

Minutes

State, Local Education and Local Government Insurance Committees

February 22, 2024

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

The State, Local Education and Local Government Insurance Committees met on Thursday, February 22, 2024 at 1:00 p.m. (central), in the Nashville Room, Third Floor, William R. Snodgrass TN Tower, Nashville, TN and via Cisco WebEx.

Eugene Neubert, Deputy Commissioner of TN Department of Finance and Administration, called the Insurance Committee meetings to order at 1:00 p.m. (central) and noted that he is attending on behalf of Commissioner Jim Bryson, Nicole Sweitzer attending on behalf of Comptroller Jason Mumpower, Rick DuBray for Treasurer David Lillard, and Scott McAnally for Commissioner Carter Lawrence.

State Insurance Committee Members

Present:

- Eugene Neubert, Chairman, representing Jim Bryson, Commissioner, Finance and Administration
- Rick DuBray, representing David Lillard, State Treasurer, Department of Treasury
- Nicole Sweitzer, representing Jason Mumpower, Comptroller, Comptroller of the Treasury
- Scott McAnally, representing Commissioner Carter Lawrence, Commerce and Insurance
- Juan Williams, Commissioner, Human Resources
- Terry Carroll, Tennessee State Employees Association
- Holly Gray, representing Higher Education (TN Board of Regents)
- Judi Knecht, state employee representative
- Michelle Consiglio-Young, state employee representative

Absent:

- Sen. Bo Watson, Chair of Senate Finance, Ways and Means Committee
- Rep. Patsy Hazlewood, Chair of House Finance, Ways and Means Committee

Local Education Insurance Committee Members

Present:

- Eugene Neubert, Chairman, representing Jim Bryson, Commissioner, Finance and Administration
- Rick DuBray, representing David Lillard, State Treasurer, Department of Treasury
- Nicole Sweitzer, representing Jason Mumpower, Comptroller, Comptroller of the Treasury
- Scott McAnally, representing Commissioner Carter Lawrence, Commerce and Insurance
- Maryanne Durski, Chief Financial Officer, Department of Education
- Erin Johnson, East TN School Employee representative (by teleconference)
- Jennifer White, Tennessee School Board Association (by teleconference)

Absent:

- Kristy Baddour, West TN School Employee representative
- Vacant Seat in Middle TN

Local Government Insurance Committee Members

Present:

- Eugene Neubert, Chairman, representing Jim Bryson, Commissioner, Finance and Administration
- Rick DuBray, representing David Lillard, State Treasurer, Department of Treasury
- Nicole Sweitzer, representing Jason Mumpower, Comptroller, Comptroller of the Treasury
- Kevin Krushenski, Tennessee Municipal League (by teleconference)

Absent:

- Shanna Boyette, Tennessee County Services Association

Agenda Item #1 – Public Comment

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

Agenda Item #2 – [Action] December 8, 2023 Minutes

On behalf of the State Insurance Committee, Commissioner Williams moved to adopt the minutes of the December 8, 2023 meeting. Mr. DuBray seconded the motion. No discussion occurred and a voice vote was taken.

Sweitzer	Yes	DuBray	Yes
McAnally	Yes	Williams	Yes
Consiglio-Young	Yes	Knecht	Yes
Gray	Yes	Carroll	Yes
Neubert	Yes		

On behalf of the Local Education Insurance Committee, Ms. Durski moved to adopt the minutes of the December 8, 2023 meeting. Ms. Sweitzer seconded the motion. No discussion occurred and a roll call vote was taken.

Sweitzer	Yes	DuBray	Yes
McAnally	Yes	Durksi	Yes
Johnson	Yes	White	Yes
Neubert	Yes		

On behalf of the Local Government Insurance Committee, Chairman Neubert moved to adopt the minutes of the December 8, 2023 meeting. Ms. Sweitzer seconded the motion. No discussion occurred and a roll call vote was taken.

Sweitzer	Yes	DuBray	Yes
Krushenski	Yes	Neubert	Yes

Agenda Item #3 – [Action] Pharmacy Benefits Manager (PBM) Evaluation Team Report

Chairman Neubert introduced Heather Pease, Director of Procurement and Contracts, who presented the Evaluation Team Report on the PBM procurement. Changes from the current contract to the new contract included: requiring the contractor to pay low-volume pharmacies a dispensing fee equivalent to the rate TennCare pays low-volume pharmacies (in compliance with Public Chapter 1070), reducing the contract term from five-years to three, and requiring an annual market check, which is in keeping with the industry standard. The Request For Proposal was issued in September 2023. Benefits Administration received four proposals from the following respondents: CVS Health, Express Scripts, MedImpact, and OPTUM Rx.

Ms. Knecht asked how cost proposal analysis and components were conducted, and if the summary of the annual market analyses and adjustments could be shared with the committee. Thomas Carroll, Senior Pharmacy Consultant with Aon, responded that the PBM administrative and clinical fees are part of the analysis, including network rate guarantees, which are the discounts that the PBMs offer across retail 30, mail and specialty channels. Other facts considered are prior claims experience, minimum rebate guarantees and the total net plan cost. Laurie Lee, Executive Director of BA, added some of the contracts have proprietary information protected by statute and BA would share what is allowed.

In response to additional Committee members’ questions, Keith Athow, Director of Pharmacy, FSA and HSA, responded that with the yearly market check, our consultant (currently Aon) will compare our contract against other employers similar in size, scope, and the type of benefits offered and the discounts that the PBM is offering other groups in out years. If better rates are discovered, we would request improved rate guarantees and amend our contract. Mr. Carroll confirmed that low-volume pharmacy reimbursement was taken into consideration when the evaluations were completed. Mr. Athow also confirmed that the contract was a fixed three-year contract, not a three-year with an option to extend and that the PBM pre-implementation audit would be conducted later this fall.

For the State Insurance Committee, Terry Carroll moved to award the contract, based on the staff recommendation and by the evaluation committee, to CVS Health. The motion was seconded by Commissioner Williams. No further discussion occurred, and a voice vote was taken.

Sweitzer	Yes	DuBray	Yes
McAnally	Yes	Williams	Yes
Consiglio-Young	Yes	Knecht	Yes
Gray	Yes	Carroll	Yes

Neubert Yes

For the Local Education Insurance Committee, Ms. Durski moved to award the contract, based on the staff recommendation and by the evaluation committee, to CVS Health. The motion was seconded by Mr. DuBray. No further discussion occurred, and a roll call vote was taken.

Sweitzer	Yes	DuBray	Yes
McAnally	Yes	Durksi	Yes
Johnson	Yes	White	Yes
Neubert	Yes		

For the Local Government Insurance Committee, Mr. DuBray moved to award the contract, based on the staff recommendation and by the evaluation committee, to CVS Health. The motion was seconded by Ms. Sweitzer. No further discussion occurred, and a roll call vote was taken.

Sweitzer	Yes	DuBray	Yes
Krushenski	Yes	Neubert	Yes

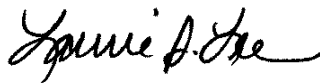
Agenda Item #4 – [Information Only] Sharecare Engagement Update

Chairman Neubert introduced Paige Turner, Population Health Director, to give an update to the committees of the new Sharecare contract. Ms. Turner stated the contract began January 1, 2024 and we have already seen members across the plans using the benefit. We are excited to see how the program continues to grow.

Mr. Krushenski asked if the data for the Local Government participants could be shared with their agency benefits coordinator so they could potentially incentivize their members who are participating. Ms. Turner said she would take the question back to the Sharecare staff to explore that opportunity and report back.

The next meeting of the State, Local Education and Local Government Insurance Committees is scheduled for March 28, 2024 at 1 p.m. (CST) in the Nashville Room. With no further business, Chairman Neubert adjourned the meeting at 1:34 p.m. (central).

Respectfully submitted,



Laurie S. Lee