
BENEFITS COMMITTEE

**TEACHER RETIREMENT
SYSTEM OF TEXAS**



November 2015

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

(Committee Chair and Members are Subject to Change at the November Board Meeting — Ms. Palmer, Committee Chair; Ms. Charleston; Mr. Moss; Ms. Ramirez; & Ms. Sissney, Committee Members)

AGENDA

**November 19, 2015 – 3:00 p.m.
TRS East Building, 5th Floor, Boardroom**

1. Consider the approval of the proposed minutes of the October 22, 2015 committee meeting – Committee Chair.
2. Receive an update on issues impacting open enrollment in TRS-ActiveCare – Mike Nelson, Aetna.
3. Discuss and consider recommending to the Board appointments to the Retirees Advisory Committee – Katrina Daniel.
4. Consider making a recommendation to the Board regarding the existing contract between TRS and Genworth Life Insurance Company, the carrier authorized by TRS to provide group long-term insurance under Chapter 1576 of the Texas Insurance Code – Katrina Daniel and Edward Esquivel.

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 Benefits 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 1



Minutes of the Benefits Committee

October 22, 2015

The Benefits Committee of the Board of Trustees of the Teacher Retirement System of Texas met on Thursday, October 22, 2015 in the boardroom located in the East Building of TRS' offices located at 1000 Red River Street, Austin, Texas 78701.

Committee members present:

Anita Palmer, Chair
Karen Charleston
Christopher Moss
Dolores Ramirez
Nanette Sissney

Other Board members present:

Todd Barth
Joe Colonna
David Corpus
David Kelly

Others present:

Brian Guthrie, TRS	Bill Hickman, Gabriel Roeder Smith and Company
Ken Welch, TRS	Amy Cohen, Gabriel Roeder Smith and Company
Ray Spivey, TRS	Steve Huff, Reinhart Boerner Van Deuren s.c., Fiduciary Counsel
Amy Barrett, TRS	Philip Mullins, Texas Retired Teachers Association
Carolina de Onís, TRS	Charles Richardson, Fort Worth ISD
Don Green, TRS	Max Ates, Fort Worth ISD
Katrina Daniel, TRS	Ann Fickel, Texas Classroom Teachers Association
Ronnie Bounds, TRS	Ted Melina Raab, Texas American Federation of Teachers
Wm. Clarke Howard, TRS	Tom Rogers, Austin Retired Teachers Association
Edward Esquivel, TRS	LaVonne Rogers, Austin Retired Teachers Association
Bob Jordan, TRS	Bill Barnes, Texas Retired Teachers Association
Dan Junell, TRS	Tim Lee, Texas Retired Teachers Association
Lynn Lau, TRS	Leroy DeHaven, Texas Retired Teachers Association
Toma Miller, TRS	Sally Imig, Aetna
Yimei Zhao, TRS	Beckie Chmielewski, Aetna
Pat Del Rio, Aetna	Greg Wood, Aetna
Rose Pullen, Aetna	Glen McLellan, WellSystems
Greg Walsh, Aetna	

With a quorum of the committee present, the meeting convened at 8:00 a.m.

1. Consider the approval of the proposed minutes of the June 11, 2015 committee meeting – Committee Chair.

On a motion by Mr. Moss, seconded by Ms. Sissney, the committee unanimously approved the proposed minutes of the June 11, 2015 committee meeting, as presented.

2. Receive an update on open enrollment issues for TRS-ActiveCare – Mike Nelson, Aetna.

Ms. Daniel described enrollment problems that the TRS-ActiveCare health-benefit program had experienced during the recent active, open enrollment period. Because of federal reporting requirements under the Affordable Care Act, she said, eligible TRS members, as well as current TRS-ActiveCare enrollees, had to actively elect to enroll or reenroll themselves and any dependents in a benefits plan under the program or they would effectively decline participation for themselves and their dependents. She noted that such an active enrollment process differed from prior open enrollments in which current participants would remain enrolled under their current plans if they took no action. She explained that Aetna, the health-plan administrator for TRS-ActiveCare, and WellSystems, Aetna's sub-contractor, handled the enrollment filing process. She said that problems with enrollment filing included the enrolling of some dependents who should have processed as declined files. The problems, she said, extended to billing and claims-payment errors involving Caremark, the contracted pharmacy benefit manager for TRS-ActiveCare. In addition, she said, systematic errors that arose during the previous enrollment period have recurred. She noted that staff is working closely with Aetna to resolve the problems.

Representatives of Aetna and WellSystems addressed the committee. Mr. Nelson did not appear due to sudden illness. Ms. Chmielewski of Aetna reported that, because of a systematic error, about 57,000 dependents were enrolled in TRS-ActiveCare when they should have been shown as having declined participation. She said that those enrollment errors also affected about 217 school districts and 33,000 employees. She added that the errors involved the pharmacy benefits of about 300 employees. She said that the problems were corrected before the October premium bills were sent to the school districts. The HMOs under TRS-ActiveCare, she noted, were not affected. She said that the errors minimally affected the September premium billing, though neither Aetna nor WellSystems knew the exact dollar amount involved.

Mr. Kelly and Mr. Barth asked about the timeline of the errors and Aetna's and WellSystems' responses to them. Ms. Chmielewski and Mr. Wood of Aetna explained that the problems occurred in early September 2015. They stated that WellSystems corrected the billing errors in its system the week beginning September 21, and Aetna corrected the enrollment-fee errors charged to TRS-ActiveCare in its system on September 28. Ms. Chmielewski said that Aetna and WellSystems were conducting audits to verify that all the errors were corrected before the October premium bills went out. Responding to Ms. Sissney's question about the number of school districts that were incorrectly billed, Ms. Chmielewski and Mr. Wood said that none had been. They added that Aetna and WellSystems were still analyzing enrollment records to confirm that. Mr. Wood clarified for Mr. Barth that the problems included the failure to enroll some members who wanted to participate in TRS-ActiveCare and that, as of September 28, everybody who was supposed to be enrolled had been. Responding to Mr. Barth's question about how Aetna knew that that problem had been resolved, Ms. Chmielewski replied that Aetna and WellSystems were auditing several school districts and third-party benefit administrators that process billings for districts.

Mr. McLellan of WellSystems stated that his company had received no notice of an erroneous October billing for a dependent who should not have been enrolled. He indicated that annual enrollment should be current for everyone because WellSystems had communicated all the terminations and activations it had received to Aetna. Responding to questions from Ms. Palmer and Ms. Sissney, Ms. Chmielewski said about 18,000 former TRS-ActiveCare participants were terminated because they took no action to enroll in a benefit plan under the program. Ms. Chmielewski confirmed for Ms. Sissney that those people were given a second opportunity through October 16 to enroll in TRS-ActiveCare. Ms. Chmielewski agreed with Ms. Sissney that the failure of current TRS-ActiveCare participants to understand the active enrollment process was a different issue than incorrect enrollments or terminations.

Ms. Imig of Aetna assured the committee that Aetna had devoted human and financial resources to resolving the problems and were working closely with TRS and WellSystems. Responding to Mr. Kelly's questions about what was left to be corrected and whether TRS members should expect further problems, Ms. Imig stated that, while audits were being conducted to ensure every issue had been caught, she believed all the problems described so far had been resolved, but she could not say that no new issue would arise. Ms. Imig generally discussed with Mr. Kelly, Mr. Barth, and Mr. Guthrie the performance guarantees in Aetna's contract for TRS-ActiveCare and options for holding Aetna accountable. Mr. Kelly, Mr. Guthrie, Ms. Daniel, and Mr. Jordan discussed the term of the contract and the process and timeline for putting it out for bid. Mr. Kelly, Ms. Palmer, Mr. Moss, and Mr. Guthrie expressed concern, disappointment, and embarrassment over Aetna's performance in mishandling the enrollment process. Under questioning by Mr. Moss, Mr. McLellan described problems WellSystems had experienced in receiving enrollment records from third-party administrators for school districts. Mr. McLellan said those problems had been resolved.

The meeting adjourned at 8:37 a.m.

MINUTES APPROVED BY THE **BENEFITS COMMITTEE** OF THE BOARD OF TRUSTEES OF THE TEACHER RETIREMENT SYSTEM OF TEXAS ON THE 19th DAY OF NOVEMBER 2015.

ATTESTED BY:

Dan Junell
Secretary to the TRS Board of Trustees

Date



TAB 3

MEMORANDUM

Date: November 19, 2015

To: TRS Benefits Committee
TRS Board of Trustees

Thru: Brian Guthrie

From: Katrina Daniel, Chief Health Care Officer

Subject: TRS-Care Retirees Advisory Committee Nominations and Recommendations

Please consider the attached list of applicants and nominees to the TRS-Care Retirees Advisory Committee (RAC). The Benefits Committee is scheduled to evaluate and discuss these candidates in order to recommend nominees to the Board of Trustees. Subchapter I of Chapter 1575 of the Insurance Code establishes a nine-member RAC appointed by the Board of Trustees. The law specifies that the RAC will be made up of:

- One member who is an active school administrator;
- One member who is a retired school administrator;
- Two members who are active teachers;
- Three members who are retired teachers;
- One member who is an active member of the auxiliary personnel of a school district; and
- One member who is a retired member of the auxiliary personnel of a school district.

The duties of the committee as outlined in Subchapter I of Chapter 1575 are to:

- Hold public hearings on group coverage;
- Recommend to the trustee minimum standards and features of a plan under the group program that the committee considers appropriate; and
- Recommend to the trustee desirable changes in rules and legislation affecting the group program.

The statute also states that the members of the committee shall serve staggered terms of four-year terms. Attached is a list of all current RAC members in addition to a summary of all applications/nominations for your review.

Effective January 31, 2016, four terms will expire on the Retirees Advisory Committee, which include the following:

- Active teacher,
- Active member of the auxiliary personnel of a school district (which includes bus drivers, cafeteria workers, custodians, and administrative staff),
- Retired teacher, and
- Retired school administrator.

In addition, three additional positions have terms expiring on January 31, 2018 and are currently vacant:

- Active teacher,
- Active school administrator, and
- Retired member of the auxiliary personnel of a school district (which includes bus drivers, cafeteria worker, custodians, and administrative staff).

TRS received twenty-four nominations to the RAC, and staff evaluated the applicants based on the following criteria:

- Length of experience as a TRS member and/or retiree
- Participation in education-related volunteer programs
- Professional activities and experience serving on committees, boards, or decision-making organizations, especially related to healthcare benefits or other benefits
- Credentials, awards, or other meritorious recognition
- For retired nominees - participation in the TRS-Care program
- Geographic diversity
- Experience in the field of healthcare benefits or a related field

While the full list of applicants is attached for your consideration, in an effort to assist the committee, staff has endeavored to narrow the applicants to two in each category based on the criteria listed above.

Active Teacher (two positions to be filled):

Dr. Celeste Cardenas who is a TRS-ActiveCare participant with a Doctorate in Philosophy affiliated with six education associations

Robert DeGarimore who is a licensed insurance agent with a Master of Arts in Teaching currently preparing high school students for college-level courses

Rebecca McKee who is a TRS-ActiveCare participant currently pursuing her PhD in English and a current published librarian affiliated with five education associations

Retired Teacher:

Marcy Cann who is a TRS-Care participant nominated by TRTA and a current district president of that association in Houston

Lamar Lewis, a TRS-Care participant and licensed insurance agent who is the current regional chairman of PTA in Temple

Retired School Administrator:

Dr. H. John Fuller who is a TRS-Care participant with a Doctorate in Education Administration nominated by TASA with 41 years education in eight diversely located ISDs

Dr. Michele Harmon who is a TRS-Care participant with a Doctorate in Education affiliated with six education association, including TRTA, by whom she was nominated

Active School Administrator:

Dr. Bruce Gearing who is a TRS-ActiveCare participant with a Doctorate of Education Administration with Honors, currently serving as superintendent of Dripping Springs ISD and was nominated by TRTA

Scot Clayton who is a TRS-ActiveCare participant with a Master of Education, currently serving as the superintendent of Henrietta ISD and nominated by TEPSA. He is on the Board of this association

Retired Auxiliary Personnel (one eligible applicant):

Jesus Soto who is a TRS-Care participant nominated by TRTA with a Master of Education Administration, and retired as Director of Student Transportation for Harlandale ISD

Active Auxiliary Personnel: No nominees to recommend.

TRS staff would be happy to assist you with further analysis of the candidates. Thank you for your consideration in this matter.

Enclosures

cc: Brian Guthrie
Ken Welch

TRS Retiree Advisory Committee members
Names/term dates only*

Bill Barnes
Retired Teacher

Term expires: 01/31/2018

Marcia McNeil
Retired Teacher

Term expires: 01/31/2018

Glenna Purcell
Retired Teacher

Term expires: 01/31/2016

Position currently vacant
Active Teacher

Term expires: 01/31/2018

Sunday McAdams
Active Teacher

Term expires: 01/31/2016

Position currently vacant
Active School Administrator

Term expires: 01/31/2018

Donnie Breedlove Ed.D.
Retired School Administrator

Term expires: 01/31/2016

Position currently vacant
Active Auxiliary Staff

Term expires: 01/31/2016

Position currently vacant
Retired Auxiliary Staff

Term expires: 01/31/2018

*Chair and vice-chair seats are currently vacant

2016 Retiree Advisory Committee Candidate Nomination Summary

Active Teacher Nominees (2 Open Positions) 3 eligible nominees

<p>Dr. Celeste Cardenas</p>	<ul style="list-style-type: none"> • Self-nominated • Currently an AP English instructor with South Texas ISD and currently an adjunct professor at South Texas College • Has been in Public Education since 1985 in Weslaco ISD, McAllen ISD, La Joya ISD, Region1 SC, and South Texas ISD • Professional association Experience: <ul style="list-style-type: none"> ○ Texas Classroom Teachers Association (TCTA) ○ Association for Supervision and Curriculum Development (ASCD) ○ Texas Association Secondary School Principals (TASSP) ○ American Federation of Teachers (AFT) ○ Texas Supervision and Teachers Association (TSTA) ○ National Council of Teachers of English (NCTE) ○ National Hispana Leadership Institute Alumni (NHLI) • A published doctorate with curriculum writing and TEA Educator Committee, volunteers with GSA, Easter Seal Society and sits on Hidalgo Co Planning Board • Has a Doctorate in Philosophy from Our Lady of the Lake University • TRS-ActiveCare participant • Dr. Cardenas resides in McAllen, Texas
<p>Robert DeGarimore</p>	<ul style="list-style-type: none"> • Self-nominated • Currently Dual enrollment instructor at Jimmy Carter ECHS for five years • Professional educational experience South Texas College, University of Phoenix, Sharyland ISD and Community College of Southern Nevada • Professional work experience with holding licenses with Nevada, Arizona and Texas property/casualty, life and health insurance, financial advisor and set up/managed a hedge fund for Vegas Fund Inc. • Has a Master's of Arts in Teaching • Mr. DeGarimore currently resides in Mission, Texas
<p>Rebecca McKee</p>	<ul style="list-style-type: none"> • Self-nominated • Currently school librarian with Mabank ISD, 2009 to current • Public school education/library experience (1992 to 2009) with Mesquite ISD, Allen ISD, Garland ISD, Dallas ISD and Mabank ISD • Professional association Experience: <ul style="list-style-type: none"> ○ Texas American Federation of Teachers (1993-2008, 2010 to present) ○ American Association of School Libraries ○ Texas Association of Literacy Educators ○ Texas Library Association ○ National Council of Teachers of English • Has been published in literary library journals and voted Who's Who among Americas High School Teachers • Beta Phi Mu and Sigma Alpha Pi member • Has a Master of Journalism, Advertising and Library Science and currently pursuing PhD in English • TRS-ActiveCare participant • Ms. McKee resides in Rowlett, Texas

2016 Retiree Advisory Committee Candidate Nomination Summary

Active School Administrator (1 open position) 6 eligible nominees

<p>Elizabeth Bulos</p>	<ul style="list-style-type: none"> • Self-nominated • Currently Human Resources Director of Employee Benefits in El Paso ISD and works closely to administer TRS-ActiveCare for the district • Public education experience since 1997 with El Paso ISD • Professional association experience with Association of Texas Professional Educators (ATPE) • Former Committee member of TRS RAC, 2002-2006 • Professional experience with UTEP as teaching assistant to adjunct professor, assistant director of budget with the City of El Paso, senior evaluator with US General Accounting Office • Has a degree and taught MPA program at UNM-LC and UTEP • TRS-ActiveCare participant • Ms. Bulos currently resides in El Paso, Texas
<p>Scot Clayton</p>	<ul style="list-style-type: none"> • Nominated by Texas Elementary Principals and Supervisors Association (TEPSA) • Currently assistant superintendent of Henrietta ISD • Public school education experience (1983-present) with Byers ISD, Mabank ISD, Rockwall ISD and Henrietta ISD • Professional association Experience: <ul style="list-style-type: none"> ○ Texas Elementary Principals and Supervisors Association(TEPSA) <ul style="list-style-type: none"> ▪ Former President (2013) ▪ State Executive Committee (2008-2014) ▪ Currently on the State Board of Directors ○ National Association of Elementary Principals ○ Texas Association of School Administrator (TASA) • Chamber of Commerce member Henrietta/Clay Co and president of Henrietta Economic Growth Corporation • Has a Master’s Degree in Education • TRS-ActiveCare participant • Mr. Clayton resides in Henrietta, Texas
<p>Dr. Bruce Gearing</p>	<ul style="list-style-type: none"> • Nominated by Texas Retired Teachers Association (TRTA) • Currently the Superintendent of Dripping Springs ISD • Public education experience from 1995 to present with Soweto, South Africa, London-UK, Texarkana ISD, Mount Pleasant ISD, Marshall ISD and Dripping Springs ISD • Professional association experience: <ul style="list-style-type: none"> ○ Association for Supervision and Curriculum Development (ASCD) ○ Texas Association of School Administrators (TASA) ○ Texas Association of Mid-Size Schools (TAMS) ○ Texas Association of Gifted and Talented (TAGT) • Featured speaker at association conferences and Rotary Club member of Dripping Springs and received the Radio Shack outstanding teacher award (2000) • Holds a Master’s and Doctorate of Educational Administration with Honors and received superintendent certification • TRS-ActiveCare participant • Dr. Gearing currently resides in Austin, Texas
<p>Dr. James “Buck” Gilcrease</p>	<ul style="list-style-type: none"> • Nominated by Texas Association of School Administrators (TASA) • Currently the Superintendent of Alvin ISD • Public school education experience (1994 to present) in White Settlement ISD, Azle ISD, Whitesboro ISD, Sherman ISD, Marble Falls ISD, Haskell CISD and Hillsboro ISD • Professional association Experience: <ul style="list-style-type: none"> ○ Texas Association of School Administrators (TASA), current vice president ○ Texas Association of Suburban/Midurban Schools ○ Texas Rural Education Association ○ Association for Supervision and Curriculum Development • Member of Chamber of Commerce, Lions Club, Rotary Club and Boys/Girls Club of Hillsboro • Has a Master’s and Doctorate in Educational Administration • Dr. Gilcrease currently resides in Hillsboro, Texas

2016 Retiree Advisory Committee Candidate Nomination Summary

<p>Stan Leshner</p>	<ul style="list-style-type: none"> • Self-nominated • Current administrator with Horizon Montessori school in McAllen • Administrative experience with Valley Baptist Health System as Executive Director, Heart Institute of Brownsville and Knapp Medical Center • Public education experience from 2006 to present in the Rio Grande Valley, San Benito CISD, Brownsville and Weslaco • Professional association Experience: <ul style="list-style-type: none"> ○ American Management Association ○ American Marketing Association ○ Texas Medical Association, Alliance for Continuing Medical Education for Physicians ○ Accreditation Council for Continuing Medical Education • Awarded the Xerox Corporation MBA scholarship 1999 and served on PDAS Committee Region 1 and Superintendents Advisory Committee in San Benito and board member of the United Way Agency for Abused Children • Has an Advanced Masters in Education Administration/Principle from the University of Texas Pan American • TRS-ActiveCare participant • Mr. Leshner currently resides in San Benito, Texas
<p>Dr. Brian T. Woods</p>	<ul style="list-style-type: none"> • Nominated by Texas Association of School Business Officials (TASBO) • Currently the Superintendent of Schools for Northside ISD from 2012 • Public School education experience from 1992 to present in NSISD starting as economics teacher to assistant and vice principals of 3 different high schools (2000-2006), assistant and deputy superintendent of administration from 2006-2012 • Professional association experience: <ul style="list-style-type: none"> ○ American Association of School Administrators ○ Texas Association of School Administrators ○ National and Texas Association of Secondary School Principals • Member of Alamo Area Council for Curriculum Development, Phi Delta Kappa and Phi Kappa Phi • Holds a Master of Education Administration and a Doctorate in Educational Leadership and Policy Studies • Dr. Woods currently resides in Helotes, Texas

Active Auxiliary Staff (1 open position) No nominations

2016 Retiree Advisory Committee Candidate Nomination Summary

Retired Teacher (1 open position) 5 eligible nominees

Christine Ardis	<ul style="list-style-type: none"> • Self-nominated • Retired in 2013 as journalism teacher in McAllen ISD with 29 years of service • Public education experience since 1983 to 2013 with McAllen ISD as middle school teacher of deaf students and regional deaf high school for McAllen • Professional association experience with American Federation of Teachers • McAllen Federation of Teachers Distinguished School Bell award recipient, weekly columnist for Valley Town Crier and The Monitor, sits on the board of McAllen Leadership Steering and Vannie Cook Jr Children’s Cancer Clinic and established an Interpreter Training Program at South Texas College • Has a BA in Deaf Education • TRS-Care 3 participant • Ms. Ardis currently resides in McAllen, Texas
Mary “Marcy” Cann	<ul style="list-style-type: none"> • Nominated by Texas Retired Teachers Association (TRTA) • Retired in 2002 as a Magnet specialist in Houston ISD with 38 years of service • Public education experience from 1964 to 2002 with HISD • Professional Association Experience: <ul style="list-style-type: none"> ○ Texas Retired Teachers Association (TRTA), District 4 president ○ Houston Association of Retired Teachers • Current president of Houston Alumnae Association, Kappa Iota, director of the board with Timbergrove Manner Civic Club • Social Studies and Science certified as Elementary Education with LSU • TRS-Care 3 participant • Ms. Cann currently resides in Houston, Texas
Barbara L. Franklin	<ul style="list-style-type: none"> • Self-nominated • Retired in 2013 as a teacher in Harlandale ISD with 39 years of service • Public education experience since 1974 to 2013 with NEISD, San Antonio ISD and Harlandale ISD • Professional association experience with Texas State Teachers Association (TSTA) as regional president • School tour guide at San Antonio Botanical Gardens and trains new retirees with TSTA financial management planning • Has a Master of School Counseling • TRS-Care 3 Medicare Advantage participant • Ms. Franklin currently resides in Poteet, Texas
Elizabeth Johnson	<ul style="list-style-type: none"> • Self-nominated • Retired as a teacher in 2007 with 38 years of service • Public education experience in Nebraska, Oklahoma, Iowa and Brownsville ISD for 26 years • Professional affiliation experience with NEA, local and state involvement in all public education experience • Sat on insurance committee as VP and chairman for BISD that handled contracts for HPA’s and district consultants • Holds a degree in Education • TRS-Care 3 participation • Ms. Johnson currently resides in Ardmore, Oklahoma
Lamar Lewis	<ul style="list-style-type: none"> • Self-nominated • Retired in 2013 as an athletic director from Bandera ISD with 33 years of service • Public education experience from 1980 to 2013 with Bandera ISD, Belton ISD, Temple ISD and San Antonio ISD • Professional Association Experience: <ul style="list-style-type: none"> ○ Texas Retired Teachers Association (TRTA) of Bell Co ○ PTA regional chairman ○ Kiwanis Temple chapter • ESL certification, AP certification and UIL Academic Coach and licensed insurance agent • TRS-Care 2 participant • Mr. Lewis currently resides in Temple, Texas

2016 Retiree Advisory Committee Candidate Nomination Summary

Retired school administrator (1 open position) 9 eligible nominees

<p>Maridell Fryar</p>	<ul style="list-style-type: none"> • Nominated by Texas Retired Teachers Association (TRTA) • Retired in 1993 as Executive Director of Instruction, K-12 for Midland ISD with 36 years of service • Public education experience from 1957 to 1993, mostly as speech and English teacher with Lake Worth Texas, Martin County Texas, San Rafael CA and Midland ISD • Professional association experience: <ul style="list-style-type: none"> ○ Texas Retired Teachers Association (TRTA), immediate past president, 1st and 2nd vice president, secretary treasurer and president (2012-2014) ○ American and Texas Forensic Association, president of both ○ Texas Speech Communication Association, president • Published textbook writer who is statewide consultant with TEA, TESA and RSC 18 • Board of Directors seat in Midland Community Theatre, Opera Theatre and Symphony and past president. • Holds a Master of Education who is an Outstanding Alumnus of Hardin-Simmons University, GSA Woman of Distinction and Outstanding Administrator of Texas from TCTA and TESA • TRS-Care 3 Medicare Advantage participant • Ms. Fryar currently resides in Midland, Texas
<p>Dr. H. John Fuller</p>	<ul style="list-style-type: none"> • Nominated by Texas Association School Administrators (TASA) • Retired in 2011 as superintendent of Wylie ISD with 41 years of service • Public education experience from 1970 to 2011 with Palmer ISD, Wells ISD, Richardson ISD, Central ISD, Muleshoe ISD, San Marcos CISD, Mineola ISD and Wylie ISD • Professional association experience: <ul style="list-style-type: none"> ○ Texas Association of School Administrators (TASA), past president and executive committee member ○ Lifetime member of PTA • Former Wylie Lions Club and Chamber of Commerce president who holds the Distinguished Alumni Award from Dallas Baptist University • Holds a Master’s and Doctorate in Educational Administration • TRS-Care 3 participant • Dr. Fuller currently resides in Mineola, Texas
<p>Dr. Michele Harmon</p>	<ul style="list-style-type: none"> • Originally self-nominated and now has Texas Retired Teachers Association (TRTA) recommendation • Retired in 2013 as director of instruction for Midland ISD with 19 years of service • Currently adjunct professor for UT, Permian Basin • Public school education experience from 1997 to 2013 with Judson ISD and Midland ISD • Professional association experience: <ul style="list-style-type: none"> ○ Texas Retired Teacher Association (TRTA) ○ Texas Association of School Personnel Administrators ○ Texas Association of Business Officials ○ Education Law Association ○ Texas Council of Administrators of Special Education ○ National Association of Gifted Children ○ Texas Educational Diagnosticians Association • Rotary International fellow and advisor, United Way volunteer, various committee holder and Autism related professional development, certification and administrator, Kappa Delta Pi Honor Fraternity • Published Doctorate of Education, Master’s degree in Exceptionalities, Business Administration and Diagnostic Assessment • TRS-Care 2 participant • Dr. Harmon currently resides in Midland, Texas
<p>Etienne “Tina” Johnson</p>	<ul style="list-style-type: none"> • Nominated by Board Member Karen T Charleston • Retired in 2011 with 35 years of service as Human Resources Coordinator • Currently an adjunct professor with Wharton County Jr. College as well as Brazosport College. Also a Board Trustee with Hempstead ISD • Public school education experience with Klein ISD, Livingston ISD and as Assistant and Principal of Hempstead Elementary, Principal of alternative achievement campus, and instructional coordinator as well as HR coordinator of Hempstead High School in Hempstead ISD • Board Trustee of Hempstead ISD • Holds a Master of Education Administration • TRS-Care 2 participant • Ms. Johnson currently resides Hempstead, Texas

2016 Retiree Advisory Committee Candidate Nomination Summary

<p>Alan King</p>	<ul style="list-style-type: none"> • Nominated by Texas Association of School Business Officials (TASBO) • Currently superintendent of Prime Prep Academy in Dallas • Retired in 2014 as Chief of Staff for Dallas ISD with 36 years of service • Public education experience from 1978 to 2014 with Harlingen CISD, El Paso ISD, Goose Creek CISD, Lewisville ISD and Dallas ISD • Professional association experience: <ul style="list-style-type: none"> ○ Texas Association of School Business Officials (TASBO), vice president ○ Association of School Business Officials International ○ Government Finance Officers Association ○ Workforce Solutions Board of Directors, Dallas • CPA awarded the Certificate of Excellence in Financial reporting from the Association of School Business Officials (16) and the Government Finance Officers Association (12) • Holds a BA from Pan American University • TRS-Care 2 participant • Mr. King currently resides in Denton, Texas
<p>Dr. James Parker</p>	<ul style="list-style-type: none"> • Self-nominated • Retired in 2011 as Transportation Director from Rockwall ISD with 40 years of service • Currently adjunct professor for Argosy University and LeTourneau University • Public school education experience from 1972-2011 with Mesquite ISD, Plano ISD, Allen ISD, Wylie ISD and Rockwall ISD • Professional association experience: <ul style="list-style-type: none"> ○ Texas Elementary Principal Association (TEPA), past president of Region 10 ○ Texas Association of Secondary School Principals (TASSP) ○ North Texas School Masters Association, past president ○ Textbook Coordination Association of Texas ○ Texas State Teachers Association ○ Association of Texas Professional Teachers ○ Texas Association of School Business Officials ○ Texas Public Risk Management Association • Training and Information Specialist with AAFES, member of Phi Delta Kappa and lifetime PTA member • Holds a Doctorate in Education and a Master of Science • TRS-Care 3 Medicare Advantage participant • Dr. Parker resides in Wylie, Texas
<p>Charles Pickitt</p>	<ul style="list-style-type: none"> • Self-nominated • Retired in 2013 as principal of Richardson High School, currently working on doctorate with 38 years of service • Public education experience from 1970 to 2013 various schools in Richardson ISD • Professional association experience: <ul style="list-style-type: none"> ○ Association of Texas Professional Educators (ATPE), former president ○ Richardson Association of Texas Professional Educators ○ Lifetime member of PTA • Served on various advisory committees and awarded life achievement award from National PTA • Military service in the Army and Texas Army National Guard • Holds a Master of Public School Administration • TRS-Care 3 Medicare Advantage participant • Mr. Pickitt currently resides in Garland, Texas
<p>Mary “Fran” Plemmons</p>	<ul style="list-style-type: none"> • Nominated by Texas Retired Teachers Association (TRTA) • Retired in 2002 as School Principal from Overton ISD with 25 years of service • Public education experience from 1972 to 2002 including Topeka Kansas, Waco Texas, Whitehouse Texas • Professional association experience: <ul style="list-style-type: none"> ○ Texas Retired Teachers Association (TRTA), current state president • Committee member for Teacher of the Year and Lago Vista POA, on the Jamestown Society and First Families of Texas • Holds a Master of Educational Administration • TRS-Care 3 Medicare Advantage participant • Ms. Plemmons currently resides in Lago Vista, Texas
<p>Philip Welch</p>	<ul style="list-style-type: none"> • Self-nominated • Currently the CFO for Kounze ISD • Retired in 2012 as Superintendent of Orangefield ISD with 29 years of service

2016 Retiree Advisory Committee Candidate Nomination Summary

	<ul style="list-style-type: none"> • Public education experience from 1986 to 2012 as high school math teacher then assistant principal leading to assistant and superintendent of Orangefield High School and ISD. • Professional association experience on the executive committee of Texas Association of School Administrators (TASA). • Member of the Bridge City Chamber of Commerce and Rotary Club, part of Region V telecommunications board and the education representative of the Orange County Emergency Planning Board • Holds a Master’s Education Administration and has Superintendent/Mid-management certification • TRS-Care 2 participant • Mr. Welch currently resides in Bridge City, Texas
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Retired School Auxiliary (1 open position) 1 eligible nominee

<p>Jesus H. Soto</p>	<ul style="list-style-type: none"> • Nominated by Texas Retired Teachers Association (TRTA) • Retired in 1997 as Director of Student Transportation with 34 years of service • Public education experience from 1963 to 1997 in Harlandale CISD as a teacher, assistant principal, director of Driver Education, Risk Manager and Director of Maintenance/Operations/Safety and Transportation • Professional association experience: <ul style="list-style-type: none"> ○ Texas Retired Teachers Association (TRTA) ○ Texas Association of Pupil Transportation (TAPT), state president, treasurer, secretary, historian and president-elect ○ Central Texas Association for Pupil Transportation ○ Texas Association of School Business Officials (TASBO) and Alamo Area • Good Samaritan Award by Goodwill Industries of San Antonio, certified bus accident investigator and certified asbestos inspector by USDOT • Holds a Master of Educational Administration • TRS-Care 3 participant • Mr. Soto currently reside in San Antonio, Texas
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TAB 4

MEMORANDUM

To: TRS Benefits Committee
TRS Board of Trustees

Thru: Brian Guthrie

From: Katrina Daniel, Chief Health Care Officer

Date: November 19, 2015

Re: Group Long-Term Care Insurance Program / Benefit Administrative Services / Contract
Renewal with Genworth Life Insurance Company

On December 12, 2008, the Board of Trustees (the "Board") authorized TRS, in its capacity as trustee of the Group Long-Term Care Insurance Program (the "Program"), to enter into a six-year contract (the "Contract") with Genworth Life Insurance Company ("Genworth"), from September 1, 2009 through August 31, 2015. The 2008 resolution submitted to and adopted by the Board should have allowed for extensions of the Contract beyond the above-noted six-year term due to the fact TRS was entering into a fully insured insurance policy that did not have an expiration date. The Contract itself was drafted to include an evergreen clause that, absent an earlier termination¹, allows the Contract to automatically renew for successive one (1) year terms. This conflict between the 2008 resolution and the use of an evergreen clause was only recently noticed by TRS Staff. Consequently, TRS entered into the seventh (7th) year of the Contract on September 1, 2015.

During the past decade, the number of vendors offering products and services in the long-term care market has diminished substantially. Fortunately, Genworth has remained in the long-term care market, providing long-term care benefits and administrative services to eligible TRS participants and their family members enrolled in the Program.

In light of the 2008 resolution adopted by the Board, TRS Staff hereby seeks ratification from the Board of a one year contract extension through August 31, 2016.

Additionally, staff request authorization to work with Genworth to implement a new product plan design that will only be available to new enrollees in the Program. TRS anticipates that the new product plan design will be introduced in the first part of calendar year 2016. The new product plan design will contain a number of new benefit options, including the following:

- Monthly maximum options will include \$3,000, \$4,500, and \$6,000. A \$7,500 monthly maximum will not be available.

¹ The Contract can be terminated by TRS at any time, without cause, upon thirty (30) days prior written notice to Genworth.

- Benefit duration options will include 2-year, 3-year, and 4-year benefit periods. Benefit duration options of 5 years and 10 years will no longer be available.
- Underwriting for new active employees, age 65 or under, will be subject to Modified Guaranteed Issue, versus the current Guarantee Issue.
- Up to age 75, all other eligible individuals (*i.e.*, active employees age 66 or above, retirees, and dependents) will be required to undergo full underwriting. Retirees under the age of 60 will no longer be offered reduced underwriting.
- Premium payment options will only include monthly EFT or direct billing on a quarterly, semi-annual or annual basis.

Benefits for individuals that are currently enrolled in the Program will remain the same.

Under the TRS Board Procurement Policy, the Board may authorize renewals or extensions of contracts that are nearing their scheduled expiration dates, without requiring a new acquisition process, if the Board first determines that the renewal or extension continues to provide the best overall value to TRS and serves the best interests of TRS.

Staff believes that the requested one-year extension of the Contract provides the best overall value to TRS and serves the best interests of TRS. An extension of one year allows:

- TRS time to evaluate the viability and benefit value of continuing to provide long-term care benefits through TRS; and
- TRS to seek external expertise to assist TRS with considering a new RFP to provide long-term care benefit services to eligible TRS members, retirees and family members.

Staff will return to the Board in the first half of 2016 with a recommendation regarding future plans for the Program.

Staff is eager to respond to any questions or requests concerning this matter from members of the Benefits Committee and the Board.



Teacher Retirement System of Texas

RESOLUTION APPROVING THE EXTENSION OF THE CONTRACT WITH GENWORTH LIFE INSURANCE COMPANY

November 19 - 20, 2015

Whereas, Chapter 1576 of the Insurance Code, authorizes the Teacher Retirement System of Texas (TRS), as trustee, to establish a group long-term care insurance program (the "Program") to provide long-term care insurance coverage for eligible active employees and retirees, and their eligible family members;

Whereas, Chapter 1576, Insurance Code, also provides that TRS may contract with a carrier authorized to provide long-term care insurance;

Whereas, TRS currently has a contract (the "Contract") with Genworth Life Insurance Company ("Genworth"), a carrier authorized to provide long-term care insurance, to underwrite the Program and, thereby, to offer benefits to participants in this Program;

Whereas, TRS staff recommends that the Contract be extended for an additional one (1) year period, effective from September 1, 2015 through August 31, 2016, with changes to the Contract that include, but are not limited to, the terms presented to the TRS Board of Trustees ("Board");

Whereas, The Board desires to adopt the recommendations of TRS staff; now, therefore, be it

Resolved, That the Board, pursuant to Chapter 1576 of the Insurance Code, hereby authorizes a one-year extension of the Contract with Genworth, with changes to the Contract that include, but are not limited to, the terms presented to the Board, beginning on September 1, 2015 through August 31, 2016, unless sooner terminated, subject to negotiation and execution of an extension agreement;

Resolved, That the Board finds that the requested one-year extension of the Contract continues to provide the best overall value to TRS and serves the best interests of TRS; and

Resolved, That the Board hereby authorizes the Executive Director or his designees to negotiate, with the assistance and advice of legal counsel, a one (1) year extension, effective from September 1, 2015 through August 31, 2016, of the Contract with Genworth to underwrite the Program and, thereby, to offer benefits to participants in the Program; and, if negotiations are deemed by the Executive Director, in his discretion to be successful, then the Executive Director is hereby authorized to execute the one (1) year extension of the Contract with Genworth on such terms and conditions as the Executive Director deems, in his discretion, to be in the best interest of TRS, and further 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 reasonably necessary or advisable with respect to such contract extension, it being understood that the Board's approval of a contract extension pursuant to this resolution shall not be construed as a binding agreement or obligation to extend the Contract, and there shall be no binding agreement among the parties until a full and final written contract extension is negotiated and signed by both parties.