

April 2021

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 Michael Ball; Members Christopher Moss, James Dick Nance,
Nanette Sissney, Robert H. Walls, Jr.)*

By Videoconference

THE APRIL 14, 2021, MEETING OF THE TRS BENEFITS COMMITTEE AND BOARD OF TRUSTEES MEETING WILL BE CONDUCTED BY VIDEOCONFERENCE IN ACCORDANCE WITH THE GOVERNOR'S AUTHORIZATION CONCERNING SUSPENSION OF CERTAIN OPEN MEETING LAW REQUIREMENTS IN RESPONSE TO THE COVID-19 (CORONAVIRUS) DISASTER. A quorum of members of the Committee will participate in the meeting and will be audible to the public. Members of the public may access the meeting by clicking <https://zoom.us/j/984-348-8378> Meeting ID: 984-348-8378, please email the Board Secretary to obtain the meeting password at Katherine.Farrell@trs.texas.gov.

The open portions of the April 14, 2021 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 14, 2021 – 9:30 a.m.

1. Call roll of Committee members.
2. Consider the approval of the proposed minutes of the December 2020 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 of January 2020, September 2020, and January 2021;
 - B. Consider recommending to the Board approval of Benefit Payments for December 1, 2020 – February 28, 2021; and
 - C. Benefit Services Operations update.
4. Receive an update regarding TRS health insurance benefits program including the TRS Health and Insurance Benefits Operations quarterly update – 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.

5. Receive an update on long-term care insurance - Katrina Daniel.

**Minutes of the Benefits Committee
December 9, 2020**

The Benefits Committee of the Board of Trustees of the Teacher Retirement System of Texas met on December 9, 2020, by videoconference in accordance with the Governor's authorization concerning suspension of certain Open Meeting law requirements in response to the COVID-19 (Coronavirus) disaster.

Committee members who participated by videoconference:

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

Other TRS Board Members who participated by videoconference:

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

Others who participated by videoconference:

Brian Guthrie, TRS
Andrew Roth, TRS
Don Green, TRS
Katrina Daniel, TRS
Barbie Pearson, TRS
Carolyn Perez, TRS
Heather Traeger, TRS
Katherine Farrell, TRS
Suzanne Dugan, Cohen Milstein

Benefits Committee Chair, Mr. Michael Ball, called the meeting to order at 8:08 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 September 2020, Benefits Committee meeting – Chair Michael Ball.

On a motion by Mr. Nance, seconded by Mr. Moss, the committee unanimously approved the proposed minutes for the September 2020 Benefits Committee meeting as presented.

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

A. Consider recommending to the Board approval of Benefit Payments for September 1, 2020 – November 30, 2020 – Barbie Pearson;

Ms. Pearson recommended to the Committee the approval of benefit payment for the first quarter of the fiscal year 2021, September 1, 2020 through November 30, 2020.

On a motion by Ms. Sissney, seconded by Mr. Moss, the committee unanimously voted to approve the benefit payments as presented by staff.

B. Benefit Services Operations update – Barbie Pearson.

Ms. Pearson presented an update on Benefit Services Operations. She discussed the workload in Benefit Services where there was an increase in workload some due to the pandemic and also to the continued increase in annual membership growth. She noted a 31.16 percent increase in the number of annuitants added to payroll from last year. She also reported a 15.26 percent increase in the number of new deaths reported to TRS. She provided further detail regarding the workload for processing death claims. Ms. Pearson said from July 2020 through October 2020, four straight months, more than 5,000 benefit estimate requests were made by members, with each member requesting on average 2.3 estimates.

Ms. Pearson reported limited in-person visits started at the end of October. To date, she said they have conducted 127 visits. She noted they are allowing 12 in person visits per day, and those are three per hour every hour to allow time for sanitizing the rooms.

Ms. Pearson announced through partnering with Communications a video was created to let members know how to read the new statements. She said the video was promoted on the envelopes that mailed the statements and also via social media.

Ms. Pearson concluded by reviewing how TRS collects from employers if the required contributions were not received. She said with the new system, automated emails are in place to go out to employers. She said with an upcoming enhancement an employer will not be allowed to file the next month's report unless the money matches the report from the previous month. She said at year end a letter notifying employers who owe TRS money and is given 10 days from the letter to pay or warrant holds will be put in place with the State Comptroller's Office. She noted for higher ed, TRS does not have the ability to warrant hold, a report is sent to the Comptroller's Office giving them a list of any higher education employers that still owe TRS contributions. She said they have waived penalty and interest due to the pandemic.

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

Ms. Katrina Daniel provided an update on the TRS-ActiveCare implementation of new vendors. She said the BlueCross BlueShield implementation was a success.

For TRS-Care, Ms. Daniel, stated they are in a very robust communications campaign, just like what was done for ActiveCare to make sure members are ready for the vendor change. She said on average there are 10 touchpoints per participant.

Ms. Daniel stated for TRS-ActiveCare most districts did not make a change in their premium contribution on behalf of their employees, but 24 percent of districts did increase their contributions. She reviewed the changes to the two new plan designs the Board adopted in April and the impact of the changes. She noted one of the benefits of lowering premiums to the tiers that have children is that more children were added, lowering the overall costs to TRS for children are typically really healthy. She stated the two primary, PCP-driven plans, and adjustment of premiums for those tiers more favorable for families, kept a lot from going to those district of innovation plans. Ms. Daniel further reviewed the distribution between the various plans.

Ms. Daniel concluded her report with an update on COVID. She stated there were an increase in cases in Care and ActiveCare just like the state of Texas. She noted that in both plans, ActiveCare and Care, there was a liberalization of coverage to include coverage of co-pays, co-insurance 100 percent coverage of telemedicine visits and for COVID tests and diagnostic testing. She said they are monitoring the costs and make a decision on a quarterly basis on continuing the expanded coverage.

There being no more business before the Benefits Committee, the committee adjourned at 9:04 a.m.

Approved by the Benefits Committee of the Board of Trustees of the Teacher Retirement System of Texas on April _____, 2021.

Katherine H. Farrell
Secretary of the TRS Board of Trustees

Date

TAB 3

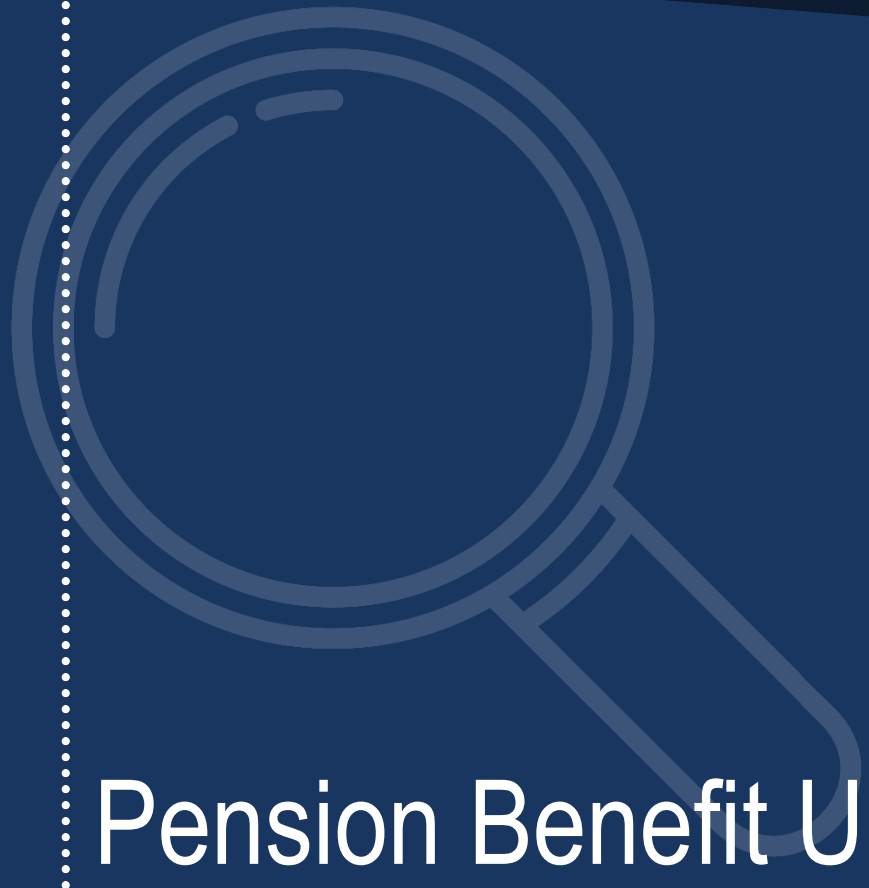


Benefit Services Update



Barbie Pearson
April 14, 2021





Pension Benefit Update

Fiscal 2021 Second Quarter

Fiscal 2021 Objectives Measured

Business Activity	Objectives	Target	Q1	Q2
Refunds	Refunds validated within five business days of receiving final deposit and all paperwork	95%	97.98%	95.96%
Benefit Estimates	Benefit estimates mailed within 31 days of request	90%	21.80%	8.18%
Retirements	Retirees receiving first annuity payment on time	98%	88.35%	99.51%
Death Claims (acknowledged)	Claims acknowledged within 14 days of receipt of death notification	90%	67.30%	20.20%
Death Claims (payments)	Claims payments issued within 31 days of receipt of all required paperwork	95%	23.00%	19.60%
Telephone Calls	Calls answered within three minutes	80%	15.97%	25.10%
Office Visits	Number of office visits available annually (target increase FY2019)	20,000	2,361	2,720
Office Visits Conducted	In-person:		127	93
	Live-video:		822	1,158
	Telephone:		713	503
	Walk-ins:		0	0
Reporting Employer	Regular payroll reports completed by the end of each quarter (cumulative for fiscal year)	90%	95.18%	98.18%

Fiscal 2021 Return to In-person Office Visits


March - 21%

May - 47%

April - 38%

June - 50%

Month	Daily In-Person	Daily Live-video	Total Daily Available	Monthly In-Person	Monthly Live-video	Total Monthly Available
March	12	52	64	309	1,139	1,448
April	24	40	64	504	832	1,336
May	32	36	68	640	711	1,351
June	36	36	72	792	783	1,575



What
Who **Why**
When **Where**
How

A hand is holding a white card with the 5W1H acronym. The card is centered in the frame. The background is a colorful, blurred pattern of question marks. The card has a slight shadow and is held by a hand from the bottom right.

TAB 4



Health and Insurance Benefits Presentation



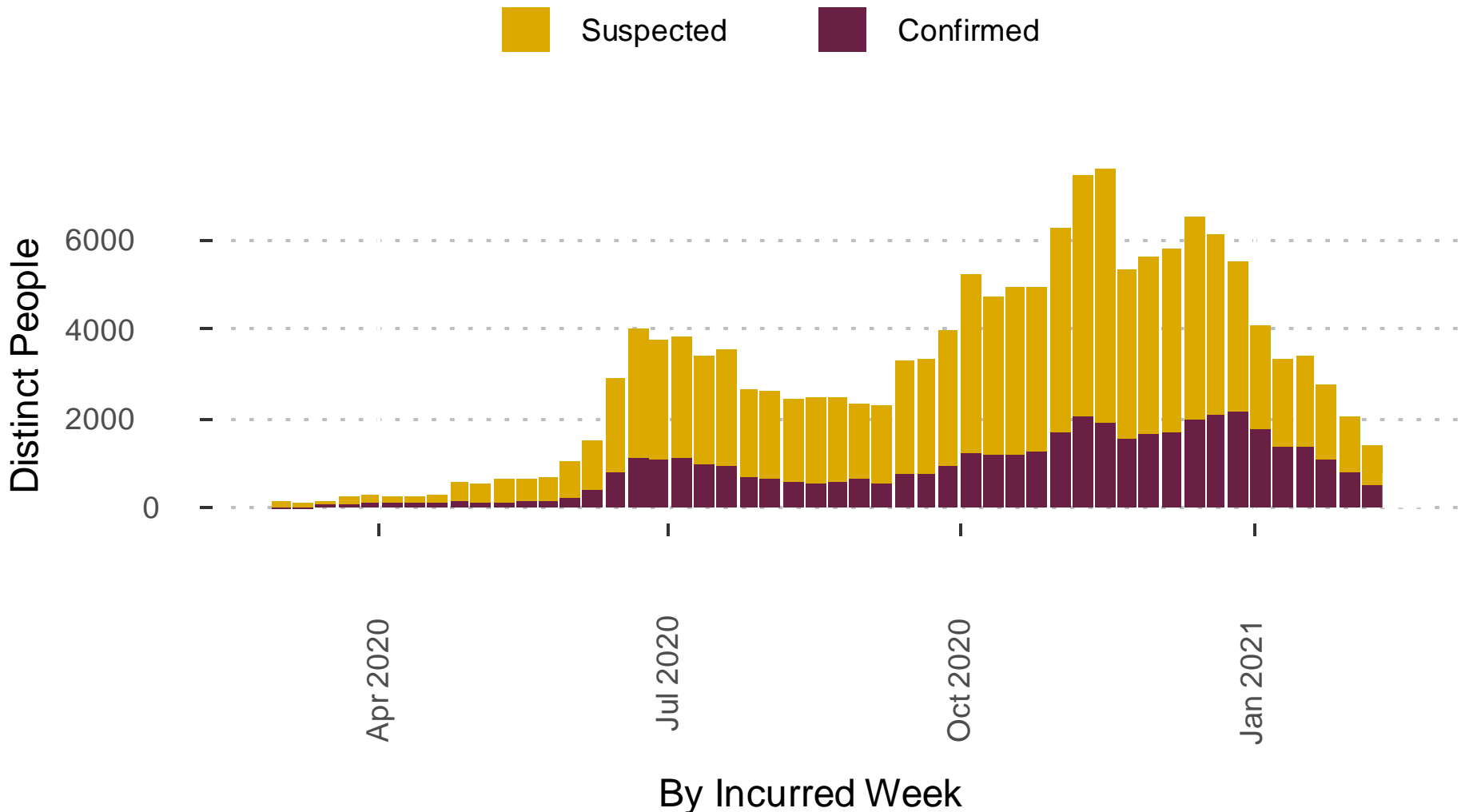
Katrina Daniel

April 2021



TRS-Care & TRS-ActiveCare: COVID Case Counts Similar to State Trends

COVID-19 New Diagnoses By Week



Case counts will increase as more claims are received for this period. The decrease each week in February is at least partially due to claims submission lag. TRS cases have followed broader Texas trends.

TRS-Care & TRS-ActiveCare: COVID Case Counts

Program	Confirmed	Suspected	Percentage of Enrollment
TRS-Care-Standard	4,494	11,806	25%
TRS-ActiveCare	35,559	87,095	26%

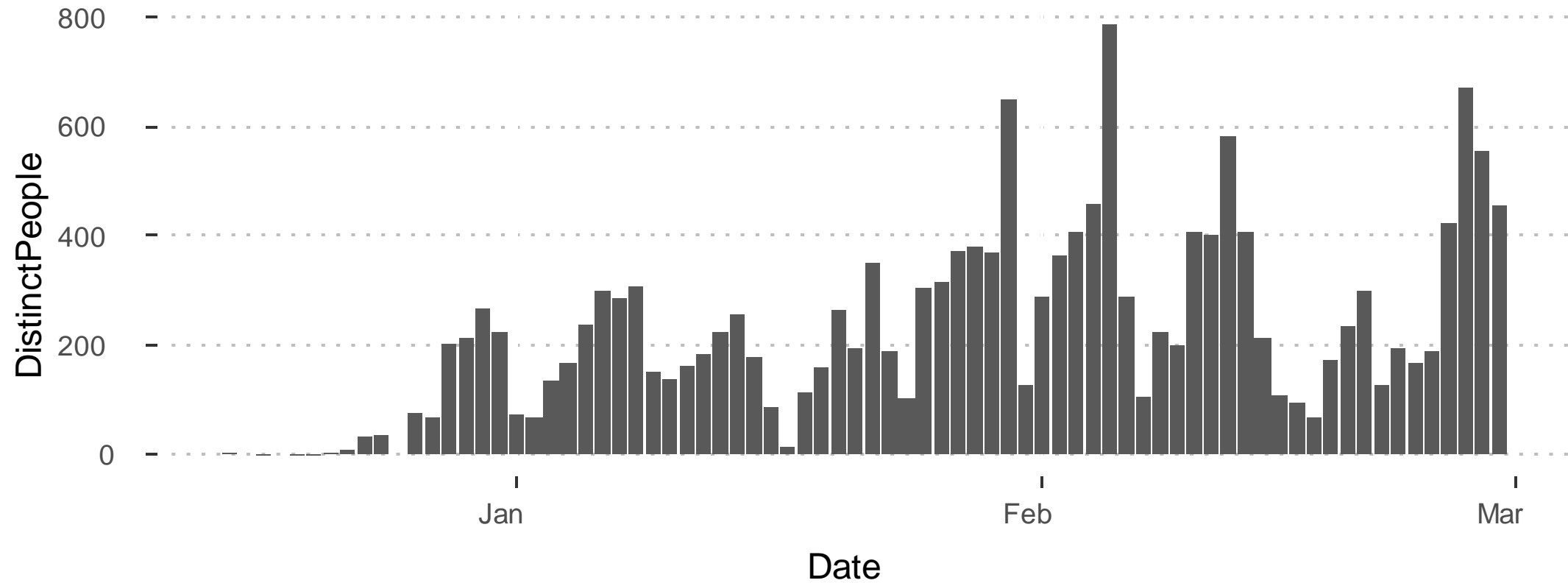


TRS-ActiveCare Relationship	Total Confirmed & Suspected	Percentage of Enrollment
Employee	93,260	30.69%
Dependents	29,372	17.43%

Note: Cases/counts are shown for members enrolled in February 2021.

TRS-Care & TRS-ActiveCare: COVID Vaccinations

COVID-19 Vaccine Dose Per Day



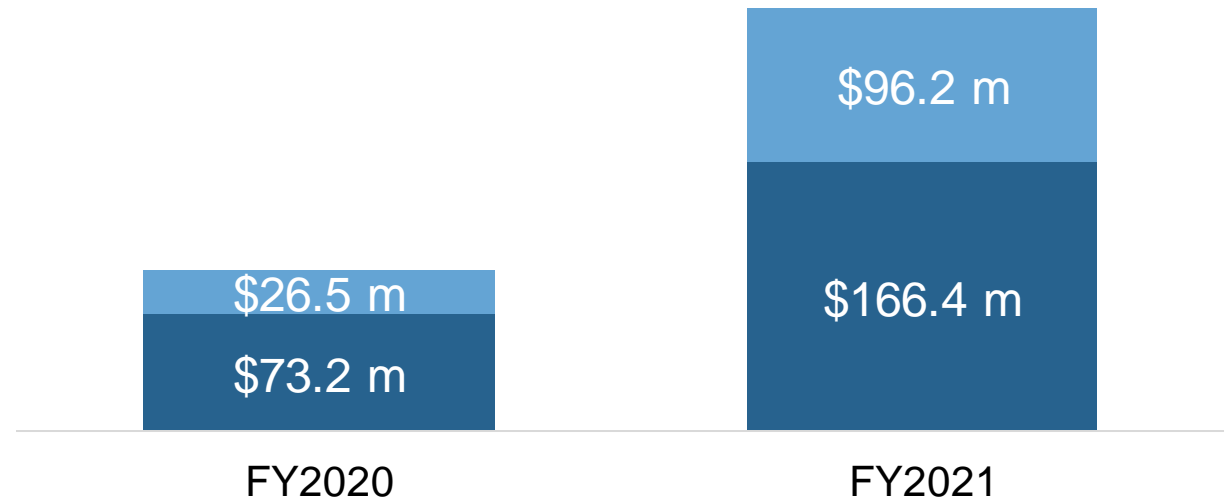
Includes both first and second doses of Moderna and Pfizer, if administered on that date.
Data shown here is for self-insured programs only.

TRS-Care & TRS-ActiveCare: COVID Costs for Self-Insured Plans

- Due to fund balance, primary financial risk is to TRS-ActiveCare
 - Anticipate maintaining a positive fund balance in FY20 and beyond
 - COVID costs and changes in broader utilization will be a factor in rate setting
- Most of TRS-Care population is in Medicare Advantage which is fully insured – the carrier bears the risk of the cost

COVID Costs Expected to Grow in FY2021 after \$100M in FY2020

■ TRS-ActiveCare ■ TRS-CareStandard



Note: FY2021 costs will depend on the degree of community spread of COVID-19 and various factors which can change depending on vaccinations and public health interventions.



Features of Competing Plans Increase Costs for Members who Need Health Care the Most



- Transfers financial risk to employees
- No contracts with hospitals to define network or protect members from balancing billing
- Burdensome authorization process
- Potentially narrow network of physicians
- Excludes most specialty drug coverage
- High cost of specialty drugs may impair access to potentially life-saving treatment

TRS-ActiveCare: The Financial Impact of Adverse Selection

Competing Plans Attract Lower-Cost Employees,
Increasing Costs in TRS-ActiveCare



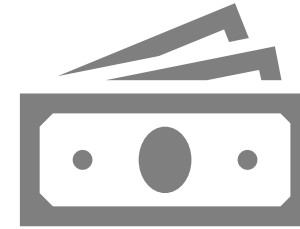
\$240

Employees leaving TRS had 38% lower monthly medical & pharmacy costs



40%

Employees leaving TRS had 40% lower specialty drug costs



\$41M

Increase in premiums to remaining employees

Note: Comparisons are between employees leaving and staying within districts offering competing coverage.

TRS-ActiveCare: Legislative History

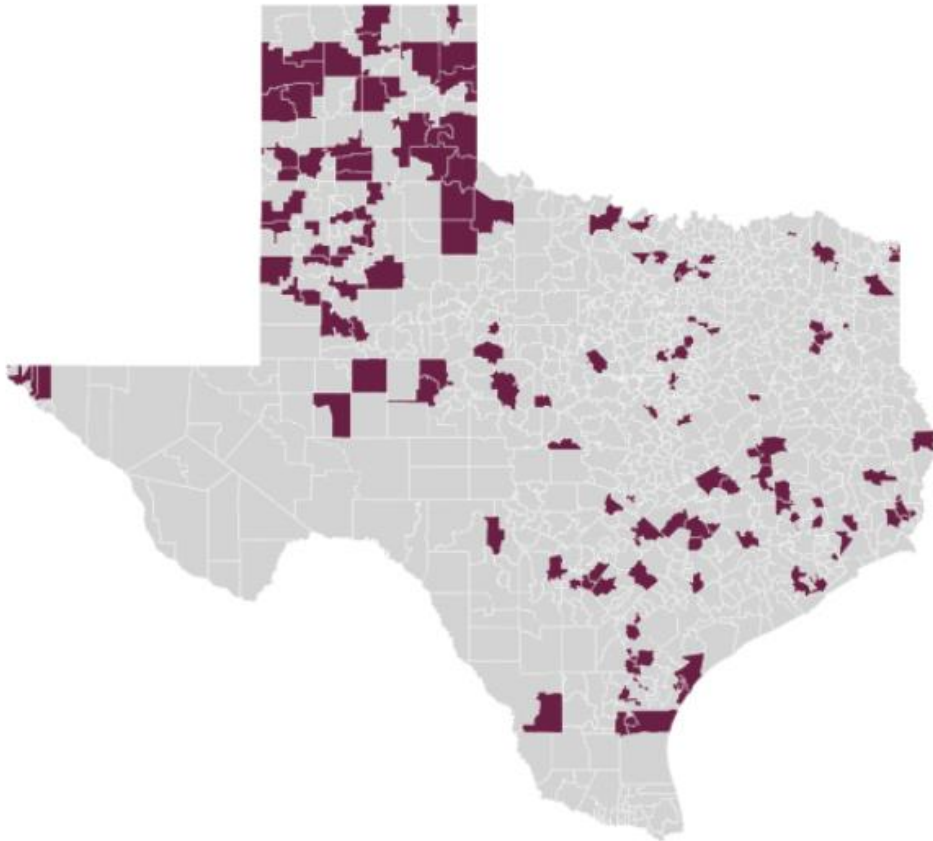


The Committee recommends that the plan be structured in such a way to avoid adverse selection by the school districts.

[T]he greater resulting issue of districts backing out of ActiveCare is the resulting 'adverse selection' that occurs.

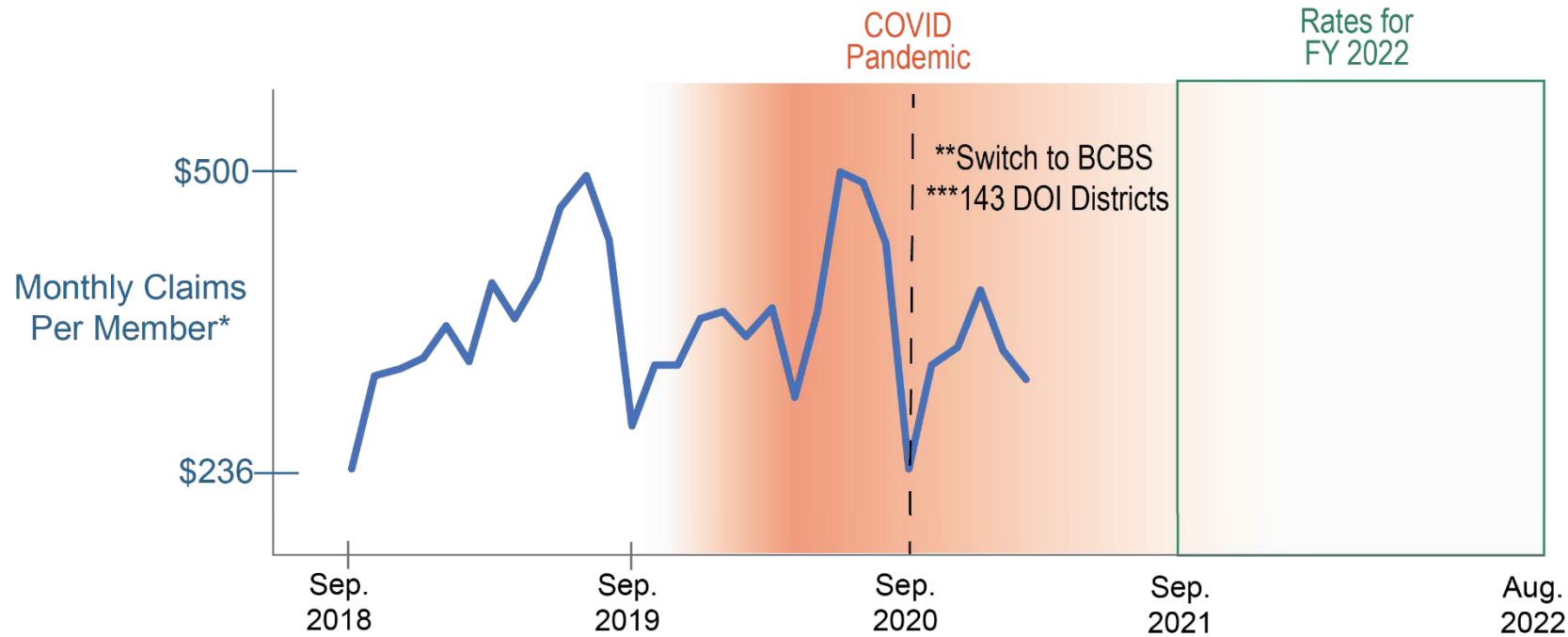


School Districts Offering Competing Coverage



- Districts offering competing coverage represent 14% of participating districts and employ 10% of eligible employees
- Increase in costs represents 2.3% of TRS-ActiveCare annual claims paid in FY2021
- An additional impact of 0.1% - 1.5% possible in FY2022
- FY2022 impact depends on how many additional districts offer competing coverage and any legislative changes

Additional Data Helpful to Understand Impact of Unprecedented Changes



Notes: * Monthly cost per member includes medical and pharmacy claims for self-insured programs based on invoices. More recent values will change as more data is received. For the April 2021 board meeting TRS staff were able to analyze data through February. Claims are higher each summer when public education employees have additional time to seek medical care. ** The network for TRS-Active-Care self-insured programs switched to BCBS on September 1, 2020. *** "143 DOI Districts" are districts of innovation that are offering competing coverage.

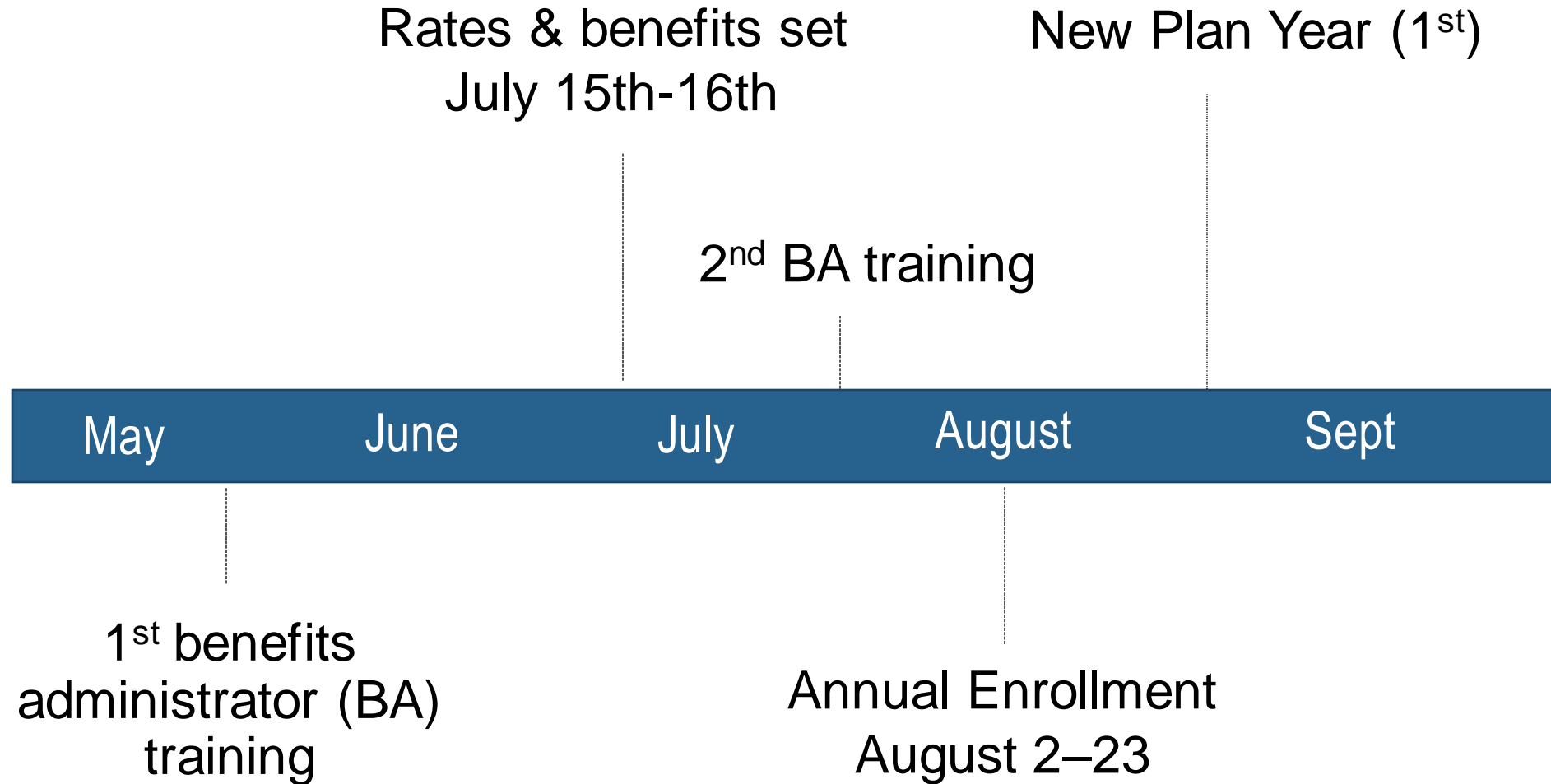
TRS-ActiveCare: Self-Insured Benefits Summary

Benefit	Primary	HD	Primary+
Ind. Med Deductible	\$2,500	\$2,800	\$1,200
Rx Deductible	Integrated	Integrated	\$200
Coins	30%	20%	20%
Ind. In-Network MOOP	\$8,150	\$6,900	\$6,900
PCP	\$30	Ded, Coins	\$30
Specialty	\$70	Ded, Coins	\$70
Therapy	\$30	Ded, Coins	\$30
Generic Rx	\$15	Ded, 20%	\$15
Pref Brand Rx	Ded, 30%	Ded, 25%	Ded, 25%
Non-Pref Brand Rx	Ded, 50%	Ded, 50%	Ded, 50%
Specialty Rx	Ded, 30%	Ded, 20%	Ded, 20%

Additional details available in plan highlights document:

<https://www.bcbstx.com/trsactivecare/pdf/trs-plan-highlights.pdf>

TRS-ActiveCare: Key Dates for FY2022 Plan Year





Benefit Administrators

- 7 virtual regional trainings
- Administrative guide and training survey
- Annual enrollment toolkit

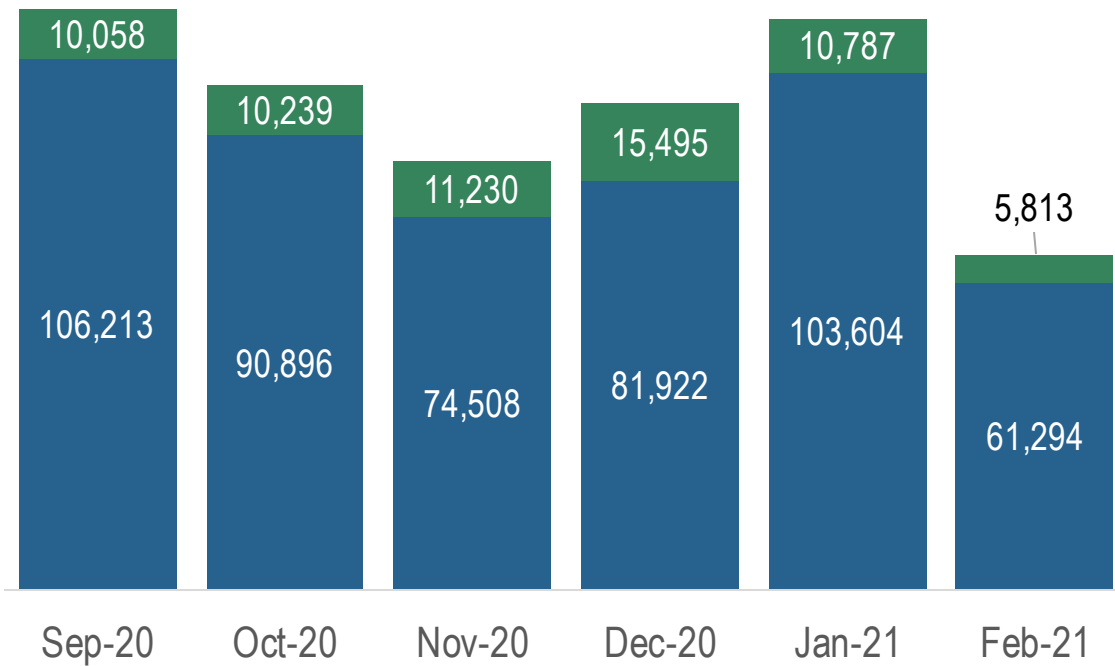
Participants

- Email updates through The Pulse
- Annual enrollment video
- Enrollment guide
- District intranet toolkit
- Provider search tool
- PCP selection FAQ

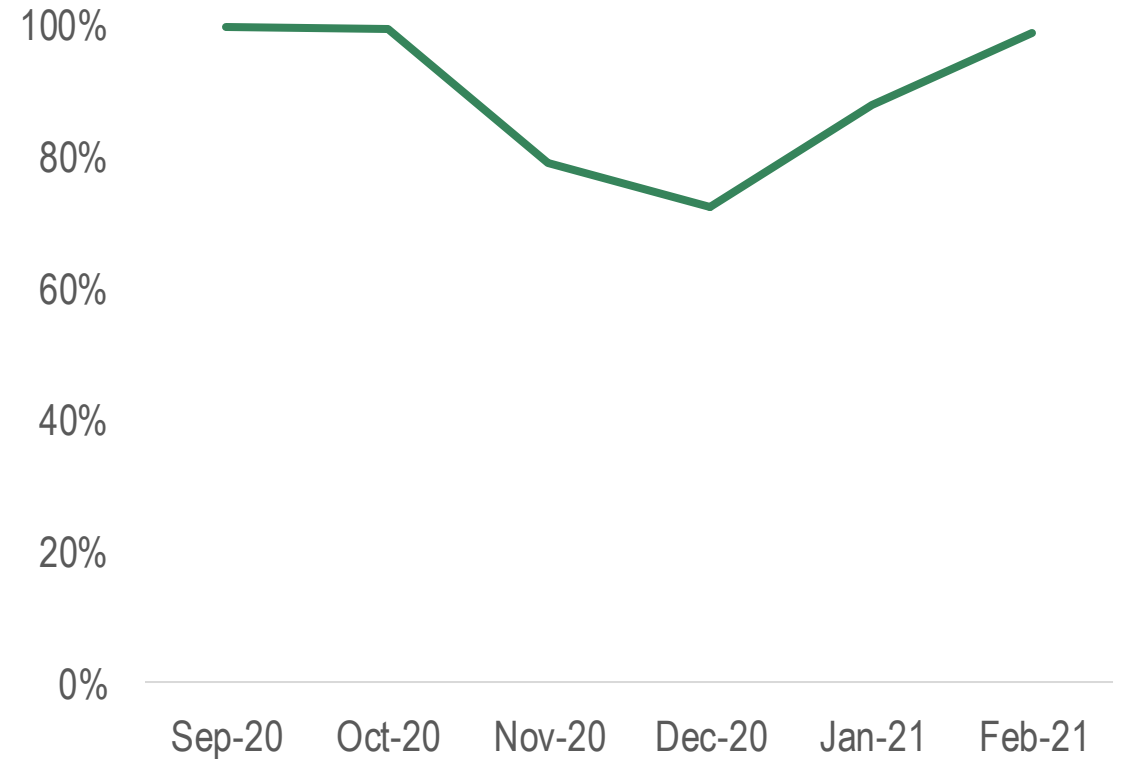
TRS-Care & TRS-ActiveCare Customer Service Update

TRS-Care & TRS-ActiveCare Calls Received

■ Received by Carriers ■ Received by ACT & HIB



Service Level HIB & ACT



Service Level for Carriers is 90% within 1 Minute

TRS-Care: HILOB Implementation

- Health Information Line of Business system (HILOB)
- Go-live April 2021
- Three-year data quality initiative to prepare
- HILOB automates key tasks
- Improved customer service with more seamless access to accurate data
- Integrates data sources across pension and health systems



54 Million Data Quality Checks
8,542 data points (0.02%) for resolution this month