

Minutes

State, Local Education and Local Government Insurance Committees

July 23, 2020

1:00 pm (central)

The State, Local Education and Local Government Insurance Committees met on July 23, 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
Randy Stamps, Tennessee State Employees Association
Rob Chance, representing Higher Education

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
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
Kevin Krushenski, Tennessee Municipal League

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 Order #51 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:

- Approval of Minutes of June 25, 2020
- Preferred Dental (DPPO) Contract Award Protest and MetLife Contract Amendment
- Removal of Delegation of Authority to Benefits Administration
- Approval of PayFlex Amendment

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. 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	Stamps	yes
Chance	yes		

On behalf of the Local Education Insurance Committee, Commissioner Eley 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	Wilson	yes
Lillard	yes	Mainda	yes
Durski	absent	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	Wilson	yes
Lillard	yes	Krushenski	yes

Agenda Item #1 – Minutes of June 25, 2020

Commissioner Mainda made a motion that the State Insurance Committee approve the minutes as presented. Commissioner Williams 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	Stamps	yes
Chance	yes		

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

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

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

Eley	yes	Wilson	yes
Lillard	yes	Krushenski	yes

Agenda Item #2 – Preferred Dental (DPPO) Contract Award Protest and MetLife Contract Amendment

Laurie Lee, Executive Director, Benefits Administration (BA) advised members that the Central Procurement Office (CPO) had received two protests to the DPPO contract award to Aetna Life Insurance Company (Aetna) that the Committees approved at their June 25, 2020 meeting. CPO has scheduled an informal hearing on the protest for late August 2020. As this timeline will not permit sufficient time for implementation with a new contract vendor for a January 1, 2021 effective date, BA recommended amending the current contract with MetLife to extend services for one year, through December 31, 2021, under the current terms, conditions and premium rates.

In response to Committee member request, Seannalynn Brandmeir, Contract and Procurement Manager, outlined the protest procedures and timeline followed by CPO. Ms. Consiglio-Young expressed concern about the timing of contract award recommendations to the Committees given the procedure and timelines required in the event of a protest. Commissioner Mainda recommended that Commissioner Eley appoint a subcommittee to work with staff on looking at our internal procurement processes and ways to mitigate future contract award protests. Commissioner Eley committed to work with staff to appoint a subcommittee to look at best practices and options for procurement timelines and noted that the subcommittee would report back to the full Committees.

Mr. Stamps made a motion, on behalf of the State Insurance Committee, to extend the current contract with MetLife for one year, through December 31, 2021, under the current terms,

conditions and premium rates. Comptroller Wilson 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	no	Stamps	yes
Chance	yes		

On behalf of the Local Education Insurance Committee, Ms. Durski made a motion to extend the current contract with MetLife for one year, through December 31, 2021, under the current terms, conditions and premium rates. Ms. White seconded the motion which passed with the following roll call vote:

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

On behalf of the Local Government Insurance Committee, Mr. Krushenski made a motion to extend the current contract with MetLife for one year, through December 31, 2021, under the current terms, conditions and premium rates. Comptroller Wilson seconded the motion which passed with the following roll call vote:

Eley	yes	Wilson	yes
Lillard	yes	Krushenski	yes

Agenda Item #3 – Removal of Delegated Authority

Ms. Lee noted that the Committees had authorized changes to member cost-sharing, related testing and treatment for COVID-19 and delegated authority to BA to take emergency action related to benefits and services related to COVID-19 if necessary. Ms. Lee advised that staff had utilized the delegation of authority only once and recommended that the Committee remove the delegated authority effective July 31, 2020. This recommendation would not affect the COVID-related benefits authorized through the federal emergency declaration.

Ms. Consiglio-Young made a motion, on behalf of the State Insurance Committee, to remove the delegated authority effective July 31, 2020. Ms. Stamps 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	Stamps	yes
Chance	yes		

On behalf of the Local Education Insurance Committee, Ms. Durski made a motion to remove the delegated authority effective July 31, 2020. Comptroller Wilson seconded the motion which passed with the following roll call vote:

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

On behalf of the Local Government Insurance Committee, Mr. Krushenski made a motion to remove the delegated authority effective July 31, 2020. Comptroller Wilson seconded the motion which passed with the following roll call vote:

Eley	yes	Wilson	yes
Lillard	yes	Krushenski	yes

Agenda Item #4 – PayFlex Amendment

Ms. Lee advised that the current contract for HSA/FSA services with PayFlex does not include language to accommodate FSA claims runout after the contract period, which ends December 31, 2020. BA recommended that the Committees approve an amendment to the PayFlex contract to allow for a runout period for processing FSA claims as well as debt substantiation activities. Payment during the contract extension is recommended for January – May 2021 at current rates based on the number of accounts as of December 31, 2020 with remaining balances or outstanding debt substantiation. The estimated cost was no more than \$100,000.

Mr. Chance made a motion, on behalf of the State Insurance Committee, to approve the recommended amendment to the PayFlex contract. Comptroller Wilson 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	Stamps	yes
Chance	yes		

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

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

On behalf of the Local Government Insurance Committee, Mr. Krushenski made a motion to approve the recommended amendment to the PayFlex contract. Comptroller Wilson seconded the motion. In response to member inquiry, Ms. Lee noted that the contract with Optum for HSA/FSA services effective January 1, 2021 would need to be amended at a future date to accommodate FSA runout claims as well. The motion passed with the following roll call vote:

Eley	yes	Wilson	yes
Lillard	yes	Krushenski	yes

Commissioner Eley announced the next meeting of the Insurance Committees would be August 27, 2020 at 1:00 pm. Additionally, Commissioner Eley expressed appreciation for members who had responded to the Insurance Committee survey noting that the deadline for feedback was July 31, 2020.

There being no further business, the meeting was adjourned at 1:45 pm.

Respectfully submitted,



Laurie S. Lee