

December 2023

CUSTOMER CARE

Benefits Committee Meeting



**Teacher Retirement System of
Texas**

1000 Red River Street
Austin, Texas
78701-2698

**TEACHER RETIREMENT SYSTEM OF TEXAS MEETING
BOARD OF TRUSTEES
AND
BENEFITS COMMITTEE**

*(Committee Chair and Members: Mr. Williams, Chair;
Mr. Ball, Ms. Allred, Ms. Sissney, and Mr. Walls, Jr.)*

*All or part of the December 7, 2023, meeting of the TRS Benefits Committee and Board of Trustees may be held by telephone or video conference call as authorized under Sections 551.130 and 551.127 of the Texas Government Code. The Board intends to have a quorum and the presiding officer of the meeting physically present at the following location, which will be open to the public during the open portions of the meeting: **1000 Red River, Austin, Texas 78701 in the TRS East Building, 5th Floor, Boardroom.***

The open portions of the December 7, 2023, meeting are being broadcast over the Internet. Access to the Internet broadcast and agenda materials of the meeting is provided at www.trs.texas.gov. A recording of the meeting will be available at www.trs.texas.gov.

AGENDA

December 7, 2023 – 9:00 a.m.

1. Call roll of Committee members.
2. Consider the approval of the proposed minutes of the September 2023 committee meeting – Committee Chair.
3. Receive an update and consider the following regarding TRS pension benefits program:
 - A. Consider recommending to the Board a resolution directing staff to prepare for and issue a cost-of-living adjustment consistent with the provisions of Senate Bill 10 as passed by the 88th Texas Legislature and authorized by the passage of the constitutional amendment (HJR 2).
 - B. Consider recommending to the Board acceptance of the Medical Board Meeting minutes of July and September 2023 meetings – Barbie Pearson;
 - C. Consider recommending to the Board approval of Benefit Payments for September – November 2023 – Barbie Pearson; and
 - D. Benefit Services Fiscal Year 2023 Operations update, including annual inactive accounts report and the El Paso Regional Office one year report – Barbie Pearson, Tony Pena, Deanna DeGraw, Adam Fambrough, Jennifer Gasior and Mark Chi.
4. Receive an update and consider the following regarding TRS health insurance benefits program:

NOTE: The Board of Trustees (Board) of the Teacher Retirement System of Texas will not consider or act upon any item before the Benefits Committee (Committee) at this meeting of the Committee. This meeting is not a regular meeting of the Board. However, because the full Committee constitutes a quorum of the Board, the meeting of the Committee is also being posted as a meeting of the Board out of an abundance of caution.

- A. Receive an update on the TRS-Care Retirees Advisory Committee (RAC) meeting held on November 2, 2023 – Grace Mueller; and
- B. Receive an update on administration and performance by TRS-Care and TRS-ActiveCare – Meaghan Bludau, Kyle McKay, and Monica Bernal.

Minutes of the Benefits Committee September 14, 2023

The Benefits Committee of the Board of Trustees of the Teacher Retirement System of Texas met on September 14, 2023, in the boardroom located on the Fifth Floor in the East Building of TRS' offices located at 1000 Red River Street, Austin, Texas, 78701.

Committee members present:

Mr. Elvis Williams, Chair
Ms. Brittny Allred
Mr. Michael Ball
Ms. Nanette Sissney
Mr. Robert H. Walls, Jr.

Other TRS Board Members present:

Mr. David Corpus
Mr. John Elliott
Mr. James Dick Nance
Mr. Jarvis V. Hollingsworth

Others who participated:

Brian Guthrie, TRS	Kirsten Schatten, Segal Group
Andrew Roth, TRS	
Don Green, TRS	
Amanda Jenami, TRS	
Barbie Pearson, TRS	
Katrina Daniel, TRS	
Heather Traeger, TRS	
Katherine Farrell, TRS	
Adam Fambrough, TRS	
Christina Juarez, TRS	
Monica Bernal, TRS	
Suzanne Dugan, Cohen Milstein	

Benefits Committee Chair, Mr. Elvis Williams, called the meeting to order at 11:22 a.m.

1. Call roll of Committee members.

Ms. Farrell called the roll. A quorum was present.

2. Consider the approval of the proposed minutes of the July 2023, Benefits Committee meeting – Chair Elvis Williams.

On a motion by Mr. Walls, seconded by Mr. Ball, the committee unanimously approved the proposed minutes for the July 2023 Benefits Committee meeting as presented.

3. Receive an update and consider the following regarding TRS pension benefits program:

A. Consider recommending to the Board acceptance of the Medical Board Meeting minutes for May 2023 – Barbie Pearson;

Ms. Barbie Pearson recommended to the Committee to recommend to the Board acceptance of the Medical Board meeting minutes for May 2023.

On a motion by Ms. Sissney, seconded by Ms. Allred, the committee unanimously voted to recommend to the Board acceptance of the Medical Board meeting minutes for May 2023.

B. Consider recommending to the Board approval of Benefit Payments for June – August 2023 – Barbie Pearson;

Ms. Pearson recommended to the Committee to recommend to the Board the approval of benefit payment for June through August 2023.

On a motion by Mr. Ball, seconded by Mr. Walls, the committee unanimously voted to recommend to the Board approval of benefit payment for June through August 2023.

C. Receive a Benefit Services Operational update – Barbie Pearson.

Ms. Pearson reviewed eleven months of the fiscal year's performance levels for the Benefits division. She noted due to the timing of the meeting the data for the last month of the fiscal year was not final. She reported the Benefit Services conducted over a million transactions with members and beneficiaries for this period. She also reported over \$11 billion in benefit payments to annuitants as well. She reviewed the benefit enhancement payments for the 70 to 74 year olds and then the 75 plus. She said 280,000 one-time stipends were issued totaling over \$1.5 billion. Ms. Pearson concluded by reviewing staffing and performance measures for the divisions.

4. Receive an update and consider the following on the administration and performance by TRS-Care and TRS-ActiveCare:

A. Consider recommending to the Board Retiree Advisory Committee Appointments including Chair and Vice Chair – Katrina Daniel and Christina Juarez;

Ms. Katrina Daniel noted there were three members rolling off of the Retiree Advisory Committee (RAC). Ms. Christina Juarez reviewed the nomination and evaluation process staff conducted in making its recommendations. She said for the retired teacher position, staff recommends Dr. Mary Ann Whiteker who has 44 years of experience as a teacher, an administrator, and a superintendent. She said for the retired school administrator position, staff recommends Ms. Tonya Davis who has 25 years of experience in payroll and employee benefits. She said for the active teacher position staff recommends Ms. Sherry Miller who is the incumbent with over 38 years of experience. Ms. Juarez said staff recommends Ms. Nancy Byler who currently holds the vice chair position be designated as the RAC chair. She also recommended Dr. Mary Widmier who joined the RAC in 2022 to be the vice chair.

On a motion by Ms. Sissney, seconded by Mr. Walls, the committee unanimously approved the following resolution recommending to the Board Retiree Advisory Committee appointments, including the chair and vice chair, as presented by staff:

RESOLUTION
FILLING VACANCIES ON THE RETIREE ADVISORY COMMITTEE AND
NAMING A NEW CHAIRMAN AND VICE CHAIRMAN
September 15, 2023

Whereas, Chapter 1575, Insurance Code (the “Texas Public School Retired Employees Group Benefits Act”), governs the Texas Public School Retired Employees Group Benefits Program, hereinafter referred to as TRS-Care, and authorizes the Teacher Retirement System of Texas (TRS), as trustee, to take actions necessary to devise, implement, and administer TRS-Care, as described in the statute;

Whereas, Subchapter I of Chapter 1575 (Sections 1575.401 through 1575.408) of the Insurance Code creates the Retiree Advisory Committee (“RAC”), whose duties include holding public hearings on group coverage, and recommending to the trustee minimum standards and features for TRS-Care and desirable changes in rules and legislation affecting TRS-Care;

Whereas, Section 1575.402 of the Insurance Code mandates the RAC be composed of seven members appointed by the trustee: one member who is an active school administrator, one member who is a retired school administrator, two members who are active teachers, and three members who are retired teachers;

Whereas, Section 1575.403 of the Insurance Code establishes that RAC members serve staggered four-year terms. The terms of the active school administrator, active teacher, and two retired teachers expire on February 1, 2002, and every fourth year after that date; and the remaining three members’ terms expire February 1, 2004, and every fourth year after that date;

Whereas, Section 1575.404 of the Insurance Code requires the trustee to fill vacancies on the RAC by appointing a person who meets the qualifications applicable to the vacated position;

Whereas, the terms of current RAC member Grace Mueller, as a retired teacher RAC member; Dr. H. John Fuller, as a retired school administrator; and Sherry Miller as an active teacher RAC member, will come to an end on January 31, 2024, and it is necessary for the Board to appoint new RAC members to fill their vacancies;

Whereas, the Board acknowledges the service provided by these exiting RAC members, and releases them from their duties at the end of their terms, as stated before, with sincere gratitude for their dedication and service;

Whereas, the Bylaws of the Board of Trustees of the Teacher Retirement System of Texas require the Board of Trustees to designate the chairman and vice chairman of the RAC;

Whereas, this Board of Trustees desires to nominate three new members to the RAC, and name a new Chairman and a new Vice Chairman; now, therefore, be it

Resolved, That the Board appoints Mary Ann Whiteker as a retired teacher RAC member, whose appointment will begin on February 1, 2024;

Resolved, That the Board appoints Tonya Davis as a retired school administrator RAC member, whose appointment will begin on February 1, 2024;

Resolved, That the Board appoints Sherry Miller as an active teacher RAC member, whose appointment will begin on February 1, 2024;

Resolved, That the Board appoints Nancy Byler as the new Chairman of the RAC effective on February 1, 2024; and

Resolved, That the Board appoints Dr. Mary Widmier as the new Vice Chairman of the RAC effective on February 1, 2024.

B. Consider recommending to the Board adoption of TRS-ActiveCare Individually Underwritten Rates for an employer entering during a transitional year – Katrina Daniel and Kirsten Schatten, Segal Group;

Ms. Daniel reported that Killeen ISD approached TRS in May about joining TRS-ActiveCare. She noted Killeen had never been in TRS-ActiveCare and their plan year followed a calendar year as opposed to the academic year that ActiveCare follows. She said since the Region 12 rates were already set, without Killeen ISD, a separate premium was written for just Killeen. She said a corresponding rule is being proposed in the policy committee that establishes the process by which districts on any plan year cycle may come in to TRS-ActiveCare. The proposed rates for Killeen ISD are higher than the region's rates but are still going to save Killeen ISD about \$10 million off of the projected spend if they had stayed with their current provider. Ms. Daniel said the proposed rates will start in January and run through end of August and then in September Killeen ISD will be included in Region 12 rates. Trustee Ball thanked Ms. Daniel and the team for providing great customer service to an employing district in Texas.

On a motion by Mr. Ball, seconded by Ms. Allred, the committee unanimously voted to recommend to the Board the following resolution adopting TRS-ActiveCare Individually Underwritten Rates for an employer entering during a transitional year, as presented by staff:

**RESOLUTION APPROVING RATES FOR NEW SPECIAL
TRANSITIONAL PLAN APPLICANT
September 15, 2023**

Whereas, Chapter 1579, Insurance Code (the "Texas School Employees Uniform Group Health Coverage Act"), governs the Texas School Employees Group Benefits Program, hereinafter referred to as TRS-ActiveCare, and authorizes the Teacher Retirement System of Texas (TRS), as trustee, to implement and administer TRS-ActiveCare, as described in the statute;

Whereas, Section 1579.052, Insurance Code, allows the trustee to adopt rules relating to, and to administer TRS-ActiveCare, and take the actions it considers

necessary to devise, implement, and administer TRS-ActiveCare;

Whereas, Section 1579.101, Insurance Code, allows the trustee to establish by rule health plans for group coverages for employees participating in TRS-ActiveCare and their dependents;

Whereas, under such authority, and in the interest of accommodating eligible entities desiring to elect to participate in TRS-ActiveCare but that may find it challenging because they have plan years which do not align with TRS-ActiveCare's plan year, which runs from September 1st to August 31st of each year, TRS proposed to the Policy Committee of the Board, which recommended that the Board adopt a new rule 41.53 to Title 34 of the Texas Administrative Code, which creates a Special Transitional Plan for such entities;

Whereas, having fulfilled all administrative procedures required to adopt this new rule 41.53 and the Board having authorized its adoption;

Whereas, based on the proposed new rule 41.53, the Killeen Independent School District (ISD) manifested interest in a Special Transitional Plan to begin on January 1, 2024, and provided the required information under Section 41.45 so that TRS can provide a quote for such plan;

Whereas, TRS staff and consultants assisting staff (the "Consultants") evaluated the information submitted by Killeen ISD under new rule 41.53, and have determined the appropriate rates applicable to a Special Transitional Plan that would be issued to Killeen ISD from January 1, 2024 to August 31, 2024, until their enrollment in the regular TRS-ActiveCare plan effective on September 1, 2024;

Whereas, the Board considered the information provided by TRS staff and the Consultants and desires to approve the recommendations by TRS staff and the Consultants; now, therefore, be it

Resolved, That the Board hereby adopts and authorizes the following rates for a Special Transitional Plan to be issued to Killeen ISD, from January 1, 2024 to August 31, 2024:

Killeen Jan - Aug 2024 Rates
Rates Effective: January 1, 2024

		Monthly Premium
Primary	Single	\$538.00
	EE/SP	\$1,453.00
	EE/CH	\$915.00
	Family	\$1,829.00
Primary+	Single	\$631.00
	EE/SP	\$1,642.00
	EE/CH	\$1,074.00
	Family	\$2,085.00
HD	Single	\$552.00
	EE/SP	\$1,491.00
	EE/CH	\$939.00
	Family	\$1,878.00

Resolved, That the Board hereby authorizes the Executive Director or his designees to take any actions that are necessary or advisable to implement the premium rates as adopted or authorized herein, and to take any actions that are necessary or advisable to otherwise devise, implement, and administer the Special

Transitional Plan for Killeen ISD in accordance with new rule 41.53, until further action by the Board. This resolution shall not be interpreted as a commitment for TRS to issue a Special Transitional Plan. Killeen ISD will be required to timely submit a full application for the Special Transitional Plan and an election to participate in the regular TRS-ActiveCare plan effective on September 1, 2024, in accordance with new rule 41.53 and rule 41.30.

C. Receive a Health Plan Update – Monica Bernal.

Ms. Daniel concluded with a summary of quarter three and four accomplishments. As noted, she said, September 1 is the beginning of ActiveCare plan year. She gave a shout-out to the team for success in enrolling about a thousand employers, representing nearly half a million lives in the state of Texas. She reported the new Pharmacy Benefit Manager started on September 1 for ActiveCare and will start on January 1 for retiree health plan. She said on September 1, day one, nearly 90,000 pharmacy claims were processed successfully. She also reported the retiree health fairs have launched and will continue for a couple of months across the state where the new year and new benefits are reviewed. She concluded by noting both funds are in good stead.

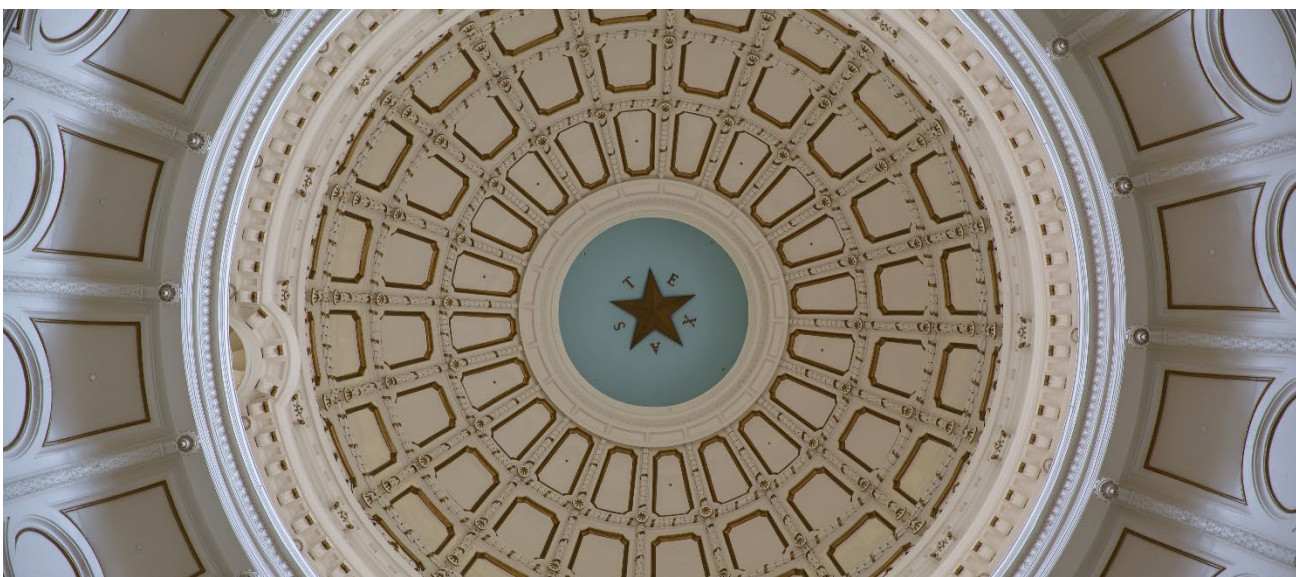
There being no more business before the Benefits Committee, the committee adjourned at 10:02 a.m.

Approved by the Benefits Committee of the Board of Trustees of the Teacher Retirement System of Texas on December____, 2023.

Katherine H. Farrell
Secretary of the TRS Board of Trustees

Date

TAB 3



Benefit Services Update

Barbie Pearson, Mark Chi, Deanna DeGraw, Adam Fambrough, Jennifer Gasior, Tony Peña

Dec. 7, 2023





Pension Benefits Update

Fiscal Year 2024

FY2023 Objectives Review

Inactive Account Update

Stipend & COLA Update

Regional Office Update

Department Updates



946,069
Transactions



1,008,613
**Customer
Interactions**

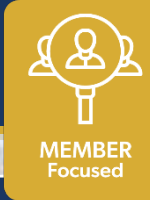
Objectives Review



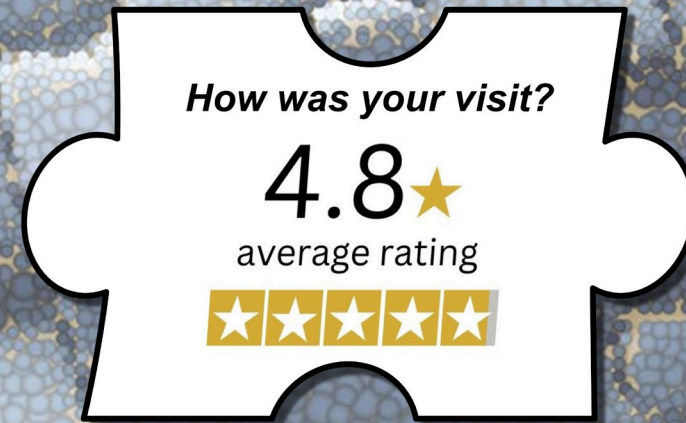
Business Activity	Objectives	FY Target	FY22	FY23
Refunds	Refunds validated within five business days of receiving final deposit and all paperwork	95%	97%	94%
Benefit Estimates	Benefit estimates mailed within 31 days of request	90%	29%	100%
Retirements	Retirees receiving first annuity payment on time	98%	80%	88%
Death Claims (acknowledged)	Claims acknowledged within 14 days of receipt of death notification	90%	83%	99%
Death Claims (payments)	Claims payments issued within 31 days of receipt of all required paperwork	95%	31%	96%
Reporting Employer	Regular payroll reports completed by the end of each quarter (cumulative for fiscal year)	90%	99%	99%
Foundational Training	Provide pension benefits foundational classroom training for all new hires (cumulative)	100%	98%	97%



Objectives Review



Business Activity	Objectives	FY Target	FY22	FY23
Telephone Calls	Calls answered within three minutes	80%	19%	86%
	Average Speed of Answer (minutes/seconds)		20:09	1:19
Office Visits (Austin)	Number of office visits available annually	20,000	13,885	20,367
Conducted	In person:		4,314	5,098
	Live video:		3,609	4,464
	Telephone:		1,830	3,023
	Walk ins:		401	1,335
Office Visits (El Paso)	Number of office visits available annually	5,000	N/A	3,824
Conducted	In person:			1,483
	Live video:			1,198
	Telephone:			746
	Walk ins:			1,040
Quality Assurance	Number of telephone interactions evaluated	5,000	4,990	7,914



Inactive Account Report – FY2023

Background

TRS is required to make reasonable efforts to locate and notify members with inactive accounts or, if appropriate, the member's heirs of their entitlement to a return of contributions. TX Gov't Code § 825.502

The board of trustees adopted the Inactive Account Outreach Policy on Dec. 7, 2021. Policy requires staff to provide an annual update on outreach efforts.

August –
December 2022

- 139,768 letters mailed



May 2023

- 32,430 additional letters mailed

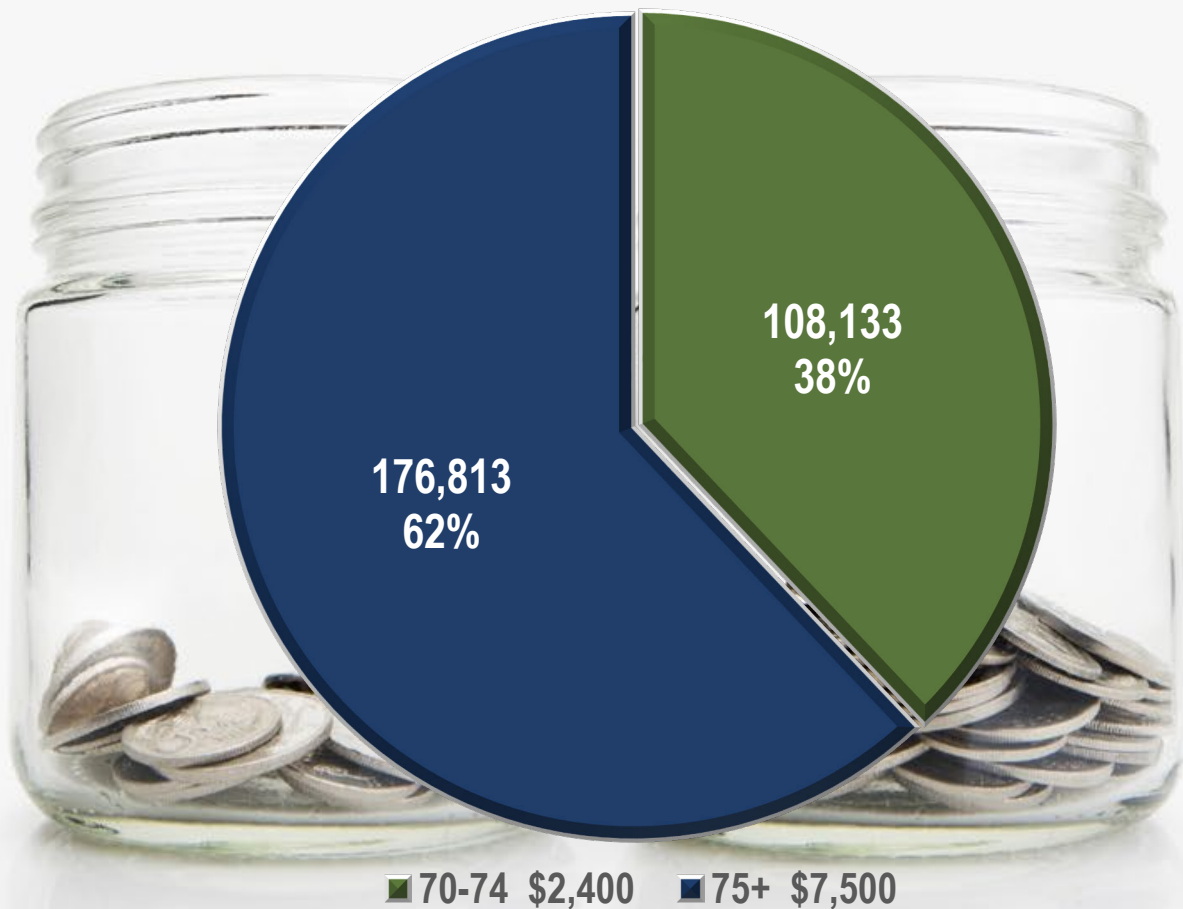


Results

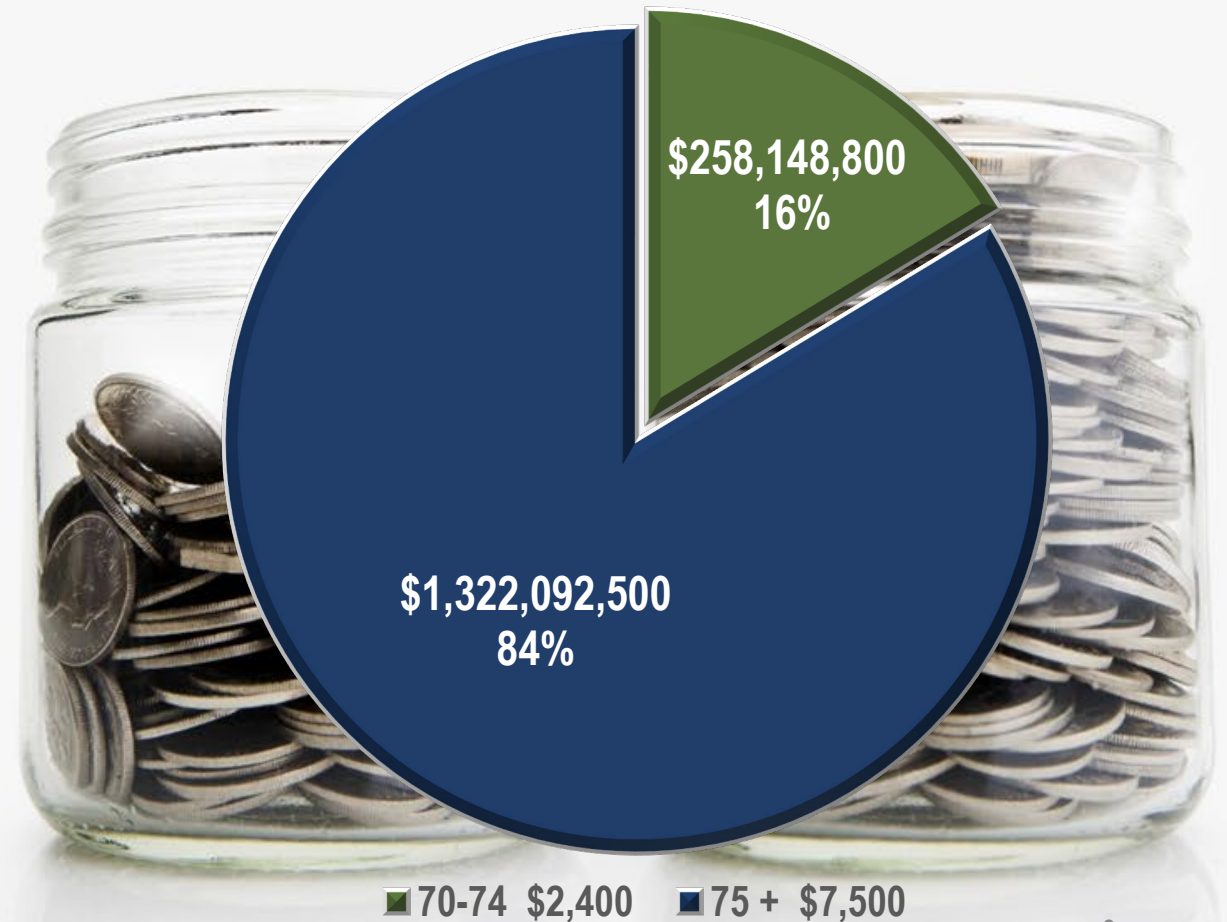
- \$69,913,993 paid to 27,690 members

2023 Stipend Update

Number of Payments

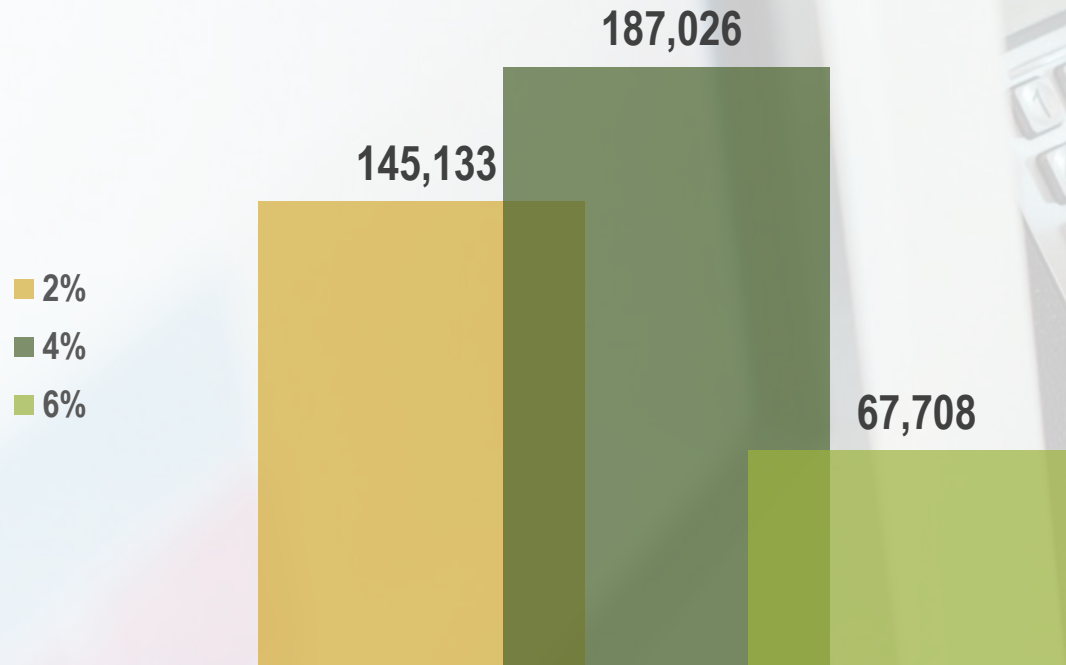


Stipend Dollars

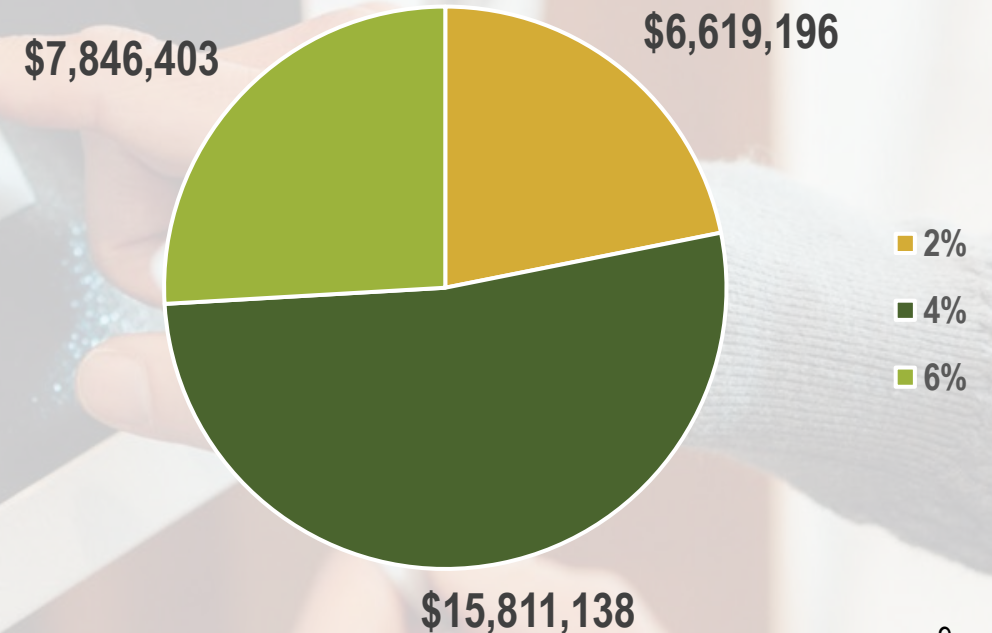


Monthly projected increase to payroll is \$30,276,737

Number of Retirees by Percent Increase



Monthly Dollars by Percent Increase



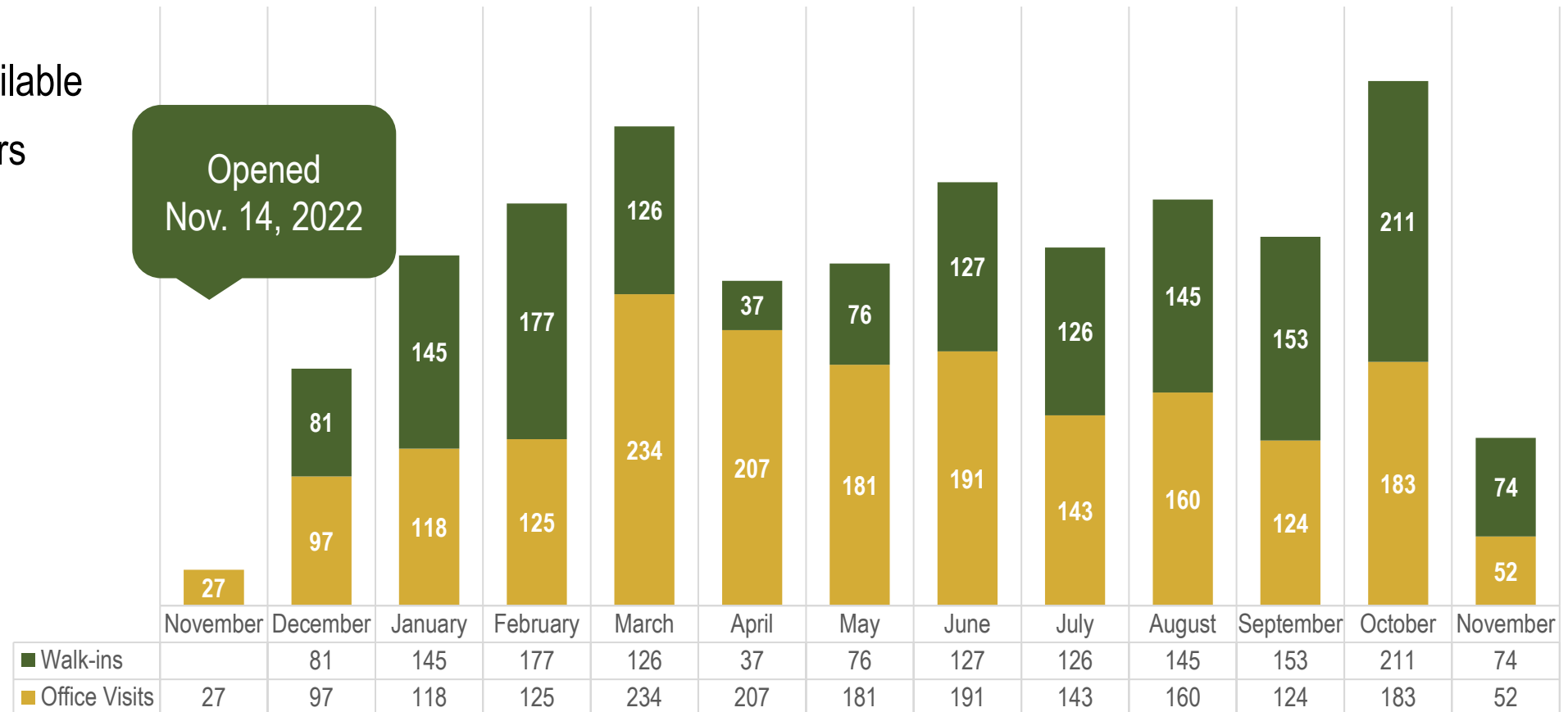
Regional Office Annual Update

Members Served in El Paso Nov. 14, 2022 thru Nov.13, 2023

- 5,400 appointments available
- 3,320 in-person members
- 1,842 OV appointments
- 1,478 walk-in members

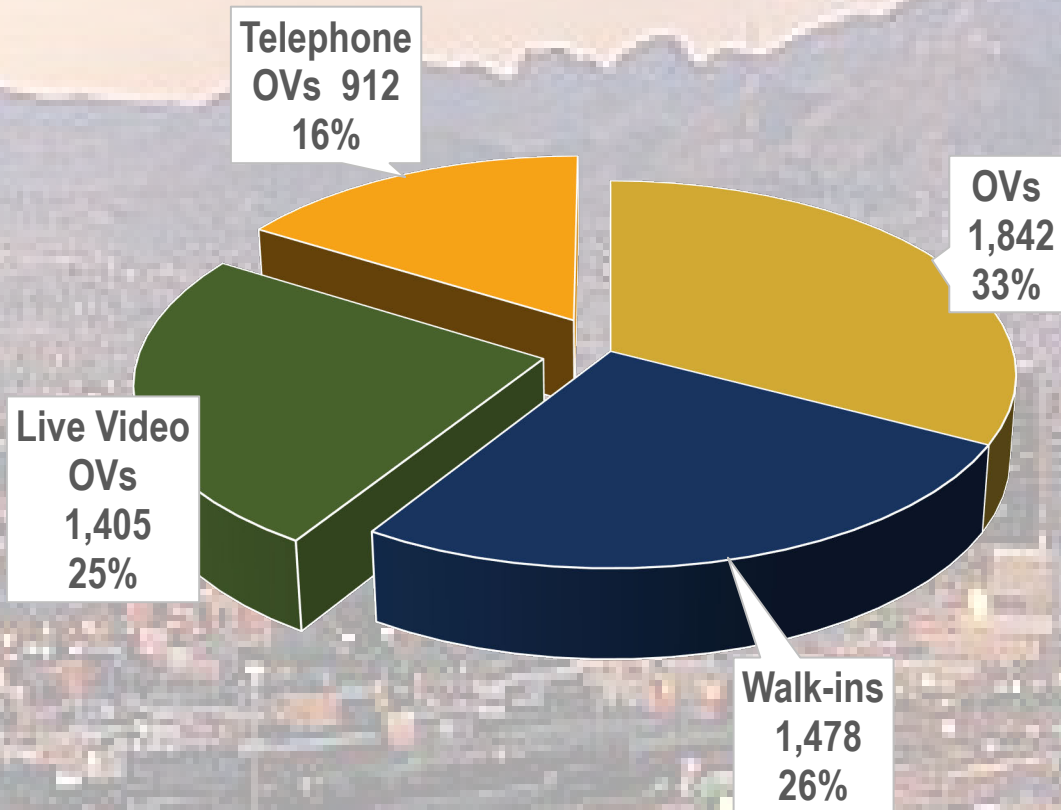
MEMBERS SERVED IN EL PASO

Office Visits Walk-ins



11/14/2022 – 11/13/2023

Member Service



- 59% of service occurred in El Paso Regional Office
- 41% of service supported live-video and phone appointments
- FY 2024 – Engagement Plan



2023 Annuity Payroll

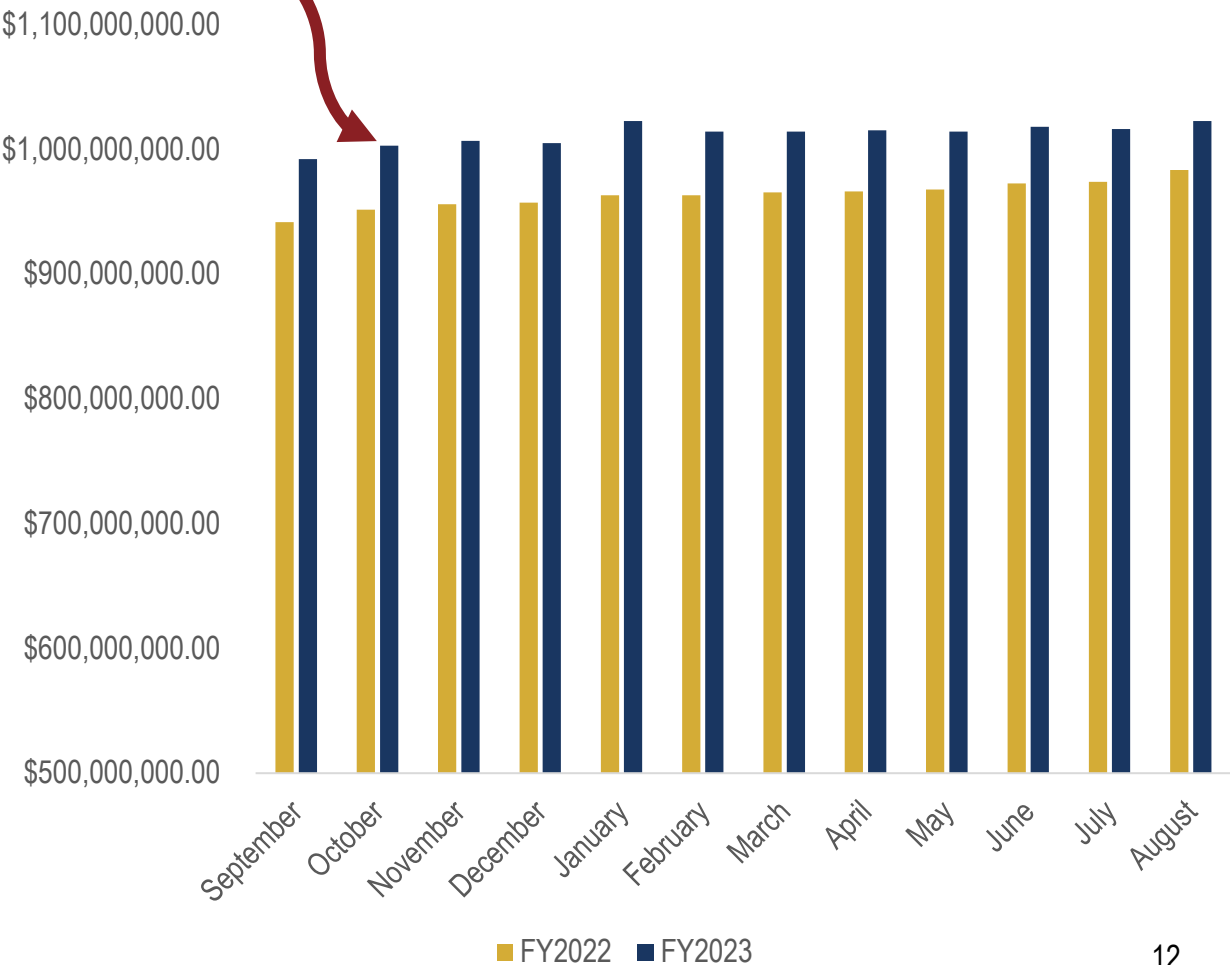
Direct Deposits
98%



Checks
2%

\$1B+ Monthly Payroll!

Annuity Payroll



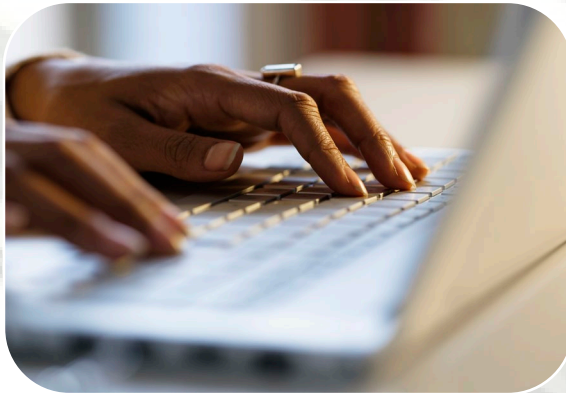
Type	# of Payments	%	Total Net Payments
Direct Deposits	5,690,851	98%	\$10,569,218,936.89
Checks	133,537	2%	\$1,575,590,471.54
Total:	5,824,388	100%	\$12,144,809,408.43

Benefit Accounting – Disbursements FY2023



22,698

Forms Processing



4,943

Payment Updates



23,608

Manual Payments



\$279,699

EAR Collections



Employer Training

54 Sessions
2,453 Attendees



Telephone Service

9,765



E-mail

213,367



Employer Portal Chat

333

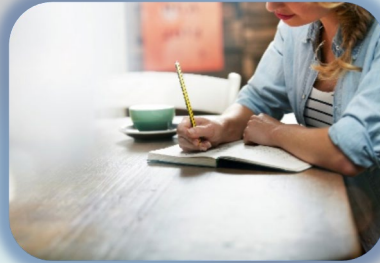
Member Service Review – Backoffice Processing – FY2023



908,217
Transactions



22,978
Retirements



84,577
**Benefit
Estimates**



15,203
**Claims
Acknowledged**



23,670
Claims Paid



77,223
Refunds Paid

S E R V I C E



Secure E-Mail

- 42,376 Member e-mails answered



Office Visits

- 16,012 Office visits
- 2,375 Walk-ins



Presentations

- 74 Presentations
- 5,588 Attendees



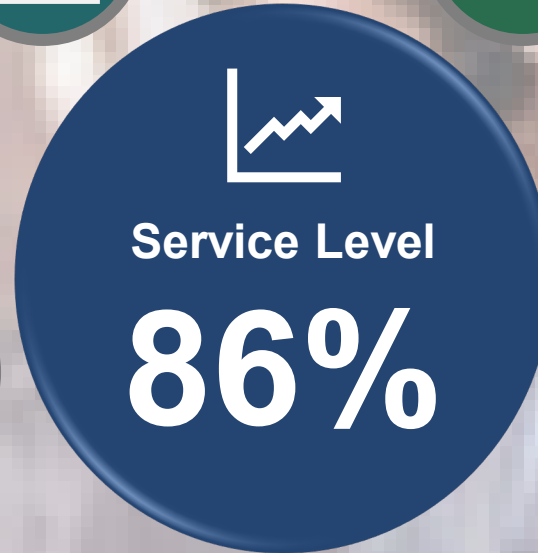
Group OV & Form Sessions

- 42 Sessions
- 194 Attendees



Telephone Calls

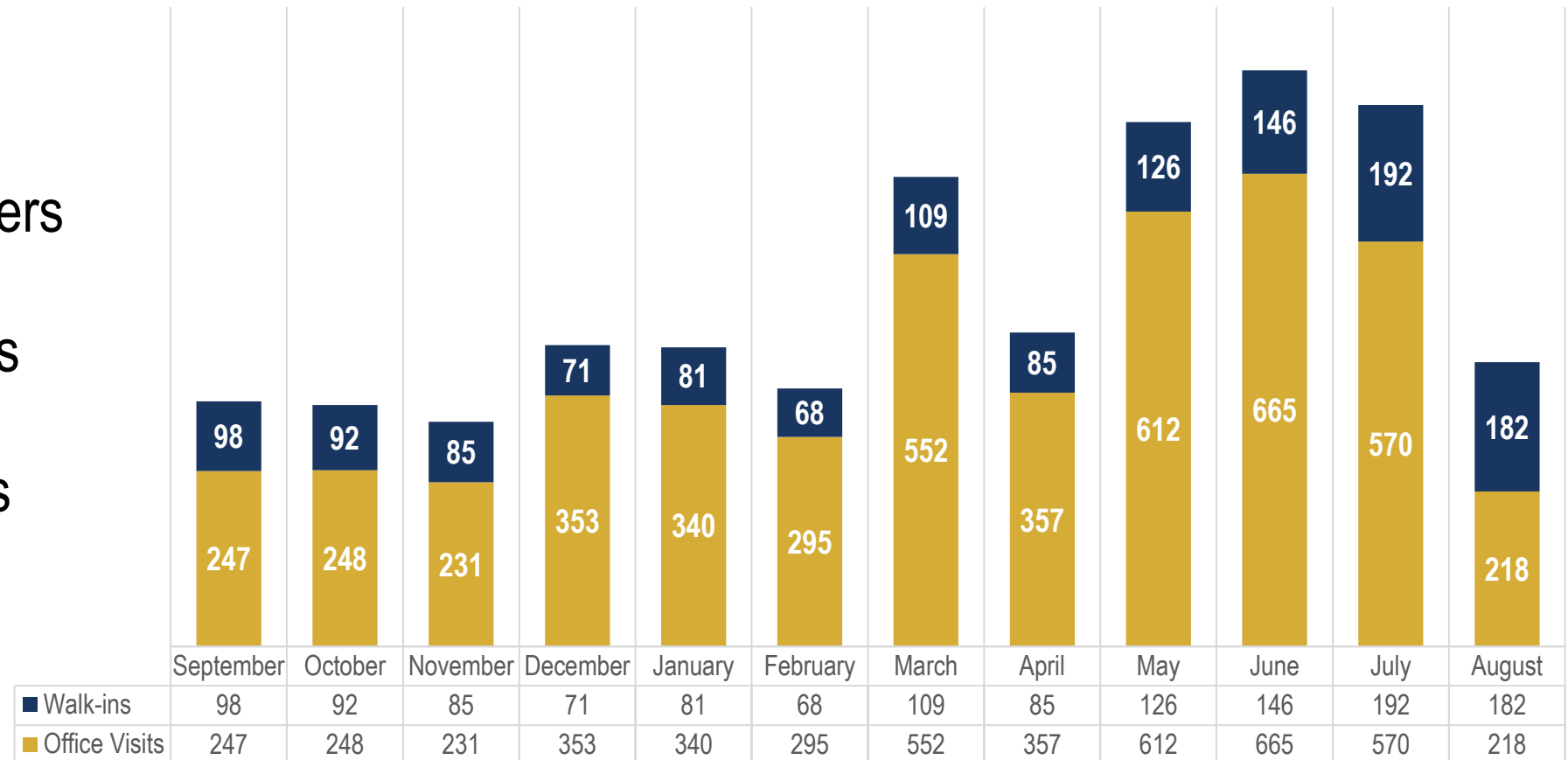
- 709,518 Member Calls answered



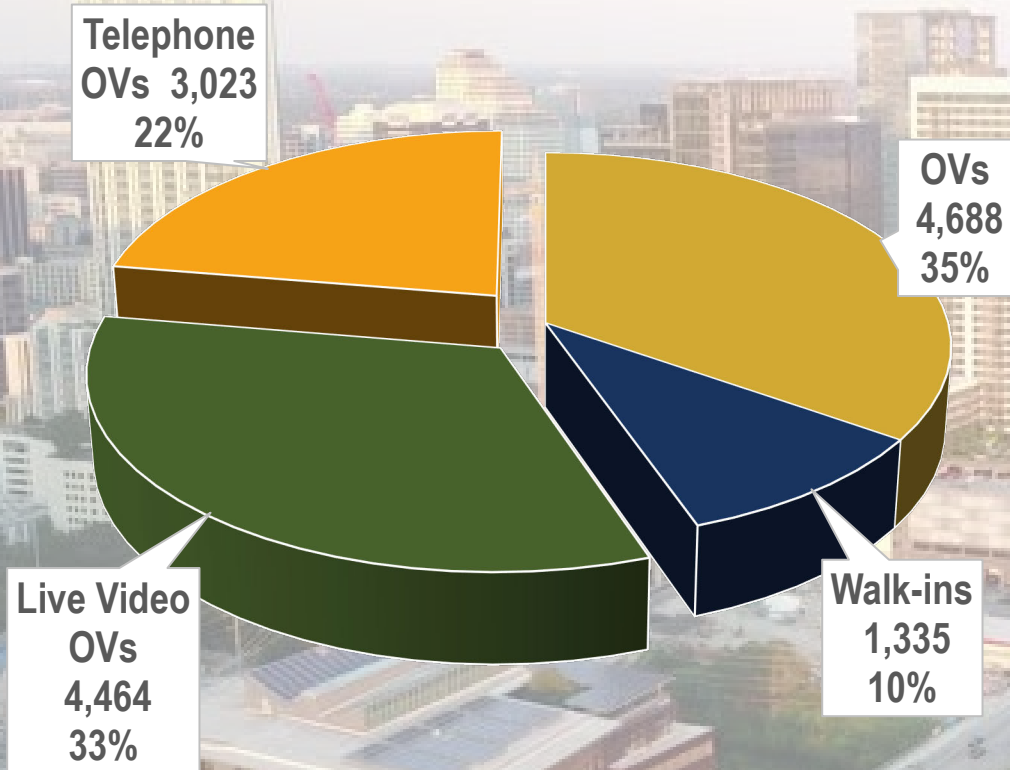
MEMBERS SERVED IN AUSTIN

Office Visits Walk-ins

- 20,367 appointments available
- 6,023 in-person members served
- 4,688 OV appointments conducted
- 1,335 walk-in members served



Member Service



- 45% percent of service occurred in-person
- 55% of service supported live-video and phone appointments
- When not serving members, OVs answer calls & secure emails



MEMBER
Focused



BENEFIT SERVICES

2023 ACCOMPLISHMENTS



BENEFIT OPERATION SUPPORT

17
DASHBOARDS created by Workforce Management to track data for Benefit Operation Support and Benefit Counseling.

91
NEW EMPLOYEES SUCCESSFULLY TRAINED virtually.

18
eLEARNING RESOURCE TRAINING COURSES were created for Benefit Services.

BENEFIT COUNSELING

EXCEEDED SERVICE LEVEL
(goal: 80%)



20,367
EXCEEDED OFFICE VISIT AVAILABILITY
(goal: 20,000)

12,585 OFFICE VISIT APPOINTMENTS
1,335 WALK-INS
74 PRESENTATIONS

BENEFIT ACCOUNTING

Issued
5,824,388 ANNUITY PAYMENTS
totaling **OVER \$12B**

Mailed
553,000+
Form 1099-R in January 2023 and
190+ Form 1042-S in March 2023.

Conducted **54 VIRTUAL AND IN-PERSON TRAINING SESSIONS** with **2,453** attendees.

Increased the number of trained RE coaches **FROM 13 TO 23**, which **LOWERED** the average number of REs per coach from **OVER 100 TO 60**.

ASSISTED REPORTING EMPLOYERS with completion of **99%** of all Regular Payroll reports in FY23. **100%** of FY23 Regular Payroll reports were complete by year end.

9,765 calls
213,367 emails
333 web chats for REs

BENEFIT PROCESSING

Improved **SERVICE LEVELS** from FY22 to FY23 in the following areas:

	FY22	FY23
ESTIMATES	29%	100%
RETIREMENTS	80%	88%
CLAIMS NOTIFICATIONS	83%	90%
CLAIMS PAYMENTS	31%	96%

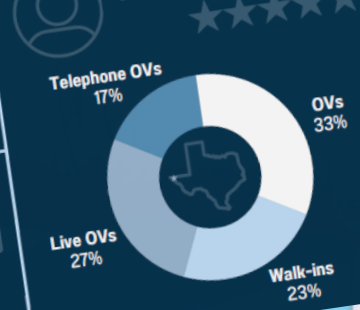
EL PASO REGIONAL OFFICE

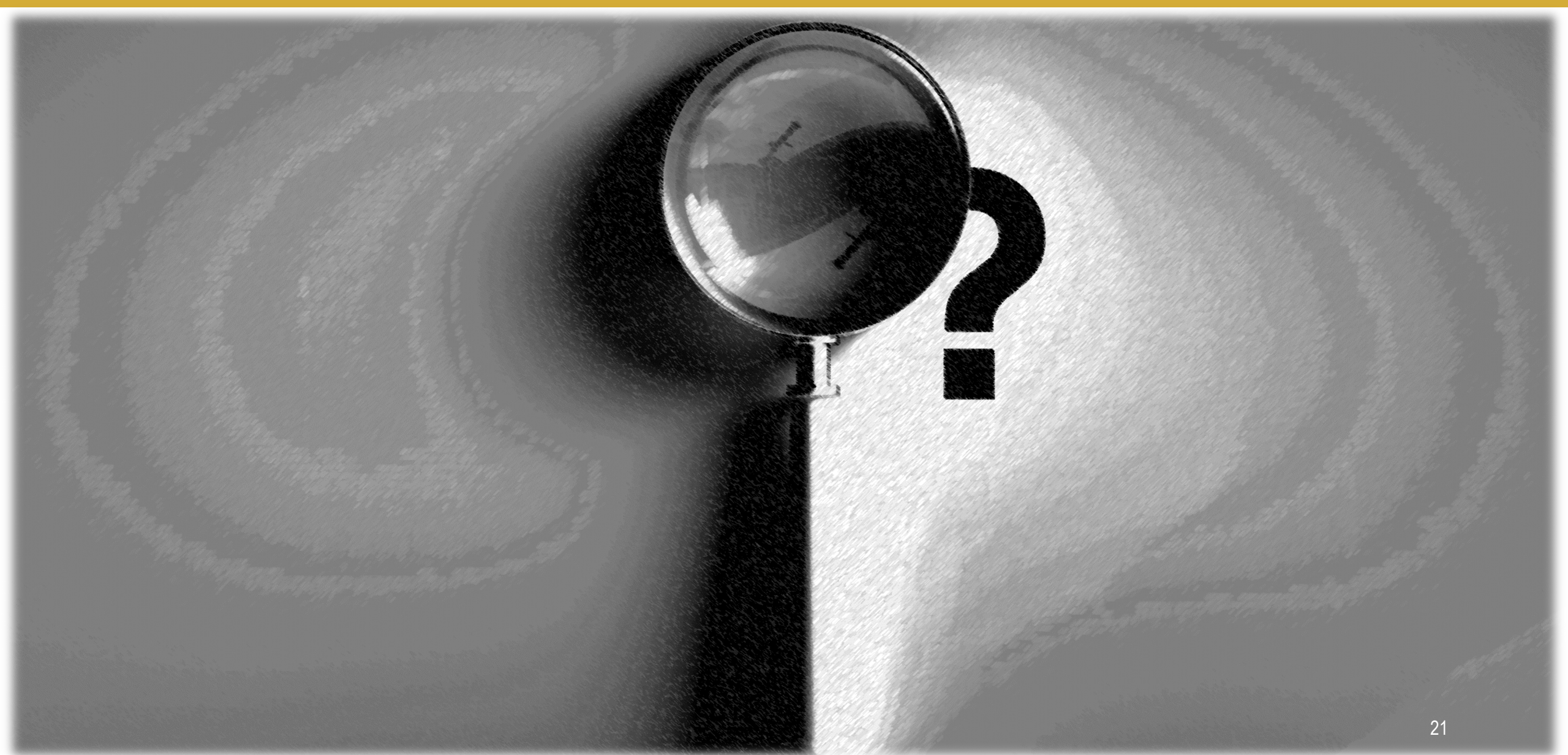
Nov. 14, 2023
Opened **FIRST EVER** regional office in El Paso, TX.

Supported **STATE WIDE HIRING**, hosting new employee orientation for Benefit Services El Paso Employees.

28 employees attended orientation at El Paso.

Member Service







Appendix – Employee Recognition





Golden Apple

David Green, Administrative, Benefit Processing



ED Award of Excellence

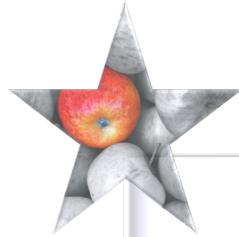
The Regional Office Project Team

Bushel of Fun



Jennifer Almanza
Romulo Arroyo
Leslie Calzoncit
James Cross
Linda Davis
Samantha De Santiago
Erika Duncan
Roxynn Frederick
Gregory Freriks
Ruth Galvan

Bushel of Fun



Laura Gardea
Jesse Gutierrez
Edward Guzman
Shyra Henry
SanCierra Hernandez
Jill Ivie
Madison Jones
Lisa Jones
Briana Leasure
Kathy Melby

Bushel of Fun



Esteban Montoya
Kelly Penson
Andi Price
Jennifer Ray
Giselle Ricci
Catarina Saucedo
Crystal Stewart
Katie Tucker
Frank Washington



Peck of Thanks

Ronald Aberly
Sonia Alegria
Courtney Alexander
Laurie Alvarado
Christine Buitron
John Bullock



Peck of Thanks

Alesheia Carr
Kimberly Carroll
Krishella Chandler-
Robinson
Jordan Dickenson
Georgette Dukes



Peck of Thanks

Roxana Estrada
Adriana Faz
Lisa Fierro
Bianca Flores
Laura Gardea
Mia Gehringer



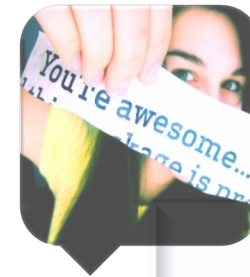
Peck of Thanks

Beverly Guilbe
Keesha James
Madison Jones
Lara Fernando
Kristen Lopez
Alejandro Martinez



Peck of Thanks

Jina Martinez
Esteban Montoya
Devin Porter
Gabrielle Rodriguez
Anna Rowell
Gaukhar Saleh



Peck of Thanks

Chandra Sims
Michael Stanbury
Crystal Stewart
Rachel Tomlinson
Sydney White
Jayson Yanes



Spotlight

Leslie Brown, Ethics
Belinda Gomez, Member Focused
Meghan Martin, Accountability
Crystal Stewart, Respect
Diana Lazaro, Diversity
Jared Shickles, Efficiency
Giselle Ricci, Collaboration
Tamika Lighten, Excellence

Q1

Q2

Q3

Q4

Recognition – Counseling Top Performers



LeeAnna Deason
Bianca Flores
Ruth Galvan
Belinda Gomez
Tanya Padilla
Devin Porter
Sarah Stahl
Mihashi Turner
Erika Villarreal
Anita Washington

Overall

Recognition – Counseling Top Performers

Quality

Lisa Carmona
Bianca Flores
Daniel O'Neill
Britney Redmond
Chandra Sims
Mihashi Turner
Erica Villarreal
Anita Washington
Sydney White

Availability

Maria Ayoub
Margo Connell
LeeAnna Deason
Julie Garza
Debra Marrs
Alexis Martin
Giselle Ricci
Heather Richmond
Sarah Stahl
Anita Washington

Calls per Hour

Maria Ayoub
Michelle Bishoff
Cambreashia Childs
Nikki Guevara
Tausha Leonard
Nathan Melendez
Britney Redmond
Heather Richmond
Marilyn Sheppard



Heather Richmond, BA, TX State

Sonia Alegria, MLS, Washington University

Aaron Peña, MS, Texas State University



Adam Fambrough, Certified Employee
Benefits Specialist, IFEBP

TAB 4



TRS Health Division Updates

Katrina Daniel, Chief Health Care Officer
Grace Mueller, Retirees Advisory Committee Chair

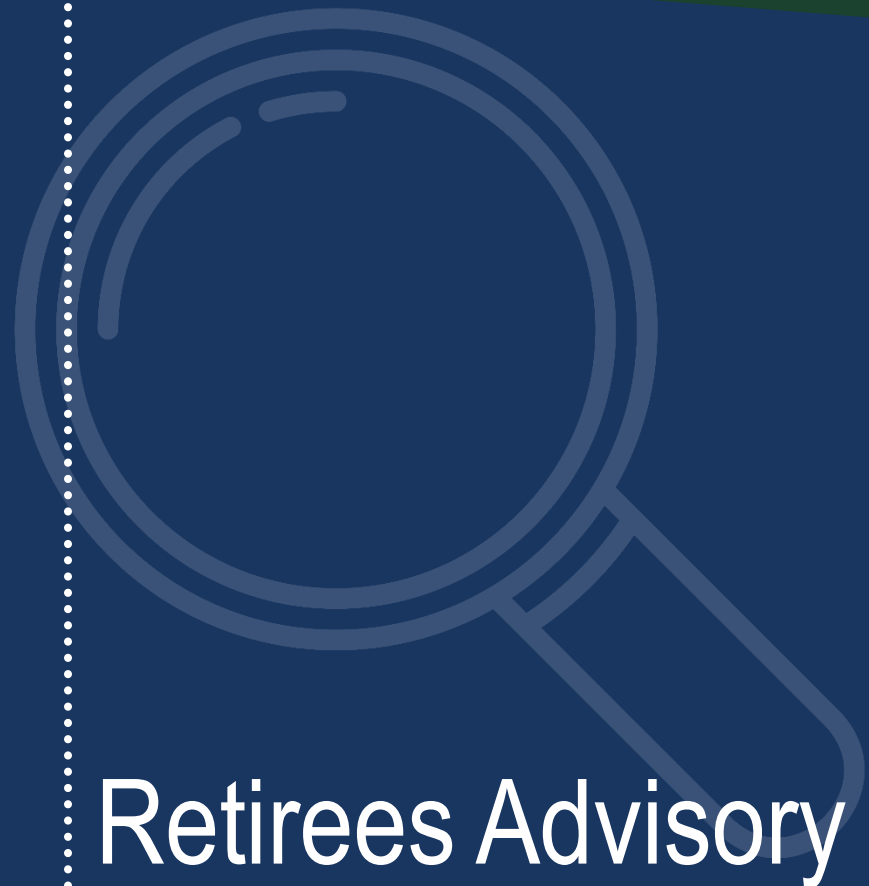
December 7, 2023



TRS Health: Optimal Health Plan Efficiency & Cost Savings



- Retirees Advisory Committee (RAC) Meeting Update
- TRS Health Updates



Retirees Advisory Committee (RAC) Meeting Update

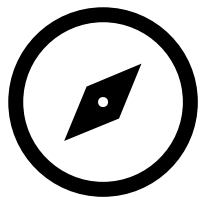
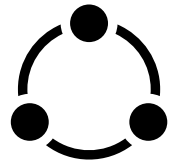
Grace Mueller, Retirees Advisory Committee Chair



TRS-Care RAC Meeting Update, Grace Mueller, RAC Chair - Nov. 2, 2023



- Executive, Legislative, Health Care Updates
- TRS-Care Operations and Engagement Updates
- TRS Ombuds Introduction
- RAC Service Recognition
- Pharmacy Implementation Update
- Dental & Vision Announcement
- Fall 2023 TRS-Care Health Fairs





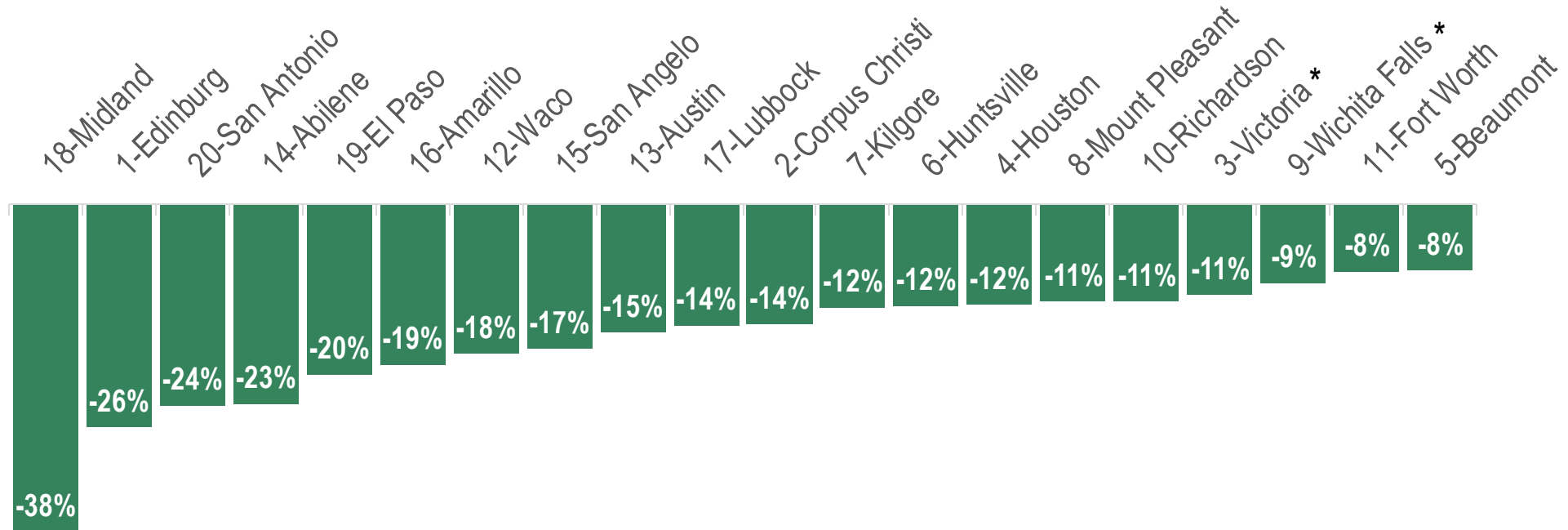
TRS Health Update

Katrina Daniel, Chief Health Care Officer

TRS-ActiveCare: TRS delivers an affordable product to employers



TRS-ActiveCare Costs to Employers + Employees are 8%-38% below the market average for the 2023-34 plan year

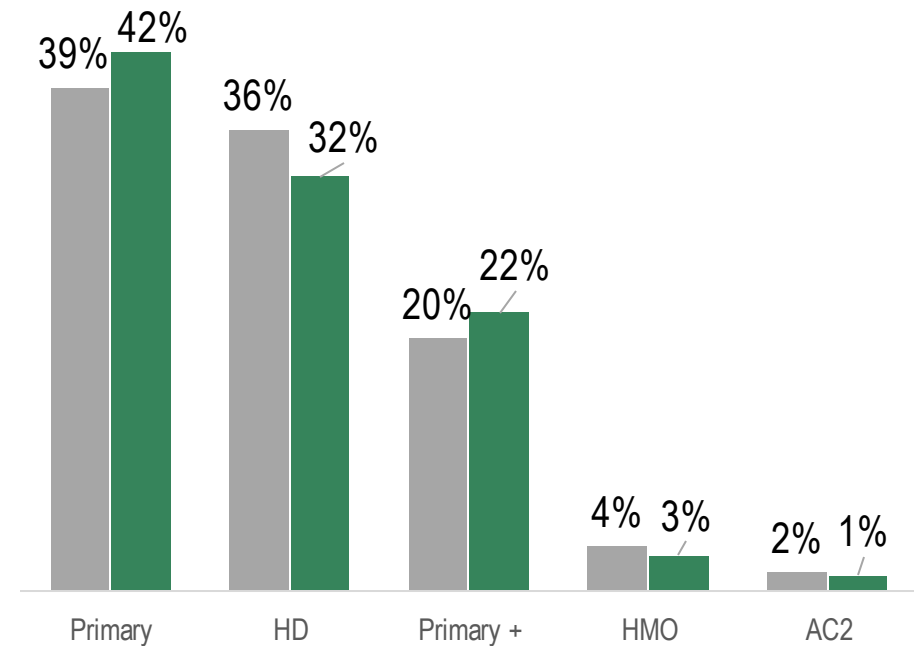


ESC regions 3 and 9 have very limited employee counts for employers outside of TRS-ActiveCare. Percentage difference reflects the difference between the total premiums charged by TRS to employers combined with the average member out of pocket costs compared to the premiums and member out of pocket costs for non-participating plans. Supplemental funds provided to TRS are not included in the cost of TRS plans here because they are not passed onto employers. TRS-ActiveCare comparison excludes AC-2 because this plan is not open to new membership.



- Total membership dipped 2% in Sept. 2023 compared to prior year due to change in employer participation
- Total membership will increase to within 1.5% of prior year total with addition of Killeen ISD on Jan. 1, 2024
- Continued migration into Primary and Primary+ plans

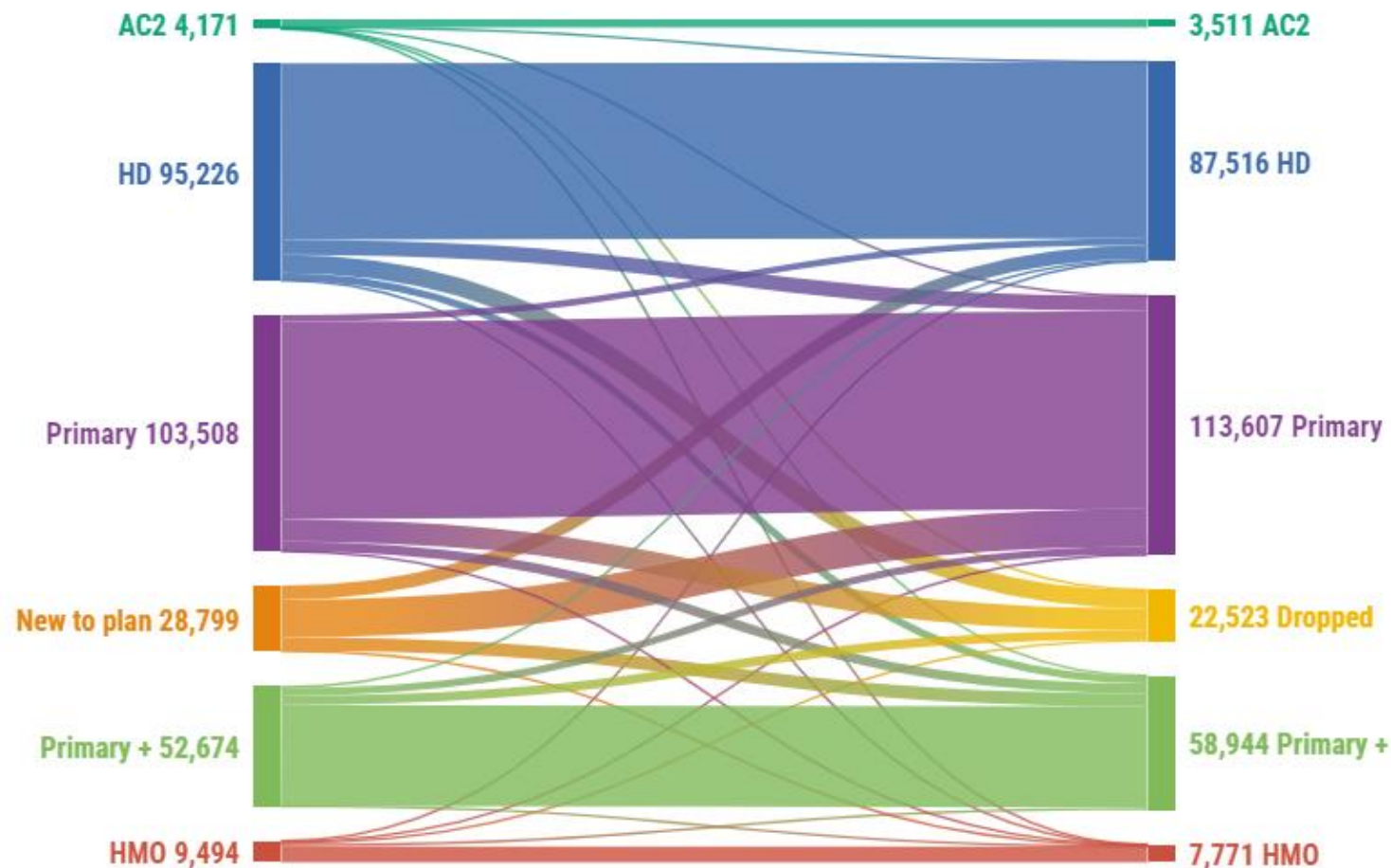
% of Employees Enrolled in Each Plan August and September 2023





Migration of Employees Within Districts Participating in TRS-ActiveCare on September 2023

265,073 total
employees
August 2023



271,349 total
employees
September 2023

Migration of employees between August 2023 and September 2023 among districts participating for FY24. Made with flourish.studio.



2024 TRS-Care Plan Year Rollout



TRS-Care Health Fairs

7 weeks
21 cities
3,500 attendees
~3X more than 2022

TRS-Care Mailings

To 233K participants

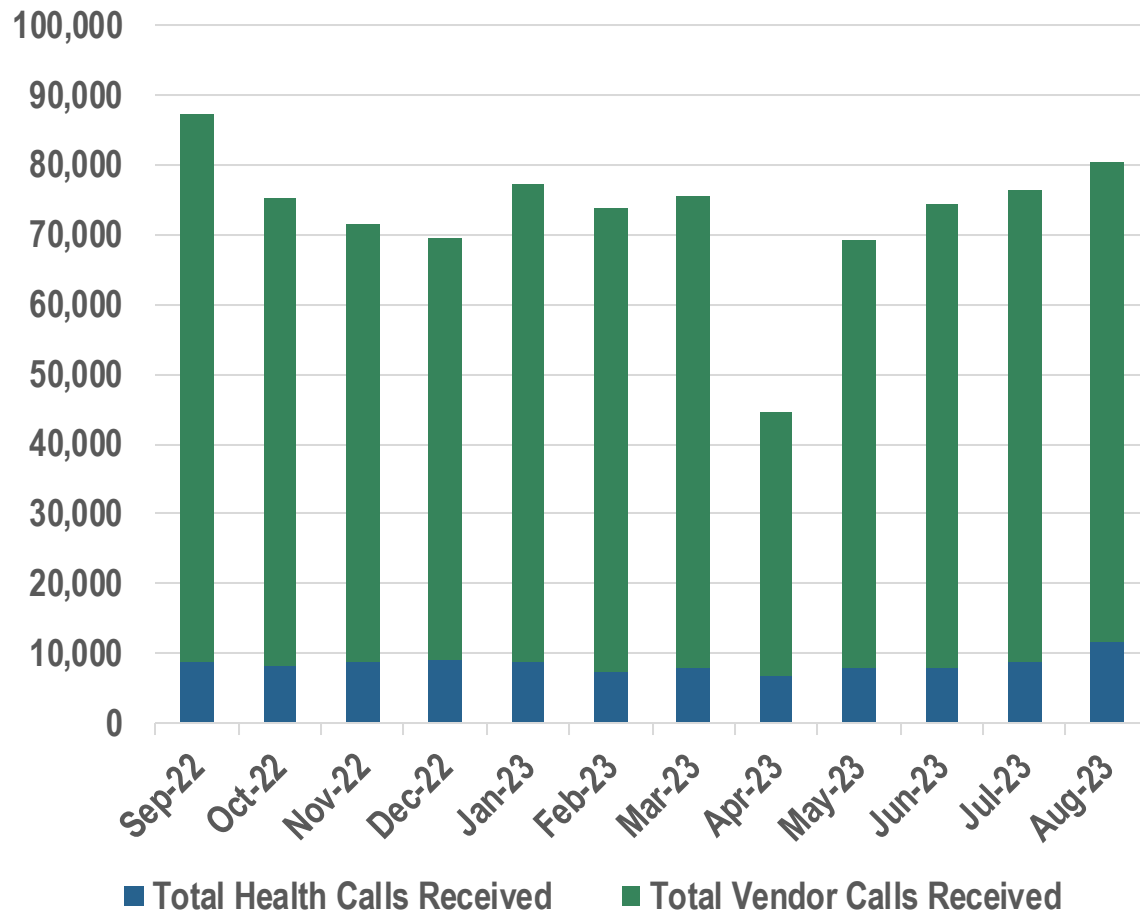
TRS-Care Webinars

14 live online events
3,000 attendees
~2X more than 2022





FY 23 Call Activity



FY 23 Service Levels



TRS Health consistently meets and exceeds all customer service metrics!



Questions?

TRS-ActiveCare Fund Balance



TRS-ActiveCare Fund Balance Projection
Financial History and Projection through FY2025
as of May 31, 2023

Fiscal Year	Contributions							Expenditures					Ending Balance (Incurred Basis)
	State/District Contributions	Supplemental Appropriations	Employee Contributions	HMO Contributions	LTC	Other Income	Total Revenue	Medical Incurred	Drug Incurred (includes Rebates)	HMO Premium Payments	Administrative Costs	Total Expenses	
FY 2019	\$1,049,243,657		\$881,998,119	\$246,513,026	\$146,090	\$11,162,989	\$2,189,063,880	\$1,459,520,631	\$254,168,852	\$243,198,667	\$123,514,885	\$2,080,403,035	\$164,953,230
FY 2020	\$1,035,176,542		\$870,173,250	\$260,364,669	\$145,265	\$8,121,853	\$2,173,981,579	\$1,522,489,616	\$271,480,529	\$256,850,839	\$119,814,483	\$2,170,635,466	\$168,299,343
FY 2021	\$1,011,525,120		\$850,291,777	\$176,981,437	\$142,718	\$1,853,676	\$2,040,794,727	\$1,615,822,471	\$285,092,897	\$173,297,782	\$78,637,967	\$2,152,851,116	\$56,242,954
FY 2022	\$1,033,743,591	\$638,337,761	\$868,968,706	\$149,834,057	\$0	\$1,656,095	\$2,692,540,210	\$1,690,700,579	\$293,845,034	\$146,752,232	\$69,945,345	\$2,201,243,189	\$547,539,975
FY 2023	\$953,852,591		\$801,812,034	\$85,881,422	\$0	\$21,804,403	\$1,863,350,450	\$1,691,086,396	\$287,233,912	\$84,055,262	\$75,393,671	\$2,137,769,240	\$273,121,185
FY 2024	\$986,911,601	\$304,959,267	\$829,601,561	\$91,472,517	\$0	\$13,315,889	\$2,226,260,835	\$1,766,997,784	\$264,992,845	\$89,701,497	\$79,125,987	\$2,200,818,113	\$298,563,907
FY 2025	\$1,016,518,949	\$283,558,510	\$854,489,608	\$94,216,692	\$0	\$9,756,183	\$2,258,539,942	\$1,850,930,178	\$298,069,060	\$92,445,672	\$79,803,880	\$2,321,248,791	\$235,855,058

NOTES

- Actual data through May 31, 2023
- Medical trend: 5% through FY24; reduced by 0.25% each year thereafter with a 4% minimum
- Pharmacy trend: 8.5% through FY24; reduced by 0.25% each year thereafter with a 6% minimum
- Prior to FY2018: State contributions are equal to \$75 per employee per month (PEPM). District contributions are equal to \$150 PEPM.
FY2018 and forward: State/District Contributions are based on September actual contributions
- Current Interest rate is assumed to be 3.9%. Rate decreases by a factor of 25% each year with a minimum of 0.5%.
- Rate increase of 3% assumed for all years after FY24
- The TRS-ActiveCare Fund balance is managed to prevent a deficit through premium and benefit adjustments

TRS-Care Fund Balance



TRS-Care Fund Balance Projection Financial History and Projection through FY2025 as of May 31, 2023

Fiscal Year	Contributions							Expenditures			Ending Balance (Incurred Basis)
	Retiree Contributions	State Contributions	Supplemental Appropriations	Active Employee Contributions	District Contributions	Investment Income	CMS, Part D and EGWP Subsidies	Medical Expenses	Drug Expenses	Administrative Costs	
FY 2019	\$517,965,033	\$437,189,334	\$73,641,562	\$227,338,454	\$273,110,251	\$25,046,771	\$321,106,153	\$688,148,611	\$648,749,351	\$45,051,884	\$1,292,022,346
FY 2020	\$499,057,861	\$468,330,999	\$230,756,971	\$243,532,120	\$292,411,364	\$25,396,789	\$317,440,892	\$659,668,989	\$668,307,637	\$44,654,785	\$1,996,317,930
FY 2021	\$533,592,849	\$481,564,562	\$5,520,343	\$250,413,572	\$299,803,511	\$9,226,940	\$311,771,512	\$604,926,549	\$705,239,916	\$38,802,284	\$2,539,242,470
FY 2022	\$399,788,260	\$506,388,630	\$83,000,000	\$263,328,449	\$315,688,282	\$13,499,534	\$288,606,867	\$551,595,432	\$694,534,457	\$45,475,384	\$3,117,937,219
FY 2023	\$480,492,190	\$531,708,061	\$0	\$276,488,192	\$319,024,837	\$124,255,815	\$342,693,109	\$585,917,786	\$715,791,660	\$52,457,876	\$3,838,432,101
FY 2024	\$487,345,342	\$541,278,807	\$0	\$281,464,979	\$324,767,284	\$93,316,506	\$420,552,909	\$599,154,539	\$787,501,465	\$50,134,557	\$4,550,367,368
FY 2025	\$491,601,416	\$551,021,825	\$0	\$286,531,349	\$330,613,095	\$81,894,005	\$452,377,691	\$626,398,427	\$848,002,612	\$51,444,381	\$5,218,561,330

NOTES

- Invoice data through May 31, 2023
- The purpose of this report is to project revenue and expenses on an incurred basis and should not be used as a projection of cash flow. Cash flow projections are usually less than incurred primarily due to a delay in receipt of federal subsidies.
- State Contribution rate of 1.25%; District Contribution rate of 0.75%; and Active Contribution rate of 0.65% beginning Sept. 1, 2017.
- Medical trends: 7% through FY2023; reduced by 0.25% each year thereafter.
- Pharmacy trends: 7% through FY2023; reduced by 0.25% each year thereafter.
- 2% increase in payroll growth
- Interest rate is set to match current returns and reduced by 25% a year with a floor of 0.5%.

*Note that there was a prior period adjustment to retiree contributions FY2017. This number will not tie to the ACFR as the adjustment is reflected here.