

## Minutes

### State, Local Education and Local Government Insurance Committees March 25, 2021

The State, Local Education and Local Government Insurance Committees met on March 25, 2021 at 1:00 pm (central) via WebEx.

#### State Insurance Committee members participating:

Butch Eley, Commissioner, Finance and Administration  
Rachel Buckley, representing Jason Mumpower, Comptroller of the Treasury  
Rick Dubray, representing David Lillard, State Treasurer  
David Combs, representing Carter Lawrence, Commissioner, Commerce and Insurance  
Juan Williams, Commissioner, Human Resources  
Michelle Consiglio-Young, state employee representative  
Rob Chance, representing Higher Education  
Senator Bo Watson, Chair, Senate Finance, Ways and Means Committee

#### Local Education Insurance Committee members participating:

Butch Eley, Commissioner, Finance and Administration  
Rachel Buckley, representing Jason Mumpower, Comptroller of the Treasury  
Rick Dubray, representing David Lillard, State Treasurer  
David Combs, representing Carter Lawrence, Commissioner, Commerce and Insurance  
Maryanne Durski, Department of Education  
Scott Langford, Middle TN School Employee representative  
Jennifer Downing, West TN School Employee representative  
Jennifer White, Tennessee School Board Association

#### Local Government Insurance Committee members participating:

Butch Eley, Commissioner, Finance and Administration  
Rachel Buckley, representing Jason Mumpower, Comptroller of the Treasury  
Rick Dubray, representing David Lillard, State Treasurer  
Kevin Krushenski, Tennessee Municipal League  
Nathan Brock, Tennessee County Services Association

Commissioner Eley called the meeting to order at 1:00 pm (central). A roll call of attendance noted a quorum was present for each Committee. Commissioner Eley introduced Jennifer Downing, newly appointed member of the Local Education Insurance Committee, representing teachers in the west Tennessee grand division.

Commissioner Eley advised that Executive Order #78 signed by Governor Lee provides that a governing body may conduct essential business by electronic means without a quorum of members physically present in the same location, if the governing body determines that meeting electronically is necessary to protect the health, safety, and welfare of Tennesseans in light of the COVID-19 outbreak.

The items on the agenda for the Committees' consideration included:

- Award of Third Party Administrator (TPA) Contract
- Virta Sole Source Contract (State Committee Only)
- American Rescue Plan Act of 2021 (Information Only)

Senator Watson made a motion that the State Insurance Committee approve proceeding electronically. Commissioner Williams seconded the motion, which passed with the following roll call vote:

Eley	yes	Buckley	yes
Dubray	yes	Combs	yes
Williams	yes	Consiglio-Young	yes
Chance	yes	Watson	yes

On behalf of the Local Education Insurance Committee, Ms. Durski made a motion to approve proceeding electronically. Ms. White seconded the motion, which passed with the following roll call vote:

Eley	yes	Buckley	yes
Dubray	yes	Combs	yes
Durski	yes	Langford	absent
Downing	yes	White	yes

On behalf of the Local Government Insurance Committee, Mr. Krushenski made a motion to approve proceeding electronically. Ms. Buckley seconded the motion, which passed with the following roll call vote:

Eley	yes	Buckley	yes
Dubray	yes	Krushenski	yes
Brock	absent		

### **Agenda Item #1 – Minutes of February 25, 2021 Meeting**

Senator Watson made a motion that the State Insurance Committee approve the February 25, 2021 minutes as presented. Commissioner Williams seconded the motion, which passed with the following roll call vote:

Eley	yes	Buckley	yes
Dubray	yes	Combs	yes
Williams	yes	Consiglio-Young	yes
Chance	yes	Watson	yes

On behalf of the Local Education Insurance Committee, Ms. White made a motion to approve the minutes as presented. Ms. Durski seconded the motion, which passed with the following roll call vote:

Eley	yes	Buckley	yes
Dubray	yes	Combs	yes
Durski	yes	Langford	absent
Downing	yes	White	yes

On behalf of the Local Government Insurance Committee, Mr. Krushenski made a motion to approve the minutes as presented. Commissioner Eley seconded the motion, which passed with the following roll call vote:

Eley	yes	Buckley	yes
Dubray	yes	Krushenski	yes
Brock	yes		

**Agenda Item #2 – Third Party Administrator (TPA) Contract Award**

At the request of Commissioner Eley, Seannalynn Brandmeir, Director of Procurement and Contracting, Benefits administration (BA) presented the Evaluation Team Report for the TPA contract. The RFP was issued on November 25, 2020 with a response deadline of February 12, 2021. BA received three (3) proposals; BlueCross BlueShield of Tennessee (BCBST), Cigna Health and Life Insurance Company (Cigna) and United Healthcare.

Ms. Brandmeir reviewed the components of each section of the Request for Proposal (RFP) and the breakdown of points available for each section. As noted by Ms. Brandmeir, the cost proposal was divided into three sections: (A) Administrative Services Fee and Network Claims Costs, (B) Expert Medical Opinion Fees and (C) Trend Guarantees. Section A fees were calculated and sent to Aon, the State’s actuarial consultant, for analysis with the claims information submitted directly to Aon from the Respondents. Tables B and C were evaluated and scored using the formulas outlined in the RFP document.

Based upon the results of the detailed evaluation, the Response Evaluation Team recommended that the State, Local Education and Local Government Insurance Committees enter into contracts with Cigna and BCBST for TPA services for the State’s Public Sector Health Plans with a contract term beginning May 1, 2021 and extending through June 30, 2029. Ms. Brandmeir advised that the contract term included an eight-month implementation period as well as an eighteen (18) month claims run-out period following six full years of service delivery.

On behalf of the State Insurance Committee, Commissioner Williams made a motion to approve the Evaluation Team recommendation to enter into contracts with Cigna and BCBST for TPA services. Ms. Consiglio-Young seconded the motion, which passed with the following roll call vote:

Eley	yes	Buckley	yes
Dubray	yes	Combs	yes
Williams	yes	Consiglio-Young	yes
Chance	yes	Watson	yes

Ms. Durski made a motion that the Local Education Insurance Committee approve the Evaluation Team recommendation to enter into contracts with Cigna and BCBST for TPA services. Mr. Langford seconded the motion which passed with the following roll call vote:

Eley	yes	Buckley	yes
Dubray	yes	Combs	yes
Durski	yes	Langford	absent
Downing	yes	White	yes

On behalf of the Local Government Insurance Committee, Mr. Krushenski made a motion to approve the Evaluation Team recommendation to enter into contracts with Cigna and BCBST for TPA services. Ms. Buckley seconded the motion, which passed with the following roll call vote:

Eley	yes	Buckley	yes
Dubray	yes	Krushenski	yes
Brock	yes		

### **Agenda Item #3 – Virta Sole Source Contract (State Committee Only)**

Director Lee advised that the State Insurance Committee approved participation in the Virta pilot program for diabetes reversal services, which was originally scheduled to end March 31, 2021. Virta has agreed to extend the no-cost pilot for an additional two-month period, through May 31, 2021.

Paige Turner, Director of Population Health, reviewed the results of the pilot following nine months of participation, which included a retention rate of 88% of participants (45 individuals), A1c reduction of 1.4 points, aggregate weight loss of 7.2% and a 61% reduction in prescription usage for diabetes medications. Ms. Turner advised that BA had issued a Request for Information (RFI) to solicit information on Type 2 Diabetes reversal/remission programs and received eight responses to the RFI. A review of the responses indicated that most programs offered diabetes condition management – not reversal. There were few contractors with a fully

implemented diabetes reversal program; however, many respondents indicated an expectation that these type programs would be competitive within the next 2-3 years.

Based upon the information received through the RFI, BA recommends approval of a limited sole source contract with Virta Health effective June 1, 2021 through May 31, 2022 to continue services for the pilot population. The contract will permit continuation of service without a lapse in coverage, allow BA to continue to collect outcomes from the pilot and provide additional time to develop an approach for the total population.

Senator Watson made a motion to approve the limited sole source contract with Virta Health effective June 1, 2021 through May 31, 2022 to continue services for the pilot population. Ms. Consiglio-Young seconded the motion, which passed with the following roll call vote:

Eley	yes	Buckley	absent
Dubray	yes	Combs	yes
Williams	yes	Consiglio-Young	yes
Chance	yes	Watson	yes

#### **Agenda Item #4 – American Rescue Plan Act of 2021 (Informational Only)**

Director Lee reported that the American Rescue Plan Act of 2021 was signed on March 11, 2021 and contains two provisions affecting the State’s insurance plans. The Act establishes a six-month federally financed COBRA subsidy covering 100% of premiums for eligible individuals from April through September 2021. The subsidy is available for individuals who lost insurance coverage due to involuntary termination of employment or reduction in force and is also available for COBRA participants who began their COBRA eligibility retroactive to November 2020. BA is currently working to identify individuals who are eligible for the subsidy, as well as communication and implementation requirements of this provision.

The second provision of the Act applicable to the State’s plans involves Dependent Care Flexible Spending Accounts (FSA) and the ability of plan sponsors to temporarily increase the maximum contributions for 2021. For married persons filing separately, the eligible maximum for dependent care would increase from \$2,500 to \$5,000. For individuals or married couples filing jointly the allowed maximum dependent care would increase from \$5,000 to \$10,500. BA is working with higher education representatives and the State’s FSA contractor and will provide an update to the Insurance Committee members at the April meeting.

Director Lee expressed appreciation to Debby Koch, Director of Communications and Marketing, BA for her work with BA since 2007 and announced her retirement in early April 2021.

Commissioner Eley noted the next meeting was scheduled for April 22, 2021 at 1:00 pm (central) and adjourned the meeting at 1:50 pm.

Respectfully submitted,

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

Laurie S. Lee  
Executive Director