

## **TRS-Care Video with Katrina Daniel.**

**July 2016**

00:14

**RP:** Hello and thank you for watching TRS Today. I'm here with Katrina Daniel. While many of you may know Katrina, for those of you who don't, she's worked for the State for nearly twenty years, and she's been with us here at TRS since June of 2015. Her job title is actually Chief Health Care Officer, but what that really means is she manages health care programs and other programs for TRS. And Katrina, thank you for being with us today.

**KD:** Thank you and I'm happy to be here.

00:47

**RP:** OK. Bottom line first. What is the most important thing people need to know about health care benefits here at TRS?

**KD:** Well I want to talk about three things. First, the Board of Trustees made decisions that will keep retiree health benefits afloat through 2017. This was huge. We were facing a funding shortfall in 2017, and these changes were critical to keep the plan afloat.

Secondly, people can make better use of their health benefits.

01:16

**RP:** So we'll come back to that in a minute. What's the third point?

**KD:** Third is we are all in this together. Many of the people who participate gave much of their careers and much of their lives to the State and public education. In exchange, they receive a pension and access to health care.

But the amount that we have available to spend on health care depends on a couple of things:

First—most obviously—is the funding provided by the Legislature. This biennium, the Legislature provided an additional seven hundred and sixty-eight million dollars for the fund. This is over and above the amount that we collect in premiums. Even with state funds, retiree premiums, and contributions from those who are still working, there is not enough funding to keep the plan going beyond 2017, even with the changes that the Board made. At TRS, we are working closely with the Legislature to solve the long-term challenges in the upcoming legislative session that convenes in January of 2017, so stay tuned and watch closely for developments.

In the meantime, rest assured that TRS is working hard to stretch every dollar as far as we can. TRS does not make a profit on health care. In fact, nearly 97 cents of every dollar goes toward health care.

02:29

**RP:** Is that money going into a trust fund for health care?

**KD:** Well, we have a fund but it doesn't operate the way the pension program works where it accumulates funds over years to pay out to retirees. The TRS health plan is on more of a pay-as-you-go basis and is completely separate from the TRS Pension Fund.

And, because there are limits on the fund, it's important that everyone do everything they can to use their benefits well.

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**RP:** So was your second, er, point. People need to make the best use of their benefits.

**KD:** Yes, but with a twist. When we say "make the best use of your benefits" what we are really trying to say is "be as healthy as you can be."

So if for example someone is in TRS-Care Medicare Advantage which, by the way, is our most cost-effective program, they should take advantage of their preventive services which are covered at one hundred per cent. Preventive services—like mammograms—can help detect chronic disease before it gets worse. Taking advantage of preventive services can help you get healthy and stay healthy.

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**RP:** So you're saying by using the proper benefits people might actually cost the plan less.

**KD:** Yes. Here's what we believe:

Use the benefits to help you live well and stay healthy. When you are healthy, you enjoy life more and you use fewer health care services. Not only is that good for you, it helps make the funds that we have available for health care go farther; it helps ensure that those funds are there when you, your spouse, your fellow teachers and colleagues need them in the future. And that brings me back to my third point, which is we really are in this together.

04:03

**RP:** So there are steps retirees can take to help make sure the plan continues to go on. And in your first point you talked about the Board making some decisions to help the plan continue.

**KD:** Right. We have made some changes and they're detailed in TRS News—so you can go there to see the changes.

First, Humana will be the new insurer for the Medicare Advantage program beginning January 1st. Aetna has served us well and we anticipate that Humana will help us to be more cost effective and provide the same benefits.

Second, for the first time in twelve years we are increasing deductibles and out-of-pocket maximums for people in the TRS-Care Standard plans.

04:45

**RP:** Twelve years with no benefit changes is unusual, right?

**KD:** Yes it really is. And remember, that's with no increases to premiums.

Third, there are increases to copays in the standard prescription plan. And you may be able to save money if you refill your maintenance drugs through mail order. If you refill your maintenance drugs at a retail pharmacy, you could encounter higher co-payments unless you go to a participating pharmacy. So make sure to check the website to see if the pharmacy is participating.

Fourth, we are moving everyone who is eligible into the Express Scripts Medicare Part D prescription drug plan. The plan will offer better coverage, lower copays, and lower costs for TRS.

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**RP:** So how big are these changes?

**KD:** The changes to the TRS-Care Standard Plan affect some people right in the pocketbook. We know that. But these changes keep the plan alive through 2017. The changes were essential. And – as I mentioned before - they were the first changes in twelve years.

And the Medicare Advantage program under Humana offers the same benefits and – in some cases - enhancements.

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**RP:** But will people have to change providers when Humana becomes insurer for the TRS Medicare Advantage plan?

**KD:** Probably not. Providers who accept Aetna Medicare Advantage will likely take Humana Medicare Advantage. The best thing for people to do is call Humana directly. We publish the number on the front page of TRS News and it's also on our website.

06:16

**RP:** And people will hear more soon, right?

**KD:** Yes they will. People should watch their mailboxes for mail pieces from Aetna, Humana, and Express Scripts. Each piece will have the TRS-Care logo on it.

And over the next couple of months, we'll be travelling across the state to provide information sessions about these changes. So watch closely for announcements. Our members are key to

helping keep the plan sustainable by staying healthy, using their benefits wisely and following their doctor's instructions when managing a chronic disease. Remember – we all have a role in managing the cost of TRS Care.

06:50

**RP:** That's so true. Thank you for being with us Katrina.

**KD:** You're welcome. Thank you for having me.

**RP:** And thank you for watching. Please be sure to check our website and our YouTube channel for other videos and other editions of TRS Today.