

## **ADDENDUM TO OUR TESTIMONY IN SUPPORT OF SB 1082**

March 28, 2021

Dear Co-Chairs Senator Osten and Rep. Walker, Vice-Chairs Senator Hartley, Rep. Dathan and Rep. Nolan, and Ranking Members Senator Miner and Rep. France, and Distinguished Members of the Appropriations Committee,

Thank you for the opportunity to present testimony during the public hearing on Friday, March 26, 2021 for: **SB 1082: AN ACT CONCERNING A RETIRED TEACHER ADVISORY COUNCIL, THE MEMBERSHIP OF AND TERM LIMITS FOR THE TEACHERS' RETIREMENT BOARD, A CAP ON CERTAIN PROFESSIONAL FEES PAID BY THE BOARD, AND MEDICARE SUPPLEMENTAL PLANS FOR RETIRED TEACHERS.**

Given the length of the hearing and the number of testimonies you heard, we wanted to take this opportunity to summarize and clarify some points that were made regarding **SB 1082**.

### **1. Establishment of an Advisory Council**

Based on the testimony of TRB administrator, Helen Sullivan, the concept of an Advisory Council is not new to her. In fact, she stated the following:

**“An informal Ambassador group was established in 2019 by TRB with at least one member representing AFTC, ARTC, CEA-Retired, and Retired Healthcare Advocates.”**

She went on to say that she had already designated a TRB staff member as a point person who is dedicated to responding to concerns of the group.

So contrary to Ms. Sullivan's expressed opposition to this component of the bill that specifically calls for an Advisory Council, she has testified that she has already laid the ground work for a group, and the bill simply formalizes what she says she has already begun. We agree with her that there is a need for a working group of retiree representatives to work with and to assist the TRB staff as needed, especially in its efforts to distribute timely and accurate information about issues that are important to retirees. The Advisory Council in no way desires to participate in the day-to-day operations of the Agency, nor will it have a role in the direct negotiations for

insurance benefits. However, this Advisory Council could be the intermediary to receive questions and suggestions from members and present these items to the TRB for response. While the agency has attempted to establish pathways for communications, in the era of staff and budget cuts, it has become increasingly difficult to engage in effective two-way communication between members and the TRB.

## **2. An Additional Retiree Board Member**

The bill proposes adding one additional retiree to the TRB in an attempt to reflect the current ratio (4:3) of active to retired teachers. While there seems to be broad-based support across the board for this component of the bill, those in opposition take issue with two requirements:

**a. that the new member be a member of a retiree organization not currently represented on the Board**

**b. that all future elected retiree members be consumers of the TRB Health insurance plans**

We believe that both of these requirements are essential. A member who is an enrollee in the insurance program will have first-hand knowledge of and experience with how the plans work and will be able to report directly to the board based on that experience, whether positive or negative. Adding members who are invested in the program can only add to the resources that the Board will have to make informed decisions.

SB 1082 seeks to ensure diverse representation from different retiree organizations. Diversity should not be seen as a negative. Instead having different voices, ideas and opinions should serve to strengthen the Board and help the organization better serve its constituents.

While there was some concern expressed by opponents that these requirements would severely hamper the organization's ability to recruit Board members, there are more than 31,000 of the total 38,000 retirees enrolled in the TRB's health insurance plans. With a broad and varied pool of that size, it is certain that members from the various retiree organizations will step up to serve. If the veil were lifted on how the Board operates, how members are elected, and what the duties are of those who participate, it would encourage more retirees to run for the Board. Currently, the Board is

an enigma to many. Increased transparency can only help to improve participation.

### 3. Term Limits

We agree with those who testified in opposition of **SB 1082** that experienced board members can be an asset to any organization. Therefore, while the bill does **establish term limits for newly** elected board members, these terms are set liberally at no more than a total of **twelve (12) years**, or **three (3) four-year terms**. In addition, as board members are elected at different times, terms will always be staggered, allowing for experienced members to serve with those who are coming in with new and different experiences, adding diversity and depth to the Board. In addition, having diversity in the professional retiree organizations represented, once again, serves to ensure that all voices have an opportunity to be heard.

### 4. Professional Fees' Cap

Retired teachers need to maintain the integrity of their healthcare funds. To protect the integrity of that fund, **SB 1082** includes a provision that professional fees paid out this fund will be capped at \$150,000. All teachers active and retired are responsible for a large portion of their retirement healthcare costs. Prior to retirement, active teachers contribute to the retiree healthcare and pension funds through mandatory, bi-weekly payroll deductions. Retired teachers continue to pay through their health insurance premiums. While teacher contributions were and continue to be made without fail, the State has, on occasion, failed to fully fund its portion. As such, there have been times when these funds have been perilously close to collapsing. The most recent crisis was with the healthcare fund in 2018.

For many years, healthcare professional fees were paid out of the TRB budget. At some point in the past decade, these costs were shifted from the TRB budget and are now paid out of the healthcare fund that is supported primarily by active and retired teachers.

Those who have spoken in opposition have stated that a cap on fees will hamper TRB's ability to acquire the expertise needed to negotiate and manage healthcare contracts. If fees are needed in excess of \$150,000, the overage would be provided from the TRB budget, allowing the agency to share the cost.

Because of the “financial cliff” the healthcare fund faced in 2018, retirees have been more concerned with controlling limits on professional fees and the awarding of consulting contracts in general. The Appropriations Committee may want to review a report on this subject entitled **“Retirement Healthcare Plan Contractual Terms,” dated September 7, 2018, completed by the State Comptroller’s Office.**

### **5. Traditional Medicare Supplement Plan**

**SB 1082** would require that the TRB continue to offer as one of its health care plans a Traditional Medicare Supplement. Contrary to testimony opposing SB 1082, there is no language in this bill that states that the Traditional Medicare Supplement plan be offered at the same premium cost as the base Medicare Advantage Plan. In fact, the Supplement plan has been offered as a more expensive option for those retirees who need the coverage that it provides.

There is no additional cost to the State for a Traditional Medicare Supplement plan according to state Statute, (Chapter 167a, Sec.10-183t. Health Insurance

[https://www.cga.ct.gov/current/pub/chap\\_167a.htm#sec\\_10-183t](https://www.cga.ct.gov/current/pub/chap_167a.htm#sec_10-183t) ).

The other related issue raised during the testimony was the danger in having TRB required to offer a traditional Medicare Supplement when the organization is unable to predict the future of Medicare. In reality, the expectation of **SB 1082** is that a Supplement will be offered as an option for as long as it is available through Center for Medicare & Medicaid Service (CMS) or any other agency that is under the direction/management of the Federal government.

Opposing testimony also stated that, the state of Connecticut saved money by moving all of its retired State Employee members to an Advantage Plan. However, the state’s 1/3 contribution to retired Teachers healthcare was lowered in 2018 when they moved the TRB’s base plan to Medicare Advantage. This same lower contribution amount applies to both TRB Medicare options currently offered. Thus the savings to the state has already been achieved. The state **does not contribute any more money for the Supplement plan.**

We believe that each of the five (5) components of **SB 1082**, if approved, will serve only to strengthen the mission of TRB to better serve retirees and ensure that active teachers will be able to enjoy their benefits when they enter that phase of their lives.

We thank the Committee for allowing us to share our testimony, and we trust that this summary document will help to clarify and/or correct any information or questions that the Committee may have had after your extraordinarily long public hearing on Friday, March 26, 2021. Of course, we would be happy to continue to address any additional questions or concerns you may have. Please vote this important legislation out of committee.

Respectfully submitted,  
Retired Teacher' Healthcare Advocates (RTHA)

Walt Ciplinski - Newington  
June Pinkin - Manchester  
Paula Bacolini - Glastonbury  
Thomas Bruenn - Bloomfield  
Bob Buck - Farmington  
Daniel Diodato - Simsbury  
Rita McDougald-Campbell - Trumbull  
Jackie Fastaia - Westbrook  
Brad Hayword - Bristol  
Mary Hendrickson - Simsbury  
Kathleen R. Hennessey - Rockfall  
Margaret Rick - West Hartford  
Jeannette Saunders - Windsor  
Noreen Scafuri - Canton  
Paula Schwartz - Avon  
Court Wilson - Avon  
Jane Wilson - Avon