

## Minutes

### State Insurance Committee

July 28, 2022

The State Insurance Committee met on July 28, 2022 at 12:30 pm (central) in The Nashville Room, Tennessee Tower, Nashville, TN and via WebEx.

#### State Insurance Committee members participating:

Jim Bryson, Commissioner, Finance and Administration  
Jaclyn Harding, representing Jason Mumpower, Comptroller of the Treasury  
David Lillard, State Treasurer  
Carter Lawrence, Commissioner, Commerce and Insurance  
Kim Yap, representing Juan Williams, Commissioner, Human Resources  
Michelle Consiglio-Young, state employee representative  
Judi Knecht, state employee representative (by teleconference)  
Keisha Pittman, Tennessee State Employees Association  
Holly Girgies, representing Higher Education

Commissioner Bryson announced that the State Insurance Committee would go into Executive Session in an alternate location that would not be open to the public. It was noted that members would return to The Nashville Room following the Executive Session to continue with items on the agenda.

At the conclusion of the Executive Session, Commissioner Bryson called the regularly scheduled meeting to order at 1:25 pm and introduced himself as newly appointed Commissioner of Finance and Administration and therefore, Chair of the State, Local Education and Local Government Insurance Committees. Commissioner Bryson noted that as a result of the recent state employee representative elections, Michelle Consiglio-Young and Judi Knecht had been elected for three-year terms (July 1 – 2022 – June 30, 2025). Additionally, Commissioner Bryson announced that Randy Stamps had retired as Executive Director of the Tennessee State Employees Association (TSEA), and that TSEA President Donnie Cole had notified Benefits Administration (BA) that Terry Carroll, Deputy Executive Director and Government Affairs Director would serve as TSEA's representative on the State Insurance Committee. Members were also advised that Keisha Pittman was also designated as an alternate voting member for TSEA.

A roll call of members noted a quorum was present and participating in person.

The first order of business was approval of the May 26, 2022 meeting minutes. Treasurer Lillard made a motion that the minutes be approved as presented. Ms. Harding seconded the motion, which passed with the following roll call vote:

Bryson	yes	Harding	yes
Lillard	yes	Lawrence	yes
Yap	yes	Consiglio-Young	yes
Knecht	yes	Pittman	yes
Girgies	yes		

The next item on the agenda was 2023 Tennessee Plan Rates. Laurie Lee, Executive Director, BA, noted that The Tennessee Plan is a Medicare supplement policy offered by the state that is self-insured and currently has over 46,700 members and approximately 8,000 dependents. All claims for medical expenses are paid from a state account to the provider with the claims administrator, currently UMR, being paid a monthly per member per month administrative fee to process claims. The administrative fees are fixed for the entire contract period and will not increase. Director Lee presented the recommendation from Aon Consulting, BA’s consulting actuary, of a 4.3% premium increase effective January 1, 2023, noting that the premiums rates for this product had not increased since plan year 2020. The recommendation was based on historical claims cost, assumptions about future claims costs increase, inflation, regulatory requirements and a current medical trend of 5%.

In response to member inquiry, Colleen Huber, Aon Consulting, noted that the Committee had previously approved a plan to spend down reserves over a three-year period and that spend down provision had been utilized to develop the recommended 4.3% premium increase. Ms. Huber noted that without a premium increase, the reserves would be spent down at a much faster rate and the Plan would have to increase premiums higher than medical trend in future years to make up for the deficit. Director Lee informed members that the target solvency reserve for The Tennessee Plan was 20% due in part to the lag time in claims processing as these claims are paid secondary to Medicare. Members were advised that the increase was recommended due primarily to an increase in cost and number of services received by participants in the plan.

Commissioner Bryson made a motion to increase premiums for The Tennessee Plan by 4.3% as recommended by BA and Aon Consulting. Commissioner Lawrence seconded the motion, which passed with the following roll call vote:

Bryson	yes	Harding	yes
Lillard	yes	Lawrence	yes
Yap	yes	Consiglio-Young	no
Knecht	yes	Pittman	yes
Girgies	yes		

The final item on the agenda was for informational purposes only and dealt with the Council on Pensions and Insurance Policy Document. Director Lee noted that the referenced document was created in 2015 to fulfill a statutory requirement to comply with a policy approved by the Council on Pensions and Insurance. In 2021, legislation removed bills involving insurance from

the Council’s purview and changed the name of the Committee to the Council on Pensions. Subsequent legislation adopted in 2022 removed all remaining insurance references to the Council on Pensions and the State Insurance Committee’s reporting requirements to the Council. No action was required on this item.

There being no further business for the Committee, Treasurer Lillard made a motion that the meeting be adjourned. Ms. Harding seconded the motion, which passed with the following roll call vote:

Bryson	yes	Harding	yes
Lillard	yes	Lawrence	yes
Yap	yes	Consiglio-Young	yes
Knecht	yes	Pittman	yes
Girgias	yes		

Respectfully submitted,



Laurie S. Lee