



CT TEACHERS' RETIREMENT BOARD

765 ASYLUM AVENUE HARTFORD, CT 06105-2822

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MINUTES

October 7, 2015

2:00 pm

The meeting of the Teachers' Retirement Board was called to order at 2:03 pm by Chairperson Clare Barnett on Wednesday, October 7, 2015 at 765 Asylum Avenue, Hartford, CT.

BOARD MEMBERS PRESENT:

Clare Barnett, Teacher Member
William Myers, Teacher Member
Al Bredehorst, Teacher Member
Clifford Silvers, Public Member
Jonathan Johnson, Public Member
Maureen Honan, Teacher Member
Rosalyn Schoonmaker, Teacher Member
Lisa Mosey, Teacher Member
Charles Higgins, Public Member
Deborah Spalding, Designee (Office of the State Treasurer)
Gregory Messner, Designee (Office of Policy and Management)

BOARD MEMBERS NOT IN ATTENDANCE:

Kathy Demsey, Designee (State Department of Education)
Elaine Lowengard, Public Member

STAFF PRESENT:

Darlene Perez, TRB Administrator
Shantelle Varrs, Fiscal Administrative Manager
Charlene Hill, Assistant to the Administrator

OTHERS PRESENT:

Robyn Kaplan-Cho, CEA
Thomas Singleton, ARTC
Karen Nolen, OPM
Jamie Stirling, Stirling Benefits
Christina Gellman, OFA
Walter Ciplinski, Retiree
Scott Reed, Reed Financial Planning Services

Open meeting –Chairperson, Clare Barnett

1. Agency Report:

Legal Issues:

Darlene Perez provided an update on legal issues the agency has been responding to. The agency has been trying to recoup post death benefit payments from a deceased retiree's Estate. Payments to the deceased retiree continued to be automatically deposited into the member's bank account because for a short time the agency was not subscribing to a death notification service. The payments have since been transferred and is now in the "unclaimed funds" in the State Treasurer's Office. The agency has been following the procedures necessary to try to recoup these funds. The agency is now in the process of filing a claim against the Estate.

A formal complaint was brought by two retirees against the agency for not supplying information the agency deems as protected by HIPAA laws. This complaint was originally initiated in 2006. During and since that time, the agency's IT staff has created several reports in an effort to provide information to the two retirees that are covered by FOI but are not exempt by HIPAA laws. This issue still continues as the agency does not want to provide information based on the state laws and then be in violation of the Federal HIPAA laws and face very steep fines etc.

The former spouse of a deceased retired teacher called the agency this year to state that she had never received any money from her late husband's account who died in 1989. The agency reviewed our records and found that we did pay her and her minor child because they were both eligible at the time of the member's death to receive benefits under TRB's survivorship program. The records included "warrants" which provides the name and the monthly payment and is presented to the Board and becomes a part of the official agency records in the official record of Board minutes we keep. We were not able to provide copies of checks because copies of checks and records are not kept beyond 10 years of the last distribution based on the Board approved Records Retention Policy for this agency. After filing an affidavit as requested by the Attorney General's Office, we have not heard anything further regarding this issue and believe it may be resolved.

A member was requesting to be reinstated on the Health Insurance Plan but had not fulfilled the requirement of providing proof that she is a U.S. resident. The only address we had on file was outside of the U.S. Under a Federal Health Insurance Program, the Federal Government requires members to be a resident of the U.S. This member has since returned to the U.S. and has reapplied to have her health insurance reinstated which is subject to Federal Government approval since we are now in a Federal prescription program. We are currently processing her application for reinstatement.

Outside Counsel:

A request for retaining outside counsel for TRB has been submitted to the Attorney General's Office. They have drafted an RFP and their goal is to get the RFP

published this week. The Vendor Selection Committee is expected to include Darlene Perez and two attorneys from the Attorney General's Office. There may be a chance that someone from the Board may be needed to serve on the Committee if we are unable to have two attorneys from the Attorney General's Office serve on the Committee.

Vendor Contracts:

Three requests have been submitted to OPM for approval. Two are for contract extensions for our Actuary, Cavanaugh Macdonald Consulting and our Health Plan Consultant, Bargained Plans, LLC. The third one was to request permission to issue a Request for Proposal (RFP) for Dental Plan Administrative Services. We are also working on two other contracts. Stirling Benefits, Inc. was awarded a three year contract and we were able to get a one year extension for Aetna.

Silver Sneakers:

Walt Ciplinski, a retiree who is representing many of our retired teachers was able to obtain additional signatures to add to those who are interested in having Silver Sneakers added to the health insurance program. He has also offered to provide any financial reporting the Board may be interested in regarding cost analysis, etc. upon your request.

Health Plan Open Enrollment:

This is the time of year when we send out "open enrollment notices" to all of our health plan members. We are approaching 26,000 health plan members in the health program. Because there are so many members now, we've discontinued sending cancellation, enrollment and change forms with the notices because most of the people are settled into having everything we have to offer. We are not sending out the extra paper because we are finding that only 200-300 people a year at this point are making changes. Darlene discussed how the coverage is now bundled and members are no longer allowed to drop part of the coverage for example dental and then add it again the next year. In addition, if a member cancels the bundled coverage, they are not allowed to re-enroll for two years unless they have a qualifying event. We are very optimistic that these changes will assist in reducing cost and the time it takes our reduced staff to administer enrollments and cancellations during open enrollment.

Express Scripts:

Darlene Perez and Joe Fields will be meeting with TRB's prescription vendor, Express Scripts next week. Express Scripts will be providing the results from the second quarter of this year. The fact that they are coming in October to provide us with these results that ended June 30, 2015 shows the delay in how much time it takes to get results from a prior period of time. Not having this information made it especially challenging for Joe to calculate premiums this year because he only had one quarter of experience to base the calculation on. Next year he will have a whole year's worth of experience to make the calculation. Darlene and Joe will report back to the Board the findings from next week's meeting with Express Scripts.

2. Approval of the September 2, 2015 Meeting Minutes.

A motion was made and seconded to approve the September 2, 2015 meeting minutes. All members voted in favor and the motion was passed (with one abstention, Charles Higgins due to absence.)

3. Consideration and Approval of the Administrator's Actions regarding:

- a) Granting of service retirement benefits for the September, 2015.
- b) Survivor benefits for the September, 2015.
- c) Reports & recommendations of the Medical Review Committee regarding applications for Disability Payments as presented to the Medical Review Committee at the September, 2015 meeting.

A motion was made and seconded to approve the granting of service retirement, survivor benefits and applications for a disability allowance for September, 2015. All members voted in favor and the motion was passed.

4. Consideration and Approval of the Board Meeting Schedule for 2016.

A motion was made and seconded to approve the Board Meeting Schedule for 2016. All members voted in favor and the motion was passed.

5. Status report on Audit Recommendations provided by Shantelle Varrs.

The Health Fund Ledger has been reconciled through August and we are currently working on September, we will always be a month in arrears for reconciliation. Over the past two months, Shantelle has spent time reporting to State agencies including OPM, DAS, and Comptrollers regarding agency business and producing administrative and budget reports.

The fiscal division staff is currently focusing on exception codes because member annual statements will be going out in December. The exception codes must be cleared so statements can go out correctly.

We have two vacant positions in the Fiscal Division, an Accounting Careers Trainee position and Associate Accountant position. The Accounting Careers Trainee position will possibly be filled with a person who was laid off from the Labor Department. We recently received a release of the Moratorium for the Associate Accountant position, so we will begin the process to hire someone for that position.

A motion was made and seconded to accept the status report on audit recommendations from the Audit Committee. All members voted in favor and the motion was passed.

MATTERS FOR THE BOARD INFORMATION:

Retirement Statistics for the month of September, 2015.

COMMENTS FROM OBSERVERS:

ADJOURNMENT – 2:33 PM