

## **Minutes**

### **State, Local Education and Local Government Insurance Committees**

January 23, 2025

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

The State, Local Education and Local Government Insurance Committees met on Thursday, January 23, 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 Nicole Sweitzer on behalf of Comptroller Jason Mumpower, Rick DuBray on behalf of Treasurer David Lillard, and Bill Huddleston on behalf of Carter Lawrence, Commissioner of Commerce and Insurance.

#### **State Insurance Committee Members**

##### **Present:**

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

##### **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 Insurance Committees
- Rick DuBray, representing David Lillard, State Treasurer
- Nicole Sweitzer, representing Jason Mumpower, Comptroller of the Treasury
- Bill Huddleston, representing Carter Lawrence, Commissioner, Commerce and Insurance
- Maryanne Durski, Chief Financial Officer, Department of Education
- Jennifer White, Tennessee School Board Association (by teleconference)
- Erin Johnson, East TN School Employee representative (by teleconference)

**Absent:**

- 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 Insurance Committees
- Rick DuBray, representing David Lillard, State Treasurer
- Nicole Sweitzer, representing Jason Mumpower, Comptroller of the Treasury
- Kevin Krushenski, Tennessee Municipal League
- Shanna Boyette, Tennessee County Services Association (by teleconference)

**Agenda Item #1 – Public Comment**

Todd Wilkinson, Vice-President of Lantern, was present and requested to comment on the 4th agenda item. After Mr. Wilkinson’s remarks, no further attendees virtually or in-person requested to be recognized for any other comments.

**Agenda Item #2 – [Action] September 26, 2024 Minutes (All Committees)**

Chairman Bryson asked if any of the committee members had any comments or edits for the minutes from September 26, 2024. No one asked to be recognized in any of the three committees.

On behalf of the State Insurance Committee, Commissioner Williams moved to adopt the minutes of the September 26, 2024 meeting. Ms. Sweitzer seconded the motion. No discussion occurred and a roll call vote was taken.

Sweitzer	Yes	DuBray	Yes
Huddleston	Yes	Williams	Yes
Consiglio-Young	Yes	Knecht	Yes
Chance	Yes	Pittman	Yes
Bryson	Yes		

On behalf of the Local Education Insurance Committee, Ms. Durski moved to adopt the minutes of the September 26, 2024 meeting. Ms. Sweitzer seconded the motion. No discussion occurred and a roll call vote was taken.

Sweitzer	Yes	DuBray	Yes
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Huddleston	Yes	Durski	Yes
White	Yes	White	Yes
Bryson	Yes		

On behalf of the Local Government Insurance Committee, Ms. Boyette moved to adopt the minutes of the September 26, 2024 meeting. Mr. Krushenski seconded the motion. No discussion occurred and a roll call vote was taken.

Sweitzer	Yes	DuBray	Yes
Krushenski	Yes	Boyette	Yes
Bryson	Yes		

**Agenda Item #3 – [Action] Approval of Medical Plan Document Updates (All Committees)**

Chairman Bryson recognized Tresa Jones, Director of Health Plan Policy for Benefits Administration (BA), to present the Medical Plan Document (PD) updates to the committees. Ms. Jones highlighted some of the requested plan document updates:

- Reorganize, reword and renumber items to update and clarify text in all PDs;
- Specify three separate parts of the State PD; and
- Illustrate text differences for State, Local Education and Local Government plan documents

Ms. Jones identified a new provision in the PD that covers the following with respect to participating employers:

- Shall not initiate or participate in third-party litigation/settlements related to claims paid by the plan or premiums paid to the plan, without prior notice to and approval from BA;
- Must report receipt of any litigation or settlement sums to BA; and
- Must comply with BA directives to ensure use of sums is to the benefit of the plan

BA will work with the Attorney General’s Office in ensuring this provision.

Ms. Boyette asked how “prior notice” and time frames for filing Title VI are defined and asked for additional language to define the length of time. Laurie Lee, Executive Director of BA, suggested approval of the proposed changes today with the understanding that staff will bring back additional language to address Ms. Boyette’s inquiries at the next meeting. Ms. Boyette agreed.

Ms. Knecht asked if there were any litigation claims. Ms. Lee responded by stating we are aware of potential litigation that came to our attention recently and reached out to the AG’s office for clarification. While we believe there is a general understanding of this protocol, the additional language will help make this practice fully understood for participating agencies.

Chairman Bryson turned the committees' attention to the recommendation of the approval of the Medical Plan Document Updates as outlined in Attachments B and C. No more discussion occurred.

For the State Insurance Committee, Commissioner Williams moved approval of the Medical Plan Document Updates as outlined in Attachments B and C, based on the staff recommendation. The motion was seconded by Mr. Chance. No further discussion occurred, and a roll call vote was taken.

Sweitzer	Yes	DuBray	Yes
Huddleston	Yes	Williams	Yes
Consiglio-Young	Yes	Knecht	Yes
Chance	Yes	Pittman	Yes
Bryson	Yes		

For the Local Education Insurance Committee, Ms. Sweitzer moved approval of the Medical Plan Document Updates as outlined in Attachments B and C, based on the staff recommendation. The motion was seconded by Ms. Durski. No further discussion occurred, and a roll call vote was taken.

Sweitzer	Yes	DuBray	Yes
Huddleston	Yes	Durski	Yes
White	Yes	Johnson	Yes
Bryson	Yes		

For the Local Government Insurance Committee, Mr. Krushenski moved approval of the Medical Plan Document Updates as outlined in Attachments B and C, based on the staff recommendation. The motion was seconded by Ms. Boyette. No further discussion occurred, and a roll call vote was taken.

Sweitzer	Yes	DuBray	Yes
Krushenski	Yes	Boyette	Yes
Bryson	Yes		

**Agenda Item #4 – [Action] Approval of the Cooperative Bundled Payment Contract with Carrum Health (All Committees)**

Chairman Bryson reminded committee members that Mr. Wilkinson's comments from earlier in the meeting pertained to this agenda item.

Chairman Bryson acknowledged Dr. Andrea Dowdy, Director of Clinical Services, to present BA's request to enter into a cooperative bundled payment contract with Carrum Health.

Dr. Dowdy explained a cooperative contract is a Central Procurement Office (CPO) approved process:

- Allows state agencies to enter into existing competitively procured cooperative contracts
- Must be a competitive procurement process consistent with applicable Tennessee law
- Allows a faster and less burdensome path to enter a competitively procured contract agreement
- Used by other Tennessee departments

Dr. Dowdy explained that the Omnia Partners' master contract with Carrum Health was the only Center of Excellence (COE) offering listed and that BA's business case has been approved by both CPO and the Comptroller's Office of Treasury (COT). BA's cooperative contract with Carrum Health is under final review by CPO and COT and we expect approval soon. If approved, anticipated implementation is June 1<sup>st</sup>, 2025. The implemented COE bundles would have no member cost share for the Preferred Provider Organization (PPO) plans and no member cost share after the deductible is satisfied for Consumer-Driven Health Plans (CDHP). A travel benefit would also be included as necessary. Carrum Health's fees are paid as part of the surgical or treatment COE bundle cost with no additional administrative fees.

Carrum Health services include the following:

- High quality qualitative and quantitative criteria review of fifty or more metrics for facilities and surgeon level along with standard credentialing
- Surgical bundles would have a minimum thirty-day warranty
- A Carrum Health specialist would be assigned to the member to assist the member through the process

Carrum Health's curated network of value-based payments include surgical and cancer treatment bundles. A member has access to the bundles regardless of which product (PPO or CDHP) or what network they are in (BlueCross BlueShield, Cigna) for medical. In the first year of implementation, a member could decide to use a provider that Carrum Health offers but go through their network and cost share would apply based on the member's plan. After the first year, BA would review Carrum Health's option and work with Aon, BA's actuarial consultant, to determine whether it would be advantageous to require some as mandatory and change how a member gets access to those services.

In response to further questions:

Regarding the procurement process, BA began with a Request for Information (RFI), which led toward a COE bundled contract available through the state's cooperative contract. The contract with Carrum Health was competitively bid in Texas with another government entity. BA would join that contract as long as the contract is active, but we have included some of our own language on top of the master contract. Multiple firms responded to BA's RFI, but Carrum Health was the only one who also had a cancer treatment option. This is not a sole source contract.

The plan would have a 1:1 Return of Investment (ROI), meaning no additional costs to the plan would be incurred. If the plan is charged beyond the 1:1 ROI, Carrum Health will pay those dollars back to the plan. BA will work with our actuarial consultants to monitor plan savings, member participation, and net benefit to the plan. The administrative burden to providers would be less. Many providers are already in existing networks. BA could work with Carrum Health if we received requests for other providers to enter into a bundled arrangement; Carrum Health's quality and pricing requirements for providers are determined by Carrum Health.

This contract will have a net neutral cost to the plan and members would not pay cost member shares or copays with the exception of CDHP members meeting their minimum deductible. If the cooperative contract was approved and implemented BA would review the results and ensure this product is beneficial to the plan.

Participation in a bundle has no impact on the medical plan selection. Members would have access to Carrum Health at the time of service, should they choose to utilize the benefit. BA would work with Carrum Health to deploy information and materials.

If a provider was not meeting Carrum Health's quality standards that provider would be removed. BA would also track quality metrics.

Members would not pay anything unless they are in a CDHP, in which the IRS requires they meet their minimum deductible. The State pays a bundled rate for services and goods, which includes all necessary components for the member to receive his or her treatment. Depending on the particular treatment the member needs, it could result in the member going to different locations to receive the different medical treatments. If travel is required, Carrum Health handles travel costs upfront.

Cigna does currently have a bone and joint product and there are some limitations to it as it focuses on spine, joints and bone. BlueCross currently has no similar product.

The contract has a cancellation clause.

There being no further discussion, for the State Insurance Committee, Ms. Sweitzer moved approval of the Cooperative Bundled Payment Contract with Carrum Health, based on the staff recommendation. The motion was seconded by Commissioner Williams. No further discussion occurred, and a roll call vote was taken.

Sweitzer	Yes	DuBray	Yes
Huddleston	Yes	Williams	Yes
Consiglio-Young	Yes	Knecht	Yes
Chance	Yes	Pittman	Yes
Bryson	Yes		

For the Local Education Insurance Committee, Ms. Durski moved approval of the Cooperative Bundled Payment Contract with Carrum Health, based on the staff recommendation. The motion was seconded by Mr. DuBray. No further discussion occurred, and a roll call vote was taken.

Sweitzer	Yes	DuBray	Yes
Huddleston	Yes	Durski	Yes
White	Yes	Johnson	Yes
Bryson	Yes		

For the Local Government Insurance Committee, Ms. Boyette moved approval of the Cooperative Bundled Payment Contract with Carrum Health, based on the staff recommendation. The motion was seconded by Mr. Krushenski. No further discussion occurred, and a roll call vote was taken.

Sweitzer	Yes	DuBray	Yes
Krushenski	Yes	Boyette	Yes
Bryson	Yes		

**Agenda Item #5 – [Action] Approvals of the Sharecare Contract Amendment (All Committees)**

Chairman Bryson acknowledged Paige Turner, Director of Population Health, to present approval for the Sharecare Contract Amendment. Ms. Turner explained there are four proposed changes to the contract. The first is an option for Local Education and Local Government agencies to add a wellness incentive program for an additional Per Employee Per Month (PEPM) payment. The second is to add A1c testing to all biometric screening options. The third is to update the at-home test kit cost from a single payment to two, and only pay if the kit is returned. The second and third amendments to the Sharecare contract are anticipated to be a cost neutral to the plan. The fourth contract update is the Service Level Agreement Scorecard Table to clarify rating scale ranges for several concurrent measures.

Ms. Turner confirmed that the first change was only applicable to Local Education and Local Government and changes two through four were for all three plans.

Mr. Krushenski expressed his appreciation to BA staff and their work on this. In response to a question, Ms. Turner explained that the administrative fee is for the whole program and is currently in place. This is separate from the PEPM that would be charged agencies that participate in the incentive program.

Ms. Sweitzer asked what data can be shared with Local Education and Local Government to help incentivize them to partake in this. Ms. Turner explained we are at the end of our first year with Sharecare and have limited numbers at the moment, but the numbers look promising from the engagement numbers already. Ms. Turner stated there are several options for a member to engage in biometric screening, including virtually.

For the State Insurance Committee, Mr. DuBray moved approval of the Sharecare Contract Amendment, based on the staff recommendation. The motion was seconded by Commissioner

Williams. No further discussion occurred, and a roll call vote was taken.

Sweitzer	Yes	DuBray	Yes
Huddleston	Yes	Williams	Yes
Consiglio-Young	Yes	Knecht	Yes
Chance	Yes	Pittman	Yes
Bryson	Yes		

For the Local Education Insurance Committee, Ms. Sweitzer moved approval of the Sharecare Contract Amendment, based on the staff recommendation. The motion was seconded by Ms. Durski. No further discussion occurred, and a roll call vote was taken.

Sweitzer	Yes	DuBray	Yes
Huddleston	Yes	Durski	Yes
White	Yes	Johnson	Yes
Bryson	Yes		

For the Local Government Insurance Committee, Mr. Krushenski moved approval of the Sharecare Contract Amendment, based on the staff recommendation. The motion was seconded by Ms. Sweitzer. No further discussion occurred, and a roll call vote was taken.

Sweitzer	Yes	DuBray	Yes
Krushenski	Yes	Boyette	Yes
Bryson	Yes		

**Agenda Item #6 – [Action] Approval of Awarding of Health Savings Account/Flexible Savings Account Contract (All Committees)**

Chairman Bryson acknowledged Heather Pease, Director of Procurement and Contracts, to present the RFP evaluation team recommendation to award the Health Savings Account/Flexible Spending Account contract. Ms. Pease explained that the committees approved the release of the RFP August of 2024, and the RFP was issued in August with proposals due by November 2024. Five proposals were sent in for consideration. Ms. Pease highlighted some key changes in the contract:

- Two changes for HSA/FSA debit card substantiation
  - New requirement for a team lead in customer service center for elevated issues
  - New requirement for contractor to receive ongoing claim fees – Pharmacy, Medical, Vision, Dental PPOs
- The contract added non-discrimination testing on any of the flex products, which determines if the benefits are fair to all employees and is required by federal law

- Added a runout period for all outstanding claims

The evaluation team consisted of three State of Tennessee employees with a combined experience of 85 years focused on health insurance, finance, flexible benefits, pharmaceutical care and auditing. Voya, one of the respondents, was unable to accept all terms and conditions of the contract and, therefore, was deemed non-responsive in sections B through D.

The Committee members followed up with questions:

In response to questions about the tradeoffs in the technical portion, between OPTUM and TASC the scores were not far apart; the cost was part of the consideration. We do not anticipate a less quality product from TASC. TASC also has other state clients and implements them well.

Regarding the customer-facing portion of vendors, TASC’s scores were not as high as some of the other respondents, but we have made additional contractual changes that will help mitigate potential customer service issues.

The cost proposal portion for this procurement was calculated by Ms. Pease. This is not subjective and is purely a mathematical calculation. How TASC allocated their pricing helped push them to be the front runner.

BA’s recommendation to the insurance committees is to enter into a contract with TASC.

For the State Insurance Committee, Chairman Bryson moved approval to award the Health Savings Account/Flexible Spending Account contract to TASC, as outlined in the embargoed memo sent on January 22, 2025 and presented today. The motion was seconded by Commissioner Williams. No further discussion occurred, and a roll call vote was taken.

Sweitzer	Yes	DuBray	Yes
Huddleston	Yes	Williams	Yes
Consiglio-Young	Yes	Knecht	Yes
Chance	Yes	Pittman	Yes
Bryson	Yes		

For the Local Education Insurance Committee, Ms. Durski moved approval to award the Health Savings Account/Flexible Spending Account contract to TASC, as outlined in the embargoed memo sent on January 22, 2025 and presented today. The motion was seconded by Mr. DuBray. No further discussion occurred, and a roll call vote was taken.

Sweitzer	Yes	DuBray	Yes
Huddleston	Yes	Durski	Yes
White	Yes	Johnson	Yes
Bryson	Yes		

For the Local Government Insurance Committee, Ms. Boyette moved approval to award the Health Savings Account/Flexible Spending Account contract to TASC, as outlined in the embargoed memo sent on January 22, 2025 and presented today. The motion was seconded by Mr. Krushenski. No further discussion occurred, and a roll call vote was taken.

Sweitzer	Yes	DuBray	Yes
Krushenski	Yes	Boyette	Yes
Bryson	Yes		

#### **Agenda Item #7 – [Information Only] Anti-Obesity Medication Management Update (All Committees)**

Chairman Bryson recognized Colleen Huber, Vice President of Aon Consulting, Kendra Gipson, Director of Vendor Services and Dr. Missy Tucker, Director of Pharmacy to present information on the research and findings related to coverage and management of anti-obesity medications. Pharmacy claims are driving the overall trend and cost burden to the plans. The GLP-1's are not new to the plan, but utilization has significantly increased in recent years. Dr. Tucker described the purpose of a recently conducted RFI issued in October and reviewed in November, 2024: to seek solutions to drive appropriate prescribing and utilization of anti-obesity medications.

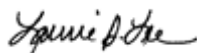
Chairman Bryson asked BA to share the presentations with committee members and be prepared to discuss this further in the next scheduled meeting.

#### **New Business (All Committees)**

Ms. Lee notified the committees that as of December 31, 2024 the telehealth safe harbor for high-deductible health plan (HDHP) expired. This means as of January 1, 2025 HDHPs can no longer provide free or low-cost telemedicine services to participants who have not met their plan deductible. This safe harbor allowed first-dollar coverage for telehealth services under an HDHP. Ms. Lee explained this would have an impact on about thousand plan members using the virtual exercise therapy application. Communication would be shared with those affected.

The next meeting of the State, Local Education and Local Government Insurance Committees is scheduled for February 27, 2025 at 1:00 p.m. (central) in the Nashville Room. With no further business, Chairman Bryson adjourned the meeting at 3:05 p.m. (central).

Respectfully submitted,



Laurie S. Lee