

TRS Board Awards New Health Care Provider Contracts

During its first meeting of the new year, the Teacher Retirement System of Texas (TRS) Board of Trustees voted to switch administrators for its medical benefits programs. TRS, which is ending its contracts with Aetna and Humana, selected BlueCross BlueShield of Texas (BCBSTX) to provide service for both TRS-Care Standard and TRS-ActiveCare and United Healthcare (UHC) for Medicare Advantage.

Unfortunately, TRS failed to involve stakeholders or hold meetings with organizations that would have allowed TSTA to communicate member concerns prior to this vote and announcement last Friday. There will be more information coming from TRS on the new plans, including tools to help retirees determine if their medical providers are a part of the new network.

This is what we know for sure:

	Provider	Transition Date
Active Employees	BlueCross BlueShield	09/01/2020
Retirees Under 65, non-Medicare	BlueCross Blue Shield	01/01/2021
Retirees 65+, Medicare eligible	United Healthcare	01/01/2021

TRS is the second-largest purchaser of health care of Texas (after the Medicaid program) and, collectively, the benefits contracts cover more than 700,000 participants. Before the board entered executive session to discuss the proposals, TRS Chief Health Care Officer Katrina Daniel emphasized the magnitude of the contracts and the importance of the board's decision. According to Daniels, to assist with the decision, an internal evaluation committee considered thirteen proposals from the industry.

These developments are very new and we hope that TRS will be responsive to our members concerns. A TRS timeline for the healthcare contracts provided by the agency can be found under TSTA's Education News or by clicking here: <https://tsta.org/wp-content/uploads/2020/02/2020TRS-Com-Plan.pdf>.

According to TRS, the new contracts are expected to save \$754 million across all health plans over the next three to five years. TRS is hoping that the savings from changing health care providers will shape up its struggling medical benefits program. As of August, TRS reported in its 2019 annual report that its medical benefits program for retirees is just 2.7% funded.

TRS has stated that UnitedHealthcare will offer a larger selection of providers for TRS-Medicare Advantage participants to choose from, and 99% of the providers that TRS-Care participants use the most are in the network. Specifically, TRS says that retirees will continue to be able to see

any provider who accepts Medicare who is willing to bill United Healthcare. There have been concerns online related to Houston-area providers and we will continue to monitor large provider networks across the state.

TSTA is pleased that TRS has reported that premiums and benefits remain unchanged next year. While TSTA does hope that the savings the system is seeing from the procurement will result in reduced out-of-pocket expenses for participants, we cannot confirm how the savings will be applied at this time. All presentations made to the board by vendors were reviewed in closed session.

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Links of Interest:

For more information on the 2020-21 TRS-ActiveCare Transition to BCBSTX visit:

https://www.trs.texas.gov/Pages/healthcare_tractivecare_2020-21.aspx

For more information on the 2021 TRS-Care Standard Vendor Transition visit:

https://www.trs.texas.gov/Pages/healthcare_trscare_standard_2021.aspx

For more information on the 2021 TRS-Care Medicare Advantage Vendor Transition visit:

https://www.trs.texas.gov/Pages/healthcare_trscare_medicare_2021.aspx