

JOINT CERS AND KRS RETIREE HEALTH PLAN COMMITTEE
February 16, 2023, 10:00 a.m. ET (9:00 a.m. CT)
Live Videoconference/Facebook Live Agenda

1. Call to Order – *Jerry Powell*
2. Opening Video Teleconference Statement – *Office of Legal Services*
3. Roll Call – *Sherry Rankin*
4. Public Comment – *Sherry Rankin*
5. Approval of Committee Minutes. October 24, 2022* - *Jerry Powell*
6. Humana – *Humana Tracey Garrison*
 - a. 2024 Benefit Enhancements
 - b. Corporate Updates
7. Benefit Enhancement Actuarial Analysis - *GRS*
8. Other Business:
 - a. 2023 Open Enrollment Statistics – *Abby Sutherland*
9. Closed Session Legal – *Michael Board*
10. Adjourn – *Jerry Powell*

**Board Action Required*

**KENTUCKY PUBLIC PENSIONS AUTHORITY
JOINT CERS-KRS BOARD OF TRUSTEES
RETIREE HEALTH PLAN COMMITTEE MEETING
OCTOBER 24, 2022 at 10:00 A.M., E.S.T.
VIA LIVE VIDEO TELECONFERENCE**

At the October 24, 2022 meeting of the Retiree Health Plan Committee of the Joint CERS and KRS Board of Trustees, the following Committee members were present: CERS – Jerry Powell, Chair, and J.T. Fulkerson; KRS – Keith Peercy, and Dr. Crystal Miller. Staff members present were CERS CEO Ed Owens, III, Erin Surratt, Rebecca Adkins, Michael Board, Connie Pettyjohn, Carrie Bass, Abby Sutherland, Ashley Gabbard, Katie Park, Glenna Frasher, and Sherry Rankin. Others in attendance included KRS Trustee William Summers, V, and Tracey Garrison, Larry Loew, and Carrie Lovell with Humana.

Mr. Powell called the meeting to order.

Mr. Board read the Opening Statement.

Ms. Rankin took Roll Call and advised that no *Public Comment* was received.

Mr. Powell introduced the agenda item *Approval of Minutes- September 6, 2022*. A motion was made by Mr. Peercy and seconded by Mr. Fulkerson to approve the minutes as presented. The motion passed unanimously.

Mr. Powell introduced the agenda item *Humana Presentation*. Ms. Carrie Lovell with Humana presented the 2023 Pharmacy Review, Ms. Tracey Garrison presented the 2022 Member Satisfaction Survey Results and discussed the 2023 CMS Star Rating with the Committee.

Mr. Powell introduced the agenda item *Other Business – Open Enrollment*. Ms. Connie Pettyjohn provided an update on 2023 KEHP Open Enrollment. She presented 2023 Open Enrollment data gathered from October 1-15, 2022 and shared outreach efforts. Lastly, Mr.

Powell asked if any outreach is provided by Humana to members who are involved in catastrophic events. Mr. Larry Loew with Humana stated that he would provide a report with this information to Mr. Powell and the Committee.

A motion to *Adjourn* was made by Mr. Fulkerson and seconded by Mr. Percy. The motion passed unanimously and the meeting adjourned.

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CERTIFICATION

I hereby 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, Jerry Powell, the Chair of the Joint Retiree Health Plan Committee of the Board of Trustees of the County Employees Retirement System and the Kentucky Retirement Systems, do hereby certify that the Minutes of the meeting held on October 24, 2022 were approved by the Joint Retiree Health Plan Committee on February 16, 2023.

Committee Chair

I have reviewed the Minutes of the October 24, 2022 Joint Retiree Health Plan Committee meeting for form, content and legality.

Executive Director
Office of Legal Services

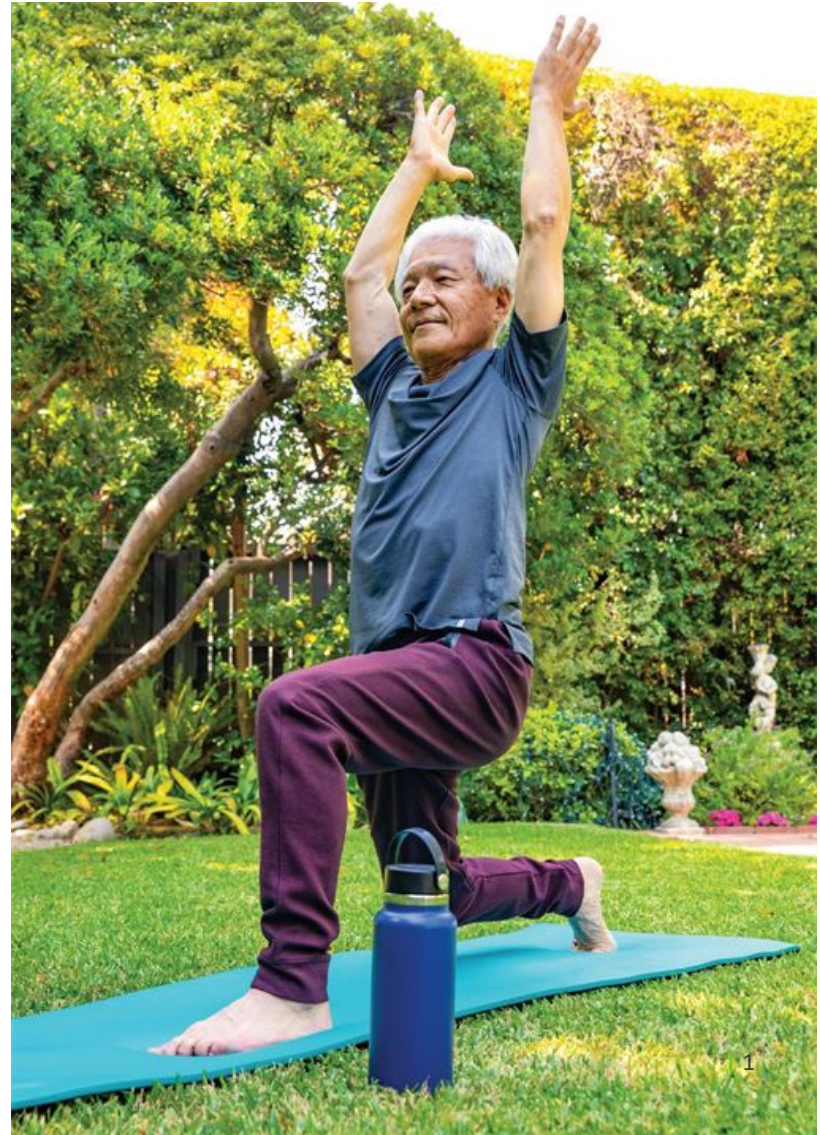
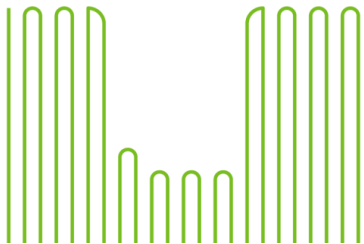
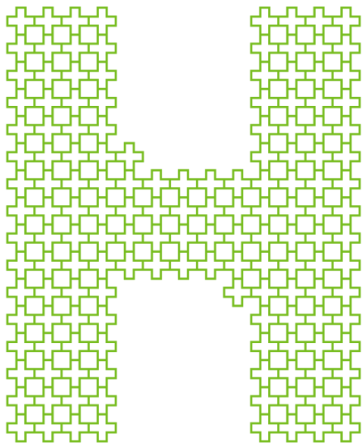


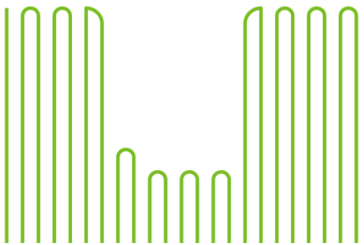
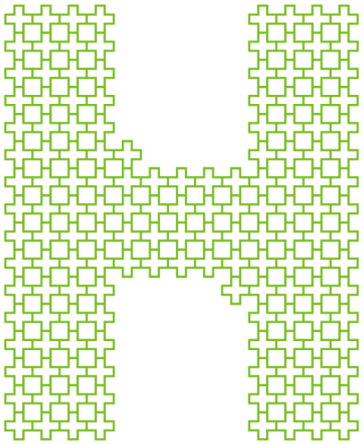
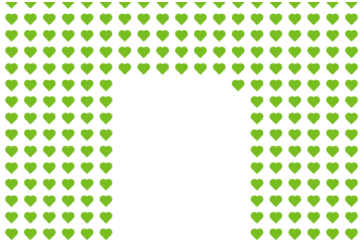
Humana

**Kentucky Public Pensions
Authority**

Joint Retiree Health Plan Committee
Meeting

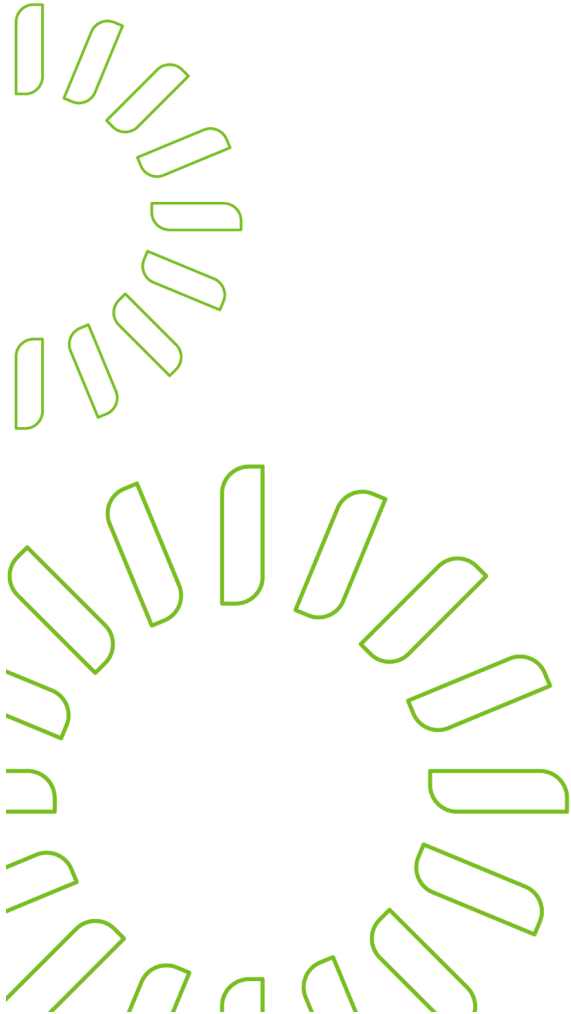
February 16, 2023





Today's Discussion

1. Benefit Enhancement Review
2. Vanderbilt University Medical Center Contract Update
3. Underwriting Update



Benefit Enhancement Review

- Vision Benefits
- Hearing Benefits
- Dental Benefits
- Other Benefits

Enhancements would be implemented for the 2024 plan year. All rates provided are based on 2023 pricing and may change when presented for 2024.



Vision - Current Coverage

Limited to Medicare Covered services

- Outpatient physician services for the diagnosis and treatment of diseases and injuries of the eye.
- For people with diabetes, screening for diabetic retinopathy is covered once per year.
- One pair of eyeglasses or contact lenses after each cataract surgery that includes insertion of an interocular lens.

Vision – Enhanced Benefit Options

Benefit Code	In-Network	Out-of-Network	2023 Premium Impact (pmpm)
VIS204	\$0 copayment for routine exam up to 1 per year.	\$175 combined maximum benefit coverage amount per year for routine exam. \$0 copayment for routine exam up to 1 per year. Benefits received out-of-network are subject to any in-network benefit maximums, limitations, and/or exclusions.	\$0.78
VIS200	\$0 copayment for routine exam up to 1 per year. \$100 combined maximum benefit coverage amount per year for contact lenses, eyeglasses -lenses and frames, fitting for eyeglasses-lenses and frames. Eyeglasses include ultraviolet protection and scratch resistant coating.	\$175 combined maximum benefit coverage amount per year for routine exam. \$0 copayment for routine exam up to 1 per year. \$100 combined maximum benefit coverage amount per year for contact lenses, eyeglasses -lenses and frames, fitting for eyeglasses -lenses and frames. Eyeglasses include ultraviolet protection and scratch resistant coating. Benefits received out-of-network are subject to any in-network benefit maximums, limitations, and/or exclusions.	\$1.55
VIS207	\$0 copayment for routine exam up to 1 per year. \$150 combined maximum benefit coverage amount per year for contact lenses, eyeglasses -lenses and frames, fitting for eyeglasses-lenses and frames. Eyeglasses include ultraviolet protection and scratch resistant coating.	\$175 combined maximum benefit coverage amount per year for routine exam. \$0 copayment for routine exam up to 1 per year. \$150 combined maximum benefit coverage amount per year for contact lenses, eyeglasses -lenses and frames, fitting for eyeglasses -lenses and frames. Eyeglasses include ultraviolet protection and scratch resistant coating. Benefits received out-of-network are subject to any in-network benefit maximums, limitations, and/or exclusions.	\$2.29
VIS205	\$0 copayment for routine exam up to 1 per year. \$250 combined maximum benefit coverage amount per year for contact lenses, eyeglasses -lenses and frames, fitting for eyeglasses-lenses and frames. Eyeglasses include ultraviolet protection and scratch resistant coating.	\$175 combined maximum benefit coverage amount per year for routine exam. \$0 copayment for routine exam up to 1 per year. \$250 combined maximum benefit coverage amount per year for contact lenses, eyeglasses -lenses and frames, fitting for eyeglasses -lenses and frames. Eyeglasses include ultraviolet protection and scratch resistant coating. Benefits received out-of-network are subject to any in-network benefit maximums, limitations, and/or exclusions.	\$4.21

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Hearing – Current Coverage



Limited to Medicare Covered services

- Diagnostic hearing and balance evaluations to determine if you need medical treatment are covered as outpatient care when provided by a physician, audiologist

Hearing – Enhanced Benefit Options

Benefit Code	In-Network and Out-of-Network*	2023 Premium Impact (pmpm)
HER218	\$0 copayment for routine hearing exams up to 1 per year. \$500 maximum benefit coverage amount for each hearing aid(s) (all types) up to 1 per ear per year. Note: Includes 80 batteries per aid and 3 year warranty.	\$0.38
HER219	\$0 copayment for routine hearing exams up to 1 per year. \$1,000 maximum benefit coverage amount for each hearing aid(s) (all types) up to 1 per ear per year. Note: Includes 80 batteries per aid and 3 year warranty.	\$2.50
HER220	\$0 copayment for routine hearing exams up to 1 per year. \$1,500 maximum benefit coverage amount for each hearing aid(s) (all types) up to 1 per ear per year. Note: Includes 80 batteries per aid and 3 year warranty.	\$5.75

*TruHearing provider must be used for in and out-of-network hearing aid benefit.

Benefits received out-of-network are subject to any in-network benefit maximums, limitations, and/or exclusions.

Dental – Current Coverage

Medicare Covered services

- Surgery of the Jaw or related structures
- Setting fractures of the jaw or facial bones
- Extraction of teeth to prepare jaw for radiation or neoplastic disease

Supplemental Covered routine services

- \$1000 maximum benefit per year
- 100% coverage, one per year: bitewing x-rays, oral exam, prophylaxis (cleaning)
- 100% coverage one every three years: oral evaluation or periodontal exam
- 50% coverage, one per year filing

Dental - Enhanced Benefit Options

	Benefit Code:	DEN414	DEN415
Service	Frequency:	\$1,000 maximum In network and out of network combined	\$2,000 maximum In and out of network combined
Cleaning	2 per year	100%	100%
Periodic Exam	2 per year; align w/ cleaning frequency	100%	100%
Comprehensive Exam	1 every 3 years, combined w/ periodontal exam frequency	100%	100%
Periodontal Exam	1 every 3 years, combined w/ comprehensive exam frequency	100%	100%
Bite-wing	1 set per year	100%	100%
Full Mouth and Pano	1 every 5 years; covered when extractions or higher added to plan	100%	100%
Intraoral	1 per year; covered when extractions or higher added to plan	100%	100%
Amalgam & Composite	1 or 2 per year	80%	80%
Simple & Surgical	1 or 2 per year w/o dentures; unlimited per year w/ dentures	80%	80%
Oral Surgery	2 per year	50%	50%
Crowns	1 or 2 per year	50%	50%
Inlays and Onlays	2 per year; combined with crown frequency	50%	50%
Root Canal	1 per year	50%	50%
Periodontal Maintenance	4 per year	50%	50%
Scaling & Root Planing	1 per quadrant every 3 years	50%	50%
Dentures	1 every 5 years	50%	50%
Repair, Rebase, Realign	1 per year; separate frequencies for each category (i.e., 1 repair per year, 1 rebase per year...)	50%	50%
2023 Premium Impact (PMPM)		\$4.69	\$5.45

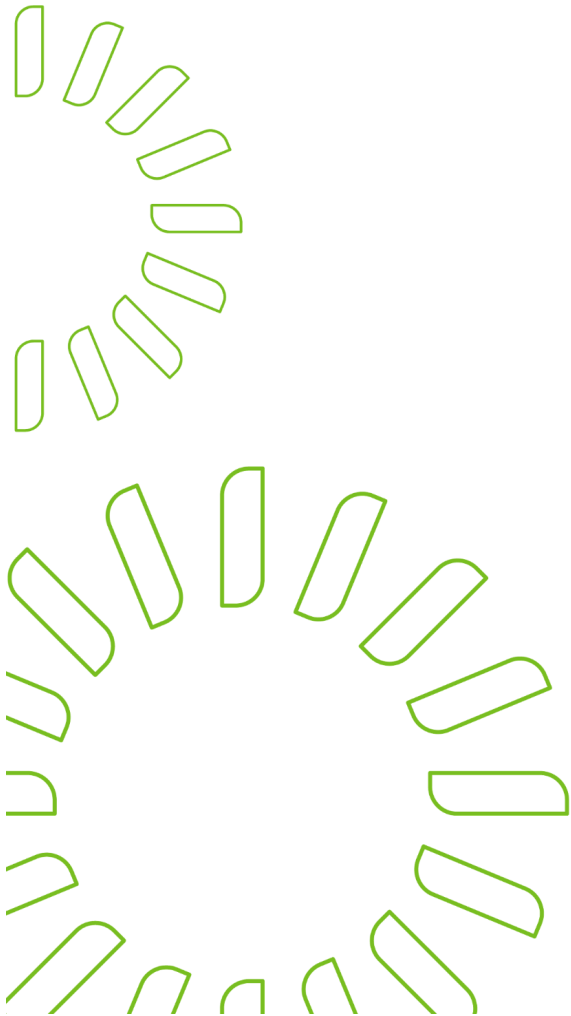
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Other – Enhanced Benefit Options

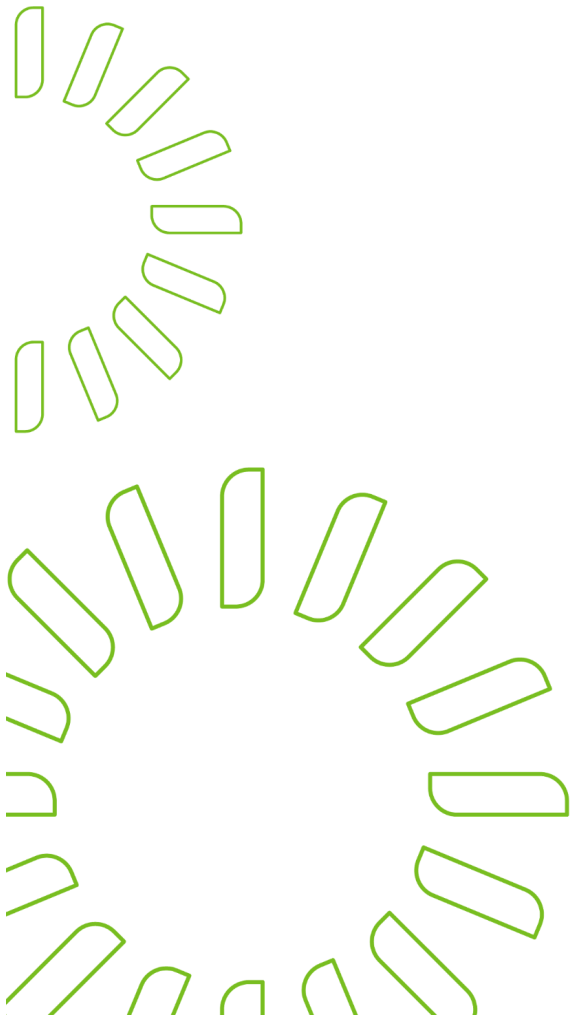
Benefit	Services Provided	2023 Premium Impact (pmpm)
<p>In-home Support Papa Pals</p>	<p>Support may be provided in person or virtually for up to 60 hours per year (minimum of one hour per visit) to members; youthful minded individuals provide assistance with instrumental activities of daily living (IADLs) like household chores, errand running or meal preparation.</p>	<p>\$3.00</p>
<p>Personal Emergency Response System Lifeline</p>	<p>Plans provide personal health button (with or without auto alert fall detection) to send help quickly wherever members are located.</p> <ul style="list-style-type: none"> • Wireless or landline technologies available for In-home. • Mobile plans available to function in and out of the home. 	<p>In-home \$.75 PMPM On the go mobile \$.88 PMPM</p>
<p>Over-the-Counter (OTC) Centerwell</p>	<p>Quarterly maximum benefit (3 months) for select over-the-counter health and wellness products.</p> <ul style="list-style-type: none"> • \$25 per quarter • \$30 per quarter • \$50 per quarter • \$75 per quarter 	<p>\$1.77 PMPM \$2.19 PMPM \$3.98 PMPM \$6.33 PMPM</p>

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Vanderbilt University Medical Center Contracting update



Underwriting Update

CMS Rate Notice



Advance Notice

February 1, 2023 - Advance Notice of Methodological Changes for Medicare Advantage (MA) Capitation Rates and Part C and Part D Payment Policies

- **Indicates the expected impact of the proposed policy changes on MA plan payments relative to last year**
- 60-day comment period



Final Notice

April 3, 2023 – Announcement of Calendar Year (CY) 2023 Medicare Advantage (MA) Capitation Rates and Part C and Part D Payment Policies (the Rate Announcement)

- **Finalizes the impact of the proposed policy changes**





Thank you.

Kentucky Public Pensions Authority
Estimated Financial Cost of \$5 Increase in Medicare Premiums
(\$ in Thousands)

	KERS Non-Hazardous	KERS Hazardous	SPRS	CERS Non-Hazardous	CERS Hazardous
1. Covered Payroll	\$ 1,346,098	\$ 164,788	\$ 47,820	\$ 2,716,057	\$ 629,069
Liability and Assets - Insurance Only					
2. Actuarial Accrued Liability	\$ 1,782,386	\$ 347,044	\$ 232,799	\$ 2,391,990	\$ 1,538,130
3. Actuarial Value of Assets	1,409,553	597,701	234,239	3,160,084	1,553,761
4. Unfunded Liability	\$ 372,833	\$ (250,657)	\$ (1,440)	\$ (768,094)	\$ (15,631)
5. Funded Ratio	79.1%	172.2%	100.6%	132.1%	101.0%
6. Increase in Unfunded Liability per \$5 Increase in Medicare Premium	\$ 91,071	\$ 9,503	\$ 4,499	\$ 147,743	\$ 30,248
Actuarially Determined Employer Contribution - Insurance Only¹					
7. Normal Cost Rate	1.86%	3.45%	6.66%	2.14%	3.99%
8. Amortization Cost	N/A	-13.39%	-2.98%	-3.01%	-1.41%
9. Insurance Actuarially Determined Rate	1.86%	-9.94%	3.68%	-0.87%	2.58%
10. Increase in Actuarially Determined Rate per \$5 Increase in Medicare Premium	0.09%	0.67%²	1.03%	0.57%²	0.50%
11. Increase in Amortization Cost per \$5 Increase in Medicare Premium	\$ 8,578	N/A	N/A	N/A	N/A
12. Increase in Employer Cost per \$5 Increase in Medicare Premium	\$ 9,789	\$ 1,104²	\$ 493	\$ 15,482²	\$ 3,145

¹ Note, contribution rates reflect the actuarially determined rates calculated in the June 30, 2022 valuation.

The June 30, 2021 valuation set the contribution requirements for the KERS and SPRS funds for FYE 2023 and FYE 2024.

² Employer rate cannot be less than 0% of pay. Increase in employer contribution is payable by employers to the extent that benefit improvements increase the employer rate above 0% of pay.

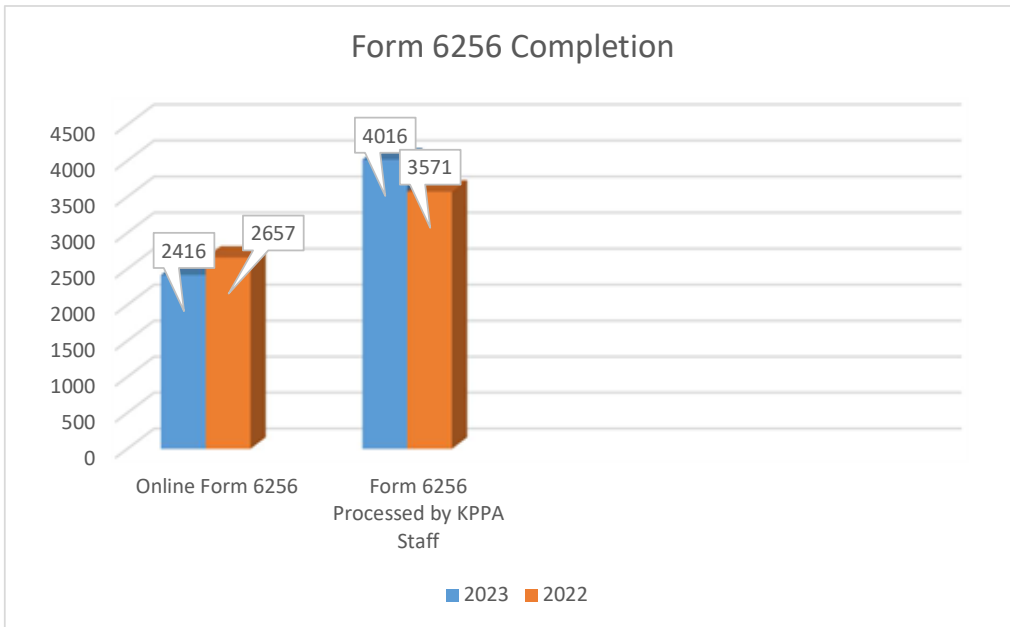
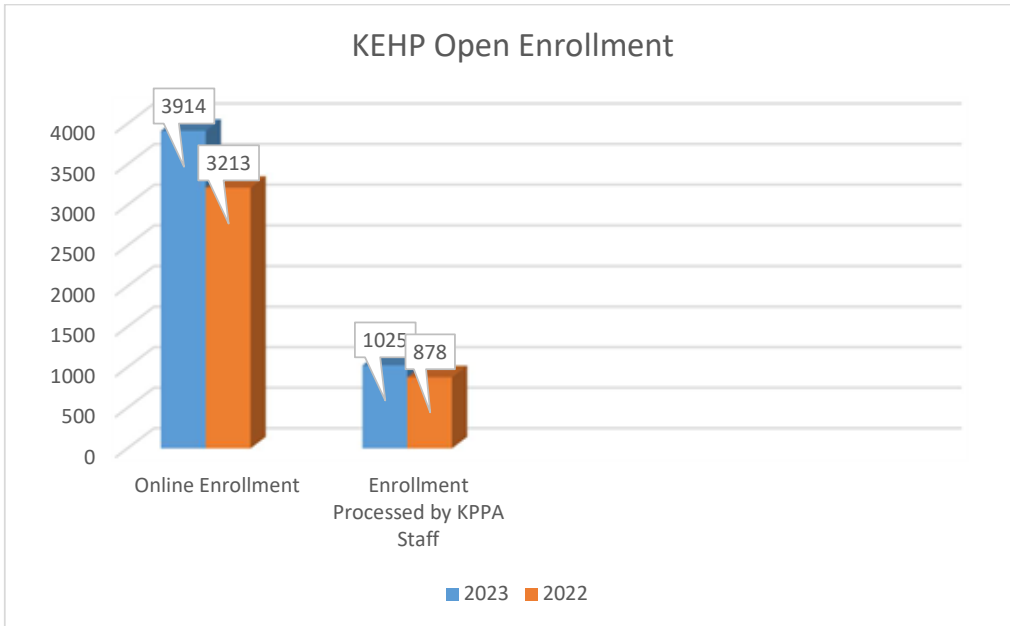
Notes and Comments:

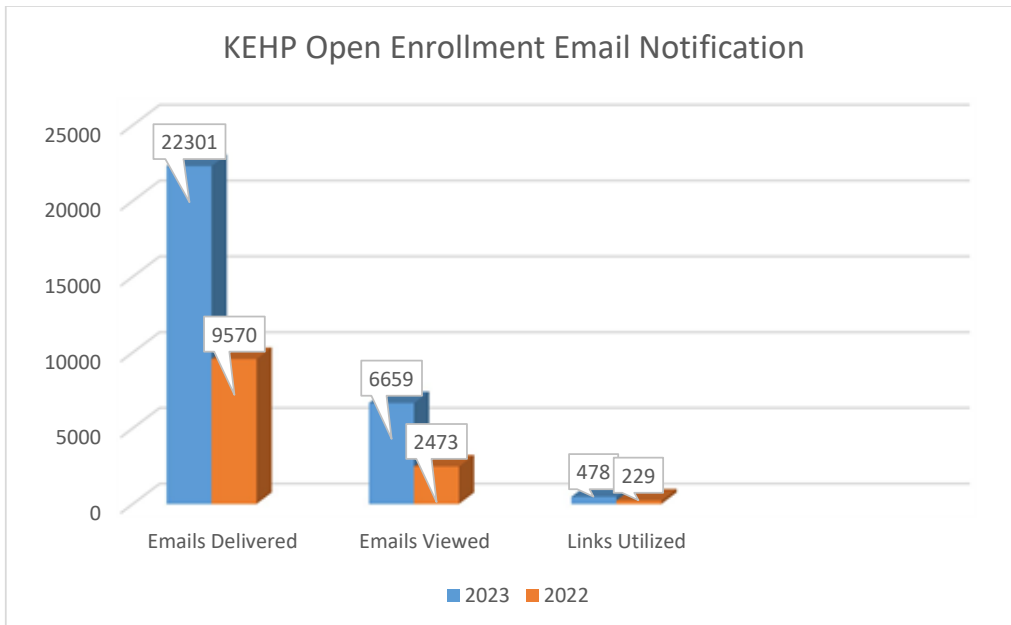
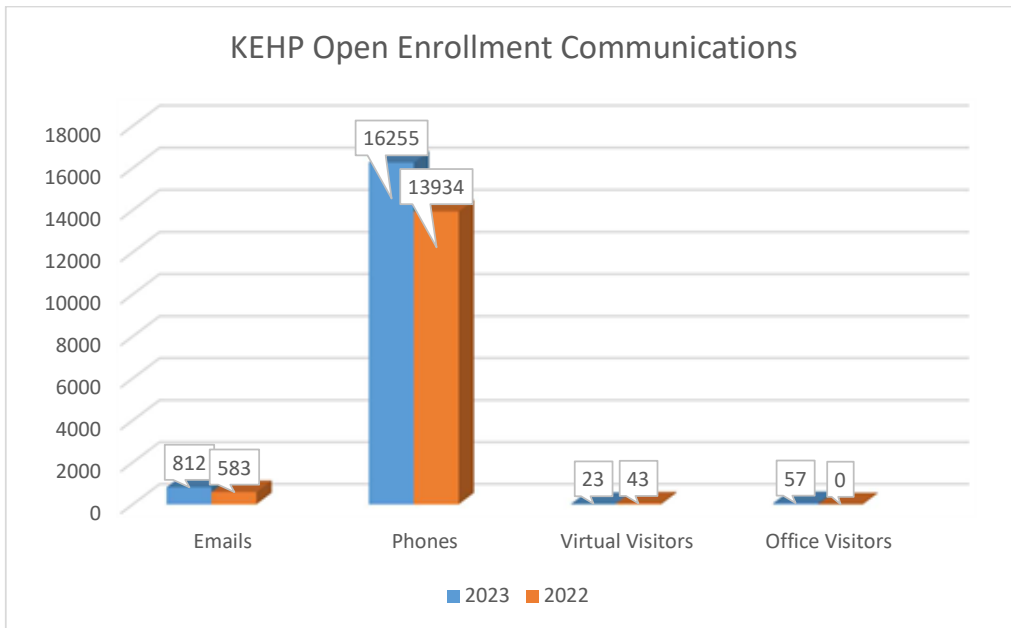
- Except where noted, analysis based on the results of the June 30, 2022 Actuarial Valuation.

Please see the June 30, 2022 Actuarial Valuation report for a summary of the assumptions, methods, plan provisions and data used for this analysis.

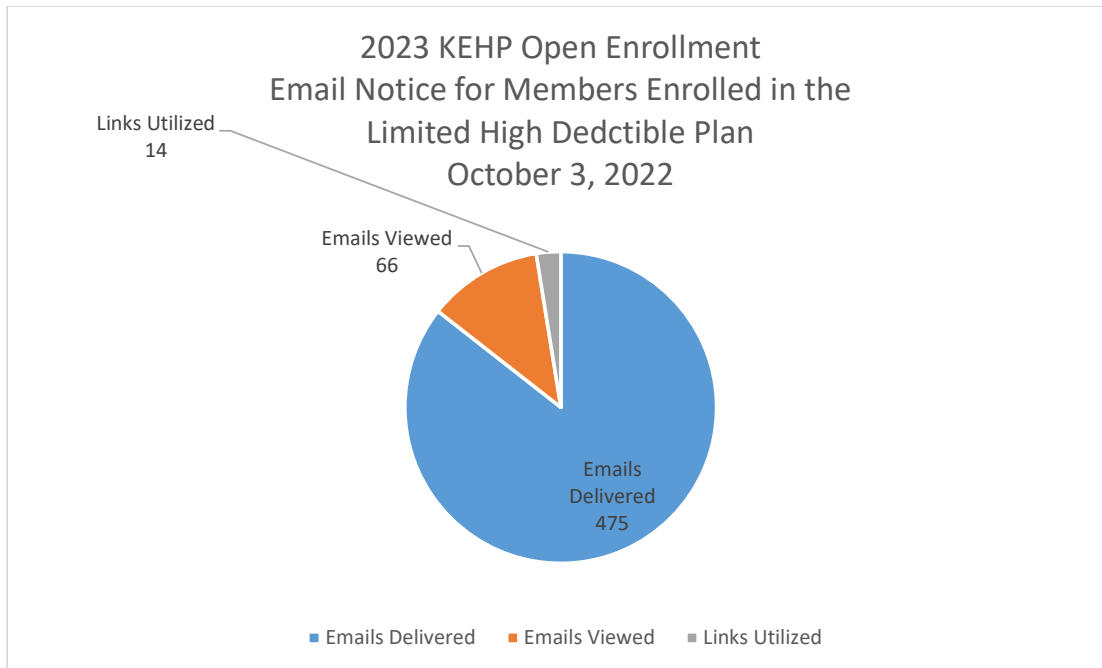
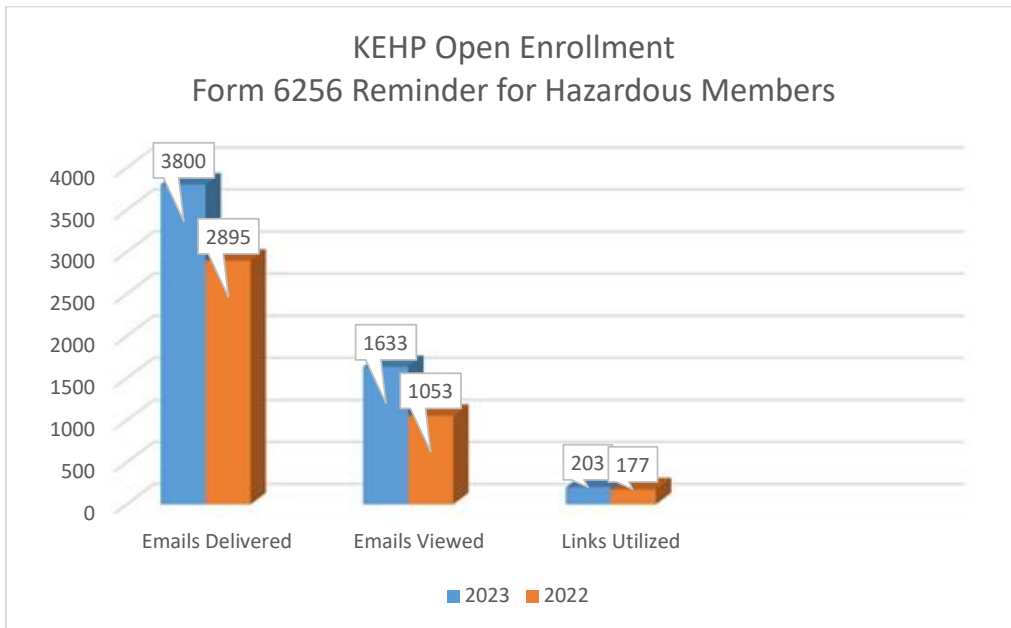
- Projected payroll based on the June 30, 2022 valuation, assuming no increase in covered payroll for the KERS and SPRS funds, and a 2% annual increase in covered payroll for CERS funds.



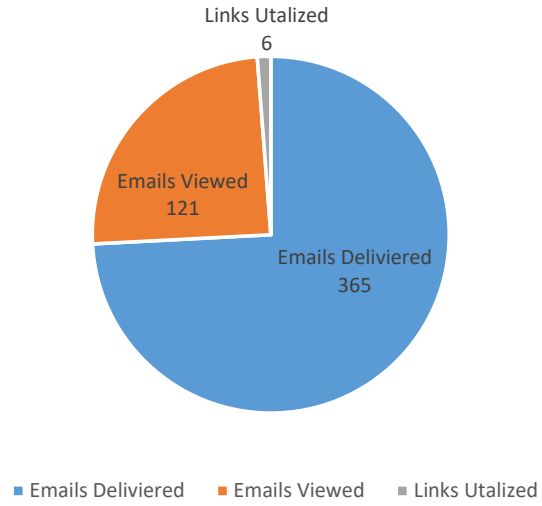




Note-33,119 KEHP notices were mailed to eligible recipients.



2023 KEHP Open Enrollment
Email Notice for Age 65 Members and
Eligible to Enroll (MSPA)
October 3, 2022



2023 KEHP Open Enrollment
Email Notice for Age 65 Members and
Eligible to Enroll (MSPA)
October 3, 2022

