

State Group Insurance Program
2014 Annual Report





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

Larry B. Martin
COMMISSIONER

Laurie Lee
EXECUTIVE DIRECTOR

November 30, 2015

Ladies and Gentlemen:

We are pleased to submit the 2014 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 more than 140,000 employees and 26,000 Medicare eligible retirees and their families from public sector organizations in Tennessee. At the end of 2014, the state-sponsored plans provided health insurance coverage to more than 308,000 individuals.

The data presented here demonstrate program, statistical and financial trends for the plans. The financial statements reflect the fiscal year ended June 30, 2014.

While the state group insurance program sponsors the coverages and programs reviewed in this report, we work in partnership with 13 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,

A handwritten signature in black ink, appearing to read "Laurie Lee".

Laurie Lee, Executive Director

A handwritten signature in black ink, appearing to read "Larry B. Martin".

Larry B. Martin, Commissioner



Tennessee Department of Finance and Administration.
Authorization Number 317238, 100 copies, November 2015. This
public document was promulgated at a cost of \$4.43 per copy.

OVERVIEW

Benefits Administration operates within the State of Tennessee's Department of Finance and Administration. The division administers health, dental, vision, life and long-term care insurance coverages for more than 308,000 public sector employees, retirees and their eligible dependents.

In addition to insurance coverages, the division also administers an employee assistance program and integrated disease management and wellness programs. These related programs complement insurance programs by educating employees and their families about prevention and behaviors that can affect their mental and physical health.

State group insurance program participants include state government and higher education employees, as well as employees of local school systems and local government agencies who choose to participate in one of the state-sponsored plans. Various quasi-governmental and nonprofit agencies receiving state support may also elect to participate in the local government plan.

In 2014, the state offered all members two health insurance options — the Partnership PPO and Standard PPO. Both PPOs are available statewide and members have the choice of two medical insurance carriers — BlueCross BlueShield of Tennessee or Cigna.

Enrollment Highlights	
Total Group Health Lives	274,117
Employees:	
State Partnership PPO	48,459
State Standard PPO	21,286
Local Education Partnership PPO	32,402
Local Education Standard PPO	13,866
Local Education Limited PPO	9,130
Local Government Partnership PPO	4,766
Local Government Standard PPO	3,730
Local Government Limited PPO	3,959
Total Employee Group Health	137,598
Optional Dental Coverage	82,642
Optional Life Insurance Products	83,194
Optional Long-Term Care Coverage	2,746
Optional Vision Coverage	46,435
Retiree Medicare Supplement	34,307

Source: State of Tennessee and Partner Vendors

A third option is available to participants in the local education and local government plans. The Limited PPO is a high-deductible plan. It is also available statewide with claims and networks administered by either BlueCross BlueShield of Tennessee or Cigna.

The division contracts separately with CVS/caremark for prescription drug coverage and Magellan Health for behavioral health services for all plan options.

The PPOs cover the same services, treatments and products with one important difference — members who choose the Partnership PPO must agree to a partnership promise. The promise requires members to take certain steps to maintain or improve their health. In return, these members pay lower premiums, copays, coinsurance, deductibles and have lower out-of-pocket maximums than those choosing the Standard PPO.

In addition to health insurance, participants in all three plans may enroll in optional dental coverage choosing either the preferred dental plan administered by Delta Dental of Tennessee or the prepaid plan administered by Assurant Employee Benefits.

Vision coverage 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. Vision coverage is administered by EyeMed.

Medicare supplement coverage is available to Medicare eligible retirees who participate in the TN Consolidated Retirement System and certain state and local education plan members who participate in an optional retirement plan. Coverage is administered by the POMCO Group.

State employees are provided with basic term life and accidental death and dismemberment coverage, in addition to optional term life and accidental death, underwritten by Minnesota Life.

Long-term care insurance is available to all state plan employees, retirees and eligible family members through MedAmerica Insurance Company. This coverage is also available to local education and local government plan members, if offered by the employing agency.

GOVERNANCE

The authorization for providing group insurance benefits for public officers, 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. 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 policy related to eligibility and benefits.

Committee Members

Larry B. Martin, Chairman — S, E, G
Commissioner, Department of Finance and Administration

Justin Wilson — S, E, G
Comptroller of the Treasury

David Lillard — S, E, G
State Treasurer

Julie Mix McPeak — S, E
Commissioner, Department of Commerce and Insurance

Rebecca Hunter — S
Commissioner, Department of Human Resources

Brenda Cowan — S
Employee Representative

Jeff Hughes — S
Employee Representative

Mark Paganelli — S
Higher Education Representative

John Summers — S
Tennessee State Employee Association

Maryanne Durski — E
Designee, Department of Education

Rebecca Jackman — E
Middle Tennessee Teacher Representative

Janie Holland — E
East Tennessee Teacher Representative

vacant — E
West Tennessee Teacher Representative

Leigh Mills — E
Tennessee School Boards Association

Kevin Krushenski — G
Tennessee Municipal League

Shawn Francisco — G
Tennessee County Services Association

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

CONTRACT PARTNERS

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

BlueCross BlueShield of Tennessee

Providing administration of healthcare coverage for plan members in the Partnership, Standard and Limited Preferred Provider Organizations (PPOs).

Cigna

Providing administration of healthcare coverage for plan members in the Partnership, Standard and Limited Preferred Provider Organizations (PPOs).

CVS/caremark

Providing pharmacy benefits for all members enrolled in health coverage.

Magellan Health

Providing employee assistance program (EAP) services and administration of behavioral health and substance abuse coverage for plan members.

Assurant Employee Benefits

Providing optional prepaid dental insurance to participating plan members statewide.

Delta Dental of Tennessee

Providing optional preferred dental organization insurance to participating plan members statewide.

POMCO Group

Providing administration of retiree Medicare supplement coverage.

Minnesota Life

Providing basic term, accidental death and dismemberment and optional term life insurance to state plan members who choose to enroll in this coverage.

MedAmerica Insurance Company

Providing long-term care coverage to plan members and their eligible family members who choose to enroll in this coverage.

EyeMed Vision Care

Providing vision insurance to plan members and their eligible family members who choose to enroll in this coverage.

Healthways

Providing disease management, lifestyle management and wellness program services for all plan members enrolled in health coverage.

Truven Health Analytics

Providing data warehousing and analytical services to assess healthcare utilization and claims-based costs for our population.

Aon Hewitt

Providing benefits and actuarial consultant services to the division.

LOOKING BACK

MISSION AND VISION

Benefits Administration provides health insurance benefits to State of Tennessee employees, retirees and dependents as well as certain employees, retirees and dependents from local education agencies, local governments and grantees of the state.

Our Mission: Deliver comprehensive, affordable, dependable and sustainable benefits

Our Vision: Healthy members; peace of mind

OVERVIEW

Benefits Administration continues to deliver value to our members by implementing conservative and accountable plan design and fiscal policy in order to sustain a market competitive benefit. Specifically, the division has a consistent focus on four key levers to deliver value:

- **Purchasing** — Ensure we obtain best pricing through competitive procurements that leverage the state's purchasing power and vendor core competencies
- **Plan design** — Balance plan design with value-based incentives for management of chronic disease
- **Population health** — Build data-driven health management and wellness supports into the plan design to raise member accountability for health behaviors and improve health outcomes
- **Pay for value** — Increase the accountability of contractors and providers so that we pay for improved quality and competitive cost, not volume

For the period July 1, 2013, to June 2014, all four plans continued to perform better than projected and have an estimated total available solvency reserve above the target solvency reserve set for calendar year 2014. The year over year premium increases for the State, Local Education and Local Government Plans from 2010–2014 have averaged 3.7 percent, 3.2 percent and 4.4 percent, respectively, for each of the plans, well below the industry average.

The plans continue to reap the benefits of the integrated population health strategy introduced with the Partnership PPO through consolidated disease management, lifestyle management and wellness services. Evidence of these improvements includes reduced inpatient, outpatient and emergency department utilization and increased preventive screening rates. We continue to evaluate the impact of the Partnership PPO incentives and population health contract to determine the overall value of this investment to our plans and our members.

KEY ACTIONS IN 2014

Purchasing

In 2014, the Insurance Committees approved the following contract awards and amendments. All contracts were competitively procured:

- **CVS/caremark** for pharmacy benefits management services — As pharmacy costs continue to outpace average medical inflation, the consolidation and competitive procurement of pharmacy is a key lever in cost control
- **University Community Health Services** for clinic development and management — This contract provides clinic services for state plan members in the Nashville area. While the clinic is located in middle Tennessee, as a self-funded plan, any cost savings from this clinic benefit all state plan members
- **Group purchasing** of voluntary products helps keep premiums low through leveraging our purchasing power and competitive procurement
 - » **EyeMed** contract amendment with a one-time premium increase of 2.4 percent effective 2015 through the term of the contract (2017) — this is a voluntary, optional benefit for health plan members
 - » **Delta Dental** and **Union Security** contract extensions for 2015 with a 2.1 percent premium increase — these are voluntary, optional benefits for health plan members
 - » **Minnesota Life** for optional term contract amendment to revise the definition to cover dependents from the time of live birth — this is a voluntary, optional benefit for state plan members

PLAN DESIGN

Benefits Changes

Benefits changes for the Partnership and Standard PPOs in 2014 were minimal and largely reflected requirements of the Patient Protection and Affordable Care Act (PPACA) for member cost sharing:

- Per individual copay maximum out-of-pocket were unchanged for the Partnership and Standard PPOs. Charges included in the copay out-of-pocket maximum expanded to include emergency room, chiropractic and urgent care in-network visits
- A pharmacy out-of-pocket copay maximum per individual was added for Partnership, Standard and Limited PPOs
- For the Limited PPO, pharmacy and medical out-of-pocket maximums were combined

Additional benefit changes to the Limited PPO ensured that pricing more closely reflected the product's actuarial value and expected selection/underwriting risk in 2014. The plans also implemented a preferred specialty pharmacy plan design for use of growth hormones.

LOOKING BACK

New Plan and Carrier Options

In addition to overall healthcare cost pressures faced by employers, federal reform presents additional challenges to our local education agencies. The PPACA requires large employers to provide affordable coverage that meets “minimum value” for all eligible employees or pay penalties. For some local education agencies, PPACA requirements may increase the number of people who are required to be covered under insurance, as well as the employer contribution to ensure the coverage is affordable.

Benefits Administration received both written and verbal requests from fiscal directors and others at local education agencies to offer an affordable coverage option to provide relief for those agencies struggling to comply with employer “shared responsibility” payments. In response to these concerns, the Local Education Insurance Committee approved the Limited PPO as an additional option within the portfolio of products offered by the local education plan to employees.

The Insurance Committees approved adding Cigna’s LocalPlus network in middle Tennessee in addition to the existing BlueCross BlueShield Network S and the Cigna Open Access Plus (OAP) Network, which provides improved pricing over their OAP network. The addition of Cigna’s LocalPlus Network increased choice with no member disruption, as the existing network options remained.

PLAN FUNDING

Premium Increases

Each year staff recommends to the State, Local Education and Local Government Insurance Committees what the division believes are appropriate insurance premiums to sufficiently fund the plans. Sufficient funding is required to pay claims expenses, pay administrative and program fees to various contractors and establish sufficient reserves to account for claims incurred but not yet reported and claims fluctuation. The premium rate increases implemented in 2014 were recommended by the division’s consulting actuary, Aon Hewitt, and are based on historical costs per contract, assumptions about expected future cost increases, regulatory requirements and salary increases. Premium increases for 2014 were:

- State Plan: 5.5 percent
- Local Education Plan: 5.6 percent
- Local Government Plan: 5.3 percent
- Medicare Supplement Plan: 0 percent

Premium Incentives

Benefits Administration continues to seek benefit design options that improve value to our members while offering affordable and sustainable benefits. In 2011 we introduced the concept of

premium incentives to engage members in both their personal health choices and their health purchasing decisions. The PPO surcharge for the Standard PPO incents member selection of the Partnership PPO, which is designed to improve member health status. The network surcharges reflect the wide price variation among provider networks and encourage our members to consider less costly providers. For 2014, there were no changes to the existing premium surcharges.

OPERATIONS

Benefits Administration made key investments in personnel to improve our clinical expertise and risk management functions with the addition of a director of clinical services, an epidemiologist and a HIPAA compliance officer. In our call center we continue to focus on automated solutions, such as knowledge base software and expanded use of employee self-service functionality, to improve efficiency and quality of our customer service. In addition, Benefits Administration provided support to all of our agencies in understanding the impact of the employer responsibility requirements of the PPACA.

ONGOING CHALLENGES

While our strategies have been able to keep premium increases low over the last five years, absent any changes in our plans, our actuarial consultants forecast a return to a higher medical trend, due to the rapid growth in pharmacy trend and the improved economy.

To address this continued cost challenge, Benefits Administration began to research Consumer Driven Health Plan (CDHP) designs. This exploration included conversations with medical carriers, our member agencies and internal state partners to determine interest in a CDHP with Health Savings Account (HSA) for introduction in calendar year 2016.

We continue to focus on increased accountability of all stakeholders to help solve the challenge of increasing healthcare cost:

- Through plan design and financial incentives, increasing member accountability for taking steps to reduce health risks and take charge of their own health;
- Improved carrier and provider accountability to adhere to best practices and to pay for value of healthcare, not volume; and
- Care with designing and conducting competitive procurements to ensure best value in purchasing and benefit design

As this report demonstrates, as a result of our procurement, plan design and plan management, the plans continue to see below market premium increases and improvements in member preventive care and appropriate utilization.

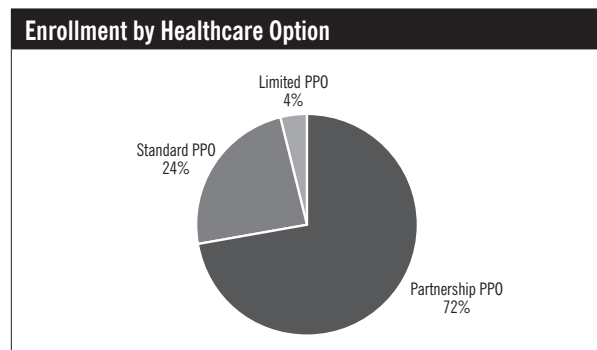
PARTNERSHIP PPO

The state group insurance program has been facing unparalleled financial challenges, even as we worked to continue to provide comprehensive, affordable, dependable and sustainable health benefits for all of our plan members. The three insurance plans paid out more than \$1.36 billion in healthcare claims in 2014.

Excess disease burden is one of the principal drivers of the growth in costs in the public sector plans. Plan members prevalence of chronic conditions such as coronary artery disease, congestive heart failure, chronic obstructive pulmonary disease, diabetes, hypertension, osteoarthritis and rheumatoid arthritis is higher than the national and state averages for individuals with insurance. Members also have a higher utilization than other comparable populations such as the insured residents of the nation's southeastern region as a whole.

To address this issue, we developed the Partnership PPO in 2011, which rewards members who agree to take responsibility to engage in maintaining or improving their health with lower costs.

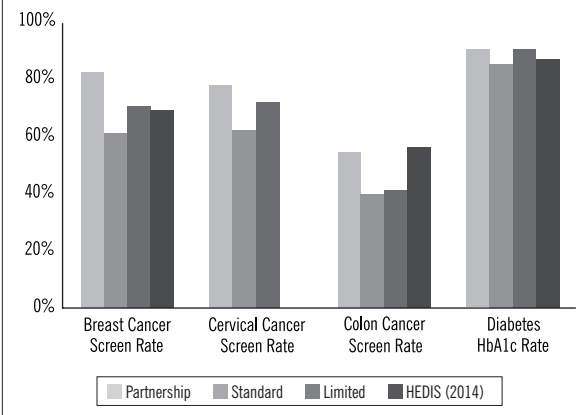
During 2014, all Partnership PPO members were required to complete the Healthways Well-Being Assessment™ (online health questionnaire), complete a biometric screening and keep their contact information current with their employer. Tobacco users were asked to enroll in a tobacco cessation program and the plan required members to participate in coaching and/or case management, if an opportunity to improve their health was identified by the wellness vendor. Because health costs and premium increases are linked to overall plan member health, the Partnership PPO provides a financial incentive for members to exercise responsibility for their own health and well-being.



Source: Truven

A total of 202,847 or 72 percent of members were enrolled in the Partnership PPO, 67,055 or 24 percent were enrolled in the Standard PPO and 10,760 or 4 percent in the Limited PPO.

Preventive Screenings



Source: Truven

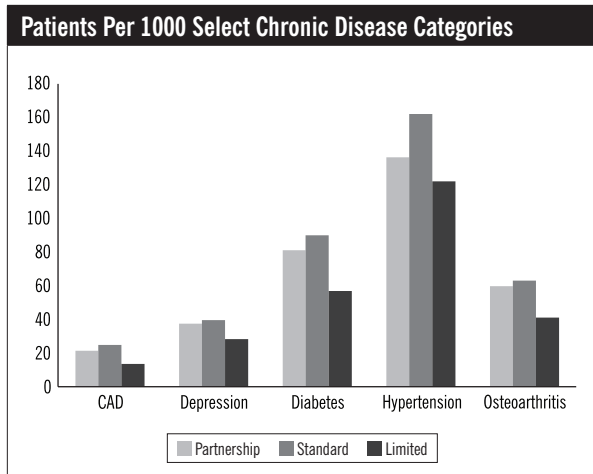
Partnership PPO members engaged in preventive health activities such as cancer screening more often than members in the Standard and Limited PPOs. Partnership PPO members have been proactive about receiving regular screenings to detect and prevent chronic disease. For plan year 2014, Partnership members' screening rates met or exceeded rates observed in the Healthcare Effectiveness Data and Information Set (HEDIS) for breast cancer, cervical cancer and diabetes HbA1c. The screening rate for colon cancer was slightly below the HEDIS rate but has improved over 2011. HEDIS results are gathered from health plans nationally and are widely accepted benchmarks.

HEDIS Performance Measures

Time Period: Incurred Year	2011	2014	HEDIS (2014)
Breast Cancer Screen Rate {QM}	73%	77%	70%
Cervical Cancer Screen Rate {QM}	74%	74%	74%
Colon Cancer Screen Rate {QM}	48%	51%	64%
Diabetes HbA1c Test Rate {QM}	91%	89%	88%
MMR Vaccine Rate {QM}	88%	89%	89%
CAD Beta Blk 6 Mo Post MI {QM}	66%	69%	82%
Depression Continu Tx Rate {QM}	52%	45%	51%
URI Tx w/o Antibiotics Rate {QM}	65%	74%	85%
Acute Bronchitis Tx Rate {QM}	15%	24%	26%

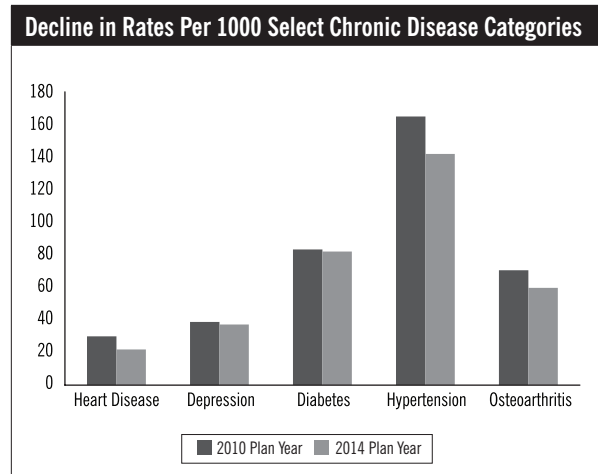
Source: Truven. Measures are for Partnership PPO

PARTNERSHIP PPO



In addition to the Partnership PPO's higher screening rates, there are fewer Partnership PPO patients per 1000 with diagnoses of coronary artery disease, hypertension or osteoarthritis than in the Standard PPO.

When combined, members in all healthcare options experienced a drop in the rates of chronic disease from 2010 to 2014. From 2010 to 2014, diagnosis rates of heart disease, depression, hypertension and osteoarthritis declined across all three healthcare options.



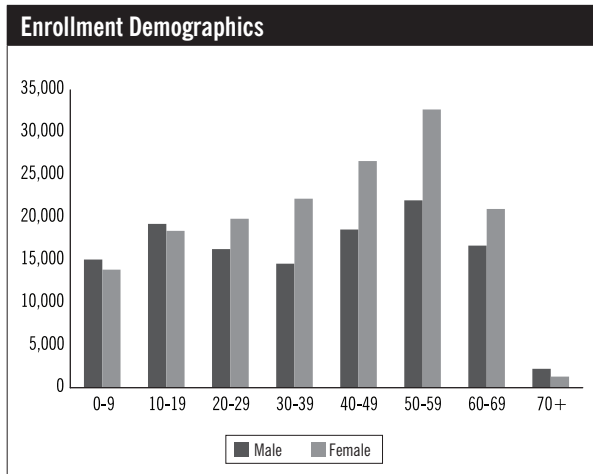
Members in the Partnership PPO experienced healthcare utilization rates lower than those experienced by the public sector plans in 2014 across all indicators, with the exception of physician office visits and a negligible increase in pharmacy. The office visit increase, however, signals a more appropriate use of primary and preventive care, which helps with early disease detection.

As the Partnership PPO is in its fourth year, these early indicators are encouraging signs that the integrated wellness program is having a positive impact on healthcare utilization.

Utilization Trends							
Active and Retiree <65 including Dependents	All Options	Partnership		Standard		Limited	
	2010	2014	% Chg	2014	% Chg	2014	% Chg
Admissions per 1000	70	59	-16.1%	69	-1.4%	47	-32%
Outpatient Facility Visits Per 1000	1,761	1,362	-22.7%	1,371	-22.1%	949	-46%
Office Visits per 1000	8,176	8,573	4.9%	6,936	-15.2%	5,834	-29%
Days Supply PMPY Rx	552	553	0.2%	544	-1.4%	376	-32%
ER Visits per 1000	243	209	-14.1%	277	13.8%	233	-4%
Patients per 1000 Complications	13	12	-11.3%	13	2.0%	9	-32%
Readmissions per 1000	5	3	-37.5%	4	-11.1%	3	-40%

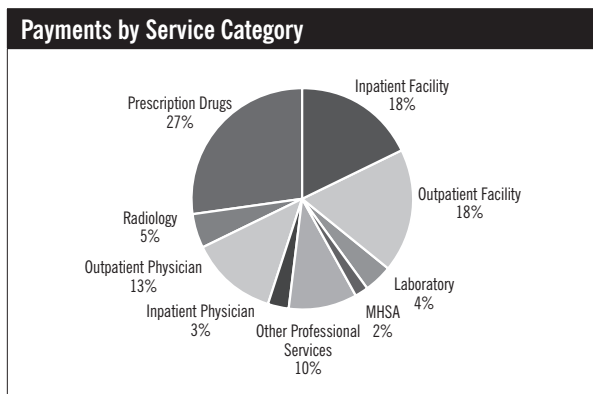
Source: Truven

COMBINED PLANS



Source: Truven

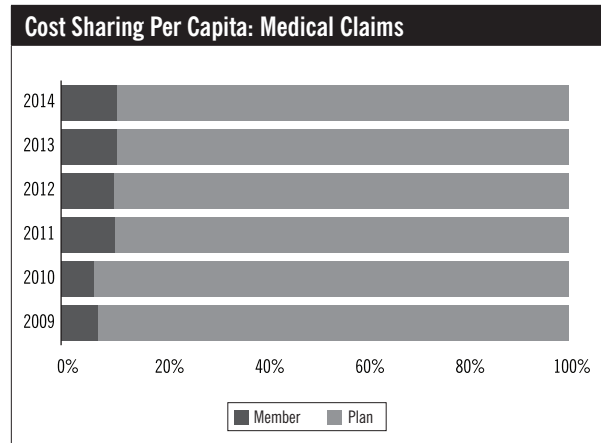
The largest age group was persons between the ages of 50 and 59 — 54,715 persons or 19.5 percent. Females outnumbered males in all age categories between 20 and 69 with males having the larger populations in 0 through 19 and age 70 up.



Source: Truven

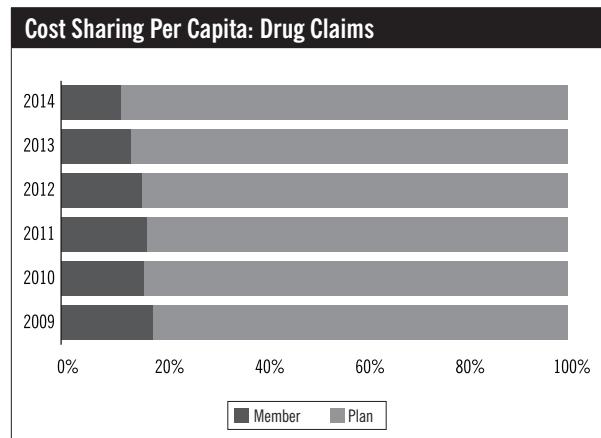
Total payments were more than \$1.36 billion. When broken into service category groups, prescription drugs accounted for the largest amount followed by inpatient facility, outpatient facility and outpatient physician. Prescription drugs' share of total payments has increased from 20 percent in 2010 to 27 percent in 2014.

Service category groups making up the remaining 24 percent of total payments included radiology, laboratory, inpatient physician, mental health services and other professional services.



Source: Truven

Member out-of-pocket share for medical care remained at 11 percent for the fourth consecutive year, with the plan paying the remaining 89 percent.



Source: Truven

Member out-of-pocket costs for drugs decreased to 12 percent in 2014 compared to 16 percent in 2012. The plan paid the remaining 88 percent. Fewer drugs became available in generic form in 2014 as opposed to previous years, which increased plan spending.

STATE PLAN

State employees, University of Tennessee and Board of Regents employees comprise the state plan. As measured by contracts, this plan provided coverage for 69,745 active employees, COBRA participants and qualified retirees — 50.7 percent of total plan membership.

Health Contracts		
Partnership PPO — East Region		
BlueCross BlueShield	12,299	17.6%
Cigna	5,132	7.4%
Partnership PPO — Middle Region		
BlueCross BlueShield	13,941	20.0%
Cigna	7,009	10.0%
Partnership PPO — West Region		
BlueCross BlueShield	1,603	2.3%
Cigna	8,475	12.2%
Standard PPO — East Region		
BlueCross BlueShield	5,197	7.5%
Cigna	2,227	3.2%
Standard PPO — Middle Region		
BlueCross BlueShield	5,790	8.3%
Cigna	3,227	4.6%
Standard PPO — West Region		
BlueCross BlueShield	1,089	1.6%
Cigna	3,756	5.4%

Source: State of Tennessee

Members may choose to participate in optional dental insurance. One prepaid dental plan and one preferred dental plan are available. State employees electing dental coverage totaled 56,484 at year end, an increase of 4 percent over 2013.

Optional vision coverage is also available to all state plan members — one basic plan and one expanded plan. A total of 32,743 members enrolled in coverage.

During 2014, Minnesota Life received more than \$6.4 million in premiums for the basic term life and the accidental death and dismemberment coverages. Expenses reported for 2014 included more than \$6.2 million in basic term and accidental death and dismemberment claims. Administrative fees were \$111,000, incurred but not reported reserve increases were \$1.1 million, conversion expenses were \$63,000 and premium taxes were \$82,000.

Employee basic term life benefits exceeded \$5.1 million and were paid on behalf of 111 employees who died during 2014. An additional \$654,000 in employee accidental death and dismemberment benefits were provided by the plan.

At 2014 year end, 21,053 employees were covered under the optional term life insurance plan, in addition to 9,542 spouses. There were also 14,926 child term riders in effect. The coverage for employees exceeded \$2.5 billion, spouse coverage was more than \$227 million and the child term rider amount was \$109 million. Premiums for 2014 were \$9.2 million, while claims totaled \$9.6 million.

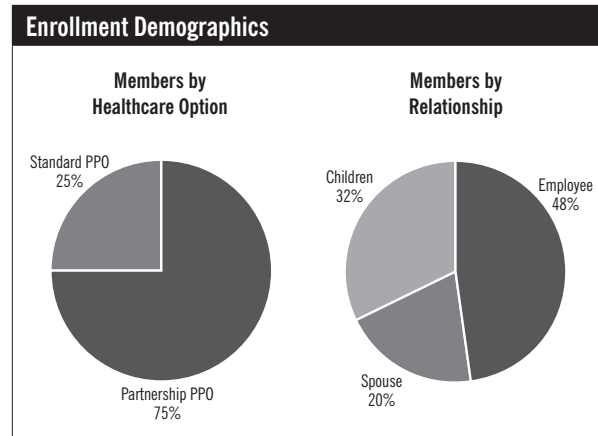
The optional universal life covered 9,402 current and former employees and 1,823 spouses who maintained \$469 million in coverage. Premiums were \$3.4 million, gross claims payments were \$1.5 million and net claims payments were \$1 million. At the end of December, the employee cash value had grown to more than \$76 million and spouse cash value to \$3.3 million. Enrollment closed to new members at the end of 2012.

Optional long-term care insurance covered 2,277 individuals at year end. Total premium payments exceeded \$2 million while claims payments totaled \$623,000.

Optional Insurance Contracts		
	DEC. 31, 2014	DEC. 31, 2013
Dental Insurance		
Prepaid Plan	18,867	19,887
Preferred Dental Plan	37,617	34,414
Total Dental	56,484	54,301
Vision Insurance		
Basic Plan	7,768	5,267
Expanded Plan	24,975	19,678
Total Vision	32,743	24,945
Life Insurance		
Term Life	45,521	48,021
Universal Life	11,225	11,890
Accidental Death	26,372	26,312
Perma Plan	76	96
Total Life	83,194	86,319
Long-Term Care		
Employees	1,704	1,606
Retirees	80	257
Eligible Family Members	493	501
Total Long-Term Care	2,277	2,364

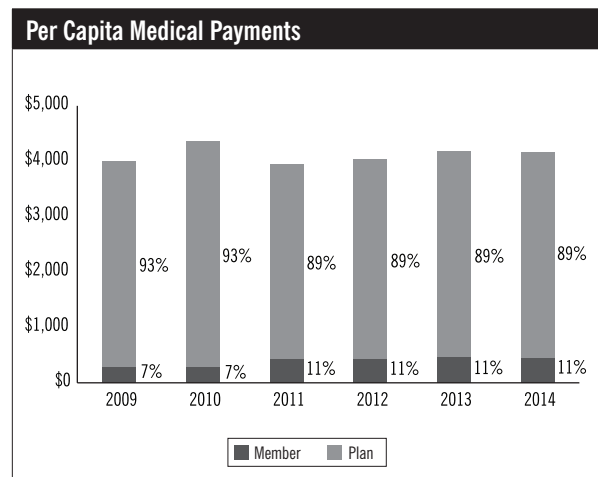
Source: State of Tennessee and Partner Vendors

STATE PLAN



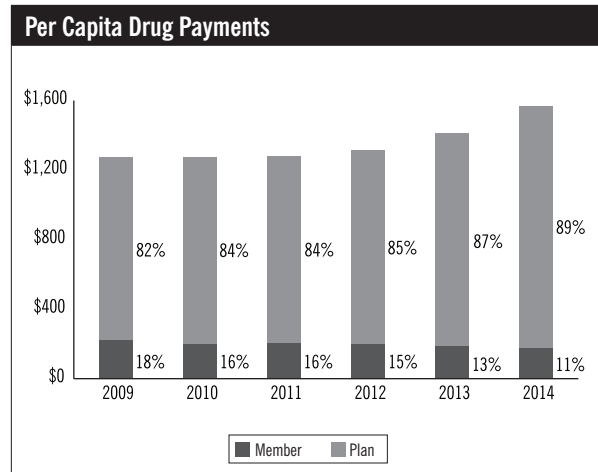
Source: Truven

The majority of state plan members enrolled in the Partnership PPO. To participate, members must agree to take responsibility to engage in maintaining or improving their health. In return, they pay lower premiums and enjoy lower deductibles, copays and coinsurance.



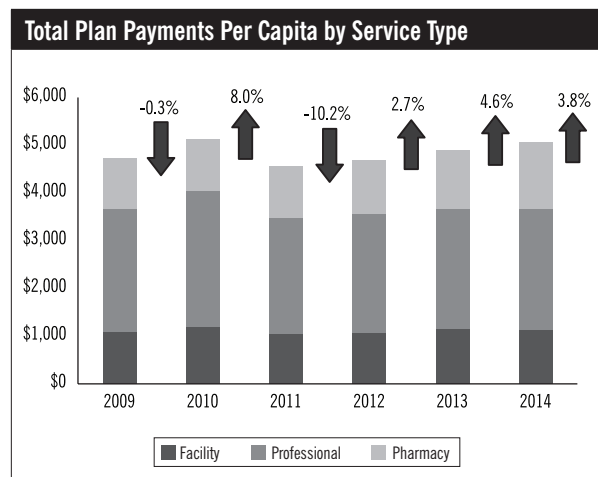
Source: Truven

Total per capita payments for medical claims were \$4,164 per member — an increase of 0.2 percent from 2013 and an increase of only 4.2 percent from 2009. The plan has been able to keep the annual medical cost increase low due to aggressive purchasing and care management strategies. During 2013 and 2014, the plan paid 89 percent of eligible expenses and the member paid 11 percent.



Source: Truven

Per capita payments for drug claims were \$1,567 per member — an increase of 11 percent from 2013 and an increase of 23.3 percent from 2009. The plan paid 89 percent of eligible expenses with the remaining 11 percent paid by the member. This is a decrease from the percentage that members paid in 2009 (18 percent paid by the member).



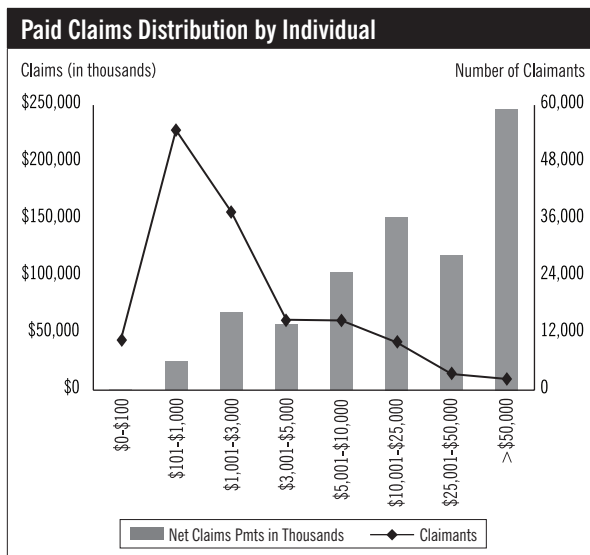
Source: Truven

Plan payments for facility services represented 41.1 percent of total claims while payments for professional services made up 31.8 percent. Pharmacy payments accounted for the remaining 27.2 percent.

There was an increase of 3.8 percent in total benefit payments — from \$4,929 in 2013 to \$5,115 in 2014. Plan payments for facility services increased by 0.8 percent and payments for professional services and pharmacy increased by 0.2 percent and 13.7 percent, respectively.

STATE PLAN

The five year change in plan payments between 2010 and 2014 showed no significant change (0.04 percent), with payments for facility services decreasing by 26 percent, pharmacy increasing by 29.7 percent and professional services increasing by 35 percent.



In 2014, 15,840 or 10.7 percent of plan members had claims exceeding \$10,000. The average net payment for this group was \$34,871.

There were 2,361 members or 1.6 percent with claims exceeding \$50,000. These members used 32 percent of plan benefits at an average net payment of \$113,835 with the other 145,946 members using the remaining 68 percent of plan benefits with an average net payment of \$3,593.

Most Frequently Occurring Diagnoses

	TOTAL PATIENTS	TOTAL COSTS
Routine General Medical Exam	46,017	\$ 8,580,234
Well-Woman Exam	25,166	\$ 3,853,984
Mammogram	20,020	\$ 4,500,998
Flu Vaccines	19,474	\$ 937,585
Well-Child Exam	18,338	\$ 6,283,770
Acute Sinusitis	13,900	\$ 1,390,140
Benign Essential Hypertension	13,721	\$ 2,070,877
Essential Hypertension	12,625	\$ 2,566,391
Acute Upper Respiratory Infection	12,191	\$ 1,360,944
Acute Pharyngitis	11,264	\$ 1,244,616

Source: Truven

The most frequently occurring diagnosis was for a routine medical exam, accounting for more than 46,000 patients. Approximately 43,000 patients had either well-woman or pediatric exams. More than 39,000 patients had other preventative care, such as mammograms and flu vaccines.

Highest Claims Cost by Condition

	TOTAL PATIENTS	TOTAL COSTS
Osteoarthritis	11,028	\$ 27,272,285
Coronary Artery Disease	4,194	\$ 19,630,611
Gastrointestinal Disorder	19,503	\$ 17,558,532
Joint Disorders	28,363	\$ 15,699,279
Respiratory Disorders	14,270	\$ 15,660,415

Source: Truven

In 2014, osteoarthritis remained the condition that consumed the most plan resources, followed by coronary artery disease.

LOCAL EDUCATION PLAN

In 1985, the Tennessee General Assembly authorized creation of an insurance plan for local education employees. Funds were appropriated to pay part of the premiums for participating employees beginning January 1, 1986. School systems within the state may join the local education plan or must provide alternative coverage that is equal or superior to the state-sponsored program. At 2014 year end, 133 school systems and educational co-ops were participating in the local education plan. Plan enrollment was 55,398 — a decrease from 57,272 in 2013.

Health Contracts		
Partnership PPO — East Region		
BlueCross BlueShield	8,893	16.1%
Cigna	9,367	16.9%
Partnership PPO — Middle Region		
BlueCross BlueShield	5,948	10.7%
Cigna	3,632	6.6%
Partnership PPO — West Region		
BlueCross BlueShield	1,247	2.3%
Cigna	3,315	6.0%
Standard PPO — East Region		
BlueCross BlueShield	2,989	5.4%
Cigna	3,215	5.8%
Standard PPO — Middle Region		
BlueCross BlueShield	3,101	5.6%
Cigna	1,933	3.5%
Standard PPO — West Region		
BlueCross BlueShield	797	1.4%
Cigna	1,831	3.3%
Limited PPO — East Region		
BlueCross BlueShield	2,166	3.9%
Cigna	485	0.9%
Limited PPO — Middle Region		
BlueCross BlueShield	2,820	5.1%
Cigna	974	1.8%
Limited PPO — West Region		
BlueCross BlueShield	469	0.8%
Cigna	2,216	4.0%

Source: State of Tennessee

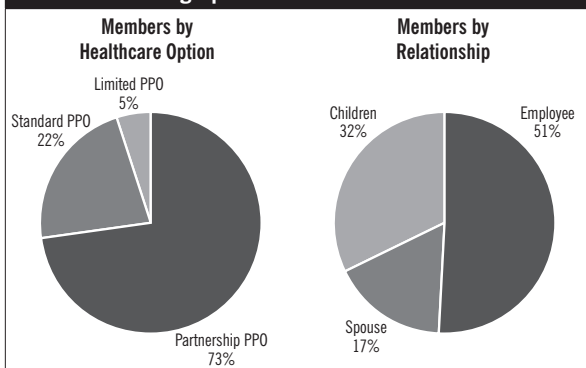
Dental insurance is available as an option to participants in the local education plan, if offered by their agency. Participation in dental coverage decreased by almost 1 percent. Vision insurance is also available to local education plan members, if their agency chose to participate. A total of 9,554 individuals enrolled in coverage. There were 369 individuals enrolled in optional long-term care coverage. Total premium payments were \$427,000 and paid claims were nearly \$42,000. Life insurance through the state is not an available option to members in the local education plan.

Optional Insurance Contracts

	DEC. 31, 2014	DEC. 31, 2013
Dental Insurance		
Prepaid Plan	3,161	3,472
Preferred Dental Plan	17,285	17,163
Total Dental	20,446	20,635
Vision Insurance		
Basic Plan	2,096	1,017
Expanded Plan	7,458	4,633
Total Vision	9,554	5,650
Long-Term Care		
Employees	298	310
Retirees	23	22
Eligible Family Members	48	50
Total Long-Term Care	369	382

Source: State of Tennessee and Partner Vendors

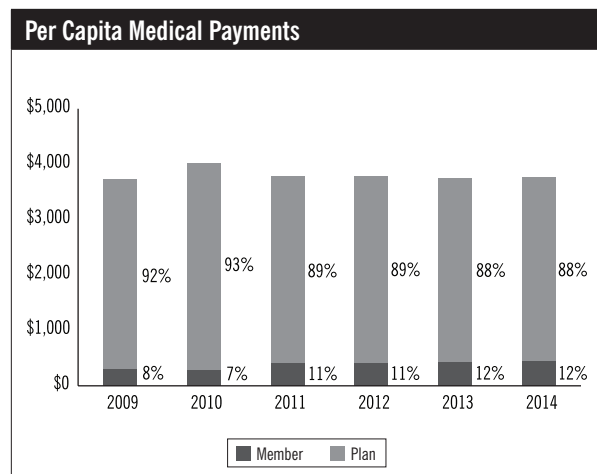
Enrollment Demographics



Source: Truven

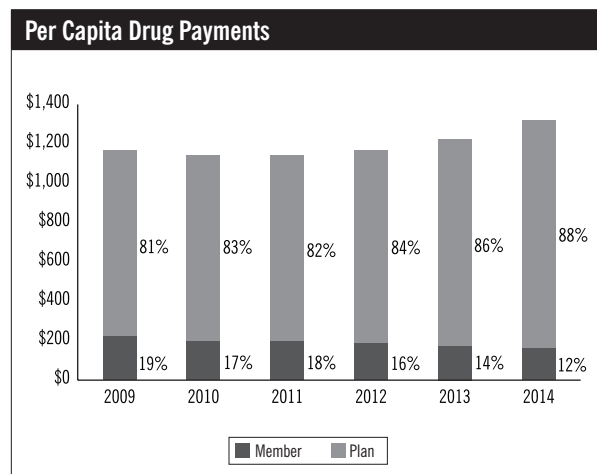
The majority of members enrolled in the Partnership PPO. To participate, members must agree to take responsibility to engage in maintaining or improving their health. In return, they pay lower premiums and enjoy lower deductibles, copays and coinsurance.

LOCAL EDUCATION PLAN



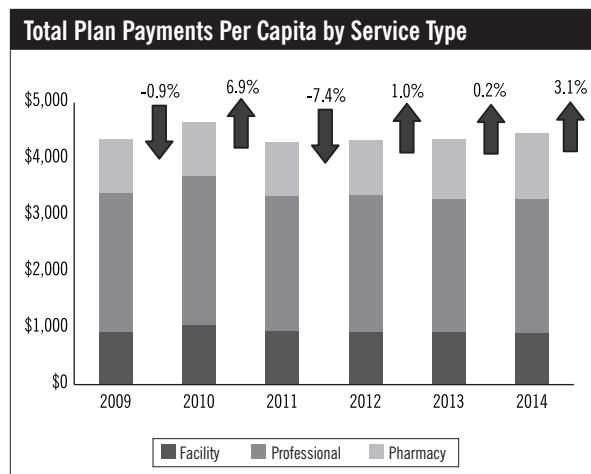
Source: Truven

Total per capita payments for medical claims were \$3,762 per member — an increase of 0.4 percent from 2013 and an increase of 1.1 percent from 2009. During this period, the members' share of eligible expenses increased from 8 percent to 12 percent.



Source: Truven

Total per capita payments for drug claims were \$1,466 per member — an increase of 8 percent from 2013, and an increase of 13.2 percent from 2009. The plan paid 88 percent of eligible expenses with the remaining 12 percent paid by the member. This compares with 14 percent paid by the member in 2013 and 19 percent paid by the member in 2009.



Source: Truven

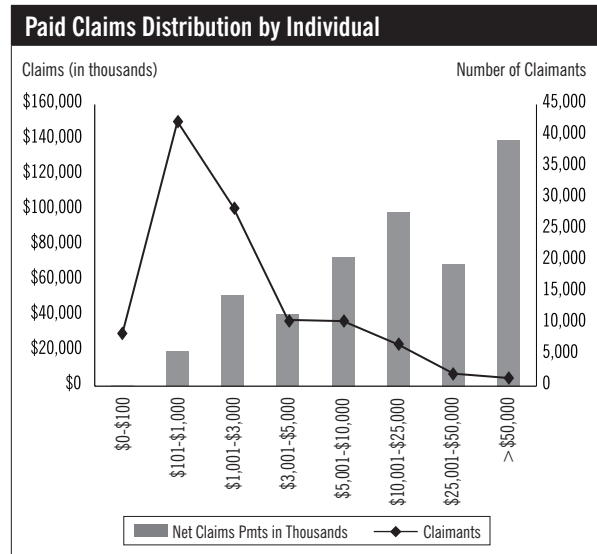
Plan payments for facility services represented 40 percent of total claims while payments for professional services made up 34.2 percent. Pharmacy payments accounted for the remaining 25.8 percent.

There was an increase of 3.1 percent, from \$4,354 to \$4,488, in total benefit payments between 2013 and 2014. Plan payments for facility services increased 1.5 percent and payments for professional services did not change significantly (0.04 percent). Payments for pharmacy increased by 10.3 percent.

The five year change in plan payments between 2010 and 2014 showed a total decrease of 3.4 percent, with payments for facility services decreasing by 32.2 percent, professional services increasing by 45.2 percent and pharmacy services increasing by 22.7 percent.

The plan has been able to keep the annual medical cost increase low due to aggressive purchasing and care management strategies.

LOCAL EDUCATION PLAN



In 2014, 9,970 or 9 percent of plan members had claims exceeding \$10,000. The average net payment for this group was \$30,900.

There were 1,312 or 1.2 percent of total plan members with claims exceeding \$50,000. These members used 28.3 percent of plan benefits at an average net payment of \$106,578 with the other 109,011 members using the remaining 71.7 percent of plan benefits at an average net payment of \$3,250.

Most Frequently Occurring Diagnoses

	TOTAL PATIENTS	TOTAL COSTS
Routine General Medical Exam	31,112	\$ 5,263,423
Well-Woman Exam	23,054	\$ 3,543,696
Flu Vaccines	18,128	\$ 763,681
Mammogram	16,998	\$ 4,180,288
Acute Sinusitis	15,147	\$ 1,507,812
Well-Child Exam	13,440	\$ 5,186,404
Acute Pharyngitis	12,042	\$ 1,158,014
Acute Upper Respiratory Infection	11,422	\$ 1,136,416
Cervix Neoplasm Screening	10,258	\$ 549,464
Essential Hypertension	8,645	\$ 1,704,822

Source: Truven

The most frequently occurring diagnosis was for a routine general medical exam, accounting for 31,112 patients. A total of 36,949 patients had well-woman or pediatric medical exams and 35,126 patients had other preventative care such as mammograms and flu vaccines.

Highest Claims Cost by Condition

	TOTAL PATIENTS	TOTAL COSTS
Osteoarthritis	6,854	\$ 16,414,299
Pregnancy with Vaginal Delivery	1,701	\$ 11,715,162
Gastrointestinal Disorders	13,488	\$ 11,132,765
Coronary Artery Disease	2,216	\$ 10,612,013
Joint Disorders	19,825	\$ 10,455,014

Source: Truven

In 2014, osteoarthritis remained the condition that consumed the most plan resources, followed by pregnancy with vaginal delivery.

LOCAL EDUCATION PLAN

Participants

Achievement School District
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 City Schools
Campbell County Schools
Cannon County Schools
Carroll County Schools
Carter County Schools
Cheatham County Schools
Chester County Schools
Clay County Schools
Cleveland City Schools
Clinton City Schools
Cocke County Schools
Coffee County Schools
Crockett 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
Frayser Community Schools
Freedom Preparatory Academy
Gestalt Community School
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 Special School District
Houston County Schools
Humboldt City Schools
Humphreys County Schools
Huntingdon Special Schools
Jackson County Schools
Jackson-Madison County Board of Education
Jefferson County Schools
Johnson County Board of Education
Kingsport City Schools
KIPP Memphis Collegiate Schools

Knox County Schools
Lake County Schools
Lauderdale County Schools
Lawrence County Schools
LEAD Public Schools
Lebanon – Special School District
Lenoir City Schools
Lewis County Schools
Lexington City Schools
Libertas School of Memphis
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 Schools
McNairy County School System
Meigs County Board of Education
Milan Special School District
Monroe County Board of Education
Moore County Schools
Morgan County Schools
Murfreesboro City Schools
Newport City Schools
Oak Ridge City 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
Promise Academy Spring Hill
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
Sullivan County Board of Education
Sweetwater City Schools
Tipton County Schools
Trenton Special School District
Trousdale County Schools
Tulahoma City Schools
Unicoi County Schools
Union City 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
YES Prep Public Schools

LOCAL GOVERNMENT PLAN

In 1989, the Tennessee General Assembly authorized creation of an insurance plan for local government agency and quasi-governmental agency employees. At 2014 year end, 343 counties, cities and quasi-governmental agencies were participating in the local government plan. Plan enrollment as measured by contracts was 12,455 at year end — a slight increase from 12,441 in 2013.

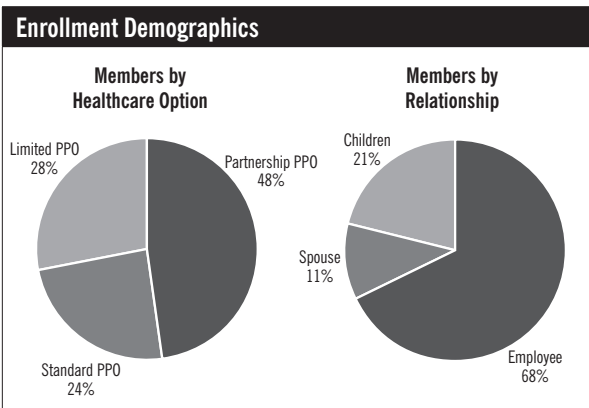
Health Contracts		
Partnership PPO — East Region		
BlueCross BlueShield	606	4.9%
Cigna	796	6.4%
Partnership PPO — Middle Region		
BlueCross BlueShield	1,204	9.7%
Cigna	978	7.9%
Partnership PPO — West Region		
BlueCross BlueShield	265	2.1%
Cigna	917	7.4%
Standard PPO — East Region		
BlueCross BlueShield	521	4.2%
Cigna	675	5.4%
Standard PPO — Middle Region		
BlueCross BlueShield	949	7.6%
Cigna	543	4.4%
Standard PPO — West Region		
BlueCross BlueShield	351	2.8%
Cigna	691	5.5%
Limited PPO — East Region		
BlueCross BlueShield	904	7.3%
Cigna	345	2.8%
Limited PPO — Middle Region		
BlueCross BlueShield	1,394	11.2%
Cigna	287	2.3%
Limited PPO — West Region		
BlueCross BlueShield	454	3.6%
Cigna	575	4.6%

Source: State of Tennessee

Dental insurance is available as an option to participants in the local government plan, if offered by their agency. Participation in dental coverage increased 10 percent. Vision insurance is also available to local government plan members, if their agency chose to participate. A total of 4,138 individuals enrolled in coverage. There were 100 individuals enrolled in optional long-term care coverage. Total premium payments were \$117,700 and paid claims were \$31,000. Life insurance is not an available option through the state to members in the local government plan.

Optional Insurance Contracts		
	DEC. 31, 2014	DEC. 31, 2013
Dental Insurance		
Prepaid Plan	1,276	1,319
Preferred Dental Plan	4,436	3,867
Total Dental	5,712	5,186
Vision Insurance		
Basic Plan	746	448
Expanded Plan	3,392	2,314
Total Vision	4,138	2,762
Long-Term Care		
Employees	86	68
Retirees	0	0
Eligible Family Members	14	11
Total Long-Term Care	100	79

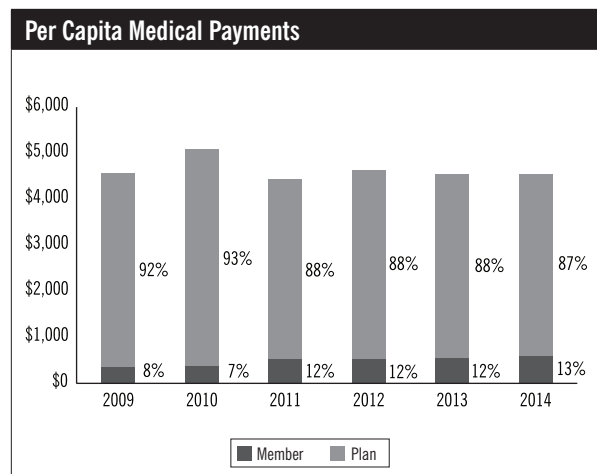
Source: State of Tennessee and Partner Vendors



Source: Truven

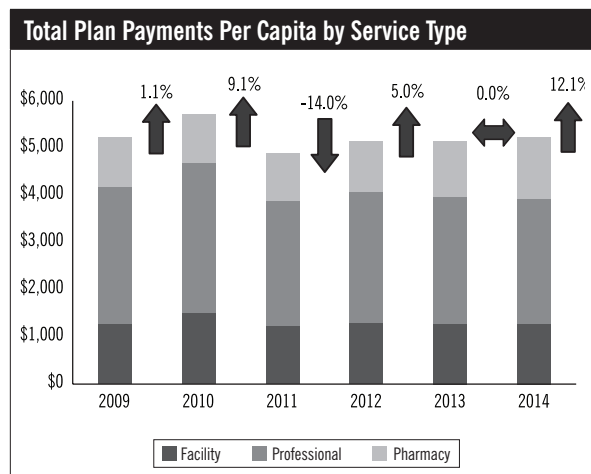
The majority of members enrolled in the Partnership PPO. To participate, members must agree to engage in maintaining or improving their health. In return, they pay lower premiums and enjoy lower deductibles, copays and coinsurance. The percent of members enrolled in the Limited PPO increased from 23 percent in 2013 to 28 percent in 2014.

LOCAL GOVERNMENT PLAN



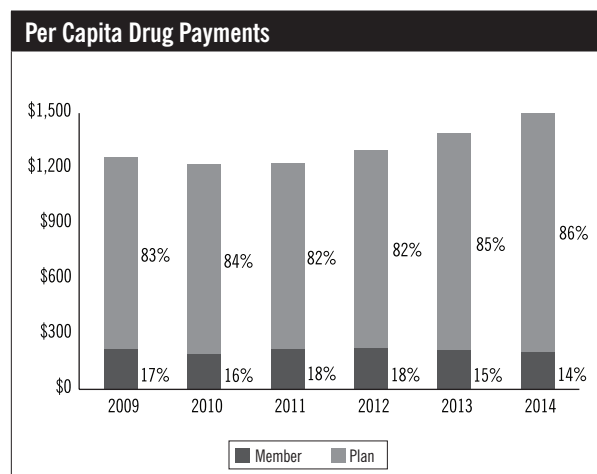
Source: Truven

Total per capita payments for medical claims were \$4,544 per member — a decrease of 0.1 percent from 2013 and a decrease of 0.7 percent from 2009. During this period, the plan paid 87 percent of eligible expenses and the member paid 13 percent.



Source: Truven

Plan payments for facility services represented 43.7 percent of total claims while payments for professional services made up 31.5 percent. Pharmacy payments accounted for the remaining 24.8 percent.



Source: Truven

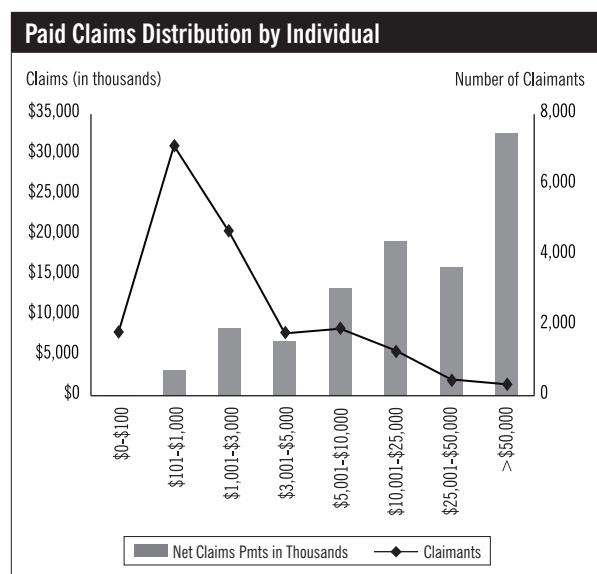
Per capita payments for drug claims were \$1,513 per member — an increase of 8.6 percent from 2013 and an increase of 19.9 percent from 2009. The plan paid 86 percent of eligible expenses with the remaining 14 percent paid by the member as compared with 83 percent paid by the plan and 17 percent paid by the member in 2009.

There was an increase of 2.1 percent in total benefit payments — from \$5,162 in 2013 to \$5,268 in 2014. Plan payments for facility services decreased by 0.9 percent and payments for professional services decreased by 0.1 percent. Payments for pharmacy increased by 11 percent.

The five year change in plan payments between 2010 and 2014 showed a total decrease of 7.8 percent, with payments for facility services decreasing by 27.4 percent, professional services increasing by 9.7 percent and pharmacy increasing by 27.1 percent.

The plan has been able to keep the annual medical cost increase low due to aggressive purchasing and care management strategies.

LOCAL GOVERNMENT PLAN



In 2014, 2,071 or 10.7 percent of total plan members had claims exceeding \$10,000. The average net payment for this group was \$32,740.

There were 322 members or 1.7 percent with claims exceeding \$50,000. These members used 32.8 percent of plan benefits at an average net payment of \$101,473, with 18,081 members using the remaining 67.2 percent of plan benefits at an average net payment of \$3,523.

Most Frequently Occurring Diagnoses

	TOTAL PATIENTS	TOTAL COSTS
Routine General Medical Exam	4,607	\$ 796,655
Routine Well-Woman Exam	3,022	\$ 468,916
Mammogram	2,366	\$ 554,038
Acute Sinusitis	2,322	\$ 231,930
Essential Hypertension	2,185	\$ 419,809
Benign Essential Hypertension	2,164	\$ 311,068
Flu Vaccines	2,031	\$ 93,865
Acute Upper Respiratory Infection	1,761	\$ 200,394
Diabetes	1,518	\$ 357,311
Hyperlipidemia	1,440	\$ 174,343

Source: Truven

The most frequently occurring diagnosis was for a routine medical exam, accounting for nearly 4,607 patients. Another 3,022 patients underwent a well-woman exam while 4,397 patients had preventative services such as mammograms and flu vaccines.

Highest Claims Cost by Condition

	TOTAL PATIENTS	TOTAL COSTS
Osteoarthritis	1,500	\$ 3,663,396
Coronary Artery Disease	682	\$ 3,504,312
Gastrointestinal Disorders	2,856	\$ 2,848,878
Respiratory Disorder	2,128	\$ 2,375,677
Spinal/Back Disorder	2,330	\$ 2,015,554

Source: Truven

In 2014, osteoarthritis was the condition that consumed the most plan resources, followed by coronary artery disease.

LOCAL GOVERNMENT PLAN

Participants

Aging Services of the Upper Cumberland
 Aid to Distressed Families of Appalachian Counties
 AIM Center, Inc.
 Alamo, City of
 Alpha-Talbot Utility District
 Anderson County CAC
 Appalachian Education Community Corp.
 ARC of Davidson County
 ARC of Washington County
 ARC of Williamson County
 Atoka, Town of
 Atwood, Town of
 Avalon Center
 Bangham Utility District of Putnam and Jackson Counties
 Bedford County
 Behavioral Health Initiatives
 Belle Meade, City of
 Bells, City of
 Benton County Highway
 Bethlehem Centers of Nashville
 Better Decisions
 Big Creek Utility District
 Big Sandy, City of
 Blaine, City of
 Blakemore United Methodist Childrens Center
 Bledsoe County
 Blount County CAA
 Blountville Utility District
 Bondecroft Utility
 Bountiful Basket Nutrition Program
 Bradley/Cleveland CSA
 Bradley/Cleveland Services
 Bridges of Williamson County
 Bruceton, Town of
 Burns, City of
 Cagle-Fredonia Utility District
 Camden, City of
 Campbell County 911
 Care of Savannah, Inc.
 Carey Counseling Center
 Carthage, Town of
 Caryville – Jacksboro Utility
 Caryville, Town of
 CASA, Inc.
 Castalian Springs – Bethpage Utility District
 CEASE, Inc.

Center for Independent Living of Middle TN
 Center for Living and Learning
 Cerebral Palsy Center
 Chattanooga Housing Authority
 Chester County
 Chester County Highway
 Children's Advocacy Center
 City of Michie Water Systems
 Clarksville Housing Authority
 Clarksville/Montgomery County CAA
 Clearfork Utility District
 Clifton, City of
 Clinchfield Senior Adult Center
 Cocaine Alcohol Awareness Program
 Cocke County
 Cocke County 911
 Cocke County Highway
 Coffee County
 Community Development Center
 Community Foundation of Middle TN
 Cookeville Boat Dock Utility
 Coopertown, Town of
 Cordell Hull Utility District
 Core Services of Northeast TN
 Cornerstone
 County Officials Association of TN
 Crab Orchard Utility District
 Crockett County
 Crockett County Highway
 Crockett County Public Utility District
 Cross Plains, City of
 Cumberland Community Options, Inc.
 Cumberland County
 Cumberland Utility District
 Cunningham Utility District
 Dandridge, Town of
 Dayton, City of
 Decatur County
 Decatur County Highway
 Decherd, City of
 Dekalb County
 Dekalb County 911
 DeWhite Utility District
 Disability Resource Center
 Dismas, Inc.
 Dover, Town of

Dyersburg Housing Authority
 East TN Development District
 Easter Seals of TN
 Eastside Utility District
 Engstrom Services, Inc.
 Erin, City of
 Erin Housing Authority
 Estill Springs, Town of
 Etheridge, City of
 Fairview Utility District
 Fayette County
 Fayette County 911
 Fayette County Public Works
 Fayetteville Housing Authority
 Fentress County
 Fentress County Emergency Communications District
 Fifty Forward
 First Utility District of Hardin County
 First Utility District of Hawkins County
 First Utility District of Tipton County
 Forest Hills, City of
 Franklin County
 Franklin County Adult Activity Center
 Franklin County Consolidated Housing Authority
 Franklin County Highway
 Friendship, City of
 Gainesboro, Town of
 Gibson County Municipal Water District
 Giles County
 Giles County 911
 Gladeville Utility District
 Gleason, City of
 Good Neighbor Mission and Crisis Center
 Goodwill Industries Knoxville, Inc.
 Gordonsville, Town of
 Gorham MacBane Library
 Greenbrier, City of
 Grundy County
 Grundy County Highway
 Grundy Housing Authority
 Habilitation and Training Services
 Hancock County
 Hardeman – Fayette Utility District
 Hardin County
 Hardin County 911
 Hardin County Skills, Inc.

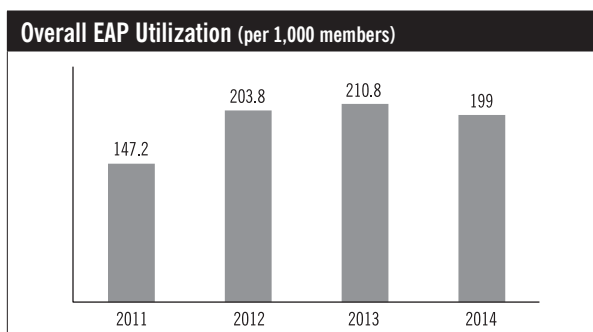
Hartsville/Trousdale County
 Hartsville/Trousdale Water and Sewer Utility
 Henderson, City of
 Henderson County
 Henderson County Highway
 Highland Rim Economic Corporation
 Hixson Utility District
 Hohenwald Housing Authority
 Homesafe of Sumner, Wilson and Robertson County
 Hope of East TN
 Humboldt, City of
 Humboldt Housing Authority
 Humphreys County 911
 Huntingdon, Town of
 Impact Center, Inc.
 Industrial Development Board of Blount County, Alcoa and Maryville
 Jacksboro, Town of
 Jackson Area Council on Alcohol and Drug Dependence
 Jackson Center for Independent Living
 Jamestown, City of
 Jason Foundation
 Jasper, Town of
 Jefferson City Housing
 Jefferson County
 Jefferson County 911
 Johnson County
 Journeys in Community Living
 Jubilee Community Arts
 Kimball, Town of
 Kings Daughters Day Home
 Kingston, City of
 Kingston Springs, Town of
 Knoxville-Knox County CAC
 Lafayette, City of
 Lakesite, City of
 Launch Tennessee
 Lawrence County
 Lawrence County 911
 Lawrenceburg Housing Authority
 Lewis County Highway
 Lewisburg Housing Authority
 Lexington, City of
 Lexington Electric System
 Lincoln County
 Loretto, City of
 Loudon County Economic Development Agency

LOCAL GOVERNMENT PLAN

Madison Suburban Utility District	Northwest TN Head Start	Southwest TN Development District	TN State Veterans Home – Humboldt
Manchester Housing Authority	Oak Hill, City of	St. Joseph, City of	TN State Veterans Home – Knoxville
Marion County	Oak Ridge, City of	Stewart County	TN State Veterans Home – Murfreesboro
Marion County Highway	Oak Ridge Housing Authority	Stewart County Highway	TN Voices for Children
Marion County 911	Overton County	Sullivan County 911	Tracey City Public Utility
Marion Natural Gas	Overton County Highway	Surgoinsville Utility District	Troy, Town of
McKenzie, City of	Overton County Nursing Home	TARP, Inc.	Tuckaleechee Utility District
McMinn County Economic Development Authority	Pegram, Town of	Technology Access Center	Tullahoma Housing Authority
McNairy County Development Services	Perry County	The Development Corp of Knox County	Tullahoma Utilities Board
McNairy County Highway	Perry County Highway	The Next Door, Inc.	Unicoi, Town of
McNeilly Center for Children	Perry County Medical Center	Tipton County	United Neighborhood Health Services
Memphis Area Association of Governments	Petersburg, Town of	Tipton County 911 District	Upper Cumberland CSA
Memphis Area Legal Services	Pleasant View, Town of	Tiptonville, City of	Upper Cumberland Development District
Memphis Center for Independent Living	Portland, City of	TN Alliance for Legal Services	Upper East TN Human Development Agency
Mental Health Association of Middle TN	Prevent Child Abuse TN	TN Association of Alcohol, Drug Addiction Services	Urban Housing Solutions
Meritan, Inc.	Progress, Inc.	TN Association of Assessing Officers	Vision Coordination
Michie, City of	Project Return	TN Association of County Executives	Volunteer Memphis
Mid-Cumberland CAA	Puryear, City of	TN Association of Craft Artists	Walden, Town of
Mid-Cumberland HRA	Reelfoot Lake Regional Utility and Planning District	TN Association of Rescue Squads	Warren County
Mid-East CAA	Renewal House	TN Association of Utility Districts	Wartburg, City of
Minor Hill Water Utility District	Rhea Medical Center	TN Business Enterprises	Wartrace, Town of
Monteagle, Town of	Riceville Utility District	TN Chapter of Children's Advocacy Center	WDVX Cumberland Communications
Mosheim, Town of	Roane County	TN Community Services Agency	Weakley County
Mt. Carmel – Hawkins SCC	Roane County 911	TN County Highway Officials	Weakley County 911
Murfreesboro Electric Department	Rochelle Center	TN County Services Association	West Overton Utility
My Friend's House Family and Children's Services	Samaritan Recovery Community, Inc.	TN Education Association	West TN Forensic Services
NAMI Davidson County	Savannah, City of	TN Historical Society	West TN Legal Services, Inc.
NAMI TN	Scotts Hill, Town of	TN Mental Health Consumers Association	West TN Regional Art Center
Nashville Cares	Second South Cheatham Utility District	TN Municipal Bond Fund	Westmoreland, Town of
National Association of Social Workers	Sequatchie County	TN Municipal League	White Bluff, City of
National Healthcare for the Homeless Council	Sequatchie County Highway	TN Municipal League Risk Management Pool	Whitwell, City of
New Horizons Corporation	Sequatchie Valley Planning	TN Organization of School Superintendents	Williamson County Child Advocacy Center
New Johnsonville, City of	Serenity Recovery Center	TN Primary Care Association	Woodbury Housing Authority
Newbern, City of	Sexual Assault Center	TN School Board Association	Workforce Solutions
Nolensville, Town of	Sharon, City of	TN Secondary School Athletic Association	
North Utility District of Rhea County	Shelby County 911	TN Sports Hall of Fame	
Northeast Henry County Utility	Shelby Residential and Vocational Services, Inc.	TN State Employees Association	
Northwest Dyersburg Utility	Skills Development Services, Inc.	TN State Museum	
Northwest Safeline	Smith County	TN State Veterans Home – Executive Office	
Northwest TN Economic Development Council	Smith County Highway		
	South Carthage, Town of		
	South Central TN Development District		
	South Central TN Workforce Alliance		
	South Pittsburg, City of		
	South Pittsburg Housing Authority		
	Southeast Mental Health Center		

EAP, BEHAVIORAL HEALTH AND SUBSTANCE ABUSE

The Employee Assistance Program (EAP) provides counseling and referral services for personal and workplace situations, as well as legal and financial counseling. Eligible employees and their dependents may receive up to five counseling sessions per problem episode at no cost to them. The program is available to all state and higher education employees and dependents who are eligible to participate in the state group insurance program. Local education and local government employees and their dependents who participate in a state-sponsored health plan are also eligible. If more intensive treatment is needed, individuals may receive care through their insurance plan's behavioral health or substance abuse coverage.



Source: Magellan Health

Magellan Health reported strong overall EAP utilization for 2014, with an increase in unique users and in counseling and consultation cases. Users reported an 80 percent improvement at home, an 80 percent improvement at work and a 96 percent overall satisfaction rate for the EAP.

Online self-referrals increased to 1,153 in 2014 compared to 1,111 in 2013. The website recorded 65 legal and financial referrals with an increase to 22.2 percent annualized utilization rate per 1,000 employees, compared to 12.4 percent in 2013. Webinar training participants doubled to 427 in 2014 compared to 206 participants in 2013. There was an increase in workplace support cases with 69 consultations and referrals in 2014 compared to 51 in 2013. The website recorded a total of 14,712 user sessions.

There were 10,115 counseling and consultation cases — up from 9,276 in 2013. As a percent of total, utilization by plan was 75 percent state plan, 20 percent local education plan and 5 percent local government plan.

The overall utilization rate for all EAP services was 199 per 1,000 members compared to 210.8 per 1,000 members in 2013. There were 7,531 unique counseling and consultation users compared to 7,721 unique users in 2013.

Training programs included employee orientations, supervisory training classes and benefit fairs, all promoting EAP services. There were 120 professional growth seminars attended by 2,988 employees along with 19 benefit fairs attended by 3,241 employees.

Higher levels of care for behavioral health and substance abuse utilization involved a total of 1,659 cases reviewed. The number of admissions for inpatient acute per 1,000 lives was 3.3; for residential 0.9; for partial hospitalization 0.8; and for intensive outpatient 1.3. Days of care per 1,000 covered lives were 20 for inpatient acute; 19.4 for residential; 8.6 for partial and 22.2 for intensive outpatient. Utilization trends for behavioral health and substance abuse inpatient services are holding steady when compared to 2013.

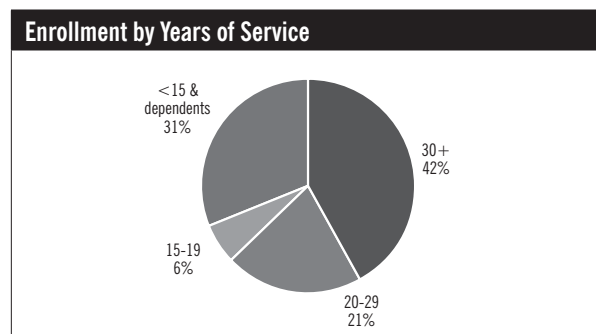
Outpatient utilization for the plans showed a total of 14,401 patients reviewed with sessions totaling 396.3 per 1,000 lives. Intensive outpatient and partial hospitalization services were utilized by 548 patients with 22.2 visits per 1,000 lives for intensive outpatient and 8.6 days per 1,000 for partial.

Total utilization for the combined plans was 108,638 outpatient sessions with just over \$4.9 million in claims payments. Intensive outpatient and partial hospitalization resulted in claims payments of more than \$1.6 million in claims payments for 6,092 intensive outpatient units and 2,361 partial days. Inpatient acute days were 5,494 with more than \$4.8 million in claims payments. Residential treatment days were 5,326 with more than \$2.3 million in claims payments.

MEDICARE SUPPLEMENT PROGRAM

Since January 1989, the state has maintained a benefits program for Medicare-eligible retired teachers and state employees. The program involves two elements: the sponsorship of Medicare supplement coverage and the provision of financial support for participating retirees.

The division offers a single Medicare supplement plan (The Tennessee Plan) that complies with standard plan requirements established by the National Association of Insurance Commissioners (NAIC). The Tennessee Plan matches the NAIC level D benefits.



Source: State of Tennessee

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 provided to Medicare supplement participants and to retired teachers in school districts which sponsor employee medical plans and permit Medicare-eligible retirees to continue coverage during retirement. The Tennessee Plan ended the year with 34,307 members.

The Tennessee Plan is self-insured, meaning that the state, rather than an insurance company, is financially responsible for paying the plan's expenses. Claims are administered by the POMCO Group.

POMCO's customer service center received more than 12,000 calls in 2014. The customized web portal provides members access to claim information, copies of explanation of benefits forms and direct links to other helpful sites.

PARTNERS FOR HEALTH WELLNESS PROGRAM

The ParTNers for Health Wellness Program is available at no cost to all state group insurance program members, eligible spouses and dependents age 18 and over. Members and their dependents have access to a wide variety of tools and resources to take charge of their health and feel their best.

Healthways currently administers the wellness program. Members enrolled in the Partnership PPO are required to complete certain wellness activities as part of the partnership promise. Wellness participation is an optional benefit for Standard and Limited PPO members.

In 2014, 93 percent of Partnership PPO members completed the Healthways well-being assessment™ (online health questionnaire) taking the first step toward improved well-being. Each year, Healthways summarizes members' well-being assessment results in aggregate form to help determine the key drivers of our population's health. Here are some of the 2014 findings:

- 25 percent of plan members have three or more health risks (e.g., body mass index 30 or greater, tobacco user, no exercise, stress, unhealthy eating, high cholesterol, high blood pressure)
- More than 40 percent of active plan members and pre-65 retiree plan members have a body mass index classified as 30 or greater, which is considered obese
- 72 percent said they want to lose weight
- 77 percent want to focus on eating more fruits and vegetables
- 51 percent want to work on coping better with stress
- 6 percent self-reported they are smokers — other national data sources indicate the smoking rate in Tennessee is 24 percent, suggesting that our membership smoking rate is underreported
- 47 percent of members feel that personal problems or financial stress interfere with their ability to concentrate at work
- Some of our most prevalent self-reported conditions are: migraines, acid reflux/heartburn, chronic back pain, depression, diabetes, asthma and high cholesterol
- Only 55 percent get the recommended exercise of 30 minutes or more, 3 days a week

A total of 58,220 plan members participated in a health coaching program. Coaches give members one-on-one support and encouragement over the phone. They help members create a custom plan to address their health needs, reach their goals, better understand their health conditions and learn to manage their overall health and well-being. Members have reported a variety of health coaching success stories.

"Working with health coaches to make changes in my lifestyle helped me to get off blood pressure medication."

—*"Jane" lost 10 pounds and has been able to come off her blood pressure medication*

"I'm very glad that the call came when it did since I have been tobacco free for almost one month. Whenever I get tempted, I take a really deep breath and think of how great this feels. And I'm grateful I can do this now."

—*"Suzy" maintained a tobacco free status with help of a coach*

"I have made a lot of improvements in my health since talking to you guys. I like the direction you have got me going in."

—*"Mike" lost 9 pounds, decreased total cholesterol by 21 pts. and decreased LDL by 12 pts.*

"My life has totally changed in so many ways. I only eat grilled or baked chicken and grilled or baked seafood. I also only eat healthy fruits and vegetables every day. I also no longer drink soft drinks and only drink water. The other extremely healthy activity I have taken on is exercising on a daily basis."

—*"Karen" took part in challenges to maintain her steps (increased walking to 5 times a week and increased exercise)*

Wellness Challenges

To support and encourage healthy behaviors, members can participate in online wellness challenges. Challenges create friendly competition among co-workers while boosting morale and teamwork. More than 5,000 people participated in one of the four quarterly challenges: True Colors (focused on healthy eating), Step It Up (focused on physical activity), Make the Cut (focused on weight lost) or Go For 10 (focused on physical activity). Each challenge included a chatter board where participants could offer support and encouragement to one another as well as share tips and ideas. Many used the chatter board to share successes and post comments about their experiences.

"I THOROUGHLY enjoyed the colors challenge. No counting or worrying—just eat lots of different colors."

—*"Anne," March 2014, True Colors*

"This was my first time to participate and it was awesome! I purchased a fitbit zip and it kept me on track. The challenge also made me get up and move. I committed to 10,000 steps a day and most days did more. I'm still at it!"

—*"Sue," June 11, 2014, Step It Up!*

"It has made me more aware as I face the holidays and made me face my scale which means accountability. Thank you for doing this. It is worthwhile and helped me to make me aware and be accountable to myself."

—*"Phyllis," Nov. 24, 2014, Make The Cut*

STATE PLAN

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 year ended June 30, 2014. 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 Comprehensive Annual Financial Report (CAFR) for the State of Tennessee. The CAFR 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

Statements of Net Positions

	30-JUN-14	30-JUN-13
Assets		
Cash	\$ 275,157	\$ 231,109
Accounts receivable	5,337	5,101
Total assets	\$ 280,494	\$ 236,210
Liabilities		
Accounts payable and accruals	\$ 49,412	\$ 43,530
Unearned revenue	41,666	39,866
Total liabilities	\$ 91,078	\$ 83,396
Net position		
Unrestricted	\$ 189,416	\$ 152,814
Total net position	\$ 189,416	\$ 152,814

STATE PLAN

Statements of Revenues, Expenses and Changes in Fund Net Position

	30-JUN-14	30-JUN-13
Operating revenues		
Premiums	\$ 727,928	\$ 703,856
Other	600	495
Total operating revenues	\$ 728,528	\$ 704,351
Operating expenses		
Medical and mental health claims	\$ 648,627	\$ 617,807
Administrative services	6,305	10,427
Contractual services	37,192	26,623
Total operating expenses	\$ 692,124	\$ 654,857
Operating income (loss)	\$ 36,404	\$ 49,494
Non-operating revenues		
Interest income	\$ 198	\$ 168
Total non-operating revenues	\$ 198	\$ 168
Change in net position	\$ 36,602	\$ 49,662
Net position, July 1	152,814	103,152
Net position, June 30	\$ 189,416	\$ 152,814

STATE PLAN

Statements of Cash Flows

	30-JUN-14	30-JUN-13
Cash flows from operating activities		
Receipts from interfund services provided	\$ 411,719	\$ 400,411
Receipts from fund members	350,758	330,909
Payments to insurance companies and healthcare providers	(713,209)	(672,301)
Payments for interfund services used	(5,418)	(10,489)
Net cash from operating activities	\$ 43,850	\$ 48,530
Cash flows from investing activities		
Interest received	\$ 198	\$ 168
Net cash from investing activities	\$ 198	\$ 168
Net increase in cash	\$ 44,048	\$ 48,698
Cash, July 1	231,109	182,411
Cash, June 30	\$ 275,157	\$ 231,109
Reconciliation of operating income to net cash from operating activities		
Operating income	\$ 36,404	\$ 49,494
Adjustments to reconcile operating income to net cash from operating activities		
Changes in assets and liabilities:		
Change in accounts receivable	\$ (236)	\$ (735)
Change in accounts payable	5,882	(666)
Change in unearned revenue	1,800	437
Net cash from operating activities	\$ 43,850	\$ 48,530

LOCAL EDUCATION PLAN

Statements of Net Positions

	30-JUN-14	30-JUN-13
Assets		
Cash	\$ 186,746	\$ 141,939
Accounts receivable	3,800	3,706
Total assets	\$ 190,546	\$ 145,645
Liabilities		
Accounts payable and accruals	\$ 28,101	\$ 31,028
Unearned revenue	56	185
Total liabilities	\$ 28,157	\$ 31,213
Net position		
Unrestricted	\$ 162,389	\$ 114,432
Total net position	\$ 162,389	\$ 114,432

Statements of Revenues, Expenses and Changes in Fund Net Position

	30-JUN-14	30-JUN-13
Operating revenues		
Premiums	\$ 487,995	\$ 463,954
Total operating revenues	\$ 487,995	\$ 463,954
Operating expenses		
Medical and mental health claims	\$ 410,325	\$ 420,390
Administrative services	4,055	6,888
Contractual services	25,776	20,496
Total operating expenses	\$ 440,156	\$ 447,774
Operating income (loss)	\$ 47,839	\$ 16,180
Non-operating revenues		
Interest income	\$ 118	\$ 32
Total non-operating revenues	\$ 118	\$ 32
Change in net position	\$ 47,957	\$ 16,212
Net position, July 1	114,432	98,220
Net position, June 30	\$ 162,389	\$ 114,432

LOCAL EDUCATION PLAN

Statements of Cash Flows

	30-JUN-14	30-JUN-13
Cash flows from operating activities		
Receipts from fund members	\$ 495,103	\$ 469,919
Payments to insurance companies and healthcare providers	(446,688)	(447,015)
Payments for state services	(3,726)	(6,892)
Net cash from operating activities	\$ 44,689	\$ 16,012
Cash flows from investing activities		
Interest received	\$ 118	\$ 32
Net cash from investing activities	\$ 118	\$ 32
Net increase in cash	\$ 44,807	\$ 16,044
Cash, July 1	141,939	125,895
Cash, June 30	\$ 186,746	\$ 141,939
Reconciliation of operating income to net cash from operating activities		
Operating income	\$ 47,839	\$ 16,180
Adjustments to reconcile operating income to net cash from operating activities		
Changes in assets and liabilities:		
Change in accounts receivable	\$ (94)	\$ (961)
Change in accounts payable	(2,927)	672
Change in unearned revenue	(129)	121
Net cash from operating activities	\$ 44,689	\$ 16,012

LOCAL EDUCATION PLAN

Supplementary Information — Active Employees

The table below 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 local education group insurance fund as of the end of 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 net 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 net 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 net incurred claims currently recognized in less mature policy years. The columns of the table show data for successive fiscal and policy years. Beginning with fiscal year 2007, the plan is reported in accordance with the Governmental Accounting Standards Board's Statement No. 43. Therefore, for accounting and financial reporting purposes, the table below only includes active employees of the local education plan; retirees of the plan are no longer included in the 2007, 2008, 2009, 2010, 2011, 2012, 2013 and 2014 column disclosures below.

Ten-Year Claims Development Information

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
(1) Required contribution and investment revenue earned (fiscal year)	323,053	359,963	356,328	390,835	403,627	421,242	444,773	439,640	463,986	488,113
(2) Unallocated expenses (fiscal year)	23,771	21,584	17,152	16,366	21,019	23,195	26,767	26,473	27,384	29,831
(3) Estimated claims and expenses, end of policy year, net incurred	296,509	320,702	342,692	389,270	373,682	441,168	413,568	429,252	432,425	*
(4) Net paid (cumulative) as of:										
End of policy year	268,863	295,687	313,376	359,949	347,060	408,968	383,440	401,000	404,145	*
One year later	296,441	320,503	342,800	389,645	407,483	441,224	415,724	428,201	*	
Two years later	296,434	320,454	342,952	391,632	407,504	441,773	415,240	*		
Three years later	296,405	320,364	347,276	391,511	407,379	441,596	*			
Four years later	296,347	320,364	347,253	391,490	407,330	*				
Five years later	296,347	320,364	347,253	391,490	*					
Six years later	296,347	320,364	347,253	*						
Seven years later	296,347	320,364	*							
Eight years later	296,347	*								
Nine years later	*									
(5) Reestimated net incurred claims and expenses:										
End of policy year	296,509	320,702	342,692	389,270	373,682	441,168	413,568	429,252	432,425	*
One year later	296,274	320,646	342,865	389,163	407,718	441,247	415,256	427,805	*	
Two years later	296,440	320,396	342,969	391,531	407,507	440,529	415,207	*		
Three years later	296,379	320,352	347,276	391,511	407,364	440,485	*			
Four years later	296,342	320,364	347,276	391,511	407,364	*				
Five years later	296,347	320,364	347,276	391,511	*					
Six years later	296,347	320,364	347,276	*						
Seven years later	296,347	320,364	*							
Eight years later	296,347	*								
Nine years later	*									
(6) Increase (decrease) in estimated net incurred claims and expenses from end of policy year	(162)	(338)	4,584	2,241	2,241	(683)	1,639	(1,447)	0	*

* Data not available

LOCAL GOVERNMENT PLAN

Statements of Net Position

	30-JUN-14	30-JUN-13
Assets		
Cash	\$ 34,794	\$ 27,630
Accounts receivable, net	709	803
Total assets	\$ 35,503	\$ 28,433
Liabilities		
Accounts payable and accruals	\$ 6,220	\$ 7,076
Unearned revenue	17	34
Total liabilities	\$ 6,237	\$ 7,110
Net position		
Unrestricted	\$ 29,266	\$ 21,323
Total net position	\$ 29,266	\$ 21,323

Statements of Revenues, Expenses and Changes in Fund Net Position

	30-JUN-14	30-JUN-13
Operating revenues		
Premiums	\$ 108,811	\$ 105,972
Total operating revenues	\$ 108,811	\$ 105,972
Operating expenses		
Medical and mental health claims	\$ 94,246	\$ 90,221
Administrative services	729	1,269
Contractual services	5,916	4,866
Total operating expenses	\$ 100,891	\$ 96,356
Operating income (loss)	\$ 7,920	\$ 9,616
Non-operating revenues		
Interest income	\$ 23	\$ 1
Total non-operating revenues	\$ 23	\$ 1
Change in net position	\$ 7,943	\$ 9,617
Net position, July 1	21,323	11,706
Net position, June 30	\$ 29,266	\$ 21,323

LOCAL GOVERNMENT PLAN

Statements of Cash Flows

	30-JUN-14	30-JUN-13
Cash flows from operating activities		
Receipts from fund members	\$ 110,733	\$ 107,347
Payments to insurance companies and healthcare providers	(102,923)	(96,554)
Payments for state services	(669)	(1,269)
Net cash from operating activities	\$ 7,141	\$ 9,524
Cash flows from investing activities		
Interest received	\$ 23	\$ 1
Net cash from investing activities	\$ 23	\$ 1
Net increase in cash	\$ 7,164	\$ 9,525
Cash, July 1	27,630	18,105
Cash, June 30	\$ 34,794	\$ 27,630
Reconciliation of operating income to net cash from operating activities		
Operating income (loss)	\$ 7,920	\$ 9,616
Adjustments to reconcile operating income to net cash from operating activities		
Changes in assets and liabilities:		
Change in accounts receivable	\$ 94	\$ (188)
Change in accounts payable	(856)	126
Change in unearned revenue	(17)	(30)
Net cash from operating activities	\$ 7,141	\$ 9,524

LOCAL GOVERNMENT PLAN

Supplementary Information — Active Employees

The table below 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 local government group insurance fund as of the end of 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 net 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 net 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 net 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 net incurred claims currently recognized in less mature policy years. The columns of the table show data for successive fiscal and policy years. Beginning with fiscal year 2007, the plan is reported in accordance with the Governmental Accounting Standards Board's Statement No. 43. Therefore, for accounting and financial reporting purposes, the table below only includes active employees of the local government insurance plan; retirees of the plan are no longer included in the 2007, 2008, 2009, 2010, 2011, 2012, 2013 and 2014 column disclosures below.

Ten-Year Claims Development Information

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
(1) Required contribution and investment revenue earned (fiscal year)	103,521	96,914	89,240	96,558	103,157	104,810	102,710	103,278	105,973	108,834
(2) Unallocated expenses (fiscal year)	6,651	5,038	3,398	3,500	4,348	5,921	5,473	6,010	6,135	6,645
(3) Estimated claims and expenses, end of policy year, net incurred	90,559	87,058	91,622	94,655	100,350	107,083	91,699	94,738	96,152	*
(4) Net paid (cumulative) as of:										
End of policy year	81,924	80,519	84,836	88,265	93,456	98,709	89,231	88,026	89,634	*
One year later	90,552	86,934	91,791	94,820	100,916	105,833	91,703	94,277	*	
Two years later	90,528	86,981	91,793	95,029	101,895	107,170	91,618	*		
Three years later	90,522	86,974	93,594	94,993	100,533	107,103	*			
Four years later	90,514	86,974	93,594	94,991	100,494	*				
Five years later	90,514	86,974	93,591	94,991	*					
Six years later	90,514	86,974	93,591	*						
Seven years later	90,514	86,974	*							
Eight years later	90,514	*								
Nine years later	*									
(5) Reestimated net incurred claims and expenses:										
End of policy year	90,559	87,058	91,622	94,655	100,350	107,083	91,699	94,738	96,152	*
One year later	90,476	86,948	91,801	94,749	100,803	106,870	91,640	94,248	*	
Two years later	90,525	86,977	91,788	94,999	101,895	106,720	91,558	*		
Three years later	90,517	86,972	93,594	94,993	100,492	106,697	*			
Four years later	90,514	86,974	93,594	94,993	100,492	*				
Five years later	90,514	86,974	93,594	94,993	*					
Six years later	90,514	86,974	93,594	*						
Seven years later	90,514	86,974	*							
Eight years later	90,514	*								
Nine years later	*									
(6) Increase (decrease) in estimated net incurred claims and expenses from end of policy year	(45)	(84)	1,972	338	142	(386)	(141)	(490)	0	*

* Data not available

RETIREE PLANS

Statements of Fiduciary Assets and Liabilities June 30, 2014 and June 30, 2013

	30-JUN-14	30-JUN-13
Assets		
Current assets:		
Cash	\$ 28,753	\$ 20,787
Accounts receivable	1,442	2,082
Total assets	\$ 30,195	\$ 22,869
Liabilities		
Current liabilities:		
Accounts payable and accruals	\$ 17,791	\$ 16,684
Amounts held in custody for others	12,404	6,185
Total liabilities	\$ 30,195	\$ 22,869

Statement of Changes in Fiduciary Assets and Liabilities for the year ended June 30, 2014

	BALANCE 01-JUL-13	ADDITIONS	DEDUCTIONS	BALANCE 30-JUN-14
Assets				
Current assets:				
Cash	\$ 20,787	\$ 238,183	\$ 230,217	\$ 28,753
Accounts receivable	2,082	11,097	11,737	1,442
Total assets	\$ 22,869	\$ 249,280	\$ 241,954	\$ 30,195
Liabilities				
Current liabilities:				
Accounts payable and accruals	\$ 16,684	\$ 26,265	\$ 25,158	\$ 17,791
Amounts held in custody for others	6,185	239,414	233,195	12,404
Total liabilities	\$ 22,869	\$ 265,679	\$ 258,353	\$ 30,195

Statement of Changes in Fiduciary Assets and Liabilities for the year ended June 30, 2013

	BALANCE 01-JUL-12	ADDITIONS	DEDUCTIONS	BALANCE 30-JUN-13
Assets				
Current assets:				
Cash	\$ 17,796	\$ 225,947	\$ 222,956	\$ 20,787
Accounts receivable	2,258	11,433	11,609	2,082
Total assets	\$ 20,054	\$ 237,380	\$ 234,565	\$ 22,869
Liabilities				
Current liabilities:				
Accounts payable and accruals	\$ 18,027	\$ 23,363	\$ 24,706	\$ 16,684
Amounts held in custody for others	2,027	229,170	225,012	6,185
Total liabilities	\$ 20,054	\$ 252,533	\$ 249,718	\$ 22,869



State of Tennessee | Benefits Administration | Suite 1900, 312 Rosa L. Parks Avenue | Nashville, TN 37243

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