

July 2023

# 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**

*(Committee Chair and Members: Mr. Williams, Chair;  
Ms. Allred, Mr. Ball, Ms. Sissney, and Mr. Walls, Jr.)*

*All or part of the July 13, 2023, 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: **1000 Red River, Austin, Texas 78701 in the TRS East Building, 5<sup>th</sup> Floor, Boardroom.***

*The open portions of the April 27, 2023, 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](http://www.trs.texas.gov). A recording of the meeting will be available at [www.trs.texas.gov](http://www.trs.texas.gov).*

**AGENDA  
July 13, 2023 – 8:45 a.m.  
TRS East Building, 5<sup>th</sup> Floor, Boardroom**

1. Call roll of Committee members.
2. Consider the approval of the proposed minutes of the April 2023 committee meeting – Chair Elvis Williams.
3. Receive an update and consider the following regarding TRS pension benefits program:
  - A. Consider recommending to the Board a resolution directing staff to prepare for and issue the limited by age one time-stipend consistent with the provisions of Senate Bill 10 as passed by the 88<sup>th</sup> Texas Legislature Regular Session – Barbie Pearson;
  - B. Consider recommending to the Board the acceptance of the Medical Board Meeting minutes for March 2023 - Barbie Pearson;
  - C. Consider recommending to the Board the appointment of members to the Medical Board – Adam Fambrough;
  - D. Consider recommending to the Board the approval of Benefit Payments for March 2023 – May 2023 - Barbie Pearson;
  - E. Receive a Benefit Services Operational Update - Barbie Pearson.
4. Receive updates and consider the following regarding TRS health insurance benefits program:
  - A. Receive an update on administration and performance by TRS-Care and TRS-ActiveCare – Meaghan Bludau and Monica Bernal
  - B. Review and consider recommending to the Board adoption of the plan design for the TRS-Care Standard plan for FY 2024 – Katrina Daniel

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. Receive and review claims administration and rebate audit reports for the TRS-ActiveCare and TRS-Care self-funded benefit plans. – Yimei Zhao, Jeff Bain; Joanna Cocco and Michelle Rodrigues, Gainwell; Todd Coulter and Mark Robbins, Health Data Solutions.
1. TRS-ActiveCare and TRS-Care medical benefits administered by Aetna for the 2020 plan year.
  2. TRS-ActiveCare and TRS-Care pharmacy benefits administered by CVS for the 2020 and 2021 plan years.
  3. TRS-ActiveCare and TRS-Care rebates administered by CVS for the 2020 and 2021 plan years.

## **Minutes of the Benefits Committee April 27, 2023**

The Benefits Committee of the Board of Trustees of the Teacher Retirement System of Texas met on April 27, 2023, 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. Brittny Allred  
Mr. Michael Ball  
Ms. Nanette Sissney  
Mr. Robert H. Walls, Jr.

### **Other TRS Board Members present:**

Mr. John Elliott  
Mr. James D. Nance  
Mr. Jarvis V. Hollingsworth

### **Others who participated:**

Brian Guthrie, TRS  
Andrew Roth, TRS  
Don Green, TRS  
Amanda Jenami, TRS  
Barbie Pearson, TRS  
Katrina Daniel, TRS  
Heather Traeger, TRS  
Katherine Farrell, TRS  
Christina Juarez, TRS  
Monica Bernal, TRS  
Yimei Zhao, TRS  
Suzanne Dugan, Cohen Milstein

Benefits Committee Chair, Mr. Elvis Williams, called the meeting to order at 1:00 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 2022, Benefits Committee meeting – Chair Michael Ball.**

On a motion by Mr. Walls, seconded by Ms. Allred, the committee unanimously approved the proposed minutes for the December 2022 Benefits Committee meeting as presented.

**3. Receive an overview of the Benefits Committee's Calendar Year 2023 Work Plan – Barbie Pearson and Katrina Daniel.**

Ms. Barbie Pearson provided an overview of Pension Benefits noting there would be action items each quarter regarding the Medical Board meeting minutes and pension benefit payments. She said in July there would be a Medical Board contract renewal and in December there will be an inactive accounts project update.

Ms. Katrina Daniel provided an overview noting ActiveCare rates were up for adoption by end of May and in July the medical claims audit will be presented. She said in September the Retiree Advisory Committee candidates will be selected.

**4. 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 2022 and January 2023;**

Ms. Pearson recommended to the Committee to recommend to the Board acceptance of the Medical Board meeting minutes for November 2022 and January 2023.

On a motion by Ms. Sissney, seconded by Mr. Walls, the committee unanimously voted to recommend to the Board acceptance of the Medical Board meeting minutes for November 2022 and January 2023.

**B. Consider recommending to the Board approval of Benefit Payments for December 2022 – February 2023 – Barbie Pearson; and**

Ms. Pearson recommended to the Committee to recommend to the Board the approval of benefit payment for December 2022 through February 2023.

On a motion by Mr. Walls, seconded by Ms. Sissney, the committee unanimously voted to recommend to the Board approval of benefit payment for December 2022 through February 2023.

**C. Benefit Services Operations update – Barbie Pearson.**

Ms. Pearson reviewed the performance levels for her division and noted Benefits Services has serviced that almost half a million members within the first six months of this fiscal year. She reported benefit processing had seen a 7 percent increase in the workload this year from last but retirements remain flat. She said there was a slight decrease in benefit estimates and death claims but a big increase in processing refunds as a result from the inactive accounts project. She reported benefit counseling were up 9 percent with actual interactions with members this year. She noted the calls were normalizing to pre-pandemic levels. She said benefit counselors answered 95 percent of calls received up from 72 percent of calls answered last year. She said with the new hires they have made significant strides in answering the calls that have come in to TRS.

Ms. Pearson reported on the RAP/DTH, retirement application process and death claims process, that was moved out of the legacy system and is now in TRUST. She said this was the biggest release that TRS has had since taking over the project. She noted this team has only worked out of legacy so there may be a temporary dip as the team gets comfortable and more proficient in TRUST. She said the team worked very hard to get the work queues down to a low manageable level before going live. Ms. Pearson provided a MyTRS account update, there are 55,000 retirees with an account. She concluded by reviewing the new chat function offered to the reporting employers, a staffing update and service levels. She reported for quarter two, every single service level in Benefit Services met target.

- 5. Receive an update and consider the following regarding TRS health benefits programs– Katrina Daniel, Melanie Ingleby; and Kersten Schatten, Segal Consulting.**
  - A. Receive an update on the TRS-Care Retiree Advisory Committee (RAC) – Grace Mueller.**

Ms. Katrina Daniel noted due to timing Ms. Christina Juarez would provide the RAC update but first she wanted to preview the new logo and name for the TRS Health Division. She said the rebrand to Health Division was nothing more than it simplifies and streamlines some of the labeling.

Ms. Juarez provided a summary of the RAC meeting held on March 8, 2023. She noted the following positions were open early next year: retired school administrator, retired teacher and an active teacher. She said the nomination period for these positions open up next week and will be promoted through the newsletter, The Pulse and via associations like TASA and TASBO.

- B. Receive an update on administration and performance of TRS-Care and TRS-ActiveCare – Katrina Daniel.**

Ms. Monica Bernal provided an overview of the health engagement and the implementation plan behind the pharmacy benefit manager. She noted in February the Board awarded the pharmacy benefit manager contract to Express Scripts. She said the timeline for implementation and start dates were different between ActiveCare and Care plan years. She said the specific engagements behind ActiveCare was through the employer to push the information out to all individuals on the ActiveCare Plan. While with the Care plan, she said the communications will come from TRS so the approach is to start early to inform the Care population on this transition to Express Scripts. She reviewed the engagement plan for both Care and ActiveCare.

Ms. Yimei Zhao reviewed the district ambassadors program through the Blue Cross' contract that work with schools to resolve medical and enrollment issues. She also discussed the increase customer focus on districts such as seeking feedback from employers. Ms. Bernal concluded with sharing about the Health Care Retiree Fairs for 2023. She said United Healthcare, Blue Cross Blue Shield and Express Scripts would be joining this year out in the field.

Ms. Zhao provided a legislative update. She reported 140 health care related bills were filed up from 97 last session. She concluded the update by providing a report on the savings and payments received on the health care contracts through strong and enforceable financial and operational performance guarantees.

There being no more business before the Benefits Committee, the committee adjourned at 2:37 p.m.

Approved by the Benefits Committee of the Board of Trustees of the Teacher Retirement System of Texas on July \_\_\_\_\_, 2023.

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Katherine H. Farrell  
Secretary of the TRS Board of Trustees

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Date

**TAB 3**





# Benefit Services Update

Barbie Pearson

July 13, 2023





# Pension Benefits Update

Fiscal Year 2023



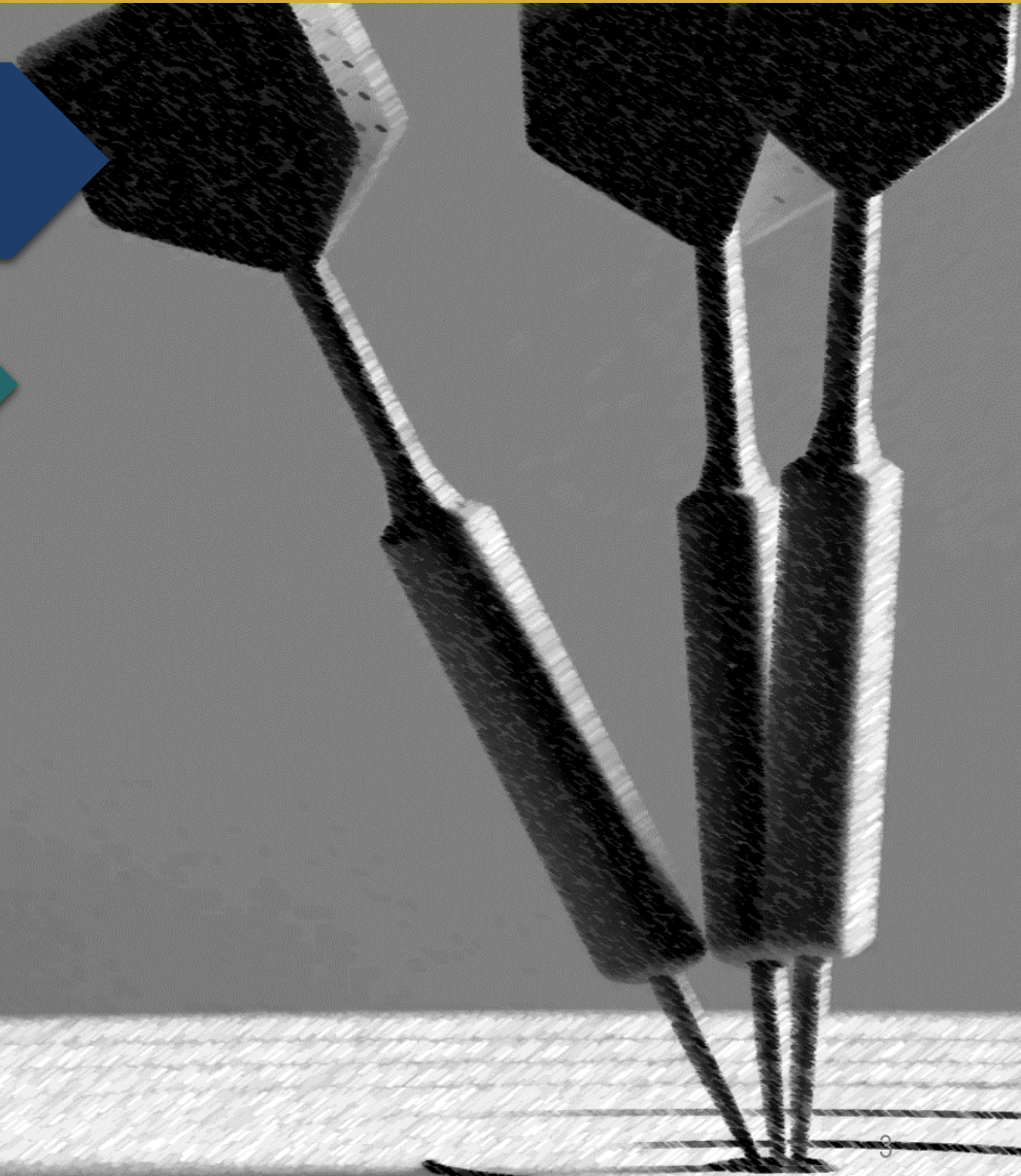
Member Service Review

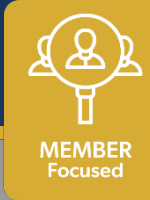
Excellent Service

Employer Support

Staffing Update

Objectives





**730,185**  
**Transactions**

\* Sept. 2022 thru May 2023



# Member Service Review - Backoffice



**17,102**  
**Retirements**



**66,227**  
**Benefit  
Estimates**



**11,487**  
**Claims  
Acknowledged**



**17,227**  
**Claims Paid**



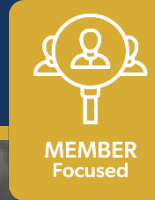
**60,795**  
**Refunds Paid**



**\$9,087,667,153**  
**Annuity  
Payments Issued**

**S E R V I C E**

# Member Service Review - Counseling



## Secure E-Mail

- 30,134 Member e-mails answered



## Office Visits

- 11,208 Office visits
- 1,457 Walk-ins

## Telephone Calls

- 510,091 Member Calls Answered



## Presentations

- 61 Presentations
- 4,305 Attendees



## Group OV & Form Sessions

- 23 Sessions
- 152 Attendees

# Member Service Review – RAP/DTH and MyTRS



## RAP/DTH Update

- Consistent Member Experience
- Streamlined letters for members
- Automated Employer Processes

## Monitoring Service Levels

Service Area	Goal	April 2023	May 2023
Claims Acknowledged	90% in 14 days	98% - Avg 4 days	100% - Avg 3.3 days
Claims Payments	95% in 31 days	98% - Avg 13.8 days	97% - Avg 14.6 days
Retirements	98% in 31 days	97%	95%

## MyTRS

### Maintenance Release on June 25<sup>th</sup>

- Added ability for members without SSN to register
- Allowed members to change phone number to an international number
- Minor registration process updates
- TRS employees can see which documents are being accessed by member



# Excellent Service

## Member Comments



"They provide excellent service and are always very friendly and helpful!"

"Everything was very informational and professional. The entire staff was extremely welcoming and professional!"

"All my experiences have been excellent, keep up the great work. Thanks!"

"I got everything I needed from this meeting. It set my mind at ease."

"I appreciate every person I speak with! Always patient, helpful, and knowledgeable."

"I have been totally satisfied with the whole experience in person and on your website."

"It could not have been better. It exceeded my every expectation."

"It's hard to improve on the great service that I received."

"I have no recommendations for improvement. It was a great experience, and I am more confident about retiring."





# 2023 Benefit Enhancement

## May 2023

- Established Project Team

## June 13, 2023

- Governor Abbott signed SB10

## Team Effort

- Benefit Services
- Communications
- Legal Benefits
- Information Technology
- Business Administration

## Identify Payees

- Retirees 70 +
- Beneficiaries
- Alternate Payees

## Late June

- Stipend notification letter will be mailed to eligible members

## July

- One-time stipend presented to Board for approval

## September 2023

- Payments sent mid to late September

## January 2024

- Cost-of-Living Adjustment if approved by Texas voters in November 2023 election





## Employer Training

27 Sessions  
1,514 Attendees



## Telephone Service

6,967



## E-mail

158,329



## Employer Portal Chat

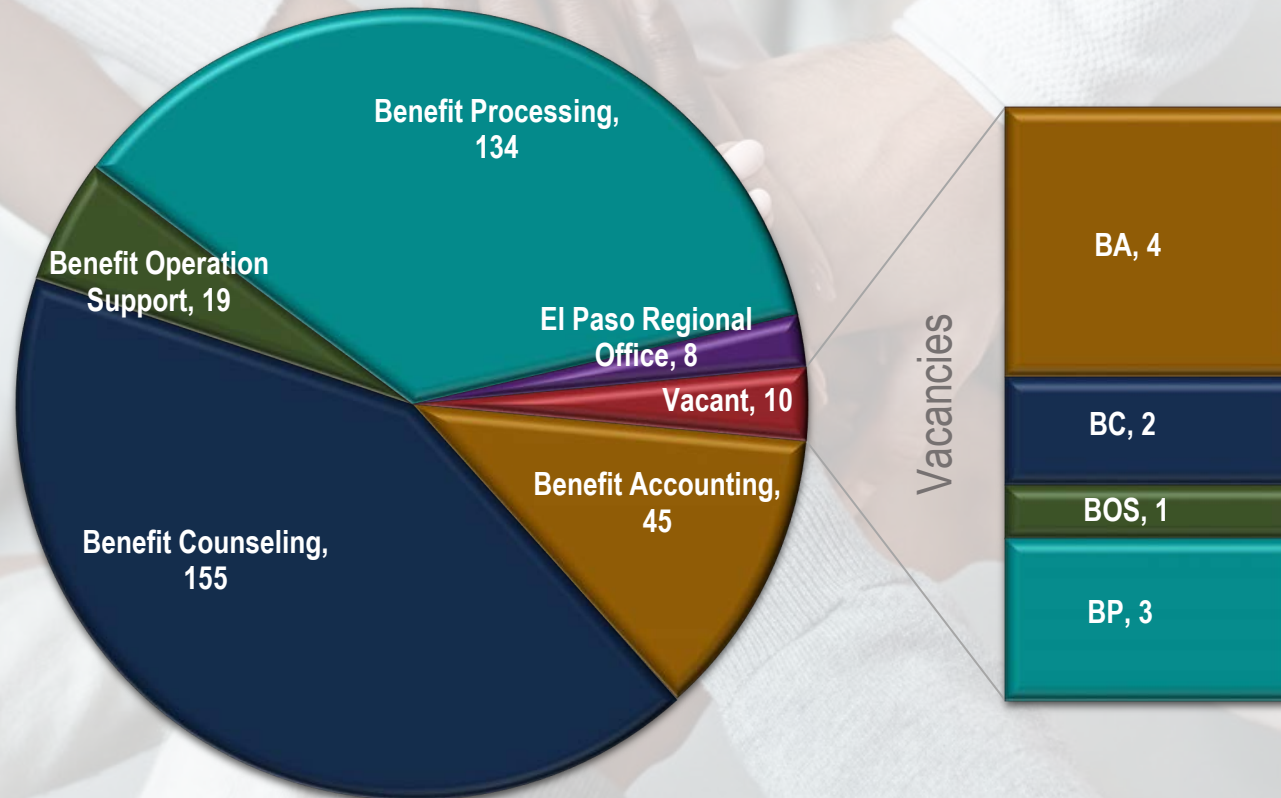
118





## Benefit Services

Authorized: 371  
Filled: 361  
Vacant: 10



Staffing as of 5/31/2023

# Objectives



Business Activity	Objectives	FY Target	FY23 Q1	FY23 Q2	FY23 Q3	FY23 thru Q3
Refunds	Refunds validated within five business days of receiving final deposit and all paperwork	95%	81%	95%	100%	92%
Benefit Estimates	Benefit estimates mailed within 31 days of request	90%	100%	100%	100%	100%
Retirements	Retirees receiving first annuity payment on time	98%	81%	99%	97%	92%
Death Claims (acknowledged)	Claims acknowledged within 14 days of receipt of death notification	90%	99%	98%	99%	99%
Death Claims (payments)	Claims payments issued within 31 days of receipt of all required paperwork	95%	97%	97%	98%	97%
Reporting Employer	Regular payroll reports completed by the end of each quarter (cumulative for fiscal year)	90%	94%	98%	99%	99%
Foundational Training	Provide pension benefits foundational classroom training for all new hires (cumulative)	100%	95%	96%	95%	95%

# Objectives



Business Activity	Objectives	FY Target	FY23 Q1	FY23 Q2	FY23 Q3	FY23 thru Q3
Telephone Calls	Calls answered within three minutes	80%	63%	94%	98%	85%
	Average Speed of Answer (minutes/seconds)		4:00	0:28	0:13	1:31
Office Visits (Austin)	Number of office visits available annually	20,000	3,013	3,906	6,188	13,107
Conducted	In-person:		884	1,167	1,594	3,645
	Live-video:		756	937	1,536	3,229
	Telephone:		537	636	866	2,039
	Walk-ins:		275	220	320	815
Office Visits (El Paso)	Number of office visits available annually	5,000	216	1,316	1,119	2651
Conducted	In-person:		27	340	622	1106
	Live-video:		135	276	361	760
	Telephone:		64	163	307	525
	Walk-ins:		0	403	239	638
Quality Assurance	Number of telephone interactions evaluated	5,000	1,124	2,437	2,475	6,036







**TAB 4**



# July 2023 Health Division Updates



**Meaghan Bludau**, Chief of Staff, Health  
**Monica Bernal**, Sr. Director of Operations, Health  
**Jeff Bain**, Director of Procurement & Contracts,  
Health

July 13, 2023





## Optimal Health Plan Efficiency & Cost Savings

- TRS-Care Standard Changes
  - TRS Health Updates
  - Health Claims Audit





# 2024 Proposed TRS-Care Standard Changes

**Katrina Daniel, Chief Health Care Officer**

# Proposed 2024 TRS-Care Standard Benefit Changes



The deductible for TRS-Care Standard has not changed since 2018, when significant legislative changes took effect. Current deductibles will be too low for the plan to be compatible with a health savings account in 2024.

The changes to deductibles align with IRS guidelines so that pre-Medicare participants can continue to contribute to and use a health savings account.

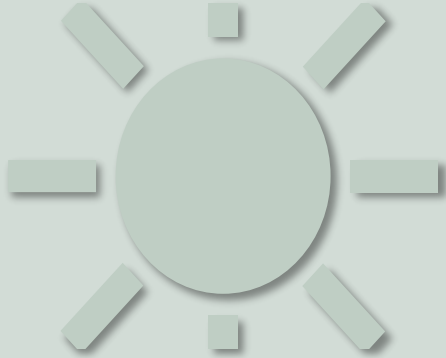
Plan Feature	Current PY 2023	Proposed PY 2024	Change
Individual In-Network Deductible	\$1,500	\$1,600	↑ \$100
Family In-Network Deductible	\$3,000	\$3,200	↑ \$200
Individual Out-of-Network Deductible	\$3,000	\$3,200	↑ \$200
Family Out-of-Network Deductible	\$6,000	\$6,400	↑ \$400



# TRS Health Update

**Meaghan Bludau, Chief of Staff, Health Division**  
**Monica Bernal, Sr. Director of Operations, Health Division**

# Recent Accomplishments



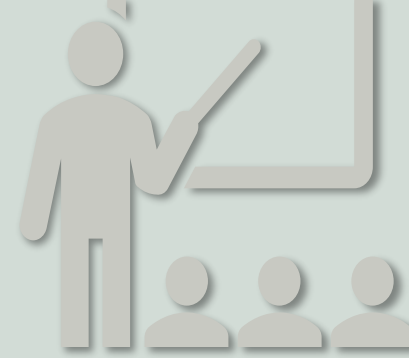
## Geared up for TRS-ActiveCare Annual Enrollment season

- Released 20 sets of rates & benefits in May for PY23-24
- TRS-ActiveCare Connect call with **360 district leaders** in June
- Benefit administrator (BA) trainings in May and June to **~1,100 BAs**
- Participant benefit webinars in June, July and August



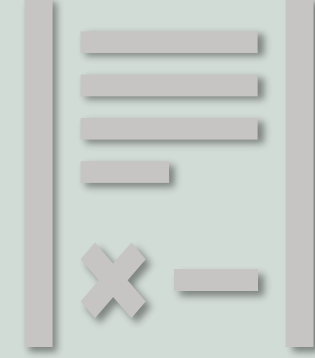
## Leveraged innovative engagement and outreach strategies

- Health Care 101
- Special Ladies Night and Men's Health editions of *the Pulse*, with **52% average open rate**
- Video graphed district testimonials



## Launched new webinar series for active employees

- From A to Z: Your TRS-ActiveCare Plan
- Retire Healthy with TRS-Care
- **Total Attendance & Registration: ~5,000**



## Executed the TRS-ActiveCare contract with new pharmacy benefits manager, Express Scripts, effective Sept. 1, 2023

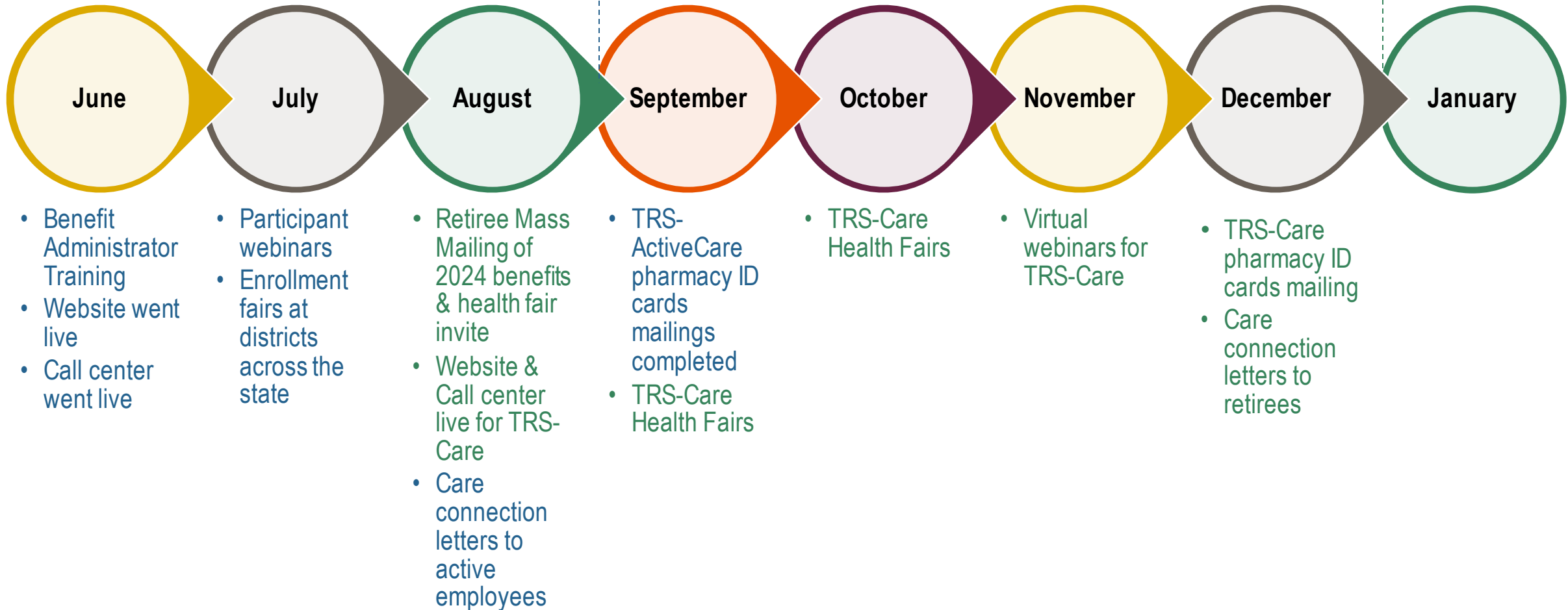
# Express Scripts Pharmacy Installation Timeline



- TRS-ActiveCare
- TRS-Care

TRS-ActiveCare  
PY24 Begins  
Sept. 1

TRS-Care  
PY24 Begins  
Jan. 1



# Optional Vision and Dental for TRS-Care Retirees & Survivors



- Optional benefit for TRS retirees who are eligible for TRS-Care; they do not have to be currently enrolled in TRS-Care coverage



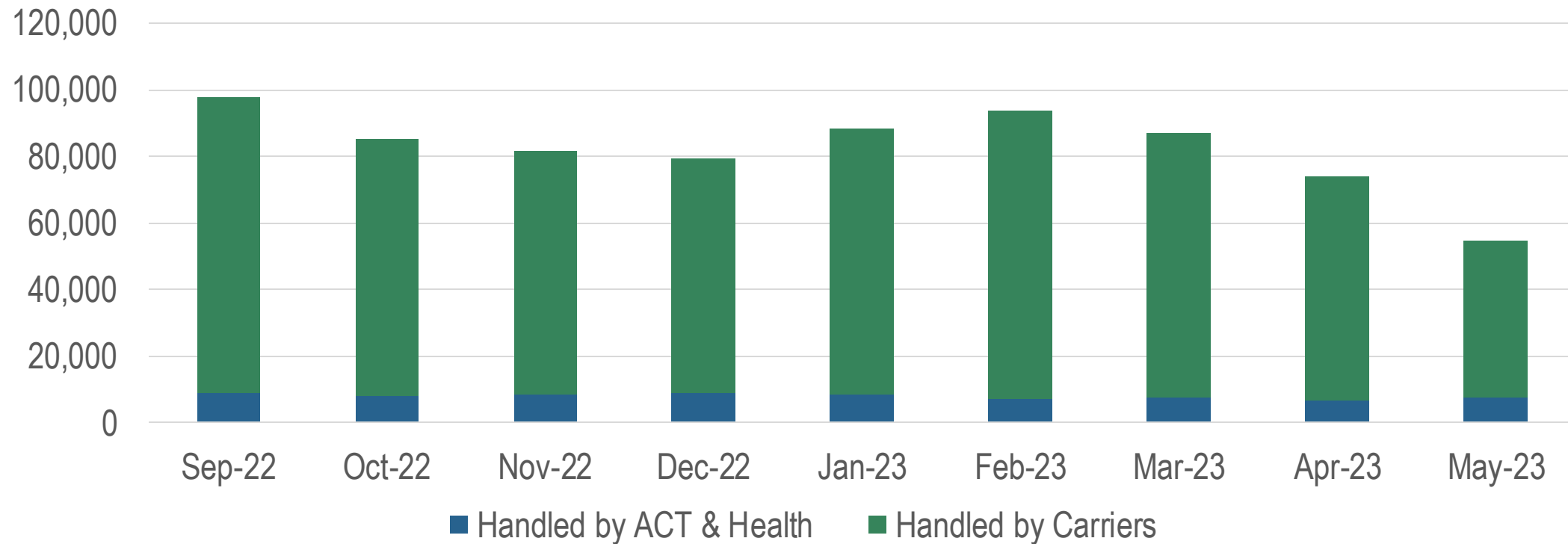
- Annual enrollment for retirees to elect coverage
- No special enrollment event for retirees to return to TRS-Care medical and pharmacy coverage if they previously terminated that coverage





## Service level for Health Division & ACT consistently at 99-100%

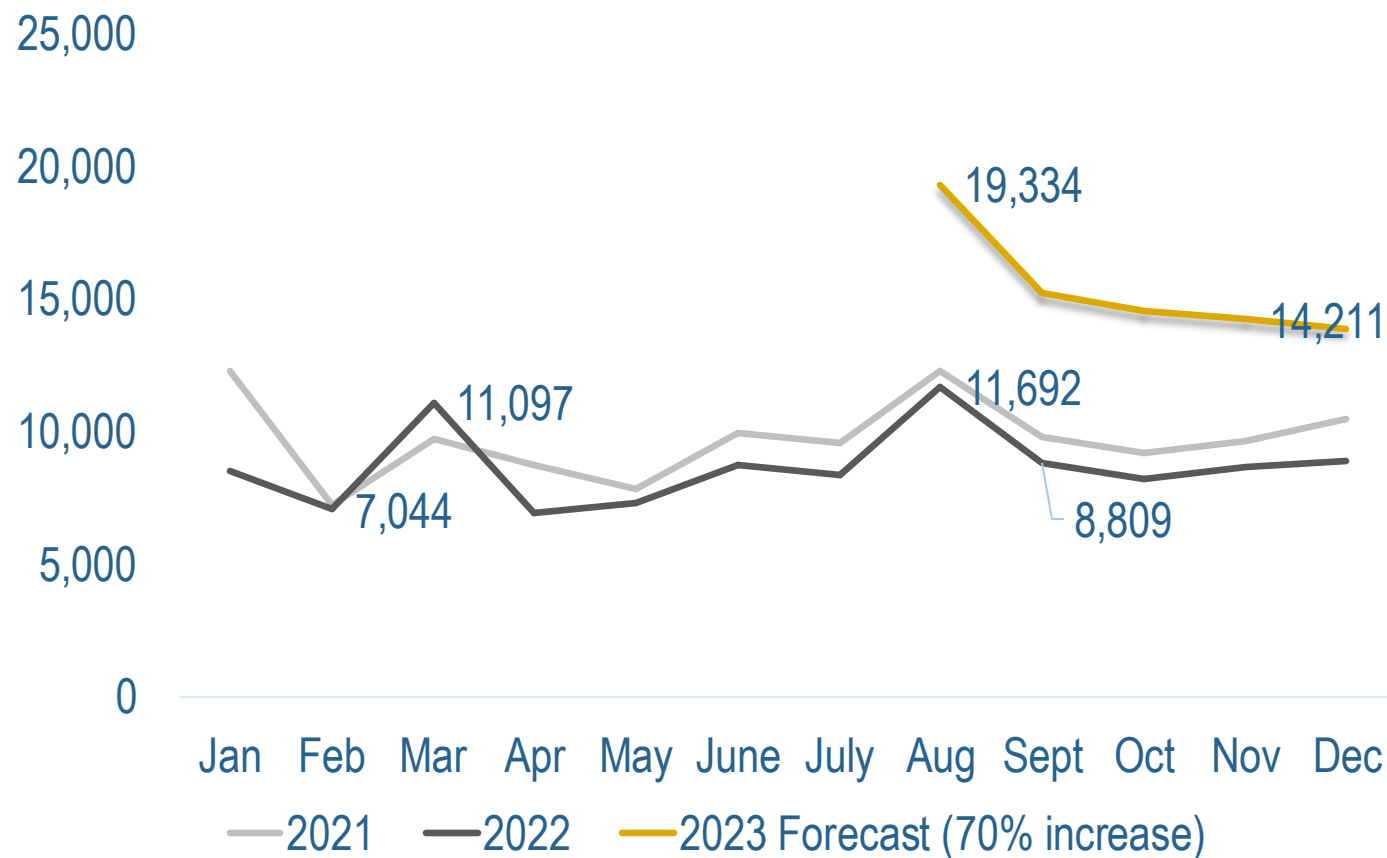
FY 23 TRS Health Calls Handled







## TRS-Care Call Volume by Month and Year



**Temporarily augmenting support due to expected increase in activity from Aug. through Dec. 2023**

- New PBM: Express Scripts
- Increased deductible for TRS-Care Standard
- Interest in Dental and Vision Benefits

A faint, light blue magnifying glass graphic is positioned behind the title text. The handle of the magnifying glass extends from the bottom left towards the center, and the lens is positioned over the words 'ActiveCare' and 'Care'.

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

**Jeff Bain, Director of Health Contracts, Health Division**

**Adam Morris, Gainwell Technologies**

**Todd Coulter, HealthPlan Data Solutions**



## Gainwell Technologies (acquired Health Management Solutions)

- 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 – PY 2020

- TRS-ActiveCare (September 2019 – August 2020)
- TRS-Care (January 2020 – December 2020)

## HealthPlan Data Solutions

- Established by pharmacists in 2010
- Clients include 20 state agencies covering 10 states
- 5 pharmacists worked on the TRS audit

### Pharmacy audit – Plan Years 2020 and 2021

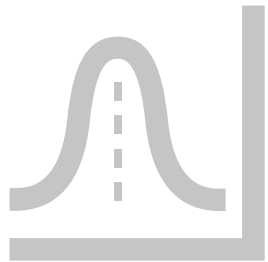
- TRS-ActiveCare (September 2019 – August 2021)
- TRS-Care (January 2020 – December 2021)
- TRS-Care Medicare Part D (January 2020 – December 2021)

## Audit Process



### Comprehensive 100% audit of claims

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

## Examples of Audit Checks

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

Industry Standards



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

Eligibility & Plan Benefits



- Fee schedules
- Timely filing

Provider Contracts



# Medical Plan Audit Results

## Medical Claims & Spend Analyzed

- **Claim Counts:** 3.3M
- **Medical Spend:** \$2.1B



## Total Findings: \$1.0M (0.05%)

- **Coordination of Benefits:** \$587,548
- **Ineligible Members:** \$249,771
- **Hearing Aids & Services:** \$149,694
- **All other:** \$39,384

Potential Additional Impact: \$600k

## Findings by Plan

### TRS-ActiveCare

2.5M Claims Reviewed, Totaling \$1.6B

**Findings:** \$871,519 (0.06%)

### TRS-Care

800K Claims Reviewed, Totaling \$545M

**Findings:** \$154,878 (0.03%)

# Pharmacy Plan Audit Overview

## Audit Process

100% of claims



*All claims are reviewed for:*

- Benefit accuracy
- Contractual compliance

## Performance Guarantees

Selected operational guarantees reviewed related to claim processing and network adequacy.

## Examples of Audit Checks

### *Benefit Accuracy*

- Member cost-sharing
- Non-covered products
- Enrolled at time of service

### *Contractual Compliance*

- Pricing guarantees
- 340B exclusions
- “Lesser of” logic

# Pharmacy Plan Audit Results

## Pharmacy Claims & Spend Analyzed

- **Claim Counts:** 21.6M
- **Drug Spend:** \$3.3B



Total Findings: \$1.1M (0.03%)

- **“Lesser of” Logic:** \$667,741
- **Incorrect Exclusions:** \$1,675
- **Performance Guarantees:** \$450,000

## Findings by Plan

### TRS-ActiveCare

8.8M Claims Reviewed, Totaling \$1.1B

**Findings:** \$593,449 (0.05%)

### TRS-Care

2.6M Claims Reviewed, Totaling \$0.4B

**Findings:** \$212,735 (0.05%)

### Medicare Part D

10.2M Claims Reviewed, Totaling \$1.8B

**Findings:** \$313,232 (0.02%)

# Pharmacy Rebate Audit Overview

## Audit Process

**100% of claims**



*All claims are reviewed for:*

- contractual compliance with key definitions
- distribution channels to validate minimum guarantees

## On-Site Manufacturer Contract Audit

Reviewed the top 10 pharmaceutical manufacturers accounting for 63% of rebate payments to validate pass-through of all rebates.

## Audit Results

Validated CVS Exceeded Contractual Minimum Rebate Guarantees.

Validated CVS is passing through 100% of rebates paid by manufacturers.

No material results.





Questions?

# TRS-ActiveCare Fund Balance



## TRS-ActiveCare Fund Balance Projection Financial History and Projection through FY2027 as of February 28, 2023

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	\$1,033,743,681	\$638,337,761	\$868,968,782	\$149,833,892	\$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	\$955,135,162		\$802,890,169	\$86,153,622	\$0	\$16,910,379	\$1,861,089,332	\$1,704,111,551	\$273,465,831	\$84,321,537	\$75,317,404	\$2,137,216,323	\$271,412,984
FY 2024	\$981,489,702		\$825,043,892	\$88,855,172	\$0	\$6,340,538	\$1,901,729,304	\$1,798,477,471	\$230,707,700	\$87,031,412	\$82,044,225	\$2,198,260,809	(\$25,118,520)
FY 2025	\$1,010,934,393		\$849,795,209	\$91,520,828	\$0	\$409,208	\$1,952,659,637	\$1,879,408,957	\$258,373,799	\$89,697,068	\$82,769,404	\$2,310,249,228	(\$382,708,111)
FY 2026	\$1,041,262,424		\$875,289,065	\$94,266,453	\$0	\$0	\$2,010,817,942	\$1,959,283,838	\$287,113,617	\$92,442,693	\$83,537,396	\$2,422,377,543	(\$794,267,711)
FY 2027	\$1,072,500,297		\$901,547,737	\$97,094,446	\$0	\$0	\$2,071,142,480	\$2,037,655,192	\$316,818,979	\$95,270,686	\$87,177,447	\$2,536,922,303	(\$1,260,047,534)

### NOTES

- Actual data through February 28, 2023
- Medical trend: 5% through FY23; reduced by 0.25% each year thereafter with a 4% minimum
- Pharmacy trend: 8% through FY23; reduced by 0.25% each year thereafter with a 6% minimum
- Prior to FY2018: State contributions are equal to \$75 PEPM. District contributions are equal to \$150 PEPM.
- FY2018 and Forward: State/District Contributions are based on September actual contributions
- Current Interest rate is assumed to be 3%. Rate decreases by a factor of 25% each year with a minimum of 0.5%.
- Rate increase of 3% assumed for all years after FY23
- The ActiveCare Fund balance is managed to prevent a deficit through premium and benefit adjustments

# TRS-Care Fund Balance



## TRS-Care Fund Balance Projection Financial History and Projection through FY2027 as of February 28, 2023

Fiscal Year	Contributions							Expenditures			Ending Balance (Incurred Basis)
	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	
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	\$481,604,664	\$515,503,625	\$0	\$268,061,885	\$309,302,175	\$103,243,596	\$339,160,970	\$591,709,468	\$710,320,466	\$50,457,709	\$3,782,326,490
FY 2024	\$487,550,737	\$524,782,691	\$0	\$272,886,999	\$314,869,614	\$73,313,080	\$420,317,539	\$600,535,186	\$788,249,173	\$48,237,136	\$4,439,025,656
FY 2025	\$491,808,098	\$534,228,779	\$0	\$277,798,965	\$320,537,267	\$63,769,938	\$452,124,509	\$628,003,345	\$847,656,434	\$49,452,275	\$5,054,181,158
FY 2026	\$496,332,125	\$543,844,897	\$0	\$282,799,346	\$326,306,938	\$53,619,711	\$472,904,341	\$704,115,109	\$918,986,397	\$50,755,150	\$5,556,131,861
FY 2027	\$501,249,932	\$553,634,105	\$0	\$287,889,735	\$332,180,463	\$43,628,517	\$492,936,889	\$768,567,482	\$991,059,254	\$53,130,046	\$5,954,894,718

### NOTES

Invoice data through February 28, 2023

This 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 9/1/2017.

Medical trends: 7% through FY2023; reduced by 0.25% each year thereafter.

Pharmacy trends: 7% through FY2023; reduced by 0.25% each year thereafter.

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

- 2% increase in payroll growth
- Interest rate is set to match current returns and reduced by 25% a year with a floor of 0.5%.