

Minutes

State, Local Education and Local Government Insurance Committees

August 28, 2025

1:00 P.M.- 3:00 P.M. (central)

The State, Local Education and Local Government Insurance Committees met on Thursday, August 28, 2025 at 1:00 p.m. (central), in the Nashville Room, Third Floor, William R. Snodgrass TN Tower, Nashville, TN and via Cisco Webex.

Chairman Jim Bryson, Commissioner of Finance and Administration, called the Insurance Committees meeting to order at 1:00 p.m. (central) and noted the following delegates in attendance: Rick DuBray on behalf of Treasurer David Lillard, Scott McAnally on behalf of Commissioner Carter Lawrence, and Nicole Sweitzer on behalf of Comptroller Jason Mumpower.

State Insurance Committee Members

Present:

- Jim Bryson, Commissioner, Finance and Administration, Chairman of the State Insurance Committee
- Rick DuBray, representing David Lillard, State Treasurer
- Nicole Sweitzer, representing Jason Mumpower, Comptroller of the Treasury
- Scott McAnally, representing Carter Lawrence, Commissioner, Commerce and Insurance
- Juan Williams, Commissioner, Human Resources
- Judi Knecht, state employee representative
- Michelle Consiglio-Young, state employee representative
- Keisha Pittman, Tennessee State Employees Association (by teleconference)
- Rob Chance, representing Higher Education (UT System) (by teleconference)

Absent:

- Sen. Bo Watson, Chair of Senate Finance, Ways and Means Committee
- Rep. Gary Hicks, Chair of House Finance, Ways and Means Committee

Local Education Insurance Committee Members

Present:

- Jim Bryson, Commissioner, Finance and Administration, Chairman of the Local Education Insurance Committee
- Rick DuBray, representing David Lillard, State Treasurer
- Nicole Sweitzer, representing Jason Mumpower, Comptroller of the Treasury
- Scott McAnally, representing Carter Lawrence, Commissioner, Commerce and Insurance
- Maryanne Durski, Chief Financial Officer, Department of Education
- Jennifer White, Tennessee School Board Association (by teleconference)

Absent:

- Erin Johnson, East TN School Employee representative
- Vacant seat in West TN
- Vacant Seat in Middle TN

Local Government Insurance Committee Members

Present:

- Jim Bryson, Commissioner, Finance and Administration, Chairman of the Local Government Insurance Committee
- Rick DuBray, representing David Lillard, State Treasurer
- Nicole Sweitzer, representing Jason Mumpower, Comptroller of the Treasury
- Shanna Boyette, Tennessee County Services Association
- Jennifer Moody, Tennessee Municipal League

Quorum:

The State, Local Education and Local Government committees all established a physical quorum in the room.

Agenda Item #1 – [Information Only] Less Is More Act Update

Chairman Bryson introduced Laurie Lee, Executive Director of Benefits Administration. She gave an overview of the Public Chapter 524, known as the Less is More Act of 2025, which became effective on July 1, 2025, and is a revision to the Tennessee Open Meetings Act. Director Lee emphasized the following:

- It is no longer required for committees or boards to establish a physical quorum each meeting, as long as a physical quorum is met by each committee at least once per calendar year
- Members participating by electronic means must have a visible name throughout the duration of the meeting and anyone else who may be in the room must also be identified for the record

Agenda Item #2– Public Comment

No one in the room or virtually asked to be recognized to address the committee members.

Agenda Item #3 – [Action] June 26, 2025 Minutes (All Committees)

For the State Insurance Committee, Commissioner Williams moved to approve the June 26, 2025 minutes as provided in Attachment A, distributed via email on August 21, 2025. Ms. Consiglio-Young seconded the motion. No discussion occurred, and a roll-call vote was taken.

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|-----------------|-----|----------|-----|
| Sweitzer | Yes | DuBray | Yes |
| McAnally | Yes | Williams | Yes |
| Consiglio-Young | Yes | Knecht | Yes |

| | | | |
|--------|-----|---------|-----|
| Chance | Yes | Pittman | Yes |
| Bryson | Yes | | |

For the Local Education Insurance Committee, Ms. Durski moved to approve the June 26, 2025 minutes as provided in Attachment A, distributed via email on August 21, 2025. Mr. DuBray seconded the motion. No discussion occurred and a roll call vote was taken.

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|----------|-----|--------|-----|
| Sweitzer | Yes | DuBray | Yes |
| McAnally | Yes | Durski | Yes |
| White | Yes | Bryson | Yes |

For the Local Government Insurance Committee, Ms. Boyette moved to approve the June 26, 2025 minutes as provided in Attachment A, distributed via email on August 21, 2025. Mr. DuBray seconded the motion. No discussion occurred and a roll call vote was taken.

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| Sweitzer | Yes | DuBray | Yes |
| Boyette | Yes | Moody | Yes |
| Bryson | Yes | | |

For the record, the approved June 26, 2025, minutes are included in these minutes.

Agenda Item #4 – [Action] Approval of Insurance Committee Schedule for CY 2026 (All Committees)

Chairman Bryson recognized Director Lee to present the Insurance Committee Schedule for Calendar Year 2026. Director Lee said that the Open Meetings Act requires that the Insurance Committee meetings be posted to BA’s webpage. She recommended the Committee members adopt the following dates for Calendar Year 2026:

- Thursday, January 22, 2026
- Thursday, February 26, 2026
- Thursday, March 26, 2026
- Thursday, April 23, 2026
- Thursday, May 28, 2026
- Thursday, June 25, 2026
- Thursday, July 23, 2026
- Thursday, August 27, 2026
- Thursday, September 24, 2026
- Thursday, October 22, 2026
- **No meeting in November 2026**
- Friday, December 4, 2026

For the State Insurance Committee, Chairman Bryson moved to approve the Insurance Committee schedule for CY 2026 as presented. Commissioner Williams seconded the motion. No further discussion occurred, and a roll call vote was taken.

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|-----------------|-----|----------|-----|
| Sweitzer | Yes | DuBray | Yes |
| McAnally | Yes | Williams | Yes |
| Consiglio-Young | Yes | Knecht | Yes |
| Chance | Yes | Pittman | Yes |
| Bryson | Yes | | |

For the Local Education Insurance Committee, Chairman Bryson moved to approve the Insurance Committee schedule for CY 2026 as presented. Ms. Sweitzer seconded the motion. No discussion occurred and a roll call vote was taken.

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|----------|-----|--------|-----|
| Sweitzer | Yes | DuBray | Yes |
| McAnally | Yes | Durski | Yes |
| White | Yes | Bryson | Yes |

For the Local Government Insurance Committee, Chairman Bryson moved to approve the Insurance Committee schedule for CY 2026 as presented. Ms. Sweitzer seconded the motion. No discussion occurred and a roll call vote was taken.

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| Sweitzer | Yes | DuBray | Yes |
| Boyette | Yes | Moody | Yes |
| Bryson | Yes | | |

Agenda Item #5 – [Action] Approval of State Insurance Committees – Internal Governance Procedures (All Committees)

Chairman Bryson recognized Director Lee to present the Internal Governance Procedures recommendations. Director Lee said that while the committees operate under various sections of the Tennessee Code Annotated, specific procedures are not outlined in statute. The proposed Governance Procedures document the Committees’ operational processes. Director Lee highlighted these key points:

- Proposed governing procedures document the authority for the Committees, the role of BA, the conduct of meetings, and conflicts of interest and procurement
- Last two sections update the prior-approved process to select state and higher education employee representative to the State Committee. Specifically,

- Employees must not have pleaded guilty to or convicted of certain crimes or completed a sentence related to these crimes within 20 years prior to the election

For the State Insurance Committee, Chairman Bryson moved to approve the State Insurance Committees – Internal Governance Procedures, provided as Attachment B of the August 18, 2025 memo to the Insurance Committees. Ms. Knecht seconded the motion. No further discussion occurred, and a roll call vote was taken.

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|-----------------|-----|----------|-----|
| Sweitzer | Yes | DuBray | Yes |
| McAnally | Yes | Williams | Yes |
| Consiglio-Young | Yes | Knecht | Yes |
| Chance | Yes | Pittman | Yes |
| Bryson | Yes | | |

For the Local Education Insurance Committee, Chairman Bryson moved to approve the State Insurance Committees – Internal Governance Procedures, provided as Attachment B of the August 18, 2025 memo to the Insurance Committees. Ms. Durski seconded the motion. No further discussion occurred, and a roll call vote was taken.

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| Sweitzer | Yes | DuBray | Yes |
| McAnally | Yes | White | Yes |
| Durksi | Yes | Bryson | Yes |

For the Local Government Insurance Committee, Chairman Bryson moved to approve the State Insurance Committees – Internal Governance Procedures, provided as Attachment B of the August 18, 2025 memo to the Insurance Committees. Ms. Boyette seconded the motion. No further discussion occurred, and a roll call vote was taken.

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| Sweitzer | Yes | DuBray | Yes |
| Boyette | Yes | Moody | Yes |
| Bryson | Yes | | |

For the record, Attachment B, the State Insurance Committees – Internal Governance Procedures, is included in these minutes.

Agenda Item #6 – [Action] Approval for Caremark Amendment (All Committees)

Chairman Bryson recognized Dr. Missy Tucker, Director of Pharmacy, FSA and HSA, to present Caremark Amendment One. Dr. Tucker noted that the three components of the amendment have an operational impact and align with BA’s strategic goals:

- The aim of the Drug Savings Review Program, approved by the Committees in April, is to have safer and more affordable medication options for members by working closely with providers.

The program collaborates with providers in real-time to identify potential adverse drug interactions and lower-cost drug alternatives. The interaction with the providers ensures seamless care improvements without disrupting member experience at the pharmacy.

- The rebate guarantee adjustments reflect the plan benefit changes approved by the Committees in May. The rebate credit language is standard industry language intended to reflect pricing shifts in the market that occur when lower-cost drugs replace higher-priced, high-rebate drugs.
- The ADA compliance enhancement will better serve all members, especially with those with disabilities.

For the State Insurance Committee, Chairman Bryson moved to approve Caremark Amendment One, as attached in the August 21, 2025 email to the Committees. Commissioner Williams seconded the motion. No further discussion occurred, and a roll call vote was taken.

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|-----------------|-----|----------|-----|
| Sweitzer | Yes | DuBray | Yes |
| McAnally | Yes | Williams | Yes |
| Consiglio-Young | Yes | Knecht | Yes |
| Chance | Yes | Pittman | Yes |
| Bryson | Yes | | |

For the Local Education Insurance Committee, Chairman moved to approve Caremark Amendment One, as attached in the August 21, 2025 email to the Committees. Ms. Sweitzer seconded the motion. No further discussion occurred, and a roll call vote was taken.

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|----------|-----|--------|-----|
| Sweitzer | Yes | DuBray | Yes |
| McAnally | Yes | White | Yes |
| Durski | Yes | Bryson | Yes |

For the Local Government Insurance Committee, Chairman Bryson moved to approve Caremark Amendment One, as attached in the August 21, 2025 email to the Committees. Ms. Boyette seconded the motion. No further discussion occurred, and a roll call vote was taken.

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| Sweitzer | Yes | DuBray | Yes |
| Boyette | Yes | Moody | Yes |
| Bryson | Yes | | |

For the record, Caremark Amendment One is included in these minutes.

Agenda Item #7 – [Action] Approval for Personalized Exercise Therapy (All Committees)

Chairman Bryson recognized Dr. Andrea Dowdy, Clinical Director, to present the Personalized Exercise Therapy recommendations. Dr. Dowdy explained that the One Big Beautiful Bill Act of 2025 reinstated the telehealth safe harbor for high deductible health plans, which had expired December 31, 2024. BA recommended that the Committees reinstate and permanently allow the waiver of personalized exercise therapy member cost share for CDHP members , effective January 1, 2026.

- In addition, as Cigna has entered into an agreement with Hinge Health for personalized exercise therapy services, and BlueCross BlueShield of TN members already have access to Hinge Health with high utilization and positive feedback, Dr. Dowdy recommended approval to change point solution vendors for Cigna members to Hinge Health.

For the State Insurance Committee, Chairman Bryson moved to approve the reinstatement of the personalized exercise therapy waived member cost share for CDHP members and change point solution vendors for Cigna members to Hinge Health effective January 1, 2026. Commissioner Williams seconded the motion. No discussion occurred and a roll call vote was taken.

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|-----------------|-----|----------|-----|
| Sweitzer | Yes | DuBray | Yes |
| McAnally | Yes | Williams | Yes |
| Consiglio-Young | Yes | Knecht | Yes |
| Chance | Yes | Pittman | Yes |
| Bryson | Yes | | |

For the Local Education Insurance Committee, Chairman Bryson moved to approve the reinstatement of the personalized exercise therapy waived member cost share for CDHP members and change point solution vendors for Cigna members to Hinge Health effective January 1, 2026. Ms. Durski seconded the motion. No discussion occurred and a roll call vote was taken.

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|----------|-----|--------|-----|
| Sweitzer | Yes | DuBray | Yes |
| McAnally | Yes | Durski | Yes |
| White | Yes | Bryson | Yes |

For the Local Government Insurance Committee, Chairman Bryson moved to approve the reinstatement of the personalized exercise therapy waived member cost share for CDHP members and change point solution vendors for Cigna members to Hinge Health effective January 1, 2026. Ms. Boyette seconded the motion. No discussion occurred and a roll call vote was taken.

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|----------|-----|--------|-----|
| Sweitzer | Yes | DuBray | Yes |
| Boyette | Yes | Moody | Yes |

Bryson

Yes

Agenda Item #8 – [Action] Approval for EAP Benefits Changes (All Committees)

Chairman Bryson recognized Dr. Dowdy to present BA’s recommended benefit enhancements for the upcoming behavioral health and employee assistance program (EAP) request for proposals and pro forma contract with benefits effective January 1, 2027. The two changes are the following:

- Increase EAP visits from five to eight, per problem/individual/year
- Provide the option for Local Education and Local Government agencies to offer EAP to health plan eligible, but not enrolled employees, at an additional cost to the agency

These recommendations will align our benefit with the marketplace and are expected to save the plan and members money over time. Local Education and Local Government agencies have requested the ability to offer EAP services to their eligible, but not enrolled employees.

For the State Insurance Committee, Chairman Bryson moved to approve the EAP benefit changes for inclusion in the behavioral health and EAP request for proposals and pro forma contract as outlined on slide 27 of the Insurance Committee presentation. Mr. DuBray seconded the motion. No discussion occurred and a roll call vote was taken.

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|-----------------|-----|----------|-----|
| Sweitzer | Yes | DuBray | Yes |
| McAnally | Yes | Williams | Yes |
| Consiglio-Young | Yes | Knecht | Yes |
| Chance | Yes | Pittman | Yes |
| Bryson | Yes | | |

For the Local Education Insurance Committee, Chairman moved to approve the EAP benefit changes for inclusion in the behavioral health and EAP request for proposals and pro forma contract as outlined on slide 27 of the Insurance Committee presentation. Ms. Durski seconded the motion. No discussion occurred and a roll call vote was taken.

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|----------|-----|--------|-----|
| Sweitzer | Yes | DuBray | Yes |
| McAnally | Yes | Durski | Yes |
| White | Yes | Bryson | Yes |

For the Local Government Insurance Committee, Chairman Bryson moved to approve the EAP benefit changes for inclusion in the behavioral health and EAP request for proposals and pro forma contract as outlined on slide 27 of the Insurance Committee presentation. Ms. Boyette seconded the motion. No discussion occurred and a roll call vote was taken.

| | | | |
|----------|-----|--------|-----|
| Sweitzer | Yes | DuBray | Yes |
| Boyette | Yes | Moody | Yes |


Bryson

Yes

For the record, slide 27 of the Insurance Committee presentation is included below.

Item 8 – [Action] EAP Benefits Changes (All Committees)

- Benefits Administration requests approval to include the following enhancements in the upcoming behavioral health and employee assistance program request for proposal and pro forma contract with benefits effective January 1, 2027.
 - Increase EAP visits from five to eight, per problem, per individual, per year
 - Provide the option for Local Education and Local Government agencies to offer EAP to health plan eligible, but not enrolled employees at an additional cost to the agency on a fully insured basis.

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Agenda Item #9 – [Action] Approval for Tennessee Plan Rates (State Committee)

Chairman Bryson recognized Lynn Xiong, Vice President of Health Solutions for Aon, to present The Tennessee Plan Rates recommendations, as outlined in Attachment C of the Insurance Committee memo distributed August 18. Ms. Xiong gave the members a brief overview of The Tennessee Plan. In plan years 2021 and 2022, there was a 0% premium increase and over the last six years, the average annual premium increase has been about 3%. For Plan Year 2026, the proposed premium rate is based on historical claims cost, the future cost trend, and the reserve requirement. This population, across all service categories, has had higher utilization than in the past. Based on The Tennessee Plan’s historical trend, Aon’s forecast assumes a 6.7% trend going forward and a 20% solvency reserve, the Plan’s historical reserve level. With these assumptions, the recommended premium increase is 12.1%, effective January 2026.

In response to Committee members’ questions, Bob Smith, Director of Voluntary Benefits, provided the number of members on The Tennessee Plan and stated that when a retiree is first eligible, they are accepted into the plan with no issues. If the individual defers, they are subject to medical underwriting. Director Lee said this plan is a supplement to Medicare and Ms. Xiong emphasized this plan and premiums were better than the other plans offered in the marketplace.

For the State Insurance Committee, Chairman Bryson moved to approve the 2026 Tennessee Plan Rates, as shown in Attachment C of the August 18, 2025 Insurance Committee memo. Commissioner Williams seconded the motion. No discussion occurred and a roll call vote was taken.

Sweitzer

Yes

DuBray

Yes

| | | | |
|-----------------|-----|----------|-----|
| McAnally | Yes | Williams | Yes |
| Consiglio-Young | No | Knecht | Yes |
| Chance | Yes | Pittman | No |
| Bryson | Yes | | |

For the record, Attachment C, the 2026 Tennessee Plan Rates, is included in these minutes.

Agenda Item #10 – [Action] Request to Remove Quasi-Governmental Organizations from the State Plan (State Committee)

Chairman Bryson recognized Director Lee to present the request to remove Quasi-Governmental organizations from the State Plan. Director Lee explained that four agencies do not meet eligibility requirements for the State Group Insurance Plan--three non-state agencies were on the State Plan prior to the creation of the Local Government plan and continued coverage on the State Plan rather than moving to the Local Government plan (Greater Nashville Regional Council, Beech River Water Shed Authority, South Central Human Resources Agency). The fourth, Governor’s Books from Birth Foundation, was inadvertently added in 2005. These agencies do not employ any state employees.

For the State Insurance Committee, Chairman moved to remove four quasi-governmental organizations (Greater Nashville Regional Council, Beech River Water Shed Authority, South Central Human Resources Agency, and the Governor’s Books from Birth Foundation) from the State Insurance Plan effective January 1, 2026, with continuity of coverage provisions as outlined on slide 34 of the Insurance Committee presentation. Ms. Knecht seconded the motion. No discussion occurred and a roll call vote was taken.

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|-----------------|-----|----------|-----|
| Sweitzer | Yes | DuBray | Yes |
| McAnally | Yes | Williams | Yes |
| Consiglio-Young | Yes | Knecht | Yes |
| Chance | Yes | Pittman | Yes |
| Bryson | Yes | | |

For the record, slide 34 of the Insurance Committee presentation is included below.

Item 10 – [Action] Request to Remove Quasi-Governmental Organizations from the State Plan (State Committee)

- Benefits Administration recommends removing these four quasi-governmental organizations from the State Plan effective January 1, 2026; and
- BA recommends the following to maintain continuity of coverage:
 - Fund an amount equal to the difference between the State Plan and Local Government Plan costs for Plan Year 2026, based on current enrollments, if the agency enrolls in the Local Government Plan for 2026 on or before November 1, 2025, and
 - Permit existing retirees from these agencies who are enrolled in coverage to remain on the State Insurance Plan until they are no longer eligible

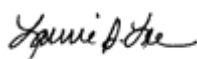
Agenda Item #11 – [Information Only] Sunsetting Episodes of Care (All Committees)

Chairman Bryson recognized Dr. Dowdy to update the Committees regarding the episodes of care program. BA participated in this payment reform program launched under TennCare’s leadership in 2016. As the program progressed, the rollout in the commercial market with BA’s carriers diverged in significant ways from the TennCare model, resulting in modest outcomes and significant administrative burden for our program. At the same time, BA continued to explore value-based programs, leading to the Committees’ 2019 approval of the Preferred Substance Use Disorder Network and a contract this year with Carrum Health for bundled services focusing on surgical procedures and cancer care. This model incorporates cost savings, quality provider selection, and member engagement.

While the episodes of care program is ongoing in TennCare, BA has decided to sunset our participation effective December 31, 2025 to concentrate on other value-based initiatives.

With no further business, Chairman Bryson adjourned the meeting at 2:16 p.m. (central). The next meeting of the State, Local Education and Local Government Insurance Committees is scheduled for September 25, 2025 at 1:00 p.m. (central) in the Nashville Room.

Respectfully submitted,



Laurie S. Lee