

DEPARTMENT OF FINANCE AND ADMINISTRATION
DIVISION OF BENEFITS ADMINISTRATION

REVISED STATE INSURANCE COMMITTEE DECISIONS REPORT

DELIVERED PURSUANT TO SECTION 5 PART A OF
THE COUNCIL ON PENSIONS AND INSURANCE
STATE INSURANCE COMMITTEE POLICY
DOCUMENT AS REFERENCED IN TCA 8-27-
203(A)(3)

1900 WRS TENNESSEE TOWER
312 ROSA L. PARKS AVE
NASHVILLE, TENNESSEE
37243

DECISIONS MADE JUNE 30TH, 2016

Benefit Design, Funding Structures and Services Provided Under the Plan

The 2017 benefit changes recommended and approved by the Committee are as follows:

Increase the in-network and out-of-network deductible amounts for individual and family plans to adjust for health care cost inflation.

Combine the PPO medical and pharmacy maximum out of pocket amounts into a single, lower, out of pocket amount.

Increase emergency visit copays for PPO plans to encourage appropriate use of emergency services.

Create a specialty pharmacy tier applicable to the PPO plans. The specialty tier will have a co-pay of 10% with a minimum of \$50 and a maximum of \$150.

Apply coinsurance for non-preventative x-rays, lab and diagnostics for each plan; the coinsurance amount will be the same regardless of whether the service is in-network or out-of-network.

Cover certain brand obesity medications as an alternative to invasive procedures for obesity treatment.

Reduce copay amounts for telehealth services for PPO plan members; reduce telehealth charge for CDHP members.

The benefits grid attached to this document should be used a reference for the state plan's benefit design.

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Partnership Promise and Wellness CDHP Requirements for 2017

Lifestyle management coaching will be voluntary for 2017. Members seeking the wellness incentive must complete the Well Being Assessment, submit biometric health screening results and participate in disease management coaching if identified. Lifestyle management services will still be available on a voluntary basis.

The Partnership PPO and HealthSavings CDHP is open to any eligible member. Members may obtain a premium incentive (PPO) or state contribution in the Health Savings Account (CDHP) by completing the wellness requirement.

Premium Increases

Aon Hewitt staff recommended a 5.9% aggregate increase in premiums for members of the state and higher education plan. The premium table attached to this document should be used as a reference for the state plan's premium structure.

Committee Action

Treasurer Lillard made a motion to approve the benefit design changes. Commissioner Hunter seconded that motion, which passed with a unanimous voice vote. Comptroller Wilson made a motion to approve the premium increase. Treasurer Lillard seconded that motion, which passed with a unanimous voice vote. Therefore, the votes for both motions were as follows:

Chairman Martin	yes	Treasurer Lillard	yes
Comptroller Wilson	yes	Commissioner Hunter	yes
Ms. Vickie Trice	yes	Mr. Randy Stamps	yes
Ms. April Preston	yes	Representative Sargent	yes
Senator McNally	yes		

Addendum: New Product Offerings in 2017

State Plan members will be able to purchase both long term and short term disability for the 2017 plan year. These disability plans are voluntary products and are employee pay all.

Members may choose a new statewide network, Cigna's Open Access Plus network. The statewide network is larger than Cigna's Local Plus network or Blue Cross Blue Shield of Tennessee's Network S, but the statewide network also carries a surcharge for the member