CONNECTICUT TEACHERS' RETIREMENT BOARD
TRB BOARD MEETING
FEBRUARY 19, 2025

Clare B.: 15:53 Welcome, everybody. It's, uh, the February 19 meeting of the Teacher Retirement Board. Um, our first, our first item on the agenda is the approval of GASB Number 67 and 68. Now remember, um, GASB does the pension. That's the Government Accounting Standards Board. They're in Norwalk, Connecticut. All right? The Government Accounting Standards Board is just one group of, um, indi-, uh, of a oversight group that, uh, promotes, uh, you know, kind of the best practices for, uh, boards – for government boards. The, um – their, their counterpart would be FASB, the Federal Accounting Standards Board, and that would be, um, private sector groups, uh, who have pensions and healthcare and other things that they offer. So they promote, uh, every so often a series of, um – uh, these are called numbers but they're, they're literally entire reports in which they, uh, promote practices. And when those practices are then accepted, then they become something that the boards themselves, whether the federal or the government, um, actually will adopt and, and use with their own pension plans. So the first is on the pension. And then of course OPEB, which will be the next group, is Other than Post-Employment Benefits. Those are healthcare. So it's the pension. And then for us the largest group of OPEB is healthcare. So, uh, in a way of an introduction. I'm all set. Are our actuaries all set on Item Number 1?

Todd G.: Yes, Clare, we're here. Can, can you guys hear me?

Todd G.: Can you guys, can you guys hear me? Okay. Um, I apologize. I can't get my camera to work. I'm on my phone and it's putting me on safe driving mode for some reason. But, uh, can you see the presentation? Uh, can you guys see the presentation?

Clare B.: I'm not seeing it. I have it.

Clare B.: I can see it now.

Helen: Todd, we're good.

Todd G.: Okay, great. Um, okay. As, uh, as, as Madam Chair, uh, mentioned, we're here today to present the GASB 68 – or 67 and 68 results which are for the, the pension plan. And then also the GASB 74 and 75 which are for the OPEB plan but also the, the funding valuation for the OPEB as well. Um, I'm gonna do the GASB 67 and 68 then I'm gonna turn it over to Alisa Bennett who's gonna go over the OPEB slides. So, uh, if we go to, uh, the first slide in the presentation? There we go. So as previously mentioned, um, these are for the GASB report. So, uh, keep in mind these are separate from funding calculations, and they are strictly used for, um, the annual comprehensive financial report disclosures. Um, their, their slight differences are, um, uh, they just – basically it's the same information but different, uh, terminology. So when they talk about things – uh, and they also – um, they don't use smooth assets so everything's market value as well. Go to the next slide? You'll see – uh, here we call the total pension liability, which is, uh, the si-, very similar to the actuarial accrued liability. Or it is the actuarial accrued liability. It's just a, a different terminology for it. Um, they also use the words, uh, f-, uh, fiduciary net position which is their terminology for market value of assets. And then we have the net pension liability, which is the NPL, which is equal to the total pension liability minus the funded net position. And that is similar to what you would call in your, uh, funding valuation the unfunded accrued liability.

If we go to the next slide? So, uh, here are the principle results for, uh, GASB, uh, 67 and 68. So you'll see there's 2 columns. We have, uh, June 30, '24, uh, for this year's results, um, and June 23 is for last year's results. So, so for GASB 67 purposes, the measurement date is June 30, 2024, and for GASB 68, the reporting date if for June 30, 2025. So, uh, what, what that lag allows employers who need to book pension expense and their share of the plan's, uh, net pension liability, it allows you to use basically last year's numbers for, uh, the current year. And it's really just for timing. Uh, so, so just the, the, uh, heart a the matter is the, the total pension liability is $42.3B. You had a market value of assets of 26.5 million. You subtract those 2 numbers and you get your, uh, net pension liability of 15.8 million and you can see that your funded ratio, your funded net percentage went up from 58.39 percent to 62.68 percent, which is a very positive, uh, positive thing. And then we have our, uh, our collective – our pension expense, which is 1.8, uh, billion. And we have, uh, our deferred inflows and outflows, which our, uh, deferred outflows are what we would call losses that are being s-, smoothed in for pension expense purposes. And inflows are gains which are being smoothed in for pension ex-, expense purposes, so. Uh, but the pension plan, the main number here is the, uh, the 15.8, um, billion-dollar net pension liability and your funded net position which increased from 58.39 to 62.68. Any questions on that?

Clare B.: Good news.

Todd G.: Yeah, it is very good news. Very good news. So, um, if there's no other questions, I'm gonna turn it over to Alisa Bennett so she can, um, ha-, take care a the, uh, the GASB 74, 75 and the OPEB valuation results.

Ryan T.: I am not sure if she's on. Um, you know, good afternoon. My name is Ryan, Ryan Thompson. I work with Alisa on OPEB at CavMac. Um, I'm on the call basically as a cana-, Connecticut native, um, and wanted to support as a local, um, person. And I'm hoping to get Alisa on the call. If for some reason she's not, I could take a quick dive into the results. But I think she's just joining now.

Alisa B.: Okay. I think I am joining now.

Helen: She, she's joining. We're just promoting her to a panelist. There you area, Alisa.

Alisa B.: Oh, okay. Thank you. Yeah.

Helen: You got it. No problem. No problem at all.

Alisa B.: Okay, so I am gonna go over the OPEB actuarial valuation and GASB results. And we had a very good introduction of the explanation of what OPEB stands for, which is Other Post-Employment Benefits. So it's other than pensions. So in this case, it is retiree healthcare. And then we have the GASB 74 and 75 results. So for OPEB we do an actuarial valuation every 2 years and then the GASB valuations are every year but the interim year you take an actuarial valuation and roll it forward for the GASB purposes. So we did a funding valuation in 2022 and now we are doing the new one as of June 30, 2024.

Alisa B.: So, um, next slide, please? Okay. I put this slide in here. It's the basic retirement funding formula. Um, you've probably seen this for a pension plan. And the reason I included it was because it's the same thing for a retiree healthcare plan. And what that means is the contributions coming into the system plus the investment income have to equal the benefits that are coming out of the system plus the expenses. So money in equals money out. So when we do an actuarial valuation, what we're doing is just projecting out that benefit stream and then coming up with an actuarially determined contribution that together with investment income will pay off, you know, all of those benefits. The difference is that with an OPEB plan – and generally they're, they're not funded actuarially like a pension plan is. So the contributions coming in aren't based on what we calculate in our actuarial valuation. They're based on other factors, you know, that are – that vary depending on the plan design. So when the contributions coming in are less than the actuarially determined ones, then, you know, your investment income frequently is less. Not only because there's not excess assets, you know, to i-, to invest but also because the assets that are there have to be more liquid. So that's why, for example, when you see our funding r-, valuation results, we're going to be using a 3 percent discount rate where, you know, the pension plan uses, um, a discount rate that's much higher. And as you know, you know, the lower the discount rate, the higher the liability. So that's kind of part of, you know, what's goin' on with an OPEB plan that's a little bit different than a pension plan. And if we can go to the next slide, please?

Okay. The other thing that's different about a retiree health plan is that it has healthcare benefits, not pension benefits. And you probably are aware that there are a lot of things going on with, um, healthcare, um, that are very uncertain. Especially around Medicare. Because you're, you know, dependent a lot on the federal government in those kind of subsidies coming in for Medicare. And the newest thing, um, for Medicare is the Inflation Reduction Act and its impact on

Medicare Part D, which is your prescription drug benefits. So, um, some a the major points in the Inflation Reduction Act, number one is drug negotiations. So the government is going to be negotiating with pharmaceutical companies for various, uh, high-cost drugs ho-, hoping to bring those costs down. So, you know, that's a potential cost savings. Um, the thing you've probably heard going on since 2023 is, um, the cap on outta-pocket costs for insulin. So for people on Medicare who use insulin, um, that outta-pocket costs has to be capped at $35 per month. Um, and, and that has actually been extended in some cases to active and pre-Medicare populations. So tha-, that's good news for people who use insulin. And then the third thing, which is happening right now beginning in 2025, is that outta-pocket prescription drug costs are capped at $2,000 for Medicare beneficiaries. So those, uh, retirees on Medicare with very, very high-cost expensive drugs, you know, before, you know, before the Inflation Reduction Act, their, their liability wasn't really capped. I mean, it would be reduced at some point but it could still be very high. And so now it is.

So the hi-, the most that a, a retiree on Medicare should have to pay for their drugs is $2,000 a year. Which is great for them. Um, but then it also, you know, causes increases to your, uh, Medicare premiums, which is what happened in your plan – and you'll see this in a second – that the, uh, the increase to the Medicare premiums that you're seeing starting in 2025 is causing an increase to your liability. So next slide, please. Okay, so like I just said, there's been some large increases in your Medicare Advantage Plan and your Medicare Supplemental Plan. You know the, the retiree has a choice of those 2 plans. Those premiums have gone up, uh, quite a bit. Our long-term investment return assumption for funding purposes is 3 percent, um, and that's consistent, you know, with the prior valuation. For GASB, however, uh, since the plan is not fully funded, it's really dependent on the municipal bond rate, which is different every year. We're actually in a situation where the bond rates are a little bit higher than they have been. It's at 3.93 percent as of June 30, 2024, which is higher than 3 percent, which is your funding, um, investment return assumption. Um, it's higher than last year, which was, um, 3.64 turned out be our, um, discount rate for GASB. But a few years back, these were in the 2's so, you know, your GASB liabilities jump around a lot just based on, you know, the, the overall economic, um, you know, metrics like this bond rate. You know, that's different than the, the pension plan as well.

And then finally we did make some small changes this year in our valuation to some participation assumptions and healthcare plan election assumptions. Um, but these were minor. You know, compared to the other things, they were very small impacts on your val-, valuation. So next slide, please. Okay, this is our, um, funding valuation. Like I said, we do this every 2 years. So last time we did one – you know, that's where we collect the census data, we look at your plan premiums and, and everything – um, was in 2022. Now we're in 2024. Um, if you look at the membership, you can see it's really pretty stable. Members are up just a little bit. Number of retirees is about the same. The discount rate for funding's the same, 3 percent. But your actuarial accrued liability is now more than double what it was before. And that is because of those Medicare premiums going up so much. Um, you know, what's gonna happen in the future with that? We really do not know. Um, there is, you know, possibility that those Medicare costs will sorta level out. Could even maybe come down a little bit. You know, we, we're aren't really sure but we do know that you're not the only one. Everybody's seein' a large jump in their Medicare premiums for 2025 directly as a result of those Inflation Reduction Act changes. Um, you know, we have our actuarial value of assets. Um, you know, you can see that they're small compared to the liability. So, you know, the unfunded is also up a lot from the prior valuation. Um, and our funding ratio still, you know, remains relatively small, you know, at 6.24 percent. That's your assets compared to liabilities.

All right, next slide? Uh, this, this is our actuarially determined contribution. That's what I was talking about in that first slide. If you were to pay the amount that we calculate here, uh, every year for 30 years to pay off your unfunded liability, of course we know that's not the money you're actually getting into the plan but, you know, we still do this calculation. So based on the most recent valuation, the state contribution of 4.659 percent a payroll, which is around 240, um, million dollars, that's what would be needed to prefund the plan in a similar way as a pension plan. All right. Next slide. Next slide is that we are gonna talk about your GASB number. So we use that funding valuation to, um, apply to get your GASB, um, disclosure numbers just like the pension numbers Todd just went over. And I put this slide in here just to kinda show you it is the same thing. It's just replace the word pension with OPEB. So instead of total pension liability, it's called total OPEB liability. Fiduciary net position's still your market value of assets. And then your net OPEB liability is like your unfunded. Um, but the difference here for GASB, too, is we're using, you know, the discount rate that's based on the bond rate. And in this case, it is 3.93 percent. And then the last page. This is our financial reporting numbers. Um, the reason that the number in the middle there is June 30, 2023, is because you do, you know, have GASB disclosures every single year even though the funding valuations are every 2 years. The interim year just uses the most recent funding valuation.

So it's a similar kind of thing. The, uh, total OPEB liability is up a lot because of the higher Medicare rates. It's not quite double because you kind of have that advantage of, um, the, the r-, the bond rate bein' a little bit higher so your liabilities are a little bit lower, you know, as compared to the prior year. But it's a, it's a similar type of, um, of outcome. And your fiduciary net position, your assets as a percentage of total liability, is, uh, 7.4 percent. And then you also have your collective, uh, OPEB expense and deferred inflows and outflows just like for pension. And that's what you will put on your, uh, financial statements as your disclosures. And, uh, think our last slide is are there any questions?

Clare B.: Uh, for the Board, questions for, um, our actuaries?

Helen: Joslyn has her hand up.

Clare B.: Ah. Jon, go ahead.

Helen: Joslyn. Joslyn, Clare.

Clare B.: I didn’t see it. I see.

Helen: That’s okay.

Joslyn D.: Um, so I’m not sure if you can answer these questions or not but they’re kind of related and so they’re lingering in my brain. Um, we have 2 proposals legislatively. Uh, one is, uh, the governor’s budget and one is, um, a proposal. Uh, the governor’s budget proposes to cut the contributions to the Teachers’ Retirement Healthcare Plan, um, from one-third to a, a quarter over the next 2 years, uh, for the next 2 years. So I’m just wondering the impact of that. I mean, obviously this valuation is for our current funding and our current monies but, you know, that reduction is gonna impact our liability. So I’m just, I’m just curious about that. And then, um, well, actually it’s broader than that because I’m, you know, worried about our federal subsidies for our current, um, Medicare plan. We get federal subsidies for that so how is that gonna impact the cost to the Board and the fund if we have to kind of look at that if those should be, um, maybe threatened? And then the other is if the Legislature’s proposing a one-third subsidy for the healthcare, um, plans for our members, um, that’s gonna have a financial drain on the fund as well. So I’m, I’m, I’m a little concerned about – this sounds like we’re in a healthy spot, I think. Um, not a mathematician or an actuary so from what I can understand. But if those 3 things kind of are to go into effect, I’m worried that we’re – our healthy spot that we’re in, um, might be impacted. And I know you wouldn’t have an evaluation on that but just curious about that impact.

Alisa B.: Well, yeah, there are a couple a things. First of all, the federal subsidies, that directly impacts you. I mean, that, you know – it’s kind of a well-known fact that healthcare costs on average – this isn’t for each individual person – but, but on average, they go up as people age. So your Medicare population, uh, is, you know, an older population so they really have the highest healthcare cost. But because of all the government subsidies, you know, people on Medicare and providing them a Medicare Advantage Plan or a Medicare Sup Plan, you know, or any kinda Medicare plan is actually cheaper than providing, um, healthcare benefits to pre-65 retirees. And the reason for that is the Medicare subsidies, um, the federal subsidies. So to the extent that those go away, yeah, that’s a direct impact to your plan. ‘Cause that’s what we’re doing. When we do the valuation, we look at what are you going to be spending on Medicare premiums and then what is a retiree paying? ‘Cause they, they have to pay a premium too. So, you know, they pay a portion of the overall premium and then the plan pays the rest. So that rest is what we're doing when we calculate the valuation. So, so that's a direct impact. The other one is kinda how you're getting your money in. I mean, we calculate the full cost that's not paid by the retiree. So that's all in the liabilities. And then when you get money into the plan, that goes into your assets. So kind of on a long-term basis, the way that falls out, it doesn't really matter as much. It's more of a year-to-year. When the money comes in, do you have it or do you not? Um. So does that make sense?

Joslyn D.: I guess. But if we're being given less money, won't that impact how well we're funded b-, based on our liability?

Alisa B.: I mean, yes, it will, but you're really not very well-funded as it is.

Joslyn D.: Right. Okay.

Alisa B.: Percent funding.

Joslyn D.: Yeah, that's what I wanna – I'm gonna be testifying later so I just – I kinda wanna have an understanding of the fact that we're not well-funded as it is.

Alisa B.: Right.

Joslyn D.: So to deny funding would even hurt our ability to sustain the solvency of the healthcare fund as it is.

Alisa B.: I mean, the, the big worry is if you get to the point where you can't even pay the benefits at all. Um, I mean, 'cause th-, they got, they, they've got to be covered on a year-to-year basis. Um, but yeah, so like right now your asset buildup – I mean, i-, if all of a sudden you got no money in and you had to pay benefits, I mean, you're aren't gon-, you're not gonna be able to pay very many until you just completely run, run outta money. Um, so but it doesn't have an impact on your liability. It's more on your ability to pay. Where the federal subsidies do have an impact on your liability because tha-, that's just gonna mean your premium rate's gonna be even higher.

Joslyn D.: That's helpful. Thank you.

Clare B.: Okay. Thank you, Joslyn. Other questions? Jon, I think I saw you. No?

Clare B.: Oh. Greg, go ahead.

Greg M.: Well, I was just gonna, um – Joslyn, I was just gonna respond to – or at least give you a little bit of flavor on sort of, um, on the governor's proposal or the thinking behind that. Um, which is, um, the, the numbers that we look very closely at, um, are that, uh, funding in the fund. And so I think on one a the earlier slides, um, we showed a fund balance around 250 – yeah, $258M. Uh, the governor's proposal would reduce the funding that the state puts into the fund by 12 or $13M a year for 2 years. And so, yes, that reduces, uh, the amount that that fund would – you know, that the fund balance would grow by or increases the amount that it would decrease by. But it's, but it's nowhere near $258M. So there's no chance that the fund is gonna run out of money over the biennium. Uh, and the other thing that the governor's p-, proposal does, it doesn't change anything that, that – doesn't change the benefits, it doesn't change what teachers contribute, it doesn't change what members pay. Uh, it really is just, um, uh, reducing what the state contributes to building that fund balance. Um, and so, you know, we're at 7.4 percent funding level. It's probably not gonna get better over the next 2 years but we weren't gonna get to 100 percent in the next 2 years anyway. And so the thinking was, um, uh, you know, we had to – we have a spending cap problem and so we had to look for places that would s-, that would, you know, decrease spending, uh, without impacting the benefits that people receive. And so if, if we had more room and, and there were other spending pressures, we probably wouldn't a proposed what we did. But, but, uh, we did and we don't think that it hurts anyone, uh, at least over the biennium. So I hope that helps.

Joslyn D.: Y-, was that proposal since – uh, was that in – was that with the understanding that there were gonna be other proposals that increased our payout to retirees? Or was that done separately own mindset?

Greg M.: Yeah. No, I mean, that was the only proposal that the governor made.

Joslyn D.: Okay.

Greg M.: With re-, with regard to these benefits. Yeah.

Joslyn D.: But it's not the only proposal that impacts the fund this session.

Greg M.: Uh, yeah. No, there, there, there can be lots of proposals. Yeah.

Joslyn D.: Okay.

Clare B.: Other questions?

Helen: Kathy. I just saw Kathy Holt with her hand up.

Kathy H.: Uh, yeah. Thank you.

Kathy H.: Um, I, I, I just wanna clarify this issue of federal subsidies because that's an odd way to, to characterize them, I think. I think what you're talking about is the way that the trust fund is, um, funded. So we pay, uh, 3 percent Medicare taxes into the, the, uh, Medicare trust fund. That pays for Part A Medicare, which is the reason why 98 percent of people have premium-free Part A. And then it also pays for approximately 75 percent of Medicare Part B. And so when we pay, um, our monthly, you know, what is it now, 180 dollars a month...

Female: Yeah.

Kathy H.: ...that funds approximately 25 percent of the Medicare Part B trust fund. And then the rest of the fund is funded by the federal government. So I guess i-, i-, if that's what we're talking about when we're talking about subsidy – or, um, uh, subsidies for Medicare at a federal level, it would impact every single person on Medicare if the – um, i-, if, if there were some change to the Medicare trust fund. It wouldn't just affect a certain group of people. So we have, we have much less control over what happens with the funding of the trust fund, uh, than, than what we think of typically as subsidies, uh, for instance, within state. So I just wanted to clarify that if that was a, if that was a question.

Clare B.: Thank you, Kathy. Other questions?

Bill M.: I do if you can hear me.

Helen: Bill.

Bill M.: Thanks. Um, so, Kathy, it's nice for that clarification. Thank you. And you're talking about the Medica-, the federal Medicare trust fund. You're not talking about, uh, this healthcare fund for the state of Connecticut teachers.

Kathy H.: Yes, absolutely. They're, they're 2 completely separate...

Bill M.: Right.

Kathy H.: ...um, items. Obviously Medicare's the federal program but the way that the state contributes through this employer group waiver plan that is under the TRB, uh, is, is an additional type of subsidy.

Bill M.: Uh, thank you. I just wanted to make sure I got it. Thanks.

Clare B.: Other questions? Anyone?

Helen: I'm looking, Clare, for you. I don't see any others. I don't see any other hand up.

Clare B.: Okay. Um, well, the general...

Helen: Thank you for the great presentation.

Clare B.: Yeah. Okay. The Chair would entertain a motion to accept, uh, first the, uh, GASB 67 and 68 Pension Valuation Report. So we entertain a motion to approve that?

Male: So moved.

Male: Seconded.

Clare B.: Moved and seconded. Discussion? All right. All those in favor signify by sayin' aye?

Members: Aye.

Clare B.: Opposed? Abstentions? Thank you. And then we will move on to the approval of the GASB 74, 75 for OPEB, Other than Post-Employment Benefits, which we all know to be healthcare. So we'll move to the approval of that report. Um, Chair would entertain a motion?

Bill M.: So moved.

Clare B.: Move.

Female: Second.

Male: Second.

Clare B.: Moved and second. Discussion? All right. All those in favor signify by saying aye?

Members: Aye.

Clare B.: Opposed? Abstention? Thank you very much. All right. Item Number – and I'd like to thank our, our actuaries, by the way. Uh, it's not a small amount a work that they do for us, uh, because, uh, you know, you, you think that it's just your pension but it isn't the pension as well. Uh, you have to really make sure that, uh, everything is, uh, certified and, and a-, accurate. And the information – you're reporting to people on everything. So your liabilities – um, you know, e-, everything – you d-, what you don't wanna be doing is, uh, is ever underreporting anything that you're sending out to people. You want them to receive absolutely verifiable reports that are transparent that we can trace back to every item that we have that are, um, accepted by all of our government agencies and ours always are. So, uh, so I commend the people who do it, our CavMac team, um, and we thank you very much. I know you miss John Garrett but, uh – and so do we. But we're very glad that all of you are here today and we're very glad for the work you've done on behalf of us. Thank you all.

Alisa B.: Thank you.

Todd G.: Uh, well, on behalf a CavMac, we, uh, thank you for that and, uh, we appreciate you guys too.

Clare B.: Okay. Thank you.

Female: Yeah.

Clare B.: Um, Item Number 3, the Approval of the November 13 Board Meeting Minutes. Remember, uh, the Board did meet in January but that was not a, uh, a – it was just an executive session board meeting which had to be held but it didn't have any public minutes to it. So the last minutes that this Board would have put on the record are the ones from November 13, 2024. So you have those before you. Um, the Board will accept a motion – uh, to accept those minutes. Do we have a motion?

Bill M.: So moved.

Clare B.: Moved. Do we have a second?

Male: Second.

Clare B.: Second. Discussion?

Female: Find me.

Clare B.: I don't know. All those in favor, significant by saying aye?

Members: Aye.

Clare B.: Opposed? Abstentions? Thank you. Thank you very much. Okay. Agency Report. Helen, you're up.

Female: Uh, Thanks.

Female: [Inaudible 48:25].

Charlene H.: Uh, Clare?

Clare B.: Yes.

Charlene H.: It's Charlene. Um, we actually do have the January 22, uh, minutes that need to be approved.

Clare B.: Oh, okay.

Helen: Oh, okay.

Clare B.: [Inaudible 48:37].

Helen: Sorry, Char.

Clare B.: I thought they were all sent to people. Charlene?

Charlene H.: Yeah, we need to take a vote on that as well.

Clare B.: Uh.

Charlene H.: To approve the, the minutes.

Clare B.: Okay. Okay, very good. Thank you. Thank you for that then. All right. Uh, the, the Board needs to again approve minutes and these minutes are from the January 22, uh, 2025, special board meeting minutes. So the Board would entertain a motion to accept?

Mary-Beth L.: So moved.

Clare B.: Moved.

Jon M.: Second.

Clare B.: Second? Second? Thank you. Uh, discussion? All those in favor signify by saying aye?

Members: Aye.

Clare B.: Opposed? Abstentions? Thank you. Uh, Item Number 4, Agency Report. Helen, you're up.

Helen: Thanks, Clare. Uh, I know that we have received some inquiries about the Hartford HealthCare and United contract negotiations. They were in a letter sent out to members from United and one from Hartford HealthCare. Uh, they are continuing to work through negotiations. This is a standard practice. Last year we had Trinity Health. We had Hartford Hospital. It's just part of how the system operates. We don't anticipate any disruption to members. Hopefully they'll be negotiated, uh, shortly. Uh, the nice thing about our plan is that we have what's called a passive network. So even if there were, um, an issue with a member being in network, we have out-of-network benefits, which, again, is referred to as the passive network, where they can see that provider if they don't participate as long as they're willing to bill Medicare. Uh, we don't – based on the information from Hartford HealthCare, they are working, um, with United, with United and we don't anticipate any issues, um, on that end. So just to put everyone's mind at ease, um, on that topic. To date, for counts we have 28,401 members on the Medicare Advantage, um, 4,330 on the Medicare Supplement Program. Um, yes, there is – and to piggyback off that, they're, they're – thank you, Greg, for answering those questions about the, uh, reduction, uh, that we are facing. I think some of the concerns that we've heard from members about the 33 to 25 percent is just based on some a the historical issues that have proceeded us in the past. Um, and I think, um, OPM and those folks are well-aware of that. Um, so we'll see what, what happens with – how that moves forward.

Um, as far as the, uh, Core project update, Phase 1 is completed. Uh, Phase 2. We'll be testing our payroll in April. Phase 3 in early fall, um, we should be up and running in Core. Uh, the self-service enhancements may take a bit longer, um, as they are a little more complicated with security issues. But that project is going very well. The 1099s. We're getting some calls about that. Those were sent out to our members, um, in late January. The, uh, statement center is open. Um, as you know, we're, we're very into self-service over here to, to get our members the information they need. So if members need a reprint of that 1099 or have some questions, they can go right, uh, to the website. The active folks, uh, who receive their annual statements, those went out, uh, December 20. Uh, the districts have copies of, uh, those for reprints. That annual, that annual statement center was opened on February 3. So if member have questions or need reprints, they can go right online and, um, get copies of those. So there's a lot of self-service created for our members so I do wanna thank the IT team. Um, they've done a great job, um, keeping up with that for everybody. Um, that's about all I have. It's been fairly quiet. Um, everything's going very well. Um, prior authorizations, uh, continue to maintain at 100 percent based on Medicare compliance. There are always those outliers where there may be missing information from the provider or the, the situation does not meet Medicare criteria. Those are few and far between. Tryin' to think of what else we have for updates. Uh, there any questions for me?

Clare B.: Helen, you're gonna do testimony tomorrow, right? The agency?

Helen: Yep. We have our, we have our budget appropriations tomorrow morning at 10 a.m.

Clare B.: And you will be addressing that issue of the reduction...

Helen: Mm-hm. Yes.

Clare B.: ... Everyone.

Helen: Yeah, we, we will, we will address...

Helen: ...we'll address our concerns.

Clare B.: ... but not like happens, so.

Helen: Yep. Absolutely.

Clare B.: Very good.

Helen: Absolutely. Mary-Beth?

Mary-Beth L.: So, um, a couple of members have contacted me and their question is if the member's doctor is currently affiliated with Hartford Health and will United Health, um, compensate at the same rate when the doctor becomes out of network and what will that process look like?

Helen: Yeah. As I, as I just explained, we have a passive network. So as long as that provider go aheads and bills Medicare, they will get, they will get paid the appropriate reimbursement. Mm-hm.

Mary-Beth L.: Okay.

Helen: So the, the passive network ensures that we have minimal disruption. We have a national program so our folks can live anywhere in the country and see any provider as long as they're willing to accept Medicare and bill on behalf of the member.

Clare B.: Anything else for Helen? All right, Helen, good luck tomorrow. I mean, I know you're gonna be fabulous so I'm not.

Helen: Oh, thank you. Thank you. And I do – Clare, one more thing I just did wanna mention is that, um, um, both United and Cigna are meeting all of their guaranteed deliverables contractually, um, at 100 percent. So, um, our vendors are doing very well.

Clare B.: Helen, any, uh, timeline on, uh, next up in healthcare? Were we going to, uh, be ready to move forward on anything in the next month or the following month?

Helen: The, um, Healthcare Committee is scheduled to meet, um, in the next, in the next upcoming weeks...

Helen: ...to discuss 2026, uh...

Helen: ...plans, options.

Clare B.: Okay. Thank you.

Helen: You bet.

Clare B.: Uh, Approval of the Administrator’s actions regarding, A, the granting of service retirement benefits for the months of November, December ’24 and January ’25; B, the survivor benefits for the months of November, December, and January, November ’24, December ’24, January ’25; and the reports and recommendations of the Medical Review Committee regarding applications for disability payments as presented to the Medical Review Committee at the November ’24, the December ’24, and January 2025 meetings. Uh, the Board would approve – uh, the Board would entertain a motion to accept those?

Male: So moved.

Clare B.: So moved?

Male: Second.

Clare B.: Second. Discussion? All right. All those in favor, signify by saying aye?

Members: Aye.

Clare B.: Opposed? Abstentions? Okay. You also have with you the retirement statistics, uh, for the months of November, December, uh, of 2024 and of January 2025. It’s the most updated information that we have. Uh, we would move on to public comments. Are we ready?

Naomi: Yes, we’re ready for public comments.

Naomi: And just, uh, as a reminder to everyone, uh, that there is a 2-minute time limit due to the large amount of participants to keep it fair to everyone. I will share my screen to share the timer. Right there. And once I give you permission to unmute, as soon as we can hear you start talking, we will start the timer. And once the timer is up, we will have to mute you again. So with that, we will start off with our first public comment. We have Rita. You have permission to unmute.

Rita C.: Good afternoon. Churchill is credited with saying that those that fail to learn from history are doomed to repeat it. While I learned – when I learned that the governor’s new budget called for a reduction in the state subsidy for the TRB health insurance fund, I reflected on the birth of my retiree activism brought about by the near bankruptcy of the fund when the state failed to pay its statutory 33 percent contribution to the fund in 8 of the 9 years from 2010 to 2018. Retirees must not sit back and watch the state once again jeopardize the fu-, fund solvency. Contact your state legislators immediately to garner their support to save our healthcare plans. Thank you.

Clare B.: Thank you. Next.

Naomi: Okay. Next we have Mary. Mary, you have permission to unmute.

Mary H.: Am I u-, unmuted?

Naomi: Oh, now we can hear you.

Mary H.: Oh, okay. Hello. I would like to share for the Board Members today as well as for the minutes of this meeting some information about the governor's budget proposed for the next 2 years. I'm not sure who is responsible for proposing the repeal of the entire Section 18, Subsection 10-183T of the state statute but there are some alarming things in that section that need to be shared. The most critical piece has already been spoken. The new budget proposes to reduce the one-third amount the state pays for our health insurance fund to one-quarter. Since the 1990s, the state has agreed to fund the Retired Teachers' Health Insurance Fund by one-third. Opening this door for the next 2 years will be a difficult one to reopen for future negotiation. As a matter a fact, the Association for Retired Teachers, the ARTC, has proposed a bill, HB5477, to ensure equity in the state subsidy. Language in the new budget section says the plan the Board designates as the base plan is the plan that will receive the state subsidy. That means the cheaper Advantage plan receives one-third but retirees who have chosen to remain with Original Medicare with a supplement, they do one-third subsidy. This bill restores equity in the state subsidy stating that each plan will receive] especially for older require the stability of Original Medicare. They should not be penalized.

Finally, I think all the comments that are shared at this meeting need to be published in the transcript in full for each meeting. It is not appropriate for someone to summarize what I'm trying to say and catch the essence of what I am trying to, uh, explain. I feel it is only fair that my full comments be shared for future reference. Thank you very much.

Naomi: Okay. Next we have Tammy. Tammy, you have permission to unmute.

Tammy G.: Can everybody hear me?

Naomi: Yeah.

Tammy G.: Okay. Thank you. I'm Tammy Gowash. I'm the Executive Director of the Association of Retired Teachers of Connecticut. We are a state organization exclusively representing retired Connecticut teachers. As negotiators of the Retired Teachers' Healthcare Contract, we believe you should be aware of the impact of the current contract dispute between United Healthcare and Hartford HealthCare have on many retirees. If you heard the calls and emails ARTC gets, you would understand why retired teachers, especially older ones, become concerned, anxious, even fearful when they get a notification letter from UHC, like thousands did recently. When members call the UHC phone number on the back of their ID card, it gets worse. For example, the UHC rep advises them to see a different doctor who is still in the network but the retired teacher hears I'm losing a doctor who has guided me safely through whatever illness I've experienced. And that could be cancer. This moment is an emotional and personal crisis moment. When the UHC rep advises that you can get your routine scans from a new provider, the retired teacher thinks will the new provider know my unique situation as well as my long-time provider? Will something important be misunderstood? The anxiety grows. When the retired teacher is told without a contract the doctor cannot directly bill UHC, instead the retiree will need to pay up front and seek reimbursement later, that can cause a great deal of anxiety. They might not have the funds or they may not get reimbursed in a timely fashion or even for the full amount. They're not sure.

So on behalf of all insured retired teachers, I urge you to recognize your responsibility in monitoring the TRB contract with UHC. These retired teacher experiences are brought to you as a result of the UHC contract disputes.

Naomi: Next we have Jane. Jane, you have permission to unmute.

Jane W.: Hello. Can you hear me?

Naomi: Yes.

Jane W.: My comment has to do with the compatibility issue with the TRB website. More and more people are utilizing mobile devices such as cell phones to access information on the website. Visitors to the TRB website seeking health insurance information about the 2025 plan, providers, and benefits can only see information about the Advantage plan. But the Supplement ca-, plan cannot be viewed. When you set up a website, there is a site compatibility feature with mobile tablet devices where it recognizes the device type and the view field changes to make sure everything is accessible. This allows visitors to view everything they need to see. Apparently this feature was not set up. I have reported this issue twice on the website itself and nothing has changed to resolve the issue. So I'm bringing the concern to this Board in hopes that w-, it will be resolved promptly. Thank you.

Naomi: Next we have Walt. Walt, you have permission to unmute. Walt, if you're there, you have permission to click unmute. Okay. Uh, looks like – oh.

Walt C.: Okay. Sorry.

Naomi: There ya are.

Walt C.: Hear me now? Yes, I had some...

Naomi: Yes.

Walt C.: ...technical difficulties on this end with a, a new device. Thank you for waiting. Hi. Walt Ciplinski here. And I'd like to, uh, thank TRB in advance for allowing some suggested improvements in, uh, health insurance to be incorporated, uh, in the 2025 RFP that the insurance subcommittee's working on. These suggestions reflect the real-world healthcare experiences of retired teachers on TRB plans a nd retirees have expressed their concerns with current TRB plans via an email to the retiree organizations. And the undersigned organizations on email have passed these on to the TRB in January, uh, for all – each a the Board Members and for Administration. The health insurance account was always intended to provide retired teachers with a very high-level insurance plan. That expectation started with payroll deductions years in advance and continues in retirement as premium shares for, uh, all of us and in fact for some of us with unequal one-third, uh, shares. So we're grateful that the insurance committee will have a chance to, uh, take a look at these proposals and we're encouraged that, uh, a year ago the insurance committee did and, uh, we're, uh, hopeful that they will continue to do that going forward. So thank you for the work you do. I know it's, uh, complicated and involved and it always goes better when there's open communications. Thank you very much.

Naomi: Okay. Next we have Angela. Angela, you have permission to unmute.

Angela E.: Uh, what about Biden law that he passed about the GPO, uh, and collecting, uh, your deceased spouse's, uh, social security benefits? Uh, any q-, any, um, talk about that? Um. Any, any – can you, uh, explain any of that? Or is that not a topic for discussion?

Helen: I, I just – this is Helen. This is, um, public comment. Um, so it is not meant for, uh, interaction. I will let you know that in your 1099 there is information that you can contact Social Security about that information and, uh, there's also references on the website to contact Social Security about those questions.

Angela E.: Thank you.

Helen: You bet.

Naomi: Okay, next we have Sandra. Sandra, you have permission to unmute.

Sandra B.: Can you hear me?

Naomi: Yeah.

Sandra B.: Hi. I'm Sandra Bove. Uh, good afternoon to all of you. Uh, Retired Teachers' Health Insurance Account was initiated, instituted by teachers so that when they retire, the account will help defray the cost of their health insurance. Presently teachers pay 1.25 percent of their earnings into the account with the promise it will be there when they retire. TRB is charged with sponsoring Original Medicare Supplement and Medicare Advantage health insurance programs for all retirees. The Association of Retired Teachers of Connecticut has advocated for a restoration of the original one-third sta-, state subsidy for Original Medicare with Supplement and have several bills from a bipartisan group of legislators introduced this year to do just that. Unfortunately, the governor's propo-, one-third state subsidy towards the accou-, one-fourth – excuse me – with the account making up the difference will put the fund's purpose in a different direction, one that we experienced in the past when the state underfunded the account for several years. This proposal will deplete the account for the purpose of lowering state expenditures. I'm requesting that the TRB, now that the insurance account is financially sound, support a full one-third subsidy for the Original Medicare with Supplement plan. Presently this is not done. Understandably, the Supplement plan will always be more costly and many teachers will still choose the less expensive Advantage plan for financial reasons. However, restoring the promised one-third subsidy would help to make the plan – the adva-, the Supplement plan more affordable, especially for the most needy of my fellow retirees who need the Supplement plan for health reason. Please let's use the account as it was intended. Thank you very much for listening.

Naomi: Okay, next we have Karen. Karen, you have permission to unmute.

Karen M.: Uh, good, good afternoon and thank you for this opportunity. Um, over the last year and a half I had the unfortunate experience of, um, having, um, United Healthcare deny, um, services to my husband, uh, in a nursing home. And, um, it was a, a difficult struggle for me for over 6 months to try and get, um, their decision overturned. There was no one, no one who could help me, no one who would help me. Despite many calls to TRB. Um, there was nobody there. I called the insurance company. They were of no value because actually they were the ones saying no, we're not gonna pay his bill. Um, so I think that the TRB needs to look at having a, a department, a person, somebody that people who are – they find themselves in my situation can call and get direction as to how to proceed in getting their denial overturned. Um, it took me quite a while. And fortunately for me, I am a type A. I do not give up. Um, I was able to overturn the, um, insurance, uh, denial and got a full payment of a 100 days in a nursing home for my husband. Um, but my friends, who some of them who are – were in the same nursing home with their spouses, uh, a-, as residents, they were, uh, not as successful. Um, w-, 2 of us were successful because we banded together and, um, figured it out how to, how to fight back. But, you know, people don't know how to do this and there's no one to turn to. And I found it extremely frustrating, um, because there was nobody, nobody to talk to, nobody to, to lead me in a direction. Um, so I think that's something you need to think about is having a person from the insurance company or from – somebody in

TRB or hired that can help people navigate the, um, situation. Th-, thank you very much.

Naomi: Any additional public comments, please click the raise hand button. Looks like we're not seeing any more raised hands so I think we can conclude the public comment section.

Helen: Thanks, Naomi. Clare, you're on mute. I don't know if you realize that.

Clare B.: Oh, okay. Could have heard...

Helen: Okay.

Clare B.: He, he's crying.

Clare B.: Um. Yeah, thank you, Helen, for everything today. Um, thank other Board Members. Uh, we will meet again on, uh, March 19, is it? Uh, be our next Board meeting. And, uh, I wish all those people that will be doin' that testimony tomorrow, uh, you know, from the Board and yourself, uh, you know, good luck on that. Um, I know you'll do a, a fine job in representing the interest a the Board and retired teachers, so. Thank you, Helen.

Helen: You bet.

Clare B.: Uh, the Board will entertain a motion to adjourn? Joslyn, are you there?

Joslyn D.: I am happy to motion to adjourn. Um.

Clare B.: Thank you.

Joslyn D.: Yes.

Female: Thank you, Jos.

Clare B.: Second? Yeah. All those in favor, signify by sayin' aye?

Members: Aye.

Clare B.: Oppose? Abstentions? Thank you all very much. We will see you next month. Thank you.

Male: Thank...

Helen: Thanks, everybody.

/ad