

Public Agenda Item #18

Review and Discussion of the Texas Employees Group Benefits Program:
TexFlex Program and Monitoring Strategy Overview

December 2, 2016

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TexFlex Program

Program Overview



The TexFlex program offers four reimbursement plans:

TEXFLEX



Health care reimbursement plan



Limited purpose health care reimbursement plan



Dependent care reimbursement plan



Commuter reimbursement plan

TexFlex Program

Program Overview



- Pre-tax contributions reimburse participants for qualified expenses
- Premium conversion programs generated approximately \$42 million in FICA tax savings to the state in FY2016
- Plans are administered by ADP, LLC



TexFlex Program

Participant Enrollment



TexFlex Program

Participant Enrollment by Reimbursement Plan Type

Fiscal Years 2016 through 2017

	Health Care Reimbursement Plan			Dependent Care Reimbursement Plan		
	Enrollment FY2016	Enrollment FY2017	% Change	Enrollment FY2016	Enrollment FY2017	% Change
Members	46,877	50,031	6.73%	3,640	3,785	3.98%
Elections*	\$ 65,658,055	\$ 65,151,516**	-0.77%	\$ 14,796,849	\$ 14,305,860**	-3.32%

* Elections are pledges into the program and are reported commitments for the applicable fiscal year.

** Annual enrollment elections for FY2017 are annualized based on September 2016 payroll data.

TexFlex Program

Participant Enrollment



TexFlex Program Limited Purpose Health Care and Commuter Reimbursement Plans Participant Enrollment by Reimbursement Plan Type Fiscal Year 2017

	Limited Purpose Health Care Reimbursement Plan	Commuter Reimbursement Plan	
		Parking	Transit
Members	40	22	149
Elections*	4,343**	1,586**	10,622**

*Based on September 2016 payroll data

**Pledges into the limited plan are reported commitments for the applicable fiscal year. Pledges reported for the commuter plan are monthly commitments.

TexFlex Program

Monitoring



Monthly Administrative Performance Report (MAPR)

- 22 Criteria are monitored for contractual compliance
- Criteria are organized into four major categories:



Account Management



Customer Service



Operations



Systems and Data Management

TEXFLEX

Monthly Administrative Performance Report (MAPR) Heat Map Summary

TexFlex Program
ADP, LLC

HEAT MAP COLOR LEGEND
No applicable activity.
Performance met standards.
Performance did not meet standards; PG assessment waived.
Performance did not meet standards; not a PG metric.
Performance did not meet standards; PG assessment pending.
Performance did not meet standards; PG assessed.

DESCRIPTION		Assessment Frequency	09-2015	10-2015	11-2015	12-2015	01-2016	02-2016	03-2016	04-2016	05-2016	06-2016	07-2016	08-2016
ACCOUNT MANAGEMENT	Fiscal year forfeiture report	Annually	100%											
	Annual participant satisfaction rate	Annually	Pending											
	Program reporting	Monthly	100.0%	<100%	<100%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
	Communication materials: quality	Any Incident	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	<100%	100.0%	< 100%
	Communication materials: timeliness	Any Incident	100.0%	100.0%	100.0%	<100%	<100%	<100%	100.0%	100.0%	<100%	100.0%	< 100%	< 100%
	Written notice of changes	Any Incident	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	<100%	100.0%	100.0%	100.0%
	Annual enrollment attendance	Any Incident	<100%											
CUSTOMER SERVICE	Respond to written correspondence	Quarterly	100.0%		100.0%			100.0%			100.0%		100.0%	
	Response online or escalated inquiries	Quarterly	100.0%		100.0%			100.0%			100.0%		100.0%	
	Response research requests	Quarterly	100.0%		100.0%			100.0%			100.0%		100.0%	
	Answer calls within 30 seconds	Quarterly	71.0%		49.0%			87.4%			53.6%			
	Manage call blockage below 0.5%	Quarterly	0.0%		0.0%			0.0%			0.0%		0.0%	
OPERATIONS	Process paper claim reimbursements	Monthly	99.0%	99.0%	99.0%	100.0%	99.3%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
	Manage debit card mail-outs	Monthly	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
	Process claim payments accurately	Monthly	100.0%	99.8%	99.4%	100.0%	100.0%	100.0%	99.8%	99.0%	100.0%	100.0%	100.0%	100.0%
	Process claim payments timely	Monthly	99.9%	99.8%	100.0%	100.0%	100.0%	100.0%	99.5%	99.0%	100.0%	100.0%	100.0%	100.0%
SYSTEM & DATA MANAGEMENT	Interface with GBP Vendors	Not a PG	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
	Ensure claims system availability	Annual	100.0%											
	Ensure website availability	Annual	100.0%											
	Process eligibility files accurately, timely	Any Incident	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
	Provide timely notification of file or transaction errors	Any Incident	<100%	<100%	<100%	<100%	<100%	<100%	<100%	100.0%	100.0%	100.0%	100.0%	100.0%
	Resolve file errors accurately, timely	Any Incident	<100%	<100%	<100%	<100%	<100%	<100%	<100%	100.0%	100.0%	100.0%	100.0%	100.0%

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Level of Severity	Definition	Allocation of Risk
Severity 1 Emergency	<ul style="list-style-type: none">• Mission critical systems are down• Substantial loss of service• Operations have been severely disrupted	50% of the aggregate annual amount at risk
Severity 2 Critical	<ul style="list-style-type: none">• Major functionality is severely impaired• Operations can continue in a restricted fashion	25% of the aggregate annual amount at risk
Severity 3 Moderate	<ul style="list-style-type: none">• Operations are adversely impaired• Temporary work-around, acceptable to ERS, is immediately available	Occurrence 1: 3% Occurrence 2: 5% Occurrence 3: 6% Occurrence 4: 9%
Severity 4 Minor	<ul style="list-style-type: none">• Operations have been adversely affected in a limited manner• Modification of current policies and/or processes is required	2% of the aggregate annual amount at risk

Questions?