

**KENTUCKY PUBLIC PENSIONS AUTHORITY  
JOINT CERS-KRS BOARD OF TRUSTEES  
RETIREE HEALTH PLAN COMMITTEE MEETING  
September 2, 2021 at 10:00 A.M., E.D.T.  
VIA LIVE VIDEO TELECONFERENCE**

At the September 2, 2021 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 JT Fulkerson; KRS – Bruce Brown and Larry Totten. KPPA Staff members present were David Eager, Erin Surratt, Rebecca Adkins, Michael Board, Connie Pettyjohn, Vicki Hale, Carrie Bass, Abby Sutherland, Cassandra Weiss, Shaun Case, Phillip Cook, Glenna Frasher, and Sherry Rankin. Others in attendance included Joe Grossman, Ed Owens, John Chilton, Mendi Riazi and Michael Reed from GRS, and Tracy Garrison, Holly Bliss, Larry Loew, Carla Whaley, and Carrie Lovell from Humana.

Mr. Powell, Committee Chair, called the meeting to order and read the Legal Public Statement.

Mr. Powell introduced the agenda item *Swearing in of New KRS Board and Retiree Health Plan Committee Member, Mr. Bruce Brown*. Ms. Bass introduced Mr. Brown and Ms. Rankin administered the oath of office.

Ms. Rankin called roll.

And there being no public comment, Mr. Powell introduced the agenda item *Approval of Committee Minutes- May 11, 2021*. Mr. Fulkerson made a motion and Mr. Totten seconded to approve the minutes as presented. The motion passed unanimously.

Mr. Powell introduced the agenda item *Establish 2022 Health Insurance Plan Components and Health Insurance rates to the Paid by Kentucky Public Pensions System for non-Medicare Eligible Retirees*. Ms. Pettyjohn began by indicating that the retirees of the systems administered by the Kentucky Public Pensions Authority are eligible by statute to be included in the plans that are offered to the Kentucky State employees. These

are self-insured plans that are administered by the plan sponsor, the Department of Employee Insurance, which is under the Personnel Cabinet. Ms. Pettyjohn reviewed all of the available plans including LivingWell PPO Plan (requires LivingWell Promise), LivingWell CDHP Plan (requires LivingWell Promise), LivingWell Basic CDHP Plan (requires the LivingWell Promise), and LivingWell Limited High Deductible Plan (requires the LivingWell Promise). Ms. Pettyjohn then reviewed the components including the Tobacco Usage Fee. Mr. Totten stated that he had done a comparison of these plans against the plans from last year, and asked if it was fair to say that there were no significant changes from last year. Ms. Pettyjohn indicated that the value of the plans have slightly increased, so that would mean that there were very minor changes made, if any, to the plans.

Ms. Pettyjohn then proceeded to explain another component of the plans, the LivingWell Promise. This is a requirement of many of the plans to receive a premium incentive to complete. There was a 90% participation rate this year, which was one of the best participation years thus far.

Ms. Pettyjohn then reviewed the Decision Points for the Non-Medical Eligible Plans as follows:

1. Determine the 2022 Percentage Contribution Plan, the current contribution plan for 2021 is the LivingWell PPO Plan.
2. Determine a Default Plan, Department of Employee Insurance will use the LivingWell Limited High Deductible Plan as the Default Plan for 2022.
3. Allow Cross Reference option for Retirees.

Mr. Powell opened the floor for a motion regarding these points. Mr. Totten made a motion and Mr. Fulkerson seconded to accept the items covered in the decision points for the non-Medicare eligible plans, with the understanding that the rates specifically shown here, will increase no more than 3%. The motion carried unanimously.

Mr. Powell introduced the agenda item *Establish 2022 Health Insurance Plan Components and Health Insurance rates to be Paid by Kentucky Public Pensions System for Medicare Eligible Retirees*. Ms. Tracy Garrison, account representative of Humana, began with introductions of herself and other staff including Mr. Larry Loew, Holly Bliss

and Carla Whaley. Ms. Garrison reviewed the 2022 Benefits and Part D cost share changes, 2022 Covid and telehealth benefits (no change from 2021), 2022 Rate Renewal, 2022 Renewal Components, and 2022 Renewal KPPA Rates by Trust. Ms. Garrison then discussed the Long Term Financial Commitments to KPPA Medicare Advantage Plans including the Gain Share Agreement and Performance Guarantees. Ms. Garrison then reviewed the Rate Renewal for the Medical Only and Mirror Plans. Mr. Totten asked a question regarding the Part D and to whom do these rates apply. Ms. Garrison answered by looking at the premium plan. In the Premium Plan you have a benefit structure that has copays, with no deductible, through the entire year unless they hit the true out of pocket cost. She explained that Humana calculates these in the background because it influences how we receive Medicare reimbursement for the pharmacy, so we are always tracking that. But those on the Premium Plan are only impacted when the true out of pocket costs hits that threshold. When that occurs, they will go to the catastrophic copay level. Ms. Pettyjohn asked Ms. Garrison to speak about the cap on the catastrophic level. Ms. Garrison stated that there is a cap of \$110 per prescription once the member reaches the catastrophic level.

Ms. Pettyjohn introduced Mr. Mendi Riazi and Mr. Michael Reed with GRS. Mr. Riazi reviewed the GRS Equivalency Letter from the perspective of KRS 18A.225 to KRS 61.702. This compares the 1994 Kentucky Kare Plan to the 2020 Medicare Advantage Plan. Mr. Riazi then reviewed the Medical Only and Mirror Premium letter with the GRS findings on their review of the plan.

Ms. Pettyjohn then reviewed the Decision Points for the Medicare Eligible Plans as follows:

1. Medicare Advantage – Approval of Renewal/Premium
2. Contribution Plan for Hazardous Duty Dependents/Spouse
3. MA Essential Plan
4. Medical Only Plan
5. Medicare Advantage Mirror Plans
6. Default Plan.

Mr. Totten had a question about to whom do these premiums get paid. Ms. Pettyjohn indicated that the premiums are paid to the Trusts they come from. After discussions regarding the past administrative fees and how those were handled in the past, Mr. Powell

opened the floor for motions. Mr. Fulkerson made a motion and Mr. Totten seconded to adopt the plan and the default plans for the Medicare Eligible members as presented in the Decision Points. The motion carried unanimously.

Mr. Totten had a question regarding the study that compared the present plan to the Kentucky Kare plan and asked if this study was simply an actuarial exercise. Mr. Totten indicated that he is aware that it is required by law, but aside from that, does it provide us with any useable information. Ms. Pettyjohn stated that it does show the retirees that KPPA is meeting the fiduciary responsibilities by running the analysis. Mr. Totten just expressed his concern that the information from 1994 has so drastically changed and thought it more prudent and beneficial to compare it to the plans in place five years ago, rather than almost 25 years ago.

Mr. Powell introduced the agenda item *Other Business*. Ms. Adkins began by indicating that it is time for us to issue a RFP for our Medicare Eligible Plans. Ms. Adkins reviewed the draft timeline for this proposal and indicated that KPPA staff and the Finance Cabinet are working to move some of those dates for implementation. Ms. Adkins states that there is some risk with this as the January 1, 2023 date cannot be moved. Ms. Adkins indicated that work on the RFP is ongoing and should be released toward the end of February 2022 with the responses due back by the end of April 2022. Ms. Adkins pointed out that moving some of the deadlines will affect the timeline. For instance, the CMS call letter due date will affect the RFP response deadline. Ms. Adkins remains hopeful that the implementation will still be on track to begin in July 2022. Ms. Adkins stated that once the RFP process begins, the team will be the ones receiving updates. There may be an instance where we can advise on the status, but in order to protect the information as the process is proceeding, the team is sequestered during the RFP process once it begins.

There being no further business, a motion to adjourn was made by Mr. Fulkerson and seconded by Mr. Totten, the meeting adjourned.

## 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 2, 2021 were approved by the Joint Retiree Health Plan Committee on November 9, 2021.

  
Committee Chair

I have reviewed the Minutes of the September 2, 2021 Joint Retiree Health Plan Committee meeting for form, content and legality.

  
Executive Director  
Office of Legal Services