

September 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 September 14, 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, 5th Floor, Boardroom.***

The open portions of the September 14, 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. A recording of the meeting will be available at www.trs.texas.gov.

**AGENDA
September 14, 2023 – 8:30 a.m.**

1. Call roll of Committee members.
2. Consider the approval of the proposed minutes of the July 2023 committee meeting – Committee Chair.
3. Receive an update and consider the following regarding TRS pension benefits program – Barbie Pearson:
 - A. Consider recommending to the Board acceptance of the Medical Board Meeting minutes for May 2023 meeting;
 - B. Consider recommending to the Board approval of Benefit Payments for June – August 2023; and
 - C. Receive a Benefit Services Operations update.
4. Receive an update and consider the following on the administration and performance by TRS-Care and TRS-ActiveCare:
 - A. Consider recommending to the Board Retiree Advisory Committee Appointments including Chair and Vice Chair – Christina Juarez;
 - B. Consider recommending to the Board adoption of TRS ActiveCare Individually Underwritten Rates for an employer entering during a transitional year – Katrina Daniel; Kirsten Schatten, Segal Group.
 - C. Receive a Health Plan Update – Monica Bernal.

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 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.

Minutes of the Benefits Committee July 13, 2023

The Benefits Committee of the Board of Trustees of the Teacher Retirement System of Texas met on July 13, 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. Brittney Allred
Mr. Michael Ball
Ms. Nanette Sissney
Mr. Robert H. Walls, Jr.

Other TRS Board Members present:

Mr. David Corpus
Mr. John Elliott
Mr. Jarvis V. Hollingsworth

Others who participated:

Brian Guthrie, TRS	Ted Coulter, Health Plan Data Solutions
Andrew Roth, TRS	Adam Morris, Gainwell
Don Green, TRS	
Amanda Jenami, TRS	
Barbie Pearson, TRS	
Katrina Daniel, TRS	
Heather Traeger, TRS	
Katherine Farrell, TRS	
Adam Fambrough, TRS	
Meaghan Bludau, TRS	
Monica Bernal, TRS	
Yimei Zhao, TRS	
Jeff Bain, TRS	
Suzanne Dugan, Cohen Milstein	

Benefits Committee Chair, Mr. Elvis Williams, called the meeting to order at 11:22 a.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 April 2023, Benefits Committee meeting – Chair Elvis Williams.

On a motion by Mr. Ball, seconded by Ms. Allred, the committee unanimously approved the proposed minutes for the April 2023 Benefits Committee meeting as presented.

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 on time-stipend consistent with the provisions of Senate Bill 10 as passed by the 88th Texas Legislature Regular Session – Barbie Pearson.**

Ms. Barbie Pearson provided an overview of Senate Bill 10 which provided for a one-time stipend in the matter of \$2,400 to be paid to eligible annuitants, age 70 to 74 and a \$7,500 stipend to be paid to eligible annuitants who are 75 or older. She noted to be eligible for the stipend the age requirement must be met by August 31, 2023.

On a motion by Mr. Ball, seconded by Mr. Walls, the committee unanimously voted to recommend to the Board the following resolution directing staff to prepare for and issue the limited by age one-time stipend, consistent with the provisions of Senate Bill 10, as presented by staff:

RESOLUTION APPROVING THE ISSUANCE OF A ONE-TIME STIPEND
AUTHORIZED IN SENATE BILL 10 AND FUNDED IN HOUSE BILL 1
July 13-14, 2023

Whereas, Senate Bill 10 (SB 10) was passed by the 88th Legislature, Regular Session, and signed by the Governor on June 14, 2023;

Whereas, Section 2 of SB 10 is effective immediately and requires the Teacher Retirement System of Texas (TRS) to pay a one-time stipend of a retirement or death benefit in accordance with the provisions set forth in that section and sets out specific instructions regarding who is eligible to receive the stipend and the amount and timing of that payment;

Whereas, House Bill 1 (HB 1) was passed by the 88th Legislature, Regular Session, and signed by the Governor with an effective date of September 1, 2023;

Whereas, HB 1 appropriates \$1,645,000,000 to TRS in fiscal year 2024 to provide for the one-time stipend in accordance with the requirements of SB 10, and SB 10 provides that TRS shall issue the supplemental payment only if the Board of Trustees ("Board") finds that the Legislature appropriated money to TRS in an amount sufficient to provide the supplemental payment;

Whereas, Government Code § 821.006 requires the pension fund's unfunded accrued actuarial liability to have a projected amortization period of less than 31 years in order for TRS to issue a benefit enhancement, such as a one-time stipend. According to the actuarial analysis for the impact of SB 10, the expected amortization period for the fund is 27 years;

Whereas, SB 10 requires that the one-time stipend to be payable no later than September 2023;

Whereas, The Benefits Committee recommends that the Board direct TRS staff to prepare for and issue the one-time stipend in September 2023 and in accordance with the

provisions in SB 10, but only if the Board of Trustees finds that the Legislature appropriated money to TRS in an amount sufficient for provide the stipend;

Whereas, The Benefits Committee further recommends that the Board find that in HB 1 the Legislature appropriated money to TRS in an amount sufficient for provide the one-time stipend in SB 10;

Whereas, The Board desires to adopt the recommendations of the Benefits Committee; now, therefore, be it

Resolved, That the Board hereby adopts the recommendation of the Benefits Committee and finds that in HB 1 the Legislature appropriated money to TRS in an amount sufficient for provide the one-time stipend in SB 10; be it

Further resolved, That the Board directs TRS staff to prepare for and issue the one-time stipend in September 2023 and in accordance with the provisions in SB 10.

B. Consider recommending to the Board acceptance of the Medical Board Meeting minutes for March 2023 – Barbie Pearson;

Ms. Pearson recommended to the Committee to recommend to the Board acceptance of the Medical Board meeting minutes for March 2023.

On a motion by Ms. Sissney, seconded by Mr. Ball, the committee unanimously voted to recommend to the Board acceptance of the Medical Board meeting minutes for March 2023.

C. Consider recommending to the Board the appointment of members to the Medical Board – Adam Fambrough;

Mr. Adam Fambrough reviewed the role of the medical board and how the Board is required to appoint the three physicians that compose the medical board. He reported Dr. Alice Cox' contract began in September 1, 2021, and it expires this August. He said the contract has an optional two-year renewal period on it. He said staff recommended the renewal of the contract to be extended through August of 2025.

On a motion by Mr. Ball, and seconded by Ms. Allred, the committee unanimously voted to recommend to the Board the following resolution appointing members to the Medical Board, as presented by staff:

RESOLUTION TO APPOINT TRS MEDICAL BOARD MEMBER

Whereas, Texas Government Code section 825.204 requires the Board of Trustees of the Teacher Retirement System of Texas to appoint a Medical Board composed of three physicians to perform services under contracts with TRS;

Whereas, The term of one of the current three members will expire August 31, 2023;

Whereas, TRS staff recommends that the Board of Trustees reappoint Dr. Alice Cox as a member of the TRS Medical Board effective September 1, 2023 for a two-year term that ends on August 31, 2025; now therefore be it resolved

Resolved, That the Board of Trustees reappoints Dr. Alice Cox for a two-year term beginning on September 1, 2023 and expiring on August 31, 2025; and

Resolved, That the Executive Director, or his designee, is hereby authorized to negotiate, with the assistance and advice of legal counsel, a contract renewal for Medical Board services with Dr. Cox and, if negotiations are deemed by the Executive Director in his discretion to be successful, then the Executive Director or his designee is hereby authorized to execute a contract renewal with Dr. Cox for two years coinciding with the term of their appointment and according to such terms, conditions, and fees as the Executive Director may deem in his discretion to be appropriate and to provide the best overall value for TRS, and to execute and deliver all such other documents that the Executive Director may deem necessary or appropriate to effect this resolution, as conclusively evidenced by the taking of the action or the execution and delivery of the documents, and to incur, approve, and pay any budgeted expenses or costs associated with such contract and deemed in the discretion of the Executive Director to be reasonably necessary or advisable with respect to such contract.

D. Consider recommending to the Board approval of Benefit Payments for March 2023 – May 2023 – Barbie Pearson;

Ms. Pearson recommended to the Committee to recommend to the Board the approval of benefit payment for March 2023 through May 2023.

On a motion by Ms. Sissney, seconded by Mr. Ball, the committee unanimously voted to recommend to the Board approval of benefit payment for March 2023 through May 2023.

E. Receive a Benefit Services Operational update – Barbie Pearson.

Ms. Pearson reviewed the third quarter performance levels for the Benefits division. She reported Benefit Services had processed over 730,000 transactions during the first three quarters of fiscal year 2023 for members and beneficiaries. She reviewed the specific numbers for each department. She noted a 65 percent increase in benefit processing work on refunds and attributed this increase to the inactive account project. She provided a MyTRS update on the June release which allowed members to access more information including correspondence, through MyTRS. She discussed the communication efforts behind the one-time stipend noting the stipend will be issued mid to late September. Ms. Pearson concluded reviewing performance measures, emphasizing that last year Benefit Counseling was experiencing a 23 minute hold time and now the hold time is under a minute and half.

4. Receive an update and consider the following regarding TRS health insurance benefits program:

A. Receive an update on the administration and performance of TRS-Care and TRS-ActiveCare – Meaghan Bludau and Monica Bernal;

Ms. Meghan Bludau provided an update on the extensive communication campaign for members, which included a mailing about the 2024 benefits, retiree health fairs and training for benefit administrators in all regions of the state. She reported a significant milestone of executing the ActiveCare contract with ExpressScripts.

Ms. Katrina Daniel reviewed an issue identified with plans outside of ActiveCare that are not on the academic plan year. She said these employers who wish to join ActiveCare need a transition period, which will require a rule to set up the process for the transitional period. She said the current plan was to have the Executive Director published the proposed rules under his authority, which will be on the agenda in September for the Board to consider adopting these rules.

Ms. Bludau concluded with an update on implementation of ExpressScripts as the pharmacy benefit manager. Ms. Monica Bernal provided an update on Senate Bill 1854, the optional vision and dental plan for TRS-Care retirees and survivors that will take effect January of 2025. Ms. Bernal concluded with a customer service level update which remain consistent at about 99 to 100 percent.

B. Review and consider recommending to the Board adoption of the plan design for the TRS-Care Standard plan for FY 2024 – Katrina Daniel.

Ms. Meghan Bludau reviewed the TRS-Care Standard Plan for retirees who are not eligible for Medicare. She noted the plan design took effect in 2018 and has been compliant with health savings account requirements. She said over the past six years the IRS has adjusted the minimum required deductible. She said staff recommends the minimum level of the plan be raised to remain compliant with the health savings account requirements.

On a motion by Mr. Ball, seconded by Mr. Walls, the committee unanimously approved recommending to the Board the adoption of the following resolution approving benefit changes for the TRS-Care Standard Plan for fiscal year 2024, as presented by staff.

RESOLUTION APPROVING BENEFIT CHANGES FOR THE TRS-CARE STANDARD PLAN AFTER IRS GUIDELINES

July 13, 2023

Whereas, Chapter 1575, Insurance Code (the “Texas School Retired Employees Group Benefits Act”), governs the Texas School Retired Employees Group Benefits Program, hereinafter referred to as TRS-Care, and authorizes the Teacher Retirement System of Texas (TRS), as trustee, to implement and administer TRSCare, as described in the statute;

Whereas, the TRS-Care Standard plan is a High Deductible Health Plan (HDHP) that TRS provides under Chapter 1575 for retired public school employees and eligible dependents who do not qualify for Medicare coverage;

Whereas, it has been the purpose of TRS since the implementation of TRS-Care Standard that such plan be a “qualified” HDHP, as such term is defined by the Internal Revenue Service (IRS), so that retired school employees and their eligible dependents who benefit from it may use such coverage to qualify themselves to make tax-deductible deposits into

a Health Savings Account (HSA) if they choose to do so and otherwise qualify under IRS rules to make such deposits;

Whereas, the IRS periodically revises the requirements that HDHPs must meet so that they qualify individuals covered by them to make tax-deductible HSA deposits;

Whereas, through an official publication from the IRS called Revenue Procedure 2023-23, the IRS released the inflation adjusted minimum requirements that will apply to qualified HDHPs in the year 2024, which include an annual deductible of not less than \$1,600 for self-only coverage and not less than \$3,200 for family coverage, and annual out-of-pocket expenses that do not exceed \$8,050 for self-only coverage and \$16,100 for family coverage;

Whereas, to keep TRS-Care Standard as a qualified HDHP, TRS is required to make the adjustments to the benefits identified below for the 2024 plan year, commencing on January 1, 2024;

Whereas, TRS staff and consultants assisting staff (the “Consultants”) have reviewed the IRS requirements and compared them to the current TRS-Care Standard benefits and recommend that the Board approve the changes below so that the TRS-Care Standard plan keeps its status as a “qualified HDHP” under IRS rules;

Whereas, The TRS Board of Trustees (“Board”) desires to adopt the recommendations of TRS staff and the Consultants; now, therefore, be it

Resolved, That the Board hereby adopts and authorizes the following benefit changes, subject to all other plan requirements and restrictions, for TRS-Care Standard beginning in the 2024 plan year commencing on January 1, 2024 and thereafter, until further action by the Board:

TRS-Care Standard		
Plan Feature	Current 2023 Plan Year	Proposed 2024 Plan Year
Individual In-Network Deductible	\$1,500	\$1,600
Family In-Network Deductible	\$3,000	\$3,200
Individual Out-of-Network Deductible	\$3,000	\$3,200
Family Out-of-Network Deductible	\$6,000	\$6,400

- 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; Ted Coulter, Health Plan Data Solutions and Adam Morris, Gainwell.**
- 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.**

Mr. Jeff Bain reviewed the purpose of the audits, which is to ensure the claims paid are for eligible beneficiaries, that they aligned with the plan designs and are paid accurately. He noted over the time period of the audit over \$5 billion was spent.

Health Management Solutions performed the medical audit and was recently acquired by Gainwell but the audit team was consistent throughout this transition. Mr. Adam Morris reviewed the audit for TRS noting it was both comprehensive and random in which 100 percent of medical claims were reviewed, representing over 3 million claims and over \$2 billion in spend. 150 comprehensive claims were selected for further audit, which included 15 provider contracts, and 100 random claims were selected for further audit. He reported \$1 million in potential findings between both Care and ActiveCare that require additional review.

HealthPlan Data Solutions performed the pharmacy audit and Mr. Ted Coulter reviewed the audit for TRS comprising the 2020 and 2021 plan years. He reported 100 percent of the pharmacy claims were reviewed representing 21 million prescriptions and over \$3 billion in spend. He said there were over \$1 million in findings, representing 3/100 of a percent of total spend. He noted for the 2019 audit there were over \$4 million in potential findings that require additional review. He noted CVS had corrected all of the issues identified in 2019. Mr. Coulter said they also did a rebate audit and found that CVS exceeded all contractual guarantees and had passed through the rebates to TRS.

Mr. Bain stated the next step in the process was for staff to continue to investigate all the findings presented and work on recovering those overpayments from the vendors.

There being no more business before the Benefits Committee, the committee adjourned at 12:13 p.m.

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

Katherine H. Farrell
Secretary of the TRS Board of Trustees

Date

TAB 3

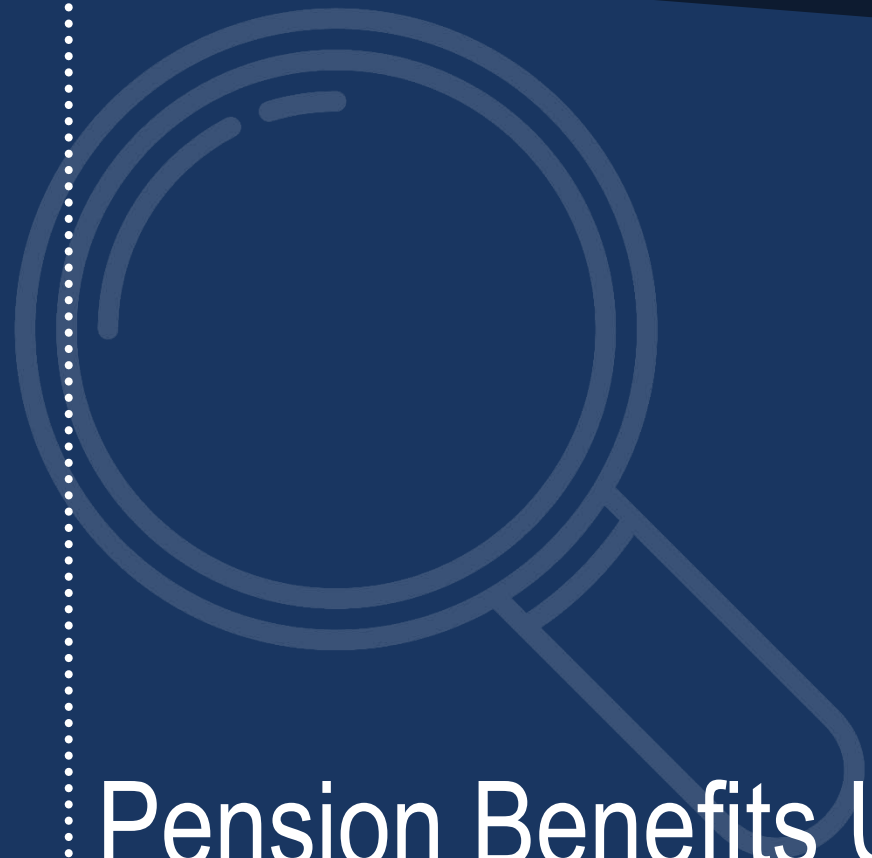


Benefit Services Update



Barbie Pearson
Sept. 14, 2023





Pension Benefits Update

Fiscal Year 2023

Member Service Review

Employer Support

Stipend Update

Staffing Update

Objectives



MEMBER
Focused



1,099,119
Transactions

Member Service Review - Backoffice



19,524
Retirements



78,048
**Benefit
Estimates**



13,896
**Claims
Acknowledged**



19,937
Claims Paid



71,799
Refunds Paid



\$11,122,167,424
**Annuity
Payments Issued**

S E R V I C E

Member Service Review - Counseling



Secure E-Mail

- 37,479 Member e-mails answered



Office Visits

- 14,594 Office visits
- 2,048 Walk-ins



Telephone Calls

- 635,044 Member Calls Answered



Presentations

- 71 Presentations
- 4,947 Attendees



Group OV & Form Sessions

- 42 Sessions
- 194 Attendees



MEMBER
Focused



Employer Training

40 Sessions
2,001 Attendees



Telephone Service

8,429



E-mail

190,913

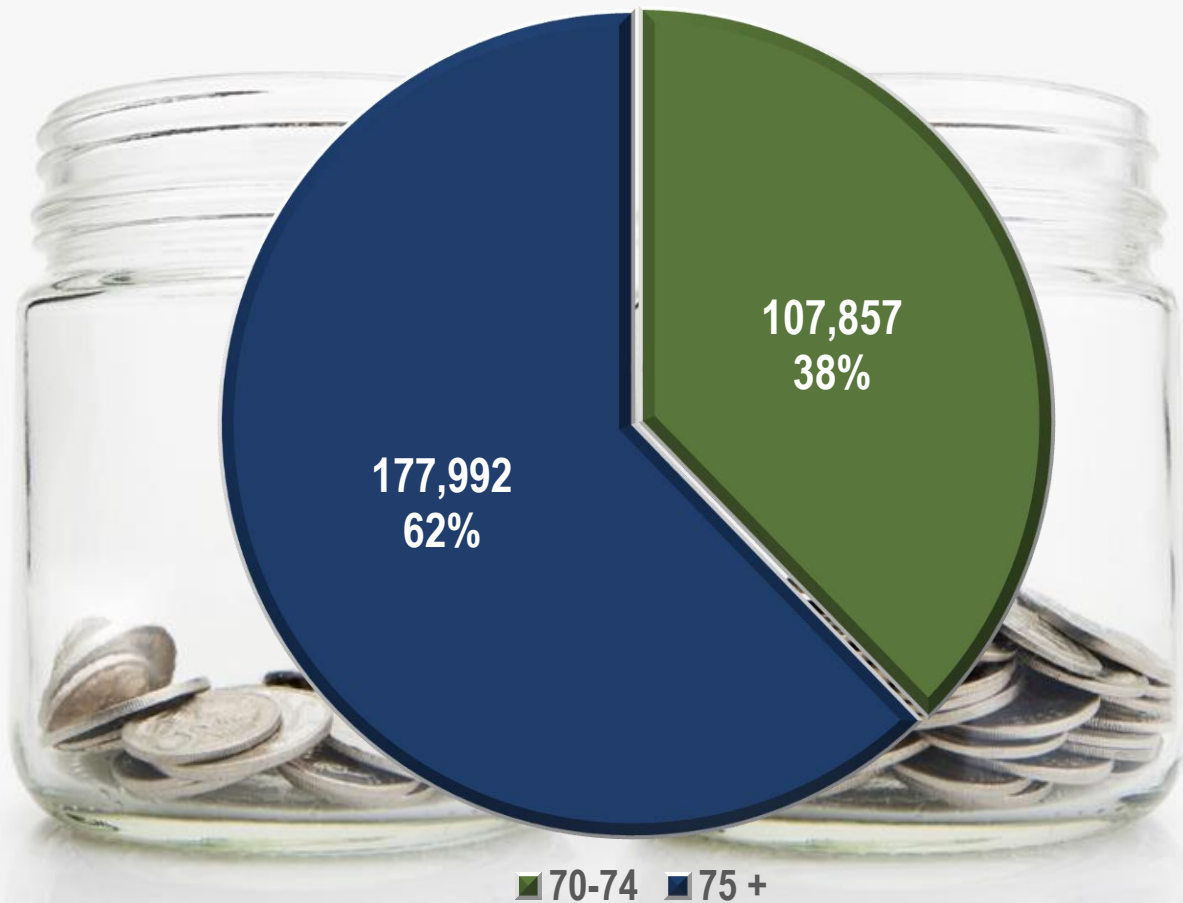


Employer Portal Chat

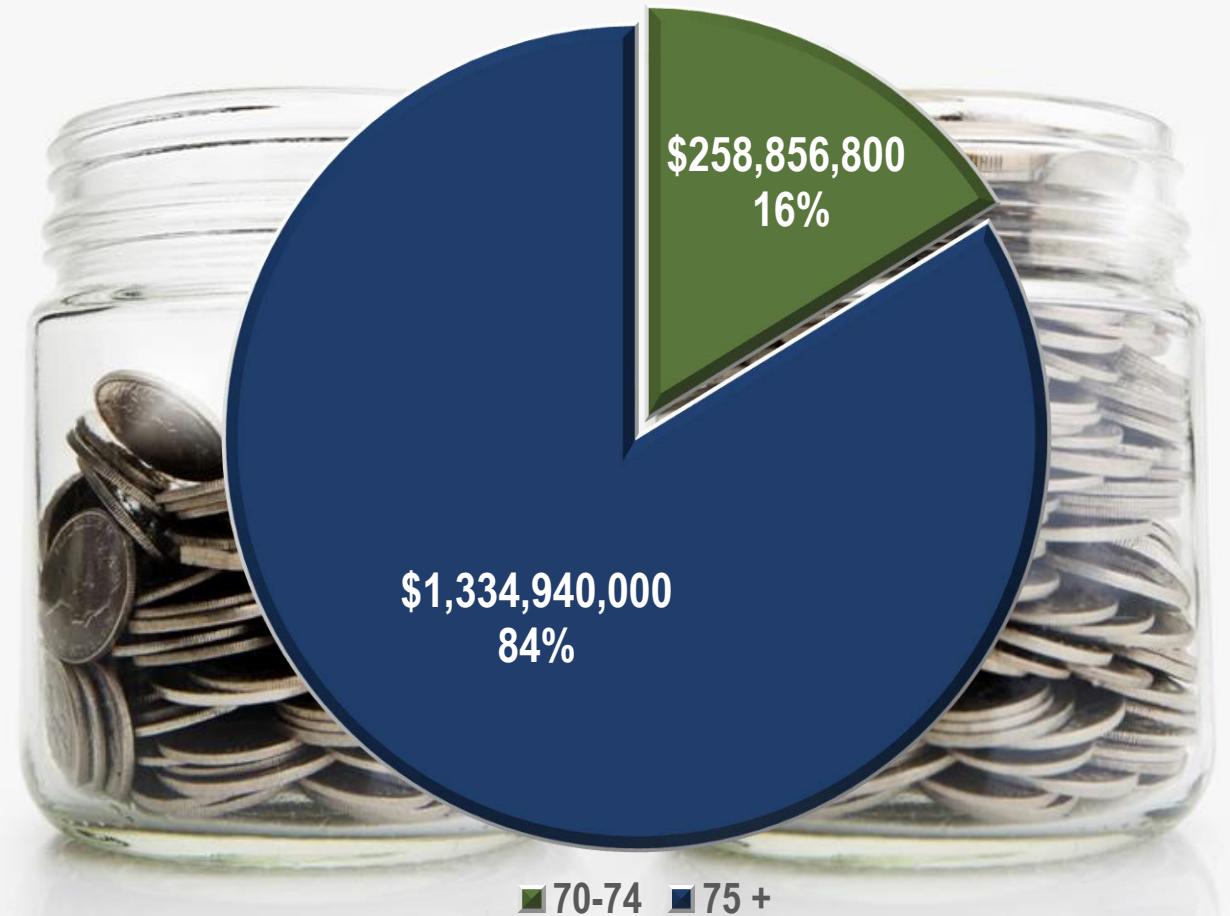
266

2023 Benefit Enhancement

Number of Payments



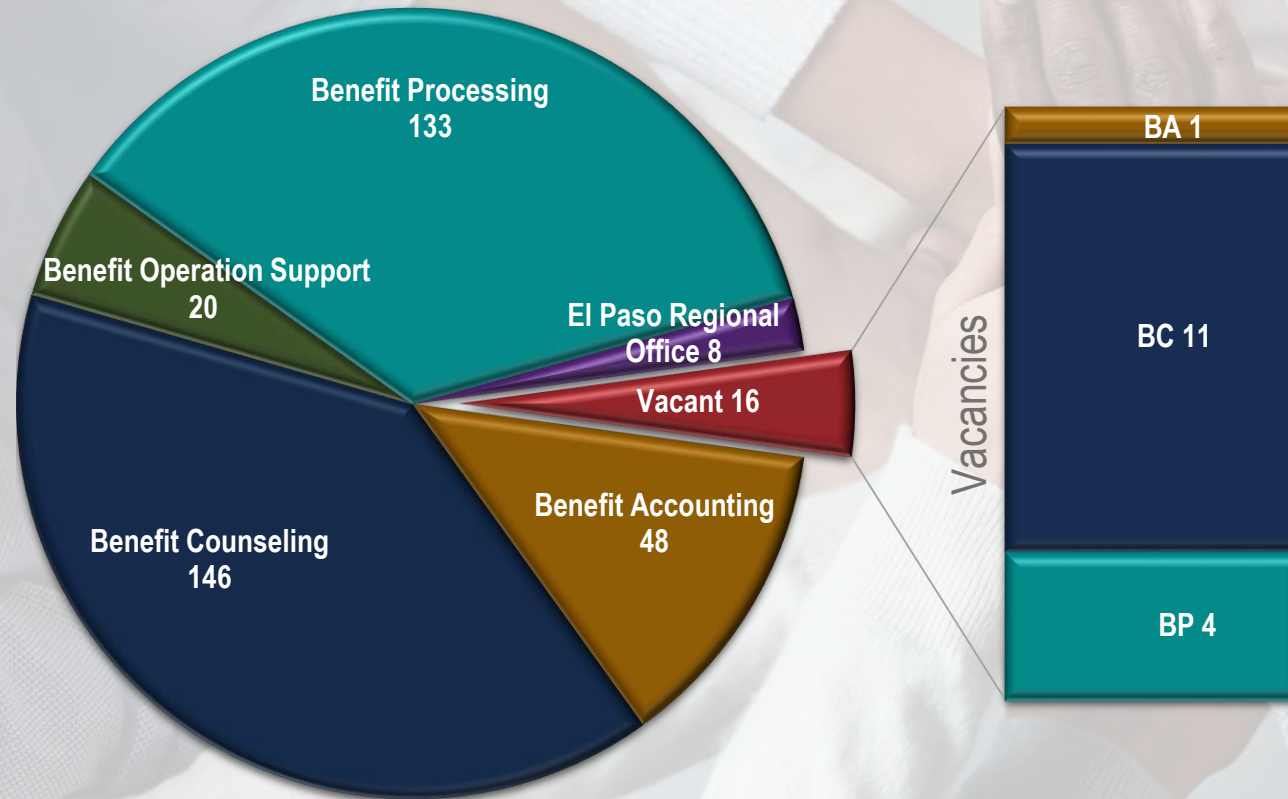
Stipend Dollars





Benefit Services

Authorized: 371
Filled: 355
Vacant: 16



Staffing as of July 31, 2023

Results

- 114 employees hired
- 104 employees completed Foundational classroom training
- 129 employees completed on-the-job training

Objectives



Business Activity	Objectives	FY Target	FY23 Q1	FY23 Q2	FY23 Q3	FY23 June & July	FY23 thru July
Telephone Calls	Calls answered within three minutes	80%	63%	94%	98%	87%	85%
	Average Speed of Answer (minutes/seconds)		4:00	0:28	0:13	0:53	1:24
Office Visits (Austin)	Number of office visits available annually	20,000	3,013	3,906	6,188	4,440	17,547
Conducted	In person:		884	1,167	1,594	1,235	4,880
	Live video:		756	937	1,536	761	3,990
	Telephone:		537	636	866	606	2,645
	Walk ins:		275	220	320	338	1,153
Office Visits (El Paso)	Number of office visits available annually	5,000	216	1,316	1,119	716	3367
Conducted	In person:		27	340	622	334	1323
	Live video:		135	276	361	330	1102
	Telephone:		64	163	307	116	650
	Walk ins:		0	403	239	253	895
Quality Assurance	Number of telephone interactions evaluated	5,000	1,124	2,437	2,424	1,929	7,914

Objectives



Business Activity	Objectives	FY Target	FY23 Q1	FY23 Q2	FY23 Q3	FY23 June & July	FY23 thru July
Refunds	Refunds validated within five business days of receiving final deposit and all paperwork	95%	81%	96%	100%	100%	94%
Benefit Estimates	Benefit estimates mailed within 31 days of request	90%	100%	100%	100%	100%	100%
Retirements	Retirees receiving first annuity payment on time	98%	81%	99%	97%	84%	90%
Death Claims (acknowledged)	Claims acknowledged within 14 days of receipt of death notification	90%	99%	99%	99%	98%	99%
Death Claims (payments)	Claims payments issued within 31 days of receipt of all required paperwork	95%	97%	97%	98%	91%	96%
Reporting Employer	Regular payroll reports completed by the end of each quarter (cumulative for fiscal year)	90%	94%	98%	99%	99%	99%
Foundational Training	Provide pension benefits foundational classroom training for all new hires (cumulative)	100%	95%	96%	95%	100%	97%

The End.

TAB 4



Benefits Committee: Health Division Updates



Katrina Daniel, Chief Health Care Officer
Kirsten Schatten (ASA, FCA, MAAA), Sr. VP, Segal
Cristina Juarez, Mgr. of Health Engagement
Monica Bernal, Senior Director

Sept. 14, 2023



TRS-Care Retirees Advisory Committee (RAC) Service Recognition



Three RAC members' terms will end on Jan. 31, 2024:



Grace Mueller, Chair, Retired Teacher



Dr. H. John Fuller, Retired School Administrator



Sherry Miller, Active Teacher



- **Recommended Retired Teacher:** Dr. Mary Ann Whiteker
- **Recommended Retired School Administrator:** Tonya Davis
- **Recommended Active Teacher:** Sherry Miller
- **New RAC Chair:** Nancy Byler, Retired Teacher
- **New RAC Vice Chair:** Dr. Mary Widmier, Retired Teacher

Special Transitional Plan Rule 41.53 for Employers Joining TRS-ActiveCare



We're going the extra mile to fulfill our customer's needs with the utmost flexibility

- No need for employer to terminate their existing plan mid-plan year
- No additional cost incurred to employer for terminating mid-year
- Easier transition via gap or transitional period



- **Employers who are exploring TRS-ActiveCare may have a plan year that doesn't start on Sept. 1 which could cause difficulty for transitions.**
- **Regional rates set by the TRS Board do not consider employers who enter off-cycle, but TRS can underwrite individual districts during transitional year.**



Killeen ISD is Joining TRS-ActiveCare – Total Gross Rates



Special Transitional Plan Year: Jan. 1 – Aug. 31, 2024
Killeen ISD will be rated with ESC Region 12 starting Sept. 1, 2024

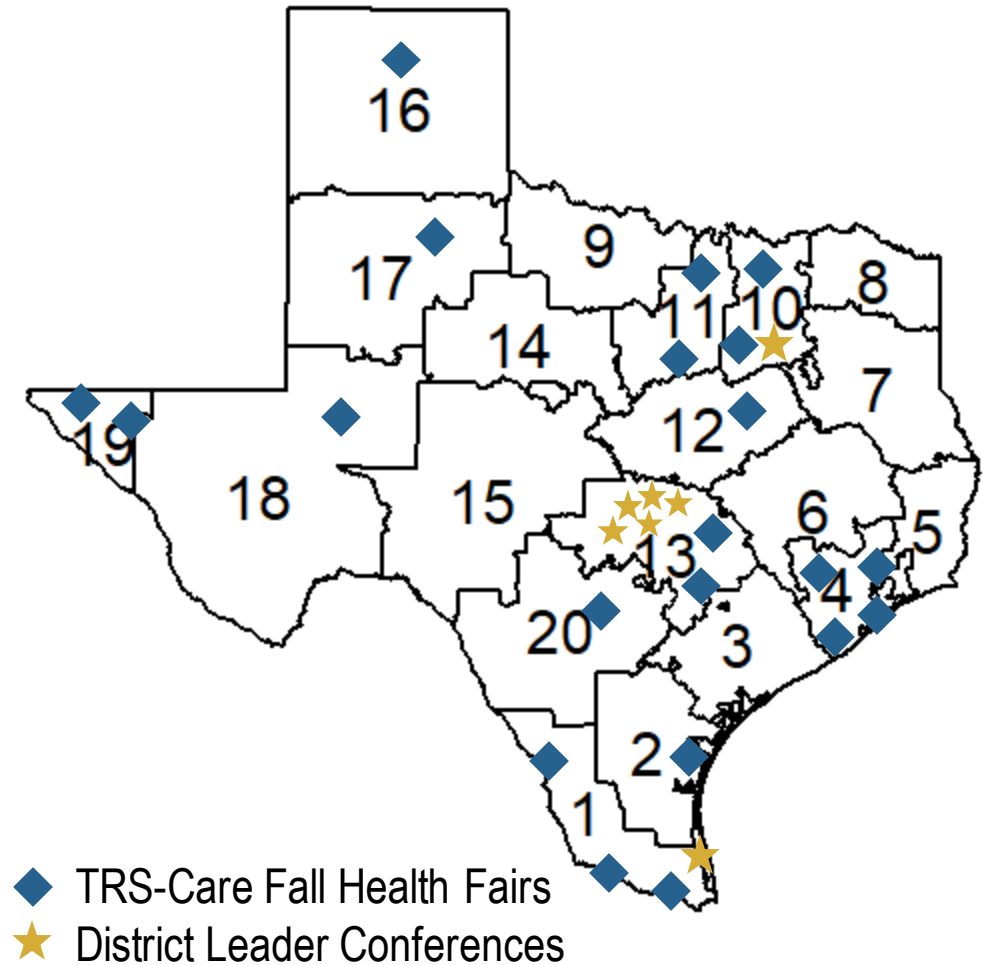
	TRS-ActiveCare Primary	TRS-ActiveCare Primary+	TRS-ActiveCare HD
Employee Only	\$538	\$631	\$552
Employee & Spouse	\$1,453	\$1,642	\$1,491
Employee & Children	\$915	\$1,074	\$939
Employee & Family	\$1,829	\$2,085	\$1,878

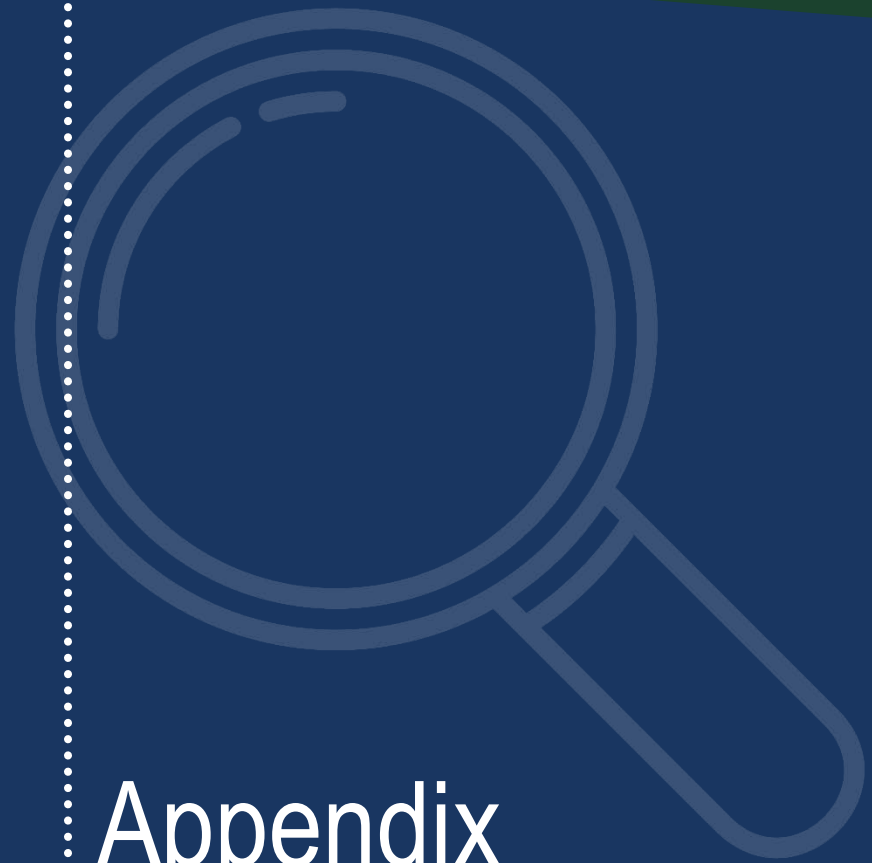
TRS Health Division at a Glance



Q3 and Q4 Accomplishments

- Managed annual enrollment for **~1,000 employers**
- Killeen ISD will switch to TRS-ActiveCare under **new transition rules**, proving flexibility by catering to customer needs
- Evaluated 180 bills that affect the health plans, over **50% increase from last session**, with **17 passed bills**
- Onboarding new pharmacy vendor for nearly half a million lives, with **50% of major project milestones**, and **80% of implementation tasks** completed
- **3,700+ webinar attendees** for health plan education to employers and participants so far in 2023
- **600K mailed plan materials** in August to every single TRS health plan participant
- Reached **2k+ district leaders** at conferences
- **3k+ retirees** registered for fairs
- Moved **80+ Health Employees** to the Alpha Building





Appendix

TRS-ActiveCare Fund Balance



TRS-ActiveCare Fund Balance Projection
Financial History and Projection through FY2025
as of May 31, 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	\$1,033,743,591	\$638,337,761	\$868,968,706	\$149,834,057	\$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	\$953,852,591		\$801,812,034	\$85,881,422	\$0	\$21,804,403	\$1,863,350,450	\$1,691,086,396	\$287,233,912	\$84,055,262	\$75,393,671	\$2,137,769,240	\$273,121,185
FY 2024	\$986,911,601	\$304,959,267	\$829,601,561	\$91,472,517	\$0	\$13,315,889	\$2,226,260,835	\$1,766,997,784	\$264,992,845	\$89,701,497	\$79,125,987	\$2,200,818,113	\$298,563,907
FY 2025	\$1,016,518,949	\$283,558,510	\$854,489,608	\$94,216,692	\$0	\$9,756,183	\$2,258,539,942	\$1,850,930,178	\$298,069,060	\$92,445,672	\$79,803,880	\$2,321,248,791	\$235,855,058

NOTES

- Actual data through May 31, 2023
- Medical trend: 5% through FY24; reduced by 0.25% each year thereafter with a 4% minimum
- Pharmacy trend: 8.5% through FY24; 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 3.9%. Rate decreases by a factor of 25% each year with a minimum of 0.5%.
- Rate increase of 3% assumed for all years after FY24
- 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 FY2025 as of May 31, 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	\$480,492,190	\$531,708,061	\$0	\$276,488,192	\$319,024,837	\$124,255,815	\$342,693,109	\$585,917,786	\$715,791,660	\$52,457,876	\$3,838,432,101
FY 2024	\$487,345,342	\$541,278,807	\$0	\$281,464,979	\$324,767,284	\$93,316,506	\$420,552,909	\$599,154,539	\$787,501,465	\$50,134,557	\$4,550,367,368
FY 2025	\$491,601,416	\$551,021,825	\$0	\$286,531,349	\$330,613,095	\$81,894,005	\$452,377,691	\$626,398,427	\$848,002,612	\$51,444,381	\$5,218,561,330

NOTES

Invoice data through May 31, 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%.

2023-24 TRS-ActiveCare Benefits



	TRS-ActiveCare Primary	TRS-ActiveCare Primary+	TRS-ActiveCare HD In-network / Out-of-Network	
Individual/Family Deductible	\$2,500 / \$5,000	\$1,200 / \$2,400	\$3,000 / \$6,000	\$5,500 / \$11,000
Coinsurance	30% after deductible	20% after deductible	30% after deductible	50% after deductible
Individual/Family Maximum Out of Pocket	\$7,500 / \$15,000	\$6,900 / \$13,800	\$7,500/\$15,000	\$20,250 / \$40,500
Drug Deductible	Integrated with medical	\$200 deductible per participant (brand drugs only)	Integrated with medical	



Recent and Upcoming Events/Conferences

Event	Location	Dates
TASA txedFest Summer Conference	Round Rock, TX	June 14-16, 2023
TASPA Summer Conference	Round Rock, TX	July 19-21, 2023
ESC 1 School Finance & Ops Conference	South Padre Island, TX	July 27-28, 2023
TRS-Care Health Fairs & Info Sessions	Statewide	September – November 2023
TASA/TASB Convention txEDCON23 Conference	Dallas, TX	Sept. 29 – Oct. 1, 2023
TASPA Fall Support Staff Conference	Round Rock, TX	Oct. 2-3, 2023
TASPA Winter Conference	Round Rock, TX	Dec. 6-8, 2023
TASA Midwinter Conference	Austin, TX	Jan. 28-31, 2024

Alpha Move-In Day: July 17

