



Group Benefits Advisory Committee Meeting

March 25, 2021



**Group Benefits Advisory Committee (GBAC) Meeting
Employees Retirement System of Texas
WebEx Virtual Meeting
March 25, 2021**

GBAC Present

Janet Bezner, Committee Chair, Texas State University
Jennifer Cawley, Texas Association of Life and Health Insurers
Barbara Cherry, Texas Tech University Health Science Center
James Dobbins, Retiree
Missy Kittner, McLennan Community College
Megan LaVoie, Office of Court Administration
Matthew Miller, Department of Motor Vehicles
Teresa Nelson, Department of Savings and Mortgage Lending
Jan Thomas, Lottery Commission
Gary White, Retiree
Sandra White, Department of Criminal Justice

ERS Staff Present

Porter Wilson, Executive Director
Cathy Terrell, Deputy Executive Director
Paula A. Jones, Deputy Executive Director & General Counsel
William "Shack" Nail, Special Projects & Policy Advisor
Jennifer Chambers, Director of Government Relations
Bernie Hajovsky, Director of Enterprise Planning
Robin Hardaway, Director of Customer Benefits
Diana Kongevick, Director of Group Benefits
Kathryn Tesar, Director of Benefits Communications
Machelle Pharr, Chief Financial Officer
Keith Yawn, Director of Strategic Initiatives
Lauren Russell, Group Benefits
Blaise Duran, Group Benefits
Nancy Lippa, Office of the General Counsel
Nora Alvarado, Group Benefits
Georgina Bouton, Group Benefits
Mary Jane Wardlow, Executive Office
Amy Chamberlain, Executive Office
Lacy Wolff, Executive Office
Kathy Checkley, Benefits Communications

Meeting of the Group Benefits Advisory Committee

1. Opening Remarks and Introductions

Ms. Bezner opened the meeting with committee member and staff introductions. The group welcomed Ms. Cherry, the newest member of the committee, to the meeting.

2. 2021 Legislative Session Outlook

Ms. Chambers provided a legislative update on matters with potential impact to the Group Benefits Program (GBP). Chambers noted that ERS is tracking all bills that would impact operations, contracts and coverage by the GBP health plans, including legislation on a member cost share cap for insulin; telemedicine coverage and reimbursement; pharmacy benefit manager matters; prior authorization for certain prescription drugs; and balance billing issues. Staff is analyzing legislation to determine the possible operational and financial impact to the GBP and will keep the committee informed on legislation throughout the session.

Ms. Cherry commented that telemedicine is a very important topic, especially in rural areas where access to medical care may be more limited than in metropolitan areas. Following a question from Ms. LaVoie, Ms. Kongevick explained that participants incur similar out-of-pocket expenses for telemedicine and in-person visits.

3. GBP Financial Update

Mr. Duran delivered the projected HealthSelect pharmacy and medical trend data for Plan Year 2021 relative to the previous plan year. Both the pharmacy and medical trends were expected to increase in 2021, with the combined trend projected around 15%. The increase in 2021 costs was expected as the net financial impact of the pandemic resulted in lower costs for the previous plan year and higher costs in 2021 due to treatment and vaccinations for COVID-19. In addition, temporary benefit enhancements were extended for HealthSelect plans to help participants access care, including:

- waiving the cost sharing for non-COVID-19 in-network medical and mental health virtual visits through May 2021;
- waiving the cost sharing for non-COVID-19 in-network provider-platform primary care and specialty telemedicine visits through May 2021; and
- waiving prior authorization requirements for hospital inter-facility transfers to lower levels of care through February 2021.

All of these factors contributed to the projected increase in health spending for Plan Year 2021.

4. Discussion of Infertility Coverage

Ms. Kongevick led the committee in a comprehensive discussion on infertility benefits, outlining the infertility benefits coverage within the HealthSelect plans, other self-funded health plans, and across private sector health plans. Kongevick noted the HealthSelect medical plans currently cover treatment of the underlying cause of fertility and excludes coverage of services such as artificial insemination and in vitro fertilization (IVF). The HealthSelect pharmacy plans exclude coverage for drugs, services or supplies used for IVF. Kongevick mentioned the infertility coverage exclusions within the HealthSelect medical and pharmacy plans were consistent with other governmental employer plans, noting that private sector employers are more likely to cover broader, more comprehensive infertility benefits, including IVF.

Kongevick provided data from a 2020 survey of more than 2,000 private sector employers conducted by Willis Towers Watson outlining fertility services covered beyond the diagnosis of infertility. The results are split, with half of the surveyed employers currently covering or planning to cover services such as IVF

in 2021. The other half of surveyed employers will consider covering these services in the future, or they do not plan to cover fertility services such as IVF at all. Of those employer plans that cover fertility services, many include lifetime limits on the medical and/or pharmacy plans to control costs. In addition, some employers require demonstration of infertility before covering fertility services.

Kongevick asked committee members if they had questions, and she also asked the committee to provide direction on next steps, specifically on whether ERS should continue to explore options for expanding coverage of infertility services for its participants. Ms. Bezner asked about the process ERS follows to prioritize benefit offerings and whether expansion of infertility coverage would require legislation. Kongevick responded that it is challenging to prioritize certain benefits over others, particularly those that are discretionary in nature, and that legislation is probably not needed to expand infertility coverage. In response to Ms. Cherry's question on the number of participants that would benefit from expanded infertility services, staff estimated that 200 to 1,000 participants could utilize infertility benefits in a given year. Mr. Dobbins asked about the possibility of offering infertility coverage on a voluntary basis, and Kongevick responded that infertility benefits such as IVF are not cost-effective for participants outside the health plan.

Following discussion of the agenda item, committee members offered suggestions to staff on next steps. Mr. White indicated he is not in favor of expanding infertility coverage, citing the small number of participants that may benefit from this coverage and the high cost associated with the benefits. Ms. Thomas referenced the survey data from other public and private employers and said the covered infertility services within the GBP health plans are appropriately aligned with other employers, as only half of private employers offer some form of expanded infertility benefits. Mr. Miller said there are benefits other than infertility coverage with potential impact to more participants that staff could explore. Cherry agreed and recommended staff pause efforts to expand infertility coverage, in part because the full impact of COVID-19 on health plan costs is unknown at this time.

Mr. Wilson thanked the committee for its input and reiterated that staff would not explore expanded coverage of infertility coverage based on the committee's recommendations.

5. Resources to Support GBP Participants

Ms. Wolff provided information on the breadth of wellness resources available to GBP plan participants. Wolff highlighted the wellness toolkits, videos and other content that wellness coordinators and plan participants can access from the ERS website. Wolff promoted the benefits of the monthly toolkits, noting that each month has a different theme for wellness.

Committee members indicated that wellness is promoted by leadership within their agencies and institutions, but communicating about the various wellness opportunities can be challenging. Wolff explained that ERS uses several strategies to communicate with other GBP entities, such as through wellness report cards specific to an agency or institution and meeting with leaders at other entities to promote wellness opportunities. ERS also communicates on wellness to employees and retirees through newsletters and webinars. The committee offered suggestions for increasing participant awareness of the wellness opportunities. Ms. Nelson suggested posting wellness flyers in agency and institution office buildings, and Ms. Cherry recommended that ERS provide periodic messaging to agency or institution leadership to pass along to their employees. Ms. LaVoie said that wellness emails from ERS to participants may be tagged as spam and never arrive in the recipient's inbox. Staff committed to exploring ways to mitigate the issue of email spam raised by LaVoie.

6. GBP News

Ms. Kongevick provided a status update on the long-term care offering. Procurement is a challenge with individual policies, but staff are working diligently with a consultant to finalize the long-term care offering for participants. Kongevick also mentioned that the ERS Board of Trustees approved a contract award for third-party administration of the TexFlex program to Payflex Systems USA, Inc. beginning in September.

Ms. Tesar gave a preview of Summer Enrollment activities for employees and non-Medicare retirees. Summer Enrollment will run from June 22 through July 23, with any benefit changes effective September 1. ERS will host webinars throughout the enrollment period, but it will not conduct fairs in-person due to COVID-19 precautions. Tesar also reminded the committee that the remaining GBP health maintenance organizations would be discontinued as of August 31.

7. Discussion of Topics for Future Meetings

Ms. Bezner asked that a recap of new legislation impacting the GBP be included on the agenda for the next meeting. Additional topics for future meetings will be solicited electronically prior to the next meeting.

8. Set Date of Next Committee Meeting

Three dates were proposed in the fall of 2021 for the next committee meeting. Following discussion amongst the committee, the date of the next committee meeting was set for the afternoon of Tuesday, October 5, 2021.