

## Healthcare

### TRS Today Transcript

September 2015

**Interviewer:** Rhonda Price

**Guest:** Katrina Daniel

**Rhonda:** Hello and welcome to, TRS Today. A communications initiative of the Teacher Retirement System of Texas. I'm your host, Rhonda Price, and our guest today is, Katrina Daniel. She is our new chief healthcare officer. And thanks so much for being with us, Katrina.

**Katrina:** Thanks for having me.

**Rhonda:** And before we get into some questions about our healthcare programs, can you tell us a little bit more about your background academically and professionally?

**Katrina:** Sure. Well first of all, I am really excited to be here at TRS and I'm thrilled to be a part of a team that is dedicated to providing meaningful healthcare benefits to our participants in the most cost efficient way possible. So yes, I've worked in government for quite some time. Before I came to TRS I was at the Texas Department of Insurance for about a decade. Most recently as the Associate Commissioner over the Life Accident and Health program where we regulated life insurance products, health insurance products, annuity products and ensured all of those products complied with state consumer protection requirements. But beyond that, I've worked in government and healthcare policy for about 20 years. I worked in the state legislature for the house of representatives, the Texas Senate and for the legislative oversight committee and I have been a nurse for 25 years. I've studied public health so I have really focused on access to healthcare coverage and quality of healthcare for almost my entire career.

**Rhonda:** Well Katrina, recently the Texas Legislature passed new laws that affect TRS Care and our members and retirees. To what extent did these changes impact TRS Care and TRS Active Care?

**Katrina:** So first, I want to mention that the legislature appropriated \$768 million to TRS care for the upcoming biennium for 2016 and 2017 and that was to address a funding shortfall. What that did for TRS is it helped us to hold the line on premiums for care. But beyond that the legislature recognized some issues that we were having with the health plans and so they created a select committee that will work during the interim to address certain issues and it will be a committee made up of both House members and Senate members, three House and the Senate members, and we will be working closely with them as they look at the long-term sustainability of both of our plans and make recommendations to the 85th Legislature in 2017.

**Rhonda:** How would you characterize the challenges facing TRS care and TRS active care?

**Katrina:** Rhonda, that is a great question. Affordability is a challenge that all health plans have regardless of the environment in which they operate. Commercial health plans, other large employer health plans and publicly funded plans similar to the one at the Teacher Retirement System. We recognize though, for our participants, the cost of healthcare is a significant issue. So for example, for our retirees in TRS Care, their income is fixed and so contributing anymore to the increasing cost of care or their coverage is a very big challenge. Likewise, for our active public education employees who participate in the Active Care program, they have limited income as well and they have been bearing the overall burden of increases because the state and local contributions have remained relatively constant over the last 12 years. So we are very sensitive to that here at TRS. Our staff does everything we can to employ strategies to control costs where we can while still trying to maintain meaningful benefits. But the solution to addressing more affordable coverage is really something that we can all work on and one of the things that I would like to do is talk more about communication to our participants said they can understand how to make the best use of their benefits and be informed consumers of healthcare.

**Rhonda:** You mentioned the select committee on healthcare established during the session. What will be the focus of that committee and how will its members solicit public comments?

**Katrina:** So the committee hasn't yet been informed but when they begin their work, they have been given a specific charge by the legislature. They've been told to look specifically at three things and I want to consult my notes so that I get that right. They are charged with looking at the financial soundness of the plans with the cost and affordability of plan coverage and the availability of network coverage. So physicians and providers in the health plan networks. And beyond that for the Active Care plan, the legislature has charged the committee to look at the possibility of having districts being able to opt out of participation once they have decided to opt in and whether or not and what impact that would have on the plan. And then whether or not there should be any limitations placed on the ability to come back into Active Care once a district has opted out. The committee is also going to look at regional ratings across the state to determine whether or not they should consider having premiums designated by regions so there would be a differentiation of premiums across the state. We also expect the committee to reach out to stakeholders and work with a wide range of stakeholders. We expect them to hold hearings across the state so that they can get a broad range of input and TRS plans to and is at the ready to work closely with the committee as they need us and provide information as needed.

**Rhonda:** Well TRS recently announced an October 22nd town hall meeting on healthcare issues, which will be webcast live. What can you tell us about that meeting and how it relates to the work of the select committee from the legislature?

**Katrina:** Rhonda, we are really excited about the upcoming town Hall. We have talked about this some. We are in the planning stages right now and we are excited about using technology to make the broadcast available for people who can't be here at the town Hall. We are also going to make it, as you mentioned, interactive. So that people can write their questions in and we will answer them live during the town hall. We plan to give some background and describe the state of our health plans and then put that in the context of the overall healthcare market and then we will seek input from stakeholders and participants who are both present and who

communicate with us over the web and we hope that the committee will find that the information we gather and the data we gather useful as a foundation for the work that they will begin soon.

**Rhonda:** What is your impression of TRS since joining the agency and what initiatives do you envision in the near future?

**Katrina:** One of the things that I have been most impressed with is the dedication and commitment of the team who is working on the health benefits that we provide our participants. TRS is one of the largest purchasers of health coverage in the state and even in the country. We know that and our vendors know that. So on the front end we have a team, albeit a small team, who is working to put into place the most competitive contracts that offer the best benefits for our participants possible. Then we also have a group of, another group of dedicated people who are benefit counselors and are at the ready to answer any questions that our participants need and help them navigate these complex waters of healthcare that we have been talking about. For those reasons, that's why I want to place a particular emphasis on increasing communications to our participants.

**Rhonda:** How can TRS Care and TRS Active Care participants become better consumers of healthcare products and services?

**Katrina:** Rhonda, this is a great question. We've talked several times about the issue of cost and affordability in healthcare. It's an issue across the entire health coverage market and TRS is not immune. So for all to be part of the affordability solution, we need to think about ways to be wise consumers of health coverage. Here are three strategies. If you can, stay healthy and stay active. Having more healthy lives in our health plans helps the individual obviously but then helps the overall cost of the health plan. And if you do need healthcare services, try to do a little research if you have the time. You can look at our website or the website of your health plan and make choices of in network providers or other cost-effective choices. In the long run, that will save the participants in the out-of-pocket costs and over all it helps save the plan cost. And if you are managing a chronic condition, work closely with your healthcare professional team to manage it to the best of your ability. Not only will that make you healthier in the long run but it

will also save our plan cost. I look at quality of healthcare and the cost savings as two sides of the same coin. It's a win-win for both of us.

**Rhonda:** So how can members best stay informed of healthcare related information from TRS?

**Katrina:** So we have talked about some of the strategies. Obviously keep a close eye for any official communication from TRS on TRS Care, Active Care. And for active care participants they should look for communications from their employers, school district or whomever and then look for some of the strategies that we have talked about, the new strategies that we plan to employ in the coming months.

**Rhonda:** Well we are certainly excited to have you here at TRS and we thank you for joining us today.

**Katrina:** I'm thrilled to be here. Thank you, Rhonda.

**Rhonda:** And thank you for watching, please stay tuned for the next edition of TRS Today.