

## Minutes

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

The State, Local Education and Local Government Insurance Committees met on February 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  
Brian Hoffmeister, representing Carter Lawrence, Commissioner, Commerce and Insurance  
Juan Williams, Commissioner, Human Resources  
Michelle Consiglio-Young, state employee representative  
Randy Stamps, Tennessee State Employees Association  
Rob Chance, representing Higher Education

#### 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  
Brian Hoffmeister, representing Carter Lawrence, Commissioner, Commerce and Insurance  
Maryanne Durski, Department of Education  
Erin Johnson, east Tennessee teacher 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 advised that Executive Order #71 signed by Governor Lee provides that a governing body may conduct essential business by electronic means without a quorum of members 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:

- Plan Document Changes for Medical and Flexible Spending Accounts (FSA)
- Approval of RFP Re-Issuance for DPPO Services
- Request from Lexington Electric System (Local Government Plan Only)

Commissioner Eley made a motion that the State Insurance Committee approve proceeding electronically without a quorum present at the same location. Mr. Dubray seconded the motion, which passed with the following roll call vote:

Eley	yes	Buckley	yes
Dubray	yes	Hoffmeister	yes
Williams	yes	Consiglio-Young	absent
Stamps	yes	Chance	yes

On behalf of the Local Education Insurance Committee, Ms. Durski made a motion to approve proceeding electronically without a quorum present at the same location. Ms. White seconded the motion, which passed with the following roll call vote:

Eley	yes	Buckley	yes
Dubray	yes	Hoffmeister	yes
Durski	yes	Johnson	yes
White	yes		

On behalf of the Local Government Insurance Committee, Commissioner Eley made a motion to approve proceeding electronically without a quorum present at the same location. Mr. Krushenski 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 January 21, 2021 Meeting**

Commissioner Eley made a motion that the State Insurance Committee approve the January 21, 2021 minutes as presented. Mr. Stamps seconded the motion, which passed with the following roll call vote:

Eley	yes	Buckley	yes
Dubray	yes	Hoffmeister	yes
Williams	yes	Consiglio-Young	yes
Stamps	yes	Chance	yes

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

Eley	yes	Buckley	yes
Dubray	yes	Hoffmeister	yes
Durski	yes	Johnson	yes
White	yes		

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

Neubert	yes	Buckley	yes
Dubray	yes	Krushenski	yes
Brock	absent		

## **Agenda Item #2 – Plan Document Changes (Medical)**

Laurie Lee, Executive Director, Benefits Administration (BA) noted that the recommended changes to Part 13, Covered Expenses and Exclusions and Limitations, were part of BA's comprehensive review of the Plan Documents. The intent of the proposed changes was to consolidate preventative services, organize benefits for prosthetic devices and supplies and modify other items to provide a better description of covered and excluded services. As the comprehensive review continued, Director Lee stated that additional recommendations would be presented at future meetings.

Mr. Stamps made a motion that the State Insurance Committee approve the Plan Document changes as presented. Commissioner Williams seconded the motion, which passed with the following roll call vote:

Eley	yes	Buckley	yes
Dubray	yes	Hoffmeister	yes
Williams	yes	Consiglio-Young	yes
Stamps	yes	Chance	yes

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

Eley	yes	Buckley	yes
Dubray	yes	Hoffmeister	yes
Durski	yes	Johnson	yes
White	yes		

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

Neubert	yes	Buckley	yes
Dubray	yes	Krushenski	yes
Brock	absent		

**Agenda Item #3 – Plan Document Changes (FSA) – State Plan Only**

Director Lee advised that recent provisions in the federal stimulus package (specifically, the Consolidated Appropriations Act, 2021) allowed BA to make changes to its flexible benefits program. Members were advised that some employees had not been able to spend down their election amounts due to the effects of COVID. The following changes were recommended for state and higher education plan members:

- Allow healthcare flexible spending account (FSA) members to carry over all unused balances from 2020 to 2021, and from 2021 to 2022
- Add a 12-month grace period for the Dependent Care FSA for 2020 and 2021 plan years
- Increase the maximum age of eligible dependents from 13 years old to 14 years old for dependent care FSAs for the 2020 plan year

Mr. Chance made a motion to approve the Plan Document changes as presented. Ms. Consiglio-Young seconded the motion, which passed with the following roll call vote:

Eley	yes	Buckley	yes
Dubray	yes	Hoffmeister	yes
Williams	yes	Consiglio-Young	yes
Stamps	yes	Chance	yes

**Agenda Item #4 - DPPO Contract**

Director Lee stated that BA, with the approval of the Central Procurement Office, cancelled the Dental Preferred Request for Proposal (RFP) as the result did not provide best value for members and the cancellation was in the best interest of the state. Members were advised that BA was seeking approval to issue a new RFP with anticipated results to be presented to the Committees in either May or June. Ms. Consiglio-Young requested that members be provided an update if the results were not available for the May meeting.

On behalf of the State Insurance Committee, Mr. Dubray made a motion to approve the issuance of an RFP for DPPO services. Mr. Stamps seconded the motion, which passed with the following roll call vote:

Eley	yes	Buckley	yes
Dubray	yes	Hoffmeister	yes
Williams	yes	Consiglio-Young	yes
Stamps	yes	Chance	yes

Ms. White made a motion that the Local Education Insurance Committee approve the issuance of an RFP for DPPO services. Ms. Durski seconded the motion, which passed with the following roll call vote:

Eley	yes	Buckley	yes
Dubray	yes	Hoffmeister	yes
Durski	yes	Johnson	yes
White	yes		

On behalf of the Local Government Insurance Committee, Mr. Krushenski made a motion to approve the issuance of an RFP for DPPO services. Commissioner Eley seconded the motion, which passed with the following roll call vote:

Neubert	yes	Buckley	yes
Dubray	yes	Krushenski	yes
Brock	absent		

Director Lee asked if members had any questions on the materials provided regarding the Audit Committee Report and Waste Free Formulary article that had been included in the February 15, 2021 memorandum to members. No questions were raised.

There being no further business for the State and Local Education Insurance Committees, those Committees were adjourned at 1:30 pm. Commissioner Eley noted the next meeting of the Committees would be March 27, 2021 at 1:00 pm.

**New Business – Request from Lexington Electric - Local Government Committee Only**

Director Lee advised members that Jeff Graves, General Manager, Lexington Electric System, had made a request to present a matter on behalf of one of its employees to the Local Government Insurance Committee. Members were advised that the appropriate HIPAA forms had been submitted to allow Mr. Graves to discuss this matter and members had been provided with correspondence from Lexington Electric. As background, Director Lee stated that Lexington Electric was requesting a waiver to the requirement that Mr. Wallace, a recent retiree from their agency, have 10 years of employment with the agency in order to continue insurance coverage at retirement. Mr. Graves had submitted an appeal of this matter to the Benefits Administrative Review Team, who determined that they did not have the authority to grant the exception. Director Lee noted that the request would be an exception to the Plan Document and would allow an otherwise ineligible person to continue insurance as a retiree. All materials published by BA contains the 10-year service requirement. The Memorandum of Understanding required to be signed by agencies participating in the Plan also references

agency compliance with the Plan Document. Director Lee referenced an email from BA to the agency which inquired about the 10-year service requirement; however, this correspondence dealt with BA's Other Post Employment Benefits (OPEB) survey and not the exception request.

Mr. Graves addressed the Committee noting that local policy does not require 10 years of employment to be eligible for retirement. Members were advised by Mr. Graves that the agency is responsible for the error and is seeking relief on behalf of the agency and employee by requesting the exception.

In response to member questions, Director Lee noted that options available to Lexington Electric included paying for COBRA for the retiree under the Local Government Plan, establishing a health reimbursement account (HRA) to contribute to coverage or obtaining a policy in the commercial market. The staff recommended that the Committee not grant an exception to the Plan Document requirements for retiree coverage.

Members of the Local Government Insurance Committee expressed empathy for the agency and member; however, concurred with the staff recommendation. At this point, Mr. Graves rescinded his request for an exception. Mr. Krushenski requested that staff review its communications with agencies regarding the eligibility rules to prevent this type of situation.

There being no further business for the Local Government Committee, the meeting was adjourned at 1:50 pm.

Respectfully submitted,



Laurie S. Lee