KENTUCKY PUBLIC PENSIONS AUTHORITY
JOINT CERS-KRS BOARD OF TRUSTEES
RETIREE HEALTH PLAN COMMITTEE MEETING
MAY 13, 2026, at 10:00 A.M., E.S.T.
VIA LIVE VIDEO TELECONFERENCE

At the May 13, 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 Peercy (Chair) and Mike Riley; CERS – Dr. Patricia Carver. Staff members present were CERS CEO Ed Owens, III, KRS CEO John Chilton, Ryan Barrow, Erin Surratt, Michael Lamb, Odette Gwandi, Nathan Goodrich, Andrew Kenney, Connie Pettyjohn, Abby Sutherland, Brian Towles, Shaun Case, Sherry Rankin, and Mary Hill. Others in attendance included Carrie Lovell, Gabe Hellinger, Joe Cowles, and Stephanie Heller with Humana.

1. Mr. Peercy called the meeting to ***Order***.

2. Mr. Goodrich read the ***Opening Video Teleconference Statement***.

3. Ms. Rankin called ***Roll.***

4. Ms. Rankin indicated that there were no ***Public Comments.***

5. Mr. Peercy introduced the agenda item ***Chair and Vice-Chair Elections*** *(Video 00:06:38 to 00:08:49).* Mr. Peercy requested nominations for Chair of the Committee and Dr. Carver nominated Keith Peercy. Mr. Riley made a motion to approve Mr. Peercy as Chair of the Joint Retiree Health Plan Committee for the next year. Dr. Carver seconded the motion and it carried unanimously.

   Mr. Peercy requested nominations for Vice-Chair and then nominated Dr. Patricia Carver. Mr. Riley made a motion to approve Dr. Carver as Vice-Chair for the Joint Retiree Health Plan Committee for the next year. Mr. Peercy seconded, and the motion carried unanimously.

6. Mr. Peercy introduced the agenda item ***Approval of Committee Minutes – February 12, 2026.*** *(Video 00:08:50 to 00:09:25).* Dr. Carver made a motion to approve the February 12, 2026, minutes as presented. Mr. Riley seconded the motion. The motion passed unanimously.

7. Mr. Peercy introduced the agenda item ***Account Management Review.*** (*Video 00:09:25 to 00:45:52).* Joe Cowles from Humana introduced himself and the Humana team present at the meeting, then thanked KPPA for their longstanding partnership. He went on to discuss the Centers for Medicare and Medicaid Services (CMS) rate announcement for 2027, including a 2.48% payment increase to Medicare Advantage plan and an increased out-of-pocket cap of $2400 for Part D. He also noted changes to the Star rating system to shift focus to clinical outcomes rather than administrative compliance and an extension of the Medicare GLP-1 Bridge program.

   Carrie Lovell gave an overview of how Humana has been tracking the impact of the Inflation Reduction Act (IRA) on pharmacy benefits, including Part D spending caps, the Maximum Fair Prices (MFPs) of medications added through the Medicare Drug Price Negotiation Program, and the insulin co-pay cap. Mr. Cowles clarified that the IRA reduced the Maximum Out of Pocket (MOOP) from $8,000 to $2,000. Ms. Lovell continued to explain that there are behind the scenes costs being calculated and added into the MOOP so many members hit the Catastrophic (Cat) Phase without having to pay the full $2,000. Ms. Lovell also noted the jump from 6.5% of members hitting the Cat Phase in the 4th Quarter of 2024 to 24.4% percent in the 4th Quarter of 2025. She explained that the average member out of pocket spend was reduced from $950 to $476.

   Gabe Hellinger stepped in to give brief overview of the Premium Plan Executive Summary and the Essential Plan Executive Summary and highlighted the change in the total Net Paid Per Member Per Month (PMPM) as compared to the Member Paid PMPM. Then Ms. Lovell gave a more detailed breakdown of the numbers as they relate directly to KPPA members. Highlights included the elimination of the coverage gap and a large increase in KPPA members reaching the catastrophic phase compared to the year before. Mr. Hellinger then spoke about the Gain Share Agreement and service level commitments Humana has with KPPA. He also highlighted the Performance Guarantee Report and noted that all targets were met, and many were exceeded.

Regarding 2027/2028 benefit changes to consider, Mr. Cowles highlighted a few changes including increases in coinsurance and medications moving from Part D to part B. He also noted some possible changes in co-pays and MOOP. Mr. Barrow reiterated the benefit to members provided by the IRA and suggested a long-term "phasing in" of some of the proposed changes rather than taking reactionary measures. Mr. Cowles stated they recommend a raise in deductible over changes to the specialty tier as a less disruptive measure. Mr. Hellinger then touched on bullet points to keep in mind regarding renewal planning including claims and pharmacy cost trends, some reimbursement changes and benefit changes to conclude Humana's presentation.

8. Mr. Peercy introduced agenda item, ***Representative for the Kentucky Group Health Insurance Board (KGHIB).*** *(Video 00:45:54 to 00:50:27).* Ms. Pettyjohn gave an overview of the KGHIB and their function and then explained that the Board includes one (1) retired state employee. This person does not have to be a Trustee but historically has been. Previously, Mr. Jerry Powell was serving until his departure from the CERS Board, and Ms. Pettyjohn serves as the proxy. Ms. Pettyjohn stated that new Trustee, Mr. Larry Totten has expressed interest in being the representative for this Board, as he has been regularly attending the meetings as a retiree.

   Mr. Peercy stated that he had also had several conversations with Mr. Totten about serving on KGHIB and he moved to approve Larry Totten to take on the position as representative on the KGHIB. Dr. Carver seconded the motion. A vote was held and the motion carried unanimously.

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

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 Peercy, 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 May 13, 2026, were approved by the Joint Retiree Health Plan Committee on September 3, 2026.

Committee Chair

I have reviewed the Minutes of the May 13, 2026, Joint Retiree Health Plan Committee meeting for form, content, and legality.

Executive Director
Office of Legal Services