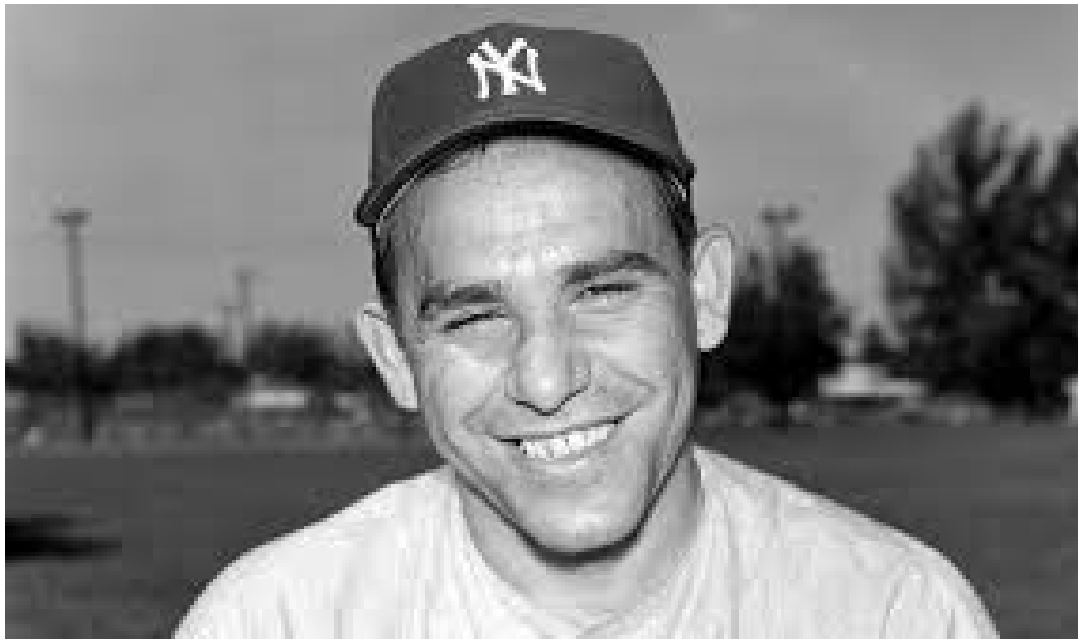


TRS ActiveCare Or Commercial Health Plan?



***“When You Come To A Fork In
The Road Take It”***

- Yogi Berra

For The First Time In 20 Years.....

- TRS ActiveCare Member Districts May Exit TRS Active Care Effective September 1, 2022
- Senate Bill 1444
- Over 90% Of Texas School Districts Are TRS ActiveCare Members
- Approximately 145 Districts Offer A TRS ActiveCare Commercial Plan Alternative
- Approximately 75 Districts Have Never Joined TRS ActiveCare. These Districts Average 800 Employees Or More.
- There Are Approximately 147 Districts In This Size Range Leaving Half Of Them As Likely Candidates For Exiting TRS ActiveCare
- Smaller Districts May Be Able To Structure Competitive Programs

The Poison Pill Provision

- Senate Bill 1444 Requires Districts Terminating Membership To Provide Written Notice by December 31, 2021
- Insurance Companies Will Bind Not bind Coverage 9 Months Out From An Effective Date Of September 1, 2022
- Districts Opting Out Will Not Know What Their Cost Based Options Will Be
- Once A District Opts Out Of TRSAC They Cannot Return for Five Years

What Options Do Districts Have?

- TRS ActiveCare
- Self Funded Insurance
- Fully Insured Insurance
- ICHRA

TRS ActiveCare

- Large +400,000 Member Government Risk Pool With 20 Year History Of Moderate Rate Increases
- 8% Overall Pool Rate Increase Effective September 2021
- Benefit Changes On High Deductible Plan Only
- No Participation Requirements
- Minimum District Contribution of \$150 PEPM
- Minimal District Administrative Responsibilities
- No Local Control Over Benefits or Cost
- Member Districts Bear No Risk
- Guarantee Issue
- Pre-Existing Conditions Covered

Self Insurance

- District Assumes Certain Administrative Duties
- Minimum Participation Requirements
- District Assumes Risk
- Stop Loss Insurance Protects Plan Assets Through Pooling
- Districts Determines Benefits & Cost Structure
- Districts May Establish A Risk Pool
- Community Health Plan Option
- Underwriting Risk Is Problematic
- No Guarantee Issue
- Pre-Existing Conditions Covered

Fully Insured

- Carrier Assumes All Risk
- Benefit Flexibility Is Limited
- Exhaustive Underwriting Process
- Guarantee Issue Under The Texas Small Group Statues Specific To Texas Public School Districts
- Guarantee Issue
- Pre-Existing Conditions Covered

ICHRA

- Individual Coverage Health Reimbursement Account
- Districts May Pay All Or A Portion Of The Cost Of Individual Health Insurance Policies
- Employees May Choose Any Carrier Of Choice
- Employees May Choose A Plan Of Benefits That Best Suits Their Needs
- Coverage Is Portable
- Guarantee Issue
- Pre-Existing Conditions Covered

Considerations

- Staying With TRS ActiveCare Takes The District Out The Health Insurance Business
- Opting Out Of TRS ActiveCare Puts The District Into The Health Insurance Business
- If Opting Out, Does The District Have The Expertise, Discipline And Commitment Needed To Achieve Expectations & Goals?

Questions

