

Meeting of the Board of Trustees

March 9, 2022



Public Agenda Item #21

Call Meeting of the Board of Trustees to Order

March 9, 2022

Public Agenda Item #22

*Consideration of the Minutes to the December 7, 2021
Board of Trustees Meeting - (Action)*

March 9, 2022

Questions?
Action Item

Public Agenda Item #23

Consideration of Texas Employees Group Benefits Program Update

March 9, 2022

Diana Kongevick, Director of Group Benefits
Blaise Duran, FSA, Actuarial and Reporting Services, Group Benefits

COVID-19 Update

Federal Public Health Emergency Extended



- On January 14, 2022, the federal Department of Health and Human Services extended the Public Health Emergency another 90 days – just before the most recent emergency period expired. This is the 8th federal extension.
- The agency further noted they will provide states with 60 day notice prior to any possible termination or expiration in the future.
- The notice announcement will allow plans to consider next steps for those coverage provisions in place only during the federal Public Health Emergency and prior to its expiration.

COVID-19 Update

New Antiviral Therapies



- In late December 2021, the FDA granted emergency use authorization for two new antiviral therapies, Molnupiravir and Paxlovid.
- The federal government pays the cost of the drug during the federal Public Health Emergency.
- The plan pays a dispensing fee to pharmacies to cover the cost of administration.

COVID-19 Update

At Home Over-the-counter Tests



- Effective January 15, 2022, plans must cover up to 8 rapid tests for each participant per month.
- ERS worked with OptumRx to offer direct coverage through HealthSelectRx.
- Availability of tests may be limited due to supply chain issues.
- Coverage of OTC rapid tests will be available through Medicare Part B and Medicare Advantage plans in early Spring.
- Until the Part B process becomes available, HealthSelectSM plans will cover Medicare retiree OTC at-home tests through the wraparound feature of the Employer Group Waiver Program (EGWP) at no cost to the patient.

COVID-19 Update

DeltaCare USA, Inc. Refund



- DeltaCare® USA is the fully-insured DHMO program offered through Delta Dental.
- Delta Dental recognized the COVID-19 pandemic affected the ability of patients to access care during certain periods of dental office closures and expressed their commitment to not profit from the pandemic.
- Delta Dental refunded more than \$980,000 to the GBP representing one month of total plan premium.
- Application of the refund will be included in the rate information provided at the May 11, 2022 Board meeting.

HealthSelect

PY22 COVID-19 Financial Impact



- With nearly three times the number of new Texas cases in January 2022 compared to January 2021, the Omicron variant significantly impacted PY22 financial projections.
- However, the average Omicron variant severity appears to be less with lower hospitalization rates as the previous surge despite the much larger number of cases.
- During the winter 2021 surge, the cost per case is estimated to be approximately \$1,000, which is down from the Delta surge \$3,000 cost per case last summer.
- The plan is expected to experience the highest COVID-19 pandemic costs to date during PY22, with costs projected at an estimated \$110 million. This cost includes testing and vaccine administration costs.

Non-financial Performance Measures

Group Benefits Program



Non-financial performance measures are provided in the following areas

Self-funded HealthSelect Plans

- Network Performance
- Competiveness of Benefits
- Utilization of Benefits
- Participant Satisfaction with self-funded HealthSelect Plans
- AMP Program

Added this year

- State of Texas Dental Choice (Dental PPO)

Non-financial Performance Measures

HealthSelect of Texas® Network



Measure	Benchmark	Current Period	Prior period
1) Claims paid in network	≥ 90%	94.2%	94.7%
2) Participants who selected a PCP	≥ 85%	88.6%	88.3%
3) PCP to participant ratio	≤ 31	23.5	24.7
4) Participants with access standard met	≥ 85%	90.7%	90.0%
5) PCPs accepting new patients	≥ 90%	94.6%	94.2%
6) Satisfaction with network	≥ 85%	90.5%	91.6%

Non-Financial Performance Measures

Competitiveness of Benefits



Measure	Benchmark*	Current Period	Prior period
1) Member Cost Share (MCS) as % of total cost	≤ 14.0%	11.0%	12.0%
2) Member contributions as a % of total cost	≤ 19.0%	14.0%	16.0%
3) MCS + member contributions as % of total cost	≤ 33.0%	25.0%	28.0%

* Willis Towers Watson 2021 Financial Benchmarks Survey, an annual survey of primarily large employers, comprised of 1,909 companies in 18 industry groups with fewer than 5% in public sector/education.

Non-financial Performance Measures



Utilization

Telemedicine utilization grew quickly, in part, due to provider acceptance and availability during the pandemic and remains strong. Virtual visit utilization also remains strong and appears appropriate given the increase in telemedicine.

Measure	Benchmark	Current Period	Prior period
1) Virtual Visit* Increase	≥ 25.0%	13.1%	78.2%
2) Telemedicine** Visits	NA	452,391	202,540

*Virtual Visits – through Doctor on Demand and MD Live.

**Telemedicine Visits – Remote provider visits through provider's platform.

Non-financial Performance Measures

Participant Satisfaction



Measure	Benchmark	Current Period	Prior period
Satisfied with the HealthSelect of Texas and Consumer Directed HealthSelect SM plans offered by ERS	≥ 85%	86.4%	84.9%
Satisfied with UnitedHealthcare's administration of HealthSelect PDP	≥ 85%	95.0%	96.0%
Satisfied with the UnitedHealthcare's administration of HealthSelect Medicare Rx	≥ 85%	98.0%	97.0%

Non-financial Performance Measures

AMP Program



Measure*	Benchmark	Current Period	Prior period
1) Health <u>A</u> ssessment Completion	≥ 20.0%	2.02%	1.73%
2) Weight <u>M</u> anagement Program Enrollment	≥ 5.0%	1.59%	1.50%
3) <u>P</u> reventive Visit Completion	≥ 70%	44.1%	38.9%

*Includes only active employees and their dependents age 18 and older.

Non-financial Performance Measures

State of Texas Dental Choice (Dental PPO)



Measure	Benchmark	Current Period	Prior period
1) Participants with access standard met	≥ 95%	97.3%	NA
2) Participants with a preventive visit	≥ 50%*	47.2%	45.1%

*Benchmark based on Willis Towers Watson dental specialist preference information and carrier observations

Questions?

Public Agenda Item #24

Consideration of the Board's Authority Under Texas Government Code Section 2269.053 to Delegate Responsibility for Approving "Job Order" Construction Projects that Exceed \$500,000 – (Action)

March 9, 2022

Cynthia Hamilton, General Counsel

Gabrielle Schreiber, Director of Office of Procurement & Contract Oversight

Public Agenda Item #25

Agency Update

March 9, 2022

Porter Wilson, Executive Director

Customer Benefits Update

“Action Beyond the Call” Initiative



- Update and progress on internal initiative “Action Beyond the Call”
 - Staff recruitment and retention
 - Vacancies and New Hires
 - Direct Hire Process for Contact Center
 - Market Review and Salary Analysis for other Departments in Customer Benefits
 - Improving call answer times
 - Improving processing times
 - Streamlining processes

Agency Update

Group 4 Cash Balance Retirement Benefit



- New employees joining the state workforce on or after September 1, 2022
- Implementation includes significant changes to technical systems, data interfaces, administrative rules, policies, procedures, communications and educational materials
- Multi-divisional effort requires considerable time investment from internal resources

Agency Update

Group 4 Cash Balance Retirement Benefit (cont'd)



Implementation Timeline

Effective Date

Process contributions & benefits

Propose rules

Train staff, payroll officers & coordinators

Communicate & educate on benefits structure

Move new code into production systems

Code & test changes to technical systems

Determine technical requirements

Mar

Jun

Sep

Dec

2022

Agency Update

FY21 GBP Annual Report



- 5th year of using flip-book format
- Cross-agency effort with staff from:
 - Group Benefits
 - Benefit Communications
 - Executive Office
 - Customer Benefits
 - General Counsel
 - Finance



Scan this QR code to link to the report.

Staying Connected Retiree Fairs

Scheduled for April 26 and 27



Biennial events for interaction and updates on benefits, new legislation

- Delayed and scaled back due to COVID and related issues
- Planning to hold both events at 1836 San Jacinto
- We hope to be back in DFW and Houston, as well as Austin, in fall 2023

Staying 
Connected

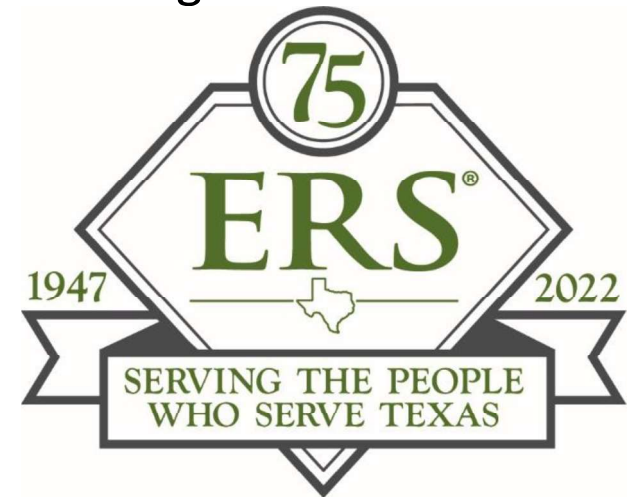
Join us if you can!

75th Anniversary



ERS began operations on Sept. 2, 1947. We're celebrating!!

- History book
- Collecting memories via ers.texas.gov
- Event in the fall
- Other activities



Stay tuned for updates ...

Strategic Planning – the next 75 years



- Looking ahead 5 to 10 years
- Engaging all of ERS for ideas and solutions
 - Short surveys to all staff
 - Brainstorming sessions with small groups
 - Facilitated large-group discussions and planning



2022 Get Fit Texas State Agency Challenge



The *2022 Get Fit Texas Challenge* kicked off on January 10, and runs through March 20, 2022.

ERS RANKINGS (mid-size agency)

2018 – 1st place

2019 – 1st place

2020 – 1st place

2021 – 1st place



This year we are going for the quintuple!

Questions?

Public Agenda Item #26

Executive Session

March 9, 2022

Executive Session



Executive Session – In accordance with Section 551.089, Texas Government Code, the Board of Trustees will meet in executive session to discuss: (1) security assessments or deployments relating to information resources technology; (2) network security information as described by Section 2059.055(b); or (3) the deployment, or specific occasions for implementation, of security personnel, critical infrastructure, or security devices. Thereafter, the Board may consider appropriate action in open session.

Public Agenda Item #27

Adjournment of the Board of Trustees meeting

March 9, 2022

Next Meeting Dates



Fiscal Year 2022 Meeting Dates:

Wednesday, May 11, 2022

Wednesday, August 24, 2022