



TRS CARE - PUBLIC SCHOOL RETIREE HEALTH CARE PROGRAM

The Texas Speech-Language-Hearing Association (TSHA) has a membership of more than 5,500 speech-language pathologists and audiologists statewide and is the recognized authority on the delivery of life-changing therapies to consumers throughout Texas. TSHA supports maintaining defined benefit retirement plans for active and retired education employees through the Teacher Retirement System.

Regarding legislation to related to the maintain the teacher retirement system:

- One of every twenty Texans is a member of TRS (Teacher Retirement System). This equates to 1.4 million active and retired members. Currently, there are 250,000 participants in TRS Care.
- There is a \$1.1 billion shortfall in the TRS Care program. This shortfall is being shifted to retirees, and it is anticipated that the plan will become insolvent within two years if the Legislature does not act to address the situation.
- Retirees currently pay \$1.4 billion in premiums and out-of-pocket expenses annually, exceeding the state's contribution to the program. During the past biennium, plan participants experienced reductions in coverage and increases in out-of-pocket expenses associated with higher premiums, deductibles, co-pays, and prescription drug costs. The increases are attributable to rising health care costs and the fact that the legislature has not contributed a sufficient amount to keep the program solvent.
- Texas currently contributes just 1% of the active educator payroll growth to TRS Care. State contributions are tied to payroll growth so there is no relationship to the actual cost of health care. The State of Texas covered the \$768 million shortfall in 2015, but the coverage of this shortfall was only a band-aid for a larger problem.
- Retirees are scared. 97% believe major changes to TRS Care will impact their retirement security. Future retirees should be concerned as a short-term fix will cause pain, especially for people 65 and under. Should TRS Care become insolvent members of TRS will lose their insurance
- The Legislative Budget Board has said that in order for TRS Care to survive, everyone, including retirees, active members, school districts and the state are going to need to contribute more and benefits will have to be reduced.

Requested Action: TSHA respectfully requests that members of the Texas Legislature prioritize TRS Care this session. Members of the Teacher Retirement System need a long-term solution that meets their healthcare needs.

Contact Information: We look forward to working collaboratively this legislative session. For questions about information contained in this briefing, please contact Larry Higdon, Director of Governmental Relations (lwhatsha@gmail.com), Mark Hanna, Legislative & Legal Counsel (mhanna@markjhanna.com), or Shannon Butkus, Vice President for Social & Governmental Policy (government@txsha.org).