

# Benefits and Services Committee Meeting


<b>Schedule</b>	Thursday, November 10, 2022 9:00 AM — 9:30 AM CST
<b>Venue</b>	6850 Austin Center Blvd., Suite 320, Austin, TX 78731
<b>Organizer</b>	Sarah McCleary

## Agenda

---

1. Call roll of Committee members


Presented by Chair Noak

 [Item #1 Summary.docx](#)

---

2. Review order of business and establish meeting objectives


Presented by Chair Noak

 [Item #2 Summary.docx](#)

---

3. Consider approval of the August 25, 2022 Benefits and Services Committee minutes

Presented by Chair Noak


 [Item #3 Summary.docx](#)

 [2022 08 25 Benefits & Services Committee Minutes.docx](#)

---

4. Receive report on medical consultants

Presented by Russell Nash

 [Item #4 Summary.docx](#)

 [Staff Report on Medical Consultants.docx](#)

---

5. Discuss and consider disability retirement continuation

A. Convene into Executive Session pursuant to Sec. 13, Art. 6243n, Tex. Rev. Civ. Stat. and Sec. 551.0785 Texas Government Code to deliberate on disability retirement continuation

B. Reconvene into public session and make recommendations as determined appropriate by the Committee regarding disability retirement continuation

Presented by Russell Nash

 [Item #5 Summary.docx](#)


 [Disability Income Verification.docx](#)

---

6. Review 2022 Committee Work Plan and discuss development of 2023 Work Plan  
Presented by Christopher Hanson

 [Agenda Item #6 Summary.docx](#)

 [2022 Benefits and Services Committee Work Plan.docx](#)

 [Draft 2023 Benefits and Services Committee Work Plan.docx](#)

---

7. Review key meeting takeaways and call for future agenda items  
Presented by Chair Noak

 [Item #7 Summary.docx](#)

---

# 1. Call roll of Committee members

Presented by Chair Noak

AGENDA ITEM 1:  
Call roll of Committee members

AGENDA ITEM OBJECTIVE

The objective of the agenda item is to determine for the record which Trustees are present at the start of the meeting.

Each Trustee should respond to the roll call, and it will be noted which Trustees are present in person and which Trustees have joined via video conference.

## 2. Review order of business and establish meeting objectives

Presented by Chair Noak

**AGENDA ITEM 2:**

Review order of business and establish meeting objectives

AGENDA ITEM OBJECTIVE

This agenda item provides Trustees the opportunity to review the order of business and to express a desire to take an agenda item out of order, and to discuss the key objectives of the meeting.

RELEVANCE TO STRATEGIC PLAN

This agenda item meets **COAERS Strategic Plan Goal 4: Identify and implement leading practices in board governance, pension administration, and investment management**. It is an industry best practice to establish meeting objectives and review them at the outset of each meeting.

MEETING OBJECTIVES

1. The Committee will review the performance of the medical consultants under contract.
2. The Committee will review the disability retirement continuation report related to COAERS' disability retirement program.
3. The Committee will review the work done by the Committee in 2022 and discuss development of the 2023 Committee Work Plan.

3. Consider approval of the August 25,  
2022 Benefits and Services Committee  
minutes

Presented by Chair Noak

**AGENDA ITEM 3:**

Consider approval of the August 25, 2022 Benefits and Services Committee minutes

**AGENDA ITEM OBJECTIVE**

This standing agenda item seeks approval of the minutes from the prior Benefits and Services Committee meeting.

**RELEVANCE TO STRATEGIC PLAN**

This agenda item meets the core competency established in the **COAERS Strategic Plan** “*Transparency: Complying with open meeting and public information laws to ensure the decision-making process is clear to members and the public.*”

**RECOMMENDATION FOR COMMITTEE ACTION**

Staff recommends approval of the minutes of the August 25, 2022 Benefits and Services Committee meeting.

**ATTACHMENT**

1. Draft minutes of August 25, 2022 Benefits and Services Committee meeting





**MINUTES**

**Benefits and Services Committee**

Public Meeting held in-person and telephonically on August 25, 2022 at 10:45 a.m. CT  
Pursuant to Texas Govt. Code 551.127

**Committee Members  
Present/(Absent)**

Chris Noak, Committee  
Chair  
Anthony Ross  
Brad Sinclair  
Diana Thomas†  
Leslie Pool†

**Other Board Trustees  
Present/(Absent)**

Mike Benson  
Kelly Crook  
(Amy Hunter)  
(Yuejiao Liu)  
Michael Granof  
(Dick Lavine)

**Others Present**

Staff:

Christopher Hanson  
Sarah McCleary  
Russell Nash  
Mehrin Rahman  
Michelle Mahaini  
Teresa Cantu\*  
Jenni Bonds  
Amy Kelley\*  
David Kushner  
Bertie Corsentino\*  
Cathy Edwards\*  
Yun Quintanilla\*

Guests:

Paige Saenz, General  
Counsel  
Dr. Harold Skaggs  
Jose Hernandez†  
Juanita Hernandez†

\*Present telephonically

† present via videoconference

**1 Call roll of Committee members**

Chair Chris Noak called the meeting to order at 10:57 a.m. The following Committee members were present in person: Noak, Ross, Sinclair. The following Committee members were present via teleconference: Pool, Thomas.

Chair Noak asked if there were any members of the public who wished to speak, either now or during an agenda item. There were no comments.

**2 Review order of business and establish meeting objectives**

Chair Noak reviewed the order of business and objectives with the Committee. Trustees agreed to take item #7 first.

**3 Consider approval of the June 2, 2022 Benefits and Services Committee meeting minutes**

This agenda item was taken after agenda item #7.

Chair Noak asked Trustees to review the minutes. Ms. Leslie Pool moved to approve the June 2, 2022 Benefits and Services Committee minutes as presented. Mr. Anthony B. Ross Sr. seconded, and the motion passed unanimously.

**4 Discuss and consider benefits administration including the following:**

**A. Benefits Administration Policy**

Mr. Russell Nash presented a draft of the Benefits Administration Policy with revisions reflecting the Benefits and Services Committee assuming the duties of the disbanded Disability Committee.

Mr. Ross moved to refer to the Board for approval the Benefits Administration Policy as presented. Mr. Brad Sinclair seconded, and the motion passed unanimously.

**B. Receive report on Benefits Administration Operating Procedures**

Mr. Russell Nash presented a report on staff revisions to the Benefits Administration Operating Procedures that are published to the COAERS membership to provide detailed guidance on the day-to-day administration of benefits. He noted that the procedures do not reflect any changes that would be necessary should the proposed legislative package be enacted.

**5 Discuss Funding Policy**

*Dr. Granof arrived at 11:58 a.m.*

Mr. Christopher Hanson noted that the Texas Legislature amended the Texas Government Code to require all non-statewide public retirement systems and their associated governmental entities to jointly develop and adopt a written funding policy detailing a plan for achieving a funded ratio equal to or greater than 100%. He sought Board direction on several key areas. Trustees suggested that the Funding Policy be

drafted consistent with the proposed legislation and directed Mr. Hanson to work with the city management team on next steps.

**6 Receive report on actuarial service provider**

Mr. Nash delivered the report on the actuarial service provider. He reported on the performance, current contract provisions, and working relationship with COAERS actuarial consultant.

**7 Discuss and consider disability retirement application – Chair Noak**

This item was taken out of order before agenda item #3.

- a. Convene into Executive Session pursuant to Sec. 13, Art. 6243n, Tex. Rev. Civ. Stat. and Sec. 551.0785 Texas Government Code to deliberate on disability retirement application ref. #2202**

Trustees convened into Executive Session at 11:00 a.m.

- b. Reconvene into public session and make recommendations as determined appropriate by the Committee regarding disability retirement application ref. #2202**

Trustees reconvened into Public Session at 11:33 a.m.

Direction was given to Staff to proceed as discussed in Executive Session.

**8 Review key meeting takeaways and call for future agenda items**

Chair Noak summarized the actions taken and the information discussed during the meeting and asked for any future agenda items.

**As there were no further items to address, the meeting adjourned at 12:03 p.m.**

## 4. Receive report on medical consultants

Presented by Russell Nash

AGENDA ITEM 4:  
Receive report on medical consultants

AGENDA ITEM OBJECTIVE

The Committee will conduct the required annual review of the System's medical consultants.

RELEVANCE TO STRATEGIC PLAN

This item supports **Strategic Plan Goal 4: Identify and implement leading practices in Board governance, pension administration, and investment management.**

RECOMMENDATION FOR COMMITTEE ACTION

At the Committee's discretion.

BACKGROUND

The Benefits and Services Committee has oversight responsibility for the COAERS Medical Consultants. The 2022 review is summarized in the attached report which will be discussed at the Committee meeting.

ATTACHMENT

1. Staff Report on COAERS Medical Consultants

**Summary rating: Good. The two primary medical consultants provide fact-based opinions and additional providers can be utilized if needed.**

**Medical Consultant Information:** Dr. Harold Skaggs, Jr. and Dr. Jonathan Decherd provide primary medical consultation to COAERS. Dr. Skaggs earned his medical degree from the University of Texas Medical School and performed his residency in neurology at the Mayo Graduate School of Medicine. He practiced neurology in Austin, Texas for more than 25 years. Dr. Decherd is also a graduate of the University of Texas Medical School and American Board Certified in Internal Medicine. He practiced internal medicine for 28 years.

**Terms of the Representation:** The services for our primary medical consultants are retained by an annual letter agreement which establishes the scope and remuneration for services. For 2022, the fees are as follows:

1. \$419.87 per disability application;
2. \$419.87 per visit with staff prior to Board or Committee meeting;
3. \$419.87 per Board or Committee appearance;
4. Any additional services (e.g., consultation concerning System process) will also be provided at \$419.87 per request.

Fees are adjusted annually based upon the Consumer Price Index (CPI) established by the U.S. Department of Labor for medical care for the Houston-Galveston-Brazoria, Texas area. The medical care CPI through September 2022 was greater than 6%.

**Observations:** Drs. Skaggs and Decherd continue to provide consistent, fact-based medical opinions. Dr. Skaggs has been recently available for more of the cases. COAERS also has access to providers for the treatment of post-traumatic stress disorder and Medical Equation, an Austin-based company, that offers a variety of independent medical review services.

5. Discuss and consider disability retirement continuation

A. Convene into Executive Session pursuant to Sec. 13, Art. 6243n, Tex. Rev. Civ. Stat. and Sec. 551.0785 Texas Government Code to deliberate on disability retirement continuation

B. Reconvene into public session and make recommendations as determined appropriate by the Committee regarding disability retirement continuation

Presented by Russell Nash

**AGENDA ITEM 5:**

Discuss and consider disability retirement continuation

- A. Convene into Executive Session pursuant to sec. 13, art. 6243n, and sec. 551.0785 Texas Government Code, to review disability retirement continuation
- B. Reconvene from Executive Session pursuant to sec. 13, art. 6243n, and sec. 551.0785 Texas Government Code, to make recommendations as determined appropriate by the Committee on disability retirement continuation

**AGENDA ITEM OBJECTIVE**

Review disability annuitants to determine if any are earning wages above the \$15,720 annual threshold.

**RELEVANCE TO STRATEGIC PLAN**

The objective of this agenda item advances **COAERS Strategic Plan Goal 1: Maintain a Sustainable Retirement System** and meets the core competency established in the **COAERS Strategic Plan** “*Dependable Operations: Managing the financial and operational commitments within appropriate measurable standards.*”

**RECOMMENDATION FOR COMMITTEE ACTION**

At the Committee’s discretion

**BACKGROUND**

The COAERS statute states that the Board shall discontinue the disability retirement allowance of a retiree who engages in Substantial Gainful Activity (SGA) as defined by Social Security disability income guidelines. Therefore, all retirees receiving a disability retirement allowance are required to submit documentation of their wages and income on an annual basis. COAERS considers this information to determine if a disability retirement allowance should be discontinued. The Committee will review the earnings of those retirees receiving a disability retirement allowance during each month of 2021.

The Committee may recommend to the Board the discontinuance of a disability retirement allowance if warranted. If no disability retirement allowances are recommended for discontinuance, the Committee Report will reflect that this review has taken place and that no disability allowances will be discontinued.



2021 COAERS Disability Retiree Review

Staff reviewed information for retirees who received a disability retirement allowance each month of 2021. The SGA limit for 2021 is \$15,720. The results are shown in the attached 2021 Disability Continuation Report.

Relevant Policy/Statutes

Section 14.21.3 of the Benefits Operating Procedures states, “The disability allowance of a member who fails to submit the required periodic reports or authorize release of taxpayer information, . . . shall be discontinued until the member has submitted the required periodic report, authorized the release of taxpayer information, or submitted to a required physician examination, as appropriate. If such failure or refusal continues for 12 months, the disability allowance shall be revoked.”

ATTACHMENT

1. Disability Continuation Report (CONFIDENTIAL)

## 6. Review 2022 Committee Work Plan and discuss development of 2023 Work Plan

Presented by Christopher Hanson

AGENDA ITEM 6:  
Review 2022 Committee Work Plan and  
discuss development of 2023 Work Plan

AGENDA ITEM OBJECTIVE

This agenda item is for the Committee to review the work done by the Committee in 2022 and discuss the development of the 2023 Committee work plan.

RELEVANCE TO STRATEGIC PLAN

This agenda item meets **COAERS Strategic Plan Goal 4: Identify and Implement Best Practices**. It is an industry best practice to establish and review Committee work plans.

RECOMMENDATION FOR BOARD ACTION

At the Committee's discretion.

ATTACHMENTS

1. 2022 Committee Work Plan
2. Draft 2023 Committee Work Plan

# 2022 Benefits and Services Committee Work Plan

## Scheduled Quarterly Meetings

1. March meeting (3/10/22)
  - ✓ 12/31/2021 Actuarial Valuation
  - ✓ Plan sustainability work with City of Austin
  - ✓ Disability applications TBD
  
2. June meeting (6/2/22)
  - ✓ Plan sustainability work with City of Austin
  - ✓ Adopt Benefits Resolution for IRS compliance
  - ✓ Disability applications TBD
  
3. August meeting (8/25/22)
  - ✓ Funding Policy with City of Austin
  - ✓ Benefits operating procedure review results
  - ✓ Actuarial service provider review
  - ✓ Disability applications TBD
  
4. November meeting (11/10/22)
  - ~~Funding Policy with City of Austin~~
  - ✓ Medical consultant provider review
  - ✓ Disability continuation review
  - ✓ Disability applications TBD
  - ✓ 2023 Committee Work Plan

## **2023 Benefits and Services Committee Work Plan**

### **Scheduled Quarterly Meetings**

1. January meeting
  - Disability applications
2. March meeting
  - 12/31/2022 Actuarial Valuation
  - Disability applications TBD
3. June meeting
  - Funding Policy with City of Austin
  - Adopt Benefits Resolution for IRS compliance
  - Disability applications TBD
4. August meeting
  - Funding Policy with City of Austin
  - Actuarial service provider review
  - Disability applications TBD
5. November meeting
  - Medical consultant provider review
  - Disability continuation review
  - Disability applications TBD
  - 2024 Committee Work Plan

## 7. Review key meeting takeaways and call for future agenda items

Presented by Chair Noak

AGENDA ITEM 7:

Review key meeting takeaways and call for future agenda items

AGENDA ITEM OBJECTIVE

This standing agenda item provides Trustees the opportunity to review the key takeaways from the meeting.

RELEVANCE TO STRATEGIC PLAN

This agenda item meets **COAERS Strategic Plan Goal 4: Identify and implement leading practices in board governance, pension administration, and investment management**. It is an industry best practice to review key meeting takeaways to summarize what was accomplished at the meeting as well as ensure Staff has clear direction on further work and future agenda items.

RECOMMENDATION FOR COMMITTEE ACTION

Trustees will review key meeting takeaways and delineate next steps.