



Group Benefits Advisory Committee Meeting

October 3, 2018



Presented for Review

November 30, 2018

**GROUP BENEFITS ADVISORY COMMITTEE (“GBAC”) MEETING
EMPLOYEES RETIREMENT SYSTEM OF TEXAS**

October 3, 2018

**Brazos Conference Room
ERS Building – 200 E. 18th Street
Austin, Texas 78701**

GBAC PRESENT

Janet Bezner, Committee Chair, Texas State University
James Dobbins, Retiree
Dawn Heitman, State Soil and Water Conservation Board
Cynthia Jumper, Texas Tech University Health Science Center
Megan LaVoie, Office of Court Administration
Tom Lussier, The Lussier Group
Charlene Maresh, Department of Criminal Justice
Gene Snelson, Animal Health Commission
Gary White, Retiree
Harsh Zadoo, Department of Transportation

GBAC ABSENT

Missy Kittner, McLennan Community College

ERS STAFF PRESENT

Porter Wilson, Executive Director
Cathy Terrell, Deputy Executive Director
Paula A. Jones, Deputy Executive Director & General Counsel
William Nail, Special Projects & Policy Advisor
Jennifer Chambers, Director of Government Relations
Bernie Hajovsky, Director of Enterprise Planning Office
Robin Hardaway, Director of Customer Benefits
Diana Kongevick, Director of Benefit Contracts
Kathryn Tesar, Director of Benefits Communications
Machelle Pharr, Chief Financial Officer
Keith Yawn, Director of Strategic Initiatives
Lauren Russell, Director of Health Plan Operations, Group Benefits
Blaise Duran, Director of Actuarial and Reporting Services, Group Benefits
Nancy Lippa, Office of General Counsel
Amy Chamberlain, Office of Strategic Initiatives
Lacy Wolff, Health Promotion Administrator

Meeting of the Group Benefits Advisory Committee

1. OPENING REMARKS

Mr. Bernie Hajovsky, Director of Enterprise Planning, welcomed the committee members. Mr. Hajovsky noted that Ms. Janet Bezner was appointed committee chair by the Board of Trustees Chair in May 2018 and that Ms. Bezner would facilitate the meetings in accordance with the committee charter. Following committee member and ERS staff introductions, Mr. Hajovsky turned the meeting over to the committee chair.

2. HEALTH PLAN COMPARISON ANALYSIS

Ms. Lauren Russell, Director of Health Plan Operations, provided a comparative overview of public sector and private sector health plan designs and structures. The data included publically-available survey reports of health plans nationwide and survey data compiled by ERS staff of state government plans offering health insurance coverage to employees. Ms. Russell reviewed the types of health plans generally offered by employers, the plans chosen by employees, and plan cost information such as deductibles, premiums, and out-of-pocket maximums. Mr. Harsh Zadoo asked a question regarding the member's portion of the Group Benefits Program (GBP) dependent contribution for family coverage, and Mr. Blaise Duran responded that the member's portion of the GBP dependent contribution for family coverage is approximately one-third of the total contribution.

Ms. Russell also reviewed retiree health insurance coverage and cost data across various large private and governmental employer plans. Ms. Russell noted that government employers are more likely to offer retiree insurance coverage than large private sector employers, and that one-third of employers that offer retiree insurance coverage require the retiree to pay for the full cost of retiree coverage. Ms. Bezner asked about the impact of legislative funding on plan design and the availability of virtual visit network providers. Mr. Porter Wilson stated ERS staff and contracted vendors continually analyze actual experience data to ensure that plan design is aligned with funding levels, and Ms. Russell stated that HealthSelect of Texas (HealthSelect) and Consumer Directed HealthSelect (CDHS) participants can access virtual visit care from several thousand providers available through the Doctor on Demand or MDLive services.

3. PERCEPTIONS OF GBP PLANS

Ms. Diana Kongevick, Director of Group Benefits, provided an overview of recent GBP participant satisfaction data compiled by GBP vendors. Surveys are sent periodically to GBP health, dental, and vision plan participants to rate perceived levels of customer service, coverage and benefits, claims processing, and other plan aspects. Ms. Kongevick reported that overall participant satisfaction ratings for each of the benefit plans rated highly, with most plans receiving at least 90% satisfaction. Mr. Zadoo asked if the pharmacy survey results include a satisfaction assessment of retail pharmacies, to which Ms. Kongevick responded that the pharmacy survey data does not include retail pharmacy data.

Ms. Kongevick also addressed some of the challenges with last year's third-party administrator transition for the HealthSelect and CDHS plans. Ms. Kongevick noted network disruption spurred participant complaints initially after the third-party administrator transition; however, the number of complaints has decreased substantially since March 2018.

4. MANAGING COSTS OF THE GBP

Ms. Diana Kongevick and Mr. Blaise Duran, Director of Actuarial and Reporting Services, highlighted ways that ERS manages and controls program costs. Mr. Duran explained the most recent medical and pharmacy administrator contracts have yielded significant cost savings to the respective programs. Ms.

Kongevick noted that the GBP's largest health plan, HealthSelect of Texas, is modeled on a Point-of-Service plan design, which encourages plan participants to select a primary care physician (PCP) to help ensure appropriate care and avoid unnecessary services. Other strategies implemented to curtail plan costs include value-based contracting arrangements, the development and expansion of patient-centered medical homes, increasing copays for out-of-network freestanding emergency room visits, eliminating copays for virtual visits, and offering pre-diabetes prevention programs. Ms. Bezner asked if all network PCPs offer virtual visits, and Ms. Kongevick acknowledged that some providers do not have the technology or bandwidth to offer virtual visits for their patients.

5. HEALTH AND WELLNESS PROGRAMS OVERVIEW

Ms. Lacy Wolff, Health Promotion Administrator, discussed GBP wellness resources and possible strategies to assist leadership with educating participants on wellness program offerings available across the GBP health plans. Ms. Wolff outlined the behavioral components of the top five chronic conditions within the HealthSelect member population and how wellness programs offer flexibility for members to choose the program that best meets their needs.

Ms. Wolff highlighted the health and wellness education resources available to HealthSelect and CDHS participants, including: a personal, online wellness portal; the availability of wellness coaches; a fitness center discount program; two weight management programs; and tobacco cessation resources. In addition, Ms. Wolff reviewed wellness services and resources available to participants enrolled in the HealthSelect Medicare Advantage PPO and health maintenance organization (HMO) plans. Ms. Jumper suggested a review of electronic cigarette usage and how it may apply to any tobacco-related policies. Ms. Bezner asked about available resources for sleep and stress management, and Ms. Wolff noted that ERS is exploring resources to educate and assist participants in these areas.

6. DISCUSSION OF TOPICS FOR FUTURE MEETINGS

Mr. Bernie Hajovsky initiated the discussion of topics for potential consideration during future committee meetings. Ms. Bezner suggested a status update on the impact of opioids to the GBP and the measures taken to combat opioid usage. Mr. James Dobbins requested an examination of potential long-term crises that may affect the sustainability of the GBP. Mr. Zadoo suggested a review of a GBP participant's beginning-to-end experience with various program staff and vendors. Ms. Bezner requested a financial review of the diabetes prevention program and how diabetes-related conditions correlate to costs borne by the participant and the health plan. Mr. Tom Lussier suggested reviewing the cost savings of wellness programs and exploring the use of incentives or surcharges to spur increased participation in wellness.

Mr. Hajovsky thanked the committee for their suggestions and stated that staff will review all suggestions for consideration and possible discussion at future GBAC meetings.

7. SET DATE OF NEXT COMMITTEE MEETING

Ms. Bezner proposed three possible dates in March 2019 for the next committee meeting. The date of the next committee meeting was set for Tuesday, March 26, 2019.