



News Release

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Teacher Retirement System of Texas (TRS) Awards New Contracts, Saving \$754 Million in Both Active and Retiree Health Benefit Programs for 705,000 Texas Public School Employees and Retirees

AUSTIN – TRS trustees voted today to select medical plan administrators for both TRS-ActiveCare and TRS-Care, saving \$754 million over three to five years. Blue Cross and Blue Shield of Texas (BCBSTX) and UnitedHealthcare (UHC) will take over administration of TRS' two health care programs. The significant savings will improve the position of the TRS-ActiveCare and TRS-Care trust funds, aligning with TRS' strategy to ensure participants have high-value health care.

TRS-ActiveCare serves nearly 1,100 school districts and covers 479,000 participants, while TRS-Care covers 226,000 retirees and families. BCBSTX will administer both TRS-ActiveCare and TRS-Care Standard for those under 65; UHC will administer TRS-Care Medicare Advantage for those who have Medicare.

BCBSTX will save TRS-ActiveCare \$300 million and TRS-Care Standard \$140 million over three years. UHC will save TRS-Care Medicare Advantage \$314 million over five years. Both TRS-ActiveCare and TRS-Care have experienced funding challenges, and these savings improve the long-term sustainability of our members' health care benefits. "Our members' health care is now and will always be a top priority," says TRS Board Chairman Jarvis Hollingworth. "And these new contracts support TRS' health plans on the path toward stability," he adds.

BCBSTX made a strong commitment to support TRS in building primary care-based health care delivery and increasing the value of TRS-ActiveCare and TRS-Care Standard for TRS members. Their negotiated provider rates offer greater savings to the program and its participants, and they have a broader network, thereby improving access to health care services for public school employees, younger retirees, and their families. Not only does BCBSTX's robust provider network have deep roots in the Texas health market, the majority of TRS-ActiveCare and TRS-Care Standard participants' current providers are in the new network, which means lower levels of disruption during the transition.

UHC will bring a broad network of providers for the Medicare population, giving retirees a wider choice when choosing doctors to manage their care. In fact, 99% of the providers that TRS-Care participants use the most are in the network. The UHC offering also puts TRS-Care in a stronger financial position. The savings and network make UHC the top choice for retirees with Medicare.

“We’re dedicated to supporting our members, retirees and their families throughout the transitions,” says TRS Executive Director Brian Guthrie. “In the coming months, our members can expect a robust communication campaign and will see the new websites and customer services lines open up. And, as always, our staff is ready to assist our members with questions they may have.”

The TRS-ActiveCare transition to BCBSTX will take effect Sept. 1, 2020. The TRS-Care plans’ transitions to BCBSTX and UHC will take effect Jan. 1, 2021. The TRS board will consider TRS-ActiveCare rates and benefits for the coming year at its upcoming meeting in April. The 86th Texas Legislature appropriated \$231 million to keep TRS-Care premiums constant through 2021 and the added savings from the contracts allows TRS to support this commitment.

For more details, visit <https://www.trs.texas.gov/Pages/trsvendorchanges2021.aspx>.

The Teacher Retirement System of Texas is the largest public retirement system in Texas, serving over 1.6 million people. TRS improves the retirement security of Texas public education employees through our “best in class” investment management that oversees an approximately \$167 billion trust and delivers pension and health care benefits that make a positive difference in members’ lives.

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