

Public Agenda Item #22

Call Meeting of the ERS Board of Trustees to Order

May 20, 2020

Public Agenda Item #23

*Review and Approval of the Minutes to the March 11, 2020
ERS Board of Trustees Meeting - (Action)*

May 20, 2020

Questions?
Action Item

Public Agenda Item #24

*Review, Discussion and Consideration of Contract Award
Recommendation for Professional Audit Services – (Action)*

May 20, 2020

Tony Chavez, Director of Internal Audit

Machelle Pharr, Chief Financial Officer

Gabrielle Schreiber, Director of Procurement and Contract Oversight

Professional Audit Services

Background



- The State Auditor's Office (SAO) has been ERS' financial auditor since Fiscal Year 2007.
- On July 15, 2019, ERS received a delegation of authority from SAO to procure a private auditor to opine on the accuracy of financial statements and related internal controls for the following ERS reports:
 - Comprehensive Annual Financial Report;
 - Schedule of Employer Allocations for ERS defined benefit pension plans; and
 - Schedule of Employer Allocations for Other Post-Employment Benefits.

Professional Audit Services

Request for Qualifications (RFQ)



- ERS issued a Request for Qualifications (RFQ) on November 19, 2019.
- Responses were due on December 19, 2019.
- The following entities submitted responses:
 - BDO USA, LLP;
 - CliftonLarsonAllen LLP (CLA);
 - Crowe LLP (Crowe);
 - Deloitte & Touche, LLP (Deloitte);
 - Eide Bailly LLP;
 - RSM US LLP; and
 - Weaver and Tidwell, LLP.

Professional Audit Services

ERS Recommendation



Based on the evaluation process we will now discuss, ERS recommends the Board of Trustees of the Employees Retirement System of Texas award the Professional Audit Services, specifically for the Financial Opinion Audit, contract to [_____].

Professional Audit Services

Preliminary Review Phase



ERS' Office of Procurement and Contract Oversight (OPCO) evaluated the following criteria on a pass/fail basis:

- Responsiveness;
- Compliance with the RFQ; and
- Certain vendor performance checks required by the Texas Comptroller of Public Accounts.

Professional Audit Services

Preliminary Review Phase



OPCO also verified the following Minimum Requirements:

- Each Respondent holds the requisite business and professional licenses and certifications.
- Each Respondent meets certain experience qualifications.

All Respondents passed the Preliminary Review Phase.

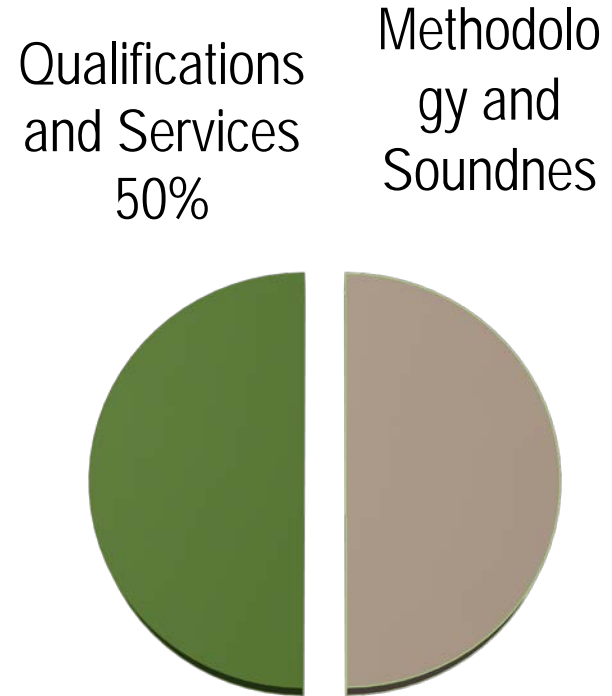
Professional Audit Services

Qualifications Review Phase



Two main categories scored:

- Qualifications and Services: 50%
 - Respondent's Qualifications
 - Respondent's Staff Qualifications
 - Information Technology Security
- Methodology and Soundness of Approach: 50%



Professional Audit Services

Qualifications Review Phase



Pass/Fail items:

- Legal Requirements and Regulatory Compliance – (initially reviewed); and
- Financial Stability (initially reviewed).

Professional Audit Services

Finalists Review Phase



Based on the Pass/Fail items and the scoring of Qualifications and Services and Methodology and Soundness of Approach requirements during the Qualifications Review Phase, three Respondents were recommended as Finalists:

- CLA;
- Crowe; and
- Deloitte.

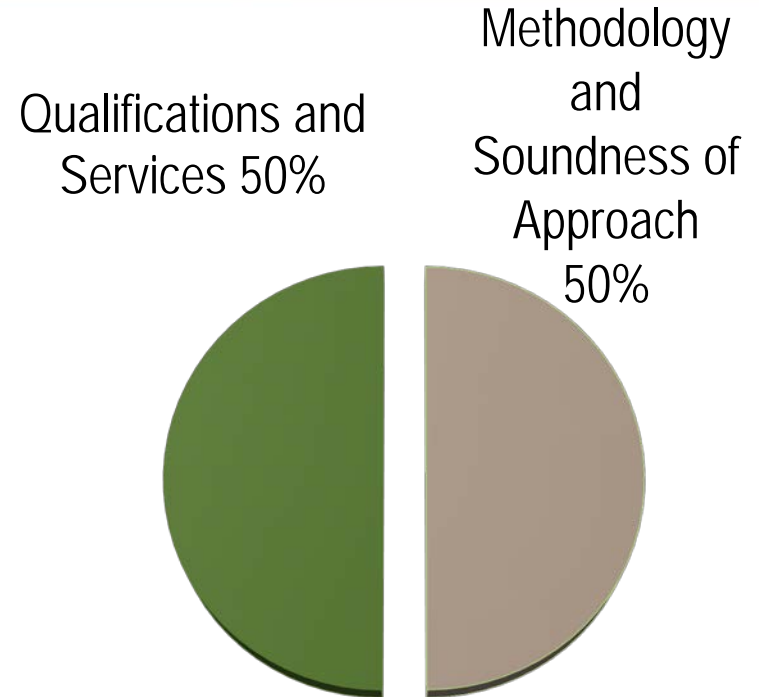
Professional Audit Services

Finalists Review Phase



- Finalists Review Phase:
 - Videoconference Interview
 - Past Performance
 - Legal Requirements and Regulatory Compliance (finalized)
 - Financial Stability (finalized)

Once the top-ranked Finalist was identified, ERS initiated contract and price negotiations with the top-ranked Finalist.



Professional Audit Services

CLA Qualifications



- Dedicated practice to the Government Pension Plan sector
- Serve as current auditor over Texas Statewide Single Audit – Federal Portion that is managed by the State Auditor's Office
- Serve as current financial auditor for Texas Municipal Retirement System
- Proposed audit team specifically focused on pension financial audits
- Sound audit approach including government pension specific analytics

Professional Audit Services

CLA Qualifications



State-wide Plan Name	Programs Administered				Plan Size	Asset Size		Membership
	OPEB	Group Health	Pension	Deferred Comp.	In excess of 100,000 Members	\$1-\$10 billion	> \$10 billion	Covers State Employees Y or N
Arizona State Retirement System*	X		X	X	X		X	Y
California Dept. of Human Resources Savings Plus Program				X	X		X	Y
Colorado Public Employees Retirement Association*	X		X	X	X		X	Y
Kansas Public Employees' Retirement System	X		X	X	X		X	Y
North Dakota Public Employees' Retirement System*	X	X	X	X		X		Y
North Dakota State Investment Board and Retirement and Investment Office			X				X	Y
North Carolina State Investment Trust							X	N
New Mexico Public Employees Retirement Association			X	X	X		X	Y
Ohio Public Employees Retirement System*	X		X	X	X		X	Y
Pennsylvania Public School Employees' Retirement System	X		X	X	X		X	N
Minnesota Public Employees Retirement Association*			X		X		X	Y
State Retirement & Pension System of Maryland			X		X		X	Y
South Carolina Retirement System	X	X	X	X	X		X	Y
State Teachers Retirement System of Ohio	X		X	X	X		X	N
Supplemental Retirement Income Plans of North Carolina				X	X		X	Y
Texas Municipal Retirement System*	X		X	X	X		X	N
Washington State Department of Retirement Systems*			X	X	X		X	Y

* Proposed ERS audit engagement partner/manager assignment

Professional Audit Services

Finalists Review Phase



- The RFQ evaluation team and OPCO representatives met with Executive Office and reviewed RFQ evaluation team findings.
- A determination was made as to the most-qualified professional auditing firm offering a fair and reasonable price.

Professional Audit Services

ERS Recommendation



ERS recommends the Board of Trustees of the Employees Retirement System of Texas award the Professional Audit Services, specifically for the Financial Opinion Audit, contract to [_____].

Questions?
Action Item

Public Agenda Item #25

*Review, Discussion and Consideration of Contract Award
Recommendation for the HealthSelect Medicare Advantage Preferred
Provider Organization Plan– (Action)*

May 20, 2020

Diana Kongevick, Director of Group Benefits

Georgina Bouton, Assistant Director of Group Benefits

Blaise Duran, FSA, Actuarial and Reporting Services, Group Benefits

Gabrielle Schreiber, Director of Procurement and Contract Oversight

Medicare Advantage PPO

Background



ERS is currently contracted with Humana Insurance Company (Humana) to Underwrite and Administer the HealthSelectSM Medicare Advantage Preferred Provider Organization Plan (HealthSelect MA PPO) under the Texas Employees Group Benefits Program (GBP).

Medicare Advantage PPO

Request for Proposals (RFP)



- ERS issued a Request for Proposals (RFP) on November 12, 2019.
- Requested Services include:
 - Providing all operational services and a network for the HealthSelect MA PPO, a Medicare Advantage preferred provider organization providing medical-only coverage for Medicare-Primary participants under the Texas Employees Group Benefits Program (GBP).
 - HealthSelect MA PPO Plan eligibility and plan design.
 - Provider network, accessibility, and utilization management.
 - Communication with current and potential participants, ERS, and other constituents.
 - Information Systems including operations, data interfaces, security practices, business resumption and data center facilities.
 - Account management, administrative functions, customer service, state, federal and statistical reporting.
 - Accounting and funding capabilities.

Medicare Advantage PPO

Request for Proposals (RFP)



- Proposals were due on January 6, 2020.
- The following entities submitted proposals:
 - Humana Insurance Company; and
 - Sierra Health and Life Insurance Company, Inc. (a UnitedHealthcare underwriting entity).

Medicare Advantage PPO

ERS Recommendation



Based on the evaluation process we will now discuss, ERS recommends the Board of Trustees of the Employees Retirement System of Texas award the Medicare Advantage PPO contract to [_____].

Medicare Advantage PPO

Minimum Requirements Phase



ERS' Office of Procurement and Contract Oversight (OPCO) verified the following Minimum Requirements:

- Each Respondent holds the requisite business and professional licenses and certifications.
- Each Respondent is approved by the Centers for Medicare and Medicaid Services (CMS) to offer Medicare Advantage Plans in Texas.
- Each Respondent meets certain experience qualifications.
- Each Respondent meets certain net worth requirements.

Respondents passed the Minimum Requirements Phase.

Medicare Advantage PPO

Preliminary Review Phase



OPCO evaluated the following criteria on a pass/fail basis:

- Responsiveness;
- Compliance with the RFP; and
- Certain vendor performance checks required by the Texas Comptroller of Public Accounts.

Respondents passed the Preliminary Review Phase.

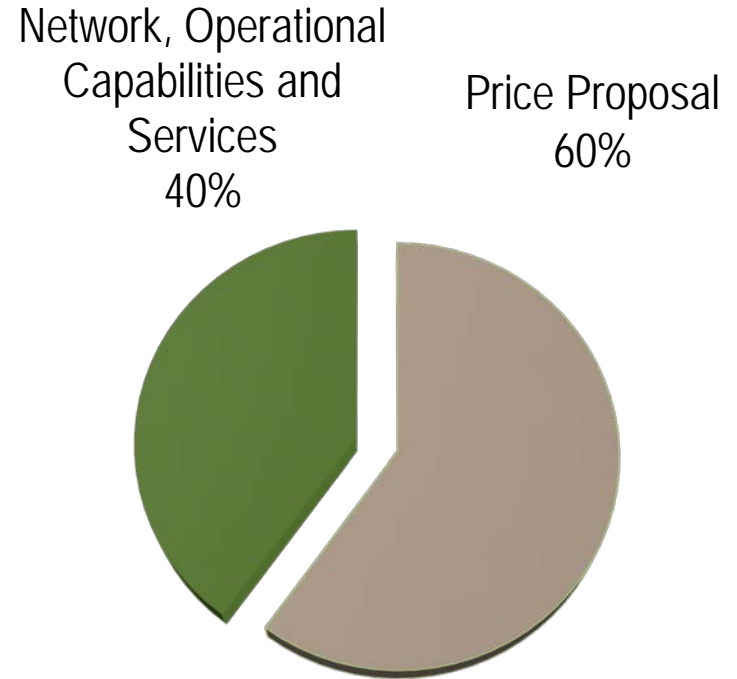
Medicare Advantage PPO

Proposal Review Phase



Two main categories scored:

- Network, Operational Capabilities and Services: 40%
 - HealthSelect MA PPO Plan Eligibility and Plan Design Services
 - Provider Network Services
 - Operational Specifications
 - Accounting and Funding Services
 - Implementation and Project Management Services
 - Information Systems Services
- Price Proposal: 60%



Medicare Advantage PPO

Proposal Review Phase



Pass/Fail items:

- Contractibility (initially evaluated);
- Legal Requirements and Regulatory Compliance (initially reviewed);
- Financial Stability (finalized); and
- SOC-2 Requirements (finalized).

Medicare Advantage PPO

Finalists Review Phase



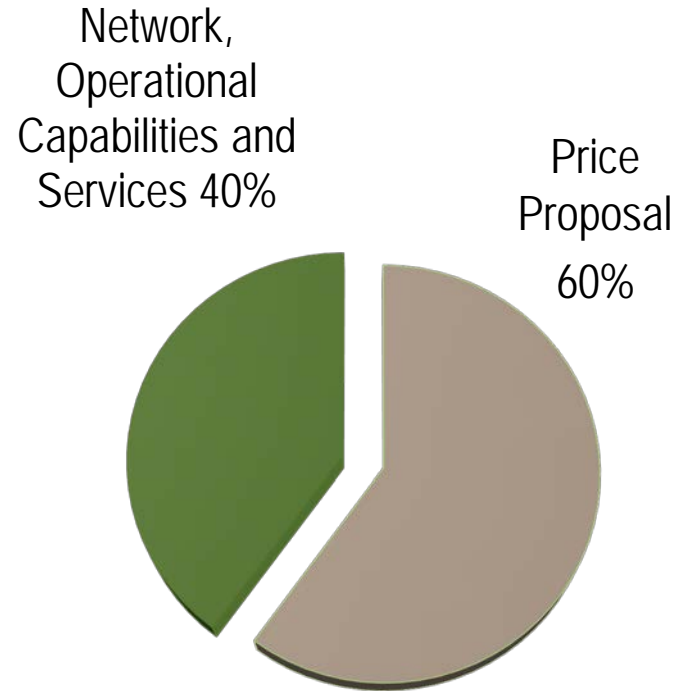
Based on the Pass/Fail items and the Network, Operational Capabilities and Services requirements and the Price Proposal scoring during the Proposal Review Phase, both Respondents were recommended as Finalists.

Medicare Advantage PPO

Finalists Review Phase



- Finalists Review Phase:
 - Information Technology Site Visits (Remote)
 - Operational Site Visits (In-Person and Remote)
 - Best and Final Offers (Price)
 - Past Performance
 - Contractibility and Legal Requirements and Regulatory Compliance (finalized)



Medicare Advantage PPO

Finalists Review Phase: Price Proposal Evaluation



- A model was developed to project claims and revenue over the six year period of the contract.
- Premium, administrative fee, profit margin, and trend guarantees as well as gain share proposals from each finalist were plugged in to the model to project the total cost.

Projected Total Cost
CY21 – CY26

	Current*	Humana	United	Difference
Total Cost	\$1,103.2 million	\$860.0 million	\$693.7 million	\$166.3 million

*Current assumes the CY20 premium is in force for the six year contract term.

Medicare Advantage PPO

Finalists Review Phase



- The RFP evaluation team and OPCO representatives met with Executive Office and reviewed RFP evaluation team findings.
- A best-value determination was made.

Medicare Advantage PPO

ERS Recommendation



ERS recommends the Board of Trustees of the Employees Retirement System of Texas award the Medicare Advantage PPO contract to [_____].

Questions?
Action Item

Public Agenda Item #26

Review and Discussion of the Group Benefits Update

May 20, 2020

Diana Kongevick, Director of Group Benefits

Blaise Duran, FSA, Actuarial and Reporting Services, Group Benefits

Lauren Russell, CTCM Health Plan Operations, Group Benefits

Nora Alvarado, CTCM, Voluntary Income Plans, Group Benefits

Group Benefits Update

Federal Response: COVID-19



Congressional response to COVID-19



Phase 1

Coronavirus Preparedness and Response Supplemental Appropriations Act, 2020

Enacted March 6, 2020

\$8 billion in funding to HHS, SBA, and other agencies



Phase 2

Families First Coronavirus Response Act

Enacted March 18, 2020

Requires employers with <500 employees and public employers to provide paid leave for COVID-19

Requires group health plans cover COVID-19 diagnostic testing



Phase 3

Coronavirus Aid, Relief, and Economic Security Act

Enacted March 27, 2020

\$2 trillion in economic stimulus and financial assistance

Largest stimulus package in U.S. history

First Coronavirus Response Act (FFCRA)

Group health plans



- FFCRA requires group health plans cover COVID-19 diagnostic testing without cost-sharing or prior authorization
- ERS responds with GBP benefits coverage for HealthSelectSM participants and dependents
 - Added coverage for provider-platform telemedicine visits associated with COVID-19 at \$0 cost to participants
 - COVID-19 lab testing available at \$0 cost to participants
 - Paused the PCP referral requirement to see an in-network specialist
 - Certain prior authorization requirements have been temporarily waived

Coronavirus Aid, Relief, and Economic Security (CARES) Act

Group health plans: HealthSelect



- CARES Act expands the COVID-19 diagnostic testing mandate provision
- ERS responds with GBP benefits coverage for HealthSelect participants and dependents
 - Expanded access to \$0 cost telemedicine services for non-COVID-19 services by PCPs and specialists
 - Activated a COVID-19 Member Portal and Nurse Practitioner Hotline, which includes daily COVID-19 updates and coronavirus testing sites
 - Lifted early-fill restrictions on prescription medications
 - Promoted mental health crisis hotlines
- Non-COVID-19 services will be re-evaluated before May 31, 2020

CARES Act

Retirement plans: Texa\$averSM 401(k)/457 Program



- CARES Act includes several provisions to provide relief to retirement plan participants, including government-sponsored 457(b), 403(b), 401(a) and 401(k), 403(b) plans.
- Section 2203: Waives required minimum distributions (RMDs) for 2020

This waiver also applies to RMDs that are due by April 1, 2020 for individuals who turned age 70½ last year, unless those payments were already made last year.

- Available to governmental 457(b), 403(b) and 401(k) and IRAs
- Texa\$aver program implemented January 1, 2020

- Section 2202: Provides special rules for the use of retirement funds; these provisions are both optional and temporary

ERS responds by adopting the following for the Texa\$aver program:

1. Permit Coronavirus-Related Distributions (CRDs)
 - Allow withdrawals to be repaid within three years of the date of distribution
 - Waive the 10% early withdrawal penalty for any CRDs up to \$100,000 per individual across plans
 - Available for 2020 distributions

2. Increase loan limits
 - Allows for an increase in the maximum loan to \$100,000 or 100% of the vested balance for loans taken through September 23, 2020
3. Extend loan repayment period
 - Allows for a delay in loan repayments for up to one year
 - Applies to loan payments due between March 27, 2020 and December 31, 2020
- Waive \$50.00 loan origination fee

- Texa\$aver participant must meet one of the eligibility requirements for COVID-19 loan and withdrawal provisions:
 - Be diagnosed with the virus SARS-CoV-2 or with coronavirus disease 2019 (COVID-19) by a test approved by the Centers for Disease Control and Prevention;
 - Have spouse or dependent who is diagnosed with such virus or disease by such a test; or
 - Experience adverse financial consequences as a result of:
 - being quarantined;
 - being furloughed or laid off;
 - having work hours reduced;
 - being unable to work due to lack of child care; or
 - being unable to work due the closing or reducing hours of a business owned or operated by the individual.

Group Benefits Update

HealthSelectShoppERSSM



- Right to Shop Incentive, which was included in the General Appropriations Act of the 86th Legislative session, Rider 16, "*...directs ERS to incentivize participants to shop for lower cost healthcare within the health plan using a shared savings approach.*"
- HealthSelectShoppERS program
 - Available to active employees and their covered dependents
 - HealthSelect of Texas[®]
 - Consumer Directed HealthSelectSM
 - HealthSelectSM Out-of-State
 - Unavailable to Medicare-primary participants or retirees
 - Implementation go-live September 1, 2020

Group Benefits Update

HealthSelectShoppERS



- Rewards participants who shop for certain in-network, elective, non-emergency medical services
 - 175 in-network eligible services will be available
 - Shopable functionality will integrate with BCBSTX's Provider Finder tool
 - Reward amount is determined by BCBSTX: driven by the price variance between site of service locations
- Rewards are made as employer contributions credited to employee's TexFlex healthcare flexible spending account or limited flexible spending account
 - Maximum reward of \$500 each plan year
 - Employer contributions are in addition to employee's annual election amount

Group Benefits Update

HealthSelectSM Prescription Drug Program (PDP)



Coverage for diabetic supplies will be added to the PDP effective September 1, 2020. No change in medical coverage.

- Free Glucometer Program
 - OneTouch Verio Meter or One Touch Verio Flex Meter offered annually at \$0 cost to the member or plan
- Verio test strips offered at \$0 copay when purchased at an in-network pharmacy (HealthSelect of Texas only)
- Lancets and lancing devices available at \$0 cost to the member (HealthSelect of Texas only)
- Other diabetic supplies covered under OptumRx's premium formulary will apply the lesser of cost or either a tier 2 or tier 3 copay

Questions?

Public Agenda Item #27

Review, Discussion and Consideration of Proposed Rates for HealthSelect of Texas and Consumer Directed HealthSelect Plans with rates inclusive of plan changes - (Action)

May 20, 2020

Diana Kongevick, Director of Group Benefits

Blaise Duran, FSA, Actuarial and Reporting Services, Group Benefits

Phil Dial, FSA, Rudd and Wisdom, Inc.

- HealthSelectSM plan costs are funded by contributions paid by employers and enrolled members.
- State contributions are determined based on legislative appropriation.
- The State currently pays 100% of the contribution rate for eligible full-time employees and retirees, and 50% of the contribution rate for eligible dependents.
- State contributions are the same for HealthSelect of Texas®, Consumer Directed HealthSelect and HealthSelect Medicare Advantage.

HealthSelect Plans



FY21 contribution rate analysis

- The Actuarial and Reporting Services unit and consulting actuary analyzed the following critical factors:
 - revenue requirements;
 - state funding;
 - historical enrollment;
 - claims experience;
 - projected contingency fund balance;
 - cost containment practices;
 - the impact of participating Health Maintenance Organizations and funding for basic life and accidental death and dismemberment coverages.

FY21 contribution rate analysis (continued)

- FY20 combined medical and prescription drug trend is estimated at 6.3%.
 - Medical benefit cost trend is anticipated to be approximately 6.1% in FY20.
 - Prescription drug trend is estimated to be 6.9% through the remainder of FY20.
- FY21 combined trend is expected to be consistent with historic trend levels at approximately 6.8%

HealthSelect Plans

COVID-19 Impact



- HealthSelect plans will see increased costs due to treatment of COVID-19. Increased testing rates will lead to increased costs as well.
- Utilization reductions due to social distances will decrease costs in the short term. Some, but not all, of these services will be made up at a later date.
- Any increase in costs due to the pandemic will be absorbed by the plan.

HealthSelect Plans

Plan Changes



- ERS is implementing several changes for FY21.
 - Changes due to COVID-19
 - HealthSelectShoppERSSM
 - Certain diabetic supplies offered at no cost to member through pharmacy.
- These changes are not expected to have a significant impact on plan costs for FY21.

HealthSelect Plans

Medical Loss Ratio



- Two HMOs recently made Medical Loss Ratio payments to ERS, as required by the Affordable Care Act, totaling about \$3 million.
- ERS is required to distribute to members the portion of the rebate consistent with the portion of the premium paid by members during the period for which the rebates are required

HealthSelect Plans

Consumer Directed HealthSelect



- By statute, the Consumer Directed HealthSelect plan is required to be revenue neutral. Assumptions were developed for the plan design to meet this requirement.
- The original pricing assumptions were based on projected 3% enrollment. Current enrollment is at 0.5%. Therefore, to develop rates, ERS continued its original pricing assumptions.

	HealthSelect of Texas Proposed Monthly Contribution Rates Fiscal Year 2021			
	Total Contribution	State Pays	Member Pays	Change in Members Monthly Contribution
Member Only	\$ 622.60	\$ 622.60	\$ 0.00	\$ 0.00
Member & Spouse	1,337.68	980.14	357.54	(0.46)
Member & Child(ren)	1,101.36	861.98	239.38	(0.32)
Member & Family	1,816.44	1,219.52	596.92	(0.78)

Consumer Directed HealthSelect

Proposed FY 21 rates



	HealthSelect of Texas Proposed Monthly Contribution Rates Fiscal Year 2021			
	Total Contribution	State Pays	Member Pays	Change in Members Monthly Contribution
Member Only	\$ 622.60	\$ 622.60	\$ 0.00	\$ 0.00
Member & Spouse	1,301.94	980.14	321.80	(0.40)
Member & Child(ren)	1,077.42	861.98	215.44	(0.28)
Member & Family	1,756.76	1,219.52	537.24	(0.68)

Questions?
Action Item

Public Agenda Item # 28

*Review, Discussion and Consideration of Recommended Strategy for
HMOs - (Action)*

May 20, 2020

Diana Kongevick, Director of Group Benefits

Blaise Duran, FSA, Actuarial and Reporting Services, Group Benefits

Phil Dial, FSA, Rudd and Wisdom, Inc.

Health Maintenance Organization (HMO) Plans



- Two HMOs are offered to participants in FY20*:
 - Community First Health Plans, Inc. (Community First): Eight-county service area in San Antonio region
 - Baylor Scott & White Health Plan (Baylor Scott & White): 30-county service area in Austin-San Angelo-Temple-Waco region (a narrower service area effective September 1, 2017)
- For FY21, ERS staff did not publish requests for applications (RFAs) for HMOs.
- Incumbent carriers were provided a renewal option, subject to due diligence.

*KelseyCare powered by Community Health Choice, Inc. (Kelsey-Care powered by CHC), five-county service area in Houston region, voluntarily withdrew its participation in the GBP effective September 1, 2019.

Health Maintenance Organization Plans

Compliance with rider



The State's appropriations act includes the following language in rider:

"In no event shall the total amount of state contributions allocated to fund coverage in an optional health plan exceed the actuarially determined total amount of state contributions required to fund basic health coverage for those active employees and retirees who have elected to participate in that optional health coverage."

Health Maintenance Organization Plans



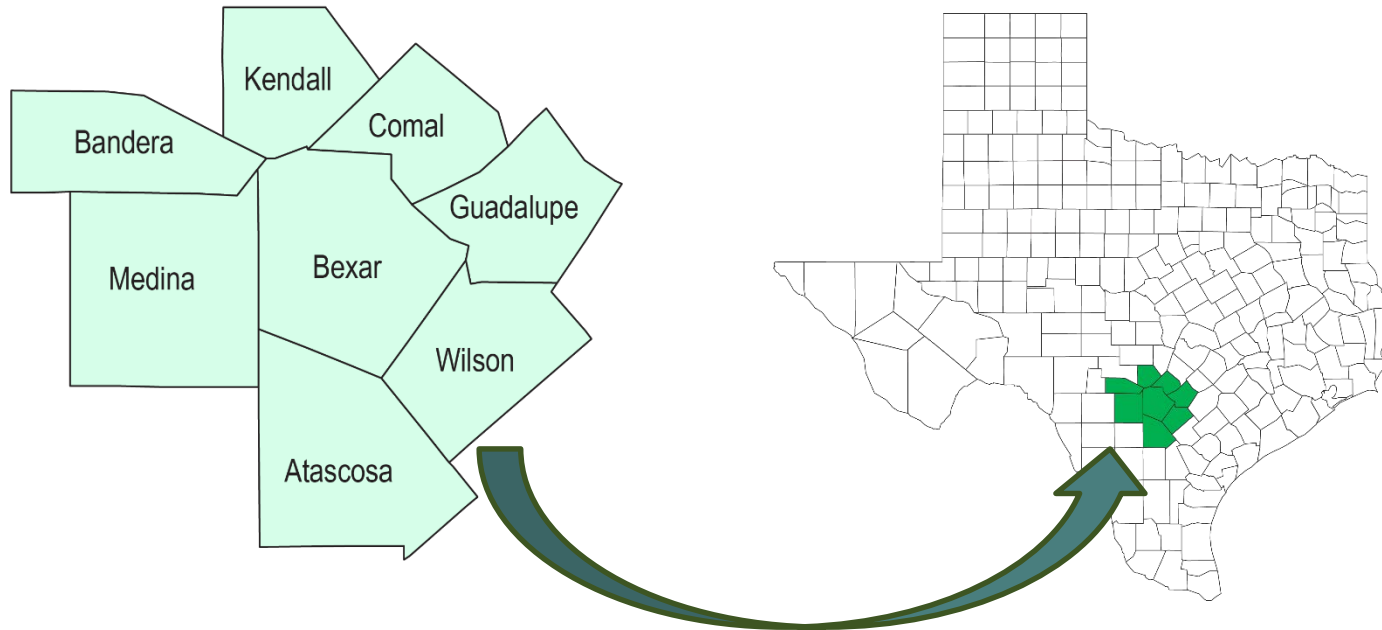
Rate analysis

Rates were subjected to review, including the following factors:

- appropriateness of the methodology used;
- GBP experience; and
- whether the rates met the theoretical cost index, to comply with rider requirements.

HMOs – Community First

Service area



HMOs – Community First

Proposed FY21 rates

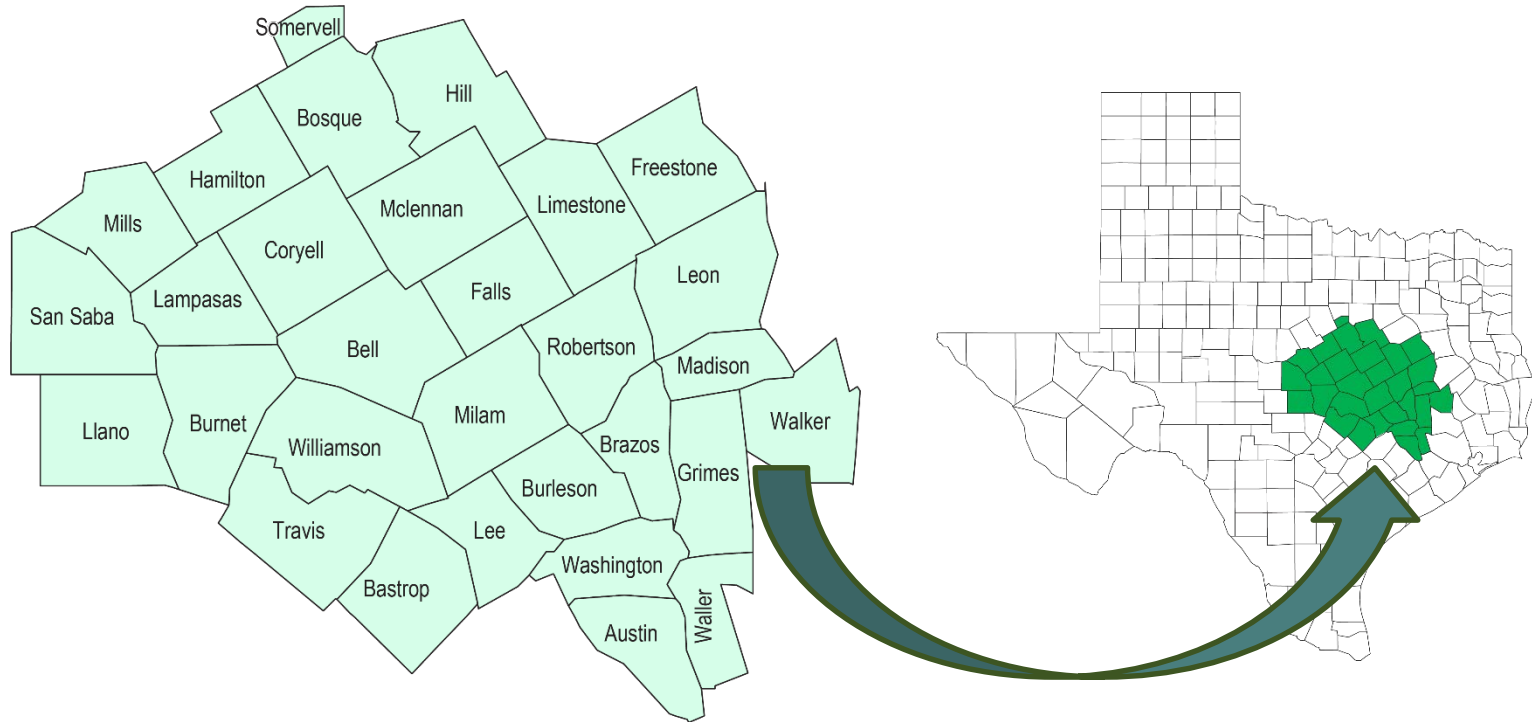


Community First Health Plans, Inc. Proposed Monthly HMO Rates Fiscal Year 2021

	Total Contribution	State Pays	Member Pays	Change in Member's Monthly Contribution
Member Only	\$ 547.40	\$ 547.40	\$ 0.00	\$ 0.00
Member & Spouse	1,176.92	862.16	314.76	0.00
Member & Child(ren)	968.88	758.14	210.74	0.00
Member & Family	1,598.40	1,072.90	525.50	0.00

HMOs – Baylor Scott & White

Service area



HMOs – Baylor Scott & White

Proposed FY21 rates



Baylor Scott & White Health Plan Proposed Monthly HMO Rates Fiscal Year 2021

	Total Contribution	State Pays	Member Pays	Change in Member's Monthly Contribution
Member Only	\$ 619.76	\$ 619.76	\$ 0.00	\$ 0.00
Member & Spouse	1,332.48	976.12	356.36	0.00
Member & Child(ren)	1,096.96	858.36	238.60	0.00
Member & Family	1,809.68	1,214.72	594.96	0.00

HMO Strategy



Risks associated with offering HMOs

- The current HMOs in the GBP have stable populations. This combined with the TCI means there is minimal risk of negative financial impact to the GBP.
- New HMOs historically attract younger, healthier participants causing significant adverse selection.
- It is hard to determine an appropriate TCI for new HMOs as it is unknown who will enroll. This impacts initial enrollment as well as enrollment in subsequent years where there is significant growth.
- Movement of healthier risk to HMO plans leads to higher premiums for all enrolled in a HealthSelectSM health plan.

HMOs Strategy



Current Status of HMOs

- Under current statute, ERS is required to submit for competitive bidding every six years those for which it “purchases coverage”. This includes HMOs.
- FY21 is the last year of the current six-year bidding cycle.
- To continue HMO participation in the GBP, ERS would have to open GBP participation to competitive bidding for FY22, which would likely lead to new HMOs in the GBP.
- An expansion of HMO enrollment would result in further degradation of the HealthSelect risk pool and an overall increase in the cost for those remaining in the HealthSelect plans.
- It would be detrimental to the GBP to allow new HMOs to participate; therefore, ERS recommends that HMO participation in the GBP be discontinued effective September 1, 2021.

HMO Strategy



Impact of HMO removal on Members

Scott and White Health Plan (SWHP) -15,232 participants

- 95% of providers are in HealthSelect.
- Benefits are largely the same. HealthSelect offers out-of-network benefits.
- Difference in member contributions is small, currently SWHP is \$1.64 less for spouse coverage and \$2.74 less for family coverage.

Community First Health Plan (CFHP) – 3,873 participants

- 94% of PCPs participate in HealthSelect. Non-participating specialists are primarily hospital-based physicians, physicians assistants, and nurse practitioners.
- Benefits are largely the same. HealthSelect offers out-of-network benefits.
- Members in CFHP currently pay \$43.24 less for spouse coverage and \$72.20 less for family coverage.

Questions?
Action Item

Public Agenda Item # 29

Review, Discussion and Consideration of Proposed Fiscal Year 2021
Rates for the Group Benefits Program Optional Coverages - (*Action*)

May 20, 2020

Diana Kongevick, Director of Group Benefits

Blaise Duran, FSA, Actuarial and Reporting Services, Group Benefits

Phil Dial, FSA, Rudd and Wisdom, Inc.

State of Texas Dental Choice Plan and Dental Health Maintenance Organization

Dental Plan Enrollment

FY20



GBP Dental Plan Member Enrollment as of March 31, 2020

	State of Texas Dental Choice	Dental Health Maintenance Organization
Member Only	110,714	41,380
Member & Spouse	35,404	10,828
Member & Child(ren)	26,412	8,275
Member & Family	22,639	6,551
Total	195,169	67,034

Dental Choice Plan Experience

Projected through FY21



**GBP Dental Plan Member Enrollment
as of March 31, 2020
Assumes no impact due to COVID-19**

	Fiscal Year 2019	Fiscal Year 2020 Projected	Fiscal Year 2021 Projected
Contributions	104,978,955	105,537,855	110,814,748
Claims	104,373,692	100,746,675	107,899,689
Administrative Cost	3,992,647	4,516,470	4,742,293
Gain/(Loss)	(3,387,304)	274,710	(1,827,235)

State of Texas Dental Choice



Rate development

- The plan is self-funded and the Texas Employees Group Benefits Program (GBP) assumes risk for claims and administrative expenses.
- Contributions from members must be sufficient to support anticipated costs for upcoming year.
- Member contribution rates are based on:
 - claims experience through March 31, 2020;
 - estimated trends in per capita benefit costs;
 - projected provider reimbursement;
 - historical enrollment patterns;
 - contractually guaranteed administrative fees; and
 - proposed benefit changes.

State of Texas Dental Choice

COVID-19 Potential Impact



- Reduced utilization due to social distancing.
- Much, but not all, reduced utilization is expected to be the result of delayed services made up at a later date.
- The net impact spread out over FY20 and FY21 will likely result in a decrease in plan expenses.

State of Texas Dental Choice



Proposed FY20 rates

- ERS Actuarial and Reporting Services team and Rudd and Wisdom recommend no increase in member contribution rates for FY21.

**State of Texas Dental Choice
Monthly Contribution Rates**

	Current FY20	Proposed FY21	Change from Current Rate
Member Only	\$ 27.21	\$ 27.21	\$0.00
Member & Spouse	54.42	54.42	0.00
Member & Child(ren)	65.30	65.30	0.00
Member & Family	92.51	92.51	0.00

Dental Health Maintenance Organization



Proposed FY21 rates

- Effective September 1, 2019 the DHMO plan (DeltaCare HMO USA) is administered by Delta Dental.
- The Delta Dental FY21 proposed premiums are identical to FY20 premiums.
- Premiums are paid in full by member contributions; therefore, FY21 member contribution rates are set equal to the contractual premium rates.

**Dental Health Maintenance Organization
Monthly Contribution Rates**

	Current FY20	Proposed FY21	Change from Current Rate
Member Only	\$ 9.59	\$ 9.59	\$0.00
Member & Spouse	19.18	19.18	0.00
Member & Child(ren)	23.02	23.02	0.00
Member & Family	32.59	32.59	0.00

Questions?

State of Texas Vision Plan

State of Texas Vision

Rates



- In its fourth year under the Texas Employees Group Benefits Program (GBP), the State of Texas VisionSM plan continues to be well received.
- The plan is self-funded and the GBP assumes all risk, paying all claims and administrative expenses in excess of contributions.
- Contributions must be sufficient to support the anticipated costs for the upcoming year.
- Member contributions rates are based on:
 - claims experience through March 31, 2020;
 - estimated trends in benefit costs;
 - projected provider reimbursement rates; and
 - contractually guaranteed administrative fees.

State of Texas Vision

COVID-19 Potential Impact



- Reduced utilization due to social distancing.
- Most of these services are expected to be made up at later date.
- The net impact is expected to be minimal.

State of Texas Vision

Plan Enrollment



State of Texas Vision Plan
Plan Enrollment
March 31, 2020

	Fiscal Year 2020
Actives	121,619
Dependents	98,363
Retirees	21,296
Dependents	10,730
Total	252,008

State of Texas Vision

Projected Plan Experience



GBP Projected Vision Plan Experience
Data as of March 31, 2020
Assumes no impact due to COVID-19

	Fiscal Year 2019	Fiscal Year 2020 Projected	Fiscal Year 2021 Projected
Contributions	13,849,096	13,651,240	15,698,926
Claims	9,969,956	11,164,540	13,160,202
Administrative Cost	798,378	923,440	1,061,956
Gain/(Loss)	3,080,762	1,563,260	1,476,769

State of Texas Vision



Plan Changes

- Utilization of benefits continues to be lower than expected despite high participation.
- In order to increase the utilization and value of benefits to participants, Group Benefits is proposing an increase to the annual benefit allowance for Frames and Contact lenses.
 - Frames: In-network increase from \$150 to \$200 and out-of-network increase from \$50 to \$75
 - Contact lenses: In-network increase from \$150 to \$200 and out-of-network increase from \$100 to \$150

State of Texas Vision



Proposed FY21 rates

ERS Actuarial and Reporting Services team and Rudd and Wisdom recommend no change in the member contribution rates for FY21.

**State of Texas Vision
Proposed Monthly Member Contribution Rates
Fiscal Year 2021**

	FY18	FY19	Change from Current Rate
Member Only	\$ 5.12	\$ 5.12	\$ 0.00
Member & Spouse	10.24	10.24	0.00
Member & Child(ren)	11.01	11.01	0.00
Member & Family	16.13	16.13	0.00

Questions?

Basic and Optional Term Life, Accidental Death and Dismemberment Plans

Life and AD&D



Insurance funding

- Life insurance is funded through a fully-insured minimum-premium arrangement with Minnesota Life, an affiliate of Securian Financial Group, Inc.
- On a weekly basis, ERS reimburses the insurer in an amount equal to actual life insurance claims paid by the insurer.
- On a monthly basis, ERS pays the insurer the contractual administrative fees.
- The minimum-premium arrangement includes maximum premium rates for each coverage type, which are guaranteed for the term of the contract.

Life and AD&D



Insurance funding (continued)

- Accidental Death & Dismemberment (AD&D)
 - Fully-insured by Minnesota Life.
 - Based on premium rates guaranteed for the term of the contract.
- Life and AD&D RFP will be issued in FY21.

Basic and Optional Life



Contribution rates

Member contribution rates for the Life plan are developed based on the following factors:

- reasonable expectations of future claims determined through a review of the plan experience over the last five years;
- anticipated claim-payment patterns;
- expected investment income earned on funds held by ERS; and
- maximum claims rates and administrative fees included in the Minnesota Life contract.

Basic and Optional Life

COVID-19 Potential Impact



- COVID-19 will likely result in an increase in death claims.
- This will be a short-term increase and will not have a long-term impact on the plan.
- Current reserves are adequate to cover the potential increase in costs.
- No rate action is recommended as a result of COVID-19.

Basic and Optional Life

Experience summary FY10 - FY19



Coverages *	Average Volume	Total Premium	Incurred Claims	Loss Ratio
Basic Life	13,148,254	\$80,498,547	\$79,179,627	98.4%
Optional Life	190,220,083	\$619,650,171	\$614,080,311	99.1%
Dependent Life	676,385	\$9,902,270	\$9,990,077	100.9%
Life Total	204,044,722	\$710,050,988	\$703,250,015	99.0%

*Includes both employee and retiree lives.



Life and AD&D

Proposed FY21 rates



	Current FY20	Proposed FY21	Change from Current Rate
Active and Retiree Basic Term Life and AD&D	\$ 2.22	\$ 2.22	No change
Active and Retiree Optional Life and AD&D Range based on age from <25 to ≥90	\$ 0.05 to \$10.57	\$ 0.05 to \$10.57	No change
Active Dependent Life and AD&D	\$ 1.38	\$ 1.38	No change
Retiree Minimum Optional Life	\$ 2.34	\$ 2.34	No change
Retiree Dependent Life	\$ 3.05	\$ 3.05	No change
Voluntary AD&D:			
Employee Only	\$ 0.02	\$ 0.02	No change
Employee & Family	\$ 0.04	\$ 0.04	No change

Questions?

Texas Income Protection Plan

Texas Income Protection Plan (TIPP)



Two self-funded plans

- Short-term disability – Benefits last approximately five months after a one-month elimination period.
- Long-term disability – Benefits can last for many years and the maximum benefit period ranges from 12 months to Social Security Retirement Age, after a 6-month elimination period.
- Benefits are funded through member contributions.

FY21 contribution rate analysis

- The member contribution rates for the disability plans are based on the following items:
 - reasonable expectations of future claims;
 - anticipated claim-payment patterns;
 - expected investment income on funds held by ERS; and
 - administrative fees associated with the TIPP benefit administration.

FY21 contribution rate analysis (continued)

- Different contribution rate approaches are used for short-term and long-term disability.
 - Short-term disability has short-term liabilities, and recent experience is used.
 - Long-term disability claims are longer in duration, and experience is evaluated over many years.

COVID-19 *potential impact*

- COVID-19 is expected to have little direct impact on TIPP due to the relative short duration of the disease compared to the elimination period of the short-term disability plan.
- COVID-19 has had a significant negative impact on the economy.
- Generally, disability claims increase as the economy gets worse and beneficiaries have a more difficult time finding employment.
- ERS will be monitoring this experience but currently recommends no rate action due to COVID-19.

- Member enrollment in the TIPP benefit remains relatively stable.
- As of March 31, 2020
 - 112,480 GBP employees are enrolled in short-term disability coverage (approximately 47%).
 - 85,604 GBP employees are enrolled in long-term disability coverage (approximately 36%).

TIPP

Short-term disability experience



	FY19	FY20* (as of March 31, 2020)
Member Contributions	\$14,620,400	\$8,729,090
Incurred Claims	\$11,446,163	\$6,783,829
Administrative Fees	\$3,171,832	\$1,838,341
Total Expense	\$14,617,995	\$8,622,170
Contribution Gain / (Loss)	\$2,405	\$106,920

*Partial-year experience



TIPP

Long-term disability experience



FY09 – FY18 Cumulative	
Adjusted Member Contributions*	\$269,253,312
Incurred Claims with Discounted Reserves	\$245,710,537
Administrative Fees	\$30,733,365
Total Expense	\$276,443,902
Contribution Gain / (Loss)	(\$7,190,589)

*Adjusted to in force rates.

Texas Income Protection Plan Proposed Monthly Member Contribution Rates* Fiscal Year 2021			
	FY20	FY21	Change from Current Rate
Short-term Disability	\$0.26	\$0.26	No change
Long-term Disability	\$0.63	\$0.63	No Change

*Rates are per \$100 of monthly covered salary

Questions?
Action Item

Public Agenda Item #30

Review, Discussion and Consideration of Proposed Fiscal Year 2021 Fees for TexFlex Program - (Action)

May 20, 2020

Diana Kongevick, Director of Group Benefits
Blaise Duran, FSA, Actuarial and Reporting Services, Group Benefits
Phil Dial, FSA, Rudd and Wisdom, Inc.

- Flexible spending accounts:
 - Health Care Reimbursement Account
 - Limited Reimbursement Account
 - Dependent Care Reimbursement Account
- Commuter Spending Account
- Funded by pre-tax salary contributions from active employees
- Reimburses participants for qualified, eligible expenses

TexFlex Program

Administrative Fee Holiday



- In previous years, employees enrolled in a flexible spending account were responsible for a nominal account administrative fee of \$1 per account per month.
- ERS waived the administrative fee for those enrolled in the plans during FY17- FY20, and ERS staff recommend waiving the administrative fee for FY21.
- The \$1 per account per month administrative fee was paid for through the previous year's forfeited funds balance.

TexFlex Program

Administrative Fee Holiday Continued



- Staff recommend continuing the administrative fee holiday for FY21, allowing for administrative fees to be paid from the plan forfeiture account.
- Consistent with IRS rules, forfeited fund balances cannot be used to pay the \$3 per month Commuter Spending Account administrative fee. Staff recommend no change to the administrative fee.

	Enrollment (#s)			Contribution Elections** (\$)		
	FY20	FY21	Change %	FY20	FY21	Change %
Health Care Reimbursement Plan	46,820	45,096	-3.7%	\$59,197,049	\$59,913,762	-2.3%
Dependent Care Reimbursement Plan	3,631	3,544	-2.4%	\$13,768,603	\$13,790,006	-3.3%
Total Participation*	48,107	46,392	-3.6%	\$72,965,652	\$73,703,768	-2.5%

**Total unique participant enrollment is not equal to the sum of health care and dependent care enrollment because some members are enrolled in both plans.*

*** Contribution elections are pledges into the program and are reported commitments for the applicable fiscal year.*

TexFlex Program

Commuter spending account (CSA)



- Enrollment into the program began January 1, 2016 with a benefit start date of March 1, 2016.
- The account is available to those who utilize mass transit and/or incur parking expenses as part of their daily commute to and from work.
- Participants can enroll and dis-enroll on a monthly basis without waiting for summer enrollment or a Qualified Life Event (QLE).

TexFlex Program

Commuter spending account (CSA)



- The cost per person is \$3 per month or \$36 annually. This cost is paid entirely by the participant.
- Currently, 34 participants elected to participate in the parking benefit and 149 participants elected to participate in the transit benefit.

Questions?
Action Item

Public Agenda Item #31

Review and Discussion of the Incentive Compensation Plan for Fiscal Year 2021

May 20, 2020

DeeDee Sterns, Director of Human Resources

Jamey Pauley, ICP Program Specialist

Incentive Compensation Plan (ICP)

ICP Document



- The Board of Trustees reviews the ICP on an annual basis.
- During the May Board meeting:
 - HR provides an overview of the plan that may or may not include any recommended plan changes, and
 - A draft plan document is submitted to the Board for the upcoming fiscal year.
- During the August Board meeting:
 - HR presents the final proposed plan document for consideration.
 - The plan must be adopted before the new fiscal year that begins September 1.

Incentive Compensation Plan

Objectives



- Communicate strategic performance priorities.
- Encourage sustained levels of high investment performance, without undue risk.
- Promote teamwork among employees.
- Support ERS' strategic and operational goals.
- Attract and retain key employees in a cost-effective manner.

Incentive Compensation Plan

Overview



- Eligibility for the ICP requires compliance with ERS policies/procedures and ERS Investment Policy Statement.
 - All participants must be in good standing.
 - New hires must successfully complete their six-month probationary period.
- Performance measures are based on one-, three-, and five-year performance periods.
- Participants have individual and total trust performance benchmarks.
- Participants must exceed their benchmarks to receive an incentive award.
- Benchmarks are set in the Investment Policy Statement unless otherwise stated in the ICP document.

Incentive Compensation Plan

Overview



- Participants are evaluated on both quantitative and qualitative metrics.
 - 75% quantitative with minimum 25% total trust performance
 - 25% maximum qualitative
- Investments uses a discretionary matrix tool to evaluate participants' qualitative performance.
 - Qualitative metrics include areas above and beyond performance; leadership, teamwork, communication and innovation.
- Payout of incentive award is done over a three-year period: 50/25/25
 - The awardee must be an active and eligible ERS employee on each payment date to receive the full amount.

Incentive Compensation Plan

Overview



- Incentive compensation can be earned, but the Trust Fund as measured by the one-year Global Composite Performance must be positive to pay awards.
- Award payments shall be deferred during non-positive years.
- Unpaid incentive awards shall be forfeited after three years of deferrals.
- Metrics and calculations are tied to the Risk Budget approved by the Board.
- ICP awards are calculated based on a weighted average salary.
- If an award is paid in error, over/under-payment provisions to correct errors and help ensure 100% accuracy.

Incentive Compensation Plan

Overview



- Administrative oversight of the plan is managed by Human Resources.
- Finance performs the award calculations.
- Independent review is performed by a third-party entity.
- Internal and external audits help ensure payments are in accordance to plan.

Incentive Compensation Plan

Fiscal Year 2021



- HR annually reviews the Plan and related processes to make recommendations to the Board.
- With executive management and other key stakeholders, HR conducted a review of the Plan document for Fiscal Year 2021.

Incentive Compensation Plan

Fiscal Year 2021 – Recommended Change



Staff recommends a material change to the definition of “Global Composite Performance” (section 2.16).

This change will include discontinuing the practice of adjusting the total trust return for *unallocated cash*.

Incentive Compensation Plan

Fiscal Year 2021 – Recommended Change Background



Discontinuing the practice of adjusting the total trust return for *unallocated cash*:

- Practice began in 2013 as the result of new accounting rules.
- New rules required that the short term treasuries in the Short Term Investment Fund account be marked to market daily, even though ERS usually held them to maturity.
- At the time, BNYM (Custodian) and ERS did not have a method to book the market value adjustments at the portfolio level, so the whole gain or loss was being booked to unallocated cash.
- Recently, Finance developed a method with BNYM to book these adjustments to the affected portfolios on a daily basis.
- Because the transactions are now being recorded at the portfolio level, Investments believes that ERS no longer needs to adjust the total trust return for unallocated cash effective September 1.

Incentive Compensation Plan

Fiscal Year 2021 – Non-material Changes



In addition to the material change, HR is proposing some non-material changes to the Plan document that will:

- Provide clarification.
- Better reflect current processes and practices.

These changes are reflected in the draft Plan document.

Incentive Compensation Plan

Fiscal Year 2021 – Non-material Changes



Examples:

- 2.6 “CIO Goals Memo” - memo from the CIO (or the CIO’s designee) to the Executive Director which defines the Benchmarks and other quantitative metrics to be used for the upcoming Plan Year. All quantitative measures that are not expressly stated in the Investment Policy are explained in the CIO Goals Memo, and ~~Plan-Year~~ changes from the prior Plan Year to the upcoming Plan Year are highlighted.
- 4.8 (d) **Inception-to-Date for Public Market Equivalents.** The public market equivalent Performance Goals shall be excepted from the one, three, and five-year Performance Period Weightings described above. The Realization Percentages for the public market equivalent Performance Goals shall be calculated based on an internal rate of return and measured using an inception-to-date Performance Period with a 100% weighting attributed to the inception-to-date Performance Period. Such calculation and measurement is consistent with industry practice for illiquid private-market investments where performance is reliant on the timing of cash flows.

Incentive Compensation Plan

Fiscal Year 2021 – Non-material Changes



Examples:

APPENDIX A

ELIGIBLE EMPLOYEE POSITIONS WITH
MAXIMUM INCENTIVE AWARD PERCENTAGES AND PAYMENT SCHEDULES

Plan Groups	Maximum Incentive Award Percentages	Payment Schedules (Year 1/2/3, see Section 6.2)
Executive Director	100%	50/25/25
Chief Investment Officer	100%	50/25/25
Deputy Chief Investment Officer (Performance Goal weightings based on Public Equity under Ex.B)	100%	50/25/25
Asset Class Portfolio Managers/Directors	100%	50/25/25
Director of Investment Services (Performance Goal weightings based on Inv Cpis under Ex.B)	90%	50/25/25
Risk Management and Applied Research Portfolio Manager	80%	50/25/25
Supervising Portfolio Manager	80%	50/25/25
Portfolio Manager I, II, III, IV, V & VI	70%	50/25/25
Chief Trader I & II	70%	50/25/25
Trader I, II & III	65%	50/25/25
Investment Analyst III, IV & V	58%	50/25/25
Investment Operations Manager	50%	50/25/25
Investment Analyst I & II	35%	50/25/25
Financial Analyst I, II, III & IV (Investment Operations Specialist and Operational Due Diligence Specialist)	25%	50/50
Investment Administrative Support	5%	100
General Counsel (Performance Goal weightings based on Legal Services under Ex. B)	65%	50/25/25
Investments and Securities, Attorney (Performance Goal weightings based on Legal Services under Ex. B)	65%	50/25/25
Investments and Securities, Paralegal (Performance Goal weightings based on Legal Services under Ex. B)	35%	50/25/25

APPENDIX B

(Page 1 of 2)

PERFORMANCE GOAL WEIGHTINGS FOR INVESTMENT PROFESSIONALS AND LEADERSHIP EMPLOYEES

Any variations of these weightings from the preceding Plan Year for a Participant shall be justified by the CIO or other applicable ERS division director and shall be approved by the Executive Director.

Main Category Weights	Main Category	Sub Category	Exec. Director	CIO	Deputy CIO	Fixed Income	Hedge Funds	Infra-structure	Private Equity	Public Equity	Real Estate	Risk Mgt & Appl. Res.	Trading	Inv. Services	Admin.	Legal Services
25% Maximum	Discretionary		N/A	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%
25% Minimum	Relative Global Composite Performance		50%	75%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%
50% Maximum		A combination of one or more of the following, as indicated below (1):														
		Overall agency leadership, management, communications, policy matters, staff development, and the implementation of agency strategic initiatives (8)	50%													
		Global Public Equity		10%						X		X		80%		
		Internal Global Public Equity								X		X				
		Portfolio(s)					X			X		X				
		Individual Research Coverage								X						
		Internally Traded Portfolios											30%			
		Trading Performance											25%			
		Credit – Internal				X										
		Credit – External				X										
		Rates				X										
		Private Equity Public Market Equivalent (2)							10%							X
		Private Equity Peer Comparison (3)							40%							X
		Private Real Estate Public Market Equivalent (2) (4)									X					X
		Public REIT(s)									X					
		Private Infrastructure Cost Savings (5)						24%	X							X
		Private Infrastructure Public Market Equivalent (2)						12%	X							X
		Absolute Return					X									X
		Global Equity External Advisor Program		40%						X						
		Opportunistic Credit				X	X				X					

See footnotes on the following page.

Questions?

Public Agenda Item #32

Agency Update

May 20, 2020

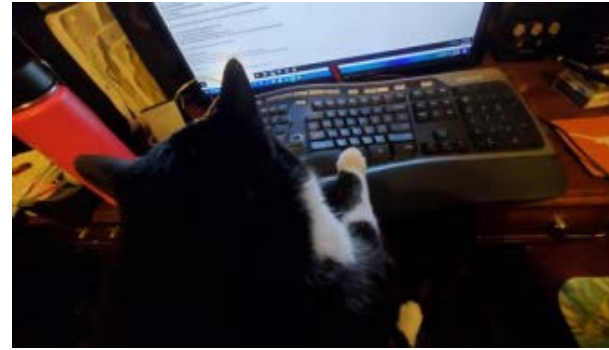
Porter Wilson, Executive Director

Executive Director Update

Transition to Remote Workforce



- Transitioned 95% of ERS staff to remote work over 7 days in mid-March while ensuring all core business functions remained available to members, and closed the building to visitors
- Deployed additional server capacity to expand remote system access and implemented new dual authentication tools to enhance security of systems accessed remotely
- Maintaining a weekly in-office Essential Services Staffing schedule to perform in-person activities, with fewer than 20 staff in the building on any given day
 - Mail sorting and document scanning/printing
 - Cash Processing and payroll processing (paper checks)
 - Infrastructure maintenance (building and information systems)



Transition Back to Office



(specific timing to be determined from official health guidance)

- Developing phased schedule to stagger employees' return to the ERS building slowly over a period of time to be determined by safety guidance
- Multi-divisional work group discussing policies and procedures needed to ensure staff remain healthy and safe following a return to office operations
 - Cleaning and safety protocols
 - Appropriate employee/visitor screening processes
 - Changes to the use of office common areas

Executive Director Update



Legislative Update and LAR Preparation

- Legislative Interim Hearings
- Legislative Appropriations Request (LAR) 2022-2023
 - LAR instructions are anticipated to be issued in June and due in late August 2020
 - ERS works with the LBB and Governor's Office to determine the base level of funding for the retirement and insurance program
 - Historically, ERS has been instructed to maintain funding level with the second year of the current biennium for each year of the next biennium for its base level for retirement and group benefit programs
 - Base Level Funding:
 - ERS Pension – 9.5% state (additional 0.5% included in agency's budgets)
 - LECO Supplemental – 0.5% state
 - JRS 2 – 15.663%
 - JRS 1 – 2021 appropriated level (or lower depending on ERS Base Reconciliation)
 - Group Benefits – 100% of the current monthly per capita contribution rate for members and 50% for dependents

Executive Director Update

LAR Preparation continued



- Items above the base level funding are considered “exceptional items” and must be itemized, prioritized, and justified in the LAR document
 - Exceptional items requests will include:
 - For Pensions - additional funding to restore actuarial soundness including a payment plan to eliminate the current unfunded liability.
 - For Group Benefits – additional funding as needed to maintain current benefits and a 60 day reserve fund as prescribed by statute

Executive Director Update

Retirement and benefits surveys



Purpose: Feedback on ERS-administered retirement and benefits

- First survey since 2014
- ***Key takeaway: Retirement and benefits are important to employees and retirees.***

76% - Pension is a major reason I work(ed) for the state.

82% - Health coverage meets my needs.

85% - GBP benefits are a valuable part of my compensation/retirement package.

Communications preferences: ERS website is primary source of retirement and benefits information.

Executive Director Update

Plan Year 2021 Summer Enrollment



For employees and non-Medicare retirees*

Annual Enrollment for Plan Year 2021: June 22 - July 24, 2020					
	Monday, June 22	Monday, June 29	Monday, July 06	Monday, July 13	Friday, July 24
Phase 1 (June 22 - July 4)					
Phase 2 (June 29 - July 11)					
Phase 3 (July 6 - 18)					
Phase 4 (July 13 - 24)					

*Retirees enrolled in Medicare make benefits changes during Fall Enrollment in November.

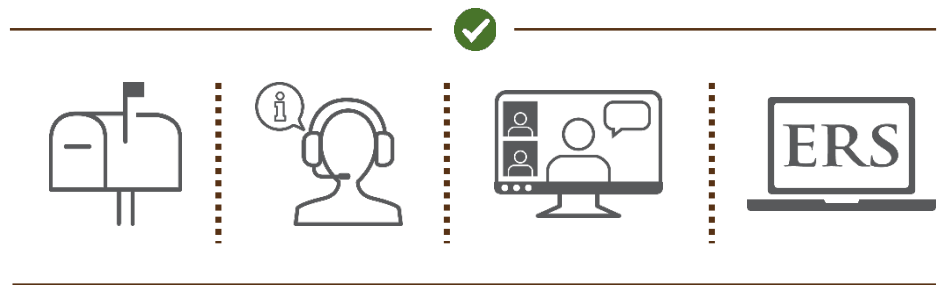
Executive Director Update

Plan Year 2021 Summer Enrollment



Enrollment support and resources

- Personal Benefits Enrollment Statement packets, mailed to all eligible members
- Customer Benefits' support by phone and email
- Expanded webinar schedule instead of in-person fairs
 - Presentations by ERS and Q&A sessions with plan administrators
- Additional support and information from plan administrators
- Online guide, webinars and regular updates for HR professionals



Executive Director Update

2020 Get Fit Texas State Challenge Results



The Challenge ended on March 29 and we are excited to announce that ERS came in first place for the third year in a row. Below are the agencies who finished in first place based on the number of FTEs:

# of employees	First Place Agency	% Participation	Minutes
5K+	Texas Department of Transportation	67%	17,701,144
1-5K	Texas Commission on Environmental Quality	78%	2,623,804
500-1K	Texas General Land Office	65%	496,974
201-500	Employees Retirement System of Texas	65%	804,972
51-200	Office of the Governor	100%	169,258
<51	Texas Board of Chiropractic Examiners	100%	26,330

Questions?

Public Agenda Item #33

Adjournment of the Board of Trustees Meeting

May 20, 2020