

Minutes

State, Local Education and Local Government Insurance Committees

August 22, 2024

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

The State, Local Education and Local Government Insurance Committees met on Thursday, August 22, 2024 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 TN Department of Finance and Administration, called the Insurance Committee meetings to order at 1:00 p.m. (central) and noted Nicole Sweitzer was attending on behalf of Comptroller Jason Mumpower in his absence later in the meeting, Rick DuBray for Treasurer David Lillard, Scott McAnally for Commissioner Carter Lawrence, and Keisha Pittman on behalf of Terry Carroll for Tennessee State Employees Association.

State Insurance Committee Members

Present:

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

Absent:

- Rep. Patsy Hazlewood, 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
- Jason Mumpower, Comptroller of the Treasury (by teleconference) and Nicole Sweitzer, delegate
- Scott McAnally, representing Commissioner Carter Lawrence, Commerce and Insurance
- Maryanne Durski, Chief Financial Officer, Department of Education
- Erin Johnson, East TN School Employee representative (by teleconference)
- Jennifer White, Tennessee School Board Association (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
- Jason Mumpower, Comptroller of the Treasury (by teleconference) and Nicole Sweitzer, delegate
- Kevin Krushenski, Tennessee Municipal League
- Shanna Boyette, Tennessee County Services Association (by teleconference)

Agenda Item #1 – Public Comment

No one requested in advance to address the committees. No one present in the room or by virtual means asked to make a public comment on any of the agenda items.

Agenda Item #2 – [Action] August 22, 2024 Minutes

Chairman Bryson asked if any of the committees had any comments or edits for the minutes from May 23, 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 May 23, 2024 meeting. Mr. DuBray seconded the motion. No discussion occurred and a roll call vote was taken.

Mumpower	Yes	DuBray	Yes
McAnally	Yes	Williams	Yes
Consiglio-Young	Yes	Knecht	Yes
Chance	Yes	Pittman	Yes
Watson	Yes	Bryson	Yes

On behalf of the Local Education Insurance Committee, Ms. Durski moved to adopt the minutes of the May 23, 2024 meeting. Chairman Bryson seconded the motion. No discussion occurred and a roll call vote was taken.

Mumpower	Yes	DuBray	Yes
McAnally	Yes	Durksi	Yes
Johnson	Yes	White	Yes

Bryson Yes

On behalf of the Local Government Insurance Committee, Mr. Krushenski moved to adopt the minutes of the May 23, 2024 meeting. Mr. DuBray seconded the motion. No discussion occurred and a roll call vote was taken.

Mumpower Yes DuBray Yes
Krushenski Yes Boyette Yes
Bryson Yes

Agenda Item #3 – [Action] Approval for Plan Document Updates

Chairman Bryson introduced Executive Director Laurie Lee who presented the recommended Plan Document changes. Ms. Lee stated that this has been an ongoing project for Benefits Administration to ensure that we follow all state and federal legislation, clean up any redundancies and that the verbiage is clear. Ms. Lee highlighted some key changes in section 2, which covers eligibility and enrollment. Ms. Lee discussed the switch from business days to calendar days to make it more consistent with the plan and a change that would permit submitting one’s social security number while waiting on the physical card to arrive for verification.

Ms. Lee discussed Section 12 change that pertained to covering Narcan for over-the-counter (OTC) prescriptions. Narcan is a lifesaving medication that can temporarily stop or reverse the effects of an opioid overdose. While our plans already allow coverage for prescription Narcan, coverage for OTC medications is excluded unless otherwise specified as covered. The plans have been covering Narcan as a prescription since it was first introduced. If approved as OTC, the member will still pay their applicable share, as with a prescription (copay for Preferred Provider Organization and deductible/coinsurance for Consumer-Driven Health Plan members, averaging approximately 14%).

In light of the discussion about Narcan, Comptroller Mumpower asked that the Committees reconsider the coverage policy for allergy serum, which was approved in 2022 for the plan year 2023. In 2023, allergy serum and administration moved from 100% coverage by the plan to the member paying a deductible and coinsurance.

The staff answered questions about how the benefit change has impacted members since it was approved in 2023 and other questions about the coverage. Given these questions, the staff was asked to reconsider and discuss this further in the September meeting.

Chairman Bryson stated that BA staff would research questions from the Committee and come back to the Committees at the next meeting to discuss allergy serum coverage. With that commitment, he moved to approve all Plan Document recommendations as presented to the committees.

For the State Insurance Committee, Chairman Bryson moved approval of all the Plan Document Changes, based on the staff recommendation. The motion was seconded by Comptroller Mumpower. No further discussion occurred, and a roll call vote was taken.

Mumpower Yes DuBray Yes

McAnally	Yes	Williams	Yes
Consiglio-Young	Yes	Knecht	Yes
Chance	Yes	Pittman	Yes
Watson	Yes	Bryson	Yes

For the Local Education Insurance Committee, Chairman Bryson moved approval of all the Plan Document Changes, based on the staff recommendation. The motion was seconded by Comptroller Mumpower. No further discussion occurred, and a roll call vote was taken.

Mumpower	Yes	DuBray	Yes
McAnally	Yes	Durksi	Yes
White	Yes	Bryson	Yes

For the Local Government Insurance Committee, Chairman Bryson moved approval of all the Plan Document Changes, based on the staff recommendation. The motion was seconded by Comptroller Mumpower. No further discussion occurred, and a roll call vote was taken.

Mumpower	Yes	DuBray	Yes
Krushenski	Yes	Boyette	Yes
Bryson	Yes		

Agenda Item #4 – [Action] Approval of the Tennessee Plan Premiums (State Committee Only)

Chairman Bryson introduced Colleen Huber, Senior Vice President with Aon Consulting. Ms. Huber presented the proposed Tennessee Plan premium rates.

Ms. Huber discussed how these proposed premium rates are based on historical cost per contract, assumptions about expected future cost increases, regulatory requirements and other factors. Ms. Huber also highlighted that there was an uptick in inpatient admissions, emergency room and urgent care visits, office/primary care physician visits and labs and that plan members’ utilization was higher than other plans administered by the state group insurance plan.

For the State Insurance Committee, Commissioner Williams moved approval of the Tennessee Plan Premium Rate increase, based on the staff and Aon recommendation. The motion was seconded by Mr. DuBray. No further discussion occurred, and a roll call vote was taken.

Sweitzer	Yes	DuBray	Yes
McAnally	Yes	Williams	Yes
Consiglio-Young	No	Knecht	Yes
Chance	Yes	Pittman	No

Watson Yes Bryson Yes

Agenda Item #5 – [Action] Approvals of the Procurement Schedule

Chairman Bryson introduced Heather Pease, Director of Procurement and Contracts and Kendra Gipson, Director of Vendor Services, who presented the Procurement Schedule recommendation, as outlined in the Insurance Committee memo.

Ms. Pease stated there were five upcoming procurements for the calendar year 2025. Ms. Pease gave the committees a breakdown of each one and an explanation of the next steps after the procurement schedule is approved. Ms. Gipson addressed the committee members on the Centers of Excellence (COE) Bundles procurement, as it would be a new product. Ms. Gipson explained that COEs are providers or facilities designated as such based on their cost and quality. Ms. Gipson emphasized that they specialize in certain procedures and therefore have better outcomes. Some examples include hip and knee replacement, cardiac surgery, bariatric surgery, and oncology.

For the State Insurance Committee, Mr. DuBray moved approval of the Procurement Schedule, based on the staff recommendation. The motion was seconded by Chairman Bryson. No further discussion occurred, and a roll call vote was taken.

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

For the Local Education Insurance Committee, Chairman Bryson moved approval of the Procurement Schedule, 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
McAnally	Yes	Durksi	Yes
White	Yes	Bryson	Yes

For the Local Government Insurance Committee, Chairman Bryson moved approval of the Procurement Schedule, 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 #6 – [Action] Audit Committee New Terms for 2025-2027

Chairman Bryson recognized Ms. Lee to discuss recommendations for the Audit Committee representatives. Ms. Lee recommended Rob Chance, higher education representative to the State Committee, to complete the remainder of Holly Gray’s term, which will end December 31, 2024. Mr. Chance previously served on the Insurance Audit Committee and has the appropriate background and experience for the work of the Committee.

For the State Insurance Committee, Commissioner Williams moved approval of appointing Rob Chance to the vacancy on the Insurance Audit Committee as the State Representative, based on the staff recommendation. The motion was seconded by Ms. Knecht. No further discussion occurred, and a roll call vote was taken.

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

For the Local Education Insurance Committee, Ms. Sweitzer moved approval of appointing Rob Chance to the vacancy on the Insurance Audit Committee as the State Representative, based on the staff recommendation. The motion was seconded by Chairman Bryson. No further discussion occurred, and a roll call vote was taken.

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

For the Local Government Insurance Committee, Mr. Krushenski moved approval of appointing Rob Chance to the vacancy on the Insurance Audit Committee as the State Representative, 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		

Ms. Lee recommended the following appointments for the new terms on the Insurance Audit Committee beginning January 1, 2025 through December 31, 2027:

- Treasurer Lillard as the chair
- Rob Chance as the State representative

- Maryanne Durski as the Local Education representative, and
- Kevin Krushenski as the Local Government representative

For the State Insurance Committee, Chairman Bryson moved approval of the new Insurance Audit Committee member appointments for January 1, 2025-December 31, 2027, as recommended by staff. The motion was seconded by Commissioner Williams. No further discussion occurred, and a roll call vote was taken.

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

For the Local Education Insurance Committee, Ms. Sweitzer moved approval of the new Insurance Audit Committee members appointments for January 1, 2025-December 31, 2027, as recommended by staff. The motion was seconded by Chairman Bryson. No further discussion occurred, and a roll call vote was taken.

Sweitzer	Yes	DuBray	Yes
McAnally	Yes	Durksi	Abstained
Johnson	Yes	White	Yes
Bryson	Yes		

For the Local Government Insurance Committee, Chairman Bryson moved approval of the new Insurance Audit Committee members appointments for January 1, 2025-December 31, 2027 as recommended by staff. The motion was seconded by Ms. Sweitzer. No further discussion occurred, and a roll call vote was taken.

Sweitzer	Yes	DuBray	Yes
Krushenski	Abstained	Boyette	Yes
Bryson	Yes		

New Business – [Information Only] Aon Follow-up Question from May 23, 2024 on the Status of the Plan’s Reserves:

Chairman Bryson stated this item falls under new business and introduced Ms. Huber to address the follow-up question from an earlier Committee meeting about the impact of subsidizing rates on the plan's reserves. Ms. Huber informed the committee members that since 2012 the average annual premium increase has been around 3.5% while paid trend has been around 4.6%. The difference in premium from the trend was made up by the excess reserves. Committee members asked that staff provide the detail of Ms. Huber's comments in writing for their review.

The next meeting of the State, Local Education and Local Government Insurance Committees is scheduled for September 26, 2024 at 1:00 p.m. (central) in the Nashville Room. With no further business, Chairman Bryson adjourned the meeting at 2:38 p.m. (central).

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Laurie S. Lee". The signature is written in a cursive, flowing style.

Laurie S. Lee