



STATE OF TENNESSEE
DEPARTMENT OF FINANCE AND ADMINISTRATION
BENEFITS ADMINISTRATION


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May 31, 2024

TO: LEA Directors of Schools

FROM: Laurie Lee, Executive Director 

SUBJECT: Premium Increases for 2025

I know many of you are working on your budgets for next fiscal year. The State Group Insurance Program's Local Education Insurance Committee recently met and made a number of decisions for the 2025 plan year.

All member health plan cost sharing such as deductibles or coinsurance for 2025 will stay the same except for the two changes that follow below:

- A third non-preferred brand specialty pharmacy tier will be added to allow more expensive biologic drugs to be placed in this third tier. Members may be able to switch to less-costly biosimilar drugs.
- Talkspace lets members communicate with a therapist by text, audio or video, 24/7 from the member's smartphone or desktop, and the current PPO copays range from \$25 to \$35. In 2025, the Talkspace copay will be lowered to \$15 for all PPO options, which aligns with other telehealth options. CDHP plan members' claims will process at the current coinsurance levels.

The approved premium increases reflect the underlying cost trends in the plan and the impact of general inflation. However, the aggregate plan premium increase is below market.

- Based on the projected claims and plan performance, the committee approved an **aggregated average health insurance premium increase*** of **5.9%**. The 2025 health insurance premium increase percentage is in the aggregate; premium increases* will vary slightly within the products and coverage tiers.
 - For example, monthly premium increases will range from \$32 to \$109, depending on the plan and tier in which the member is enrolled.
- BlueCross BlueShield and Cigna will remain the health insurance carriers. The four provider network options will remain the same: BlueCross Network S, BlueCross Network P, Cigna LocalPlus and Cigna Open Access Plus.
 - For BlueCross Network P and Cigna Open Access Plus, the additional monthly cost will stay the same. For all health plan options, the employee-only tier will cost an additional \$75 per month, employee+child(ren) tier will cost an additional \$85 per month, and employee+spouse and employee+spouse+child(ren) coverage tiers will cost an additional \$150 per month.

*Premium increase amounts listed are for BlueCross S and Cigna LocalPlus networks only

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- For those agencies who offer the state's vision insurance, EyeMed will continue to be the vendor for 2025 benefits. The same Basic and Expanded plans will be offered.
 - Premiums and benefits will stay the same in 2025.
- For those agencies who offer the state's dental insurance, the Dental Health Maintenance Organization (Prepaid) carrier will continue to be Cigna, and the Dental Preferred Provider Organization carrier will continue to be Delta Dental in 2025.
 - Cigna DHMO Prepaid plan rates will increase by 3.5% for all plan members.
 - Delta Dental DPPO plan rates will increase by 1.5% for all plan members.
- The insurance carriers for pharmacy, behavioral health/EAP and health savings accounts will remain the same in 2025.

I hope this information is helpful to you. We value your school system's participation in the State Group Insurance Program and the opportunity to meet the needs of your employees. If you have any questions about the above information or any other aspect of our health plan, please email me at benefits.info@tn.gov.

Thank you.

CC: LEA Fiscal Officers
Agency Benefits Coordinators