

**VALUE IN  
ACTION**

**SERVING THROUGH STABILITY, EFFICIENCY  
AND ACTIVE ENGAGEMENT**



# 2024 TRS HEALTH BENEFITS REPORT

# CONTENTS

## 2024 TRS HEALTH BENEFITS REPORT

<b>Executive Summary</b>	<b>06</b>
<b>TRS Health Overview</b>	<b>12</b>
About TRS Health	14
Serving Texas Public Schools	15
How TRS Health Serves	16
The Building Blocks of Administration	20
Professional Management Leads to Personal Impact	22
How TRS Health Delivers Value	24
Overview of TRS-ActiveCare Cost Trends	26
Overview of TRS-Care Cost Trends	32
The Benefit of TRS' Low Administrative Costs	37
A Foundation to Actively Reduce Cost	40
Rewarding Participants When They Choose High-Value Provider	42
Actively Engaging Retirees, Employers and Employees	44
2024 Activities and Engagement for TRS-Care and TRS-ActiveCare	46
<b>TRS-Care FY 2024 Overview</b>	<b>48</b>
Care, Coverage and Support Retirees Can Count On	50
The TRS-Care Journey	52
TRS-Care Benefits Update	54
TRS-Care Membership	56
2024 TRS-Care Plan Management	57
Cost Reduction for TRS-Care Medicare Advantage	58
Raising the Standard with TRS-Care Standard	59
Creating Opportunity Through the Limited-Time Enrollment Opportunity (LTEO)	60
TRS-Care Plan Enhancements	61
<b>TRS-ActiveCare FY 2024 Overview</b>	<b>64</b>
About TRS-ActiveCare	66
The TRS-ActiveCare Journey	68
Actively Remaining Competitive in a World of Rising Costs	70
Back in Action: The Return of In-Person Training Sessions	76
Case Study: Wellness in Action with Pearland ISD	77
<b>Delivering Value in the Future</b>	<b>78</b>

## Appendices

A: TRS-ActiveCare Membership by Plan, Age and Membership Status	82
B: TRS-ActiveCare Rate Changes, FY 2024-25	85
C: TRS-ActiveCare Benefit Changes	87
D: TRS-ActiveCare Fund Balance Projection Through FY 2025	88
E: TRS-ActiveCare Employee Contributions Increased in FY 2024-25	89
F: TRS-ActiveCare District Contributions Largely Remained Constant in 2024-25	90
G: TRS-ActiveCare Per Participant Per Year Costs	92
H: TRS-ActiveCare Drugs Requiring Prior Authorization	93
I: TRS-Care Membership by Plan, Age and Membership Status	95
J: TRS-Care Benefit Changes	96
K: TRS-Care Fund Balance Projection	101
L: TRS-Care Per Member Per Year Costs	102
M: TRS-Care Participant Cost Sharing	103
N: TRS-Care Funding by Source	105
O: TRS-Care Pharmacy Costs	107
P: Prevalence of Certain Chronic Health Conditions	109
Q: Disease Management Overview	110
R: Enhanced Customer Service	112
S: TRS Health Claims Audit Results	113

## Statutory Reporting Requirements

TRS-Care information in this report fulfills the requirements of [Texas Insurance Code 1575.453](#). Appendix H of this report fulfills the reporting requirements of [Texas Insurance Code 1579.106\(b\)](#). Appendix M of this report fulfills the management directive issued by the Texas Sunset Advisory Commission review for the 87<sup>th</sup> Regular Legislative Session.



## Figures

1: Robust Employer Participation Rates in TRS-ActiveCare	19
2: TRS-ActiveCare Eligible Employees Expected to Grow in FY 2025-26	19
3: The Building Blocks of Administration	20
4: Cumulative Increase in Per Member Costs Since 2013	24
5: TRS Reduced Overall Plan Costs by \$23.4 Billion in FY 2023	25
6: TRS-ActiveCare Medical and Pharmacy Costs by Fiscal Year, FY 2019-24	27
7: TRS-ActiveCare Average Per Member Per Month (PMPM) Cost Growth, FY 2020-24	28
8: TRS-ActiveCare Top 5 Drugs by Rx Spend, FY 2021-24	29
9: TRS-ActiveCare Top 5 Categories of Medical Spend, FY 2021-24	30
10: TRS-Care Medical Care and Pharmacy Cost Trend, FY 2019-24	33
11: Top 5 Medical Costs for TRS-Care, FY 2021 vs. FY 2024	35
12: Specialty Drug Cost Increase Over Four Years, All Plans, FY 2020-24	36
13: How TRS Lowers Costs Across All Plans	37
14: The Benefits of Efficiency: How We Lower Costs	39
15: TRS-ActiveCare Rewards Program Trends, FY 2021-24	42
16: TRS-Care Medicare Advantage Membership, FY 2018-24	56
17: TRS-Care Standard Membership, FY 2018-24	56
18: Potential TRS-ActiveCare Premium Increase Without Additional Funding	70
19: Effective Change in Average Total Premium from Prior Fiscal Year, FY 2007-25	71
20: Employer Contributions Among Districts that Participate in TRS-ActiveCare Compared to Nonparticipating Districts, FY 2025	72
21: TRS-ActiveCare Primary Participants' Contribution as a Percentage of Salary, FY 2024	73
22: Efficiency Benchmark Looks at Total Costs	74
23: TRS-ActiveCare Cost Comparison, FY 2024	75
24: TRS-ActiveCare Employee Enrollment and Plan Selection as of September 2024	82
25: TRS-ActiveCare Membership by Plan, Age and Membership Status, Sept. 1, 2024	83
26: Rate Changes in TRS-ActiveCare Primary Employee-Only Tier by Region, FY 2024-25	86
27: TRS-ActiveCare All Tiers Average Change in Rates by Region from FY 2024 to FY 2025	86
28: TRS-Care Membership by Plan, Age and Membership Status, Sept. 1, 2024	95
29: TRS-Care Fund Revenue and Expenses, Actual and Forecast, 2017-27	106
30: TRS-Care Fund Balance, Actual and Forecast, 2017-27	106
31: TRS-Care Funding by Source, FY 2024	106
32: TRS-Care Top Drug Therapeutic Classes, FY 2021-24	107
33: TRS-Care Average Per Member Per Month (PMPM) Cost Growth, FY 2020-24	108
34: Participants Contacted for Clinical Program Participation in TRS-ActiveCare and TRS-Care Standard, FY 2024	111
35: Call Volume for TRS-Care and TRS-ActiveCare, FY 2024	112
36: Monthly Service Level Ratings for TRS Health Team and Vendors, FY 2024	112



## Tables

<a href="#">1: TRS-Care: Addressing the Unique Needs of Retirees</a>	17
<a href="#">2: TRS-Care Benefits and Premium Update, 2025</a>	55
<a href="#">3: TRS-Care Standard Premiums for Non-Medicare Eligible Retirees Compared to Individual Market</a>	59
<a href="#">4: TRS-Care Dental and TRS-Care Vision Benefit Overview, FY 2025</a>	62
<a href="#">5: TRS-ActiveCare Plan Options to Address the Unique Needs of Active Public School Employees</a>	67
<a href="#">6: TRS-ActiveCare Average Enrollment, FY 2024</a>	83
<a href="#">7: TRS-ActiveCare Plan Summaries and Features, Sept. 1, 2024</a>	84
<a href="#">8: TRS-ActiveCare Gross Premiums Before Employer Contribution, FY 2024-25</a>	85
<a href="#">9: TRS-ActiveCare Benefits Changes, FY 2025</a>	87
<a href="#">10: TRS-ActiveCare Fund Revenue and Expenses, FY 2016-25</a>	88
<a href="#">11: TRS-ActiveCare Employee Contributions, FY 2024-25</a>	89
<a href="#">12: TRS-ActiveCare Change in Employer Contributions Received by Employees, 2022-23 to 2024-25</a>	90
<a href="#">13: TRS-ActiveCare State and District Contributions, FY 2025</a>	91
<a href="#">14: TRS-ActiveCare Per Participant Per Year Costs, FY 2008-24</a>	92
<a href="#">15: TRS-ActiveCare Prior Authorization Cost Savings, FY 2024</a>	93
<a href="#">16: TRS-ActiveCare Non-Specialty Drug Prior Authorization Related Savings, FY 2024</a>	94
<a href="#">17: TRS-ActiveCare Specialty Drug Prior Authorization Related Savings, FY 2024</a>	94
<a href="#">18: TRS-Care Average Enrollment, FY 2024</a>	95
<a href="#">19: TRS-Care Enrollment as of Sept. 1, 2024</a>	95
<a href="#">20: TRS-Care Standard Plan Highlights, 2025</a>	96
<a href="#">21: TRS-Care Medicare Advantage Plan Highlights, 2025</a>	97
<a href="#">22: TRS-Care Benefits and Premium Update, 2023-24</a>	99
<a href="#">23: TRS-Care Benefits and Premium Update, 2025</a>	100
<a href="#">24: TRS-Care Fund Balance Projection, FY 2017-27</a>	101
<a href="#">25: TRS-Care Per Member Per Year Costs, FY 2009-24</a>	102
<a href="#">26: TRS-Care Participant Cost Sharing, FY 2024</a>	103
<a href="#">27: TRS-Care Participant Cost Sharing Overview, 2024</a>	104
<a href="#">28: TRS-Care Funding Formulas, FY 2017-25</a>	105
<a href="#">29: Prevalence of Chronic Health Conditions Among TRS-ActiveCare and TRS-Care Plan Participants, FY 2024</a>	109
<a href="#">30: Disease Management Overview by Plan, FY 2024</a>	110
<a href="#">31: Medical Claims and Spend by Plan, Plan Year 2021-22</a>	113
<a href="#">32: Pharmacy Claims and Spend by Plan, Plan Year 2022</a>	113

# EXECUTIVE SUMMARY

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**Actively managing health  
care benefits for Texas  
public school employees,  
retirees and their families**











# 2024 TRS HEALTH BENEFITS REPORT HIGHLIGHTS

## VALUE IN ACTION SERVING THROUGH STABILITY, EFFICIENCY AND ACTIVE ENGAGEMENT

### How TRS Health Plans Performed in 2024

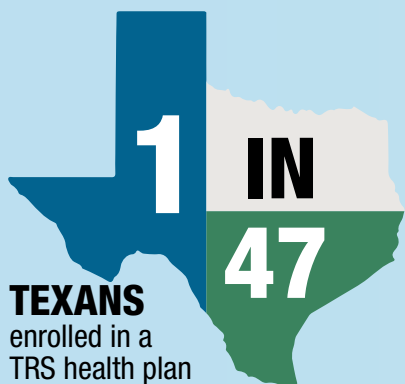
TRS' goal is to provide health care benefits designed for Texas public school employees, retirees, and their families with a focus on delivering high-value plans while actively managing costs. Over time, the plans evolve due to funding, legislation and needs that are identified by monitoring claims data and the health care market.

In addition to serving public school employees, TRS is the clear choice for employers seeking not just health insurance but a partner in their journey to optimal health and well-being for their employees. The health plans are built specifically for the unique membership of TRS, and the goal is for stakeholders, such as employers and participants, to know how to get the most out of their benefits. This report gives the most comprehensive picture of how TRS manages and delivers its health plans.

\*Sourced from 2023 data, the most current data available

\*\*Peers include other large employe

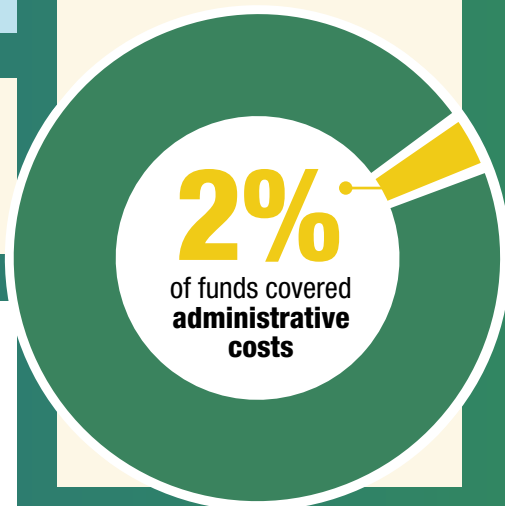
# 2024 HIGHLIGHTS FOR ALL TRS PLANS



**\$23.4B**  
saved through cost containment  
strategies\*

**\$16M**   
paid in claims **per day**

**98%**  
of funds went directly to **medical**  
and **prescription drug claims**



**638K+**  
**PARTICIPANTS**

**422K+**  
in TRS-ActiveCare\*\*\*

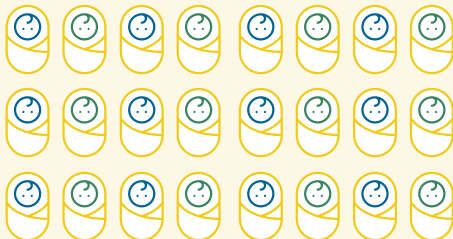
**216K+**  
in TRS-Care\*\*\*

**\$6B**  
in **claims** FY 2024

**\$4.2B**  
Medical claims\*\*\*\*

**\$1.8B**  
pharmacy claims

**5,891**  
babies born in FY 2024



**42%  
LESS**  
↓  
than the cost growth  
of our peers\*\*

**340K** preventive visits completed (all plans)

**EVERY \$1**  
in health care spending  
**GENERATED**  
**\$3.56**   
in economic  
activity in Texas

## 2024 Highlights for TRS-ActiveCare

TRS-ActiveCare Primary plan costs

# 14%

**LESS THAN**

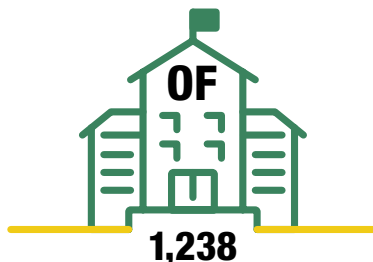


# 422K

**ENROLLED PARTICIPANTS**  
in TRS-ActiveCare for FY 2024\*\*\*



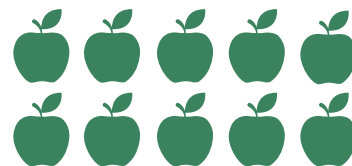
# 79%



Texas public school  
employers participated in  
TRS-ActiveCare plans

In FY 2024, supplemental funding  
was used to limit TRS-ActiveCare  
premium increases to **under 10%**  
**on average, saving employees**  
**over \$900 per year.**

# 10 NEW EMPLOYERS



elected to join TRS-ActiveCare  
for the 2024-25 plan year

# 99%

of participating employers  
**CHOSE TO CONTINUE**  
to offer TRS-ActiveCare as  
their district's health plan



## 2024 Highlights for TRS Health Direct Customer Care



TRS and its health partners  
**answered 1.1M** phone calls,  
up 26% from FY 2023



# 99%

of calls answered  
within **180 seconds**  
**or less**



# 37%

TRS-Care **call volume up**  
**37%** from FY 2023 due to  
positive plan changes

**Positive changes to and high**  
**demand for TRS-Care were major**  
**contributing factors to**  
**record-breaking enrollment:**

**TRS-Care Dental and TRS-Care Vision inquiries,**  
**applications and enrollment for plan year 2025**



- **6.5K+ Email** Inquiries Received



- **800-900 Applications** Received DAILY

- **106K+ Completed Enrollments**



- Retirees enrolled  
since limited-  
time enrollment  
opportunity  
launched in  
October 2024: **678**

\*\*\*Represents average participants



## 2024 Highlights for TRS-Care

A healthy TRS-Care fund  
**allowed TRS to lower  
TRS-Care Medicare  
Advantage premiums**  
for plan year 2025

Added new dental and vision plans for retirees, leading to

**OVER 106K** enrollments for the 2025 plan year:



**TRS-Care  
Dental: 54K**



**TRS-Care  
Vision: 52K**

**\$3.7B**  
**PAID IN CLAIMS\*\*\*\***



**Offered a limited-time  
enrollment opportunity** for  
Medicare-eligible retirees to join  
the plan through March 2026



TRS-Care Standard has  
consistently **maintained the  
same competitive premiums  
for eight years in a row**



**662K**

**packets mailed** with 2025 TRS-Care  
plan year materials



**43 engagement touchpoints**  
per participant



23 live online events  
with **8.4K attendees**,  
nearly **three times  
more than 2023**  
(4.2/5 star rating)

**216K** **TRS-CARE  
PARTICIPANTS\*\*\***

**154K** TRS-Care Medicare  
Advantage participants (65+)

**62K** TRS-Care Standard  
participants (under 65)



**22** **IN-PERSON  
HEALTH FAIRS**

with over 5.8K attendees, nearly  
two times more than 2023

**14.2K** **ATTENDEES**

at TRS-Care in-person and online events  
(4.1/5 star rating) ★ ★ ★ ★ ☆

# TRS HEALTH OVERVIEW

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**Making a real impact  
for Texas public school  
retirees, employers  
and employees**









# About TRS Health

TRS Health exists to provide health benefits that make a positive difference in the lives of participants. Three strategic pillars guide this important mission:

1.

TRS strives to improve participant health and member experience.

2.

TRS evaluates and enhances the value of TRS health benefits.

3.

TRS communicates its plans' value and funding status to the Texas Legislature.

## TRS Focus

TRS leverages data from across Texas to assess the needs of retirees, employers and employees; compares the health benefits to other similar plans; and provides transparency in the plan selection and management process. TRS' focus for 2025 and moving forward is to:

- **Demonstrate the value of TRS-ActiveCare by engaging and ensuring satisfaction among participating employers through continuous support**
- **Add value to TRS-Care plans by educating new and existing participants on plan value and how to maximize plan benefits**

# Serving Texas Public Schools

## Actively serving Texas public school retirees, employers and employees

TRS is committed to providing health benefits solutions to the public education population of Texas. TRS' plan selection and management efforts are rooted in a holistic and region-specific understanding of the health care landscape across Texas and an insider's understanding of the challenges faced by retirees, school districts, and their employees.



# How TRS Health Serves

Selecting and managing educator-focused health benefits

## TRS-Care for retirees

Once public school employees retire, they can access TRS-Care health plans based on their needs and circumstances.

### **TRS-Care Standard:**

Medical and pharmacy benefits for retirees not eligible for Medicare (people under 65)

### **TRS-Care Medicare Advantage:**

Medical and pharmacy benefits for retirees eligible for Medicare (generally people 65 or older)





# TRS worked diligently in FY 2024 to implement enhancements to retiree health benefits.

**Introduced TRS-Care Dental and TRS-Care Vision:** With the passage of SB 1854, TRS now provides dental and vision plans specifically designed for TRS retirees and their dependents effective Jan. 1, 2025. After a competitive bidding process, MetLife was chosen to administer these comprehensive plans.

**Lowered premiums for TRS-Care Medicare Advantage plans:** A healthy, strong TRS-Care fund balance and recent federal changes to Medicare, along with TRS’ diligent plan management and other factors, allowed TRS to lower premiums by about 45% for Medicare-eligible retirees effective Jan. 1, 2025, while maintaining the long-term stability of the TRS-Care fund.

**Limited-time enrollment opportunity (LTEO):** TRS is offering a limited-time enrollment opportunity for Medicare-eligible retirees to rejoin the plan and benefit from lower premiums through March 31, 2026.

As a result of these enhancements, overall retiree satisfaction with TRS health care services increased dramatically in 2024. More than three-fourths of retired members are “Very Satisfied” or “Satisfied” with TRS health care services; 79% compared to 53% combined satisfaction in 2023 (2024 TRS Member Satisfaction Survey).

## 79% retiree satisfaction with health care services in 2024

Table 1:  
TRS-Care: Addressing the Unique Needs of Retirees

WHO THEY ARE	HOW TRS PROVIDES CARE
78% female, average age of 72 among retirees	Education about preventive benefits and recommended health screenings available at no cost.
Individuals with a greater reliance on health benefits	Emphasis on outreach, customer service excellence and enhanced access to care through broader networks of providers, telemedicine and the HouseCalls program where providers come to Medicare-eligible members’ homes.

# TRS-ActiveCare for Texas public school employees and their families

Active Texas public school employees have access to four TRS health plans and two health maintenance organization plans administered by Blue Cross and Blue Shield of Texas (BCBSTX). Each plan has comprehensive medical and prescription coverage.

**TRS-ActiveCare Primary**

**TRS-ActiveCare Primary+**

**TRS-ActiveCare HD**

**TRS-ActiveCare 2 (closed for new enrollment)**

**Blue Essentials West Texas HMO (insured by BCBSTX, not by TRS)**

**Blue Essentials South Texas HMO (insured by BCBSTX, not by TRS)**

## Serving Texas public school employers

TRS' ability to manage costs and provide the best health benefits possible to participants stems from a strong relationship with employers across the state.

To empower employers to make informed decisions for the specific needs of their employees, TRS provides public school districts with transparent data, employer cost comparisons, employee contribution information and supplemental legislative funding information.

**In 2024, TRS launched a quarterly newsletter, District Download, to further engage employers around financial and plan management matters, ensuring they have the most up-to-date information about TRS-ActiveCare.**

Figure 1:  
Robust Employer Participation Rates in TRS-ActiveCare

PLAN YEAR STARTING SEPT. 1, 2024

[ **974**  
EMPLOYERS | OR | **79%** of 1,238 school districts and  
charter schools participated  
in TRS-ActiveCare for the  
2024-25 plan year ]

**271,614**

Average number of employees  
TRS-ActiveCare covered



**60%**

Employee  
participation rate

Figure 2:  
TRS-ActiveCare Eligible Employees Expected to Grow in FY 2025-26



Enrollment estimates for FY 2026 are based on Jan. 1, 2025 enrollment data.



Figure 3:

# The Building Blocks of Administration

## Program Management

Benefits planning, cost containment, actuarial expertise, research, data analysis

## Administration

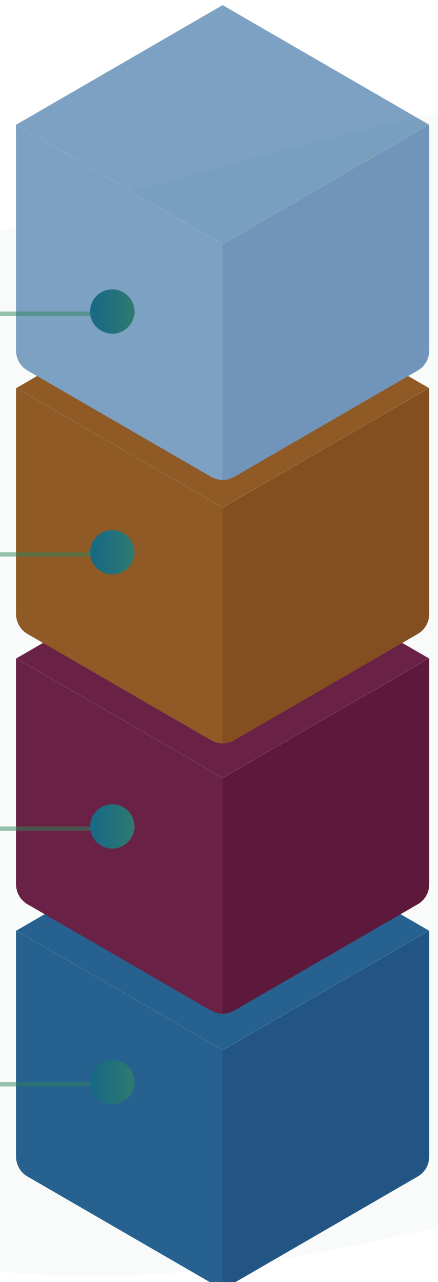
Vendor management, claims processing, budgeting, plan operations, legislation implementation, compliance

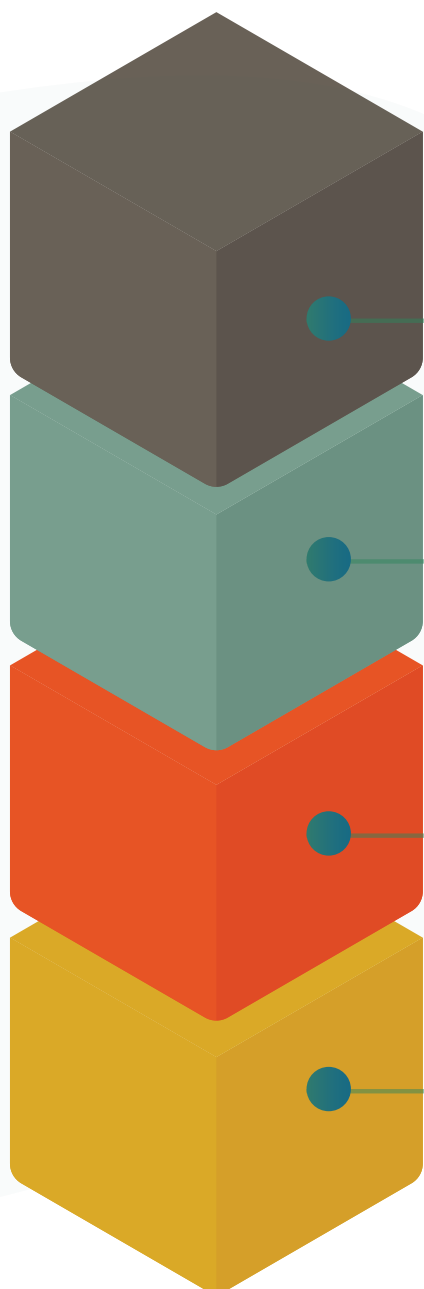
## Networks

Broad provider networks, high-value health care strategies

## Risk Sharing

Stability, cost efficiency, widespread risk distribution





## Procurement

Market-leading vendor contracts, robust networks,  
competitive drug pricing

## Fraud Protection

Analysis, audits, plan resource protection

## Customer Service

Timely, exemplary participant support; dedicated district  
personnel, employer insights, data

## Communication

Comprehensive communication, education resources  
for participants and employers

# Professional Management Leads to Personal Impact

TRS understands that behind all data, plan details and cost comparisons, health benefits directly impact the lives of hard-working people. These personal impact stories strengthen TRS' commitment to provide high-value health benefits to Texas public school employees and their families.

“

It's always great to see that we're offering so much to our employees and a lot of this is at low cost or even completely free.

**Cynthia Rocha**  
Benefits Specialist  
Education Service Center (ESC) Region 1

”

“

I just really love the partnership that we have with TRS-ActiveCare, where they're willing to come out and work with us and give us resources that we need.

**Danica Murillo**  
Seguin ISD

”





We were very impressed with the way TRS took the initiative in developing the opportunity for each region to have a wellness coordinator.

**Sundie Dahlkeamp**  
Pearland ISD

One of the biggest benefits to Port Aransas ISD staff is that [TRS] has such a wide network of providers and support staff.

**Tisha Piwetz**  
Port Aransas ISD



# How TRS Health Delivers Value

## Managing costs. Enhancing benefits. Fostering engagement.

TRS efficiently delivers high-value health benefits to Texas public school employers, employees and retirees. Through the power of scale and market-leading administrative efficiency, TRS actively manages costs and mitigates risks, while spreading awareness and education to empower them to make informed decisions about their own health.

### Active cost management

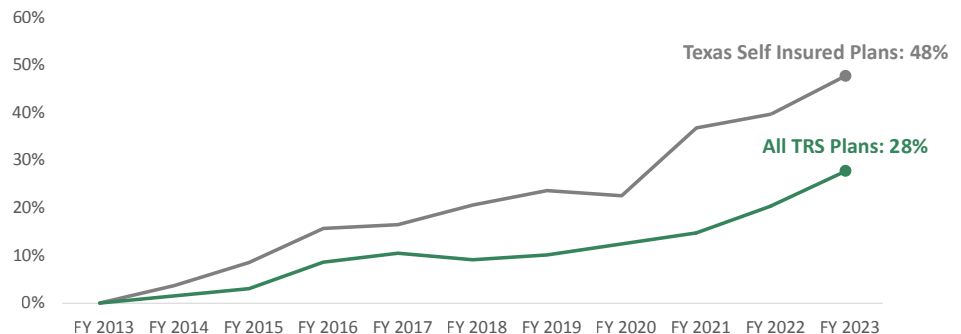
Health care costs continue to rise at a rate that outpaces income growth in the public education sector. To minimize the impact of this growing affordability gap, TRS leverages cost-containment strategies that continue to result in lower cumulative cost growth when compared to similar self-insured plans.

In FY 2023, these strategies resulted in an overall financial impact of \$23.4 billion in discounts and savings. TRS saw the most significant savings in what providers charged versus what the health plan paid due to discounts.

Cumulative cost growth is **42% less than that of TRS' peers.**

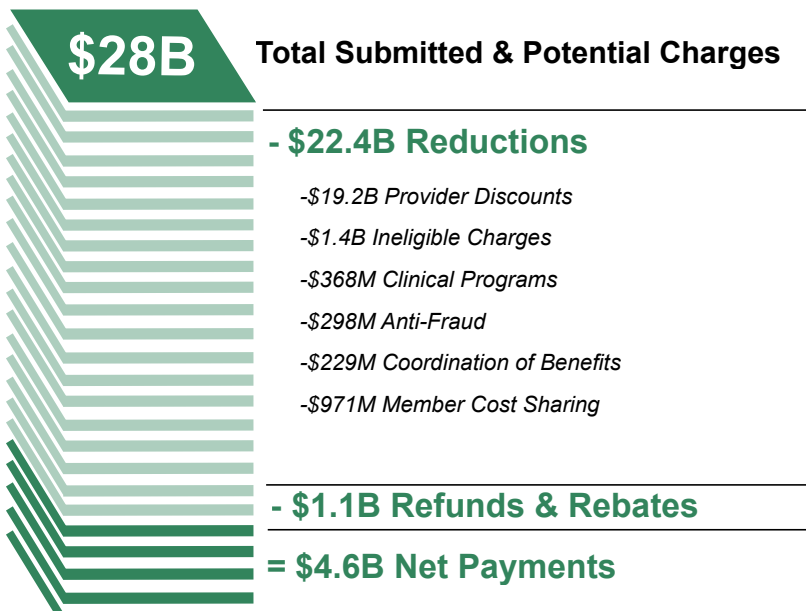
TRS plans experienced nearly half the cost growth of Texas self-insured plans.

Figure 4:  
Cumulative Increase in Per Member Costs Since 2013



Costs reflect allowed charges to both the plan and the participants. These are net of rebates. TRS plans include all self-insured ASO plans. Milliman data for Texas ASO does not include pharmacy rebates. The comparison does not adjust for changes in plan design or demographics over time.

Figure 5:  
TRS Reduced Overall Plan Costs by \$23.4 Billion in FY 2023



**\$23.4 billion**  
secured through  
discounts and  
savings in FY 2023

## Cost-containment strategies

TRS employs a variety of strategies to reduce the impact of rising health care costs on TRS health plan participants:

- Access market-leading discounts through vendors
- Offset costs with rebates and federal funds
- Navigate participants to low-cost, high-quality options for care
- Employ measures to ensure payment is limited to medically necessary care
- Promote wellness initiatives that improve health
- Management steps for drug utilization



# Overview of TRS-ActiveCare Cost Trends

TRS is dedicated to effectively and efficiently managing benefits, which requires careful attention to the main cost drivers. By focusing on prescription drug costs, TRS has successfully reduced the impact of this growing expense, leading to lower costs per person in TRS plans.

## Actively managing pharmacy costs for TRS-ActiveCare participants

Thanks to a market-leading procurement for pharmacy services, TRS was able to secure contract provisions and rebate agreements for pharmacy benefits that reduced TRS-ActiveCare drug costs on a per member per month (PMPM) basis to a negative (decreased costs per person) 12% trend after rebates in 2024. This downward trend highlights the effectiveness of TRS' approach to manage costs and deliver high-value pharmacy benefits. Additionally, TRS works with nationally recognized consultants to implement monitoring protocols that enhanced delivery and efficiency. These protocols included:

### Drug Cost Monitoring Protocols

Calculating net drug costs based on contract terms and comparing them to actual charges

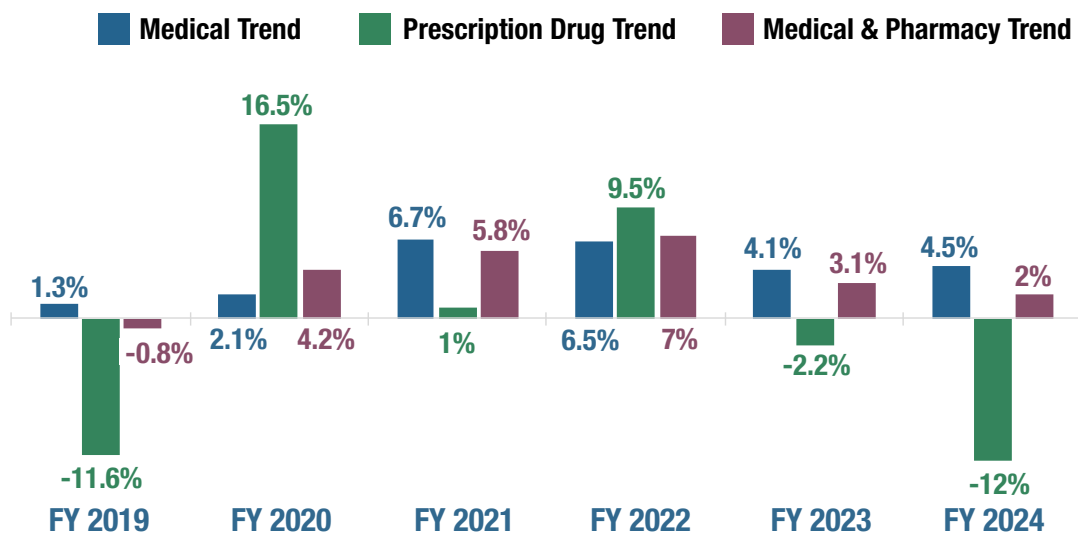


Calculating rebates based on independent drug class information to ensure complete collection



The underlying utilization of high-demand drugs described in the following section of this report is expected to produce pharmacy trends closer to that of competitors in FY 2025. Additionally, the negative (decreased costs per person) trend in 2024 significantly lowered the base of spending by which future trend increases will occur. Therefore, the savings achieved in FY 2024 will produce long-term cost savings to TRS members even with subsequent increases in the future.

Figure 6:  
**TRS-ActiveCare Medical and Pharmacy Costs by Fiscal Year, FY 2019-24**



Medical and pharmacy costs for FY 2024 are shown based on claims incurred during the fiscal year and paid through Sept. 30, 2024. FY 2024 figures include an estimate of incurred but not reported (IBNR). Pharmacy costs are shown net of incurred rebates.

TRS effectively leveraged contract agreements to create a **-12% per member per month cost impact for pharmacy benefits**, which contributed to an overall cost trend of 2% in FY 2024.

## Staying on top of the major pharmacy benefit cost drivers: Understanding GLP-1s

While the contract agreements put in place by TRS have effectively produced positive results for TRS-ActiveCare participants by offsetting pharmacy costs, it is important to understand the market trends that exist to prepare for the future. In most commercial plans, pharmacy costs are growing at a faster rate than medical costs due to utilization of new high-cost and specialty drugs.<sup>1</sup> Drugs such as GLP-1s that are used for diabetes, e.g., Mounjaro, can cost approximately \$1,000 per utilizing member per month on a pre-rebate basis.

TRS-ActiveCare plans have seen significant growth in GLP-1 drug use to treat diabetes. Per member per month (PMPM) costs for GLP-1 drugs rose from an average of \$3.06 on a gross basis (before any rebates are applied) in FY 2020 to an average of \$12 PMPM in FY 2024. As figure 7 demonstrates, the cost of GLP-1 drugs prescribed for diabetes outpaces non-GLP-1 drugs prescribed for diabetes, which have decreased on a gross basis.

Figure 7:  
**TRS-ActiveCare Average Per Member Per Month (PMPM) Cost Growth, FY 2020-24**

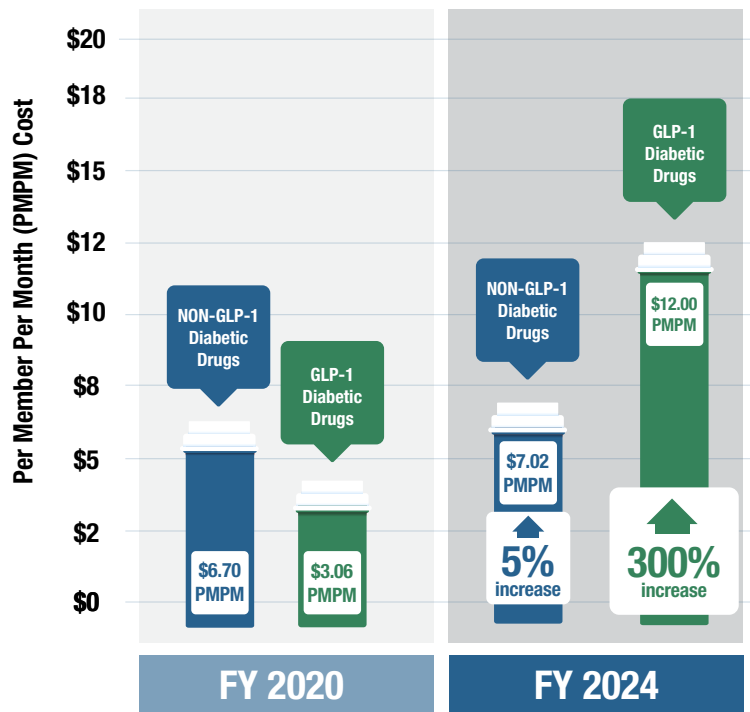


Figure 7 shows pharmacy costs based on claims incurred during the fiscal year and paid through Aug. 31, 2024. Pharmacy costs represent gross paid claims and are not net of rebates. No adjustments were made for claims that were incurred but not yet reported.

**The average utilization rates of GLP-1 drugs increased by over 170% from FY 2022-24, representing an area of cost growth for pharmacy benefits.**

The average utilization rates for GLP-1 drugs increased by over 170% from FY 2022-24. This increase in utilization not only highlights the rising popularity of GLP-1 drugs, but also amplifies the total spend. In FY 2024, GLP-1 gross spend increased by 67% compared to FY 2023. To fully understand the impact of these high demand pharmaceuticals, the GLP-1 agonist drug Mounjaro was the most expensive drug on a total gross paid basis in FY 2024 and is expected to remain a top cost driver in FY 2025.

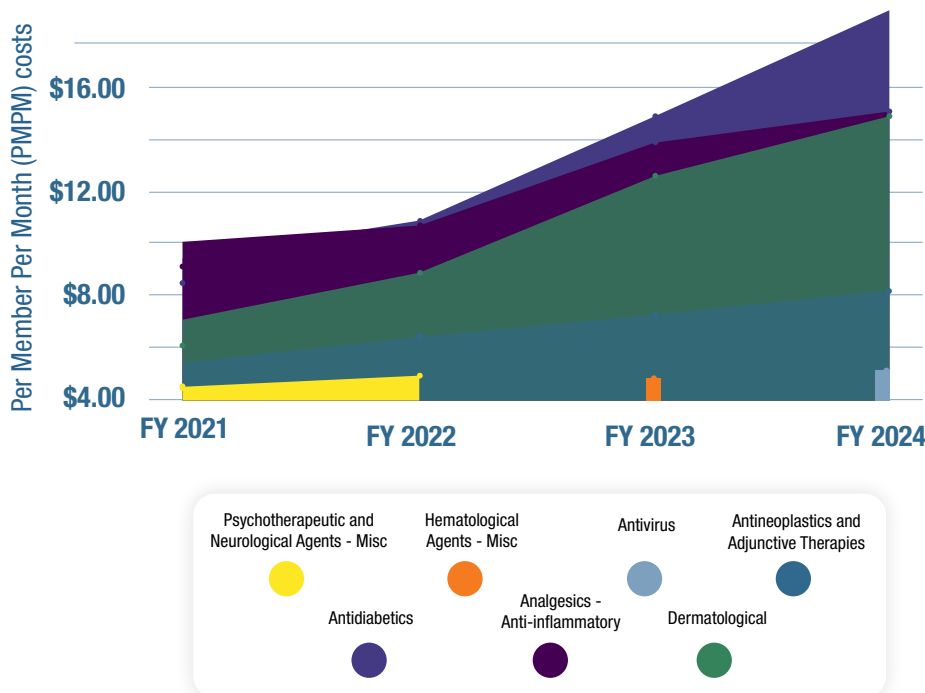
**While the Rx trend is negative in 2024, TRS saw cost growth on diabetic drugs increase. To help contain costs, TRS-ActiveCare does not cover GLP-1 drugs for weight loss. However, TRS does cover certain GLP-1 drugs if the participant has a diabetic diagnosis, so the plans are impacted by the rising costs and utilization of these drugs.**



## Other drivers of pharmacy costs

While GLP-1 drugs represent a significant cost driver for pharmacy benefits, gross PMPM costs for a variety of anti-inflammatory conditions have also increased. Drugs like Skyrizi, Stelara, and Tremfya are used to treat autoimmune and/or inflammatory related conditions including psoriasis, psoriatic arthritis, Crohn's disease, and rheumatoid arthritis. Increased utilization of these drugs has driven up the costs for dermatological and anti-inflammatory categories.

Figure 8:  
TRS-ActiveCare Top 5 Drugs by Rx Spend, FY 2021-24

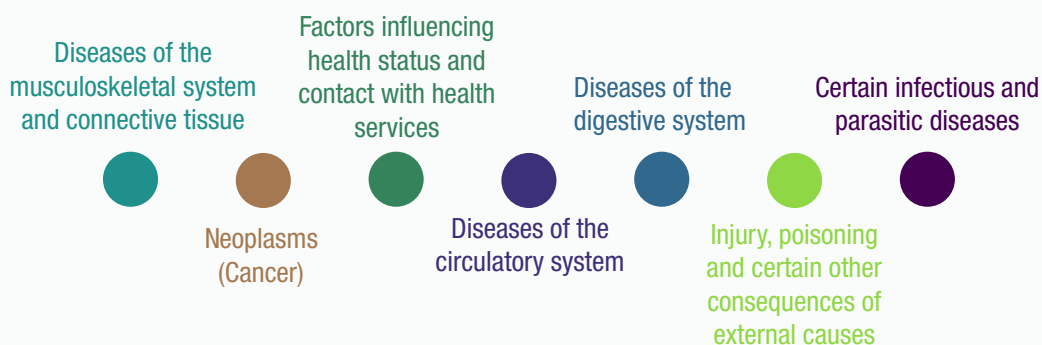
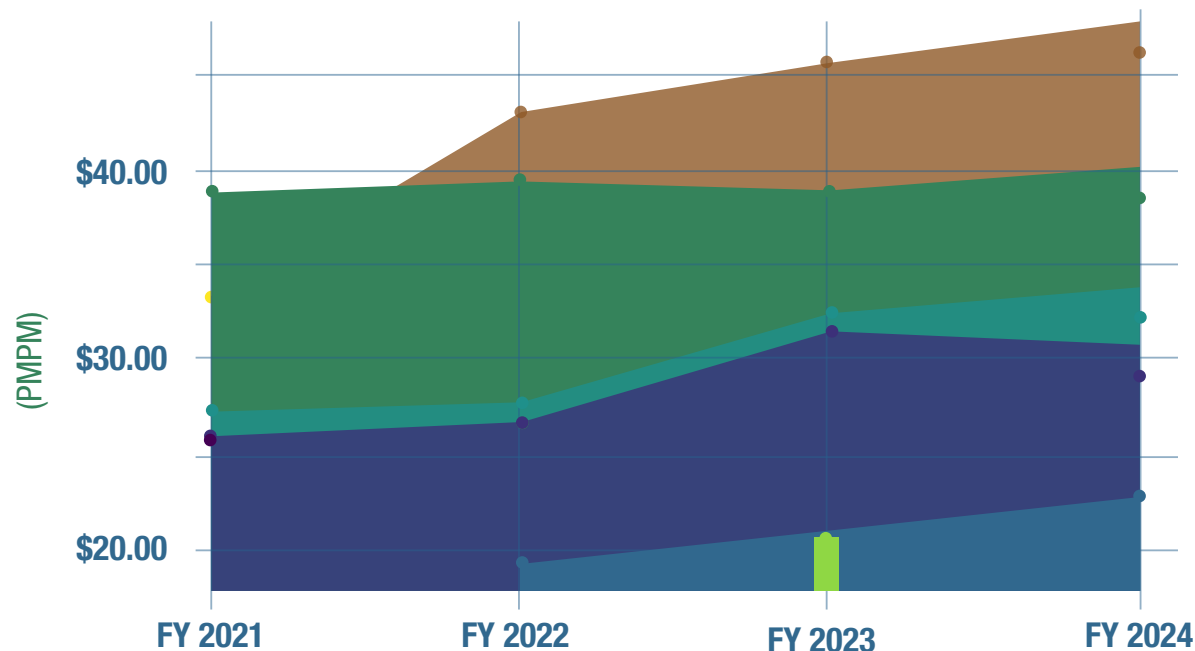


Pharmacy costs are shown based on claims incurred during the fiscal year and paid through Oct. 31, 2024. Pharmacy costs represent gross paid claims and are not net of rebates. No adjustments were made for claims that were incurred but not yet reported.

Costs for antineoplastic and adjunctive therapies to treat cancer are also on the rise. Verzenio is one such popular pharmaceutical used to treat certain types of breast cancer with a risk of recurrence.

**Increase in GLP-1 spend for diabetes drove cost trends in FY 2024. To manage increases, TRS leverages cost-containment strategies.** Even with these containment strategies in place, the introduction of effective, high-cost drugs that treat autoimmune disorders will have a significant impact on TRS health plans. This impact is related to the fact that autoimmune conditions are more common in females and females represent a disproportionately large percentage of the population covered by TRS health plans. This is particularly true on a gross basis, as shown in figure 8, before rebates from manufacturers are applied. Some high-cost drugs administered by physicians can cost more than \$1 million per person for drugs that promise to cure certain rare but catastrophic illnesses.

Figure 9:  
TRS-ActiveCare Top 5 Categories of Medical Spend, FY 2021-24



*Medical claims are reported based on the fiscal year that claims were incurred with no adjustments for incurred but not reported (IBNR). Data includes claims paid through Oct. 31, 2024.*

The high-cost trend of medical pharmaceuticals is evident in the top spending diagnosis categories for TRS-ActiveCare. The largest increase from FY 2021 to FY 2024 is in antineoplastic immunotherapy and chemotherapy, which use cancer-fighting drugs. Another significant spending category is routine and preventive care, primarily driven by colon and breast cancer screenings in FY 2024.

# The impact of pharmacy cost drivers on TRS-ActiveCare

Current cost trends, forecasted trends, and the phaseout of supplemental funds from federal and state general revenues the Texas Legislature appropriated impact the premiums employers charge to participants. While the combined cost trend in TRS-ActiveCare for medical and pharmacy was only 2% in FY 2024 due to effective cost management by TRS, the premiums increased by a larger amount as TRS phased out supplemental funding over a multiyear period ([see page 71 for more details](#)). As a result, the premiums employers charge to participants are not impacted by the cost trends during this phase, but rather the long-term cost trends in relation to revenues.

**The overall cost trend in TRS-ActiveCare was only 2% in FY 2024 due to TRS' effective cost management, and TRS will continue to seek out solutions to manage costs going forward.**

However, even with TRS' market-leading cost containment strategies in place, TRS expects pharmacy spend to continue to rise, and ultimately, this will have a long-term impact on overall costs. TRS remains committed to seeking out the most innovative and efficient ways to provide high-value pharmacy and medical benefits for TRS-ActiveCare participants.



# Overview of TRS-Care Cost Trends

In FY 2024, two significant changes impacted the revenues for TRS-Care. One was the implementation of Express Scripts as the pharmacy benefits manager in January 2024, approximately three months later than the launch of TRS-ActiveCare plans due to the later start date of the TRS-Care plans. **This means the full annual impact of improved contract guarantees from this transition will not be realized until FY 2025.**

Medicare regulation and program changes are dynamic, so TRS reviews these annually to manage benefits, pricing and alignment with the market. In future years, TRS will need to determine limited increases based on market trends and rising health care costs.

## Medicare regulatory and program changes

- Changes in payment structures with star ratings, bonuses and annual cost growth for medical care
- Elimination of health insurer fee for TRS-Care Medicare Advantage
- Enhancements to Part D plan designs (donut hole closure)
- Changes in Part D funding through subsidies
- Medicare to begin negotiating drug prices

## Medicare contract changes

- Improved TRS contracts for Medicare Advantage and Part D drug benefits
- Enhanced management of health care expenses

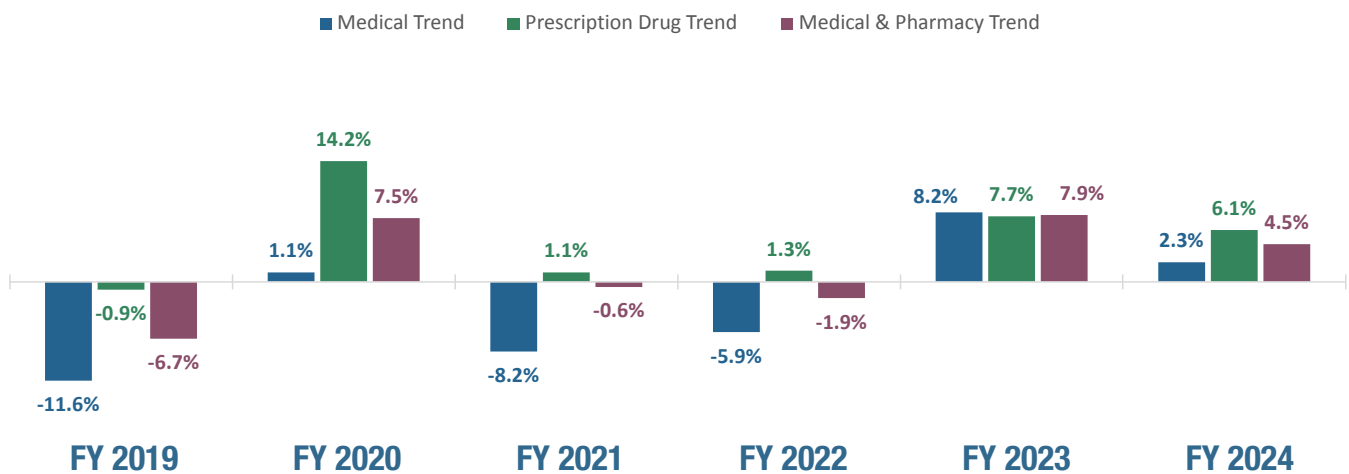
TRS was able to lower premiums by 45% for most TRS-Care Medicare Advantage retirees effective January 2025 while protecting the long-term financial soundness of the program.





In FY 2024, the combined medical and pharmacy cost trend after rebates (excluding federal subsidies) for TRS-Care was 4.5%. Since 2010, prescription drug costs have increased by an annual average of only 3.84% due to TRS' active management.

Figure 10:  
TRS-Care Medical Care and Pharmacy Cost Trend, FY 2019-24



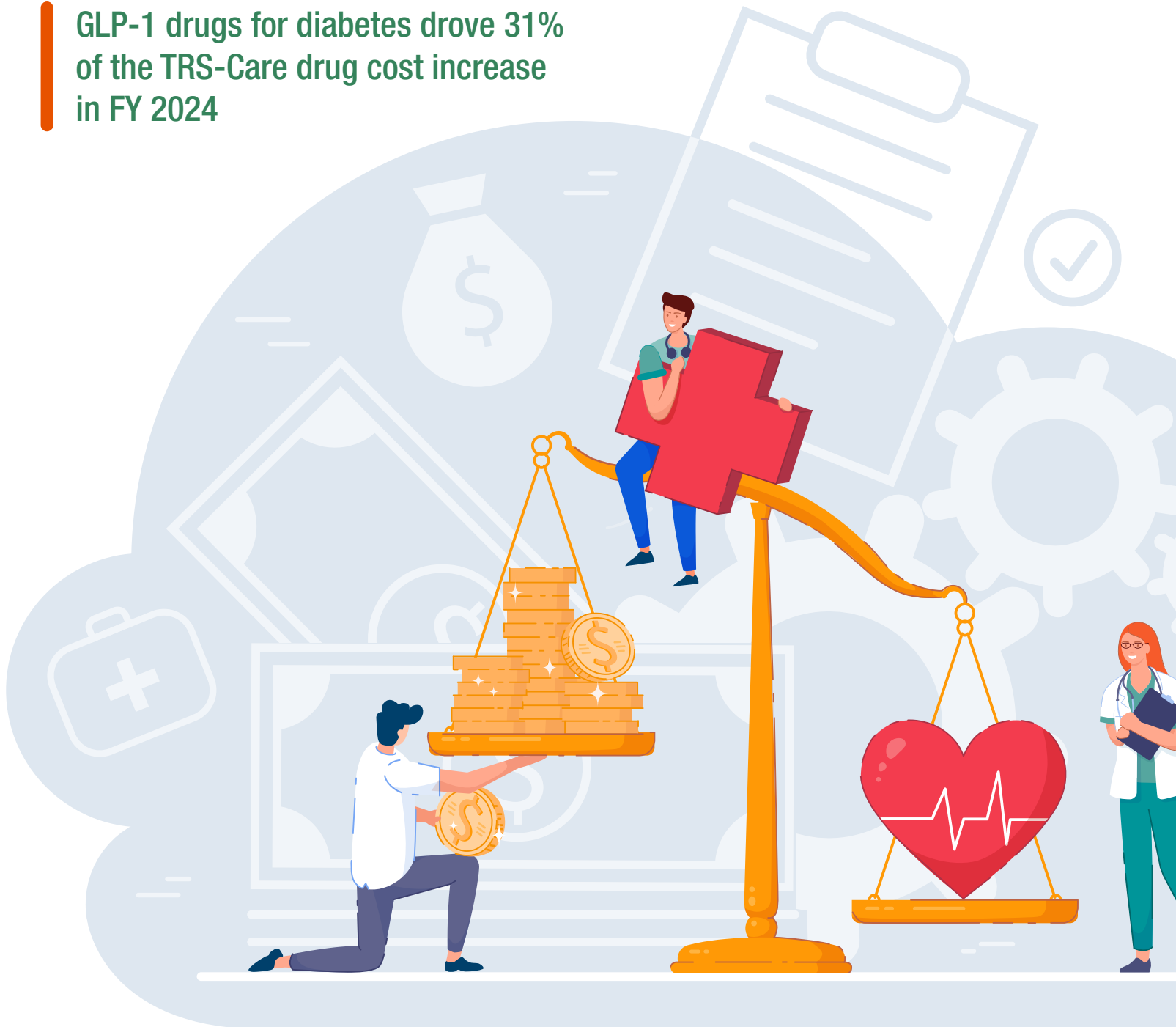
Medical and pharmacy costs for FY 2024 are based on claims incurred during the fiscal year and paid through Sept. 30, 2024. FY 2024 figures include an estimate of incurred but not reported (IBNR). Pharmacy costs are shown net of incurred rebates.



# Understanding the cost drivers for TRS-Care

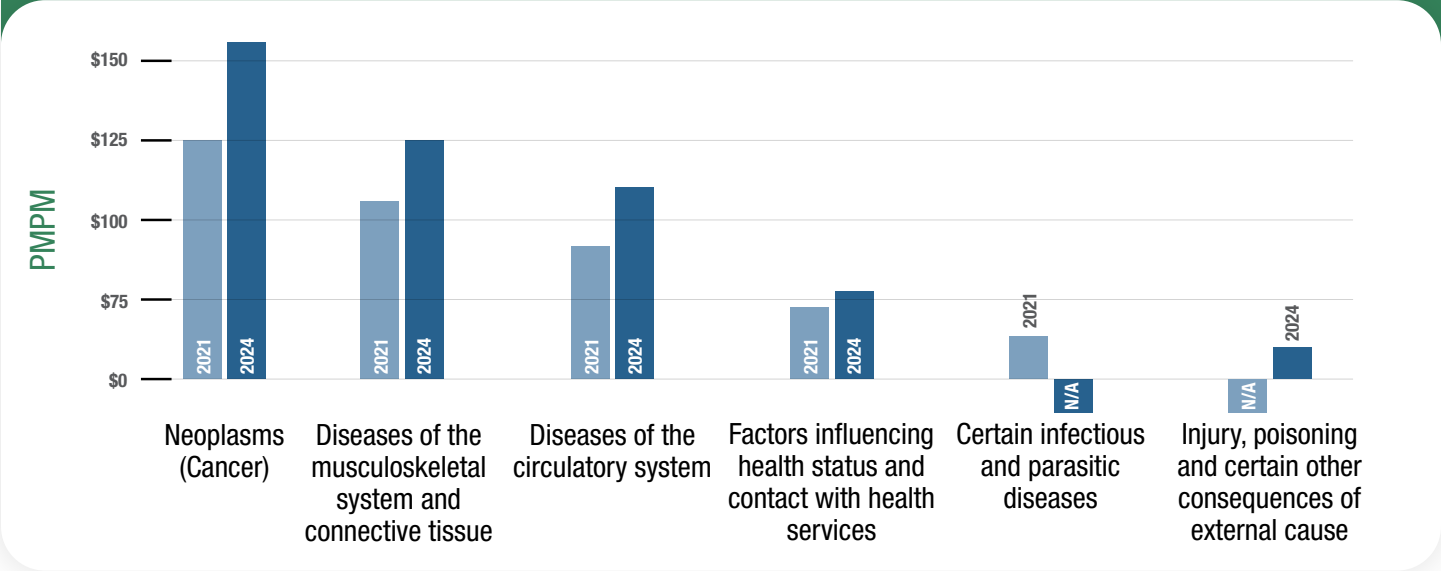
Consistent with TRS-ActiveCare, the total gross paid costs associated with GLP-1 drugs to treat diabetes exhibited a notable rise in costs in recent years. The total cost on a gross paid basis increased by 137% from FY 2021 to FY 2024, and GLP-1 agonists Mounjaro and Ozempic are among the top four cost drivers in TRS-Care for FY 2024. The increase in spending for GLP-1 agonists for diabetic treatment as a percentage of the total increase in gross pharmacy cost in FY 2024 is 31%. For TRS-Care GLP-1 diabetic drug cost growth and top drug therapeutic classes, [see Appendix O: TRS-Care Pharmacy Costs](#).

**GLP-1 drugs for diabetes drove 31%  
of the TRS-Care drug cost increase  
in FY 2024**



The TRS-Care leading spending categories closely align with those of TRS-ActiveCare, with steady growth observed in spending on drugs used to treat various anti-inflammatory conditions from FY 2021 to FY 2024. Additionally, TRS-Care has experienced a consistent rise in gross PMPM spending on anticoagulants, which are used to prevent blood clots. For example, Eliquis was the most expensive drug in FY 2024.

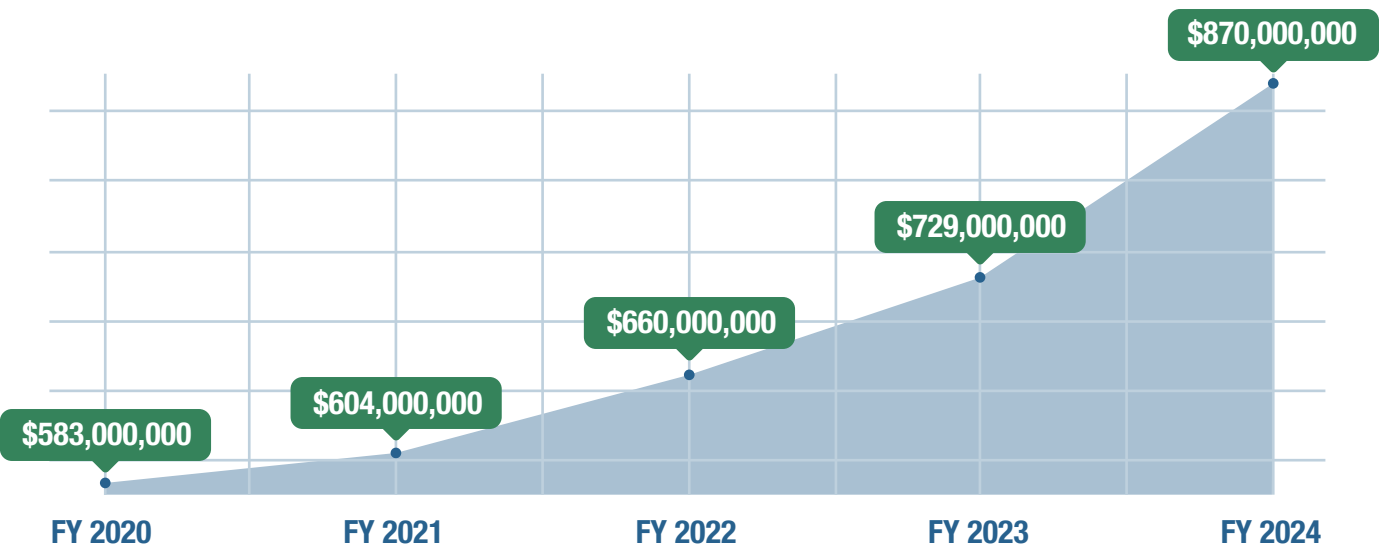
Figure 11:  
Top 5 Medical Costs for TRS-Care, FY 2021 vs. FY 2024



Antidiabetic drugs, including GLP-1 medications, rank as the top spending category for TRS-Care, peaking above \$100 PMPM in FY 2024

For TRS-Care medical spend, the highest cost trends closely resemble those observed in TRS-ActiveCare. The largest increases since FY 2021 have been in spending on drugs that fight cancer and boost the immune system. However, for TRS-Care Standard, we observe higher gross PMPM costs for specific conditions, such as knee problems from osteoarthritis, a disease that affects your joints. Measures have been implemented for TRS-Care, and the full impact of the new pharmacy benefit manager (PBM) contract will be seen in 2025.

Figure 12:  
Specialty Drug Cost Increase Over Four Years, All Plans, FY 2020-24



Pharmacy costs are shown based on claims incurred during the fiscal year and paid through Oct. 31, 2024. Pharmacy costs represent gross paid claims and are not net of rebates. No adjustments were made for claims that were incurred but not yet reported.





# The Benefit of TRS' Low Administrative Costs

Due to TRS' structure and efficient management, only 2% of funding is spent on administrative costs, such as employee salaries and vendor costs. That means 98% of health funds is spent on plan participants' health care and prescription drug claims.

Figure 13:  
How TRS Lowers Costs Across All Plans

**98%**

Pays for medical and prescription drug claims.



**2%**

Pays for administration and claims processing.



## Efficiency through vendor management

TRS contracts with market-leading vendors to administer its health benefits, and we hold our vendors to high standards of service. This includes procuring and working with medical and pharmacy carriers so they pay claims correctly and on time, investigate suspicious claims, and offer consistently cost effective and high-quality benefits.

# Spreading risk to lower costs and provide stability to employers

The size and scale of the TRS participant base is a clear advantage to cost management and risk mitigation. By spreading risk across many employers and participants, TRS offers stable, cost-efficient products. Employers in TRS-ActiveCare are protected from the volatility of administering their own health plan and the financial burden of high-cost claimants. The stability TRS provides allows employers more certainty from year to year as they set their budgets.



## Low administrative costs mean more of each dollar goes to health care

Employers not participating in TRS-ActiveCare often need to buy fully insured products to offer the same services as TRS. Their administrative costs can be as high as 15% of their expenses. Through risk management and efficient customer service, TRS is able to keep administrative costs to just 2% of expenses. That means that only 2% of every premium dollar spent on TRS health care plans goes toward administrative costs, and the rest is applied directly to health care.

Figure 14:  
**The Benefits of Efficiency: How We Lower Costs**



**We pay claims correctly and on time.**



**We investigate suspicious claims.**



**We offer cost effective and high-quality benefits.**

# A Foundation to Actively Reduce Costs

TRS' continuous pursuit of managing costs enables the plans to provide high-quality benefits focused on the comprehensive health and wellness needs of participants.

## New dental and vision benefits for retirees

The addition of TRS-Care Dental and TRS-Care Vision plans as an optional benefit to retirees has proven to be a key value driver for participants even in the short amount of time the plans have been available. Since introducing the new benefits in October 2024, TRS experienced record-breaking call volume regarding inquiries and enrollment into the plans. In fact, on the first day of the plans' enrollment periods, TRS fielded five times the normal call volume.

This surge in interest and participation can be credited to high-value plan features including the availability of equal dental coverage for both in-network and out-of-network providers and robust allowances for lenses through the vision plan. The high demand for these benefits prompted TRS to offer an extended enrollment period resulting in 106,177 enrollments for the 2025 TRS-Care plan year.

**106,177 enrollments for the 2025 TRS-Care plan year**

## Wellness programs

TRS is committed to the overall health and wellness of its participants. Districts, including Pearland ISD and ESC Region 1, collaborated with TRS-ActiveCare to enhance their wellness programs and added features such as blood pressure clinics, private mother and meditation rooms, district-wide baby showers, mobile mammograms, and more. ESC Region 1 was recognized by the American Heart Association for its wellness initiatives with a Silver Award for its "Well-being Works Better™" program.

All districts can opt to participate in a variety of TRS-ActiveCare workplace wellness programs, including fitness, healthy eating, and stress reduction options. In addition, employers can leverage the support of a wellness coordinator to guide them in ways they can improve their wellness culture and better engage employees in wellness activities.



# Customer support

One of TRS' key focus areas is to ensure satisfaction among participating employers through reliable and continuous support. Ongoing engagement efforts and dedicated district ambassadors help TRS maintain an open feedback and support loop with employers.

## Whole health coverage

Through a combination of covered diagnostic and preventive care services, TRS plans pay 100% when using in-network providers so participants can feel 100% empowered to take proactive care of their health.

## Tailored health plans

TRS tailors its health plans to the unique needs of Texas public school employees by offering comprehensive medical plans to retirees and active employees and allowing them to choose the benefits that meet their unique needs. Of particular note are the plans' offerings in the following areas:

### Women's Health Services

TRS-ActiveCare plans provide an extensive women's health program that navigates women from pre-pregnancy through menopause. The mobile Ovia Health application provides tools to track the user's menstrual cycle, the phases of pregnancy, and a child's developmental milestones, as well as parenting pointers, and the stages of menopause with tips on making the experience more comfortable.

### Mental Health Services

At TRS-ActiveCare, mental health care is as important as physical health care. Extensive mental health coverage offers three options to access care:

1. **By phone** (Teledoc virtual option with \$0 copay in TRS-ActiveCare Primary and Primary+)
2. **Online** (Learn to Live digital program)
3. **In person** (Headway program connects member to a licensed therapist, matching specific needs of members and their location)

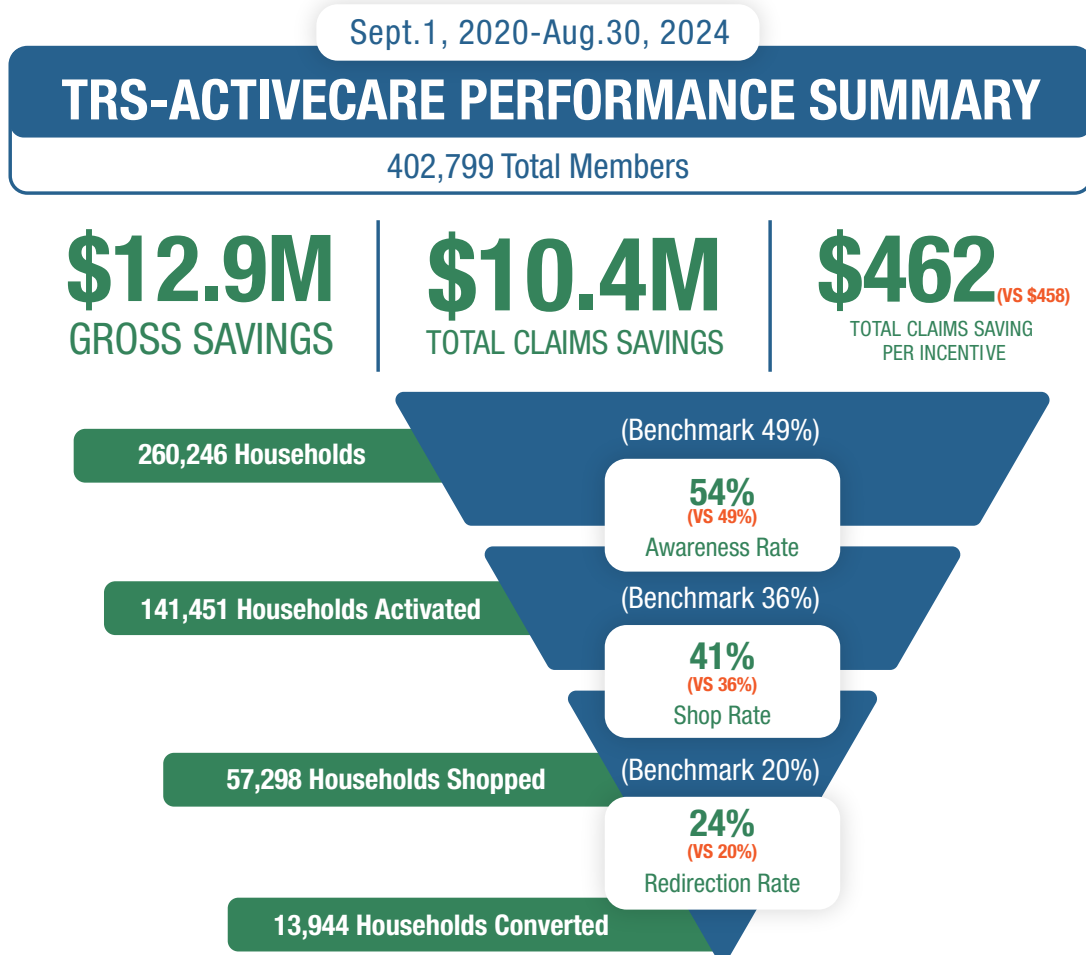
### Wellness Programs

TRS-ActiveCare plans offer programs to help employees manage their health and reach their wellness goals. Tailored to an employee's needs, they can take advantage of self-guided programs or get one-on-one support from a wellness coach with managing stress, improving fitness levels and dietary habits, and improving cholesterol and blood pressure. These wellness initiatives also offer affordable, no-contract memberships at gyms nationwide. There is also a virtual-only option.

# Rewarding Participants When They Choose High-Value Providers

TRS is committed to cost-saving and cost-containment strategies to deliver the highest value health benefits. However, TRS-Care and TRS-ActiveCare participants also have the power to impact the value of their plans by being savvy health care consumers. To encourage and empower informed decisions, TRS health plan participants are eligible to sign up for reward programs that deliver incentives for obtaining cost estimates for procedures and going to high-value providers. These incentives result in overall plan savings and reinforce the value delivered through TRS plan participation.

Figure 15:  
TRS-ActiveCare Rewards Program Trends, FY 2021-24



Since FY 2021, when the member rewards program was implemented for TRS-ActiveCare, it has performed above the benchmark relative to the book of business for Blue Cross and Blue Shield of Texas, when compared to other similar programs in key areas including awareness rate, shop rate, redirection rate and savings per incentive.

## Key performance areas include:

**\$12.9 million in gross savings generated across four plan years,**  
with an average claims savings of \$462 per incentive paid\*

**54% of eligible households activated the TRS-ActiveCare Member Rewards program,** 41% of which actively shopped for health care options

**24% of those who shopped (5.35% of eligible households) received an incentive**

**\$2,443,775 total incentives were paid with an average individual incentive of \$107**

\*Program-to-date data from Sept. 1, 2020 through Aug. 30, 2024

# Actively Engaging Retirees, Employers and Employees

## Connecting with retirees

An important way TRS demonstrates value to TRS-Care retirees is through its efforts to leverage education and engagement to improve health outcomes and increase participant satisfaction. In 2024, TRS hosted 22 in-person events that reached more than 5,800 attendees — 1.7 times more than 2023. TRS also hosted 23 online events in 2024 to conveniently deliver pertinent information to more than 8,400 attendees — 2.8 times more than 2023.

**TRS-Care in-person and online events reached more than 14,200 attendees in 2024 — 2.2 times more than 2023.**





# Connecting with employers and employees

Ongoing engagement with employers is important to TRS because it creates an understanding of the information and issues that make the greatest impact on decision-making and customer service. In 2024, TRS dedicated itself to enhancing support for district employers, facilitating seamless TRS-ActiveCare implementation across their districts. During its May meeting, the TRS Board of Trustees announced the rates for all TRS-ActiveCare. Following this, TRS hosted a Connect Call with district leaders to discuss the new rates, and held a series of in-person and online training sessions for benefit administrators to prepare them for annual enrollment.

In 2024, TRS addressed enrollment and eligibility questions post-annual enrollment and conducted calls with the 10 new districts to ensure the first few months of their TRS-ActiveCare experience was seamless. District Ambassadors were also deployed when required to address issues and answer questions. To enhance communications, TRS launched the “District Download” newsletter in August 2024 and maintained a steady stream of ongoing communications through email, calls, presentations and other events throughout the year.



# 2024 Activities and Engagement for TRS-Care and TRS-ActiveCare

## TRS-Care Retiree Activities and Engagement

Established MetLife as the new  
TRS-Care Dental and TRS-Care  
Vision benefits manager  
– launched January 2025

January–December

2025 plan year material prep  
(plan highlights, participant guides,  
FAQs, welcome kits, event collateral,  
slide decks, websites, videos)

April–December

327,357 packets mailed with  
TRS-Care 2025 Plan Year Materials  
(LTEO, Dental and Vision)

July–August

334,543 follow-up packets mailed

October

22 TRS-Care in-person events  
23 TRS-Care online events  
Over 14.2K attendees

August–December

Targeted social media campaigns  
Direct Emails  
LTEO with Leo Videos  
TRS-Care Dental and  
TRS-Care Vision Videos

January–December



# 662K

**packets mailed** with 2025  
TRS-Care plan year materials

## TRS-ActiveCare Employer/ Employee Activities and Engagement

2024-25 plan year materials preparation, review, publication (plan highlights, resource guides, admin guides, slide decks, websites, videos)

January–December

Board rate announcement

May

20 presentations with over 1,000 Benefits Administrators (six in-person, 14 online)

May–August

Four Connect Calls with 600 districts

January–December

Annual enrollment:  
14 From A–Z presentations  
(3,000+ participants)

July–August

2025 plan year mailing

December

10 transition calls with new districts

September–December

“District Download”  
newsletter launched

August

Total District Ambassador Interactions:

8,000+ Email Correspondence  
56 emails to 1,200 recipients (on average) for a total of 67,200 emails

January–December

Wellness-related meetings and events:

407 unique district visits  
12 conferences and multi-district events reaching about 275 district representatives

January–December

# TRS-Care FY 2024 Overview

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**Actively building trust  
with retirees**







# Care, Coverage and Support Retirees Can Count On

Since 1985, TRS has committed to actively pursuing and delivering health benefit solutions to retirees that focus on exceptional care and coverage, as well as ongoing support, communication and engagement. Over the years, TRS has had the privilege of strengthening relationships with retirees, so it is able to continue to evolve its support and reinforce its value to those it serves.

## TRS-Care offers two tailor-made health plans to meet the needs of retired public school employees

1

### TRS-Care Standard for retirees not eligible for Medicare (people under 65)

A high-deductible health plan for retirees and their eligible family members under 65 and not eligible for Medicare. This plan has medical and prescription drug benefits.

2

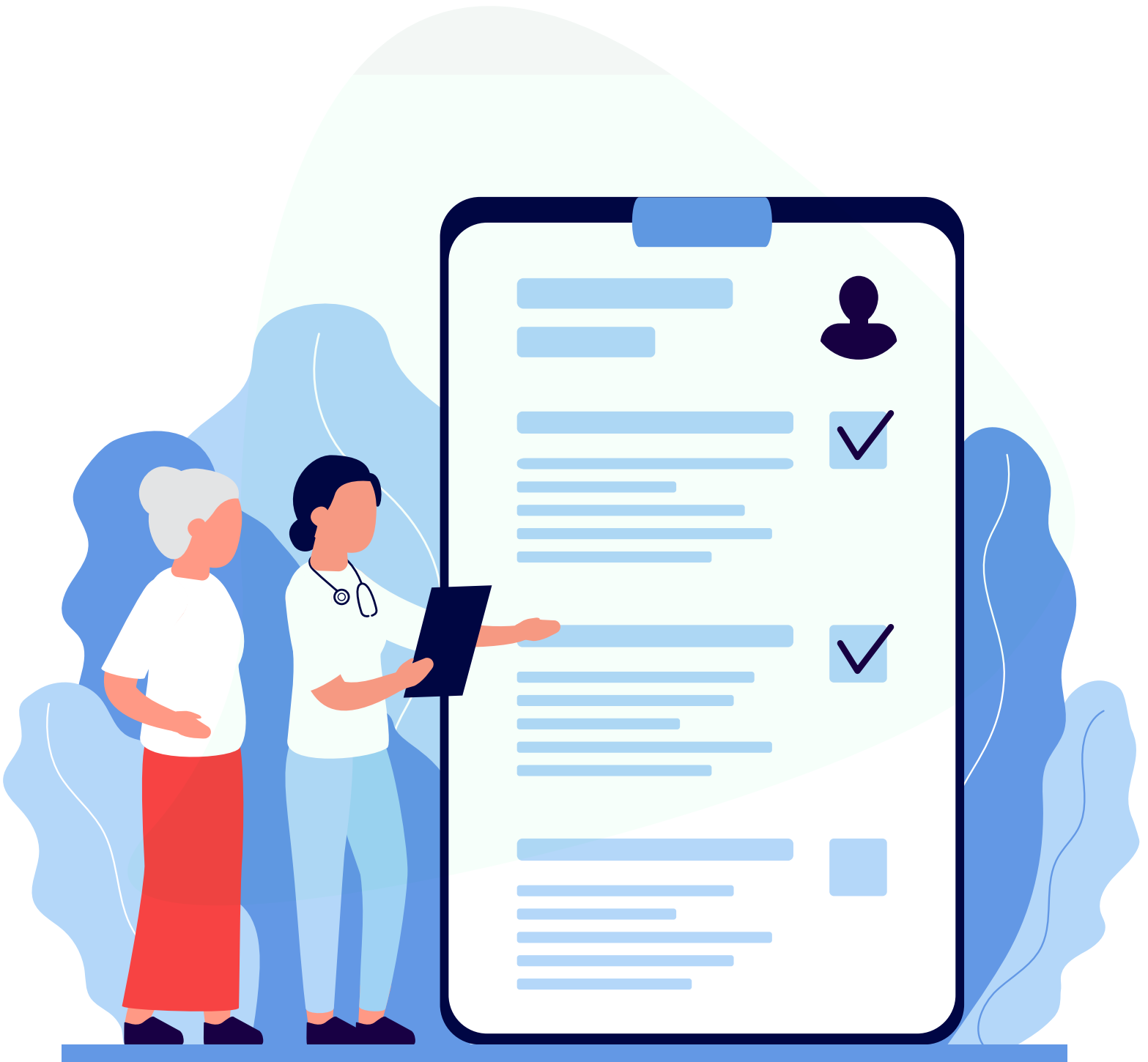
### TRS-Care Medicare Advantage for retirees on Medicare (generally people 65 or older)

For retirees and their family members eligible for and enrolled in traditional Medicare. TRS-Care Medicare Advantage is the medical plan, which includes a prescription plan, TRS-Care Medicare Rx.

Each plan has comprehensive medical and prescription coverage ([see Appendix J for 2025 TRS-Care Benefit Changes](#)). Additionally, a healthy, strong TRS-Care fund balance and recent federal changes to Medicare, along with TRS' diligent plan management and other factors, allowed TRS to lower premiums by about 45% for Medicare-eligible retirees (effective Jan. 1, 2025) while maintaining the long-term stability of the TRS-Care fund.

## TRS lowered premiums by about 45% for Medicare-eligible retirees

TRS is also offering a **limited-time enrollment opportunity** for Medicare-eligible retirees to enroll in or rejoin TRS-Care Medicare Advantage and benefit from lower premiums. As a result, overall retiree satisfaction with TRS health care services increased dramatically in 2024. More than three-fourths (79%) of retired participants are “very satisfied” or “satisfied” with TRS health care services compared to 53% combined satisfaction in 2023 (2024 TRS Member Satisfaction Survey).





# The TRS-Care Journey

A shared journey of growth and trust

## Creation of TRS-Care:

In 1985, TRS accepted the responsibility of administering a health insurance program for Texas public school retirees.

## Rising health care costs:

Contribution rates remained the same from 2005-17. As a result, funding did not keep pace with health care expenses. A November 2016 report by the Texas Joint Interim Committee that studied TRS health benefit plans projected a \$1.3-1.5 billion budget shortfall by the 2018-19 biennium and a \$4.1 billion shortfall by FY 2021.

Source: Texas Sunset Advisory Commission Report to the 87<sup>th</sup> Texas Legislature, 2019

Through diligent management, the fund stabilized and experienced significant growth. TRS continues to identify ways to increase the value of the plans for retirees. [See Appendix I for enrollment information.](#)

1

The 85<sup>th</sup> Texas Legislature directed TRS to make plan changes in 2018, thereby eliminating four health care plans and discontinuing the premium tiering system based on years of service.

2

A number of factors contributed to a significant increase in premiums and participant cost sharing, which led to a decline in TRS-Care participants in 2018.

3

7

Through March 2026, TRS will offer a **limited-time enrollment opportunity (LTEO)** to Medicare-eligible retirees and their dependents. This will allow non-participants to rejoin or enroll in TRS-Care Medicare Advantage and take advantage of the new, lower premiums, even if they're outside their initial turning 65 enrollment eligibility timeframe.

9

TRS retirees started receiving TRS-Care Dental and TRS-Care Vision benefits for the first time on Jan. 1, 2025.

8

TRS-Care Standard has consistently maintained the same competitive premiums for eight years in a row, from 2018 to 2025.

6

Through TRS' commitment to deliver value, TRS enhanced retiree benefits by lowering premiums about 45% for 2025 TRS-Care Medicare Advantage participants.

5

Retiree health plan satisfaction increased from 53% in 2023 to 79% in 2024.

4

In 2023, the 88<sup>th</sup> Texas Legislature passed Senate Bill 1854, allowing TRS to offer optional dental and vision plans to TRS retirees and their eligible dependents.





# TRS-Care Benefits Update

## Active fund management and plan enhancements for retirees

TRS continually strives to provide the most affordable, comprehensive and highest value health benefit solutions that enrich the lives and well-being of participating retirees — all while maintaining the long-term stability of a strong, healthy TRS-Care fund. These efforts paid off, resulting in growth to the fund in 2024, keeping TRS-Care in a strong position for 2025.

## Lower TRS-Care Medicare Advantage premiums

Recent federal changes to Medicare, along with TRS' diligent health plan management and other factors, generated savings for TRS-Care Medicare Advantage. This gave TRS a unique chance to adjust premium costs for these participants.

TRS received direction from Texas legislative leadership to use savings to reduce TRS-Care Medicare Advantage premiums. Looking ahead to 2025, TRS retirees can expect a year of lower, stable TRS-Care premiums. **TRS-Care Medicare Advantage will see premium reductions of approximately 45%.**

In future years, TRS will need to determine limited, incremental increases to TRS-Care Medicare Advantage premiums based on market trends and rising health care costs.

## Limited-time enrollment opportunity

Thanks to reductions in TRS-Care Medicare Advantage premiums, TRS is offering a limited-time enrollment opportunity (LTEO) through March 2026. This **gives eligible retirees a chance to enroll in or rejoin TRS-Care Medicare Advantage** and benefit from the new, lower TRS-Care Medicare Advantage premiums.

## Steady TRS-Care Standard premiums

TRS-Care Standard for retirees not yet eligible for Medicare will see no premium increases for the eighth year in a row, from 2018 to 2025, demonstrating the long-term stability of TRS-Care.

## New dental and vision benefits

The 88<sup>th</sup> Texas Legislature passed Senate Bill 1854, allowing TRS to offer optional dental and vision plans to TRS retirees and their eligible dependents. After a thorough procurement process, TRS selected MetLife to administer two new plans, TRS-Care Dental and TRS-Care Vision.

The new plans offer comprehensive coverage and extensive provider networks tailored to the unique needs of TRS retirees, who can enroll in dental, vision or both plans. They don't need to be enrolled in a TRS-Care health plan to sign up for these exciting new benefits.

For the 2025 plan year, just **over 106,000 retirees signed up for TRS-Care Dental and TRS-Care Vision**, demonstrating the value of these TRS-Care enhancements.

All these factors work in tandem to enhance the long-term stability of TRS-Care. [See Appendix N: TRS-Care Funding](#) by Source.

**Table 2:**  
**TRS-Care Benefits and Premium Update, 2025**

Plan	Benefits for Plan Year 2025 Effective Jan. 1, 2025	Premium/ Coverage
<b>TRS-Care Medicare Advantage (includes TRS-Care Medicare Rx)</b>	<ul style="list-style-type: none"> <li>• TRS lowered premiums by about 45% for the 2025 plan year. Participants will save between \$720–\$4,884 per year, depending on the plan tier they choose: Retiree only, Retiree + spouse, Retiree + child(ren) or Retiree + family</li> <li>• Limited-time enrollment opportunity (LTEO) for Medicare-eligible TRS retirees and their eligible dependents</li> <li>• New card by UnitedHealthcare (called UCard) combines four cards into one (medical, over the counter, HouseCalls, and Rewards)</li> </ul>	Lower premiums No reduction to benefits in 2025
<b>TRS-Care Standard</b>	<ul style="list-style-type: none"> <li>• TRS-Care Standard rates are staying the same for the eighth year in a row, from 2018 to 2025</li> <li>• Pricing remains competitive at 20–40% of the cost of similar individual market plan</li> <li>• Deductibles increased \$50 per individual and \$100 per family to align with IRS guidelines. This change is required for TRS-Care Standard, a high-deductible health plan, to stay compatible with health savings accounts</li> </ul>	No reduction to benefits or change to premiums in 2025
<b>TRS-Care Dental and TRS-Care Vision</b>	<ul style="list-style-type: none"> <li>• Two new optional plans for TRS retirees and their eligible dependents (new plans are for any TRS retiree)</li> <li>• The option to choose: retirees can enroll in one plan or both since these are separate plans, each with its own premium</li> <li>• Flexible enrollment options: retirees have the option to enroll every year through the annual enrollment period</li> <li>• The plan year for these new benefits aligns with TRS-Care health plans (Jan. 1–Dec. 31)</li> </ul>	<b>NEW BENEFITS FOR 2025!</b>

For benefit updates before the 2025 TRS-Care plan year, [see Appendix J: TRS-Care Benefit Changes](#).

# TRS-Care Membership

TRS-Care membership has been relatively stable over the last few years. In FY 2024, about 154,000 TRS-Care participants were enrolled in TRS-Care Medicare Advantage (figure 16) and 62,000 participants were enrolled in TRS-Care Standard (figure 17). Enrollment in TRS-Care Standard typically increases each September as a result of increased retirements. Enrollment increased by about 6% from August to September 2024 with 73% of this increase coming from participants transitioning from TRS-ActiveCare. For a deeper view into TRS-Care membership, [see Appendix I](#).

Steady  
membership  
over the last  
few years

Figure 16:  
TRS-Care Medicare Advantage Membership, FY 2018-24

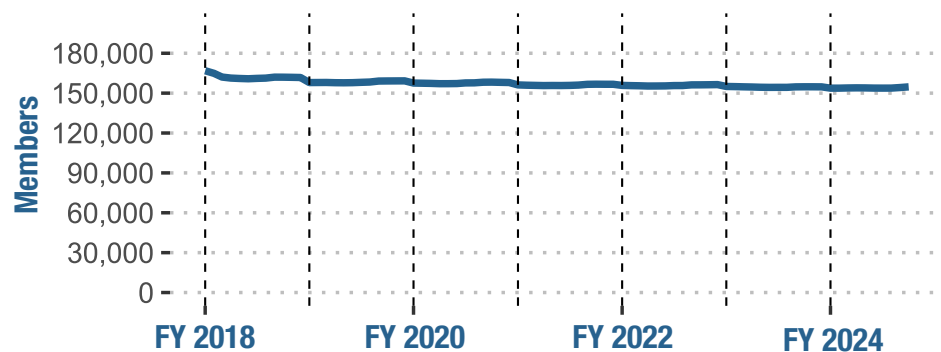
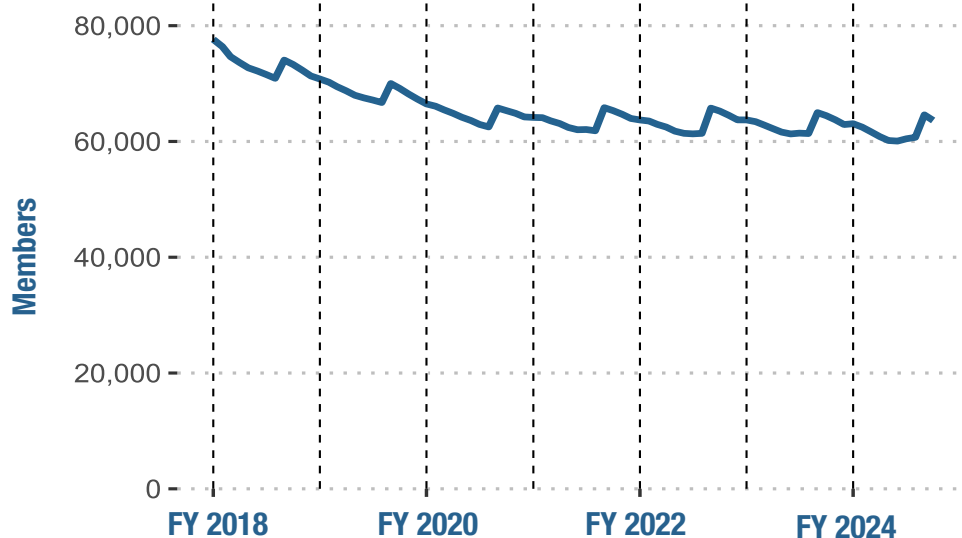


Figure 17:  
TRS-Care Standard Membership, FY 2018-24



# 2024 TRS-Care Plan Management

## Managing costs. Raising standards.

TRS' focus on providing health benefits uniquely designed for the needs of public school retirees requires striking a balance between cost containment and reduction strategies and plan enhancement efforts. This detailed and balanced approach to plan management led to several key highlights for TRS-Care plans in 2024:

1

**Reduced 2025 premiums for TRS-Care Medicare Advantage**

2

**Launched the limited-time enrollment opportunity (LTEO) for TRS-Care Medicare Advantage**

3

**Maintained the same TRS-Care Standard premiums for eight years, from 2018 to 2025**

4

**Created TRS-Care Dental and TRS-Care Vision, two new optional plans open to any TRS retiree**

TRS will continue to actively manage TRS-Care plans according to trends and changes in federal laws and regulations. This includes making **annual, managed incremental adjustments** to TRS-Care premiums and potential plan changes as the fund and market indicate, to ensure plan and fund stability for the foreseeable future.

# Cost Reduction for TRS-Care Medicare Advantage

Despite the continuous trend of rising health care costs, TRS effectively managed costs for TRS-Care Medicare Advantage, resulting in a significant decrease in monthly and ongoing premium costs for retirees and their families. This results in individual participant savings ranging from \$720–\$4,884 per year, depending on the plan tier they choose (Retiree only, Retiree + spouse, Retiree + child(ren), Retiree + family).

Participant savings ranging  
from \$720–\$4,884 per year





# Raising the Standard with TRS-Care Standard

For the past eight years, TRS-Care Standard rates have remained steady. The plan’s pricing is considerably lower than similar competitive plans offered on the individual market in Texas, with rates ranging from 20–40% lower. Through TRS’ focused approach to cost reduction that leverages vendor management strategies, risk mitigation and dispersion through scale, and efficient administrative cost management, **TRS-Care Standard is able to deliver high-value benefits and remain competitive without increasing participant premiums.** In 2025, deductibles for the plan will increase by \$50 per individual and \$100 per family to align with IRS guidelines. This change is required for TRS-Care Standard to stay compatible with health savings accounts.

Table 3:  
**TRS-Care Standard Premiums for Non-Medicare Eligible Retirees Compared to Individual Market**

TRS-Care Standard Plan Tier	2025 Premiums for TRS-Care Standard for Non-Medicare Retirees	Individual Market (Mid-Point Region *Dallas 8)	
		Age 55	Age 60
Retiree only	\$200	\$829.55	\$1,009.60
Retiree + spouse	\$689	\$1,659.10 (2X individual premium, assumes both are age 55)	\$2,018.50 (2X individual premium, assumes both are age 60)

\*Premiums on the individual market vary by age and region of the state, whereas TRS-Care Standard premiums do not. Dependent coverage is priced at the individual market rate (i.e., age 55 retiree and spouse would be \$829.55 x 2).

**TRS-Care Standard pricing is competitive at 20-40% of the cost of individual market plans**

# Creating Opportunity Through the Limited-Time Enrollment Opportunity (LTEO)

With lower premiums in place, TRS seeks to extend cost savings to as many public school retirees as possible through the creation of a new **limited-time enrollment opportunity**. It allows retirees not currently enrolled to take advantage of the low-cost plans even if they are outside their normal enrollment eligibility window. TRS set an 18-month enrollment period that spans the start of two plan years, allowing sufficient time for retirees to make the decision to enroll. Since launching this enrollment opportunity in October 2024, 678 retirees have enrolled in the plan, demonstrating TRS' commitment to actively deliver value to as many public education retirees as possible.

First Year  
Enrollment from  
Limited-Time  
Enrollment  
Opportunity:  
678 Retirees



# TRS-Care Plan Enhancements

## Benefits designed for the needs of retirees

TRS continually pursues new ways to provide high-value health benefits to retirees. This pursuit led to plan enhancements for 2025 focused on providing robust, whole-person coverage at a competitive price. TRS spearheaded an extensive procurement process for dental and vision coverage, at a cost in line with other similar, competitive individual plans.



# TRS-Care Dental and TRS-Care Vision: providing whole-person coverage for retirees

TRS rolled out two new, optional benefit plans designed to enhance the everyday health of participating retirees. The two plans, TRS-Care Dental and TRS-Care Vision, offer extensive provider networks and benefits. The plans are available to all eligible TRS retirees, even if they're not enrolled in TRS-Care medical or pharmacy benefits. They can enroll in TRS-Care Dental, TRS-Care Vision — or both.

Table 4:  
TRS-Care Dental and TRS-Care Vision Benefit Overview, FY 2025

TRS-Care Dental	TRS-Care Vision
<ul style="list-style-type: none"> <li>• Extensive provider network with access to more than 133,000 licensed dentists nationally</li> <li>• Nationwide Preferred Dental Program (PDP) Plus network</li> <li>• Flexibility to see any dentist</li> <li>• Access to quality providers through MetLife's Spotlight on Oral Health program</li> <li>• In-network negotiated fees with discounts up to 30%–45% off dentist listed prices</li> <li>• International dental travel assistance program</li> <li>• Annual maximum benefit of \$1,500 per person</li> <li>• Plan design that rewards retirees for preventive care by increasing the annual maximum benefit when retiree gets two annual cleanings and exams</li> <li>• \$50 deductible for individuals and \$150 for families</li> <li>• Virtual dental care available 24/7 (consults or visual exams, prescriptions, evaluation to prioritize care, referrals to in-network providers)</li> </ul>	<ul style="list-style-type: none"> <li>• Access to more than 167,000 in-network providers and retailers nationally via Superior Vision network</li> <li>• Flexibility to see any eye care professional</li> <li>• Coverage and discounts on eyeglass lens enhancements</li> <li>• Coverage for diabetic exam plus ophthalmological services with Type 1 or Type 2 diabetes diagnosis</li> <li>• Discounts on additional pairs of prescription glasses/contact lenses</li> <li>• 20-35% discounts on laser vision correction</li> <li>• Free hearing exam and up to 40% discount on hearing aids</li> <li>• \$15 copay for eye exams</li> <li>• \$10 copay for eyewear, annual \$150 credit for eyewear and 20% over allowance</li> </ul>

## Straight from the source: Retiree feedback on new benefits



“TRS has been good to me the past 13 years of retirement, so I’m trusting that the new dental and vision plan will be the same.”—Anthony Zuccarini



# TRS-ActiveCare FY 2024 Overview

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**Built for employees.  
Activated for employers.**





# About TRS-ActiveCare

## Health benefits for active public school employees and their families

Eligible active public school employees have access to four TRS health plans and two HMO plans administered by BCBSTX. Each plan has comprehensive medical and prescription coverage.

**TRS-ActiveCare Primary**

**TRS-ActiveCare Primary+**

**TRS-ActiveCare HD**

**TRS-ActiveCare 2 (closed for new enrollment)**

**Blue Essentials West Texas HMO (fully insured by BCBSTX)**

**Blue Essentials South Texas HMO (fully insured by BCBSTX)**

TRS is committed to providing educator-focused health benefit choices that meet the unique needs of participants because TRS understands that health coverage needs and expectations vary from person to person. TRS' commitment is to provide health benefits that are valuable to participants' unique needs, so TRS-ActiveCare plans are selected to allow flexibility through these options. TRS-ActiveCare Primary offers a lower premium, TRS-ActiveCare Primary+ delivers a lower deductible option, while TRS-ActiveCare 2 offers the lowest deductible option in exchange for a higher premium.

Table 5:  
**TRS-ActiveCare Plan Options to Address the Unique Needs of Active Public School Employees**

	TRS-ActiveCare Primary	TRS-ActiveCare Primary+	TRS-ActiveCare HD
<b>Plan Summaries</b>	<ul style="list-style-type: none"> <li>• Lowest premium of all three plans</li> <li>• Copays for doctor visits before you meet your deductible</li> <li>• Statewide network</li> <li>• Primary Care Provider (PCP) referrals required to see specialists</li> <li>• Not compatible with a Health Savings Account (HSA)</li> </ul>	<ul style="list-style-type: none"> <li>• Lower deductible than TRS-ActiveCare Primary and TRS-ActiveCare HD plans</li> <li>• Higher premium</li> <li>• Statewide network</li> <li>• PCP referrals required to see specialists</li> <li>• Not compatible with a Health Savings Account (HSA)</li> <li>• No out-of-network coverage</li> </ul>	<ul style="list-style-type: none"> <li>• Must meet your deductible before plan pays for non-preventive care</li> <li>• Nationwide network with out-of-network coverage</li> <li>• No requirement for PCPs or referrals</li> <li>• Compatible with a Health Savings Account (HSA)</li> </ul>





# The TRS-ActiveCare Journey



**The Value Grows** — While the legislature created TRS-ActiveCare to address the gaps in health care coverage for smaller districts, the value the plans delivered attracted employers of all sizes. Once employers opted in to TRS-ActiveCare, they had to continue participating permanently.

1

**A Growing Need Among Employers** — Before the Texas Legislature created TRS-ActiveCare, Texas school districts, especially smaller ones, had a gap in their ability to give employees sufficient health care coverage.

2

**The Creation of TRS-ActiveCare** — In 2001, the Texas Legislature gave TRS the responsibility of administering a new statewide health care program for eligible public school employees and dependents. TRS called this new program TRS-ActiveCare. To improve plan premium affordability, the legislature included a provision that required participating school districts (employers) to exclusively use TRS-ActiveCare.

3



**Growing and Preparing** — In 2024, TRS onboarded 10 new school districts to TRS-ActiveCare. The increase in employers joining is a direct result of the effective cost management strategies and high-value health benefit options that TRS-ActiveCare delivers year over year compared to other market options. However, TRS is always looking ahead to sustain the delivery of high-value health benefits that are tailor-made for Texas public school employees and their families. Based on data trends, TRS is actively taking measures to prepare for the future:

In 2023, the Texas Legislature provided a \$588.5M appropriation as part of a four-year plan to limit premium increases within a 10% average. The second and final appropriation of \$450M will be decided in 2025.

TRS is continuing to offer employers throughout Texas market-leading products through collaboration and delivery of high-value plan products.

TRS is collaborating with participating employers of TRS-ActiveCare to maximize value, ensure satisfaction and retain their participation in the plans.

**Maximizing the Power of Choice** — In 2021, the Texas Legislature passed SB 1444, giving employers the flexibility to opt in or out of TRS-ActiveCare. The bill clarified the prohibition on offering competing coverage alongside TRS-ActiveCare. It allowed employers to shop for coverage outside of TRS-ActiveCare and choose plans they deemed to deliver the highest value. Even with this choice, TRS-ActiveCare retained 90% of participating employers in the first year after SB 1444 passed. Subsequent years have shown steady participation, with 98% to 99% of districts choosing to stay in TRS-ActiveCare. The statute also requires employers to opt in or out of TRS-ActiveCare for a minimum of five years. This requirement delivers enhanced flexibility to employers while maintaining plan stability so TRS can continue to support the health care needs of Texas public school employees for years to come.

**A Loophole Leads to Rising Costs** — While the statute prohibited participating employers from offering employees alternative, competitive group coverage, a District of Innovation (DOI) loophole opened the door from 2019 to 2021 to offer competing coverage alongside TRS-ActiveCare. About 140 of 1,100 employers leveraged this loophole; many of the plans offered in contrast to TRS-ActiveCare provided fewer benefits. This drove up costs for employers participating in TRS-ActiveCare, as TRS retained disproportionately higher-cost participants who needed comprehensive medical benefits and robust provider networks.

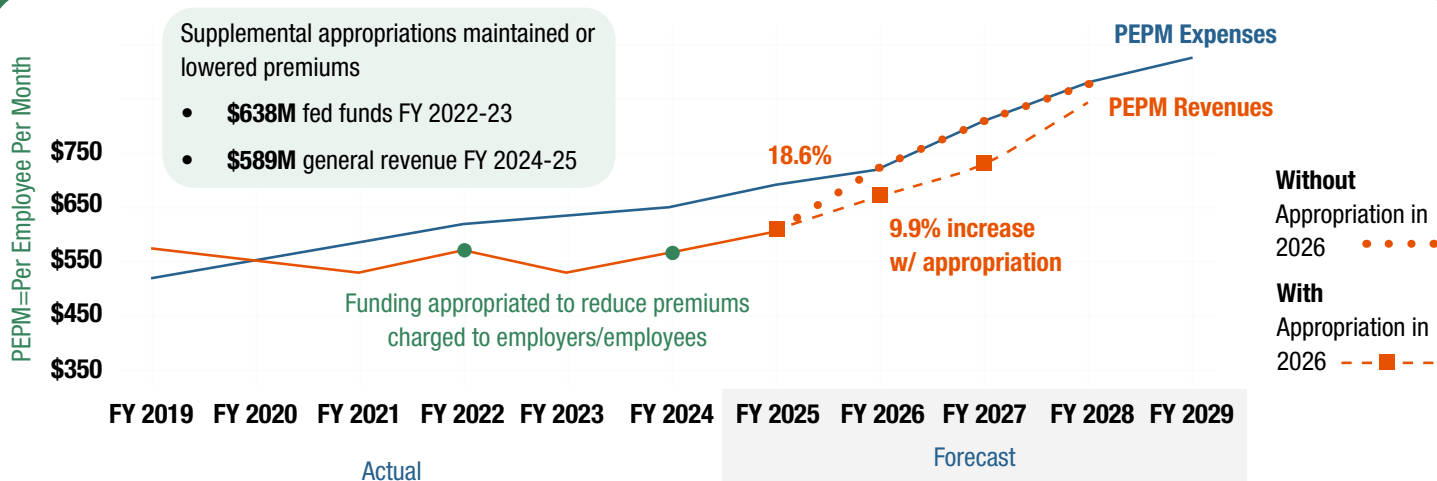
# Actively Remaining Competitive in a World of Rising Costs

As costs related to health care accelerate nationally and in Texas, TRS-ActiveCare continues to demonstrate its value to public school employers by remaining competitive and below market. As shown in [Figure 4](#) (from Active Cost Management section), the cost growth per participant since 2013 has been below peers. In addition, the total cost for TRS-ActiveCare coverage is below market.

During the pandemic, TRS also covered out-of-pocket costs for participants for COVID-19 related testing and treatment. In FY 2022-23, TRS secured one-time federal funding of \$721 million for all TRS health programs and TRS allocated \$638 million to TRS-ActiveCare to prevent COVID-related costs from being passed onto participants.

As part of this appropriation, the legislature instructed TRS to avoid any premium increases in TRS-ActiveCare. In line with the legislature's request, TRS lowered premiums by approximately 6.1% on average for the 2022-23 plan year. The decreases in premiums charged to employers were largely passed on to employees, resulting in savings of more than \$900 per year per employee in premium costs for multiple years. Additionally, 2024's decrease will keep future costs lower.

Figure 18:  
Potential TRS-ActiveCare Premium Increase Without Additional Funding



**Without Funding** FY 2026 Gross Premiums Increase by Nearly 20%



Fiscal Year	Avg. Premium Increase
FY 2026	\$118
FY 2027	\$65



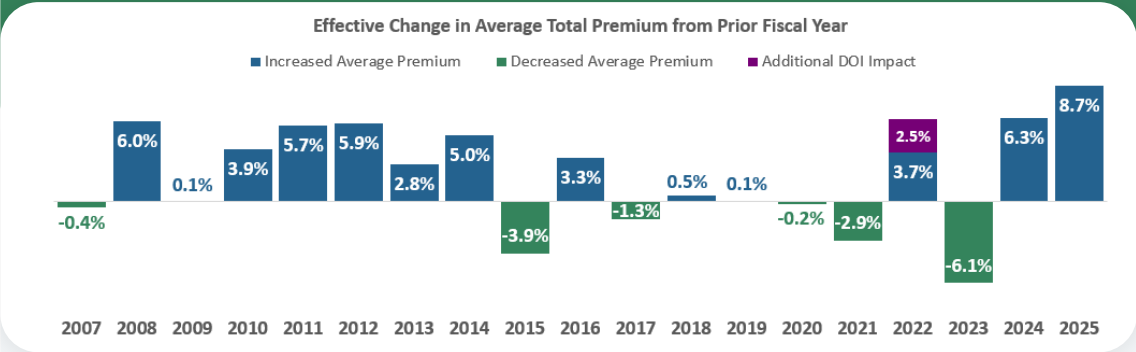
Educators pay **\$2,196 more annually by FY 2027**

Average premium increase based on per employee per month (PEPM) expenses across all plans and tiers. Based on medical trend indicators, health care costs expected to grow 5.4% each year; premiums/funding amounts may need to increase depending on actual costs. Assumes 20,000 new lives in FY 2026 at a higher average cost and return of eligible districts in FY 2028. Data and estimates as of January 2025. Actual amounts will change as more data is received. Increase in public educator contributions assumes no increases in employer contributions. Fiscal Year and Plan Years are the same.

To return premiums back to claims cost, the Texas Legislature started appropriating funds in the FY 2024-25 biennium to prevent the average gross premium from increasing by more than 10% on average in a single year. TRS requested and was appropriated around \$589 million for TRS-ActiveCare from the Texas Legislature for the FY 2024-25 biennium. Keeping its commitment to the Legislature, TRS increased premiums by 6.3% and then 8.7% (below 10%) in subsequent years. The second and final appropriation of \$450 million will be decided in 2025.

Thanks to legislative appropriations, TRS effectively keeps premium increases below 10% average each subsequent year.

Figure 19:  
Effective Change in Average Total Premium from Prior Fiscal Year, FY 2007-25



This chart shows the change in the average premium per employee based on actual enrollment. FY 2025 is estimated based on September 2025 enrollment and premiums. DOI = Districts of Innovation offering competing coverage alongside TRS-ActiveCare. SB 1444 prohibited districts from offering coverage alongside TRS-ActiveCare effective Sept. 1, 2022.

## The impact of employer contribution on employee affordability

The below-cost (and below-market) premiums charged to employers have offered significant savings to employees over multiple years; however, employees still face significant challenges in affording premiums, particularly for dependents as employer contributions have not kept pace.

The amount an employee pays is determined by starting with the gross premium of the plan and subtracting the amount covered by the employer’s contribution. The employee is responsible for the rest.

**TRS sets the total premium needed for each plan and tier, but does not have control over the portion of the premium employees pay, as employers determine their contributions independently.** In FY 2025, for example, premiums increased by an average of 8.7%. Most employers (61%) did not increase their contribution. As a result, employees were responsible for covering the difference, resulting in an average employee contribution increase of \$55 per month.

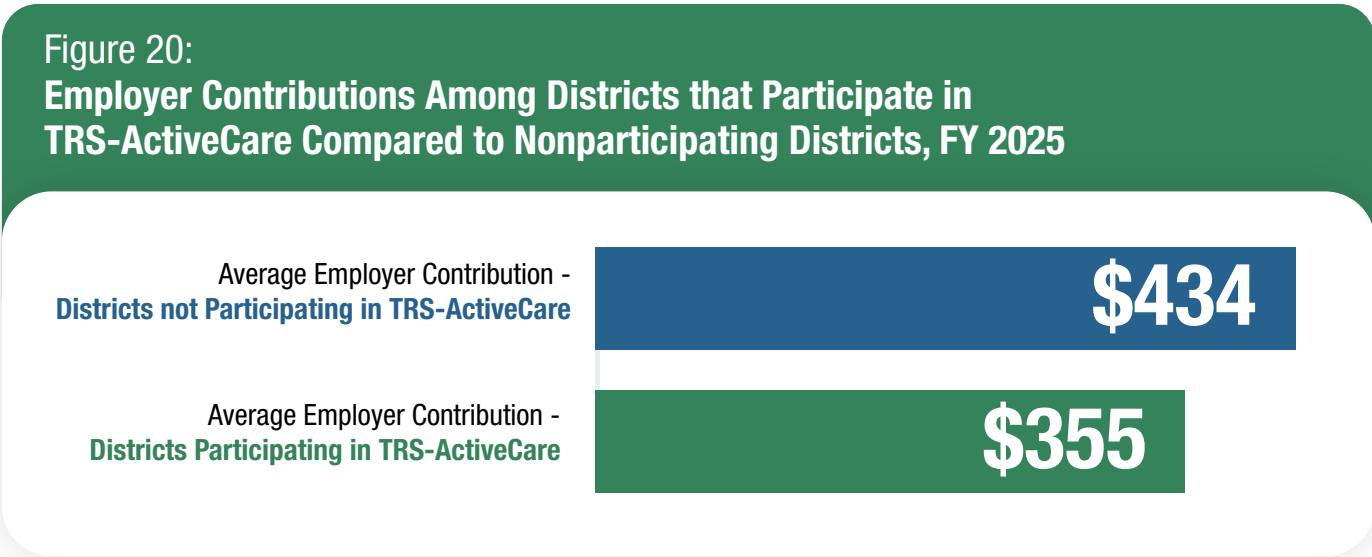
To understand affordability dynamics, TRS compared employee annual premiums for the lowest-cost plan as a percentage of salary to a national study conducted by the Segal Group. The results show that in FY 2024, many employees were struggling to afford **their share of the premium**, especially when they cover dependents.

Affordability challenges increase with family and dependent coverage

TRS has found that employers often match their monthly contributions for employees to the premium cost for the employee-only tier. This can lead to an affordability challenge for employees who want to cover their dependents and families. Assuming a single-income household, in FY 2024, 37% of employees were contributing more than 8.39% of their salary towards the least expensive premium to cover a child.

In FY 2024, 37% of employees contributed >8.39% of their salary to cover a child

Premium rates for TRS-ActiveCare are established individually for each Texas Education Service Center region, considering variables including a region’s average cost of health care and its demographics. Due to this, gross premiums as set by TRS can vary significantly from region to region.

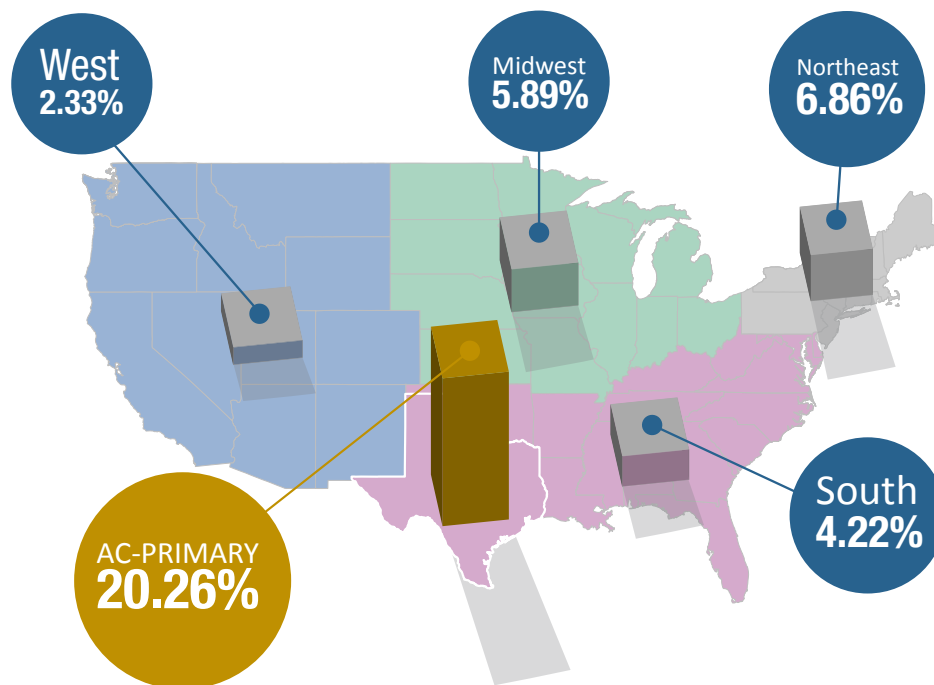


Most employers contribute a flat amount each month based on the cost of the employee-only tier, which means that employees who cover dependents pay a higher amount for coverage. TRS found that in FY 2024, 37% of employees that covered children paid more than 8.39% of their salary for coverage.

While statewide, most employees paid less than 8.39% of their salary for employee-only and the employee and child coverage, the reverse is true for the employee and spouse and employee and family plans. To cover a spouse on TRS-ActiveCare Primary, the median contribution (as a percentage of salary) required around 15% of salary in FY 2024. The median contribution of salary for the family plan in FY 2024 was 20.26%, which is almost five times the 4.22% that public employees working in the South pay for the least expensive plan (figure 21).

Figure 21:

### TRS-ActiveCare Primary Participants' Contribution as a Percentage of Salary, FY 2024



Enrollment data is based on TRS-ActiveCare plans and all plan tiers in participating districts. Percentages may change with new data. For about 1% of enrolled participants (4% of all participants), missing/inaccurate salary was replaced with the median salary for that job class. Salary data represents employees only and does not account for dual-income households. For employees with multiple jobs, the primary job was used as their job class. Regional median contribution data was obtained from Segal Group 2024 State Employee Health Benefits Study.

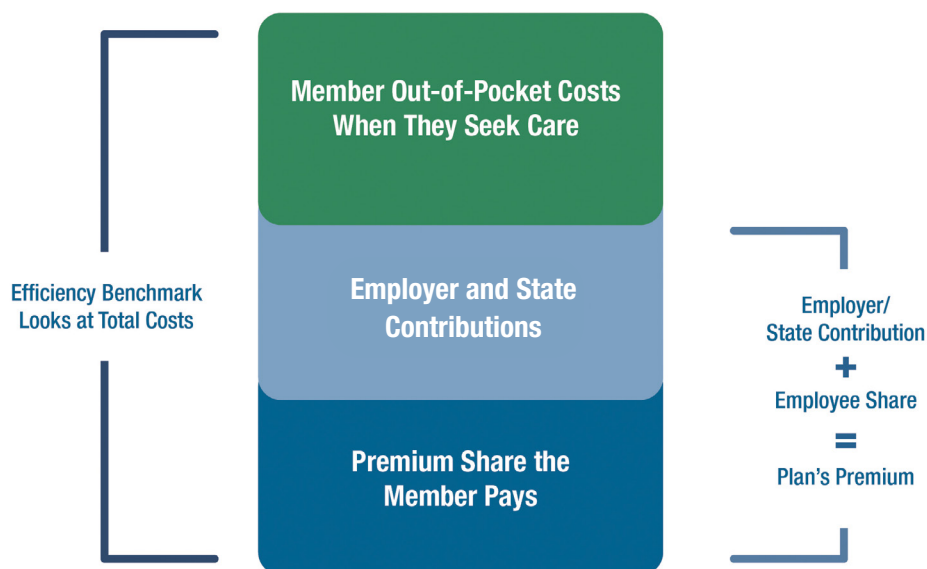
**TRS-ActiveCare Primary participants' contribution as a percentage of salary is almost five times that of southern state public employees for the least expensive plan.**



However, affordability looks much better for those who only need coverage for themselves. Assuming a single-income household, over 95% of employees had affordable coverage for the lowest cost employee-only plan (TRS-ActiveCare Primary) in September 2023. However, the median employee-only contribution as a percentage of median salary was approximately 2.46%, which was almost four times higher than that of state and public education employees in the southern region of the U.S. (0.64%) but lower than the northeast United States (2.78%).

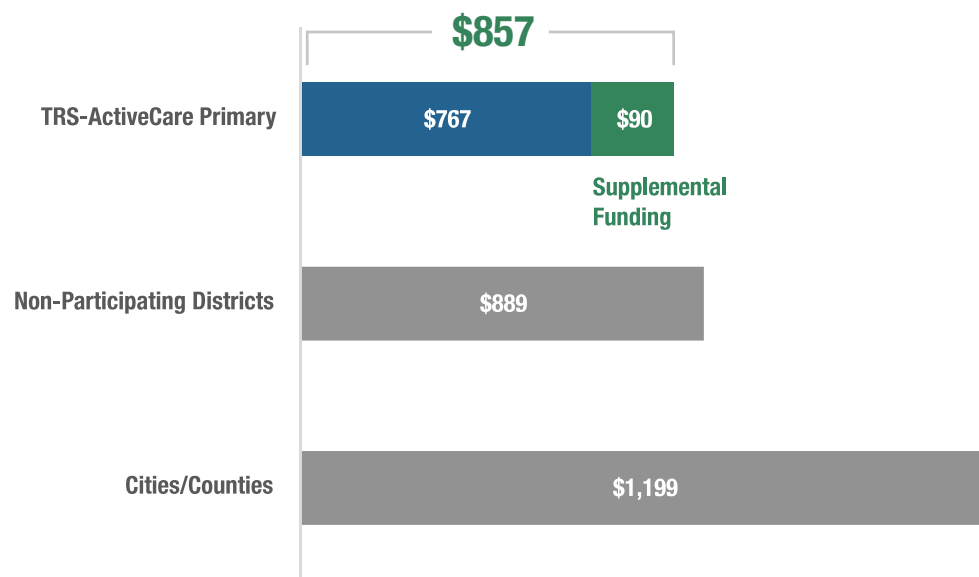
Additionally, the total cost of coverage is competitive with the market. TRS compares the cost of its health plans by comparing the total cost of coverage, including premiums and out-of-pocket expenses.

Figure 22:  
**Efficiency Benchmark Looks at Total Costs**



Comparing TRS-ActiveCare to plans in Texas offered by public education employers that have a similar set of benefits, the TRS-ActiveCare Primary plan costs on average 4% less than similar plans. Due to supplemental funding provided by the legislature, the cost paid by employers and employees is currently 14% less expensive than what is available in the market. The per-person costs are significantly lower than coverage offered by cities and counties.

Figure 23:  
**TRS-ActiveCare Cost Comparison, FY 2024**



**TRS-ActiveCare Primary costs 4% less on average than similar plans**

Similar plans are based on the percentage of claims (actuarial value) paid by the plan. This was defined as having an actuarial value +/- 3% of TRS-ActiveCare-Primary

During the 87<sup>th</sup> Regular Legislative Session, TRS was required to conduct a third-party study of TRS-ActiveCare, which found that:

**TRS-ActiveCare total premiums are lower than similar size competitive plans and national state averages.**

**TRS is more efficient and more cost effective than the comparative groups.**

**Low funding by the state and employers leads to higher costs for participants.**

# Back in Action: The Return of In-Person Training Sessions

It's no question COVID-19 presented several unprecedented challenges to public school employers, employees, and the world, many of which had a lasting impact. In 2020, TRS surveyed employers and the results revealed 66% preferred an online option, while 34% favored in-person training. While these replacement measures were sufficient, TRS saw the value in reinstating in-person training sessions for employers who prefer face-to-face interactions while still offering an online option for those who prefer to stay remote.

TRS held 20 trainings in FY 2024, six of which were in person at local Education Service Centers. About 1,000 individuals benefited from these trainings. Overall, reinstating in-person training sessions generated positive responses, and TRS plans to continue offering this engagement option.



# Case Study:

## Wellness in Action with Pearland ISD

In 2024, Pearland ISD expressed interest in expanding its TRS-ActiveCare wellness program to further promote the importance of comprehensive health and well-being among the district's employees. This wellness expansion impacted the 1,553 employees enrolled in TRS-ActiveCare or more than 50% of the district's staff.

This effort led to the implementation of several health support initiatives, ensuring a holistic approach to district employee wellness. The Blue Cross and Blue Shield of Texas wellness coordinator led some key programs for Pearland ISD employees.

### Blood Pressure Clinics

Recognizing the importance of cardiovascular health, Pearland ISD and TRS-ActiveCare organized a blood pressure clinic. This initiative gave employees the chance to regularly check their blood pressure, get personalized advice on maintaining healthy levels, and learn about the risks associated with hypertension. The clinic aimed to raise awareness and encourage active management of blood pressure, ultimately contributing to the overall health of the district's participants.

### Baby Shower

Pearland ISD and TRS-ActiveCare hosted a baby shower for expecting and new parents in the district. This event offered a supportive environment in which parents could get valuable information on prenatal and postnatal care, as well as nutrition and parenting tips. Attendees received essential baby item gifts, fostering a sense of community and support.

### Well onTarget Education

Well onTarget education was another significant initiative aimed at promoting wellness. The presentations gave comprehensive insights into Well onTarget, which offers personalized wellness coaching, health assessments and a variety of resources to help people achieve their health goals. It emphasized the importance of a balanced lifestyle and encouraged staff to take advantage of Well onTarget resources.

### Table Days for Wellness Information

Pearland ISD and TRS-ActiveCare hosted wellness "Table Days." They designed these events to give employees easy access to information about TRS-ActiveCare health and wellness programs. Representatives were on site to answer questions, distribute informational materials, and help with enrollment, ensuring district employees could make informed decisions about their health coverage.

### Conclusion

Through these and other collaborative efforts, Pearland ISD and TRS-ActiveCare demonstrated a strong commitment to the health and well-being of the public school community. By offering a range of health support initiatives, they created a supportive environment that prioritizes both physical and mental wellness, ensuring employees can thrive and effectively meet the demands of being a public school employee.

# Delivering Value in the Future



**Actively looking ahead**









# Understanding and Meeting the Challenges that Lie Ahead

TRS remains focused on the strategic goal of delivering value through a proactive approach to address the challenges that lie ahead for TRS, employers, employees and retirees.

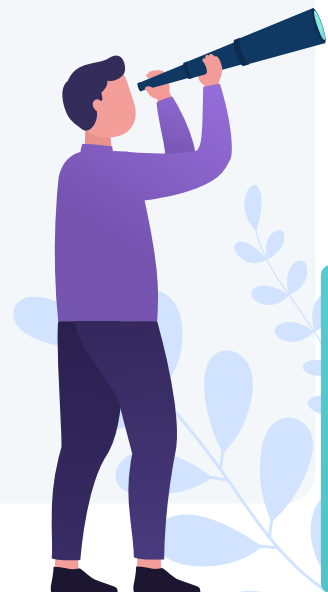
## Navigating misinformation

TRS delivers value through data. As more and more information and misinformation becomes prevalent in today's society, TRS remains committed to providing accurate and transparent data to the Texas Legislature and to public school education employers, employees, and retirees. TRS' robust outreach and engagement strategy includes sharing comprehensive informational resources along with hosting both in-person and online meetings to ensure clarity and trust.

## Commitment to continuous engagement and innovation

In 2024, TRS introduced new, innovative approaches to minimize cost and increase participant satisfaction.

TRS developed and distributed a district survey to collect feedback and solicit ideas on the tradeoffs employers may be willing to make to balance issues of affordability and broad benefit coverage. TRS believes employers should have an active voice in discussing innovative ideas about providing more flexibility and turnkey options for their employees' health benefits. Additionally, this feedback will be instrumental in guiding TRS to innovate future plan options while balancing costs. Moving forward, TRS will continue to engage district leaders, superintendents, CFOs and HR directors to educate and equip them to make decisions and lead health care conversations with employees.





# Appendix A:

## TRS-ActiveCare Membership by Plan, Age and Membership Status

TRS-ActiveCare offers three self-insured plans from which participants can choose: TRS-ActiveCare Primary, Primary+, or High-Deductible. TRS offers a fourth self-insured plan called TRS-ActiveCare 2, which is closed to new enrollees. In the self-insured plans, TRS sets rates and assumes risk for claims. In addition, TRS offers fully insured [regional HMOs](#) administered by BCBSTX in the south and west regions of the state. In these plans, insurers set rates and assume risk for claims.

TRS-ActiveCare Primary and Primary+ are physician-directed plans with low copays that participants can use before they reach their deductible. TRS-ActiveCare HD is a high-deductible plan in which participants must meet their deductible before the plan begins to pay for their health care.

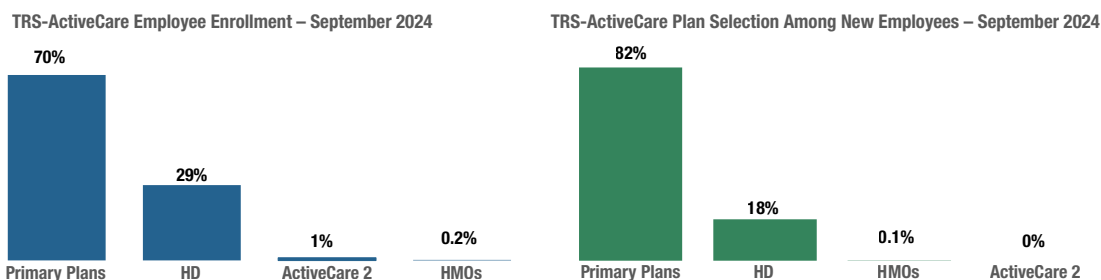
Physician-directed plans are the most popular among participants. As of Sept. 1, 2024, 70% of the 273,324 TRS-ActiveCare covered employees were enrolled in TRS-ActiveCare Primary and Primary+. About 82% of new employees joined the TRS-ActiveCare Primary plans, 10% of employees migrated from the TRS-ActiveCare High-Deductible plan to the TRS-ActiveCare Primary plans and 80% of employees migrated from HMO plans to the TRS-ActiveCare Primary plans.

For more specifics about TRS-ActiveCare health plans and rates that vary by region in the 2024-25 plan year, please refer to [2024-25 TRS-ActiveCare Rates \(trs.texas.gov\)](#).

As of the start of the plan year that began Sept. 1, 2024, 974 employers, or about 79%, of 1,238 school districts and charter schools, participated in TRS-ActiveCare. The final list is on [2024-25 Participating Districts \(trs.texas.gov\)](#).

These 974 districts employed 470,479 employees out of the 773,963 total employees eligible to participate in TRS-ActiveCare on Sept. 1, 2024. Therefore, the 271,614 average number of employees TRS-ActiveCare covered represented a participation rate of around 60% among participating districts on Sept. 1, 2024.

Figure 24:  
**TRS-ActiveCare Employee Enrollment and Plan Selection as of September 2024**



Change in HMO benefit offering contributed to the reduction in HMO enrollment.  
Percentages may not add up to 100 due to rounding.

Table 6:  
TRS-ActiveCare Average Enrollment, FY 2024

Average TRS-ActiveCare Enrollment - FY 2024						
Plan	TRS-ActiveCare Primary	TRS-ActiveCare Primary +	TRS-ActiveCare HD	TRS-Active-Care 2	Regional HMOs	Total
Average Members	175,947	97,640	129,951	5,506	13,338	422,382
Average Employees	114,974	59,175	86,429	3,408	7,628	271,614
Percentage of Average Members	42%	23%	31%	1%	3%	100%

TRS-ActiveCare Enrollment - Snapshot as of Sept. 1, 2024						
Plan	TRS-ActiveCare Primary	TRS-ActiveCare Primary +	TRS-ActiveCare HD	TRS-Active-Care 2	Regional HMOs	Total
Count of Employees	126,844	65,459	77,703	2,756	562	273,324
Count of Dependents	69,165	39,744	39,784	1,695	258	150,646
Total Members	196,009	105,203	117,487	4,451	820	423,970

Figure 25:  
TRS-ActiveCare Membership by Plan, Age and Membership Status, Sept. 1, 2024

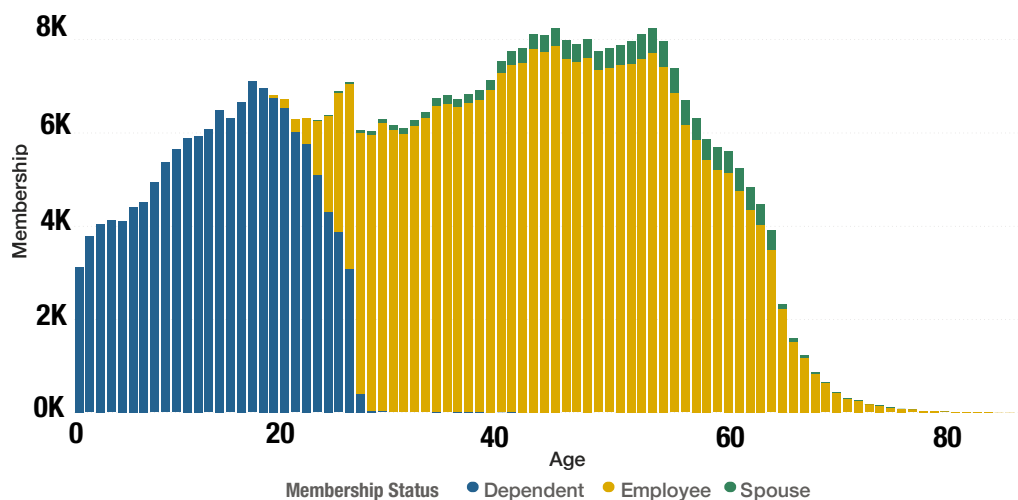




Table 7:  
TRS-ActiveCare Plan Summaries and Features, Sept. 1, 2024

Plan Summaries	TRS-ActiveCare Primary	TRS-ActiveCare Primary+	TRS-ActiveCare HD
	<ul style="list-style-type: none"> <li>Lowest premium of all three plans</li> <li>Copays for doctor visits before you meet your deductible</li> <li>Statewide network</li> <li>Primary Care Provider (PCP) referrals required to see specialists</li> <li>Not compatible with a Health Savings Account (HSA)</li> <li>No out-of-network coverage</li> </ul>	<ul style="list-style-type: none"> <li>Lower deductible than the HD and Primary plans</li> <li>Copays for many services and drugs</li> <li>Higher premium</li> <li>Statewide network</li> <li>PCP referrals required to see specialists</li> <li>Not compatible with a Health Savings Account (HSA)</li> <li>No out-of-network coverage</li> </ul>	<ul style="list-style-type: none"> <li>Compatible with a Health Savings Account (HSA)</li> <li>Nationwide network with out-of-network coverage</li> <li>No requirement for PCPs or referrals</li> <li>Must meet your deductible before plan pays for non-preventive care</li> </ul>

Plan Features				
Type of Coverage	In-Network Coverage Only	In-Network Coverage Only	In-Network	Out-of-Network
Individual/Family Deductible	\$2,500/\$5,000	\$1,200/\$2,400	\$3,200/\$6,400	\$6,400/\$12,800
Coinsurance	You pay 30% after deductible	You pay 20% after deductible	You pay 30% after deductible	You pay 50% after deductible
Individual/Family Maximum Out-of-Pocket Costs	\$8,050/\$16,100	\$6,900/\$13,800	\$8,050/\$16,100	\$20,250/\$40,500
Network	Statewide Network	Statewide Network	Nationwide Network	
PCP Required	Yes	Yes	No	

Doctor Visits				
Primary Care	\$30 copay	\$15 copay	You pay 30% after deductible	You pay 50% after deductible
Specialist	\$70 copay	\$70 copay	You pay 30% after deductible	You pay 50% after deductible

Immediate Care				
Urgent Care	\$50 copay	\$50 copay	You pay 30% after deductible	You pay 50% after deductible
Emergency Care	You pay 30% after deductible	You pay 20% after deductible	You pay 30% after deductible	
TRS Virtual Health-RediMD™	\$0 per medical consultation	\$0 per medical consultation	\$30 per medical consultation	
TRS Virtual Health-Teladoc®	\$12 per medical consultation	\$12 per medical consultation	\$42 per medical consultation	

Prescription Drugs			
Drug Deductible	Integrated with medical	\$200 deductible per participant (brand drugs only)	Integrated with medical
Generics (31-Day Supply/90-Day Supply)	\$15/\$45 copay; \$0 copay for certain generics	\$15/\$45 copay	You pay 20% after deductible; \$0 coinsurance for certain generics
Preferred Brand (Max does not apply if brand is selected and generic is available)	You pay 30% after deductible	"You pay 25% after deductible (\$100 max) / You pay 25% after deductible (\$265 max)"	You pay 25% after deductible
Non-preferred Brand	You pay 50% after deductible	You pay 50% after deductible	You pay 50% after deductible
Specialty (31-Day Max)	\$0 if SaveOnSP eligible; You pay 30% after deductible	\$0 if SaveOnSP eligible; You pay 30% after deductible	You pay 20% after deductible
Insulin Out-of-Pocket Costs	\$25 copay for 31-day supply; \$75 for 61-90 day supply	\$25 copay for 31-day supply; \$75 for 61-90 day supply	You pay 25% after deductible

## Appendix B:

# TRS-ActiveCare Rate Changes, FY 2024-25

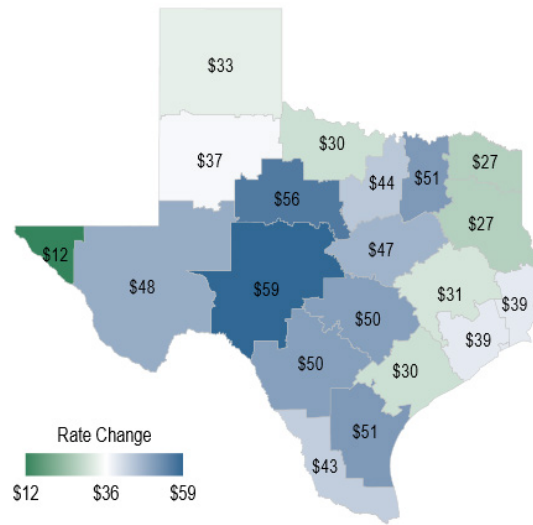
In response to Senate Bill 1444, which allows employers to compare TRS-ActiveCare's statewide premiums to other competitive plans, TRS-ActiveCare uses a regional rating to ensure prices reflect the cost of health care in the participant's area. Regionally priced plans allow TRS-ActiveCare to provide competitive rates and keep health care cost growth lower than similar employers while maintaining the same plan options and broad quality-based network. Table 8 highlights regions with the minimum, median and maximum gross premium rates (before employer contribution). For more specifics about TRS health plans and rates in the 2024-25 plan year, please refer to [2024-25 Regional Plan Highlights \(trs.texas.gov\)](#).

Table 8:  
TRS-ActiveCare Gross Premiums Before Employer Contribution, FY 2024-25

Plan	Tier	Lowest Cost Region (Region 18 Midland)			Mid-Point Region (Region 6 Huntsville)			Highest Cost Region (Region 11 Forth Worth)		
		FY 2024 Rate	FY 2025 Rate	Dollar & Percent Change	FY 2024 Rate	FY 2025 Rate	Dollar & Percent Change	FY 2024 Rate	FY 2025 Rate	Dollar & Percent Change
Primary	EMP	\$347	\$395	\$48 (13.8%)	\$421	\$452	\$31 (7.4%)	\$461	\$505	\$44 (9.5%)
	ESP	\$937	\$1,067	\$130 (13.9%)	\$1,137	\$1,221	\$84 (7.4%)	\$1,245	\$1,364	\$119 (9.6%)
	ECH	\$590	\$672	\$82 (13.9%)	\$716	\$769	\$53 (7.4%)	\$784	\$859	\$75 (9.6%)
	FAM	\$1,180	\$1,343	\$163 (13.8%)	\$1,432	\$1,537	\$105 (7.3%)	\$1,568	\$1,717	\$149 (9.5%)
Primary+	EMP	\$407	\$464	\$57 (14.0%)	\$494	\$530	\$36 (7.3%)	\$541	\$592	\$51 (9.4%)
	ESP	\$1,059	\$1,207	\$148 (14.0%)	\$1,285	\$1,378	\$93 (7.2%)	\$1,407	\$1,540	\$133 (9.5%)
	ECH	\$692	\$789	\$97 (14.0%)	\$840	\$901	\$61 (7.3%)	\$920	\$1,007	\$87 (9.5%)
	FAM	\$1,344	\$1,532	\$188 (14.0%)	\$1,631	\$1,749	\$118 (7.2%)	\$1,786	\$1,954	\$168 (9.4%)
HD	EMP	\$357	\$405	\$48 (13.4%)	\$433	\$465	\$32 (7.4%)	\$475	\$519	\$44 (9.3%)
	ESP	\$964	\$1,094	\$130 (13.5%)	\$1,170	\$1,256	\$86 (7.4%)	\$1,283	\$1,402	\$119 (9.3%)
	ECH	\$607	\$689	\$82 (13.5%)	\$737	\$791	\$54 (7.3%)	\$808	\$883	\$75 (9.3%)
	FAM	\$1,214	\$1,377	\$163 (13.4%)	\$1,473	\$1,581	\$108 (7.3%)	\$1,615	\$1,765	\$150 (9.3%)
AC2	EMP	\$1,013	\$1,013	\$0 (0.0%)	\$1,013	\$1,013	\$0 (0.0%)	\$1,013	\$1,013	\$0 (0.0%)
	ESP	\$2,402	\$2,402	\$0 (0.0%)	\$2,402	\$2,402	\$0 (0.0%)	\$2,402	\$2,402	\$0 (0.0%)
	ECH	\$1,507	\$1,507	\$0 (0.0%)	\$1,507	\$1,507	\$0 (0.0%)	\$1,507	\$1,507	\$0 (0.0%)
	FAM	\$2,841	\$2,841	\$0 (0.0%)	\$2,841	\$2,841	\$0 (0.0%)	\$2,841	\$2,841	\$0 (0.0%)

Increases vary by region, plan and tier, and for ~127k subscribers the increase by plan and tier exceeds 10%, with the highest being 14.4%.

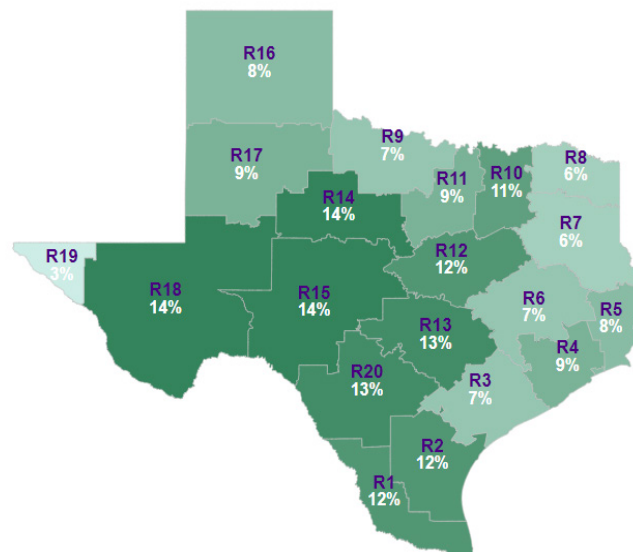
**Figure 26:**  
**Rate Changes in TRS-ActiveCare Primary**  
**Employee-Only Tier by Region, FY 2024-25**



The map shows rate changes in the TRS-ActiveCare Primary plan, employee only tier by region from FY 2024 to FY 2025.

TRS-ActiveCare premiums for the new plan year remain competitive with comparable plans in the region. For FY 2024, 79% of school districts are participating in TRS-ActiveCare with the Primary plan being the most popular.

**Figure 27:**  
**TRS-ActiveCare All Tiers Average Change in Rates**  
**by Region from FY 2024 to FY 2025**



## Appendix C:

# TRS-ActiveCare Benefit Changes

To satisfy IRS requirements so that high-deductible health plan participants can continue to use a health savings account (HSA), TRS made self-insured benefit changes effective Sept. 1, 2024:

Increases to the TRS-ActiveCare HD Plan:

- In-network deductible for individuals from \$3,000 to \$3,200
- In-network deductible for families from \$6,000 to \$6,400
- Out-of-network deductible for individuals from \$5,500 to \$6,400
- Out-of-network deductible for families from \$11,000 to \$12,800

Increases to the TRS-ActiveCare Primary and TRS-ActiveCare HD Plans:

- Maximum out-of-pocket costs for individuals from \$7,500 to \$8,050
- Maximum out-of-pocket costs for families from \$15,000 to \$16,100

Table 9:  
TRS-ActiveCare Benefits Changes, FY 2025

Benefits	Primary		Primary+		HD	
	FY 2024	FY 2025	FY 2024	FY 2025	FY 2024	FY 2025
In-Network Deductible - Individual	\$2,500	No Change	\$1,200	No Change	\$3,000 Individual	\$3,200 Individual
In-Network Deductible - Family	\$5,000		\$2,400		\$6,000 Family	\$6,400 Family
Out-of-Network Deductible - Individual	NA	No Change	NA	No Change	\$5,500 Individual	\$6,400 Individual
Out-of-Network Deductible - Family	NA		NA		\$11,000 Family	\$12,800 Family
In-Network MOOP - Individual	\$7,500	\$8,050 ↑	\$6,900	No Change	\$7,500	\$8,050 ↑
In-Network MOOP - Family	\$15,000	\$16,100 ↑	\$13,800		\$15,000	\$16,100 ↑

The IRS requirement only applies to TRS-ActiveCare HD

# Appendix D:

## TRS-ActiveCare Fund Balance Projection Through FY 2025

Table 10:  
TRS-ActiveCare Fund Revenue and Expenses, FY 2016-25

Fiscal Year	Revenue							Expenses					Ending Balance (Incurred Basis)
	State & District Contr.	Supplemental Funding	Employee Contr.	HMO Contr.	LTC	Other Income	Total	Medical Incurred	Drug Incurred (After Rebates)	HMO Premium Payments	Admin Costs	Total Expenses	
2016	719.5M		\$1,124.3M	\$217.2M	\$0.2M	\$3.3M	\$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	\$4.8M	\$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	\$7.0M	\$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	\$11.2M	\$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	\$8.1M	\$2,174.0M	\$1,522.5M	\$271.5M	\$256.9M	\$119.8M	\$2,170.6M	\$168.3M
2021	1,011.5M		\$850.3M	\$177.0M	\$0.1M	\$1.9M	\$2,040.8M	\$1,615.8M	\$285.1M	\$173.3M	\$78.6M	\$2,152.9M	\$56.2M
2022	1,033.7M	\$638.3M	\$869.0M	\$149.8M	\$0.0M	\$1.7M	\$2,692.5M	\$1,690.7M	\$293.8M	\$146.8M	\$69.9M	\$2,201.2M	\$547.5M
2023	952.1M		\$800.3M	\$85.6M	\$0.0M	\$27.7M	\$1,865.8M	\$1,684.0M	\$288.0M	\$83.8M	\$73.7M	\$2,129.5M	\$283.8M
2024	1,088.7M	\$588.5M	\$757.2M	\$67.9M	\$0.0M	\$48.2M	\$2,550.5M	\$1,741.5M	\$251.7M	\$72.5M	\$80.1M	\$2,145.9M	\$688.5M
2025	1,218.6M		\$847.6M	\$6.9M	\$0.0M	\$37.9M	\$2,111.0M	\$1,957.6M	\$339.2M	\$6.8M	\$83.4M	\$2,387.0M	\$412.5M

TRS manages the TRS-ActiveCare fund balance to prevent a deficit through premium and benefit adjustments.

- Invoice data through Aug. 31, 2024.
- Medical trend: 5% through FY 2024; reduced by 0.25% each year thereafter with a 4% minimum. Higher trend used in FY 2025 to account for new districts.
- Pharmacy trend: 8.5% through FY 2024; reduced by 0.25% each year thereafter with a 6% minimum. Higher trend used in FY 2025 to account for depressed claims in FY 2024 as a result of switch to new pharmacy benefits manager.
- Prior to FY 2018: State contributions are equal to \$75 per employee per month. District contributions are equal to \$150 PEPM.
- FY 2018 and forward: State/district contributions are based on September actual contributions.
- Interest rate assumed in FY 2025 is 5.25%. Rate decreases by a factor of 25% each year with a minimum of 0.5%.
- Premium rate increases of 3% are assumed for all years after FY 2025.



# Appendix E:

## TRS-ActiveCare Employee Contributions Increased in FY 2024-25

Table 11:  
 TRS-ActiveCare Employee Contributions, FY 2024-25

Percentiles	25%		50% (Median Employee Contribution)		75%		90%	
Tier	2023-24	2024-25	2023-24	2024-25	2023-24	2024-25	2023-24	2024-25
Employee	\$67	\$77	\$132	\$159	\$182	\$213	\$224	\$259
Employee + Child	\$386	\$422	\$448	\$505	\$516	\$571	\$583	\$641
Employee + Spouse	\$780	\$871	\$894	\$989	\$970	\$1,074	\$1,058	\$1,168
Employee + Family	\$1,057	\$1,166	\$1,194	\$1,321	\$1,281	\$1,417	\$1,393	\$1,520

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

## Appendix F:

# TRS-ActiveCare District Contributions Largely Remained Constant in 2024-25

TRS-ActiveCare employer contributions largely remained constant in 2024-25. Table 12 shows the change in employer contributions from 2022-23 to 2023-24 and 2023-24 to 2024-25.

**Table 12:**  
**TRS-ActiveCare Change in Employer Contributions Received by Employees, 2022-23 to 2024-25**

Change in Minimum District Contribution	2022-23 to 2023-24 Change		2023-24 to 2024-25 Change	
	Number of Districts	Employees Impacted	Number of Districts	Employees Impacted
Decrease \$192 – \$101	2	3365	0	0
Decrease \$100 – \$51	3	7,829	5	3,110
Decrease \$50 – \$3	4	2,281	5	1,774
No Change	534	158,290	520	151,407
Increase \$2 – \$8	25	6,572	4	3,398
Increase \$9 – \$24	55	15,416	31	14,393
Increase \$25 – \$49	183	56,815	136	35,425
Increase \$50 – \$99	35	6,137	130	34,760
Increase \$100 – \$199	8	1,257	26	10,802
Increase \$200 – \$299	0	-	1	65
Not Available**	48	6,467	39	14,205

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 reporting. \*\*Data are not available from school district for both plan years needed to make comparison.

In plan year 2024-25, 87% of TRS-ActiveCare employers contribute more than the minimum required by state law. Employers that contribute more than the minimum generally contribute between \$300 and \$325 toward each employee’s premium. While 38% of employers increased their contribution for the current year, the average contribution of \$355 remains considerably below the average amount contributed by employers outside TRS-ActiveCare (\$434), as discussed on page 72 of this report.

Table 13:  
TRS-ActiveCare State and District Contributions, FY 2025

Minimum District Contribution	Number of Districts	% of Employees Impacted
\$225	114	8%
\$226-249	10	1%
\$250-275	110	7%
\$276-299	22	4%
\$300-325	196	25%
\$326-351	94	17%
\$352-377	58	7%
\$378-403	82	8%
\$404-429	56	6%
\$430-455	75	9%
>\$456	80	7%

Average Contribution: \$355

The minimum contribution is \$225, which reflects the minimum district contribution of \$150 per employee per month plus an additional \$75 per employee per month state contribution. Percentages may not total 100% due to rounding.

# Appendix G:

## TRS-ActiveCare Per Participant Per Year Costs

Table 14:  
TRS-ActiveCare Per Participant Per Year Costs, FY 2008-24

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%
2021	\$3,769.44	6.7%	\$692.64	1.0%	\$4,462.08	5.8%
2022	\$4,015.95	6.5%	\$758.64	9.5%	\$4,774.59	7.0%
2023	\$4,179.46	4.1%	\$741.66	-2.2%	\$4,921.12	3.1%
2024	\$4,366.77	4.5%	\$652.72	-12.0%	\$5,019.49	2.0%

Medical and pharmacy costs for FY 2024 are shown based on claims incurred during the fiscal year and paid through Sept. 30, 2024. FY 2024 figures include an estimate of costs that were incurred but not reported. Pharmacy costs are shown net of incurred rebates.

Since FY 2008, medical and pharmacy costs have fluctuated from year to year, but the overall trajectory has steadily increased. As table 14 demonstrates, the total trend for FY 2024 only saw a 2% increase due primarily to TRS' efforts to manage pharmacy costs through rebate agreements.

# Appendix H:

## TRS-ActiveCare Drugs Requiring Prior Authorization

TRS-ActiveCare has required prior authorization for multiple categories of prescription drugs since its inception in 2001. This currently includes prior authorizations for more than 600 drugs. For FY 2024, this strategy saved the plan about \$100.1 million. TRS saved \$44.6 million through prior authorizations and step therapy-related controls of specialty drugs and \$55.5 million for non-specialty drugs.

TRS-ActiveCare had extensive prior authorization requirements in place before the 78<sup>th</sup> Legislative Session, which created a list of drugs that require prior authorization in [Texas Insurance Code 1579.106\(b\)](#). Even with the requirements, TRS continues to investigate additional cost-saving opportunities for the plan.

Table 15:  
TRS-ActiveCare Prior Authorization Cost Savings, FY 2024

Drugs Listed in Texas Insurance Code 1579.106(b)	
Drug Category	TRS-ActiveCare Savings
Gastrointestinal drugs	\$1,638,179
Cholesterol-lowering drugs	\$1,240,641
Anti-inflammatory drugs	\$27,510,274
Antihistamine drugs	\$2,533
Antidepressant drugs	\$485,845
Total Savings	\$30,877,472

The drugs in these statutorily named categories are also listed separately as either specialty or non-specialty drugs in tables 16 and 17. The impact of rebates is not included in the gross savings calculation. Gross savings include plan paid plus participant cost sharing.



In addition to the categories listed in [Texas Insurance Code 1579.106\(b\)](#), TRS identified additional categories for which prior authorization is achieving cost savings (tables 16 and 17).

**Table 16:**  
**TRS-ActiveCare Non-Specialty Drug Prior Authorization Related Savings, FY 2024**

Top Drug Category	TRS-ActiveCare Savings
Non-Insulin Hypoglycemic Agents	\$27,573,374
Headache Therapy	\$12,833,538
Psycho-Therapeutic Agents	\$2,930,680
Miscellaneous Agents	\$2,172,581
Therapy For Acne	\$1,473,222
<b>Total Net Savings for All Categories (Including Others Not Shown Here)</b>	<b>\$55,477,333</b>

Non-specialty drugs such as NSAIDs, selective serotonin reuptake inhibitors, fibric acid derivatives and proton pump inhibitors are also included in the drug categories listed in Texas Insurance Code 1579.106(b).

**Table 17:**  
**TRS-ActiveCare Specialty Drug Prior Authorization Related Savings, FY 2024**

Top Drug Category	TRS-ActiveCare Savings
Rheumatological Agents	\$18,241,864
Anti-Psoriatic / Antiseborrheic	\$8,376,245
Anti-Neoplastic Drugs	\$4,700,528
Pulmonary Agents	\$3,911,630
Growth Hormones	\$2,669,322
Neurological Therapy	\$1,748,804
Gastrointestinal Agents	\$1,285,680
<b>Total Net Savings for All Categories (Including Others Not Shown Here)</b>	<b>\$44,629,707</b>

Specialty drugs for rheumatoid arthritis and other gastrointestinal disorders are included in the drug categories listed in Texas Insurance Code 1579.106(b).

# Appendix I:

## TRS-Care Membership by Plan, Age and Membership Status

Figure 28:  
TRS-Care Membership by Plan, Age and Membership Status,  
Sept. 1, 2024

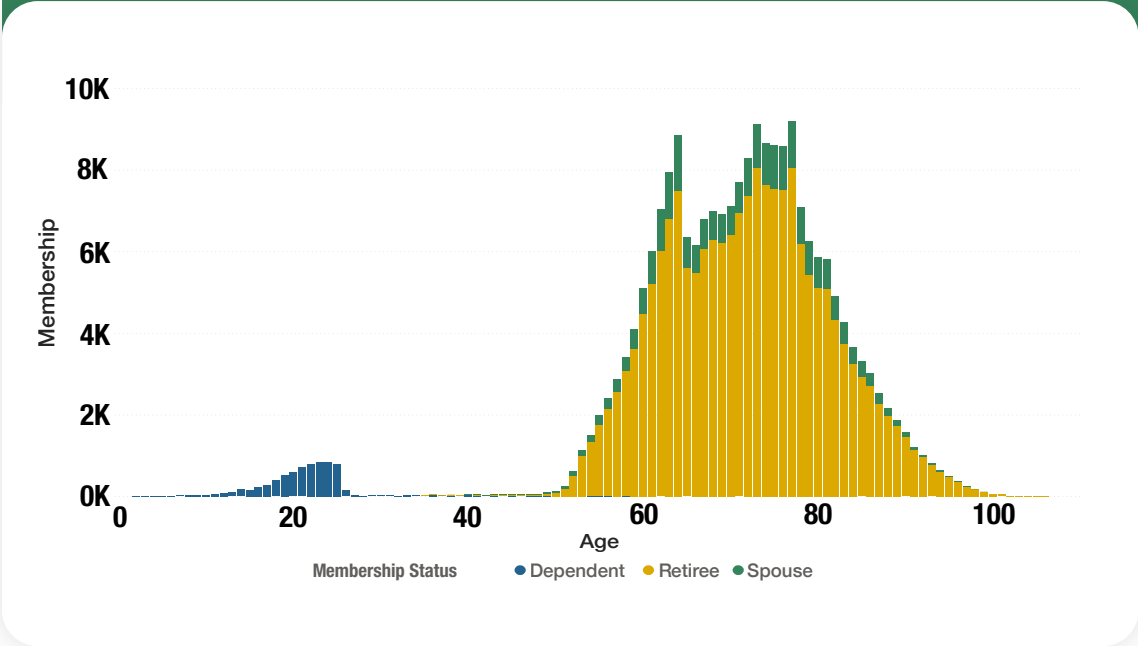


Table 18:  
TRS-Care Average Enrollment, FY 2024

Plan	TRS-Care Medicare Advantage	TRS-Care Standard	Total
Average Members	154,139	62,131	216,270
Percentage of Average Members	71%	29%	100%

Table 19:  
TRS-Care Enrollment as of Sept. 1, 2024

Plan	TRS-Care Medicare Advantage	TRS-Care Standard	Total
Count of Retirees	136,653	50,119	186,772
Count of Dependents	17,565	14,472	32,037
Total Members	154,218	64,591	218,809

# Appendix J:

## TRS-Care Benefit Changes

Table 20:  
TRS-Care Standard Plan Highlights, 2025

TRS-Care Standard Plan Highlights for Participants without Medicare	
2025 TRS-Care Standard Plan Details	
Blue Cross and Blue Shield of Texas (Medical Benefits)	Deductible
	In-Network: \$1,650 individual plan; \$3,300 family plan Out-of-Network: \$3,300 individual plan; \$6,600 family plan
	Coinsurance
	In-Network: You pay 20% after deductible Out-of-Network: You pay 40% after deductible
	Maximum out-of-pocket (MOOP)
	In-Network: \$5,650 individual plan; \$11,300 family plan Out-of-Network: \$11,300 individual plan; \$22,600 family plan
Express Scripts (Prescription Drug Benefits)	TRS Virtual Health (Medical)
	RediMD: \$30 per visit, which applies to your deductible. Teladoc: \$42 per visit, which applies to your deductible. When you meet your deductible, the plan pays 80% and you pay 20%.
	TRS Virtual Health (Mental Health)
	Initial psychiatry session: \$185 On-going psychiatry session: \$95 Psychologist, licensed clinical social worker, counselor, or therapist session: \$85 When you meet your deductible, the plan pays 80% and you pay 20%. Mental Health services are available only through Teladoc.
	Insulin Copays
Express Scripts (Prescription Drug Benefits)	Prescriptions
	\$25 copay for 31-day supply and \$75 copay for 60- to 90-day supply After you meet your deductible, you pay 20% coinsurance for in-network retail short-term medications (up to a 31-day supply) and mail order (up to a 90-day supply) <ul style="list-style-type: none"> <li>• <b>Generic Medications</b>—No cost for certain medications that prevent chronic conditions. For other medications, ask your doctor or other prescriber if a generic is available, as these generally cost less.</li> <li>• <b>Preferred Brand-Name Medications</b>—If a generic is not available or appropriate, ask your doctor or healthcare provider to prescribe a medication from your plan's preferred drug list.</li> <li>• <b>Non-Preferred Brand-Name Medications</b>—You'll pay the most for medications not on your plan's preferred drug list</li> </ul>
Express Scripts (Prescription Drug Benefits)	SaveOnSP
	\$0 for specialty drugs covered by the SaveOnSP Copay Assistance Program after you meet your deductible

Table 21:  
TRS-Care Medicare Advantage Plan Highlights, 2025

TRS-Care Medicare Advantage Plan Highlights for Participants With Medicare		
2025 TRS-Care Medicare Advantage Plan Details		
UnitedHealthcare (Medical Benefits)	Deductible	You pay \$400* every year for covered health care services before your health plan starts to pay.
	Coinsurance	You pay 5% or only a copay after you meet your deductible.
	Maximum out-of-pocket (MOOP)	The maximum amount you pay each plan year for medical costs is \$3,500.
	Services with a Copay	<div> <b>Your deductible does not apply to these services:</b>                      \$5 primary care provider sick visit                      \$35 urgent care visit                      \$65 emergency room visit                 </div> <div> <b>Your deductible does apply to these services:</b>                      \$10 specialist visit                      \$250 outpatient procedure or service                      \$500 inpatient hospital stay                 </div>
	Preventive Care	\$0 preventive care benefits
	Virtual Medical Visits	\$0 virtual medical visits through AmWell, Doctor on Demand, Teladoc \$5 virtual medical visits with other virtual providers
	Mental Health Visits	\$10 in-office mental health visits
* Are you a current TRS-Care participant who turns 65 in 2025? If yes, you'll have a \$0 deductible in TRS-Care Medicare Advantage from your birthday month to the end of the plan year on Dec. 31, 2025.		
Express Scripts (Prescription Drug Benefits)	Prescriptions	Retail Copays (31-day supply)
	Generic (Tier 1)	\$5
	Preferred Brand (Tier 2)	\$25
	Non-Preferred Brand (Tier 3)	\$50
		Mail order or Retail-Plus copays (up to a 90-day supply)
		\$15
		\$70
		\$125*
* Specialty drugs are limited to a 31-day supply.		

**TRS-Care Medicare Advantage** is for TRS-Care participants with Medicare (generally retirees 65 or older). UnitedHealthcare insures TRS-Care Medicare Advantage, the medical plan. TRS-Care Medicare Advantage includes TRS-Care Medicare Rx, the prescription drug plan for Medicare-eligible participants. Express Scripts administers TRS-Care Medicare Rx.

**TRS-Care Standard** is for TRS-Care participants without Medicare (retirees under 65). Blue Cross and Blue Shield of Texas administers the medical benefits and Express Scripts administers the prescription drug benefits for this plan.

**TRS-Care Dental and TRS-Care Vision**, two new optional plans that started Jan. 1, 2025, are open to all TRS retirees and their eligible dependents, regardless of Medicare status. MetLife administers both plans.

The plan year for all TRS-Care plans is from Jan. 1 to Dec. 31. Deductibles and maximum out-of-pocket costs reset each year on Jan. 1. TRS-Care deductible and benefit changes for 2023-25 are in tables 22 and 23.



Table 22:  
**TRS-Care Benefits and Premium Update, 2023-24**

Year	Plan	Benefits Update	Premium/Coverage
2023	TRS-Care Medicare Advantage (includes TRS-Care Medicare Rx)	<ul style="list-style-type: none"> <li>Deductible lowered from \$500 to \$400.</li> <li>Eyeglass or contact lens allowance provided once every 12 months instead of every 24 months.</li> <li>A free \$200 hearing accessory provided with the purchase of a premium hearing aid.</li> </ul>	No change to premiums
	TRS-Care Standard	<ul style="list-style-type: none"> <li>Teladoc fee increased from \$30 to \$42 (after a participant meets their deductible).</li> <li>RediMD added at \$30 fee.</li> </ul>	
2024	TRS-Care Medicare Advantage (includes TRS-Care Medicare Rx)	<ul style="list-style-type: none"> <li>Changed over the counter provider to Healthy Benefits Plus from Solutran. Participants get a \$40 debit card every quarter to buy eligible OTC items at participating retail locations, online, over the phone, or by mail through the OTC catalog.</li> <li>Participants can buy select OTC hearing aids with no prescription from UnitedHealthcare Hearing.</li> <li>UnitedHealthcare app added new navigation enhancements.</li> </ul>	No change to premiums
	TRS-Care Standard	<ul style="list-style-type: none"> <li>Individual deductible increased by \$100 to align with IRS adjusted guidelines. This change allows participants to continue contributing to and using a health savings account. The deductible for TRS-Care Standard has not changed since 2018 when significant legislative changes took effect. 2023 deductibles were too low for TRS-Care Standard to be compatible with a health savings account in 2024.</li> </ul>	
	TRS-Care (all plans)	<ul style="list-style-type: none"> <li>TRS onboarded Express Scripts as the new TRS-Care pharmacy benefits manager on Jan. 1, 2024.</li> <li>Enrollment for TRS-Care Dental and TRS-Care Vision for TRS retirees and their families started in fall 2024 for benefits effective Jan. 1, 2025.</li> </ul>	

Table 23:  
**TRS-Care Benefits and Premium Update, 2025**

Plan	Benefits for Plan Year 2025 Effective Jan. 1, 2025	Premium/ Coverage
<b>TRS-Care Medicare Advantage (includes TRS-Care Medicare Rx)</b>	<ul style="list-style-type: none"> <li>• TRS lowered premiums by about 45% for the 2025 plan year. Participants will save between \$720-\$4,884 per year, depending on the plan tier they choose: Retiree only, Retiree + spouse, Retiree + child(ren) or Retiree + family</li> <li>• Limited-time enrollment opportunity (LTEO) for Medicare-eligible TRS retirees and their eligible dependents</li> <li>• New card by UnitedHealthcare (called UCard) combines four cards into one (medical, over the counter, HouseCalls, and Rewards)</li> </ul>	<p>Lower premiums            No reduction to benefits in 2025</p>
<b>TRS-Care Standard</b>	<ul style="list-style-type: none"> <li>• TRS-Care Standard rates are staying the same for the eighth year in a row, from 2018 to 2025</li> <li>• Pricing remains competitive at 20-40% of the cost of similar individual market plans</li> <li>• Deductibles increased \$50 per individual and \$100 per family to align with IRS guidelines. This change is required for TRS-Care Standard, a high-deductible health plan, to stay compatible with health savings accounts</li> </ul>	<p>No reduction to benefits or change to premiums in 2025</p>
<b>TRS-Care Dental and TRS-Care Vision</b>	<ul style="list-style-type: none"> <li>• Two new optional plans for TRS retirees and their eligible dependents (new plans are for any TRS retiree)</li> <li>• The option to choose: retirees can enroll in one plan or both since these are separate plans, each with its own premium</li> <li>• Flexible enrollment options: retirees have the option to enroll every year through the annual enrollment period</li> <li>• The plan year for these new benefits aligns with TRS-Care health plans (Jan. 1-Dec. 31)</li> </ul>	<p><b>NEW BENEFITS FOR 2025!</b></p>

# Appendix K:

## TRS-Care Fund Balance Projection

Table 24:  
TRS-Care Fund Balance Projection, FY 2017-27

Fiscal Year	Revenue							Expenses			Balance
	Retiree Contributions	State Contributions	Supplemental Contributions	Active Employee Contributions	District Contributions	Investment Income	CMS, Part D and EGWP Subsidies	Medical Incurred	Drug Incurred (after rebates)	Administrative Costs	Ending Balance (Incurred Basis)
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	\$533.6M	\$481.6M	\$5.5M	\$250.4M	\$299.8M	\$9.2M	\$311.8M	\$604.9M	\$705.2M	\$38.8M	\$2,539.2M
2022	\$399.8M	\$506.4M	\$83.0M	\$263.3M	\$315.7M	\$13.5M	\$288.6M	\$551.6M	\$694.5M	\$45.5M	\$3,117.9M
2023	\$477.0M	\$533.6M	\$0.0	\$277.5M	\$334.7M	\$151.4M	\$354.6M	\$590.0M	\$714.3M	\$52.6M	\$3,889.8M
2024	\$469.3M	\$558.1M	\$0.0	\$290.2M	\$351.2M	\$202.2M	\$395.5M	\$607.2M	\$690.4M	\$41.9M	\$4,816.6M
2025	\$386.8M	\$569.2M	\$0.0	\$296.0M	\$341.5M	\$160.8M	\$557.5M	\$614.9M	\$935.9M	\$50.9M	\$5,526.9M
2026	\$338.4M	\$580.6M	\$0.0	\$301.9M	\$348.4M	\$136.3M	\$611.5M	\$646.6M	\$1,006.8M	\$52.3M	\$6,138.1M
2027	\$341.0M	\$592.2M	\$0.0	\$308.0M	\$355.3M	\$112.4M	\$651.5M	\$722.8M	\$1,080.9M	\$54.7M	\$6,640.1M

- Invoice data through Aug. 31, 2024.
- The 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 Sept. 1, 2017.
- Medical trends: 7% through FY 2024; reduced by 0.25% each year thereafter.
- Pharmacy trends: 7% through FY 2024; reduced by 0.25% each year thereafter.
- Payroll growth increase of 2%.
- Interest rate is set to match current returns and reduced by 25% a year with a floor of 0.5%.

\*There was a prior period adjustment to retiree contributions during FY 2017. This number will not tie to the Annual Comprehensive Financial Report as the adjustment is reflected here.

# Appendix L:

## TRS-Care Per Member Per Year Costs

Table 25:  
TRS-Care Per Member Per Year Costs, FY 2009-24

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%
2021	\$2,686.37	-8.2%	\$3,330.44	1.1%	\$6,016.81	-0.6%
2022	\$2,528.39	-5.9%	\$3,376.74	1.3%	\$5,905.13	-1.9%
2023	\$2,735.93	8.2%	\$3,636.50	7.7%	\$6,372.43	7.9%
2024	\$2,798.80	2.3%	\$3,857.98	6.1%	\$6,656.78	4.5%

Medical and pharmacy costs for FY 2024 are shown based on claims incurred during the fiscal year and paid through Sept. 30, 2024. FY 2024 figures include an estimate of incurred but not reported (IBNR). Pharmacy costs are shown net of incurred rebates.

# Appendix M:

## TRS-Care Participant Cost Sharing

TRS-Care plans paid for more than 83% of participants’ medical expenses and 97% of participants accessed care in FY 2024. During this period, participants on average spent \$1,157 toward cost sharing in TRS-Care Medicare Advantage and \$2,574 in TRS-Care Standard. In TRS-Care Standard, 12% of participants hit the out-of-pocket maximum of \$5,650. In TRS-Care Medicare Advantage, 1% hit the maximum of \$3,500.

TRS-Care covers medically-necessary services and supplies people need for the prevention, diagnosis, or treatment of a medical condition, and meets accepted standards of medical practice. TRS-Care also covers preventive services such as annual wellness visits, cancer screenings and shots at 100%. The health plan does not cover supplies and services that are not medically necessary. You can find a list of what the plans cover and do not cover in the benefits documents below.

- [2024 TRS-Care Plan Highlights \(trs.texas.gov\)](#)
- [2024 TRS-Care Standard Benefits Booklet \(bcbstx.com\)](#)
- [2024 TRS-Care Medicare Advantage Evidence of Coverage \(\\$400 Deductible Part A and B\)](#)
- [2024 TRS-Care Medicare Rx Evidence of Coverage](#)
- [2025 TRS-Care Plan Highlights \(trs.texas.gov\)](#)
- [2025 TRS-Care Standard Benefits Booklet \(bcbstx.com\)](#)
- [2025 TRS-Care Medicare Advantage Evidence of Coverage \(\\$400 Deductible Part A and B\)](#)
- [2025 TRS-Care Medicare Rx Evidence of Coverage](#)

Table 26:  
TRS-Care Participant Cost Sharing, FY 2024

Plan Summary	TRS-Medicare Advantage	TRS-Care Standard
Deductible	\$400	\$1,600
Maximum out-of-pocket	\$3,500	\$5,650
PCP Sick Copay	\$5	20% (after deductible)
Urgent Care Copay	\$35	20% (after deductible)
ER Copay	\$65	20% (after deductible)

In FY 2024, the average cost for participants who did not meet their deductible was \$549 for TRS-Care Standard and \$317 for TRS-Care Medicare Advantage

The average cost for participants who did meet their deductible but did not meet their maximum out of pocket was \$3,214 for TRS-Care Standard and \$888 for TRS-Care Medicare Advantage. TRS-Care plans operate on a calendar year, but data in table 26 are for a 12-month period ending August 2024. The data would be similar if reported on a calendar year; however, complete 2024 data is not available in time for publication of this report.

**Table 27:**  
**TRS-Care Participant Cost Sharing Overview, 2024**

Plan Summary	TRS-Care Medicare Advantage	TRS-Care Standard
Total members	154,139	62,131
Percentage of people who met deductible	68%	44%
Percentage of people who hit maximum out-of-pocket costs	1%	12%
Total average member out-of-pocket cost sharing	\$1,157	\$2,574
Total average member costs	\$1,157	\$2,574
Average member cost		
Plan Summary	TRS-Care Medicare Advantage	TRS-Care Standard
Participants who haven't met deductible	\$317	\$549
Participants who met deductible but not maximum out-of-pocket costs	\$888	\$3,214
Participants who met maximum out-of-pocket costs	\$3,500	\$5,650
Average member cost for Medicare Prescription Drug Plan	\$409	NA
Percentage of members with a medical or Rx claim	99%	93%
Percentage of total expenses paid by members	6%	17%

Member cost is defined as covered minus paid and may include small amounts of coordination of benefits, where applicable. Total average members based on the average monthly enrollment in FY 2024.

This appendix intends to fulfill the management directive the Sunset Commission issued in its review for the 87<sup>th</sup> Regular Legislative Session. As recorded in the June 2021 report, the Sunset Commission directed TRS to provide “more comprehensive information on TRS-Care health care costs to the legislature and the Texas Department of Insurance in the consolidated TRS-Care report, including out-of-pocket costs for retirees such as copayments, deductibles, and noncovered services.”



## Appendix N:

### TRS-Care Funding by Source

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

However, because the funding in statute is based on employee 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 TRS-Care would incur a \$1.3 to \$1.5 billion shortfall for the 2018-19 biennium and a \$4.1 billion shortfall by FY 2021.

In response, legislation passed in 2017 increased state and district contributions. Legislation also directed TRS to eliminate the basic \$0 retiree premium contribution and implement distinct health care plans for non-Medicare and Medicare-eligible participants to begin Jan. 1, 2018. In 2018, on average, the amount retirees paid for TRS-Care coverage increased by 47%. Additionally, most retirees had reduced plan benefits through increased deductibles, copays and maximum out-of-pocket limits. After January 2018 rate increases and benefit changes in TRS-Care, enrollment in retiree plans declined.

The legislature also made supplemental appropriations for TRS-Care, including \$231 million to maintain 2019 premiums and benefits for the 2020-21 biennium and \$83 million to cover COVID-19 expenses.

These decreases in enrollment increased the amount of funding available per person remaining in the program. Thanks to the elimination of the health insurer fee, supplemental appropriations, and savings from the procurement and vendor transitions, TRS-Care will have a positive fund balance in the near term.

Table 28:  
TRS-Care Funding Formulas, FY 2017-25

Percent of Public Education Payroll			
Fiscal Year(s)	State	School Districts	Active Employees
2017	1.00%	0.55%	0.65%
2018-25	1.25%	0.75%	0.65%

Figure 29:  
TRC-Care Fund Revenue and Expenses, Actual and Forecast, 2017-27

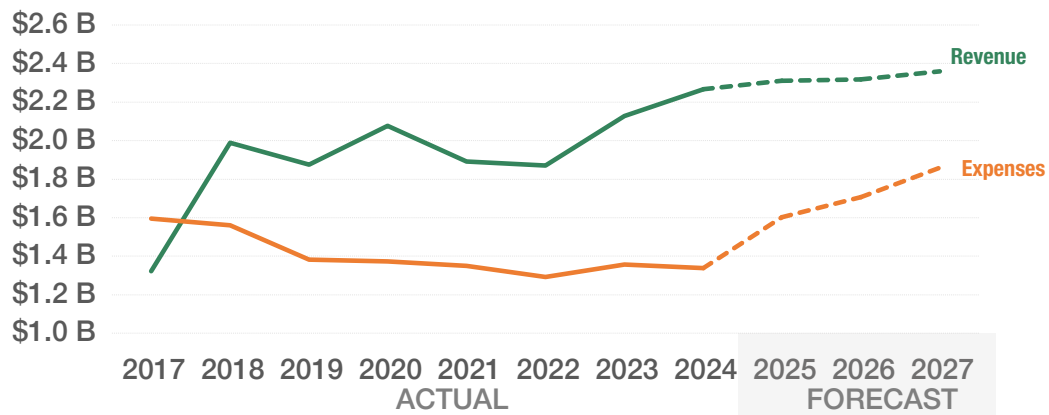


Figure 30:  
TRC-Care Fund Balance, Actual and Forecast, 2017-27

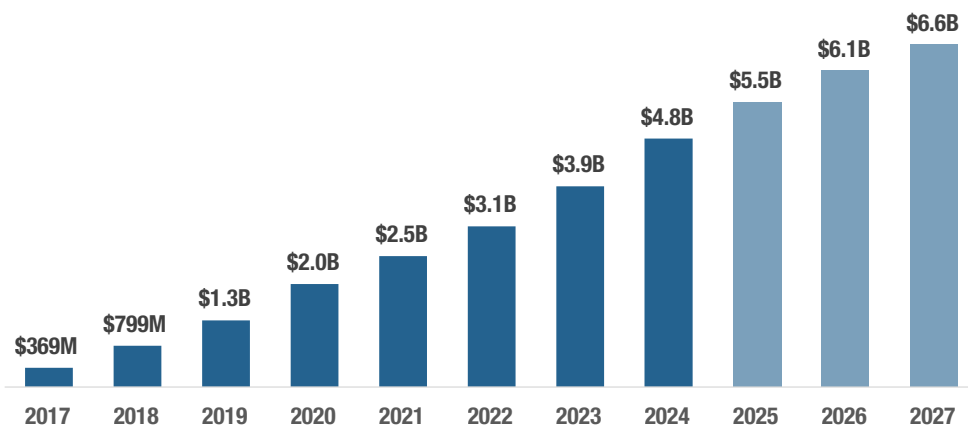
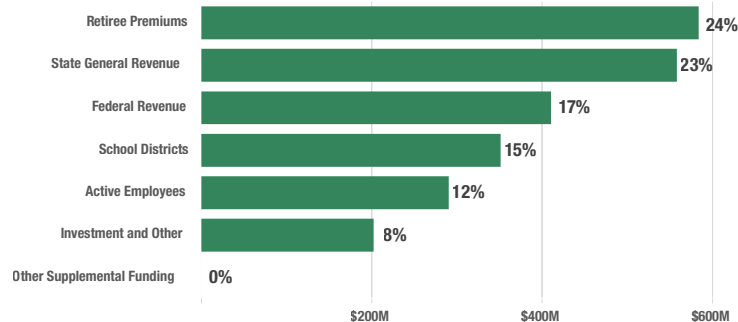


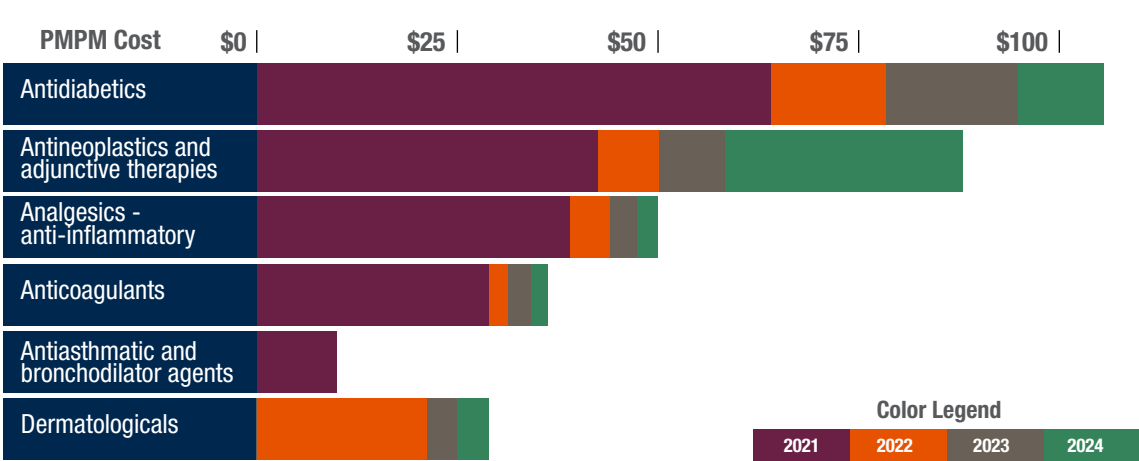
Figure 31:  
TRC-Care Funding by Source, FY 2024



# Appendix O:

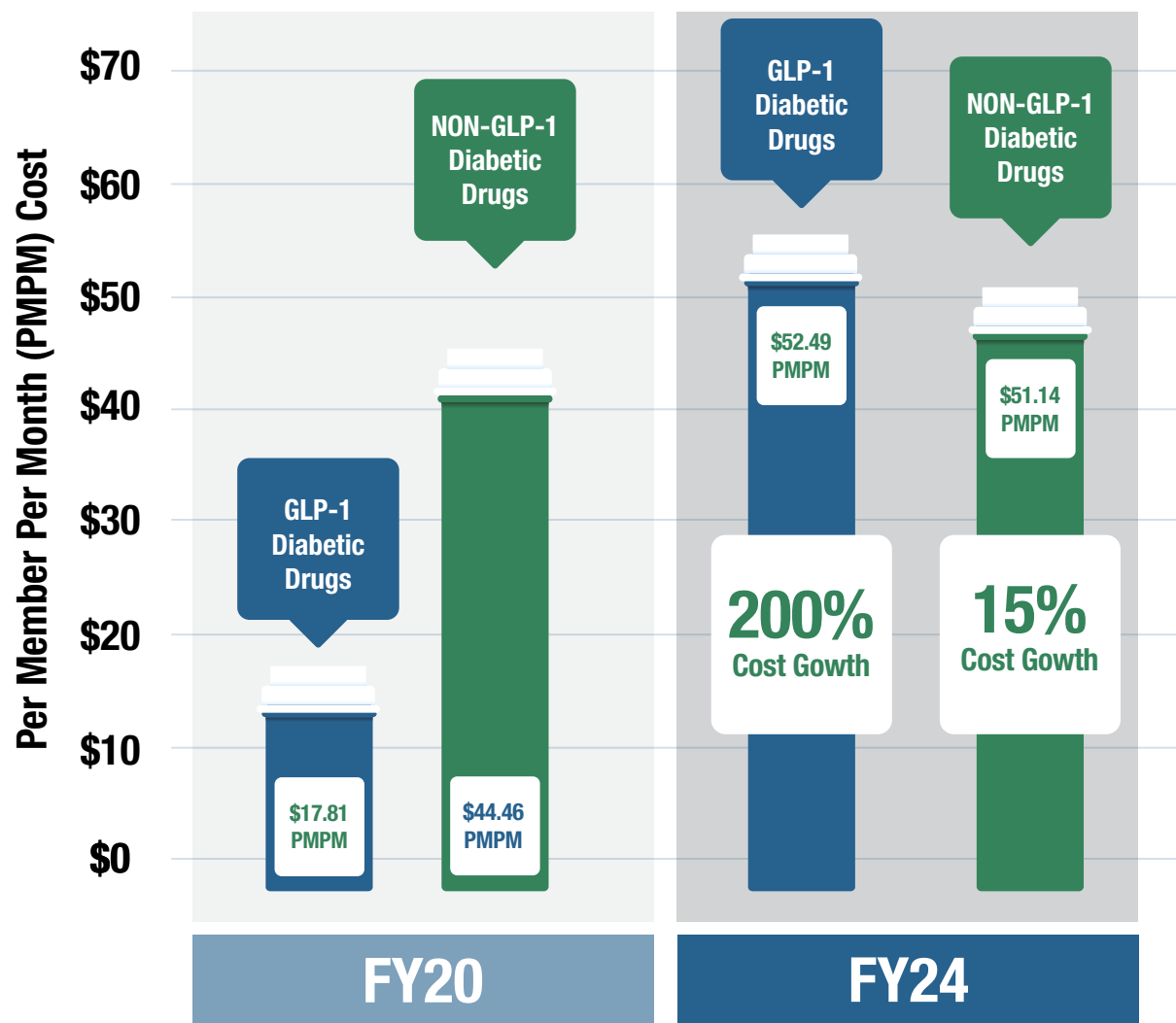
## TRS-Care Pharmacy Costs

Figure 32:  
TRS-Care Top Drug Therapeutic Classes, FY 2021-24



Pharmacy costs are shown based on claims incurred during the fiscal year and paid through Oct. 31, 2024. Pharmacy costs represent gross paid claims and are not net of rebates. No adjustments were made for claims that were incurred but not yet reported.

Figure 33:  
**TRS-Care Average Per Member Per Month (PMPM) Cost Growth, FY 2020-24**



Pharmacy costs are shown based on claims incurred during the fiscal year and paid through Aug. 31, 2024. Pharmacy costs represent gross paid claims and are not net of rebates. No adjustments were made for claims that were incurred but not yet reported.

# Appendix P:

## Prevalence of Certain Chronic Health Conditions

Table 29:  
Prevalence of Chronic Health Conditions Among TRS-ActiveCare and TRS-Care Plan Participants, FY 2024

Chronic Condition	TRS-ActiveCare		TRS-Care		Total	
	Population	Prevalence (%)	Population	Prevalence (%)	Population	Prevalence (%)
Hypertension	73,569	18%	117,819	55%	191,388	31%
Diabetes	30,583	8%	74,211	35%	104,794	17%
Depression	35,748	9%	13,344	6%	49,092	8%
Coronary Artery Disease	6,725	2%	27,450	13%	34,175	6%
Asthma	20,422	5%	10,166	5%	30,588	5%
Congestive Heart Failure	2,569	1%	10,827	5%	13,396	2%
Chronic Obstructive Pulmonary Disease	1,620	0.4%	10,963	5%	12,583	2%

# Appendix Q:

## Disease Management Overview

TRS and its vendors, Blue Cross and Blue Shield of Texas and UnitedHealthcare, have value-added benefits and tools included in the health coverage that make it easier to manage chronic conditions. BCBSTX and UHC offer the following benefits and tools to help participants stay healthier:

- **Health Advisors:** Medical professionals and nurses to assist patients
- **Wellness Coaching:** Health experts, including dietitians, nurses, personal trainers, and other specialists, help participants set and meet health and wellness goals; also included are online weight loss, tobacco cessation, and virtual coaching programs
- **Fitness Programs:** Fitness programs are available to participants and dependents age 16 and older
- **Live Well onTarget:** Online portal and mobile app to help participants manage their health conditions
- **Women’s and Family Health:** Tools and resources for women’s health, pregnancy, and parenting support
- **Mental Health:** TRS health plans cover mental health; participants can make an appointment online or over the phone using Teladoc, access the digital “Learn to Live” program or use Headway to find a licensed therapist to visit in person.

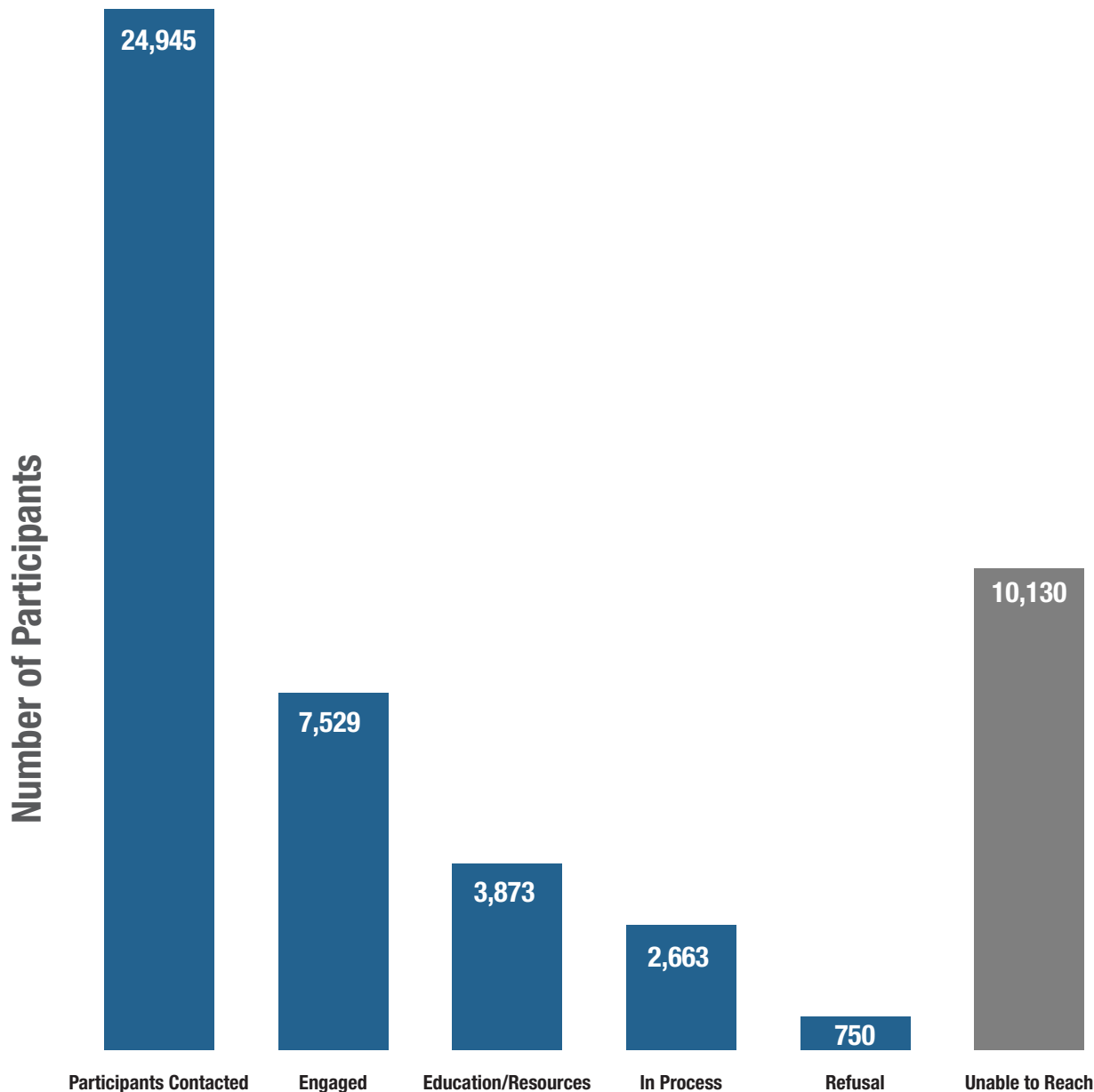
Table 30:  
Disease Management Overview by Plan, FY 2024

Plan	Disease Management Overview for FY 2024
TRS-ActiveCare	15% of total TRS-ActiveCare population is clinically managed
TRS-ActiveCare	28.4% (32,813) participants with chronic conditions clinically managed out of 115,617 participants in TRS-ActiveCare
TRS-Care	24.6% of total TRS-Care population is clinically managed
TRS-Care	37.1% (10,896) participants with chronic conditions clinically managed out of 29,356 participants in TRS-Care Standard

Clinically managed category intends to capture management activities tied to a participant’s clinical needs and are provided via self-service tools and resources or by clinical/professional staff. Includes participants who have engaged in clinical program participation, received clinical program participation education and resources, or had a utilization management authorization clinically reviewed (anything automatically/systematically reviewed is excluded, e.g., maternity requests)



Figure 34:  
Participants Contacted for Clinical Program Participation in TRS-ActiveCare  
and TRS-Care Standard, FY 2024



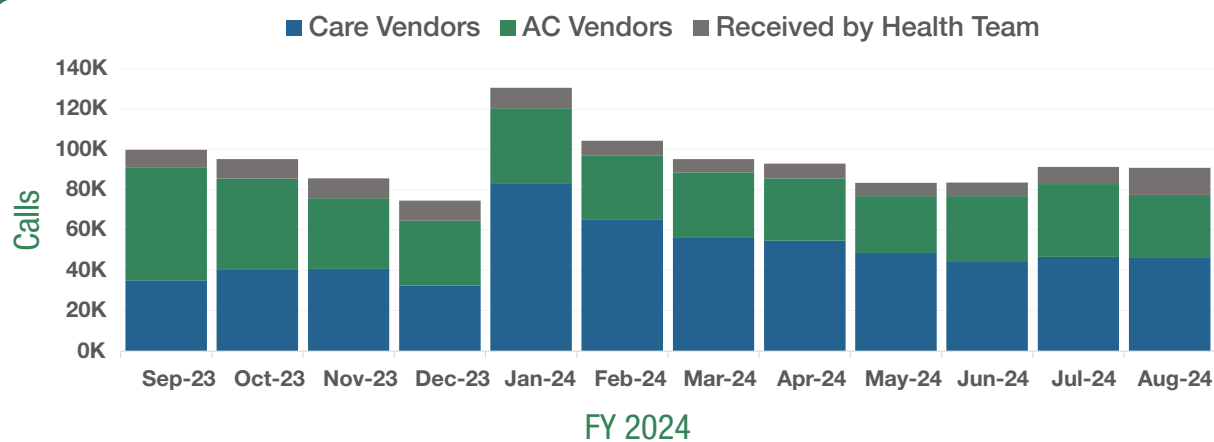
The 24,945 bar represents 91% of participants identified who could benefit from clinical program participation. TRS-Care estimates are based on eight months of data, since complete 2024 data is not available in time for the publication of this report.

# Appendix R:

## Enhanced Customer Service

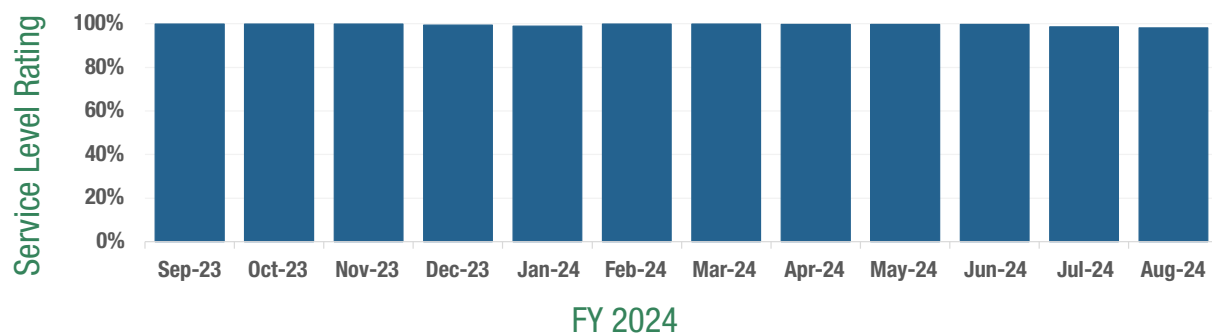
In FY 2024, TRS and its vendors, Blue Cross and Blue Shield of Texas, UnitedHealthcare and Express Scripts, received more than 1.1 million phone calls; this represents an increase in call volume of about 26% from FY 2023. The most significant increase in call volume is attributed to TRS-Care, which increased by about 37% from FY 2023. The implementation of the dental and vision plans, change in pharmacy benefits manager on Jan. 1, 2024, as well as the limited-time enrollment opportunity (LTEO), were major contributing factors to the significant rise in TRS-Care call volume.

Figure 35:  
Call Volume for TRS-Care and TRS-ActiveCare, FY 2024



TRS and its vendors answered more than 99% of calls within three minutes, meeting the service level benchmark. To support the participants in finding providers and navigating benefits, BCBSTX and ESI provide 24-hour support.

Figure 36:  
Monthly Service Level Ratings for TRS Health Team and Vendors, FY 2024



# Appendix S:

## TRS Health Claims Audit Results

TRS engaged Gainwell Technologies, which specializes in claim payment integrity solutions, to audit 100% of the claims the TRS' medical claims administrators and pharmacy benefits manager processed and paid. For FY 2021 and FY 2022, Gainwell analyzed 38.9 million medical claims, totaling \$4.2 billion in claim payments. Of the \$4.2 billion in medical claim payments, Gainwell reported potential errors totaling \$497K, or 0.01% of the total medical plan spend.

For FY 2022, Gainwell reviewed 13.9 million pharmacy claims, totaling \$2.1 billion in claim payments. Of this total, they reported potential claim payment errors totaling \$699K, or 0.03% of total pharmacy plan spend.

Table 31:  
Medical Claims and Spend by Plan, Plan Year 2021-22

	TRS-ActiveCare	TRS-Care	Total
Claims Reviewed	31,000,540	7,859,667	38,860,207
Drug Spend	\$3.2B	\$1B	\$4.2B
Total Findings	\$205,381	\$292,451	\$497,832
Error Rate	.01%	.03%	



**Total Findings = \$497,832**

- Timely Filing: \$200,053
- Duplicates: \$119,483
- Hearing Aid/Cochlear Implant: \$77,192
- All Other: \$101,104

Table 32:  
Pharmacy Claims and Spend by Plan, Plan Year 2022

	TRS-ActiveCare	TRS-Care	Medicare Part D	Total
Claims Reviewed	5.6M	1.6M	6.7M	13.9M
Drug Spend	\$648M	\$235M	\$1.2B	\$2.1B
Total Findings	\$44,797	\$78,527	\$575,301	\$699K
Error Rate	.01%	.03%	.05%	.03%



**Total Findings = \$699K**

- Incorrect Specialty Exclusions: \$548,624
- Performance Guarantees: \$150,000



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