanimous voice vote.

On behalf of the Local Government Insurance Committee, Mr. Krushenski made a motion to approve the 2020 Insurance Committee meeting schedule. Treasurer Lillard seconded the motion which passed with the following roll call vote:

Neubert	yes	Lillard	yes
Buckley	yes	Krushenski	yes
Brock	yes		

Other Business

Ms. Consiglio-Young advised members that judges had expressed concern that employees hired after July 1, 2015 would not be eligible for pre-65 retiree coverage or coverage through The Tennessee Plan once they reach age 65. She referenced the discussion at the September 26, 2019 meeting regarding BA's research of Medicare Supplement options and the possibility of coverage being provided for those employees hired after July 1, 2015. Ms. Lee clarified that BA was researching the possibility of offering Medicare Advantage plans, not reversing the decision to allow retiree coverage for employees hired after July 1, 2015. Ms. Lee further noted that the HSA product was offered in 2016 to provide a high value option with the provision for savings for retirement. Members were advised that retiree coverage was defined in state statute and would require legislation to be changed. Treasurer Lillard clarified that any Medicare Advantage offerings would not receive state support of the premium.

There being no further business, the meeting was adjourned at 1:28 pm.

Respectfully submitted,



Laurie S. Lee
Executive Director