



YOUR FUTURE, YOUR WAY

Conversations with Educators

AGENDA

- New Legislation Affecting TRS-ActiveCare
- TRS-ActiveCare in the Texas Healthcare Market
- New Procedures
 - How to join or leave TRS-ActiveCare
 - How you can request your claims data
- **Your Input**





NEW LEGISLATION AFFECTING TRS-ACTIVECARE



LEGISLATION AFFECTING TRS-ACTIVECARE



Senate Bill 1444

Gives TRS-ActiveCare employers more flexibility, while protecting the stability of the plan

Allows districts to join and leave TRS-ActiveCare in five-year increments after providing notice

Prohibits other coverage on Sept. 1, 2022

NEW LAW GIVES EMPLOYERS MORE FLEXIBILITY

- Employers that want to remain in TRS-ActiveCare next year are **not** committed to stay for five years.
- **An employer that participates in TRS-ActiveCare can routinely evaluate their options.**
- Employers that decide to remain in the plan next year can still decide to leave in future years.





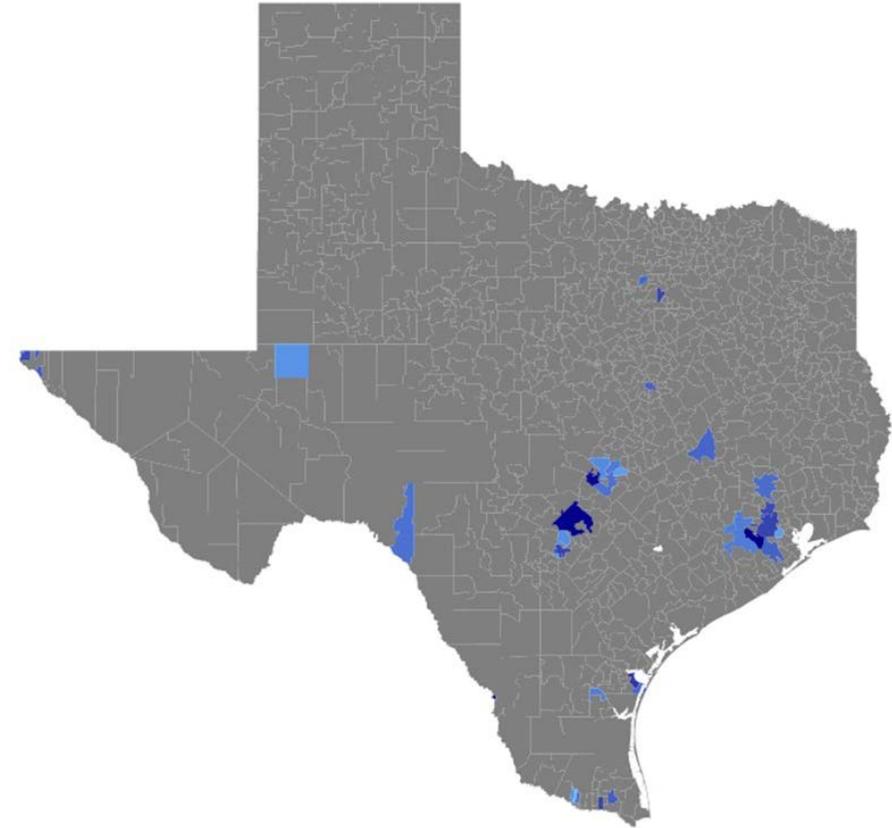
TRS-ACTIVECARE IN THE TEXAS HEALTHCARE MARKET



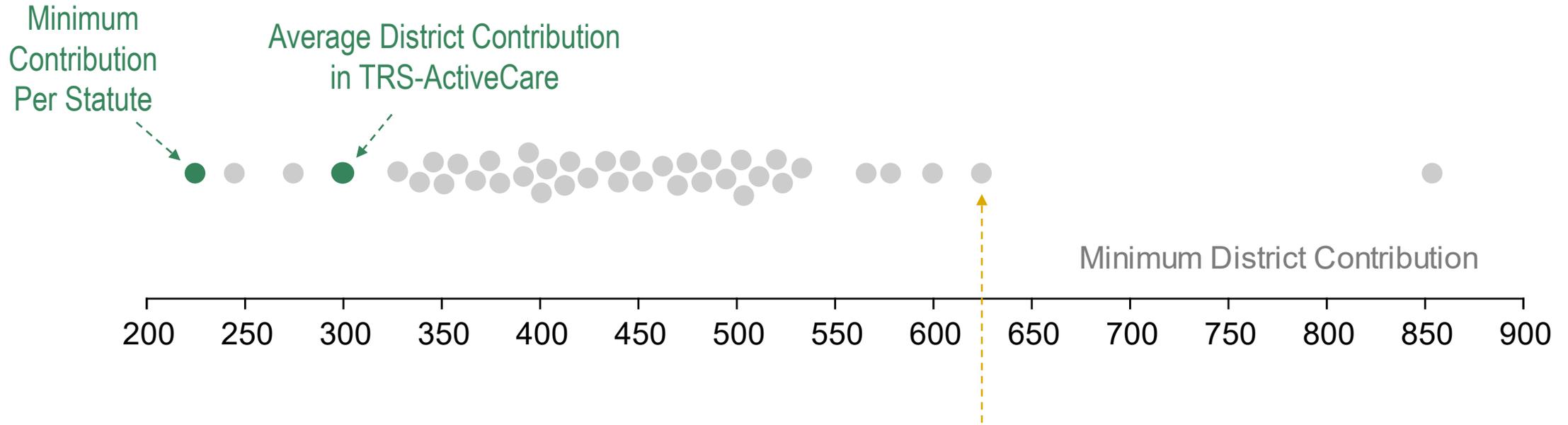
TRS-ACTIVECARE REMAINS COMPETITIVE IN TEXAS



- TRS collected health plan info from 39 districts outside of TRS-ActiveCare
- Goal was to learn how TRS plans compare to the market
- 141 plans included in data set are available to 82% of employees in non-participating districts
- 2021 or for the 2021-22 plan year



The average district contribution to TRS-ActiveCare is below the minimum contribution for nearly all non-participating school districts



Each grey dot represents the minimum contribution made by a non-participating school district for employee-only coverage.

TWO PLANS WITH SIMILAR TOTAL COSTS MAY HAVE DIFFERENT COSTS TO EMPLOYEES



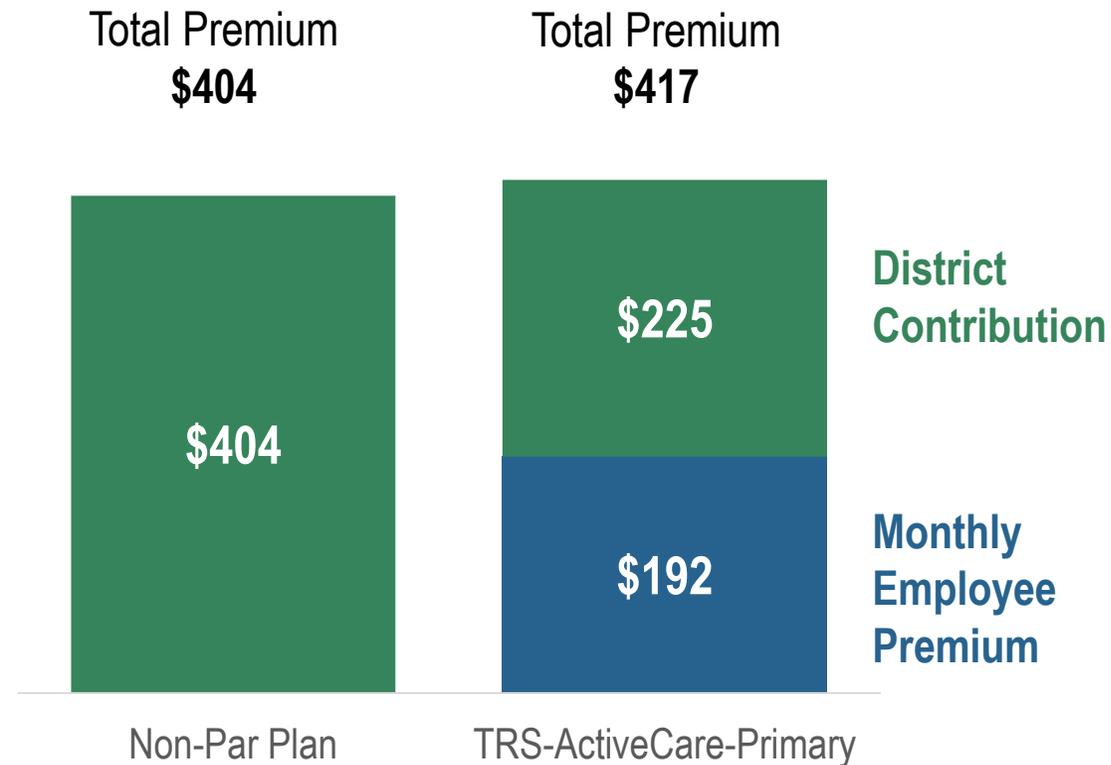
An employee may ask “why is this non-TRS school district getting a better deal and offering a \$0 premium?”



TWO PLANS WITH SIMILAR TOTAL COSTS MAY HAVE DIFFERENT COSTS TO EMPLOYEES (CONT.)



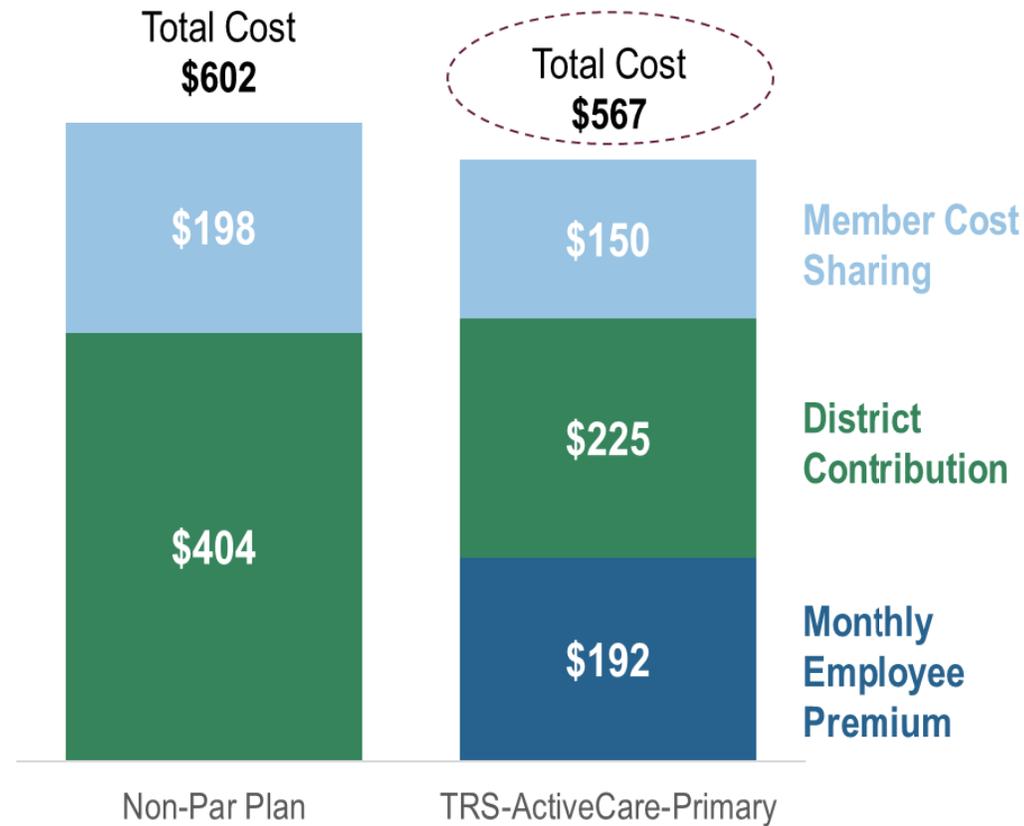
The big difference is how much the **district** contributes.



TWO PLANS WITH SIMILAR TOTAL COSTS MAY HAVE DIFFERENT COSTS TO EMPLOYEES (CONT.)



TRS-ActiveCare Primary is the lower cost option in this example.

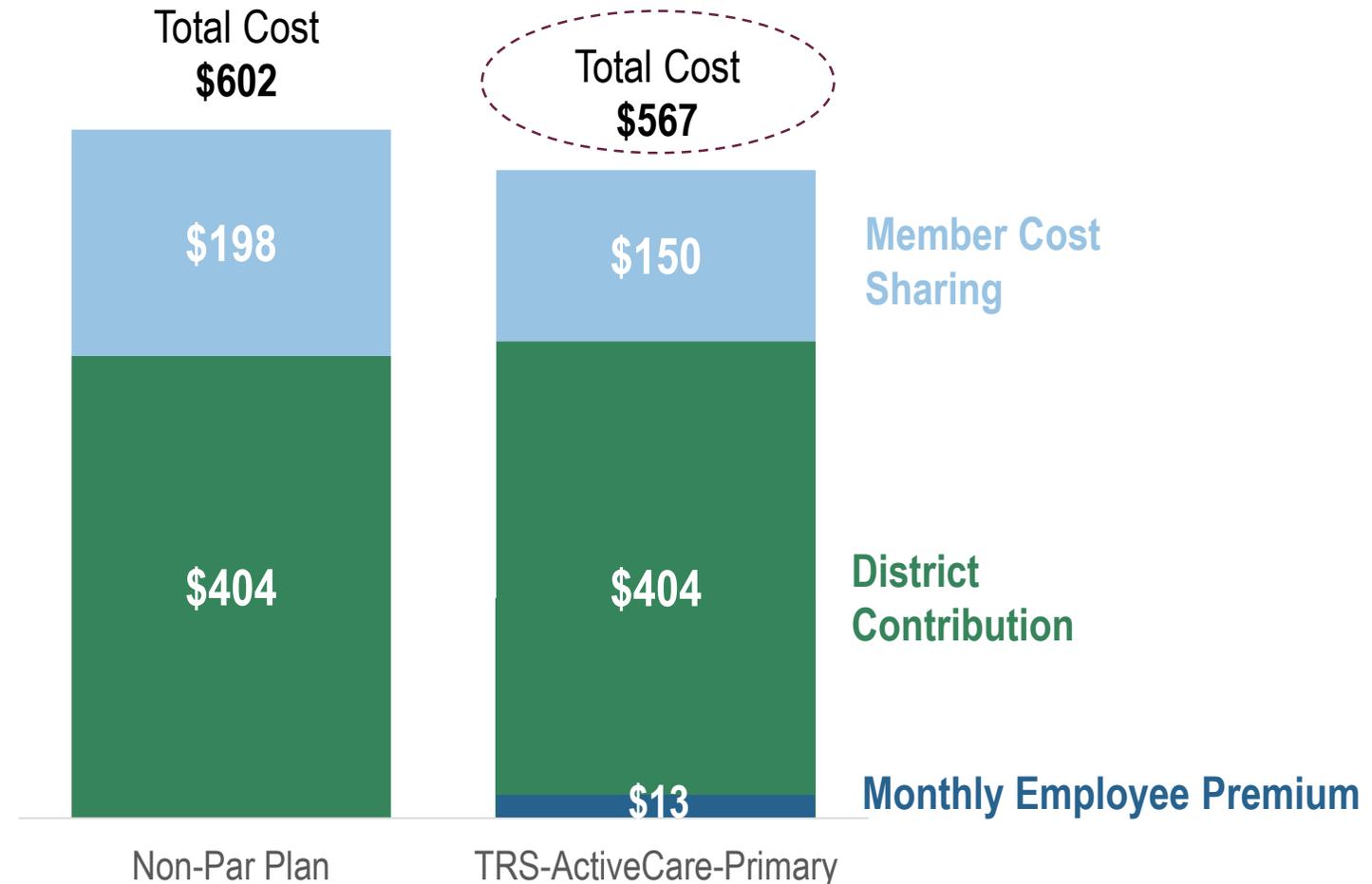


Estimated average amount paid by member for deductible, coinsurance, and copays.

TWO PLANS WITH SIMILAR TOTAL COSTS MAY HAVE DIFFERENT COSTS TO EMPLOYEES (CONT.)



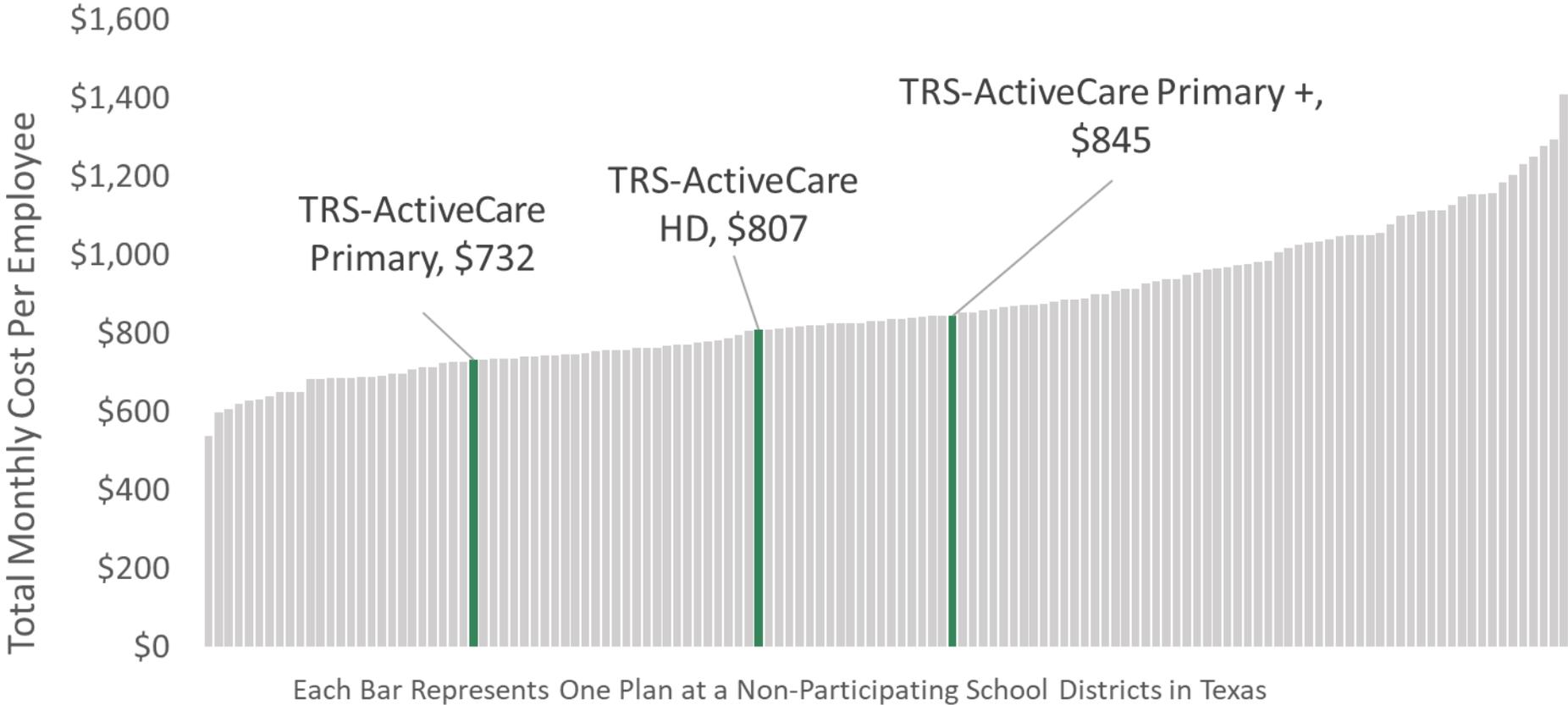
A similar contribution in TRS-ActiveCare would leave a member with a monthly premium of \$13 and lower out-of-pocket expenses.



TRS OFFERS PLANS THAT ARE VERY COMPETITIVE IN THE TEXAS HEALTH CARE MARKET



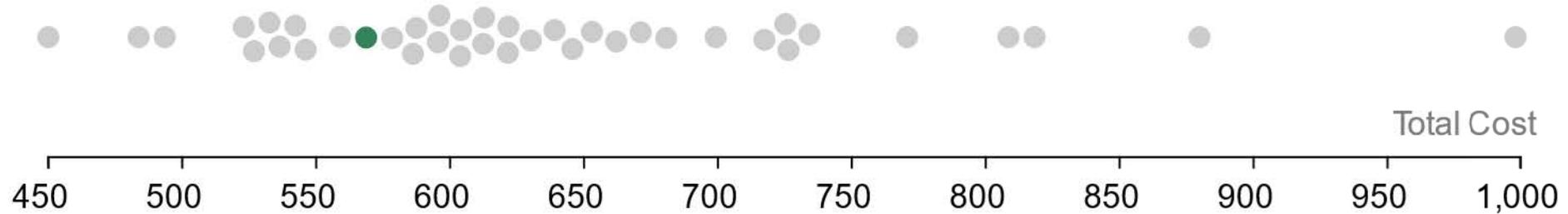
Total Cost = Employee Premium + District Contribution + Employee Cost Sharing Across Tiers



TRS OFFERS PLANS THAT ARE VERY COMPETITIVE IN THE TEXAS HEALTH CARE MARKET



TRS-ActiveCare Primary has a below average total cost even among just the lowest cost plans within each district





THE FUTURE OF TRS-ACTIVECARE



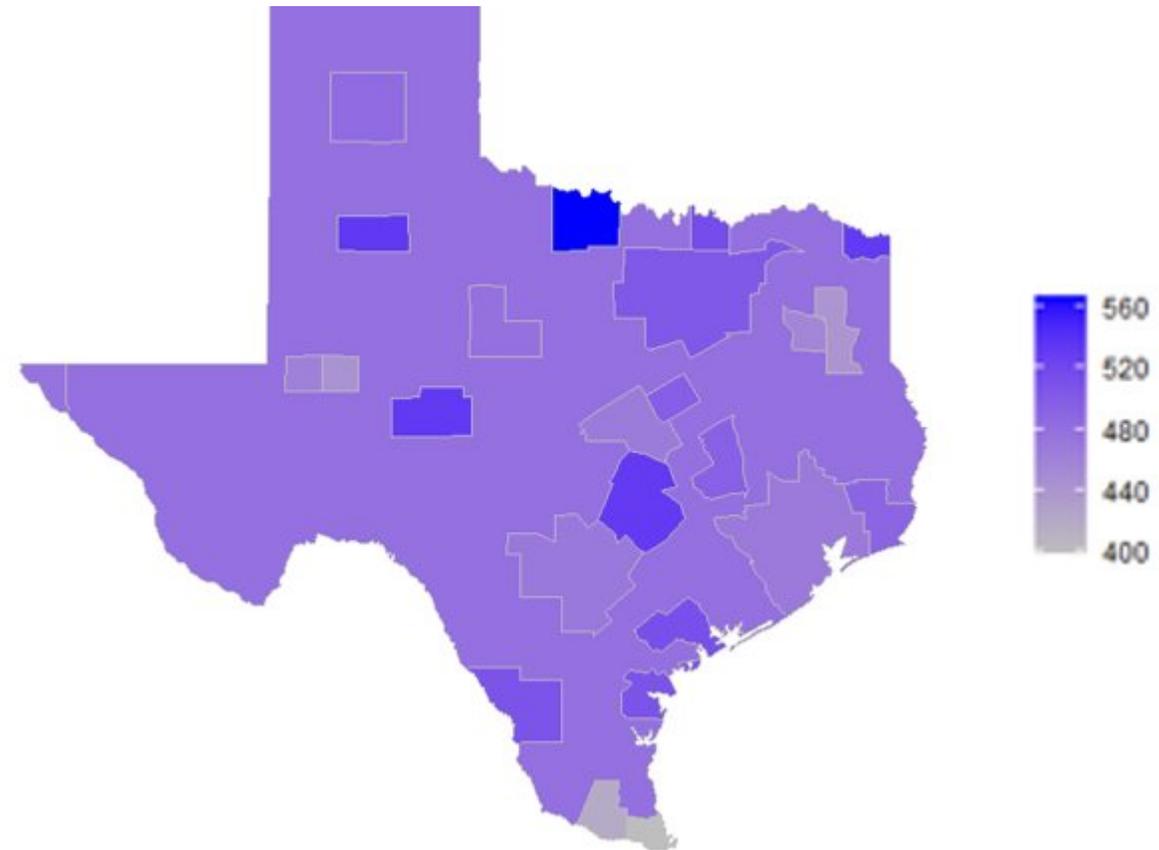
NEW FLEXIBILITY WILL PROMOTE LOCAL COMPETITION



- With regional-based rating:
 - Districts can compare TRS to bids using local cost of care
 - Districts in lower cost areas may leave TRS-ActiveCare
 - This could decrease the cost-effectiveness and benefits of TRS-ActiveCare
 - Premiums in remaining districts would increase
- Adjusting rates for local costs:
 - Allows TRS-ActiveCare to remain a competitive option across entire state

REGIONAL RATING IS A STANDARD INDUSTRY PRACTICE

- Individual exchange premiums vary by region
- Carriers adjust rates using in-house regional adjustment factors for group products
- TRS-ActiveCare fully-insured HMO products regionally rated



2021 Age 34 Non-Smoker Rate for Benchmark Silver Plan.
Note that regional costs may be different than TRS.

WITHOUT REGIONAL RATING

Illustration of Regional Dynamics Using Example Data

Region	Cost Per Member	Statewide TRS Premium	Non-TRS Bid
Region A	\$100	\$90	\$102
Region B	\$95	\$90	\$97
Region C	\$90	\$90	\$92
Region D	\$85	\$90	\$87
Region E	\$80	\$90	\$82
<i>Average</i>	<i>\$90</i>	<i>\$90</i>	<i>\$92</i>

Regions D & E will leave at \$90 statewide premium, triggering new rates with remaining three regions.

Figures here are intended only as an illustration of expected dynamics using artificial data and do not reflect actual estimates of costs or bids.

WITHOUT REGIONAL RATING (CONT.)



Illustration of Regional Dynamics Using Example Data

Region	Cost Per Member	Statewide TRS Premium	Non-TRS Bid
Region A	\$100	\$95	\$102
Region B	\$95	\$95	\$97
Region C	\$90	\$95	\$92
Region D	\$85	Withdrawn	\$87
Region E	\$80	Withdrawn	\$82
Average	\$95	\$95	\$92

Region C will leave after premiums are recalculated at \$95 for remaining regions.

WITHOUT REGIONAL RATING (CONT.)



Illustration of Regional Dynamics Using Example Data

Region	Cost Per Member	Statewide TRS Premium	Non-TRS Bid
Region A	\$100	\$97.5	\$102
Region B	\$95	\$97.5	\$97
Region C	\$90	Withdrawn	\$92
Region D	\$85	Withdrawn	\$87
Region E	\$80	Withdrawn	\$82
Average	\$97.5	\$97.5	\$92

Region B may leave at \$97.5 statewide premium, leaving only the highest cost region.

REGIONAL RATING PROMOTES STABILITY AND COST-EFFECTIVENESS



Illustration of Regional Dynamics Using Example Data

Region	Cost Per Member	Regional TRS Premiums	Non-TRS Bid
Region A	\$100	\$98	\$102
Region B	\$95	\$93	\$97
Region C	\$90	\$90	\$92
Region D	\$85	\$87	\$87
Region E	\$80	\$82	\$82
Average	\$90	\$90	\$92

Every region receives a competitive rate even with some moderate smoothing of costs across state.

Figures here are intended as an illustration only using artificial data and do not reflect actual estimates or regional rating proposal. Actual degree of smoothing has yet to be determined.

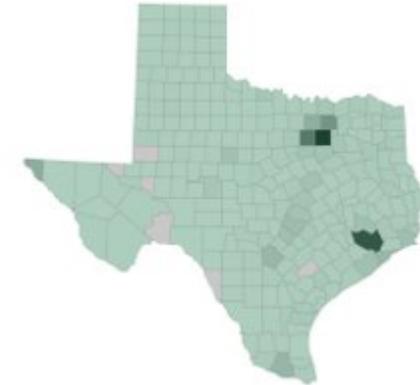
REGIONAL RATES MAINTAIN THE STABILITY TRS-ACTIVECARE'S SCALE PROVIDES



\$1.5 million claim



+\$125 per month for
1,000 employees

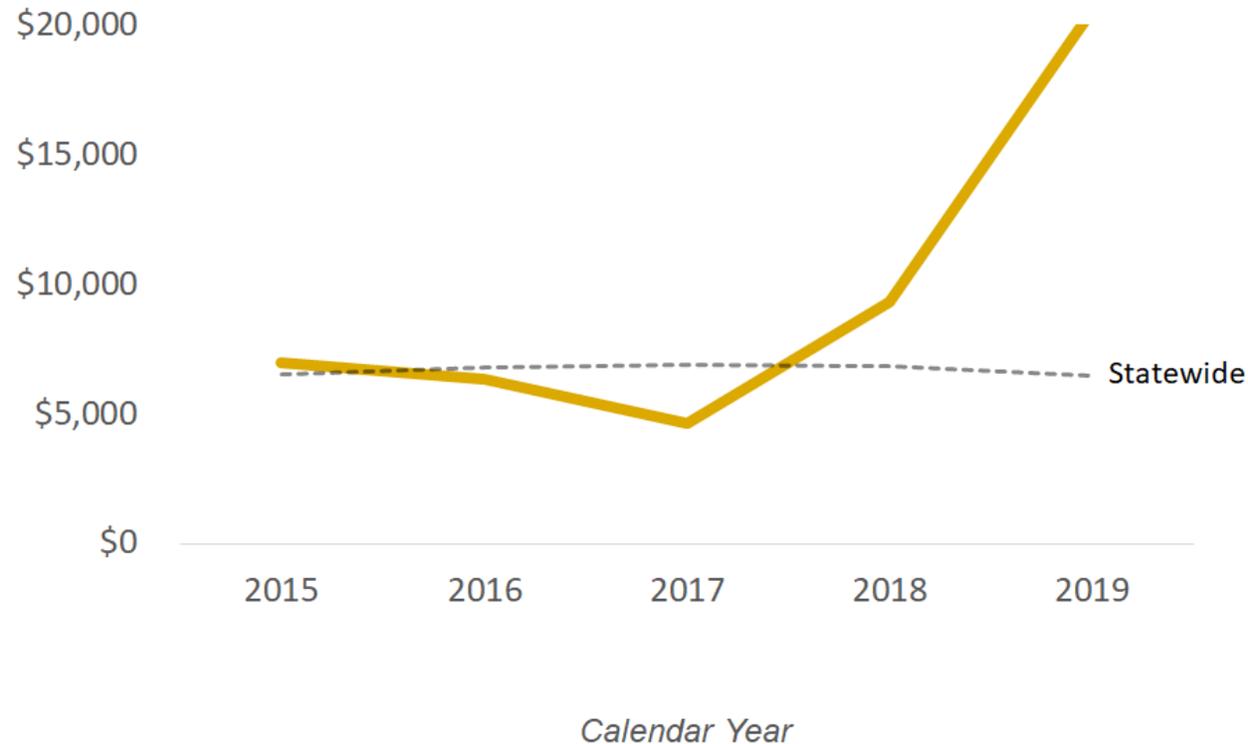


+\$0.41 per month
for 300,000 employees

TRS-ACTIVECARE WILL CONTINUE TO PROTECT EMPLOYERS FROM INSTABILITY



Medical Claims Vary Significantly Each Year at Individual Districts



Medical only, excludes HMO enrollment. 2019 does not include December medical claims. 68 districts randomly sampled among those with data for all five years. Based on allowed amounts.

TRS-ACTIVECARE WILL CONTINUE TO PROTECT DISTRICTS FROM CLAIMS VOLATILITY



- **Maintaining a Larger Pool with Regional Rates Allows TRS to:**
 - Lock in premiums for districts well in advance of plan year
 - Produce savings by eliminating stop loss insurance and claims reserves at districts
 - Continue providing market-leading provider discounts
 - Maintain low administrative costs
 - Provide more stability in rates across years



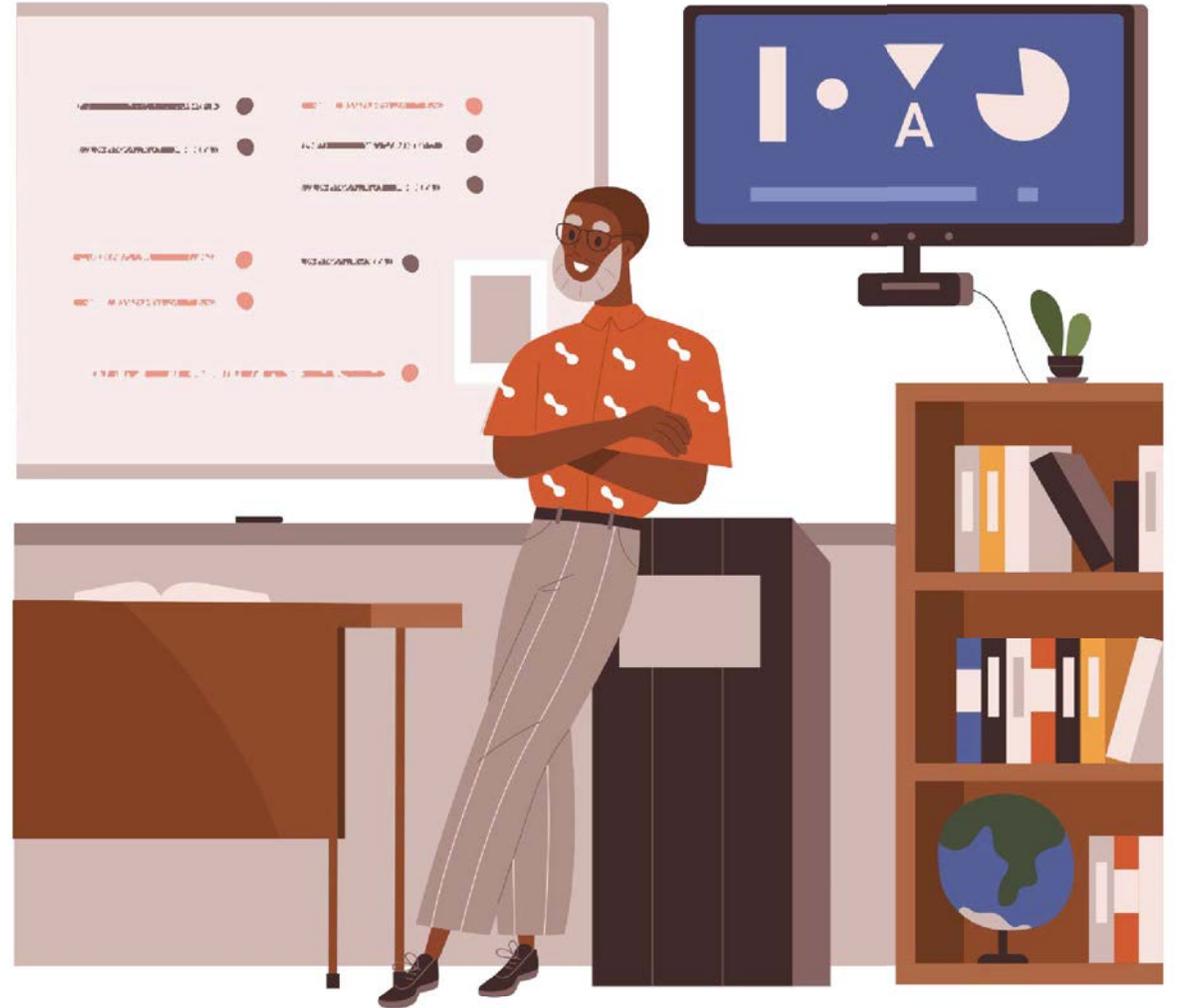
MORE TO COME WITH REGIONAL RATING

- More information about rating for different regions coming in Late November/Early December.
- Before making a decision to leave TRS-ActiveCare, consider waiting to see what that may look like for your region.





JOINING & LEAVING TRS-ACTIVECARE



STEP ONE: (EVERYONE) INDICATE YOUR INTENTION



Statement of Intent for TRS-ActiveCare

Please indicate, to the best of your knowledge, your entity's intent regarding participation in the TRS-ActiveCare program for school year <<following plan year dates>>. Your response does not commit your entity unless the required Notice of Election is also submitted to TRS. If you need to make changes to your intent after submitting it, please contact TRS-ActiveCareAdmin@trs.texas.gov.

- My Entity currently participates in TRS-ActiveCare and intends to continue for plan year <<following plan year dates>>
- My entity does not currently participate in TRS-ActiveCare and intends to participate for plan year <<following plan year dates>>
- My entity currently participates in TRS-ActiveCare and intends to discontinue participation for plan year <<following plan year dates>>
- My entity does not currently participate in TRS-ActiveCare and will not participate for plan year<<following plan year dates>>

CERTIFICATION: I understand that this response will be used as information by the TRS-ActiveCare program and that I may be contacted for follow-up information. I also understand that a Notice of Election form is required if my entity intends to make changes to its participation in TRS-ActiveCare for the next plan year. Information on this Notice is available [here](#).

- **WHO:** All Reporting Entities Eligible to Participate in TRS-ActiveCare:
 - Answer the question in the Reporting Entity Portal
- **WHEN:** Late September 2021

If you are not making any change, no further action is needed.

STEP TWO: (ONLY) IF YOUR PARTICIPATION WILL CHANGE



Complete the Appropriate Form no later than December 31:

To Leave: Notice of Election to Discontinue Participation in TRS-Active Care

- Forms can be accessed at need to confirm method of distribution
- Form must be completed by an official with authority to bind the district
- Submit form and required attachments to need to confirm method of collection
- **INCOMPLETE FORMS WILL NOT BE ACCEPTED**

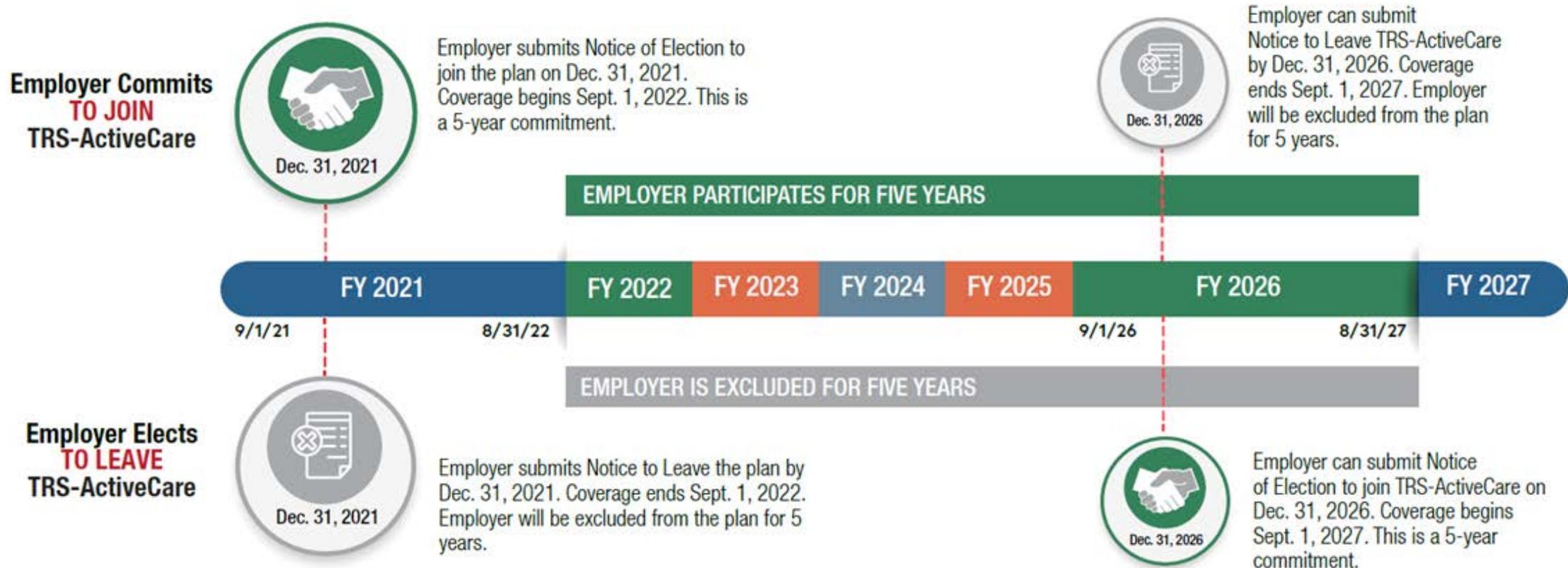
To Join: Notice of Election to Participate in TRS-Active Care

After your form is submitted you will receive:

- An email acknowledgment when your form is received
- A confirmation letter (sent by email) to confirm your election

TIMEFRAMES FOR JOINING OR LEAVING

The five-year timeframes come into play for districts leaving or joining. Example:





HEALTH CARE CLAIMS DATA REQUEST PROCESS



REQUESTING YOUR EMPLOYER'S HEALTH CARE CLAIMS DATA



TRS is committed to ensuring you have the tools to make informed, strategic decisions.

- There's no cost to a data request if the employer has participated in TRS-ActiveCare for the last 36 months
- You can request data twice per state fiscal year (Sept. 1 – Aug. 31)
- TRS will provide data within ten business days after receipt of the **completed** request
- www.trs.texas.gov/Pages/healthcare-district-claims-data.aspx

REQUESTING YOUR EMPLOYER'S HEALTH CARE CLAIMS DATA – TWO OPTIONS



Summary Health Information

- Most detailed option
- Provides 36 months of medical, pharmacy, and enrollment data
- Includes high-cost claimant info
- Preferred option for shopping for other coverage
- Employers must complete a *Plan Sponsor Certification and Summary Health Information Request Form*

De-Identified Data

- Less detailed option for employers who are unable to complete certification
- Data is shown in general sums, and not tied to individuals
- Will have data blinded to prevent disclosure of PHI
- Employers must complete a *De-identified Health Information Request Form*



LET'S TALK ABOUT TRS-ACTIVECARE

healthcarecomm@trs.texas.gov

