

April 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;
Ms. Allred, Mr. Ball, Ms. Sissney, and Mr. Walls, Jr.)*

*All or part of the April 27, 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 April 27, 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
April 27, 2023 – 1:00 p.m.**

1. Call roll of Committee members.
2. Consider the approval of the proposed minutes of the December 2022 committee meeting – Committee Chair.
3. Receive an overview of the Benefits Committee’s Calendar Year 2023 Work Plan – Barbie Pearson and Katrina Daniel.
4. Receive an update and consider the following regarding TRS pension benefits program – Barbie Pearson:
 - A. Consider recommending to the Board acceptance of the Medical Board Meeting minutes of November 2022 and January 2023;
 - B. Consider recommending to the Board approval of Benefit Payments for December 2022 – February 2023; and
 - C. Benefit Services Operations update.
5. Receive updates and consider the following regarding the TRS health benefit programs:
 - A. Receive an update on the TRS-Care Retiree Advisory Committee (RAC) meeting held on March 8, 2023 – Grace Mueller.
 - B. Receive an update on administration and performance of TRS-Care and TRS-ActiveCare – Katrina Daniel.

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.

TAB 2

**Minutes of the Benefits Committee
December 8, 2022**

The Benefits Committee of the Board of Trustees of the Teacher Retirement System of Texas met on December 8, 2022, 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 who participated:

Ms. Nanette Sissney, Acting-Chair
Mr. Christopher Moss
Mr. James D. Nance
Mr. Robert H. Walls, Jr.

The following Board member attended virtually:

Mr. Michael Ball, Chair

Other TRS Board Members who participated:

Mr. David Corpus
Mr. John Elliott
Mr. Jarvis V. Hollingsworth

Others who participated:

Brian Guthrie, TRS	Grace Mueller, RAC
Andrew Roth, TRS	Joanna Coccaro, HMS
Heather Traeger, TRS	Allison Roberts HMS
Amanda Jenami, TRS	Adam Morris, HMS
Don Green, TRS	Bonnie Vaughn, HMS
Barbie Pearson, TRS	
Katrina Daniel, TRS	
Yimei Zhao, TRS	
Jeff Bain, TRS	
Katherine Farrell, TRS	
Suzanne Dugan, Cohen Milstein	

Ms. Nanette Sissney, called the meeting to order at 10:54 a.m. She noted that since Mr. Ball was joining the meeting virtually, she would serve as acting chair and preside over the meeting.

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 September 2022 committee meeting – Committee Chair.

On a motion by Mr. Nance, seconded by Mr. Walls, the committee unanimously voted unanimously to approve the proposed minutes for the September 2022 Benefits Committee meeting as presented.

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

A. Consider recommending to the Board acceptance of the Medical Board Meeting minutes for July and September 2022;

Ms. Barbie Pearson recommended to the Committee acceptance of the medical board meeting minutes for July and September 2022.

On a motion by Mr. Nance, seconded by Mr. Walls, the committee unanimously voted to recommend to the Board acceptance of the medical board meeting minutes for July and September 2021.

B. Consider recommending to the Board approval of Benefit Payments for September – November 2022; and

Ms. Pearson recommended to the Committee the approval of benefit payments for September through November 2022.

On a motion by Mr. Moss, seconded by Mr. Nance, the committee voted unanimously to recommend to the Board approval of the Benefit Payments for September through November 2022 as presented by staff.

C. Benefit Services Operations update.

Ms. Pearson presented an update on Benefit Services Operations. She noted the update on the performance for the first quarter was through October 31st and did not include November data. She reported that almost every service area in Benefit Services has experienced substantial improvement. She said that every service-level projection made in April was met or exceeded projection. She said the additional staff has made the biggest impact on Benefit Services work.

Ms. Pearson reviewed the customer service improvement initiatives. She said real-time communication between TRUST and legacy continues to be an ongoing effort. She reported they are working on the requirements for the Member Chat within the MyTRS application and to streamline the IVR.

Ms. Pearson stated the continued progress in hiring and training staff. She said every department in Benefit Services has a reduction in vacancies and has made a marked difference in their capability to meet service levels. She noted peaks and valleys will continue due to member activity but they strive to meet service levels in every month of the year.

Ms. Pearson reported the members were happy with the El Paso Office. She recognized the two-year effort of the Project Team, led by Frances Torres, Deputy Chief Benefit Officer, who worked on getting the office open. She said since opening the El Paso Office has served 249 members, majority of those have been walk-ins.

Ms. Sissney thanked Ms. Pearson and all involved for the improvement in service level, referencing how at one point the answer time for a call was 30 plus and now answer time was in the single digits. Ms. Pearson noted the service level for the average speed of answer as of yesterday was at 94.94 percent and last year it was at 8 percent. Mr. Guthrie echoed the fantastic job that Ms. Pearson and her team have done and thanked the Board for the confidence in giving the resources needed to solve the problem.

Ms. Pearson provided an update on the Inactive Report. She said as result of the Sunset legislation House Bill (HB) 1585, TRS has implemented a new process related to inactive accounts. She noted that an inactive account is when a member who has less than five years of services stopped working for a TRS-covered employer for five consecutive years, the account is deemed inactive and no longer earns interest. She said some key provisions of HB 1585 were: conducting internet searches to locate individuals; develop a matrix to determine degree of additional outreach; provide notification through certified mail; and provide information regarding rollover eligibility. She reported compliance with the first key provision of internet searches by using a third-party locator service. She said a matrix was developed. She said the first year was just the initial outreach and are working on the follow-up process. She reported identifying a total of 138,000 inactive accounts with more than \$200 in the account. She said as of November 30, 120,000 letters have been mailed and expect to 18,000 by the end of December. She said they have changed the annual statement process and members with inactive accounts, including those with less than \$200, will receive a statement every year. In response to Ms. Sissney's inquiry, Ms. Pearson reported the cost for FY 22 was over \$387,000, most being postage.

4. Receive an update and consider the following regarding TRS health insurance benefits program:

A. Receive an update on the TRS-Care Retirees Advisory Committee (RAC) meeting held on November 1, 2022 – Grace Mueller.

Ms. Grace Mueller informed the Committee that the RAC met on November 1, 2022. She said Ms. Sherry Miller the latest member of the committee attended, and they look forward to using her 37 years of teaching experience and leadership. She said Mr. Guthrie provided his Executive Director's Update and Ms. Daniel informed the Committee on the efforts to modernize TRS' health data and analytics. She noted the Retiree Health Fairs over the past six weeks were well attended and that retirees were happy to be back in person.

B. Receive an update on administration and performance by TRS-Care and TRS-ActiveCare – Katrina Daniel.

Ms. Katrina Daniel reported on ActiveCare's recent open enrollment noting 90 percent of employers remained retaining about 97 percent of membership. She said this year was the first

time districts could opt out. She noted there was a lot of migration toward primary plans, with new members selecting primary plans more than high deductible plans. Ms. Daniels reviewed the benchmark survey which included cities and counties this year in addition to non-participating districts. She reported ActiveCare provided pretty significant value for similar benefits. She said cities and counties are offering pretty rich benefits but the employer contribution was significant. She said on a State and regional basis, ActiveCare has very competitive plans and in most cases lower cost. She said they are sharing this information with employers and are tapping into existing meetings that are happening like TASBO.

Ms. Daniel reported on TRS-Care reporting on the series of meetings around the state called health fairs since there were no major changes in the Care plans, more than 2,700 attended. She also reported on customer service being above 90 percent. She said the pharmacy benefit services procurement was underway and they are evaluating best and final offers from the bidders to bring back to the Board at the February meeting. She then reviewed efforts to lower cost barriers to Care and ActiveCare such as lowering copays for certain services that are critical like mental health and piloting maximum physical therapy around musculoskeletal conditions. Ms. Daniel concluded with a fund balance chart showing both funds as healthy.

There being no more business before the Benefits Committee, the committee adjourned at 12:00 p.m.

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

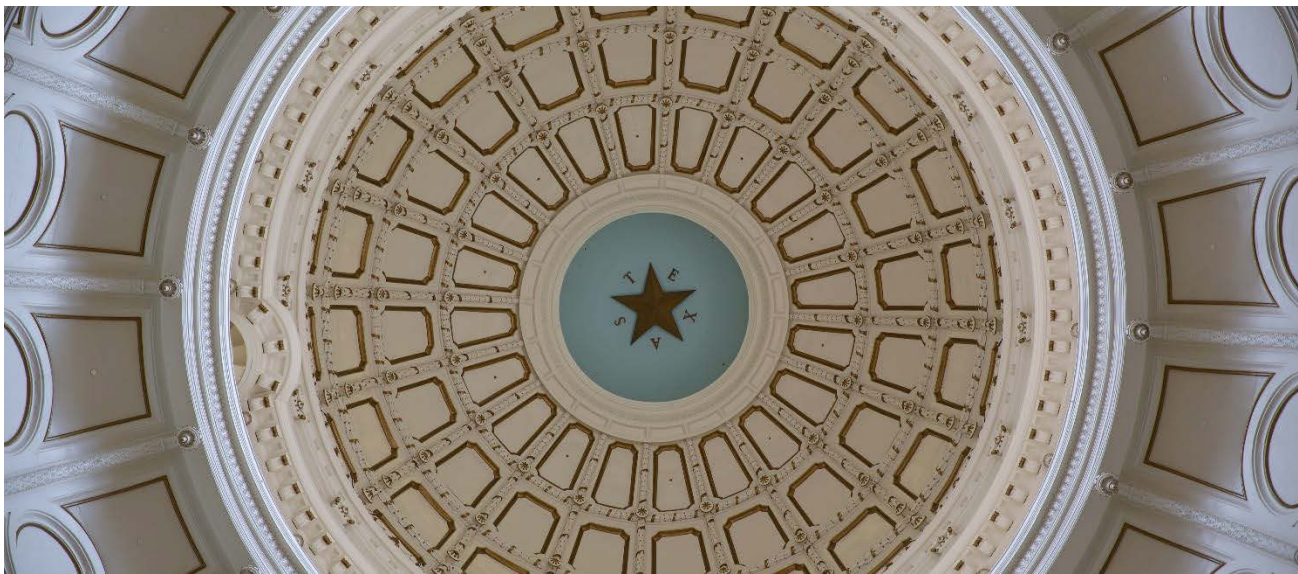
Katherine H. Farrell
Secretary to Board of Trustees

Date

TAB 3



Benefits Committee Calendar Year 2023 Work Plan



Barbie Pearson and Katrina Daniel

April 27, 2023



Benefits Committee– CY 2023

Committee Workplan

Informative (Receive)

Pre-Action (Review)

Action (Consider)

*Approved by committee only

February

April

May

July

September

December

N/A

Consider Approval of FY23 Q2 Benefit Payments (5 minutes)
 Acceptance of Medical Board Meeting Minutes (5 minutes)
 Benefit Services Operational Update (30 minutes)

N/A

Consider Approval of FY 23 Q3 Benefit Payments (5 minutes)
 Acceptance of Medical Board Minutes (5 minutes)
 Staff recommendation on Medical Board Physician Contract renewal (15 minutes)
 Benefit Services Operational Update (30 minutes)

Consider Approval of FY23 Q4 Benefit Payments (5 minutes)
 Acceptance of Medical Board Minutes (5 minutes)
 Benefit Services Annual Operational Update for FY 23 (45 minutes)

Consider Approval of Q1 FY24 Benefit Payments (5 minutes)
 Acceptance of Medical Board Minutes (5 minutes)
 Benefit Services Operational Update/Annual update on Inactive Accounts (45 minutes)

*Schedule as of March 2023.
 Note: all committee schedules are subject to change*

Fiscal Year 2023

Fiscal Year 2024

Benefits Committee – TRS-Health Division CY 2023

Committee Workplan

Informative (Receive)

Pre-Action (Review)

Action (Consider)

*Approved by committee only

February

Pharmacy Benefit Manager (PBM) Contract Award – Katrina Daniel and Yimei Zhao (1.5 hours including exec session)

Annual Report and Benchmarking Studies (annual update) – Meaghan Bludau (30 minutes)

Decisions from Employers to Participate (annual update) – Katrina Daniel (10 minutes)

Other Deep Dive Topics/Studies as Available (annual update) – Meaghan Bludau (10 minutes)

April

General Operational Update (quarterly) – Monica Bernal and Yimei Zhao (20 minutes)

TRS-Care Retirees Advisory Committee (RAC) update (semi-annual) – Grace Mueller, Chair, and Cristina Juarez (10 minutes)

May

TRS-ActiveCare Rates and Benefits (annual) – Meaghan Bludau and Melanie Ingleby (1 hour)

July

General Operational Update (quarterly) – Meaghan Bludau and Monica Bernal (20 minutes)

Medical Claim Audit Results for PY 2020; Pharmacy Claims Audit Results for PY 2020 and PY 2021 – Yimei Zhao, Jeff Bain and Gainwell Technologies (20 minutes)

September

Three RAC Appointments including RAC Chair (periodic) – Cristina Juarez (20 minutes)

General Operational Update (quarterly) – Monica Bernal (20 minutes)

Health Care Actuarial Service Contract Award – Yimei Zhao (20 minutes)

December

TRS-ActiveCare Annual Enrollment Update (annual update) – Meaghan Bludau and Kyle McKay (20 minutes)

General Operational Update (quarterly) – Meaghan Bludau and Monica Bernal (20 minutes)

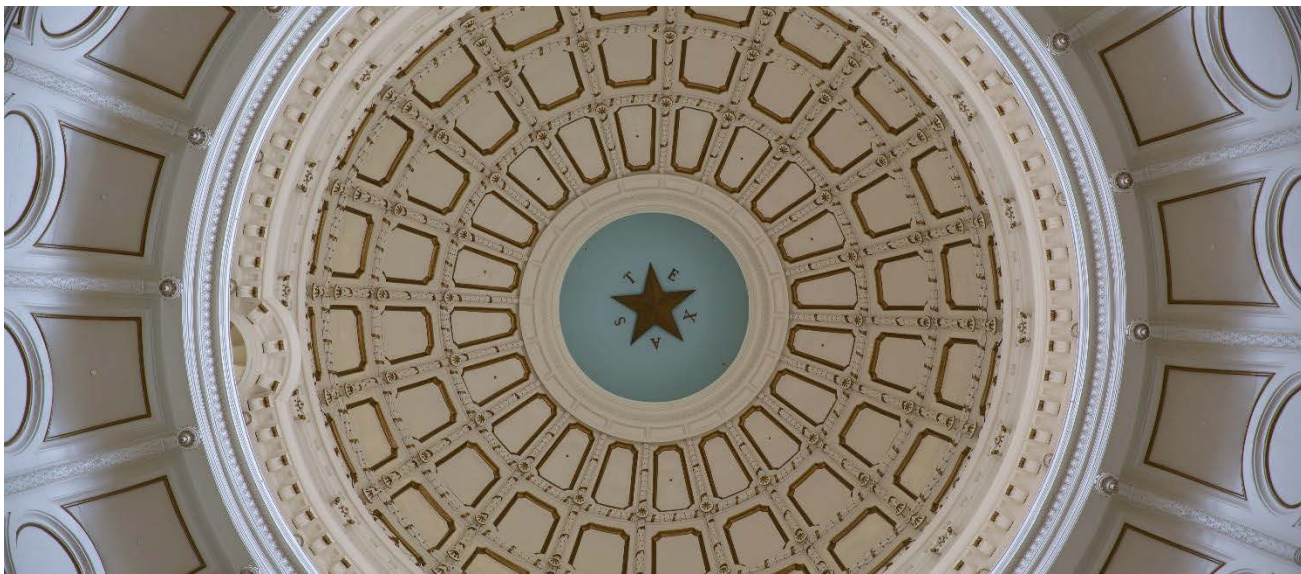
TRS-Care Retirees Advisory Committee (RAC) update (semi-annual) – Grace Mueller, Chair, and Cristina Juarez (10 minutes)

*Schedule as of March 2023.
Note: all committee schedules are subject to change*

Fiscal Year 2023

Fiscal Year 2024

TAB 4



Benefit Services Update

Barbie Pearson

April 27, 2023





Pension Benefits Update

Fiscal Year 2023

Members Service Review

Survey Results & Trends

Employer Support

Staffing Update

Objectives





**492,120
Members &
Beneficiaries
Served**



Member Service Review - Backoffice



14,474
Retirements



43,862
**Benefit
Estimates**



7,844
**Claims
Acknowledged**



11,485
Claims Paid



45,771
Refunds Paid



\$6,043,819,058
**Annuity
Payments Issued**

S E R V I C E

Member Service Review - Counseling

- **338,470**
Member calls
answered

Telephone Calls



- **19,836**
Member
e-mails
answered

Secure e-mail



Member Service Review – TRUST and MyTRS



RAP/DTH Go-Live

- Processing moved from mainframe to TRUST
- Service level monitoring

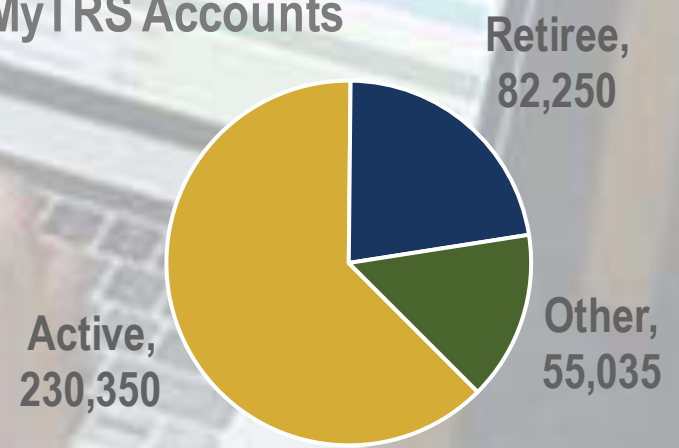
MyTRS

Online beneficiary designations
Released December 2022
19,279 transactions completed

Online direct deposit changes
Soft-launch February 2023
1,509 transactions completed

Required	Optional	Item	Received Date	Completed	Delete
<input checked="" type="checkbox"/>	<input type="checkbox"/>	BC Birth Record for Member		<input type="checkbox"/>	<input type="checkbox"/>
<input checked="" type="checkbox"/>	<input type="checkbox"/>	TRS15 Designation of Beneficiary		<input type="checkbox"/>	<input type="checkbox"/>
<input checked="" type="checkbox"/>	<input type="checkbox"/>	TRS30 Application for Service Retirement		<input type="checkbox"/>	<input type="checkbox"/>
<input checked="" type="checkbox"/>	<input type="checkbox"/>	TRS7/Certification Retirement Certification	03/18/2023	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	ERS7 Verification of Termination from an ERS Covered Employer		<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input checked="" type="checkbox"/>	NBC Birth Record for Option 1, 2, or 5 Beneficiary		<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	PROP Verification of Proportionate Employment		<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	QDRO QDRO Calculation		<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	SCP Purchase of service credit		<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	TRS278 Direct Deposit Request		<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	TRS300 Change Beneficiary for Continuing Optional Retirement Annuity (Option Three & Four)		<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input checked="" type="checkbox"/>	TRS30P Partial Lump Sum Option (PLSO) Election		<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	TRS528 ERS Service Credit Transfer Request		<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	TRS573 Deferred Retirement Option Plan (DROP) Distribution Election		<input type="checkbox"/>	<input type="checkbox"/>

MyTRS Accounts

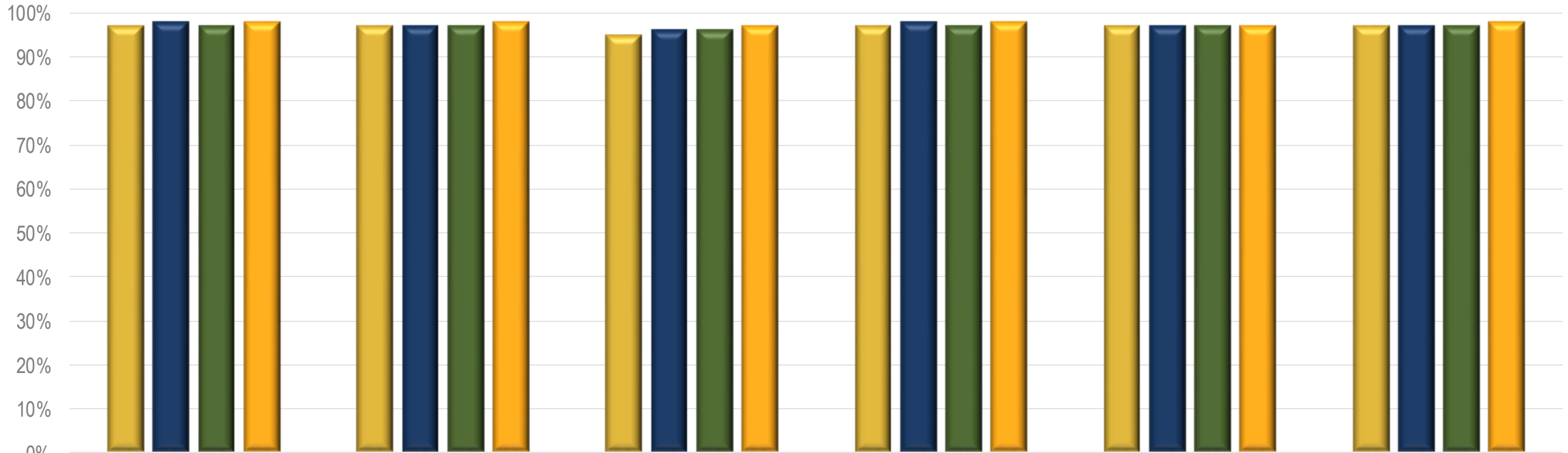




Survey Results & Trends



After Call Survey - Satisfaction with Counselor



	Overall Service Provided	Ability to Quickly Understand	Ability to Present Options	Communication Consistent with Member Expertise	Confidence in Information Provided	Treated as a Valued Member
FY2020	97%	97%	95%	97%	97%	97%
FY2021	98%	97%	96%	98%	97%	97%
FY2022	97%	97%	96%	97%	97%	97%
FY2023*	98%	98%	97%	98%	97%	98%

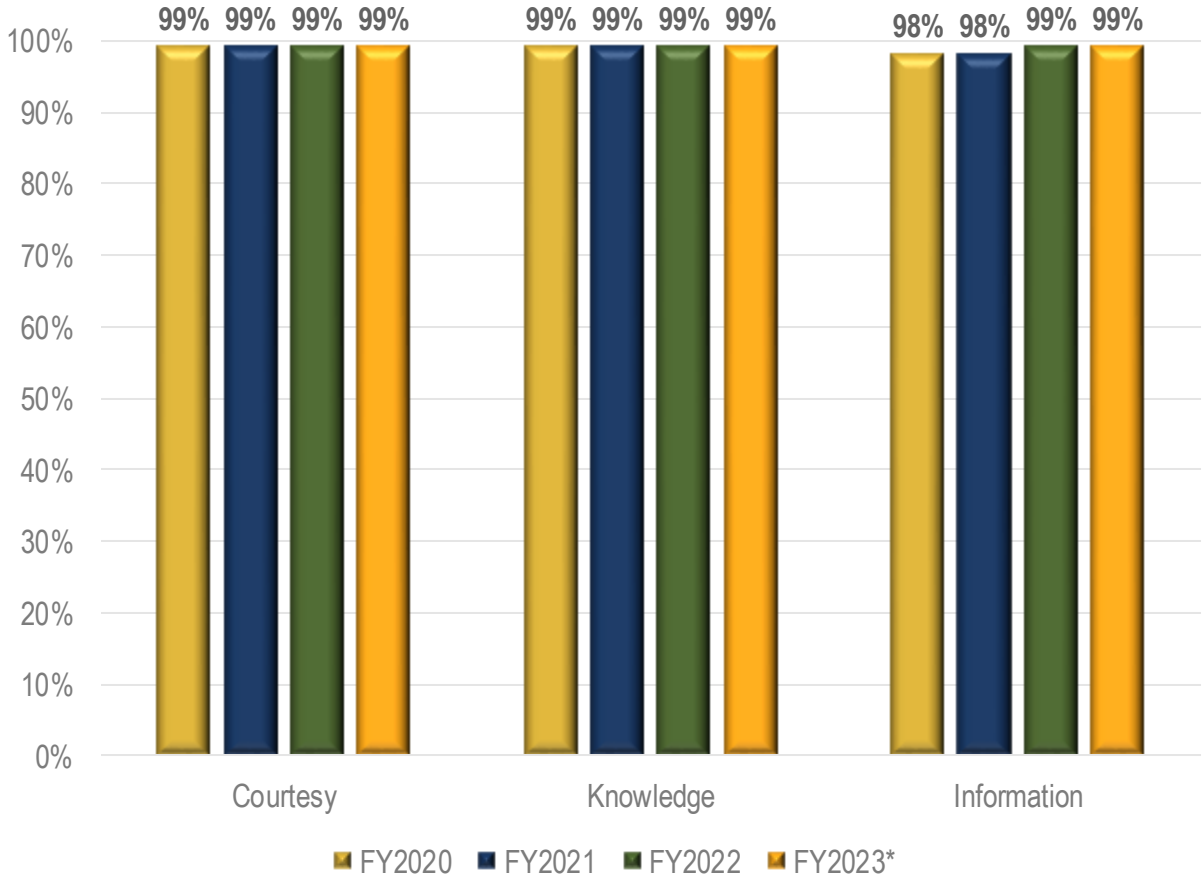
* Sept. 2022 thru Feb. 2023



4.8 ★
average rating

★ ★ ★ ★ ★

Office Visit Survey – Satisfaction with Office Visit



* Sept. 2022 thru Feb. 2023

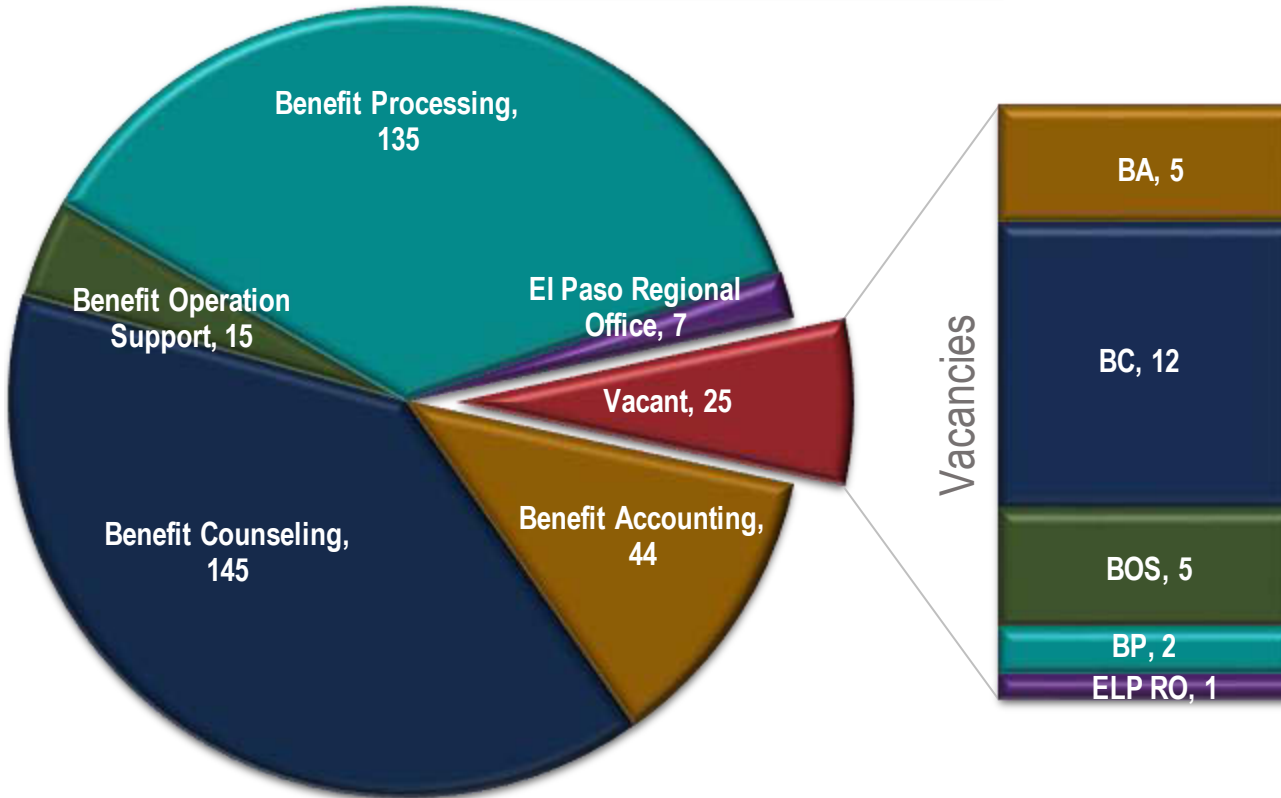


CUSTOMER
FRIENDLY
SUPPORTIVE
INNOVATIVE
POSITIVE
PRECISE
TIMELY



Benefit Services

Authorized: 371
Filled: 346
Vacant: 25



Objectives

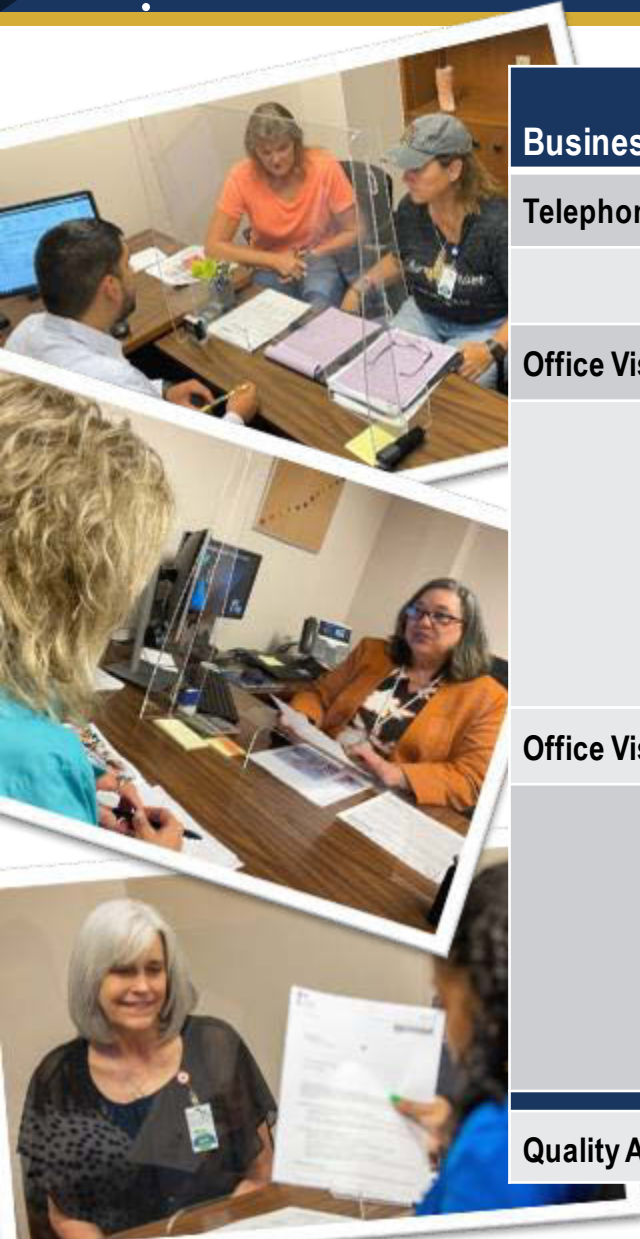


Business Activity	Objectives	FY Target	FY23 Q1	FY23 Q2	FY23 thru Q2
Refunds	Refunds validated within five business days of receiving final deposit and all paperwork	95%	81%	95%	87%
Benefit Estimates	Benefit estimates mailed within 31 days of request	90%	100%	100%	100%
Retirements	Retirees receiving first annuity payment on time	98%	81%	99%	90%
Death Claims (acknowledged)	Claims acknowledged within 14 days of receipt of death notification	90%	99%	98%	99%
Death Claims (payments)	Claims payments issued within 31 days of receipt of all required paperwork	95%	97%	97%	97%
Reporting Employer	Regular payroll reports completed by the end of each quarter (cumulative for fiscal year)	90%	94%	98%	98%
Foundational Training	Provide pension benefits foundational classroom training for all new hires (cumulative)	100%	95%	96%	96%

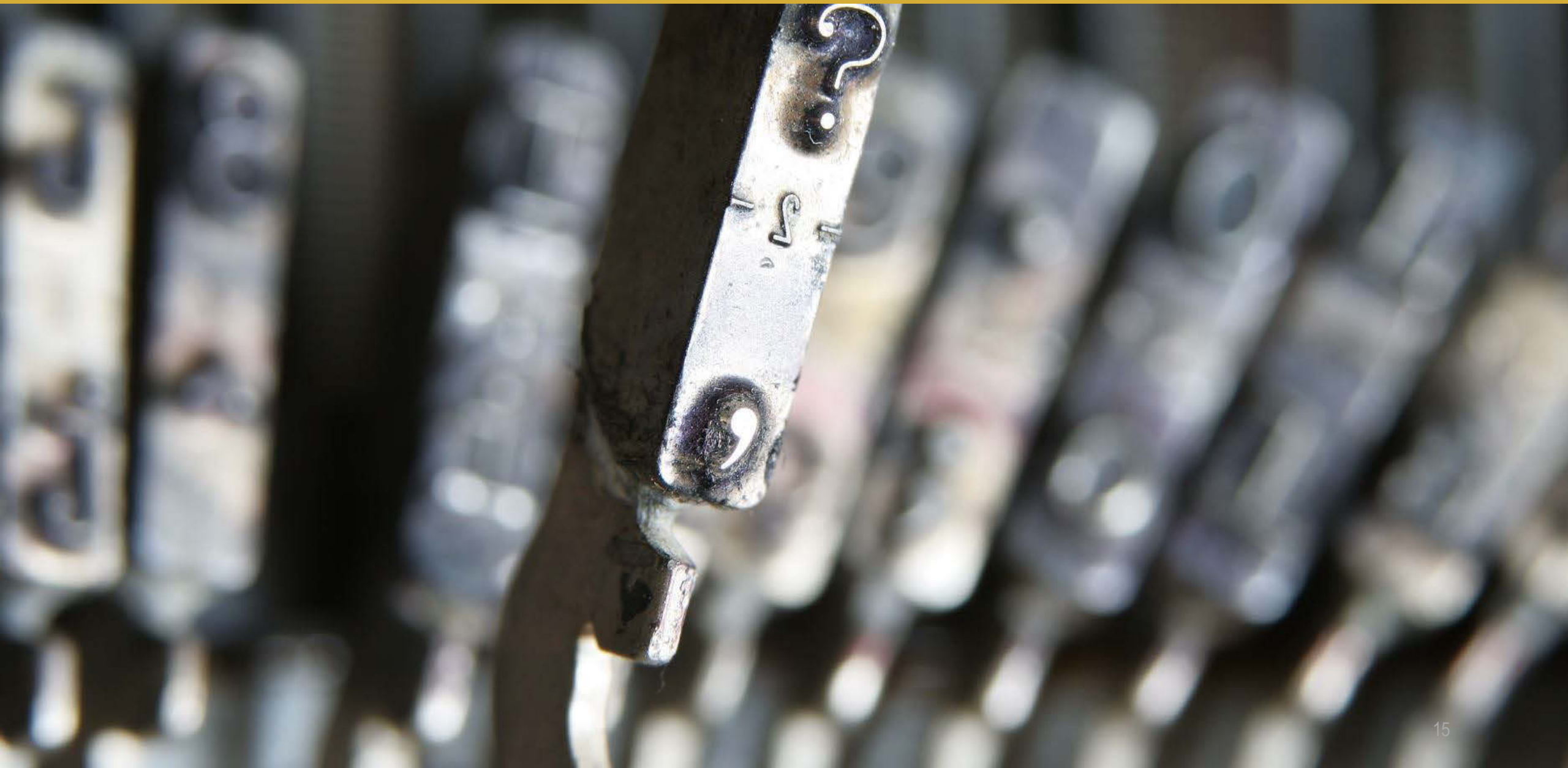
Objectives



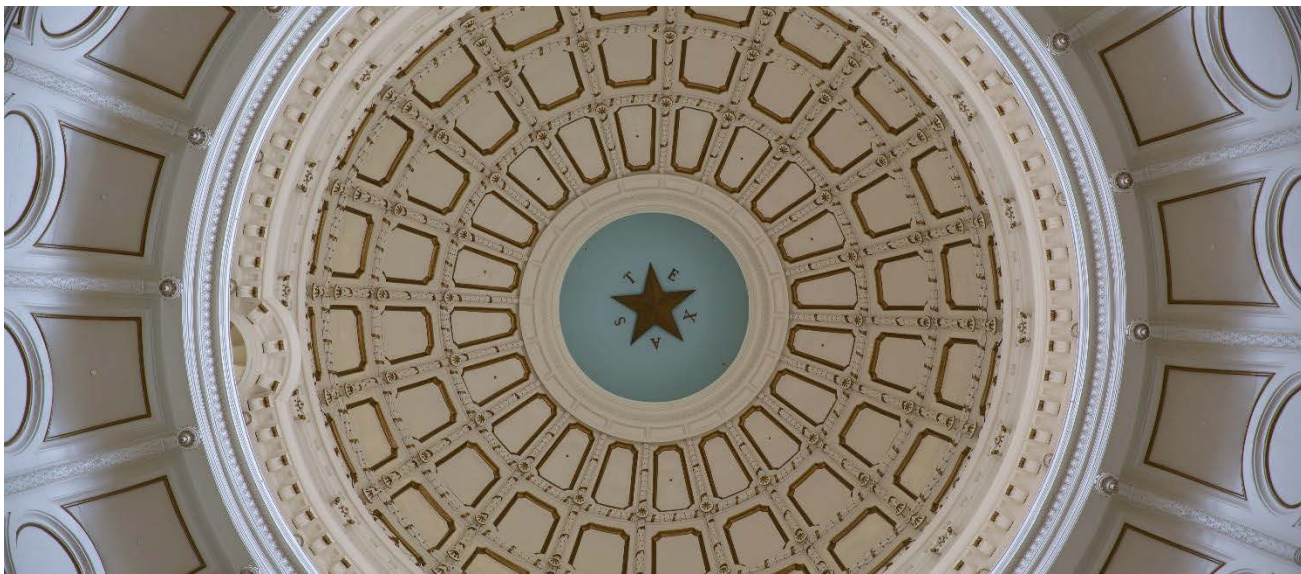
MEMBER
Focused



Business Activity	Objectives	FY Target	FY23 Q1	FY23 Q2	FY23 thru Q2
Telephone Calls	Calls answered within three minutes	80%	63%	94%	78%
	Average Speed of Answer (minutes/seconds)		4:00	0:28	2:11
Office Visits (Austin)	Number of office visits available annually	20,000	3,013	3,906	6,919
Conducted	In-person:		884	1,167	2,051
	Live-video:		756	937	1,693
	Telephone:		537	636	1,173
	Walk-ins:		275	220	495
Office Visits (El Paso)	Number of office visits available annually	5,000	216	1,316	1,532
Conducted	In-person:		27	340	367
	Live-video:		135	276	411
	Telephone:		64	163	227
	Walk-ins:		0	403	403
Quality Assurance	Number of telephone interactions evaluated	5,000	1,124	2,437	3,561



TAB 5

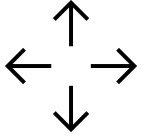


Health Division

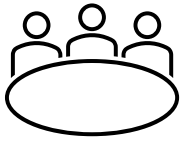
Katrina Daniel, Chief Health Care Officer
Yimei Zhao, Sr. Dir. of Health Finance
Monica Bernal, Sr. Dir. of Health Operations
Cristina Juarez, Mgr. of Health Engagement

April 27-28, 2023





Changes are coming; TRS Health is primed for them.



- TRS-Care Retiree Advisory Committee Update

- Pharmacy Implementation Timeline

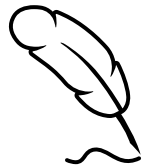
- TRS-ActiveCare Annual Enrollment for PY 23-24

- Ways to Engage Retirees and Employers

- Major Legislative Bills

- Cost Savings from Contract Oversight

- Fund Balance Update





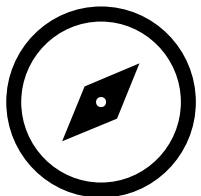
TRS-Care RAC Meeting Update from Grace Mueller, RAC Chair — March 8, 2023



- Executive, Legislative, Health Care Updates
- Security and Data Protection Update — TRS Chief Info Security Officer



- TRS Communications Focus Group — RAC participation
- TRS-Care Operations and Engagement Updates

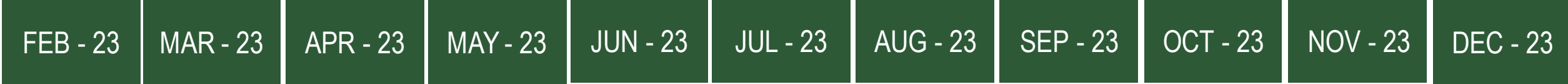


- Review and Approval of RAC Operational Guidance
- RAC participation in fall 2023 TRS-Care Health Fairs



RAC Positions up for Nominations

PBM Implementation Plan



TRS-ActiveCare Rates & Benefits Adopted



TRS-ActiveCare Website & Call Centers Go-Live

ID Cards

9/1 – TRS-ActiveCare Contract & Plan Year Start

1/1 – TRS-Care Contracts & Plan Year Start

Targeted Mail Disruption Outreach

TRS-Care Website & Call Centers Go-Live

Benefits Training for BAs

TRS-Care Mail Outreach

ID Cards

Annual Enrollment Communications and District Support

Retiree Health Fairs

Digital Resources: Monthly Updates Via Pulse, Website Updates, Update, Fresh Picks, TRS News

Health Plans Tailored for School Districts



TRS-ActiveCare
Annual Enrollment:
July 10 – Aug. 17



Supplemental Enrollment:
Aug. 18 – Aug. 31

Provides flexibility for
employers onboarding new
employees



New pharmacy ID cards
for all subscribers mailed
and accessible online on
Sept. 1



Benefit Administrator
Training:
May – June

District ambassador
support at enrollment
fairs & webinars

TRS-ActiveCare Employer Engagement



June: Informing all TRS employers about 2023-24 rates and benefits and the opportunity to join TRS-ActiveCare

TRS-ActiveCare Connect: 30-minute update call with Health leadership and district leadership

Gathering TRS-ActiveCare testimonials from participating districts

Implementing Express Scripts regional support for employers

Conducting comprehensive district surveys on service



Tentative Schedule — 21 TRS-Care Health Fairs in 2023

Sept. 12 — Round Rock	Oct. 9 — Harlingen
Sept. 19 — Amarillo	Oct. 10 — McAllen/Edinburg
Sept. 20 — Lubbock	Oct. 11 — Corpus Christi
Sept. 21 — Midland/Odessa	Oct. 17 — El Paso
Sept. 25 — Laredo	Oct. 18 — East El Paso
Sept. 26 — San Antonio	Oct. 20 — Killeen/Waco
Sept. 27 — South Austin	Oct. 23 — Ft. Worth
Oct. 2 — Beaumont	Oct. 24 — Arlington
Oct. 3 — Northwest Houston	Oct. 25 — Plano
Oct. 4 — Central Houston	Oct. 26 — Tyler
Oct. 5 — South Houston	



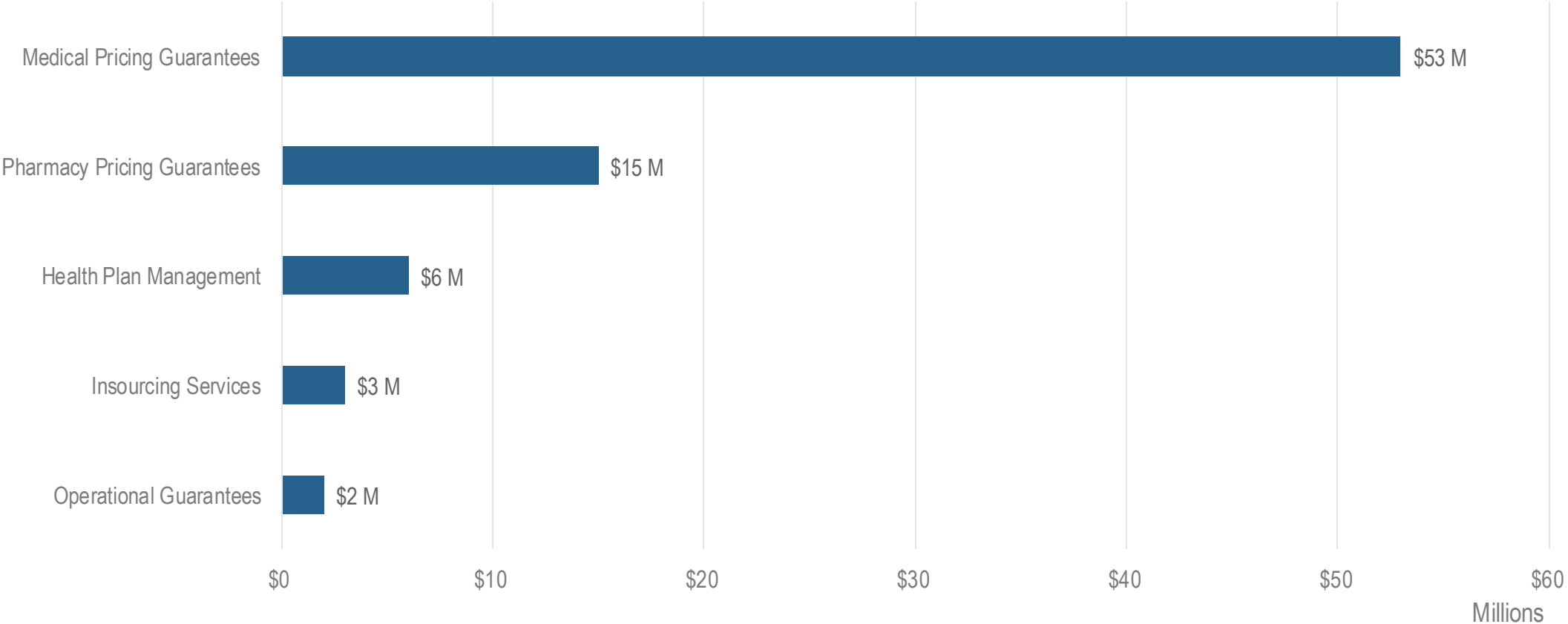
- 130+ health care-related bills reviewed for potential impact to TRS
- Both chambers discussing additional funding for TRS-ActiveCare to limit increases in total premiums
- Many bills filed would impact payment rates to providers and PBM operations
- A few bills propose changing the TRS-ActiveCare opt-out timeline
- Proposed new annual health benefits study process for each Education Service Center
- One proposed bill adding dental/vision benefit to TRS-Care program



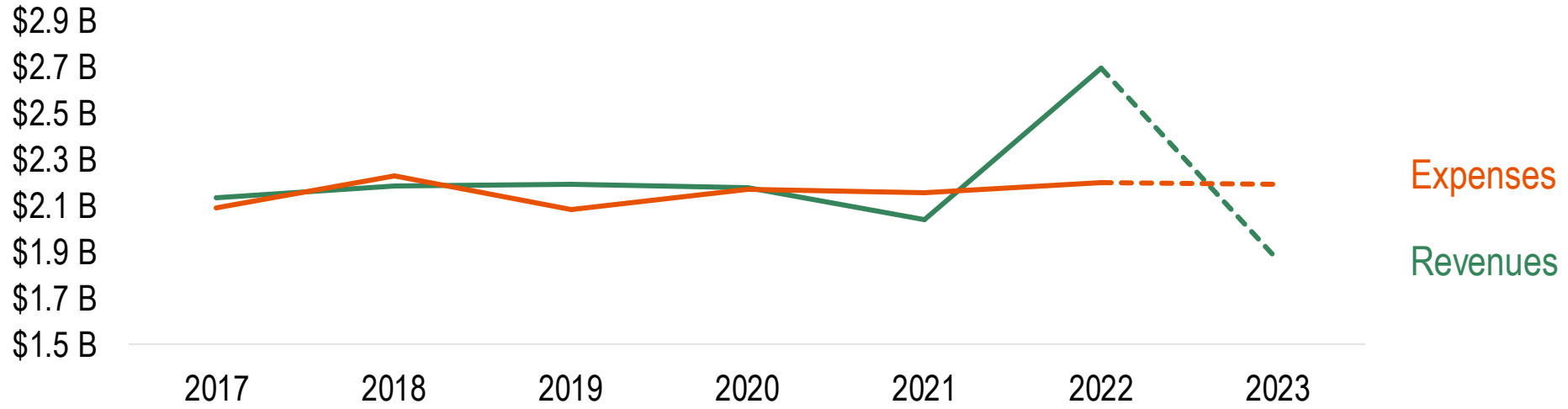
Cost Savings From Contract Financial Oversight & Management



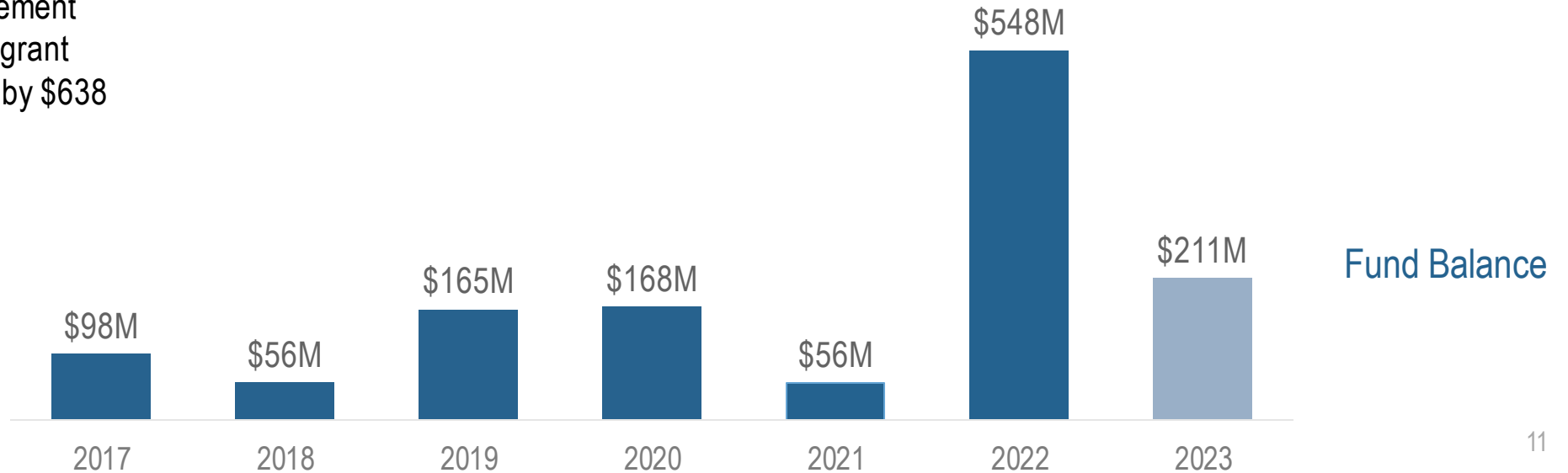
\$80M in Recent Cost Savings From Contract Financial Oversight & Management



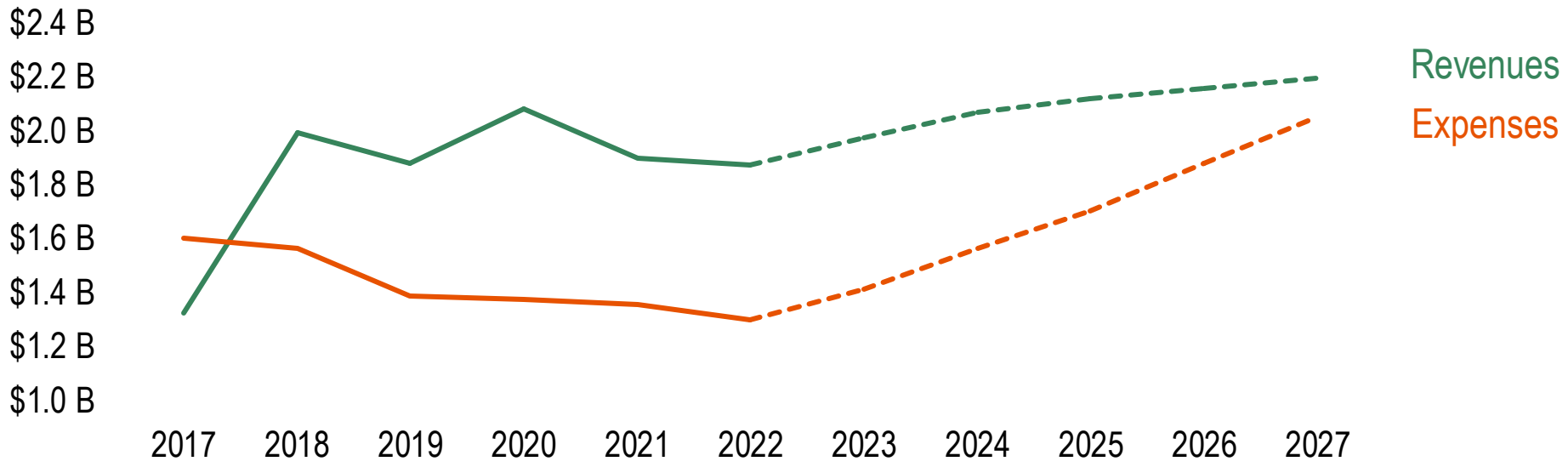
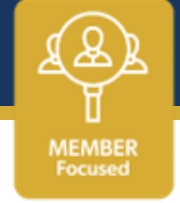
TRS-ActiveCare: Fund Balance through November 2022



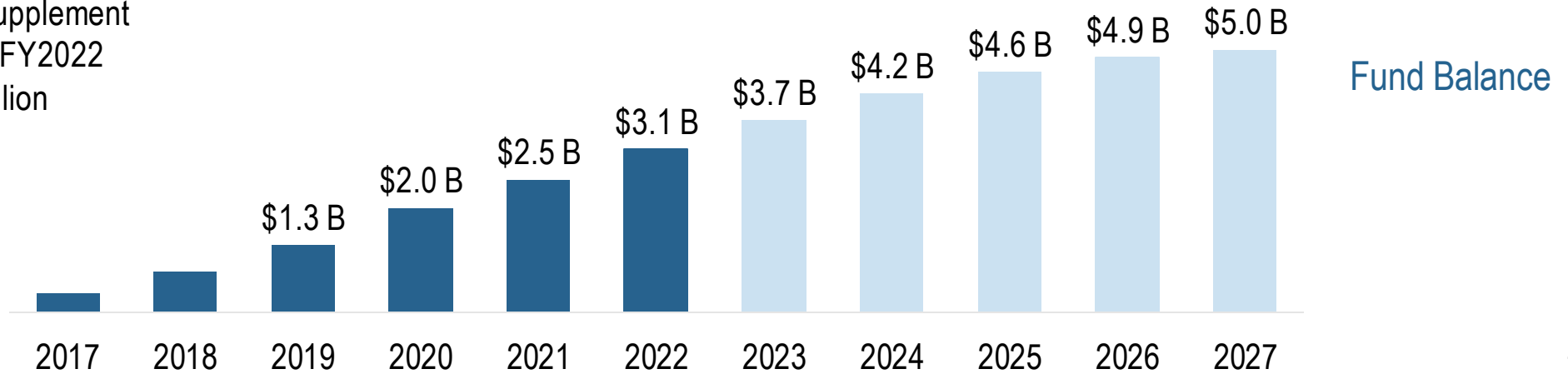
SB 8, 87th(3rd Special) Supplement Appropriation and Cares Act grant Increased FY2022 revenues by \$638 Million



TRS-Care: Fund Balance through November 2022



SB 8, 87th(3rd Special) Supplement
 Appropriation Increased FY2022
 Fund Balance by \$83 Million





Questions?