



## **CT TEACHERS' RETIREMENT BOARD**

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"An Affirmative Action/Equal Opportunity Employer"

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## **MINUTES**

**September 12, 2018 at 3:00 pm**

The meeting of the Teachers' Retirement Board was called to order at 3:00 p.m. by Chairperson, Clare Barnett on Wednesday, September 12, 2018.

### **BOARD MEMBERS PRESENT:**

Clare Barnett, Teacher Member  
William Myers, Teacher Member  
Steven Muench, Teacher Member  
Jonathan Johnson, Public Member  
William Murray, Teacher Member  
Laurie Martin, Office of the State Treasurer  
Melissa McCaw, Public Member  
Elaine Lowengard, Public Member  
Gregory Messner, Office of Policy and Management

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

Charles Higgins, Public Member  
Kathy Demsey, State Department of Education  
Lisa Mosey, Teacher Member  
Stephen McKeever, Teacher Member, AFT

### **STAFF PRESENT:**

Helen Sullivan, Administrator  
Charlene Hill, Assistant to the Administrator  
Loc Pho, Fiscal Administrative Manager

### **OTHERS PRESENT:**

Robyn Kaplan-Cho, CEA  
Karen Nolen, OPM  
Joe Fields, TRB Health Consultant  
Andrew Silva, OPM  
Walt Ciplinski, Retired Teacher  
Rita McDougald-Campbell, Retired Teacher  
Mary Hendrickson, Retired Teacher  
June Pinkin, HFT-Retirees  
Christina Gellman- OFA  
Barbara Kmetz, GBRTA

Pat McDonnell, ARTC  
Margaret Rick, HFTR  
James Stirling, Stirling Benefits  
Maureen Honan, Retired Teacher  
Gloria Brown, CEA-Retired  
Rick Follman, ARTC  
Ken Poppe, Retired Teacher  
Jennifer Benevento, AFT-CT  
Ed Messina, ARTC  
Kathy Ladd, Retired Teacher  
Cathy Potter, Retired Teacher  
Holly Williams, OFA

### **Open meeting – Chairperson**

A motion was made by Chairperson Clare Barnett to go into Executive Session at 3:00 pm. All members voted in favor and the motion was passed.

The Board came out of Executive Session at 3:12 pm.

1. **Consideration and Approval of premium changes effective January 1, 2019** for the Anthem base health benefit program offered by the TRB as recommended and presented by Joseph Fields, TRB Benefit Consultant.

Joe discussed the new rates for the base plan medical and drug, dental, vision and hearing programs and the elimination of the out of network benefit which is being replaced with a passive network effective January 1, 2019. As a passive network there is no deductible on out of network services as all covered services provided by the Medicare participating providers are considered in network and are subject only to copays. The copays for the MA plan are unchanged. The recommended retiree contribution per member per month is \$65.00 for the medical and drug base program, \$58.00 for the dental program and \$7.00 for the vision and hearing program, for a combine total contribution of \$130.00 for all coverages. These rates reflect a 36 percent reduction from the base plan rate in CY 2017.

A discussion followed.

A motion was made by Bill Murray and seconded by Bill Myers to approve the premium changes for the Anthem base health benefit program effective January 1, 2019. All members voted in favor and the motion was passed.

2. **Agency Report provided by Helen Sullivan, Administrator:**

#### **Health Fund:**

We received \$16.1 million influx into the health fund. We have used \$7 million of that and another \$2 million is going into a replacement fund for our IB&R claims for claims incurred. Joe Fields discussed in detail that one of the issues we have to deal with is

having reserves for self-funded plans. He discussed the two types of reserves that generally are required in the financial statement and the GASB, claim fluctuation reserve (the level of claim fluctuation reserve has been very small here for the last couple of years) and incurred but not reported claim reserve. The previous base health plan was a self-funded plan and we have now moved to a fully insured program, the cost of all of the claims that were incurred previously have to be paid during the next fiscal year. The amount of incurred but not reported claims that have been paid so far is in the area of about \$7 million. We're expecting about \$2+ million more of incurred but not reported claims in order to run out the 22,000 approximate people who moved from the Medicare Supplement plan to the Medicare Advantage plan. Once those expenses are paid under an insured arrangement, the incurred but not reported claim reserve is held by the insurance company rather than being held by the Board. The Board is no longer acting in lieu of the insurance company. Of that \$16 million, more than half of it is going on a cash basis to pay for our incurred but not reported claims and as a result it does not provide full access for that in regard to our claim fluctuation reserve. We are still challenged financially in many ways.

### **Retirement Statistics:**

Our retirement statistics for this year, we had 1,480 for June, 360 for July and 1,080 for August.

### **Personnel Update:**

We suffered quite a loss this past month. Leslie Cook who was battling an illness passed away just a few days after retiring. She was a member of the TRB family for 36 years.

We are in the process of implementing some new staff members. Loc Pho has been promoted to the role of Fiscal Administrative Manager 1. We are in the process of hiring two Financial Clerks and an Assistant Accountant.

We took into consideration the suggestions from members regarding more communication from TRB so, we have been working on a Facebook page. We're expecting to get it approved by DAS within the next few weeks. We will be utilizing the site to distribute as much information as we can. It will not be a commentary for discussion as there really is no way for us to manage the comments and posts. We want to keep it within state guidelines. So, we'll be updating everyone as much as possible through Facebook and the TRB website. LinkedIn is next on our list so there will be communication through that site in the future. We're continuing to make strides as requested by our members.

We have also been working on implementing a better phone system and other changes to better serve our members.

### **3. Consideration and Approval of the Board Meeting Minutes for June 20, 2018.**

A motion was made by Bill Murray and Laurie Martin to approve the meeting minutes for June 20, 2018. All members voted in favor (with one abstention, Melissa McCaw, new board member) and the motion was passed.

### **4. Consideration and Approval of the Administrator's actions regarding:**

- a. Granting of service retirement benefits for the month of June, July and August, 2018.
- b. Survivor benefits for the month of June, July and August, 2018.
- c. Reports & recommendations of the Medical Review Committee regarding applications for Disability Payments as presented to the Medical Review Committee at the June, July and August, 2018 meeting.

A motion was made by Bill Myers and seconded by Bill Murray to approve the granting of service retirement, survivor benefits and applications for a disability allowance for the months of June, July and August, 2018. All members voted in favor and the motion was passed.

### **MATTERS FOR THE BOARD INFORMATION:**

Clare Barnett announced and welcomed a new board member Melissa McCaw, a public member appointed by the Governor. Melissa is the Chief Financial Officer for the City of Hartford and brings to the Board a wealth of knowledge especially in finance and balancing budgets and various other things we will be able to use her expertise on.

We did not have a formal board meeting in August so, Clare Barnett announced at this meeting that former TRB Administrator Darlene Perez's mother passed away approximately a month ago. Many TRB members and Board members know Darlene and have had long relationships with her so, anyone wishing to send a card to her can send it here to TRB and we will make sure she gets it.

Retirement Statistics for the month of June, July and August, 2018.

### **COMMENTS FROM OBSERVERS:**

There were several questions from observers in regards to the health insurance including when open enrollment will occur, if there will be an increase in the Stirling Benefits rates and when those rates would be available.

Joe Fields responded that open enrollment will occur during the last two weeks of October and it will only be for members who want to make a change to their coverage. He stated that the expectation is that there will be an increase, at minimum a trend increase in the Stirling Benefits rates and those rates are expected to be available in the next week and at the next board meeting on October 3, 2018. Members will receive notification of the new rates and the rates will also be posted on the TRB website.

Suggestions were made to the board that information regarding open enrollment meetings should be sent out ahead of time prior to the beginning of open enrollment.

A question was asked about an email many members received from Express Scripts announcing new rates. Helen Sullivan explained that TRB was not made aware of this announcement prior to it being sent out by Express Scripts and the announcement was not sent out to all members, approximately 2,600 members received this email notification.

It was brought to the Board's attention that some members are having issues receiving coverage for services that were previously covered. Helen Sullivan explained that some services received previously may require prior authorization.

The Board was advised that a group of over 20 teachers in the Farmington Valley have met with State Representative John Hampton twice to discuss issues including: wanting to know more about how TRB makes decisions about their health insurance coverage, wanting to maintain their own Medicare coverage and retain Stirling Benefits as a supplement, finding ways to insist that the Connecticut State Legislature pay its fair share to the health insurance fund and concerns over how the money is being used.

The November board meeting will include a presentation from the TRB Actuary related to the pension fund.

#### **ADJOURNMENT:**

With no other comments or announcements, a motion was made by Bill Myers and seconded by Jonathan Johnson to adjourn the meeting. All members voted in favor and the motion was passed.

The meeting adjourned at 4:16 p.m.