TEACHER RETIREMENT SYSTEM of TEXAS

# TRS-ActiveCare Rates and Benefits Changes for FY 2023


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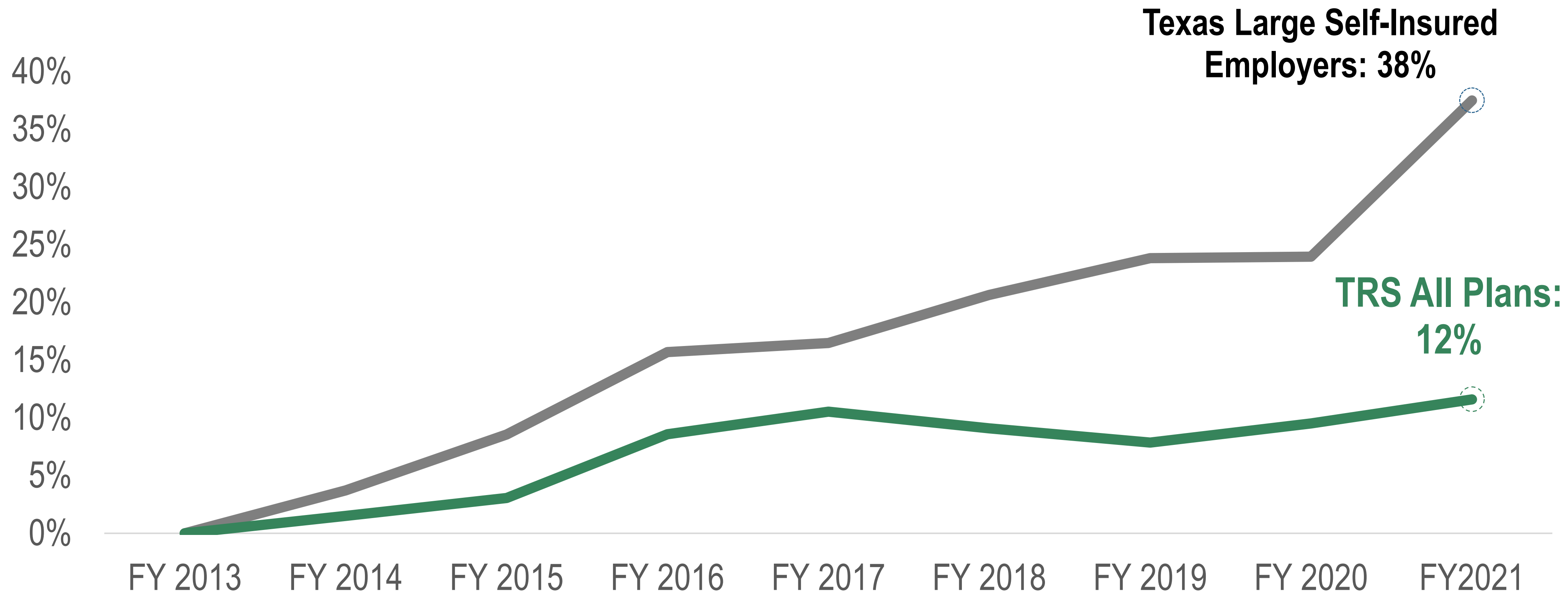
# Self-Insured Cost Growth

**Per Member Cost Growth Has Been Lower at TRS than Texas Peers**
Cumulative Increase in Per Member Allowed Charges Since 2013




*Note: Allowed charges represent the cost to both the plan and participants. TRS plans include all self-insured plans. Milliman data for Texas-ASO does not include pharmacy rebates. Excluding rebates from TRS All Plans would increase cumulative growth to 17%. This comparison does not adjust for changes in plan design or demographics over time.*

# TRS-ActiveCare Self-Insured Rates and Benefits Summary

- No rate increases for TRS-ActiveCare self-insured plans
- State directed federal funds to keep premiums from rising
- Transition to regional rating

# TRS-ActiveCare Statewide Average Rate Changes

| | FY 2023 Total Monthly Premium | Change from 2022 | Median Participant Contribution* |
|---|---|---|---|
| **TRS-ActiveCare Primary** | | | |
| Employee Only | $397 | -$20 | $80 |
| Employee & Spouse | $1,119 | -$57 | $769 |
| Employee & Children | $715 | -$36 | $395 |
| Employee & Family | $1,337 | -$68 | $1,002 |
| **TRS-ActiveCare Primary+** | | | |
| Employee Only | $497 | -$45 | $172 |
| Employee & Spouse | $1,222 | -$112 | $897 |
| Employee & Children | $805 | -$74 | $485 |
| Employee & Family | $1,535 | -$140 | $1,185 |

Total Premium = The Amount TRS Charges Employers, Participant Contributions are Determined by Employer Contribution Amounts

# TRS-ActiveCare Statewide Average Rate Changes

| | FY 2023 Total Monthly Premium | Change from 2022 | Median Participant Contribution* |
|---|---|---|---|
| **TRS-ActiveCare HD** | | | |
| Employee Only | $412 | -$17 | $95 |
| Employee & Spouse | $1,160 | -$49 | $835 |
| Employee & Children | $741 | -$31 | $424 |
| Employee & Family | $1,387 | -$58 | $1,054 |
| **TRS-ActiveCare 2** | | | |
| Employee Only | $1,013 | $0 | $695 |
| Employee & Spouse | $2,402 | $0 | $2,077 |
| Employee & Children | $1,507 | $0 | $1,190 |
| Employee & Family | $2,841 | $0 | $2,516 |

Total Premium = The Amount TRS Charges Employers, Participant Contributions are Determined by Employer Contribution Amounts

# TRS-ActiveCare Benefit Changes

- No new enrollment in AC-2

| Benefit | Primary | | Primary+ & AC 2 | | HD | |
|---|---|---|---|---|---|---|
| | FY2022 | FY2023 | FY2022 | FY2023 | FY2022 | FY2023 |
| Teladoc consultation fee | $0 | $12 | $0 | $12 | $30 | $42 |
| Insulin Out-of-Pocket Costs | 30% after deductible | $25 copay for 31-day supply; $75 for 61-90 | 25% after deductible | $25 copay for 31-day supply; $75 for 61-90 | | No Change |
| Individual In-Network MOOP<br>Family In-Network MOOP | | No Change | | No Change | $7,000<br>$14,000 | $7,050<br>$14,100 |
| Specialty Drugs Not Eligible for PrudentRx<br>Specialty Drugs Eligible for PrudentRx* | Ded, 30%<br>Ded, 30% | Ded, 30%<br>0%* | Ded, 20%<br>Ded, 20% | Ded, 30%<br>0%* | | No Change |

**Participants that decline enrollment in PrudentRx will pay 30% coinsurance after deductible. For drugs that are PrudentRx eligible and members participate, deductible is waived and there is no member cost sharing..*
*MOOP = Maximum Out of Pocket*

# TRS-ActiveCare Enhancements

- Insulin costs capped on Primary plans and AC 2
- Maintained a no-cost telemedicine option
- Expanded coverage for breast cancer screening to comply with SB 1065
- Expanded coverage for colorectal cancer screening to align with USPTF
- PrudentRX copay optimization program for Primary and AC 2 plans
- Expanded member rewards to all shoppable services

# TRS-ActiveCare Benefit Changes: Enhanced Member Rewards

**Member Rewards**

- Allows members to shop for health care services and earn rewards
- Expanding to include all shoppable services
- Enhancing so that members can earn % of cost savings to plan
- Each member can earn up to $599 per year
- Implementing limited purpose HRA for HD plan
- Balances transfer plans with members

# TRS-ActiveCare FY23 Benefits Summary

| Benefit | Primary | HD | Primary+ |
|---|---|---|---|
| Individual In-Network Medical Deductible<br>Family In-Network Medical Deductible | $2,500<br>$5,000 | $3,000<br>$6,000 | $1,200<br>$3,600 |
| Prescription Drug Deductible | Integrated | Integrated | $200 |
| In-Network Coinsurance | 30% | 30% | 20% |
| Out-of-Network Coinsurance | N/A | 50% | N/A |
| Individual In-Network MOOP<br>Family In-Network MOOP | $8,150<br>$16,300 | $7,050<br>$14,100 | $6,900<br>$13,800 |
| Primary Care Physician | $30 | Ded,Coins | $30 |
| Specialty | $70 | Ded,Coins | $70 |
| Therapy | $30 | Ded,Coins | $30 |
| Generic Rx | Certain Rxs $0;<br>$15 | Certain Rxs $0;<br>Ded, 20% | $15 |
| Pref Brand Rx | Ded, 30% | Ded, 25% | Ded, 25% |
| Non-Pref Brand Rx | Ded, 50% | Ded, 50% | Ded, 50% |
| Specialty Rx<br>Specialty Rx Eligible for PrudentRx* | Ded, 30%<br>0% | Ded, 20%<br>N/A | Ded, 30%<br>0% |

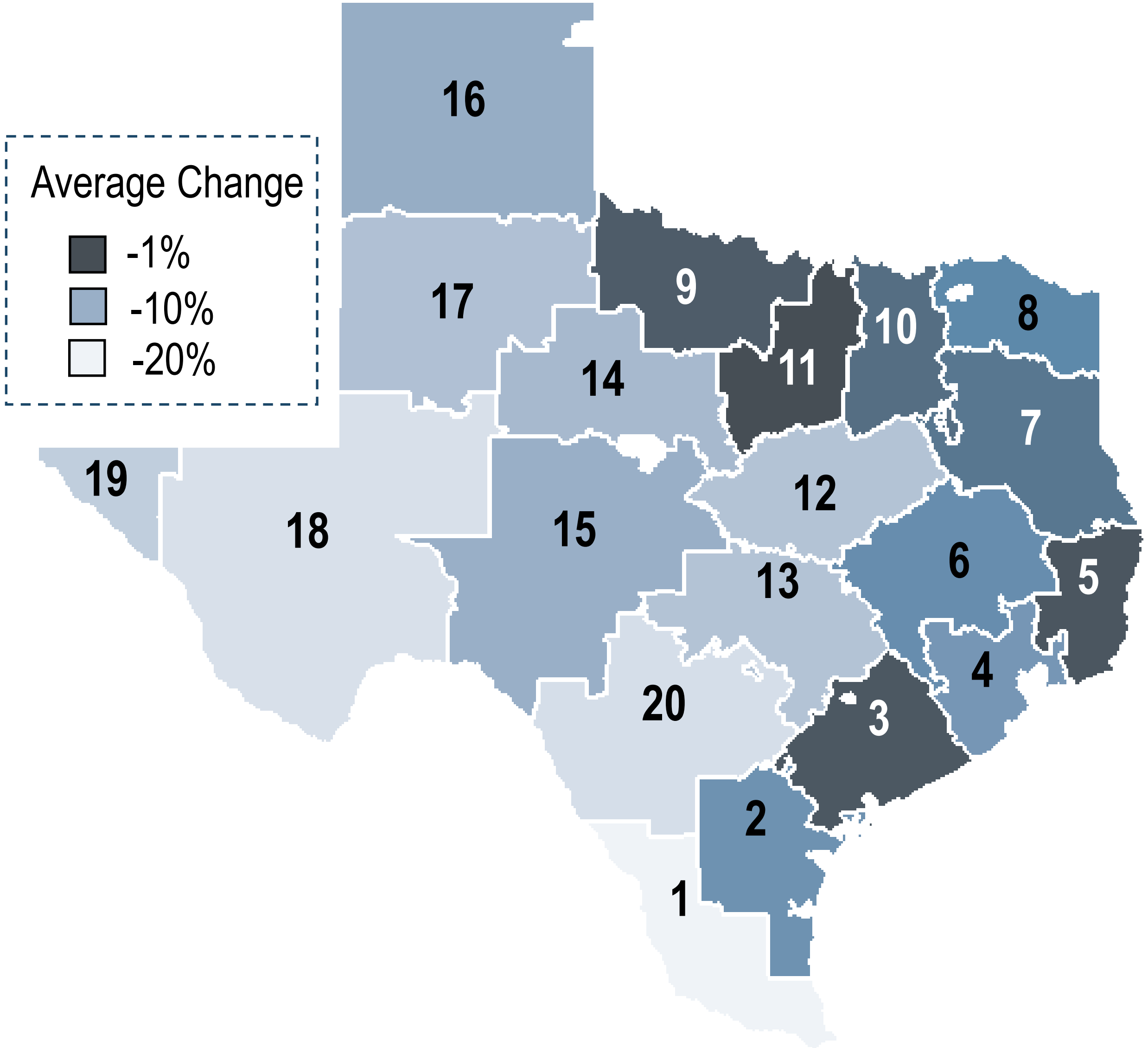
**Participants that decline enrollment in PrudentRx will pay 30% coinsurance after deductible.*

# TRS-ActiveCare Self-Insured Regional Rates

# TRS-ActiveCare: Self-Insured Regional Rates

- There is no increase in the total premium charged by TRS to employers for any plan or tier for FY2022-23 self-insured plans.
- All regions are fully regional rated based on local cost of care.
- All regions will experience a decrease in the average total premium, ranging from ~1% to 20%.

**Average Change in Rates from FY22 to FY23 Plan Years**



# TRS-ActiveCare: Self-Insured Regional Rates

| Plan | Tier | FY23 Total Premium (Change from FY22)<br>ESC 1 – Edinburg Lowest Cost Region | FY23 Total Premium (Change from FY22)<br>ESC 5- Beaumont Highest Cost Region |
|---|---|---|---|
| Primary | Employee Only | $331 | $417 |
| | Employee Family | $1,115 | $1,405 |
| HD | Employee Only | $341 | $429 |
| | Employee Family | $1,146 | $1,445 |
| Primary+ | Employee Only | $415 | $527 |
| | Employee Family | $1,275 | $1,622 |
| AC-2 | Employee Only | $1,013 | $1,013 |
| | Employee Family | $2,841 | $2,841 |

Total Premium = The Amount TRS Charges Employers, Participant Contributions are Determined by Employer Contribution Amounts

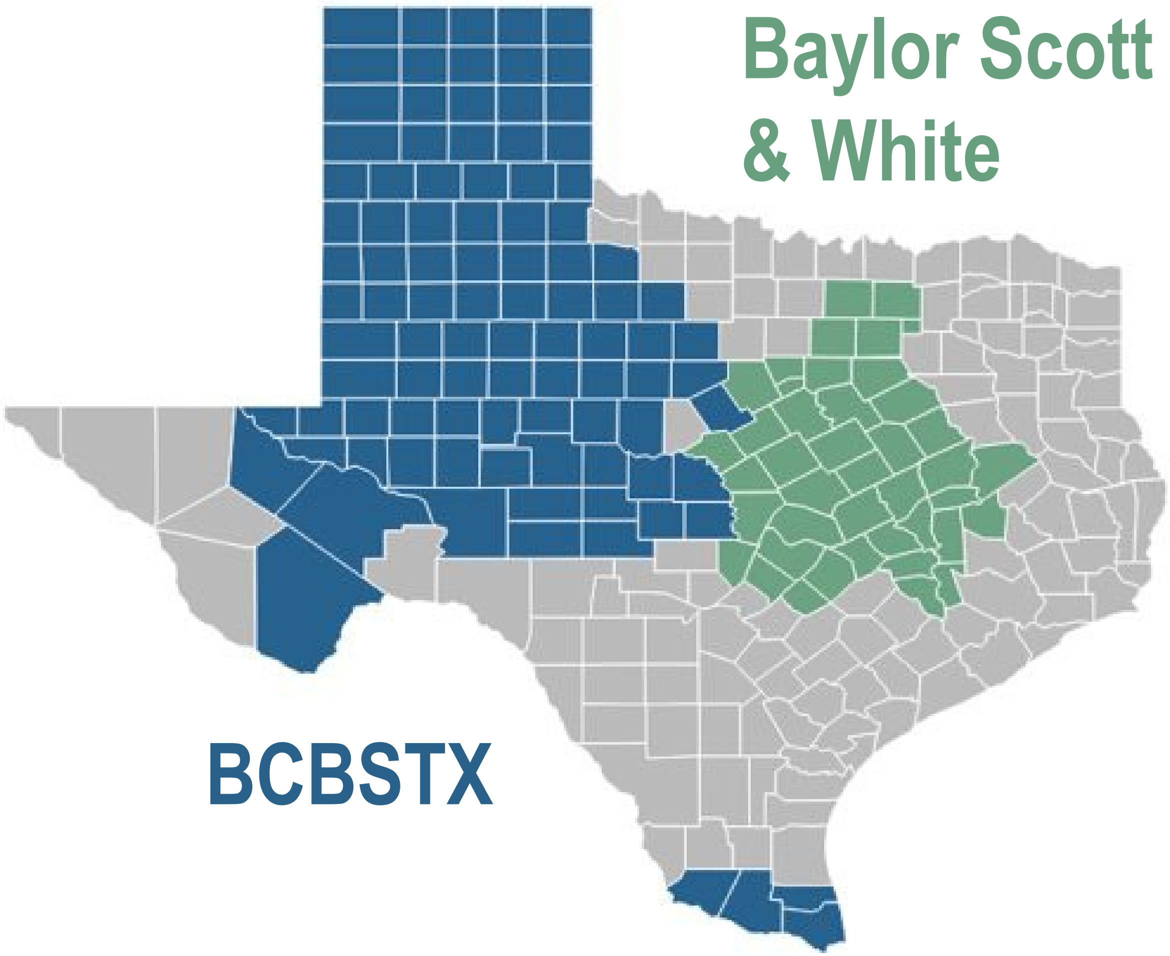
# TRS-ActiveCare: Self-Insured Regional Rates

- Full list of rates for each region and benefits will be available on May 2nd at this location:

  https://www.trs.texas.gov/Pages/healthcare_trsactivecare_2022-23_plans.aspx

# TRS-ActiveCare: Health Maintenance Organizations (HMOs)

# TRS-ActiveCare: Regional Health Maintenance Organizations (HMOs)



# TRS-ActiveCare: Regional HMO Benefits

<u>Proposed Benefit Changes</u>:

- No changes for South TX BCBS TX.
- No changes for West TX BCBS TX.

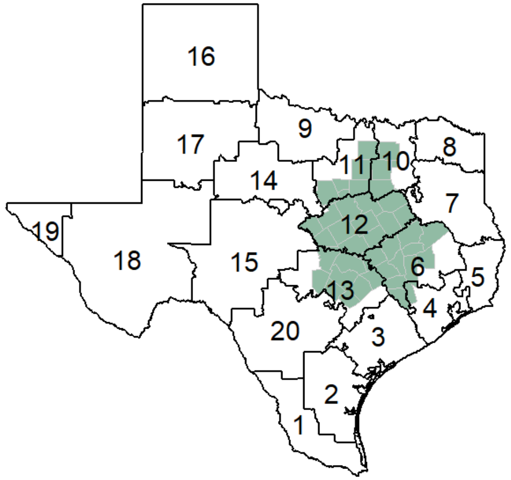
**Baylor Scott and White HMO Benefit Changes**

| Benefit | FY2022 | FY2023 |
|---|---|---|
| Individual Medical Deductible<br>Family Medical Deductible | $1,150<br>$3,450 | $1,900<br>$4,750 |
| Individual Maximum Out of Pocket<br>Family Maximum Out of Pocket | $7,450<br>$14,900 | $8,000<br>$15,000 |
| Generic Prescription Drug Copay* for 30-day/90-day supply | $10/$25 | $12/$30 |
| Specialty Drug | 15%/25% after deductible (preferred/nonpreferred) | 25%/35% after deductible (preferred/nonpreferred) |
| Primary Care Physician | $20 copay | $15 copay |

*Deductible for generic drugs still waived.

Note that all dollar values have been rounded to nearest dollar. Actual premiums set in cents.

# TRS-ActiveCare: Regional HMO Rates




## BS&W Regional HMO Rate Changes

| | BS&W Region 4 & 6 | BS&W Region 10 | BS&W Region 11 | BS&W Region 12 & 13 |
|---|---|---|---|---|
| **Proposed Premiums** | | | | |
| Employee Only | $528 (-$15) | $543 ($0) | $569 (+$26) | $492 (-$51) |
| Employee & Spouse | $1,325 (-$38) | $1,365 (+$2) | $1,431 (+$68) | $1,233(-$130) |
| Employee & Children | $848 (-$24) | $874 (+$2) | $916 (+$44) | $789 (-$83) |
| Employee & Family | $1,525 (-$43) | $1,571 (+$3) | $1,647 (+$79) | $1,418 (-$150) |
| **Total Premium Change from 2021-22** | **-2.7%** | **+0.2%** | **+5%** | **-9.5%** |

Note that all dollar values have been rounded to nearest dollar. Actual premiums set in cents.

# TRS-ActiveCare: Regional HMO Rates

## BCBS HMO Rate Changes

| | South TX | West TX |
|---|---|---|
| **Proposed Premiums** | | |
| Employee Only | $615 (+$90) | $690 (+$93) |
| Employee & Spouse | $1,484 (+$220) | $1,672 (+$228) |
| Employee & Children | $961 (+$141) | $1,084 (+$147) |
| Employee & Family | $1,580 (+$234) | $1,776 (+$243) |
| **Total Premium Change from 2021-22** | **+17.3%** | **+15.8%** |

Note that all dollar values have been rounded to nearest dollar. Actual premiums set in cents.

# TRS-ActiveCare Outreach & Engagement

**Plan Materials**
20 Customized Plan Highlights
Enrollment Guides

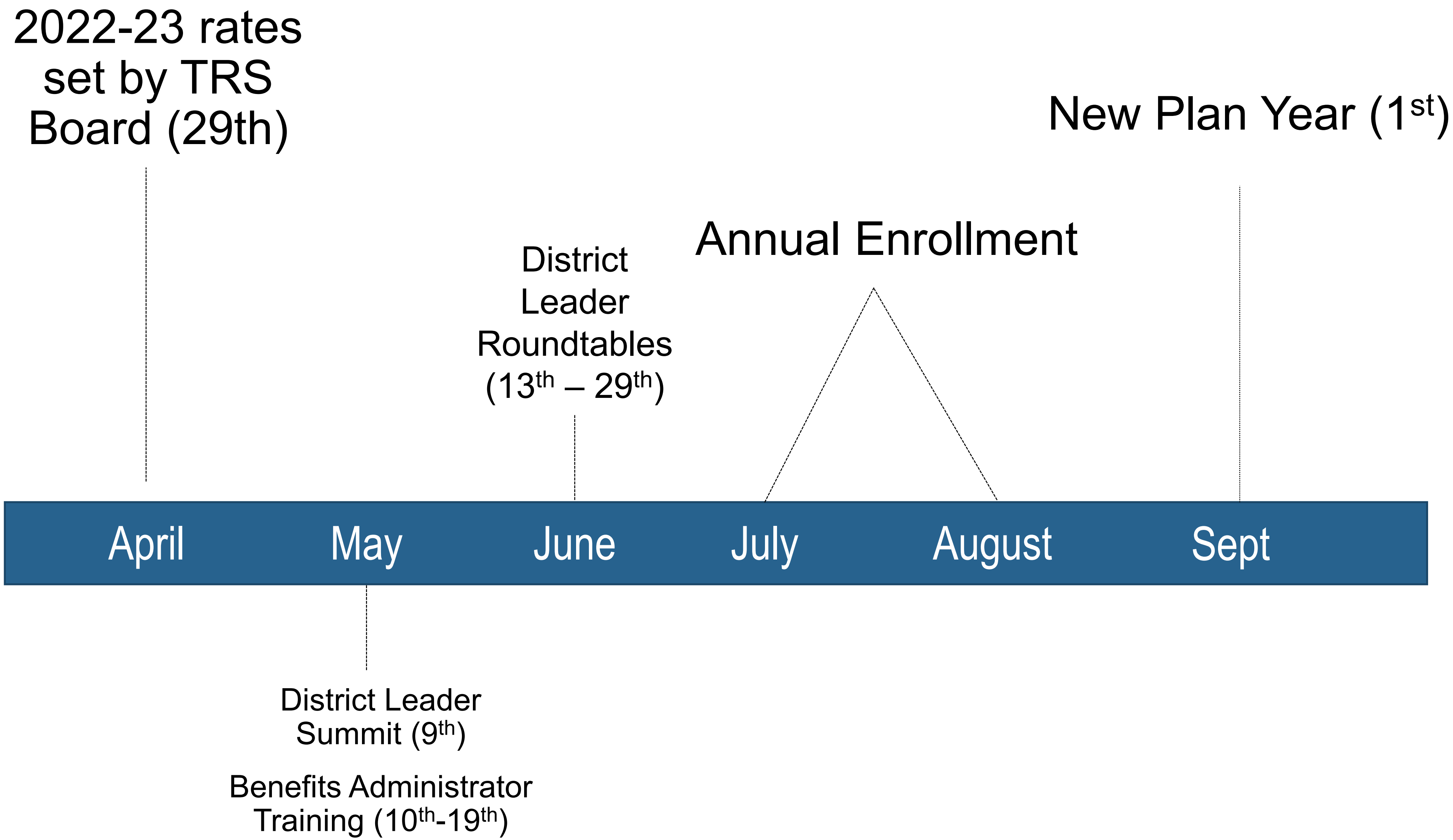
**~1,000 Employers**

**6K** invites to in-person meetings
**7** regional meetings across the state in June

**25K** website views to regional rating page
**50%** email open rate

**~1K** to virtual meetings
**~600** to BA Trainings
**~300** to District Leader Summits

# TRS-ActiveCare Key Dates



# TRS-ActiveCare District Leader Roundtable Meetings

| Zone | ESC Regions | Date | Location |
|---|---|---|---|
| East Texas | 5, 7, 8 | Monday June 13, 1PM | Lufkin |
| North Central | 9, 10, 11 | Tuesday June 14, 10AM | Irving |
| West Texas + EP (Hybrid) | 16, 17, 18, 19 | Thursday June 16, 2PM | Midland |
| Plains + Central Texas | 12, 13, 14, 15 | Wednesday, June 22, 2pm | Temple |
| Houston | 4, 6 | Thursday June 23, 10AM | Houston |
| South Texas | 1, 20 | Monday, June 27, 10AM | San Antonio |
| Gulf Coast | 2, 3 | Wednesday June 29, 10AM | Victoria |

# TRS-ActiveCare: Customized Communications