



College Station Independent School District

Success...each life...each day...each hour

MEMORANDUM

To: Mike Martindale, Superintendent *MM*
From: Molley Perry, Chief Administrative Officer *MPerry*
Date: December 8, 2021
Subject: Discontinuation of TRS ActiveCare
Agenda Item: I-1

BACKGROUND

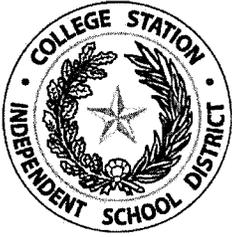
In the 87th session of the Texas Legislature, the passage of SB 1444 resulted in an expansion of healthcare options for public school districts across the state. Under this new law, districts who are current Teacher Retirement System (TRS) ActiveCare participants are allowed to opt out of participation in the program during future plan years. Districts seeking to opt out for the 2022-23 plan year must notify TRS by December 31, 2021, and the decision is binding for five years.

In accordance with CSISD Board Policy BDB(Local), the Board of Trustees chartered an ad hoc advisory committee to study and make recommendations regarding the needs of the District in August 2021. The purpose of the Employee Healthcare Committee was to evaluate new options resulting from SB 1444 and develop a recommendation to either remain in the TRS ActiveCare system or seek alternative options to best support the needs of CSISD employees in 2022-23 and beyond.

This committee met three times during early fall to evaluate historical and current information related to TRS ActiveCare and discuss benefits and concerns around other options for employee healthcare. As a result of this work, the committee recommended the administration continue to evaluate other healthcare options and make a final recommendation to the Board of Trustees regarding the District's next steps with TRS ActiveCare.

During this exploratory phase of work, administration met with three consultants to evaluate various options related to employee healthcare on the free market. Two separate and independent analyses of CSISD medical and pharmaceutical claims from the 2018-19, 2019-20, and 2020-21 plan years indicate that CSISD employee premiums exceed claims paid.

Although the timing of this decision as required under statute does not allow for a full evaluation of specific plans and rates available in the free market prior to the next plan year beginning on September 1, 2022, the District has secured alternative plans through TASB Health Plan, which are comparable to existing plans and rates provide by TRS-ActiveCare. Additionally, the District has the option to engage in a full evaluation of options on the free market in spring 2022 before making the final determination regarding which plans best meet the needs of CSISD employees with a focus on affordability, quality, and continuity of care.



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RECOMMENDATION:

It is recommended that the College Station ISD Board of Trustees approve the proposed resolution declaring the District's intent to discontinue participation in TRS ActiveCare.