



*From the President's Desk –
CAPITOL NEWS FROM RSEA*

Update on Spring RSEA Activities

June 2016

ERS Board Actions on Insurance - May 2016 --

At its May 17 quarterly Board Meeting, the ERS Board of Trustees took several actions affecting state employee and retiree health insurance benefits:

- a. Adopted the 2017 Health and Dental Insurance Plan (HealthSelect), effective September 1, 2016, for active employees and **non-Medicare** retirees. There are some rate increases consistent with 7% estimates ERS gave the Legislature in 2015, though the State **will continue to cover 100%** of the employee/retiree premium and 50% of spouse/dependent premium. The new rates are on the ERS website at www.ers.state.tx.us
- b. Selected Superior Vision as administrator of the new Vision Plan for retirees, employees, and dependents, effective September 1, 2016, through August 31, 2020, including rates for 2017 plan year. Enrollment information is on the ERS website.
- c. Approved UnitedHealthcare as the new pharmacy benefits manager for HealthSelect Prescription Drug Program and HealthSelect Medicare Rx. Transition information is on the ERS website.

We provide this information in case RSEA members have not already received it directly from ERS.

Release of Sunset Report on ERS – April 2016 --
On April 29, the Texas Sunset Commission released

its "Staff Report" on ERS. Among several recommendations, Sunset staff addressed two key areas:

- a. Re-establishment of a Benefits Advisory Committee to receive input from stakeholders and experts on benefits programs, especially health benefits; and,
- b. Best practice improvements to the agency's overall contract management procedures.

The appointed members of the Sunset Commission will conduct a formal public hearing on the staff report (tentatively scheduled for August 22). Meanwhile, a complete copy of the staff report can be found on both websites of the Sunset Commission (sunset@sunset.texas.gov) and the ERS.

As a reminder, due to its constitutional basis, the **state pension fund is not subject** to the traditional sunset process, though ERS' management of the health benefits programs and its own administrative process, including Board governance, are subject to the sunset process.

Legislative Interim Committees – February - June 2016 -- Key legislative committees have had these meetings to work on interim charges from Lieutenant Governor Patrick and Speaker Straus:

- Senate Finance - March 30
- Senate State Affairs - February 18, April 13
- House Appropriations - April 19-20
- House Pensions - March 30, April 13, June 13

You may refer to the RSEA newsletter of January 2016 on interim charges. RSEA monitors these activities which pertain to funding or governance of the state employee pension fund, and our health insurance programs. You may view video archives of previous legislative meetings as well as view live broadcasts of most meetings as they occur at *"Texas Legislature Online."*

Thank you for your public service and we appreciate your membership in RSEA. And, we always appreciate the opportunity to serve you.

Sincerely,
Bill Hamilton, RSEA President