

PAR**TN****ERS**
FOR HEALTH

**2022 ANNUAL
REPORT**

Tennessee State Group Insurance Program

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Button

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STATE OF TENNESSEE
DEPARTMENT OF FINANCE AND ADMINISTRATION
BENEFITS ADMINISTRATION
1900 William R. Snodgrass Tennessee Tower
312 Rosa L. Parks Avenue
Nashville, TN 37243

December 31, 2023

We are pleased to submit the 2022 Annual Program and Financial Report for Benefits Administration. Under the direction of the State, Local Education and Local Government Insurance Committees, this division of the Department of Finance and Administration manages insurance benefits for 373,480 members from public sector organizations in Tennessee. This number includes members enrolled in the state-sponsored health, dental, vision, life and disability insurance coverage as well as supplemental medical insurance for retirees with Medicare coverage.

The data presented here demonstrate program, statistical and financial trends for the plans. The financial statements reflect the fiscal year ended June 30, 2022.

While the State Group Insurance Program sponsors the coverages and programs reviewed in this report, we work in partnership with 14 contractors and a number of other state agencies to deliver services to program members. The results reported here reflect their contributions and the leadership of the Insurance Committees.

Sincerely,



Laurie S. Lee, Executive Director



Jim Bryson, Commissioner

Benefits Administration is a division within the state of Tennessee's Department of Finance and Administration.

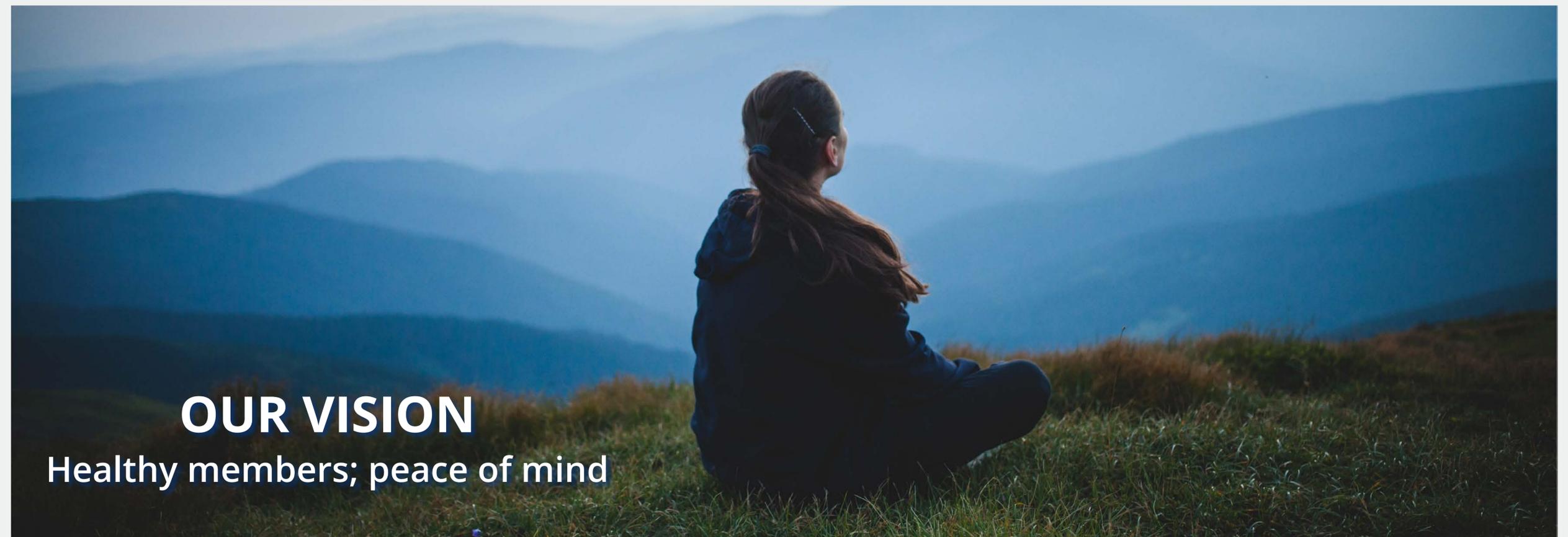
The authorization for providing group insurance benefits for public officials, state, local education and local government employees and retirees is found in Chapter 27 of Title 8, Tennessee Code Annotated.

The benefit plans authorized by this legislation are governed separately by three committees identified as the State, Local Education and Local Government Insurance Committees. The committee members for 2022 are listed in the link below.

Each committee represents the interests of the employer(s) and their employees and retirees in financially separate benefit plans.

The responsibilities of each committee can be summarized under four broad areas:

1. To establish the benefit plans offered.
2. To approve premiums necessary to fund plan operations.
3. To provide for the administration of certain plan functions through the selection of contractors and monitoring of vendor performance.
4. To establish and review eligibility, enrollment, benefits and administrative rules of the program.



OUR VISION

Healthy members; peace of mind





The division works in partnership with the following entities in the administration of insurance benefits and related administrative functions:

ActiveHealth Management Providing a variety of population health programs, including disease management, lifestyle counseling, wellness challenges, biometric screenings and online resources. Also provides a weight management program for state plan members.

AON Consulting Providing benefits and actuarial consultant services to the division.

BlueCross BlueShield of Tennessee Providing medical third-party administration services for State Group Insurance Program members enrolled in one of the medical plan options.

CIGNA Providing medical third-party administration services for State Group Insurance Program members enrolled in one of the medical plan options. Also providing voluntary prepaid dental insurance to participating plan members.

CVS Caremark Providing pharmacy benefits for all members enrolled in State Group Insurance Program health coverage.

Davis Vision Providing voluntary vision insurance to participating plan members.

Delta Dental Providing voluntary dental preferred provider organization insurance to participating plan members.

IBM Watson Health/Merative Providing data warehousing and analytical services to assess health care utilization and claims-based costs for our population.

MetLife Providing voluntary short-term disability to state and higher education employees and voluntary long-term disability to state employees.

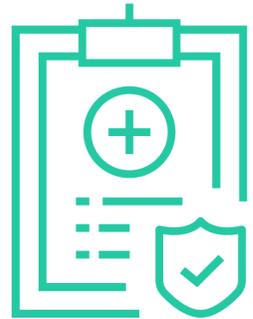
Optum Health Providing employee assistance program services to eligible employees and administration of behavioral health and substance use coverage for State Group Insurance Program members enrolled in health coverage.

Optum Financial Providing health savings accounts to members enrolled in the Consumer-Driven Health Plan. Also providing flexible spending accounts to state and higher education employees.

Securian (Minnesota Life) Providing basic term life and basic accidental death and dismemberment to benefits-eligible state and higher education employees and voluntary term life and voluntary AD&D insurance to benefits-eligible state and higher education employees and their dependents.

UMR Providing administration of The Tennessee Plan, supplemental medical insurance for retirees with Medicare.

University Community Health Service Providing employee health clinic services to state and higher education employees enrolled in the State Group Insurance Program.

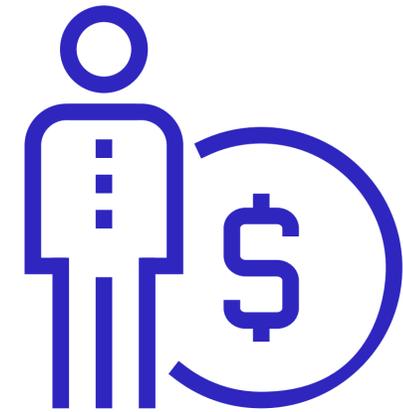


\$78

**million supplemental
Medicare claims paid**

294,004

Health Plan Members



\$2.1

**billion total health
plan expenses**

This number does not include Rx rebates.

47,235

**supplemental
Medicare
members**



38%

of health plan spend is pharmacy



44%

**of total pharmacy spend
is for speciality drugs**



2022 Insurance Committees

Butch Eley/Jim Bryson – S, E, G
Commissioner,
Department of Finance
and Administration
changed June 2022

Jason Mumpower – S, E, G
Comptroller of the Treasury

David Lillard – S, E, G
State Treasurer

Carter Lawrence – S, E
Commissioner,
Department of Commerce
and Insurance

Juan Williams – S
Commissioner
Department of Human Resources

Judith (Judi) Knecht – S
Employee Representative
Filled September 2022

Michelle Consiglio-Young – S
Employee Representative

Holly Girgies – S
Higher Education Representative

Randy Stamps/Terry Carroll – S
Tennessee State Employees Association
** Changed May 2022**

Senator Bo Watson – S
Chair,
Senate Finance, Ways
and Means Committee

Representative Patsy Hazlewood – S
Chair,
House Finance, Ways
and Means Committee

Maryanne Durski – E
Designee
Department of Education

Robert (Scott) Langford/Vacant – E
Middle Tennessee
Teacher Representative
Vacant August 2022

Erin Johnson – E
East Tennessee Teacher Representative

Jennifer Downing/Kristy Baddour – E
West Tennessee Teacher Representative
Changed July 2022

Jennifer White – E
Tennessee School Boards Association

Kevin Krushenski – G
Tennessee Municipal League

Nathan Brock– G
Tennessee County Services Association

S — State Insurance Committee
E — Local Education Insurance Committee
G — Local Government Insurance Committee

Benefits Administration administers state-sponsored health, dental, vision, life, flexible benefits and disability insurance coverage as well as supplemental medical insurance for retirees with Medicare coverage for approximately **373,480** public sector employees, retirees and their eligible dependents.

In addition to insurance coverages, the division also administers an employee assistance program and population health and weight management programs.

State Group Insurance Program participants include state government and higher education employees who make up the state plan, employees of participating local school systems who make up the local education plan and employees of local government agencies and various eligible quasi-governmental agencies who make up the local government plan.

In 2022, the SGIP offered all members three health insurance options — the Premier Preferred Provider Organization, Standard PPO and Consumer-driven Health Plan.

A fourth option, the Limited PPO, was available to participants in the local education and local government plans. Members have the choice of two medical insurance carriers — BlueCross BlueShield of Tennessee or Cigna.

The division contracts separately with CVS Caremark for prescription drug coverage and Optum Health for behavioral health and substance use services for all plan options.

Participants in all plans may enroll in voluntary dental coverage if coverage is offered by the employing agency. Participants may choose either the dental preferred provider organization administered by Delta Dental or the dental health maintenance organization (prepaid) administered by Cigna.

Voluntary vision coverage, administered by Davis Vision, is available to all state plan members. Members in the local education and local government plans are also eligible, if coverage is offered by the employing agency.

Supplemental medical insurance for retirees with Medicare is available through The Tennessee Plan to Medicare-eligible retirees who participate in the Tennessee Consolidated Retirement System and to higher education retirees who participate in a higher education optional retirement plan. Coverage is administered by UMR.

State and higher education employees are provided with basic term life and accidental death and dismemberment coverage and may purchase additional voluntary term life and accidental death insurance, underwritten by Securian.

Voluntary short-term disability insurance is available to state and higher education employees. Voluntary long-term disability insurance is available to state employees. Both are administered by MetLife.



Health Plan Enrollment

State government comprises half of the State Group Insurance Program enrollment.

	Employee/Retiree		Spouse		Child/Dependent		Total	
Local Education	61,024	49%	20,255	16%	42,472	34%	123,751	42%
Local Government	17,365	65%	3,188	12%	6,228	23%	26,781	9%
State Government	68,316	48%	29,403	20%	45,753	32%	143,472	49%
Total							294,004	

Please note that percentages throughout this report may not always equal to 100% due to rounding.

Benefits Administration is organized around four key areas: Vendor Services, Financial Management & Program Integrity, Operations and Communications. These teams deliver value by implementing accountable plan design and conservative fiscal policy to sustain a market-competitive benefit.

Specifically, the division has a consistent strategic focus on four key levers:

- 1. Purchasing**— Obtain best pricing through competitive procurements that leverage the state’s purchasing power and vendor core competencies
- 2. Plan design**— Balance plan target actuarial value and cost with incentives for members to seek appropriate care and manage chronic disease
- 3. Population health**— Build health management and wellness supports into the plan design to encourage member accountability for health behaviors and improve health outcomes
- 4. Pay for value**— Increase the accountability of contractors and providers so that we pay for improved quality and competitive cost, not volume

The year-over-year aggregate premium increases for the state active, state retiree, local education and local government plans from 2019–2022 have averaged **-.9%, 3.4%, 1.8%** and **3%**, respectively, well below the industry average. The plans’ financial performance reflects the success of this strategy.

In 2022, the following key initiatives were accomplished.

Vendor Services



2022 Procurements



Operations



Communications



**Financial Management
& Program Integrity**





Vendor Services

The Benefits Administration Vendor Services team manages health plan benefits through the procurement and administration of contracts for health care services and programs and by researching, recommending and implementing innovative and competitive benefits.

Benefits are reviewed annually for market alignment, price and value. Plan year 2022 changes helped to support appropriate product pricing and in-network utilization through changes such as an increase in the broad network buy-up amount, right-sizing out of network maximum out of pocket amounts and premium tier adjustments.

Two new programs were introduced for all health plan members - personalized exercise therapy and expert medical opinion services. Costs and usage of these services are included in premium and administrative fees, so there is no additional member cost for these new benefits.

The Vendor Services team worked closely with other BA staff and vendor partners to create program materials and presentations designed to educate members on plan benefits such as pharmacy, flexible benefits and health savings accounts.

Work related to Consolidated Appropriations Act and Transparency in Coverage rules compliance continued. This included working with vendor partners on posting required machine-readable files and submission of required plan reports.

Tracking of COVID expenses and plan impact of the pandemic also continued throughout the year.

BA was engaged in the state's total compensation study. Several new benefit enhancements were recommended based on the results of the study. Implementation and timing of these benefits will be determined during the next budget cycle.



Procurements

Contracts procured competitively in the previous year with service delivery go-live dates beginning in January 2022 included:

- medical third-party administration (BCBST and Cigna)
- behavioral health organization and employee assistance program (Optum)
- dental preferred provider organization (Delta Dental)
- short- and long-term disability (MetLife)
- supplemental medical insurance for retirees with Medicare (UMR)

A sole source contract with Virta Health for diabetes reversal services for a small, defined group of members was effective in 2021 through mid-2022.

Contracts procured, awarded and implemented in 2022 and with a service delivery go-live date in January 2023 included:

- vision (EyeMed)
- basic term, basic AD&D, voluntary term, voluntary AD&D life insurance (Securian)



Operations

The Benefits Administration Operations team focuses on providing excellent customer service to our members to support our mission and vision.

In 2022, Operations implemented member benefits and process improvements to enhance our member experience. Operations worked with the Vendor Services and Edison teams to implement a new life insurance plan structure for state and higher education employees. The team simplified the process for entering employee terminations in the Edison system by allowing agencies the ability to enter a coverage termination date instead of a job termination date, which reduced confusion and the number of errors and corrections

needed for incorrect dates. Operations also worked with our new vendor EyeMed to set up enrollment files for timely processing.

Benefits Administration continued participation in the State's Process Automation project to review processes that are rules-based and time consuming for staff to complete. The Operations team implemented automations for four processes, which have reduced the amount of time our staff spends on conducting quality assurance reviews and corrections.

The Education and Outreach team onboarded **12** new agencies onto our plan in 2022. This effort involved working with the new agencies one-on-one to teach them how to



process enrollments, run reports and communicate with our service center. The team attended **12** conferences and presented at numerous agency meetings to support our education and outreach efforts. In 2022, the Education and Outreach team created education sessions for all new agencies joining the plan. The team partnered with our vendors to provide new members the opportunity to learn more about the services provided through our plans. Nine in-person sessions were held to share this information with agencies that joined in 2022.

The most recent customer satisfaction survey of our agency benefits coordinators showed our customers rated their overall satisfaction with our service center at **98.1%**

meets or exceeds expectations. The team reached out individually to **34** agencies that provided feedback to get further clarification on responses and worked with them on issue resolution. Based on feedback received from this survey, Operations enhanced existing ABC and staff training and implemented a quick links guide to common reports. Our Zendesk customer service satisfaction rate was **98.2%**. Operations hosted two in-person all day training sessions and eight virtual ABC training sessions throughout the month of August to give important updates and reminders, training an average of **350** agency benefits coordinators each week.



Communications and Marketing

The Benefits Administration Communications and Marketing team helps members of our State Group Insurance Program and employees of member agencies understand their benefit options, make informed choices and get the most from their benefits. This team takes a customer-first approach to inform continuous improvement in delivery of benefits information across multiple platforms, including email, the Partners for Health website, webinars, social media and direct mail. Data show growth in unique visitors and page views to the Partners for Health website through 2022, and the team uses analytics and customer feedback to guide improvements to the site.

Through a focused strategy to identify and build

relationships with key partners, decision makers and organizations and a marketing approach using both digital and in-person outreach, Benefits Administration added **12** new agencies with more than **850** members plus their dependents to our local government insurance plan in 2022. Direct contact with local agency plan members made through the outreach effort has provided valuable feedback to help inform plan design and identify customer needs.

BA Communications and Marketing team members work closely with Vendor Services colleagues and agency vendor partners to educate and inform members about their benefits. The communications team collaborates with vendors to offer a series of webinars to provide

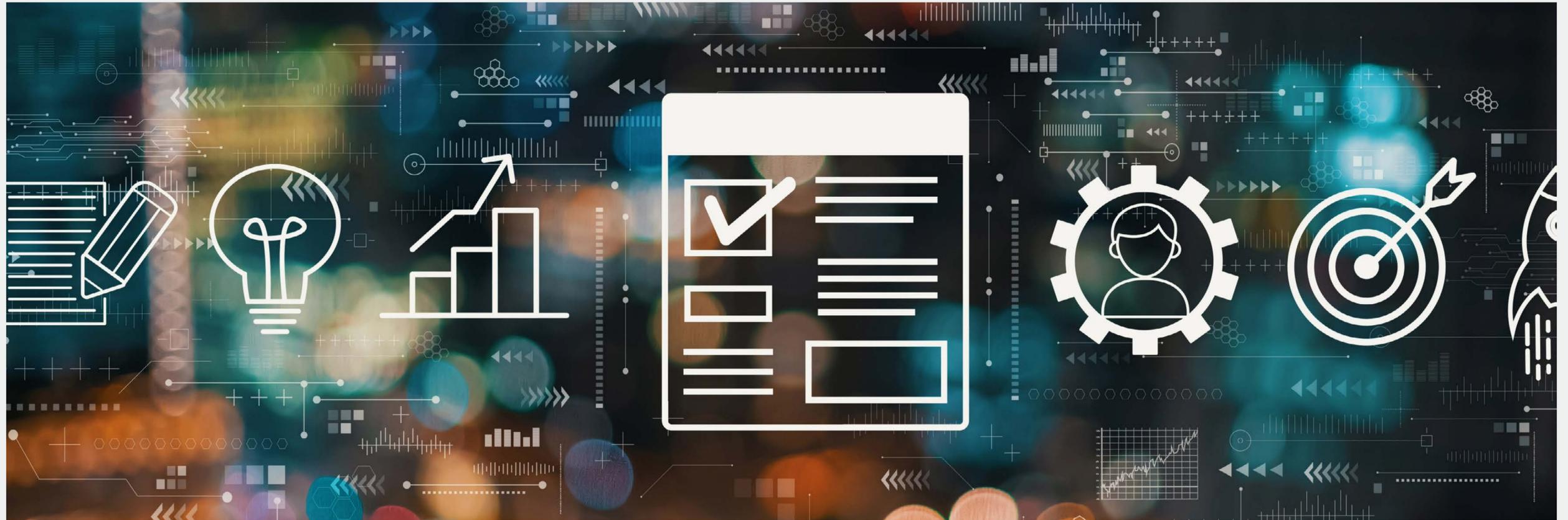


opportunities for members to hear directly from vendor representatives and ask questions about their benefit options. These vendor webinars were provided in addition to BA webinars leading up to the October annual enrollment period.

The Communications team implemented a new digital-first approach to annual enrollment in 2022, moving to interactive digital newsletters for our state, higher education, local education and local government members. In addition to this new product, the team produced a postcard so all eligible employees received a direct mail piece about annual enrollment. The team provided education to agency benefits coordinators on how to use the new digital newsletters and emphasized the importance of email messages about annual

enrollment in outreach to both ABCs and eligible employees. The new digital newsletters earned positive feedback, and results showed increased open rates of annual enrollment email messages, especially among our higher education group, compared to 2021.

Each year we survey our agency benefits coordinators' customer satisfaction as a measure of our performance. In 2022, **98.5%** of those responding rated their overall satisfaction with the communications team at meets or exceeds expectations. When asked to rate their overall satisfaction with services provided by Benefits Administration, **97.8%** responded with meets or exceeds expectations.



Financial Management & Program Integrity

The Benefits Administration Financial Management and Program Integrity team promotes compliance, transparency and accountability throughout the division. In 2022, this group successfully went to market with two competitive procurements, a Request for Proposal for a decision support system and a Request for Qualification for actuarial and benefit consulting services. Implementation for these contracts will occur in 2023.

The decision support system, which houses demographic and claims information, is used by Benefits Administration staff and our contracted actuaries to examine cost drivers in our

plans, utilization trends, and health status of our members. This tool is used in designing our benefits and setting premium rates for our plans.

The actuarial and benefit consultants provide actuarial services in support of benefit design and premium setting, procurement assistance, auditing services, and Other Post Employment Benefit valuations in support of Governmental Accounting Standards Board reporting requirements.

The Financial Management group ensured vendors were paid accurately and timely, monitored the state-sponsored plan performance, monitored the OPEB



trust performance and coordinated the OPEB funding with higher education institutions.

The Vendor Accountability unit monitored the third-party administrators by reviewing the vendors' time to process claims, tested for duplicate claims, performed focused claims testing on denied and pended claims and reviewed the internal provider claims appeal logs.

The Member Accountability team performed reviews of ineligible members and assisted the third-party administrators in collecting from subrogation cases, totaling more than **\$615,000** in collections.

The Risk Management area continued to evaluate and

mitigate divisional risks and oversee the comprehensive audit plan. Six audits from this plan were either completed or in process during 2022.

As a covered entity, Benefits Administration must adhere to the Health Insurance Portability and Accountability Act. One of the division's responsibilities is to ensure our staff members and the employees of our participating agencies are properly trained in protecting member information. During 2022, the director of HIPAA compliance developed a training program and ensured more than **1,200** people were trained.

Plan options were unchanged in 2022 and included several Preferred Provider Organizations and a high deductible plan:

1. Premier PPO
2. Standard PPO
3. Local Consumer-driven Health Plan/Health Savings Account (local education & local government only)
4. Limited PPO (local education & local government only)

Networks

- All members had a choice of BlueCross BlueShield Network S, BlueCross BlueShield Network P, Cigna Local Plus or Cigna Open Access Plus. Employees enrolling in networks P or OAP paid an additional monthly premium charge of **\$65** or **\$130** (depending on tier) to partially account for the higher costs associated with these broad networks.
- For 2022, **23,615** members enrolled in the OAP network which was an increase from **16,057** in 2021.



Coverage by Plan

- The Premier PPO remained the most popular plan option among all groups.
- CDHP enrollment was relatively unchanged.
- Employees contributed approximately **\$12 million** to their health savings accounts which is an average of **\$1,587** per account.
- Employers (state, higher education and some local education and local government agencies) contributed approximately **\$5.04 million** to employee HSAs.

Coverage — State



Coverage — Local Education



Coverage — Local Government



Coverage by Tier

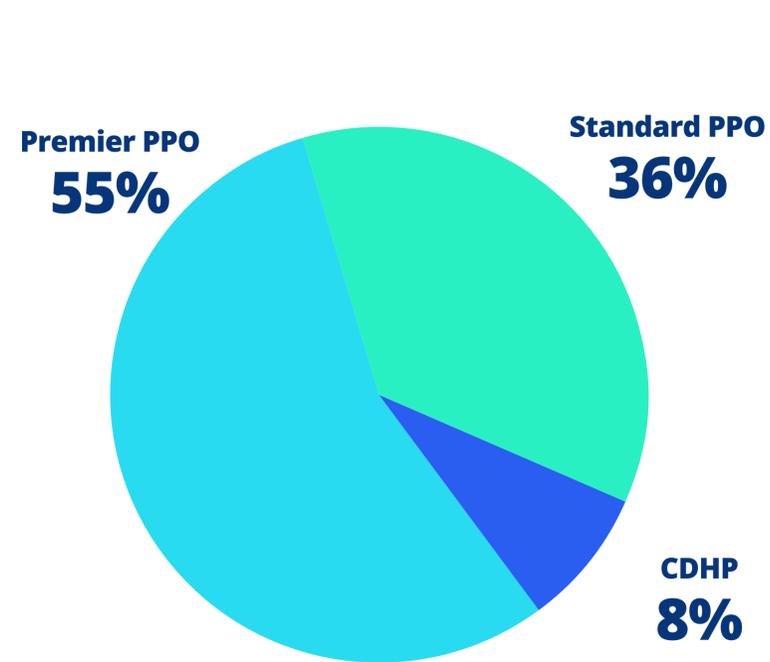


Coverage by Age

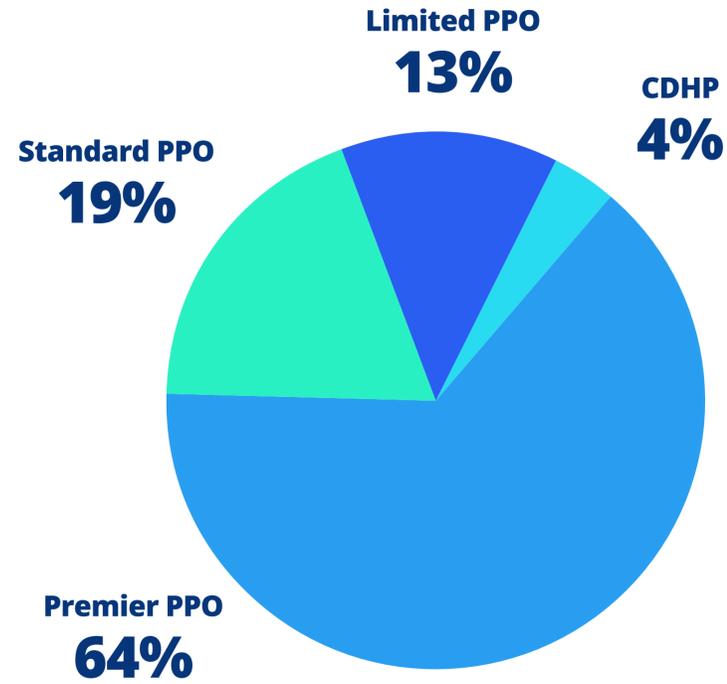


Coverage by Gender

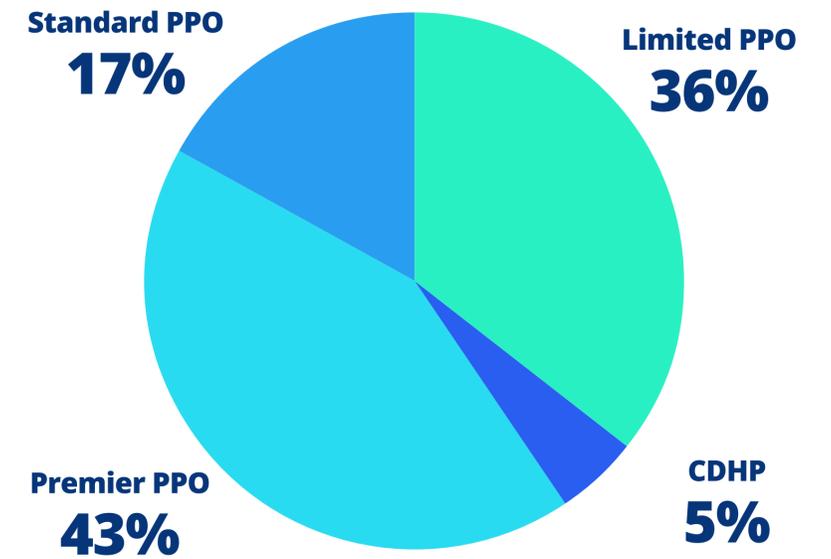




STATE



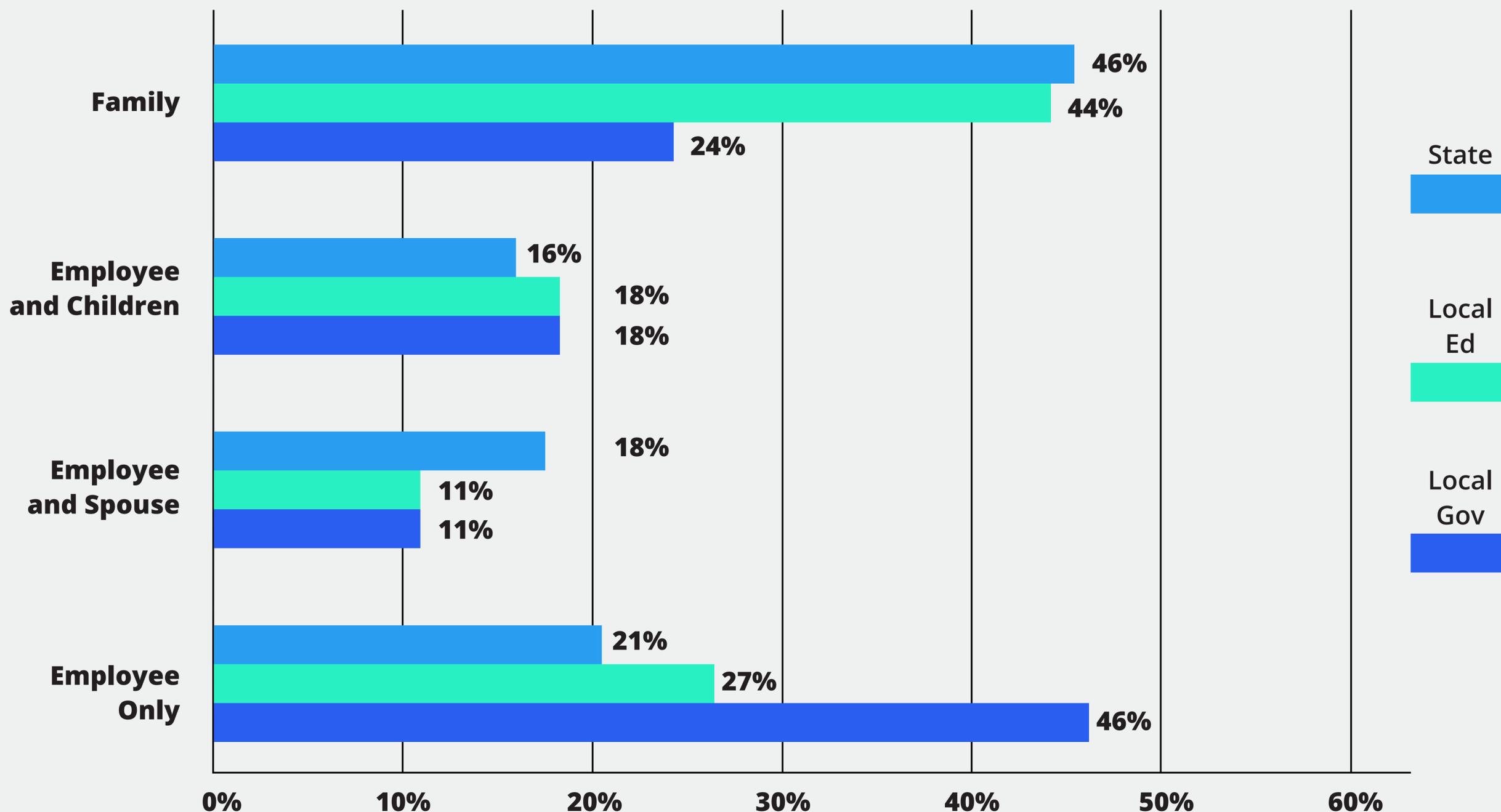
LOCAL EDUCATION



LOCAL GOVERNMENT

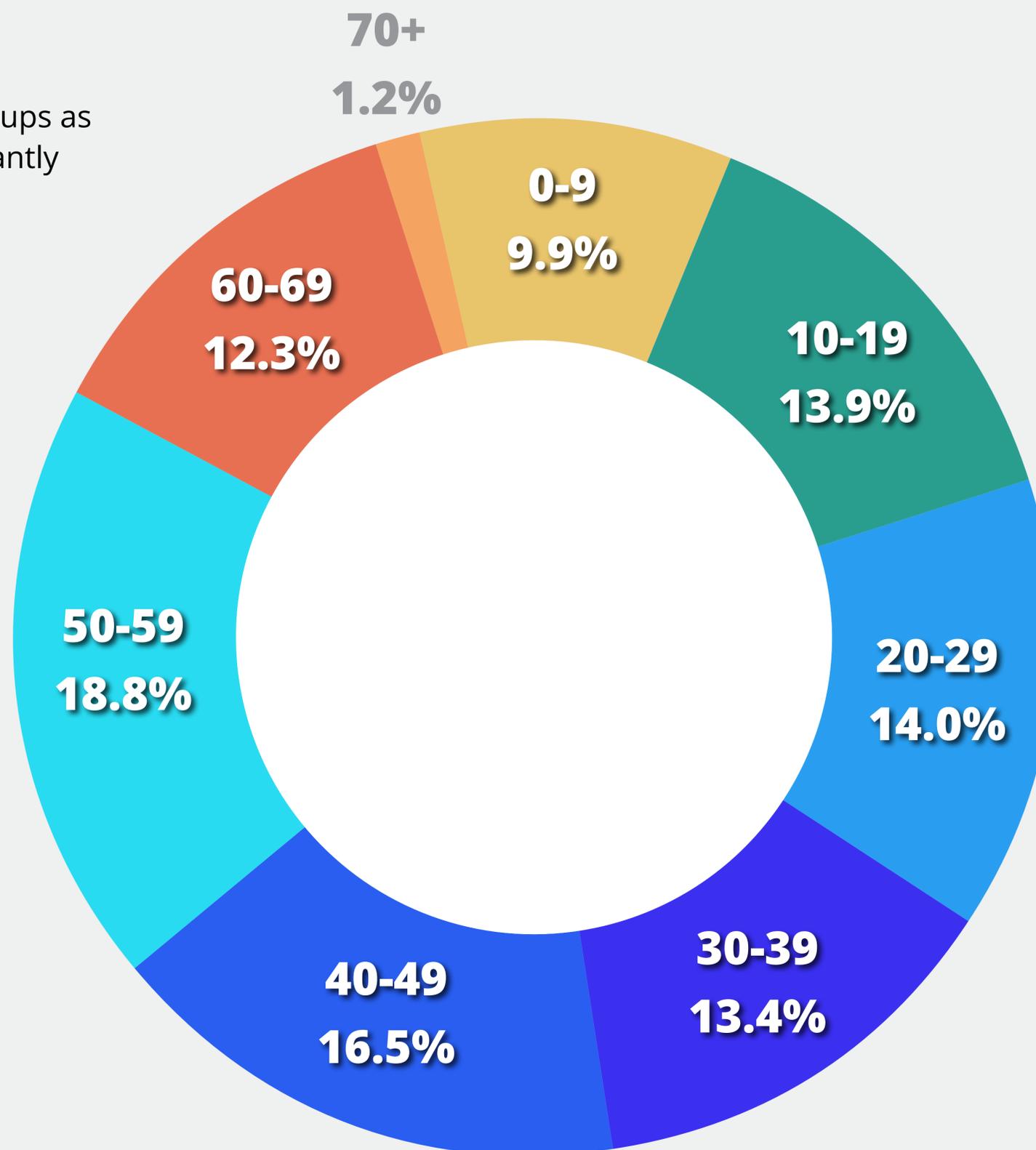
Enrollment Coverage by Tier

- The percentage of local government members enrolling in family coverage is much lower than in the local education and state plans, while the percentage of employee-only coverage for local government far outpaces the other plans.
- Enrollment by tier for 2022 is very similar to 2021.



Coverage by Age

- The average age among all members is **36.8**.
- The average age remained the same for all groups as compared to 2021 and hasn't changed significantly since 2019.
- State **37.3** (37.4 in 2019)
- Local education **35.7** (35.6 in 2019)
- Local government **38.8** (38.9 in 2019)



Coverage by Gender

The overall gender split is **55%** female, **45%** male, with the local education plan having a higher percentage of females. This has remained constant for the past few years.

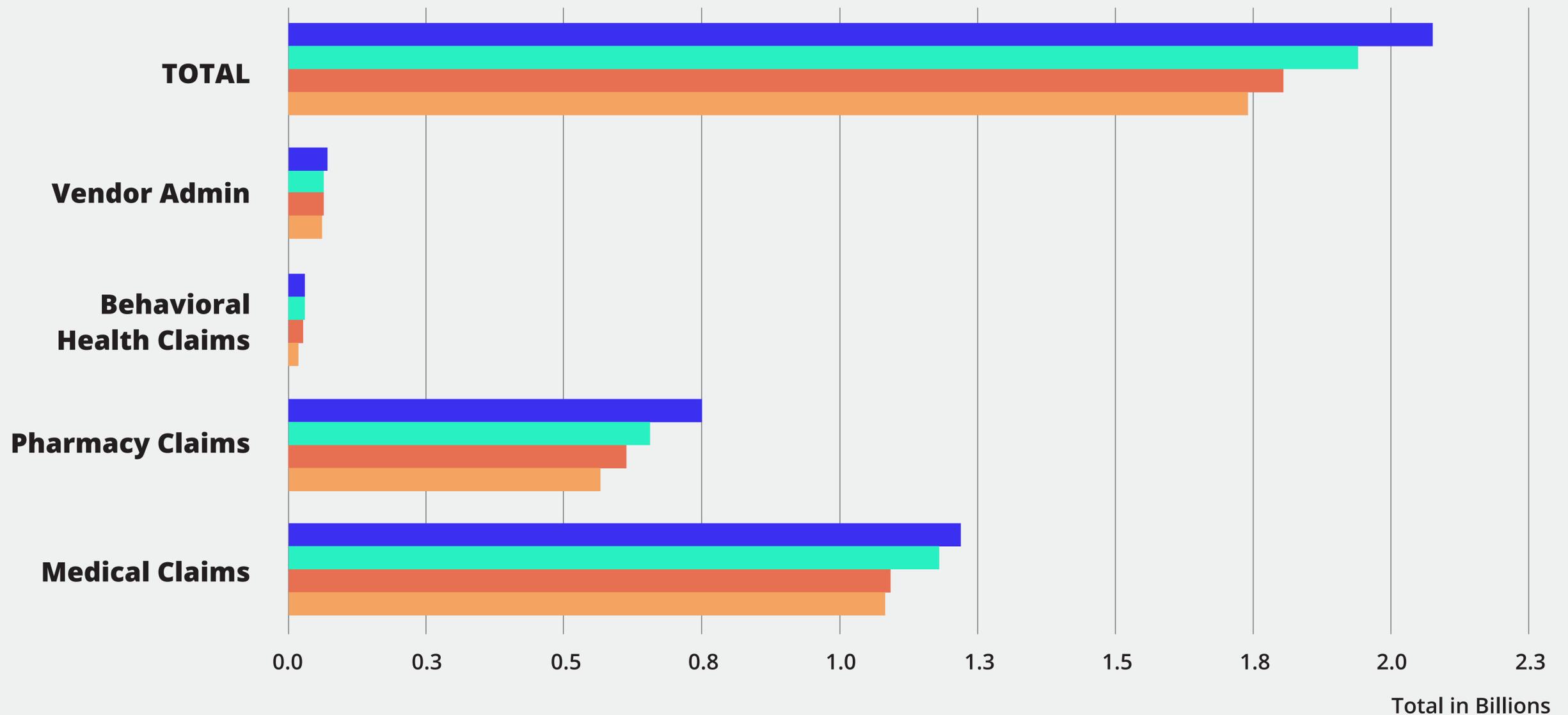
	Female	Male
Local Education	59%	41%
Local Government	51%	49%
State Government	54%	47%
Total	55%	45%

Expenses 2019-2022

- Total plan expenses were **\$2.1 billion** in 2022 and increased **19.5%** between 2019 and 2022. Additionally, there was an increase of **7.1%** between 2021 and 2022.
- Pharmacy claims increased **32.7%** between 2019 and 2022, with a **14.5%** increase between 2021 and 2022.

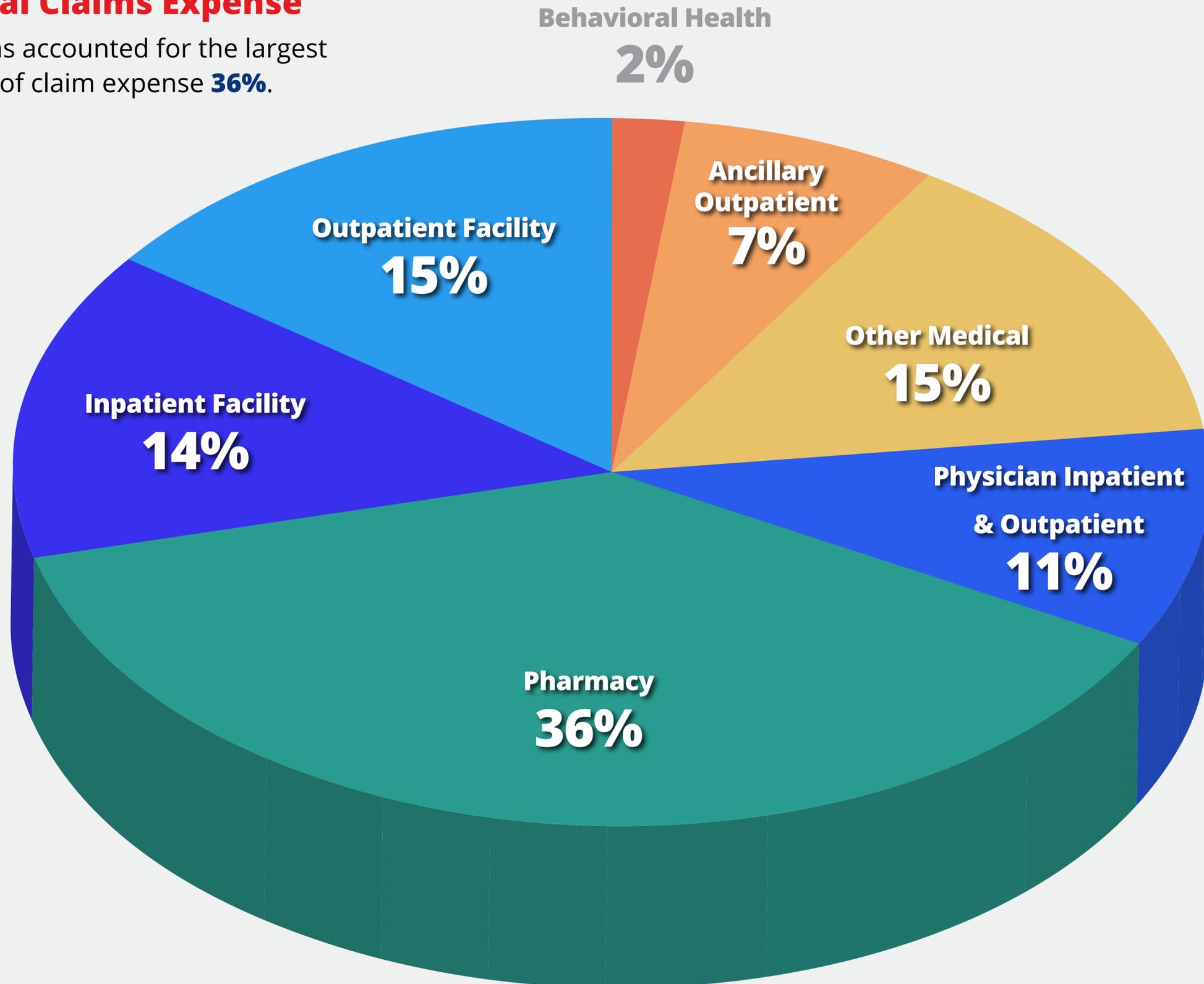


Wellness expense and pharmacy rebates are excluded in Total / Graph.



2022 Medical Claims Expense

Pharmacy claims accounted for the largest single category of claim expense **36%**.





Spend by Relationship

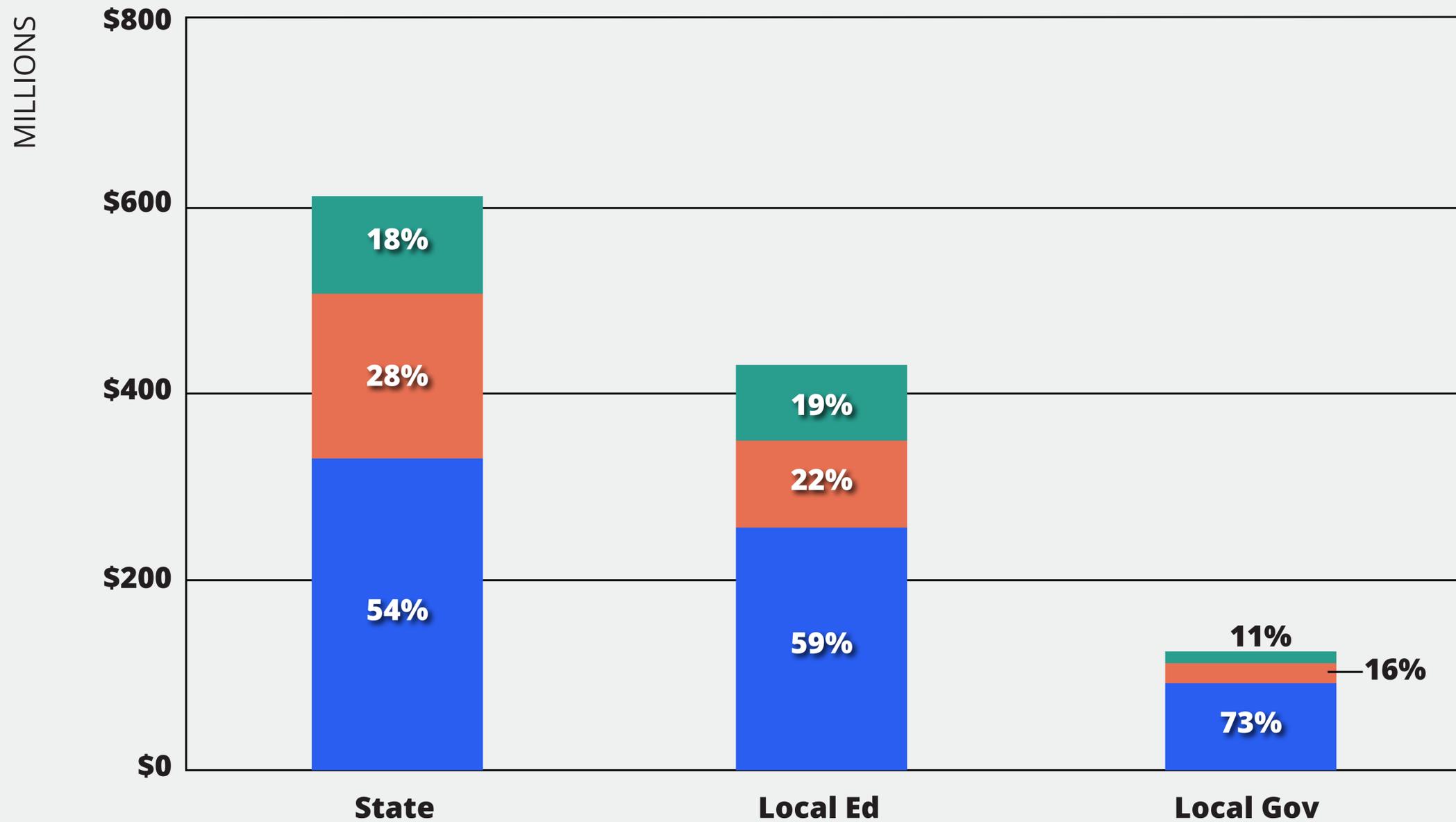
Employee

Spouse

Dependent

Spend is shown in **MILLIONS**

Medical





Spend by Relationship

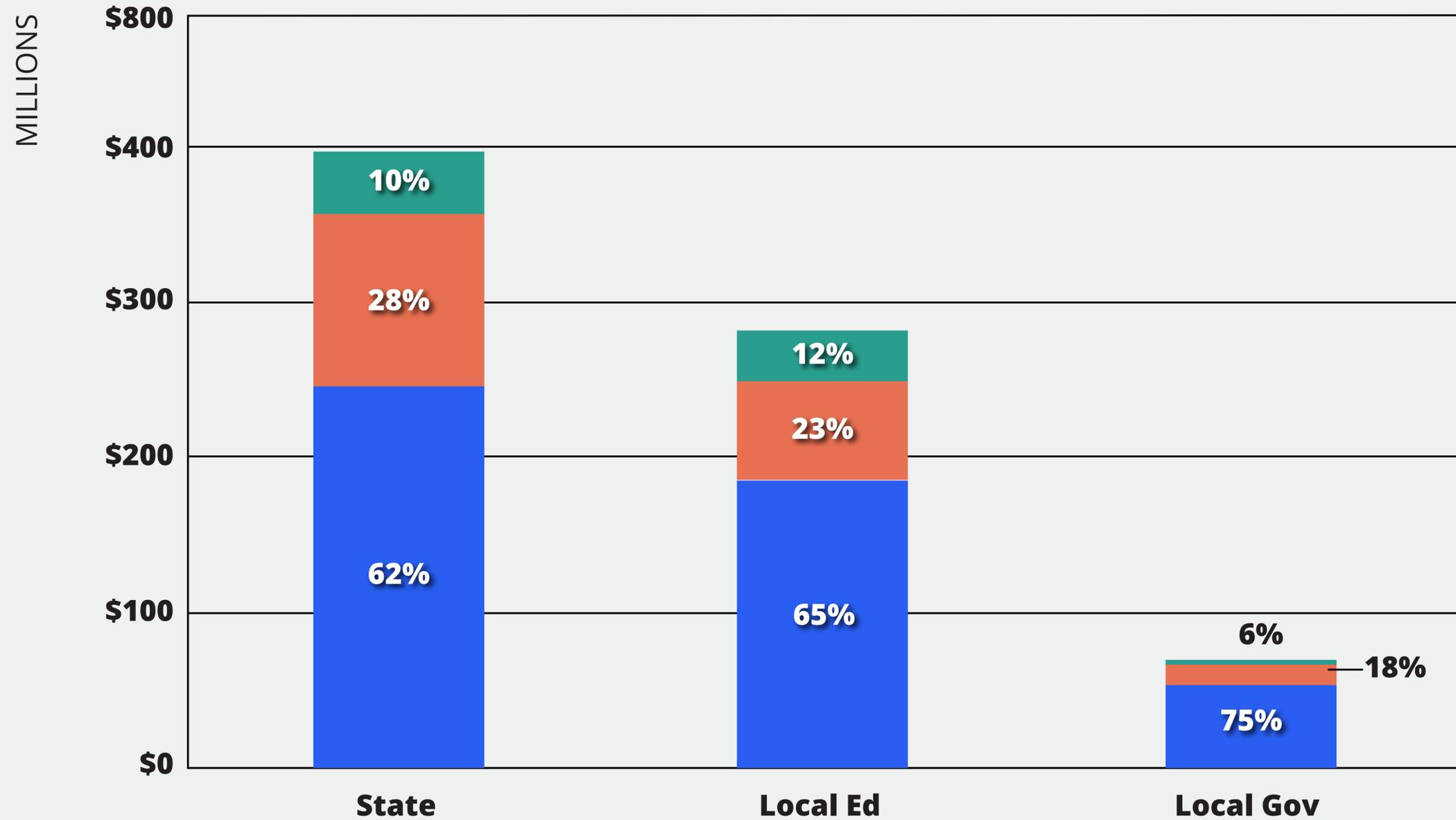
Employee

Spouse

Dependent

Spend is shown in **MILLIONS**

Pharmacy



Spend by Relationship

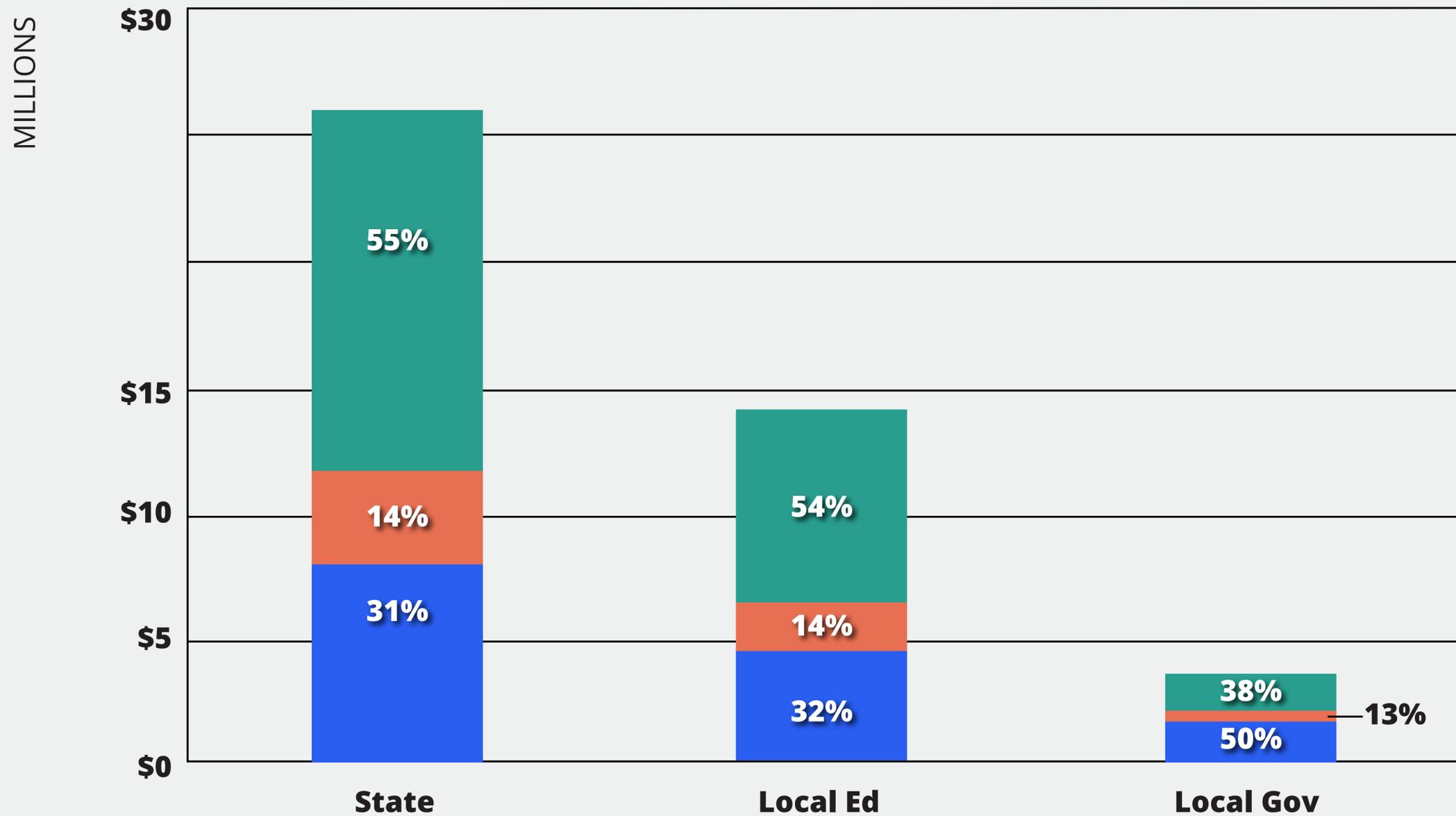
Employee

Spouse

Dependent

Spend is shown in **MILLIONS**

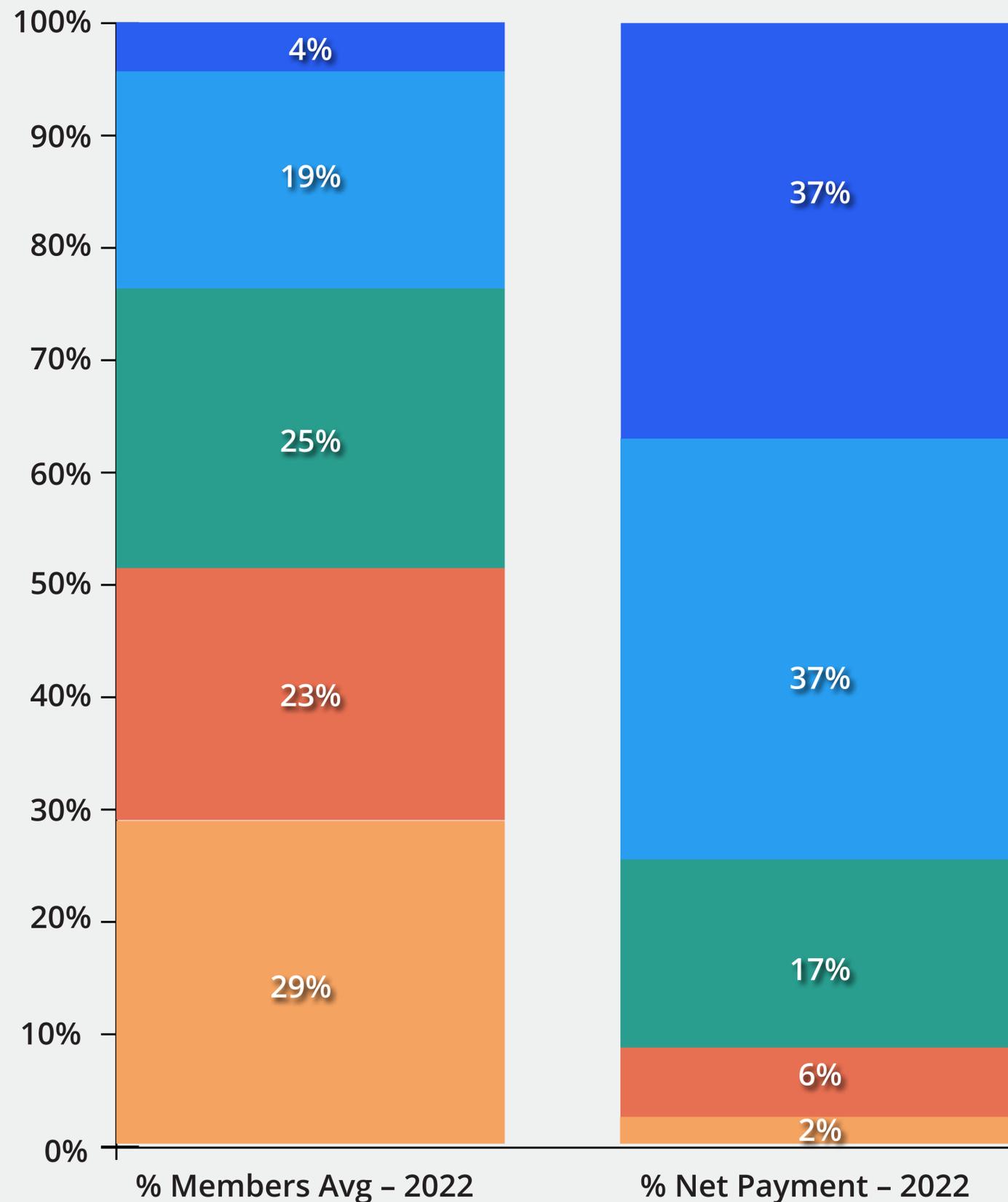
Behavioral Health



Plan Payments by Member Risk



Plan Payments by Member Risk
A very small percentage of members account for over one-third of all plan payments.





Very healthy, minimum use of health care services

Interventions should focus on preventive care

Fairly healthy, low use of health care services

Monitor health to mitigate risk

Primarily acute conditions, moderate use of health care services

Health influences day to day life but is still manageable

Lack of management may result in high cost care and increased severity

Higher disease severity, heavy use of health care services

Costs well above average; poor health adversely influences day to day life

Lack of management may result in extreme high cost and overall decline in health

Highest severity of illness, significant use of health care services

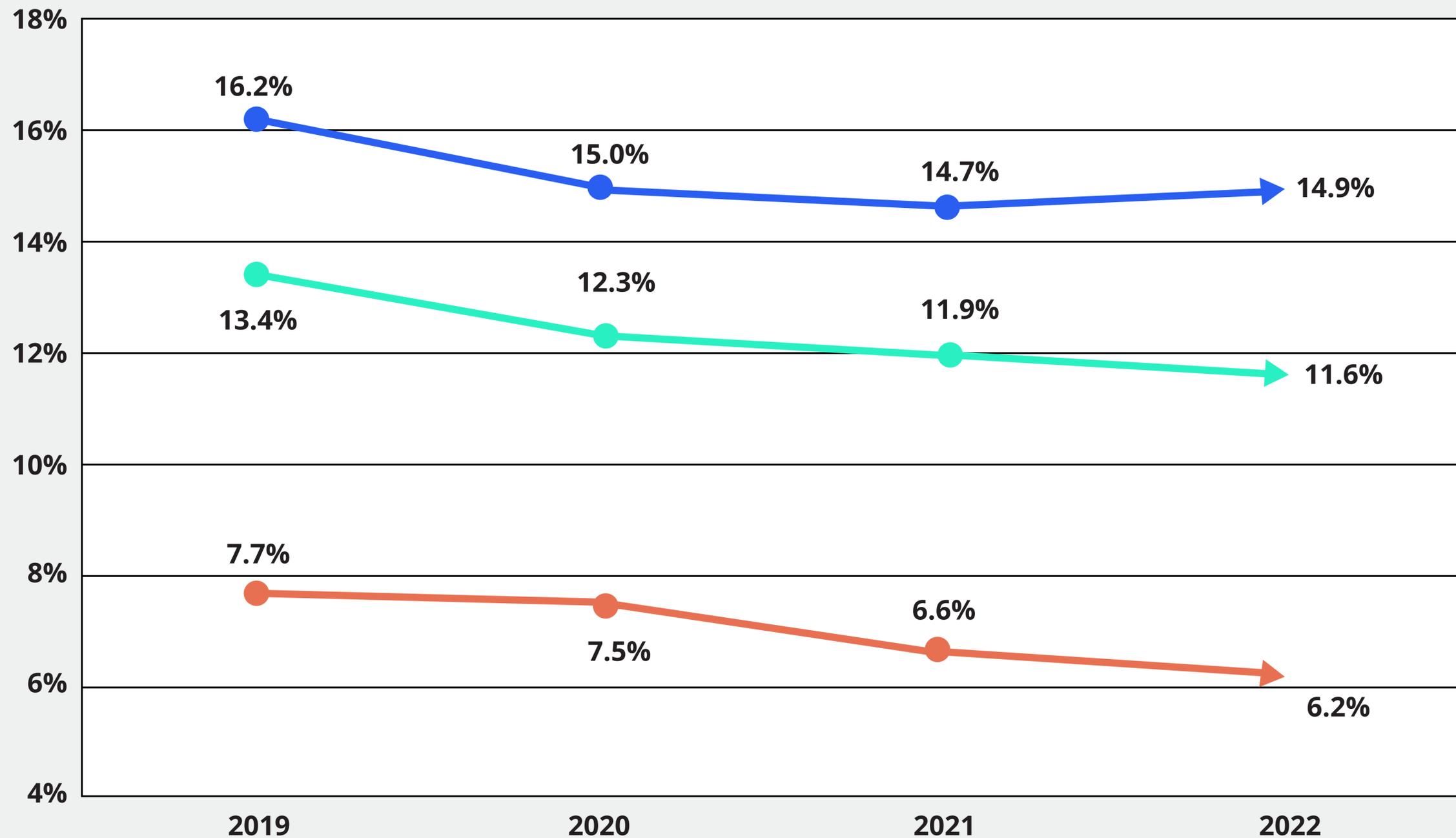
Highest costs, poor health negatively impacts quality of life

Aggressive care management needed

Cost Share per Member 2019-2022

Medical and pharmacy trends continue to increase. Without benefit changes the percentage of total costs that members pay continues to decline.

- Medical
- Combined
- Pharmacy

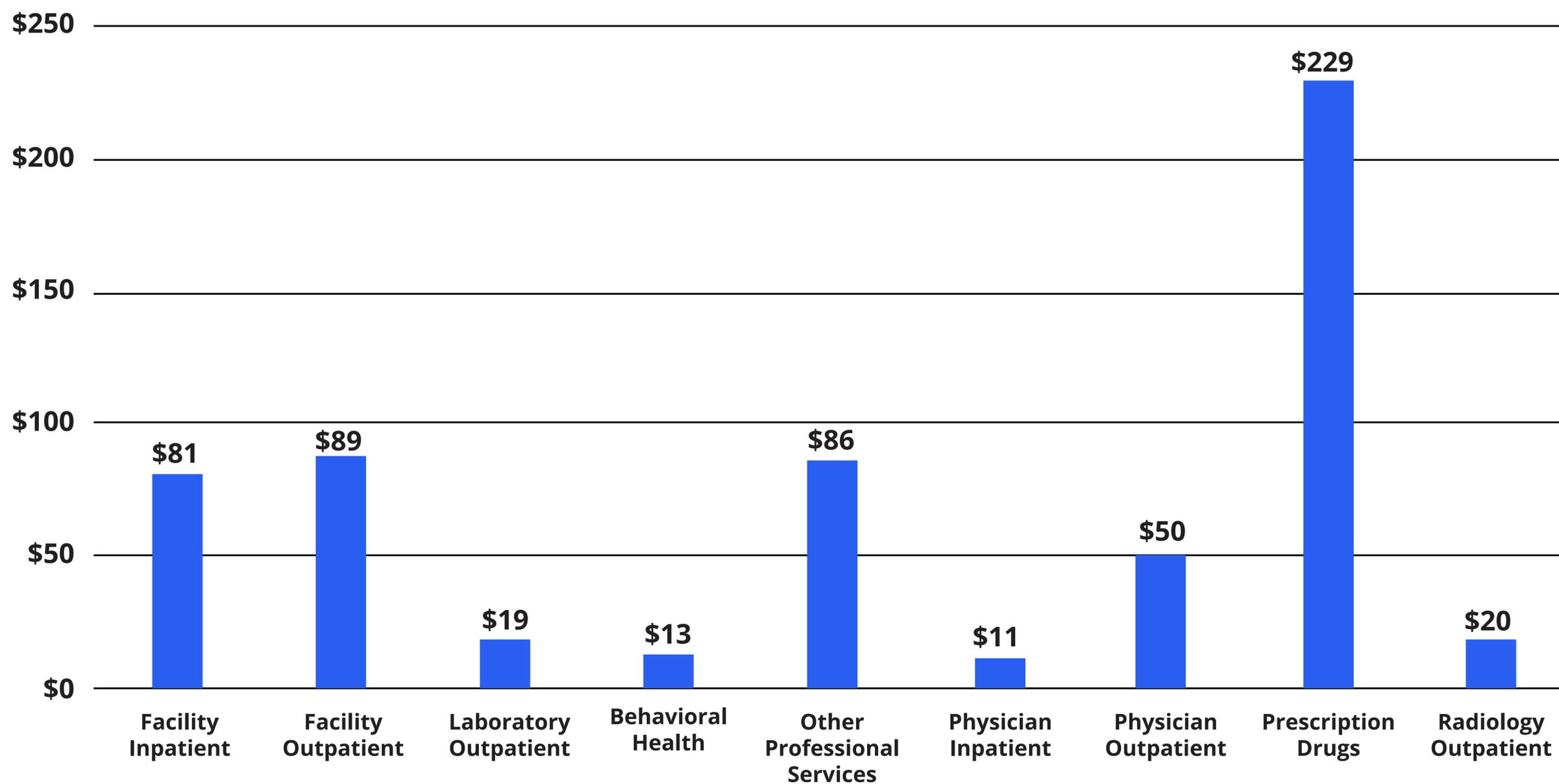


Cost per Member per Month by Service Category

Pharmacy continues to have the highest cost per member per month among all service categories.

Prescription drugs saw the highest per member per month increase from last year (**18%**).

Facility inpatient had the biggest per member per month decrease from 2021 (**-17.2%**).



Pharmacy does not include rebates.

The Top Ten list combined represents **61%** of total plan expenses in 2022

Top Ten Medical and Pharmacy Plan Expenses

Medical Procedure Groups	Clinical Conditions	Prescription Drugs
1. Office visits	1. Osteoarthritis	1. HUMIRA- rheumatoid arthritis
2. Emergency department visits	2. Coronary artery disease	2. OZEMPIC - diabetes
3. Major musculoskeletal surgery	3. Diabetes	3. TRULICITY-diabetes
4. Anesthesia services	4. Renal Function Failure	4. STELARA-plaque psoriasis and psoriatic arthritis
5. Physical medicine	5. Newborns, w/wo Complications	5. WEGOVY- weight management
6. Chemotherapy	6. Cancer – Breast	6. JARDIANCE-diabetes
7. Specialty drugs (other than chemotherapy)	7. Hypertension	7. ENBREL-rheumatoid arthritis
8. Preventive visits	8. Cerebrovascular disease	8. DUPIXENT-asthma
9. Medical supplier and devices	9. Infections	9. FARIXGA-diabetes
10. Other microbiology tests	10. Cancer – Leukemia	10. SAXENDA-obesity



Utilization Trends

Admissions and ER visits per 1,000 in all plans continued to drop below pre-COVID levels while office visits seem to rebound for all plans.

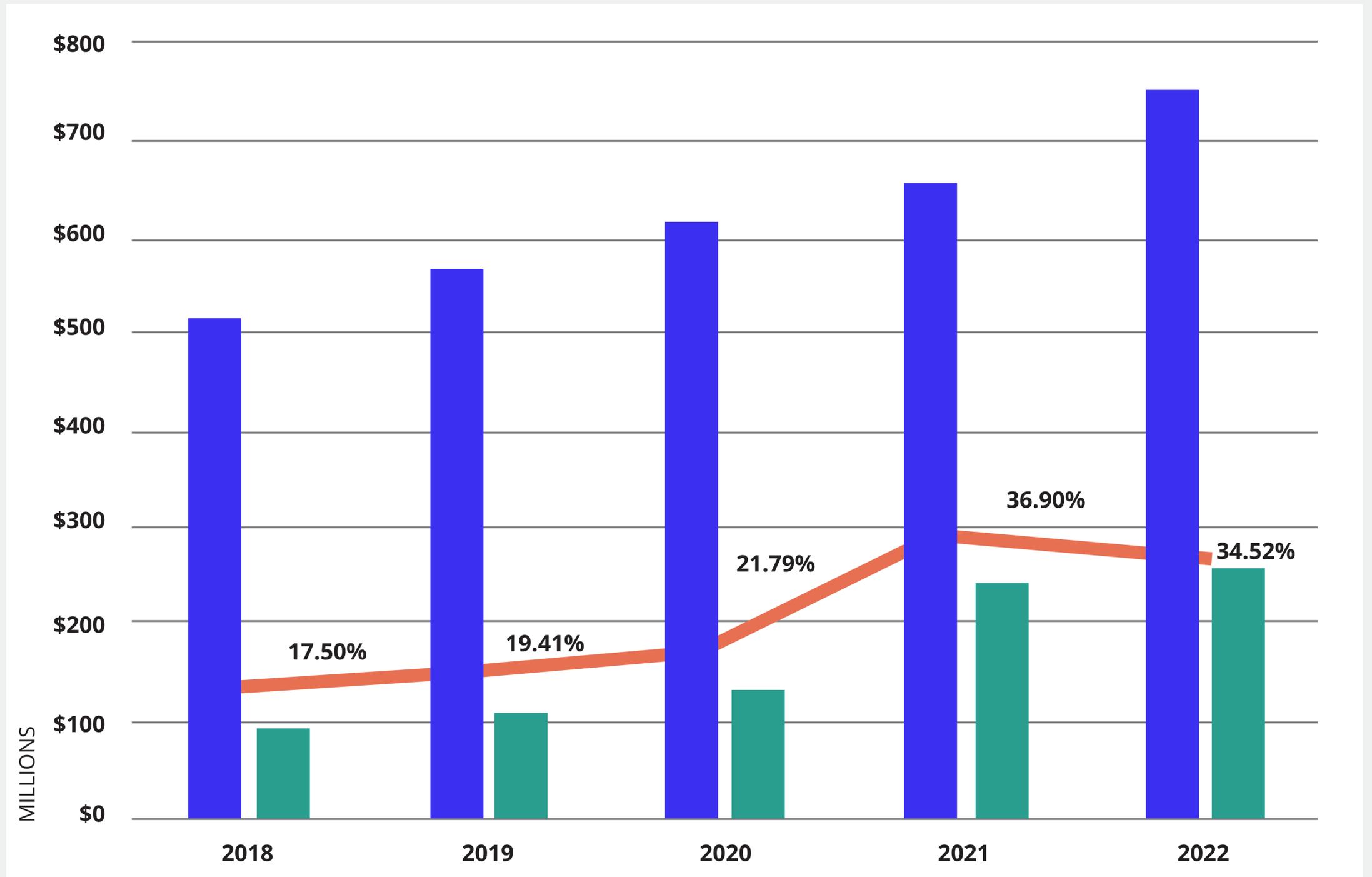
	Local Education			Local Government		
	2019	2022	% Chg	2019	2022	% Chg
Admissions Per 1,000	51	45	-11.8%	67	56	-16.4%
OP Facility Visits Per 1,000	1,159	1,248	7.7%	1,294	1,400	8.2%
Office Visits Per 1,000	8,304	8,549	3.0%	7,665	8,086	5.5%
ER Visits Per 1,000	185	177	-4.3%	290	270	-6.9%
Scripts Per 1,000	15,578	16,141	3.6%	17,844	18,159	1.8%
Patients Per 1,000 Complications	21	24	14.3%	24	27	12.5%
Readmissions Per 1,000	2	2	0.0%	3	4	33.3%

	State Government			All		
	2019	2022	% Chg	2019	2022	% Chg
Admissions Per 1,000	60	51	-15.0%	57	49	-14.0%
OP Facility Visits Per 1,000	1,349	1,334	-1.1%	1,273	1,307	2.7%
Office Visits Per 1,000	8,421	8,879	5.4%	8,324	8,678	4.2%
ER Visits Per 1,000	234	209	-10.7%	220	202	-8.2%
Scripts Per 1,000	15,634	15,980	2.2%	15,837	16,256	2.6%
Patients Per 1,000 Complications	25	27	8.0%	23	26	13.0%
Readmissions Per 1,000	3	3	0.0%	3	2	-33.3%

Pharmacy Rebates

100% of all rebates are passed back to the plan. A contract change in 2021 resulted in rebates being returned to the plan more quickly.

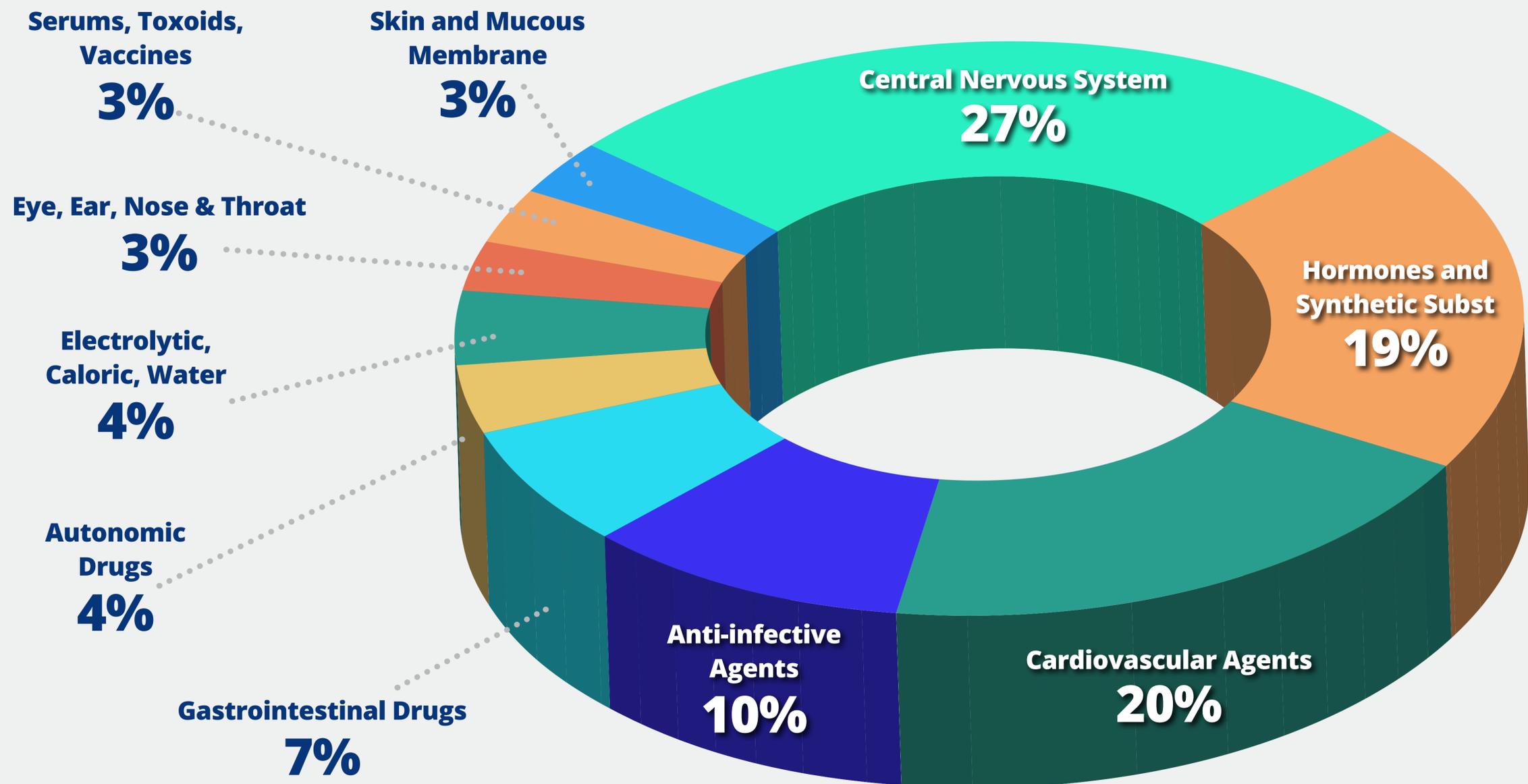
- Pharmacy
- Pharmacy Rebates
- Rebates %



Top 10 Therapeutic Class by Scripts Rx, 2022

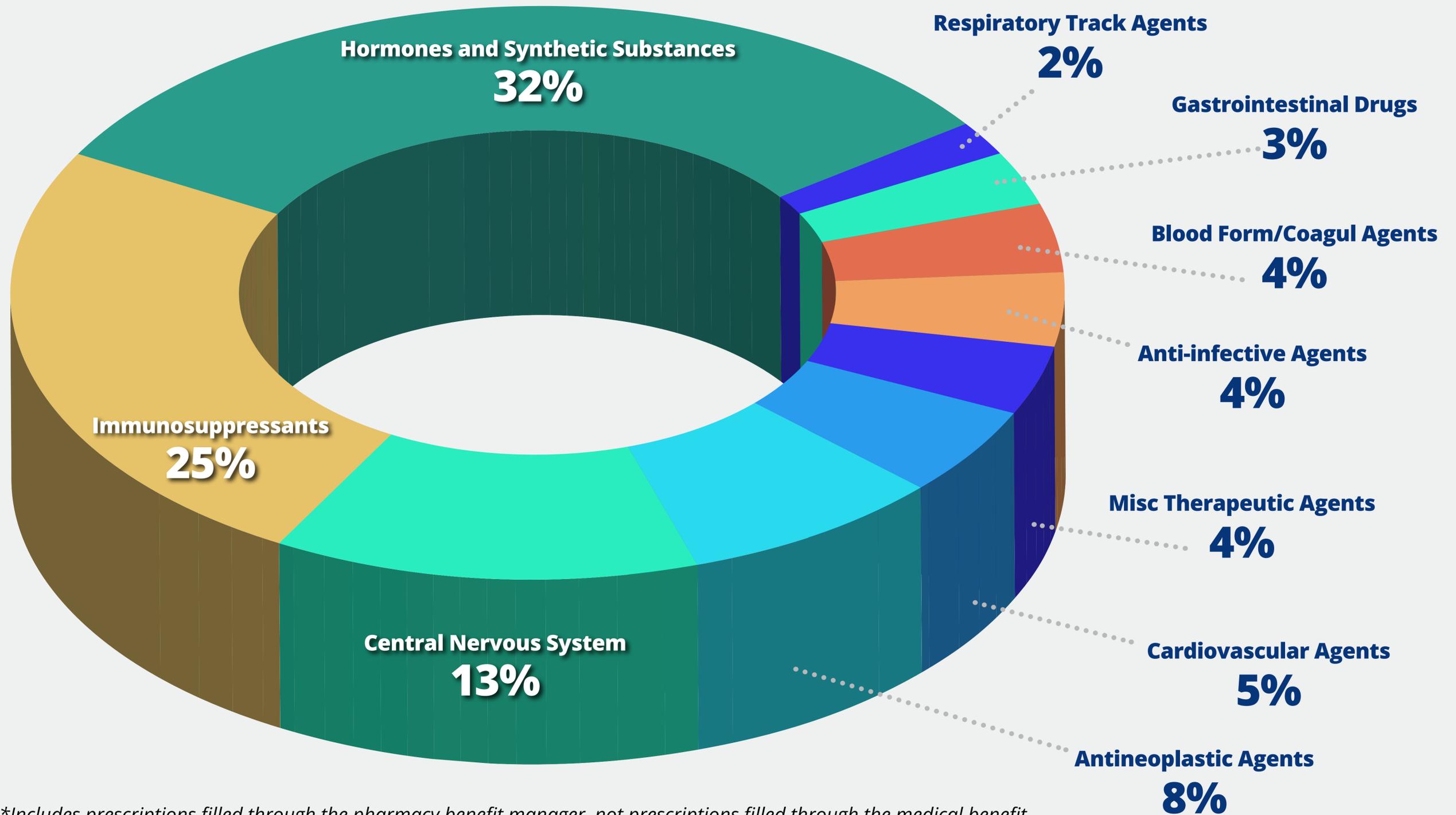
- Drugs used to treat conditions like depression are the top central nervous system drugs by number of scripts while those used to treat attention deficit hyperactivity disorder and binge eating disorder and cataplexy/narcolepsy are the top central nervous system drugs by net pay.

- Drugs used to treat hypertension/high blood pressure and high cholesterol are the top cardiovascular agents by number of scripts.
- Hormones and synthetic substances are used to treat conditions such as diabetes, osteoporosis and enlarged prostate; by cost the top drug in this category was Ozempic (a diabetes medication).



Top 10 Therapeutic Class by net pay Rx, 2022

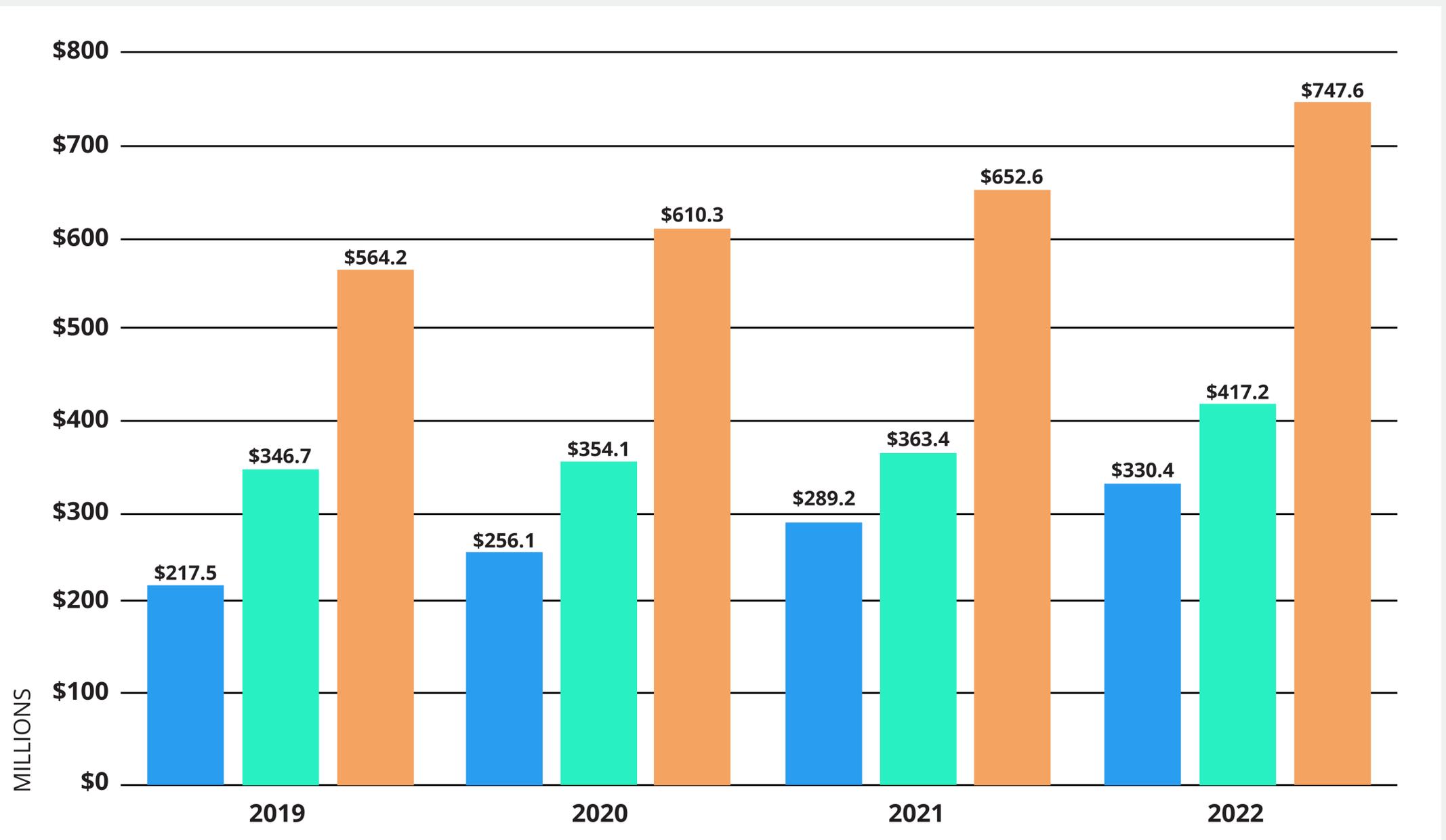
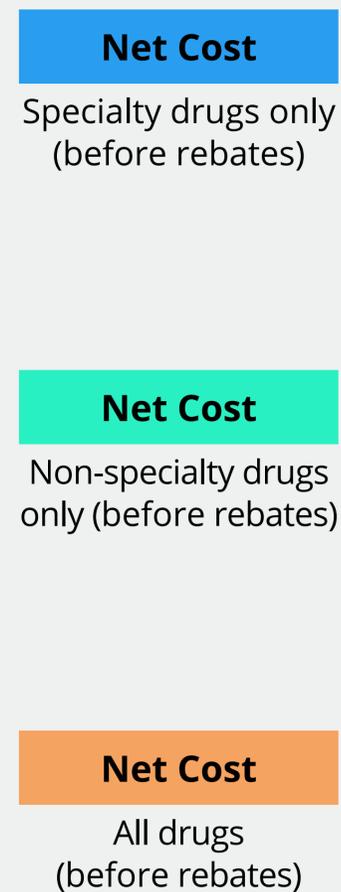
Drugs used to treat diabetes are the top drugs in the Hormones & Synthetic Substances class by net pay.*



*Includes prescriptions filled through the pharmacy benefit manager, not prescriptions filled through the medical benefit.

Net Plan Cost of Drugs Over Time

- Specialty drugs are used to treat complex, chronic or rare conditions; are high cost; and may require special handling. Patients on specialty drugs may need ongoing supervision and monitoring. The number of specialty drugs has increased and has been a driver of pharmaceutical spending over the past few years.
- The net cost of specialty drugs has increased **52%** since 2019 versus **33%** for all drugs.



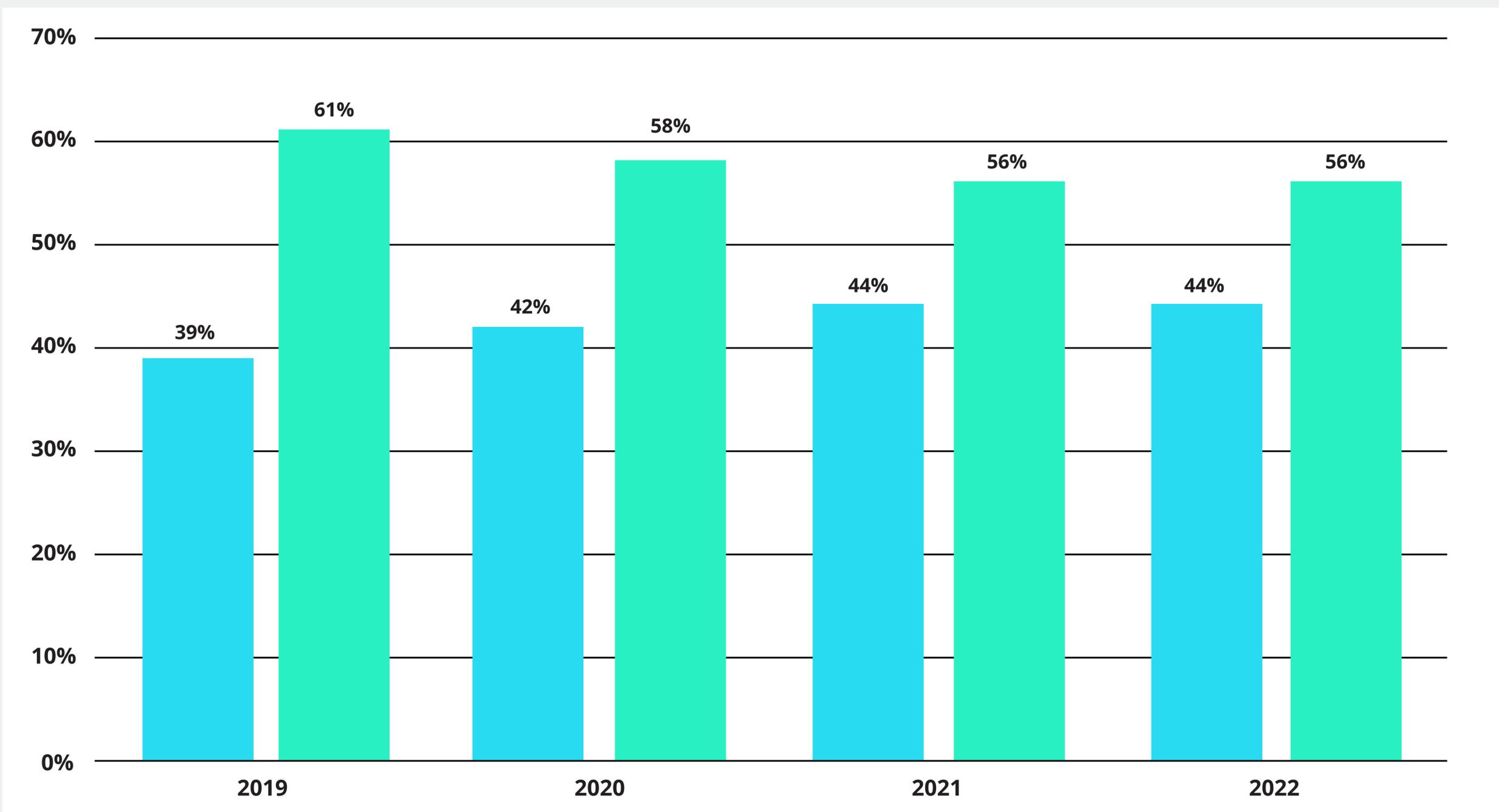
Percent of Total Net Plan Cost of Drugs

- The cost of speciality drugs continues to increase and now accounts for **44%** of total plan pharmacy spend but only accounts for **1%** of total prescriptions.*

Specialty Drugs

Non-specialty Drugs

**Includes prescriptions filled through the pharmacy benefit manager, not prescriptions filled through the medical benefit.*



Utilization

- Member utilization of behavioral health services was **8.0%**. This is a **6.7%** increase over 2021 utilization.
- In-network utilization (as a percentage of claims) was **86.1%**. This is a **4.0%** increase over in-network utilization in 2021.
- In-network utilization (as a percent of claimants) was **93%**.

Network Summary

- **576** new clinicians at 807 locations were added in 2022:
 - **62** MDs
 - **26** PhDs
 - **142** Advanced Practice registered nurses
 - **346** Master’s level clinicians
- **257** providers left the network

Key Diagnoses

Depression, trauma/stress and anxiety continue to be the top three diagnostic categories by utilizer volume. These have not changed since 2019.

Utilizers per 1,000:

- Depression = **24.9**
- Anxiety = **24.1**
- Trauma/Stress = **22.4**
- Substance Use = **3.0**

Use by Level of Care

Outpatient care has seen the largest increase in utilization since 2019.

Utilizers per 1,000:

- Outpatient = **69.7**
- Medication Services = **14.7**
- Other = **4.0**
- Acute Inpatient = **2.2**
- Structured Outpatient = **1.6**
- Day Treatment = **0.9**
- Residential = **1.0**

View BH Utilizer Demographics

The gender, relationship and age of behavioral health utilizers remained relatively unchanged from 2021.

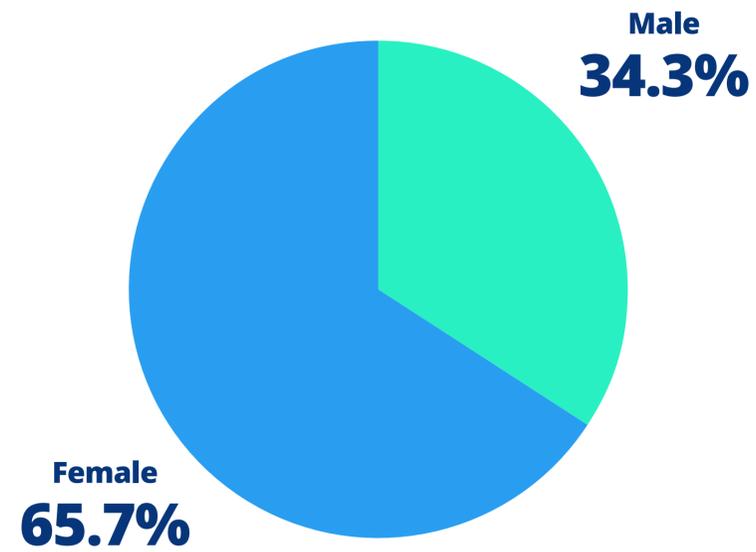
Gender

Relationship

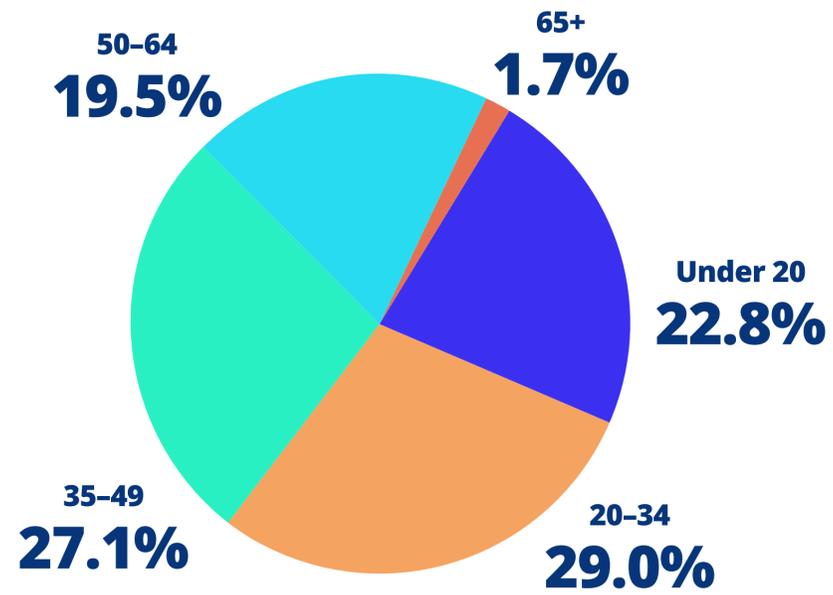
Age Band



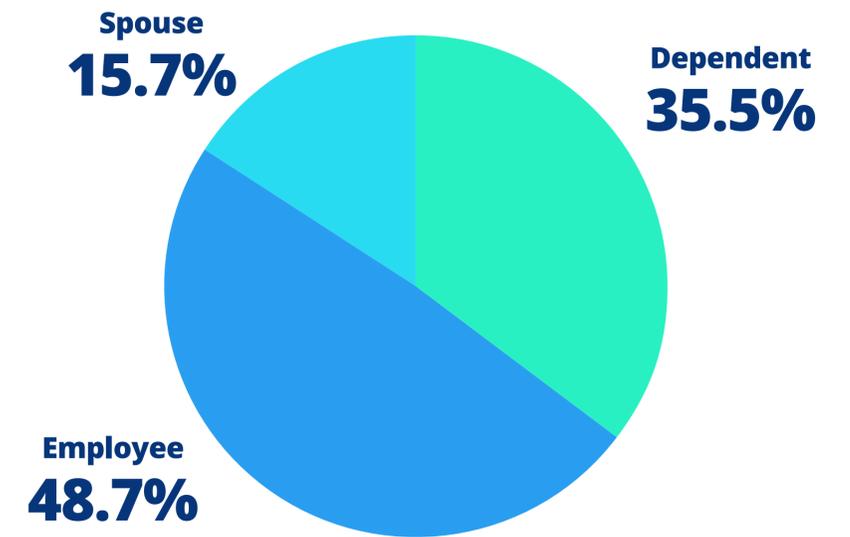
Gender Demographics



Age Demographics



Relationship Demographics



Substance Use

- In 2022, **842** members sought care for substance use, which is a **12.7%** increase from 2021.
- In 2022, spouses made up a larger percentage of total substance use spend than they did last year while the dependent spend decreased for the third year.
- Opioid related disorders increased from **32%** of cases in 2021 to **32.4%** in 2022, while alcohol related cases declined **3%**.

Alcohol use was the main reason that all groups (employees, spouses, dependents) sought treatment in 2022 and most of this care was delivered in a residential setting.

Substance Use Demographics

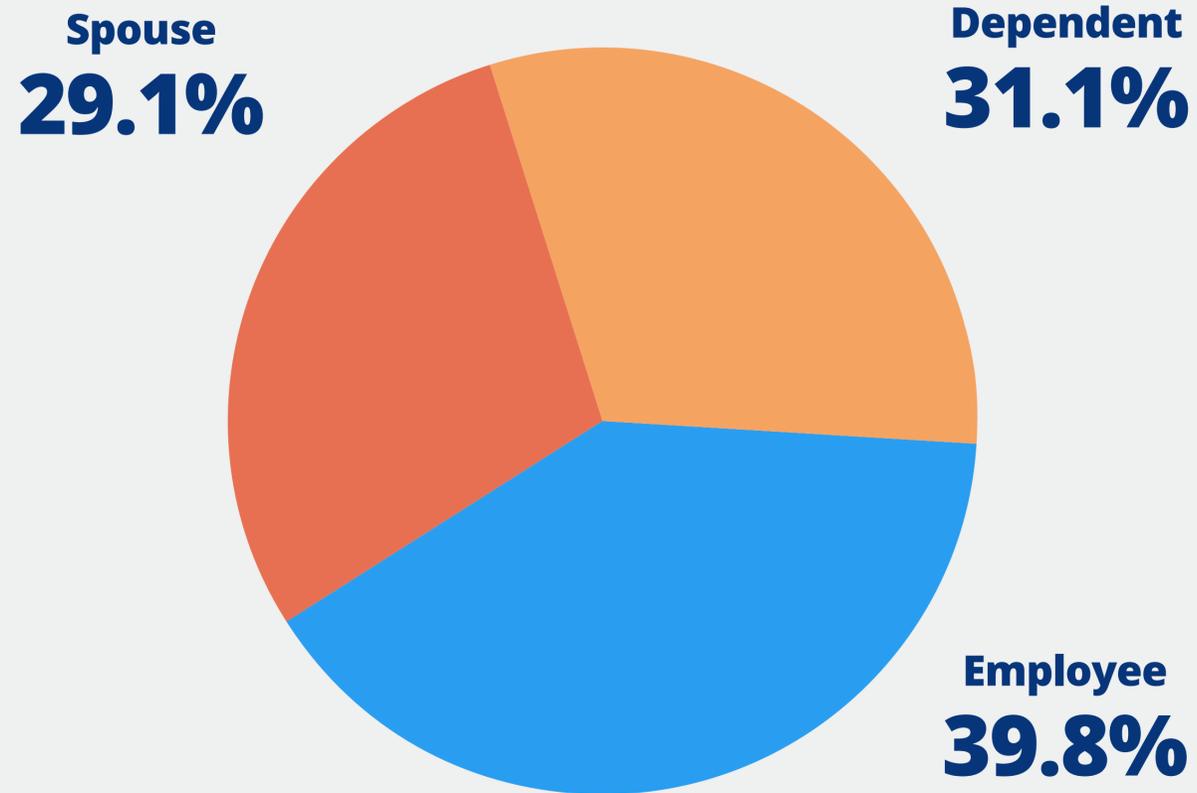
Substance Use Disorders



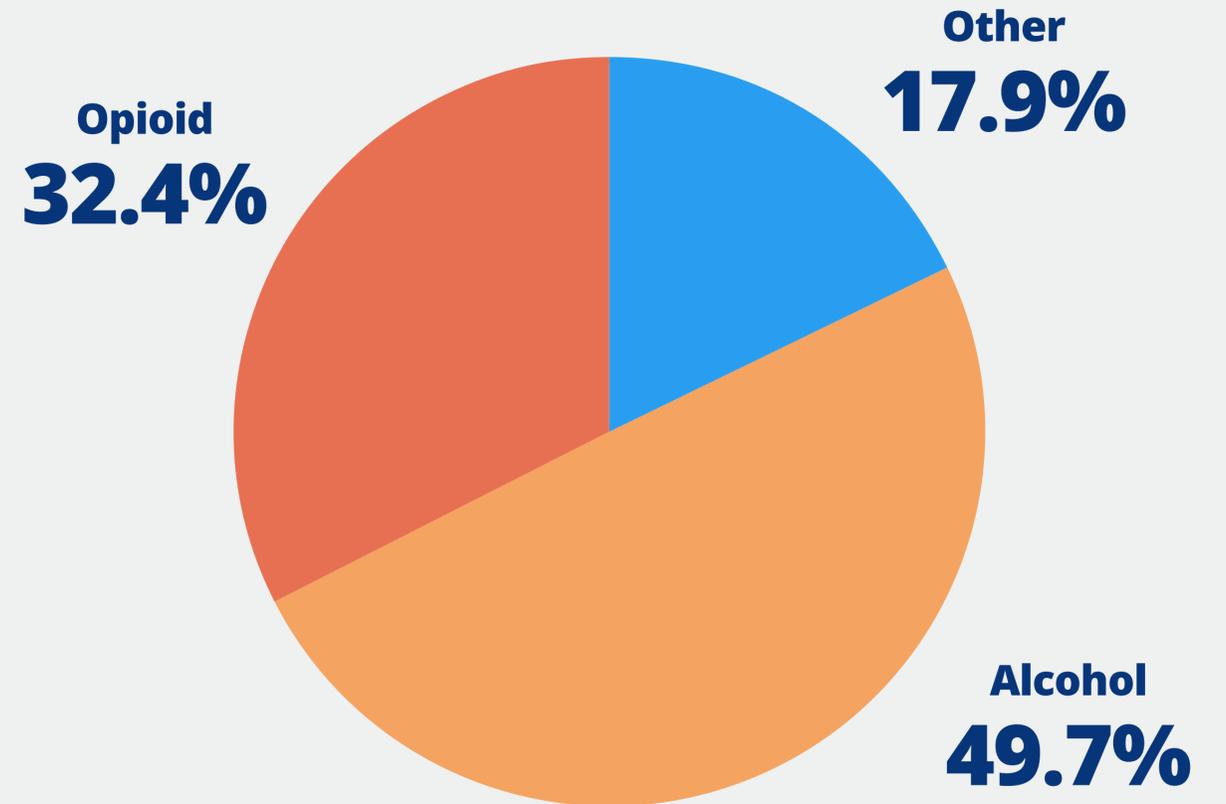
	Employee			Spouse			Dependent		
	Alcohol	Opioid	Other	Alcohol	Opioid	Other	Alcohol	Opioid	Other
	59%	29%	12%	53%	39%	8%	35%	31%	34%
Acute Inpatient	14%	5%	15%	16%	2%	24%	8%	4%	8%
Residential	54%	13%	50%	58%	34%	49%	65%	59%	50%
Day Treatment	11%	3%	12%	10%	5%	9%	16%	16%	15%
Structured Outpatient	15%	1%	16%	11%	3%	14%	8%	11%	22%



Substance Use Demographics



Substance Use Disorders



Optum provides EAP services for the State Group Insurance Program. Eligible employees and their dependents may receive up to five counseling visits, per situation, per year at no cost to them. Master's level specialists are available 24/7 to assist with stress, legal, financial, mediation eligible and work/life services. The program is available to all state and higher education benefits-eligible employees and their eligible dependents. Local education and local government employees enrolled in the health plan are also eligible as well as their benefits-eligible dependents.

Satisfaction and Outcome Scores

- **95%** think the staff was helpful.
- **92%** are satisfied and would use EAP again.
- **92%** received information requested in a reasonable time.
- **88%** have seen improvement in self (or family).
- **85%** feel more confident about being able to manage issues.
- **87%** feel less stress or worry.
- **90%** believed information services were helpful.
- **79%** were able to see a clinician within an acceptable timeframe.
- **82%** feel more effective at work.

Utilization

In 2022, **6.5%** of members used the EAP. This is down from **7.6%** in 2021. The majority of utilizers are female and tend to be employees.

Utilization

Age

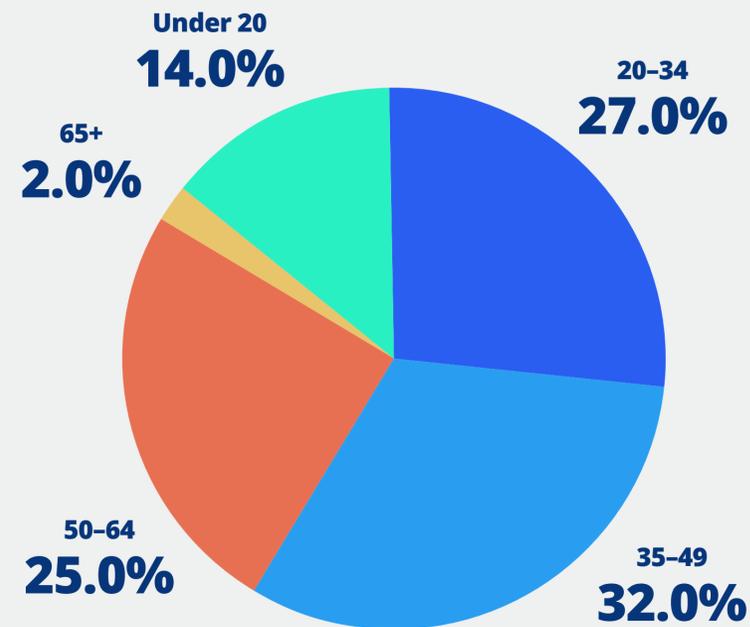
Gender

Relationship

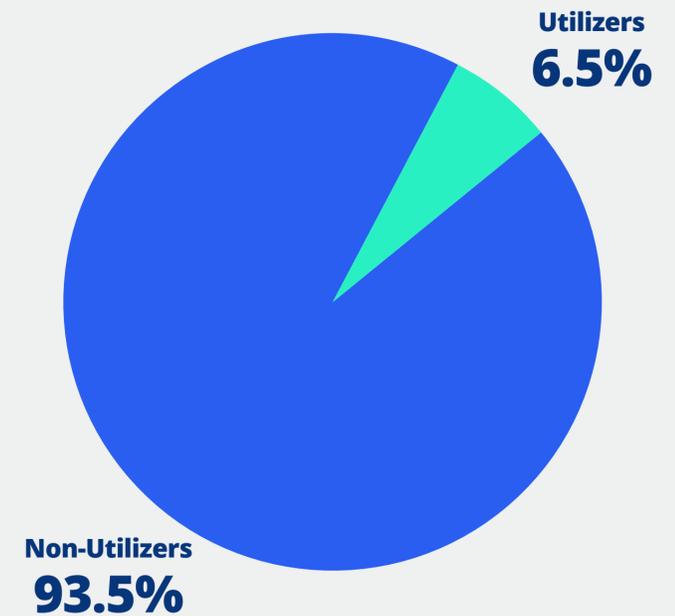




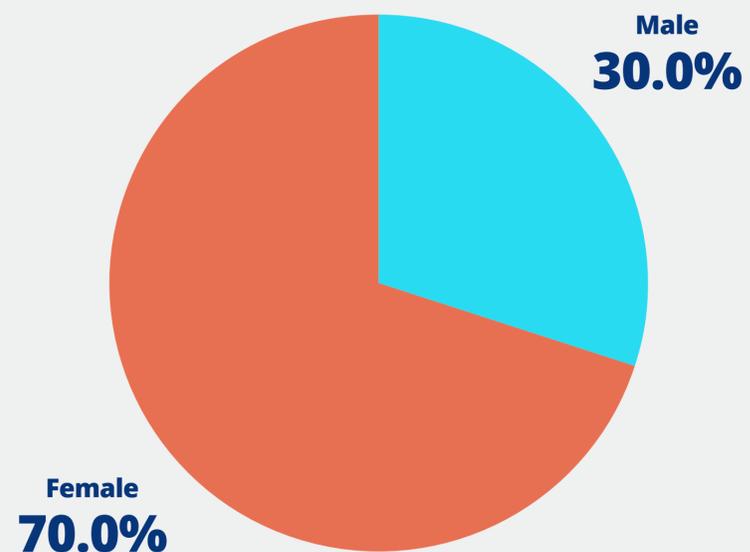
Age



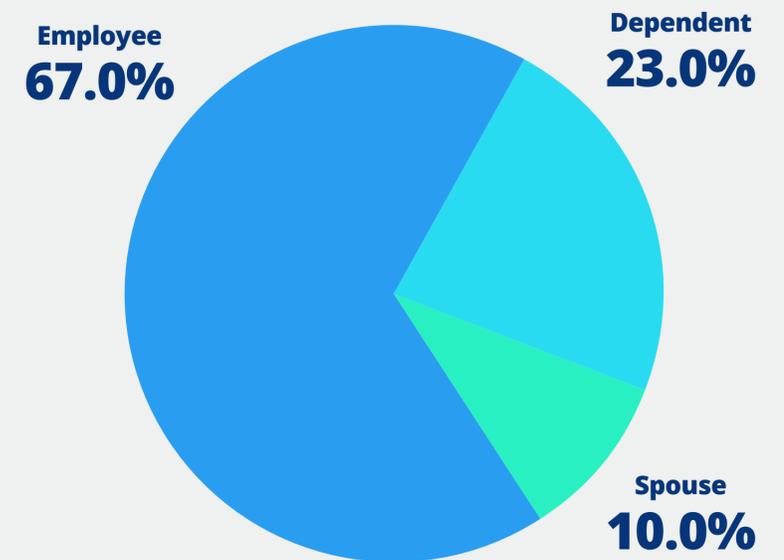
Utilization



Gender



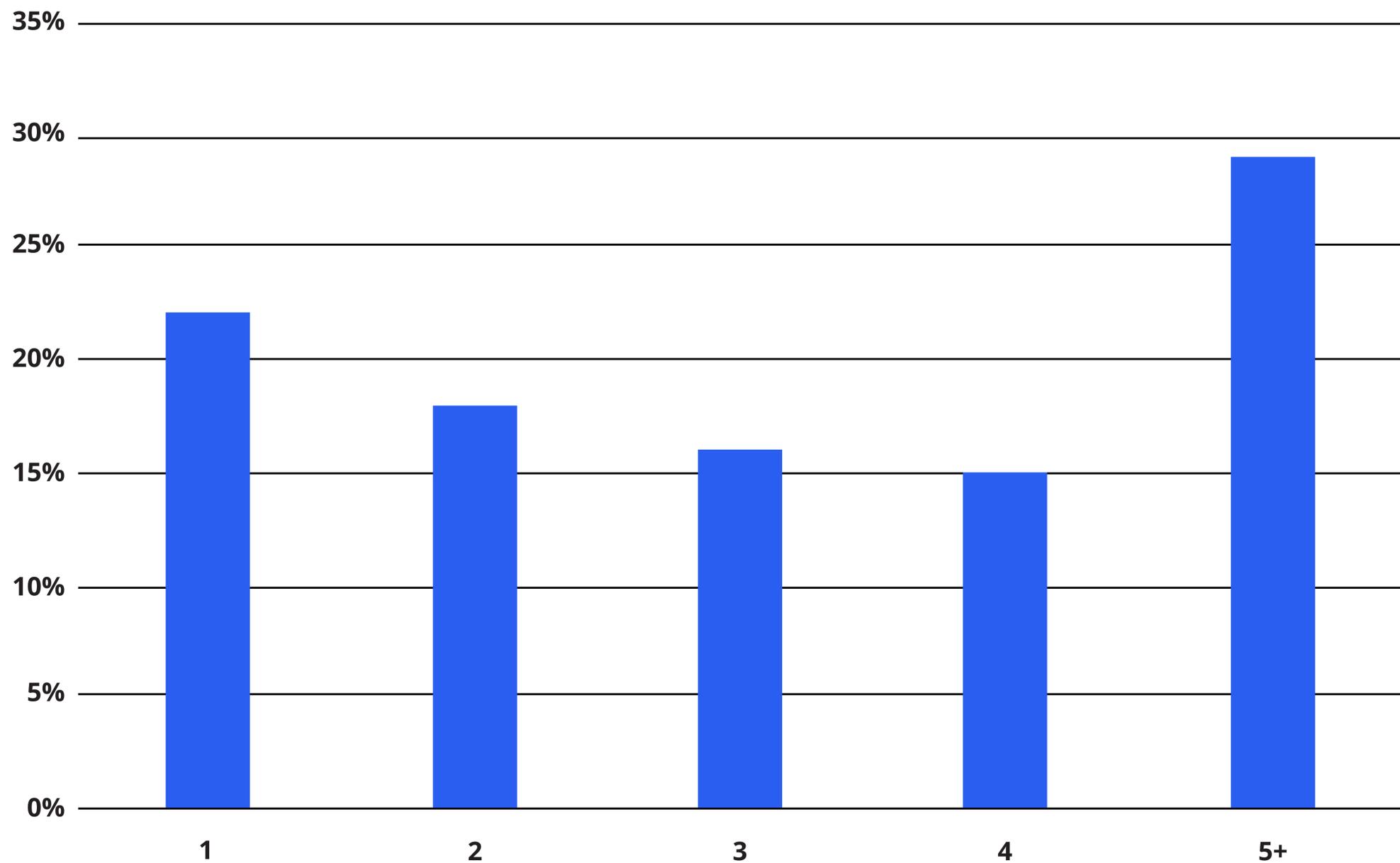
Relationship



EAP Visits per Member

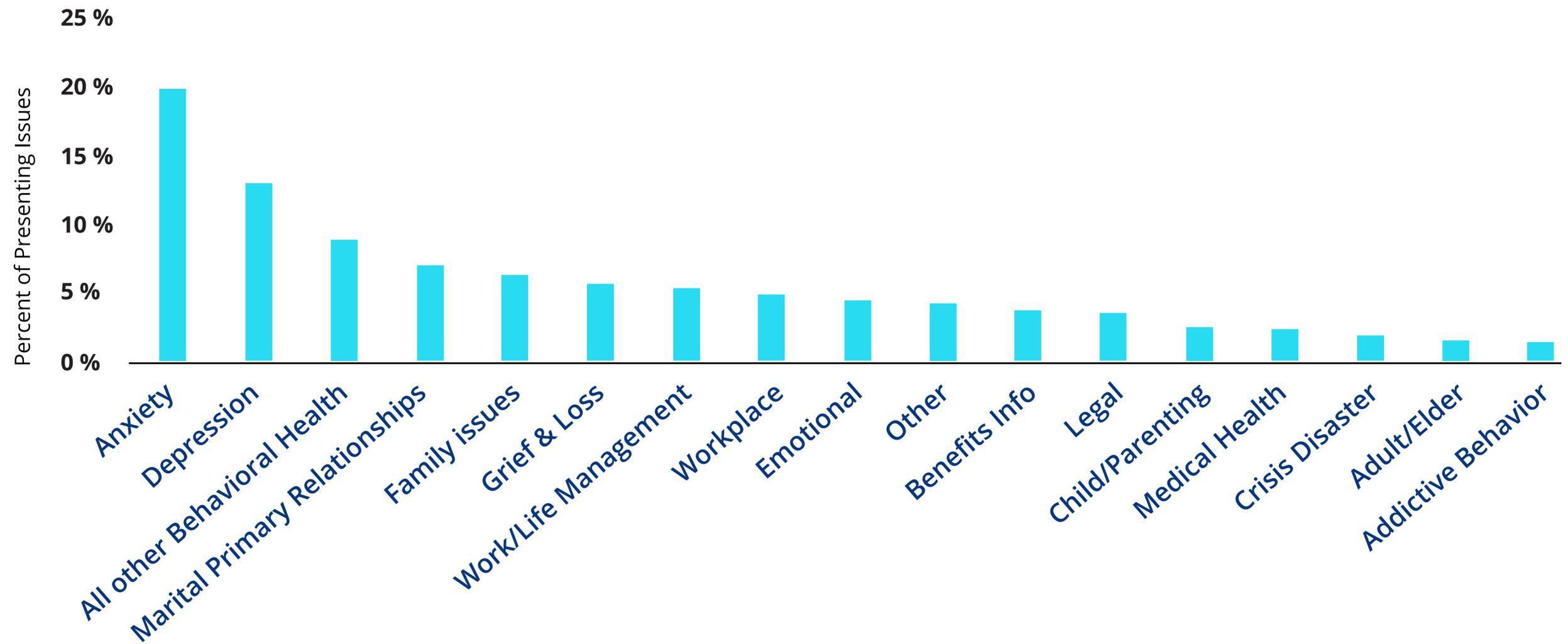
Of those who used EAP in 2022, **29%** used all five visits included in their benefits. This is a **7%** decrease from 2021.

Percent
of Members



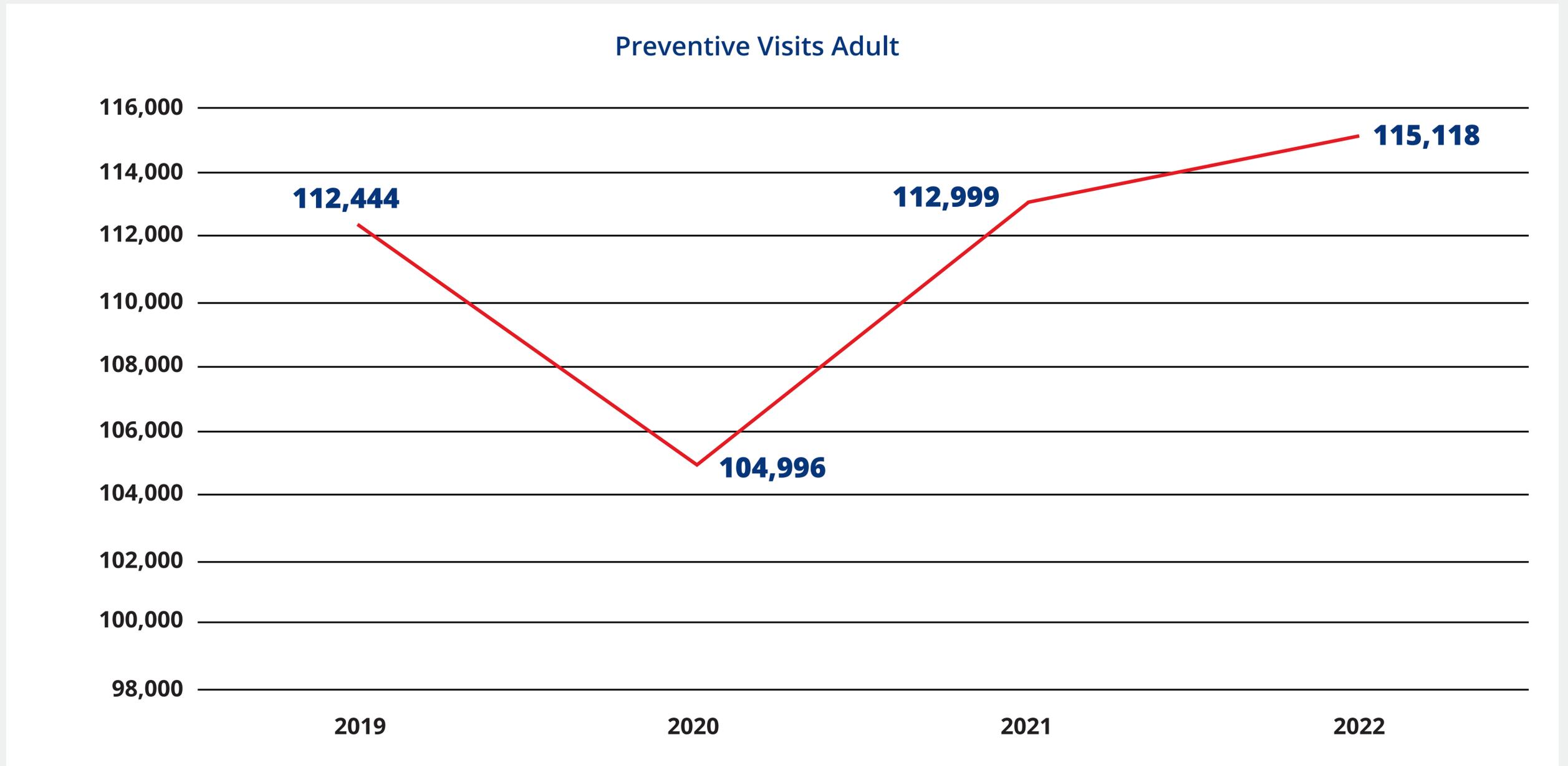
Presenting Issues

EAP presenting issues for 2022 were led by anxiety and depression. Work/life management dropped out of the top five this year.



Preventive Visits 2019-2022

Preventive visits continue to rebound in 2022 from a low in 2020 due to COVID.



2022 Chronic Conditions

Roughly **50%** of plan members have one or more of the chronic conditions listed below This is a **2%** increase from 2021.

Number of Chronic Conditions	Number of Patients	Percentage of Total with Chronic Disease	Percentage of Total Members
One	59,340	51.93%	26.03%
Two	31,388	27.47%	13.77%
Three	14,484	12.67%	6.35%
Four	6,015	5.26%	2.64%
Five +	3,050	2.67%	1.34%
# with Any Condition	114,277	100.0%	50.12%

Conditions included: asthma, coronary artery disease, congestive heart failure, chronic obstructive pulmonary disease, diabetes, hypertension, behavioral health – depression, osteoarthritis, spinal/back disorder/low back.

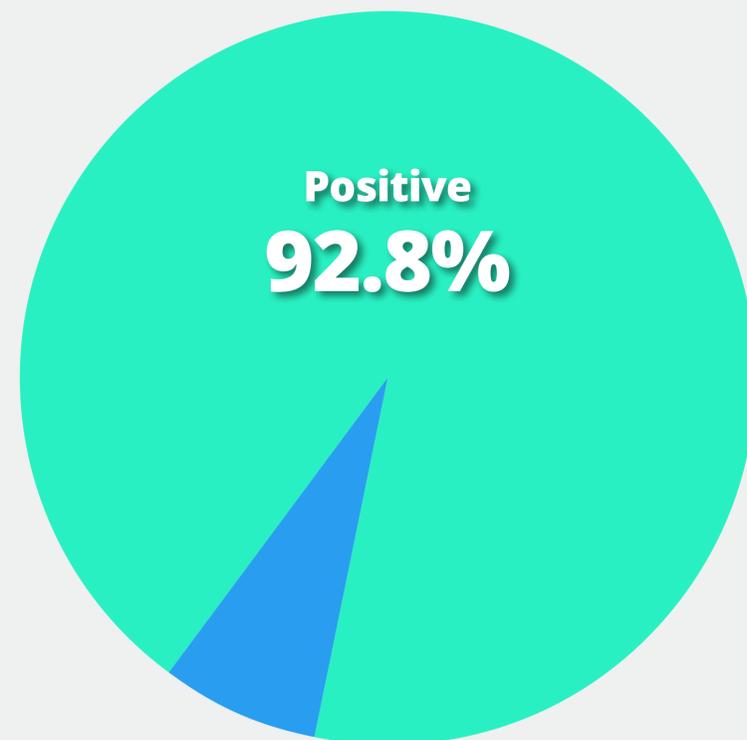
Program Survey Results

- Overall population health program satisfaction, as reported in the annual survey, was **92.8%**.
- High customer satisfaction remains a primary goal of the program.
- Weight Management Program satisfaction was **91%**.
- Coaching satisfaction was **99.4%**.

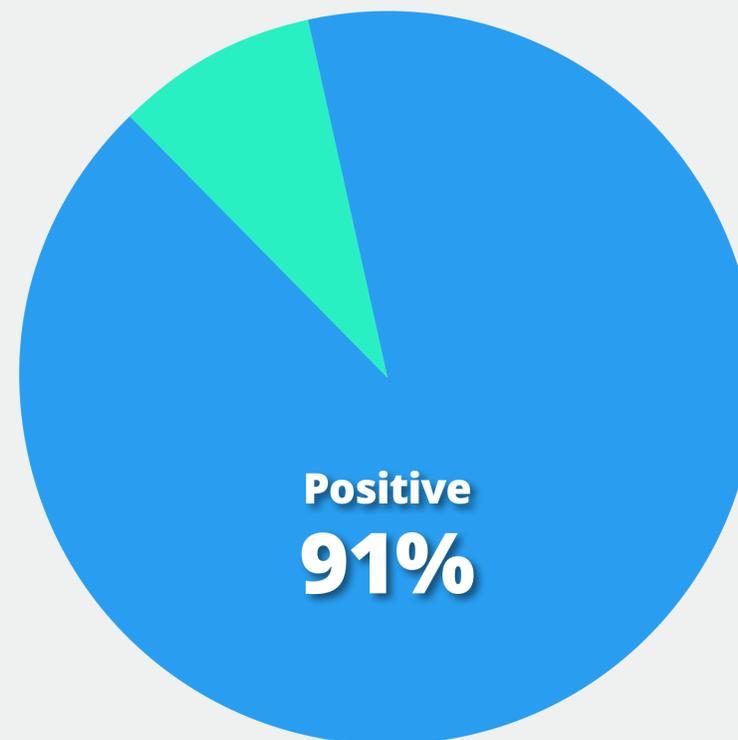
Eligible members received more than **\$2.1 million** in incentive payments for their participation in various wellness activities.

- **11,023** members earned an incentive.
- **5,257** employees (**58%**) earned the maximum incentive amount.
- **1,216** spouses (**61%**) earned the maximum incentive amount.

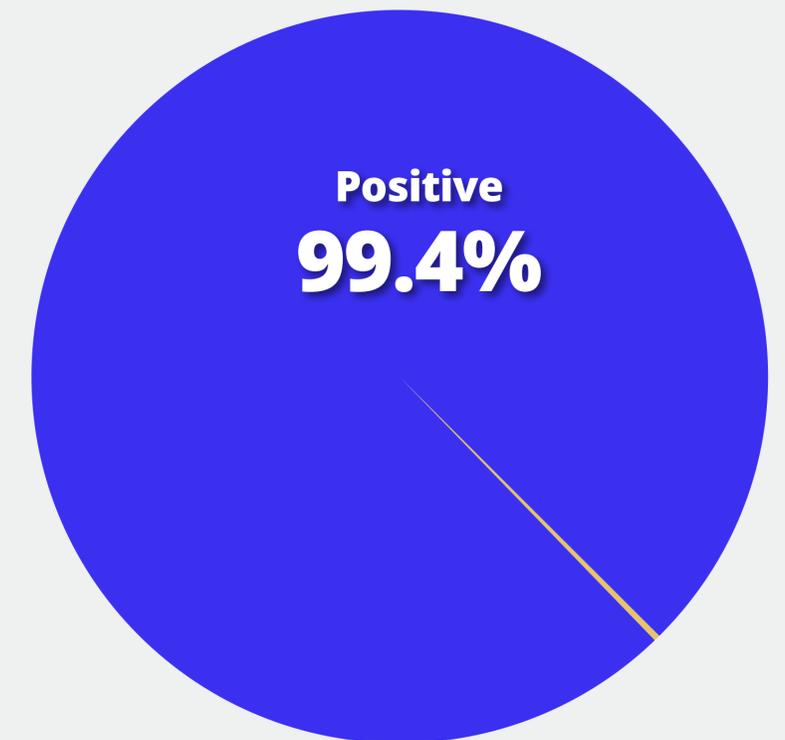
**Overall Population Health
Program Satisfaction**



**Weight Management
Program Satisfaction**



Coaching Satisfaction



Clinical Outcomes

The percentage of the total population compliant with evidence-based care measures improved in several categories from 2021 to 2022 including hypertension, diabetes hbA1C monitoring and asthma, while compliance dropped for diabetes (hbA1C < 8) and coronary artery disease.

Outcome Measure	2021	2022
Diabetes – hbA1C < 8	66%	64%
Hypertension – blood pressure at target	78%	79%
Diabetes statin use	71%	71%
Diabetes nephropathy Monitoring	92%	92%
Diabetes hbA1C monitoring	95%	96%
Coronary artery disease – statin use	84%	83%
Asthma controller medication	94%	95%

2022 Condition Prevalence

Disease management programs are offered to adult members for the five conditions below. Of total adult members, **21.1%** had at least one of these conditions.

	Eligible Adult Members*	Prevalence
Asthma – Adult	12,010	5.34%
Diabetes - Adult	23,831	10.60%
Chronic Obstructive Pulmonary Disease	3,331	1.48%
Coronary Artery Disease	6,122	2.72%
Congestive Heart Failure (CHF)	2,176	0.97%
Total Membership	224,641	

**Individuals may be included in more than one category*



Member Engagement

The state's population health vendor, ActiveHealth, has reached at least one member in every county across Tennessee.

**State of Tennessee
Program Engagement by County 2019-2022**



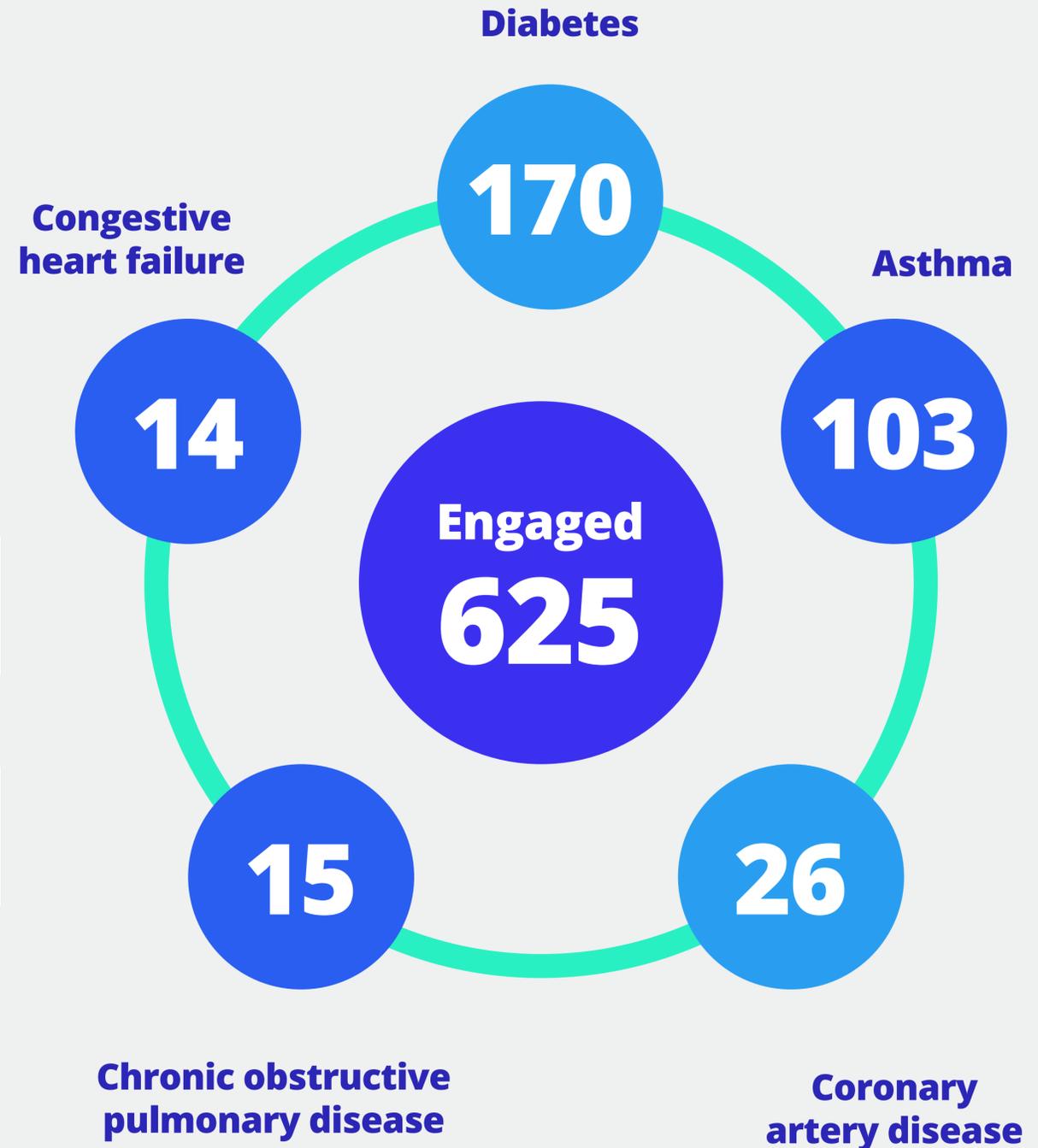
2022 Weight Management Program

- Total pounds lost **762**
- **625** engaged members
- **368** attended 8 sessions, or **50%** of classes
- **105** attended all 16 sessions
- **50** with **5%** or more body weight loss, which is considered clinically significant weight loss

Cumulative Count of Members Who Decreased Their BMI from Last Session Date

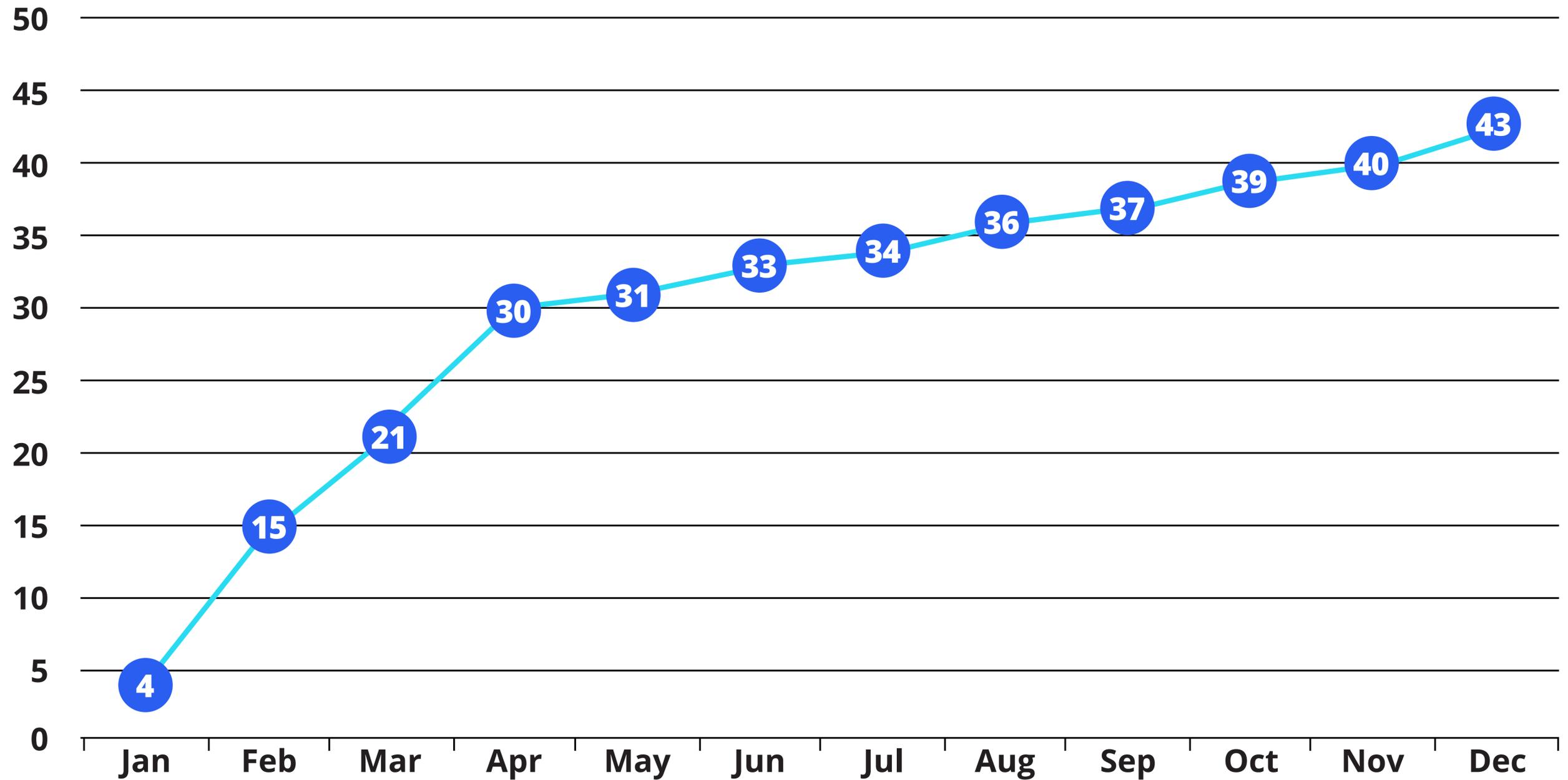
Cumulative Total Pounds Lost by Members from Last Session Date

Engaged participants with chronic conditions



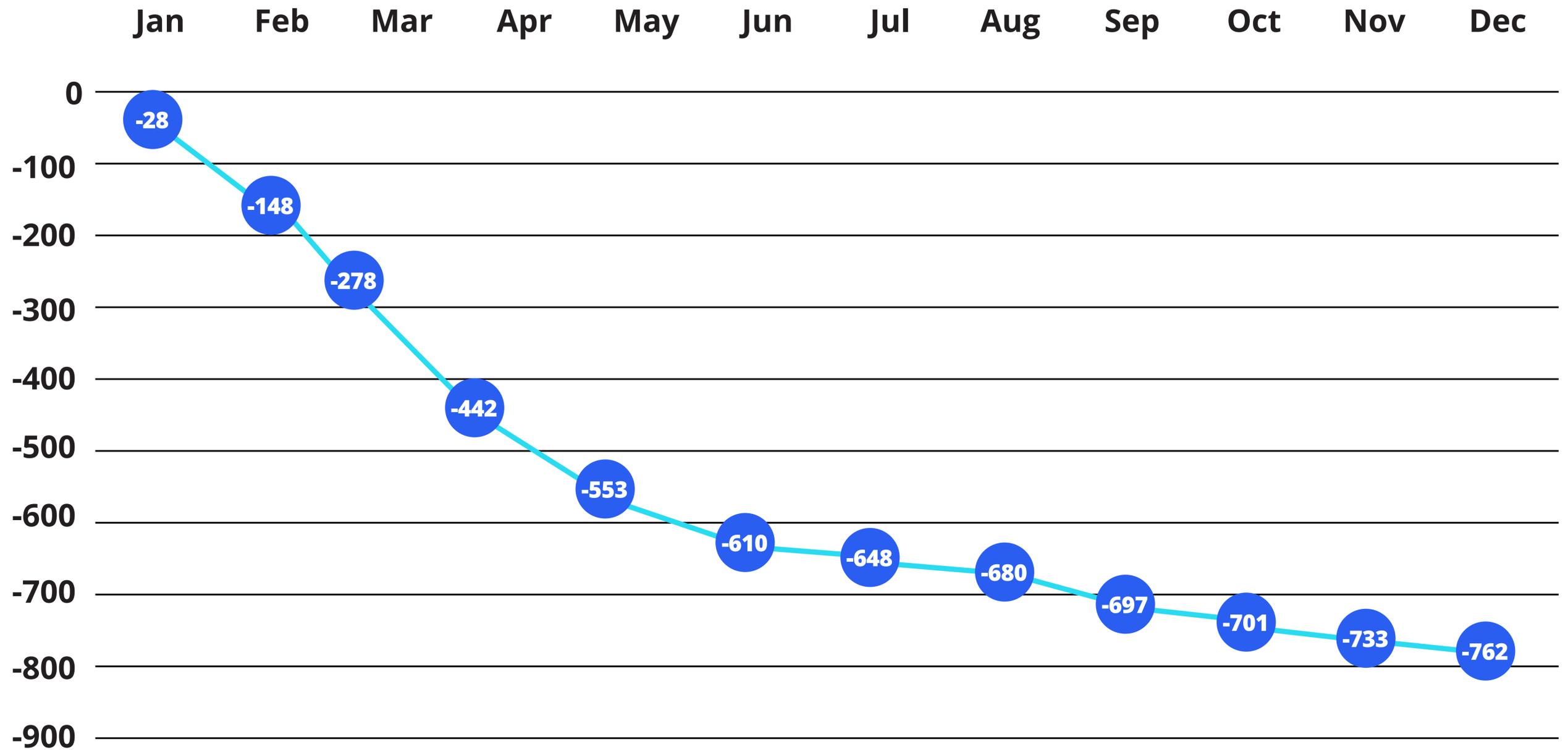


Cumulative Count of Members Who Decreased Their BMI from Last Session Date





Cumulative Total Pounds Lost by Members from Last Session Date

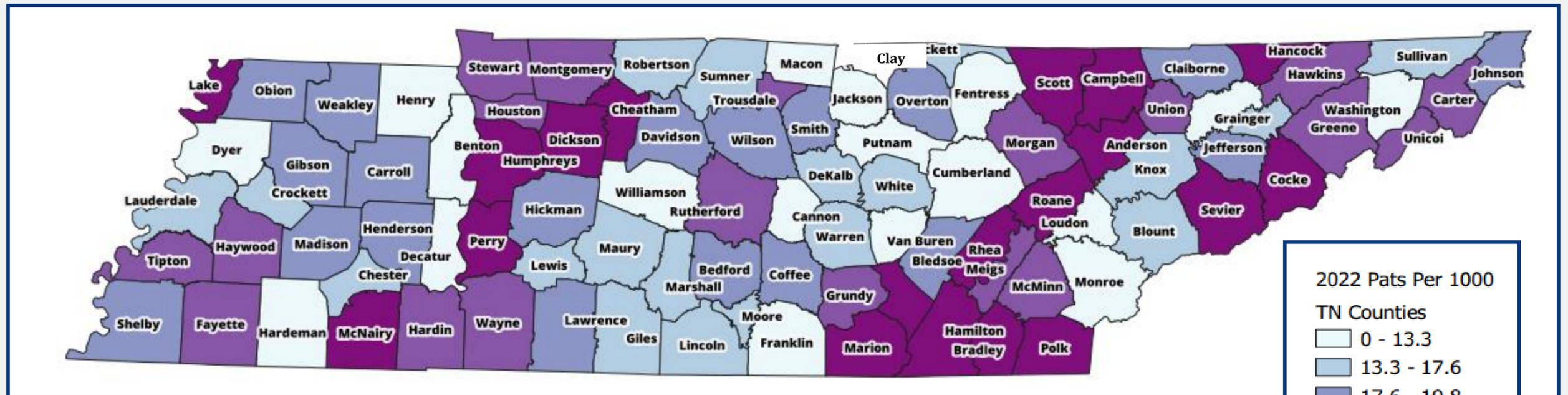


Obesity and Diabetes Heat Maps

The below heat maps show the prevalence of obesity and diabetes by county, reinforcing the concern that obesity plays a role in member risk for developing type II diabetes.

Obesity Patients per 1,000 by County, 2022

- Grainger, Cannon, Pickett, Lewis and Van Buren counties had the largest decrease from 2021.
- Cheatham, DeKalb, Houston, Moore and Clay counties had the largest increase over 2021.



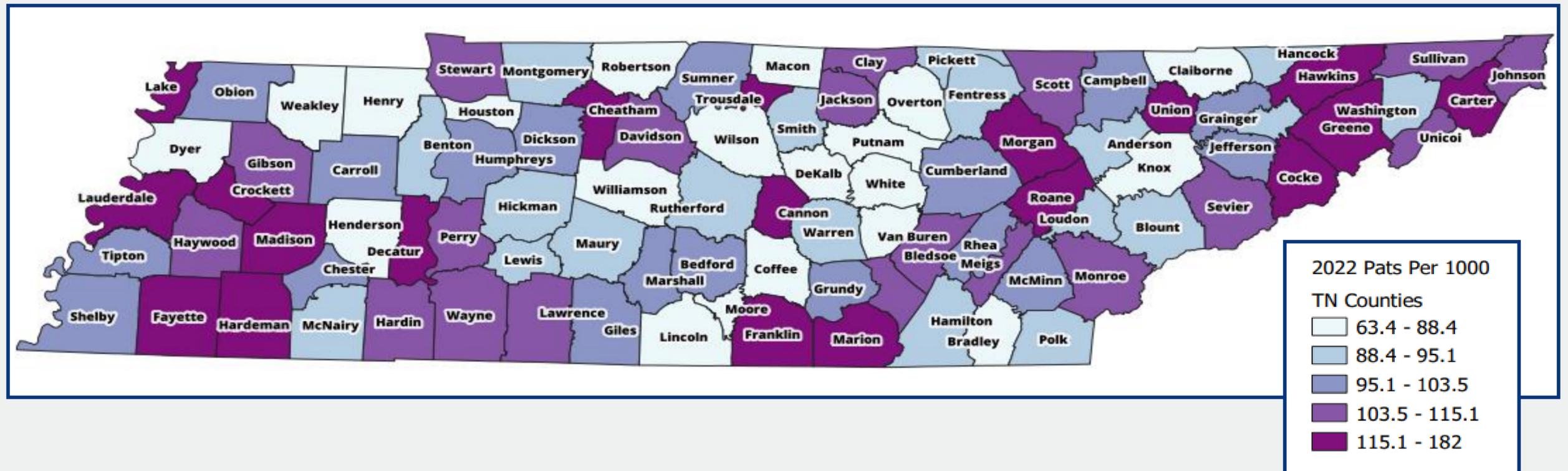
[View Diabetes Map](#)

Obesity and Diabetes Heat Maps

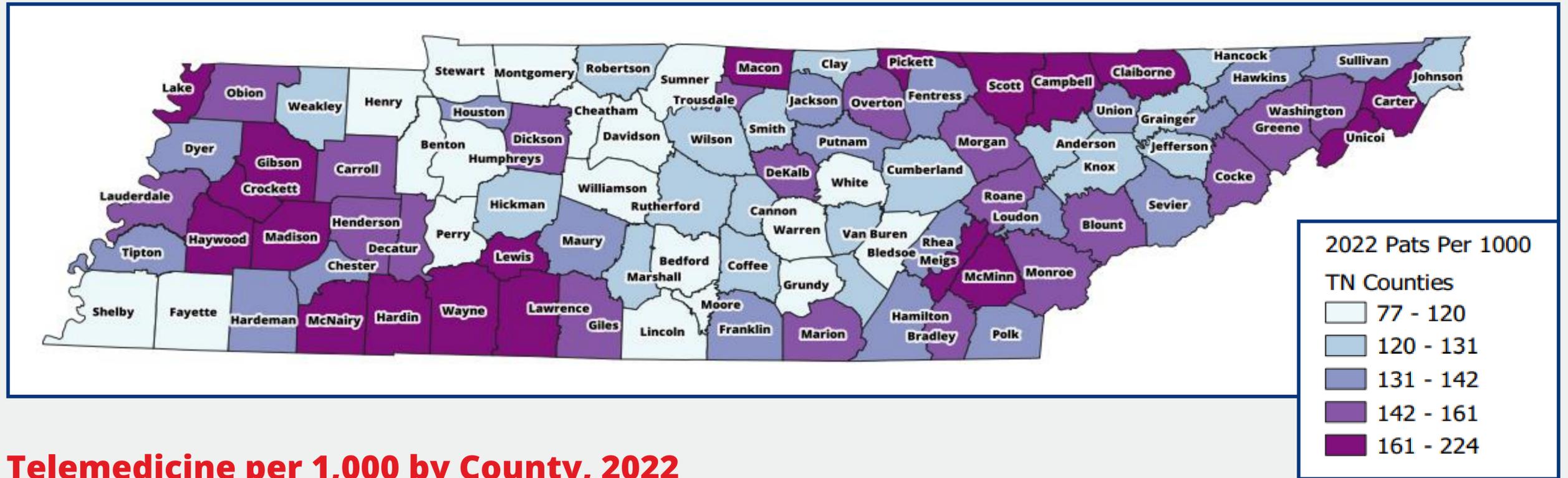
The below heat maps show the prevalence of obesity and diabetes by county, reinforcing the concern that obesity plays a role in member risk for developing type II diabetes.

Diabetes Patients per 1,000 by County, 2022

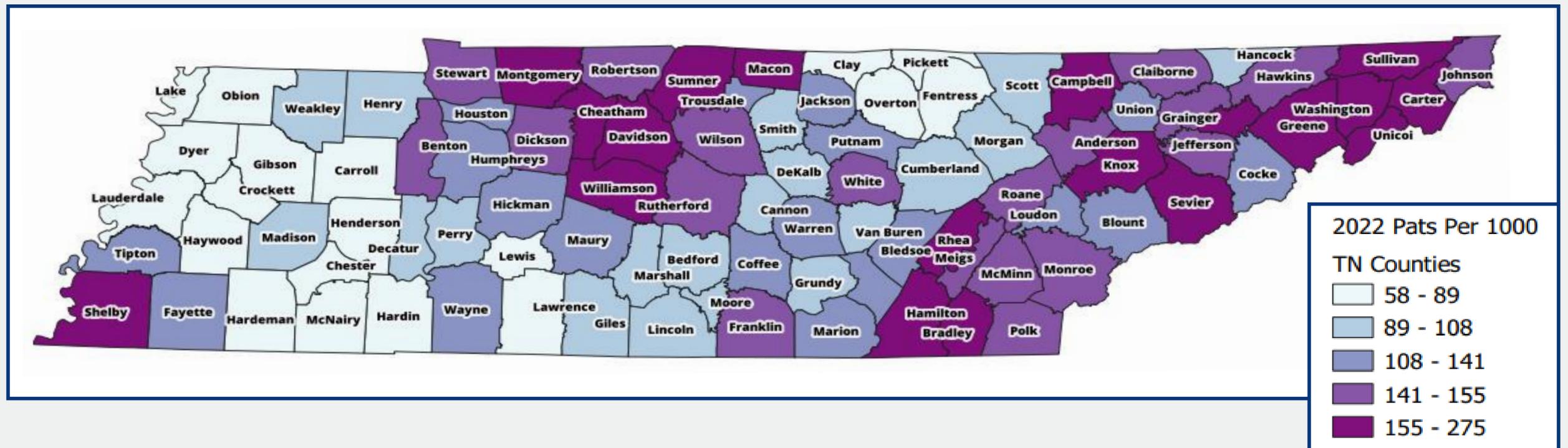
- Hancock, Pickett, Humphreys, Haywood and Hickman counties had the largest decrease from 2021.
- Crockett, Moore, Trousdale, Wayne and Van Buren counties had the largest increase over 2021.



COVID-19 Patients per 1,000 by County, 2022



Telemedicine per 1,000 by County, 2022





ParTNers Health & Wellness Center

- State and higher education employees working in or around downtown Nashville have access to the Partners Health & Wellness Center located in the Tennessee Tower. The Center provides health care services to employees enrolled in the state health plan.
- In 2022, the Center had **1,842** encounters (a decrease from 2021 due to a decrease in COVID-19 testing and the continuation of employees working from home) and **374** EAP/BHO visits (a decrease from 2021).
- Due to COVID-19 the Center held only one annual downtown flu shot clinic event which provided **432** flu shots.
- The center had an ROI of **0.63** during 2022.

Telehealth

- In 2022, Telehealth was available to enrolled members on the health plan at a discounted copay of **\$15** for the PPO and at a discounted rate for the CDHP. BlueCross BlueShield of Tennessee and Cigna both had contracts with MDLive marketed as PhysicianNow and MDLive respectively.
- By the end of 2022, telehealth registrations had increased **21%** from 2021 to **37,385**.
- In 2022, there were a total of **12,482** encounters.
- Top diagnoses included acute sinusitis, upper respiratory infections, urinary tract infections, acute pharyngitis and COVID-19.

Flexible Spending Accounts

- Approximately **4,907** state employees contributed **\$5.7** million to flexible spending accounts.

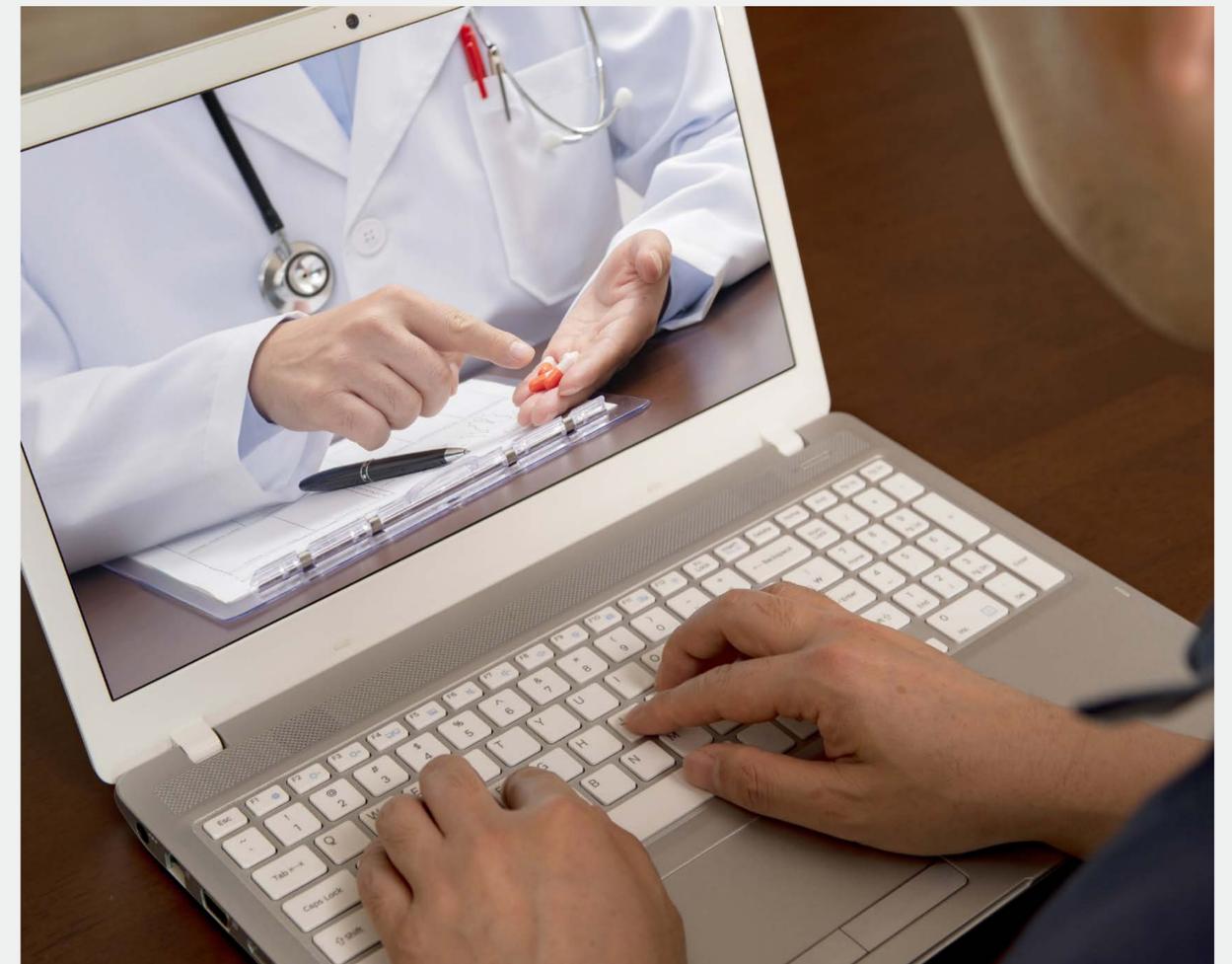
Annual Election

Medical FSA — **\$4,439,255**

Dependent care FSA — **\$1,159,468**

Limited purpose FSA — **\$122,623**

- This resulted in an estimated **\$437,000** of FICA savings for the state.



Dental Insurance

- State employees have two dental options from which to choose. The Dental Health Maintenance Organization – Prepaid Provider dental plan is administered by Cigna, and the Dental Preferred Provider Organization is administered by Delta Dental of Tennessee.
- The state provides no funding for this product; state employees pay the full cost of coverage.
- Local education and local government employees may participate if their employing agency chooses to offer the product.
- Retirees receiving a pension from the Tennessee Consolidated Retirement System or who participated in a higher education Optional Retirement Plan may enroll in one of the dental plans.



Dental Enrollment	Local Education	Local Government	State	2022 Total
DHMO	7,263	2,385	33,265	42,913
DPPO	41,834	11,467	103,226	156,527
Total	49,097	13,852	136,491	199,440

Enrollment between 2019 and 2022 decreased **12.8%** in the DHMO dental plan with enrollment in the DPPO increasing by **27.8%**. Overall, the enrollment increased **16.2%** between the same period.

Vision Insurance

- Vision coverage is available to all state employees. The state provides no funding for this product; state employees pay the full cost of coverage.
- Employees with participating local education and local government agencies are eligible if their agency chooses to offer coverage.
- Retirees are eligible if enrolled in the medical plan.
- The coverage is administered by Davis Vision. Members have two plan choices - a basic plan and an expanded plan.

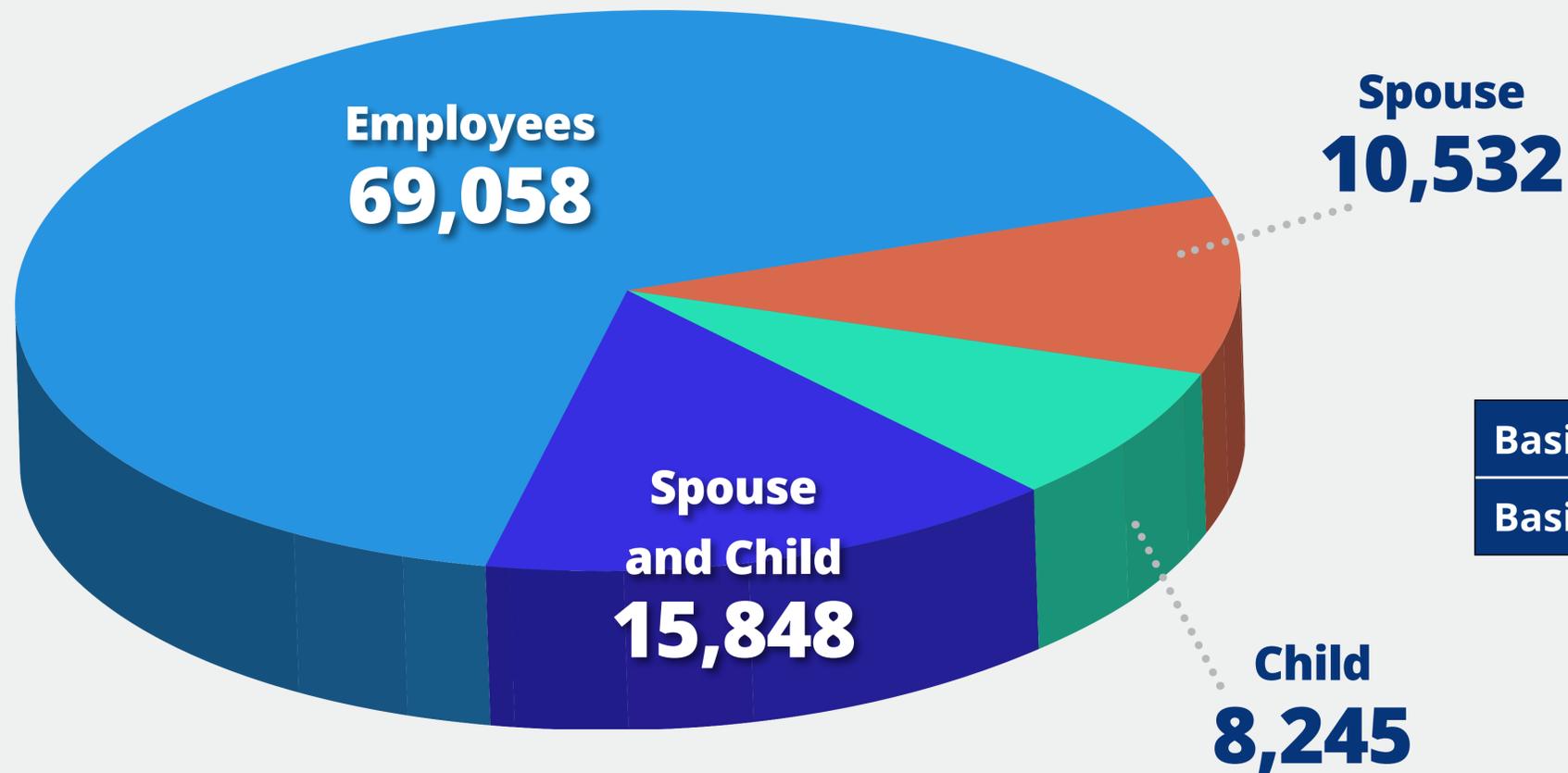


Vision Enrollment	Local Education	Local Government	State Government	2022 Total
Basic Plan	11,207	3,643	32,081	46,931
Extended Plan	27,772	11,658	75,087	114,517
Total	38,979	15,301	107,168	161,448

Enrollment in the vision plan increased **17.7%** between 2019 and 2022.

Life Insurance

State employees are provided with basic term life and accidental death and dismemberment insurance coverage. Voluntary term life and voluntary AD&D insurance are available to state employees. All of this coverage is underwritten by Minnesota Life Insurance Company, a Securian Financial company.



	Covered Volume
Basic Term Life	\$3.061 billion
Basic AD&D	\$7.800 billion

Basic Term Life & Basic AD&D (State Only)

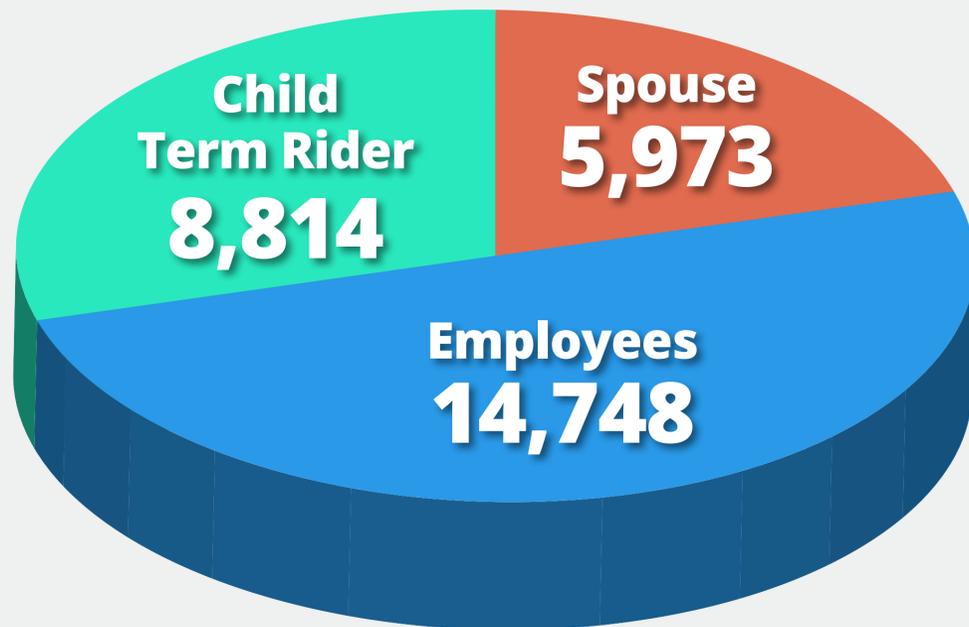
	Premiums	Paid Benefit Amount	# Enrollees Receiving Benefits	Administration Fees	IBNR Reserves	Conversion Charges
Basic Term Life	\$6.939 million	\$7.447 million	296	\$110,939	\$370,445	\$106,690
Basic AD&D	\$785,602	\$869,295	16			N/A

Voluntary AD&D (State Only)

Enrollment in voluntary AD&D increased **8.3%** from 2019 to 2022

Coverage Type	State Enrollees	Coverage Volume	Paid Benefit Amount
Single	12,512	\$749,887,000	\$338,746
Family	17,031	\$1,196,472,000	\$70,208
Totals	29,543	\$1,946,359,000	\$408,954

Voluntary Term Life



Coverage Level	Coverage Volume	Combined Paid Benefit Amount
Employees	\$2.131 billion	\$6.853 million
Spouse	\$148 million	
Child Term Rider	\$76.116 million	

Voluntary Universal Life (State Only)

- The voluntary universal life covered **5,962** current and former state employees and **1,118** spouses.
- Enrollment closed to new members at the end of 2012.

Voluntary Universal Life Financials

Coverage Amount	\$300.3 million
Gross Claims Payments	\$7.4 million
Net Claims Payments	\$3.7 million
Employee Cash Value	\$59.3 million
Spouse Cash Value	\$3.4 million



Disability Insurance

- Disability insurance was offered beginning Jan. 1, 2018.
- Short-term disability insurance is available for central state government and higher education employees.
- Long-term disability insurance is available for central state government employees.
- Higher education employees have a separate long-term disability insurance plan.

2022	STD Enrollment	STD Benefits Paid
State Employees	5,455	\$586,936
Higher Education Employees	4,171	\$198,122
Total	9,626	\$785,058

2022	LTD Enrollment	LTD Benefits Paid
State Employees	7,948	\$1,186,198
Total	7,948	\$1,186,198

The Tennessee Plan

- The state maintains a Supplemental Medical Insurance for Retirees with Medicare (The Tennessee Plan) program. It includes retired teachers, and state and local government employees who draw a pension from the Tennessee Consolidated Retirement System or participate in a higher education Optional Retirement Plan. The program involves two elements: the sponsorship of supplemental medical insurance for retirees with Medicare and the provision of financial support for eligible retirees.
- The Tennessee Plan is similar to a National Association of Insurance Commissioners Model D Medigap Plan.
- The Tennessee Plan is self-insured. Claims are administered by UMR.
- The state's financial support is based on a retiree's length of service. Retired teachers and state employees received **\$50** per month for 30 or more years of service; **\$37.50** for 20 to 29 years of service and **\$25** per month for 15 to 19 years of service. This support is for retired state employees and retired teachers participating in The Tennessee Plan. Local education support staff retirees and local government retirees participating in The Tennessee Plan receive support if their employer passed a resolution authorizing such support.

	Enrollment	Total Paid Claims	Total Number of Claims
Totals	47,235	\$78,103,114	1,345,159

Enrollment increased **8.3%** between 2019 and 2022.



- Alamo City Schools
- Alcoa City Schools
- Anderson County Schools
- Athens City Schools
- Bedford County Board of Education
- Bells City Schools
- Benton County Schools
- Bledsoe County Schools
- Bradford Special School District
- Bradley County Board of Education
- Bristol TN City Schools
- Campbell County Schools
- Cannon County Schools
- Carroll County Schools
- Carter County Schools
- Chattanooga Girls Leadership Academy
- Cheatham County Schools
- Cleveland City Schools
- Clinton City Schools
- Cocke County Schools
- Coffee County Schools
- Cumberland County Schools
- Dayton City Schools
- Decatur County Schools
- Dekalb County Schools
- Dickson County Board of Education
- Dyer County Schools
- Dyersburg City Schools
- Elizabethton City Schools
- Etowah City Schools
- Fayette County Schools
- Fayetteville City Schools
- Fentress County Schools
- Franklin County Schools
- Franklin Special School District
- Gibson County Schools
- Giles County Schools
- Grainger County Schools
- Greene County Schools
- Greeneville City Schools
- Grundy County Schools
- Hamblen County Schools
- Hancock County Schools
- Hardeman County Schools
- Hardin County Schools
- Hawkins County Schools
- Haywood County Schools
- Henderson County Schools
- Henry County Board of Education
- Hickman County Schools
- Hollow Rock-Bruceton Spcl School Dist
- Houston County Schools
- Humboldt City Schools
- Humphreys County Schools
- Huntingdon Special Schools
- Jackson County Schools
- Jackson Madison County Board of Ed.
- Jefferson County Schools
- Johnson City Schools
- Johnson County BOE
- Kingsport City Schools
- Knox County Schools
- Lake County Schools
- Lauderdale County Schools
- Lawrence County Schools
- Lebanon Special School District
- Lenoir City Schools
- Lewis County Schools
- Lexington City Schools



Lincoln County Schools
Little TN Valley
Education CO-OP
Loudon County Schools
Macon County Schools
Manchester City Schools
Marion County Schools
Marshall County Board of Education
Maury County Schools
McKenzie Special School District
McMinn County Center
for Educational Excellence
McNairy County School System
Meigs County Board of Education
Milan Special School District
Millington Municipal Schools
Monroe County Board of Education
Montessori Elementary
at Highland Park
Moore County Schools
Morgan County Schools
Murfreesboro City Schools
Newport City Schools
Oak Ridge Schools

Obion County Schools
Oneida Special School District
Overton County Schools
Paris Special School District
Perry County Schools
Pickett County Schools
Polk County Board of Education
Putnam County Schools
Rhea County Schools
Richard Hardy Memorial School
Roane County Schools
Robertson County Schools
Rogersville City Schools
Scott County Schools
Sequatchie County Schools
Sevier County Schools
Smith County Schools
South Carroll County Special District
Stewart County Schools (BOE)
Sullivan County Board of Education
Sweetwater City Schools
Tipton County Schools
Trenton Special School District

Trousdale County Schools
Tullahoma City Schools
Unicoi County Schools
Union City Schools
Union County Schools
Van Buren County Schools
Warren County Schools
Washington County Schools
Wayne County Schools
Weakley County Schools
West Carroll Special School District
White County Schools

The Basic Education Program is the funding formula through which state education dollars are generated and distributed to Tennessee schools. To receive the health insurance component of this funding, the local education agencies must pay a minimum of **45%** and **10%** of the monthly premium for the coverage elected by the instructional and support staff employees, respectively in either the state-sponsored plan or an equal or superior plan.



Aging Services of
the Upper Cumberland
AIM Center, Inc.
Alliance Health Care
Alpha-Talbot Utility District
Anderson County CAC
Appalachian Ed Communication Corp
Athens Housing Authority
Bangham Utility District
of Putnum & Jackson Co.
Bedford County Government
Behavioral Health Initiatives, Inc.
Benton County Highway Department
Bethlehem Centers of Nashville
Big Creek Utility District
Blakemore United Methodist
Childrens Center
Bledsoe County
Blount County Community
Action Agency
Blount Partnership

Blountville Utility District
of Sullivan County
BonDeCroft Utility
Bountiful Basket Nutrition Program
Bridges of Williamson County
Bristol-Bluff City Utility District
Brownsville Housing Authority
Cagle-Fredonia Utility District
Campbell County 911
Cannon County Government
Cannon County Highway
Care of Savannah, Inc.
Carey Counseling Center
Carroll County Government
Carroll County Highway Dept.
Caryville Jacksboro Utility
Castalian Springs-Bethpage
Utility District
Cerebral Palsy Center
Chattanooga Area Regional
Transportation Authority
Chattanooga Housing Authority

Cheatham County Government
Cheatham County Highway
Chester County Government
Chester County Highway Department
Children's Advocacy Center, 31st J.D.
Children's Advocacy Center
City of Alamo
City of Belle Meade
City of Bells
City of Big Sandy
City of Blaine
City of Bradford
City of Camden
City of Clifton
City of Covington
City of Cross Plains
City of Dayton
City of Decherd
City of Eagleville
City of Erin
City of Ethridge



City of Fayetteville
City of Forest Hills
City of Friendsville
City of Gleason
City of Goodlettsville
City of Greenfield
City of Henderson
City of Humboldt
City of Jamestown
City of Kenton
City of Kingston
City of Lakesite
City of Loretto
City of Manchester
City of McKenzie
City of Michie
City of Michie Water Systems
City of New Johnsonville
City of Newbern

City of Oak Hill
City of Oak Ridge
City of Paris
City of Pikeville
City of Portland
City of Pulaski
City of Puryear
City of Savannah
City of Sharon
City of South Pittsburg
City of Spring Hill
City of St. Joseph
City of Tiptonville
City of Union City
City of Wartburg
City of Watertown
City of Waynesboro
City of White Bluff
City of Whitwell
Clarksville Housing Authority
Clarksville/Montgomery County CAA

Clearfork Utility District
Clinch-Powell Educational Cooperative
Cocaine Alcohol Awareness Program, Inc.
Cocke County
Cocke County E911
Cocke County Highway Department
Coffee County
Community Development Center
Community Foundation Of Middle TN
Cookeville Boat Dock Utility
Cordell Hull Utility District
Core Services of Northeast TN
Cornerstone
Crab Orchard Utility District
Crockett Co. Public Utility District
Crockett County Government
Crockett County Highway
Cumberland Community Options, Inc.
Cumberland County
Cumberland Utility District



Cunningham Utility District
Decatur County Government
Decatur County Highway Department
DeKalb County
DeKalb County 911
DeWhite Utility District
Dismas, Inc.
Duck River Utility Commission
Dyersburg Electric System
Dyersburg Housing Authority
Dyersburg Suburban Consolidated Utility District
East Montgomery Utility District
East TN Development District
Easter Seals of TN
Eastside Utility District
Engstrom Services, Inc.
Erin Housing Authority
Fairview Utility District
Faith Based and Community Initiatives

Fayette County 911
Fayette County Public Works Dept.
Fayetteville Housing Authority
Fayetteville-Lincoln County Industrial Development Board
Fentress County Emergency Communications District
Fentress County Government
FiftyForward
First Utility District of Hardin County
First Utility District of Tipton County
Franklin County Consolidated Housing Authority
Franklin County Government
Franklin County Highway
Gallatin Department of Electricity
Gibson County Municipal Water District
Giles County E911
Giles County Government
Gladeville Utility District
Goodwill Industries Knoxville, Inc.
Grundy County E-911

Grundy County Government
Grundy County Highway
Grundy Housing Authority
Habilitation and Training Services
Hamblen County Emergency Comm. District
Hancock County Government
Hardeman County 911
Emergency Communication
Hardeman-Fayette Utility District
Hardin County 911
Hardin County Government
Hartsville - TroHartsville-Trousdale Co. Water and Sewer Utility
Hartsville Housing Authority
Hartsville/Trousdale County Govt
Haywood County Government
Henderson County Government
Henderson County Highway
Hendersonville Utility District
Highland Rim Economic Corporation



Hixson Utility District
Hohenwald Housing Authority
HomeSafe of Sumner, Wilson & Robertson
Hope of East TN
Houston County Community Hospital
Houston County Government
Houston County Highway Department
Humboldt Housing Authority
Humphreys County 911
Jackson Area Council on Alc & Drug Dep
Jackson Center for Independent Living
Jackson County 911
Jackson County Government
Jackson County Highway Dept
Jackson County Utility District
Jason Foundation
Jefferson City Housing Authority
Jefferson County E911
Jefferson County Government

Johnson County
Johnson County Emergency Communications E911
Journeys in Community Living
King's Daughters Day Home
Knoxville - Knox County CAC
Knoxville's Community Development Corporation
Launch TN
Lawrence County 911
Lawrence County Government
Lawrenceburg Housing Authority
Lewis County Government
Lewis County Highway Dept
Lewisburg Housing Authority
Lexington Electric System
Lexington Housing Authority
Life Bridges, Inc.
Lincoln County Government
Loudon County Economic Dev. Agency
Macon County Government
Madison Suburban Utility District

Manchester Housing Authority
Manchester Public Building Authority
Marion County 911
Marion County Government
Marion County Highway
Marion Natural Gas
McNairy County Government
McNeilly Center for Children
Meigs County Government
Memphis Area Association of Governments
Memphis Area Legal Services
Memphis Center for Independent Living
Mental Health Association of Middle TN
Meritan, Inc
Metro Lynchburg Moore County
Metropolitan Development and Housing Agency
Mid-Cumberland Community Action Agency
Mid-Cumberland HRA
Mid-East CAA



- Minor Hill Water Utility District
- Murfreesboro Housing Authority
- My Friend's House Family & Children's Service, Inc
- NAMI Davidson County
- NAMI TN
- Nashville Cares
- National Healthcare for the Homeless Council
- New Horizons Corporation
- New Life TN
- North Overton Utility District
- Northeast Henry County Utility
- Northwest Dyersburg Utility
- Northwest TN Economic Dev. Council
- Northwest TN Head Start
- Nurture the Next
- Oak Ridge Housing Authority
- Obion County Government
- Old Gainesboro Road Utility District
- Orange Grove Center, Inc.
- Overton County
- Overton County Nursing Home
- Perry County Government
- Perry County Highway
- Perry County Medical Center, Inc.
- Portland Housing Authority
- Professional Care Services of West TN
- Progress Inc.
- Project Return, Inc.
- Reelfoot Lake Reg. Utility & Planning Dist.
- Renewal House, The
- Rhea County Government
- Riceville Utility District
- Ripley Housing Authority
- Roane County
- Roane County 911
- Samaritan Recovery Community, Inc.
- Scott County 911
- Scott County Government
- Second South Cheatham Utility District
- Sequatchie Co. Hwy Dept.
- Sequatchie County Government
- Sequatchie Valley Educational Development Agency
- Serenity Recovery Centers
- Sexual Assault Center
- Shelby County 911
- Skills Development Services, Inc
- Smith County
- Smith County Highway Department
- South Central TN Development District
- South Central TN Workforce Alliance
- South Pittsburg Housing Authority
- South Side Utility District
- Southeast TN Development District
- Southeast TN Human Resource Agency
- Southwest Human Resource Agency
- Southwest TN Development District
- Stewart County Government
- Stewart County Highway



Stokes Brown Public Library
Sullivan County 911
Sullivan County Government
Surgoinsville Utility District
TARP, Inc.
Tennessee Duck River
Development Agency
The ARC Davidson County
& Greater Nashville
The Development Corp
of Knox County
Tipton County
Tipton County 911 District
TN Alliance for Legal Services
TN Assoc. of Alcohol,
Drug Addiction Svcs
TN Association of Assessing Officers
TN Association of Utility Districts
TN Business Enterprises
TN Central Economic Authority
TN Chapter of Children's Advocacy Ctr

TN Community Services Agency
TN County Highway Officials
TN County Services Association
TN Education Association
TN Historical Society
TN Municipal Bond Fund
TN Municipal League
TN Organization of School
Superintendents
TN Primary Care Association
TN Secondary School Athletic Assn./
TSSAA
TN Sports Hall of Fame
TN State Employees Association
TN State Veterans Home
- Clarksville
TN State Veterans Home
- Executive Office
TN State Veterans Home
- Humboldt
TN State Veterans Home
- Knoxville

TN State Veterans Home -
Murfreesboro
TN Voices for Children
Town of Arlington
Town of Atoka
Town of Baileyton
Town of Bean Station
Town of Bruceton
Town of Carthage
Town of Caryville
Town of Coopertown
Town of Dandridge
Town of Decatur
Town of Dover
Town of Erwin
Town of Estill Springs
Town of Farragut
Town of Gainesboro
Town of Gordonsville
Town of Huntingdon
Town of Huntland



Town of Jacksboro
Town of Jasper
Town of Kimball
Town of Kingston Springs
Town of Linden
Town of Livingston
Town of Lookout Mountain
Town of Maury City
Town of Monteagle
Town of Mosheim
Town of Nolensville
Town of Oakland
Town of Pegram
Town of Petersburg
Town of Pleasant View
Town of Rutherford
Town of Scotts Hill
Town of Signal Mountain
Town of South Carthage

Town of Thompson's Station
Town of Troy
Town of Unicoi
Town of Walden
Town of Wartrace
Town of Westmoreland
Town of Whiteville
Tracy City Public Utility
Tuckaleechee Utility District
Tullahoma Housing Authority
Tullahoma Utilities Authority
Unicoi County Government
Unicoi County Highway
Union City Energy Authority
United Neighborhood Health Services
Upper Cumberland Development Dist.
Upper Cumberland Human
Resource Agency
Upper Cumberland Local Workforce
Development Board

Upper East TN Human
Development Agency
Urban Housing Solutions
Vision Coordination
Warren County
WDVX Cumberland Communications
West Overton Utility
West TN Forensic SVS, Inc
West TN Legal Services, Inc.
West TN Regional Art Center
West Warren- Viola Utility
White County Government
Williamson County Child Advocacy Ctr
Wilson County ECD (E-911)
Winchester Utility System
Witt Utility District
Woodbury Housing Authority
Woodlawn Utility District
Workforce Innovations



The following unaudited financial statements for the state plan, local education plan, local government plan and retiree plan disclose the financial position and the results of operations for the years ended June 30, 2022 and 2021. The state plan, local education plan and local government plan financial statements include only active employees — retirees are disclosed separately. The Department of Finance and Administration, Benefits Administration prepared these statements which summarize transactions for all coverages available through

each plan. The complete financial statements, accompanying notes and supplemental schedules are included in the Annual Comprehensive Financial Report for the State of Tennessee. The ACFR was prepared by the Department of Finance and Administration, Division of Accounts and was audited by the Comptroller of the Treasury, Division of State Audit.

NOTE: Financial data in this section expressed in thousands

Statement of Net Position

	June 30, 2022	June 30, 2021
Assets		
Cash	\$ 283,347	\$ 271,864
Accounts receivable, net	5,400	2,720
Total assets	\$ 288,747	\$ 274,584
Liabilities		
Accounts payable and accruals	\$ 72,511	\$ 74,336
Unearned Revenue	42,051	42,212
Total liabilities	\$ 114,562	\$ 116,548
Net Position		
Unrestricted	\$ 174,185	\$ 158,036
Total net position	\$ 174,185	\$ 158,036



Statement of Revenues, Expenses, and Changes in Fund Net Position

	Year Ended June 30, 2022	Year Ended June 30, 2021
Operating Revenues		
Premiums	\$ 857,726	\$ 777,737
Other	1,000	1,000
Total operating revenues	\$ 858,726	\$ 778,737
Operating Expenses		
Medical, pharmacy, and behavioral health claims	\$ 799,946	\$ 826,058
Administrative services	5,209	4,963
Contractual services	37,935	37,253
Total operating expenses	\$ 843,090	\$ 868,274
Operating income (loss)	\$ 15,636	\$ (\$89,537)
Non-operating revenues		
Interest income	\$ 513	\$ 232
Total non-operating revenues	\$ 513	\$ 232
Change in Net Position	\$ 16,149	\$ (89,305)
Net position - July 1	158,036	247,341
Net position - June 30	\$ 174,185	\$ 158,036



Statement of Cash Flows

	Year Ended June 30, 2022	Year Ended June 30, 2021
Cash flows from operating activities		
Receipts from interfund services provided	\$ 504,431	\$ 464,817
Receipts from fund members	398,451	360,906
Payments to suppliers	(888,433)	(888,178)
Payments to employees	(2,121)	(2,385)
Payments for interfund services used	(1,358)	(1,563)
Net cash provided by (used for) operating activities	\$ 10,970	\$ (66,403)
Cash flows from investing activities		
Interest received	\$ 513	\$ 232
Net cash from investing activities	\$ 513	\$ 232
Net increase (decrease) in Cash	11,483	(66,171)
Cash - July 1	271,864	338,035
Cash - June 30	\$ 283,347	\$ 271,864



Reconciliation of operating income to net cash from operating activities

Operating income (loss)	\$ 15,636	\$ (89,537)
Adjustments to reconcile operating income to net cash from operating activities		
Changes in assets and liabilities:		
(Increase) decrease in accounts receivable	(2,680)	9,149
Increase (decrease) in accounts payable and accruals	(1,825)	13,762
Increase (decrease) in unearned revenue	(161)	223
Net cash provided by (used for) operating activities	\$ 10,970	\$ (66,403)



Statement of Net Position

	June 30, 2022	June 30, 2021
Assets		
Cash	\$ 267,821	\$ 255,203
Accounts receivable, net	4,196	1,954
Total assets	\$ 272,017	\$ 257,157
Liabilities		
Accounts payable and accruals	\$ 53,285	\$ 48,903
Unearned Revenue	105	101
Total liabilities	\$ 53,390	\$ 49,004
Net Position		
Unrestricted	\$ 218,627	\$ 208,153
Total net position	\$ 218,627	\$ 208,153



Statement of Revenues, Expenses, and Changes in Fund Net Position

	Year Ended June 30, 2022	Year Ended June 30, 2021
Operating Revenues		
Premiums	\$ 600,635	\$ 566,354
Total operating revenues	\$ 600,635	\$ 566,354
Operating Expenses		
Medical, pharmacy, and behavioral health claims	\$ 558,552	\$ 544,612
Administrative services	4,225	3,997
Contractual services	27,854	25,734
Total operating expenses	\$ 590,631	\$ 574,343
Operating income (loss)	\$ 10,004	\$ (7,989)
Non-operating revenues		
Interest income	\$ 470	\$ 174
Total non-operating revenues	\$ 470	\$ 174
Change in Net Position	\$ 10,474	\$ (7,815)
Net position - July 1	208,153	215,968
Net position - June 30	\$ 218,627	\$ 208,153



Statement of Cash Flows

	Year Ended June 30, 2022	Year Ended June 30, 2021
Cash flows from operating activities		
Receipts from fund members	\$ 607,288	\$ 573,037
Payments to insurance companies and health care providers	(594,626)	(565,054)
Payments for state services	(514)	(599)
Net cash from (used for) operating activities	\$ 12,148	\$ 7,384
Cash flows from investing activities		
Interest received	\$ 470	\$ 174
Net cash from investing activities	\$ 470	\$ 174
Net increase (decrease) in Cash	\$ 12,618	\$ 7,558
Cash - July 1	255,203	247,645
Cash - June 30	\$ 267,821	\$ 255,203



Reconciliation of operating income to net cash from operating activities

Operating income (loss)	\$ 10,004	\$ (7,989)
Adjustments to reconcile operating income to net cash from operating activities		
Changes in assets and liabilities:		
(Increase) decrease in accounts receivable	(2,242)	6,074
Increase (decrease) in accounts payable	4,382	9,271
Increase (decrease) in unearned revenue	4	28
Net cash provided by (used for) operating activities	\$ 12,148	\$ 7,384



Supplementary Information — Active Employees

This table illustrates how the Local Education Group Insurance Fund's earned revenues and investment income compare to related costs of loss and other expenses assumed by the fund for the last ten years. The rows of the table are defined as follows: (1) This line shows the total of each fiscal year's earned contribution revenues and investment revenues. (2) This line shows each fiscal year's other operating costs of the fund, including overhead and claims expense not allocable to individual claims. (3) This line shows the fund's incurred claims and allocated claim adjustment expenses (both paid and accrued) as originally reported at the end of the first year in which the event that triggered coverage under the contract occurred (called policy year); some of these amounts are unavailable. (4) This section shows the cumulative amounts paid as of the end of successive years for each policy year; some of these amounts

are unavailable. (5) This section shows how each policy year's incurred claims increased or decreased as of the end of successive years; some of these amounts are unavailable. This annual reestimation results from new information received on known claims, reevaluation of existing information on known claims, as well as emergence of new claims not previously known. (6) This line compares the latest reestimated incurred claims amount to the amount originally established (line 3) and shows whether this latest estimate of claims cost is greater or less than originally thought. As data for individual policy years mature, the correlation between original estimates and reestimated amounts is commonly used to evaluate the accuracy of incurred claims currently recognized in less mature fiscal years. The columns of the table show data for successive fiscal and policy years.

Show Table





Ten-Year Claims Development Table

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
(1) Required contribution and investment revenue earned (fiscal year)	463,986	488,113	471,353	449,965	472,022	517,083	555,355	565,806	566,528	601,105
(2) Unallocated expenses (fiscal year)	27,384	29,831	34,261	35,026	32,188	28,531	28,181	28,712	29,731	32,079
(3) Estimated incurred claims and expenses, end of policy year	432,425	435,832	456,600	473,999	483,123	509,290	555,674	563,776	643,062	*
(4) Paid (cumulative) as of:										
End of policy year	404,145	408,147	426,939	442,712	452,836	477,344	522,981	526,547	601,616	*
One year later	432,124	435,790	457,219	473,195	482,543	509,167	555,101	564,660	*	
Two years later	431,697	435,667	457,210	473,329	482,976	510,018	555,065	*		
Three years later	431,374	435,684	457,013	473,372	483,044	509,890	*			
Four years later	431,389	435,514	457,012	473,365	483,044	*				
Five years later	431,377	435,514	457,011	473,363	*					
Six years later	431,371	435,514	457,016	*						
Seven years later	431,371	435,514	*							
Eight years later	431,371	*								
Nine years later	*									
(5) Reestimated incurred claims and expenses:										
End of policy year	432,425	435,832	456,600	473,999	483,123	509,290	555,674	563,776	643,062	*
One year later	431,846	435,706	457,246	473,331	482,788	509,690	555,180	564,771	*	
Two years later	431,469	435,643	457,121	473,299	483,066	510,067	555,073	*		
Three years later	431,450	435,583	457,013	473,328	483,126	510,055	*			
Four years later	431,450	435,514	457,012	473,328	483,028	*				
Five years later	431,377	435,514	457,011	473,363	*					
Six years later	431,371	435,514	457,016	*						
Seven years later	431,371	435,516	*							
Eight years later	431,371	*								
Nine years later	*									
(6) Increase (decrease) in estimated incurred claims and expenses from end of policy year	(1,054)	(318)	411	(671)	3	777	(494)	*	*	*

* Data not available



Statement of Net Position

	June 30, 2022	June 30, 2021
Assets		
Cash	\$ 54,019	\$ 53,954
Accounts receivable, net	1,210	610
Total assets	\$ 55,229	\$ 54,564
Liabilities		
Accounts payable and accruals	\$ 17,089	\$ 16,210
Unearned Revenue	48	71
Total liabilities	\$ 17,137	\$ 16,281
Net Position		
Unrestricted	\$ 38,092	\$ 38,283
Total net position	\$ 38,092	\$ 38,283



Statement of Revenues, Expenses, and Changes in Fund Net Position

	Year Ended June 30, 2022	Year Ended June 30, 2021
Operating Revenues		
Premiums	\$ 172,241	\$ 161,926
Total operating revenues	\$ 172,241	\$ 161,926
Operating Expenses		
Medical, pharmacy, and behavioral health claims	\$ 162,498	\$ 169,060
Administrative services	1,337	1,256
Contractual services	8,687	8,213
Total operating expenses	\$ 172,522	\$ 178,529
Operating income (loss)	\$ (281)	\$ (16,603)
Non-operating revenues		
Interest income	\$ 90	\$ 41
Total non-operating revenues	\$ 90	\$ 41
Change in Net Position	\$ (191)	\$ (16,562)
Net position - July 1	38,283	54,845
Net position - June 30	\$ 38,092	\$ 38,283



Statement of Cash Flows

	Year Ended June 30, 2022	Year Ended June 30, 2021
Cash flows from operating activities		
Receipts from fund members	\$ 175,763	\$ 165,452
Payments to insurance companies and health care providers	(175,676)	(174,933)
Payments for state services	(112)	(131)
Net cash from (used for) operating activities	\$ (25)	\$ (9,612)
Cash flows from investing activities		
Interest received	\$ 90	\$ 41
Net cash from investing activities	\$ 90	\$ 41
Net increase (decrease) in Cash	\$ 65	\$ (9,571)
Cash - July 1	53,954	63,525
Cash - June 30	\$ 54,019	\$ 53,954



Reconciliation of operating income to net cash from operating activities

Operating income (loss)	\$ (281)	\$ (16,603)
Adjustments to reconcile operating income to net cash from operating activities		
Changes in assets and liabilities:		
(Increase) decrease in accounts receivable	(600)	1,879
Increase (decrease) in accounts payable	879	5,084
Increase (decrease) in unearned revenue	(23)	28
Net cash provided by (used for) operating activities	\$ (25)	\$ (9,612)



Supplementary Information — Active Employees

This table illustrates how the Local Government Group Insurance Fund's earned revenues and investment income compare to related costs of loss and other expenses assumed by the fund for each of the last ten years. The rows of the table are defined as follows: (1) This line shows the total of each fiscal year's earned contribution revenues and investment revenues. (2) This line shows each fiscal year's other operating costs of the fund, including overhead and claims expense not allocable to individual claims. (3) This line shows the fund's incurred claims and allocated claim adjustment expenses (both paid and accrued) as originally reported at the end of the first year in which the event that triggered coverage under the contract occurred (called policy year); some of these amounts are unavailable. (4) This section shows the cumulative amounts paid as of the end of successive years for each policy year;

some of these amounts are unavailable. (5) This section shows how each policy year's incurred claims increased or decreased as of the end of successive years; some of these amounts are unavailable. This annual reestimation results from new information received on known claims, reevaluation of existing information on known claims, as well as emergence of new claims not previously known. (6) This line compares the latest reestimated incurred claims amount to the amount originally established (line 3) and shows whether this latest estimate of claims cost is greater or less than originally thought. As data for individual policy years mature, the correlation between original estimates and reestimated amounts is commonly used to evaluate the accuracy of incurred claims currently recognized in less mature fiscal years. The columns of the table show data for successive fiscal and policy years.

Show Table





Ten-Year Claims Development Table

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
(1) Required contribution and investment revenue earned (fiscal year)	105,973	108,834	108,860	114,373	127,183	136,992	150,764	158,039	161,967	172,331
(2) Unallocated expenses (fiscal year)	6,135	6,645	7,535	8,012	8,418	7,979	8,267	8,942	9,469	10,024
(3) Estimated incurred claims and expenses, end of policy year	96,152	99,097	103,694	118,900	126,741	135,195	155,172	169,981	184,295	*
(4) Paid (cumulative) as of:										
End of policy year	89,634	92,792	97,837	111,866	119,188	126,563	143,818	153,132	171,381	*
One year later	96,101	98,622	103,813	118,709	126,653	134,667	155,745	172,699	*	
Two years later	95,919	98,627	103,981	118,775	126,844	134,812	159,786	*		
Three years later	95,883	98,627	103,911	118,802	126,837	137,163	*			
Four years later	95,895	98,581	103,910	118,799	128,756	*				
Five years later	95,896	98,584	103,911	119,713	*					
Six years later	95,894	98,584	103,912	*						
Seven years later	95,894	98,584	*							
Eight years later	95,894	*								
Nine years later	*									
(5) Reestimated incurred claims and expenses:										
End of policy year	96,152	99,097	103,694	118,900	126,741	135,195	155,172	169,981	184,295	*
One year later	96,022	98,653	104,054	118,777	126,701	134,680	155,859	173,023	*	
Two years later	95,895	98,628	104,016	118,766	126,848	135,087	159,772	*		
Three years later	95,893	98,635	103,911	118,793	126,856	137,164	*			
Four years later	95,893	98,581	103,910	118,793	128,756	*				
Five years later	95,896	98,584	103,911	119,713	*					
Six years later	95,894	98,584	103,911	*						
Seven years later	95,894	98,584	*							
Eight years later	95,894	*								
Nine years later	*									
(6) Increase (decrease) in estimated incurred claims and expenses from end of policy year	(258)	(513)	217	813	2,015	1,968	4,600	3,042	*	*

* Data not available



Statement of Fiduciary Net Position

	June 30, 2022	June 30, 2021
Assets		
Cash and cash equivalents	\$ 23,054	\$ 23,791
Receivables	754	513
Total assets	\$ 23,808	\$ 24,304
Liabilities		
Accounts payable and accruals	\$ 5,083	\$ 5,618
Total liabilities	\$ 5,083	\$ 5,618
Net Position		
Restricted for Individuals, organizations, and other governments	\$ 18,725	\$ 18,686
Total net position	\$ 18,725	\$ 18,686



Statement of Changes in Fiduciary Net Position

	Year Ended June 30, 2022	Year Ended June 30, 2021
ADDITIONS		
Contributions		
Members	\$ 92,137	\$ 90,275
Total contributions	\$ 92,137	\$ 90,275
Investment income		
Interest	\$ 111	\$ 40
Total investment income	\$ 111	\$ 40
Member resources	\$ 12,516	\$ 19,035
Total additions	\$ 104,764	\$ 109,350
DEDUCTIONS		
Medical Payments	\$ 94,535	\$ 98,951
Member/claimant distributions	3,806	3,903
Administrative expenses	6,384	5,554
Total deductions	\$ 104,725	\$ 108,408
Change in Net Position	\$ 39	\$ 942
Net position - July 1	18,686	17,744
Net position - June 30	\$ 18,725	\$ 18,686



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