

JOINT CERS AND KRS RETIREE HEALTH COMMITTEE
October 24, 2022, 10:00 a.m. EST
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 - September 6, 2022* - *Jerry Powell*
6. Humana Presentation – *Humana Tracey Garrison/Carrie Lovell*
 - a. 2023 Pharmacy Review
 - b. 2022 Member Satisfaction Survey Results
 - c. 2023 CMS Star Rating
7. Other Business – Open Enrollment - *Connie Pettyjohn*
8. Adjourn* - *Jerry Powell*

**Board Action Required*

**KENTUCKY PUBLIC PENSIONS AUTHORITY
JOINT CERS-KRS BOARD OF TRUSTEES
RETIREE HEALTH PLAN COMMITTEE MEETING
SEPTEMBER 6, 2022 at 10:00 A.M., E.D.T.
VIA LIVE VIDEO TELECONFERENCE**

At the September 6, 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. Staff members present were CERS CEO Ed Owens, III, David Eager, Erin Surratt, Rebecca Adkins, Michael Board, Connie Pettyjohn, Carrie Bass, Abby Sutherland, Brian Towles, Ashley Gabbard, Katie Park, Shaun Case, and Sherry Rankin. Others in attendance included KRS Trustees Ramsey Bova and William Summers, V, Michael Reed with GRS, and Tracey Garrison, Larry Loew, Carla Whaley, Shannon Teft, and Claire Hutchinson with Humana.

Mr. Powell called the meeting to order.

Mr. Board read the Opening Public Statement.

Ms. Rankin took Roll Call and read aloud the *Public Comment* received:

“Being curious as to what would be covered in today’s meeting of the Retiree Health Plan Committee, I reviewed the Meeting Materials yesterday. For the retiree Medicare Advantage plan, it appears that the premium to be paid by KPPA will be decreasing by a substantial amount. If I’ve read this correctly, this is great news. What I did not see, and I may have overlooked it, was any mention of any dental benefits in the 2023 plan. Granted the benefit offered today is minimal but Humana reported at the May meeting that 10,387 members utilized those benefits for 28,464 procedures last year. The CDC website highlights that oral health problems that seniors may confront exist in some cases simply because basic Medicare does not cover routine dental care and they can’t afford the expense themselves. A senior’s oral health and their general health often go hand-in-hand. Gum disease can increase the risk of heart disease while diabetes can increase the risk for gum

disease. Losing teeth that might otherwise be saved can affect one's nutrition as a person shifts what they eat to what they can more easily eat. The existing dental benefit was approved at the November 12, 2019, meeting of this Committee and integrated into retirees' health insurance benefits for the 2020 plan year. Retirees were interested – I delivered about 100 emails at that meeting from those in support of adding this supplement. I would ask that a dental benefit - what we have today, possibly something better – at least be explored as to cost before the 2023 health insurance plan becomes active. Thank you. Larry P. Totten, President Kentucky Public Retirees”

Mr. Powell introduced the agenda item *Approval of Minutes- May 19, 2022*. A motion was made by Mr. Fulkerson and seconded by Mr. Percy to approve the minutes as presented. The motion passed unanimously.

Mr. Powell introduced the agenda item *Establish 2023 Health Insurance Components and Health Insurance Rate to be Paid by Kentucky Public Pensions Authority that will be used to define 100% Contribution for non-Medicare Eligible Retirees*. Ms. Connie Pettyjohn presented the material to the Committee. She highlighted the main points and features of the non-Medicare eligible plans and the 2023 premiums. A motion was made by Mr. Fulkerson and seconded by Mr. Percy to approve the 2023 Health Insurance Components and Health Insurance Rate. The motion passed unanimously. Ms. Pettyjohn also stated that Humana was the selected vendor through the request for proposal (RFP) process.

Mr. Powell introduced the agenda item *Establish 2023 Health Insurance Plan Components and Health Insurance Rate to be Paid by Kentucky Public Pensions Authority that will be used to define 100% Contribution for Medicare Eligible Retirees*. Ms. Tracey Garrison with Humana thanked the Committee and stated that she and her team are excited to be the provider of choice for KPPA retirees and to continue the partnership with KPPA. Ms. Garrison began her presentation with the 2023 rates for the Medicare Advantage Plans. She then discussed the long term financial commitments to KPPA regarding the Medicare Advantage Plans. She stated that there is a rate guarantee for 2024 and 2025 with no more than a 5% increase annually. The Gain Share Agreement is also in place which states that

if the MER is less than or equal to 93%, KPPA will receive additional funding. Performance Guarantees are also in place. Humana has agreed to service level commitments on administrative services with financial penalties should they fail to deliver on those commitments. Performance will be measured quarterly and annually. A first call measurement has been added stating that 90% of member calls will be resolved within the first call. Welcome calls will also be completed for all new members within the first 90 days of their enrollment. Member issues will be acknowledged within one business day with follow up resolutions starting within two business days. A system downtime guarantee is also included and ensures that the system availability rate stays at 99% for each calendar year. Annually reporting will also become available no later than July of the following year. Mr. Eager asked how the three million dollar financial risk for not meeting these performance guarantees compares to that of last year. Ms. Garrison and Mr. Larry Loew stated that the risk was two million dollars last year. Next, Ms. Garrison reviewed the Medical Only and Mirror Plan. Ms. Connie Pettyjohn added that the Mirror Plans are used for members which do not have Part B of Medicare in place at the time that they become Medicare eligible. This allows members to have the benefits and continue with a plan because they cannot enroll in the Medicare Advantage Plans without Part B. The Part D Cost Share Changes and 2023 Covid-19 Changes were also reviewed with the Committee. Ms. Garrison assured the Committee that these changes will be clearly communicated to members via enrollment meetings and annual notice of change. Mr. Powell asked if Humana plans to resume in-person enrollment meetings in the near future. Ms. Garrison announced that Humana is planning to host a hybrid meetings with in-person and webinar options for members. Further, Ms. Garrison stated that Post-Discharge Benefits and Post-Discharge Personal Home Care Service will continue to be offered in 2023. Lastly, Humana is offering additional benefits such as Freshly and Silver Bills to members. There have been changes to rewards for preventative screenings, exercise and fitness, and social and health education. Claire Hutchinson with Humana provided an overview of the Inflation Reduction Act of 2022 and the implementation timeline of the prescription drug provisions in the Inflation Reduction Act. Ms. Pettyjohn asked if the insulin covered under this act would be all insulin or a specified insulin. Ms. Hutchinson stated that the insulins covered under Part D would be those that are covered on the formulary; those previously

filed by Humana as a covered benefit when bids were submitted. Ms. Pettyjohn also asked Ms. Hutchinson and Mr. Loew what the premium impact would be. Mr. Loew stated that they have yet to see any financial impact or projections on the financial implications. Mr. Loew also added that the changes on covered insulin through Part B would not take effect until mid-year 2023 under the Inflation Reduction Act drug provisions. Mr. Powell asked if there will be changes to how much a member pays i.e. copays etc. Ms. Hutchinson stated that the direct subsidy will adjust to account for premium group to maintain a smooth member experience. Mr. Loew expanded Ms. Hutchinson's statement by adding that these changes are typically advantageous to members from a benefit standpoint. Mr. Powell thanked Mr. Loew and Ms. Hutchinson for their explanations and explained that he is looking out for the members since there has not been an increase in retirement income since 2011. Ms. Pettyjohn asked Ms. Garrison and Mr. Loew if they would have time to prepare the disruption information in October instead of November. They stated that they will check with the Humana Pharmacy team to confirm that can be done. Mr. Powell thanked the Humana team for their presentation. Michael Reed with GRS introduced himself and thanked Ms. Pettyjohn and Ms. Garrison for their help in gathering the necessary information. Mr. Reed reviewed the projected Plan Year 2023 Premiums with the Committee. Mr. Eager asked Mr. Reed how the KPPA experience compares to other public plans. Mr. Reed stated that overall, KPPA experiences a negative growth in claims which is favorable. A motion was made by Mr. Fulkerson and seconded by Mr. Peercy to approve the 2023 Health Insurance Components and Health Insurance Rate. The motion passed unanimously. Ms. Pettyjohn asked Mr. Powell to confirm the approved rates; \$252.51 for the Premium Medicare Advantage Plan and \$75 for the Essential Plan.

Mr. Powell introduced the agenda item *Other Business*. Mr. Powell announced that each Committee is working to form a strategic plan. He stated that a form was created to help set goals and will be sent out soon to the Committee Members for their review and feedback. The form will assist in the development of both short-term and long-term goals and improvements to be made to the Retiree Healthcare Committee. Mr. Powell hopes to discuss the form and strategic plan more at the next meeting of the Retiree Health Plan Committee. Mr. Eager added that he has been pleased with Humana's service and is

pleased to continue working with Humana as they were selected during the RFP process. CERS CEO Ed Owens, III, thanked Mr. Powell for a fantastic meeting and seconded the Mr. Eager's praise of Humana. Mr. Owens also added that he looks forward to continue working with the Retiree Health Plan Committee on the strategic plan. Lastly, Chairman Powell thanked all attendees, KPPA Staff, and Humana for their time, effort, and service.

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.

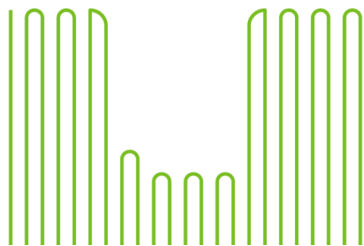
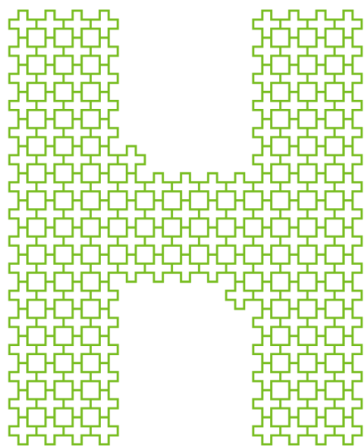
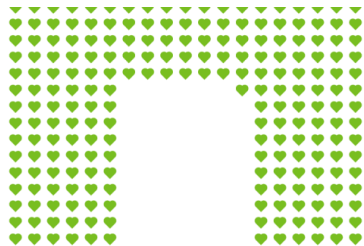
Recording Secretary

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 September 6, 2022 were approved by the Joint Retiree Health Plan Committee on October 24, 2022.

Committee Chair

I have reviewed the Minutes of the September 6, 2022 Joint Retiree Health Plan Committee meeting for form, content and legality.

Executive Director
Office of Legal Services

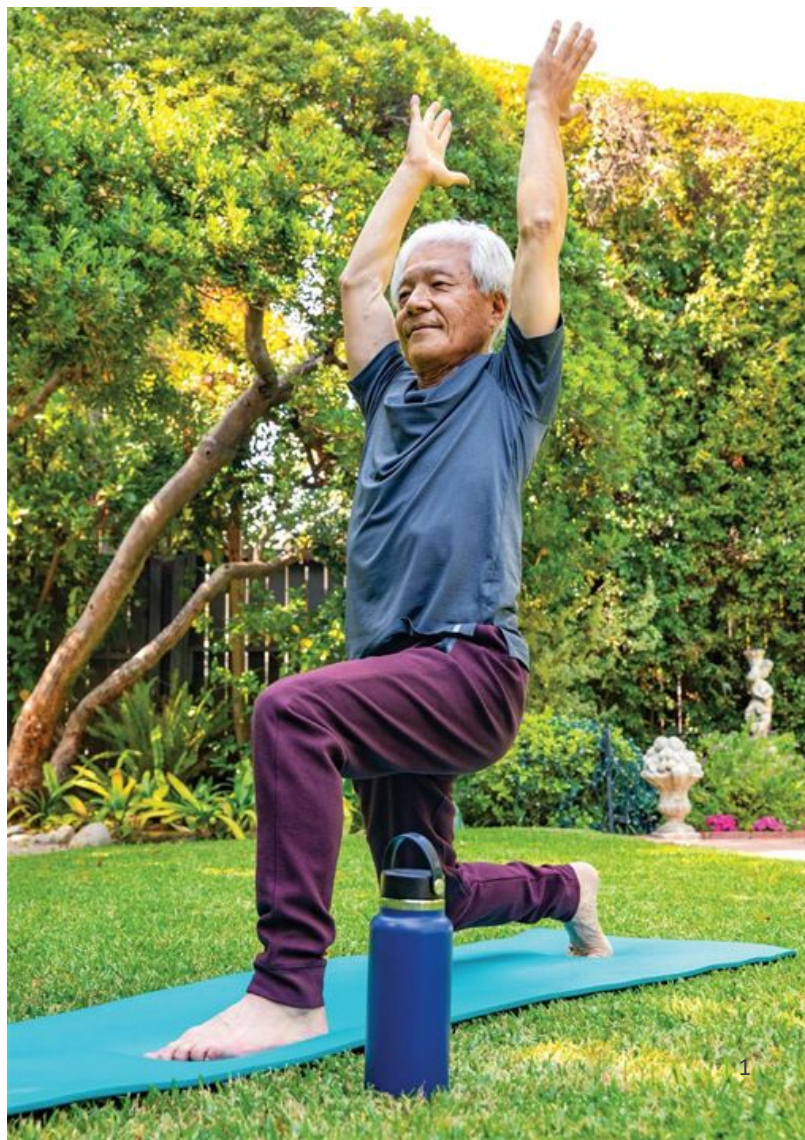


Humana®

Kentucky Public Pensions Authority

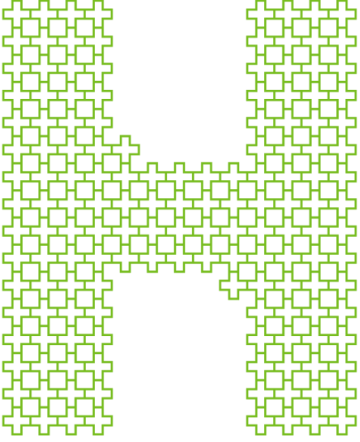
Retiree Health Plan Committee Meeting

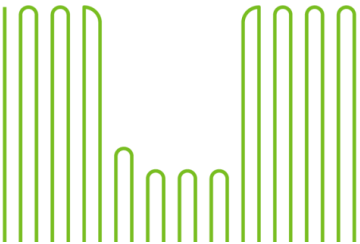
October 24, 2022





Today's Discussion

- 
- 1. 2023 Pharmacy Review**
 - 2. 2022 Member Satisfaction Survey Results**
 - 3. 2023 CMS Star Ratings**



2023 Pharmacy Review



Why Make Annual Drug List Changes?

The drug list is updated on an annual basis to ensure placement of drugs in the most appropriate and cost-effective tier in compliance with contracts and government regulations. Changes help ensure safety, control cost and mitigate the pharmacy trend.



New Products

New medications are developed and enter the market for the first time.



Generic Availability

Brand name medications lose patent protection and generics become available.



Clinical Updates

Medications may gain new indications, have changes in dosing guidelines or in prescribing recommendations. New need to prevent potential for "off label" usage.



Price

The price of a medication may change.

Summary of 2023 Impact for KPPA

Edit	Member Impact	% Member Impact	Script Impact
Not Covered	0	0	0
Prior Authorization	386	0.65%	630
Step Therapy	1314	2.2%	2034
Negative Tier Change	*1813	3.0%	2696
Total	3513	5.85%	5360
Positive Change	2542	4.2%	3095

**54 of the 1813 members will not experience a cost share difference because Tier 3 to Tier 4 is neutral. Members may experience a day supply change because Tier 4 is available only in a 30-day supply.*

Utilization date range: 5/1/2022-8/31/2022

Drug List Change Details

Coverage Change projected negative impact: zero members

Positive impact: 2542 members

- New coverage: Colchicine (40), Dexlansoprazole (10), Ultomiris (1)
- Vaccines: 1874 members based on 2022

Prior Authorization projected impact: 386 members

- Bystolic (hypertension) generic new to market: 100 members
- Toviaz ER (bladder control) high-cost brand: 95 members
- Eplerenone (hypertension) high-cost brand: 73 members
- Lokelma (high potassium) patient safety: 56 members

Step Therapy projected impact: 1304 members

- Dexilant & generic (GERD) high-cost medication with generic alternative – esomeprazole: 506 members
- Suprep (colonoscopy prep) high-cost, one-time use medication with generic alternative
- Minimal impact: 450 members

Tier Change projected impact: 1813 members

- Acute use medications such as bowel prep and antibiotics account for 43% of impact: 785 members
- Generic Advair and Wixela (COPD) high-cost generic alternative: 672 members

Inflation Reduction Act (IRA)



\$0 vaccines

Member cost share of all Part D vaccines listed on the Advisory Committee on Immunization Practices (ACIP) list¹ will be **\$0**.



\$35 insulin copay

Member cost share of this plan's covered insulin products covered under Part B² and Part D will be **no more than \$35** for every one-month (up to a 30-day) supply.

Examples:

- Part D vaccines, including those commonly administered such as Shingrix, Boostrix and Tdap.
- In 2023, Premium Plan members will pay \$30 for a one-month supply of Tier 2 insulin and only \$35 vs. \$55 for a one-month supply of Tier 3 or 4 insulin.
- In 2023, Essential Plan members will pay the lesser of 25% coinsurance or a \$35 copayment for a one-month supply of covered insulin in Tier 2, 3, or 4.



Preparing for Change

Smart Summary Communication

Members will receive messaging in October, November and December

Member Letter

Members impacted by negative drug list changes for 2023 will receive a personalized letter in mid-late November

Transition Fill

A 30-day transition supply is available to members impacted by changes* to Part D covered drugs eligible for transition.
(*Tier changes still apply)

Glossary – Important Terms

- **Drug List** – this is the formulary listing covered medications
- **Tier** – a level of benefit for categorizing drugs on the formulary
- **Prior Authorization (PA)** - requires a physician to obtain pre-approval in order for Humana to provide coverage for a drug prescribed for a member (safety, cost, diagnosis, OTC/generic availability)
- **Step-Therapy (ST)** – requires members to try and fail a lower cost medicine or a “first line” medicine before another medicine will be approved for coverage (sometimes performed electronically)
- **Tier Change (TC)** – a covered drug moves from one tier to a different tier
- **Not Covered (NC)** – a drug that is not covered under the prescription drug benefit (Ex: obsolete, now OTC, released prior to FDA approval)
- **Inflation Reduction Act (IRA)**- The Inflation Reduction Act of 2022 (IRA) is a landmark United States law which aims to curb inflation by reducing the deficit, lowering prescription drug prices, and investing into domestic energy production while promoting clean energy. It was passed by the 117th United States Congress and signed into law by President Joe Biden on August 16, 2022.



2022 KPPA Member Satisfaction Survey Results

Objectives & Methodology



Background

Humana is required to conduct an annual member satisfaction study with the retirees of the Kentucky Public Pension Authority under the terms of the Group Medicare contract.



Key KPIs

- Satisfaction With Humana
- Satisfaction With Claims Processing
- Satisfaction With Customer Service



Data Collection

Telephonic data collection was conducted with program participants.



Timing

Surveys were completed between September 5th through September 19th, 2022.

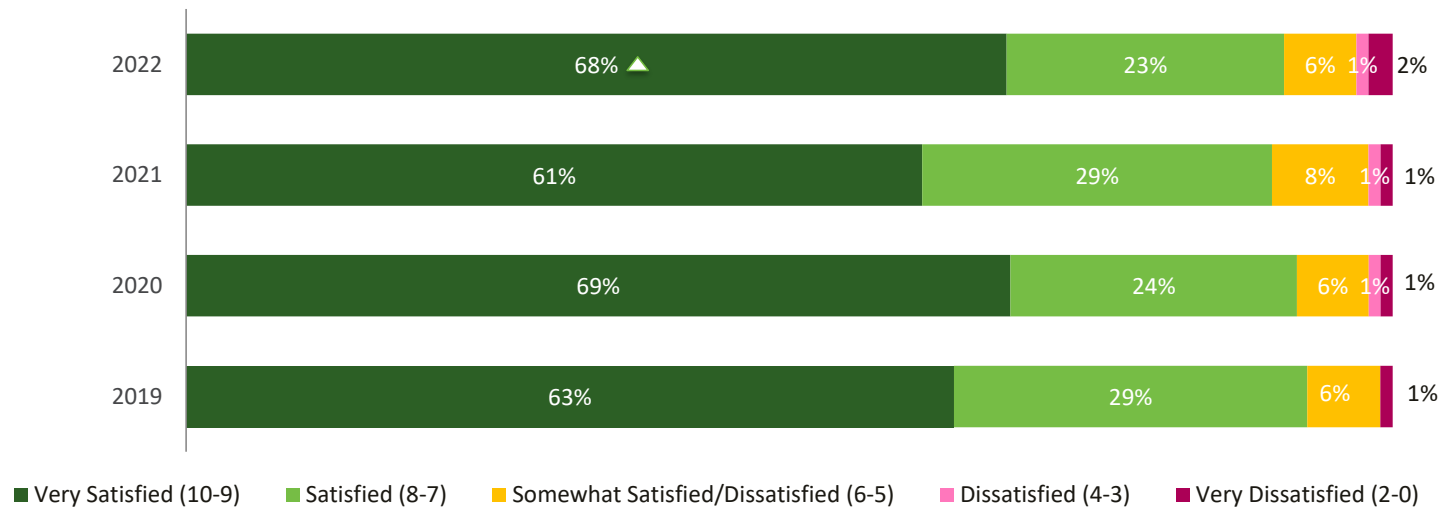


Completed Interviews

A total of **N=500 interviews** were completed in total.

Overall Satisfaction

Using a scale between 0 and 10, where 0 equals “not at all satisfied” and 10 equals “extremely satisfied,” how would you rate your overall satisfaction with Humana as your current health plan administrator?

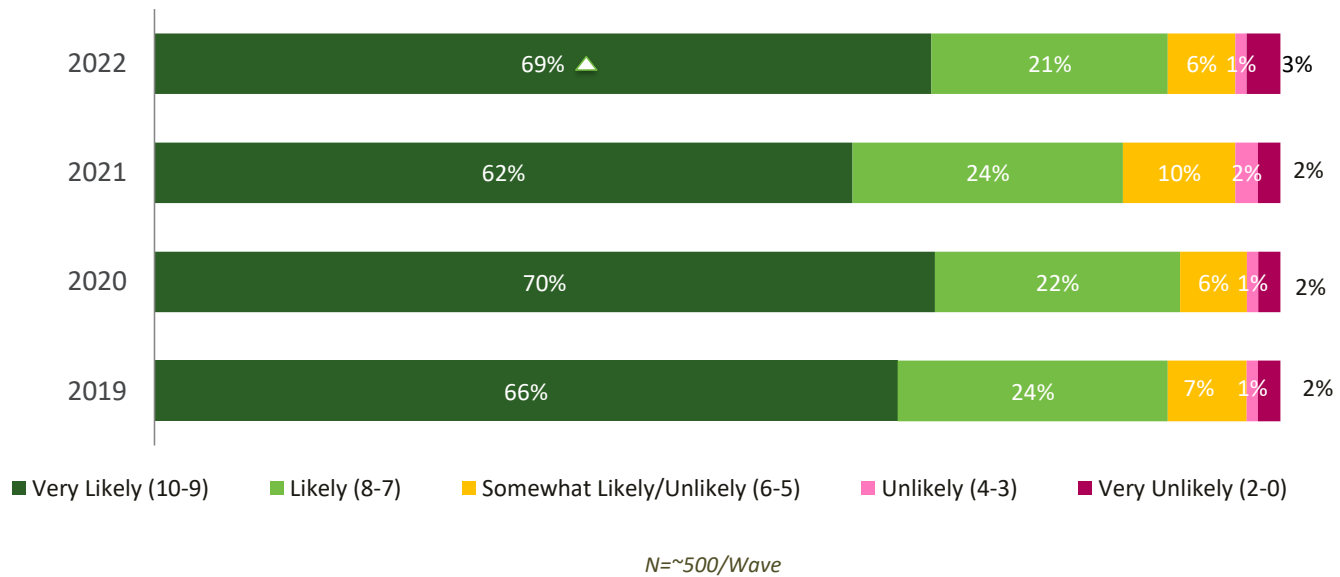


N=~500/Wave

▲ Denotes significant difference between 2021 vs. 2022 results at a 95% confidence level

Likelihood to Recommend

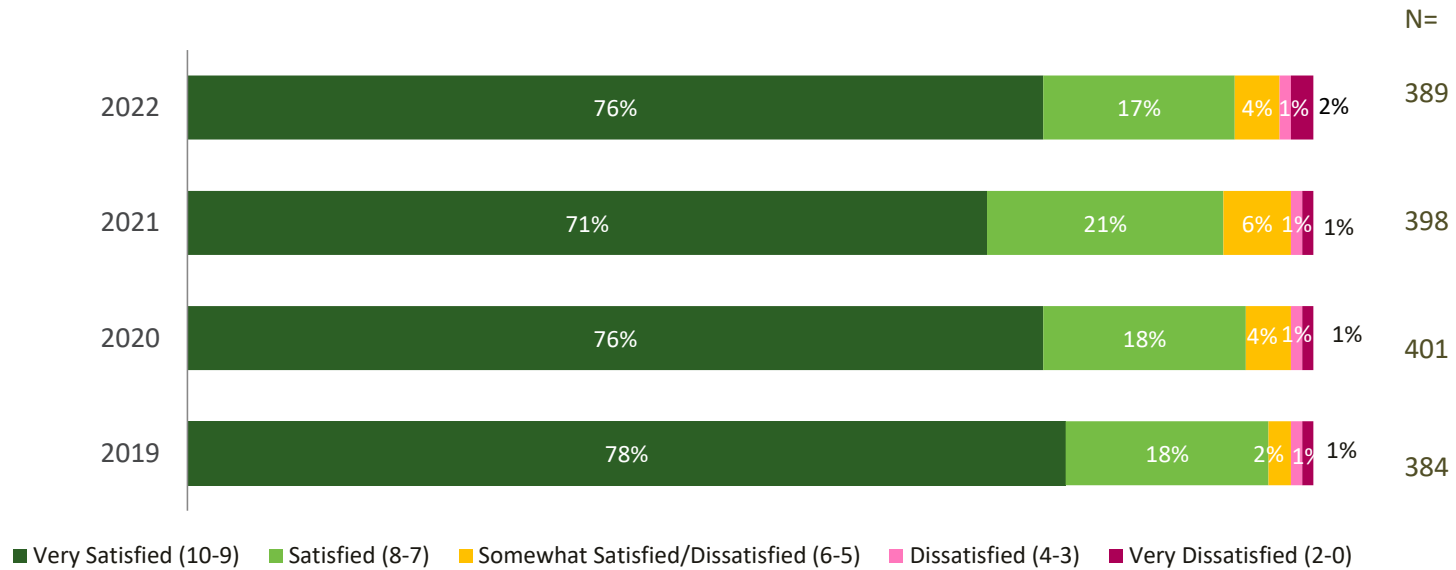
Using a scale between 0 and 10, where 0 equals “not at all likely” and 10 equals “extremely likely,” how likely would you be to recommend Humana to a friend or colleague for the Medicare Advantage plan you have?



▲ Denotes significant difference between 2021 vs. 2022 results at a 95% confidence level

Claim Processing*

Using a scale between 0 and 10, where 0 equals “not at all satisfied” and 10 equals “extremely satisfied,” how would you rate your overall satisfaction with Humana’s ability to process your claims?

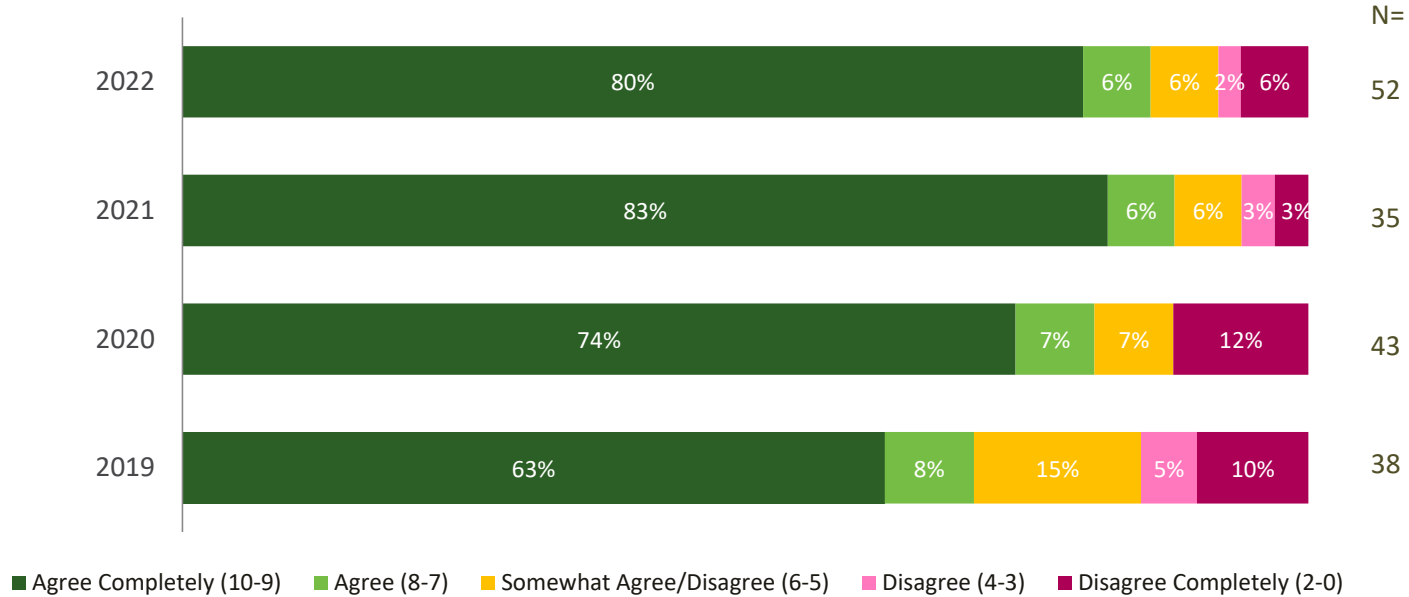


*Among those who had used their Humana plan within the past 3 months.

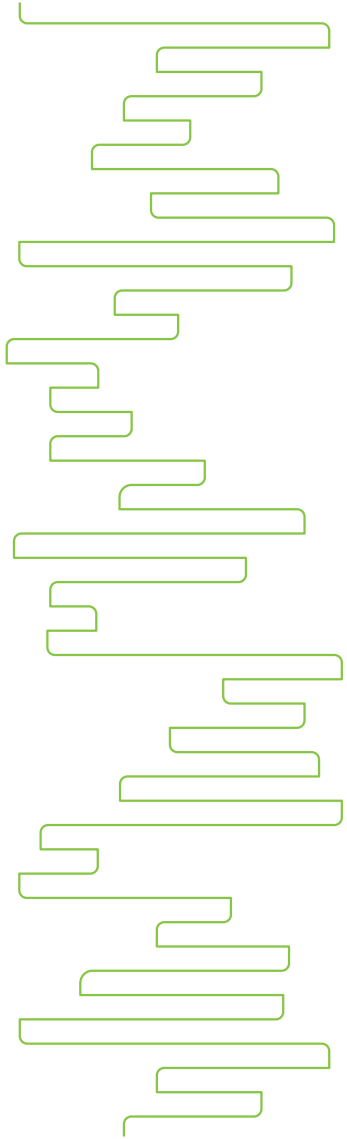
▲ Denotes significant difference between 2021 vs. 2022 results at a 95% confidence level

Representative Took Responsibility For Getting Answers*

Regarding the problem or issue you called Humana about in the past 3 months, on a scale where 0 equals “disagree completely” and 10 equals “agree completely,” please indicate your level of agreement that the representative I spoke with took responsibility for getting me answers to my questions.



*Among those who called Medicare Advantage Customer Care 1-800# to speak with a customer service representative about a problem or issue.



2023 CMS Star Ratings

2023 Group Medicare Stars updates

Humana's rise to 4.5 Stars

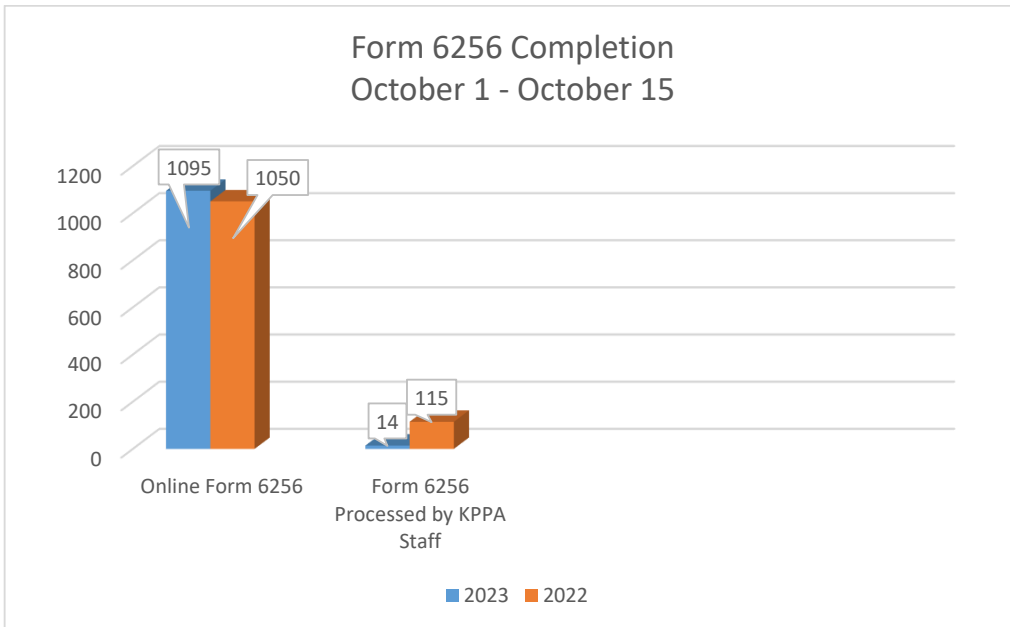
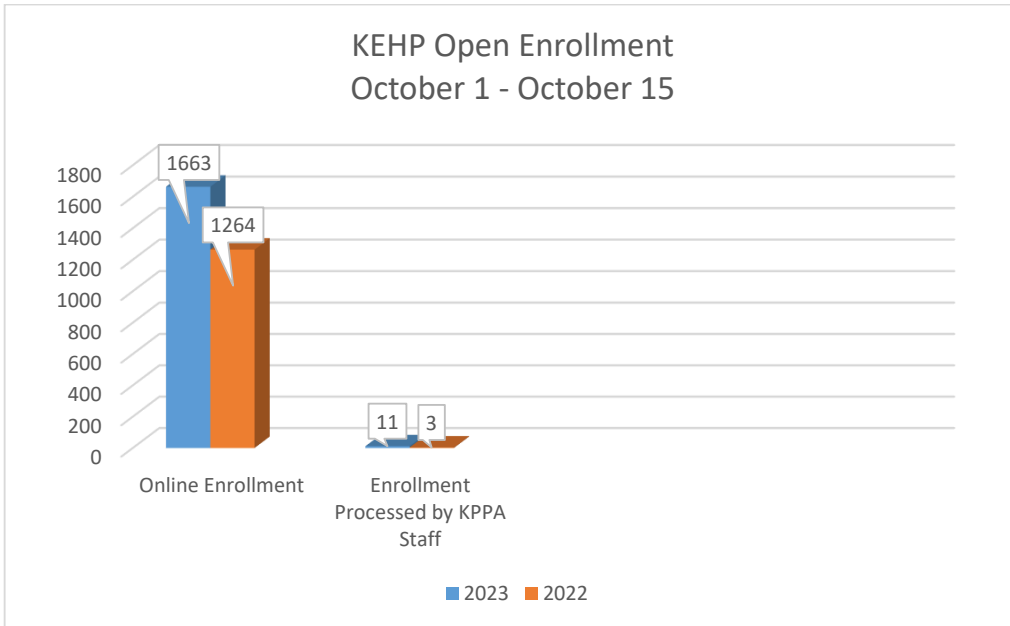
- ✓ Humana received a 4.5-star rating for seven Medicare Advantage contracts in 46 states and Puerto Rico, covering more than 3 million members – **nearly double last year's members in plans with this rating**
- ✓ **94%** of Humana's Group Medicare Advantage members in rated contracts will be in **4.5-star plans or higher**
- ✓ **99%** of Humana's Group Medicare Advantage members in rated contracts will be in **4-star plans or higher for 2023**
- ✓ Overall, **96% of Humana's Group and Individual Medicare Advantage members** in rated contracts will be in 4-star plans or higher for 2023
- ✓ Humana continues to **lead our national competitors for a fifth consecutive year**

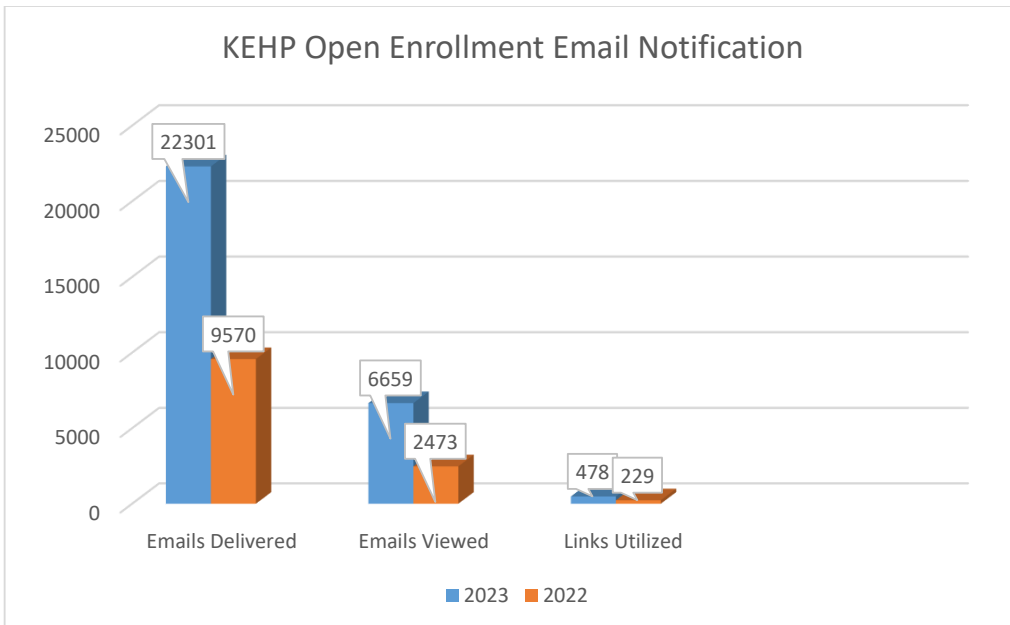
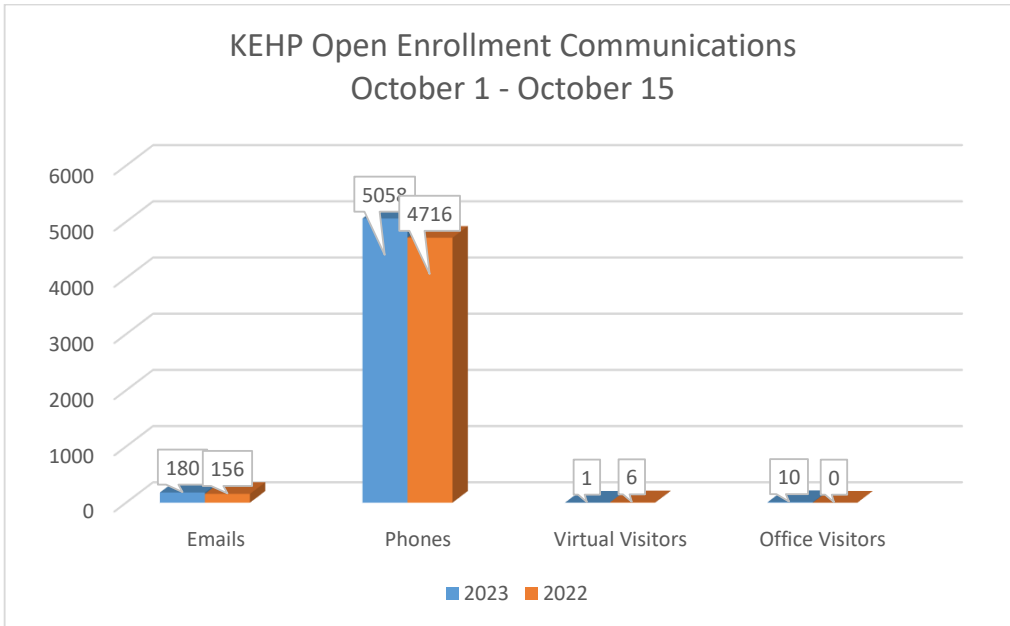
According to Centers for Medicare & Medicaid Services (CMS) 2023 Star Ratings for Medicare Advantage and Medicare Part D prescription drug plans

Proprietary and Confidential

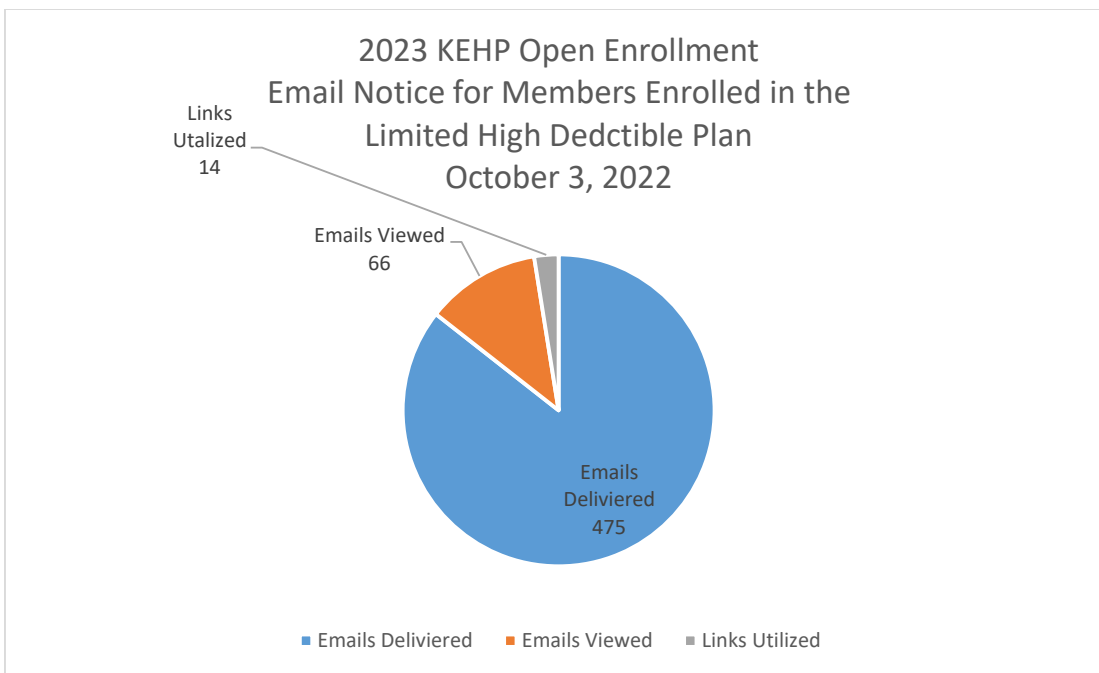
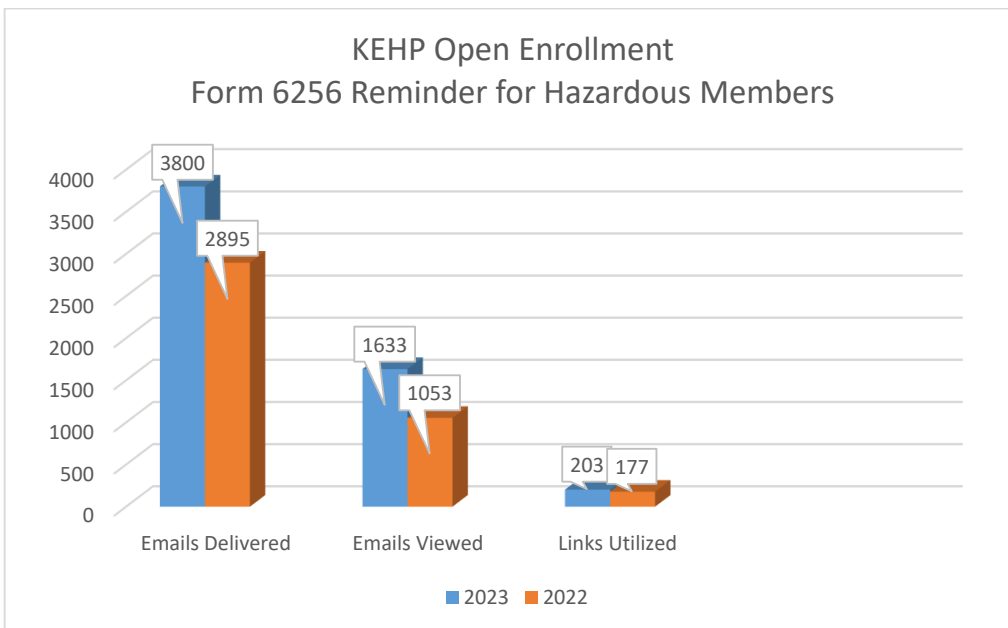


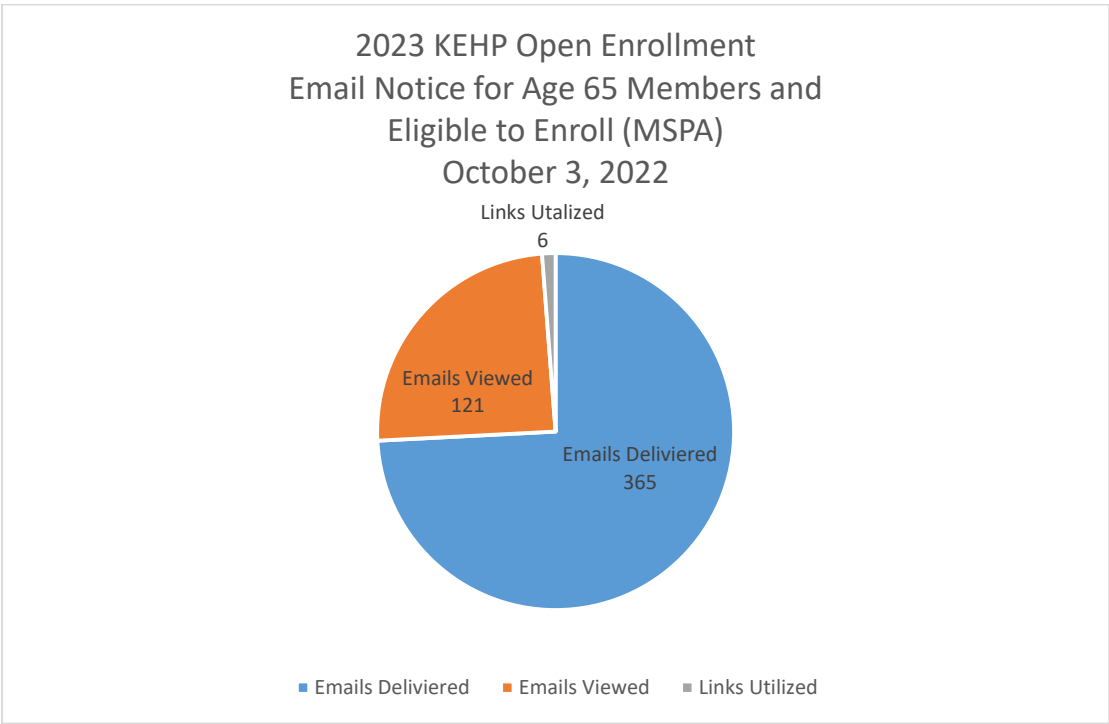
The image shows the Humana logo, which consists of the word "Humana" in a white, sans-serif font, followed by a registered trademark symbol (®). The logo is centered on a solid green background that has a slight wavy bottom edge.

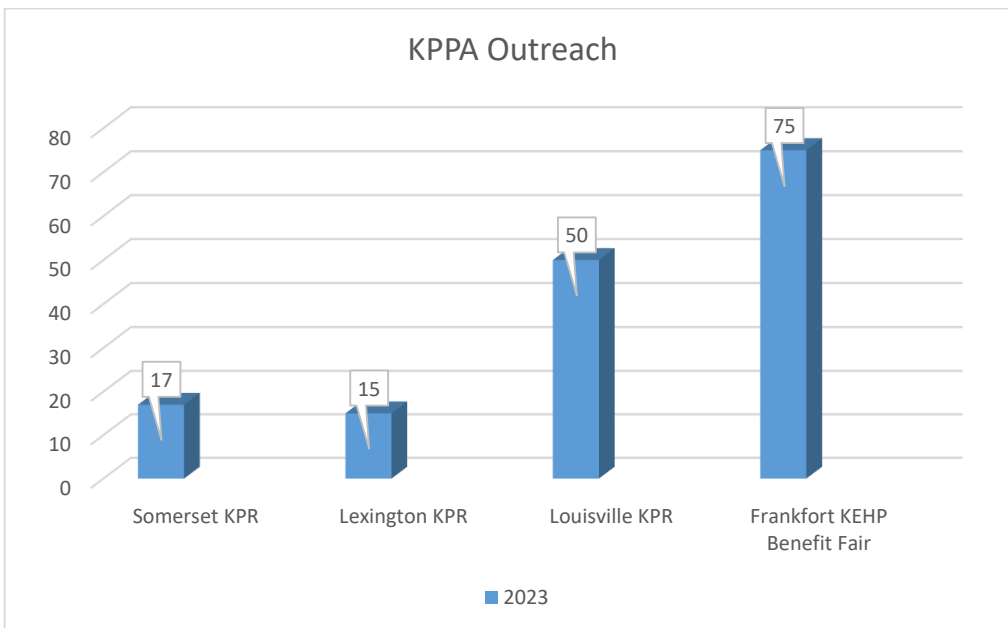




Note-33,119 KEHP notices were mailed to eligible recipients.







Scheduled events:

KPR Meetings:

- October 18, 2022 Frankfort
- November 14, 2022 Elizabethtown
- December 8, 2022 Flemingsburg

Humana Seminars:

- October 25, 2022 Bowling Green
- October 26, 2022 Lexington
- October 27, 2022 Louisville