



# Group Benefits Advisory Committee Meeting

June 30, 2020



Presented for Review

August 28, 2020

**Group Benefits Advisory Committee (“GBAC”) Meeting  
Employees Retirement System of Texas  
Virtual Web Conference  
June 30, 2020**

**GBAC PRESENT**

Janet Bezner, Committee Chair, Texas State University  
Jennifer Cawley, Texas Association of Life and Health Insurers  
James Dobbins, Retiree  
Cynthia Jumper, Texas Tech University Health Science Center  
Missy Kittner, McLennan Community College  
Megan LaVoie, Office of Court Administration  
Matthew Miller, Texas Department of Motor Vehicles  
Teresa Nelson, Texas Department of Savings and Mortgage Lending  
Jan Thomas, Texas Lottery Commission  
Gary White, Retiree  
Sandra White, Texas 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 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 Group Benefits  
Kathryn Tesar, Director of Benefits Communications  
Glenda Workman, 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  
Lacy Wolff, Health Promotion Administrator  
David Lacy, Office of the General Counsel  
Nora Alvarado, Group Benefits  
Angelica Harborth, Group Benefits  
Mary Jane Wardlow, Executive Office

## **Meeting of the Group Benefits Advisory Committee**

### **1. Opening Remarks, Introductions and Welcome of New Members**

Ms. Bezner opened the meeting by welcoming the new members to the committee. Following introductions of all committee members and staff, Mr. Wilson thanked the members for their participation on the committee.

### **2. Overview of the Fiscal Year 2019 Group Benefits Program Report**

Ms. Chamberlain presented a summary of the most recent Group Benefits Program (GBP) annual report. Ms. Chamberlain's overview of the nationally-recognized report included the various programs included within the GBP, health plan enrollment and enrollment trends, population health and costs, steps taken to control costs, and best practices. Ms. Chamberlain discussed the most prevalent and costliest chronic conditions within the HealthSelect population, HealthSelect medical and pharmacy cost trends, actions initiated by staff to contain costs within the health plans and the significant increase in the number of virtual visits since 2017.

Mr. Miller asked if participants could receive a referral from a virtual visit provider to see a specialist, and Ms. Russell stated that participants must be referred to a specialist by their primary care physician. Ms. Bezner asked if the most prevalent and costliest conditions for ERS' health plans were consistent with other similar-sized plans, and Mr. Duran responded yes, stating back and joint pain, diabetes and heart disease were among the most prevalent and costliest medical conditions across many plans around the country.

### **3. GBP Updates**

Ms. Russell, Ms. Alvarado and Ms. Tesar updated the committee on COVID-19's impact on the health plans and participants. Ms. Russell and Ms. Alvarado covered the federal legislation and stimulus packages introduced to help employers and participants navigate the challenges of the COVID-19 pandemic. Ms. Tesar explained how the pandemic caused ERS to transition its Summer Enrollment fairs from in-person presentations to virtual events.

Ms. Kongevick provided updates to the committee on HealthSelect mental health services, HealthSelect coverage of diabetic supplies, and plan design changes for the State of Texas Vision Plan. Effective September 1, 2020:

- mental health services for the HealthSelect of Texas and Consumer Directed HealthSelect medical plans will transition from Magellan Healthcare to BlueCross BlueShield of Texas (BCBSTX);
- coverage for diabetic supplies under the HealthSelect plans will be added to the prescription drug program; and
- the annual vision in-network allowance for frames and contact lenses will increase from \$150 to \$200 under the State of Texas Vision Plan.

Ms. Kongevick concluded with a status update on the long-term care insurance offering. ERS employees are evaluating product designs and best practices in communication and enrollment for the long-term care offering, which should be operational by mid-2021 for membership to enroll.

#### **4. Updates from the May 20, 2020 Meeting of the ERS Board of Trustees**

Mr. Duran informed the committee of recently-approved actions by the ERS Board impacting the GBP. Mr. Duran noted that ERS issued a request for proposal in November 2019 for a Medicare Advantage Preferred Provider Organization (MA PPO) to provide medical-only coverage for Medicare-eligible participants. ERS received two proposals, and United Healthcare was awarded the 6-year MA PPO contract effective January 1, 2021. In a separate action, the Board discontinued Health Maintenance Organization (HMO) participation in the GBP effective as of September 1, 2021. HMOs tend to attract younger, healthier participants, creating a situation known as adverse selection, which can lead to higher premiums for participants enrolled in a HealthSelect health plan. Little disruption is expected for participants currently enrolled in an HMO since many providers in the HMO networks also participate in the HealthSelect network. Finally, the Board approved the Plan Year 2021 rates for many of the health and voluntary plans within the GBP. The HealthSelect and HMO plans saw slight decreases in rates, while rates for voluntary coverages such as dental and vision remained at Plan Year 2020 levels.

Mr. Miller verified that health plan participants could enroll in an HMO for Plan Year 2021, and Ms. Bezner asked if any of the health and voluntary plans experienced rate increases for Plan Year 2021. Mr. Duran confirmed that none of the plans experienced rate increases from Plan Year 2020 to Plan Year 2021.

#### **5. Tobacco Certification Policy**

Mr. Yawn discussed the history of the tobacco certification policy, which was introduced in 2011. The 82<sup>nd</sup> Texas Legislature established a monthly premium differential for GBP participants that use tobacco products. Since 2011, the prevalence of e-cigarette and vaping products have increased, and ERS and other public health plans re-assessed the definition of a tobacco product within their programs. Mr. Yawn thanked the committee for its input and recommendations to include e-cigarettes and vaping products under the revised tobacco certification policy, which was adopted by the ERS Board of Trustees at its March 2020 meeting. The changes to the tobacco certification policy are effective September 1, 2020, and GBP participants be able to certify tobacco usage under the revised definition during Summer Enrollment for Plan Year 2021. Communications on the revised tobacco language will be included in a variety of publications distributed to membership.

Mr. Dobbins asked if all GBP participants must re-certify as tobacco or non-tobacco users during Summer Enrollment. Staff confirmed that 100% re-certification will not take place, and current certifications will carry forward unless changes are made by the participant.

#### **6. Benefits Survey Results**

Mr. Hajovsky provided the committee with an overview of the results from the recent benefits survey conducted with assistance from the UT Institute of Organizational Excellence. More than 3,600 members and retirees responded to the survey launched in late 2019 to gain feedback on the group benefits programs. The results show that GBP benefits are very important to both members and retirees as noted below.

- 66% of respondents say the GBP benefits meet their needs
- 82% of respondents say their GBP health coverage meets their needs
- 85% of respondents say the GBP benefits are a valuable part of their compensation / retirement packages

Respondents also indicated the ERS website is the primary source for information on their benefits. Feedback from respondents provided opportunities for improvement to some of the voluntary plans within the GBP such as the dental and flexible spending account plans. ERS is reviewing all aspects of the

survey results and intends to use the feedback provided by membership to ensure the benefits programs meet the needs of the workforce.

## **7. Overview of HealthSelectShoppERS**

Ms. Russell and Ms. Harborth offered a preview of HealthSelectShoppERS, a new program offered beginning September 2020. Eligible HealthSelect participants can shop for certain cost-efficient, non-emergency services such as MRIs and lab tests that are eligible for an incentive through a shared savings approach. When a participant shops for and selects a cost-efficient provider to perform certain medical services, a portion of the cost savings realized by the health plan is passed onto the participant as an incentive for using the program. Incentives are made as employer contributions into the participant's flexible spending account, and a maximum incentive of \$500 per household can be earned each plan year. ERS employees and BCBSTX are developing messaging and communications to promote the new program to plan participants.

Following questions from Ms. Bezner and Mr. Miller, staff noted that the amount of the incentive paid to the participant correlates to the amount of savings realized by the health plan. Generally speaking, the greater the cost savings realized by the health plan, the greater the incentive that is paid to the participant.

## **8. Review of Discount Purchase Program Offerings**

Ms. Kongevick presented an overview of the Discount Purchase Program (DPP). Members and retirees have access to more than 700 discounted products and services through the DPP, which is administered by Beneplace. Prior to COVID-19, the most popular discounts included hotel accommodations, auto rentals, theme park admissions and movie tickets. Since the pandemic began, the DPP has experienced a shift in the types of products and services used by membership. The DPP has seen increased demand in home electronics, fitness and wellness options, online shopping resources and educational opportunities. Ms. Kongevick urged committee members to review and identify any gaps in offerings through the DPP that may be of interest to membership.

## **9. Discussion of Possible Incentives for Wellness Program Participation**

Ms. Wolff led the committee in a discussion on ways to incent participants to engage in GBP wellness programs. Ms. Wolff provided examples of existing wellness incentives in place to spur participation in healthy initiatives, as well as recent survey results outlining the factors that would motivate responding participants to engage in wellness activities. Ms. Wolff then prompted the committee to discuss non-financial incentives to motivate engagement in GBP wellness offerings.

Ms. White noted that promoting wellness opportunities to employees can be a challenge and asked if promotional flyers could be distributed through each agency's payroll department. Ms. Tesar mentioned the periodic newsletters and other publications sent to employees and retirees highlighting the various wellness programs available at no cost to participants. Ms. Bezner discussed the changes her institution implemented in the post-COVID environment to encourage employees to participate in wellness activities. Ms. Bezner noted that wellness participation has increased recently as wellness offerings such as nutrition classes and virtual exercise classes are now available online to everyone. The ongoing challenge is garnering support from management to promote employee wellness opportunities on a continual basis.

## **10. Discussion of Topics for Future Meetings**

Ms. Bezner initiated the discussion of possible topics for future meetings by requesting more detailed analysis of the results from the recent benefits survey. Staff intends to provide further analysis of the benefits survey to the committee at its next meeting.

Mr. Hajovsky mentioned that members are welcome to provide topics of interest in advance of the next committee meeting.

## **11. Set Date of Next Committee Meeting**

Ms. Bezner proposed three possible dates in October 2020 for the next committee meeting. Following discussion amongst the committee, the date of the next committee meeting was set for Wednesday, October 7, 2020.