



TRS Health Benefits Report | 2020

February 2021



TRS Mission

Improving the retirement security of our members by prudently investing and managing trust assets and delivering benefits that make a positive difference in their lives.

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A Transformative Year for TRS Health Benefits

TRS and its participants experienced many changes in 2020 – some planned and others unexpected. Nearly every participant has been impacted in some way by COVID-19. From March through October 2020, more than 50,000 participants have had a confirmed or suspected case of COVID-19.

To help our participants cope with the impact of COVID-19, TRS has worked closely with our vendors to ensure access to care. Between March and December 2020, TRS eliminated out-of-pocket costs including diagnostic testing, telemedicine visits, and inpatient hospital stays to treat COVID-19 for several key services. Our actions helped provide peace of mind during an uncertain time.

While the changes brought by COVID-19 were unexpected, other changes were planned. As required by state law, TRS competitively bids contracts to ensure our participants have access to market-leading services and the highest value health benefits possible. In February 2020, the TRS Board of Trustees bid all of its health care programs at once and awarded medical contracts for TRS-ActiveCare and TRS-Care as part of the largest health care contract award in TRS history.

As a result of these awards, on Sept. 1, 2020 TRS transitioned participants in TRS-ActiveCare to Blue Cross and Blue Shield of Texas (BCBSTX). On Jan. 1, 2021, TRS switched to UnitedHealthcare for TRS-Care Medicare Advantage and BCBSTX for TRS-Care Standard.

Because of these changes, participants will benefit from better discounts with medical providers. This will generate an estimated \$754 million in savings in the next three to five years.

While TRS works diligently to manage health care costs, affordability has continued to be a challenge in TRS' health plans. This is especially true in the TRS-ActiveCare program where funding sources have not kept pace with the rising cost of health care. The savings from the new contracts have allowed TRS to enhance coverage for active employees. After a robust statewide outreach effort to gather input from districts about how to improve health coverage, TRS was able to offer lower premiums for employees covering children and introduce two new plans.

On the new lowest-cost plan, participants do not have to meet the deductible before paying low copays for primary care, specialist care, mental health visits and generic drugs. TRS made these changes based on direct feedback from employers that participate in TRS-ActiveCare, and TRS remains committed to a long-term partnership with this districts that participate in TRS-ActiveCare.

Effective Sept. 1, 2020, TRS also introduced two new primary-care driven plans for TRS-ActiveCare, reduced premiums for employees covering children, and made several benefit and plan changes.

As we navigate these changes, TRS remains committed to a long-term partnership with active and retired employees, schools, and the Texas Legislature.

TRS has provided health coverage to participants for more than three decades and is well positioned to continue meeting the needs of our participants in 2021.

Reprocurement & Vendor Transition

- Vendor changes will generate +\$150 M in annual savings
- Successful transitions to new vendors for TRS-ActiveCare on Sept. 1, 2020 and for TRS-Care on Jan. 1, 2021

TRS-ActiveCare Reengineering

- Lower premiums for many
- Improved access to care
- New primary care focused plans

COVID-19

- +\$100M in costs for both programs to-date
- +50,000 suspected & confirmed cases
- Some participants cost sharing reduced by TRS during pandemic

Who We Serve: TRS-Care and TRS-ActiveCare

OVER 700,000
PARTICIPANTS

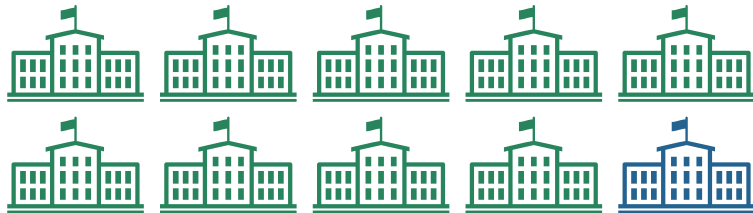


1 IN 41
TEXANS



OVER 21 MILLION
MEDICAL AND RX CLAIMS IN FY 2020

\$3.5 BILLION
IN TOTAL CLAIMS PAID IN FY 2020



90% OF 1,213
SCHOOL DISTRICTS

Figures exclude TRS-ActiveCare HMOs

Providing High-Value Benefits



TRS recognizes that access to affordable, quality medical care is crucial to participants' quality of life.

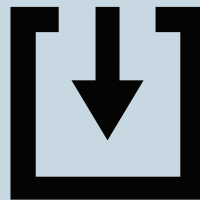
Whether it's the birth of a new child, access to drugs to manage a complex medical condition, or maintaining a long-term relationship with primary care providers, access to each benefit has a large impact on the daily lives of our participants.

That's why we collaborate with school districts, retirees, and active employees through advisory committees, in-person and virtual events, accessible complaint procedures, and customer service surveys. These efforts help inform plan changes each year.

Fiscal Year 2020



5,701 Newborns



88% Accessed Care



11M Prescriptions



10M Medical Claims

FY 2020, Excludes TRS-ActiveCare HMOs

Maintaining High-Level Customer Service During Unprecedented Changes

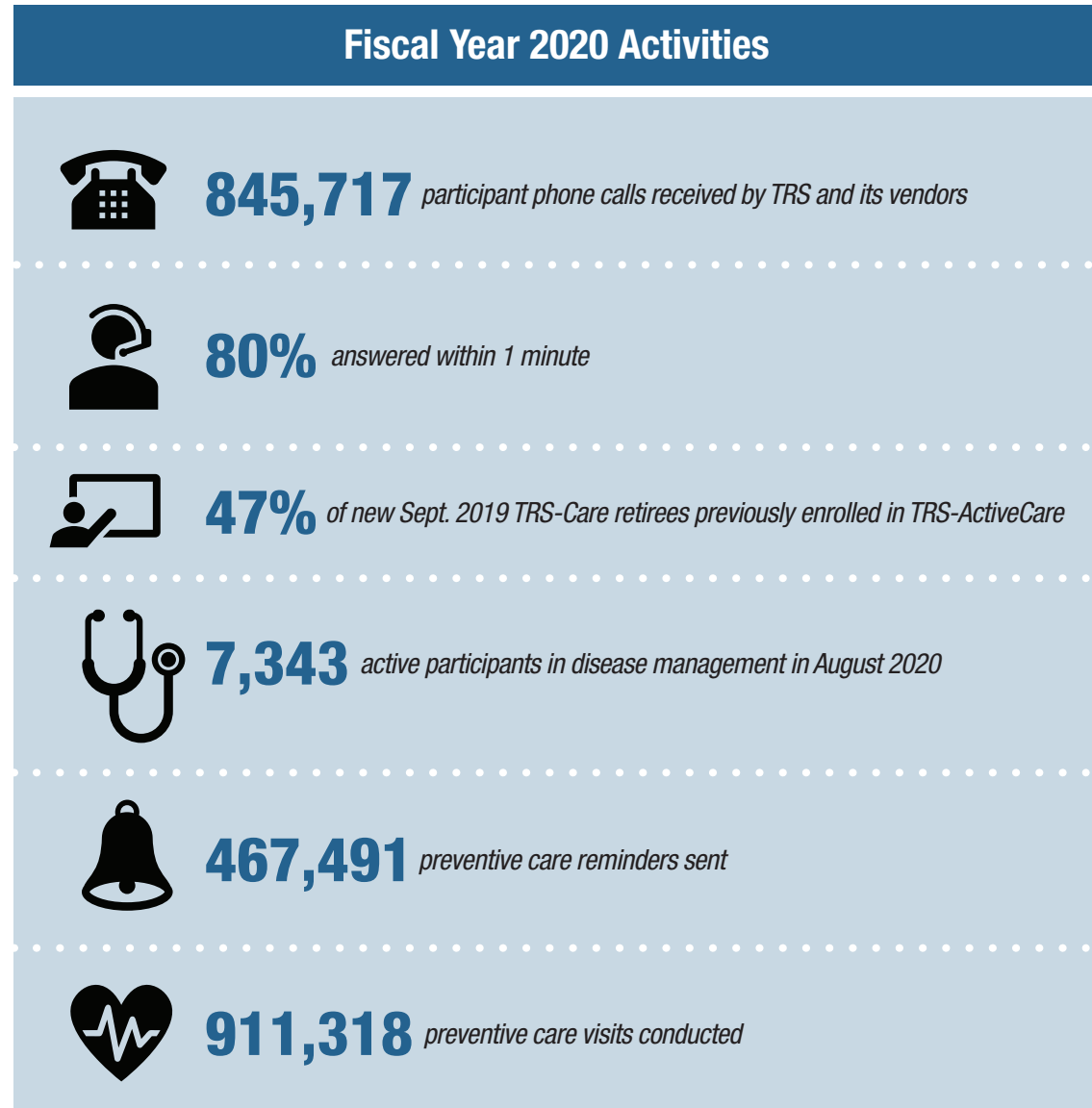
We know our participants rely on their health benefits. That's why TRS made customer service phone lines and participant websites available (including provider search tools) months ahead of the vendor change.

Several months prior to the start of the vendor transitions, participants were able to call the new medical carriers to research and resolve any network and authorization needs.

Due to these transitions and COVID-19, call volumes rose by about 20% in fiscal year 2020. TRS and its vendors received 845,717 calls and answered more than 80% of calls within one minute.

Beyond responding to questions from participants, TRS invests in a variety of communication initiatives. This is a proactive way to ensure participants get the most from their benefits. This includes targeted clinical messages, monthly digital newsletters, in-person and virtual meetings, and online resources.

In fiscal year 2020, TRS and its vendors sent 467,491 preventive care reminders to encourage our participants to maintain their health.



Figures exclude TRS-ActiveCare HMOs.

Keeping Participants Informed Ahead of Vendor Transition

To ensure a smooth transition, TRS increased outreach to participants to ensure they were aware of the changes.

In fiscal year 2020, the volume of TRS-Care participant communications/touchpoints increased by 1.2 million. This rise more than doubled the number of touchpoints per participant than in the previous year.

TRS also conducted a comprehensive outreach campaign for active employees. This effort included: direct mail, email communications to districts and employees, a video series highlighting the changes and an online plan decision tool.

2.1M

Touchpoints

10

Touchpoints per Participant



Direct Mail: 1.5M Pieces

- TRS Announcement Letters
- TRS News issue in summer
- Invitations for retiree information sessions
- Vendor Plan Materials



Email: 600K Emails

- Monthly issues of *The Pulse* newsletter
- TRS News in December



Webinars: 7K Attendees

- 31 webinars
 - 22 Medicare
 - 8 non-Medicare
 - 1 Medicare & TRS-Care



Website: 188K Page Views

Pages with health care content on the TRS website have seen significant traffic.

Maintaining Low Administrative Costs Means More Goes to Health Care

In fiscal year 2020, more than 96% of health-related expenses at TRS went to medical and prescription drug claims. Only 3.63% of funds went to administrative costs. This included the costs of both TRS state employees and vendors working for TRS.

To ensure that participants can access their benefits and get timely answers to their questions, TRS partners with a variety of vendors to administer benefits. This includes procuring and working with medical and pharmacy carriers to ensure that claims are paid correctly and on time, suspicious claims are investigated, and benefits are cost effective and high quality.

Employers with a smaller number of covered participants often need to purchase fully

insured products to provide these services. The administrative costs for these can be as high as 15% of expenses.

By spreading risk across a large number of school districts and participants, TRS is able to offer several self-insured products. TRS pays claims directly and only incurs the cost of processing claims, providing customer service, and developing networks with the carriers for its TRS-ActiveCare HD, TRS-ActiveCare Primary, TRS-ActiveCare Primary+, and TRS-Care Standard products.

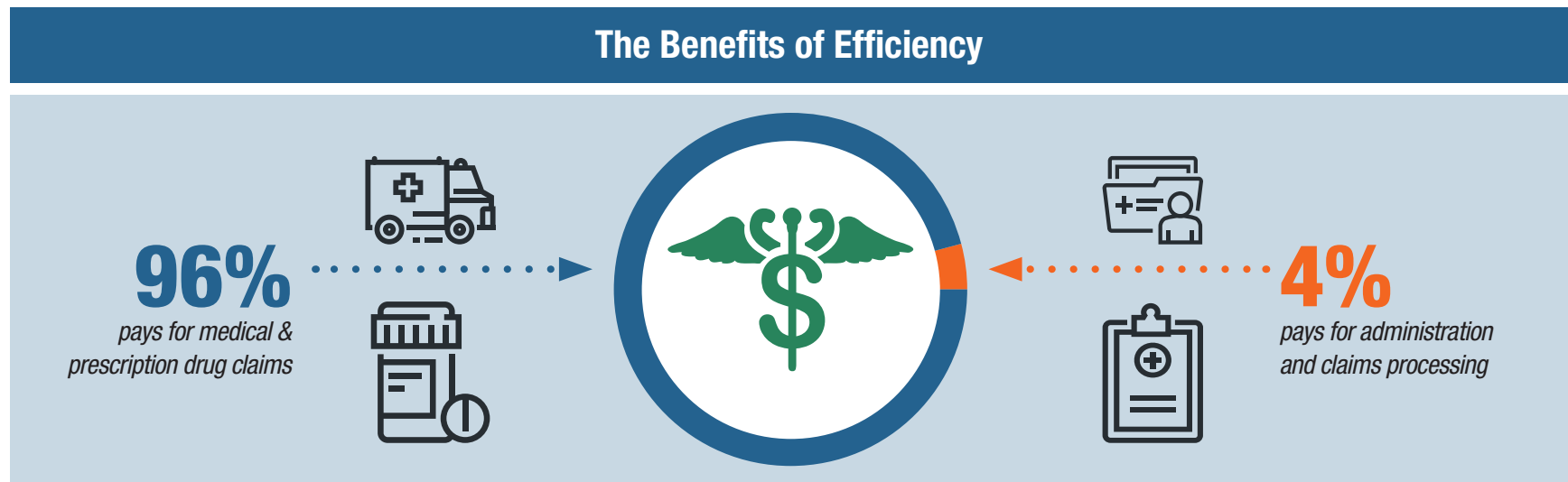
Even with fully insured products, TRS is able to negotiate favorable terms and minimize administrative costs. These cost savings are passed on to participants, ensuring that more medical care

can be provided for each premium dollar.

In addition to procuring medical administrators and pharmacy benefit managers, TRS also shares data and insights with school districts and the legislature about the program. This data provides districts with insights on the health of their employees as well as the health of the program.

The customer service and communication resources TRS provides employs best practices for helping participants understand the plans and make cost-effective health care decisions.

By providing these health care services, TRS removes the burden from districts from having to procure these services on their own.



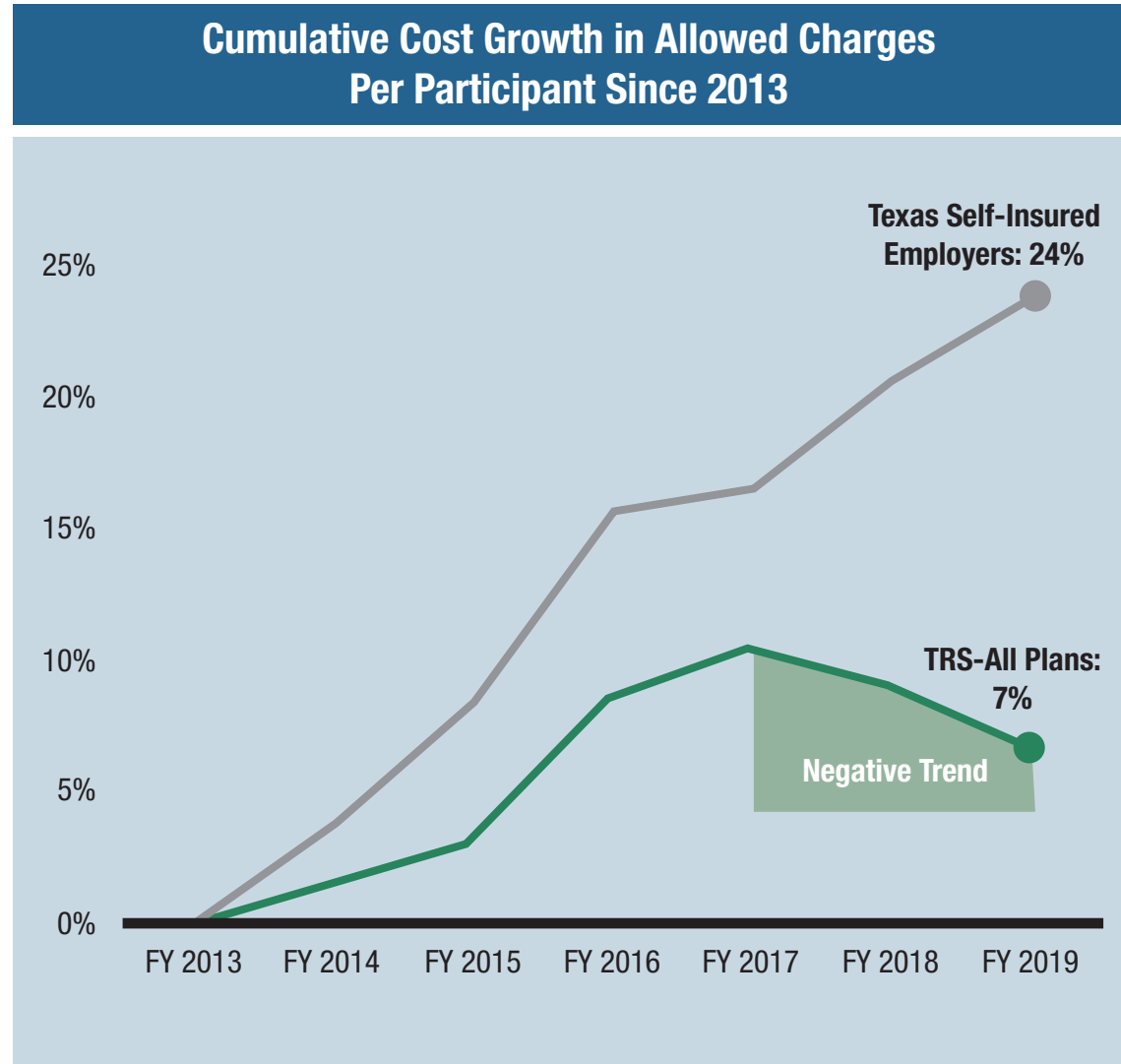
Keeping Cost Growth Below Other Employers

TRS has experienced negative health trends since 2017 while other self-insured Texas employers continue to see costs rise.

According to analysis from the Health Care Cost Institute, the vast majority of cost growth in Texas since 2013 is due to price inflation. Those who buy health care in Texas face a consolidated provider market in Texas where hospitals and other key providers employ substantial market leverage to increase prices each year.

TRS self-funded plans use administrative service only (ASO) contracts for self-insured products. From fiscal year 2013 through fiscal year 2019, Texas employers using ASO contracts experienced 24% growth in participant costs.

During the same period of time, TRS cost growth per participant was limited to 7%. While health care inflation will continue to create challenges in affordability and funding sustainability, TRS works to limit cost growth while maintaining access to high-quality care.



Note: Allowed charges represent the cost to both the plan and participants. TRS plans include all self-insured plans. Milliman data for Texas-ASO does not include pharmacy rebates. Excluding rebates from TRS All Plans would increase cumulative growth to 12%. This comparison does not adjust for changes in plan design or demographics over time.

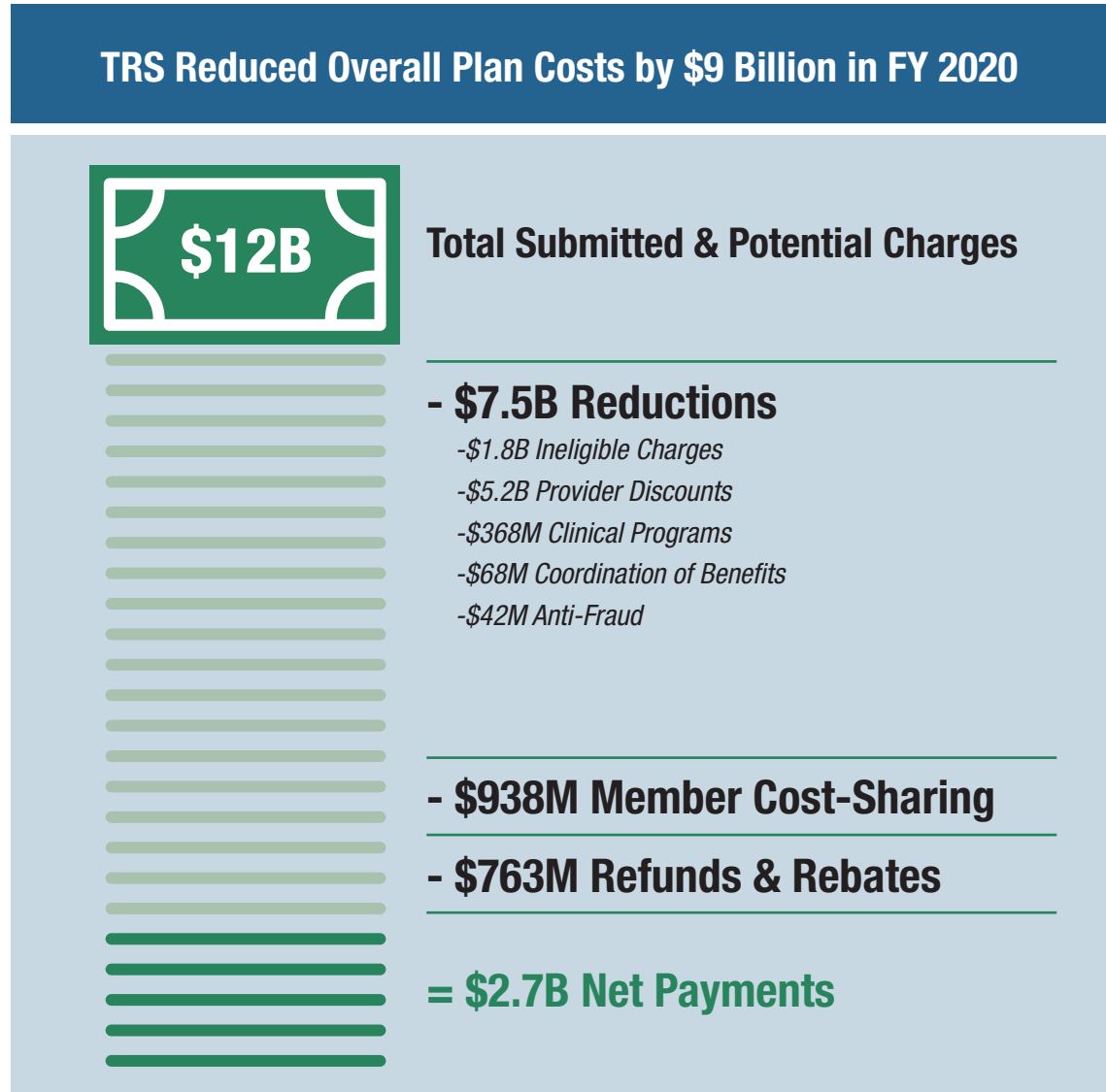
Keeping Cost Growth Below Other Employers (Continued)

TRS reduced plan costs by \$9 billion in fiscal year 2019 through reductions to submitted charges, participant cost sharing, and refunds and rebates.

Provider discounts represented the single largest reduction in cost from charges submitted by providers, accounting for \$5.2 billion in savings.

Other reductions and savings accrued from clinical programs, avoidance of duplicative and ineligible charges, coordination with other sources of insurance, and anti-fraud activities. Refunds and rebates are primarily due to rebates on drugs negotiated with pharmaceutical manufacturers.

As participants have migrated into high-deductible coverage, utilization has also decreased. This is partly due to increased participant cost sharing. In fiscal year 2019, participants paid a total of \$938 million out of pocket for care.



Note: Clinical programs and anti-fraud estimates are based on estimates provided by TRS vendors.

Reducing Participants' Out-of-Pocket Costs During COVID-19

While TRS and its participants face new challenges amid COVID-19, TRS continues to add to ways to promote access to high-value health care.

In addition to recent initiatives that have improved provider discounts and focused care around primary care providers (PCPs), TRS has reduced cost-sharing for certain benefits. This permits participants to be tested and treated for COVID-19 while accessing routine care through telemedicine when appropriate.

Throughout the pandemic, TRS has shared coverage decisions and ways to access care with participants through various means: The Pulse e-mail newsletter, links on the TRS homepage, carrier specific communications, virtual events with membership and via our customer service call centers.

In August 2020, TRS used these channels to announce coverage through Dec. 31, 2020 that would help public education employees as they returned to school and made coverage decisions.

TRS COVID-19 Response

TRS-Care Medicare Advantage:

- *No medical copays for all diagnostic testing*
- *No participant out-of-pocket cost for:*
 - *Telemedicine*
 - *COVID-19 related treatment*
 - *Specialized support and telemedicine assistance*

TRS-Care Standard and TRS-ActiveCare:

- *No participant out-of-pocket cost for:*
 - *Telemedicine*
 - *All COVID-19 related diagnostic testing*
 - *COVID-19 related inpatient treatment*
 - *Early refills for maintenance medications*
 - *Access to mental health and nurse hotlines*
 - *Access to COVID-19 materials*

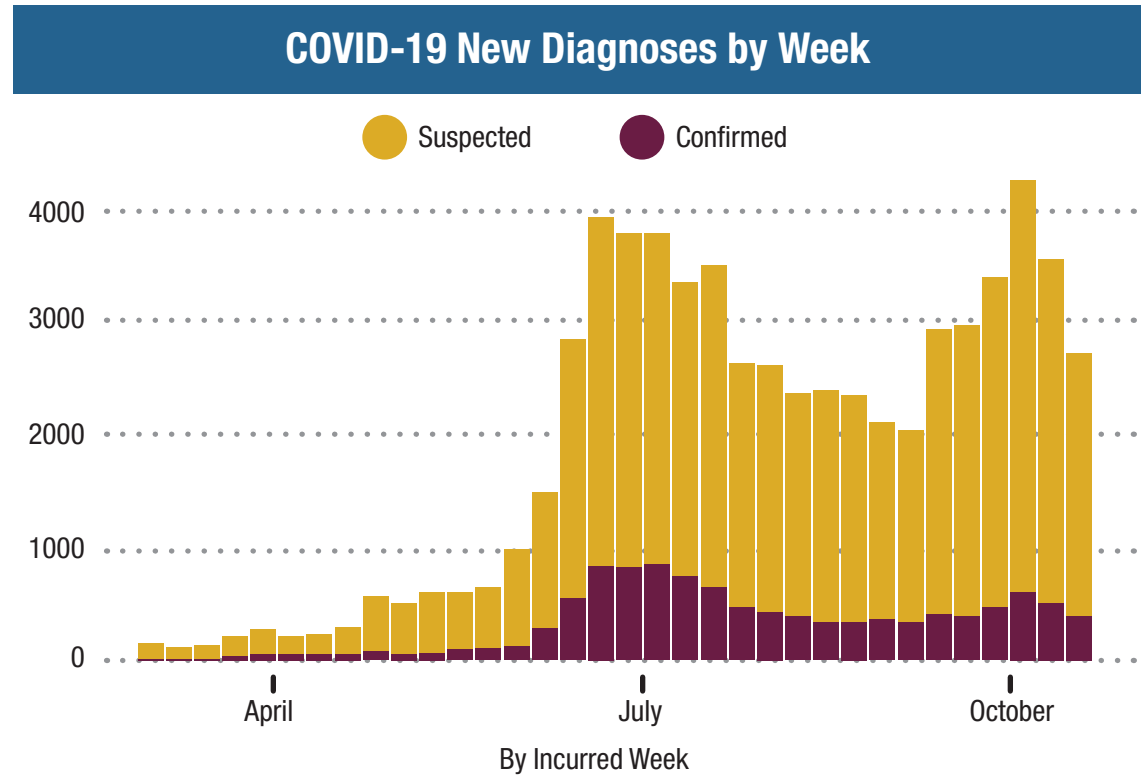
Effective through Dec. 31, 2020 at time of publication.

Reducing Participants' Out-of-Pocket Costs During COVID-19 (Continued)

Cases in our population followed similar trends as Texas as a whole. Cases in TRS plans started rising exponentially in the middle of the summer, then slowed down in September. Since March, more than 91,000 participants, excluding TRS-Care Medicare Advantage participants, have been tested for COVID-19. And while more than 14,000 had a confirmed case of COVID-19, just over 3,000 have been hospitalized (excluding TRS-Care Medicare Advantage participants).

During this period, TRS spent over \$66 million on COVID-19-related claims for TRS-ActiveCare and over \$25 million for TRS-Care. Providers will submit additional claims for this period that TRS will pay. As a result, the full impact is unknown, as is the potential long-term impact of COVID-19.

In 2020, during many months with elevated transmission of the virus, we observed a general offsetting impact from reduced non-COVID-related claims. However, there is significant uncertainty about when more routine forms of care may increase again and the extent of future COVID-19 transmission. TRS will continue to closely monitor and report the impact of COVID-19.



Based on claims paid through October 2020. Excludes fully insured products, including TRS-ActiveCare HMO plans and TRS-Care Medicare Advantage. A participant is only counted once in this chart.

Program	Confirmed	Suspected	% of Population
TRS-Care-MA	4,141	–	2.62%
TRS-Care-Standard	1,353	6,438	11.87%
TRS-ActiveCare	8,736	42,932	10.99%

Note: Data for suspected TRS-Care Medicare Advantage COVID-19 cases is unavailable.

TRS-ActiveCare Relationship	Total Confirmed & Suspected	Percentage of Enrollment
Employee	39,752	13.11%
Dependents	11,886	7.11%

Note: Cases/counts are shown only for members currently enrolled in October 2020.

Reengineering Plans for Employees

TRS improved TRS-ActiveCare after statewide input meetings with district leaders.

TRS held five meetings throughout the state to solicit input from school districts on potential changes to TRS-ActiveCare for Sept. 1, 2020. These meetings culminated in February when TRS hosted a summit where representatives from 239 districts took part. TRS presented different options for plan changes and conducted live polling of participants.

TRS consistently heard that districts were looking to improve the affordability of premiums and deductibles for employees, particularly for those with children.

Based on the feedback from school districts, the TRS Board of Trustees made a number of improvements to TRS-ActiveCare.

TRS has provided improved pricing, offered more network choices, simplified coverage and introduced a new plan with a lower premium and copays for doctor visits, effective Sept. 1, 2020. These changes were implemented at the same time as the switch from Aetna to Blue Cross Blue Shield of Texas (BCBSTX).

TRS-ActiveCare District Summit



Feb. 5, 2020

Reengineering Plans for Employees (Continued)

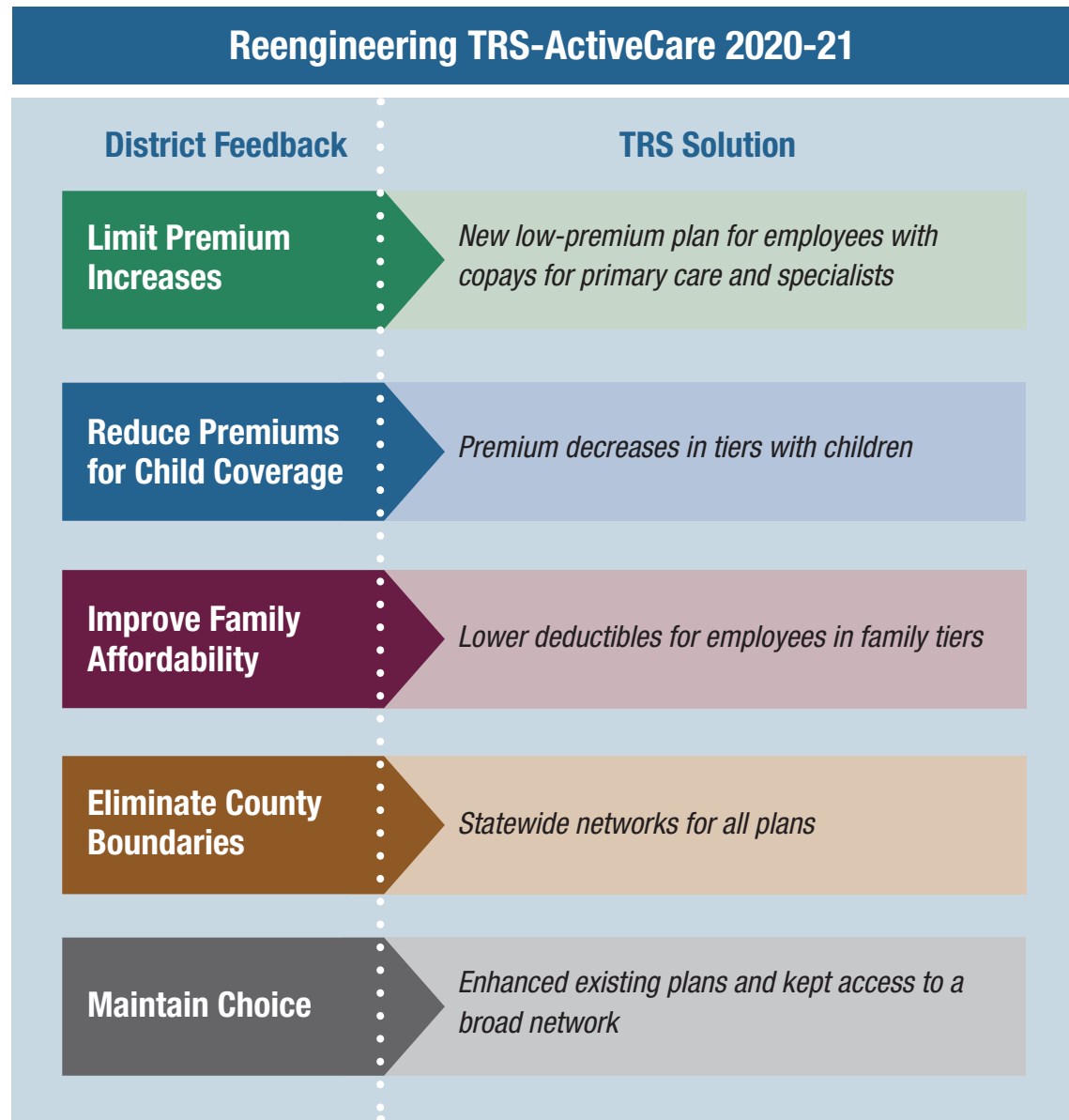
Effective Sept. 1, 2020, TRS introduced two new primary-care-driven plans: TRS-ActiveCare Primary and TRS-ActiveCare Primary+, a redesigned version of TRS-ActiveCare Select. These two plans are centered on the relationship between participants and their primary care physicians (PCPs) to improve the quality and affordability of care.

These new plans being offered by TRS provide enhanced provider discounts with broader geographic access. Prior to the changes, participants living in metro areas enrolled in TRS-ActiveCare Select could only access providers within their specific region.

In the new Primary plans, the new BCBSTX networks are tailored to the needs of each region to ensure network adequacy with strong provider discounts. They also allow participants to access providers anywhere within Texas. This promotes enhanced access to care for participants who may have previously lived on the edge of a metropolitan area and provider region.

TRS continues to offer TRS-ActiveCare HD, which is compatible with a health savings account and features a broader network, where participants can see specialists without a PCP referral.

TRS-ActiveCare 2 continues to remain closed and only existing participants can remain enrolled in this plan.



Improving Affordability for Active Employees

TRS limited the total premium increase for the 2020-21 plan year to less than 1% in total across all self-insured plans while lowering family premiums.

In general, premiums were reduced for those covering children and increased by a smaller amount for employee-only coverage.

TRS sets the total premiums to ensure adequate funding for benefits. School districts then adopt their budgets after rates are announced in April of each year. This gives districts the option of increasing their contributions with the intent of reducing or eliminating those premium increases the TRS Board adopted for their employees.

In the prior year, the TRS Board increased rates by \$11 for employee-only coverage in TRS-ActiveCare 1-HD. The increase for 2020-21 year was \$8 for employee-only coverage in the new TRS-ActiveCare Primary plan. The median premium paid by employees after their district contribution increased by \$17 for employee-only coverage on the TRS-ActiveCare Primary plan.

	FY 2021 Total Monthly Premium	Total Premium Change from 2020	FY2021 Median Participant Contribution	Change in Median Participant Contribution
TRS-ActiveCare-Primary				
Employee Only	\$386	+\$8	\$80	+\$17
Employee & Spouse	\$1,089	+\$23	\$764	+\$23
Employee & Children	\$695	-\$27	\$383	-\$31
Employee & Family	\$1,301	-\$114	\$976	-\$99
TRS-ActiveCare-Primary+				
Employee Only	\$514	-\$42	\$197	-\$34
Employee & Spouse	\$1,264	-\$103	\$939	-\$103
Employee & Children	\$834	-\$68	\$517	-\$68
Employee & Family	\$1,588	-\$130	\$1,263	-\$120
TRS-ActiveCare-HD				
Employee Only	\$397	+\$19	\$87	+\$24
Employee & Spouse	\$1,120	+\$54	\$803	+\$62
Employee & Children	\$715	-\$7	\$411	-\$3
Employee & Family	\$1,338	-\$77	\$1,013	-\$62

TRS-ActiveCare Primary is compared to prior year TRS-ActiveCare HD and TRS-ActiveCare Primary+ is compared to TRS-ActiveCare Select. Changes for TRS-ActiveCare 2 available in Appendix B.

Affordability in Action

- TRS cut the portion of families paying over \$1000 per month in half from 60% to 31%
- The median participant contribution for the lowest cost plan is \$80 per month

Improving Affordability for Active Employees (Continued)

In the prior plan year, many school districts were able to increase their contribution amount to offset the total premium increases. This was likely due in large part due to increased funding available from the Texas Legislature through House Bill 3 (86th Regular Session, 2019). In the 2020-21 plan year, most districts made no changes to their minimum district contribution.

This means that the changes TRS made to the total premium for the 2020-21 plan year were largely passed on to most employees. Appendix F provides additional details on the changes in district contributions by plan year.

In the Primary plan, the total premium for family coverage decreased by \$114 and the median premium paid by participants on this tier decreased by \$99 per month compared to TRS-ActiveCare HD in the prior plan year.

In general, the changes made by the TRS Board had the desired impact, improving affordability for those covering children. Previously 60% of employees in the Family Tier (across all plans) were paying more than \$1,000 per month. This was cut in half to 31%. Also, there are now approximately 10,000 fewer employees paying more than \$550 per month in the child tier.

In addition to these premium changes, TRS made changes to benefits for the 2020-21 plan year.

Highlights in the TRS-ActiveCare Primary Plan Include:

- *Copays allow participants to access care before meeting the deductible*
- *\$30 copays for PCP visits and \$70 copays for specialists*
- *Lab work and diagnostic imaging done in an office setting included in copay*
- *\$30 copays for mental health visits*
- *\$250 reduction of individual deductible and \$500 reduction for family deductible*
- *Individuals only need to meet the individual deductible in child, spouse, and family tiers*
- *Requires PCP selection in a statewide network*

Highlights for the TRS-ActiveCare Primary+ Plan Include:

- *Eliminated many copays, including outpatient surgery and ER (coinsurance after deductible only)*
- *\$30 copay on therapies (decrease from \$70)*
- *Decreased out-of-pocket max by \$1,000 for individuals and \$2,000 for families*

- TRS-ActiveCare 2 remains open to participants already enrolled in the plan but is closed to new participants.
- A complete list of changes is available in Appendix C.
- In a May 2020 survey, 62% of the districts indicated they felt TRS heard their concerns after learning of these changes.
- TRS will continue to meet with districts on an ongoing basis to solicit their feedback for continuous improvements.

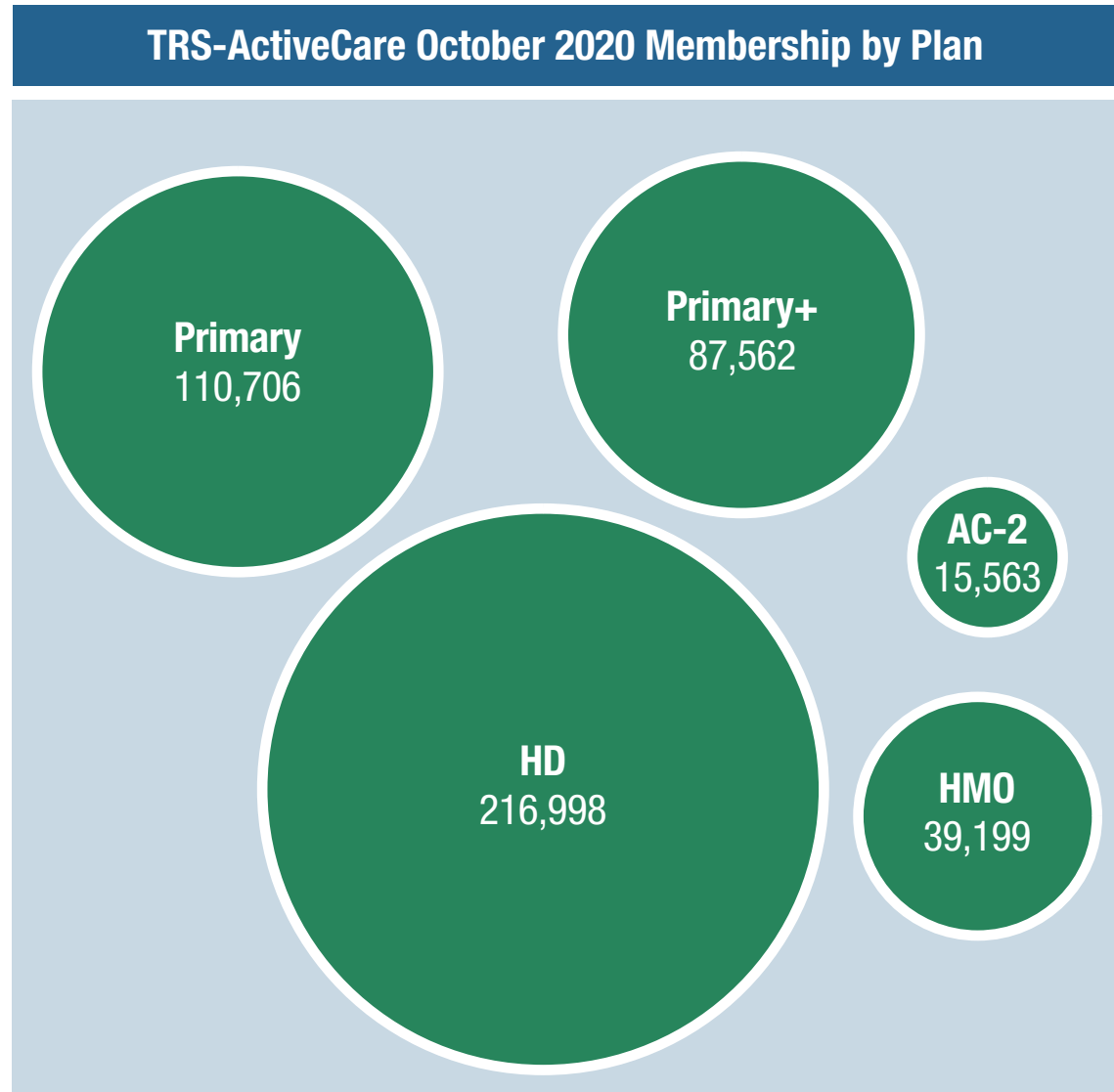
New Primary Care-Driven Plans Prove Popular with Active Employees

The new TRS-ActiveCare Primary plan is the most popular choice among new employees. Approximately 50% of employees who were covered outside of TRS in August 2020 and elected coverage for the 2020-21 year chose the Primary plan.

As a result, the share of total membership in the standard high deductible plan decreased from 60% in August 2020 to 46% in October 2020. In total, 43% of participants were enrolled in the new and redesigned Primary plans in October 2020.

Not all participants made an active choice during annual enrollment. These participants were enrolled in the plan most similar to their prior plan. As a result, the distribution of participants by plans is expected to continue to change over time.

The share of total membership in a fully insured plan (HMO) decreased from 12% to 8%. This was largely driven by employees selecting Primary+ because TRS was able to lower the premium for that plan.



Participants include employees & dependents. TRS-ActiveCare 2 is a closed plan. HMO=Fully Insured Products, including Scott & White Health Plan and Blue Essentials Plans.

New Primary Care-Driven Plans Prove Popular with Active Employees (Continued)

Employees switching from HMO plans to Primary+ drove a significant increase in the total number of participants in all the TRS-ActiveCare self-insured plans.

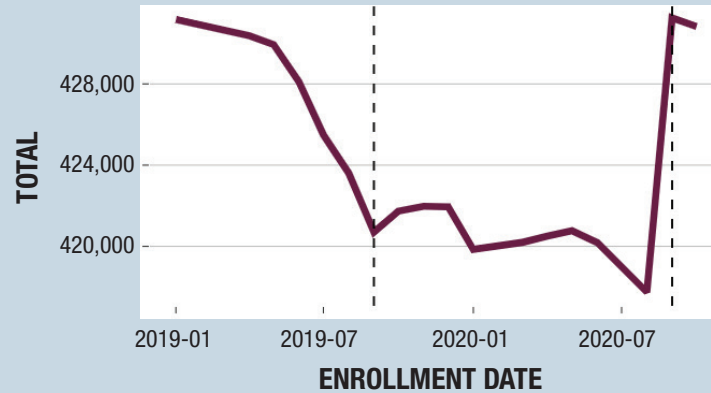
Additionally, new employees were more likely to cover dependents. This was likely due to changes made to improved affordability for those covering children.

In total, self-insured membership increased by approximately 13,000 participants (+3%) between August and October of 2020.

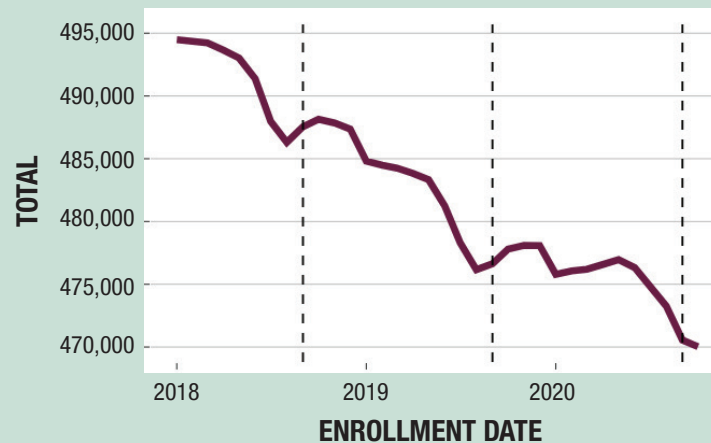
Total membership, including HMOs, decreased by 0.7% between August and October 2020. The number of employees enrolled in TRS-ActiveCare decreased by approximately 100.

Some of this decrease may have been due to changes in staffing at school districts during COVID-19. A portion of it is due to approximately 104 districts offering competing coverage alongside TRS-ActiveCare for the first time, effective Sept. 1, 2020. The plans offered by these districts typically offer fewer benefits with a lower premium.

TRS-ActiveCare Self-Insured Membership



TRS-ActiveCare Membership All Plans



TRS-ActiveCare: Districts of Innovation and Competing Coverage

Some districts that participate in TRS-ActiveCare are currently using the district of innovation waiver process through the Texas Education Agency to exempt themselves from the statutory prohibition, under Section 22.004(i) of the Texas Education Code, of offering competing health care coverage that competes against TRS-ActiveCare. These districts are offering employees the choice of a non-TRS plan alongside the choice of TRS-ActiveCare plans.

This competing coverage is often presented as cheaper, but it excludes important benefits such as specialty drug coverage, potentially putting participants at financial risk. If the competing plans disproportionately attract healthier employees (adverse selection), this could also create financial risk to TRS-ActiveCare.

The Texas Legislature created current statutes to prevent adverse selection. In a report dated Nov. 28, 2000, the Texas House Select Committee on Teacher Health Insurance stated, “The Committee recommends that the plan be structured in such a way to avoid adverse selection by the school districts.”

In 2001, the Texas Legislature created TRS-ActiveCare and mandated participation for districts with less than 500 employees, permitting larger districts to opt-in.

Common Features of Competing Coverage

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

There is no provision in state law to allow districts to opt-out. Current statute prohibits a district participating in TRS-ActiveCare from making other group health coverage available to its employees.

As of December 2020, TRS is aware of 140 districts out of nearly 1,100 that offer competing coverage, representing approximately 14% of employees among participating districts. While the projected impact of these districts’ decisions has been small so far, offering competing coverage makes TRS-ActiveCare vulnerable to adverse selection in future years and risk destabilizing the program.

In May and June TRS held five virtual town halls with districts to share information about the features of competing plans compared to the comprehensive health coverage TRS offers. We will continue communicating to districts the potential financial risks this approach has on both their employees and the program.

TRS-ActiveCare: Funding Comes Exclusively Through Schools

Despite TRS' improved affordability and the minimal premium increases for employee-only coverage on the high deductible plan to \$19 per month, how employees view affordability depends on their share of the premium after the employer contribution.

State statute requires state funding for TRS-ActiveCare be distributed through the school finance formulas. The legislature, therefore, appropriates funding for schools through the Texas Education Agency. For TRS-ActiveCare, TRS only receives money transferred by school districts to TRS.

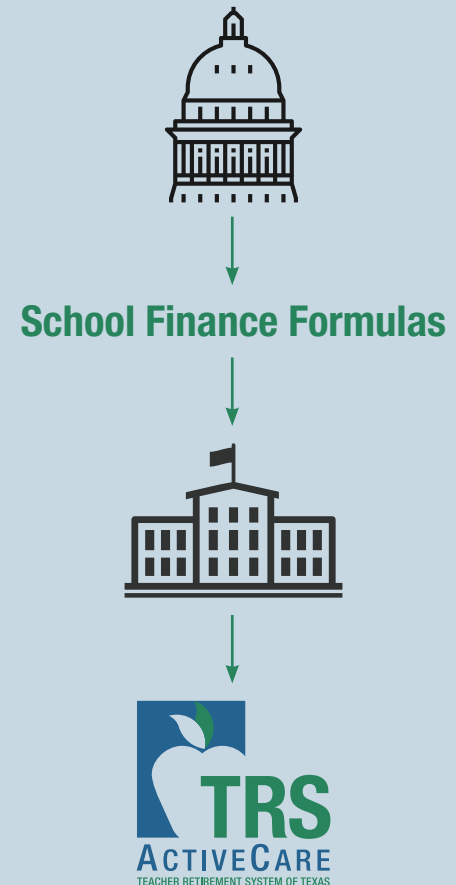
Minimum funding is based on a 2001 law — not the cost of health care.

As a result, TRS has no direct control over how much money is available to ensure that employee premiums are affordable.

Instead, TRS sets the total premiums to ensure adequate funding for benefits. School districts then determine how much they will contribute. School districts are required to contribute at least

- \$225 per employee per month in addition to the employee contribution. School districts use a mix of state and local funding to make this minimum contribution of \$225 to TRS.
- When TRS-ActiveCare was created, \$225 per employee was equivalent to 90% of the cost of the state employee health plan administered by the Employees Retirement System of Texas (ERS). To purchase the basic plan offered by TRS, it was anticipated that \$225 would allow TRS to offer a \$0 premium for employee-only coverage. Public education employees also received pay raises so they could purchase a more comprehensive plan equivalent to state employee coverage.
- However, this \$225 minimum has not changed since the creation of TRS-ActiveCare in 2001. If adjusted for general economy wide inflation, this minimum would be \$320 in 2020 (GDP price deflator). This means that the current minimum contribution in inflation adjusted terms is less than when the program was created 19 years ago. As a result, today employees pay for a greater share of the total premium and their medical costs compared to when the program was created.

TRS does not fund our health programs, rather we pay claims through employee's monthly contribution and district and state contributions.



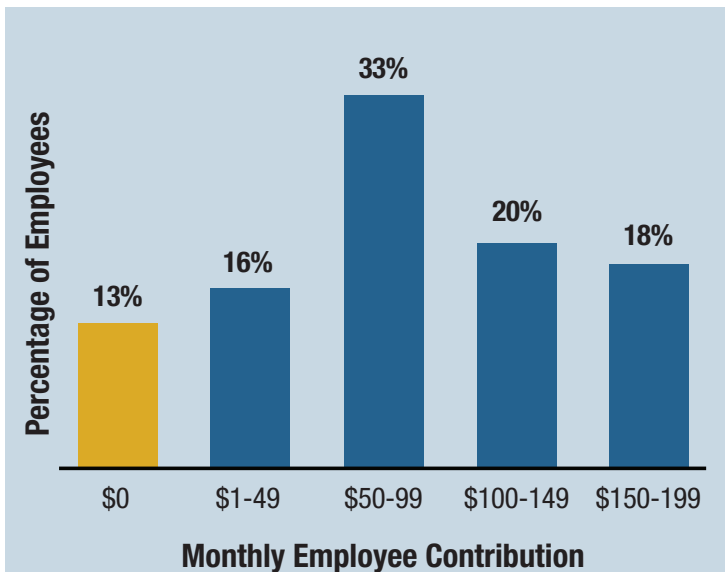
TRS-ActiveCare: Funding Comes Exclusively Through Schools (Continued)

While most districts contribute more than the \$225 minimum to their employees' premiums, the percentage of employers who offered \$0 employee-only premiums decreased from 20% to 13% in the high-deductible plans (TRS-ActiveCare HD and TRS-ActiveCare Primary).

As a result, in fiscal year 2020, TRS estimates that employees paid for 44.6% of the total premium. After including cost sharing, employees paid for approximately 56% of their medical and pharmacy costs in fiscal year 2020.

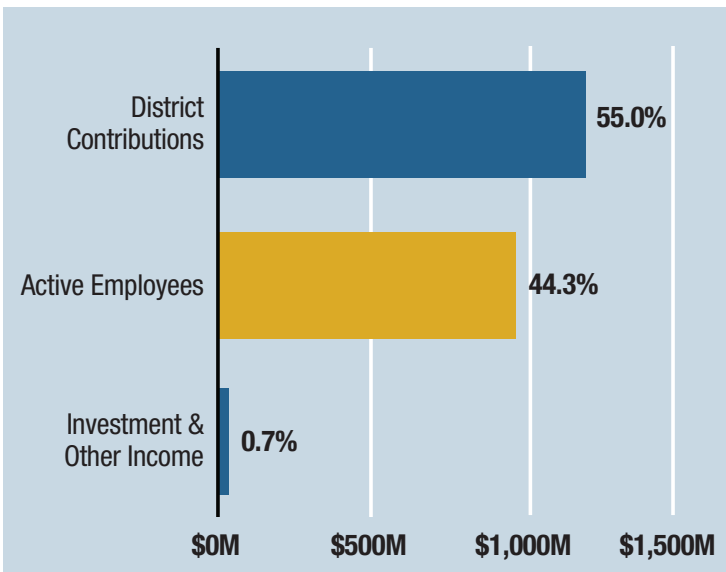
We recognize that employers balance many budget constraints, including those related to COVID-19, that may have had an effect on decisions related to employee benefits. TRS sets total premiums, and the total cost of coverage for TRS-ActiveCare is competitive across multiple benchmarks.

Only 13% of Full-Time Employees Still Have a \$0 Employee Contribution for Employee-Only Coverage



Note: Estimate for full-time employee in the 2020-21 plan year.

Employees Pay for Nearly Half of the Total Premium

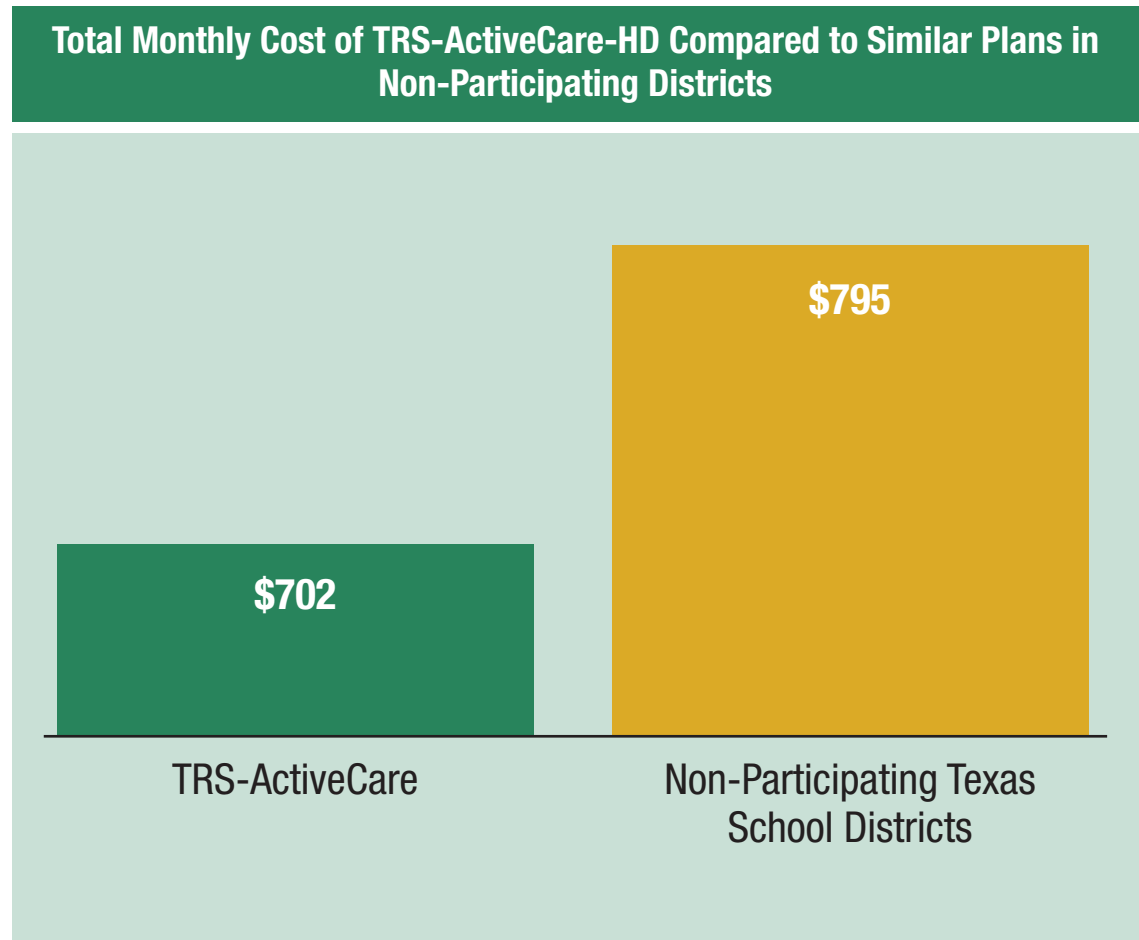


Note: Fiscal year 2020 TRS Revenues for TRS-ActiveCare.

TRS-ActiveCare: Funding Comes Exclusively Through Schools (Continued)

The total cost for TRS-ActiveCare HD is approximately 12% below the median total cost of similar plans offered by Texas public education employers outside of TRS-ActiveCare. This comparison includes adjustments for the differences in deductibles, maximum out-of-pocket costs, and several other plan features.

After employee premiums, employer contributions, and employee cost sharing, TRS-ActiveCare is \$93 less per month per employee compared to the total median cost at non-participating districts.



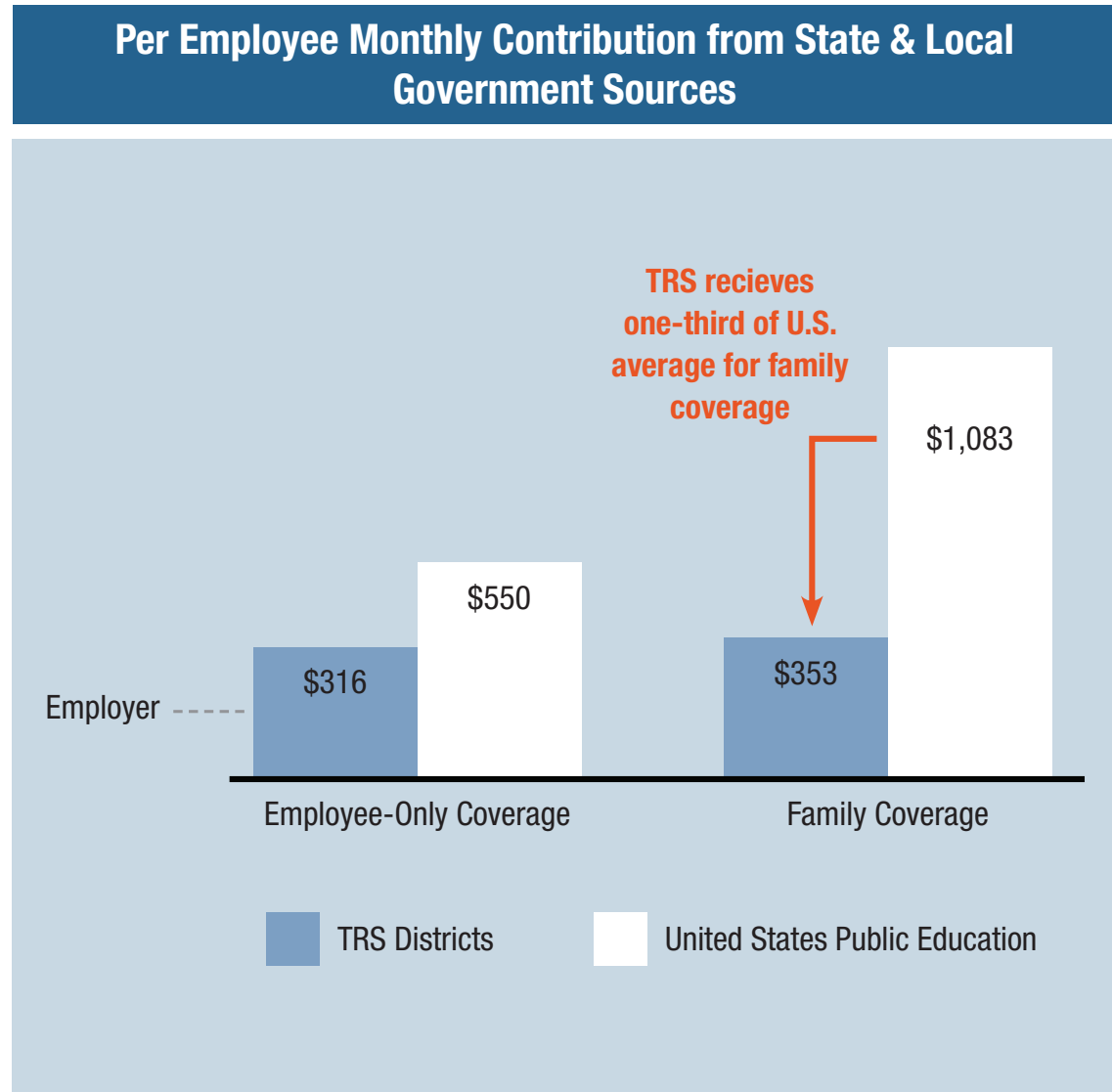
Note: This comparison is based on the average total cost of an employee per month for the TRS-ActiveCare 2020-21 plan year. The comparison includes the cost of employee premiums, district contributions, and employee cost sharing. Employee cost sharing is estimated based on the actuarial value of plans and is an estimate based on the experience of a typical employee in each plan. The total cost is weighted using TRS average 2019-20 enrollment in each tier, such as Employee Only or Employee + Spouse, to control for differences in rate setting preferences across these tiers and plans. Based on a comparison to 44 plans most similar to TRS-ActiveCare-HD offered by Texas public education employers that do not participate in TRS-ActiveCare. Non-participating information is based on publicly available information including school board budgets and benefit coverage documents.

Government-Based Funding Remains Below Average for Active Employees

Employer contributions per employee in TRS-ActiveCare are approximately half of the U.S. average for employer contributions to employee-only coverage.

When employees elect to cover their children and/or spouses, there is an additional cost for the claims of their dependents. School districts participating in TRS-ActiveCare do not typically increase the amount they contribute for family coverage by a significant amount. Consequently, the difference between the national average and TRS funding is even larger for family coverage.

Based on the claims experience of the prior year, in April of each year, the TRS Board determines premiums for the plan year starting in September. After TRS sets the rates, school districts decide whether to increase their contribution amounts. Any increases in total premiums made by the TRS Board not covered by district contributions are paid by employees.



Note: Per-employee per month revenues based on the mean contribution for employees across school districts. TRS data is from the 2020-21 plan year and U.S. Public Education is from 2020 based on U.S. Bureau of Labor Statistics.

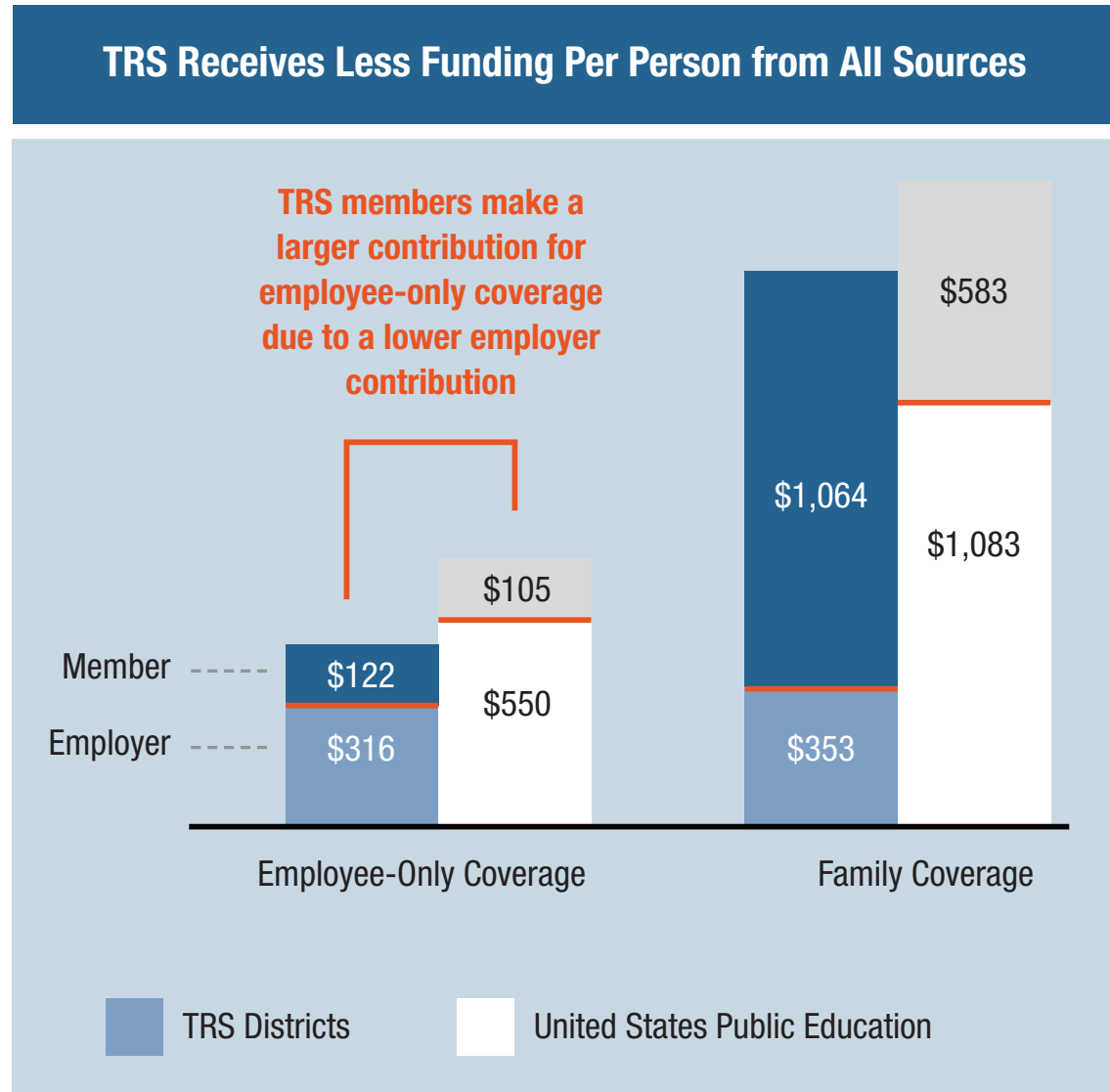
Government-Based Funding Remains Below Average for Active Employees (Continued)

For employee-only coverage, TRS-ActiveCare employees contribute a greater share of the total premium (28% in TRS-ActiveCare compared to 16% nationally). TRS-ActiveCare participants are also largely enrolled in a high-deductible plan.

Nationally, public education employees may be enrolled in other plan types with lower deductibles for an amount similar to what TRS-covered employees pay due to larger employer contributions.

For family coverage, due to the gap in funding from districts, employees in TRS-ActiveCare contribute more than double the U.S. average.

TRS-ActiveCare employees also pay more in cost-sharing after premiums than is typical for state employees in Texas.



Note: Per-employee per month contributions based on the mean contribution for employees across school districts. TRS data is from the 2020-21 plan year and U.S. Public Education is from 2020 based on U.S. Bureau of Labor Statistics mean.

TRS-Care Trust Fund Balance Grows due to Higher Rates, Enrollment Declines

TRS receives a direct appropriation from the legislature for TRS-Care. This appropriation is based on a percentage of state public education payroll. Additionally, employees and schools contribute a percentage of payroll through transfers made by school districts to TRS.

However, because the funding in statute is based on payroll, it is not tied to actual health care costs or enrollment in TRS-Care. From 2005 to 2017, contribution rates and premiums for retirees remained the same. As a result, funding failed to keep pace with health care expenses. A November 2016 report by the Texas Joint Interim

Committee to Study TRS Health Benefit Plans projected that TRS-Care would incur a \$1.3 to \$1.5 billion shortfall for the 2018-19 biennium and a \$4.1 billion shortfall by fiscal year 2021.

In response, the 2017 legislation directed TRS to eliminate the basic \$0 retiree premium contribution. In 2018, on average, the amount retirees paid for TRS-Care coverage increased by 47%. Additionally, plan benefits were reduced for the majority of retirees through increased deductibles, copays and maximum out-of-pocket limits. State and district contributions also increased.

When the statutory funding amounts are not sufficient to cover estimated cost growth, TRS makes supplemental appropriations requests. The legislature has made several supplemental appropriations for TRS-Care, including \$231 million to maintain 2019 premiums and benefits for the 2020-21 biennium. In conjunction with the most recent supplemental appropriation, TRS was directed to establish a claims reserve adequate to pay for at least 60 days of claims.

After the January 2018 rate increases in TRS-Care, enrollment in retiree plans declined.



TRS-Care Funding Formula			
Percent of Public Education Payroll			
Fiscal Year(s)	State	School Districts	Active Employees
2017	1.0%	0.55%	0.65%
2018-Present	1.25%	0.75%	0.65%

TRS-Care Trust Fund Balance Grows due to Higher Rates, Enrollment Declines (Continued)

Enrollment in TRS-Care Standard typically increases in July and August of each year. Enrollment did increase in 2020 this summer. However, August 2020 enrollment remained 4,696 participants (6.6%) below August 2019 enrollment.

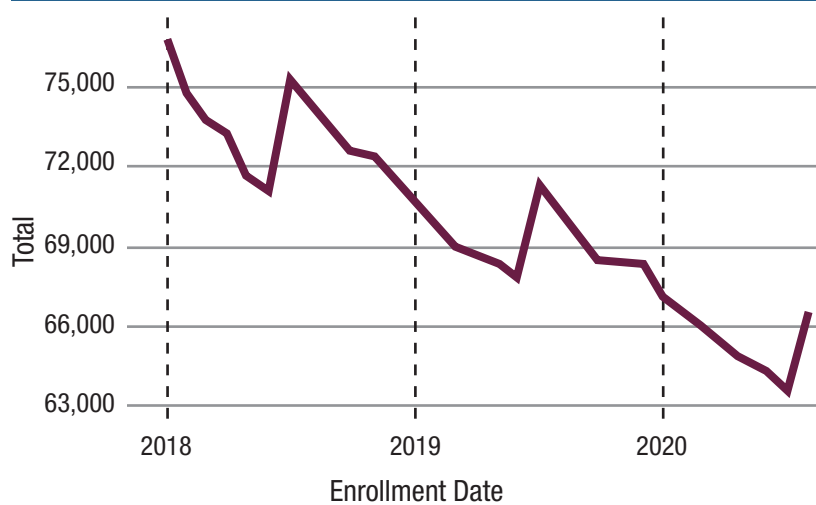
Enrollment in TRS-Medicare Advantage decreased by 11,983 participants between January 2018 and May 2019. Since then, TRS-Care Medicare Advantage has largely been stable aside from a 3% decrease in the number of covered dependents.

Because statutory funding is unrelated to enrollment, this decrease in enrollment increases the sustainability and fund balance of the program in the near-term. However, it also means that fewer participants access comprehensive medical coverage, in part due to affordability.

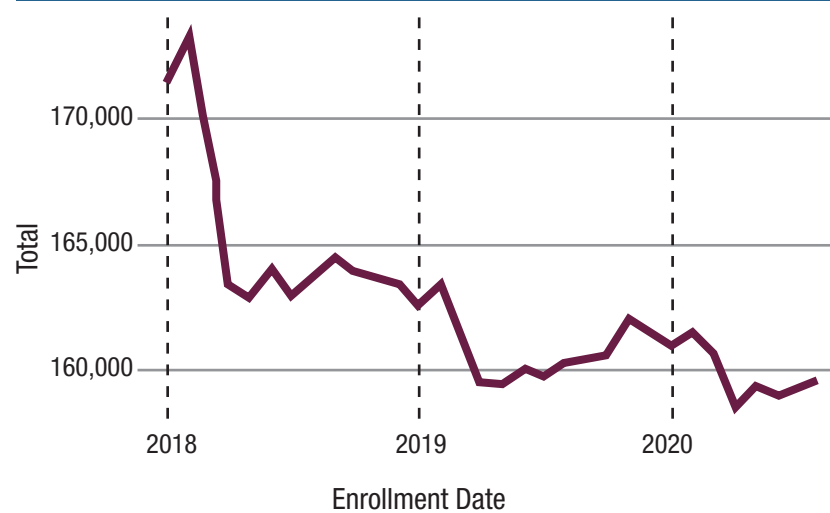
TRS' Medicare Advantage and Medicare Rx products offer more comprehensive coverage than is typically available in the market. For example, participants did not have a coverage gap in their prescription drug coverage in 2020. Retirees may have lower premiums with plans

outside of TRS, but those plans may lack this coverage gap protection. For individuals that have been aggressively marketed products with a lower premium, reduced benefits could be problematic in the future if their health needs increase. TRS only allows participants who decline Medicare Advantage coverage to enroll or re-enroll after retirement if they have a qualifying life event. This helps mitigate the ability of companies offering competing products from selectively discouraging enrollment of higher-cost participants.

TRS-Care Standard Membership



TRS-Care Medicare Advantage Membership



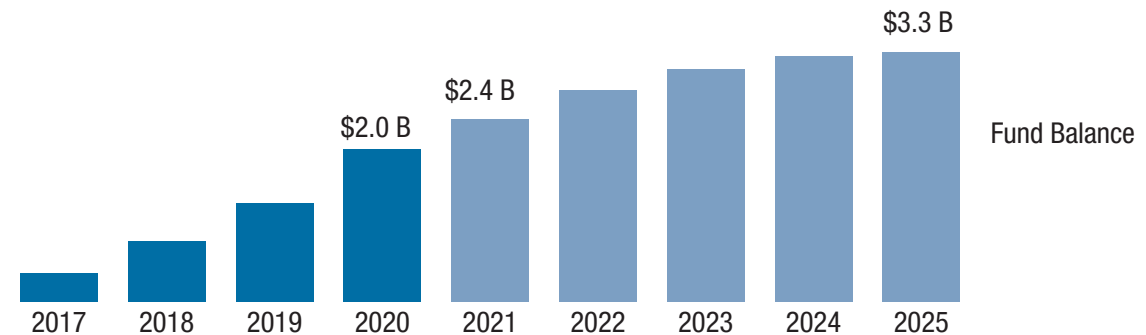
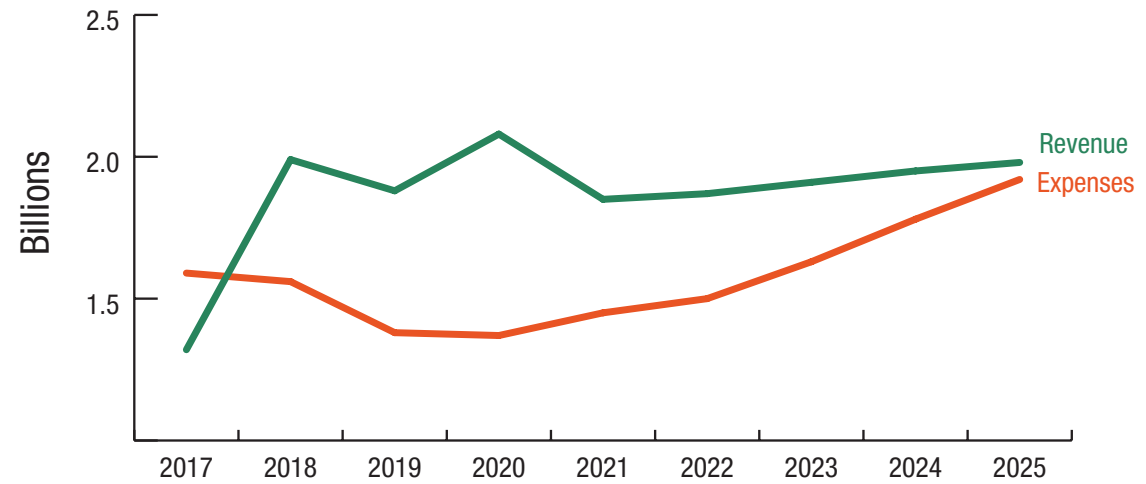
TRS-Care Trust Fund Balance Grows due to Higher Rates, Enrollment Declines (Continued)

These decreases in enrollment increase the amount of funding available per person remaining in the program. In addition to the elimination of the health insurer fee, the supplemental appropriations for the 2019-20 biennium, and savings from the procurement and vendor transitions, TRS-Care is projected to have a positive fund balance in the near-term. As a result, TRS did not make a supplemental funding request for TRS-Care for the 2022-23 state fiscal biennium.

Instead, the TRS-Care trust fund balance is expected to increase to approximately \$3 billion by fiscal year 2025. Expenses are expected to grow faster than revenues, so at some point in the future, the fund balance will likely start to decrease.

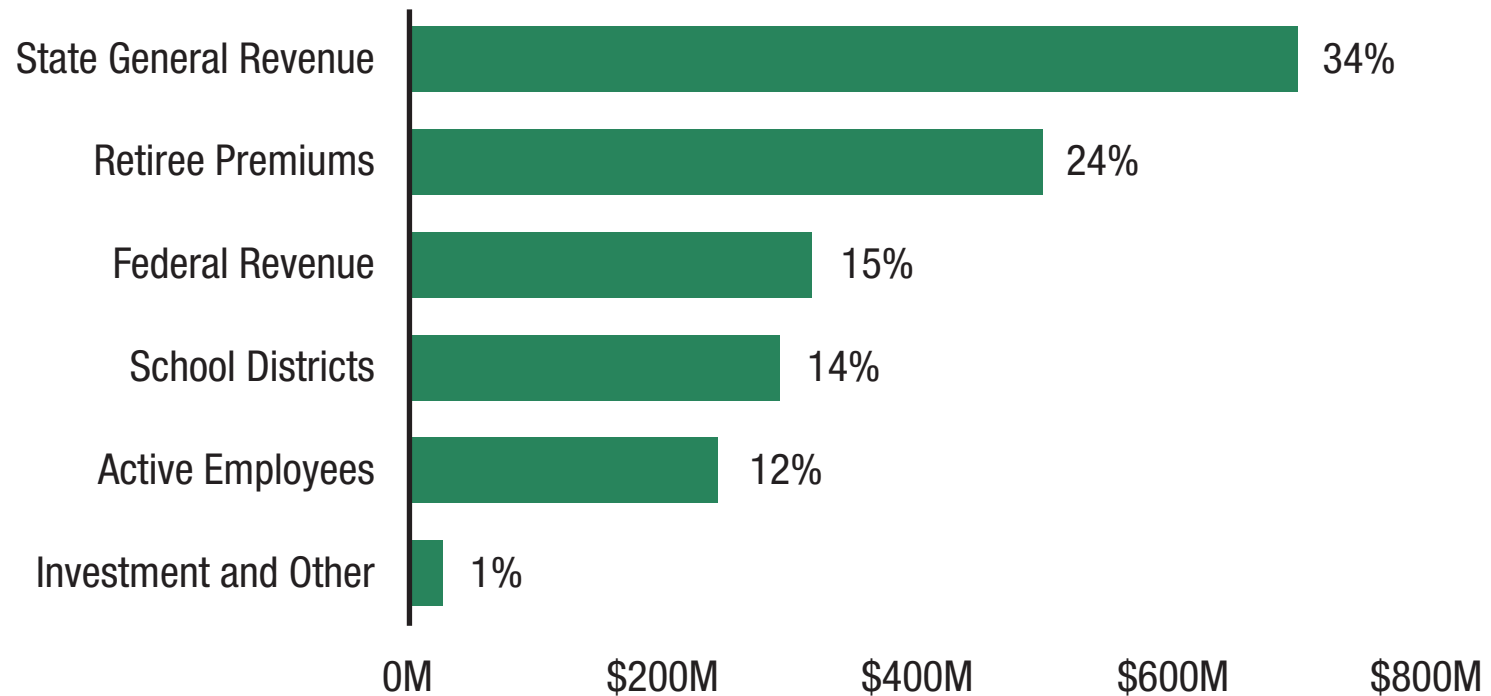
TRS spends \$1.5-\$2 billion a year on TRS-Care claims.

TRS-Care Financial History and Projections by Fiscal Year



TRS-Care Trust Fund Balance Grows due to Higher Rates, Enrollment Declines (Continued)

TRS-Care Funding by Source, FY 2020



Note: TRS received \$231 million supplemental appropriation in fiscal year 2020. Federal revenues include federal reinsurance and subsidies related to Medicare participants.

TRS' Strategic Plan for Health Care

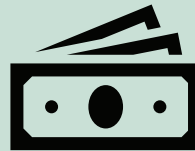
TRS' goal is to promote access to competitive, reliable health care benefits for our participants. We strive to achieve this in three primary ways:

Communicate Funding Needs



- *Communicate affordability and sustainability issues in legislative briefings*
- *Continue including sustainability and affordability issues in legislative appropriations requests*

Increase the Value of Health Care



- *Identify opportunities to increase the use of high quality, highly efficient medical providers*
- *Educate primary care providers about ways to use high-value specialists*
- *Continue to put contracts out to bid when market conditions suggest potential improvements in pricing*

Improve Participant Health



- *Increase engagement with high-quality primary care providers*
- *Continue outreach to participants about availability of no-cost preventive care*
- *Increase the use of value-based contracts that focus on provider quality for key conditions such as low back pain and bariatric surgery*

Appendix

A: Prevalence of Certain Chronic Health Conditions

Chronic Condition	TRS-ActiveCare		TRS-Care		Total	
	Population	Prevalence (%)	Population	Prevalence (%)	Population	Prevalence (%)
Hypertension	80,718	19.3%	135,164	61.4%	215,882	33.9%
Diabetes	29,256	7.0%	52,520	23.9%	81,776	12.8%
Depression	47,233	11.3%	21,981	10.0%	69,214	10.9%
Asthma	37,358	9.0%	14,503	6.6%	51,861	8.1%
Coronary artery disease	8,421	2.0%	38,025	17.3%	46,446	7.3%
COPD	6,070	1.5%	12,533	5.7%	18,603	2.9%
Congestive heart failure	3,317	0.8%	17,872	8.1%	21,189	3.3%

Note: Estimates are based on information provided by medical carriers using medical claims only. Including pharmacy claims would increase estimates of prevalence. Excludes TRS-ActiveCare HMO enrollment. Prevalence estimates based on August 2020 enrollment. FY 2020 population estimates for TRS-ActiveCare include additional criteria, increasing prevalence estimate relative to prior method.

B: 2020-21 TRS-ActiveCare Rate Changes

Self-Insured Rate Changes:

- Less than 1% increase across all plans
- TRS board increased prior-year rates by \$11 for employee-only coverage in TRS-ActiveCare 1- HD
- Increase of \$8 for 2020-21 plan year employee-only coverage in the new TRS-ActiveCare Primary plan (compared to prior year TRS- ActiveCare 1-HD employee-only rate)
- Reduction in total premiums for employee + children and employee + family tiers.

Participant premiums shown here are based on minimum \$225 contribution.

	FY 2021 Premium	Increase from 2020	Participant Premium*
TRS-ActiveCare-Primary			
Employee Only	\$386	+\$8	\$161
Employee & Spouse	\$1,089	+\$23	\$864
Employee & Children	\$695	-\$27	\$470
Employee & Family	\$1,301	-\$114	\$1,076
TRS-ActiveCare -HD (formerly 1-HD)			
Employee Only	\$397	+\$19	\$172
Employee & Spouse	\$1,120	+\$54	\$895
Employee & Children	\$715	-\$7	\$490
Employee & Family	\$1,338	-\$77	\$1,113

*After minimum \$225 contribution by school district. TRS-ActiveCare-Primary rate changes are compared to prior year TRS-ActiveCare-1-HD.

B: 2020-21 TRS-ActiveCare Rate Changes (Continued)

On average, participants are receiving a \$320 contribution from their employer in the 2020-21 plan year, so most participants will pay a lower premium than shown in the graph on the right. School districts adopt their budgets after rates are announced in April of each year. Therefore, school districts may increase their contributions to reduce or eliminate the gross premium increases the TRS Board adopts every April.

Full coverage details are available at www.trs.texas.gov/Pages/healthcare_benefits.aspx.

	FY 2021 Premium	Increase from 2020	Participant Premium*
TRS-ActiveCare-Primary+ (formerly Select)			
Employee Only	\$514	-\$42	\$289
Employee & Spouse	\$1,264	-\$103	\$1,039
Employee & Children	\$834	-\$68	\$609
Employee & Family	\$1,588	-\$130	\$1,363
TRS-ActiveCare -2			
Employee Only	\$937	+\$85	\$712
Employee & Spouse	\$2,222	+\$202	\$1,997
Employee & Children	\$1,393	+\$126	\$1,168
Employee & Family	\$2,627	+\$238	\$2,402

*After minimum \$225 contribution by school district.

C: 2020-21 TRS-ActiveCare Benefit Changes

Self-Insured Benefit Changes:

- Introduction of new Primary plan
- Increase in maximum out-of-pockets (MOOPs)
- Increase in participant cost-sharing for brand drugs and out-of-network, inpatient hospital charges.

No benefit changes were made to TRS-ActiveCare 2, which is only open to previously enrolled participants.

Full coverage details are available at www.trs.texas.gov/Pages/healthcare_benefits.aspx.

	Individual	Family
TRS-ActiveCare-HD (formerly 1-HD)		
In-Network MOOP	\$6,900 (↑\$150)	\$13,800 (↑\$300)
Deductible	\$2,800 (↑\$50)	\$5,600 (↑\$100)
New Embedded Deductibles	Individuals in tiers with dependents only need to meet individual deductible	
TRS-ActiveCare Primary+ (formerly Select)		
In-Network MOOP	\$6,900 (↓\$1,000)	\$15,800 (↓\$2,000)
Therapy Co-Pay	\$30 (↓\$40)	
Preferred Brand Drugs	Min for Copays Removed \$100 Max at Retail; \$150 Max on 2nd fill at Retail; \$265 Max at Mail Order of Retail-Plus	
Additional Copays Removed	Inpatient Facility, High-Tech Radiology, Outpatient Surgery & ER (excluding free standing ER)	

D: TRS-ActiveCare Fund Balance Projection

Financial History and Projection through FY 2023 as of Aug. 31, 2020

Revenue								Expenses					Ending Balance (Incurred Basis)
Fiscal Year	State & District Contr.	Employee Contr.	HMO Contr.	LTC	Investment Income	Other Income	Total Revenue	Medical Incurred	Drug Incurred (after rebates)	HMO Premium Payments	Admin Costs	Total Expenses	
2016	719.5M	1,124.3M	217.2M	0.2M	3.1M	0.2M	2,064.5M	1,430.3M	325.5M	214.5M	128.4M	2,098.7M	53.6M
2017	754.0M	1,141.9M	230.6M	0.1M	4.7M	0.2M	2,131.6M	1,426.4M	306.7M	227.1M	127.1M	2,087.3M	97.8M
2018	934.6M	1,003.2M	240.7M	0.1M	6.9M	0.1M	2,185.6M	1,589.2M	275.7M	237.4M	124.8M	2,227.2M	56.3M
2019	1,049.2M	882.0M	246.5M	0.1M	10.6M	0.5M	2,189.1M	1,459.5M	254.2M	243.2M	123.5M	2,080.4M	165.0M
2020	1,035.2M	870.2M	260.4M	0.1M	7.9M	0.3M	2,174.0M	1,522.5M	271.5M	256.9M	119.8M	2,170.6M	168.3M
2021	1,012.9M	851.4M	177.1M	0.1M	2.3M	0.3M	2,044.2M	1,545.6M	291.4M	173.4M	76.6M	2,087.0M	125.5M
2022	1,022.9M	859.9M	181.2M	0.1M	1.4M	0.3M	2,065.8M	1,569.7M	313.5M	177.4M	76.2M	2,136.8M	54.5M
2023	1,036.4M	871.2M	185.0M	0.1M	0.9M	0.3M	2,173.4M	1,616.3M	337.2M	182.2M	76.0M	2,211.0M	62.4M

Notes:

- Actual data through Aug. 31, 2020
- Medical trend: 5% through FY 2021; reduced by 0.25% each year thereafter with a 4% minimum
- Pharmacy trend: 8% through FY 2021; reduced by 0.25% each year thereafter with a 6% minimum
- Prior to FY 2018: State contributions are equal to \$75 PEPM. District contributions are equal to \$150 PEPM
- FY 2018 and Forward: State/District Contributions are based on September actual contributions
- Current Interest rate is assumed to be 0.695% based on comptroller rates. Rate decreases by a factor of 25% each year with a minimum of 0.5%
- Rate increase of 3% assumed for all years after FY 2021
- The TRS-ActiveCare Fund balance is managed to prevent a deficit through premium and benefit adjustments

E: TRS-ActiveCare Employee Contributions Decreased for Many Tiers in 2020-21

Percent of Active Employees Paying Less Than Stated Contribution Per Month

Tier	25%		50% (Median)		75%		90%	
	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21
Employee	\$46	\$57	\$103	\$102	\$176	\$162	\$305	\$234
Employee + Child	\$397	\$370	\$472	\$429	\$585	\$490	\$677	\$578
Employee + Spouse	\$700	\$740	\$796	\$820	\$989	\$895	\$1,136	\$1,013
Employee + Family	\$1,040	\$951	\$1,132	\$1,038	\$1,231	\$1,113	\$1,458	\$1,268

Note: Estimates are based on full-time employees receiving the maximum district contribution among various professional, tenure, and/or income categories offered by a participating entity. Does not include the value of any HSA contributions or wellness incentives offered by a district.

F: TRS-ActiveCare District Contributions Largely Remained Stable in 2020-21

Change in Minimum District Contribution Received by Employees

Change in Minimum District Contribution*	2018-19 to 2019-20 Change		2019-20 to 2020-21 Change	
	Number of Districts	Employees Impacted	Number of Districts	Employees Impacted
Decrease: \$160 - \$99	4	1,729	16	5,856
Decrease: \$100 - \$49	2	37	19	2,018
Decrease: \$50 - \$3	7	19,851	34	10,140
No Change	517	128,489	767	207,615
Increase: \$2 - \$8	15	4,775	156	52,122
Increase: \$9 - \$24	157	66,063	28	12,207
Increase: \$25 - \$49	52	24,334	15	3,308
Increase: \$50 - \$99	45	22,920	12	4,817
Increase: \$100 - \$199	19	6,828	8	833
Not Available**	257	31,557	36	3,011

*Based on the minimum contribution received by any employee in each school district using September enrollment each year. No change includes changes of \$2 or less to account for rounding and minor changes in report. **Data is not available from school district for both plan years needed to make comparison.

G: TRS-Care Fund Balance Projection

Financial History and Projection through FY 2025 as of Aug. 31, 2020

Revenue								Expenses			Ending Balance (Incurred Basis)
Fiscal Year	Retiree Contr.	State Contr.	Supplemental Contr.	Active Employee Contr.	District Contr.	Investment Income	CMS, Part D and ERRP Subsidies	Medical Incurred	Drug Incurred (after rebates)	Admin Costs	
2017*	373.2M	328.1M	15.6M	213.2M	191.1M	5.2M	195.4M	807.8M	734.8M	51.9M	368.7M
2018	488.1M	425.6M	394.6M	221.3M	266.1M	10.9M	183.2M	840.4M	669.1M	50.4M	798.6M
2019	518.0M	437.2M	73.6M	227.3M	273.1M	25.0M	321.1M	688.1M	648.7M	45.1M	1,292.0M
2020	499.1M	468.3M	230.8M	243.5M	292.4M	25.4M	317.4M	659.7M	668.3M	44.7M	1,996.3M
2021	489.6M	477.7M	5.5M	248.4M	298.8M	15.5M	316.3M	634.7M	779.8M	38.7M	2,395.0M
2022	487.4M	487.3M	0.0M	253.4M	305.2M	13.8M	327.4M	591.8M	867.9M	37.8M	2,771.9M
2023	487.4M	497.0M	0.0M	258.4M	311.7M	14.9M	340.9M	630.3M	964.8M	38.2M	3,048.9M
2024	487.4M	506.9M	0.0M	263.6M	318.4M	16.0M	354.6M	669.7M	1,066.9M	38.6M	3,220.6M
2025	487.4M	517.1M	0.0M	268.9M	325.2M	16.6M	368.4M	709.8M	1,174.0M	39.1M	3,281.4M

Notes:

- Invoice data through Aug. 31, 2020
- 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 FY 2021; reduced by 0.25% each year thereafter
- Pharmacy trends: 9% through FY 2021; reduced by 0.25% each year thereafter
- 2% increase in payroll growth
- The impact of the Excise (“Cadillac”) Tax, which is anticipated to become effective on 1/1/2022, have not been taken into account
- FY 2021 interest rate is assumed to be 0.695% based on current rates and decreases by a factor of 25% each year with a minimum of 0.5%

*Note that there was a prior period adjustment to retiree contributions in FY2017. This number will not tie to the Comprehensive Annual Financial Report (CAFR) as the adjustment is reflected here.

H: 2021 TRS-Care Benefits

Starting Jan. 1, 2021, Blue Cross Blue Shield of Texas (BCBSTX) serves as the new medical plan administrator for TRS-Care Standard plan participants. Similarly, UnitedHealthcare serves as the insurer for TRS-Care Medicare Advantage plan participants.

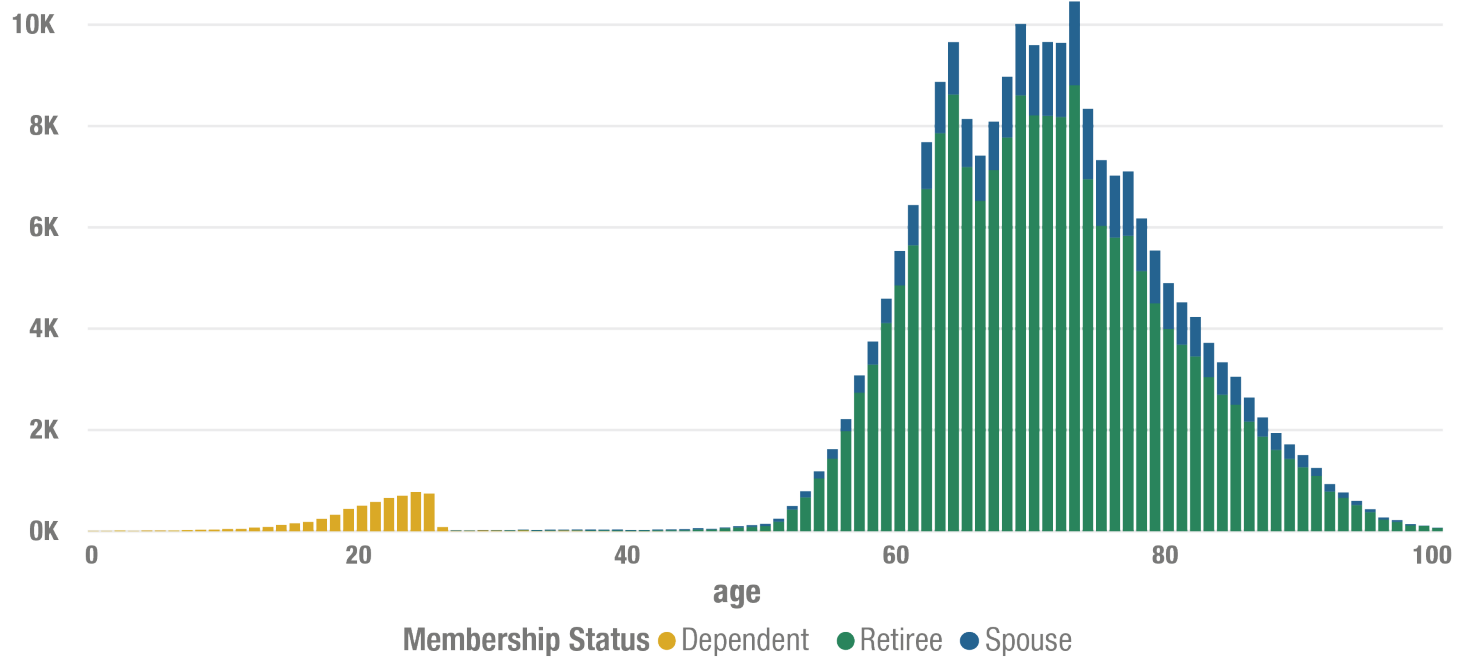
Additionally, TRS-Care Standard participants that are turning 65 and transitioning to the TRS-Care Medicare Advantage plan in 2021 will no longer have a deductible through the end of the plan year (i.e. Dec. 31, 2021). Their deductible will be reset to \$500 on Jan. 1, 2022.

Though there were no changes in plan design or premium rates for the TRS-Care programs in the 2021 plan year, our new medical vendors were able to offer exciting new programs for our participants to manage their health conditions and reach their wellness goals. For example, with BCBSTX, TRS-Care Standard plan participants have access to platforms such as the Well onTarget and discounts for gyms and fitness centers.

Through UnitedHealthcare, TRS-Care Medicare Advantage plan participants have access to many new programs and value-added services such as in-home care through HouseCalls visits and CareLinx caregivers, health & wellness programs like Renew and Real Appeal along with vision and hearing aid allowances. Additionally, virtual visits with some doctors are covered at \$0 when using UHC's preferred vendors (i.e. Amwell and Doctors on Demand). Moreover, certain diabetic testing and monitoring supplies are covered at no additional cost. There were no changes to pharmacy benefits for TRS-Care programs in the 2021 plan year.

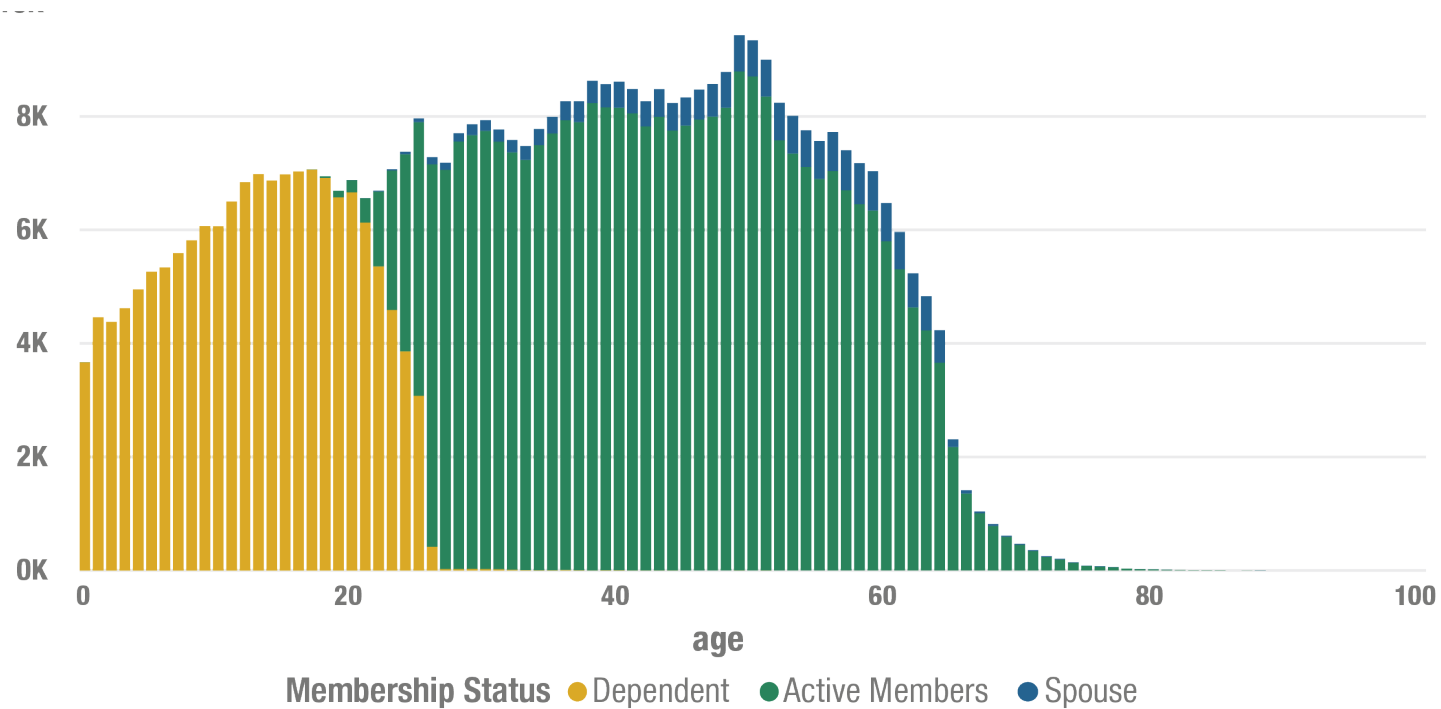
I: September 2020 TRS-Care Membership is Primarily Retiree-Only

TRS-Care Members by Age and Membership Status



J: September 2020 TRS-ActiveCare Membership Includes Many Children

TRS-ActiveCare Members by Age and Membership Status



K: TRS-ActiveCare Per Member Per Year Costs

Fiscal Year	Medical Cost	Medical Trend	Prescription Drug Cost	Prescription Drug Trend	Total Cost	Total Trend
2008	\$2,485.90		\$498.82		\$2,984.72	
2009	\$2,685.94	8.0%	\$500.58	0.4%	\$3,186.52	6.8%
2010	\$2,884.61	7.4%	\$580.06	15.9%	\$3,464.67	8.7%
2011	\$3,056.66	6.0%	\$635.15	9.5%	\$3,691.81	6.6%
2012	\$3,223.90	5.5%	\$607.91	-4.3%	\$3,831.81	3.8%
2013	\$3,355.69	4.1%	\$617.99	1.7%	\$3,973.68	3.7%
2014	\$3,003.44	-10.5%	\$692.13	12.0%	\$3,695.57	-7.0%
2015	\$3,033.65	1.0%	\$649.22	-6.2%	\$3,682.87	-0.3%
2016	\$3,209.11	5.8%	\$750.27	15.6%	\$3,959.39	7.5%
2017	\$3,347.08	4.3%	\$766.67	2.2%	\$4,113.74	3.9%
2018	\$3,414.24	2.0%	\$665.88	-13.1%	\$4,080.11	-0.8%
2019	\$3,459.23	1.3%	\$588.49	-11.6%	\$4,047.72	-0.8%
2020	\$3,531.73	2.1%	\$685.73	16.5%	\$4,217.46	4.2%

Medical and pharmacy costs are shown based on claims incurred during the fiscal year and paid through Aug. 31, 2020. FY2020 figures include an estimate of IBNR. Pharmacy costs are shown net of incurred rebates.

L: TRS-Care Per Member Per Year Costs

Fiscal Year	Medical Cost	Medical Trend	Prescription Drug Cost	Prescription Drug Trend	Total Cost	Total Trend
2009	\$2,654.88		\$2,138.52		\$4,793.40	
2010	\$2,788.40	5.0%	\$2,203.12	3.0%	\$4,991.52	4.1%
2011	\$2,996.72	7.5%	\$2,199.66	-0.2%	\$5,196.38	4.1%
2012	\$3,108.95	3.7%	\$2,353.04	7.0%	\$5,461.99	5.1%
2013	\$2,889.97	-7.0%	\$2,334.75	-0.8%	\$5,224.72	-4.3%
2014	\$2,916.43	0.9%	\$2,642.60	13.2%	\$5,559.03	6.4%
2015	\$3,183.20	9.1%	\$2,986.01	13.0%	\$6,169.21	11.0%
2016	\$3,285.90	3.2%	\$3,061.24	2.5%	\$6,347.14	2.9%
2017	\$3,150.79	-4.1%	\$3,144.21	2.7%	\$6,295.00	-0.8%
2018	\$3,276.93	4.0%	\$2,758.24	-12.3%	\$6,035.17	-4.1%
2019	\$2,895.99	-11.6%	\$2,734.19	-0.9%	\$5,630.18	-6.7%
2020	\$2,928.21	1.1%	\$3,121.96	14.2%	\$6,050.17	7.5%

Medical and pharmacy costs are shown based on claims incurred during the fiscal year and paid through Aug. 31, 2020. FY2020 figures include an estimate of IBNR. Pharmacy costs are shown net of incurred rebates.



Teacher Retirement System of Texas

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