

AGENDA ITEM DETAILS

Subject: Review and Discussion of the Group Benefits Plans Compliance and Operational Updates

Background/Analysis:

Texas Employees Group Benefits Program (GBP)

The Employees Retirement System of Texas (ERS) manages health insurance benefits on behalf of persons eligible to participate in GBP programs, according to the Texas Employees Group Benefits Act as set forth in Chapter 1551 of the Tex. Ins. Code. The GBP is a cost-efficient program providing more than half a million public employees, retirees and their eligible dependents with competitive, comprehensive insurance benefits. The program offers health insurance and prescription drug coverage, as well as voluntary benefits including dental, vision, life, and accidental death and dismemberment insurance plans, short and long-term disability coverages under the Texas Income Protection PlanSM (TIPP), and the TexFlexSM flexible spending account (FSA) program (TexFlex). ERS serves as the trustee for the Employees Life, Accident, and Health Insurance Benefits Fund within the GBP.

Texa\$averSM 401(k) and 457 Program

The ERS Board of Trustees is the trustee and the Plan Administrator for the Texa\$aver 401(k) and 457 Program (collectively known as the Texa\$aver program). The Texa\$aver program is a defined contribution program and operates solely in the interest of participants and their beneficiaries. The goal is to provide participants with diversified investment choices to meet the varying levels of needs and risk tolerance of participants. Texa\$aver investments are designed to supplement the defined benefit retirement annuity, since the retirement plan does not include cost of living increases.

Plan Management

As part of the oversight of these programs, ERS:

- ensures contract requirements are satisfied, services are performed in a timely manner, and financial interests of are protected;
- works with contracted vendors to design a plan with comprehensive benefit offerings, wellness programs, and educational tools;
- evaluates the effectiveness and efficiency of GBP programs through data analytics, research and regular evaluation of best practices,
- works with the Texa\$aver third party administrator to offer a plan that includes planning tools, financial and retirement planning education and advice, as well as a full suite of investment choices;
- evaluates the performance of the Texa\$aver program's core mutual fund options and collective investment trust offerings in partnership with the Product Review Committee, and
- evaluates the effectiveness and efficiency of programs through data analytics, research and regular evaluation of best practices

Each program has its own eligibility rules and processing requirements. This agenda item is specific to the health, prescription drug and certain voluntary coverages under the GBP as listed in the table below.

Category	Group Benefit Plans	Description
Medical Plans	HealthSelect of Texas®	Statewide Point of Service (POS) plan
	Consumer Directed HealthSelect SM	Statewide High-Deductible Health Plan (HDHP)
	Community First Health Plans	Regional Health Maintenance Organization (HMO) plans*
	Scott and White Health Plan	
	HealthSelect SM Medicare Advantage Plan	Statewide Medicare Advantage Preferred Provider Organization plan (MA PPO)
	KelseyCare Advantage Medicare Health Maintenance Organization	Regional Medicare Advantage HMO (MA HMO) plan**
Prescription Drug Plans	HealthSelect SM Prescription Drug Program	Prescription Drug Program (PDP)
	HealthSelect SM Medicare Rx Plan	Employer Group Waiver Plan + Wrap (EGWP + Wrap)
Sub-set of Voluntary Benefit Plans	State of Texas Dental Choice Plan SM	Voluntary Dental Preferred Provider Organization (PPO) insurance
	Dental Health Maintenance Organization (DHMO)	Voluntary dental DHMO
	State of Texas Vision Plan SM	Voluntary vision insurance
	Life insurance plans	Basic life insurance; optional and dependent term life insurance plans
	Accidental Death & Dismemberment (AD&D)	Voluntary AD&D insurance plan
	Texas Income Protection Plan SM	Voluntary Short-term and long-term disability
	TexFlex SM	Voluntary Flexible spending account
	Texa\$aver SM 401(k) and 457 Program	Voluntary Retirement Savings Program

* The Regional Health Maintenance Organization (HMO) plans are not offered after August 31, 2021.

** The Regional Medicare Advantage HMO plan is not offered after December 31, 2020.

Contracting and Vendor Performance Management

ERS is committed to providing access to competitive and comprehensive benefits at a reasonable cost by managing the GBP and optional benefits in a way that is compliant with regulations and offers the best value to members and participants. ERS manages this commitment through the development and administration of effective vendor Contracts. Exhibit A provides an overview of the contract monitoring process in use by the Group Benefits division plan managers.

Plan-Specific Updates

Exhibits B through E include plan-specific information, compliance information, and key statistics for medical plans, prescription drug plans, and a subset of voluntary benefit plans. This information is intended to provide the members of the ERS Board of Trustees with a comprehensive and accurate report of the performance of each GBP plan and the corresponding contracted vendor.

This agenda item is presented for information purpose only. No action is required.

ATTACHMENTS:

1. Exhibit A – Group Benefits Division Plan Manager Contract Monitoring Overview
2. Exhibit B – GBP Medical Plans Updates and Compliance Overview
3. Exhibit C – GBP Prescription Drug Plans Updates and Compliance Overview
4. Exhibit D – Sub-set of GBP Voluntary Plans Updates and Compliance Overview
5. Exhibit E – GBP and Deferred Compensation Enrollment Information
6. Slides - GBP Compliance and Operational Updates