

## Minutes

### State, Local Education and Local Government Insurance Committees

June 25, 2020

1:00 pm (central)

The State, Local Education and Local Government Insurance Committees met on June 25, 2020 at 1:00 pm (central) via WebEx.

#### State Insurance Committee members attending:

Butch Eley, Commissioner, Finance and Administration  
Justin Wilson, Comptroller of the Treasury  
David Lillard, State Treasurer  
Hodgen Mainda, Commissioner, Commerce and Insurance  
Juan Williams, Commissioner, Human Resources  
Vicki Burton, state employee representative  
Michelle Consiglio-Young, state employee representative  
Rob Chance, representing Higher Education  
Senator Bo Watson, Chair, Senate Finance, Ways and Means Committee  
Representative Susan Lynn, Chair, House Finance, Ways and Means Committee

#### Local Education Insurance Committee members attending:

Butch Eley, Commissioner, Finance and Administration  
Justin Wilson, Comptroller of the Treasury  
David Lillard, State Treasurer  
Hodgen Mainda, 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 attending:

Butch Eley, Commissioner, Finance and Administration  
Justin Wilson, Comptroller of the Treasury  
David Lillard, State Treasurer  
Nathan Brock, Tennessee County Services Association

Commissioner Eley called the meeting to order at 1:00 pm (central). A roll call attendance noted a quorum was present for each Committee. Commissioner Eley advised that Executive Orders #16 and #34 signed by Governor Lee provide 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:

- Approval of Minutes of May 21, 2020
- Contract Award for Preferred Dental (DPPO)
- Update to Plan Document for The Tennessee Plan (State Committee only)

Commissioner Eley noted that the Committees needed to approve a determination that proceeding electronically without a quorum present in the same location was necessary to protect the health, safety, and welfare of Tennesseans in light of the COVID-19 outbreak.

Comptroller Wilson made a motion that the State Insurance Committee approve proceeding electronically without a quorum present at the same location. Senator Watson seconded the motion which passed with the following roll call vote:

Eley	yes	Wilson	yes
Lillard	yes	Mainda	yes
Williams	yes	Burton	yes
Consiglio-Young	yes	Watson	yes
Chance	yes	Lynn	yes

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

Eley	yes	Wilson	yes
Lillard	yes	Mainda	yes
Durski	yes	White	yes
Johnson	yes		

On behalf of the Local Government Insurance Committee, Comptroller Wilson made a motion to approve proceeding electronically without a quorum present at the same location. Treasurer Lillard seconded the motion which passed with the following roll call vote:

Eley	yes	Wilson	yes
Lillard	yes	Brock	yes

## **Agenda Item #1 – Minutes of May 21, 2020**

Laurie Lee, Executive Director, Benefits Administration (BA), advised the members of two corrections to the minutes:

- Mr. Brock’s vote on the COVID-19 benefits recommendations should be recorded as “yes”
- The COVID-19 benefit recommendations extend through the federal declaration of public health emergency

Comptroller Wilson made a motion that the State Insurance Committee approve the minutes as corrected. Senator Watson seconded the motion which passed with the following roll call vote:

Eley	yes	Wilson	yes
Lillard	yes	Mainda	yes
Williams	yes	Burton	yes
Consiglio-Young	yes	Watson	yes
Chance	yes	Lynn	yes

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

Eley	yes	Wilson	yes
Lillard	yes	Mainda	yes
Durski	yes	White	yes
Johnson	yes		

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

Eley	yes	Wilson	yes
Lillard	yes	Brock	yes

**Agenda Item #2 – Contract Award for Preferred Dental (DPPO)**

Commissioner Eley introduced Seannalynn Brandmeir, Contract Manager, BA, to present the Evaluation Team Report for the Preferred Dental Plan (DPPO). Ms. Brandmeir noted that BA issued the Request for Proposals (RFP) on February 28, 2020 with proposals due on April 29, 2020. Proposals were received from five vendors: Aetna, Cigna, Delta Dental, MetLife and United Healthcare (United). During the evaluation process, United withdrew their response from consideration based upon information provided during Cost Proposal clarification.

Ms. Brandmeir advised that the procurement followed the standard Central Procurement Office (CPO) process and reviewed Response Evaluation Criteria for each of the following components:

- Proposal Transmittal and Statement of Certifications and Assurances
- Section A, Mandatory Requirement Items including items such as current bank reference, positive credit ratings, independent audited financial statements, and compliance with the requirement of no minimum membership enrollment.
- Section B, General Qualifications including items such as bankruptcy filings, number of years in business, pending or in progress Securities Exchange Commission investigations, documentation of URAC or other nationally-recognized quality rating report and most recent audit report for proposer as well as report for any proposed subcontractors to be utilized as part of the contract.
- Section C, Technical Qualifications, Experience and Approach including description of reporting systems and capabilities, website and mobile tools description, experience processing a full standard 834 file and completion of BA's HIPAA Business Associate Agreement.
- Network Analysis, which included detailed information regarding the Tennessee network proposed, number of general dentists and specialists, disruption rates, annual network growth or decline, and Quest Analytics Provider Accessibility Analysis.
- Cost Proposal which involved the proposer completing tables regarding premiums and maximum allowable charge (MAC) by procedure codes by the digit zip code for the four urban ZIP codes in Tennessee and then "all other" ZIP codes for both general dentists and specialists.

Based upon the results of the evaluation, the Evaluation Team recommended that the State, Local Education and Local Government Insurance Committees enter into a contract with Aetna for DPPO services with a contract term date beginning July 1, 2020 and extending through December 31, 2025. Ms. Brandmeir noted that the benefit period for members would be January 1, 2021 through December 31, 2025 with the months at the beginning of the contract including time for implementation activities. The Committee members were also advised that the DPPO is an employee-pay-all benefits and this contract recommendation would be a change from the current vendor. Ms. Brandmeir noted that approval of the Evaluation Team recommendation would increase the premium 1%, increase the number of general dentists and specialists and included a commitment from Aetna to recruit additional providers into the network.

Senator Watson inquired about the provision of tele-dentistry benefits under the proposed contract and reimbursement levels. Alex Harkins, Director of Sales for Public and Labor Specialty Products, Aetna, responded and indicated that Aetna has waived the cost for the last two months for tele-dentistry due to COVID-19. He explained that if a member had a dental emergency and their existing provider was not available, they could contact customer service who would assist them in finding a tele-dentistry provider. Members will not be charged for emergency exams provided via tele-dentistry during the COVID pandemic. Additionally, Mr. Harkins verified that tele-dentistry would be covered under the plan after the public health emergency ended. In response to a question by Ms. Consiglio-Young regarding the 5-year term of the contract, Ms. Lee indicated that all contracts have provisions to terminate for convenience or for cause.

Ms. Consiglio-Young made a motion that the State Insurance Committee award the contract for DPPO services to Aetna as recommended. Treasurer Lillard seconded the motion which passed with the following roll call vote:

Eley	yes	Wilson	yes
Lillard	yes	Mainda	yes
Williams	yes	Burton	yes
Consiglio-Young	yes	Watson	yes
Chance	yes	Lynn	yes

On behalf of the Local Education Insurance Committee, Ms. Durski made a motion to award the contract for DPPO services to Aetna as recommended. Treasurer Lillard seconded the motion which passed with the following roll call vote:

Eley	yes	Wilson	yes
Lillard	yes	Mainda	yes
Durski	yes	White	yes
Johnson	yes		

On behalf of the Local Government Insurance Committee, Mr. Brock made a motion to award the contract for DPPO services to Aetna, as recommended. Treasurer Lillard seconded the motion which passed with the following roll call vote:

Eley	yes	Wilson	yes
Lillard	yes	Brock	yes

### **Agenda Item #3 – Update to Plan Document for The Tennessee Plan (State Committee Only)**

Ms. Lee explained the staff recommendation that the Plan Document for The Tennessee Plan be amended to allow for eligibility of surviving dependents of retirees when a local education or local government agency joins the Plan for the first time. The current Plan Document does not address this scenario.

Representative Lynn made a motion that the State Insurance Committee approve the staff recommendation relative to The Tennessee Plan. Treasurer Lillard seconded the motion which passed with the following roll call vote:

Eley	yes	Wilson	yes
Lillard	yes	Mainda	yes
Williams	yes	Burton	yes
Consiglio-Young	yes	Watson	yes
Chance	yes	Lynn	yes

#### **Agenda Item #4 – Mid-Year Election Update**

Ms. Lee advised that the Insurance Committees, at their May 21, 2020 meeting, authorized BA to conduct a mid-year election to allow members in one of the narrow networks to change to the broader Cigna Open Access Plan network if the network had lost five or more hospital providers from January 1, 2020 – June 30, 2020. The election was held June 8 – 19, 2020. Ms. Lee reported that 2,366 contracts (4,718 members) had elected to transfer from the Cigna Local Plus network to the Cigna Open Access Network effective July 1, 2020.

In response to member inquiry, Ms. Lee noted that as of June 1, 2020, the Cigna Local Plus enrollment consisted of 37,289 contracts (73,588 individual members) as compared to the total plan enrollment of approximately 285,000.

#### **Agenda Item #5 – Magellan HIPAA Breach**

Ms. Lee reported that Magellan, a former contractor providing mental health and substance abuse services, had notified BA on June 4, 2020 that 198 of its members had protected health information breached due to a criminal ransomware attack. Members were advised that initially Magellan had reported that Social Security numbers had been breached, but further review indicated that information was incorrect. Ms. Lee advised that letters to the affected members began mailing on June 24, 2020. Magellan is offering a complimentary two-year membership of identity theft protection services for all members with information breached.

There being no further business of the Committees, Commissioner Eley noted the next meeting of the Committees was scheduled for July 23, 2020 at 1:00 pm. Treasurer Lillard made a motion to adjourn. Commissioner Mainda seconded the motion which passed with all members voting in the affirmative in a roll call vote.

Respectfully submitted,



Laurie S. Lee  
Executive Director