**SEPTEMBER 2023** 

# TARGETING

**Strategic Planning 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 STRATEGIC PLANNING COMMITTEE

(Committee Chair and Members: Brittny Allred, Chair; Michael Ball, David Corpus, John Elliott, James Dick Nance)

All or part of the September 14, 2023, meeting of the TRS Strategic Planning 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 m 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 – 12:30 p.m.

- 1. Call roll of Committee members.
- 2. Consider the approval of the proposed minutes of the July 2023 committee meeting Committee Chair.
- 3. Discuss and review the Executive Director's proposed Areas of Focus for Fiscal Year 2024 Brian Guthrie, Don Green and Michelle Pagan.
- 4. Discuss and review the Results Forum for the following 2023-2027 TRS Strategic Plan Objectives: Don Green and Michelle Pagan.
  - A. Improve communication regarding pension funding needs;
  - B. Improve communication regarding the impact of changing pension plan design;
  - C. Improve communication efforts regarding health care funding needs;
  - D. Increase the value of health care benefits; and
  - E. Improve the health of our members.
- 5. Receive an update on the Member and Employer Outreach Plan Beth Hallmark.

NOTE: The Board of Trustees (Board) of the Teacher Retirement System of Texas will not consider or act upon any item before the Strategic Planning 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 Strategic Planning Committee July 13, 2023

The Strategic Planning 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:**

Ms. Brittny Allred, Chair

Mr. Michael Ball

Mr. David Corpus

Mr. John Elliott

Mr. Jarvis V. Hollingsworth

Mr. Dick Nance

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

Ms. Nanette Sissney

Mr. Robert H. Walls, Jr.

Mr. Elvis Williams

#### Others who participated:

Brian Guthrie, TRS

Andrew Roth, TRS

Don Green, TRS

Heather Traeger, TRS

Amanda Jenami, TRS

Barbie Pearson, TRS

Katrina Daniel, TRS

Jase Auby, TRS

Chris Cutler, TRS

Frank Williams, TRS

Shannon Gosewehr, TRS

Michelle Pagán, TRS

Sunitha Downing, TRS

Mark Chi. TRS

Katherine Farrell, TRS

Suzanne Dugan, Cohen Milstein

Dr. Renee Paulson, Elite Research

Strategic Planning Committee Chair, Ms. Brittny Allred, called the meeting to order at 9:00 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 committee meeting – Chair.

On a motion by Mr. Corpus, seconded by Mr. Nance, the committee unanimously voted to approve the proposed minutes for the April 2023 Strategic Planning Committee meeting as presented.

3. Discuss and review the Executive Director's Areas of Focus for Fiscal Year 2023 and proposed for Fiscal Year 2024 - Brian Guthrie, Don Green and Michelle Pagan.

Mr. Don Green provided an overview of how the Areas of Focus represent what the Executive Director intends to focus his time and attention on during an individual fiscal year. Mr. Brian Guthrie reviewed the fiscal year 2023 Areas of Focus and noted many deliverables would be marked complete by the end of the fiscal year with a few evergreen initiatives such as being a trusted resource for policymakers.

Ms. Michelle Pagán reviewed the proposed fiscal year 2024 Areas of Focus.

4. Discuss and review the Results Forum for the 2023 - 2027 TRS Strategic Plan Objectives – Don Green, Chris Cutler, Frank Williams, Heather Traeger, Shannon Gosewehr and Andrew Roth.

#### A. Advance and enhance IT systems and services;

Mr. Chris Cutler provided an update on advancing and enhancing IT systems and services. He said this objective has five strategies associated with it. He provided progress updates on each strategy. For Strategy 1, he noted that some of the key points were moving away from a legacy tape-based back-up model to a more resilient and flexible cloud-based back-up system. He also noted that the new buildings, Alpha and Bravo, provide significantly upgraded infrastructure compared to Red River.

#### B. Enhance the information security program;

Mr. Frank Williams provided an update on enhancing the information security program. He reviewed the two main strategies for this objective. He provided progress updates on each strategy. He noted the partnerships with the Multi-State Information Sharing Advisory Center (MS-ISAC) as well as the health sector for the health ISAC. He also noted revamping of the information security governance policies, procedures, and guidelines to bring them up to date and in line with what is happening in the world at large.

#### C. Foster a culture of fiduciary responsibility and ethical conduct;

Ms. Heather Traeger provided an update on the objective of fostering a culture of fiduciary responsibility and ethical conduct. She reviewed the progress made within the two strategies that support the objective. She specifically noted the new, short training videos used to instill a culture of compliance.

D. Improve and maintain effective procurement and contract management practices; and

Ms. Shannon Gosewehr provided an update on the objective to improve and maintain effective procurement and contract management practices. She reviewed the progress on the three strategies associated with this objective.

# E. Develop a centralized data management framework for digital and physical data.

Mr. Andrew Roth provided an update on the centralized data management framework for TRS' digital and physical data objective. He reviewed the progress on the two strategies associated with this objective.

Mr. Green concluded the agenda item with a review of the quarter's Enterprise Stoplight Report. He noted no changes on the report except for adding TEAM back on. He said this was due to the importance of the very last technology release, the payroll, benefit and tax portion that is vitally critical and sufficient risk exists to continue to monitor as an enterprise risk.

# 5. Receive an update on the Reporting Employer Satisfaction Survey results – Sunitha Downing and Dr. Rene Paulson, Elite Research.

Ms. Sunitha Downing provided context on the reporting employer (RE) satisfaction survey results. She said this survey is conducted every year and it gauges the RE satisfaction on TRS services and provides feedback to TRS management. She said all 1,300 plus reporting employers were surveyed and responses were received from 893, a 66 percent response rate, a three percent increase from last year. Dr. Rene Paulson reviewed the methodology and results. She noted nearly one-fourth are very satisfied with their overall experience with TRS and fewer than five percent are not satisfied. She reported in response to being asked to list suggestions for improving TRS services, an improved response time was most frequently suggested. She said respondents generally rated their coach more favorably than overall TRS services; however, nearly three-fourths of REs reported rarely or never contacting their RE coaches. In response to Mr. Hollingsworth's inquiry on how to increase RE's utilization of services, Mr. Mark Chi stated that Benefits Accounting is working on outreach and training for employers outside of the two-week reporting window. Dr. Paulson reviewed the survey responses regarding TRS communication. She said email was the highest-rated communication approach. She said there was strong support for an online chat function.

With no further business before the Committee, the r	meeting adjourned at 11:20 a.m.
Approved by the Strategic Planning Committee of the System of Texas on September, 2023.	e Board of Trustees of the Teacher Retirement
Katherine H. Farrell Secretary of the TRS Board of Trustees	Date



# **Strategic Planning Committee**

**Executive Director's Areas of Focus** 

Proposed FY 2024



Brian Guthrie | Executive Director
Don Green | Chief Financial Officer
Michelle Pagán | Director, Enterprise Risk, Strategy &
Performance

Sept. 14, 2023















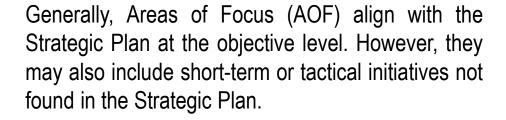


# Agenda

- Background
- Alignment
- Revised Proposed FY24 Areas of Focus
- Appendix

# **Background**





While the Strategic Plan covers a five-year period, the Areas of Focus represent what the Executive Director (and TRS) will accomplish over a single fiscal year.



To advance the Areas of Focus, the Executive Director identified Success Measures\* consisting of deliverables and KPIs.

Deliverables are discrete tasks with a start and end date while KPIs are quantifiable measures of performance.

Deliverables may be confined to one fiscal year, or they may extend over multiple fiscal years. Deliverables are considered complete if the specific tasks that were identified for fiscal year 2023 have been accomplished.

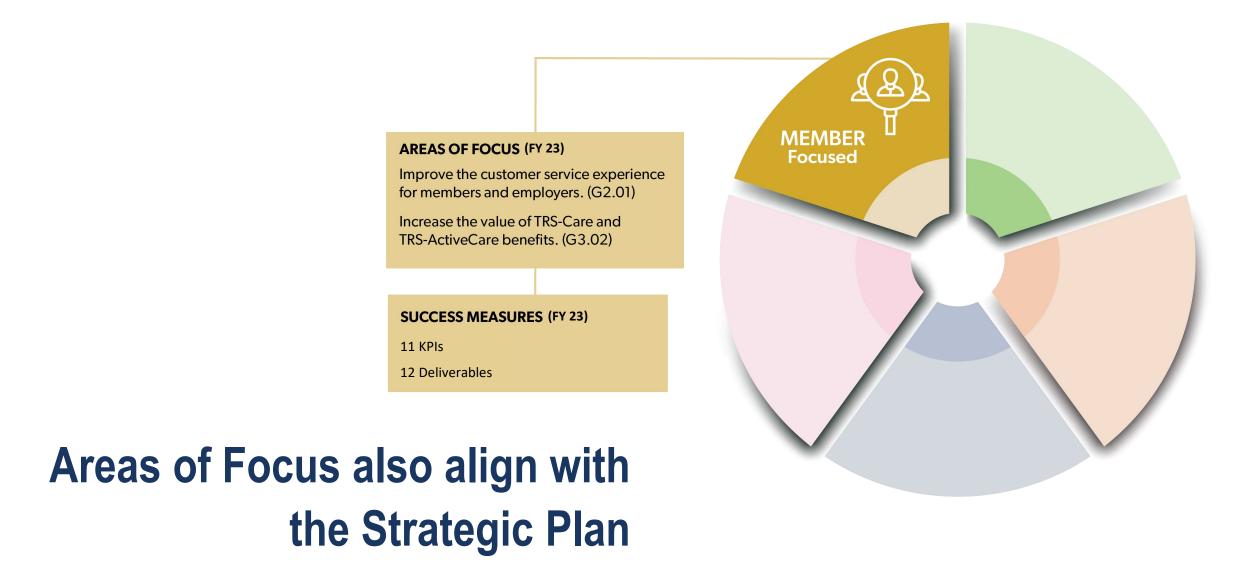
<sup>\*</sup>Results and measures related to the Areas of Focus inform trustees' overall qualitative assessment of leadership performance and are not weighted or calculated as part of an overall quantitative measure.

# **Alignment – Key Accountabilities**

Areas of Focus align with the Key Accountabilities



# **Alignment – Strategic Plan**



# **Revised Proposed FY24 Areas of Focus – Highlights**

# KEY ACCOUNTABILITIES

- Member Focused
- Leadership Effectiveness
- Talent Effectiveness
- Continuous Improvement
- Operational Effectiveness











# 10 AREAS OF FOCUS

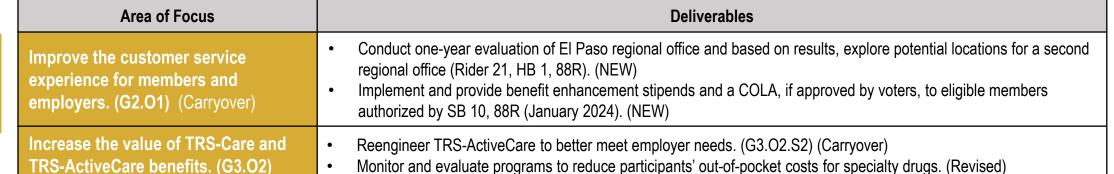
- 8 Strategic Plan Objectives (reduced by 4 from 12 presented in July)
- 1 Communication-related (consolidated other objectives into one)
- 1 Legislative-related

37
SUCCESS MEASURES

- 22 Deliverables (qualitative) (reduced by 10 from 32 presented in July)
- 15 KPIs (quantitative)

## **Revised Proposed FY24 Areas of Focus – Deliverables**







(Carryover)

Serve as a trusted resource and engage with policymakers on pension and health care funding. (G1.O1.S1. G3.O1.S1) (Carryover) Enhance stakeholder communication. Serve as a trusted resource and engage with policymakers on pension plan design. (G1.O4.S1) (Carryover) Implement and monitor the Member and Employer Outreach Plan to better help members and employers fully know (Revised) and utilize benefits, engage with TRS, plan for retirement, and remain informed post-retirement. (G4.O7. S3) (Revised)



- Achieve the trust's actuarial assumed Continue to hire and expand the Emerging Manager Program. (Revised) Conduct actuarial valuation audit and report results to the board of trustees (December 2023). (NEW) rate of return as measured on rolling
  - Conduct strategic asset allocation study and report results to the board of trustees (October 2024). (NEW)

Install new pharmacy benefit manager for all TRS health plans for plan year 2024. (NEW)

- Attract, retain, and develop a diverse and highly competent staff. (G4.O1) (Carryover)

**20-year periods. (G1.O3)** (Carryover)

- Continue to evolve as an employer of choice to attract and retain best talent, including exploring TRS becoming a multistate employer. (Carryover)
- Develop and implement a workforce planning strategy that includes expanded remote work, succession planning, and knowledge transfer. (G4.01.S5) (NEW)
- Improve diversity representation at all levels of the organization. (G4.O1.S3) (Carryover)

# Revised Proposed FY24 Areas of Focus – Deliverables (continued)

**Area of Focus** 



Enhance the information security program to effectively counter current and emerging threats and	<ul> <li>Optimize security architecture and operational capabilities to thwart advanced threats and mitigate vulnerabilities. (G4.O3.S1) (Carryover)</li> <li>Develop a comprehensive governance, risk, and compliance (GRC) program to include security and privacy management, risk/fraud forecasting, and education in cooperation with Legal &amp; Compliance and appropriate business</li> </ul>
risks facing TRS. (G4.O3) (Carryover)	units. (G4.O3.S2) (NEW)
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**Deliverables** 



Tions rusing Ther (5 1155) (sair) systy	units. (G4.O3.S2) (NEW)
Execute on TRS facilities needs. (G4.O4) (Carryover)	<ul> <li>Complete build-out and move-in activities for the new TRS headquarters buildings (Alpha and Bravo). (G4.O4.S1) (NEW)</li> </ul>
Implementation of legislation. (NEW)	Plan and execute implementation of new legislation. (NEW)
Advance and enhance IT systems and services. (G4.O2) (Carryover)	<ul> <li>Develop, maintain, and enhance IT systems and infrastructure in support of TRS business needs. (G4.O2.S1) (NEW)</li> <li>Implement modern information systems across all lines of business divisions with priority on modernization of legacy systems. (G4.O2.S4) (Carryover)</li> </ul>
Evaluate automation and technology solutions to enhance existing processes. (G4.O8) (Carryover)	<ul> <li>Develop appropriate policies, investigate best practices, and determine the feasibility of incorporating artificial intelligence into TRS business processes. (G4.O8.S1) (NEW)</li> <li>Implement Investment Data Modernization Program to improve trust asset monitoring and fiduciary oversight. (G4.O8.S3) (NEW)</li> </ul>
	(G4.O4) (Carryover)  Implementation of legislation. (NEW)  Advance and enhance IT systems and services. (G4.O2) (Carryover)  Evaluate automation and technology solutions to enhance existing

### **SUMMARY**

**Proposed Areas of Focus FY24** 

	#	Status
AOFs	<del>13</del> <u>10</u>	8 – Carryover, 1 – Revised, 1 – New
Deliverables	<del>32</del> <u>22</u>	7 – Carryover, 3 – Revised, 12 – New
KPIs	15	11 – Carryover, 3 – Revised, 1 - New
Total Success Measures	47 <u>37</u>	



# Area of Focus – Implementation of Legislation

Legislation included as part of the *Implementation of Legislation* Area of Focus.



Areas of Focus	Legislation
Improve the customer service experience for members and employers. (G2.O1)	<ul> <li>9 bills including the following:         <ul> <li>Implement and provide benefit enhancement stipends and a COLA, if approved by voters, to eligible members authorized by SB 10, 88R (January 2024).</li> <li>Conduct a study providing alternative service retirement benefits to peace officers as required by HB 4141, 88R (December 2024).</li> </ul> </li> </ul>
Increase the value of health care benefits. (G3.O2)	<ul> <li>16 bills including the following:         <ul> <li>Implement vision and dental benefits for TRS-Care retirees as required by SB 1854, 88R (January 2025).</li> </ul> </li> <li>Implement TRS-ActiveCare rates using the \$588.5 million to help lessen the impact of rising health care costs on TRS-ActiveCare premiums as appropriated by HB 1, 88R (2023).</li> </ul>
Achieve the trust's actuarial	<ul> <li>Implement the enhancement of investment returns as required by SB 1246 (September 2023).</li> </ul>





assumed rate of return as measured on rolling 20-year periods. (G1.O3)

Attract, retain, and develop a diverse and highly competent staff. (G4.01)

- o 21 bills including the following:
  - Implement a new paid parental leave policy authorized by SB 222 (September 2023).
  - Implement a 5% increase in annual salary for TRS employees in two fiscal years, with a minimum increase of \$3,000 annually as provided by HB 1 and SB 30, 88R.

Member Focused				
Areas of Focus	Success Measures			
Improve the customer service experience for	Deliverables			
members and employers. (G2.O1)	<ul> <li>Conduct one-year evaluation of El Paso regional office and based on results, explore potential locations for a second regional office (Rider 21, HB 1, 88R).</li> </ul>			
	• Implement and provide benefit enhancement stipends and a COLA, if approved by voters, to eligible members authorized by SB 10,			
	88R (January 2024).			
	KPIs			
	Pension Benefit calls answered within 3 minutes – Target: 80%			
	Retirees receiving first annuity payment on time – Target: 98%			
	<ul> <li>Death claims payments issued within 31 days of receipt of all required paperwork – Target: 95%</li> </ul>			
	Number of counseling appointments available in Austin – Target: 20,000			
	<ul> <li>Attain a reported response time within 48 hours or sooner based on Reporting Employer Satisfaction Survey – Target: 90%</li> </ul>			
	Health Division calls answered within 3 minutes – Target: 80%			
	Number of counseling appointments available in El Paso – Target: 7,500			
Increase the value of health care benefits. (G3.O2)	Deliverables			
	Reengineer TRS-ActiveCare to better meet employer needs. (G3.O2.S2)			
	<ul> <li>Monitor and evaluate programs to reduce participants' out-of-pocket costs for specialty drugs.</li> </ul>			
	<ul> <li>Install new pharmacy benefit manager for all TRS health plans for plan year 2024.</li> </ul>			
	KPIs			
	<ul> <li>Increase the percentage of TRS-ActiveCare enrollees in the primary care driven plans from prior year – Target: 3%</li> </ul>			
	<ul> <li>Member engagement metrics as measured by percentage of members who open the Pulse email – Target: 23%</li> </ul>			
	<ul> <li>Member engagement metrics as measured by percentage of members who open the Pulse email and then click to read articles –</li> <li>Target: 3%</li> </ul>			

Leadership Effectiveness			
Areas of Focus Success Measures			
Enhance stakeholder communication.	Deliverables		
	<ul> <li>Serve as a trusted resource and engage with policymakers on pension and health care funding. (G1.O1.S1, G3.O1.S1)</li> <li>Serve as a trusted resource and engage with policymakers on pension plan design. (G1.O4.S1)</li> <li>Implement and monitor the Member and Employer Outreach Plan to better help members and employers fully know and utilize benefits, engage with TRS, plan for retirement, and remain informed postretirement. (G4.O7. S3)</li> </ul>		
	Increase number of visits/views of outreach plan communications products (e.g., videos, web pages) – Target: 20%		
Achieve the trust's actuarial assumed rate of	Deliverables		
return as measured on rolling 20-year periods.	Continue to hire and expand the Emerging Manager Program.		
(G1.O3)	Conduct actuarial valuation audit and report results to the board of trustees (December 2023).		
	<ul> <li>Conduct strategic asset allocation study and report results to the board of trustees (October 2024).</li> </ul>		
	KPIs		
	Trust rate of return measured on a rolling 20-year period – Target: 7.00%		
	Return in excess of the benchmark return for the Total Trust (3-year rolling) – Target: +100bp		

Talent Effectiveness				
Areas of Focus	Success Measures			
Attract, retain, and develop a diverse and highly	Deliverables			
competent staff. (G4.O1)	<ul> <li>Continue to evolve as an employer of choice to attract and retain best talent, including exploring TRS becoming a multistate employer.</li> <li>Develop and implement a workforce planning strategy that includes expanded remote work, succession planning, and knowledge transfer. (G4.01.S5)</li> </ul>			
	Improve diversity representation at all levels of the organization. (G4.O1.S3)			
	KPIs			
	Employee engagement score – Target: 4.0 or greater			
	TRS voluntary turnover rate vs. state turnover rate – Target: A minimum of 25% below state average			

Operational Effectiveness			
Areas of Focus	Success Measures		
Enhance the information security program to	Deliverables		
effectively counter current and emerging threats and risks facing TRS. <b>(G4.O3)</b>	<ul> <li>Optimize security architecture and operational capabilities to thwart advanced threats and mitigate vulnerabilities. (G4.O3.S1)</li> <li>Develop a comprehensive governance, risk, and compliance (GRC) program to include security and privacy management, risk/fraud forecasting, and education in cooperation with Legal &amp; Compliance and appropriate business units. (G4.O3.S2)</li> </ul>		
Execute on TRS facilities needs. (G4.O4)	Deliverable		
	<ul> <li>Complete build-out and move-in activities for the new TRS headquarters buildings (Alpha and Bravo). (G4.O4.S1)</li> </ul>		
Implementation of legislation.	Deliverable		
	Plan and execute implementation of new legislation.		

Continuous Improvement			
Areas of Focus	Success Measures		
Advance and enhance IT systems and services. (G4.O2)	<ul> <li>Deliverables</li> <li>Develop, maintain, and enhance IT systems and infrastructure in support of TRS business needs. (G4.O2.S1)</li> <li>Implement modern information systems across all lines of business divisions with priority on modernization of legacy systems. (G4.O2.S4)</li> </ul>		
Evaluate automation and technology solutions to enhance existing processes. (G4.O8)	<ul> <li>Deliverables</li> <li>Develop appropriate policies, investigate best practices, and determine the feasibility of incorporating artificial intelligence into TRS business processes. (G4.08.S1)</li> <li>Implement Investment Data Modernization Program to improve trust asset monitoring and fiduciary oversight. (G4.08.S3)</li> </ul>		

TAB 4



# **Strategic Planning Committee**

**Results Forum Report** 

Q3 FY 2023



Don Green | Chief Financial Officer
 Michelle Pagán | Director, Enterprise Risk, Strategy &
 Performance

Sept. 14, 2023



# Agenda

- Strategic Plan Results Forum Schedule
- Q3 Results Forum Summary
- Enterprise Stoplight Report
- Risk Trending Dashboard
- Year Ahead
- Appendix

# **Strategic Plan Results Forum Schedule**

- Attract, retain and develop a diverse and highly competent staff
- Execute on TRS facilities needs
- Improve strategic communications
- Evaluate automation and technology solutions to enhance processes
- December
  Q4 Update
  End of Year KPI Data

- Achieve the investment rate of return
- Improve the customer service experience
- Improve timeliness and accuracy in employer-reported data

- Improve pension funding communication
- Improve communication regarding the impact of changing plan design
- Improve health care funding communication
- Increase the value of health care benefits
- Improve the health of our members





**April** 

**Q1 Update** 

- Advance and enhance IT systems and services
- Enhance the information security program
- Foster a culture of fiduciary responsibility and ethical conduct
- Improve and maintain effective procurement and contract management
- Develop a centralized data management framework for digital and physical data

# Q3 Results Forum Summary

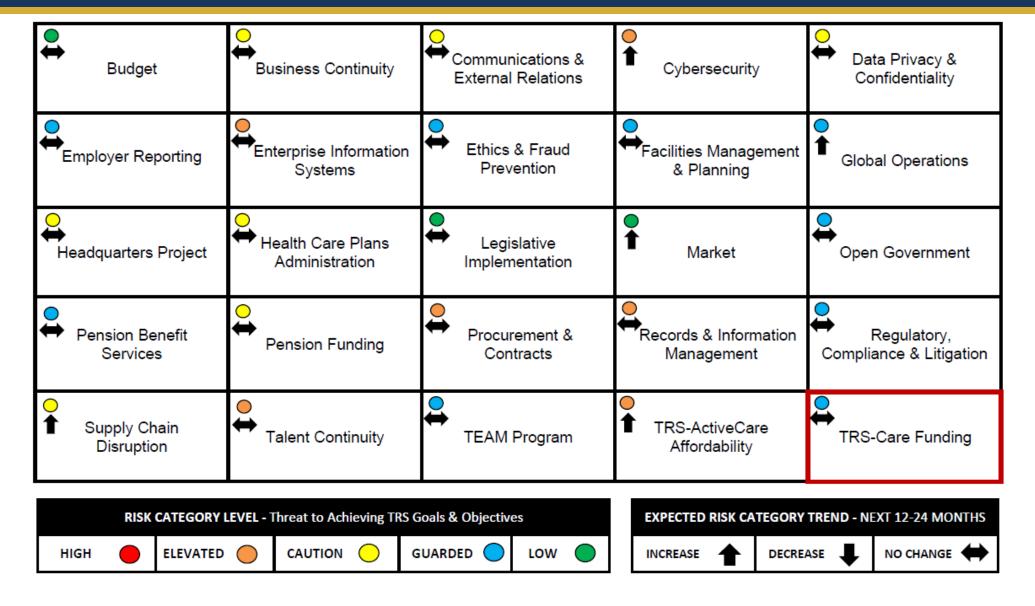
## GOAL 1: Sustain a financially sound pension system.

	Objective	Strategy		Status
0	Improve communication regarding pension funding needs.	O1.S1	Serve as a trusted resource and engage with policymakers on pension funding.	In Progress Slide10
0	Improve communication regarding the impact of changing pension plan design.	O3.S1	Serve as a trusted resource and engage with policymakers on pension plan design.	In Progress Slide 11

## GOAL 3: Facilitate access to competitive, reliable health care benefits for our members.

Objective		Strategy		
01	Improve communication efforts regarding health care funding needs.	O1.S1	Serve as a trusted resource and engage with policymakers on health care funding.	In Progress Slide 12
	Increase the value of health care benefits.	O2.S1	Engage the best health care vendors through competitive procurement to ensure our members have the highest value health care.	Complete Slide 13
02		O2.S2	Reengineer TRS-ActiveCare to better meet employer needs.	Complete Slide 13
		O2.S3	Use data analytics tools to provide assurance on health care claims compliance.	In Progress Slide 13
O3	Improve the health of our members.	O3.S1	Improve engagement of plan participants with an initial focus on populations with high impact conditions, such as diabetes.	Complete Slide 14
		O3.S2	Optimize disease management for high-risk populations.	In Progress Slide 14

# **Enterprise Stoplight Report\* – September 2023**

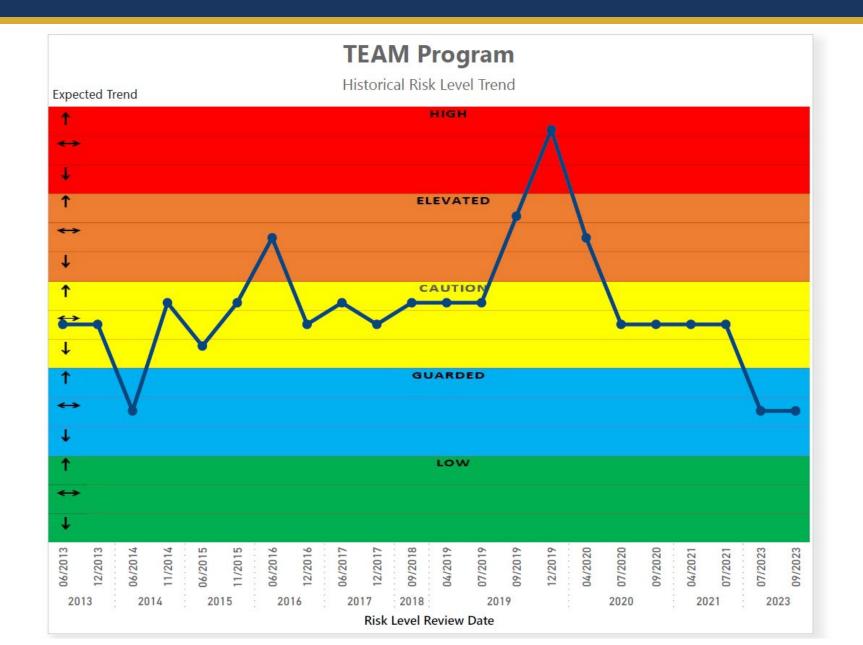


<sup>5</sup> 

# **Risk Trending Dashboard – Enterprise Risks**

Enterprise Risk Categories	Date Last Reviewed	Current Risk Level Expected Trend 12-24 months		Historical Trend	
Budget	09/2023	Low	Stable		
Business Continuity	09/2023	Caution	Stable		
Communications & External Relations	09/2023	Caution	Stable		
Cybersecurity	09/2023	Elevated	Increase		
Data Privacy & Confidentiality (i.e., Information Security & Confidentiality)	09/2023	Caution	Stable		
Employer Reporting	09/2023	Guarded	Stable		
Enterprise Information Systems	09/2023	Elevated	Stable		
Ethics & Fraud Prevention	09/2023	Guarded	Stable		
Facilities Management & Planning	09/2023	Guarded	Stable		
Global Operations	09/2023	Guarded	Increase		
Headquarters Project (i.e., Long-Term Facilities)	09/2023	Caution	Stable		
Health Care Plans Administration	09/2023	Caution	Stable		
Legislative Implementation (i.e., Sunset Review, Sunset/Legislative Implementation)	09/2023	Low	Stable	~	
Market	09/2023	Low	Increase		
Open Government	09/2023	Guarded	Stable		
Pension Benefit Services	09/2023	Guarded	Stable		
Pension Funding	09/2023	Caution	Decrease		
Procurement & Contracts	09/2023	Elevated	Stable		
Records & Information Management	09/2023	Elevated	Stable		
Regulatory, Compliance, & Litigation	09/2023	Guarded	Stable	_	
Supply Chain Disruption	09/2023	Caution	Increase	_	
Talent Continuity	09/2023	Elevated	Stable		
TEAM Program	09/2023	Guarded	Stable		
TRS-ActiveCare Affordability	09/2023	Elevated	Increase		
TRS-Care Funding	09/2023	Guarded	Stable		

# **Risk Trending Dashboard – Trend Chart**



Current Risk Rating

Guarded

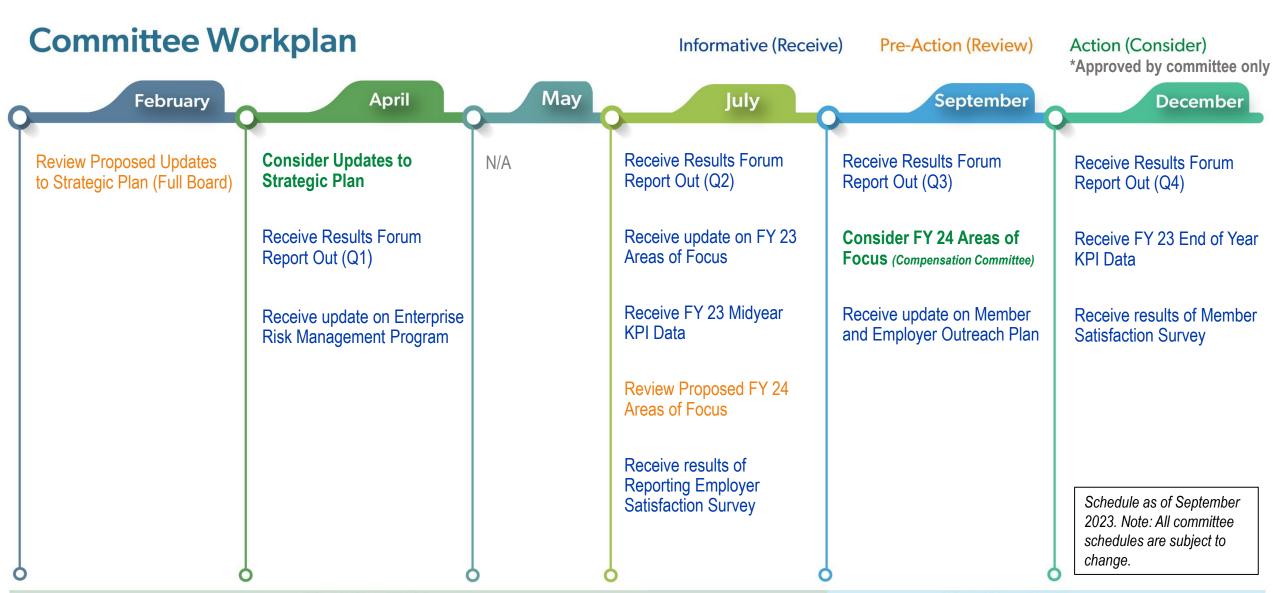
Expected Trend
Next 12-24 Months

**Stable** 

Last Risk Review

September 2023

## **Year Ahead**



Fiscal Year 2023 Fiscal Year 2024





**GOAL 1**: Sustain a financially sound pension system.

**OBJECTIVE 1**: Improve communication regarding pension funding needs.

h	Strategy	Status	Accomplishments
01.\$1	Serve as a trusted resource and engage with policymakers on pension funding.	In Progress	<ul> <li>Presented on pension funding at legislative and association briefings.</li> <li>Presented on pension funding at legislative committee hearings.</li> <li>Held meetings with legislators, legislative staff, and associations.</li> </ul>



**GOAL 1**: Sustain a financially sound pension system.

**OBJECTIVE 3**: Improve communication regarding the impact of changing pension plan design.

h	Strategy	Status	Accomplishments
03.\$1	Serve as a trusted resource and engage with policymakers on pension plan design.	In Progress	<ul> <li>Presented on pension funding at legislative and association briefings.</li> <li>Presented on pension funding at legislative committee hearings.</li> <li>Held meetings with legislators, legislative staff, and associations.</li> </ul>



**GOAL 3**: Facilitate access to competitive, reliable health care benefits for our members.

**OBJECTIVE 1**: Improve communication efforts regarding health care funding needs.

	h	Strategy	Status	Accomplishments
01.	.S1	Serve as a trusted resource and engage with policymakers on health care funding.	In Progress	<ul> <li>Presented on pension funding at legislative and association briefings.</li> <li>Presented on pension funding at legislative committee hearings.</li> <li>Held meetings with legislators, legislative staff, and associations.</li> </ul>



**GOAL 3**: Facilitate access to competitive, reliable health care benefits for our members.

**OBJECTIVE 2**: Increase the value of health care benefits.

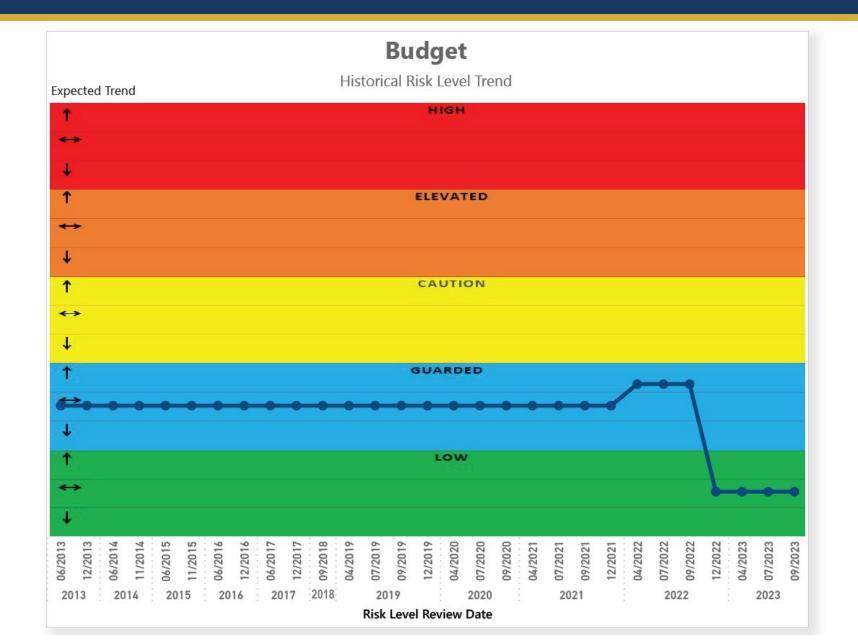
Strategy		Status	Accomplishments				
02.\$1	Engage the best health care vendors through competitive procurement to ensure our members have the highest value health care.	Complete	<ul> <li>Finalized Pharmacy Benefit Manager recommendation and presented to TRS board for award.</li> <li>Completed majority of work to procure actuarial services contract that will be brought to the board in September.</li> <li>As part of the Express Scripts (ESI) installation, implementing 20 new custom utilization management criteria, with an estimated 1,000 reviews conducted each month on high-cost medications to promote strategies that control costs while ensuring access to quality care. This is in addition to ESI's standard utilization management. TRS is continuing to work with an outside consulting firm on creating additional custom utilization management programs.</li> </ul>				
02.52	Reengineer TRS- ActiveCare to better meet employer needs.	Complete	<ul> <li>Communicated impact of one-time federal funds, resulting in a \$588.5M legislative appropriation to TRS-ActiveCare for the upcoming biennium with the goal of ensuring TRS-ActiveCare rates increase less than 10% on average each year.</li> <li>For the upcoming year, 99% of employers elected to remain in TRS-ActiveCare.</li> <li>Implementing transition plan process to enable employers outside TRS-ActiveCare with plan years that run on a different cycle a way to enter TRS-ActiveCare while promoting stability in the fund.</li> </ul>				
O2.S3	Use data analytics tools to provide assurance on health care claims compliance.	In Progress	<ul> <li>Our data analytics efforts continue to provide Health Division management with insightful information on potential area of focus in their vendor management/contract monitoring efforts. Below are some of the reports we recently issued.         <ul> <li>Drugs Excluded from the CVS Caremark Formulary: Data Analysis (June 2023)</li> <li>Data Analysis of Healthcare Services Covered Outside of Eligibility Period (July 2023)</li> <li>Review of Add-on Codes: Data Analysis (July 2023)</li> </ul> </li> </ul>				



**GOAL 3**: Facilitate access to competitive, reliable health care benefits for our members.

**OBJECTIVE 3**: Improve the health of our members.

Strategy Statu		Status	Accomplishments
O3.S1	Improve engagement of plan participants with an initial focus on populations with high impact conditions, such as diabetes.	Complete	<ul> <li>As part of the installation of Express Scripts (ESI) as the pharmacy benefit manager, we have maintained low cost-sharing for specialty medications that treat complex conditions.</li> <li>Eliminated out-of-pocket costs for virtual mental health consultations with Teladoc to promote access to mental health care for TRS-ActiveCare participants enrolled in the Primary and Primary+ plans.</li> <li>By sharing data directly with employers, we've worked to steer participants to high-value care and to curb use of high-cost out of network providers, especially in East Texas where we collaborated with BCBSTX to have extended hours with local primary care providers so participants can have access to care outside of regular work hours while avoiding costly visits to free-standing emergency rooms.</li> </ul>
O3.S2	Optimize disease management for high-risk populations.	In Progress	<ul> <li>As part of the installation of ESI as pharmacy benefit manager, TRS and consultants completed a review of clinical criteria for complex conditions to ensure the proper medications are prescribed.</li> <li>Implemented Hinge and Airrosti back and joint pain pilots allowing approximately 5,000 participants access to low-cost physical therapy to address pain and avoid more costly, invasive treatment such as surgery.</li> <li>As part of the five agencies workgroup, identified an opportunity to support primary care providers through the Child Psychiatric Access Care Network (CPAN) which provides PCPs with no-cost pediatric psychiatrists they can reach within five minutes and refer to specialists when needed.</li> </ul>



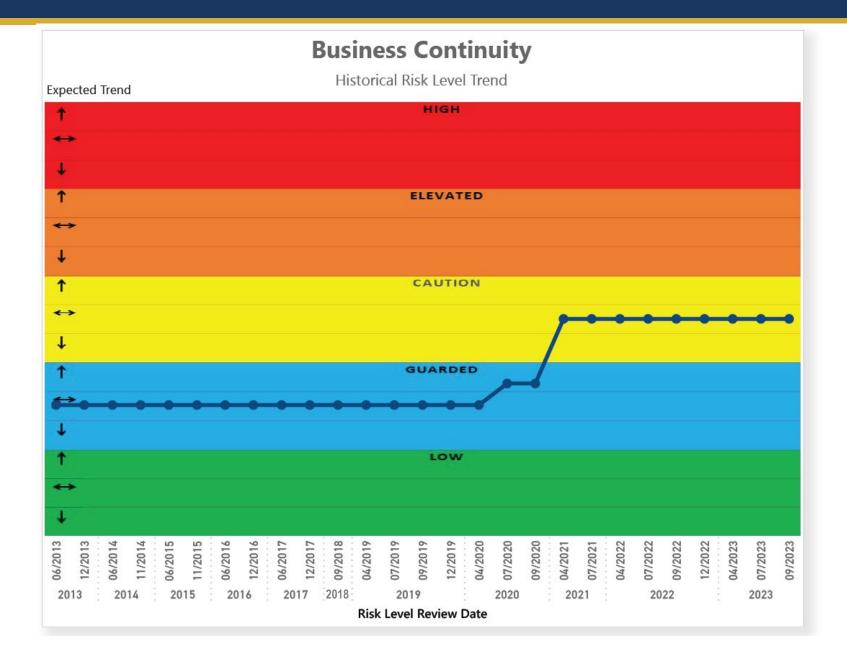
Current Risk Rating

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Expected Trend
Next 12-24 Months

**Stable** 

Last Risk Review



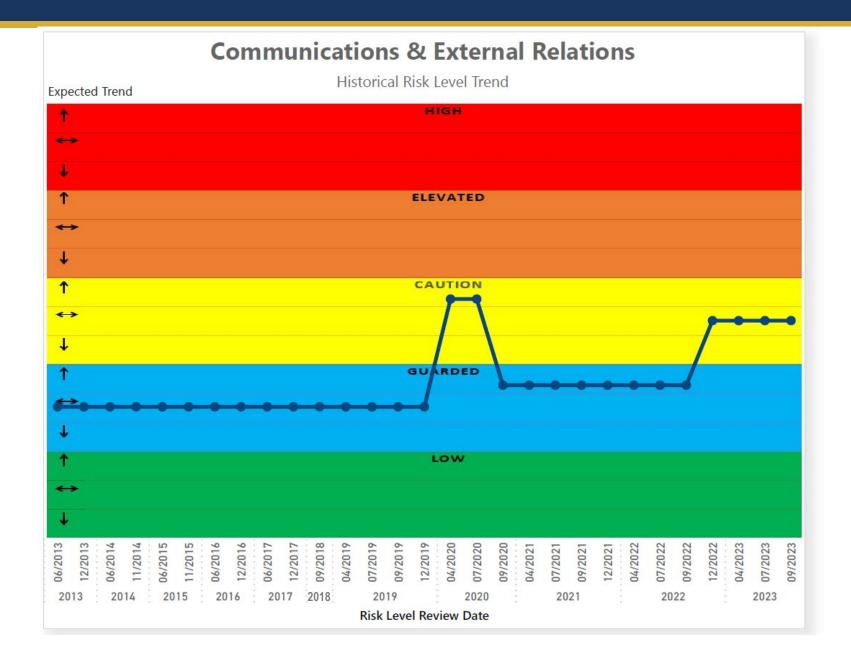
Current Risk Rating

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Expected Trend
Next 12-24 Months

**Stable** 

Last Risk Review



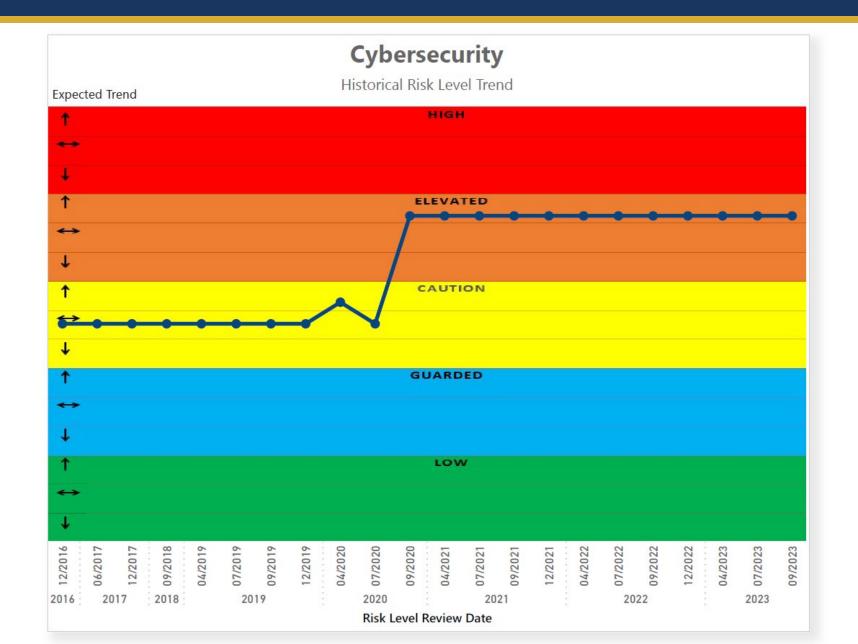
Current Risk Rating

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Expected Trend
Next 12-24 Months

**Stable** 

Last Risk Review



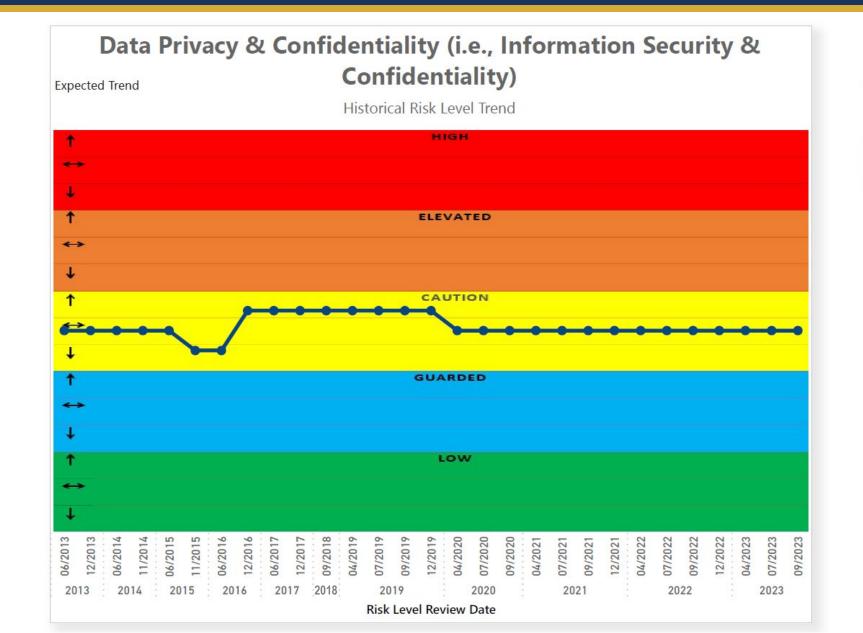
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Expected Trend
Next 12-24 Months

**Increase** 

Last Risk Review



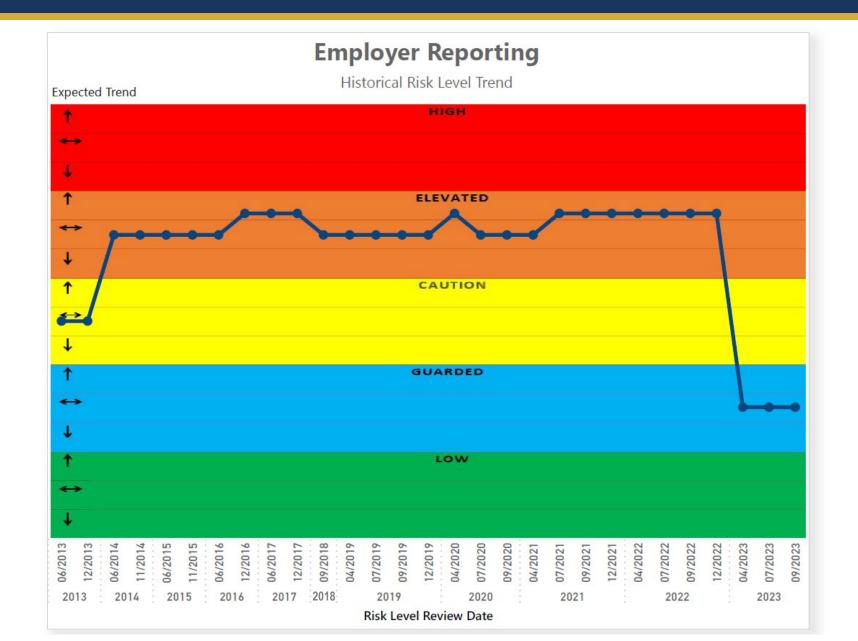
Current Risk Rating

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Expected Trend
Next 12-24 Months

**Stable** 

Last Risk Review



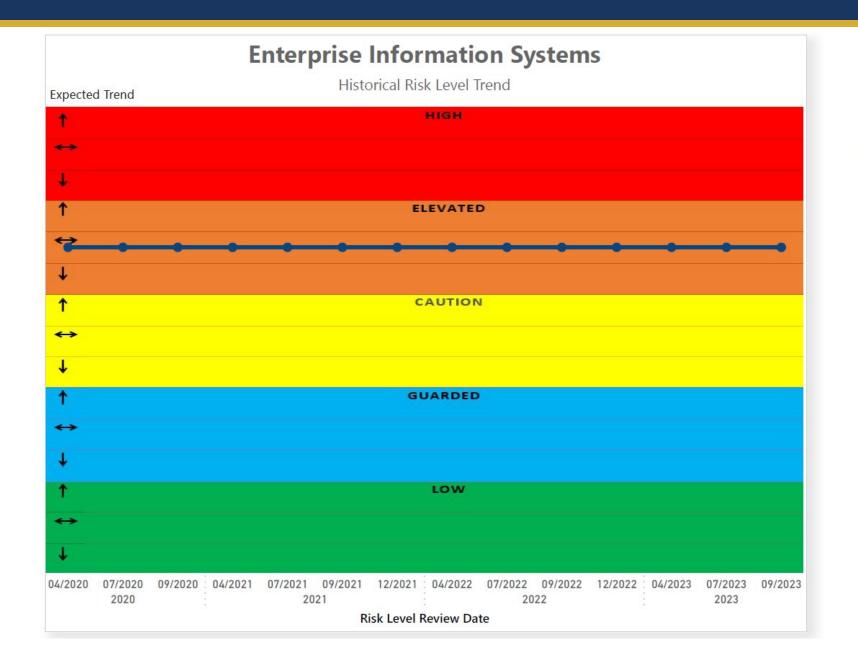
Current Risk Rating

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Expected Trend Next 12-24 Months

**Stable** 

Last Risk Review



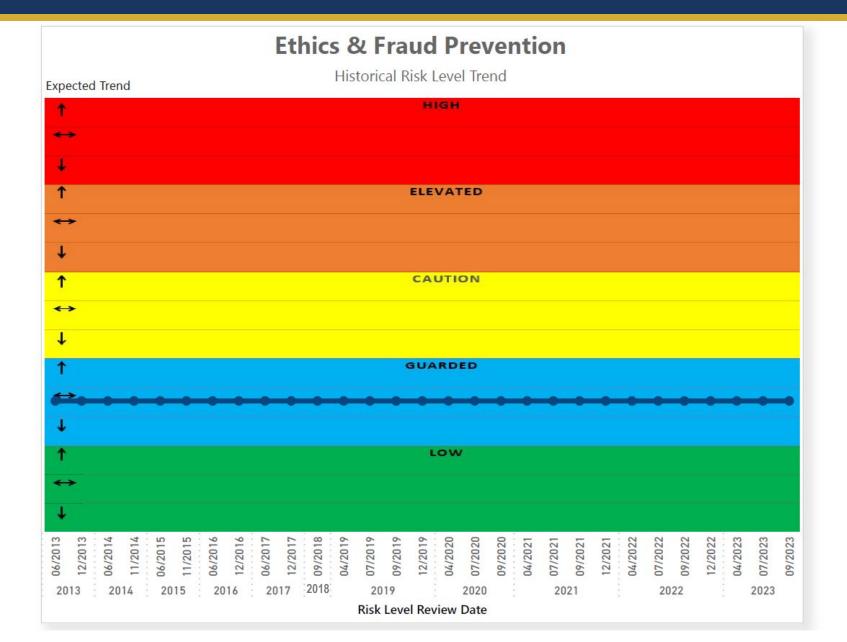
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Expected Trend
Next 12-24 Months

**Stable** 

Last Risk Review



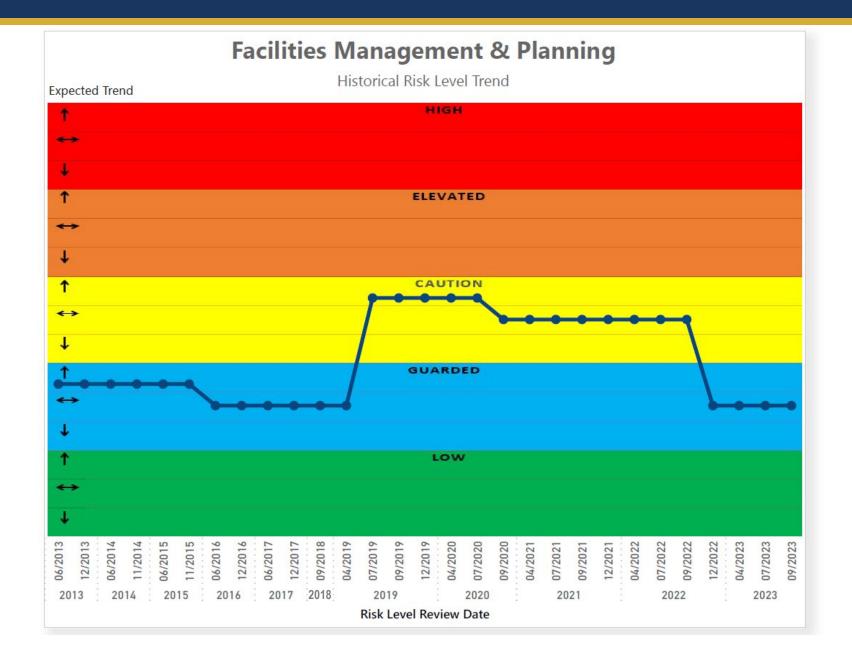
Current Risk Rating

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Expected Trend
Next 12-24 Months

**Stable** 

Last Risk Review



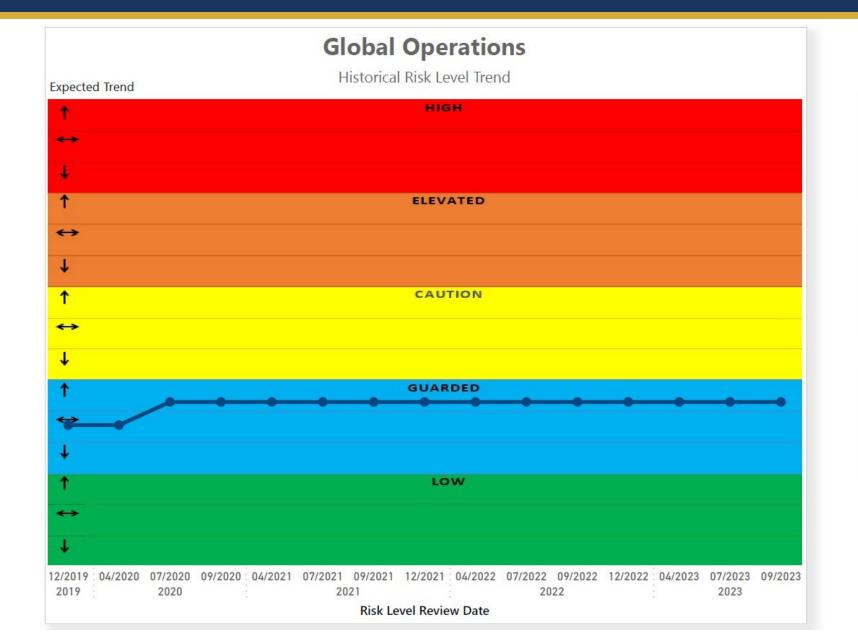
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Expected Trend
Next 12-24 Months

**Stable** 

Last Risk Review



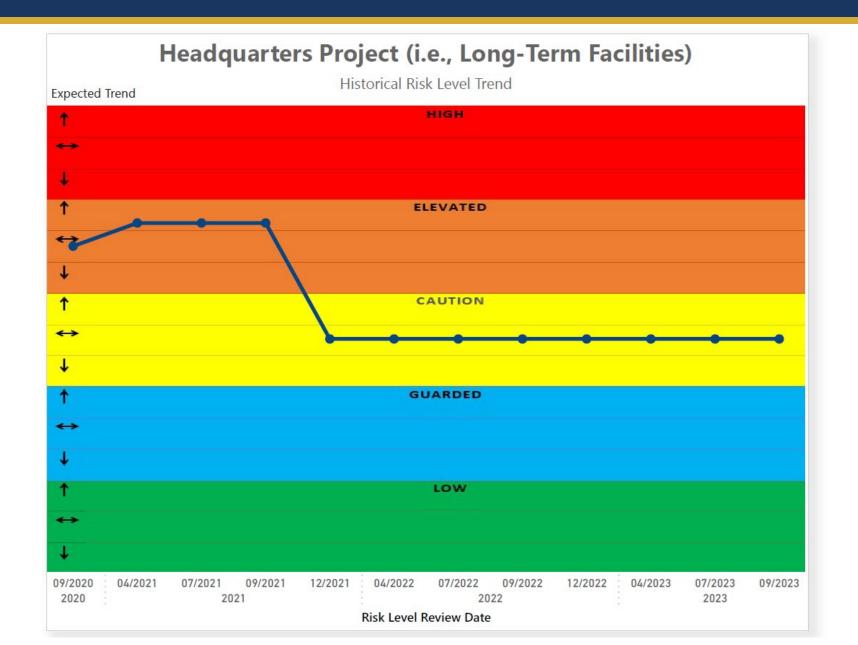
Current Risk Rating

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Expected Trend
Next 12-24 Months

Increase

Last Risk Review



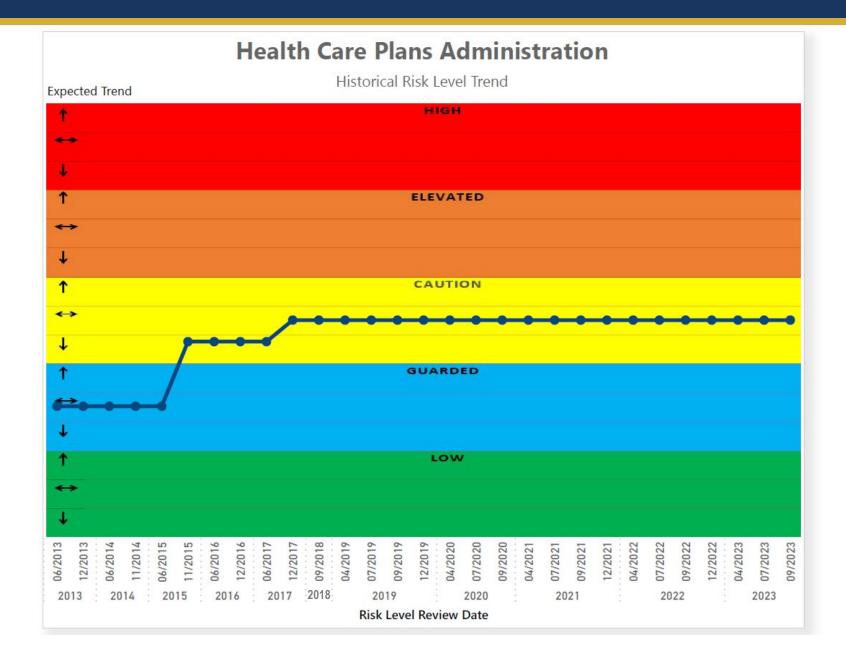
Current Risk Rating

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Expected Trend
Next 12-24 Months

Stable

Last Risk Review



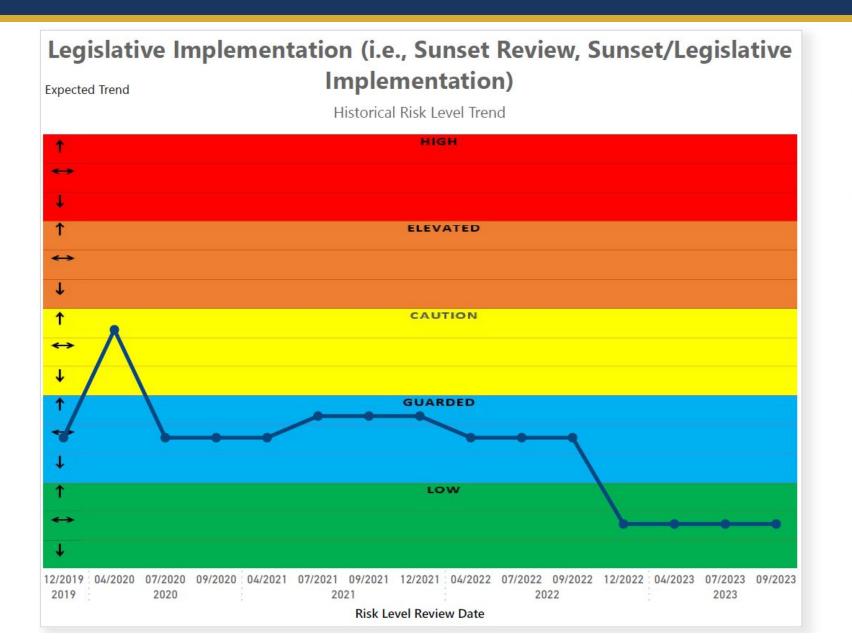
Current Risk Rating

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Expected Trend
Next 12-24 Months

Stable

Last Risk Review



Current Risk Rating

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Expected Trend
Next 12-24 Months

Stable

Last Risk Review



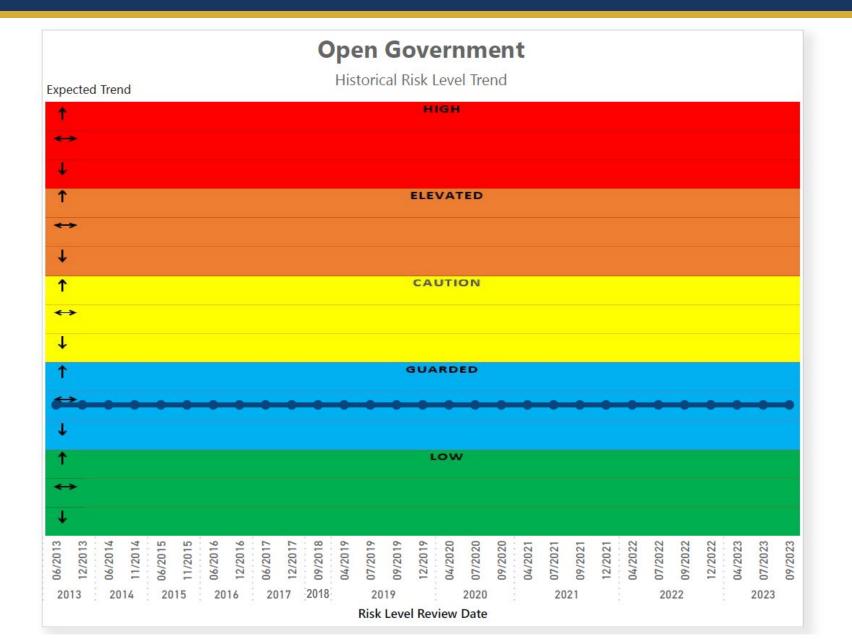
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Expected Trend
Next 12-24 Months

**Increase** 

Last Risk Review



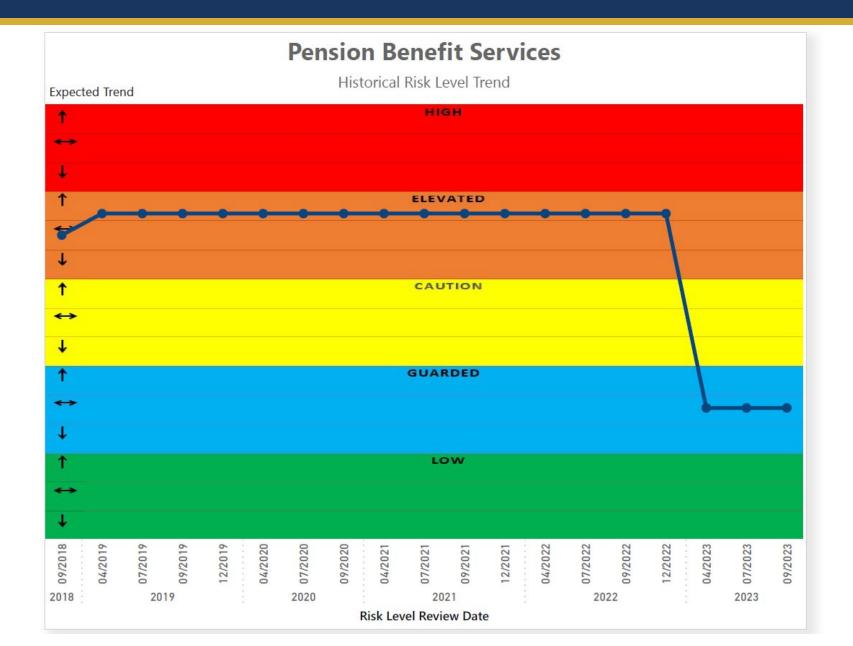
Current Risk Rating

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Expected Trend
Next 12-24 Months

**Stable** 

Last Risk Review



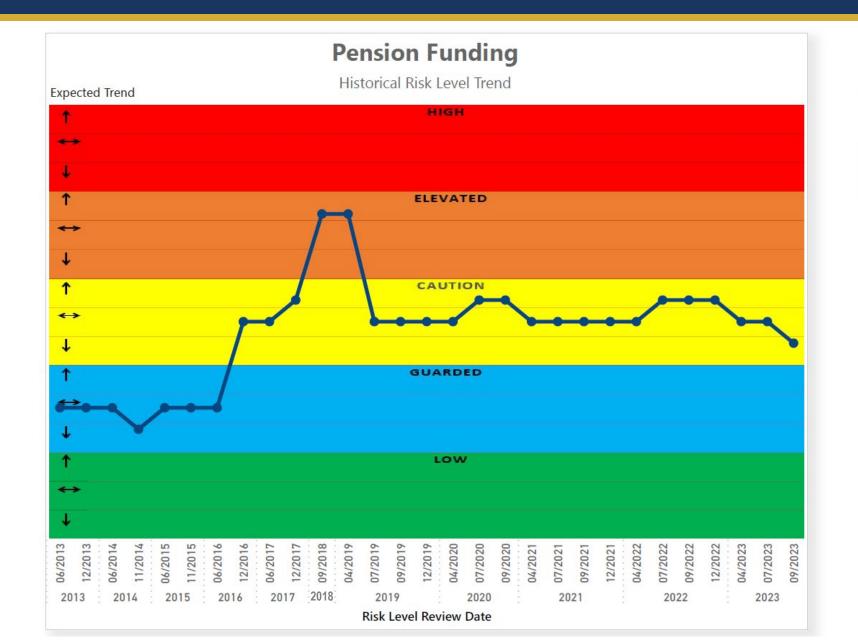
Current Risk Rating

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Expected Trend
Next 12-24 Months

**Stable** 

Last Risk Review



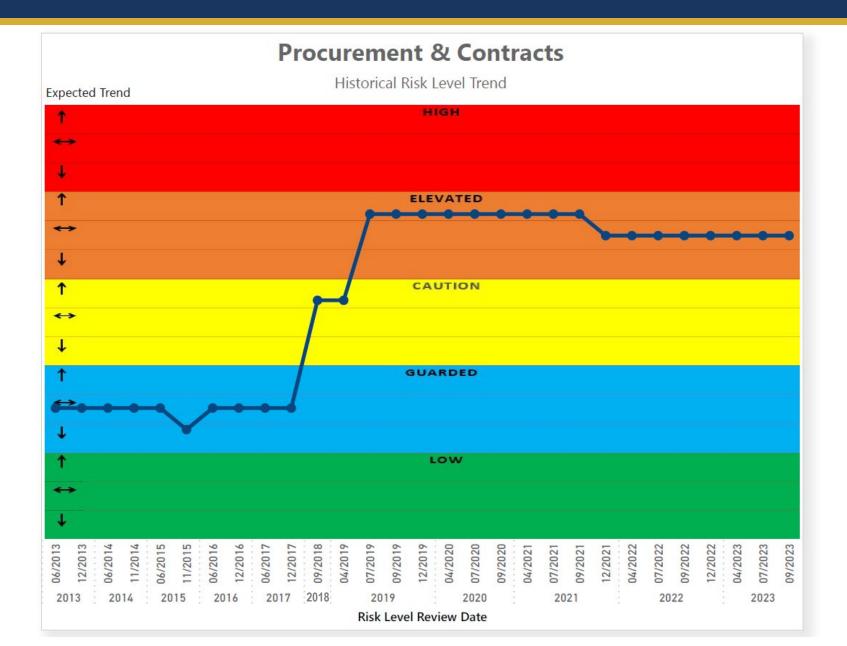
Current Risk Rating

Caution

Expected Trend
Next 12-24 Months

**Decrease** 

Last Risk Review



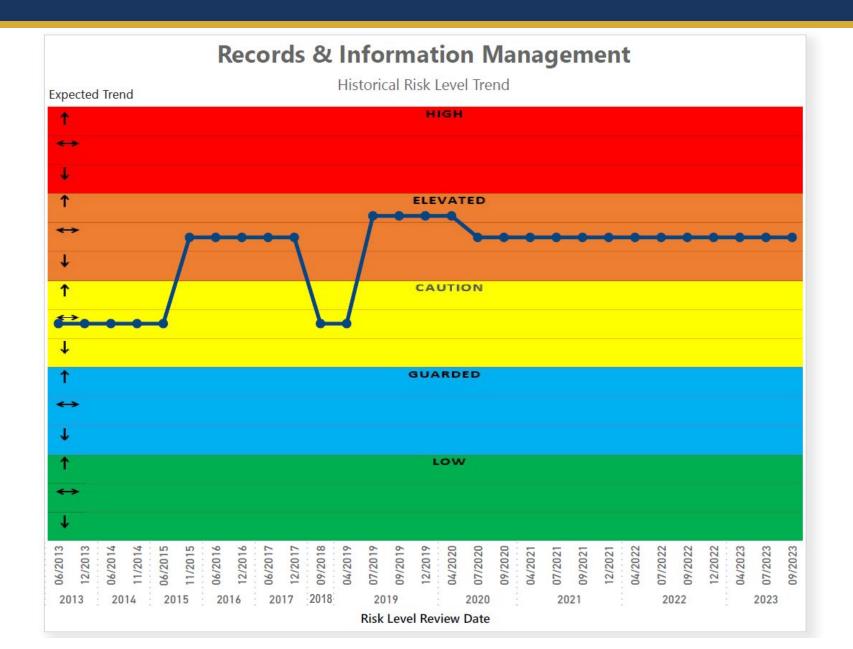
Current Risk Rating

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Expected Trend
Next 12-24 Months

Stable

Last Risk Review



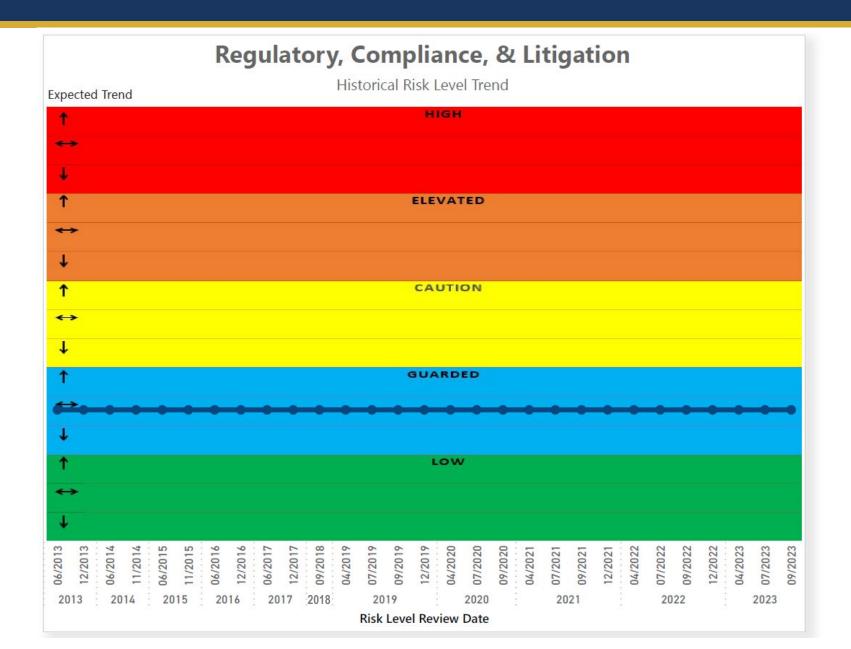
Current Risk Rating

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Expected Trend
Next 12-24 Months

**Stable** 

Last Risk Review



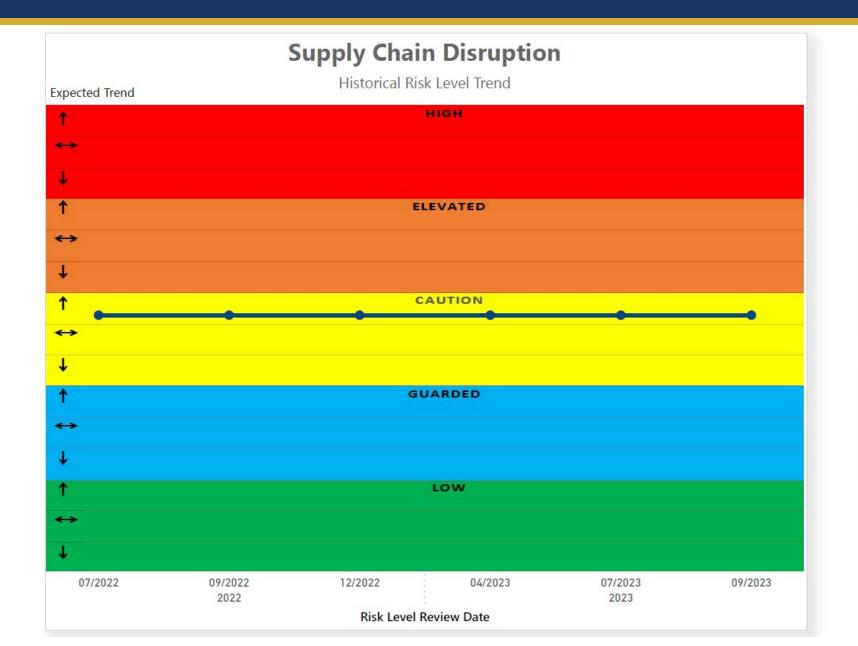
Current Risk Rating

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Expected Trend
Next 12-24 Months

**Stable** 

Last Risk Review



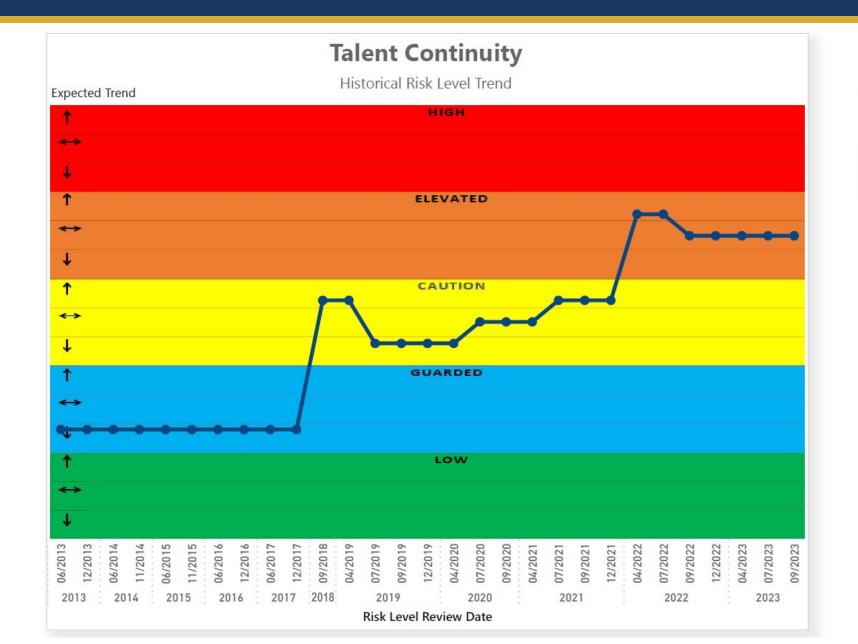
Current Risk Rating

Caution

Expected Trend
Next 12-24 Months

**Increase** 

Last Risk Review



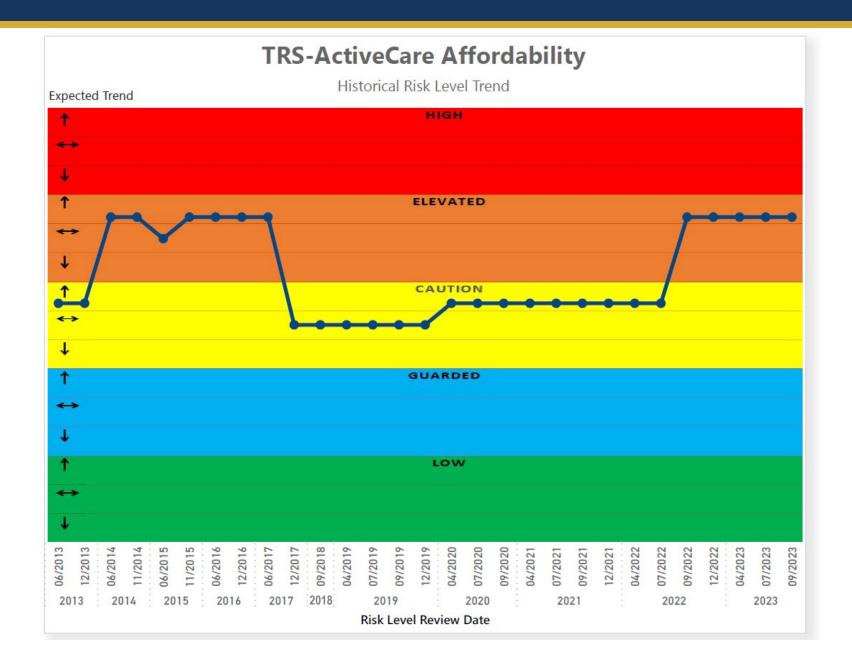
Current Risk Rating

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Expected Trend
Next 12-24 Months

Stable

Last Risk Review



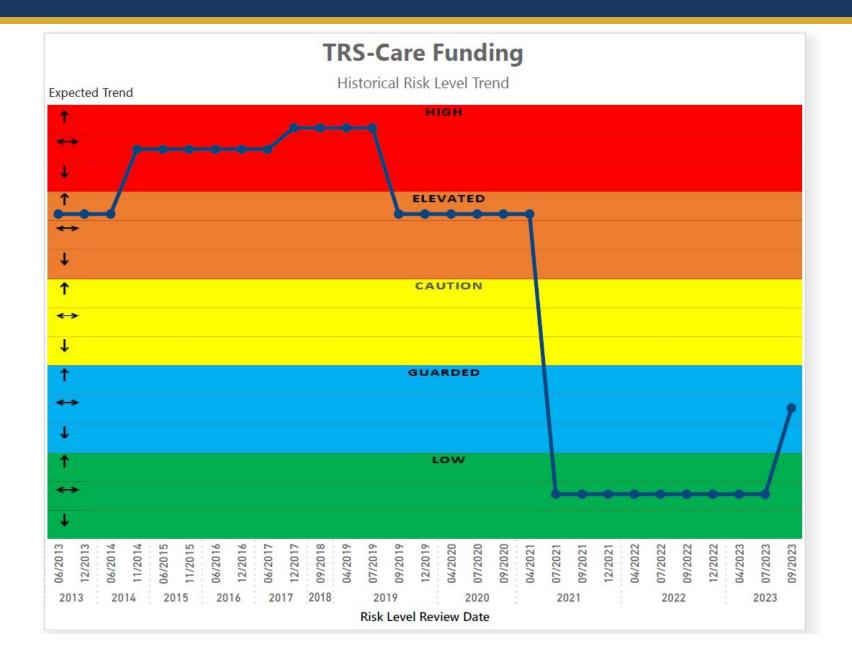
Current Risk Rating

**Elevated** 

Expected Trend
Next 12-24 Months

**Increase** 

Last Risk Review



Current Risk Rating

Guarded

Expected Trend
Next 12-24 Months

Stable

Last Risk Review

TAB 5



Member and
Employer Outreach
Plan Update



**Senior Director of Communications** 

September 14, 2023

















# **Agenda – Member and Employer Outreach Plan Update**

- Fiscal 2023 Activities
- What Worked Well
- Key Takeaways
- What's Next
- Member Showcase







#### **Fiscal 2023 Activities**

Executed **all elements** of fiscal 2023 Member and Employer Outreach Plan activities (collaboration of Benefit Services, Health, Communications and other business areas)

Videos:

8 K+
YouTube Hours Watched

150K Video Views

36%
Growth in New YouTube
Subscribers

Website:

Pageviews to www.trs.texas.gov

**89% Increase** in Pageviews to *MyTRS* Page

50%
Increase in Pageviews to Publications Page

Newsletters:

**TRS News (digital)** average **4.5 out of 5 Stars** 

**Update** 

88% of Reporting Employers
Satisfied to Highly
Satisfied

Fresh Picks

**94%** Rate as Useful; **95%** as Understandable

The Pulse

**95%** Rate as Helpful; **90%** Right Amount of Content Digital Outreach/ Email:

**1.3M** 

**Subscriptions** to *TRS News* (up from 92K)

2.6M

**Subscriptions** to All Key Digital Newsletters

220 Email Bulletins Sent

9\_ZIVI
Unique Email Opens

Social Media:

900K

Facebook Reach of Nearly 900K

49%

Increase in Instagram
Followers Within Two
Months of Launch;
71% Increase in
Engagement; 300%

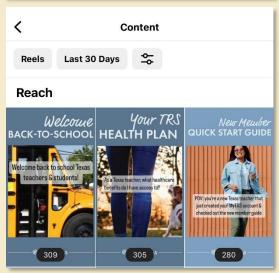
**Increase** in Reach

#### What Worked Well



- TRS-ActiveCare Connect
- Instagram







- TRS Talks
- Health Learn the Terms







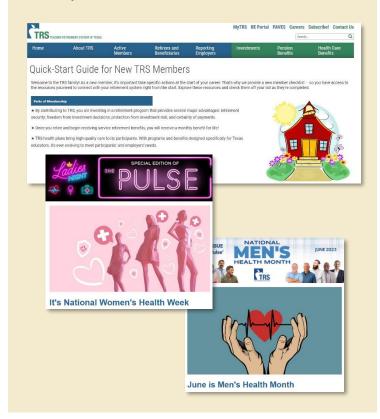
- TRS News
- More readers, more reach



#### **What Worked Well**

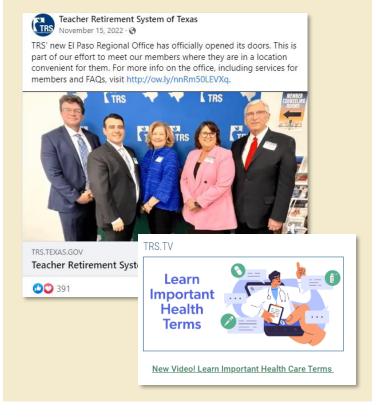


- New-member guide
- Special editions of The Pulse





- Web, email, print, social
- Cross-promotion



# Measuring, seeking input

- Digital focus group
- Survey, survey, survey



# **Key Takeaways**



- Step by step and plain language counts
- Feedback matters
- Repetition is positive
- Digitization expands reach in new, cost-efficient ways
- Engaging content wins the day
- New member outreach is vital
- Employers are key

# What's Next – Priority Activities for Fiscal 2024



- Benefit enhancement communication
- Website redesign and user focus
- Communications for move to Bravo (Member Experience Center)
- Continued new member outreach email campaign
- Success stories to inspire others
- **Social amplification** and digitization to reach new audiences
- Measuring all activities to include impact
- **Engagement events** for communication, transparency and ongoing dialogue

# Member Showcase









# **APPENDIX History – Member and Employer Outreach Plan**

# **History**

- Recommendation by the Texas Sunset Advisory Commission (April 2020)
- Builds on Member Engagement Policy approved by Board in December 2020
- Fulfills requirements set forth in H.B. 1585 (2021)
- Approved by Board in July 2021; with updates in December 2022
- Required to be updated every 5 years (with option to update annually)



# **APPENDIX Goals – Member and Employer Outreach Plan**

# Goals

- Build and enhance trust
- Produce materials in a variety of formats
- Help members at different stages of their career and, to the extent allowed by law, help them make informed retirement decisions
- Equip employers with training/info for reporting
- Share TRS resources with employers for members
- Educate members on resources
- Use clear and plain language

