

September 2024

# 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, Mr. Rutherford, and Ms. Sissney.)*

*All or part of the September 19, 2024, 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, 5<sup>th</sup> Floor, Boardroom.***

*The open portions of the September 19, 2024, 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](http://www.trs.texas.gov). A recording of the meeting will be available at [www.trs.texas.gov](http://www.trs.texas.gov).*

**AGENDA  
September 19, 2024 – 8:45 a.m.**

1. Call roll of Committee members.
2. Consider the approval of the proposed minutes of the July 2024 committee meeting – Committee Chair.
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 2024 meeting;
  - B. Consider recommending to the Board approval of Benefit Payments for June – August 2024; and
  - C. Receive a Benefit Services Operations update.
4. Receive update and consider the following regarding TRS health insurance benefits program:
  - A. Receive updates on TRS-Care and TRS-ActiveCare health plans, including an update on operations and customer Service – Katrina Daniel and Monica Bernal

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.

**Minutes of the Benefits Committee  
July 18, 2024**

The Benefits Committee of the Board of Trustees of the Teacher Retirement System of Texas met on July 18, 2024, 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. Brittany Allred  
Mr. Michael Ball  
Mr. John Rutherford  
Mr. Robert H. Walls, Jr.

**Other TRS Board Members present:**

Mr. David Corpus  
Mr. John Elliott  
Ms. Nanette Sissney

**Others who participated:**

Brian Guthrie, TRS  
Caasi Lamb, TRS  
Don Green, TRS  
Amanda Jenami, TRS  
Barbie Pearson, TRS  
Katrina Daniel, TRS  
Heather Traeger, TRS  
Katherine Farrell, TRS  
Adam Fambrough, TRS  
Jennifer Gasior, TRS  
Meaghan Bludau, TRS  
Melanie Ingleby, TRS  
Yimei Zhao, TRS  
Jeff Bain, TRS  
Suzanne Dugan, Cohen Milstein

Kirsten Schatten, Segal  
Adam Morris, Gainwell Technologies  
Ted Coulter, Health Plan Data Solutions

Benefits Committee Chair, Mr. Elvis Williams, called the meeting to order at 8:58 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 May 2024, Benefits Committee meeting – Chair Elvis Williams.**

On a motion by Mr. Ball, seconded by Ms. Allred, the committee unanimously approved the proposed minutes for the May 2024 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 March 2024 and May 2024 – Barbie Pearson;**

Ms. Barbie Pearson recommended to the Committee to recommend to the Board acceptance of the Medical Board minutes for March and May 2024 meetings.

On a motion by Ms. Sissney, seconded by Mr. Ball, the committee unanimously voted to recommend to the Board acceptance of the Medical Board meeting minutes for March 2024 and May 2024.

**B. Consider recommending to the Board approval of Benefit Payments for March – May 2024 – Barbie Pearson;**

Ms. Pearson recommended to the Committee to recommend to the Board the approval of benefit payment for March through May 2024.

On a motion by Ms. Allred, seconded by Mr. Ball, the committee unanimously voted to recommend to the Board approval of benefit payment for March through May 2024.

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

Ms. Pearson began by introducing her new Deputy Chief Benefit Officers Jennifer Gasior and Adam Fambrough. She said Adam was over member services and Jennifer is over account services. She then reviewed staffing and overall workload as of May 31, 2024. She reported a 4 percent increase in the number of retirements and a 13.5 percent decrease in the number of deaths reported compared to last year. She said there was an overall drop of 23 percent for refunds but once the boost from the inactive account project is backed out, there was a 15 percent increase in regular refunds. She said the majority of the refunds are a straight-through process via MyTRS. As for retirements, she said the team is fully staffed and the back log is significantly down from last year. In response to Mr. Rutherford's inquiry, Ms. Pearson said she would review the targets for the year to determine the feasibility of raising the measures.

Ms. Pearson noted a recent article reported 2024 is going to be a record-breaking year for retirements in the U.S. estimating an average of 11,000 Americans a day are expected to turn 65 years old. In examining TRS demographics she said there were interesting numbers. She noted of the those currently employed over 170,000 were eligible to retire along with 38,000 not employed that were eligible to retire. Ms. Pearson concluded with reviewing Reporting Employer data. She said based upon last year's reporting employer satisfaction survey results initiatives focused on response times and training coupled with fully trained coaching staff has resulted in positive feedback from reporting employers.

**D. Consider recommending to the Board the appointments to the Medical Board including the chair of the Medical Board – Adam Fambrough;**

Mr. Adam Fambrough reviewed the role of the medical board and how the Board is required to appoint the three physicians that compose the medical board. He reported two of the doctors' contracts are set to expire on August 31 of this year. He said both doctors are providing services, work well with the staff, reviewing the files in a timely manner and performance is very satisfactory. He said staff's recommendation is to reappoint Dr. David Rothschild and Dr. Brian Buck to a one-year term beginning September 1, 2024 through August 31, 2025 with one additional optional one-year renewal. He said staff also recommended the reappointment of Dr. Rothschild as chair of the Medical Board. Ms. Pearson noted that since these were Board contracts a survey was completed with all satisfactory information.

On a motion by Mr. Ball, and seconded by Ms. Allred, the committee unanimously voted to recommend to the Board the following resolution appointing members to the Medical Board, including the chair of the Medical Board, as presented by staff:

**RESOLUTION TO APPOINT TRS MEDICAL BOARD MEMBER**

**Whereas**, Texas Government Code section 825.204 requires the Board of Trustees of the Teacher Retirement System of Texas to appoint a Medical Board composed of three physicians to perform services under contracts with TRS;

**Whereas**, The terms of two of the current three members will expire August 31, 2024;

**Whereas**, TRS staff recommends that the Board of Trustees reappoint Dr. David Rothschild as a member of the TRS Medical Board effective September 1, 2024 for a one-year term that ends on August 31, 2025 and allow for one additional, optional one-year renewal;

**Whereas**, TRS staff recommends that the Board of Trustees reappoint Dr. Brian Buck as a member of the TRS Medical Board effective September 1, 2024 for a one year term that ends on August 31, 2025 and allow for one additional, optional one year renewal;

**Whereas**, TRS staff recommends re-appointing Dr. David Rothschild as chair of the TRS Medical Board; now therefore, be it

**Resolved**, That the Board of Trustees reappoints Dr. David Rothschild for a one year term beginning on September 1, 2024 and expiring on August 31, 2025 with one additional, optional one-year renewal;

**Resolved**, That the Board of Trustees reappoints Dr. Brian Buck for a one-year term beginning on September 1, 2024 and expiring on August 31, 2025 with one additional, optional one-year renewal;

**Resolved**, That the Executive Director, or his designee, is hereby authorized to negotiate, with the assistance and advice of legal counsel, contract renewals for Medical Board services with Dr. Rothschild and Dr. Buck and, if negotiations are deemed by the Executive

Director in his discretion to be successful, then the Executive Director or his designee is hereby authorized to execute contract renewals with Dr. Rothschild and Dr. Buck for one year coinciding with the term of their appointment and according to such terms, conditions, and fees as the Executive Director may deem in his discretion to be appropriate and to provide the best overall value for TRS, and to execute and deliver all such other documents that the Executive Director may deem necessary or appropriate to effect this resolution, as conclusively evidenced by the taking of the action or the execution and delivery of the documents, and to incur, approve, and pay any budgeted expenses or costs associated with such contract and deemed in the discretion of the Executive Director to be reasonably necessary or advisable with respect to such contract; and

**Resolved,** That the Board of Trustees re-appoints Dr. David Rothschild as chair of the TRS Medical Board for a one-year term beginning on September 1, 2024 and expiring on August 31, 2025.

4. **Receive updates and consider the following regarding TRS health insurance benefits program:**
  - A. **Consider recommending to the Board the premiums and benefits for the TRS-Care health insurance benefits plans:**
    - i. **Consider the premiums for the TRS-Care Medicare Advantage plans including COBRA rates for plan year (PY) 2024;**
    - ii. **Consider the benefits for the TRS-Care Standard plan including COBRA rates for PY 2025.**
  - B. **Consider the premiums and benefits for the TRS-Care Optional Dental and Vision Plan for PY 2025:**
    - i. **Consider the premiums and benefits for the TRS-Care Optional Dental Plan for PY 2025; and**
    - ii. **Consider the premiums and benefits for the TRS-Care Optional Vision Plan for PY 2025.**

Ms. Katrina Daniel noted it was an exciting day due to the really good news for retirees such as the TRS-Care premiums and benefits and the introduction of the dental and vision plans. Ms. Meghan Bludau reported it was a rare event to be before the committee to recommend lower premiums for retirees. She said the reason for the reduction is the current fund balance projection for TRS-Care. In recent years the fund has seen considerable growth, she said if no changes were made it was projected to reach \$7 billion in just five years. She conveyed the top priority as requested by the Legislature is to lower premiums for the Medicare population while maintaining the long-term stability of the fund. Mr. Ball appreciated the good news of a recommendation to lower the premium but inquired as to if the Board should be setting an optimal fund balance for the program to memorialize keeping a certain reserve level. Mr. Guthrie agreed that memorializing it from a Board perspective would be very helpful in terms of reinforcing the need to adjust premiums to better reflect what is happening in the marketplace.

Ms. Bludau provided further detail about how the premium reductions reflect changes in the Medicare market. She noted in addition to recommending lowering premiums staff is proposing an extended open enrollment opportunity to allow those who have left the program to return. She said it would be for 18 months, October 2024 to March 2026, spanning two Medicare open

enrollment periods to allow retirees sufficient time. Ms. Ingleby reviewed the proposed reduction of approximately 45 percent in contributions for the retirees and their spouses and the changes in the Medicare program which allows for such a reduction. Ms. Bludau pointed out the Medicare population is significantly larger than the non-Medicare population so two-thirds to three-quarters of the Care population are part of this market. Ms. Ingleby reported participants will save between \$720 and \$4,884 annually depending on the tier they are enrolled in.

Ms. Ingleby said for the TRS-Care Standard covering pre-65, non-Medicare retirees the proposal was to keep premiums in place for 2025. She said the premiums for the TRS-Care Standard plan are competitive in the market. Ms. Bludau reviewed the other proposed changes to the TRS-Care Standard plan benefits side and the COBRA rates for TRS-Care and Medicare.

Ms. Yimei Zhao reminded the Committee that at the May Board meeting MetLife was selected as the carrier for both the dental and vision benefit plans for TRS-Care. She reviewed staff's recommended proposal for the benefits and premiums for the plans. She said the dental plan will be offered on a preferred provider network with more than 133,000 dentists/specialists for members to choose from with no in and out-of-network differences. Ms. Zhao for vision noted the network was even broader including major chains such as Costco, Walmart and Target in network. Ms. Daniel concluded by reviewing the communication plan for retirees highlighting TRS-Care plan, dental and vision news. She said there are 22 health fairs scheduled over the coming months across the state, virtual sessions and planned mailings.

On a motion by Mr. Ball, seconded by Ms. Sissney, the committee voted to recommend to the Board the adoption of the following resolution approving premiums for the TRS-Care Medicare Advantage plans, including COBRA rates, for plan year 2025 as presented by staff:

**RESOLUTION APPROVING PREMIUM RATE CHANGES FOR THE TRS-CARE  
MEDICARE ADVANTAGE PLAN**

**Whereas**, Chapter 1575, Insurance Code (the Texas Public School Retired Employees Group Benefits Act), authorizes the Teacher Retirement System of Texas ("TRS"), as trustee, to implement and administer the Texas Public School Retired Employees Group Benefits Program ("TRS-Care Program"), as described in the statute;

**Whereas**, under Section 1575.158(c), Insurance Code, TRS-Care offers a Medicare Advantage plan which provides coverage to Medicare-eligible participants, which has a fully insured Medicare Advantage component and a selffunded Medicare Prescription Drug component;

**Whereas**, Section 1575.052, Insurance Code, authorizes the trustee to take actions it considers reasonably necessary to devise, implement, and administer the TRS-Care Program;

**Whereas**, Section 1575.212, Insurance Code, authorizes the trustee to determine premiums to be paid by participants of the TRS-Care Program;

**Whereas**, the trust fund of TRS-Care has experienced growth in recent years stemming from federal changes to Medicare along with TRS' diligent health plan management and

other factors, which provides TRS with a unique opportunity to reduce premiums for the participants of the TRS-Care Medicare Advantage plan;

**Whereas**, TRS received correspondence from legislative leadership directing TRS to use the growth in the TRS-Care fund to reduce premiums and allow for a limitedtime enrollment opportunity for eligible TRS-Care Medicare Advantage participants;

**Whereas**, TRS staff and consultants assisting staff (the “Consultants”) have evaluated how to use the fund balance to accomplish these goals while maintaining the fund’s long-term stability, and have recommended rate changes be made to the TRS-Care Medicare Advantage plan beginning on the plan year that starts on January 1, 2025, as listed in Exhibit A, attached to this resolution and incorporated herein by reference;

**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 premium rate changes to the TRS-Care Medicare Advantage plan beginning on the plan year that starts on January 1, 2025, as listed in Exhibit A attached to this resolution and incorporated herein by reference, until further action by the Board; and

**Further resolved**, that the Board authorizes the Executive Director or his designees to take any actions that he or his designee in his or their discretion deem to be necessary or advisable to implement this resolution until further action by the Board.

On a motion by Ms. Sissney, seconded by Mr. Ball, the committee voted to recommend to the Board the adoption of the following resolution approving benefits for the TRS-Care Standard plan, including COBRA rates, for plan year 2025, as presented by staff:

**RESOLUTION APPROVING BENEFIT CHANGES  
FOR THE TRS-CARE STANDARD PLAN**

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

**Whereas**, under Section 1575.158(a), Insurance Code, the TRS-Care Program offers a high deductible health plan which provides coverage to non-Medicareeligible participants (“TRS-Care Standard Plan”);

**Whereas**, Section 1575.052, Insurance Code, authorizes the trustee to take actions it considers reasonably necessary to devise, implement, and administer the TRS-Care Program;

**Whereas**, on May 2024 the Internal Revenue Service (IRS) released inflation adjustments to the minimum deductibles that high deductible health plans must have to be qualified to work together with health savings accounts (HSAs), so that the funds that participants deposit in those HSAs enjoy a tax-favored status;

**Whereas**, TRS desires to make adjustments to the current deductibles of the TRSCare Standard Plan according to the IRS guidelines, so that the plan continues to be a qualified high deductible health plan under such IRS guidelines;

**Whereas**, plan costs require adjustments to the COBRA rates for spouses and children without Medicare, rates which had not changed since the year 2018;

**Whereas**, accordingly, TRS staff and consultants assisting TRS staff (the "Consultants") have recommended the benefit changes to be made to the TRSCare Standard Plan and changes to non-Medicare COBRA rates for spouses and children beginning on the plan year that starts on January 1, 2025, as listed in Exhibit A, attached to this resolution and incorporated herein by reference;

**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 benefit changes to the TRS-Care Standard Plan beginning on the plan year that starts on January 1, 2025, as listed in Exhibit A attached to this resolution and incorporated herein by reference, until further action by the Board; and

**Further resolved**, that the Board authorizes the Executive Director or his designees to take any actions that he or his designees in his or their discretion deem to be necessary or advisable to implement this resolution until further action by the Board.

On a motion by Ms. Allred, seconded by Mr. Ball, the committee voted to recommend to the Board the adoption of the following resolution approving premiums for the benefits for the TRS-Care optional dental plan, for plan year 2025, as presented by staff:

**RESOLUTION APPROVING BENEFITS AND PREMIUM RATES FOR  
THE TRS-CARE OPTIONAL DENTAL PLAN PY2025**

**Whereas**, Chapter 1575, Insurance Code (the Texas Public School Retired Employees Group Benefits Act), authorizes the Teacher Retirement System of Texas ("TRS"), as trustee, to implement and administer the Texas Public School Retired Employees Group Benefits Program ("TRS-Care Program"), as described in the statute;

**Whereas**, Section 1575.1601, Insurance Code, requires TRS to establish or contract for and make available under the TRS-Care Program an optional plan that provides coverage for dental care for retirees, dependents, surviving spouses, and surviving dependent children ("TRS-Care Optional Dental Plan");

**Whereas**, Section 1575.052, Insurance Code, authorizes the trustee to take actions it considers reasonably necessary to devise, implement, and administer the TRS-Care Program;

**Whereas**, Section 1575.212, Insurance Code, authorizes the trustee to determine premiums to be paid by participants of the TRS-Care Program;

**Whereas**, on the May 2024 Board Meeting, TRS selected MetLife Insurance Company (“MetLife”) to be the insurance carrier to provide and administer the TRS-Care Optional Dental Plan;

**Whereas**, TRS staff have negotiated with MetLife the premium rates and benefits for the TRS-Care Optional Dental Plan to be offered on the initial plan year that starts on January 1, 2025;

**Whereas**, TRS staff and consultants assisting TRS staff (the “Consultants”) have evaluated the premium rates and benefits and have recommended the Board approves them as listed in Exhibit A, attached to this resolution and incorporated herein by reference;

**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 premium rates and benefits to the TRS-Care Optional Dental Plan beginning on the plan year that starts on January 1, 2025, as listed in Exhibit A attached to this resolution and incorporated herein by reference, until further action by the Board; and

**Further resolved**, that the Board authorizes the Executive Director or his designees to take any actions that he or his designee in his or their discretion deem to be necessary or advisable to implement this resolution until further action by the Board.

On a motion by Mr. Ball, seconded by Ms. Sissney, the committee voted to recommend to the Board the adoption of the following resolution approving premiums for the benefits for the TRS-Care optional vision plan, for plan year 2025, as presented by staff:

**RESOLUTION APPROVING BENEFITS AND PREMIUM RATES FOR  
THE TRS-CARE OPTIONAL VISION PLAN PY2025**

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

**Whereas**, Section 1575.1601, Insurance Code, requires TRS to establish or contract for and make available under the TRS-Care Program an optional plan that provides coverage for vision care for retirees, dependents, surviving spouses, and surviving dependent children (“TRS-Care Optional Vision Plan”);

**Whereas**, Section 1575.052, Insurance Code, authorizes the trustee to take actions it considers reasonably necessary to devise, implement, and administer the TRS-Care Program;

**Whereas**, Section 1575.212, Insurance Code, authorizes the trustee to determine premiums to be paid by participants of the TRS-Care Program;

**Whereas**, on the May 2024 Board Meeting, TRS selected MetLife Insurance Company (“MetLife”) to be the insurance carrier to provide and administer the TRS-Care Optional Vision Plan;

**Whereas**, TRS staff have negotiated with MetLife the premium rates and benefits for the TRS-Care Optional Vision Plan to be offered on the initial plan year that starts on January 1, 2025;

**Whereas**, TRS staff and consultants assisting TRS staff (the “Consultants”) have evaluated the premium rates and benefits and have recommended the Board approves them as listed in Exhibit A, attached to this resolution and incorporated herein by reference;

**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 premium rates and benefits to the TRS-Care Optional Vision Plan beginning on the plan year that starts on January 1, 2025, as listed in Exhibit A attached to this resolution and incorporated herein by reference, until further action by the Board; and

**Further resolved**, that the Board authorizes the Executive Director or his designees to take any actions that he or his designee in his or their discretion deem to be necessary or advisable to implement this resolution until further action by the Board.

- C. Receive and review claims administration and rebate audit reports for the TRS-ActiveCare and TRS-Care self-funded benefit plans – Yimei Zhao, Jeff Bain; Ted Coulter, Health Plan Data Solutions and Adam Morris, Gainwell.**
- 1. TRS-ActiveCare and TRS-Care medical benefits administered by Blue Cross Blue Shield of Texas for the 2021 and 2022 plan years;**
  - 2. TRS-ActiveCare and TRS-Care pharmacy benefits administered by CVS for the 2022 plan year; and**
  - 3. TRS-ActiveCare and TRS-Care rebates administered by CVS for the 2022 plan year.**

Mr. Jeff Bain reviewed the purpose of the audits, which is to ensure the claims paid are for eligible beneficiaries, that they aligned with the plan designs and are paid accurately.

Mr. Adam Morris reviewed the audit for TRS noting it was a hybrid audit consisting of both comprehensive and random claims. He said there were 200 comprehensive claims and 200 random claims per plan. He discussed the findings for this year which included co-pays that were not taken properly, non-covered services and dual eligibility members. He concluded with the operational audit of Blue Cross and Blue Shield that identified positive trends such as exceeding the 99percent goal of processing claims within 30 days and the average answer time decreased under Blue Cross and Blue Shield by 10 seconds to 11.46 seconds.

Mr. Ted Coulter reviewed the audit for plan year 2022. He reported nearly 14 million claims and over \$ 2 billion in pharmacy spend for the year. He said there was findings in just one area, limited

distribution drugs were not included in a guarantee when it should have been. He said CareMark has agreed that was an error and will re-adjudicate those claims. He said this finding is just under \$700,000, less than three-tenths of 1 percent of TRS' pharmacy spend. He said there has been a decrease in findings year over year which means errors in previous audits have been corrected and not popped back up, a strong point for TRS' PBM.

There being no more business before the Benefits Committee, the committee adjourned at 10:35 a.m.

Approved by the Benefits Committee of the Board of Trustees of the Teacher Retirement System of Texas on September\_\_\_\_, 2024.

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Katherine H. Farrell  
Secretary of the TRS Board of Trustees

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Date

**TAB 3**



# Pension Benefits

Presentation Date: Sept. 19, 2024

Presented By: Barbie Pearson



# Agenda



- 1 Account Services
- 2 Member Services
- 3 Employer Customer Support
- 4 Staffing – Filled Positions
- 5 Objectives
- 6 Upcoming Member Communications



# Account Services



**23,730**  
Retirements

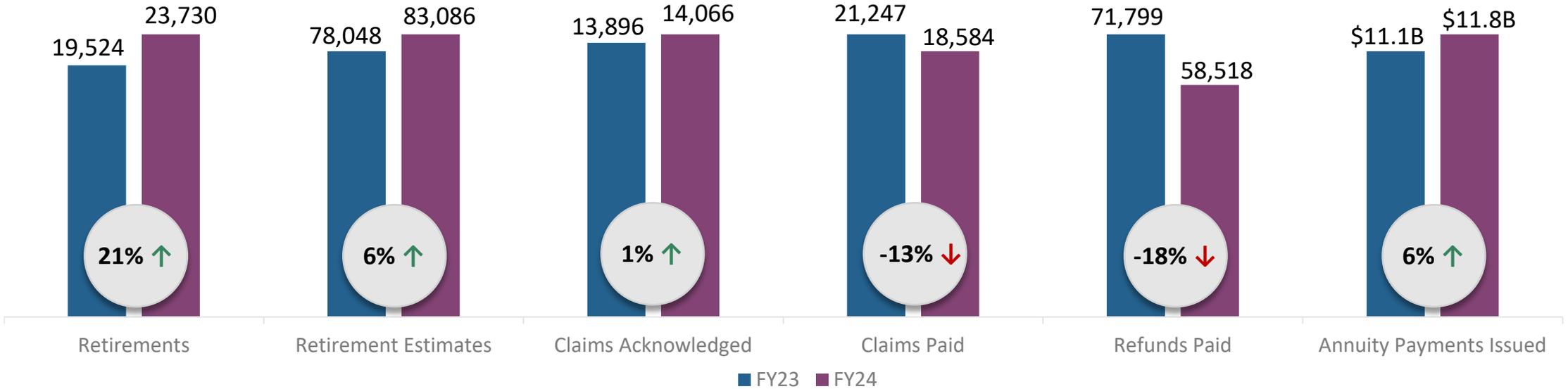
**83,086**  
Benefit  
Estimates

**14,066**  
Claims  
Acknowledged

**18,584**  
Claims Paid

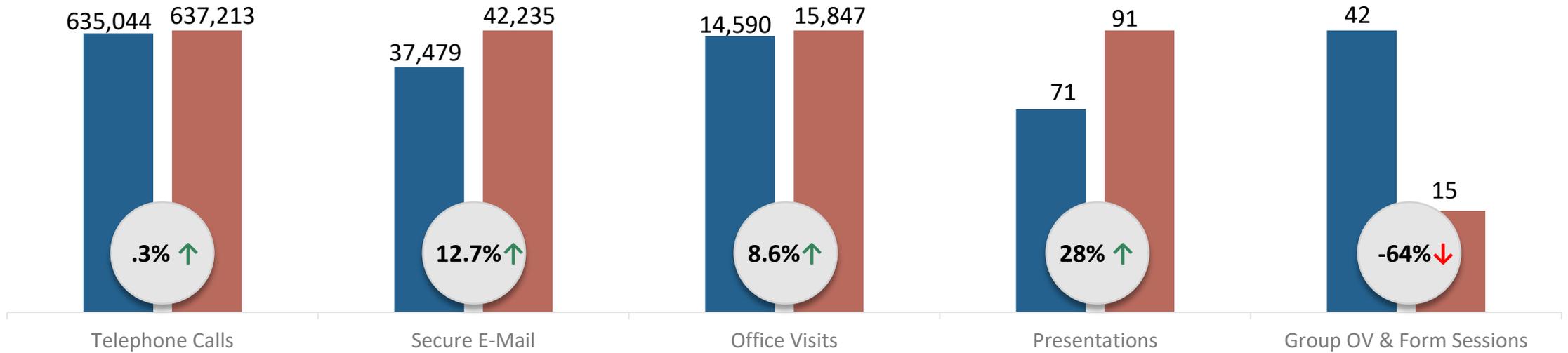
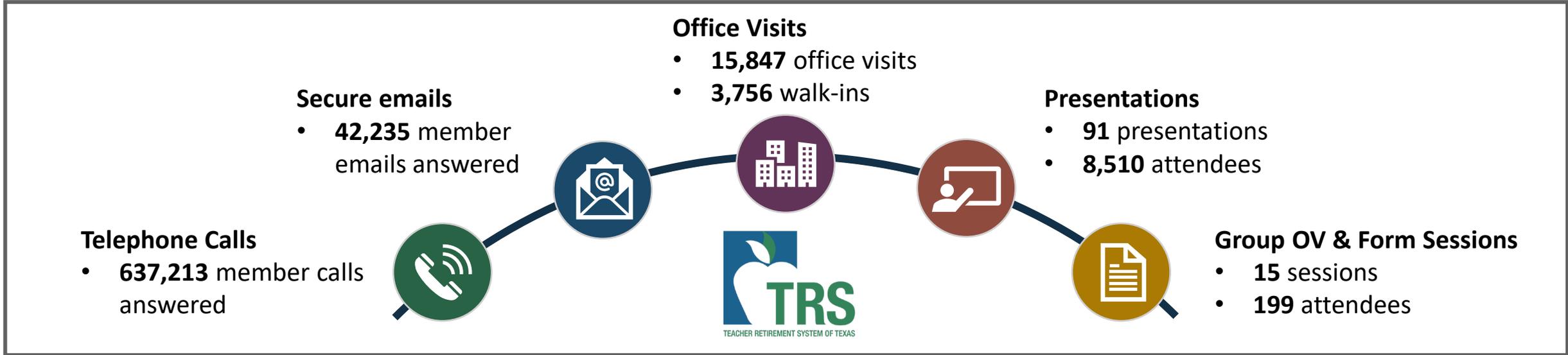
**58,518**  
Refunds Paid

**\$11.8 Billion**  
Annuity  
Payments Issued





# Member Services





# Employer Customer Support

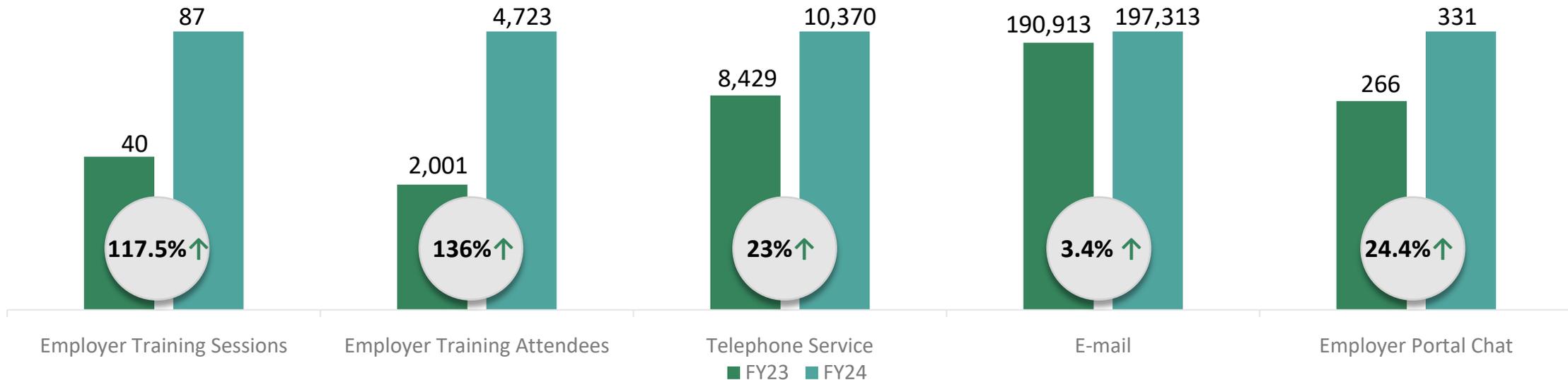


**Employer Training**  
87 Sessions  
4,723 Attendees

**Telephone Service**  
10,370

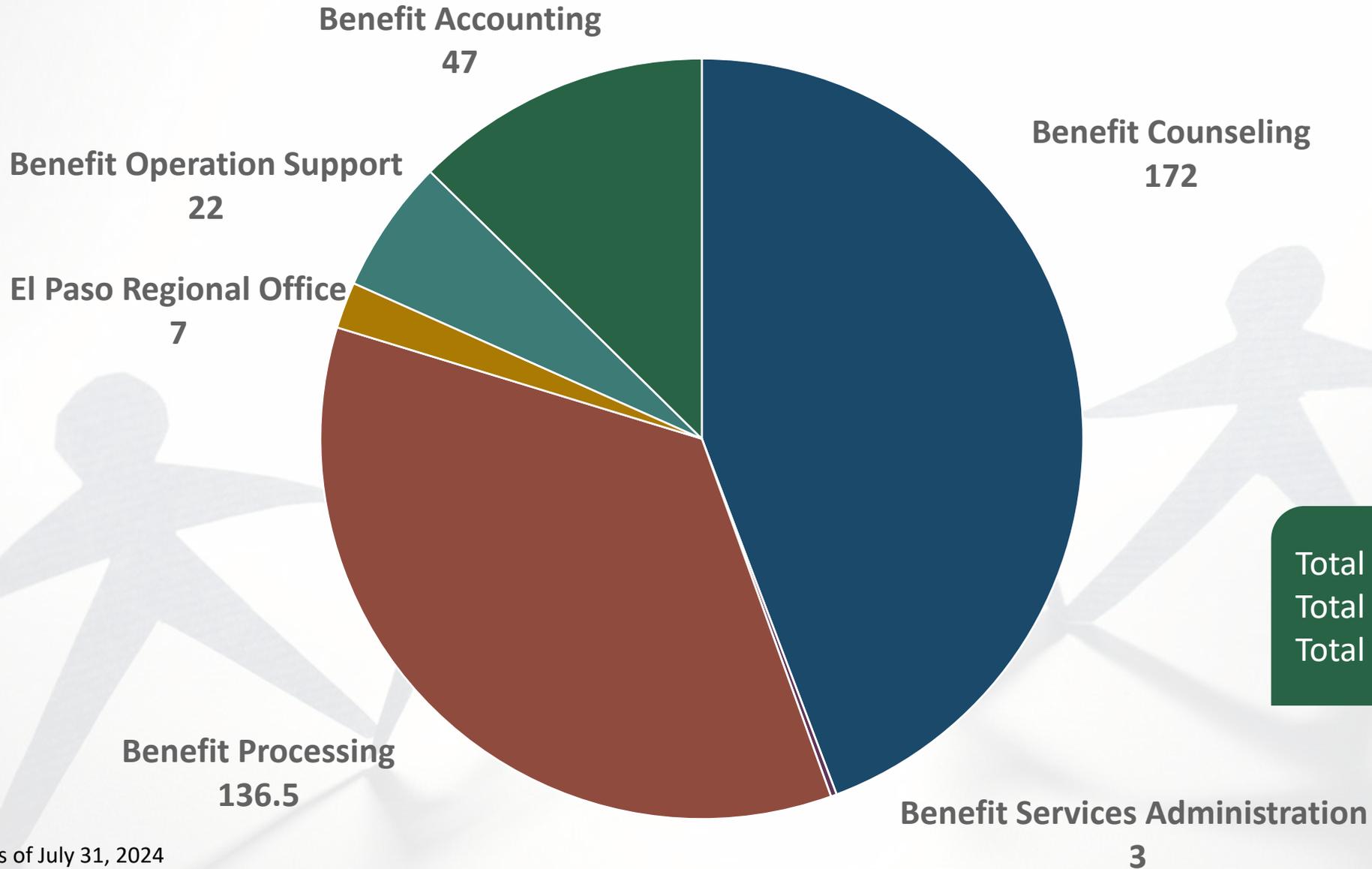
**E-mail**  
197,313

**Employer Portal Chat**  
331





# Staffing – Filled Positions



Total Positions: 398.5  
Total Filled: 387.5  
Total Vacant: 11

\*Totals as of July 31, 2024



# Objectives



Business Activity	Objectives	FY Target	FY24 Q1	FY24 Q2	FY24 Q3	FY24 June & July	FYTD24 thru July
Refunds	Refunds validated within five business days of receiving final deposit and all paperwork	95%	100%	99%	100%	100%	100%
Benefit Estimates	Benefit estimates mailed within 31 days of request	90%	100%	100%	100%	100%	100%
Retirements	Retirees received first annuity payment on time	98%	67%	98%	96%	100%	90%
Death Claims (acknowledged)	Claims acknowledged within 14 days of receipt of death notification	90%	99%	99%	99%	100%	99%
Death Claims (payments)	Claims payments issued within 31 days of receipt of all required paperwork	95%	98%	99%	99%	100%	99%
Reporting Employer	Regular payroll reports completed by the end of each quarter (cumulative for fiscal year)	90%	97%	99%	99%	99%	99%
Foundational Training	Provided pension benefits foundational classroom training for all new hires (cumulative)	100%	100%	100%	96%	96%	96%



# Objectives



Business Activity	Objectives	FY Target	FY24 Q1	FY24 Q2	FY24 Q3	FY24 June & July	FYTD24 thru July
Telephone Calls	Calls answered within three minutes	80%	97%	90%	94%	97%	94%
	Average speed of answer (minutes/seconds)		0:18	0:49	0:27	0:17	0:29
Office Visits (Austin)	Number of office visits available annually	20,000	6,436	5,878	5,670	3,234	21,218
Conducted	In-Person		1,446	1,290	1,537	999	5,272
	Live Video		1,175	1,314	1,291	654	4,434
	Telephone		828	905	952	451	3,136
	Walk-Ins		398	341	384	240	1,363
Office Visits (El Paso)	Number of office visits available annually	5,000	1,984	1,584	1,344	633	5,545
Conducted	In-Person		454	347	411	296	1,508
	Live Video		247	270	277	122	916
	Telephone		197	145	165	74	581
	Walk-Ins		542	654	645	552	2,393
Quality Assurance	Number of telephone interactions evaluated	5,000	3,160	3,152	2,936	1,921	11,169



# Performance Objectives Update



## Current Service Level Target

<b>Benefit Estimates</b> 90% in 31 days
<b>Death Claims Acknowledged</b> 90% in 14 days
<b>Telephone Calls Answered</b> 80% in 3 mins
<b>Quality Assurance Evaluations</b> 5000

	FY22 SL	FY23 SL	FY24 SL	FY25 Target
Benefit Estimates	30%	100%	100%	95% in 31 days
Death Claims Acknowledged	85%	90%	99%	95% in 14 days
Telephone Calls Answered	19%	86%	94%	90% in 3 mins
Quality Assurance Evaluations	5,238	8,890	11,169	Phone: 11,500 Virtual Visits: 1,200

## Reasoning

- Increased staffing and TRUST system enhancements have helped us improve our service levels.
- For benefit estimates, death claims acknowledged, and telephone calls answered, we are already meeting the proposed FY25 targets.
- QA evaluations will increase now that we are fully staffed in the contact center.



# Upcoming Member Communications



Annual Statement  
October 2024



1000 Red River Street  
Austin, TX 78701-2099  
(800) 253-8778  
www.trsnccol.gov

AURORA DOE  
1000 Red River  
Austin TX 78701-1010

## Annual Statement

TRS123AC (08-21)



Date Generated: 08/10/2021  
Sequence Number: 3479  
TRS Participant ID:

Please review your salary and service credit information on this statement. If salaries are incorrect, contact your employer(s) immediately. To report service credit discrepancies, promptly notify TRS.

For help in reading this statement or estimating retirement benefits, visit the Annual Statement webpage on the TRS website.

### RETIREMENT ACCOUNT SUMMARY

Information presented on this statement only reflects TRS data. Salaries, service credit, and other data are subject to audit and adjustment prior to payment of any benefits.

Date of Birth:	04/18/1990
Tier:	5
Years of Service Credit:	6
Service Credit based on school year (Sept 1 through Aug 31), not calendar year.	

Beginning Account Balance	\$15,051.70
Total Annual Deposits	\$2,864.13
Interest Credited in 2021	\$17,715.83
Account Balance as of Aug 31, 2021	\$0.00
Non-Taxable Dollars in Your Account	\$0.00
Taxable Dollars in Your Account	\$17,715.83

Salary Reported for School Year*	
2021	\$34,599
2020	\$34,599
2019	\$45,854
2018	\$43,080
2017	\$43,879
2016	\$41,497
2015	\$41,782

\*Salary is reported Sept. 1 through Aug. 31 of each year regardless of your contractual amount. You will only see a salary reported for the most recent school year if you received service credit for the year. To receive service credit, you must work or receive pay leave from a TRS-eligible position for at least 90 days during the school year.

The 2021 annual compensation that appears on this statement may not reflect all of the compensation paid to you during the 2020-21 school year. TRS is still processing payroll reports from TRS-covered employers for the 2020-21 school year. If additional compensation is reported, it will be reflected on future statements that you receive from TRS.

## Annual Statement

TRS123AC (08-21)

## Annual Statement

TRS123AC (08-21)



# Questions



**TAB 4**



Sept. 19, 2024

Katrina Daniel, Chief Health Care Officer

Monica Bernal, Sr. Director of Health Operations





# Health Agenda



- **Chief Health Care Officer Update**
- **Retirees Advisory Committee Nomination Period**
- **Health Operations Overview**





# TRS-Care Health Education Fairs for 2025 Benefits



## August

- Wednesday, Aug. 21 – Round Rock
- Tuesday, Aug. 27 – San Angelo
- Wednesday, Aug. 28 – Fredericksburg
- Thursday, Aug. 29 – San Antonio

## September

- Tuesday, Sept. 3 – Tyler
- Wednesday, Sept. 4 – Ft. Worth
- Thursday, Sept. 5 – Arlington
- Friday, Sept. 6 – Frisco
- Tuesday, Sept. 10 – Conroe
- Wednesday, Sept. 11 – Houston
- Thursday, Sept. 12 – West Houston
- Friday, Sept. 13 – Galveston
- Tuesday, Sept. 17 – El Paso
- Tuesday, Sept. 24 – McAllen
- Wednesday, Sept. 25 – Harlingen
- Thursday, Sept. 26 – Corpus Christi
- Friday, Sept. 27 – Laredo

## October

- Tuesday, Oct. 1 – Beaumont
- Wednesday, Oct. 2 – Waco
- Tuesday, Oct. 8 – Amarillo
- Wednesday, Oct. 9 – Lubbock
- Thursday, Oct. 10 – Midland/Odessa

Over 3K have attended  
since Sept. 11, 2024



*22 Locations Across Texas*



## **Retirees Advisory Committee Nomination Period**

**Katrina Daniel, Chief Health Care Officer**



# RAC Position up for Nominations



Nomination window: Sept. 10 – Nov. 4



One RAC position open immediately due to retirement

- Active school administrator



## Criteria

- TRS member/retiree
- Volunteer experience
- Credentials, awards
- TRS-Care participation
- Geographic diversity
- Health benefits experience



## Evaluation and Appointments

- Evaluation matrix
- Interview with TRS Health
- RAC appointments at December board meeting





# Health Operations Overview

Monica Bernal, Sr. Director of Health Operations



# Senior Health Operations Leadership Team: Professional Leadership Expertise



## COMBINED EXPERIENCE

- 1 doctoral degree
- 5 master's degrees
- 4 Business and leadership degrees
- Retired Army Colonel

## Collective Years

- Leadership: 72
- Customer Service: 80
- Quality Management: 47
- Healthcare: 19
- Training: 57



**Monica Bernal**  
Sr. Director of Health Operations



**Rob Humphrey**  
Director, Health Operations Enrollment and Eligibility



**Jon Sanchez**  
Director, Member Services



**Kristin Hamlett**  
Director, Health Operations



# What Does Member Enrollment & Eligibility Operations Do?



Enrollment and Eligibility



Bill Reconciliation



Operational Support for School Districts



IT Integration and Support



Federal and Regulatory Implementation

Operational Roles	No. of Staff
Senior Leadership	1
Supervisors	3
Team Leads	2
Benefit Consultants	2
Benefit Coordinators	16



# What Does Member Service Operations Do?



## Counseling & Benefit Education

- Phone, In-person, or Virtual
- Serve as subject matter experts on TRS health benefits



## Health Event Support

- Educate retirees at booths during health education fairs in the fall
- Educate health plan participants during benefit enrollment webinars



## Member Ally Team

- Serve as point of contact for escalated issues
- Analyze complex health benefit cases

Operational Roles	No. of Staff
Senior Leadership	1
Supervisors	2
Team Leads	1
Benefit Coordinators	3
Benefit Counselors	17

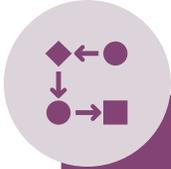


# What Does Operational Oversight Do?



## Vendor Implementation

Onboard new vendors such as medical, pharmacy, & enrollment



## Process Improvement

Identify gaps in efficiencies and take steps to address them



## Training

Train counselors and coordinators on TRS health benefits and develop curriculum



## Quality Assurance

Ensure efficiency and quality in each interaction

Operational Roles	No. of Staff
Senior Leadership	1
Clinical Consultant	1
Quality Assurance Specialist	1
Training Specialist	1



# Operations by the Numbers — FY24



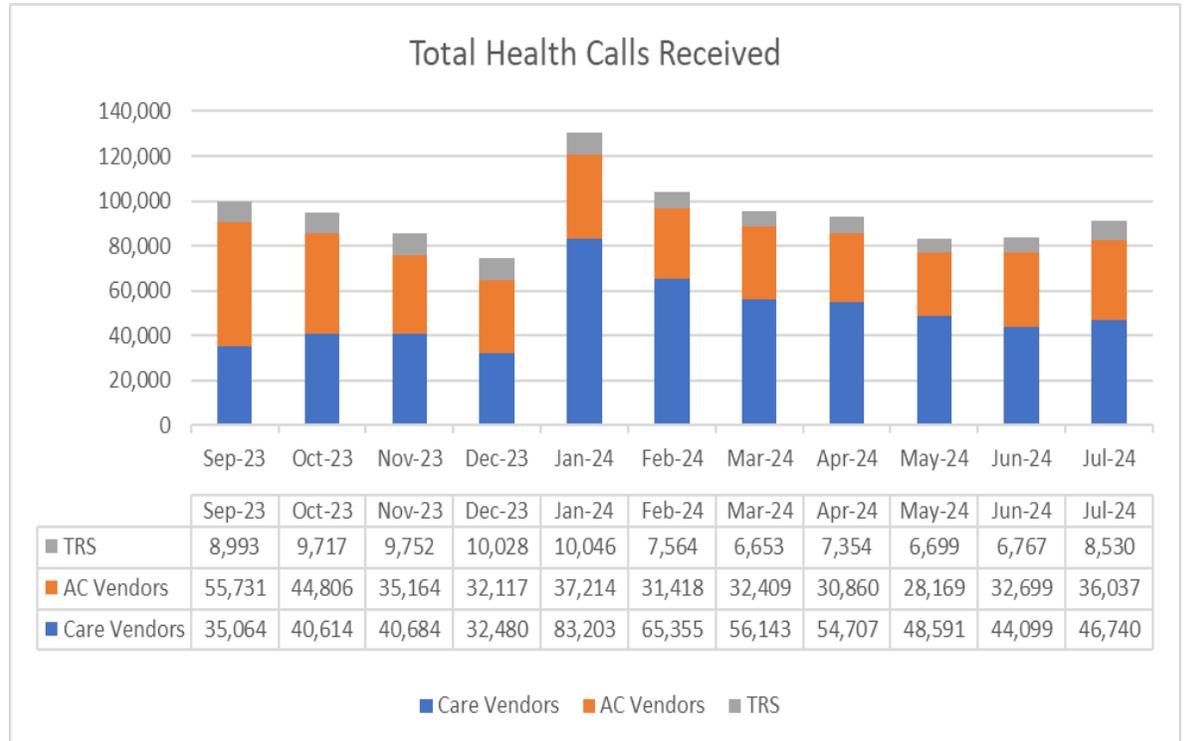
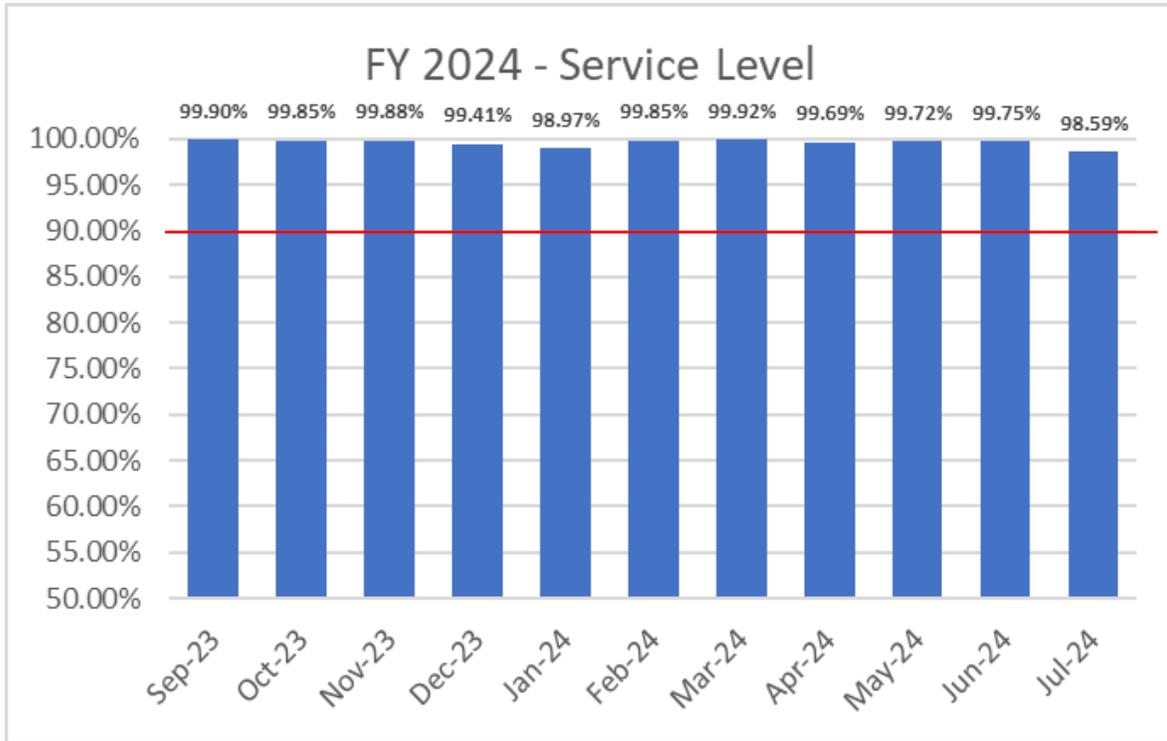
**1 million+ calls received FY 24**

**< 1% abandon rate**

**175k member requests processed**

**10 new school districts onboarded**

**Dental & Vision Stats:  
2,400 applications  
3,500 phone calls**



# Improving the Member and Team Member Experience

## Member Experience

- What causes confusion for them?
- Does our team need additional training on specific items to better educate our members?
- Can we improve our member communications?

## Team Member Feedback

- What causes delays for our team to do their job?
- What are the pain points?





## TRS-Care Medicare Advantage Enrollment Application

### CHALLENGE

- Lengthy and cumbersome 19-page enrollment application
- Often submitted with missing information
- Retiree confusion over Medicare terms



### ACTION

- Researched new Medicare regulations
- Process Improvement Event to identify common application errors
- Revised the enrollment application



### RESULT

- **Application length:**  
Reduced by 20%
- **Processing time:**  
Reduced by 33%
- **Application error rate:**  
Reduced by 40%



# Appendices

Fund Balances

# Appendix: TRS-ActiveCare Fund Balance Projection Through 2027

TRS-ActiveCare Fund Balance Projection  
**Financial History and Projection through FY2027**  
as of May 31, 2024

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	\$1,033,743,632	\$638,337,761	\$868,968,740	\$149,833,982	\$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	\$952,097,761		\$800,336,918	\$85,603,456	\$0	\$27,739,321	\$1,865,777,457	\$1,683,988,310	\$288,020,255	\$83,782,801	\$73,689,100	\$2,129,480,467	\$283,836,965
FY 2024	\$1,090,333,211	\$304,959,267	\$758,379,144	\$68,190,637	\$0	\$35,168,371	\$2,257,030,630	\$1,761,508,617	\$270,654,722	\$72,978,730	\$75,231,350	\$2,180,373,419	\$360,494,176
FY 2025	\$1,248,742,647	\$283,558,510	\$868,560,519	\$10,784,101	\$0	\$29,376,985	\$2,441,022,763	\$1,989,814,045	\$340,857,142	\$10,634,521	\$83,089,838	\$2,424,395,546	\$377,121,392
FY 2026	\$1,286,204,927		\$894,617,335	\$11,107,624	\$0	\$15,634,259	\$2,207,564,144	\$2,084,330,213	\$379,961,281	\$10,958,044	\$83,732,135	\$2,558,981,673	\$25,703,864
FY 2027	\$1,324,791,074		\$921,455,855	\$11,440,853	\$0	\$1,968,259	\$2,259,656,042	\$2,178,125,072	\$420,947,959	\$11,291,273	\$87,356,020	\$2,697,720,324	(\$412,360,419)

**NOTES**

- Actual data through May 31, 2024
- Medical trend: 5% through FY24; reduced by 0.25% each year thereafter with a 4% minimum. Higher trend used in FY25 to account for new districts.
- Pharmacy trend: 8.5% through FY24; reduced by 0.25% each year thereafter with a 6% minimum. Higher trend used in FY25 to account for depressed claims in FY24 as a result of PBM switch.
- Prior to FY2018: State contributions are equal to \$75 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 7.0%. Rate decreases by a factor of 25% each year with a minimum of 0.5%.
- Rate increase of 9% assumed for FY25. 3% increase assumed for all years after FY25
- The ActiveCare Fund balance is managed to prevent a deficit through premium and benefit adjustments

# Appendix: TRS-Care Fund Balance Projection Through 2027

TRS-Care Fund Balance Projection  
**Financial History and Projection through FY2027**  
 as of May 31, 2024

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 2017*	\$373,229,610	\$328,063,352	\$15,559,552	\$213,241,179	\$191,057,800	\$5,225,993	\$195,396,219	\$807,831,048	\$734,805,874	\$51,885,051	\$368,737,886
FY 2018	\$488,069,004	\$425,625,726	\$394,600,000	\$221,325,377	\$266,061,322	\$10,930,281	\$183,159,406	\$840,420,584	\$669,082,906	\$50,430,879	\$798,574,633
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	\$477,018,666	\$533,605,088	\$0	\$277,468,284	\$334,703,238	\$151,354,211	\$354,575,016	\$590,029,372	\$714,251,845	\$52,615,305	\$3,889,765,200
FY 2024	\$469,600,750	\$544,277,190	\$0	\$283,024,139	\$326,566,314	\$176,752,934	\$397,380,835	\$601,567,937	\$753,268,962	\$41,531,079	\$4,690,999,384
FY 2025	\$487,820,904	\$555,162,734	\$0	\$288,684,622	\$333,097,640	\$156,603,961	\$476,364,460	\$611,904,904	\$939,434,348	\$51,754,416	\$5,385,640,037
FY 2026	\$492,288,699	\$566,265,988	\$0	\$294,458,314	\$339,759,593	\$132,815,739	\$479,202,912	\$643,495,911	\$1,010,646,237	\$53,170,016	\$5,983,119,118
FY 2027	\$497,157,451	\$577,591,308	\$0	\$300,347,480	\$346,554,785	\$109,516,896	\$511,228,387	\$719,566,333	\$1,085,022,389	\$55,669,540	\$6,465,257,164

**NOTES**

- Invoice data through May 31, 2024
- This 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 9/1/2017.
- Medical trends: 7% through FY2023; reduced by 0.25% each year thereafter.
- Pharmacy trends: 7% through FY2023; reduced by 0.25% each year thereafter.
- \*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.
- 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%.