

**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. Peercy 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. Peercy 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. Peercy. 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