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## *Policies and Benefits*

# ERS update: Health Plan premiums, Sunset Review

### Health Plan premiums to rise slightly

At the May meeting, the Employees Retirement System Board of Trustees approved slight increases in Plan Year 2018 premiums for some Texas Employees Group Benefits Program plans. The State of Texas will continue to pay 100 percent of health insurance premiums for eligible full-time employees and retirees, and 50 percent for eligible dependents.

HealthSelect of Texas and Consumer Directed HealthSelect will see an increase in dependent premiums not to exceed 1 percent, and premium rates for the State of Texas Dental Choice PPO will see a slight increase.

All other premium rates will stay the same, to include those of health maintenance organizations, the dental DHMO and State of Texas Dental Discount Plan. The Texas Income Protection Plan (TIPP) long-term disability insurance, optional life insurance and voluntary accidental death and dismemberment insurance will also remain the same,



but TIPP short-term disability insurance will be reduced from 30 to 26 cents per \$100 of coverage.

The administrative fee holiday continues for TexFlex health care, dependent care and limited flexible spending accounts. Participants are not yet required to pay the \$12 administrative fee and there is no additional cost for debit cards for the health care and limited spending accounts. The administrative fee for commuter spending accounts continues to be \$3.

Also at the May meeting, contracts for Consumer Directed HealthSelect HSAs and TIPP were awarded to the current third-party administrators: Optum Bank for admin-

istration of health savings accounts, and ReedGroup for administration of TIPP long-term and short-term disability insurance.

### ERS Sunset Review

Senate Bill 301 by Watson, the ERS Sunset bill, was signed by Governor Abbott on June 9 and will take effect on September 1, 2017. Also in June, the Texas Sunset Advisory Commission issued its Staff Report with Final Results regarding its ERS Sunset Review and the actions taken by the Legislature. Some examples of Commission recommendations enacted by the 85th Legislature include:

The ERS will be required to track and report profit shares received in connection with alternative investments, and the ERS Board of Trustees must approve any individual alternative investment that exceeds 0.6 percent of the total market value of the trust fund.

The ERS has been directed to expand its annual report on the Group Benefits Plan to include more comprehensive information to help the Legislature evaluate the program's

*Continued on page 2*

*Continued from page 1*

overall effectiveness and plan for its sustainability, establish an advisory committee to obtain regular stakeholder and expert input on benefits, and develop a process and clear criteria for evaluating changes to the GBP.

ERS must also allow members to participate directly in the insurance appeal process, develop and maintain a precedent manual for the insurance appeal process and comprehensively track and analyze benefit application decision and appeals data.

ERS was directed to better educate members about choices and decisions that can lead to unexpected health insurance charges, and to ensure balanced representation on the Grievance Review Committee of customer service and other staff.

The next Sunset review of the ERS is set for 2029. As a constitutionally created agency, ERS is not subject to abolishment under the Sunset Act. ●