

**KENTUCKY RETIREMENT SYSTEMS
RETIREE HEALTH PLAN COMMITTEE MEETING
September 5, 2019 at 10:00 A.M., E.D.T.
1270 Louisville Road, Frankfort, Kentucky 40601**

At the September 5, 2019 quarterly meeting of the Retiree Health Plan Committee of the KRS Board of Trustees, the following Committee members were present: David Rich (Chair), JT Fulkerson, Jerry Powell, and Jenny Goins as proxy for Secretary Stephens. KRS Staff members present were David Eager, Erin Surratt, Connie Pettyjohn, Rebecca Adkins, Kathy Rupinen, Alan Hurst, Shaun Case, Philip Cook, Abby Sutherland, and Lisa Perry. Larry Totten attended the meeting. Tracey Garrison, Larry Loew, and Carrie Lovell, with Humana were in attendance as well. Also attending the meeting via teleconference were Mehdi Riazzi, Jim Pranshke, and Michael Reed with Gabriel Roeder Smith & Company.

Mr. Rich introduced the agenda item Approval of May 14, 2019 Committee Meeting Minutes. Mr. Powell moved and was seconded by Mr. Fulkerson to approve the minutes. The motion passed unanimously.

Mr. Rich introduced the agenda item *Establish 2020 Health Insurance Plan Components and Health Insurance Rates to be Paid by Kentucky Retirement Systems for non-Medicare Eligible Retirees*. Ms. Connie Pettyjohn and Ms. Jenny Goins discussed highlights for this plan. A motion was made by Mr. Powell and seconded by Mr. Fulkerson to recommend the KEHP LivingWell PPO Plan option with the contribution rate at the single premium; hazardous rates would be tied to the rates for the LivingWell PPO Couple, Parent Plus and Family Plans; the committee recommends the Tobacco Use Fee remain unchanged for 2020 and those who are tobacco users will be responsible for paying the Tobacco Use Fee; Retirees or Planholders that failed to complete the LivingWell Promise for plan year 2019 will not receive the discount for plan year 2020. The discount remains unchanged for 2020. The committee also recommends allowing access to the Consumer Directed Health Plans with embedded HRA; the RHP Committee recommends that the KRS Board default retirees that fail to complete a health insurance application during open enrollment be rolled over to the same plan they were enrolled for 2019 at the same level of coverage; new retirees shall be defaulted into the LivingWell Limited High Deductible plan. The Retiree Health Plan committee recommends eligible retirees the option to select the Cross

reference plans; in addition, the committee recommends the continuation of the process for submission of Form 6256, Hazardous Duty Spouse and Eligible Dependent Verification.

Mr. Rich introduced the agenda item *Retiree Health Care Medicare Advantage Plan Survey*. Ms. Pettyjohn discussed the contents of the survey. This item was presented for informational purposes only. No action was taken on this item.

Ms. Pettyjohn discussed the agenda item *2020 Estimated Retiree Health Care Cost Impact for 2020*. Ms. Pettyjohn discussed this agenda items for informational purposes. No action was taken on this item.

Mr. Rich introduced the agenda item *Establish 2020 Health Insurance Plan Components and Health Insurance Rates to be Paid by Kentucky Retirement Systems for Medicare Eligible Retirees*. Ms. Tracey Garrison with Humana discussed plan highlights. Mr. Fulkerson made a motion to recommend the contribution rate for the KRS Premium Plan remain at the 2019 rate of \$252.51 as the 100% contribution with the Trust paying for a retiree with service credit of 240 months of service or greater (the premium paid to Humana will be \$250.75). The committee also recommends setting the contribution rate for the KRS Premium Plan as the 100% contribution the Trust will pay for a hazardous duty spouse and/or an eligible dependent. Mr. Riazi, Mr. Pranshke, and Mr. Reed with GRS discussed the Equivalency letter and Medical Only and Mirror Premium Plans. The committee recommends the premiums for the KRS Essential Plan at \$75.56 (the amount paid to Humana will be \$63.15); The committee recommends the Medical Only Plan premium at \$176.26, the Medicare Advantage Mirror Premium Plan at \$314.76, and the Medicare Advantage Mirror Essential Plan at \$215.00; the committee recommends approval of an added dental plan component to the Premium and Essential plans which is a benefit enhancement that costs an additional \$4.00 and is included in the rates for the Medicare Advantage Essential and Premium Plans. The committee recommends Medicare eligible retirees (and their dependents)

that fail to enroll in a plan during a mandatory open enrollment, as a new retiree, or becoming Medicare eligible be defaulted into the KRS Medical Only Plan; a recommendation was made to allow a spouse and dependents not Medicare eligible to be defaulted into the same KEHP plan at the same/appropriate Level/Option as the previous/current plan year (Single, Parent Plus, Couple, and Family); The committee recommends the KRS Board continue the process for Hazardous Duty Spouse and Eligible Dependent Verification Form 6256 remittance.

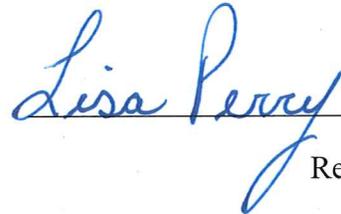
Mr. Rich introduced the agenda item *Closed Session*. A motion was made by Mr. Powell and seconded by Mr. Fulkerson to go into closed session. The motion passed unanimously. Mr. Rich read the following statement and the meeting moved into closed session: A motion having been made in open session to move into closed session for a specific purpose, and such motion having carried by majority vote in open, public session, the Board shall now enter closed session to consider litigation, pursuant to KRS 61.810(1)(c), because of the necessity of protecting the confidentiality of the Systems' litigation strategy and preserving any available attorney-client privilege. All public attendees exited the meeting.

The meeting was called back into open session. There being no further business, a motion to adjourn was made by Mr. Fulkerson and seconded by Mr. Powell, the motion carried and the meeting adjourned at 12:30 pm. Copies of all documents are incorporated as part of the minutes of the Retiree Health Care Committee meeting as of September 5, 2019.

The remainder of this page is intentionally blank.

CERTIFICATION

I do certify that I was present at this meeting, and I have recorded above the action of the Committee on the various items considered by it at this meeting. Further, I certify that all requirements of KRS 61.805-61.850 were met in connection with this meeting.



Recording Secretary

I, the Chair of the Retiree Health Plan Committee of the Board of Trustees of the Kentucky Retirement Systems, do certify that the Minutes of the meeting held on September 5, 2019 were approved by the Retiree Health Plan Committee on November 12, 2019.



11/12/19
Chair

I, Mark C. Blacknell, have reviewed the Minutes of the September 5, 2019 Retiree Health Plan Committee meeting for form, content and legality.



Executive Director, Office of Legal Services