



News Release

1000 Red River Street • Austin, Texas 78701-2698 • www.trs.texas.gov

Contact: Carolyn Perez, Communications Director • 512-542-6401

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TRS Will Provide Lower Cost Health Care for Texas Public School Employees for the 2020-21 School Year

Based on feedback from districts, TRS-ActiveCare has lowered costs for families, created a lower-premium plan and increased access to health care.

AUSTIN, TX – The Teacher Retirement System of Texas (TRS) Board of Trustees voted Friday, April 17 to adopt new TRS-ActiveCare rates and plans, lowering health care costs and reducing premiums for families with children by as much as 8%. These changes will take effect Sept. 1, 2020 for nearly half a million Texas public school employees and their families.

These changes come after TRS sought feedback from TRS-ActiveCare districts across the state to find ways to enhance health coverage for employees. In response, TRS went through an extensive process to negotiate a stronger vendor contract, garnering \$300 million in savings that allows TRS to meet the goal of offering more affordable health options and better access to care. The 2020-21 plan year will feature lowered costs for children and families, increased access to providers and a new lower-premium plan with \$30 copays that are in place before a deductible is met.

“The new rates and benefits approved offer districts across the state benefits that provide more value for Texas public school employees,” TRS Board Chairman Jarvis Hollingsworth said. “These plans provide comprehensive health care coverage so our hard-working public educators can access their choice of quality doctors and hospitals with full coverage when they need it most.”

For comparable coverage, employers in TRS-ActiveCare pay 15% less than districts outside the program. TRS has been able to keep medical costs growth down significantly compared to other self-funded employers in Texas. While others saw a 24% increase from 2013-2019, TRS health plans only saw a 7% increase.

Major Changes

Lower Health Care Costs, Especially for Families

TRS is able to offer rate decreases to many members, including an 8% decrease for members in TRS-ActiveCare Primary+, which replaces TRS-ActiveCare Select. Additionally, members covering children will see an average rate decrease of 3% in every plan except TRS-ActiveCare 2. The premium increase for

employee-only coverage is less than \$20 per month in the high deductible plan. The strength of the new negotiated vendor contract allows overall premiums to be 5% less than they would have by staying with the existing contract.

New Lower Premium Plan

TRS is introducing a new plan called TRS-ActiveCare Primary that offers the lowest premiums and copays for doctor visits. Participants who choose this new plan will pay \$30 to see their primary care provider, \$30 for physical therapy and \$70 to see other specialists.

Increased Access to Health Care

In a step toward strengthening access to health care, the new plans will offer statewide or nationwide networks. The plans will no longer feature strict, regional boundaries that restrict access to certain provider groups.

TRS-ActiveCare HD and TRS-ActiveCare 2 will be supported by a broad nationwide network. TRS-ActiveCare Primary and TRS-ActiveCare Primary+ will be supported by a quality-driven statewide network.

About TRS: The Teacher Retirement System of Texas is the largest public retirement system in Texas, serving nearly 1.6 million people. TRS improves the retirement security of Texas public education employees through our “best in class” investment management that oversees an approximately \$150 billion trust and delivers pension and health care benefits that make a positive difference in members’ lives.

Learn more: www.trs.texas.gov