



CT TEACHERS' RETIREMENT BOARD

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MINUTES **June 12, 2024**

A regular meeting of the Teachers' Retirement Board was held virtually on June 12, 2024. The meeting convened at 3:00 p.m.

BOARD MEMBERS PRESENT:

Clare Barnett, Chair, Retired Teacher Member
William Myers, Vice-Chair, Retired Teacher Member
Carrie Cassady, Active Teacher Member
Joslyn Delancey, Active Teacher Member
Lisa Heavner, Public Member
Charles Higgins, Public Member
Kathleen Holt, Public Member
Jonathan Johnson, Public Member
Mary-Beth Lang, Retired Teacher Member
Stephen McKeever, Active Teacher Member, AFT
Gregory Messner, Office of Policy and Management
Keith Norton, State Department of Education
Edwin Vargas, Retired Teacher Member
Ted Wright, Office of the State Treasurer

ABSENT:

Jon Moss, Active Teacher Member

STAFF PRESENT:

Helen Sullivan, Administrator
Charlene Hill, Assistant Administrator
Bob Ribera, Fiscal Administrative Manager
Amanda Harley, Retirement & Benefits Officer
Naomi Calvi, IT Analyst

ALSO PRESENT:

Bruce Barth, Robinson & Cole
John Garrett, Cavanaugh Macdonald
Ben Mobley, Cavanaugh Macdonald
Christopher Santore, Marcum
Terry DeMattie, Segal Consulting
Jennifer Slutzky, Segal Consulting
Steven Manning, Segal Consulting
Karen Nolen, OPM
DeDe Raybuck, UHC
Nicolette Niedzwiecki, OFA
Tammy Gowash, ARTC
Kathy Hennessey
Judy Small
Kathy M.
Norma Cherry
Anne Skandera
Sue Hart
James Cotter
Mary Moninger-Elia
Maira Schiffer
Patty Linardos
Joe Ebisa
Harry Kropp
Thomas Danehy
Careen Jennings
Barbara Kmetz
Mimi Herald

Sue Hart
Cathy Dagostino
Mary Hendrickson
Barbara Josephson
Noreen & Jack Scafuri
Paula Bacolini
Lucille Furey
Fonda Green
Andrea Paoletta
Martha Williams
Rita McDougald-Campbell
Cheryl Prevost
Robin Rockafellow
Susan Schmidek
Janet Stroble
Sara Kemmer
Judy S.
Lorraine Trink
Barbara Oppedisano
Mary Ellen Minichiello
Linnea Stenberg
Janess Coffina

Call to Order

Chairperson, Clare Barnett called the regular meeting of the Teachers' Retirement Board to order at 3:00 p.m.

1. Approval of the June 30, 2024 Credited Interest

John Garrett and Ben Mobley, Cavanaugh Macdonald Consulting, LLC presented to the board the interest rates to credit mandatory and voluntary contributions to members' accounts at the end of the fiscal year. The rate of interest credited to members' mandatory contributions is set by the board with the enactment of Public Act 19-117. The calculation used to credit the voluntary account relies directly on the actual fiscal

year to date rate of return published by the State Treasurer's office and the 6.9% assumed rate of return of the Plan.

The interest rate of return for the mandatory contributions is 4.0%

The interest rate of return for the voluntary contributions is 9.80%

A motion was moved by Bill Myers and seconded by Joslyn Delancey to approve the June 30, 2024 credited interest to be posted to members' accounts. All members voted in favor and the motion was passed.

2. Approval of the Independent Audit Report for GASB No. 68 and GASB No. 75 reports as of June 30, 2023.

Christopher Santore, Marcum, LLP presented the Independent Audit reports for GASB No. 68 and GASB No. 75 (OPEB) reports. In their opinion, the schedule of employer allocations and schedule of pension and OPEB amounts by employer presents fairly, in all material respects, the expected employer contribution effort for allocation purposes, the State of Connecticut's proportionate share of the net pension and OPEB liability associated with the employer, and the employer pension and OPEB expense and revenue of all participating entities for the Connecticut Teachers' Retirement System as of and for the year ended June 30, 2023.

A motion was moved by Charlie Higgins and seconded by Jonathan Johnson to approve the Independent Audit reports for GASB No. 68 and GASB No. 75 (OPEB) as of June 30, 2023. All members voted in favor and the motion was passed.

3. Approval of the April 17, 2024 Board Meeting Minutes:

A motion was moved by Keith Norton and seconded by Charlie Higgins to approve the meeting minutes for April 17, 2024. All members voted in favor and the motion was passed.

4. Approval of the Health Insurance RFP Subcommittee recommendation.

Bill Myers, Board Vice-Chair and Chair of the Health Insurance RFP Subcommittee provided information regarding the Health Insurance RFP committee. Along with himself, he advised that the members of the subcommittee included active teacher Carrie Cassidy, public appointed members, Kathy Holt and Jonathan Johnson, and ex-officio member from the Office of Policy & Management (OPM), Greg Messner. They were supported by Administrator, Helen Sullivan, Terry DeMattie and her team from Segal Consulting and legal counsel Bruce Barth. Each committee member signed a confidentiality agreement and met as needed to discuss the proposals.

Kathy Holt advised that the committee carefully analyzed and discussed the proposals. The bidding insurance companies were asked for their best and final offers for the three-

year contract with annual pricing for each year. Kathy provided detailed information on how the committee compared and contrasted a great deal of detail for each bid including but not limited to bottom line rates, claims experience, issues with prior authorizations and denials, the medical and drug formulary disruption for the county and the country and specifically for CT, FL and MA where the majority of TRB members live as well as service quality, and performance guarantees. Through the RFP process, the committee learned that the cost of health insurance coverage will be sky rocketing. More than 80% of these price increases are being driven by the Centers for Medicare and Medicaid Services and therefore, are completely out of the board's control. Kathy provided additional information on what is driving these costs, which is largely the current volatility of yet unknown impacts from the inflation reduction act. The early in the year timing of our RFP and these changes create market uncertainty at this time, causing carriers to hedge pharmacy rate quotes.

Greg Messner advised that the result of the changes Kathy spoke about is that there will be significantly higher rates going forward. One alternative the board has for this procurement is to extend the current contract for one additional year at new rates. These new rates will also have the same market impacts that we have just been discussing. Our hope is that with a little bit of time some of the uncertainty around the inflation reduction act will allow rates to come back down. Based on the volatile nature of the current market and the risks associated with going into a three-year contract, the committee is recommending that we pull this RFP and instead reissue it next year. In the meantime we award a one-year extension to UnitedHealthcare.

A discussion followed.

A motion was moved by Edwin Vargas and seconded by Steve McKeever to extend the United Healthcare contract for one year and for the committee to continue their role in trying to obtain the best contract. All members voted in favor and the motion was passed.

5. Agency report provided by Administrator Helen Sullivan:

Legislative Update:

It was a very short session. We had some technical changes that didn't make it through this year. We will keep working on those for next year.

Dental RFP Update:

There was a technical posting issue. We had to repost the RFP. It is now closed. It closed May 31, 2024. The committee will reconvene, and we will have a meeting in July to approve the rates and the vendor.

UHC and Trinity Health NE Update:

The negotiations between UHC and Trinity Health are ongoing. There has been no indication that Trinity will not see our members as we have a passive network. The passive network means that as long as the provider accepts Medicare, and they are willing to bill the carrier it should be okay. There is information posted on our website and the UHC website which is updated weekly.

CORE-CT Update:

We have had some movement on the CORE-CT project. Helen thanked the TRB team for going above and beyond expectations on this project. There have been several bumps in the road that we had to work through. Last weekend, the agency worked most of the weekend to make sure the data was converted over for pre-phase 1 of the project. We are going to be utilizing the Avaya phone system and our Customer Relations Manager (CRM) effective June 17, 2024. When members call in, our phone systems will be linked to CORE. Members will be instructed to input their SSNs, and their information will pop up on the screen for staff to view. When customer service-related information such as forms come in, they will be tracked in CORE instead of FileNet which we currently use. Helen asked for everyone's patience as the staff learns this process. There will be no impact on member benefits, payroll, contributions, or retiree health. There is no specific timeline for when the other aspects of CORE will be launched. It is going to be a long and tedious project for everyone involved. We need to make sure that payroll, retiree benefits, and contributions are managed and put into the system correctly. Helen thanked the TRB staff for their hard work and dedication. The agency is a total of 24 people, and everyone has a part in this, stating that she cannot speak enough about the team and how great it is to be working with them every day. She wanted to make sure the board was aware and recognized the IT staff and everyone at TRB for all of their work on this project.

A discussion followed.

6. Approval to transfer members' Accounts Deemed Abandoned

Member's accounts are deemed abandoned following twenty-five years of inactivity, or ten years for non-vested inactive members to the Pension Reserve Account, in accordance with Section 10-183ee of the Connecticut General Statutes to the Pension Reserve Account.

A motion was made by Joslyn Delancey and seconded by Mary-Beth Lang to transfer members' accounts deemed abandoned following twenty-five years of inactivity, or ten years for non-vested inactive members to the Pension Reserve Account, in accordance with Section 10-183ee of the Connecticut General Statutes to the Pension Reserve Account. All members voted in favor and the motion was passed.

7. Approval of the Annual Resolution Renewal

The annual resolution renewal authorizes the TRB Administrator, Assistant Administrator, and Fiscal Administrative Manager to negotiate and/or execute all contracts, agreements, drafts, warrants and any such other arrangements necessary to operate or conduct the business of the Connecticut Teachers' Retirement System and for the payment of any benefits permitted or required.

A motion was made by Edwin Vargas and seconded by Charlie Higgins to authorize the TRB Administrator, Assistant Administrator and Fiscal Administrative Manager to negotiate and/or execute all contracts etc., and any other such arrangements necessary to operate or conduct the business of the Connecticut Teachers' Retirement System. All members voted in favor and the motion was passed.

8. Approval of the Annual Resolution Renewal of the Medical Review Committee

The Medical Review Committee consists of a panel of doctors who review and render decisions to approve or deny disability applications.

A motion was moved by Charlie Higgins and seconded by Jonathan Johnson to renew the Medical Review Committee Resolution. All members voted in favor and the motion was passed.

9. Approval of the July 202 COLA increase for pre-September 1, 1992 members

The July 2024 COLA increase for members who retired prior to September 1, 1992 is TBD pending information from the Consumer Price Index (CPI).

A motion was moved by Keith Norton and seconded by Ewin Vargas to approve the July 2024 COLA as determined by information from the CPI for the pre- September 1,1992 members. All members voted in favor and the motion was passed.

10. Approval of the Administrator's actions regarding:

- a. Granting of service retirement benefits for the months of April and May 2024.
- b. Survivor benefits for the months of April and May 2024.
- c. Reports & recommendations of the Medical Review Committee regarding applications for Disability Payments as presented to the Medical Review Committee at the April and May 2024 meetings.

A motion was moved by Edwin Vargas and seconded by Mary-Beth Lang to approve the granting of service retirement, survivor benefits and applications for a disability

allowance for the months of April and May 2024 . All members voted in favor and the motion was passed.

MATTERS FOR THE BOARD INFORMATION:

Retirement Statistics for the months of November and April and May 2024.

Chairperson, Clare Barnett advised that the September board meeting is being moved to September 25, 2024. In addition, the board will need to meet in July and August to vote on the dental RFP and the medical rates. Specific dates have not been determined yet. We will not meet in October due to the meetings that are taking place with the health insurance open enrollment and retiree group meetings.

PUBLIC COMMENTS:

Tammy Gowash advised that herself and other public members were not able to use the dial in number to call into the meeting.

Mary Moninger-Elia questioned the increase in premiums and wondered what is driving the cost for the need for an increase.

Mary Hendrickson asked what movement is expected in August and shared how Medicare Advantage plans have negatively impacted the health fund we call Medicare. Mary asked the TRB to lobby for fairness in pricing.

ADJOURNMENT:

With no other comments, a motion was moved by Keith Norton and seconded by Joslyn Delancy to adjourn the meeting. All members voted in favor and the motion was passed. The meeting was adjourned at: 4:07 p.m.