

JOINT CERS AND KRS RETIREE HEALTH PLAN COMMITTEE
May 13, 2026, 10:00 a.m. ET (9:00 a.m. CT)
Live Videoconference/Facebook Live Agenda

1. Call to Order – ***Keith Peercy***
2. Opening Video Teleconference Statement – ***Office of Legal Services***
3. Roll Call – ***Sherry Rankin***
4. Public Comment – ***Sherry Rankin***
5. Elections – ***Keith Peercy***
 - a. Chair of Joint RHP Committee*
 - b. Vice-Chair of Joint RHP Committee*
6. Approval of Committee Minutes – February 12, 2026 * - ***Board Chair***
7. Account Management Review – ***Humana***
 - a. 2025 Plan performance
 - i. Plan Compass Highlights
 - ii. Pharmacy
 - b. Humana Financial Review
 - i. Gain Share
 - ii. Performance Guarantees
 - iii. CMS Final Notice
 - iv. 2027 Renewal Planning
8. Representative for the Kentucky Group Health Insurance Board (KGHIB) *– ***KPPA Connie Pettyjohn***
9. Adjourn – ***Board Chair***

**Board Action Required*

**KENTUCKY PUBLIC PENSIONS AUTHORITY
JOINT CERS-KRS BOARD OF TRUSTEES
RETIREE HEALTH PLAN COMMITTEE MEETING
FEBRUARY 12, 2026, at 10:00 A.M., E.S.T.
VIA LIVE VIDEO TELECONFERENCE**

At the February 12, 2026, Regular Meeting of the Retiree Health Plan Committee of the Joint CERS and KRS Boards of Trustees, the following members were present: KRS – Keith Percy (Chair) and Dr. Crystal Miller; CERS – Tommy McGraw. Staff members present were CERS CEO Ed Owens, III, KRS CEO John Chilton, Ryan Barrow, Erin Surratt, Michael Lamb, Michael Board, Victoria Hale, Nathan Goodrich, Connie Pettyjohn, Abby Sutherland, Brian Towles, Phillip Cook, and Sherry Rankin. Others in attendance included Tracey Garrison, Carrie Lovell, Gabe Hellinger, and Stephanie Heller with Humana.

1. Mr. Percy called the meeting to order.
2. Mr. Board read the Opening Video Teleconference Statement.
3. Ms. Rankin called Roll.
4. Ms. Rankin indicated that there were three hundred seventeen (317) **Public Comments** received for this meeting, all expressing support for HB 406. One comment was received related to healthcare and was read as follows:
From Charles Shropshire, “Retirees not electing to use state health plan need to be compensated in some other way”.
5. Mr. Percy introduced the agenda item **Approval of Committee Minutes – September 5, 2025** (Video 00:05:45 to 00:06:00). Mr. McGraw made a motion to approve the September 5, 2025, minutes as presented. Dr. Miller seconded the motion. The motion passed unanimously.

6. Mr. Peercy introduced the agenda item ***Humana Presentation***. (Video 00:06:05 to 00:38:07). Tracy Garrison began the presentation and announced her retirement. She introduced Gabe Hellinger and Stephanie Heller as KPPA's new Humana liaisons for account management.

Mr. Hellinger provided an overview of the Annual Member Satisfaction Survey, reporting an overall member satisfaction rate of 95%, an increase of three (3) percentage points from the previous year. He noted improved satisfaction with claims management and continued strong customer care experiences, with members reporting that 100% of customer care representatives were caring. Net Promoter Scores remained above 70%, which he described as "excellent."

Ms. Garrison then reviewed 2025 Call Center statistics, noting consistent call metrics and slightly longer call durations due to the "First Call Resolution" approach, which allows representatives to resolve member issues during the initial call and reduces the need for follow-up calls. She reported that the majority of calls were related to benefits, claims, and prescriptions, as expected.

Regarding Annual Enrollment Events, Ms. Garrison reported that three (3) in-person events and one (1) virtual event were held with participation from members across the Commonwealth. Humana also attended six (6) Kentucky Public Retirees Association ("KPR") meetings.

Carrie Lovell presented the Annual Drug List (Formulary) changes. She reported that the negative impact of the 2026 changes to KPPA members is projected at 6.52%, which is lower than the impact in 2025, and noted a positive impact of just under 4%. Ms. Lovell also briefly discussed GLP-1 medications, including how they are currently covered under existing plans and potential future coverage considerations.

Ms. Heller briefly discussed notices from the Centers for Medicare and Medicaid Services ("CMS"), noting that additional information will be available after the final

notice is released in April 2026. Mr. Chilton asked a question regarding drug prices in relation to current price negotiations. Ms. Lovell and Ms. Heller provided additional context regarding drug costs, including the roles of premium payments and manufacturer rebates, but noted that no firm numbers are available at this time.

7. Mr. Peercy introduced the agenda item, ***Other Business***. (*Video 00:38:10 to 00:47:32*). Abby Sutherland provided an update on the 2026 KEHP Open Enrollment period. She reported that phone calls and emails from members remained consistent, while in-person meetings decreased. Regarding KPPA outreach, three (3) KEHP benefit fairs were attended in October 2025, and a KEHP webinar was posted on the website, which continues to gain viewers.

Mr. Peercy asked about the percentage of Hazardous Duty retirees who did not submit Form 6256 and were therefore charged for health insurance. Ms. Sutherland reported that approximately eleven hundred (1,100) retirees had not returned the form; however, some have since submitted the form and received refunds. She noted that KPPA sent approximately seven hundred (700) letters to retirees in January requesting the return of the forms. Ms. Sutherland added that retirees have become more compliant each year as a result of multiple reminders issued by KPPA. Ms. Pettyjohn reiterated that KPPA continues to update its systems to ensure retirees are properly informed.

8. There being no further business, Mr. Peercy ***adjourned*** the meeting.

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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, Keith Percy, 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 February 12, 2026, were approved by the Joint Retiree Health Plan Committee on May 13, 2026.

Committee Chair

I have reviewed the Minutes of the February 12, 2026, Joint Retiree Health Plan Committee meeting for form, content, and legality.

Executive Director
Office of Legal Services



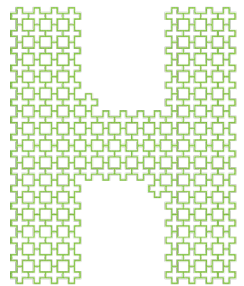
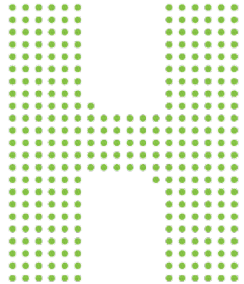
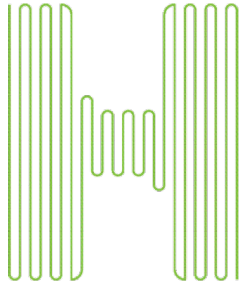
Humana®

Humana Group Medicare Advantage

Kentucky Public Pensions Authority
CERS/KRS Retiree Health Plan
Committee Meeting

May 13, 2026





Today's discussion

01 | Humana Updates

- CMS Final Notice
- IRA & Pharmacy

02 | 2025 Plan Performance

- Plan Compass Highlights
- Pharmacy

02 | Financial Review

- Gain Share
- Performance Guarantees
- 2027 Renewal Planning

Gabe Hellinger
Senior Account Executive

Stephanie Heller
Director of Account Management

Joe Cowles
National Account Sales Principal
Group Medicare

Carrie Lovell
Clinical Pharmacy Lead



Proprietary and Confidential



Final Notice Update

CMS rate announcement

Final rate notice published Monday, April 6, 2026.



According to Centers for Medicare & Medicaid Services (CMS), the 2027 Medicare Advantage and Part D Rate Notice includes several important updates:

- +2.48% payment increase to Medicare Advantage plan for 2027; this was a positive shift from the advance notice proposed increase of +0.09%.
- Implementation of the new CMS-HCC risk model overhaul is paused; the current risk adjustment framework with phased V28 updates will remain in use.
- Part D changes include planned IRA changes, an increased out-of-pocket cap of \$2,400, and model calibration differences for MA Prescription drug plans (MAPD) and Standalone prescription drug plans (PDP).
- CMS finalized regulatory changes excluding diagnoses from unlinked chart reviews in risk scoring for both medical and Part D.
- The Stars rating system will remove 11 administrative measures, shifting the focus toward clinical outcomes away from administrative compliance.
- CMS announced that the BALANCE model **will not launch in 2027** and instead the Medicare GLP-1 Bridge program would be extended running July 1, 2026 through December 31, 2027



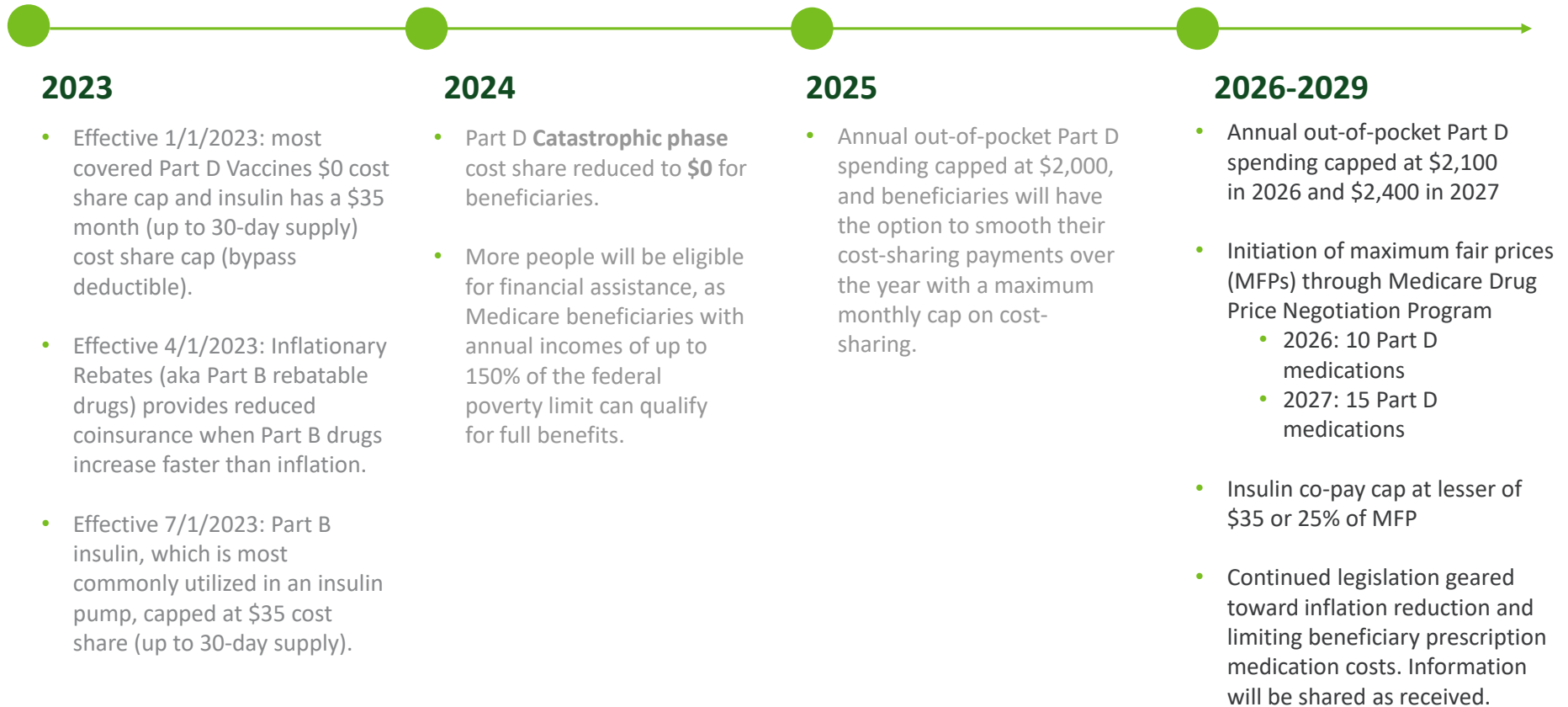
Part D Parameters	2026	2027
Deductible	\$615	\$700
Out-of-pocket threshold	\$2,100 (required by IRA)	\$2,400 (required by the IRA)



IRA & Pharmacy Updates

How the Inflation Reduction Act will impact costs for certain medications

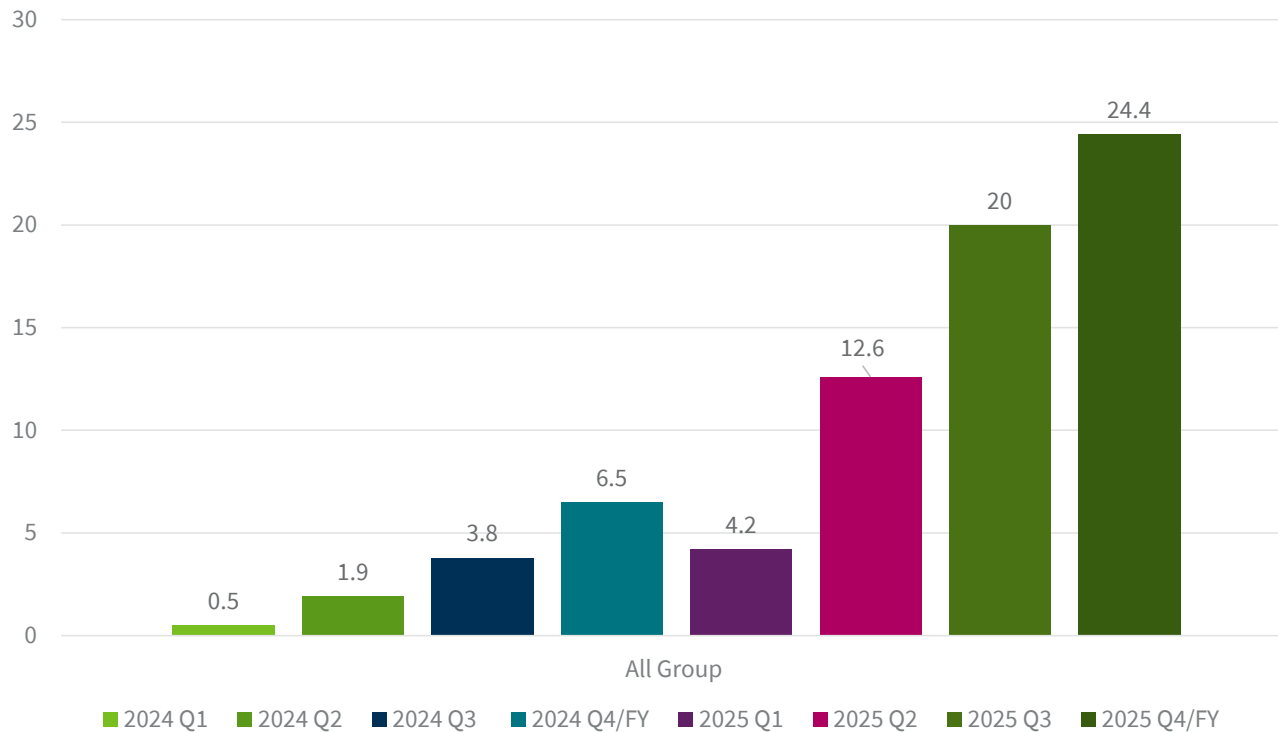
The IRA aims, in part, to reduce prescription medication costs for some popular drugs. Some of the changes are:



1. Juliette Cubanski, Meredith Freed, and Tricia Neuman, "What Are the Prescription Drug Provisions in the Inflation Reduction Act?," Kaiser Family Foundation, last accessed Dec. 14, 2022, www.kff.org/slideshow/what-are-the-prescription-drug-provisions-in-the-inflation-reduction-act/.

2024 – 2025 more members entering Cat Phase

Percent of Members Entering the Catastrophic Phase by Quarter

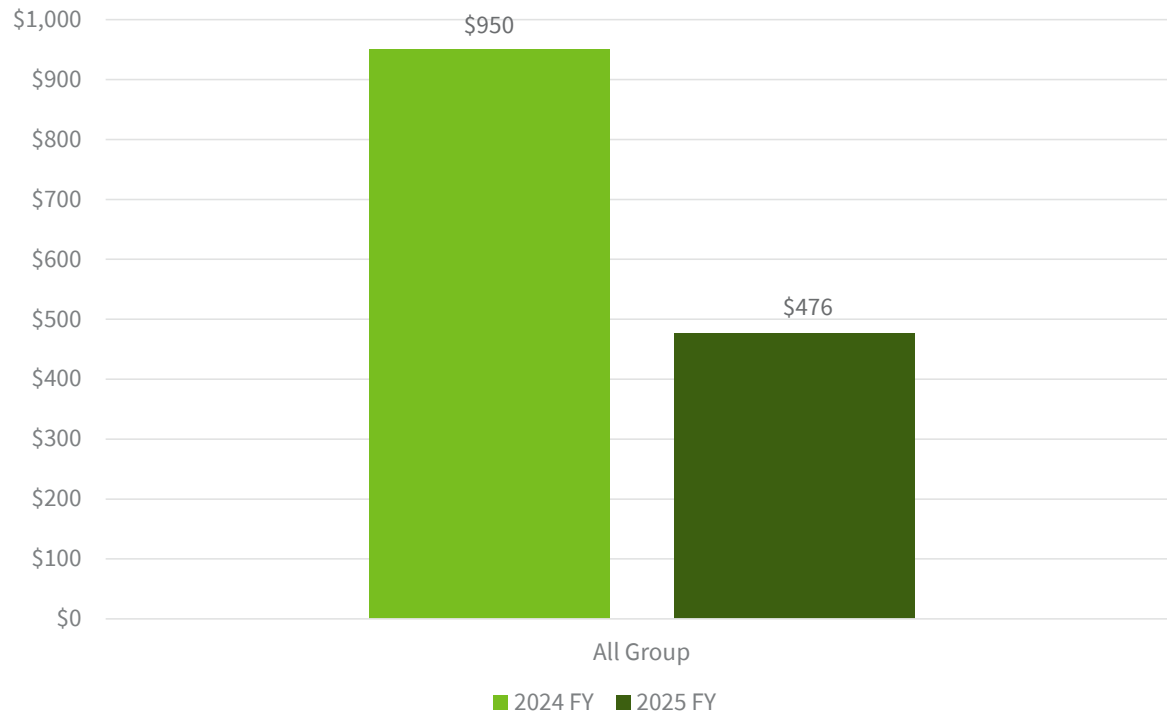


All Group data includes all MAPD and PDP groups within Humana

- ✓ Members entering the Cat Phase had no additional Part D cost share in 2024 and 2025
- ✓ IRA \$2,000 MOOP is the main driver of the increase seen between 2024 and 2025
- ✓ Due to mechanics of the \$2,000 MOOP- richer plans tend to have lower member out-of-pocket and increased plan cost share due to members entering Cat Phase

Catastrophic member true out of pocket spend decreased

2024 vs 2025 Average Member Spend



All Group data includes all MAPD and PDP groups within Humana



- ✓ Enhanced Group Medicare Part D benefit designs result in greater acceleration into the Cat Phase of \$0 member cost share and higher plan cost share.
- ✓ Due to the enhanced Group Medicare benefit and the \$2000 MOOP, the out-of-pocket spend for members in the Cat Phase was significantly lower in 2025.



2025 Plan Performance

Proprietary and Confidential

2025 Plan Compass: Premium Plan Executive Summary

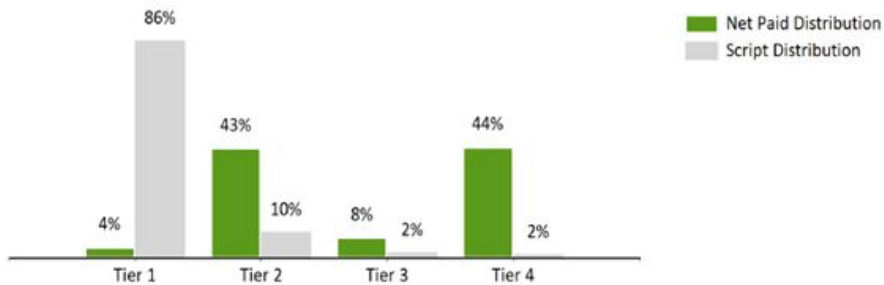
Premium Plan	Current	Prior	Change
Average Membership	56,663	55,866	1.43%
Total Net Paid PMPM	\$1,782.38	\$1,620.55	9.99%
Medical Net Paid PMPM	\$1,045.18	\$987.07	5.89%
Pharmacy Net Paid PMPM	\$737.20	\$633.48	16.37%
Medical Admits/1000	185	179	3.35%
Total Prescriptions PMPM	3.36	3.34	0.60%
Specialty Drugs % of Rx Net	43.40%	40.40%	3%
Specialty Net Paid	\$319.71	\$255.98	24.90%
Health Alerts Full Compliance	53.40%	48.20%	5.20%
Mbrs w/ Preventative Services	81.30%	79.80%	1.88%
Silver Sneakers Participation	11.70%	11.90%	-0.2%

2025 Plan Compass: Premium Plan pharmacy

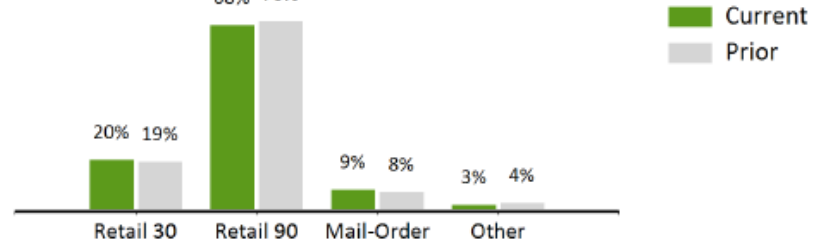
Pharmacy Utilization Summary	Current	Prior	Change
Average # of Members	56,663	55,861	1.4%
% Utilizing Members	97.4%	97.5%	-0.1%
# of Scripts	2,287,547	2,236,774	2.3%
Total Net Paid	\$501,266,186	\$424,422,725	18.1%
Total Prescriptions PMPM	3.36	3.34	0.8%
Average Days Supply/Script	52.07	51.66	0.8%
Net Paid/Script	\$219.13	\$189.75	15.5%
Net Paid/Script*	\$126.24	\$110.18	14.6%
Net Paid PMPM	\$737.20	\$633.15	16.4%
Member Paid PMPM	\$28.39	\$37.95	-25.2%
Plan Cost Share	96.3%	94.3%	1.9%

Generics Usage	Current	Prior	Change
Generic Dispensing Rate	83.0%	83.4%	-0.4%
# of Scripts	1,899,556	1,866,318	1.8%
Average Plan Net Paid per RX*	\$8.14	\$7.92	2.8%
Average Member Cost per RX*	\$3.49	\$4.47	-22.0%
Net Paid PMPM	\$40.50	\$39.11	3.6%
Substitution Rate	96.1%	96.2%	-0.1%

Prescription and Plan Paid Distribution by Tier



Maintenance Medications



*Other = Specialty, Long Term Care, Home Infusion, and Discount Card Prescriptions

2025 Plan Compass: Essential Plan Executive Summary

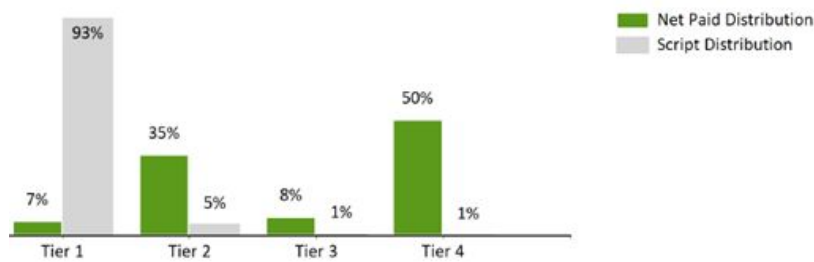
Essential Plan	Current	Prior	Change
Average Membership	5,231	5,104	2.49%
Total Net Paid PMPM	\$1,032.49	\$1,004.36	2.80%
Medical Net Paid PMPM	\$837.50	\$836.30	0.14%
Pharmacy Net Paid PMPM	\$194.98	\$168.06	16.02%
Medical Admits/1000	149	159	-6.29%
Total Prescriptions PMPM	2.35	2.36	-0.42%
Specialty Drugs % of Rx Net Paid	47.90%	45.40%	2.50%
Specialty Net Paid PMPM	\$93.36	\$76.27	22.41%
Health Alerts Full Compliance	54.30%	48.90%	5.40%
Mbrs w/ Preventative Services	76.40%	74.80%	1.50%
Silver Sneakers Participation	12.60%	12.40%	0.20%

2025 Plan Compass: Essential Plan Pharmacy

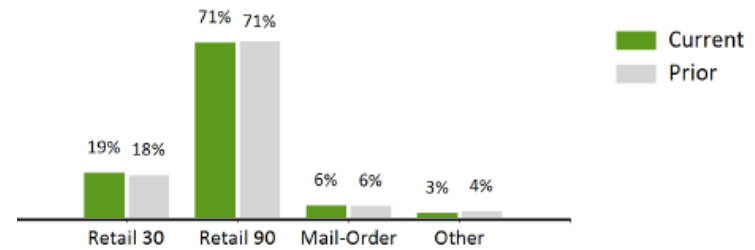
Pharmacy Utilization Summary	Current	Prior	Change
Average # of Members	5,231	5,104	2.5%
% Utilizing Members	94.1%	94.3%	-0.3%
# of Scripts	147,767	144,499	2.3%
Total Net Paid	\$12,238,650	\$10,287,508	19.0%
Total Prescriptions PMPM	2.35	2.36	-0.2%
Average Days Supply/Script	51.17	50.63	1.1%
Net Paid/Script	\$82.82	\$71.19	16.3%
Net Paid/Script*	\$48.56	\$42.18	15.1%
Net Paid PMPM	\$194.98	\$167.96	16.1%
Member Paid PMPM	\$35.29	\$37.07	-4.8%
Plan Cost Share	84.7%	81.9%	2.8%

Generics Usage	Current	Prior	Change
Generic Dispensing Rate	90.2%	90.4%	-0.2%
# of Scripts	133,340	130,668	2.0%
Average Plan Net Paid per RX*	\$4.49	\$4.35	3.2%
Average Member Cost per RX*	\$4.46	\$4.84	-7.8%
Net Paid PMPM	\$16.78	\$16.27	3.1%
Substitution Rate	97.4%	97.5%	-0.1%

Prescription and Plan Paid Distribution by Tier



Maintenance Medications



*Other = Specialty, Long Term Care, Home Infusion, and Discount Card Prescriptions

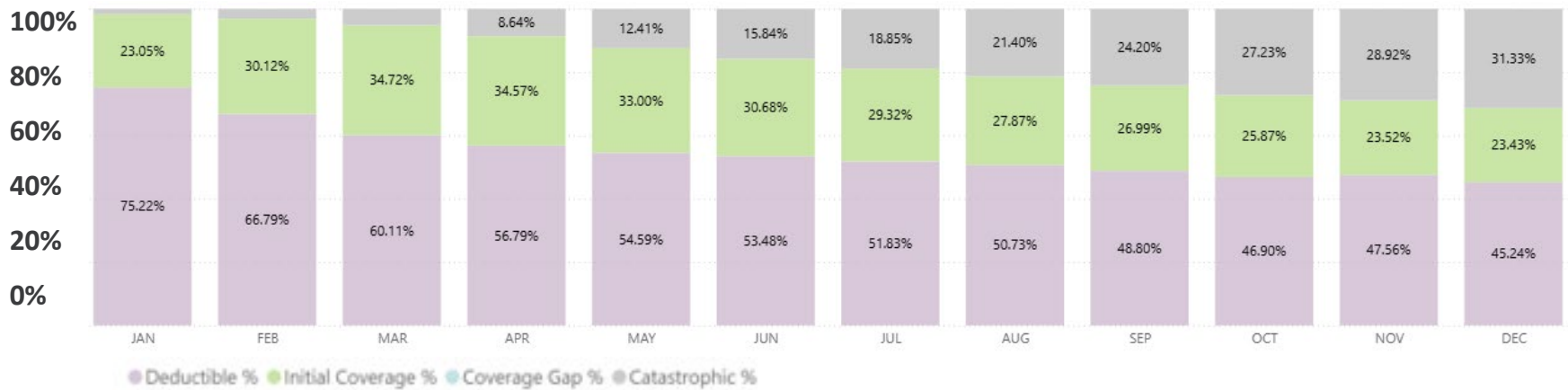
KPPA Member by phase report 2025

Combined Premium and Essential Plans



2025 Defined Standard Benefit

- Deductible: \$590
- Part D Threshold/Catastrophic: \$2000



- ✓ Coverage gap was eliminated
- ✓ 31.3% of KPPA members (19,522 mbrs) reached the \$2000 threshold by December 31, 2025, compared to 8.66% in 2024.
- ✓ 26.9% of Group Medicare MAPD members reached the \$2000 threshold by December 31, 2025, compared to 6.6% in 2024.

2025 Plan Compass : Premium Plan claim stratification

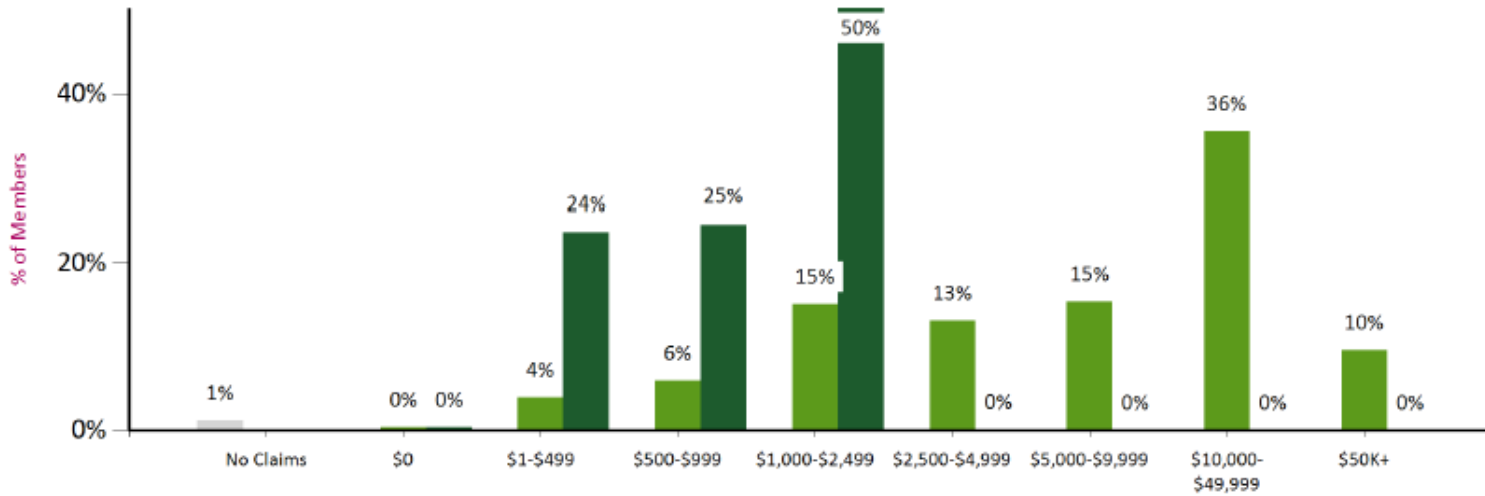
Keynote: Member cost share decreased 9.2% compared to prior year.

	Current	Prior	% Change
Plan Paid PMPM	\$1,782.38	\$1,622.30	9.9%
Member Paid PMPM	\$84.92	\$93.51	-9.2%

Essential Plan % change:

- Plan Paid PMPM: +2.8%
- Member Paid PMPM: -1.2%

Claim Stratification by Dollar Categories



% of Mbrs with No Claims

Total Med and RX Plan Payments

Total Med and RX Member Cost Share

Financial Review



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Financial Commitments to KPPA Medicare Advantage Plans



Gain Share Agreement

An arrangement in which a percentage of overages are shared between the carrier and client in the event actual MER results are more favorable than projected. Actual annual MER target will be determined based on renewal and benefits.



Performance Guarantees

Humana agrees to service level commitments on administrative services with financial penalties should we fail to deliver on those commitments.



KPPA Performance Guarantee Report

Humana's Group Medicare Performance Guarantee Annual Report Card

Kentucky Public Pensions Authority (KPPA)

2025 Group Medicare Performance Standards for MAPD

2025 Annual Report Card

Contract Period 1/1/2025 - 12/31/2025

PG#	Category	Target	Humana's Recommended Standard & Measurement Criteria	2025 Annual Average	2025 Annual Target Met
IMPLEMENTATION					
1	Ongoing ID Card Production and Distribution	≥ 99%	Humana will agree that 99% of ongoing ID cards will be mailed to participants within 10 calendar days of receiving a Transaction Reply Report (TRR) acceptance from CMS or by the day prior to the members effective date. Humana follows CMS guidelines with regards to the production and distribution of member identification cards. Clean enrollment data is defined as the complete and accurate submission of the data elements required by CMS in an EDI file or paper application.	99.90%	Yes
2	Account Management Satisfaction Survey	≥ 3.0	Humana acknowledges that its Account Management team must be responsive to the needs of our customers if we are to earn and sustain their trust. Therefore, Humana will perform an annual Account Management Satisfaction Survey to be completed by designated members of Client's benefits staff. A scale from 1 to 5 will be used to measure performance, where 1 means "very unsatisfied" and 5 means "extremely satisfied." Our goal is an overall account management satisfaction score of 3.0 or higher. The survey tool is provided to the Client 30 days there after the end of the third quarter of the guarantee period. If Humana scores less than a 3 in any category, the client is requested to supply Humana with detailed examples explaining any issues.	5.00	Yes
3	Renewal Information Delivery	by July 1st	Humana will agree to provide Kentucky Public Pensions Authority with renewal fees and claims projections for the upcoming calendar year by July 1st provided that the benefit plan has been defined as of that date. Humana will also agree to provide calendar year end reporting by May 1st.	Met	Yes
MEMBER SATISFACTION					
4	Member Satisfaction	≥ 80%	Humana will agree to a Customer Service Satisfaction Survey result of ≥ 80%, using VOC (Voice of the Customer) results. This survey is designed to help Humana "hear" the voice of our customer. This automated survey system makes outbound calls to randomly selected members within Group Medicare that have agreed to take the survey.	91.55%	Yes

KPPA Performance Guarantee Report

Humana's Group Medicare Performance Guarantee Annual Report Card

Kentucky Public Pensions Authority (KPPA)

PG#	Category	Target	Humana's Recommended Standard & Measurement Criteria	2025 Annual Average	2025 Annual Target Met
CLAIMS ADMINISTRATION					
5	Claims Turnaround Time	≥ 98% in 30 calendar days	Humana will agree to a Cycle Time of 98% or greater in 30 calendar days, measured from the date a clean claim is received to the date it is "processed". Processed means paid or denied without requiring additional information from an external source. "Clean" is defined as needing no additional information from an external source.	99.57%	Yes
6	Financial Accuracy	≥ 99%	Humana will agree to a Financial Accuracy rate of 99% or greater. Financial accuracy rate is defined as the percentage of dollars paid correctly. It is calculated by dividing the total claim dollars paid less the absolute value of overpayments and underpayments by the total claims dollars paid. Data is obtained through ongoing random audits.	99.92%	Yes
7	Claims Payment Accuracy	≥ 98%	Humana will agree to a Payment Accuracy rate of 98% or greater. Payment accuracy is defined as the percentage of claims paid correctly. It is calculated by dividing the total number of correctly paid claims by the total number of claims paid.	99.85%	Yes
8	Claims Processing Accuracy	≥ 99%	Humana will agree to a Coding Accuracy Rate of 99.0% or higher.	99.88%	Yes

KPPA Performance Guarantee Report

Humana's Group Medicare Performance Guarantee Annual Report Card

Kentucky Public Pensions Authority (KPPA)

PG#	Category	Target	Humana's Recommended Standard & Measurement Criteria	2025 Annual Average	2025 Annual Target Met
CUSTOMER SERVICE					
9	Average Speed to Answer (ASA)	within 30 seconds	Humana will agree to a Telephone Response time of 30 seconds. Measurement is the average number of seconds prior to answer. This standard exceeds the current CMS guidelines for Medicare Advantage carriers.	8.33 seconds	Yes
10	Abandonment Rate	≤ 3%	Humana will agree to an Abandonment rate of 3% or less for this standard. Measurement would be the percent of callers that ended the call prior to reaching a customer service representative.	0.46%	Yes
11	First Call Resolution	≥ 90%	Humana will agree to a First Call Resolution of 90% or greater. First call resolution is defined as any call that does not require additional customer contact. This measurement will be via Call Quality Audits based on a statistically valid sample of all calls.	97.93%	Yes
12	Welcome Calls	≥ 90%	MA Carrier will place a welcome call to all newly enrolled KPPA Medicare Advantage members within the first 60 days of their plan effective date. The welcome call provides an opportunity to welcome members to MA Carrier and answer benefit questions. MA Carrier will make a first attempt of a welcome call for at least 90% of new KPPA Medicare Advantage members within 60 days of successful enrollment file loading. The percentage will be calculated based on the number of valid phone numbers Humana receives. Timing for this metric will begin once a new member's enrollment data is successfully loaded into MA Carrier's Welcome Call Dialer for outreach.	100.00%	Yes
13	Account Concierge Tracking Log of Member Issues	100% of member issues acknowledged within 1 business day, and follow up of resolution status within 2 business days, if not yet resolved.	Actual member issues from either KPPA staff or members, acknowledged (respond using the method the inquiry was received) within 1 business day, and follow-up of resolution status within 2 business days, if not yet resolved.	Met	Yes
WEBSITE					
14	System Down-Time	≥ 99%	The MA Carrier guarantees that the System Availability Rate for each Calendar Year shall be 99.00% or greater to ensure participants are able to utilize or access all or any portion of the benefits or services within the plan. "System Availability Rate" means the percentage of normal business hours that the MA Carrier's computer systems are operational, excluding scheduled maintenance time.	99.998%	Yes

KPPA Performance Guarantee Report

Humana's Group Medicare Performance Guarantee Annual Report Card

Kentucky Public Pensions Authority (KPPA)

PG#	Category	Target	Humana's Recommended Standard & Measurement Criteria	2025 Annual Average	2025 Annual Target Met
REPORTING					
15	Plan Compass	Annually in July (Met/Not Met/ or N/A)	Humana agrees to provide Humana's Plan Compass Annually in July.	Met	Yes
16	Management Reporting	within 120 days	Humana will agree to provide Kentucky Public Pensions Authority with a premium and incurred claims report within 120 days after the end of the annual reporting period.	Met	Yes
17	Notification of Subcontractor or Affiliate Changes	Notification within 30 days of any change in subcontracted vendors for any material support service.	Humana understands the importance of communication. Humana will agree to use a best effort approach in notifying Kentucky Public Pensions Authority within 30 days of any change in subcontracted vendors for any material support service.	Met	Yes

2027/2028 Benefit Changes to Consider

Medical Plan*

- Increase Part B Rx from 4% coinsurance to 10% coinsurance: ~\$1.50 PMPM
- Increase Part B Rx – 4% coinsurance to 20% coinsurance: ~\$4.00 PMPM
- Increase Part B Rx copay from \$25 to \$50: ~\$1.25 PMPM
- Increase Out of Pocket Maximum from \$1,200 to \$1,500: ~\$4.75 PMPM

*Estimates are not additive

Premium Pharmacy Plan

- Increase Tier 3 and Tier 4 Copay by \$10 (30 day supply) \$10/\$30/\$65/\$65 with \$100 front end Rx deductible: ~\$4.77 PMPM
- Increase Tier 3 and Tier 4 Copay by \$20 (30 day supply) \$10/\$30/\$75/\$75 with \$250 front end Rx deductible: ~\$12.19 PMPM
- Change Tier 3 and Tier 4 to Coinsurance (30- day supply) \$10/\$30/25%/25% with \$1,200 Plan MOOP: ~\$8.26 PMPM

Renewal Planning – Key Factors



PPO medical claims cost trend

The trend of medical claims, including any additional clinical programs that could impact your members, medical technology advancements and new Part B drugs.



Pharmacy claims cost trend

The overall trend of pharmacy claims including any new pipeline drugs, formulary changes, coverage level, generic usage and drug utilization



CMS reimbursement changes

Adjustments will be made for risk scores, sequestration, hospice, ESRD payments and any CMS reimbursement methodology changes.



Benefit changes

Factor in any requested plan changes to your current program





Thank you!



KENTUCKY PUBLIC PENSIONS AUTHORITY

Ryan Barrow, Executive Director

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MEMORANDUM

TO: Members of the Joint CERS & KRS Retiree Health Plan Committee

FROM: Connie Pettyjohn, Division Director
Retiree Healthcare

DATE: May 13, 2026

SUBJECT: Kentucky Group Health Insurance Board

The Kentucky Group Health Insurance Board (KGHIB) was created by KRS 18A.226 to provide quality, affordable health insurance coverage so that the Commonwealth can attract and retain able and dedicated public employees, and to facilitate the need for comprehensive and efficient planning, implementation, and administration of a state employee health insurance program.

The board is attached to the Personnel Cabinet for administrative purposes only and consists of thirteen (13) members which includes one (1) retired state employee appointed by the Kentucky Retirement Systems (**KRS**) for a term of two (2) years. The **KGHIB** meets monthly at an in-person meeting in Frankfort.

KRS 18A.226 was not updated when the three (3) Board governance structure was created by 2020 RS HB 484, i.e. CERS Separation. There has been a Personnel housekeeping bill filed in the last two (2) Regular Sessions that included modifications to this statute, but those bills have not passed.

Mr. Jerry Powell served as the appointed member on the KGHIB since 2018. Connie Pettyjohn has served as the proxy since 2011. With the departure of Mr. Powell from the CERS Board, a new appointment needs to be made. The appointee does not have to be a trustee but historically has been. The only requirement is that it be a retired member.

Recommendation: The CERS & KRS Joint RHP Committee recommend an appointee to the KGHIB to be ratified by both the KRS and CERS Board of Trustees. Ratification by both Boards is consistent with how recommendations from the RHP Committee are currently handled and will satisfy the statutory requirement under KRS 18A.226.

Enclosure

18A.226 Group Health Insurance Board -- Members -- Duties.

- (1) To provide quality, affordable health insurance coverage so that the Commonwealth can attract and retain able and dedicated public employees, and to facilitate the need for comprehensive and efficient planning, implementation, and administration of a state employee health insurance program in order to meet this goal, the Kentucky Group Health Insurance Board is created. The board shall be attached to the Personnel Cabinet for administrative purposes only. The board shall consist of thirteen (13) members as follows:
 - (a) The secretary of the Finance and Administration Cabinet;
 - (b) The secretary of the Personnel Cabinet;
 - (c) The state budget director;
 - (d) The commissioner of education;
 - (e) The chair of the Advisory Committee of State Health Insurance Subscribers;
 - (t) The commissioner of insurance, ex officio;
 - (g) The Auditor of Public Accounts, ex officio;
 - (h) The Director of the Administrative Office of the Courts, or his designee;
 - (i) One (1) retired state employee appointed by the Kentucky Retirement Systems, who shall serve an initial term of one (1) year;
 - (i) One (1) retired teacher appointed by the Teachers' Retirement System, who shall serve an initial term of two (2) years;
 - (k) One (1) active teacher appointed by the organization with the largest number of teacher members on payroll deduction, who shall serve an initial term of one (1) year;
 - (l) One (1) active state employee appointed by the organization with the largest number of state employee members on payroll deduction, who shall serve an initial term of two (2) years; and
 - (m) One (1) active classified education support employee appointed by the organization with the largest number of classified education support employee members on payroll deduction, who shall serve an initial term of one (1) year.

As each appointed member's term expires, the vacancy created shall be filled by the appointing authority for that position for a term of two (2) years. An appointment to fill an unexpired term of an appointed member shall be made by the designated appointing authority for the remainder of the term. Appointed terms shall begin effective October 1.

- (2) The members of the board shall elect from among its members a chair and a vice chair.
- (3) Regular meetings of the board shall be held at least once every month at a place, day, and time determined by the board. Special meetings of the board shall be held when needed as determined by the chair. If seven (7) or more members of the board request in writing that the chair call a special meeting, the chair shall call a special meeting. The meetings shall operate in accordance with the provisions of the Open

Meetings Law under KRS 61.805 to 61.850.

- (4) Members of the board shall receive reimbursement for necessary expenses for attendance at official board meetings or public hearings.
- (5) The Kentucky Group Health Insurance Board shall:
 - (a) Engage in analyses and research to identify the factors and parameters that affect the state group health insurance program;
 - (b) Develop and transmit, by October 1 of each year beginning October 1, 2001, to the Governor, the General Assembly, and the Chief Justice of the Supreme Court, policy recommendations regarding benefit options and management of the state group health insurance program; and
 - (c) Provide in the first report, due by October 1, 2001, the following:
 1. Analysis and discussion of methods used by all other states to provide health insurance benefits to their state group; and
 2. Analysis and discussion of the cost, enrollment, claims, and utilization data for calendar year 2000 on the Kentucky state group; and
 3. Recommendations including but not limited to appropriate structures for the state contribution rate which shall include recommendations on increasing the state contribution to provide support for dependent coverage, possible methods to mitigate adverse selection, competitive plan designs by type and benefit options, the feasibility of a state self-insurance plan, and strategies for evaluating third-party administrators and vendors.

Effective: July 15, 2010

History: Amended 2010 Ky. Acts ch. 24, sec. 29, effective July 15, 2010. -- Amended 2002 Ky. Acts ch. 158, sec. I, effective July 15, 2002. -- Created 2000 Ky. Acts ch. 438, sec. I, effective April 21, 2000.