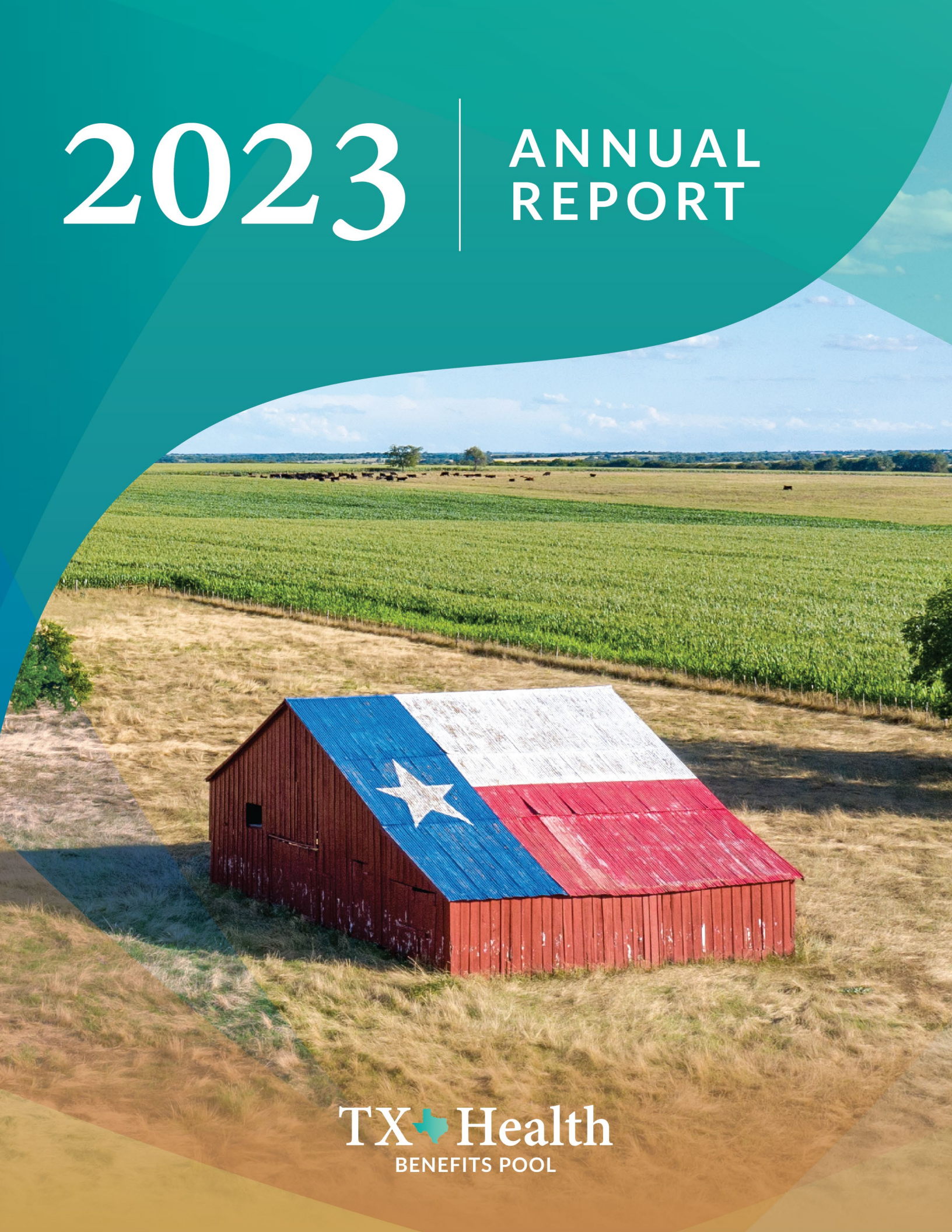


# 2023

# ANNUAL REPORT



TX  Health  
BENEFITS POOL





## A Message From Our Chairman

Thank you for trusting TX Health Benefits Pool with your employee's benefits. It is an honor to serve as your Board Chair. One of the unique things about the Pool is that the Board of Trustees is made up of city officials who understand the challenges faced by Texas local government. In 1979, a group of visionary city leaders founded the Pool with the principle that working together, cities and other local government entities could provide better benefits and more stable costs than industry alternatives. Now, 45 years later, TX Health Benefits Pool continues to implement bold strategies to help ensure that healthcare remains affordable and accessible for our members. Everything we do at TXHB is focused on our members with the goal of providing high quality benefits at an exceptional value.

During the 2022-2023 fiscal year, the Pool Board of Trustees made many important decisions to strengthen and solidify the Pool for its members. Last year, the Pool continued to see claims running higher than expected. The Pool paid out about \$15 million more in benefits than we took in from our members. While the Pool was well-prepared to absorb the loss from our reserves, these types of losses are not sustainable. As any responsible leader would do, the Board had to take action to turn that around and ensure the long-term stability of the Pool. When deciding what steps to take, we looked back to the origins of the Pool.

One of the fundamental principles of Pooling risk is that by combining hundreds of employers together, we can spread the risk of catastrophic claims across a large population, making these risks more manageable for all. When a group has a year or two of high claims—the premature baby, the complex cancer diagnosis, or the heart transplant—the Pool is readily able to absorb these claims and the impact is minimized because it is shared across all members. However, when claims for a particular group are excessively high year after year, the rate must reflect that risk in order to protect the Pool as a whole. So, for the first time in many years, the Pool did not offer a rate cap in order to get the under-funded groups up to an appropriate rate. While this was a difficult decision, as you will see in the following pages, it was a necessary one.

Even in the face of rising costs, the Board remains focused on ways to improve benefits for our members. We constantly look for new programs that improve outcomes, reduce the cost of care and allow us to pass those savings on to your employees. SurgeryPlus™ was introduced last year and is one example of the Board's commitment to you and your employees. On average, a procedure through SurgeryPlus is 30-50% lower cost than typical hospital fees. Because of these significant savings to the Pool, we are able to pass on these savings to your employees, and in many cases, they pay \$0 out of pocket costs when they go through SurgeryPlus.

Of course, the biggest update of the entire year: we changed our name to Texas Health Benefits Pool. We were founded 45 years ago by cities for cities, and while that will always be the heart of our mission, the Pool has expanded and evolved our capabilities to offer coverage to other types of political subdivisions. Today, 43% of our member groups are different types of political subdivisions. The new name is a way for us to embrace the diversity of membership in the Pool.

Despite the challenges the Pool faced last year, we maintained high levels of service and member satisfaction. The stats on the next few pages show that the Board's decisive actions have significantly improved the health of the Pool and the future looks incredibly bright. I would like to thank you, our members, for trusting the Pool with the health and wellbeing of your employees and their families. The entire Board and staff of TXHB is honored to partner with you and we look forward to serving you in the coming year.

**Mike Stelly**  
CHAIR OF THE BOARD

# 2022-2023 Fiscal Year Performance

## \$10.7M NET LOSS TO POOL



## INVESTMENT RETURNS

 \$5.6M in Net Investment Gains

 \$43.7M Investment Balance

## BIGGEST COST DRIVERS

- \$3.2M COVID Medical Claims Paid
- 35% Increase in Pharmacy Claim Costs  
7.6% Increase in Average Prescription Cost
- 29% Increase in Cancer-Related Medical Claims

- Top 5 Cost-Driving Diagnosis
1. Cancer
  2. Cardiac Disorders
  3. Gastrointestinal Disorders
  4. Office Visits (Exams, Screenings, Etc.)
  5. Trauma/Accidents

## MITIGATING RISK



**\$3M Saved**  
Selecting Stoploss Through  
BCBSTX® In 23/24 Plan Year



**\$4M Overpayment Recovery**  
In OON Overpayments  
With Claims Review






## Providing You and Your Employees With Excellent Customer Service

At TXHB, serving members is our top priority because we know your time is valuable. When you have a question, our team is there to provide fast, friendly service.



### Enrollment & Billing

-  2/3 of Calls Answered in 30 Seconds
-  69% of Emails Answered in 4 Hours
-  92% Resolution Rate During Call/Email Exchange\*

*\*Based on Member Survey Responses*






### Member Services

-  96% of Calls Answered in 30 Seconds
-  81% Member Satisfaction\*
-  87% Resolution Rate During Call/Email Exchange\*

*\*Based on Member Survey Responses*



### Marketing

-  4.35 / 5 – Knowledge of Benefits Plan
-  4.39 / 5 – Responds Timely
-  4.27 / 5 – Anticipates Group's Needs\*\*

*\*\*Based on Benefit Coordinator Survey Responses*

# Innovative Solutions to Rising Healthcare Costs

## SURGERYPLUS

SurgeryPlus connects our members to a network of the nation's top surgeons and outpatient surgery centers that have demonstrated high quality and lower complication rates. This both reduces claims to the Pool and provides exceptional results, often for as low as \$0 out-of-pocket costs for our members.

**Only 25%** of surgeons qualify for our exceptional network!



- **+8.3%** Month-Over-Month First Time Callers
- **223** Total Procedures
- **\$3.8M** in Procedure Savings

## MEMBER REWARDS

Through Member Rewards, the Pool incentivizes our members to choose more cost-effective treatments. By simply calling their dedicated Benefit Value Advisor, patients can explore options based on provider location, cost, and other important considerations when choosing a provider. If you end up selecting a provider that has a reduced cost for the procedure, we send you a check for 25% of the savings to say Thank You for engaging in your care plan.

### BASED ON 2023 CY:

- **407 Members** Received Rewards
- **\$36.6K** Rewarded Directly to Members
- **25%** of Households Interacted with Member Rewards
- **\$182K** Savings to the Pool

## \$150 WELLNESS INCENTIVE

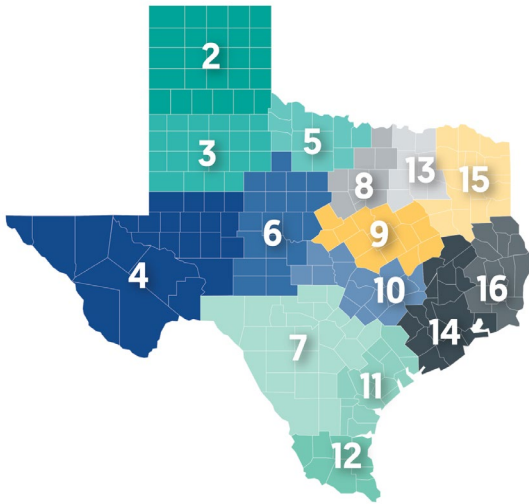
Our TXHB Well program also promotes members to engage with healthy lifestyle choices and preventive annual screenings to catch late-stage, high-cost diagnoses with annual \$150 Incentive Checks!

- **7,208** Members Participated
- **\$1.1M** Rewarded Back to Members
- **78.7%** Members Earned Their Reward through Preventive Biometric Screenings

## ADVANCE PAYMENT REVIEW

The Advanced Payment Review program utilizes a series of claim auditing tools to check that services billed are appropriate, based upon industry standard coding rules developed by the Centers for Medicare & Medicaid services. Charges denied under this program would be deemed as provider write-offs and the member would not be held responsible. In just **6 months** our Pool has been able to **save \$1.7M** that we are able to reinvest into our Pool.

# Meet Your TX+HB Board of Trustees



**Chairman Mike Stelly**  
Region 16



**Vice Chairman Mike Smith**  
Region 5



**Joseph Price**  
Region 2



**Elena Quintanilla**  
Region 3



**Dru Gravens**  
Region 4



**Vacant**  
Region 6



**Joe Cardenas**  
Region 7



**Vacant**  
Region 8



**Connie Standridge**  
Region 9



**Ashley Wayman**  
Region 10



**John Green**  
Region 11



**Wendi Delgado**  
Region 12



**Vacant**  
Region 13



**FaBrice Kabona**  
Region 14



**Wendy Hudman**  
Region 15

## TRUSTEES AT LARGE



Glen Metcalf



James Stokes



Larry Fields



Dr. Lew White



Mike Slye



Stephen Haynes