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### Government Officials Newsletter

Kentucky Public Pensions Authority sent this bulletin at 04/25/2023 11:34 AM EDT



**This is the APRIL 2023 Edition of the KPPA NEWSLETTER FOR KENTUCKY GOVERNMENT OFFICIALS:**  
*The only Kentucky pension system newsletter designed specifically for government officials and their staff members.*

In this issue, you'll find articles about:

- The 2023 KPPA Legislative Summary;
- Vanderbilt and Humana reach an agreement over reimbursement rate;
- SPRS Trustee Election results;
- Investment updates and much more!

**We invite you to connect with us to stay informed. Toll free at 1-800-928-4646 or by using a link below.**



### TOP STORIES

#### LEGISLATIVE SUMMARY

The 2023 Regular Session of the Kentucky General Assembly adjourned on Thursday, March 30, 2023. KPPA tracked a total of 63 bills and resolutions that might have affected the systems we operate, and we submitted 17 Actuarial Analysis letters at the request of the Legislative Research Commission.

[Visit the KPPA website](#) for a summary of bills and resolutions passed in the 2023 Regular Session and their expected impact on KPPA or the Systems administered by KPPA.

#### VANDERBILT UNIVERSITY MEDICAL CENTER AND HUMANA REACH AN AGREEMENT IN DISPUTE OVER REIMBURSEMENT RATE

Vanderbilt University Medical Center (VUMC) and insurance provider Humana have reached an agreement to maintain in-network care for most Medicare Advantage (MA) patients, including nearly 1,000 retirees among the Systems operated by KPPA (CERS, KERS, and SPRS) who are currently in the MA plan and depend upon VUMC's services.

On March 13, the companies released a joint statement announcing the agreement. A payment dispute between the companies reached a critical point in January, as VUMC prepared to stop offering Medicare Advantage plans through Humana effective April 1.

Failure to reach an agreement on reimbursement rates by the April 1, 2023 deadline would have likely resulted in a serious, immediate disruption in coverage and care for retirees who are currently in the MA plan.

#### KPPA serves the Constituents of Kentucky Government Officials

Here are some other online resources we use to connect with our members and retirees:

**Members:**

- [Benefit Tiers](#)
  - [Outreach and Programs](#)
  - [Survivor Benefits](#)
  - [Ready to Retire](#)
- and more!

**Retirees:**

- [Insurance](#)
  - [Beneficiary Changes](#)
  - [Taxes](#)
  - [Reemployment after Retirement](#)
  - [Health Insurance](#)
  - [Reimbursement Plan](#)
- and more!

**Publications and Forms:**

- [Forms](#)
- [Retiree Handbook](#)
- [Member Newsletters](#)
- [Summary Annual Reports](#) and other publications.

**About:** Learn more about our [Boards](#) and view the [meeting calendar](#)

**Legislative Updates:** Read the [2023 highlights](#) and daily updates during the legislative sessions.

#### Self Service

***Fast. Secure. Reliable***

KPPA continues to add new features to [Self Service](#), and we encourage members to take advantage of this online option.

[Registering is quick and easy.](#) Log into Self Service anytime to access benefit

Representatives of KPPA, and the CERS and KRS Boards sent a letter to the Chief Officers of each company on January 19, urging a speedy and mutually beneficial resolution to the dispute.

The plans operated by KPPA are in their tenth year of utilizing a Medicare Advantage plan to deliver a high level of health coverage at a cost that is both sustainable for the plan and reasonable for the members and beneficiaries.

## KPPA RECOGNIZES FORMER KRS TRUSTEE

### THOMAS K. "TOMMY" ELLIOTT

KPPA is deeply saddened to learn that Thomas K. "Tommy" Elliott was one of the victims of the April 10, 2023 tragic shooting at Old National Bank in Louisville. Elliott, 63, was a senior vice president at the bank. He was appointed to the KRS Board in 2011 by former Governor Steve Beshear. Mr. Elliott served on the board for five years and was elected Chairman multiple times during his tenure.

Our thoughts and prayers are with Tommy Elliott's family, and the families of the other victims.

## SPRS TRUSTEE ELECTION RESULTS

The eligible voters of the State Police Retirement System (SPRS) have elected [Mr. Keith Peercy](#) to the Kentucky Retirement Systems Board of Trustees. Mr. Peercy will serve a four-year term, beginning on April 1, 2023. This will be Mr. Peercy's third term as a member of the Board.

## INVESTMENT UPDATE

Combined pension and insurance assets for the County Employees Retirement System (CERS), the Kentucky Employees Retirement System (KERS), and the State Police Retirement System (SPRS) were \$22.7 billion as of February 28, 2023. That is an increase of \$1.1 billion since the start of Fiscal Year (FY) 2023, and brought assets back roughly to where they stood at the end of FY 2021, following a historic investment return. Asset growth was driven by employer contributions and investment returns.

### Pension Fund Performance

	FYTD (February 2023)	3-Year	5-Year	10-Year	30-Year
CERS NH	4.95%	7.23%	5.91%	6.84%	7.63%
CERS HAZ	5.01%	7.14%	5.85%	6.81%	7.62%
KERS NH	3.11%	6.29%	5.43%	6.35%	7.46%
KERS HAZ	4.61%	7.02%	5.75%	6.75%	7.60%
SPRS	3.79%	6.42%	5.50%	6.32%	7.45%

### Insurance Fund Performance

	FYTD (February 2023)	3-Year	5-Year	10-Year	30-Year
CERS NH	5.03%	7.07%	5.83%	6.75%	6.75%
CERS HAZ	4.83%	7.17%	5.93%	6.82%	6.77%
KERS NH	5.04%	7.15%	5.56%	6.41%	6.63%
KERS HAZ	4.57%	7.23%	5.87%	6.74%	6.75%
SPRS	4.56%	7.45%	6.11%	6.90%	6.80%

	February 2023	June 2022	June 2021	June 2020
Pension assets	\$15.83	\$15.00	\$15.79	\$12.72
Insurance assets	\$6.91	\$6.61	\$6.94	\$5.49
<b>Total assets</b>	<b>\$22.74</b>	<b>\$21.61</b>	<b>\$22.73</b>	<b>\$18.21</b>

For more information about investments, visit KPPA's [Investments page](#) where you can find links to [monthly performance reports](#), [investment policies](#), lists of [investments holdings](#), and more.

## RETIREMENT TRENDS

\*The decrease in KERS and SPR retirements is likely due to the increase in pay for state police and state workers approved during the 2022 Legislative Session.

Please visit the KPPA website for monthly retirement totals from Fiscal Year 2014 to the present month: [KPPA RETIREMENT TRENDS](#)

estimates instantly and apply for retirement online.

## Facebook Live Board and Committee Meetings

KPPA livestreams board and committee meetings on our Facebook page. We invite you to join us for future meetings by going to the KPPA [Facebook page](#) on the date and time of the meeting.

You can also watch videos of prior meetings. [Click here](#) to view the meeting schedules.

## KPPA Interns Gain Practical "On the Job" Work Experience

For the past several years KPPA has participated in the "Commonwealth Co-Op/Intern Education Placement Program" managed by the Personnel Cabinet. The program serves as a way for Kentucky students to obtain practical on-the-job experience and academic credit as part of their education. KPPA employees spend time training, mentoring, coaching and providing feedback to the student as they work on projects that benefit the agency.

In 2022, KPPA hired five interns from various colleges within the state who worked with the Internal Audit, Communications, Investments, and Enterprise Technology Services Divisions.

William Prince from Eastern Kentucky University, is now a full-time employee at KPPA, working in the Internal Audit Division. In addition, the Communications Division intern, Vincent Le from the University of Kentucky, was named a finalist in UK's 2023 Intern of the Year Award.

The other 2022 interns who provided exemplary service to KPPA were:

Lucas Fields – University of Louisville, Office of Investments

Jordan Levey – University of Kentucky, Office of Investments

Vineetha Darreddy – University of Louisville, Enterprise and Technology Services

- ↓ **Total Retirements -6.3%** to date for the current Fiscal Year compared to the same period In FY 2022
- ↑ **CERS Retirements +3.1%** to date for current FY compared to the same period in FY 2022
- ↓ **\*KERS Retirements -24.3%** to date for current FY compared to the same period in FY 2022
- ↓ **\*SPRS Retirements -73.3%** to date for current FY compared to the same period in FY 2022



Questions? [Contact us](#)



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