

July 2025

CUSTOMER CARE

Benefits Committee Meeting



**Teacher Retirement System of
Texas**

1000 Red River Street
Austin, Texas
78701-2698

**TEACHER RETIREMENT SYSTEM OF TEXAS MEETING
BOARD OF TRUSTEES
AND
BENEFITS COMMITTEE**

*All or part of the July 17, 2025, meeting of the TRS Benefits Committee and Board of Trustees may be held by telephone or video conference call as authorized under Sections 551.130 and 551.127 of the Texas Government Code. The Board intends to have a quorum and the presiding officer of the meeting physically present at the following location, which will be open to the public during the open portions of the meeting: **4655 Mueller Blvd, 2nd Floor, Boardroom.***

The open portions of the July 17, 2025, meeting are being broadcast over the Internet. Access to the Internet broadcast and agenda materials of the meeting is provided at www.trs.texas.gov. A recording of the meeting will be available at www.trs.texas.gov.

**AGENDA
July 17, 2025 – 1:00 p.m.**

1. Call roll of Committee members.
2. Consider the approval of the proposed minutes of the April 2025 committee meeting – Chair.
3. Receive an update and consider the following regarding TRS Pension Services program:
 - A. Consider recommending to the Board the acceptance of the Medical Board Meeting minutes for March and May 2025 - Barbie Pearson;
 - B. Consider recommending to the Board the approval of Benefit Payments for March – May 2025 - Barbie Pearson;
 - C. Benefit Services Operational Update including an overview of the Medical Board Selection process - Barbie Pearson and Adrea Bridgeman; and
 - D. Consider recommending to the Board appointments to the Medical Board including the chair of the Medical Board – Barbie Pearson.
4. Receive the 2025 Reporting Employer Satisfaction Survey Results – Sunitha Downing and Dr. Rene Paulson, Elite Research.
5. Receive updates and consider the following regarding TRS health insurance benefits program:
 - A. Receive an update from the TRS-Care Retirees Advisory Committee (RAC) on the meeting held on April 28, 2025 – Mary Widmier.
 - B. Receive an update on the administration and performance of TRS-Care and TRS-ActiveCare including Health Finance initiatives – Katrina Daniel and Yimei Zhao.

NOTE: The Board of Trustees (Board) of the Teacher Retirement System of Texas will not consider or act upon any item before the Benefits Committee (Committee) at this meeting of the Committee. This meeting is not a regular meeting of the Board. However, because the full Benefits Committee constitutes a quorum of the Board, the meeting of the Committee is also being posted as a meeting of the Board out of an abundance of caution.

- C. Consider recommending to the Board the premiums and benefits for the following TRS-Care health insurance benefits plans – Meaghan Bludau:
 - 1. Consider premiums for the TRS-Care Medicare Advantage plans including COBRA rates for plan year (PY) 2026;
 - 2. Consider the premiums and benefits for the TRS-Care Standard plan including COBRA rates for PY 2026;
 - 3. Consider the premiums for the TRS-Care Optional Dental plan for PY 2026; and
 - 4. Consider the premiums for the TRS-Care Optional Vision plan for PY 2026.
- D. Receive and review claims administration and rebate audit reports for the TRS-ActiveCare and TRS-Care self-funded benefit plans. – Yimei Zhao and Jeff Bain:
 - 1. TRS-ActiveCare and TRS-Care medical benefits for the 2023 plan year;
 - 2. TRS-ActiveCare and TRS-Care pharmacy benefits for the 2023 plan year; and
 - 3. TRS-ActiveCare and TRS-Care rebates for the 2023 plan year.

Minutes of the Benefits Committee April 10, 2025

The Benefits Committee of the Board of Trustees of the Teacher Retirement System of Texas met on April 10, 2025, in the boardroom located on the Fifth Floor in the East Building of TRS' offices located at 1000 Red River Street, Austin, Texas, 78701.

Committee members present:

Mr. Elvis Williams, Chair
Ms. Brittney Allred
Mr. Michael Ball
Mr. James D. Nance
Mr. John R. Rutherford

Other TRS Board Members present:

Mr. David Corpus
Ms. Laronda Graf
Mr. John Elliott
Mr. Robert H. Walls, Jr.

Others who participated:

Brian Guthrie, TRS
Caasi Lamb, TRS
Don Green, TRS
Amanda Jenami, TRS
Barbie Pearson, TRS
Katrina Daniel, TRS
Heather Traeger, TRS
Katherine Farrell, TRS
Adrea Bridgeman, TRS
Melanie Ingleby, TRS
Suzanne Dugan, Cohen Milstein

Benefits Committee Chair, Mr. Elvis Williams, called the meeting to order at 3:50 p.m.

1. Call roll of Committee members.

Ms. Farrell called the roll. A quorum was present.

2. Consider the approval of the proposed minutes of the December 2024, committee meeting – Chair Michael Ball.

On a motion by Mr. Nance, seconded by Mr. Rutherford, the committee unanimously approved the proposed minutes for the December 2024 Benefits Committee meeting as presented.

3. Receive an update and consider the following regarding TRS pension benefits program:

A. Consider recommending to the Board acceptance of the Medical Board Meeting minutes of November 2024 and January 2025;

Ms. Pearson recommended to the Committee to recommend to the Board acceptance of the Medical Board meeting minutes for November 2024 and January 2025.

On a motion by Ms. Allred, seconded by Mr. Nance, the committee unanimously voted to recommend to the Board acceptance of the Medical Board meeting minutes for November 2024 and January 2025.

B. Consider recommending to the Board approval of Benefit Payments for December 2024 through February 2025 – Barbie Pearson; and

Ms. Pearson recommended to the Committee to recommend to the Board the approval of benefit payment for December 2024 through February 2025.

On a motion by Mr. Ball, seconded by Ms. Allred, the committee unanimously voted to recommend to the Board approval of benefit payment for December 2024 through February 2025.

C. Benefit Services Operations update including an overview of Service Credit Purchase – Barbie Pearson and Adrea Bridgeman.

Ms. Pearson announced the renaming of the Benefit Services Division to the Pension Services Division to assist in differentiating pension from health benefits and to fully encompass all the facets of the division. She reported that all service levels for the quarter were either met or exceeded by Pension Services. She noted the retirements team had not met the first quarter in service level since fiscal year 2019. She said due to the team's hard work and defects fixed in the TRUST system related to retirements the team is at 98 percent service level. She said as of January 31st the mailing of 1099s, over 600,000 forms to TRS annuitants were complete. These forms, she said, were also available on MyTRS accounts noting there were over 804,000 accounts created. She reported the top four transactions on MyTRS were beneficiary changes, documents viewed, appointments scheduled and benefit calculator. She reported the division had over 438,000 transactions and interacted with a little under 485,000 members so far, this fiscal year. She said the percentage of valid complaints to total transactions and interactions combined is approximately 0.0026 percent. She said this tells how satisfied members are with the services provided and the commitment of staff to provide that great service to members.

Ms. Adrea Bridgeman provided an overview of service credit purchase, specifically how it is earned, purchased and why it is important to members. She said there were different types of service credit that can be purchased. She reviewed the top four types of service purchase: withdrawn, military, out-of-state service and state sick and/or personal leave.

4. Receive updates on TRS-Care and TRS-ActiveCare health plans, including actuarial enhancements – Katrina Daniel and Melanie Ingleby.

Ms. Katrina Daniel reported the Legislature was still in session and had not finalized the budget resulting in the TRS-ActiveCare rates being brought before the Board in June. Ms. Daniel then announced the creation of two deputy chief positions within the Health Division introducing Ms. Yimei Zhao as deputy chief of health finance and Mr. Chris Herrick as deputy chief for operations. She reviewed the dental and vision enrollment, noting the overwhelming majority were already in the TRS-Care plan which will guide next years engagement activities.

Ms. Melanie Ingleby reviewed the internal actuary team and provided a brief update on what an actuary does, such as calculate premium rates, estimate and report claim reserves for TRS. She said there were two types of claim reserves. One is for incurred but not reported claims. The other, she said, is the claims fluctuation reserve, also referred to as the fund balance target. She discussed how in fiscal year 2023 ActiveCare switched to a regional rating to maintain the stability of the funds and to provide competitive market rates to districts. She said there are complexities for regional rating, such as for a single year her team outputs 320 distinct rates. She referenced the size of Texas and the cost of health care across the different areas of the state. She noted in fiscal year 2028 there will be 114 districts that are eligible to return to ActiveCare. She said a number of these districts have already reached out to TRS and expect an influx in that fiscal year they are already working through how to process. She concluded by reviewing how if TRS sets the gross premiums for ActiveCare but the districts determine whether to increase their contributions or to pass through the increases to the participant which may result in greater percentage increase to the employee than the gross premium established.

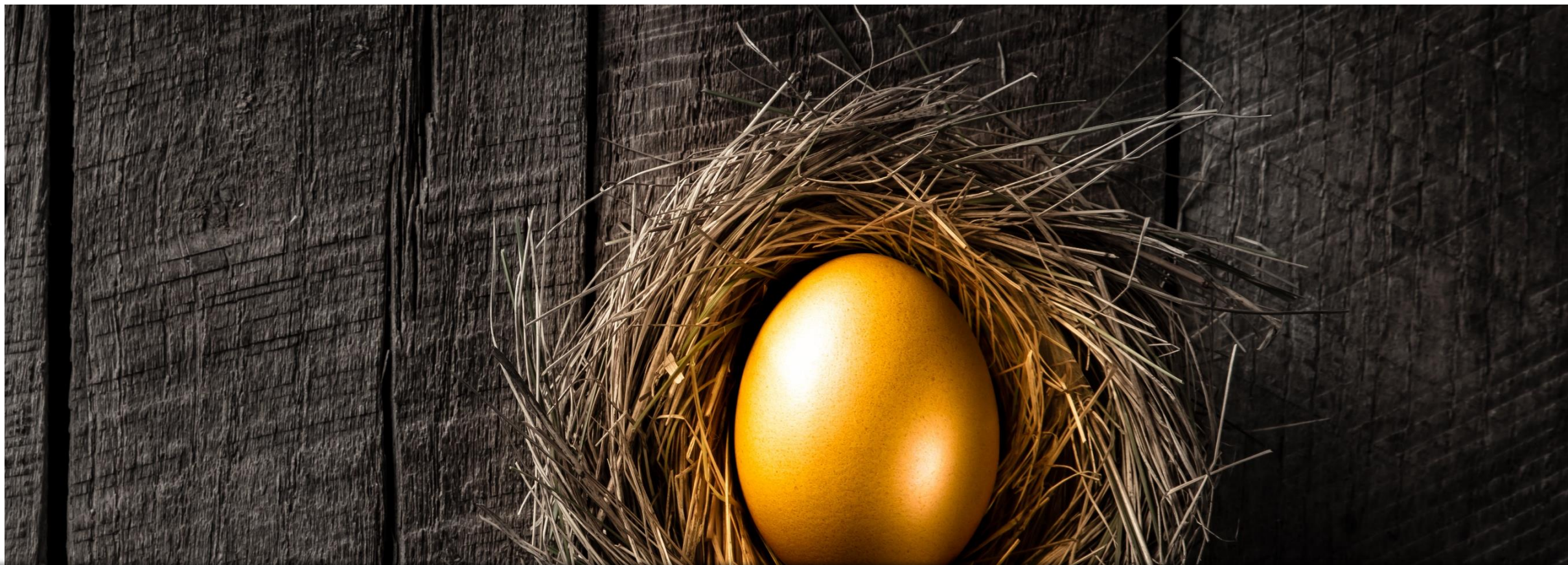
There being no more business before the Benefits Committee, the committee adjourned at 4:39 p.m.

Approved by the Benefits Committee of the Board of Trustees of the Teacher Retirement System of Texas on July ____, 2025.

Katherine H. Farrell
Secretary of the TRS Board of Trustees

Date

TAB 3



Pension Services

Presentation Date: July 17, 2025

Presented By: Barbie Pearson and Adrea Bridgeman



Pension Services at a Glance



Key Updates

Performance Objectives

Achieving all metrics

Inactive Outreach

9,848 letters mailed in May 2025

Retirement Update

- 4% decrease from FY24 Q1-Q3 to FY25 Q1-Q3
- 12,059 pending retirements from May 2025-August 2025

Transactions and Interactions

686,482
Member
Transactions



39 valid
complaints
(0.0028%)

722,482
Member
Interactions

September 2024 – May 2025

Member Center Opening



Member Center
In-Person Visitors: 116

76 in-person
40 walk-ins





TRS Medical Board



Medical Board History



2022

Advertised in Travis County Medical Society (TCMS) and the Electronic State Business Daily

2 Applicants



2025

Advertisements:

- Travis County Medical Society (TCMS)
- TCMS March e-Newsletter
- LinkedIn

Advertised Virtual Meetings

30 Applicants

Interviewed 6 Doctors



Questions



Questions?



Appendix



Member Services Objectives



Business Activity	Objectives	FY Target	Q1	Q2	Q3	FY25 Sept-May
Telephone Calls	Calls answered within three minutes	90%	98%	93%	95%	95%
	Average speed of answer (minutes/seconds)		0:11	0:39	0:09	0:20
Office Visits (Austin)	Number of office visits available annually	20,000	4,212	4,772	5,555	14,539
Conducted	In-Person		1,176	1,238	1,571	3,985
	Live Video		937	1,307	1,344	3,588
	Telephone		678	827	927	2,432
	Walk-Ins		310	266	382	958
Office Visits (El Paso)	Number of office visits available annually	7,500	1,104	1,599	2,449	5,152
Conducted	In-Person		413	394	594	1,401
	Live Video		201	343	593	1,137
	Telephone		106	237	373	716
	Walk-Ins		533	98	80	711



Account Services Objectives



MEMBER
Focused

Business Activity	Objectives	FY Target	Q1	Q2	Q3	FY25 Sept-May
Refunds	Refunds validated within five business days of receiving final deposit and all paperwork	95%	100%	100%	100%	100%
Benefit Estimates	Benefit estimates mailed within 31 days of request	95%	100%	100%	100%	100%
Retirements	Retirees received first annuity payment on time	98%	98%	98%	98%	98%
Death Claims (acknowledged)	Claims acknowledged within 14 days of receipt of death notification	95%	99%	99%	99%	99%
Death Claims (payments)	Claims payments issued within 31 days of receipt of all required paperwork	95%	99%	99%	99%	99%
Reporting Employer	Regular payroll reports completed by the end of each quarter (cumulative for fiscal year)	90%	99%	99%	99%	99%



Benefit Operation Support Objectives



Business Activity	Objectives	FY Target	Q1	Q2	Q3	FY25 Sept-May
Foundational Training	Provided pension benefits foundational classroom training for all new hires (cumulative)	100%	100%	100%	N/A	100%
Quality Assurance	Number of telephone interactions evaluated	11,500	2,954	3,087	3,066	9,107
	Number of virtual office visits evaluated	1,200	211	392	467	1,070



TAB 4



Enterprise Project Management

Presentation Date: July 17, 2025


Presented By: Sunitha Downing, Director of Enterprise Program Management
& Dr. Rene Paulson, Elite Research LLC

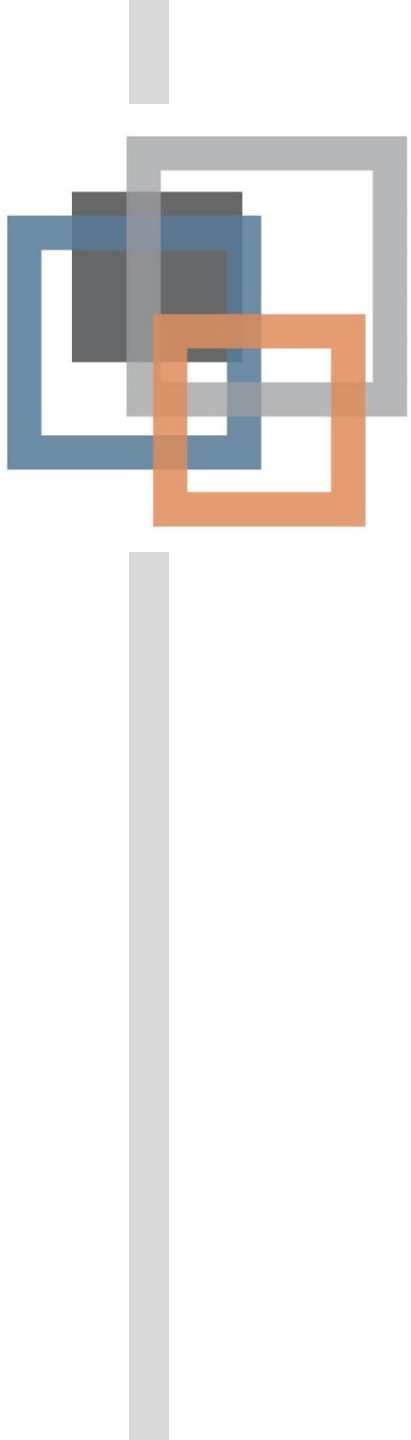


Reporting Employer Satisfaction Survey Overview



- Survey all public and higher education employers
- Gauge Reporting Employer (RE) satisfaction on TRS services

Data Points	Updates
<ul style="list-style-type: none">• Conducted annually since 2019	<ul style="list-style-type: none">• Administered in TRS survey platform
<ul style="list-style-type: none">• Sent to all 1,339 Reporting Employers	<ul style="list-style-type: none">• Dashboards and data analytics =  insights
<ul style="list-style-type: none">• 20% increase in response rate	<ul style="list-style-type: none">• Shorter survey



Teacher Retirement System of Texas

Reporting Employer Satisfaction Survey

Rene Paulson, PhD

ELITE
RESEARCH



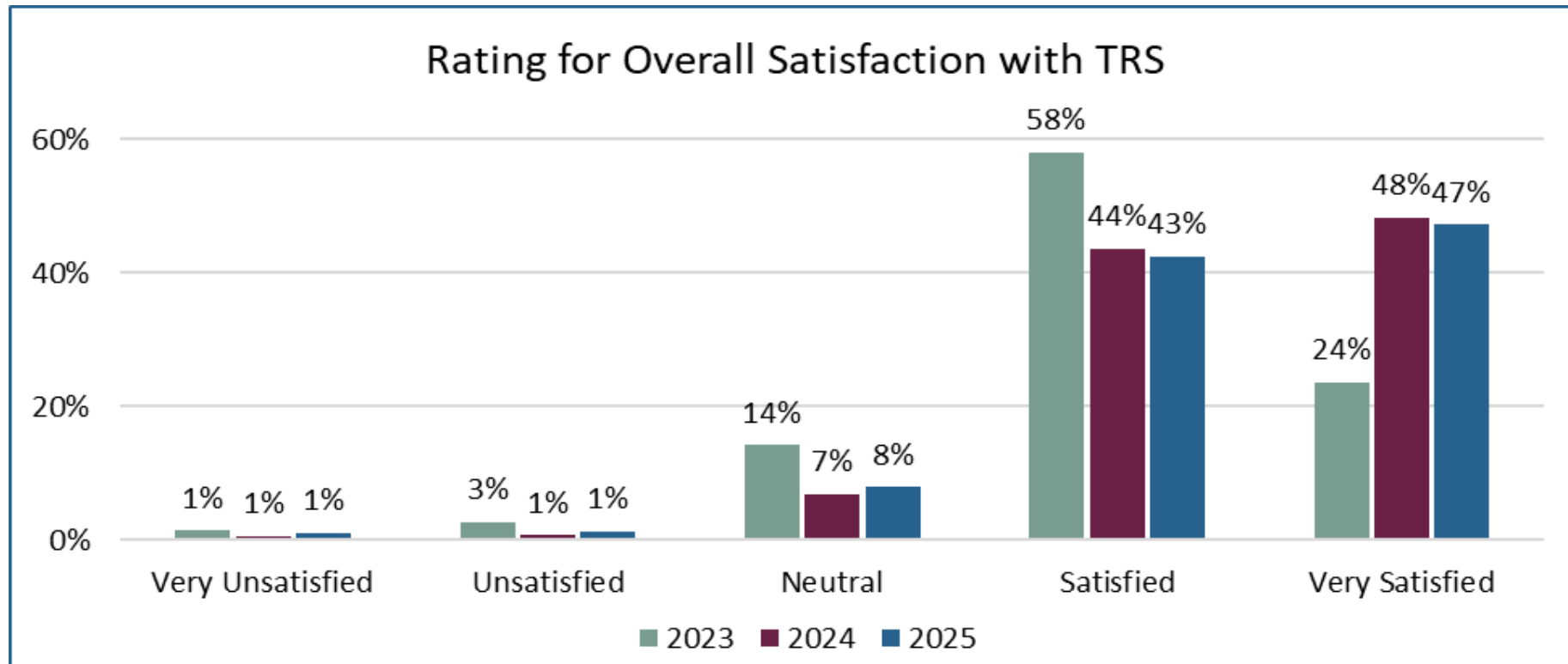
Survey Process

- Administered by Elite Research, LLC
- Online survey
- Collection: February - March 2025
- Sample: 5,586 unique email addresses representing 1,339 REs
- Results: based on 1,103 individual respondents representing 990 REs



Overall Satisfaction

- Approximately half of REs were “Very Satisfied” with their satisfaction with TRS
- Ratings for the highest level of satisfaction with TRS remain consistent in 2025
- Less than 2% of REs were dissatisfied with their satisfaction with TRS



Note: In 2024, the question was modified from quality of service to overall satisfaction and was changed from a 5-point scale of “Poor” to “Excellent” to a 5-point scale of “Very Unsatisfied” to “Very Satisfied”.

Q: Please rate your overall satisfaction with the agency.



Suggestions for Improving TRS Relationships

- While the majority of comments were positive, improve communication was the most frequently reported suggestion (13.1%)
- “Extend Deadlines” was the third most frequently reported suggestion even with the improved standard response timeline in 2024 and 2025
- Training and improving the response availability and time were other frequently suggested improvements

Response Category	Count	%
Positive Comment	80	17.50%
Improve Communication	60	13.10%
Extend Deadlines	41	9.00%
Satisfied	39	8.50%
Provide Training/In-Person	35	7.60%
Improve Response (Availability)	32	7.00%
Improve Response Time	30	6.60%
Improve Portal	27	5.90%
Simplify Reporting	17	3.70%
More Coaches/Overworked/Less Changeover	12	2.60%
Keep Grace Periods & Remove Penalties	8	1.70%
Compliment - Specific Coach	8	1.70%
Reduce System Downtime/Optimize Update Schedule	6	1.30%
Many Improvements Made Already	5	1.10%
Allow More Access to Documents & Employee Details	4	0.90%
Improve Understanding	4	0.90%
Accuracy/Match of Information	4	0.90%
None/NA	46	10.00%



Summary of Feedback

- **Increase in Ratings of TRS Services:** Most services received an above 75% rating
- **Reporting Employer Coaches:** Over 90% satisfaction and importance in 2025
- **Contact with Reporting Employer Coaches:** 55% of REs contact their RE Coach during reporting deadlines. REs who contact their RE Coach outside of reporting deadlines stated the one-day response time was reasonable
- **Satisfaction with Resources Remains Satisfactory:** Resources rating is “Satisfactory” instead of “Very Satisfied”
- **Awareness and Use of the Employer Toolkit:** Awareness rose from 40% in 2024 to 55% in 2025; usage rose from 26% in 2024 to 40% in 2025

Where to go from here:

- Most modes of communication receive satisfactory ratings, but not extreme satisfaction
- Increased awareness and usage of the Employer Toolkit has not translated into heavy use
- Opportunity to move from basic satisfaction to extreme satisfaction with existing TRS resources
- Improve relationships by increasing training and response times

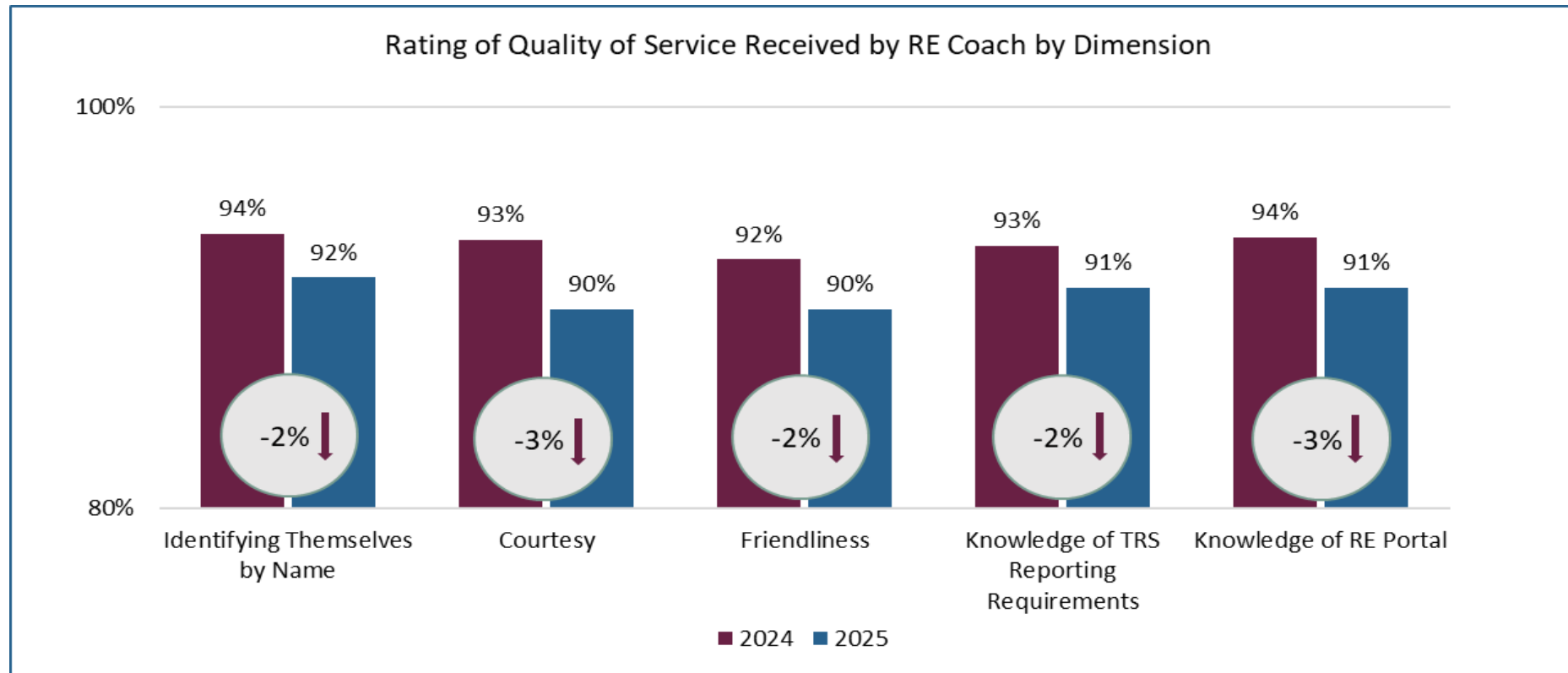


Appendix



Ratings for RE Coaches

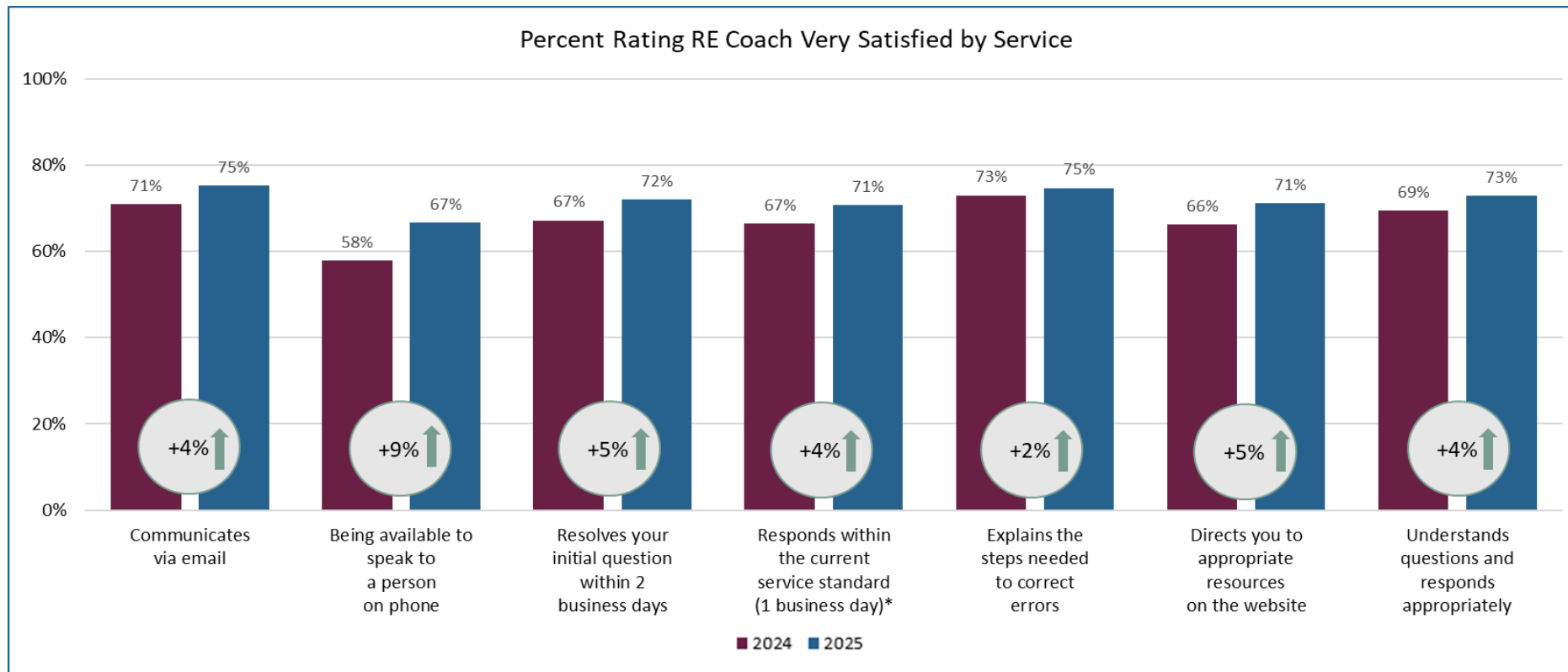
- All RE Coaches received above 90% overall satisfaction for all dimensions
- In 2025, nearly three-fourths of REs were “Very Satisfied” with the quality of their Coaches; however, overall RE Coach satisfaction decreased slightly from 2024





Evaluation of RE Coaches by Service

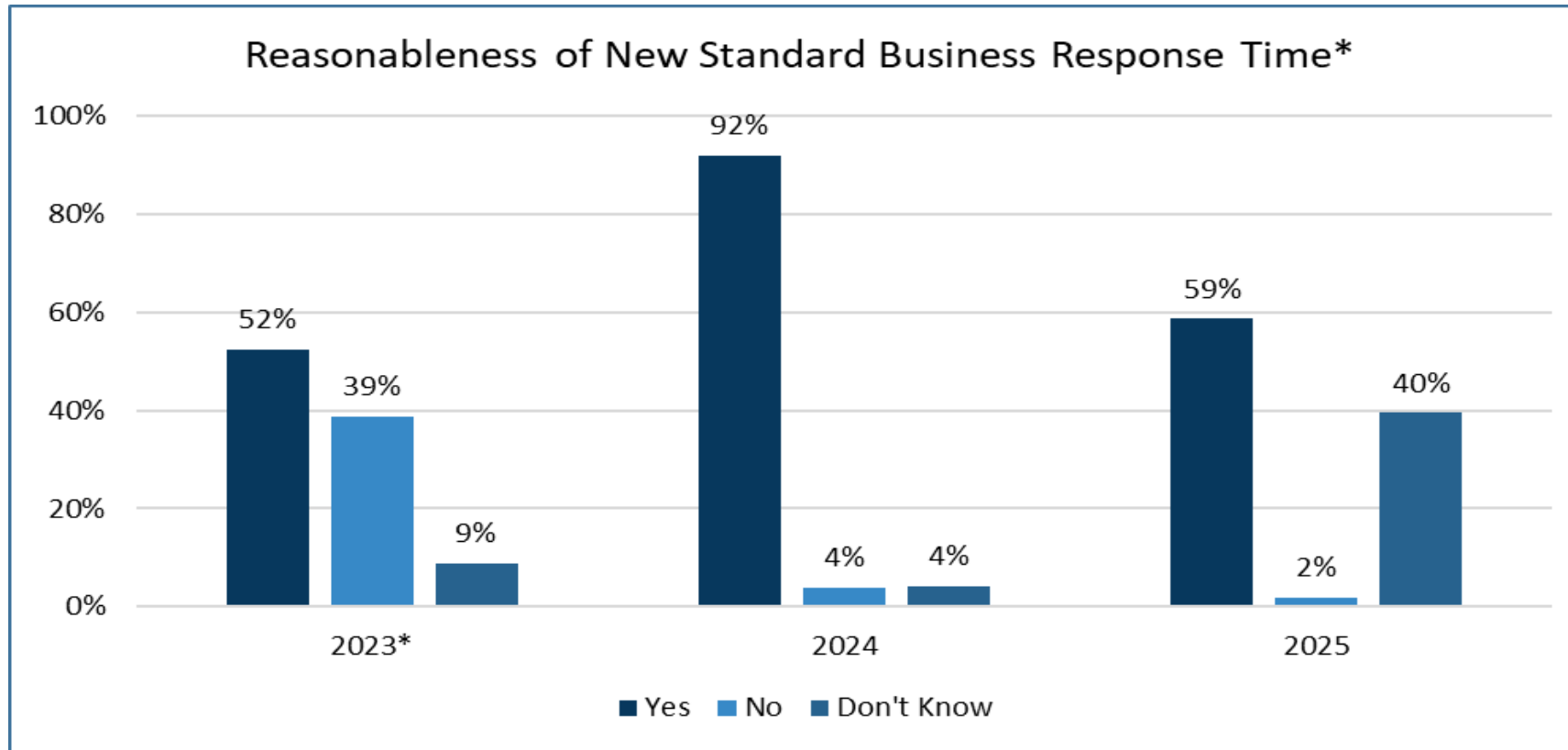
- All dimensions of RE Coach service show increased satisfaction in 2025
- Satisfaction was the highest for “Communicates via email” and “Explains the steps needed to correct errors” (75%)





One-Day Standard Response Time

- Business standard response time is more highly rated as reasonable (59%)
- Less than 1 in 20 respondents say the business standard response time is not reasonable (2%)



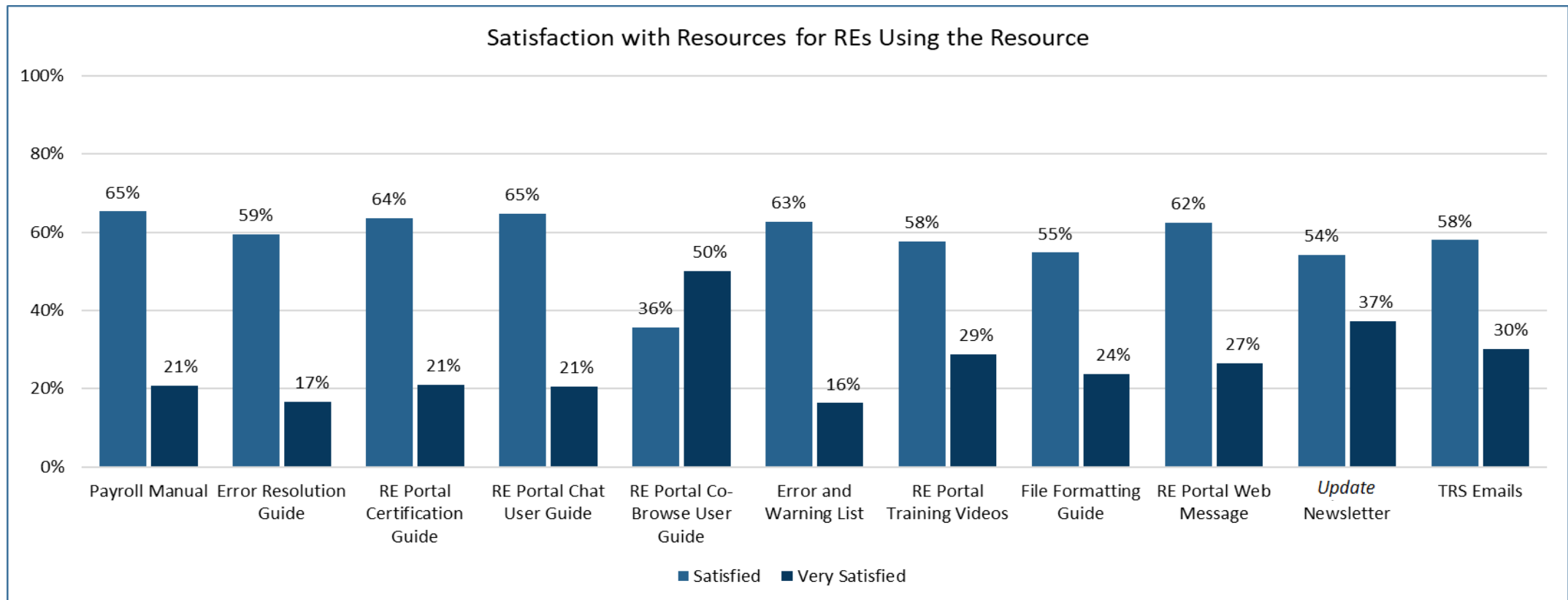
Q: TRS' goal is to respond to you within one business day. Do you think this timeline is reasonable?

*Previous versions of this question (2023) referenced reasonableness of prior standard of two-business days instead of one day (2024 & 2025).



TRS Resources

- REs continue to be “Satisfied” but not “Very Satisfied” with the resources
- The *RE Portal Co-Browse User Guide* (50%) and the *Update* Newsletter (37%) are the resources where at least one-third of REs using the resource rated being “Very Satisfied”

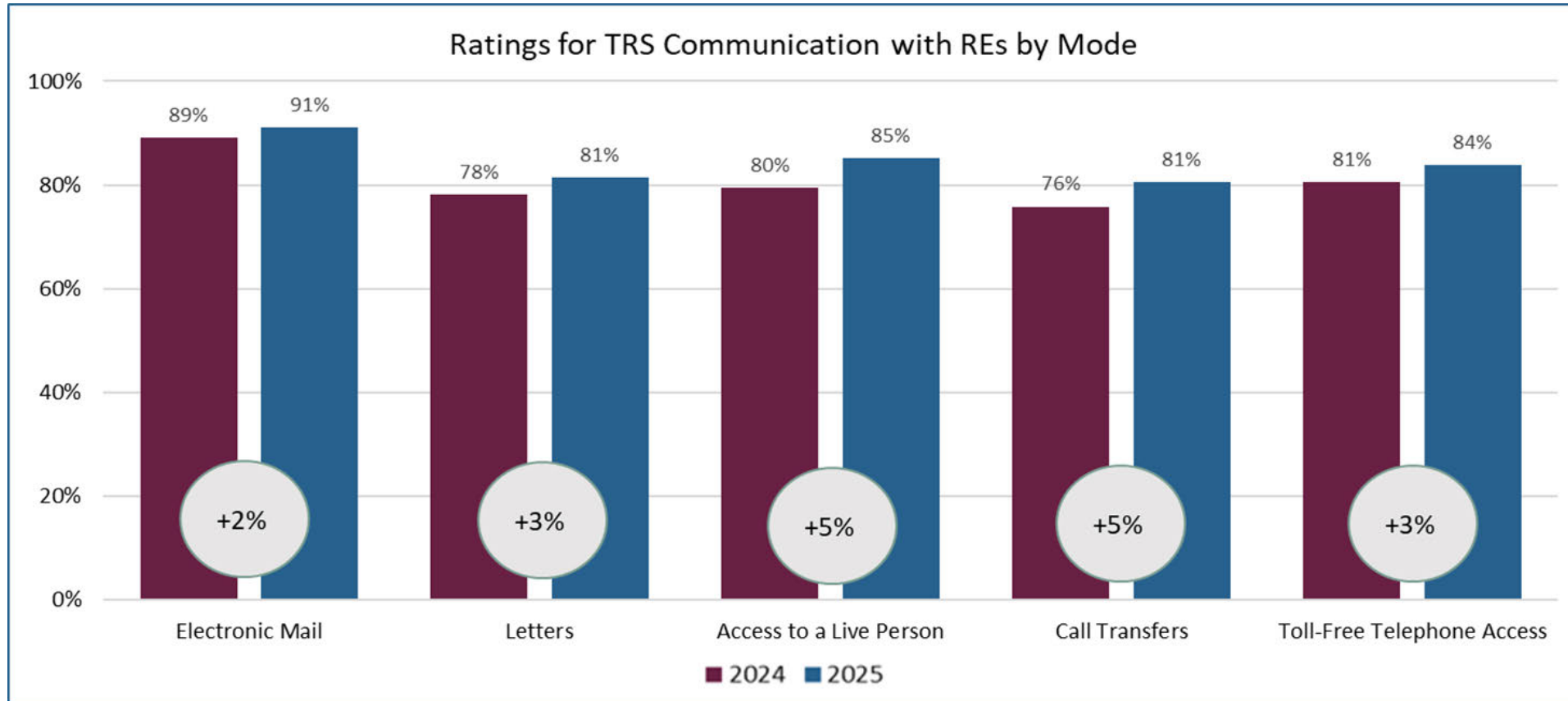


Q: How satisfied were you with the resources you utilized during the last year?



TRS Communications with REs

- REs more highly rated TRS communications in 2025 compared to 2024
- Satisfaction levels increased across all TRS communication channels with REs

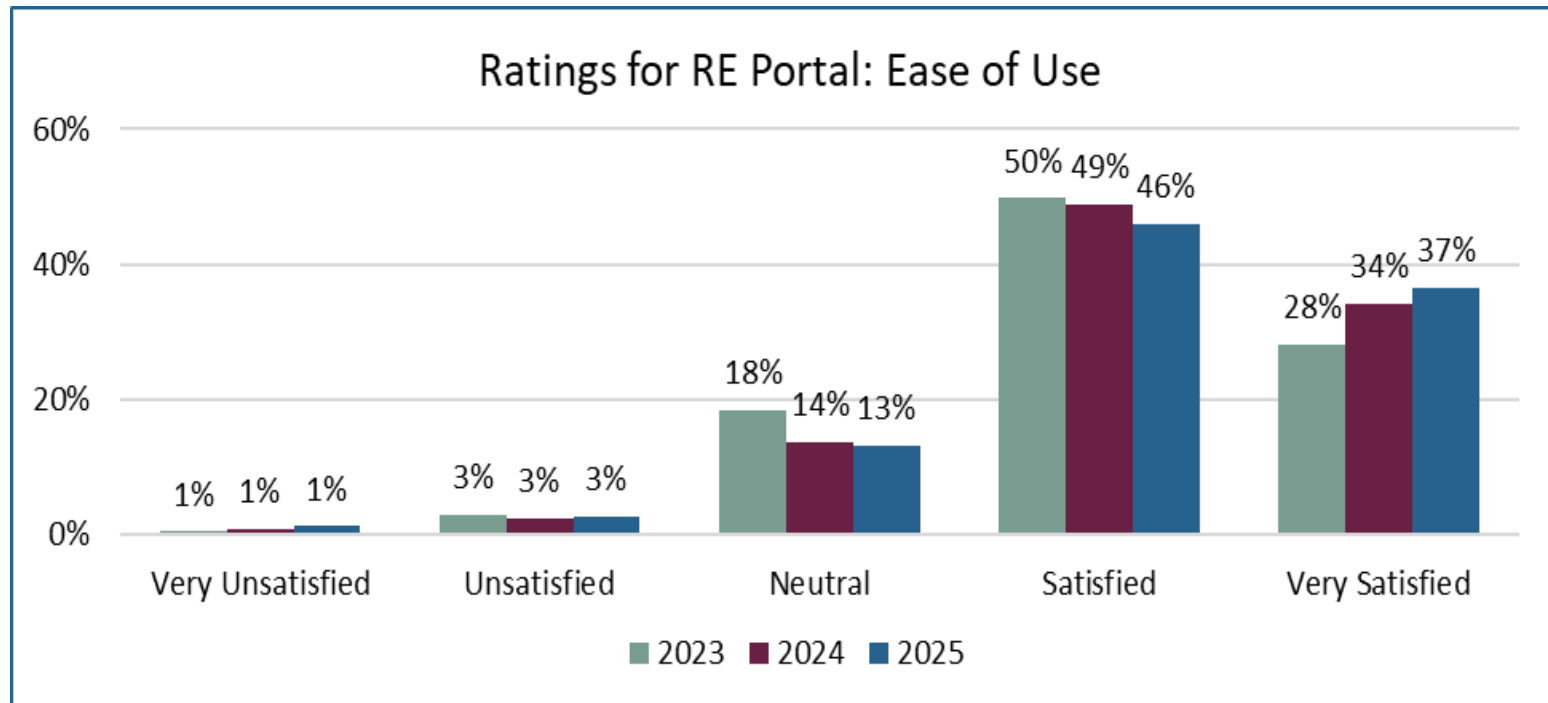


Q: How would you rate TRS' **communications**, including toll-free telephone access, call transfers, access to a live person, letters, and electronic mail?



RE Portal

- More than three-fourths of respondents reported satisfaction with both dimensions of the RE Portal with over one-third of respondents reporting being “Very Satisfied” with each RE Portal dimension



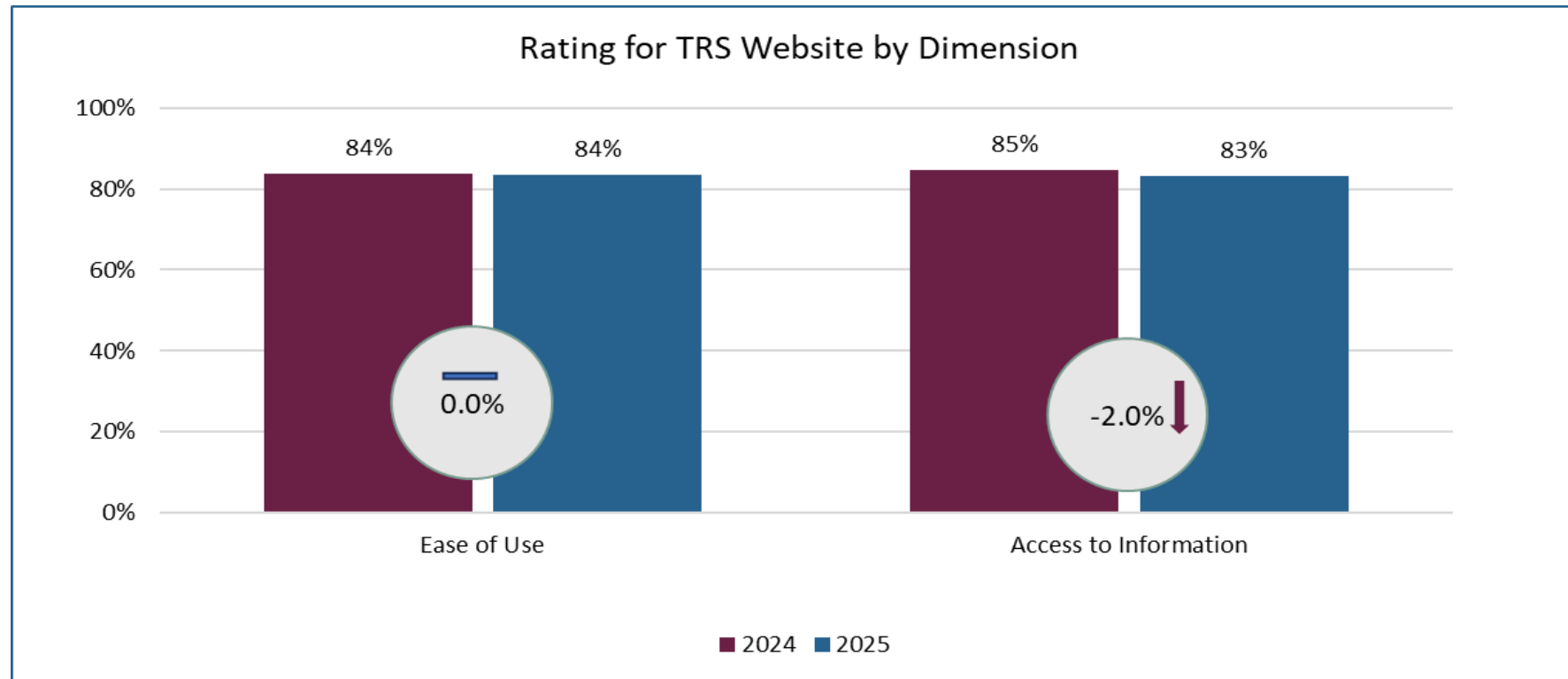
RE Portal Dimensions
Ease of Use
Access to Information

Q: How would you rate the Reporting Employer Portal on ease of use and access to information, such as resources?



TRS Website

- More than three-fourths of REs reported being satisfied with the overall Ease of Use and Access to Information on the TRS Website
- Of those who were not satisfied, the majority are neutral with less than 2% dissatisfied

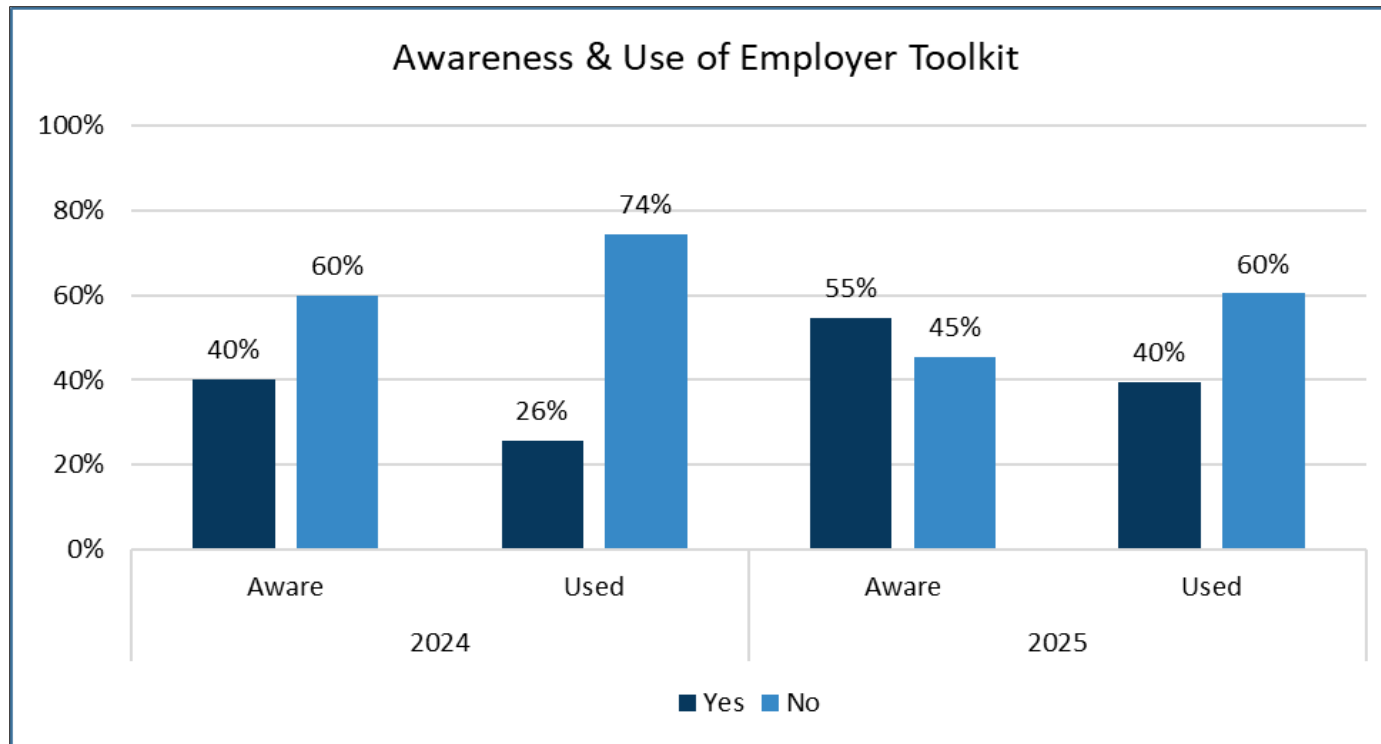


Q: How would you rate the Reporting Employer section of TRS' Internet site on ease of use and access to information, such as resources?

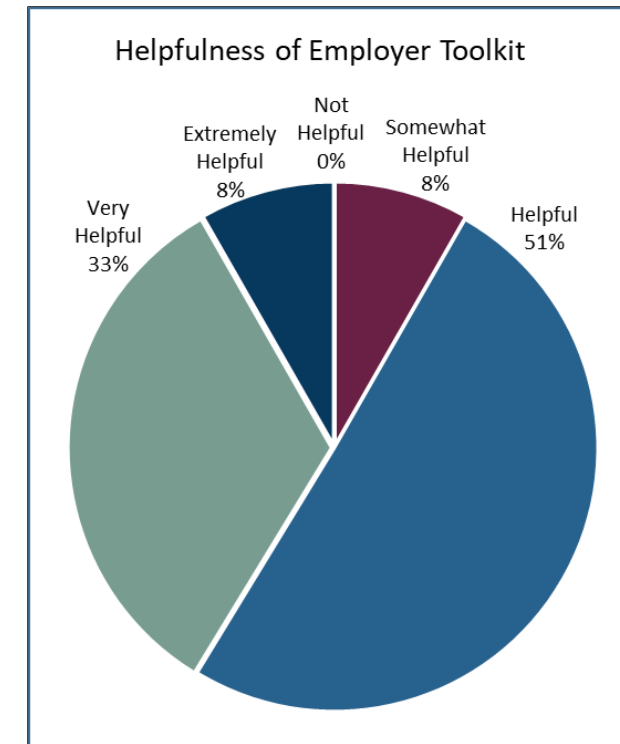


Employer Toolkit

- Employer Toolkit awareness and usage increased in 2025
- Over one-third of REs surveyed indicated having used the Employer Toolkit (40%)
- REs that use the Employer Toolkit find it “Helpful” to “Extremely Helpful” (92%)



Q: Are you aware of the new Employer Toolkit to assist your employees with TRS benefit questions?
Q: Have you utilized the new Employer Toolkit to assist your employees with benefit questions?



Q: How helpful did you find the Employer Toolkit?

TAB 5



TRS Health

Thursday, July 17, 2025

Katrina Daniel, Chief Health Care Officer

Meaghan Bludau, Chief of Staff, Health Division

Yimei Zhao, Deputy Director of Health Finance

Jeff Bain, Director of Health Contracts

Dr. Mary Widmier, Vice Chair, Retirees Advisory Committee

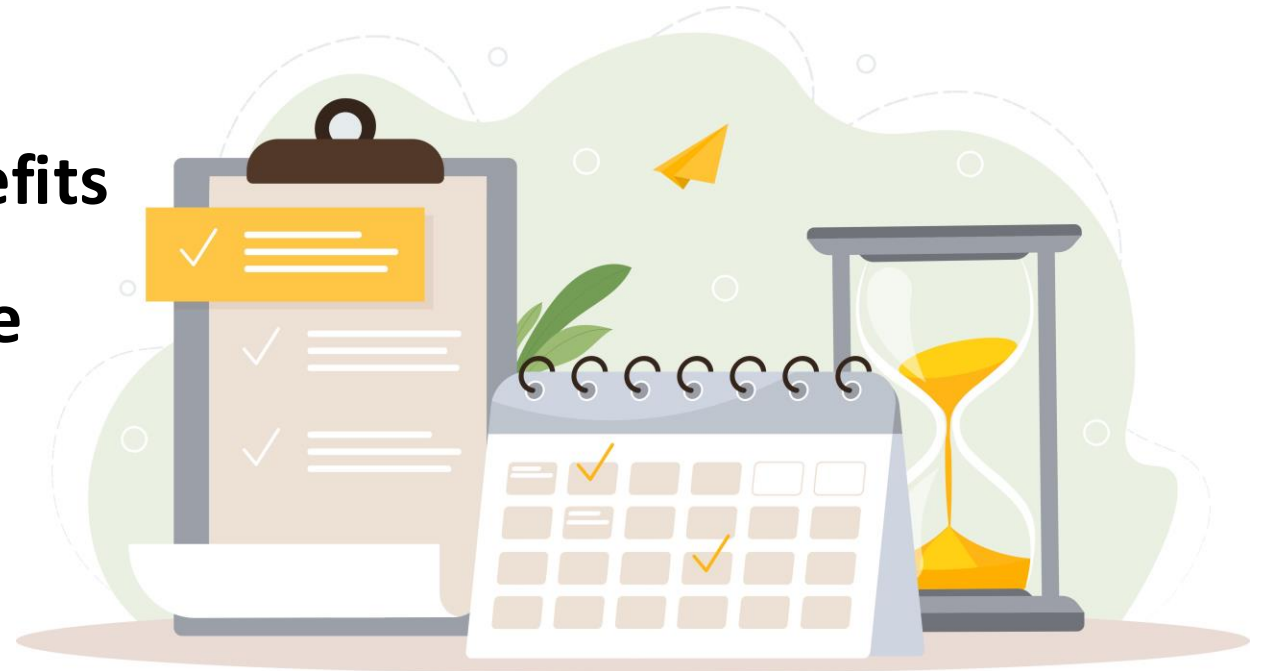




Health Agenda



- **Retirees Advisory Committee (RAC) Update**
- **TRS-ActiveCare Update**
- **2026 TRS-Care Premiums & Benefits**
- **2026 TRS-Care Dental & TRS-Care Vision Premiums**
- **TRS Health Finance Overview**





TRS-Care Retirees Advisory Committee (RAC) Update



Dr. Mary Widmier
RAC Vice Chair





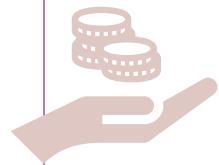
Efficient Bill Review Through Automation



60% of reviewed bills were health-related



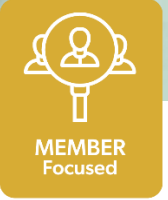
Eliminated over **500** manual steps using Power Automate



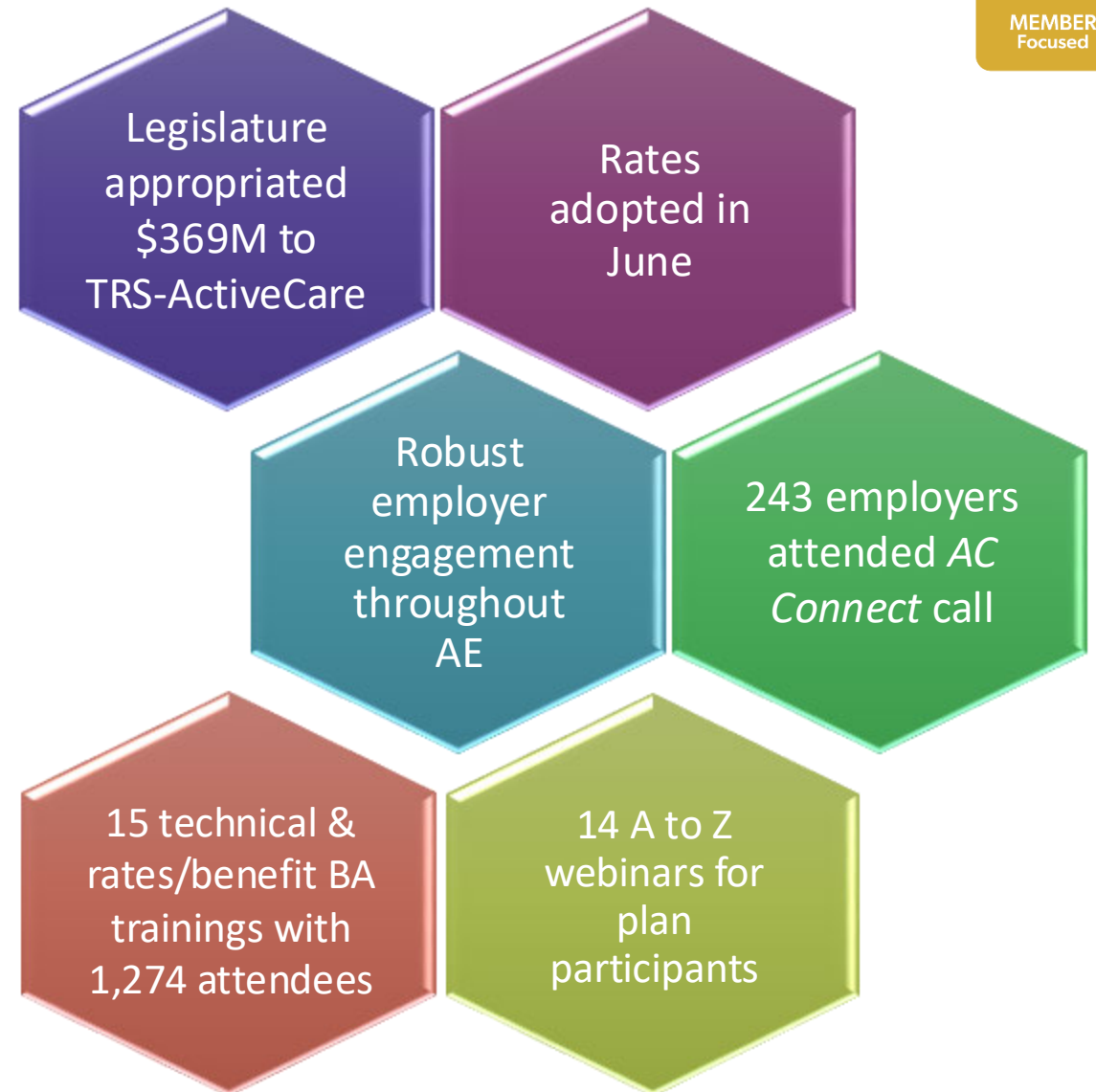
Identified **\$175M+** in potential first-year impact across **113** bills analyzed



TRS-ActiveCare Plan of Choice



- **Annual enrollment (AE) underway**
- **Three new districts** joining for PY 2025-26
- **Transitional Plans**
 - Rates will be adopted in September for a Jan. 1, 2026 effective date
- **HB 3126** allows early reentry for districts that left on Sept. 1, 2022
 - Subject to a risk stabilization fee
 - Submit notice by Dec. 31, 2025
 - Must stay until 2031





No Proposed Premium Changes to TRS-Care Medicare Advantage

After premium reductions of up to 45% in PY 2025,
no proposed premium changes for PY 2026

TRS-Care Medicare Advantage Premiums PY 2026	
Retiree Only	\$75
Retiree + Spouse	\$280
Retiree + Child(ren)	\$408
Retiree + Family	\$613

We continue to **actively manage the plan** and assess the need for future proposed **premium and benefit adjustments** based on market trends and health care costs.

Limited-time Enrollment Opportunity available for Medicare-eligible retirees to enroll in or rejoin the plan **through March 2026** and take advantage of the lowered premiums.



No Proposed Premium Changes to TRS-Care Standard

No proposed premium changes for ninth consecutive year

TRS-Care Standard Premiums PY 2026	
Retiree Only	\$200
Retiree + Spouse	\$689
Retiree + Child(ren)	\$408
Retiree + Family	\$999

Proposed TRS-Care Standard premiums are still **competitive** and **50-80% below market**.



Proposed Benefit Changes to TRS-Care Standard



Proposed TRS-Care Standard deductible increases to account for IRS guidelines to maintain Health Savings Account (HSA) option

TRS-Care Standard Proposed Benefit Changes			
	Plan Year 2025	Plan Year 2026	Dollar Change
In-Network Deductible (<i>IRS requirement</i>)	\$1,650 (individual) / \$3,300 (family)	\$1,700 (individual) / \$3,400 (family)	+\$50 (individual) / +\$100 (family)
Out-of-Network Deductible	\$3,300 (individual) / \$6,600 (family)	\$3,400 (individual) / \$6,800 (family)	+\$100 (individual) / +\$200 family



TRS-Care Standard Benefit Enhancements



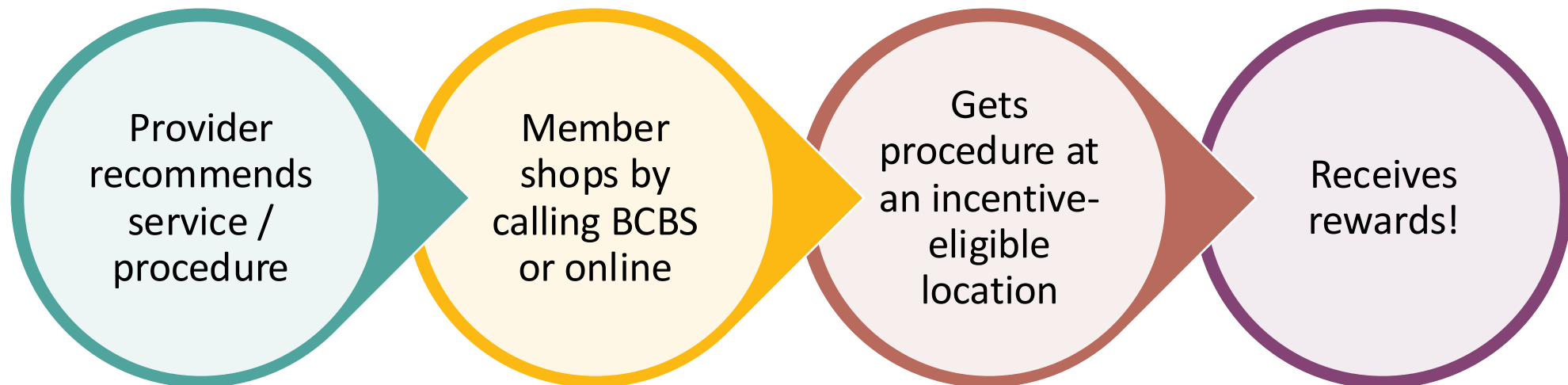
Incentives for retirees to see high-quality, low-cost providers starts Sept. 1, 2025



Members can earn up to **\$599** a year

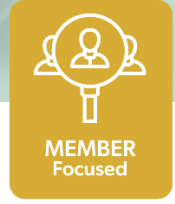
TRS-Care Standard Estimated Savings:

- **\$1.18M in 12 months**





No Proposed Premium Changes to TRS-Care Dental & Vision



No Proposed Premium Changes

**Enrollment
Window**

Oct. 1 – Dec. 8, 2025



NEW: Leveraging MyTRS for online enrollment takes less than five minutes.

TRS-Care Dental Premiums PY 2026	
Retiree Only	\$41.64
Retiree + Spouse	\$87.45
Retiree + Child(ren)	\$83.29
Retiree + Family	\$129.93
TRS-Care Vision Premiums PY 2026	
Retiree Only	\$6.89
Retiree + Spouse	\$13.79
Retiree + Child(ren)	\$15.57
Retiree + Family	\$24.08



Robust TRS-Care Outreach & Engagement Plan



AUGUST - OCTOBER 2025

- 16 in-person health fairs across the state
- 6 virtual webinars
- Post enrollment guides on TRS website

\$450K saved by digitizing TRS-Care materials and adopting a *hybrid* mail solution!

2025

July

August

September

October

November

December

2026 >

JULY 2025

following the board meeting:

- Announce 2026 rates and benefits on social media and in *The Pulse* Newsletter
- Mail letters to ~330,000 eligible retirees and surviving spouses
- Post plan highlights with approved rates on TRS website

November 2025

- Reminder postcard to Limited-Time Enrollment Opportunity & TRS-Care Dental and Vision eligible retirees
- Direct email campaign



Over **106K TRS-Care Dental and Vision Enrollments** for the 2025 plan year (54K in dental, 52K in vision)



2026 TRS-Care Plan Resources Webpage



The screenshot shows the TRS-Care 2026 Plan Resources webpage. The header features the TRS logo (Teacher Retirement System of Texas) and navigation links for EMPLOYERS, PROCUREMENT, CAREERS, and a MyTRS Login button. Below the header is a large banner image of four people (three women and one man) standing outdoors in a park-like setting. The main content area has a breadcrumb trail: Home / Health Benefits / Retiree Health / TRS-Care 2025 Plan Resources / TRS-Care 2026 Plan Resources. On the left, there is a sidebar menu under 'Health Benefits' with options like Active Member Health, Retiree Health, and TRS-Care Resources. The main content area is titled 'TRS-Care 2026 Plan Resources' and includes a welcome message, a list of links to various resources (e.g., TRS-Care Standard, Turning 65, TRS-Care Medicare Advantage), and a section for 'TRS Retirees Not Eligible for Medicare' and 'TRS Retirees 65+, Turning 65 Soon, or Medicare-eligible'.

Home / Health Benefits / Retiree Health / TRS-Care 2025 Plan Resources / TRS-Care 2026 Plan Resources

Health Benefits

- Active Member Health
- Retiree Health
 - TRS-Care Resources
 - TRS-Care Standard
 - Turning 65
 - TRS-Care Medicare Advantage
 - TRS-Care Dental and Vision
 - Retirees Advisory Committee
 - TRS-ActiveCare for Employers
- Health Benefit Contacts
- Health Events
- Health News & Tips

TRS-Care 2026 Plan Resources

Find it fast! Click which retirement category you fall into below to see welcome letters, webinar recordings (coming soon), and guides.

You can also scroll down to quickly access PDFs of TRS-Care Plan Highlights with rates, and the guides that will have all benefits information for the two medical and pharmacy plans.

- TRS Retirees Not Eligible for Medicare
- TRS Retirees 65+, Turning 65 Soon, or Medicare-eligible

These links and summaries will help you understand your **TRS-Care benefits** and how to make the most of your coverage.

- ✓ New, user-friendly design
- ✓ Searchable health events
- ✓ Easier health events registration



TRS Health Finance Overview

Yimei Zhao, Deputy Director of Health Finance, TRS Health Division



Health Finance Supporting TRS' Mission



TRS Mission Statement

- ...delivering benefits that make a positive difference in their lives

TRS Health
Finance Supports
TRS Mission



Revenue Collection

Expense
Management

$$\begin{array}{c} \$ \\ \text{Total} \\ \text{Cost} \end{array} = \begin{array}{c} \text{Unit} \\ \text{Price} \end{array} \times \begin{array}{c} \text{Quantity} \end{array}$$

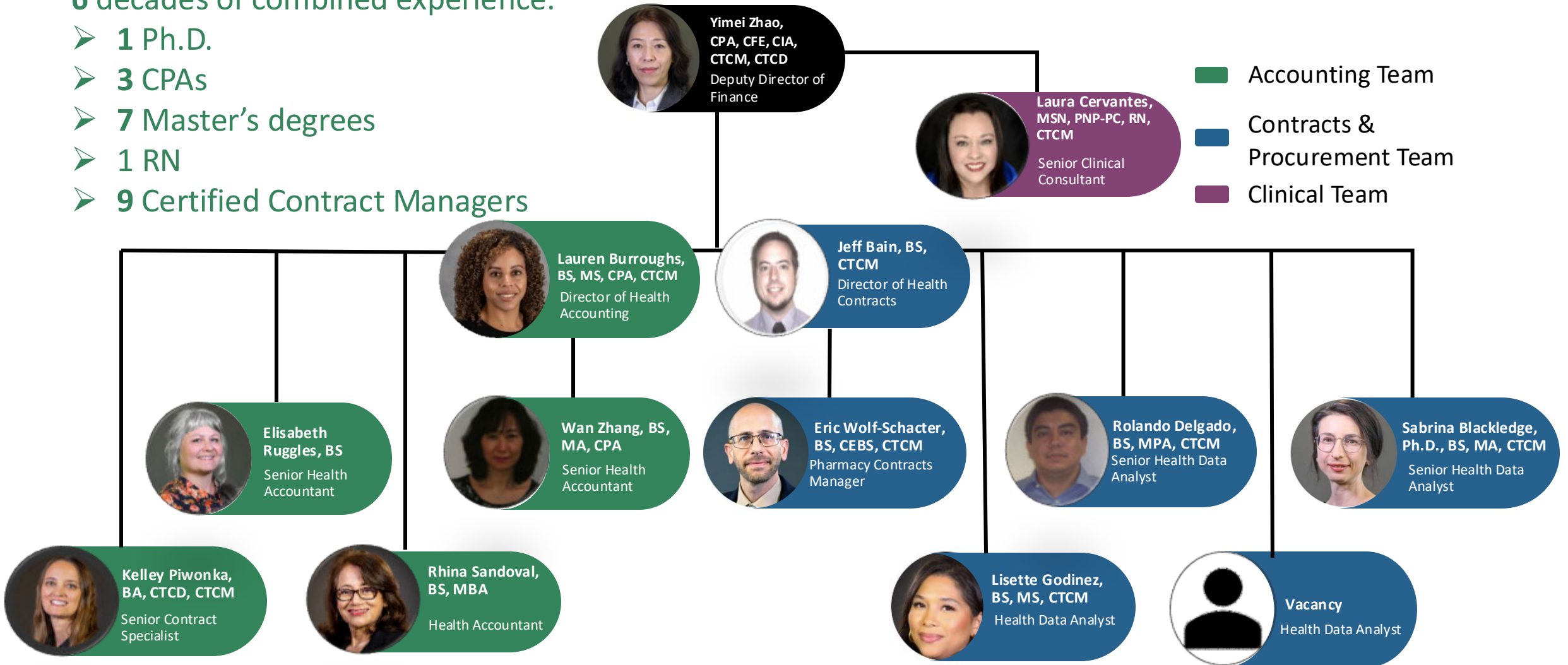


TRS Health Finance Organizational Chart

6 decades of combined experience:

- 1 Ph.D.
- 3 CPAs
- 7 Master's degrees
- 1 RN
- 9 Certified Contract Managers

- Accounting Team
- Contracts & Procurement Team
- Clinical Team





Major Recent Achievements



Premiums reduced by about 45% for Medicare-eligible retirees



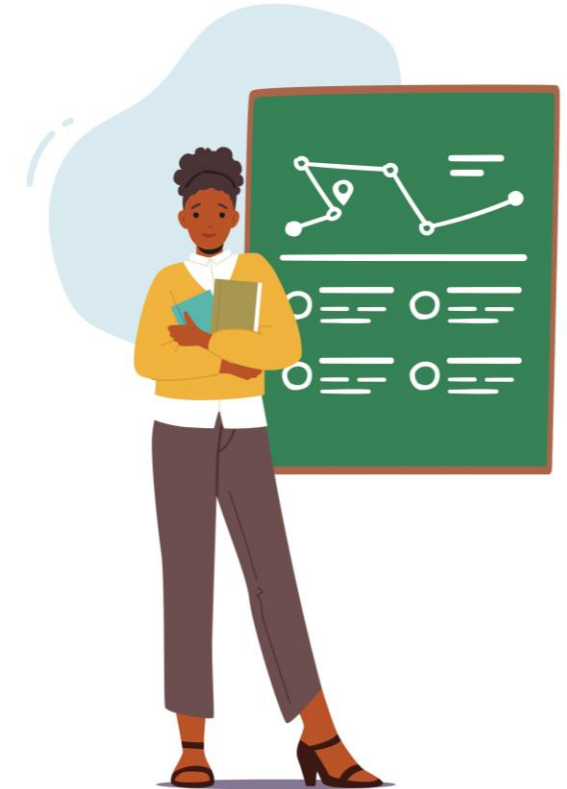
TRS-ActiveCare Primary plan costs 14% less than comparable plans



Comparable premiums for dental and vision plans with richer benefits



Effective pharmacy benefit manager procurement and rebate agreements lowered per member per month drug costs by 12%





Health Finance Functions



What Does The Finance Team Do?

Accounting

- Fund balance maintenance
- Vendor invoice
- Department budget monitoring
- Controlling and reporting
- Financial transactions accuracy

Procurement

- Market research
- Develop, solicit, and evaluate proposals
- Negotiate and maintain all TRS health contracts

Contract Management

- Enforcing terms
- Reconcile guarantees
- Evaluate company performance
- Market check and audit services

Clinical Optimization

- Right-sizing health care services utilization for better health care at lower costs



Finance Accounting – Guarding the \$5 Billion Trust Assets



Ensuring \$4B revenue
collection accuracy



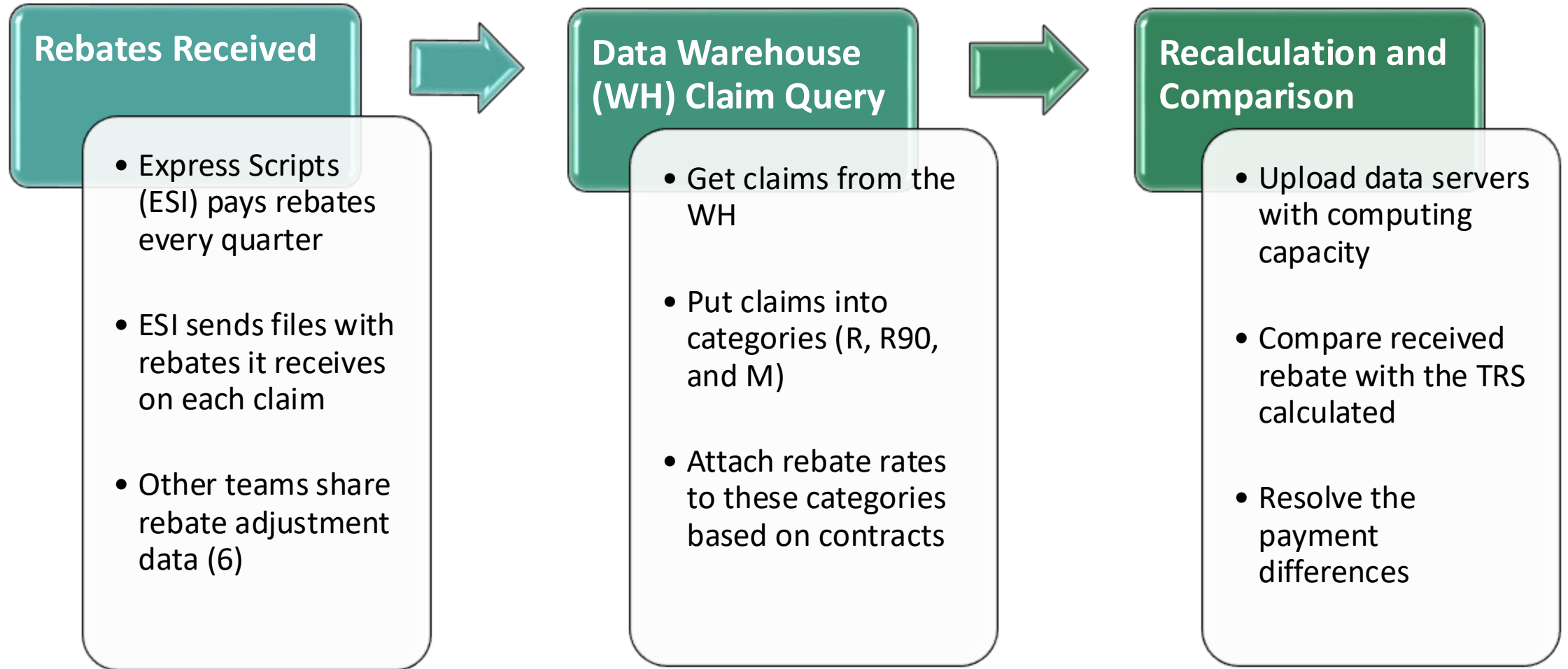
Accurate and timely
processing of over \$4B
in health care vendor
invoices, administrative
fees and other plan
expenses



Provide financial
analysis and reporting
for both health care
plans valued at over
\$5B



Finance Accounting – Rebate Reconciliation \$7M Recovery



Examined one to two million claim records for PY2024 reconciliation per FTE



Finance Procurement – Securing the Best Deals



More than 99 cents of every dollar in TRS Health is paid through a contract.



Finance Procurement – Innovative Ways to Purchase Health Care

Category A: TRS-ActiveCare

- Divide the state into five regions so that respondents can bring forth their strongest network/products by region.

Category C: Medicare Plan

- Options provide for respondents to bid on fully insured Medicare Advantage only or fully insured both Medicare Advantage + Pharmacy

Category D: Standalone Utilization Management

Region 1: Dallas and Fort Worth

Region 2: Austin

Region 3: San Antonio

Region 4: Houston

Region 5: The Rest of the State





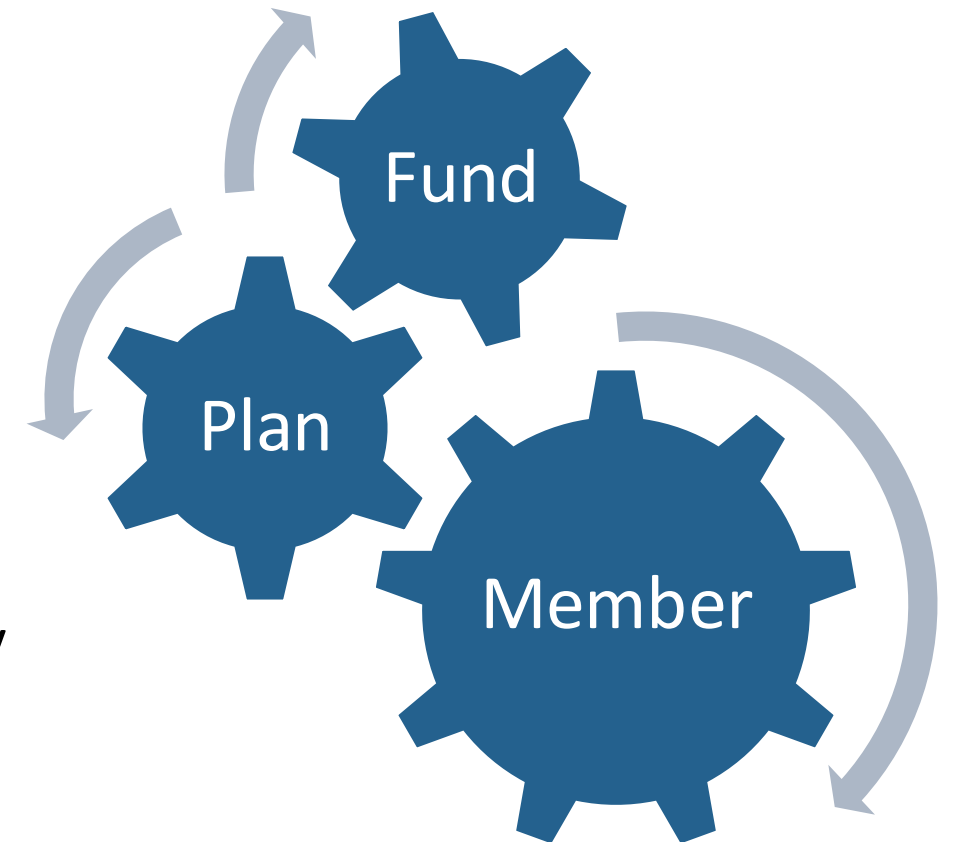
Finance Procurement – Outcome



- Effective pharmacy benefit manager procurement reduced plan drug costs to 2014 level
- Testing and assessing piloting programs
 - Less-invasive Musculoskeletal programs
 - Efficient provider networks



TRS cut pharmacy costs by 12%










Health Finance - Contract Management



How Do We Manage Vendors?

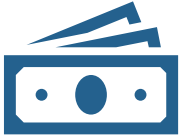
	Evolving contract terms to eliminate games/loopholes
Financial performance true ups	
	On-going monitoring and Independent claim audits
Most-favored-nation and market checks	
	Contractual performance compliance and penalties

***Over \$160 Million
recovered in FY 2024***



Health Finance - Contract Management Findings

Success stories



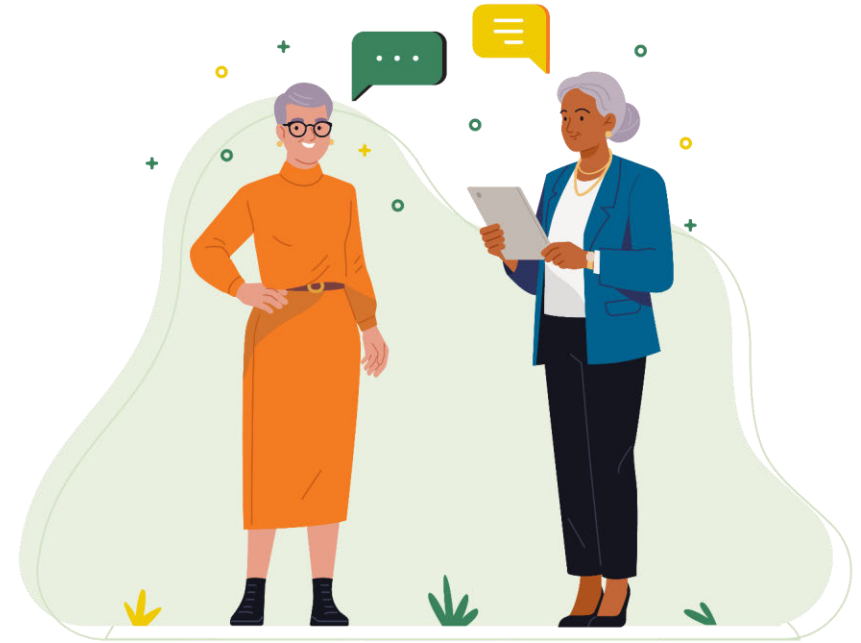
Identified provider billing issues



Discovered opportunities to lower cost



Built internal tools to monitor performance





Finance Clinical – Plan Utilization Optimization



Basic principles for utilization management and implementation



Maintaining
high-quality
health care

Improving
efficiency
based on
medical
evidence

Adhering to
TRS benefit
design

Adhering to
regulations
and industry
practice
guidelines



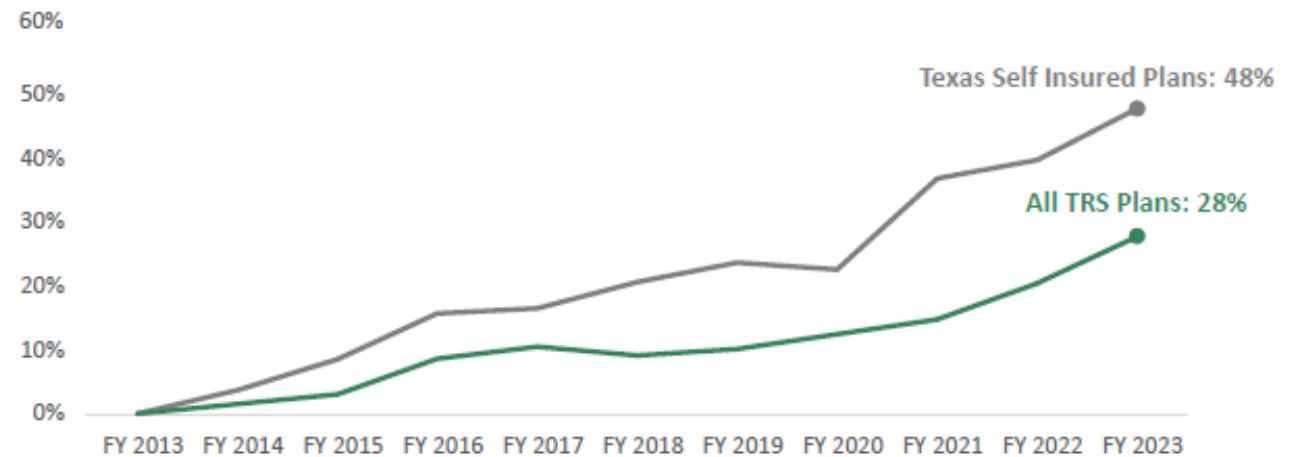
The Impact of Active Health Care Cost Management

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

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

Continuously shifting factors affect health care costs, e.g., the recent budget reconciliation bill, requiring agile management.

Cumulative Increase in Per Member Costs Since 2013



Costs reflect plan and participant costs. These are net of rebates. TRS plans include all self-insured 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.



TRS-ActiveCare and TRS-Care Medical and Pharmacy Audit Report

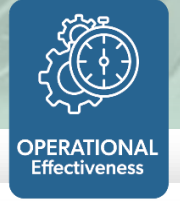
Jeff Bain, Director of Health Contracts, Health Division

Adam Morris, Lead Auditor, HMS a Gainwell Technologies Company

Zachary Shepherd, Manager of Clinical Analytics, HealthPlan Data Solutions



Introducing Health Claims Auditing Team



Heath Management Systems (HMS), A Gainwell Technologies Company

- Established in 2009
- Presence in 51 of 56 US states and territories
- Over 250 commercial clients
- HMS: 50+ years experience – Audit team from HMS

Medical Audit – Plan Year 2023

- TRS-ActiveCare (Sept. 2022 – Aug. 2023)
- TRS-Care (Jan. 2023 – Dec. 2023)

HealthPlan Data Solutions

- Established by pharmacists in 2010
- Clients include 20 state agencies covering 10 states
- 3 clinical team members worked on the TRS audit

Pharmacy Audit – Plan Year 2023

- TRS-ActiveCare (Sept. 2022 – Aug. 2023)
- TRS-Care (Jan. 2023 – Dec. 2023)
- TRS-Care Medicare Part D (Jan. 2023 – Dec. 2023)



Medical Plan Audit Overview



Audit Process

Comprehensive 100% Audit of Claims



- All claims are processed through proprietary claim editing algorithms
- Suspected errors are identified, and a targeted sample of 400 claims is chosen

Random Sample



- Claims are stratified into 7 cost ranges of equal value
- Equal number of claims from each range are randomly selected for additional review
- 400 sample claims are reviewed

Examples of Audit Checks

Industry Standards



- Duplicate claims
- Medically unlikely services
- Invalid age for service

Eligibility & Plan Benefits



- Non-covered services
- Coordination of benefits
- Enrolled at time of service

Provider Contracts



- Fee schedules
- Timely filing



Medical Plan Audit Results



Medical Claims & Spend Analyzed

	TRS-ActiveCare	TRS-Care	Total
Claim Count	4,771,669	1,240,389	6,012,058
Total Paid	\$1.6B	\$571M	\$2.1B
Total Findings	\$365,592	\$131,105	\$496,697

Error Rate

0.02%

0.02%

0.02%



Total Findings = \$496,697

- Duplicates: \$217,619
- Eligibility: \$109,732
- Assistant Surgeon: \$38,927
- All Other: \$130,420



Medical Plan Operational Results



Claims Process Goals:
99% of claims
processed in 30 days.
**BCBS exceeded contract
standards.**



Average Answer Speed:
10s TRS-ActiveCare
8.5s TRS-Care
**BCBS exceeded contract
standards.**



High Dollar Claims:
Review over \$50,000



Customer Service
Information Accuracy:
92.91% TRS-ActiveCare
and 97.04% TRS-Care.
**BCBS met performance
standards.**



Claims staffing
remained at
37 processors



BCBS Internal Audit
indicated 100%
payment, procedural
and financial accuracy



HDS Pharmacy Claim and Rebate Audit Overview



Pharmacy Claims Audit

Claim Accuracy

Examine 100% of claims for accuracy in adjudication and pricing

Contract Compliance

Examine all relevant sections of the contract to verify PBM is implementing as intended

Performance Guarantee Reporting

Review PBM performance related to contractual performance guarantees



Rebate Audit

Rebate Guarantee Reconciliation

Review 100% of claims with the consideration of product line and distribution channel

On-Site Manufacturer Contract Audit

Focus on the top ten pharmaceutical manufacturers for rebate pass-through

Key Contract Provisions

Analyze claims for proper application of brand and generic drugs based on contract terms





Pharmacy Claims Audit Results



Pharmacy Claims & Spend Analyzed

	TRS-ActiveCare	TRS-Care Standard	TRS-Care Medicare Part D	Total
Claims Reviewed	4,453,565	1,336,859	6,149,129	11,939,553
Drug Spend	\$681,432,116	\$270,214,860	\$1,281,139,502	\$2,232,786,478
Total Findings	\$354,477	\$164,509	\$88,966	\$607,952

Error Rate

0.05%

0.06%

0.01%

0.03%



Total Findings = \$608K

- Incorrect 340B and Specialty Exclusions
- Omission of Claims From Reconciliation
- Inaccurate Application of MAC Pricing



Pharmacy Rebate Audit Results



HealthPlan Data Solutions Analyzed 100% of PY2023
TRS-ActiveCare, TRS-Care Standard and TRS-Care Medicare Part D Claims

Manufacturer Rebate and Guarantee Reconciliation

An audit of CVS/Caremark's manufacturer rebate contracts and minimum guarantees resulted in no significant financial impact.

Key Takeaway

Due to **proactive plan management and stringent monitoring**, audit **findings** across medical, pharmacy and operational audits **have been negligible** over multiple years.



Questions?



Appendix

Fund Balances

Appendix: TRS-ActiveCare Fund Balance Projection Through 2027

Fiscal Year	Contributions							Expenditures					Ending Balance (Incurred Basis)
	State/District Contributions	Supplemental Appropriations	Employee Contributions	HMO Contributions	LTC	Other Income	Total Revenue	Medical Incurred	Drug Incurred (Includes Rebates)	HMO Premium Payments	Administrative Costs	Total Expenses	
FY 2019	\$1,049,243,657		\$881,998,119	\$246,513,026	\$146,090	\$11,162,989	\$2,189,063,880	\$1,459,520,631	\$254,168,852	\$243,198,667	\$123,514,885	\$2,080,403,035	\$164,953,230
FY 2020	\$1,035,176,542		\$870,173,250	\$260,364,669	\$145,265	\$8,121,853	\$2,173,981,579	\$1,522,489,616	\$271,480,529	\$256,850,839	\$119,814,483	\$2,170,635,466	\$168,299,343
FY 2021	\$1,011,525,120		\$850,291,777	\$176,981,437	\$142,718	\$1,853,676	\$2,040,794,727	\$1,615,822,471	\$285,092,897	\$173,297,782	\$78,637,967	\$2,152,851,116	\$56,242,954
FY 2022	\$1,033,743,632	\$638,337,761	\$868,968,740	\$149,833,982	\$0	\$1,656,095	\$2,692,540,210	\$1,690,700,579	\$293,845,034	\$146,752,232	\$69,945,345	\$2,201,243,189	\$547,539,975
FY 2023	\$952,097,761		\$800,336,918	\$85,603,456	\$0	\$27,739,322	\$1,865,777,457	\$1,683,988,310	\$288,020,255	\$83,782,801	\$73,689,100	\$2,129,480,467	\$283,836,966
FY 2024	\$1,088,669,143	\$588,518,000	\$757,221,705	\$67,899,516	\$0	\$48,200,848	\$2,550,509,213	\$1,741,530,426	\$251,690,274	\$72,524,931	\$80,123,736	\$2,145,869,368	\$688,476,811
FY 2025	\$1,208,626,518		\$840,657,824	\$7,677,801	\$0	\$35,068,036	\$2,092,030,178	\$1,992,044,970	\$314,080,455	\$7,579,791	\$83,472,005	\$2,397,177,220	\$383,329,769
FY 2026	\$1,334,003,220	\$192,000,000	\$927,863,345	\$9,480,947	\$0	\$16,599,023	\$2,479,946,535	\$2,094,949,078	\$367,394,580	\$9,384,467	\$85,289,752	\$2,557,017,876	\$306,258,428
FY 2027	\$1,463,797,735	\$177,000,000	\$1,018,141,668	\$9,765,375	\$0	\$6,017,384	\$2,674,722,162	\$2,204,933,904	\$415,535,900	\$9,668,895	\$88,793,969	\$2,718,932,668	\$262,047,922

Notes:

- Invoice data through May 31, 2025
- Medical trend: 6% in FY25 (Higher trend used in FY25 to account for new districts). 5.5% trend in FY26 and reduced by 0.25% each year thereafter with a 4% minimum.
- Pharmacy trend: 9% through FY 26; reduced by 0.25% each year thereafter with a 6% minimum.
- Prior to FY2018: State contributions are equal to \$75 per employee per month. District contributions are equal to \$150 per employee per month.
FY2018 and Forward: State/District Contributions are based on September actual contributions.
- Interest rate assumed in FY25 is 5.08%. Rate decreases by a factor of 25% each year with a minimum of 0.5%.
- Average premium rate increase of 9.7% is assumed for FY27.
- Includes state supplemental appropriations of \$192 million in FY26 and \$177 million in FY27.
- The ActiveCare Fund balance is managed to prevent a deficit through premium and benefit adjustments.

Appendix: TRS-Care Fund Balance Projection Through 2027

	Contributions								Expenditures				
Fiscal Year	Retiree Contributions	State Contributions	Supplemental Appropriations	Active Employee Contributions	District Contributions	Investment Income	CMS, Part D and EGWP Subsidies		Medical Expenses	Drug Expenses	Administrative Costs		Ending Balance (Incurred Basis)
FY 2017*	\$373,229,610	\$328,063,352	\$15,559,552	\$213,241,179	\$191,057,800	\$5,225,993	\$195,396,219		\$807,831,048	\$734,805,874	\$51,885,051		\$368,737,886
FY 2018	\$488,069,004	\$425,625,726	\$394,600,000	\$221,325,377	\$266,061,322	\$10,930,281	\$183,159,406		\$840,420,584	\$669,082,906	\$50,430,879		\$798,574,633
FY 2019	\$517,965,033	\$437,189,334	\$73,641,562	\$227,338,454	\$273,110,251	\$25,046,771	\$321,106,153		\$688,148,611	\$648,749,351	\$45,051,884		\$1,292,022,346
FY 2020	\$499,057,861	\$468,330,999	\$230,756,971	\$243,532,120	\$292,411,364	\$25,396,789	\$317,440,892		\$659,668,989	\$668,307,637	\$44,654,785		\$1,996,317,930
FY 2021	\$533,592,849	\$481,564,562	\$5,520,343	\$250,413,572	\$299,803,511	\$9,226,940	\$311,771,512		\$604,926,549	\$705,239,916	\$38,802,284		\$2,539,242,470
FY 2022	\$399,788,260	\$506,388,630	\$83,000,000	\$263,328,449	\$315,688,282	\$13,499,534	\$288,606,867		\$551,595,432	\$694,534,457	\$45,475,384		\$3,117,937,219
FY 2023	\$477,018,666	\$533,605,088	\$0	\$277,468,284	\$334,703,238	\$151,354,211	\$354,575,016		\$590,029,372	\$714,251,845	\$52,615,305		\$3,889,765,200
FY 2024	\$469,319,251	\$558,086,044	\$0	\$290,204,743	\$351,169,597	\$202,197,475	\$395,494,793		\$607,212,304	\$690,449,243	\$41,929,243		\$4,816,646,313
FY 2025	\$376,187,135	\$569,247,765	\$0	\$296,008,838	\$341,548,659	\$172,565,367	\$504,507,105		\$663,587,463	\$884,147,316	\$47,442,051		\$5,481,534,353
FY 2026	\$339,561,369	\$601,202,106	\$0	\$312,625,095	\$360,721,264	\$145,920,491	\$622,999,394		\$664,592,541	\$1,038,426,256	\$55,912,923		\$6,105,632,353
FY 2027	\$342,170,242	\$617,060,141	\$0	\$320,871,273	\$370,236,084	\$120,342,266	\$684,549,060		\$755,987,707	\$1,170,972,330	\$58,544,652		\$6,575,356,731

Notes:

- Invoice data through May 31, 2025
- 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 FY2025; reduced by 0.25% each year thereafter.
- Pharmacy trends: 7% through FY2025; 12% in FY2026 and reduced by 0.25% each year thereafter.
- Interest rate is set to match current returns and reduced by 25% a year with a floor of 0.5%.
- Expected increase in payroll from Texas House Bill 2 (HB 2) from 89th Legislative Session is accounted for in FY 2026 and FY 2027 projections.

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



Notable Health Care Legislation that Passed



Bill No	Summary	Fiscal Impact (Dollars are for year 1)	Effective Date	Plans Affected
HB 3126	Allows early reentry into TRS-ActiveCare for employers that left Sept. 1, 2022, subject to a risk stabilization fee with written notice by Dec. 31, 2025. Employers must stay in TRS-ActiveCare until 2031.	No significant fiscal impact due to risk stabilization fee	Sept. 1, 2025; expires Sept. 1, 2031	TRS-ActiveCare
SB 916	Updates and extends EMS payment methods, specifically for ground ambulance services.	~\$2M impact to TRS-ActiveCare; \$560K to TRS-Care	Sept. 1, 2025; expires Sept. 1, 2027	TRS-ActiveCare; TRS-Care Standard
HB 3057	Requires coverage for CAR T-cell therapy when medically necessary and at a CAR T FDA-certified provider that is in-network for any other service.	\$1.18M starting in 2026 for TRS-Care; \$1.4M TRS-ActiveCare starting in FY 2027	Sept. 1, 2025; applies to plans issued or renewed on or after Jan. 1, 2026	TRS-ActiveCare Primary and Primary+ Plans; TRS-Care Standard
SB 527	Requires anesthesia coverage for dental services for children under 13 when medically necessary.	\$180K to TRS-ActiveCare starting in FY 2027	Sept. 1, 2025; applies to plans issued or renewed on or after Jan. 1, 2026	TRS-ActiveCare Primary and Primary+ Plans; TRS-Care Standard



2025 TRS-Care Health Fair Schedule



**16 Health fairs in 16 cities
this fall!**



2025 Dates and Locations

August 12, 2025	Georgetown
August 13, 2025	College Station
August 21, 2025	Houston
August 26, 2025	Beaumont
August 28, 2025	Conroe
September 9, 2025	Mount Pleasant
September 10, 2025	Tyler
September 11, 2025	Mesquite
September 12, 2025	Arlington
September 16, 2025	Lubbock
September 25, 2025	El Paso
September 29, 2025	Wichita Falls
September 30, 2025	Abilene
October 7, 2025	Laredo
October 8, 2025	Harlingen
October 9, 2025	NE San Antonio



2025 TRS-Care Virtual Events



Online Event	Date	Time
Retire Healthy with TRS-Care Quarterly Webinar	February 12, 2025 May 21, 2025 July 16, 2025 October 21, 2025	10-11:30 a.m.
TRS-Care Medicare Advantage & You Quarterly Webinar	January 22, 2025 April 23, 2025 August 6, 2025 November 21, 2025	10-11:30 a.m.
TRS-Care Medicare Advantage Welcome Quarterly Webinar	March 26, 2025 June 25, 2025 October 3, 2025 December 2, 2025	1-2 p.m.
TRS-Care Medicare Advantage Webinar on 2026 Benefits	September 26, 2025 October 15, 2025	10-11:30 a.m.
TRS-Care Standard Webinar on 2026 Benefits	September 4, 2025 October 10, 2025	10-11:30 a.m.
TRS-Care Dental and TRS-Care Vision Webinar on 2026 Benefits	September 3, 2025 September 17, 2025	10-11:30 a.m.



**18 virtual events
during the year!**