FARRAGUT BOARD OF MAYOR AND ALDERMEN
Farragut Community Center
239 Jamestowne Blvd

AGENDA
May 13, 2021

BEER BOARD
6:55 PM

BMA MEETING
7:00 PM

I. Roll Call

II. Approval of Agenda

III. Approval of Minutes

A. April 22, 2021 Workshop Minutes
B. April 22, 2021 Meeting Minutes
C. April 28, 2021 Workshop Minutes

IV. Mayor's Report

V. Ordinances

A. First Reading

1. Ordinance 21-10, Ordinance of the Town of Farragut, Tennessee Amending Farragut Municipal Code Chapter 12, Sec. 12-11, (a), (1), and (2), Court Cost
2. Ordinance 21-11, Ordinance of The Town of Farragut, Tennessee Amending Farragut Municipal Code Chapter 2, Article 2, Board of Mayor and Aldermen Sec. 2-20, Time and Place of Regular Meetings
3. Ordinance 21-12, Ordinance to Amend the Capital Investment Program and the Insurance Fund for the Fiscal Year 2020-2021 budget, passed by Ordinance 20-07

VI. Business Items

A. Approval of Change Order 1 for Contract 2021-08, Watt Road Pedestrian Crossing

B. Approval of Memorandum of Understanding between the State of Tennessee and the Town of Farragut for Employee Medical Insurance

VII. Town Administrator's Report

VIII. Town Attorney's Report

IX. Citizens Forum

This meeting can be viewed live on the Farragut YouTube Channel and the Town of Farragut website www.townoffarragut.org/livestream.
The meeting will be held at the Farragut Community Center, 239 Jamestowne Blvd

The Board of Mayor and Aldermen welcomes and invites Farragut residents to participate in public meetings.

At the end of each business meeting, there will be time reserved for public comment under the Citizen Forum agenda item. If you are interested in speaking, please fill out a blue comment card and turn it in to the Town Recorder or staff member. This time is set aside specifically for comments on items that are not on the Board of Mayor and Aldermen regular agenda for the meeting. Each speaker will be given five (5) minutes to speak on his/her topic.

During the regular agenda portion of the meeting there may be an allowance for public comment for each agenda item. The Mayor may recognize individuals for public comment based on the following guidelines.

1. The Mayor shall maintain and control the meeting to provide a professional and objective environment;
2. Any Farragut resident interested in speaking should fill out a blue comment card stating which agenda item they would like to comment on and turn in to the Town Recorder or a staff member;
3. Speakers shall come to the podium and identify themselves by name and street address;
4. Public comment shall be limited to five (5) minutes per individual. Time for public comment may be amended at the discretion of the Mayor. Time is not transferable to other speakers;
5. Speakers should strive to avoid redundancy; each speaker should have their own original viewpoint;
6. Comments shall address issues, not individuals or personalities;
7. Comments may support or oppose issues or measures, but the motives of those with differing views shall not be questioned or attacked;
8. Personal attacks and malicious comments shall not be tolerated;
9. An applicant, and/or their representative(s), for an item on the regular agenda shall be afforded the time necessary to present their request and respond to questions. The five (5) minute limitation shall not apply. However, the Mayor may ask an applicant to stay on point in order to facilitate the efficiency of the meeting.

Each speaker will be asked if they can agree to abide by the Comment Protocol. If so, please be prepared to speak when your name is called.

FARRAGUT BEER BOARD

May 13, 2021

6:55 PM

I. Approval of Minutes

A. February 11, 2021

II. Beer Permit Request

A. Approval of Class 6, special occasion beer permit for Southern Tequila & Taco Festival, July 23, 2021

FARRAGUT BEER BOARD
MINUTES
February 11, 2021
6:55 PM

Approval of Minutes

Motion was made to approve the minutes of January 14, 2021 as presented. Moved by Mayor Williams, seconded by Alderman Povlin; Roll call vote: Alderman Burnette, yes; Aldermen Meyer, yes; Alderman Povlin, yes; Alderman Pinchok, yes; Mayor Williams, yes; no nays; motion passed.

Beer Permit Request

Approval of Class 1, On-Premise Beer permit for The Farragut Table, 10943 Kingston Pike

Motion was made to approve a Class 1, On-Premise Beer permit for The Farragut Table, 10943 Kingston Pike. Moved by Alderman Povlin, seconded by Mayor Williams; Roll call vote: Alderman Burnette, yes; Aldermen Meyer, yes; Alderman Povlin, yes; Alderman Pinchok, yes; Mayor Williams, yes; no nays; motion passed.

_____
Ron Pinchok, Chairman

_____
Allison Myers, Town Recorder

AGENDA NUMBER II.A. **MEETING DATE May 13, 2021**

REPORT TO THE BEER BOARD

PREPARED BY: Allison Myers, Town Recorder

SUBJECT: Approval of Class 6, Special Occasion Permit for Remote Area Medical Southern Tequila & Taco Festival, July 23, 2021.

DISCUSSION:

The Remote Area Medical is planning a Southern Tequila & Taco Festival and is requesting a special event beer permit. The Town's Municipal Code governing special occasion beer permits is below.

Sec. 8-212. - Special occasion beer permit.

The special occasion beer permit request shall be made on such form as the board shall prescribe and/or furnish and shall be accompanied by a non-refundable application fee of one hundred dollars ($100.00).

(1) The beer board is authorized to issue a special occasion beer permit to bona fide charitable or nonprofit organizations for special events.

(2) The special occasion beer permit shall not be issued for longer than one (1) forty-eight-hour period, unless otherwise specified by the beer board, subject to the limitations on the hours, imposed by law.

(3) The application for the special occasion beer permit shall state whether the applicant is a charitable or nonprofit organization, include documents showing evidence of the type of organization, and state the location of the premise upon which alcoholic beverages shall be served and the purpose for the request of the license.

(4) For purposes of this section:

Bona fide charitable or nonprofit organization means any corporation or other legal entity which has been recognized as exempt from federal taxes under section 501(c) of the Internal Revenue Code.

(5) No charitable or nonprofit organization possessing a special occasion beer permit shall purchase, for sale or distribution, beer from any source other than a licensee as provided pursuant to state law.

(6) Failure of the special occasion permittee to abide by the conditions of the permit and all laws of the State of Tennessee and the Town of Farragut will result in a denial of a special occasion beer permit for the sale of beer for a period of two (2) years.

The Remote Area Medical is a nonprofit organization and is requesting the permit for July 23, 2021.

RECOMMENDATION BY:

Allison Myers, Town Recorder, for approval.

PROPOSED MOTION:

Motion to approve the special occasion beer permit for the Remote Area Medical Southern Tequila & Taco Festival, July 23, 2021.

BOARD ACTION:

MOTION BY: _____ SECONDED BY: _____

APPLICATION FOR BEER PERMIT

STATE OF TENNESSEE

TOWN OF FARRAGUT

I hereby make application for a permit to sell, store, manufacture, or distribute Beer under the provisions of Tennessee Code Annotated Section 57-5-101 et seq. and base my application upon the answers to the following questions:

1. Reason for application: New Business ____ New Ownership ____ Name Change ____ Other _x___
2. Type of permit requested, please circle all that apply:

Class 1 On-Premise	Class 2 On-Premise, Other
Class 3 On-Premise, Hotel/Motel	Class 4 On-Premise, Tavern
Class 5 Off-Premise	(Class 6, Special Occasion)

3. Name of Applicant(s) (Owner(s) of Business) Remote Area Medical, Inc. ,Donald Mackay, CFO
4. Type of applicant (check one):
   Person ____ Firm ____ Corporation X Joint-Stock Company ____ Syndicate ____ Other ____
5. List all persons, firms, corporations, joint-stock companies, syndicates, or associations having at least a 5% ownership interest in the business:
   n/a
6. Applicant's present home address:
7. Date of Birth _____ Home Telephone Number _____
   Business Telephone Number 865-579-1530 Social Security Number _____
8. Representative Email Address: Donmackay@ramusa.org
9. Under what name will the business operate? same
10. Business address 2200 Stock Creek Blvd., Rockford TN 37853
    Business Telephone number 865-579-1530

11. Specify the identity, email and physical address of the person to receive annual privilege tax notices and any other communication from the Town:
Donald Mackay, donmackay@ramusa.org, 2200 Stock Creek Blvd., Rockford TN 37853

12. Information of any manager, other than the applicant:
Name: _____ Birth Date: _____
Address: _____
Phone Number: _____

13. Has any person having at least a 5% ownership interest, any of the managers, or any other employee of the business, been convicted of any violation of the beer or alcoholic beverage laws or any crime within the last ten (10) years: ____Yes _X_No. If yes, give particulars of each charge, court, and date convicted.

14. Have you or your organization ever had a Beer Permit revoked, suspended, or denied in the State of Tennessee? _No___ If so, specify, where, when, and why:

15. Name and address of property owner, if other than the business owner:

16. What is the name and address of the Church (or other place of worship) nearest to your business?

17. What is the name and address of the school nearest to your business?

18. Special Occasion Event Name: Southern Tequila & Taco Festival
Location of the special occasion event: 11534 Parkside Dr. Farragut , TN 37934
Event Date & Times: 7/23/2021 5PM - 9PM
Representative name & phone number: Chris Hall, 865-254-5543
Have you received a special event permit to hold the event in the Town of Farragut? applied for

19. Tennessee Sales Tax Number: _____

20. Town of Farragut Business License Number _____

I certify that I am knowledgeable of the laws prohibiting the sale of beer to minors and that this application contains true information to the best of my knowledge and belief.

I understand that this application is subject to the Tennessee Public Records Act and shall be open for inspection and reproduction by any citizen. Tennessee Code Annotated 10-7-503.

I understand that by submitting this application, a background investigation shall be conducted and any and any and all documents related to my request shall become public records.

I understand that the applicant or representative must be present at the beer board meeting in which the permit will be discussed.

Signature of Applicant/Owner (or authorized Corporate Official)

Sworn to and subscribed before me this 27th day of Apr. 1, 2021.

Notary Public

My Commission Expires: 06/30/2021

ELESTIA P. KEARNEY
STATE OF TENNESSEE
NOTARY PUBLIC
KNOX COUNTY
MY COMMISSION EXPIRES 6-30-2021

Notice: A non-refundable $250 fee must accompany this application. Any applicant making false statement in this application shall forfeit his/her permit and shall not be eligible to receive any permit for a period of ten years.

A privilege tax of $100 is imposed on the business of selling, distributing, storing or manufacturing beer in this state effective January 1, 1994 and each successive January 1. Any holder of a beer permit issued after January 1, 1994 shall pay a pro rata portion of this annual tax when the permit is issued.

FOR OFFICE USE ONLY

Application is hereby: Approved _____ Denied _____

On this date: _____, 20__

_____ _____

Beer Board Chairman Town Recorder

Farragut Board of Mayor & Aldermen
Meeting Minutes

Budget Workshop Minutes
April 22, 2021

The Board of Mayor and Aldermen met for a budget workshop. David Smoak, Town Administrator, presented the classification and compensation report as well as proposed program changes for Fiscal Year 2022.

Regular Board Meeting
April 22, 2021

Mayor Williams called the meeting to order at 7:00 PM.

Roll Call for attendance: Alderman Burnette, yes; Alderman Meyer, yes; Alderman Pinchok, yes; Alderman Povlin, yes; Mayor Williams, yes; in additional to staff and members of the press. The meeting was held via WebEx Governor Lee's orders and the Knox County Health Department's orders regarding the COVID-19 pandemic.

Approval of Agenda

Motion was made to approve the agenda with the removal of item V.B. Ross-Fowler for As-Built Survey Services, McFee Park Phase 3. Moved by Alderman Povlin, seconded by Alderman Pinchok; roll call vote, Alderman Meyer, yes; Alderman Pinchok, yes; Alderman Povlin, yes; Alderman Burnette, yes; Mayor Williams, yes; no nays; motion passed.

Approval of Minutes

Motion was made to approve the workshop meeting minutes for April 8, 2021 as presented. Moved by Alderman Povlin, seconded by Alderman Meyer; roll call vote, Alderman Povlin, yes; Alderman Burnette, yes; Alderman Meyer, yes; Alderman Pinchok, yes; Mayor Williams, yes; no nays; motion passed.

Motion was made to approve the regular meeting minutes for April 8, 2021 as presented. Moved by Alderman Povlin, seconded by Alderman Meyer; roll call vote, Alderman Pinchok, yes; Alderman Povlin, yes; Alderman Burnette, yes; Alderman Meyer, yes; Mayor Williams, yes; no nays; motion passed.

Business Items

Approval of Change Orders 5, 6 & 7 for Contract 2020-12, McFee Park Phase 3

Motion was made to approve change orders 5, 6 & 7 for Contract 2020-12, McFee Park Phase 3. Moved by Alderman Pinchok, seconded by Alderman Povlin; roll call vote, Alderman Burnette, yes; Alderman Meyer, yes; Alderman Pinchok, yes; Alderman Povlin, yes; Mayor Williams, yes; no nays; motion passed.

Approval of Contract 2021-05, Street Resurfacing

Motion was made to award Contract 2021-05 to Duracap Asphalt Co., for low bid of $672,277.60 and additional streets and curb ramps as presented for a total cost of $748,161.85.

Moved by Alderman Povlin, seconded by Alderman Meyer; roll call vote, Alderman Burnette, yes; Alderman Meyer, yes; Alderman Pinchok, yes; Alderman Povlin, yes; Mayor Williams, yes; no nays; motion passed.

Meeting adjourned at 7:20 PM.

_____
Ron Williams, Mayor

_____
Allison Myers, Town Recorder

FARRAGUT BOARD OF MAYOR AND ALDERMEN
April 28, 2021

BUDGET WORKSHOP
5:00 PM

Budget Workshop Minutes

The Board of Mayor and Aldermen met for a budget workshop. David Smoak, Town Administrator, presented the General Fund and Capital Investment Program proposed budgets for Fiscal Year 2022.

_____
Ron Williams, Mayor

_____
Allison Myers, Town Recorder

AGENDA NUMBER V.A.1. MEETING DATE May 13, 2021

REPORT TO THE BOARD OF MAYOR AND ALDERMEN

PREPARED BY: **Jennifer Hatmaker, Municipal Court Clerk**

SUBJECT: **Ordinance 21-10, First reading of an ordinance to amend Farragut Municipal Code, Chapter 12, Sec. 12-11, (a), (1), and (2)**

INTRODUCTION: The Farragut Municipal Court has jurisdiction within the Town of Farragut over cases involving violations of Town ordinances and adopted codes. Each case presented before the municipal court that has a judgment entered of liable or guilty is assessed court costs by the Municipal Court Judge. The amount of the court costs is set in the Farragut Municipal Code Chapter 12, Sec. 12-11 Court Costs.

DISCUSSION: Court costs should be used to offset the costs of maintaining and running the court. The court costs for the Farragut Municipal Court have not increased since 2010. Since that time, the court has added additional court dates per month and has had an increase in the number of cases heard per year.

The Fee Schedule Resolution currently has the State Litigation Tax of $13.75. The State Litigation Tax will be removed from the Fee Schedule and included in the court costs to be adopted by Ordinance.

It is recommended that the court costs be increased to $115.00 per citation where a liable or guilty judgment is rendered and will include the State Litigation Tax.

RECOMMENDATION BY: Jennifer Hatmaker for approval.

PROPOSED MOTION: To approve Ordinance 21-10 on first reading.

BOARD ACTION:

MOTION BY:_____ SECONDED BY:_____

VOTE/TOTAL	WILLIAMS	POVLIN	PINCHOK	MEYER	BURNETTE
YES	_____	_____	_____	_____	_____
NO	_____	_____	_____	_____	_____
ABSTAIN	_____	_____	_____	_____	_____

ORDINANCE	21-10
PREPARED BY	Hatmaker
1ST READING	May 13, 2021
2nd READING	May 27, 2021
PUBLISHED IN	Shopper News Farragut
DATE	

AN ORDINANCE OF THE TOWN OF FARRAGUT, TENNESSEE AMENDING FARRAGUT MUNICIPAL CODE CHAPTER 12, SEC. 12-11, (A), (1), AND (2), COURT COST

WHEREAS, the Board of Mayor and Aldermen of the Town of Farragut, Tennessee, wishes to amend the Farragut Municipal Code, Chapter 12, Sec. 12-11. – Court Costs, (a), (1), and (2).

NOW, THEREFORE, BE IT ORDAINED by the Board of Mayor and Aldermen of the Town of Farragut, Tennessee, that the Farragut Municipal Code is hereby amended as follows:

SECTION 1.

Farragut Municipal Code, Chapter 12, Sec. 12-11 – Court Costs., (a), (1), and (2):

Sec. 12-11. - Court costs.

(a) In addition to any fine assessed by the municipal judge, the costs to be collected by the municipal court clerk are established as follows:
   (1) Municipal court costs for the town are $115.00 per citation, which shall include all taxes, fees or costs that are to be transmitted by the municipal court clerk to the state department of revenue as required by the Tennessee Municipal Court Reform Act of 2004 (T.C.A. § 16-18-301 et seq.).
   (2) The defendant may post a cash bond in the amount of $115.00 prior to the citation being heard in court with an approved inspection by town staff, verifying compliance of the violation.
   (3) In the case of parking violations and automated red light enforcement violations, instructions on the citation shall be followed, as well as conforming to any and all applicable regulations under chapter 24. Court costs shall not be assessed unless contested in court and a guilty judgment rendered.

SECTION 2.

This ordinance shall take effect from and after its final passage and publication, the public welfare requiring it.

_____
Ron Williams, Mayor

_____
Allison Myers, Town Recorder

AGENDA NUMBER V.A.2. MEETING DATE May 13, 2021

REPORT TO THE BOARD OF MAYOR AND ALDERMEN

PREPARED BY: Allison Myers, Town Recorder/Treasurer

SUBJECT: Ordinance 21-11, Ordinance of The Town of Farragut, Tennessee Amending Farragut Municipal Code Chapter 2, Article 2, Board of Mayor and Aldermen Sec. 2-20, Time and Place of Regular Meetings

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DISCUSSION:

Currently the Farragut Municipal Code states the following concerning time and location of the board meetings:

Sec. 2-20. - Time and place of regular meetings.

The board of mayor and aldermen shall hold regular monthly meetings at 7:30 p.m. on the second and fourth Thursdays of each month at the town hall unless otherwise directed by the board.

Since this ordinance, the Board set the meeting time for 7:00 PM. By amending the current language to the following, the Board of Mayor and Aldermen can set the time as place of the board meetings as needed.

Sec. 2-20. – Time and place of regular meetings.

The board of mayor and aldermen shall hold regular monthly meetings on the second and fourth Thursdays of each month, at a time and place as directed by the board.

RECOMMENDATION BY:

PROPOSED MOTION:

BOARD ACTION:

MOTION BY:_____ SECONDED BY:_____

VOTE/TOTAL	BURNETTE	MEYER	PINCHOK	POVLIN	WILLIAMS
YES	_____	_____	_____	_____	_____
NO	_____	_____	_____	_____	_____
ABSTAIN	_____	_____	_____	_____	_____

ORDINANCE	21-11
PREPARED BY	Myers
1ST READING	May 13, 2021
2nd READING	May 27, 2021
PUBLISHED IN	Shopper News Farragut
DATE	

AN ORDINANCE OF THE TOWN OF FARRAGUT, TENNESSEE AMENDING FARRAGUT MUNICIPAL CODE CHAPTER 2, ARTICLE 2, BOARD OF MAYOR AND ALDERMEN SEC. 2-20, TIME AND PLACE OF REGULAR MEETINGS

WHEREAS, the Board of Mayor and Aldermen of the Town of Farragut, Tennessee, wishes to amend the Farragut Municipal Code, Chapter 2, Article 2, Board of Mayor and Aldermen, Sec. 2-20, Time and Place of regular meetings.

NOW, THEREFORE, BE IT ORDAINED by the Board of Mayor and Aldermen of the Town of Farragut, Tennessee, that the Farragut Municipal Code is hereby amended as follows:

SECTION 1.

Farragut Municipal Code, Chapter 2, Sec. 2-20, Time and Place of regular meetings, is amended by replacing it in its entirety with the following:

Sec. 2-20. – Time and place of regular meetings.

The board of mayor and aldermen shall hold regular monthly meetings on the second and fourth Thursdays of each month, at a time and place as directed by the board.

SECTION 2.

This ordinance shall take effect from and after its final passage and publication, the public welfare requiring it.

_____
Ron Williams, Mayor

_____
Allison Myers, Town Recorder

AGENDA NUMBER V.A.3. **MEETING DATE May 13, 2021**

REPORT TO THE BOARD OF MAYOR AND ALDERMEN

PREPARED BY: Allison Myers, Town Recorder/Treasurer

SUBJECT: Ordinance 21-12, Ordinance on first reading to amend the Capital Investment Program and the Insurance Fund for the Fiscal Year 2020-2021 budget, passed by Ordinance 20-07

INTRODUCTION:
The purpose of this agenda item is to approve Ordinance 21-12 on first reading to amend the Fiscal Year 2021 Capital Investment Program and Insurance Fund Budgets.

DISCUSSION:
The **Capital Investment Program** will be amended by increasing the appropriated expenditures from $14,391,311 to $14,421,311, an increase of $30,000.

- **$30,000 Watt Road Pedestrian Crossing-**This project will be funded through the fund balance. The additional $30,000 expenditure is for the proposed in-pavement light system on Watt Road.

FINANCIAL SECTION:

Account Number: Capital Investment Program Expenditure

Amended FY2021 Budget	Requested Amendment	FY2021 Amended Budget
$14,391,311	$30,000	$14,421,311

Approved By: A. Myers

The **Insurance Fund** will be amended by increasing the appropriated expenditures from $0 to $6,082, an increase of $6,082.

- **$6,082 Actuarial Determined Contribution** for the Town of Farragut's supplemental retirement plan per USI Consulting's valuation of the plan.

FINANCIAL SECTION:

Account Number: Capital Investment Program Expenditure

FY2021 Budget	Requested Amendment	FY2021 Amended Budget
$0	$6,082	$6,082

Approved By: A. Myers

RECOMMENDATION BY: Allison Myers, Town Recorder/Treasurer, for approval.

PROPOSED MOTION: Motion to approve Ordinance 21-12 on first reading.

BOARD ACTION:

MOTION BY:_____ SECONDED BY:_____

VOTE/TOTAL	BURNETTE	MEYER	PINCHOK	POVLIN	WILLIAMS
YES	_____	_____	_____	_____	_____
NO	_____	_____	_____	_____	_____
ABSTAIN	_____	_____	_____	_____	_____

ORDINANCE	21-12
PREPARED BY	Myers
1ST READING	May 13, 2021
2nd READING	May 27, 2021
PUBLISHED IN	Shopper News Farragut
DATE	

AN ORDINANCE OF THE TOWN OF FARRAGUT, TENNESSEE AMENDING THE FISCAL YEAR 2020-2021 BUDGET, PASSED BY ORDINANCE 20-07

WHEREAS, the Town of Farragut adopted the fiscal year 2020-21 budget by passage of Ordinance Number 20-07 on June 11, 2020; and

WHEREAS, pursuant to the Tennessee State Constitution, Section 24 of Article II, no public money shall be expended except pursuant to appropriations made by law; and

WHEREAS, expenses for the Capital Investment Program and Insurance Fund will be greater than budgeted; and

NOW THEREFORE BE IT ORDAINED BY THE BOARD OF MAYOR AND ALDERMEN OF THE TOWN OF FARRAGUT, TENNESSEE THAT CHANGES BE MADE TO THE FISCAL YEAR 2020-2021 BUDGET AS FOLLOWS:

SECTION 1. Ordinance 20-07 is hereby amended by:

- The **Capital Investment Program** will be amended by increasing the appropriated expenditures from $14,391,311 to $14,421,311 an increase of $30,000.
- The **Insurance Fund** will be amended by increasing the appropriated expenditures from $0 to $6,082 an increase of $6,082

SECTION 2. The Board of Mayor and Aldermen authorizes the Town Recorder to make said changes in the accounting system.

SECTION 3. This ordinance shall take effect after its final passage and publication, the public welfare requiring it.

_____
Ron Williams, Mayor

_____
Allison Myers, Town Recorder

AGENDA NUMBER VI.A. MEETING DATE May 13, 2021

REPORT TO THE BOARD OF MAYOR AND ALDERMEN

PREPARED BY: Darryl W. Smith, PE

SUBJECT: Approval of Change Order No. 1, Contract 2021-08, Watt Road Pedestrian Crossing

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INTRODUCTION: The purpose of this item is to consider approval of Change Order No. 1 for addition of in-pavement lights at the Watt Road Pedestrian Crossing project.

BACKGROUND: The Board of Mayor and Aldermen awarded Contract 2021-08 to Whaley Construction, LLC on December 10, 2020 for a total contract price of $238,317.00. The project will provide pedestrian connection from Orchid Grove and Sedgefield Subdivisions to Mayor Bob Leonard Park. Construction includes approximately 700 feet of sidewalk, a pedestrian refuge island in the center turn lane and flashing beacons on an overhead mast arm.

Change Order No. 1 is for addition of an in-pavement light system. The system consists of 6 uni-directional lights and associated cabinet, controller, solar power supply and batteries. The in-pavement lights will act as a secondary driver alert method in addition to the overhead flashing beacons, increasing visibility and overall safety of the crossing.

Staff recommendation is for approval of Change Order No. 1 for a total cost of **$26,291.00**.

FINANCIAL SECTION:

Project: **Contract 2021-08, Watt Road Pedestrian Crossing**

Amended Budget	Requested Amount	Expenditures & Contracts to Date	Available Amount
$317,000	$26,291.00	$286,454.12	$4,254.88

Approved By: A. Myers

RECOMMENDATION BY: Darryl Smith, Town Engineer

PROPOSED MOTION: Approval of Change Orders No. 1 for Contract 2021-08, Watt Road Pedestrian Crossing.

BOARD ACTION:

MOTION BY:_____ SECONDED BY:_____

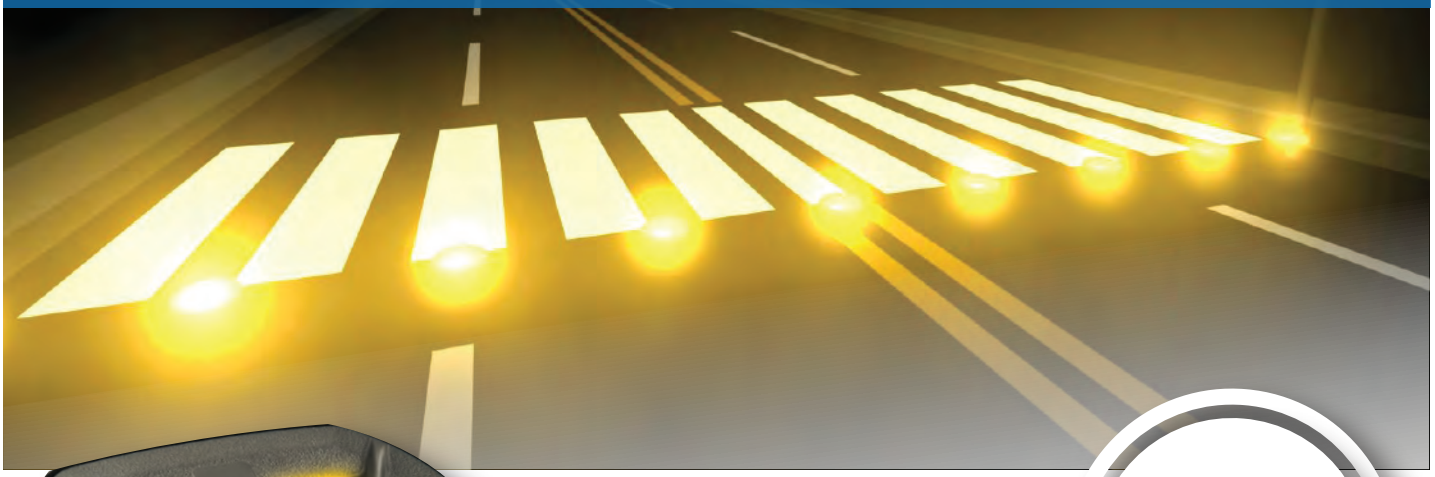
VOTE/TOTAL	WILLIAMS	POVLIN	PINCHOK	MEYER	BURNETTE
YES	_____	_____	_____	_____	_____
NO	_____	_____	_____	_____	_____
ABSTAIN	_____	_____	_____	_____	_____

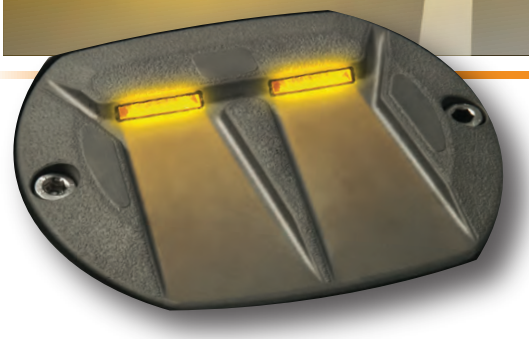
LaneLight

The Most Trusted Name in LED Road Warning Systems

"Designed to target the tunnel vision of today's distracted driver."

In-Road Crosswalk Systems





School Crosswalks
Midblock Crosswalks

5 YEAR WARRANTY

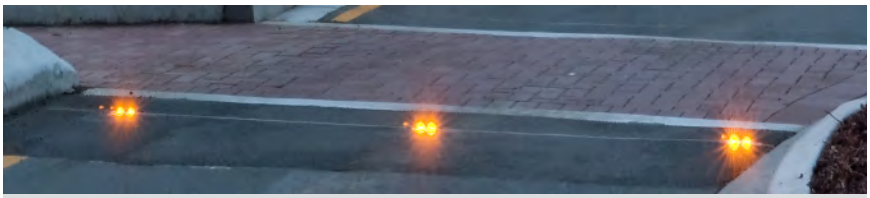
ITEM
866.466.4836

www. LaneLight.com

LaneLight

LaneLight

Nothing compares to a LaneLight IRWL crosswalk system in the eyes of a distracted driver.



IN-PAVEMENT LED LIGHTED CROSSWALKS

The LaneLight system creates a barrier of bright flashing lights directly in the drivers line of sight.

- Ideal for mid-block crosswalks
- Industry leading ultra-bright > 3.5 million candela / m^2 output
- 3000 foot daytime visibility
- Targets the tunnel vision of a distracted driver
- Low Profile: Snowplow Safe / Bicycle Safe
- Standard or enhanced flash patterns
- Passive activation options available
- Solar or AC power configurations
- Self cleaning design / Near Zero maintenance

MUTCD Compliant / FDOT Approved

5 YEAR Warranty

Intelligent Traffic Equipment Marketing Ltd.
Unit 16 - 755 Vanalman Avenue
Victoria, BC V8Z 3B8 Canada
Toll-Free: 1-866-466-4836
Office: (250) 381-4836

ITEM

AGENDA NUMBER VI.B. MEETING DATE May 13, 2021

REPORT TO THE BOARD OF MAYOR AND ALDERMEN

PREPARED BY: Janet Curry, Human Resources Manager

SUBJECT: Approval of Memorandum of Understanding between the State of Tennessee and the Town of Farragut for Employee Medical Insurance

INTRODUCTION: The current annual cost of our BCBST Network S medical insurance, is $963,000. Employee health insurance bids for Fiscal Year 2022 came in with record breaking increases from the four large carriers (Blue Cross Blue Shield, Cigna, United Health Care, and Humana).

BACKGROUND: The Town's broker, Willis, Towers, Watson, annually requests bids for employee medical, dental, vision, Life/LTD insurance. After negotiations with the carriers, the final proposal increases ranged from 10.3% to 35.7%, which would have increased the Town's cost to over $100,000 each year.

DISCUSSION:
After reviewing the options, staff requested medical insurance information from the State of Tennessee plan administrators. Once all available options were compared, the best option for comparable medical insurance is the State of Tennessee plan.

The State plan mirrors the Town's current coverage plus offers additional options that employees may choose from. The State plan is a 0.5% ($4,815) decrease from the Town's current plan. The cost of the plan is included in the FY2022 budget.

The Town's ancillary insurance plans for dental, vision, life/LTD are not impacted by this change.

The MOU, with the State of Tennessee health plan, is for two-years, at which time the Town may bid out these services again.

RECOMMENDATION BY: Janet Curry, Human Resources Manager and Town Administrator, David Smoak for approval.

PROPOSED MOTION: Approval of Memorandum of Understanding between the State of Tennessee and the Town of Farragut for Employee Medical Insurance

BOARD ACTION:

MOTION BY:_____ SECONDED BY:_____

VOTE/TOTAL	WILLIAMS	MEYER	PINCHOK	POVLIN	BURNETTE
YES	_____	_____	_____	_____	_____
NO	_____	_____	_____	_____	_____
ABSTAIN	_____	_____	_____	_____	_____

STATE OF TENNESSEE
DEPARTMENT OF FINANCE AND ADMINISTRATION
BENEFITS ADMINISTRATION
312 Rosa L. Parks Avenue
Suite 1900 William R. Snodgrass Tennessee Tower
Nashville, Tennessee 37243-1102
Phone (615) 741-3590 or (800) 253-9981
FAX (615) 253-8556

Butch Eley
COMMISSIONER

Laurie Lee
EXECUTIVE DIRECTOR

MEMORANDUM OF UNDERSTANDING BETWEEN THE STATE OF TENNESSEE AND LOCAL GOVERNMENT AGENCY

TERMS AND DEFINITIONS

1. **Additional Benefits** means benefit plans offered separately by Local Government Agencies, including those which provide (a) dental benefits, (b) vision benefits, (c) long-term care benefits, (d) disability insurance benefits, (e) life insurance benefits, (f) tort liability or workers' compensation benefits, (g) benefits for a specific disease and/or illness (e.g., cancer, heart, stroke), (h) benefits limited to a fixed amount per day (or other period) of hospitalization, (i) accident, death and dismemberment benefits and (j) any other benefits approved in writing by the Division of Benefits Administration. Any of the above listed plans or policies which reimburses, subsidizes, supplements or pays the costs of participating in the Local Government Health Insurance Plan, or provides coverage, subsidies, credits or payouts of any kind for or related to services or pharmaceuticals covered by the Local Government Health Insurance Plan, including co-pays, member contributions, coinsurance and deductibles, **must** be submitted to benefits.info@tn.gov and approved in writing by the Division of Benefits Administration.

2. **Agency Benefits Coordinator** (ABC) means an individual who serves as the liaison between the State Group Insurance Program, members and Benefits Administration.

3. **Annual Enrollment** means a period in the fall when members are able to change, add or remove benefits. Specific dates for this period are set by Benefits Administration each year.

4. **ACH** means Automatic Clearing House.

5. **Benefits Administration** (BA) means the division of the Tennessee Department of Finance & Administration that administers the State Group Insurance Program.

6. **Business Days** means traditional workdays, including Monday, Tuesday, Wednesday, Thursday and Friday. State government holidays are excluded.

7. **Calendar Days** means all seven days of the week.

8. **CFR** means Code of Federal Regulations.

9. **COBRA** means Consolidated Omnibus Budget Reconciliation Act.

10. **Day(s)** means Calendar Day(s) unless otherwise specified in the MOU.

11. **Edison** means the State's enterprise resource planning system for the administration of benefits enrollment and premium data.

12. **GASB** means Governmental Accounting Standards Board.

13. **Head of Agency** means the chief signing authority for the Local Government Agency.

14. **HIPAA** means Health Insurance Portability and Accountability Act of 1996, Public Law 104-191 and implementing regulations.

15. **HITECH** means Health Information Technology for Economic and Clinical Health Act.

16. **LGA** means Local Government Agency.

17. **Local Government Health Insurance Plan** (also Local Government Plan) means the insurance plans authorized by Tenn. Code Ann. 8-27-702.

18. **Local Government Insurance Committee** means the policy making body for the Local Government Insurance Plan established under Tennessee statelaw.

19. **Local Government Plan Document** (also Plan Document) means the legal publication that defines eligibility, enrollment, benefits and administrative rules of the Local Government Health Insurance Plan.

20. **Member** means any person who is enrolled in one of the medical benefit or voluntary benefit plan options offered through the Local Government Plan.

21. **MOU** means Memorandum of Understanding.

22. **Notify,** unless otherwise specified within this MOU, means to notify Benefits Administration in writing, and the notification may be delivered by electronic mail, facsimile or the U.S. Postal Service.

23. **OPEB** means Other Post-Employment Benefits (other than pensions) that an employee is eligible to receive at the start of retirement.

24. **PHI** means Protected Health Information.

25. **PPACA** means Patient Protection and Affordable Care Act, Public Law 111-148 as amended by Public Law 111-152.

26. **State** means the State of Tennessee.

27. **State Government Holidays** means those days on which official holidays and commemorations as defined in Tennessee Code Annotated 15-1-10 I et seq. are observed.

28. **State Group Insurance Program** means the system operating the insurance plans and benefits for individuals from public sector organizations in Tennessee. The program is operated under the authority of the Local Government Insurance Committee and managed by Benefits Administration within the Department of Finance and Administration.

29. **TCA** means Tennessee Code Annotated.

30. **TCRS** means Tennessee Consolidated Retirement System.

31. **The Tennessee Plan** means the plan offering supplemental medical insurance for retirees with Medicare as defined in Tenn. Code Ann. 8-27-706.

32. **Voluntary Benefits** means benefits other than health insurance benefits which are established and offered by the Local Government Insurance Committee, and fully paid by the employee as defined in Tenn. Code Ann. 8-27-104. Examples include dental and vision insurance.

33. **Website** means the ParTNers for Health Website (www.tn.gov/partnersforhealth), which includes a section specifically for ABCs. ParTNers for Health and ABC information, including publications and forms, can be accessed from this site by going to www.tn.gov/partnersforhealth.

INTRODUCTION

This Memorandum of Understanding (MOU) defines the administrative responsibilities of the Tennessee Department of Finance and Administration, Benefits Administration ("BA") and the _____, an eligible Local Government Agency ("LGA") for the provision of group plan coverage through the State of Tennessee Local Government Health Insurance Plan ("Local Government Plan"), and any available voluntary benefit plans pursuant to TCA 8- 27-702 *et seq.* and TCA 8-27-104.

The Local Government Plan Document ("Plan Document"), approved by the Local Government Insurance Committee pursuant to TCA 8-27-702, defines the eligibility, enrollment, benefits and administrative provisions for the Local Government Insurance Plan. Tenn. Code Ann. 8-27-703(c)(2) requires LGAs to implement and comply with the financial determination of the Insurance Committee, including entering into an MOU. Should any terms of this MOU conflict with any provision of the Plan Document, the Plan Document and Summary Plan Description for The Tennessee Plan (Supplemental Medical Insurance for Retirees with Medicare), or the current certificates of coverage for voluntary benefits, the provisions of those Plan Documents and/or certificates shall control.

This MOU supersedes and replaces all prior MOUs, agreements or other documentation between BA and the LGA describing the responsibilities of the parties with respect to such group benefits.

SECTION 1A- RESPONSIBILITIES OF THE LGA

1. The LGA and its officers and employees shall abide by and enforce all the eligibility criteria for all benefit options offered, including but not limited to, the health plan which is outlined in the Local Government Plan Document, the Plan Document and Summary Plan Description for The Tennessee Plan and the current certificates of coverage for voluntary benefits.

   Individual agencies shall not determine eligibility in a way that conflicts with the Local Government Plan Document or eligibility documents for the voluntary benefit plans, including the Plan Document for The Tennessee Plan and the certificates of coverage. For example, the LGA shall not use a different set of required hours worked to be eligible.

   The eligibility, enrollment, benefit and administrative provisions of the Plan Document, the Plan Document for The Tennessee Plan or the current certificates of coverage for voluntary benefits shall be uniformly enforced by the LGA.

   The LGA shall offer ALL options of the medical plans, including any carriers, networks or plan types available to them. If the LGA elects to participate in the voluntary benefit plans, the LGA shall offer ALL options of those voluntary plans to employees for their selection, including any carriers, networks or plan types available to them.

2. At execution of this MOU, the LGA shall identify a contact person within the organization to serve as an Agency Benefits Coordinator ("ABC") . The ABC must be an employee of the LGA responsible for plan administration and be a liaison between the LGA, its employees and BA. Only ABCs shall have data update and/or inquiry access to Edison for the employees of the agency and their dependents. In no event shall an ABC allow an insurance agent, insurance broker or insurance agency access to Edison. Duties and responsibilities of the ABC are outlined in Section 2 of this document.

3. The LGA shall notify BA within ten (10) business days after a current ABC terminates employment or is no longer responsible for the duties of an ABC. The LGA shall also provide BA with contact information for the new ABC immediately upon designation.

4. The LGA shall notify BA within ten (10) business days of the appointment or election of a new Head of Agency.

5. A first time participating LGA shall complete the Retiree Coverage Election Form, selecting one of the retiree coverage options listed on the form and obtaining appropriate approvals and signatures as outlined on the form. Existing participating LGAs who have previously chosen to opt-in active employees and current retirees or a limited opt out with continued retiree coverage for only current retirees may change its election in a subsequent plan year in accordance with Plan Document section 4.06(A). All retiree coverage elections shall remain in effect unless changed in the manner set out in Plan Document section 4.06(A).

6. The LGA shall assist BA with any audits and other requests related to the compliance of all parties with the Plan Document, the Plan Document and Summary Plan Description for The Tennessee Plan, or eligibility rules for the voluntary plans within fifteen (15) business days of the request.

   The LGA shall be responsible for a financial assessment equal to any expense assessed to BA as a result of the LGA's failure to provide information as requested. BA may deduct assessed expenses from the LGA's Automatic Clearing House (ACH) debit account. BA reserves the ability to waive the assessment as it deems appropriate, and its decisions shall not be subject to appeal or review.

7. The LGA shall respond to survey and information requests from BA within fifteen (15) business days, including but not limited to surveys related to (a) employer/participating agency premium contributions for employees and dependents; (b) employer/participating agency contribution levels based on retirees' years of service for Government Accounting Standards Board Statement #75 (GASB 75)/Other Post-Employment Benefits (OPEB) purposes; and (c) documentation, including pamphlets, enrollment materials, policies, etc. of all additional benefits and other products offered by the employer/participating agency.

   Failure of the LGA to provide the information required by paragraph number 7 may result in BA assessing and collecting the costs incurred by the LGA's failure to cooperate. This assessment may include actuarial consulting fees and the additional cost to the plan caused by non-compliance. In addition, non-compliance may also result in termination of the LGA's participation in the plan. Additionally, the LGA's failure to provide the requested survey information with regard to data required for an OPEB calculation required by GASB 75 shall result in said LGA being excluded from the annual actuarial calculations, valuations and OPEB liability determinations by the actuaries under contract with the State's Department of Finance & Administration. BA reserves the ability to waive the assessment as it deems appropriate, and its decisions shall not be subject to appeal or review.

8. The LGA shall remit the premiums for health and any voluntary plans of coverage if applicable, by means of an ACH debit account. The LGA shall provide the Department of Finance & Administration with at least sixty (60) days' notice before making any change to its bank account or other information that may impact ACH transactions. The LGA shall use the ACH form, instructions and contact information available under the Agency Benefits Coordinator section of the Website as

described in item 33 of the Terms and Definitions section of this MOU.

9. LGA participation in the Local Government Plan shall continue for at least twenty-four (24) consecutive months unless the LGA is determined to be in violation of requirements which necessitates termination by the Local Government Committee.

10. If the LGA discontinues participation in the Local Government Plan, the LGA may not rejoin the Local Government Plan for twenty-four (24) consecutive months, following the date of termination. The LGA shall provide BA with a sixty (60)-day written notice before terminating its participation with the Local Government Plan. BA will terminate any COBRA or retiree participants, including retirees billed through their TCRS pension or direct bill, from the Plan, along with the active employees if the LGA terminates participation. See Exhibit A, Plan Withdrawal Document, for more detail regarding the withdrawal process.

11. A LGA participating in the Local Government Health Insurance Plan may offer the state-sponsored voluntary plan(s) to its employees and retirees. Retiree vision coverage may only be offered if the LGA has opted in to retiree medical coverage. The dental and/or vision voluntary plan(s) may be effective on the agency's original effective date or on a subsequent January 1. The LGA must submit a written intent to enroll notice to BA by July 1, or another date announced by BA, of the year preceding the January I effective date for dental and/or vision. LGA participation in the dental plan and/or vision plan shall continue for at least twelve (12) consecutive months coinciding with a calendar year. The LGA shall provide BA with a sixty (60) day written notice before terminating its participation in the voluntary plans. If the LGA discontinues participation in the dental and/or vision plan, the LGA acknowledges that its employees will not be eligible for COBRA and that the LGA may not rejoin the dental and/or vision plan for at least twelve (12) consecutive months, beginning on the date of termination. If the LGA rejoins the dental and/or vision plan, eligible employees may sign up during the next annual enrollment period. (For example, an agency that drops the dental plan as of 3/1/18 would not be able to offer the dental plan again until 1/1/20.) If a LGA discontinues participation in the medical insurance plan, participation in the voluntary plans will terminate on the same date as the medical insurance plan.

12. Prohibition on other coverages:
    (a) A LGA participating in the Local Government Health Insurance Plan **shall not** offer, subsidize or incentivize enrollment of individuals eligible for the state-sponsored group insurance program into any health plan, health insurance policy or medical expenses plan other than the state-sponsored group insurance plan (including state offered voluntary benefits) and those plans which constitute "additional benefits" as defined in (b) below. A LGA participating in the Local Government Plan may offer additional benefits approved by Benefits Administration, instead of or in addition to the voluntary benefits in the state group insurance program.

    (b) For the purpose of (a) above, the term "health plan" includes any health plan or policy, medical insurance plan or policy, excepted benefit policy, supplemental benefit policy, gap or bridge policy and any plan or policy that reimburses, indemnifies, contributes to, supplements or pays the costs of participating in the Local Government Health Insurance Plan, or provides coverage, subsidies or credits for services or pharmaceuticals covered by the Local Government Health Insurance Plan, including co-pays, member contributions, coinsurance and deductibles. For purposes of this MOU, this definition of "health plan" is not affected by whether a plan, or expenses paid under a plan, is considered a supplemental plan, health plan or an excepted benefit under Federal law.

    (c) Failure of the LGA to provide the information required by paragraph number 7 regarding additional benefit plans may result in Benefits Administration assessing and collecting the costs incurred by the LGA's failure to cooperate. This assessment may include actuarial consulting fees and the additional cost to the plan caused by non-compliance. In addition, non-compliance may also result in termination of the LGA's participation in the plan.

    (d) A LGA's offering, subsidizing or incentivizing participation in any product prohibited by section (a) above may result in Benefits Administration assessing and collecting the costs incurred by the

LGA's failure to cooperate. This assessment may include actuarial consulting fees and the additional cost to the plan caused by non-compliance. In addition, non-compliance may also result in termination of the LGA's participation in the plan.

13. If the LGA does not have any employees enrolled in health coverage for more than sixty (60) days, the agency will be terminated from the Local Government Plan and shall be ineligible to re-join the Local Government Plan for at least twenty-four (24) months.

14. The LGA shall abide by the refund policy as stated in the Local Government Plan Document, with the understanding that any ineligible claims will be recovered before a refund is released to the agency.

15. The LGA has the primary responsibility for determining eligibility pursuant to the provisions of the Plan Document and/or the voluntary benefits eligibility documents. The LGA may refer any eligibility question to BA for written clarification. In the absence of such written clarification, the LGA shall reimburse the State for the cost of benefits provided because of any inaccurate representation of eligibility that its employees may make that result in an otherwise ineligible individual becoming enrolled for and receiving benefits. The LGA shall terminate enrollment for the employee and dependents and notify BA when it is discovered that an employee and/or dependent(s) was ineligible for coverage.

16. All LGAs shall download the Premiums Due Collections Applied reports through Edison (the State's enterprise resource planning system used for the administration of benefits enrollment and premium data). If the LGA fails to download such reports and requests hard copies, the LGA shall first pay an annual fee of six hundred dollars ($600.00) to BA payable/collected through the ACH debit account. BA reserves the authority to waive the annual fee as it deems appropriate, and its decisions shall not be subject to appeal or review.

17. If the LGA has more than twenty-five (25) members, it shall maintain two (2) ABCs who have access to Edison at all times. For security purposes, no LGA shall have more than two ABCs with Edison access unless additional ABCs have been authorized by BA.

18. Each ABC shall perform data entry in Edison. This includes adding biographical and job information for all employees. If the LGA has less than one hundred (100) employees, it must maintain, at minimum, "view only" access to Edison and shall have the option to perform data entry in Edison but only through the end of the 2016 calendar year. Effective 1/1/2017, all LGAs shall perform data entry in Edison regardless of number of employees.

19. The LGA may request in writing a copy of its claims experience and/or enrollment information from BA. BA will only provide a copy of such report results directly to the ABC or other authorized LGA employee. At no time shall BA deliver such report to an insurance agent or broker. Such report shall not contain any personal identifiers or individual claims detail or other information restricted by HIPAA. The guidelines for release of claims and enrollment information and the formal “Request for Enrollment or Claims Information" may be found on the ABC section of the Website as described in item 33 of the Terms and Definitions section of this MOU. BA shall provide claims data consistent with the requirements to provide claims data under TCA §8-27-302(g).

20. The LGA shall notify BA within five (5) business days of receipt of a Medicare demand letter or other notice explaining that Medicare may have made a primary payment for services instead of a secondary payment for services. The LGA shall deliver a copy of such letter or other notice via facsimile, electronic mail or hard copy delivery within the same five-day time period.

21. The LGA shall maintain an up-to-date insurance file on each participating member which shall include, at a minimum, the signed "Employee Insurance Checklist - Local Government Plan" (a copy may be found on the ABC section of the website at www.tn.gov/partnersforhealth/agency-benefits-coordinators, a copy of any manually completed enrollment forms and a copy of any Edison reports reflecting benefits chosen by the member. The LGA can maintain either an electronic or hard copy (or both). Copies of files may be requested by BA for audit determination.

22. The LGA shall be responsible for complying with all employer reporting requirements and employee notifications required under the Patient Protection and Affordable Care Act (PPACA). Each agency on the Plan is considered to be a self-insured employer and must follow the self-insured reporting guidelines.

23. The LGA shall be responsible for any penalties imposed for failure to comply with PPACA. This responsibility includes but is not limited to penalties under the PPACA amendments to the Public Health Service Act (42 U.S.C. 300 gg et seq), the employer responsibility section of the Internal Revenue Code (26 U.S.C. 4980H), and regulations implementing those provisions. The LGA shall also reimburse BA for any expenses caused by the LGA's failure to terminate coverage in Edison when that failure leads to claims being paid after the coverage should have been terminated. This could create a risk of a rescission under the PPACA regulations if untimely notice leads to retroactive termination.

24. For each member termination, the LGA shall enter the termination into Edison or notify BA if the ABC does not have access to Edison within five (5) business days of the termination. The LGA shall reimburse the State for any penalties, fines, assessments or damages incurred associated with late COBRA and other notices that result from a delayed notification from the LGA to BA of the termination of an employee or member. Any termination entered after five (5) business days from the date of termination, shall be subject to premium refund provisions of the Local Government Plan Document.

25. To the extent that the LGA varies its employer contribution by benefit option, third party administrator or premium tier, the LGA assumes all compliance duties and risks associated with the statutory requirements of federal and state law, including but not limited to the nondiscrimination and wellness requirements in the Health Insurance Portability and Accountability Act (HIPAA, Pub. L. 104-191) as amended and the Americans with Disability Act (ADA, Pub. L. 101-336), as amended. The LGA may refer to "Contributions" in the Local Government Plan Document and any other publications or frequently asked questions (FAQs) which BA may publish for information regarding the State's contribution policy. The LGA shall also consult with its legal counsel to ensure that the LGA's approach is in compliance with all applicable legal requirements.

26. In the event that a change in federal laws or regulations, including but not limited to COBRA, requires changes in the procedures set out in Section l of this MOU, the LGA will comply with those requirements regardless of whether this MOU is formally amended.

27. Hold Harmless. The LGA agrees to reimburse the State for financial losses caused by the LGA's violation of Federal laws or regulations governing the conduct of a health insurance plan. Such Federal provisions include, but are not limited to the Patient Protection and Affordability Act (PPACA); the Health Insurance Portability and Accountability Act (HIPAA), the Health Information Technology for Economic and Clinical Health Act (HITECH), and the Consolidated Omnibus Budget Reconciliation Act (COBRA). The LGA's responsibility under this provision includes any fines, penalties or legal costs incurred by the State as a result of the LGA's violation of Federal law.

SECTION 1B - OTHER RESPONSIBILITIES OF THE LOCAL GOVERNMENT AGENCY - OBLIGATIONS AND ACTIVITIES WITH REGARDS TO HIPAA

HIPAA and HITECH Compliance

1. The LGA shall comply with obligations under HIPAA and HITECH and their accompanying regulations. The Local Government Plan is a covered entity under the Administrative Simplification Provisions of HIPAA. The LGA shall take all appropriate measures to protect the privacy and security of the protected health information it receives from members electing coverage under the Plan. All agency employees who have access to Edison insurance benefits are required to complete the annual HIPAA training online. Failure to comply with mandatory training requirements may result in suspension of insurance

benefits access. Training requirements will not be waived unless approved in advance by the BA HIPAA compliance officer.

2. The LGA warrants that it is familiar with the requirements of HIPAA and HITECH and their accompanying regulations and shall comply with all applicable HIPAA and HITECH requirements in the course of this Contract, including but not limited to the following:
   - Compliance with the Privacy Rule, Security Rule, Notification Rule;
   - The creation of and adherence to sufficient Privacy and Security Safeguards and Policies;
   - Timely reporting of violations in use and disclosure of PHI; and
   - Timely reporting of privacy and/or security incidents.

3. The LGA warrants that it will cooperate with the covered entity, including cooperation and coordination with covered entity privacy officials and other compliance officers required by HIPAA and HITECH and its regulations, in the course of performance of the duties so that both parties will be in compliance with HIPAA and HITECH.

Privacy & Confidentiality

1. The LGA shall develop, adopt and implement standards, which are, at a minimum, compliant with the HIPAA privacy and security rules in 45 CFR Part 164, to safeguard the privacy and confidentiality of all PHI about members. For example, the LGA shall ensure that it does not have completed forms containing PHI sitting in public view, left in unsecured boxes or files or left unattended in any off-site location (e.g., in an automobile). The LGA's procedures shall include but not be limited to safeguarding the identity of members as members of the State Group Insurance Program and preventing the unauthorized disclosure of PHI. The LGA shall comply with the HIPAA amendments in Public Law 111-5, the HITECH Act, and any implementing regulations when they become effective.

2. The PHI shall be used for the purposes of carrying out the responsibilities of this MOU related to the LGA's participation in the Local Government Insurance Plan.

3. The LGA shall not use or further disclose PHI other than as permitted or required by HIPAA; or as required by law. Use of PHI for payment, treatment or health care operations may include disclosure only as permitted by HIPAA, including when such information is strictly necessary to resolve the issue or concern under discussion and the person has adequate permission or legal authority to review such information.

4. The LGA shall use appropriate safeguards to prevent the unauthorized use or disclosure of the PHI. The LGA shall report to the State any unauthorized use or disclosure of the PHI.

5. The LGA shall mitigate, to the extent practicable, any harmful effect that is known to the LGA of a use or disclosure of PHJ by the LGA in violation of the requirements of the federal privacy rule.

6. The LGA shall provide access to PHI in a "designated record set" in order to meet the requirements under 45 CFR §164.524.

7. The LGA shall make any amendment(s) to PHI in a "designated record set" pursuant to 45 CFR §164.526.

8. The LGA shall document disclosures of PHI and information related to such disclosures as would be required to respond to a request by an individual for an accounting of disclosures of PHI in accordance with 45 CFR §164.528.

9. The LGA shall cooperate in making relevant records available to the secretary of health and human services for determining HIPAA compliance when required by 45 CFR 164.504(e)(2)(ii)(l)

10. The LGA shall (i) implement administrative, physical and technical safeguards that reasonably and appropriately protect the confidentiality, integrity and availability of the electronic PHI that it creates,

receives, maintains or transmits, (ii) report to the State any security incident (within the meaning of 45 CFR § 164.304) of which the LGA becomes aware, and (iii) ensure that any agent of the LGA, including any subcontractor, agrees to the same restrictions and conditions that apply to the LGA with respect to such information.

11. The LGA shall comply with all privacy and security requirements of the Health Insurance Portability and Accountability Act (HIPAA) of 1996 and the Health Information Technology for Economic and Clinical Health (HITECH) Act. Unless the State prior approves in writing the LGA's use of alternate mitigating controls, the LGA shall use Federal Information Processing Standards (FIPS) 140-2 compliant technologies to encrypt all PHI in motion or rest, including back-up media.

12. The LGA shall have full financial responsibility for any penalties, fines or other payments imposed or required as a result of the LGA's non-compliance with or violation of HIPAA or HITECH requirements, and the LGA shall indemnify the State with respect to any such penalties, fines or payments.

13. The LGA is authorized to use PHI for the purpose of carrying out its duties under the MOU. In the course of carrying out these duties, including but not limited to carrying out Benefits Administration's duties under HIPAA. LGA shall fully comply with the requirements under the Privacy Rule applicable to "business associates", as that term is defined in the Privacy Rule and not use or further disclose PHI other than as permitted or required by this agreement or as required by law. Business Associate is subject to requirements of the Privacy Rule as by Public Law 111-5, Section 13404 [designated as 42 U.S.C. 17934].

14. Minimum Necessary- LGA (and its agents or subcontractors) shall only request, use and disclose the minimum amount of protected information necessary to accomplish the purpose of the request, use or disclosure, in accordance with the Minimum Necessary requirements of the Privacy Rule including, but not limited to, 45 C.F.R. Sections 164.502(b) and 164.514(d).

15. Notification of Breach- During the term of this MOU, LGA shall notify Benefits Administration within two (2) business days of any suspected or actual breach of security, intrusion or unauthorized use or disclosure of PHI and/or any actual or suspected use or disclosure of data in violation of any applicable federal or state laws or regulations. LGA shall take (i) prompt corrective action to cure any such deficiencies and (ii) any action pertaining to such unauthorized disclosure required by applicable federal and state laws and regulations.

16. This Agreement authorizes and LGA acknowledges and agrees covered entity shall have the right to immediately terminate this agreement and service contracts in the event LGA fails to comply with, or violates a material provision of, requirements of the Privacy and/or Security Rule or this Memorandum. Upon termination of this MOU for any reason, LGA agrees to return or destroy PHI covered by this agreement at the direction of the Covered Entity as required by 45 CFR 164.504(e)(2)(ii)(J).

SECTION 2 - RESPONSIBILITIES OF THE AGENCY BENEFITS COORDINATOR (ABC)

Note: Applicable forms and publications may be found on the ParTNers For Health Website under the ABC heading.

1. The ABC shall serve as a liaison between the LGA, its employees and BA.

2. During the new employee orientation, the ABC shall:
   - Ensure the employee reviews and signs "Employee Insurance Checklist - Local Government Plan," which shall then be placed in the employee insurance file;
   - Provide to the new employee a TennCare notice and any other notices or information required by the Patient Protection and Affordable Care Act (PPACA), including the federal Marketplace letter;
   - Provide access to the "Benefits Administration Eligibility and Enrollment Guide" for Local Government Employees, HIPAA Notice of Privacy Practices brochure, applicable vendor materials, enrollment forms, any applicable dental and vision handbooks or brochures, provide

web address to locate the Summary of Benefits and Coverage tn.gov/partnersforhealth or provide a printed copy if requested, and provide any materials related to new plans of coverage to the new employee;
- Provide to the employee the deadline to return completed enrollment forms or make their selections online using Employee Self Service (ESS) in Edison;
- Describe to the eligible employee all available benefits options offered under the Local Government Plan;
- Ensure the employee receives any new employee orientation materials provided by BA;
- Explain to the employee the enrollment options including the consequences and next steps if the employee elects not to enroll either self and/or eligible dependents during the initial enrollment period, and how the annual enrollment period works;
- Identify the effective date of coverage for the employee and any dependents;
- Describe to the employee how and when to add newly acquired dependents, and explain the member's responsibility to provide documentation to verify dependent eligibility;
- Provide information to employee on premium amounts for all available benefit programs;
- Specify to the employee how to make changes to coverage or terminate coverage on either self or dependents, including the employee's obligation to immediately notify the ABC and BA of any change in dependent eligibility status;
- Review with the employee the impact of a leave of absence from employment on benefits;
- List for the employee the benefits options members have at the time of termination of employment (COBRA, retirement); and
- Ensure that each new employee is aware of the BA Website and the ParTNers For Health Website (as described in item 33 of the Terms and Definitions section of this MOU), the BA Service Center contact information, and the contact information for each vendor

3. All ABCs must participate in monthly/weekly ABC calls with BA staff.

4. All ABCs must complete any annual mandatory training offered by Benefits Administration. New ABCs, including those who are replacing other ABCs, shall complete initial mandatory training offered by Benefits Administration and may be required to pass a test to get system access. Initial ABC training must be completed within sixty (60) days of becoming a new ABC. Failure to comply with all training requirements will result in suspension of insurance benefits access. Training requirements will not be waived unless approved in advance by BA.

5. All new ABCs must complete initial HIPAA training module in Edison ELM within thirty (30) days of access to system. All ABCs (primary & backup) must complete the HIPAA training ANNUALLY during the scheduled training month or as otherwise prescribed. ABCs are responsible for enrolling and accessing the HIPAA training in the Edison ELM module. Failure to complete the annually HIPAA training will result in suspension of access to Edison and will not be restored until HIPAA training is complete. There is an instructional video for the training provided on the Partners for Health YouTube channel.

6. All ABCs shall comply with the procedures set forth in the "ABC Training Presentation - Session I and ABC Training Presentation - Session II" and the "External Agency Calendar" of Edison activities published on the ABC section of the Website as described in item 33 of the Terms and Definitions section of this MOU. Some of these procedures include but are not limited to:
   - Entering into Edison personal and job information for employees;
   - Answering general member questions on benefits and eligibility;
   - Keeping members' addresses and telephone numbers current in Edison; and
   - Downloading reports as necessary via Edison.

7. The ABC shall refer all eligibility or policy questions related to creditable years of service and monetary retirement benefits to the Tennessee Consolidated Retirement System (TCRS) staff. The ABC shall also be familiar with the various provisions in the "Local Government Plan Document" related to insurance benefits and eligibility for coverage. Questions about retiree eligibility and questions about the annual enrollment period for retirees shall be directed to BA. The ABC is responsible for certifying the Application to Continue Insurance at Retirement.

8. The ABC shall refer the member to the ParTNers For Health Website at www.tn.gov/partnersforhealth for information concerning the process for appeals. This information is available in the Member Handbooks, the Summary of Benefits and Coverage and the Plan Document,

all of which are posted on the Website.

9. The ABC shall answer general questions on the coverages offered by the Local Government Plan. The ABC shall refer any detailed eligibility inquiries to the BA Service Center. The ABC shall refer any detailed benefits inquiries to the appropriate insurance carrier.

10. The ABC shall coordinate or assist with events or benefits fairs related to these products, including reserving meeting space, as requested by BA and ensuring that employees/members are aware of these events.

11. The ABC shall assist with requests from BA to help with ensuring the agency members respond to requests for information and otherwise comply with sections "5.04, Subrogation"; "5.05, Right of Reimbursement"; and "5.06, Recovery of Payment" of the Local Government Plan Document.

12. Quarterly, upon request, the ABC shall provide an email address file for all their employees to Benefits Administration within fifteen (15) days of the request.

13. The ABC shall limit the number of administrative error letters submitted. Administrative errors submitted will be reviewed quarterly. An excessive amount of administrative error letters will result in BA contacting the ABC for retraining. The ABC shall lose access to Edison until retraining is completed. The number of errors allowed will be defined and communicated to all agencies based on agency size.

14. The ABC will be required to respond to a yearly audit of ABC security access for their agency. Failure to comply within the time frame given in the audit email communication will result in removal of the agency's access to the Edison system.

15. The ABC will receive quarterly reports from a data match with the NCOA (National Change of Address) database. The ABC shall update addresses in Edison based on the results.

16. The ABC will receive monthly emails on any missing valid Social Security numbers (SSN) for enrolled members. The ABC shall provide the correct SSN to BA by the end of the current month.

SECTION 3 - RESPONSIBILITIES OF BA

1. BA will notify the LGA of any annual premium increase or benefit changes as soon as this information is available.

2. BA, in conjunction with the State of Tennessee Comptroller of the Treasury, will conduct audits to verify that policies and procedures of the Local Government Plan Document are enforced. In addition, BA will conduct reviews of new enrollments to determine if they are eligible for coverage based on Plan Document provisions.

3. BA will publish an up-to-date version of the Plan Document on the ParTNers For Health Website and notify the LGA of any changes.

4. BA will establish and maintain a call center to assist the ABCs and LGA employees in understanding eligibility Plan provisions of and obtaining benefits under the Local Government Plan.

5. BA will provide information to the ABCs on the programs offered under the State Group Insurance Program.

6. BA will assist the ABCs with policy, premium and eligibility questions, processing enrollment/change applications and refund issues.

7. BA will provide each LGA with any available new employee orientation materials.

8. BA will provide training for ABCs. BA will refer new ABCs to the "ABC Training Presentation

- Day 1 and ABC Training Presentation - Day 2" and will answer questions on using Edison when contacted by ABCs.

9. BA will make available an electronic copy of the "ABC Training Presentation - Session I and ABC Training Presentation Session II" and post a monthly "External Agency Calendar" of scheduled Edison activities on the ParTNers For Health Website under the ABC heading.

10. BA will ensure that members have access to an appeals process.

11. BA will administer the continuation of insurance through COBRA.

12. Where appropriate, BA will provide the LGA with information necessary to assist the agency in complying with employer reporting requirements and employee notifications required PPACA.

13. BA will conduct monthly conference calls to provide information and updates. The conference calls will be held weekly leading up to and during the annual enrollment period. Weekly emails will be sent throughout the year to communicate updated information.

Legal Advice: This is a document that binds the signing parties to legally enforceable obligations. BA recommends that you have your legal counsel review this document. BA does not provide legal advice to LGAs and any information that BA provides concerning State or Federal laws is not intended as legal advice.

We understand and agree to abide by the terms and conditions set forth in this document.

LOCAL GOVERNMENT AGENCY:

_____

Primary ABC (Printed Name/Signature)

_____

Date

_____

Head of Agency (Printed Name/Signature)

_____

Date

_____

Fiscal Officer (Printed Name/Signature)

_____

Date

BENEFITS ADMINISTRATION:

By: Laurie Lee, Executive Director

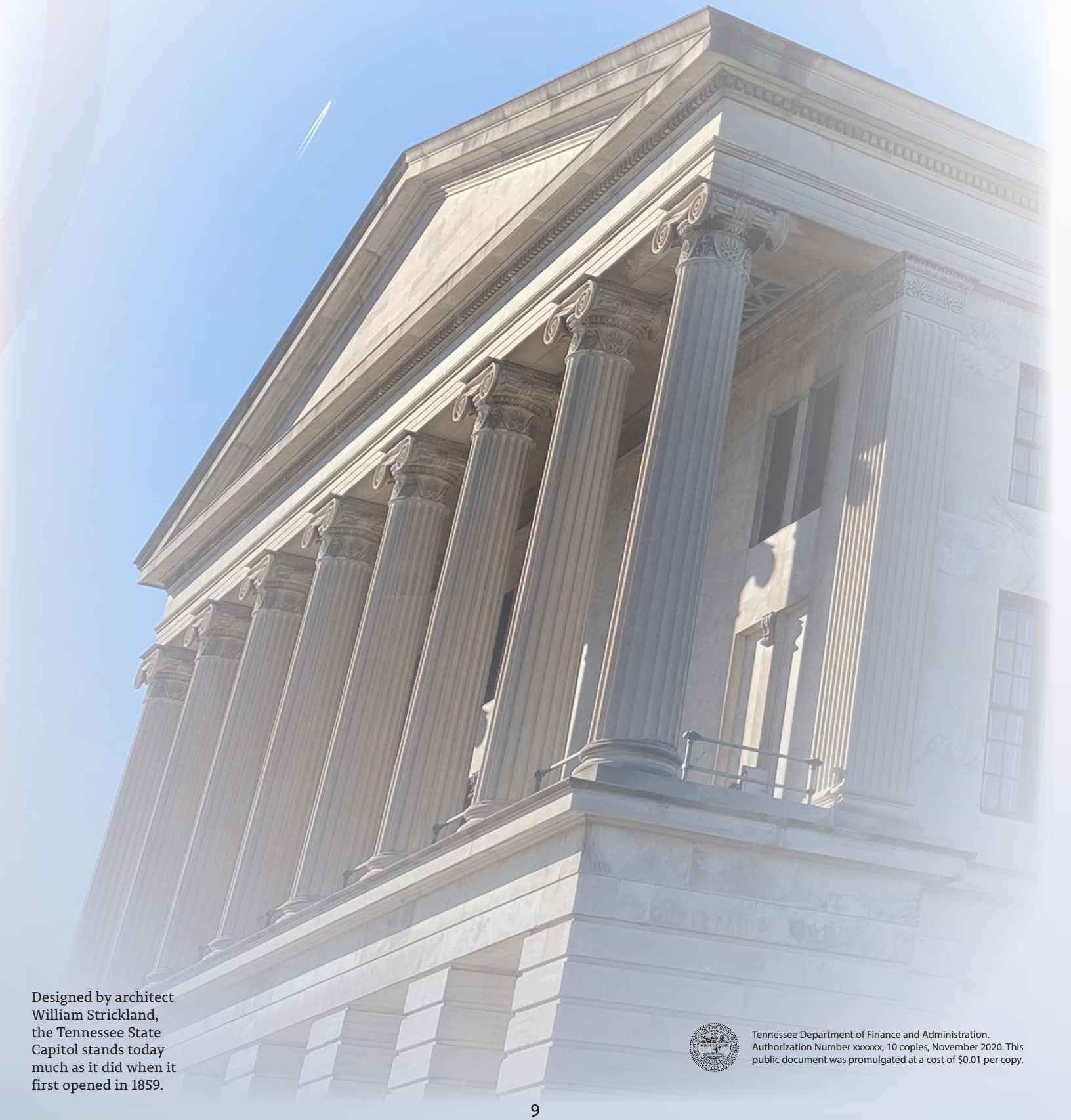
_____

Signature

_____

Date

PREMIUMS & BENEFITS



Designed by architect William Strickland, the Tennessee State Capitol stands today much as it did when it first opened in 1859.

Tennessee Department of Finance and Administration. Authorization Number xxxxxx, 10 copies, November 2020. This public document was promulgated at a cost of $0.01 per copy.

2021 Active Employees Monthly Health Premiums

ALL REGIONS						
	LEVEL 1		LEVEL 2		LEVEL 3	
	BCBST & CIGNA LOCALPLUS	CIGNA OPEN ACCESS	BCBST & CIGNA LOCALPLUS	CIGNA OPEN ACCESS	BCBST & CIGNA LOCALPLUS	CIGNA OPEN ACCESS
PREMIER PPO						
Employee Only	$698	$738	$780	$820	$848	$888
Employee + Child(ren)	$1,083	$1,123	$1,208	$1,248	$1,314	$1,354
Employee + Spouse	$1,501	$1,581	$1,677	$1,757	$1,823	$1,903
Employee + Spouse + Child(ren)	$1,886	$1,966	$2,106	$2,186	$2,290	$2,370
STANDARD PPO						
Employee Only	$654	$694	$731	$771	$794	$834
Employee + Child(ren)	$1,014	$1,054	$1,132	$1,172	$1,232	$1,272
Employee + Spouse	$1,407	$1,487	$1,570	$1,650	$1,708	$1,788
Employee + Spouse + Child(ren)	$1,767	$1,847	$1,973	$2,053	$2,145	$2,225
LIMITED PPO						
Employee Only	$507	$547	$567	$607	$617	$657
Employee + Child(ren)	$788	$828	$879	$919	$956	$996
Employee + Spouse	$1,092	$1,172	$1,220	$1,300	$1,326	$1,406
Employee + Spouse + Child(ren)	$1,373	$1,453	$1,531	$1,611	$1,666	$1,746
LOCAL CDHP/HSA						
Employee Only	$458	$498	$509	$549	$554	$594
Employee + Child(ren)	$708	$748	$791	$831	$859	$899
Employee + Spouse	$982	$1,062	$1,096	$1,176	$1,191	$1,271
Employee + Spouse + Child(ren)	$1,234	$1,314	$1,377	$1,457	$1,497	$1,577

The premium amounts shown reflect the total monthly premium. The different premium levels are based on the demographics of your agency. Please see your agency benefits coordinator for your monthly deduction, your employer's contribution or if you are unsure as to which premium level applies to you.

Benefit Comparison — In-Network [1] Benefits

PPO services in this table ARE NOT subject to a deductible. Local CDHP/HSA services in this table ARE subject to a deductible with the exception of in-network preventive care and 90-day supply maintenance medications. In the table, $ = your copayment amount; % = your coinsurance; and 100% covered or No charge = you pay $0 in-network.

	PREMIER PPO	STANDARD PPO	LIMITED PPO	LOCAL CDHP/HSA
PREVENTIVE CARE — OFFICE VISITS				
• Well-baby, well-child visits as recommended • Adult annual physical exam • Annual well-woman exam • Immunizations as recommended • Annual hearing and non-refractive vision screening • Screenings including Pap smears, labs, nutritional guidance, tobacco cessation counseling and other services as recommended	No charge	No charge	No charge	No charge
OUTPATIENT SERVICES — SERVICES SUBJECT TO A COINSURANCE MAY BE EXTRA				
Primary Care Office Visit • Family practice, general practice, internal medicine, OB/GYN and pediatrics • Nurse practitioners, physician assistants and nurse midwives (licensed healthcare facility only) working under the supervision of a primary care provider • Including surgery in office setting and initial maternity visit	$25	$30	$35	30%
Specialist Office Visit • Including surgery in office setting • Nurse practitioners, physician assistants and nurse midwives (licensed healthcare facility only) working under the supervision of a specialist	$45	$50	$55	30%
Behavioral Health and Substance Use [2] • Including virtual visits	$25	$30	$35	30%
Telehealth (approved carrier programs only)	$15	$15	$15	30%
Allergy Injection Without an Office Visit	100% covered	100% covered	100% covered	30%
Chiropractic and Acupuncture • Limit of 50 visits of each per year	Visits 1-20: $25 Visits 21-50: $45	Visits 1-20: $30 Visits 21-50: $50	Visits 1-20: $35 Visits 21-50: $55	30%
Convenience Clinic	$25	$30	$35	30%
Urgent Care Facility	$45	$50	$55	30%
Emergency Room Visit	$150	$175	$200	30%
PHARMACY				
30-Day Supply	$7 generic; $40 preferred brand; $90 non-preferred	$14 generic; $50 preferred brand; $100 non-preferred	$14 generic; $60 preferred brand; $110 non-preferred	30%
90-Day Supply (90-day network pharmacy or mail order)	$14 generic; $80 preferred brand; $180 non-preferred	$28 generic; $100 preferred brand; $200 non-preferred	$28 generic; $120 preferred brand; $220 non-preferred	30%
90-Day Supply (certain maintenance medications from 90-day network pharmacy or mail order) [3]	$7 generic; $40 preferred brand; $160 non-preferred	$14 generic; $50 preferred brand; $180 non-preferred	$14 generic; $60 preferred brand; $200 non-preferred	20% without first having to meet deductible
Specialty Medications (30-day supply from a specialty network pharmacy)	10%; min $50; max $150	10%; min $50; max $150	10%; min $50; max $150	30%

Footnotes on page 14

Benefit Comparison — In-Network[1] Benefits

PPO services in this table ARE subject to a deductible unless noted with a [5]. Local CDHP/HSA services in this table ARE subject to a deductible with the exception of in-network preventive care. In the table, % = your coinsurance.

	PREMIER PPO	STANDARD PPO	LIMITED PPO	LOCAL CDHP/HSA
PREVENTIVE CARE — OUTPATIENT FACILITIES				
• Screenings including colonoscopy, mammogram, colorectal, bone density scans and other services as recommended	No charge [5]	No charge [5]	No charge [5]	No charge
OTHER SERVICES				
Hospital/Facility Services [4] • Inpatient care; outpatient surgery • Inpatient behavioral health and substance use [2][6]	10%	20%	30%	30%
Maternity • Global billing for labor and delivery and routine services beyond the initial office visit	10%	20%	30%	30%
Home Care [4] • Home health; home infusion therapy	10%	20%	30%	30%
Rehabilitation and Therapy Services • Inpatient and skilled nursing facility [4]; outpatient • Outpatient IN-NETWORK physical, occupational and speech therapy [5]	10%	20%	30%	30%
X-Ray, Lab and Diagnostics (not including advanced x-rays, scans and imaging) [5]	10%	20%	30%	30%
Advanced X-Ray, Scans and Imaging • Including MRI, MRA, MRS, CT, CTA, PET and nuclear cardiac imaging studies [4]	10%	20%	30%	30%
All Reading, Interpretation and Results [5]	10%	20%	30%	30%
Ambulance (air and ground)	10%	20%	30%	30%
Equipment and Supplies [4] • Durable medical equipment and external prosthetics • Other supplies (i.e., ostomy, bandages, dressings)	10%	20%	30%	30%
Also Covered	Certain limited Dental benefits, Hospice Care and Out-of-Country Charges are also covered subject to applicable deductible and coinsurance. See separate sections in the Member Handbook for details.			
DEDUCTIBLE				
Employee Only	$500	$1,000	$1,800	$2,000
Employee + Child(ren)	$750	$1,500	$2,500	$4,000
Employee + Spouse	$1,000	$2,000	$2,800	$4,000
Employee + Spouse + Child(ren)	$1,250	$2,500	$3,600	$4,000
OUT-OF-POCKET MAXIMUM – MEDICAL AND PHARMACY COMBINED - ELIGIBLE EXPENSES, INCLUDING DEDUCTIBLE, COUNT TOWARD THE OUT-OF-POCKET MAXIMUM				
Employee Only	$3,600	$4,000	$6,800	$5,000
Employee + Child(ren)	$5,400	$6,000	$13,600	$10,000
Employee + Spouse	$7,200	$8,000	$13,600	$10,000
Employee + Spouse + Child(ren)	$9,000	$10,000	$13,600	$10,000

Footnotes on page 14

Benefit Comparison — Out-of-Network [1] Benefits

PPO services in this table ARE NOT subject to a deductible. Local CDHP/HSA services in this table ARE subject to a deductible with the exception of in-network preventive care and 90-day supply maintenance medications. In the table, $ = your copayment amount; % = your coinsurance; and 100% covered or No charge = you pay $0 in-network.

	PREMIER PPO	STANDARD PPO	LIMITED PPO	LOCAL CDHP/HSA
PREVENTIVE CARE — OFFICE VISITS				
• Well-baby, well-child visits as recommended • Adult annual physical exam • Annual well-woman exam • Immunizations as recommended • Annual hearing and non-refractive vision screening • Screenings including Pap smears, labs, nutritional guidance, tobacco cessation counseling and other services as recommended	$45	$50	$50	50%
OUTPATIENT SERVICES — SERVICES SUBJECT TO A COINSURANCE MAY BE EXTRA				
Primary Care Office Visit • Family practice, general practice, internal medicine, OB/GYN and pediatrics • Nurse practitioners, physician assistants and nurse midwives (licensed healthcare facility only) working under the supervision of a primary care provider • Including surgery in office setting and initial maternity visit	$45	$50	$55	50%
Specialist Office Visit • Including surgery in office setting • Nurse practitioners, physician assistants and nurse midwives (licensed healthcare facility only) working under the supervision of a specialist	$70	$75	$80	50%
Behavioral Health and Substance Use [2] • Including virtual visits	$45	$50	$55	50%
Telehealth (approved carrier programs only)	N/A	N/A	N/A	N/A
Allergy Injection Without an Office Visit	100% covered up to MAC	100% covered up to MAC	100% covered up to MAC	50%
Chiropractic and Acupuncture • Limit of 50 visits of each per year	Visits 1-20: $45 Visits 21-50: $70	Visits 1-20: $50 Visits 21-50: $75	Visits 1-20: $55 Visits 21-50: $80	50%
Convenience Clinic	$45	$50	$55	50%
Urgent Care Facility	$70	$75	$80	50%
Emergency Room Visit	$150	$175	$200	30%
PHARMACY				
30-Day Supply	copay plus amount exceeding MAC	copay plus amount exceeding MAC	copay plus amount exceeding MAC	50% coinsurance plus amount exceeding MAC
90-Day Supply (90-day network pharmacy or mail order)	N/A - no network	N/A - no network	N/A - no network	N/A - no network
90-Day Supply (certain maintenance medications from 90-day network pharmacy or mail order) [3]	N/A - no network	N/A - no network	N/A - no network	N/A - no network
Specialty Medications (30-day supply from a specialty network pharmacy)	N/A - no network	N/A - no network	N/A - no network	N/A - no network

Footnotes on page 14

Benefit Comparison — Out-of-Network [1] Benefits

PPO services in this table ARE subject to a deductible unless noted with a [5]. Local CDHP/HSA services in this table ARE subject to a deductible with the exception of in-network preventive care. In the table, % = your coinsurance.

	PREMIER PPO	STANDARD PPO	LIMITED PPO	LOCAL CDHP/HSA
PREVENTIVE CARE — OUTPATIENT FACILITIES				
• Screenings including colonoscopy, mammogram, colorectal, bone density scans and other services as recommended	40%	40%	50%	50%
OTHER SERVICES				
Hospital/Facility Services [4] • Inpatient care; outpatient surgery • Inpatient behavioral health and substance use [2][6]	40%	40%	50%	50%
Maternity • Global billing for labor and delivery and routine services beyond the initial office visit	40%	40%	50%	50%
Home Care [4] • Home health; home infusion therapy	40%	40%	50%	50%
Rehabilitation and Therapy Services • Inpatient and skilled nursing facility [4]; outpatient • Outpatient IN-NETWORK physical, occupational and speech therapy [5]	40%	40%	50%	50%
X-Ray, Lab and Diagnostics (not including advanced x-rays, scans and imaging) [5]	10%	20%	30%	50%
Advanced X-Ray, Scans and Imaging • Including MRI, MRA, MRS, CT, CTA, PET and nuclear cardiac imaging studies [4]	40%	40%	50%	50%
All Reading, Interpretation and Results [5]	10%	20%	30%	30%
Ambulance (air and ground)	10%	20%	30%	30%
Equipment and Supplies [4] • Durable medical equipment and external prosthetics • Other supplies (i.e., ostomy, bandages, dressings)	40%	40%	50%	50%
Also Covered – Certain limited Dental benefits, Hospice Care and Out-of-Country Charges are also covered subject to applicable deductible and coinsurance. See separate sections in the Member Handbook for details.				
DEDUCTIBLE				
Employee Only	$1,000	$2,000	$3,600	$4,000
Employee + Child(ren)	$1,500	$3,000	$4,800	$8,000
Employee + Spouse	$2,000	$4,000	$5,500	$8,000
Employee + Spouse + Child(ren)	$2,500	$5,000	$7,200	$8,000
Out-of-pocket maximum – medical and pharmacy combined - eligible expenses, including deductible, count toward the out-of-pocket maximum				
Employee Only	$4,000	$4,500	$10,400	$8,000
Employee + Child(ren)	$6,000	$6,750	$20,800	$16,000
Employee + Spouse	$8,000	$9,000	$20,800	$16,000
Employee + Spouse + Child(ren)	$10,000	$11,250	$20,800	$16,000

Only eligible expenses will apply toward the deductible and out-of-pocket maximum. Charges for non-covered services and amounts exceeding the maximum allowable charge (MAC) will not be counted. For PPO Plans, no single family member will be subject to a deductible or out-of-pocket maximum greater than the "employee only" amount. Once two or more family members (depending on premium level) have met the total deductible and/or out-of-pocket maximum, it will be met by all covered family members. For Local CDHP Plan, the deductible and out-of-pocket maximum amount can be met by one or more persons, but must be met in full before it is considered satisfied for the family. No one family member may contribute more than $8,550 to the in-network family out-of-pocket maximum total. See the "Out of Pocket Maximums" section in the Member Handbook for more details. For Local CDHP Plan, coinsurance is after deductible is met unless otherwise noted.

[1] Subject to maximum allowable charge (MAC). The MAC is the most a plan will pay for a covered service. For non-emergent care from an out-of-network provider who charges more than the MAC, you will pay the copay or coinsurance PLUS the difference between MAC and actual charge.

[2] The following behavioral health services are treated as "inpatient" for the purpose of determining member cost-sharing: residential treatment, partial hospitalization/day treatment programs and intensive outpatient therapy. In addition to services treated as "inpatient," prior authorization (PA) is required for certain outpatient behavioral health services including, but not limited to, applied behavioral analysis, transcranial magnetic stimulation, electroconvulsive therapy, psychological testing, and other behavioral health services as determined by the Contractor's clinical staff.

[3] Applies to certain antihypertensives for coronary artery disease (CAD) and congestive heart failure (CHF); oral diabetic medications, insulin and diabetic supplies; statins; medications for asthma, COPD (emphysema and chronic bronchitis), depression and osteoporosis medications.

[4] Prior authorization (PA) required. When using out-of-network providers, benefits for medically necessary services will be reduced by half if PA is required but not obtained, subject to the maximum allowable charge. If services are not medically necessary, no benefits will be provided.

[5] For PPO Plans, the deductible DOES NOT apply.

[6] Select Substance Use Treatment Facilities are preferred with an enhanced benefit - PPO members won't have to pay a deductible or coinsurance for facility-based substance use treatment; CDHP members must meet their deductible first, then coinsurance is waived. Copays for PPO and deductible/coinsurance for CDHP will apply for standard outpatient treatment services. Call 855-Here4TN for assistance.

Monthly Dental Premiums

2021 Monthly Dental Premiums

	CIGNA PREPAID PLAN	METLIFE DPPO PLAN
ACTIVE MEMBERS		
Employee Only	$13.84	$23.64
Employee + Child(ren)	$28.75	$54.36
Employee + Spouse	$24.54	$44.72
Employee + Spouse + Child(ren)	$33.74	$87.50
COBRA PARTICIPANTS		
Employee Only/Single	$14.12	$24.11
Employee + Child(ren)	$29.33	$55.45
Employee + Spouse	$25.03	$45.61
Employee + Spouse + Child(ren)	$34.41	$89.25
COBRA DISABILITY PARTICIPANTS		
Employee Only/Single	$20.76	$35.46
Employee + Child(ren)	$43.13	$81.54
Employee + Spouse	$36.81	$67.08
Employee + Spouse + Child(ren)	$50.61	$131.25
RETIREE PARTICIPANTS		
Retiree Only	$15.23	$30.52
Retiree + Child(ren)	$31.63	$70.18
Retiree + Spouse	$27.01	$57.74
Retiree + Spouse + Child(ren)	$37.10	$112.98

Covered Dental Services

Here is a comparison of member share, including deductible, coinsurance or copay under the dental options. Costs represent what the member pays.

	CIGNA PREPAID OPTION		METLIFE DPPO OPTION	
COVERED SERVICES	**GENERAL DENTIST**	**SPECIALIST DENTIST**	**IN-NETWORK**	**OUT-OF-NETWORK**
Annual Deductible	none		$25 single; $75 family, per policy year [1]	$100 single; $300 family, per policy year [1]
Annual Maximum Benefit	none		$1,500 per person, per policy year	
Pre-existing Conditions	covered		some exclusions	
Office Visit	$10 copay [2]		no charge	20% of MAC
Periodic Oral Evaluation	no charge		no charge	20% of MAC
Routine Cleaning – Adult	no charge		no charge	20% of MAC
Routine Cleaning – Child	no charge	$15 copay	no charge	20% of MAC
X-ray — Intraoral, Complete Series	no charge	$5 copay	no charge	20% of MAC
Amalgam (silver) Filling Two Surfaces Permanent teeth	$8 copay	$10 copay	20% of MAC	40% of MAC
Endodontics — Root Canal Therapy Molar (excluding final restoration)	$125 copay [7]	$600 copay [7]	20% of MAC	40 % of MAC
Major Restorations — Crowns	$190 copay, plus lab fees [3] [7]		50% of MAC [4]	
Extraction of Erupted Tooth (minor oral surgery)	$15 copay	$70 copay	20% of MAC	40% of MAC
Implant (endosteal)	$1,025 copay [7]	$1,025 copay [7]	50% of MAC	
Removal of Impacted Tooth — Complete Bony (complex oral surgery)	$100 copay	$120 copay	50% of MAC [4][8]	
Dentures — Complete Upper	$310 copay, plus lab fees [3] [7]		50% of MAC [4][8]	
Orthodontics	$140 monthly copay for treatment equal or less than 24 months. Then, full charge.[6]		50% of MAC	
• Annual Deductible	none		none	
• Lifetime Maximum	$3,360 copay ($140 x 24 months) for treatment fee only. Then, member pays full charge after initial 24 months. [6]		$1,250 [5]	
• Waiting Period	none		12 months	
• Age Limit	none		up to age 19	

MAC—Maximum Allowable Charge is the highest dollar amount of reimbursement for specific dental procedures provided by DPPO network providers The in-network dentists have agreed to not charge members or the plan more than the MAC. When a member receives dental services from an out-of-network provider, the out-of-network dentist will be paid by the plan for covered procedures according to the in-network MAC and respective plan coinsurance. The member then is responsible for all other charges by the out-ofnetwork dentist. Review additional information on the ParTNers for Health website tn.gov/partnersforhealth.html under Other Benefits and Dental.

[1] Does not apply to diagnostic and preventive benefits such as periodic oral evaluation, cleaning and x-ray.
[2] A charge may apply for a missed appointment when the member does not cancel at least 24 hours prior to the scheduled appointment.
[3] Members are responsible for additional lab fees for these services.
[4] A 6-month waiting period applies. (See #8 for additional information for dentures and implants.)
[5] The orthodontics lifetime maximum is for a dependent member enrolled in the state group dental insurance program even if the member has been covered under different employing agencies.
[6] Additional copays apply for specific orthodontic procedures. Cigna will not cover orthodontic procedures after a member's effective date with Cigna Prepaid if orthodontic treatment began prior to the member's effective date. Orthodontic treatment started under the prior Cigna Prepaid contract with the state will continue to be covered under the new Cigna Prepaid contract effective January 1, 2021.
[7] Completion of crowns, bridges, dentures, implants, or root canal already in progress on member's effective date of coverage with Cigna Prepaid will not be covered.
[8] A 12-month waiting period applies to dentures and implants to replace one or more natural teeth missing before member's effective date of coverage

Monthly Vision Premiums

	BASIC PLAN	EXPANDED PLAN
ACTIVE MEMBERS		
Employee Only	$3.07	$5.56
Employee + Child(ren)	$6.13	$11.12
Employee + Spouse	$5.82	$10.57
Employee + Spouse + Child(ren)	$9.01	$16.35
COBRA PARTICIPANTS		
Employee Only/Single	$3.13	$5.67
Employee + Child(ren)	$6.25	$11.34
Employee + Spouse	$5.94	$10.78
Employee + Spouse + Child(ren)	$9.19	$16.68
COBRA DISABILITY PARTICIPANTS		
Employee Only/Single	$4.61	$8.34
Employee + Child(ren)	$9.20	$16.68
Employee + Spouse	$8.73	$15.86
Employee + Spouse + Child(ren)	$13.52	$24.53
RETIREE PARTICIPANTS		
Retiree Only	$3.07	$5.56
Retiree + Child(ren)	$6.13	$11.12
Retiree + Spouse	$5.82	$10.57
Retiree + Spouse + Child(ren)	$9.01	$16.35
Spouse Only	$3.07	$5.56
One Child Only	$3.07	$5.56
Two or More Children Only	$6.13	$11.12
Spouse + Children Only	$6.13	$11.12

Covered Vision Services

Here is a comparison of discounts, copays and allowed amounts for 2021 under the vision options. Copays represent what the member pays. Allowances and percentage discounts represent the cost the carrier will cover. Actual costs and benefits may vary based upon the plan design selected. Exclusions and limitations may apply. Out-of-network member costs can be found in the Davis Vision Handbook at https://www.tn.gov/partnersforhealth/publications/publications.html.

SERVICE	BASIC PLAN IN-NETWORK COSTS [1]	EXPANDED PLAN IN-NETWORK COSTS [1]
Eye Exam With Dilation as Necessary	$0 copay	$10 copay
Retinal Imaging	$39 copay	$39 copay
Contact Lens fit and Follow up (standard/premium)	80% of charge	$50/$60 copay
Eyeglass Benefit—Frame		
Retail Frame	80% of balance over $55[2]	80% of balance over $150[2]
Visionworks Frame	Covered in full	Covered in full
The Exclusive Collection[3] (Fashion/Designer/Premier)	In lieu of retail frame $0/$15/$40 copay	In lieu of retail and Visionworks frame $0/$0/$0 copay
Eyeglass Benefit—Spectacle Lenses		
Single Vision, Bifocal, Trifocal & Lenticular Lenses	$0 copay	$0 copay
Progressive Lenses (Standard/Premium/Ultra/Ultimate)	80% of balance over $55; not to exceed $65/$105/$140/$175 out of pocket	$50/$90/$140/$175 copay
High-index (1.67/1.74)	80% charge not to exceed $60/$120	$60 copay/$120 copay
UV Treatment	80% of charge up to $15	$10 copay
Tint (solid and gradient)	80% of charge up to $15	$15 copay
Standard Polycarbonate (adults/children[4])	80% of charge up to $35/$0 copay	$30 copay/$0 copay
Anti-reflective Coating (Standard/Premium/Ultra/Ultimate)	80% or charge up to $40/$55/$69/$85	$40/$55/$69/$85 copay
Polarized	80% of charge up to $75	80% of charge up to $75
Plastic Photochromic Lenses	80% of charge up to $70	80% of charge up to $70
Scratch coating (standard plastic/premium scratch-resistant)	$0 copay/80% of charge up to $30	$0 copay/$30 copay
Scratch Protection Plan (single vision/multifocal lenses)	$20 copay/$40 copay	$20 copay/$40 copay
Trivex Lenses	80% of charge up to $50	$50 copay
Digital Single Vision (intermediate) lenses	80% of charge up to $30	$30 copay
Blue Light Filtering	80% of charge up to $15	$15 copay
Other Add-ons and Services	80% of charge	80% of charge
Contact Lenses		
Conventional and Disposable	80% of balance over $55	80% of balance over $140
Visually Required[5]	80% of balance over $155	$0 copay
Frequency of Vision Benefits		
Eye Exam	Once every calendar year	Once every calendar year
Eyeglass Lenses	Once every calendar year	Once every calendar year
Frames	Once every two calendar years	Once every two calendar years
Contact Lenses	Once every calendar year in lieu of eyeglasses	Once every calendar year in lieu of eyeglasses
Contact Lens Evaluation, Fitting and Follow-up	Once every calendar year in lieu of eyeglasses	Once every calendar year in lieu of eyeglasses

[1] Member pay will not be greater than the copay, but could be less based upon the actual charge.
[2] $0 copay for eyeglass frames at Visionworks.
[3] Collection is available at most participating eye care professional offices. Collection is subject to change.
[4] Polycarbonate lenses are covered in full for dependent children, monocular patients and patients with prescriptions 6.00 diopters or greater.
[5] If visually required as first contact lenses following cataract surgery, or multiple pairs of rigid contact lenses for treatment of keratoconus.