

MINUTES OF MEETING #385
BOARD OF TRUSTEES
KENTUCKY RETIREMENT SYSTEMS
SEPTEMBER 11, 2013, 9:00 A.M., E.T.
1270 LOUISVILLE ROAD, FRANKFORT, KENTUCKY 40601

At the Special Called Meeting of the Board of Trustees held on September 11, 2013, the following members were present: Randy Overstreet, Chair; Daniel Bauer, Ed Davis, Tommy Elliott, JT Fulkerson, Joseph Hardesty, Bobby Henson, Joe Cowles as proxy for Secretary Longmeyer, Betty Pendergrass, and Susan Smith. In addition, staff members present were William Thielen, Karen Roggenkamp, Charlene Haydon, Connie Pettyjohn, Connie Davis, Abby Southerland, Chris Tapia, and Leigh Taylor. Also present were Jim Carroll, Rebecca Heckler, Mary Helen Peter, Frank Willey, Shirley Clark, Alex Fontana, Bruce Roberts; Aleah King, Katie Bailey, Stephanie Heller, David Fox and Carla Whaley from Humana. Alisa Bennett of Cavanaugh Macdonald attended via teleconference.

Mr. Overstreet convened the Board of Trustees Meeting and introduced the first agenda item *Establish 2014 Health Insurance Plan Components and Health Insurance Contribution Rates to be paid by KRS for Non-Medicare Eligible Retirees*. Mr. Henson provided background information on the Retiree Healthcare Committee recommendations for the Trustees. Mr. Henson moved and was seconded by Dr. Bauer to allow non-Medicare eligible KRS retirees, including spouses and dependents, to enroll in the CDPH plans offered by KEHP. The motion passed unanimously.

Mr. Henson moved and was seconded by Dr. Bauer to select the KEHP Living Well PPO plan option with \$699.28 as the 100% contribution rate the Trust will pay for a 20 year or higher service credit retiree; hazardous rates for couples, parent plans, and family plans are tied to the Living Well PPO. The motion passed unanimously.

Mr. Henson moved and was seconded by Ms. Pendergrass to make the retirees, including spouses and dependents who are tobacco users, are responsible for paying the monthly Tobacco Use Fee; currently \$40.00 for single and \$80.00 for family/couple/parent. The motion passed unanimously.

Mr. Henson moved and was seconded by Ms. Pendergrass to allow new retirees and retirees currently enrolled in a KEHP plan, including spouses and dependents, who fail to enroll in a 2014 KEHP plan be enrolled in a standard CDHP plan at the same level of coverage. The motion passed unanimously.

Mr. Overstreet introduced the agenda item *Establish 2014 Health Insurance Plan Components and Health Insurance Contribution Rates to be paid by KRS for Medicare Eligible Retirees*. Mr. Henson moved and was seconded by Dr. Bauer to allow KRS to continue to offer the Medical Only plan at a premium of \$166.00 per member per month, including the \$31.49 Administrative Fee, in 2014. The motion passed unanimously.

Mr. Henson moved and was seconded by Dr. Bauer to set the contribution rate for the KRS Premium Plan at \$211.50 and \$67.62 for the Essential Plan. The motion passed by majority.

Mr. Henson moved and was seconded by Dr. Bauer to continue to pay for the additional administrative fees for retirees who are required to enroll in one of the Mirror plans, under certain exceptions. The motion passed unanimously.

Mr. Henson moved and was seconded by Mr. Davis to default Medicare eligible retirees and their dependents who fail to enroll during open enrollment into the KRS Medical Only plan. The motion passed unanimously.

Mr. Henson moved and was seconded by Ms. Pendergrass to approve the implementation of an enhanced benefit to cap the pharmacy cost at \$110 beginning October 1, 2013 with a cost to the Trust of \$1.11 per member per month in 2013 and \$0.89 per member per month for 2014. The motion passed by majority.

Mr. Henson moved and was seconded by Mr. Davis to approve the recommendation that KRS not pay the difference in premiums between the MAPD and MA Mirror Plan for over 65 enrollees without Medicare Part B beginning April 2013. The motion passed unanimously.

Dr. Bauer exited the meeting after the vote.

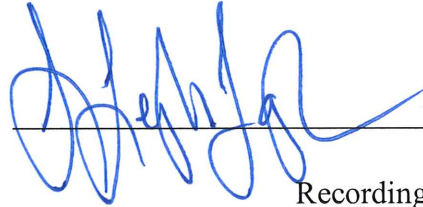
Ms. Pettyjohn provided an update on the Plan Year 2010 CMS Financial Audit Results, the Plan Year 2012 Part D Data Validation Audit, and the Humana Vitality Program. These reports were provided for informational purposes only.

There being no further business, the meeting was adjourned at 11:06 am. to meet on December 5, 2013 at 9:00 a.m. or upon the call of the Chair, Executive Director, or at the request of five members of the Board. Copies of all documents presented are incorporated as part of the minutes of the Board of Trustees as of September 11, 2013.

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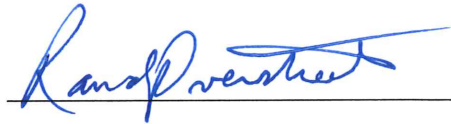
CERTIFICATION

I do 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

We, the Chair of the Board of Trustees of the Kentucky Retirement Systems and Executive Director of KRS, do certify that the Minutes of Meeting No. 385 held on September 11, 2013, were approved on December 5, 2013.

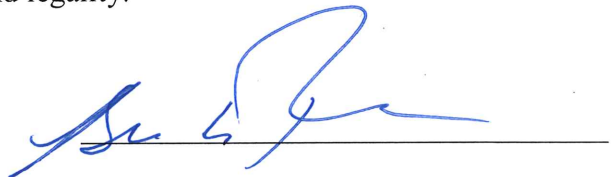


Chair



Executive Director

I, Brian C. Thomas, although not in attendance, have reviewed the Minutes of the September 11, 2013 Board of Trustees Meeting for form, content and legality.



General Counsel