

**Group Benefits Advisory Committee (GBAC) Meeting
Employees Retirement System of Texas
WebEx Virtual Meeting
October 7, 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, 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 Office
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

Other Attendee(s)

Anna Pulido, GBP Member

Meeting of the Group Benefits Advisory Committee

1. Opening Remarks and Introductions

Ms. Bezner opened the meeting with committee member and staff introductions.

2. Discussion of Fertility Benefits

Ms. Pulido presented the committee with information on fertility benefits. Ms. Pulido provided some of her first-hand experiences with fertility treatments and offered context on the financial cost of those treatments. Ms. Pulido asked for support in increasing awareness of infertility statewide and for consideration by the committee and ERS to expand fertility coverage within GBP health plans.

3. 2021 Legislative Session Outlook

Ms. Chambers provided a recap of recent legislative requests for information related to health care issues, including the SB 1264 (balance billing) implementation. Ms. Pharr noted the ERS health insurance program is in a strong financial position and that ERS would not request additional appropriations above its base funding level to maintain current benefits. Despite its strong financial position, Ms. Chambers anticipates legislative inquiries on COVID-19, telemedicine and potential cost savings ideas. Ms. Chambers noted the financial impact caused by COVID-19 statewide would likely play into funding for the upcoming legislative session. Ms. LaVoie indicated that court filing fee revenue was significantly down due to dramatic declines in the number of traffic violations around the state. Ms. Kittner cited a decline in student enrollment at many institutions of higher education due to COVID-19, which could have long-term effects for many institutions. Ms. Jumper emphasized the importance of making telemedicine available for GBP participants, particularly for those living in rural areas.

4. Discount Purchase Program Follow-Up

Ms. Kongevick and Ms. Alvarado reminded the committee of the Discount Purchase Program (DPP) offerings available to employees and retirees. The DPP has hundreds of offerings ranging from computers and vehicles to homeowner insurance and wellness products. There is no membership fee to access the products and services in the DPP, and no enrollment is necessary to participate. Ms. Kongevick urged the committee to review the DPP offerings and to offer recommendations for additional products or services that may be of interest to employees and retirees.

5. Benefits Survey Analysis

Mr. Hajovsky presented the high-level results of the benefits survey launched in late 2019. More than 3,600 employees and retirees responded to the survey, which was issued to gauge membership's perception of the health and voluntary plans offered within the GBP. The results show that GBP benefits are important to members and retirees, as evidenced by the responses 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

Ms. Chamberlain noted that health insurance is an anchor for respondents, with two-thirds of employees citing health coverage as a major reason why they intend to remain with their employer. Many respondents are also satisfied with major health plan elements, stating that premiums and out-of-pocket costs are reasonable and that the network of providers was adequate.

With respect to the voluntary plans, Mr. Hajovsky noted respondents were satisfied with many of these offerings, especially the optional life insurance. Responses were mixed, however, with dental insurance, as 40% of respondents were satisfied and 31% of respondents were dissatisfied with their dental insurance. Mr. Hajovsky also pointed out that the ERS website is the primary channel for employees and retirees to get information about their benefits.

Committee members offered their thoughts on possible questions for consideration for future benefits surveys, as ERS intends to periodically survey membership on their satisfaction with the health and voluntary benefits offered within the GBP.

6. GBP Updates

ERS employees updated the committee on several GBP matters, including

- discontinuation of the KelseyCare Advantage Medicare HMO plan (Kelsey);
- the status of the long-term care offering;
- the impact of COVID-19 on GBP health plans;
- changes to mental health benefits and the provider network;
- coverage of COVID-19 and flu vaccinations; and
- tobacco user enrollment.

Ms. Kongevick and Mr. Duran informed the committee that Kelsey would be discontinued effective January 2021. Kelsey's proposed rates for Plan Year 2021 were more than double the rates of the HealthSelectSM Medicare Advantage PPO plan, and to ensure compliance with a rider in the General Appropriations Act, Kelsey is being discontinued as a GBP offering. Following a question from Mr. Miller, Mr. Duran confirmed the Kelsey discontinuation results from a significant decrease in the Plan Year 2021 rates for the HealthSelect Medicare Advantage PPO plan.

The solicitation for long-term care is being drafted with a consultant. The long-term care offering could be available to GBP participants as early as August 2021. Once available, Ms. Kongevick noted that participants could enroll in long-term care at any time during the year.

Ms. Russell offered updates on COVID-19's impact to GBP health plans. Staff are still working to determine COVID-19's impact to the health plans due to lag time connected to receipt and processing of medical claims. The Fiscal Year 2020 trend for HealthSelect costs is projected between 2-3%, compared to a 5% trend for Fiscal Year 2019. Ms. Bezner asked for data on the total number of plan-paid COVID-19 tests.

Ms. Kongevick updated the committee on the transition of HealthSelect mental health services from Magellan to Blue Cross and Blue Shield of Texas (BCBSTX) effective September 2020. The transition to BCBSTX resulted in the addition of more than 10,000 network providers, giving participants more provider options for their needs.

Ms. Kongevick addressed the communications plans developed by ERS and BCBSTX to promote the availability of flu shot resources. A series of emails, articles and other notices were, and will be, sent to benefits coordinators at state agencies and institutions of higher education in September and October. Ms. Kongevick prompted the committee to consider two questions: would a similar communications approach be effective when a vaccination for COVID-19 becomes widely available, and should ERS consider other options for distributing COVID-19 vaccines when it becomes available? The committee agreed the approach ERS is using for flu shots seems applicable to communication and distribution of COVID-19 vaccines.

7. Discussion of Topics for Future Meetings

Ms. Bezner asked that a discussion of fertility coverage 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

Ms. Bezner proposed four possible dates in March 2021 for the next committee meeting. Following discussion amongst the committee, the date of the next committee meeting was set for the afternoon of Thursday, March 25, 2021.