

**Teacher Retirement System of Texas
Retirees Advisory Committee
Meeting Minutes
Tuesday, January 26, 2021**

The Retirees Advisory Committee (RAC) met on Tuesday, January 26, 2021 at 10:00 a.m., remotely through Zoom.

Present:

RAC members	TRS staff	Other Guests
Grace Mueller, Chair Nancy Byler Dr. H. John Fuller Dr. Bruce Gearing Teresa Koehler Marcy McNeil	Brian Guthrie, Executive Director Andrew Roth, Chief Operations and Administration Officer Katrina Daniel, Chief Health Care Officer Yimei Zhao, Director of Finance, Health and Insurance Benefits (HIB) Monica Bernal, Director of Operations, HIB Meaghan Bludau, Director of Health Care Analytics and Engagement, HIB Cristina Juarez, Health Care Engagement Umme Salama Oan Ali, Health Care Engagement Merita Zoga, Governmental Relations Addison Reagan, Governmental Relations Karen Harper, Operations, HIB Frank Washington, Operations, HIB Teoka Benford, Operations, HIB Kristin Hamlett, Operations, HIB Leo Flores, Operations, HIB Christi Holman, Director for Health Data and Operations Carrie Casey, Internal Audit Roberto Cortes, Health Care Attorney	Melissa Lewandowski (BCBSTX) Adriana Salazar (CVS) Kim Roddy (CVS) Amanda Davila (UnitedHealthcare) Autumn Uchacz (UnitedHealthcare) Sara Thorlton (SilverScript) Michael Heck (SilverScript)

- I. **Introductions**
Chair Grace Mueller welcomed the group and called the meeting to order.
- II. **Roll call of the RAC Members and TRS Staff**
Chair Mueller called the roll for RAC members and Umme Salama Oan Ali called the roll for TRS staff and vendors.
- III. **Approve the minutes**
The Committee approved the minutes from August 19, 2020.
- IV. **Introduction of new RAC Coordinator**
Katrina Daniel introduced the new RAC Coordinator, Umme Salama Oan Ali.
- V. **Public Comment**

There was no public comment.

VI. Legislative and Executive Update

Brian Guthrie provided an update on the ongoing 87th legislative session. Mr. Guthrie shared that both, the House and the Senate's version of the budget include continued increases in funding in the base, which means TRS does not have to ask for supplemental funding for health care programs.

Moreover, there is positive fund balance for TRS-Care which supports the program. There are a number of reasons why TRS has a positive fund balance right now. These include re-procurement of all health care contracts in 2020 which yielded significant savings, along with an infusion of funds from the Legislature last session and a decrease in membership during the 2018 plan changes. TRS generates revenues through membership contributions, State contributions and district contributions. However, these sources of revenues are not tied to healthcare costs which continue to rise. Ms. Daniel helped put the TRS fund surplus in context by demonstrating that TRS spends nearly \$2 billion annually on health care services. Hence, the expenses are likely to exceed revenues by year 2025 and potentially destabilize the TRS-Care fund.

Besides focusing on the budget process and fund balance, the Sunset Commission process was another important topic of discussion. TRS went through Sunset review during the last interim and had two hearings to date. One was held last year in December 2020 and the second one was scheduled in January 2021. In the December hearing, Sunset staff laid out their recommendations for TRS. There were four primary issues which were identified in the Sunset report. These recommendations focused on 1) TRS repairing relationships with its' members, 2) effective contract management and oversight, 3) greater transparency of TRS's investment practices, and 4) updating TRS's Statutes to reflect standard elements of Sunset reviews. Also, as part of the Sunset Commission hearing, there was also some discussion regarding the purpose of the RAC and how this body can be made more effective in the eyes of the Legislature, which might come up during the Legislative session. Mr. Guthrie also shared what steps TRS as an agency has taken to address the Sunset Commission's recommendations. A majority of the suggestions require management action or operational action, contrary to statutory changes, and TRS has already begun implementing those.

Mr. Roth shared an update on TRS's long-term facilities planning which focuses on consolidating facilities and reducing leased space. The goal is to identify a generational solution which is in the best interest of TRS members and the Fund while ensuring that TRS employees have sufficient space to effectively conduct operations. Mr. Roth mentioned that long-term facilities planning involves closely monitoring the current pandemic environment and approaching the issue in a thoughtful and deliberate manner so as to determine TRS's long-term facility needs. He also noted that working remotely is a permanent part of the workforce strategy moving forward and TRS is currently assessing which business areas need to be prioritized for on-site work. There are two main drawbacks of remote working. One is teamwork and collaboration is not as easy. Secondly, TRS facilities aren't equipped with the latest technologies which pose some technical challenges. Lastly, Mr. Roth mentioned that TRS has concluded negotiations on lease renewal at 816 Congress with a shorter timeline.

Mr. Guthrie added that, on average, TRS would see around 60 to 70 members daily prior to the pandemic. This was limited to 12 when they opened up to the public in October. However, TRS

made the decision to pause all in-person visits until mid-February in accordance with suggestions by public health officials and will reevaluate the decision at that point. Despite being closed to the public, TRS staff continue to hold counseling services virtually and still available to answer members retirement and benefits question by phone.

VII. COVID-19 Coverage Update

Katrina Daniel shared an update on TRS-Care plans' COVID-19 response. Under the TRS-Care Standard plan there have been about 2,989 confirmed cases of COVID-19 and under TRS-Care Medicare Advantage, there have been about 4,648 cases. TRS has extended additional coverage that reduces members' out-of-pocket costs for COVID-related testing and inpatient treatment among all its health plans through March 31, 2021 for TRS-Care Standard and January 31, 2021 for TRS-Care Medicare Advantage. Participant cost sharing will also be waived for telemedicine services. Ms. Daniel shared that TRS has spent approximately \$33 million on COVID-19 since the beginning of the pandemic. TRS is analyzing claims and updating members on a quarterly basis around COVID-19 coverage.

VIII. TRS-Care Vendor Transition Update

a. Operations Update

Monica Bernal updated the Committee on vendor transitions. TRS underwent its largest vendor implementations in the past year which impacted more than 700,000 TRS health plan participants. The TRS-Care transition took effect on Jan. 1, 2021. This implementation required extensive coordination across four medical vendors to ensure a seamless transition for TRS participants. The TRS Health team worked, almost entirely remotely, to ensure continuity of benefits, network adequacy and smooth data transmission for minimal disruptions for our participants as well as TRS partners. A high volume of tasks needed to be completed on top of existing duties. The workload in Dec 2020 was more than triple that of Dec 2019. Six distinct workstreams were established, ranging from Enrollment & Eligibility, Benefits, Contracting, Network and Customer Service. TRS experienced higher than normal call volumes but the staff worked overtime through the holidays to ensure a successful transition.

b. Engagement Update

Cristina Juarez shared an update on the communications strategy for TRS-Care participants through the implementation. There were on average 10 touchpoints per participant where TRS engaged with plan participants through direct mails, emails, website and webinars. This effort was almost double than previous years.

IX. The Pulse Newsletter Topics

Umme Salama Oan Ali shared topics for the Feb., March and April issues of *The Pulse* newsletter. She also demonstrated how the TRS newsletter has a significantly high engagement across TRS participants as compared to other email marketing from similar industries.

X. Next RAC Meeting Date

Chair Mueller informed the Committee of the next meeting date for June 17, 2021.

XI. Adjourn

The meeting adjourned at 11:41 a.m.