



## **CT TEACHERS' RETIREMENT BOARD**

765 ASYLUM AVENUE HARTFORD, CT 06105-2822

Toll free 1-800-504-1102 (860) 241-8400 Fax (860) 241-9295

“An Affirmative Action/Equal Opportunity Employer”

[www.ct.gov/trb](http://www.ct.gov/trb)

**Wednesday, May 21, 2014**

**2:00 pm**

The meeting of the Teachers' Retirement Board was called to order at 2:03 pm by Chairperson Clare Barnett on Wednesday, May 21, 2014 at 765 Asylum Avenue, Hartford, CT.

### **BOARD MEMBERS PRESENT:**

Clare Barnett, Teacher Member  
William Myers, Teacher Member  
Michael Freeman, Teacher Member  
Maureen Honan, Teacher Member  
Clifford Silvers, Public Member  
Jonathan Johnson, Public Member  
Elaine Lowengard, Public Member  
Eugene Cimiano, Public Member  
Lee Ann Palladino, Designee (Office of the Treasurer)  
Gregory Messner, Designee (Office of Policy and Management)

### **BOARD MEMBERS NOT IN ATTENDANCE:**

Rosalyn Schoonmaker, Teacher Member  
Al Bredehorst, Teacher Member  
Charles Higgins, Public Member  
Kathy Demsey, Designee (State Department of Education)

### **STAFF PRESENT:**

Darlene Perez, TRB Administrator  
Lou Laccavole, Fiscal Administrative Supervisor  
Anne Scanlon, Administrative Assistant  
Suzan Chasse, Fiscal Administrative Assistant  
LaToya Edwards, Financial Clerk

### **OTHERS PRESENT:**

Dr. Joseph A. Fields, TRB Benefit Consultant  
Christina Gellman, Office of Fiscal Analysis  
Robyn Kaplan-Cho, Connecticut Education Association  
James Stirling, CEO, Stirling Benefits, Inc.  
Richard Follman, Association of Retired Teachers of Connecticut

**Open meeting – Chairperson**

Chairperson, Clare Barnett

**1. Agency Report.**

No

**2. Approval of the April 30, 2014 Meeting Minutes.**

A motion was made and seconded to approve the April 30, 2014 minutes. All members voted in favor with 2 abstentions (Clifford Silvers and Maureen Honan).

**3. Consideration and Approval of the Administrator's Actions regarding:**

- a. Survivor benefits for the month of April, 2014.
- b. Reports & recommendations of the Medical Review Committee regarding applications for Disability Payments as presented to the Medical Review Committee at the May, 2014 meeting.

Motion was made and seconded to approve the survivor benefits for the month of April, 2014, and applications for a disability allowance for the month May, 2014. All members voted in favor and the motion was passed.

**4. Consideration and Approval** of recommendation from the Vendor Selection Sub-Committee for the Vendor to administer the Employer Group Waiver Plan (EGWP+Wrap).

Presented by: Dr. Joseph Fields, the TRB Benefits Consultant.

The Sub-Committee (Maureen Honan, William Myers and Eugene Cimiano) participated in vendor selection presentation meetings.

The EGWP program is coordination between Medicare Part D (prescription) and our current program. With the EGWP program we can get very close to replicating the current plan at a cost of approximately \$19,000,000 less than what we are currently spending. This savings would amount to \$826 per member per year and would reduce the expected premium (1/3 paid by state, 1/3 paid by member and 1/3 paid by active teacher contribution) by approximately \$24 per month for the upcoming year.

Differences:

Additional tier of benefits provided – maintenance drug at retail. Member would be able to purchase a 90 day supply at their local pharmacy at a mail-order rate rather than at a retail rate.

High income tax and low income subsidy tax associated with the program: For those who make less than \$125,000 in retirement the tax is more than offset by

reduction in premium. For those who make more than \$125,000 (less than 1% of retirees) tax is also offset by the reduction in premium. For those who make less than \$33,000 in retirement there will be a subsidy that will affect the amount they pay at the pharmacy in that it would eliminate their copay. Retirees making \$200,000+ see a negative effect due to the tax. Since a majority of our retirees have a pension in the upper five figures, this program would be beneficial due to the lower out of pocket expense associated with the program.

All of the covered drugs will still be covered. Some will be expanded to equal the Medicare formula plus a “wrap” will make sure all covered drugs will still be covered.

TRB received bids from 5 potential vendors. The two finalists were Express Scripts and CIGNA. The committee voted in favor of Express Scripts who specializes in the EGWP program.

With the EGWP program the amount of payment from the federal government is almost twice that of a subsidy program. (Federal subsidy, under the EGWP will cover 95% of the prescription cost)

Target date to implement program is January 1, 2015, the beginning of the plan year.

An Express Scripts representative will accompany Dr. Fields to active and retired teacher groups to explain the changes and what it means for them as members of the plan.

Express Scripts will create the documents, such as the formulary list, for the members including post cards advising members that Express Scripts is the new program and to expect future correspondence directly from the company. Express Scripts will set up a customer service call center to specifically address TRB questions and concerns.

Clare Barnett, Chairperson, expressed a desire to have meetings at TRB with the leadership of the various union groups and other organizations who have participants in TRB to introduce the program.

Dr. Fields stated that the largest risk is a determination by the Federal Government that they would no longer wish to support the subsidy at the level they currently provide.

Any surplus generated as a result of the reduction in cost would be the monies that go into the Trust, this would be the sustainable portion per Clare Barnett, Chairperson.

Motion was made and seconded to approve the recommendation from the Vendor Selection Sub-Committee designating Express Scripts as the Vendor to administer the Employer Group Waiver Plan (EGWP+Wrap). All members voted in favor and the motion was passed.

**5. Consideration and Approval to:**

- a. Adopt the Medicare Part D deductible for the TRB sponsored prescription plan, and
- b. Eliminate the copayment on generics, and
- c. Change the Maximum OOP to the Medicare Part D deductible + \$750 in coinsurance payments (\$1070 for 2015) for the TRB sponsored prescription plan, and
- d. Make the dental plan mandatory for new enrollees effective January 1, 2015.

Presented by Dr. Fields:

We would like to tie the plan deductible to the Medicare deductible which is currently \$320 compared to our plan deductible of \$250. To offset this cost we would like to eliminate the employee cost share associated with generic drugs.

Maximum OOP of \$1070 (rounded to \$1100 as referred to in the Agenda) isn't really a change in the co-insurance. Proposal is to keep the level of co-insurance the same and mirror the Medicare Part D deductible, since we are moving the teachers' into the Medicare Part D prescription program.

Making the dental plan mandatory for *new enrollees* will deter members from using the maximum service for the year, leaving the plan for a period of time and re-entering at a later date. This will now become part of the TRB program and members will not be allowed to leave the dental program unless they drop the entire program. The member would not be allowed to re-enter the program for two years unless there was a life event that disqualifies them from participating in another health insurance plan.

Per Darlene Perez, Administrator: We are not redefining what the Board has adopted as the base plan, medical with prescriptions. We are asking that the Board consider "bundling" everything into one package; medical, prescriptions, vision, hearing and dental.

Motion was made and seconded to approve the elimination of copayment on generics, change of the prescription plan deductible to mirror the Medicare Part D deductible and to make the dental plan mandatory for new enrollees effective January 1, 2015. All members voted in favor and the motion was passed.

A motion was made and seconded to change the time of the June 18, 2014 meeting from 10:00 am to 2:00 pm. All members voted in favor and the motion was passed.

**COMMENTS FROM OBSERVERS**

Richard Follman, ARTC (Association of Retired Teachers of Connecticut) asked if Express Scripts is a separate division that only handles this particular area and do we have a TRB service group to answer member questions. Per Dr. Fields, the service area is a separate physical structure servicing Medicare/EGWP only facility. Phone lines will be set up specifically for TRB access. Mr. Follman asked for clarification regarding the increase

to the member's Out Of Pocket. Darlene Perez, Administrator explained the increase in OOP from \$1000 to \$1070 is the proposed deductible (\$320) plus the customary \$750.

Chairperson, Clare Barnett expressed her gratitude to Dr. Fields for his service and expertise provided to the Board.

**ADJOURNMENT – 3:06 PM**