

**JOINT CERS AND KRS RETIREE HEALTH PLAN COMMITTEE**  
**May 8, 2024, 10:00 a.m. ET (9:00 a.m. CT)**  
**Live Videoconference/Facebook Live**

**Agenda**

1. Call to Order – *Jerry Powell*
2. Opening Video Teleconference Statement – *Office of Legal Services*
3. Roll Call – *Katie Park*
4. Public Comment – *Katie Park*
5. Elections – *Jerry Powell*
  - a. Chair of Joint RHP Committee\*
  - b. Vice-Chair of Joint RHP Committee\*
6. Approval of Committee Minutes - February 15, 2024\* – *Committee Chair*
7. Account Management Review – *Humana, Tracey Garrison*
  - a. Introduction of Personify Health
  - b. 2023 Plan Performance
  - c. 2025 Renewal
    - i. Inflation Reduction Act
    - ii. CMS Final Notice
    - iii. Renewal Impact
8. Adjourn – *Committee Chair*

*\*Board Action Required*

**KENTUCKY PUBLIC PENSIONS AUTHORITY  
JOINT CERS-KRS BOARD OF TRUSTEES  
RETIREE HEALTH PLAN COMMITTEE MEETING  
FEBRUARY 15, 2024, at 10:00 A.M., E.S.T.  
VIA LIVE VIDEO TELECONFERENCE**

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At the February 15, 2024, Regular Meeting of the Retiree Health Plan Committee of the Joint CERS and KRS Boards of Trustees, the following members were present: CERS – Jerry Powell (Chair) and J.T. Fulkerson; KRS – Keith Peercy. Staff members present were CERS CEO Ed Owens, III, Rebecca Adkins, Erin Surratt, Michael Board, Vicki Hale, Carrie Bass, Mike Lamb, Connie Pettyjohn, Abby Sutherland, Ashley Gabbard, Brian Towles, Katie Park, Phillip Cook, and Sherry Rankin. Others in attendance included Tracey Garrison, Larry Loew, Carla Whaley, Penny Hahn and Carrie Lovell with Humana.

Mr. Powell called the meeting to order.

Mr. Board read the Opening Video Teleconference Statement.

Ms. Rankin called Roll.

Ms. Rankin advised that one *Public Comment* was received and read it aloud to the Committee.

Submitted by Mark Doran

*The unfunded liabilities basically arose for many reasons. Whether is was not paying actuarial rates, planning for COLA's or investment oversight, the system was not properly managed. The employees / retirees fulfilled their funding responsibilities. Attempts have now been made to address the unfunded liability, which is necessary. The problem is, inflation is being ignored by both the State Legislature and our KPPA representatives, especially the CERS board. It's not realistic to expect retirees to maintain a stagnated 2011 level pension benefit. The CERS Board has been decreasing participating entity*

*contributions recently instead of taking any approach to plan for a COLA. From a CERS contributing participant standpoint, I understand pensions are already expensive to fund. I also understand that people are the most important asset and deserve to be treated better than we have been. My former employer hasn't frozen the taxes I pay at 2011 levels. They can fund a retiree COLA instead of a pet project or two. Don't just read this and move on...we need you to speak to this topic and help now. I've been told KPPA and CERS don't feel as though it's their duty to actively promote any increase. It most definitely is...you are there to responsibly and fully represent your members. We have sacrificed and it's time we receive some inflation relief. Please don't move to the next order of business until you speak about this.*

Mr. Powell introduced the agenda item **Approval of Minutes – October 23, 2023** (Video 00:09:30 to 00:10:05). 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 **Humana** (Video 00: 10:06 to 00:39:40).

Ms. Tracey Garrison with Humana presented the 2023 Member Satisfaction Results. She reviewed the Annual Survey Results, Net Promotor Score, and 2023 Call Center Statistics with the Committee.

Next, Mr. Loew presented Humana Updates. He provided updates related to the Inflation Reduction Act, CMS Notices, 2024 Stars Outreach. Mr. Loew also provided a brief update on the Baptist Health Contract.

Mr. Powell introduced the agenda item **Other Business** (Video 00:39:41 to 00:44:33). Ms. Sutherland presented statistics for the 2024 Open Enrollment.

There being no further business, Mr. Powell **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.

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\_\_\_\_\_  
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 February 15, 2024, were approved by the Joint Retiree Health Plan Committee on May 8, 2024.

\_\_\_\_\_  
Committee Chair

I have reviewed the Minutes of the February 15, 2024, Joint Retiree Health Plan Committee meeting for form, content, and legality.

\_\_\_\_\_  
Executive Director  
Office of Legal Services



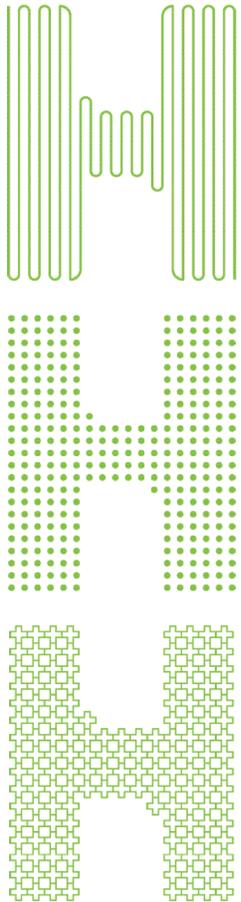
Humana.

# Humana Group Medicare Advantage

Kentucky Public Pensions Authority  
CERS/KRS Retiree Health Plan  
Committee Meeting

May 8, 2024





## Today's discussion

01 | Introduction of Personify Health

02 | 2023 Plan Performance

03 | 2025 Renewal Planning

- Inflation Reduction Act
- CMS Rate Announcement
- Renewal Impact

Tracey Garrison  
Senior Account Executive

Larry Loew  
Director of Account Management

Carla Whaley  
Associate Vice President  
Account Management

Penny Hahn  
Associate Vice President  
Actuary and Underwriting

Jose Corral  
Personify Health  
SVP National Accounts

# Introduction of Personify

formerly know as HealthComp



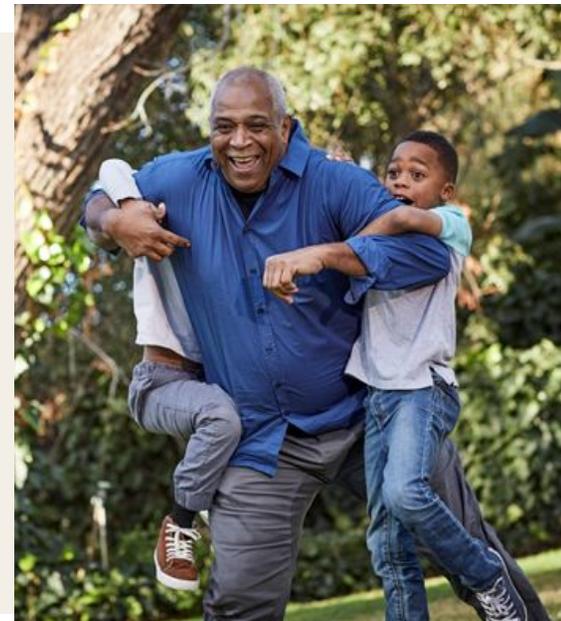
# Humana and Personify Health Solution

## PURPOSE

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Your retirees are unique, and your benefits should be too. With the Humana-Personify Health partnership, employers now have the option to create a retiree-forward benefits plan.

Combining over 80 years of expertise in the retiree health plan market with over 60 years of health plan administration experience, the Humana Personify Health partnership is the only solution on the market that not only manages costs for employers but does so without sacrificing quality care of members.





# Unparalleled plan personalization with a proven partner

## Who we are

### Largest independent HPA

- Zero ownership by carriers
- National presence
- Employer innovation-focused

**60+**

Years of TPA experience and services

**18M+**

Members served across Medical Admin (1M+), Advocacy, Ancillary Benefits, Wellbeing

## Why independence matters

### Network flexibility and employer focus

- Multiple national networks
- Avoid conflict of interest owning network and auditing network providers
- 100% of investments towards employers

**19%**

Cost savings versus ASO

**95%**

Client retention



# Our experience equals your advantage

## Diverse Client Base

**7,500**

Companies served

**25%**

Fortune 500 companies

**21**

Languages supported

## Massive Impact

**>20%**

Average health plan cost savings

**18M**

Lives reached

**50%+**

Average engagement rate

## Superior Experience

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Connected user experience across all solutions

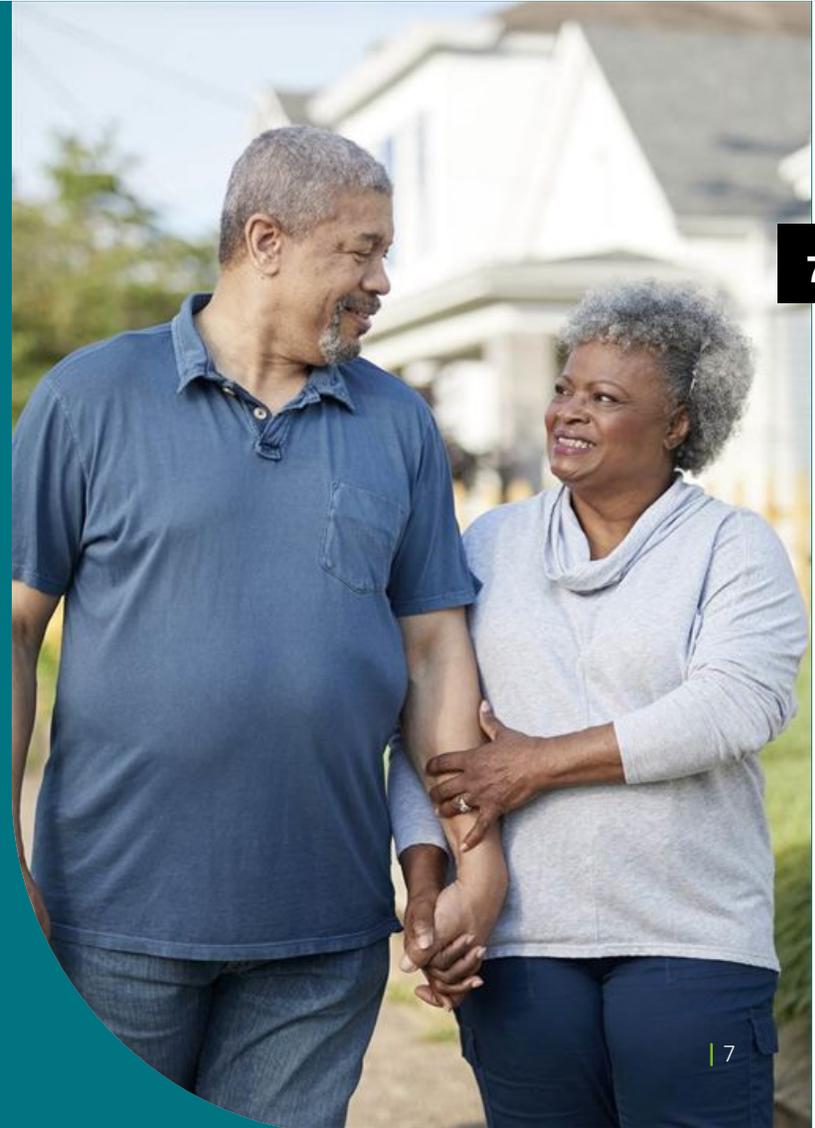
**14yrs**

Applying AI and machine learning

**1k**

Predictive models to drive personalization

# 2023 Plan Performance



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## Premium Plan Executive Summary

Premium Plan			
	Current	Prior	Change
Average Membership	54,952	54,119	1.50%
Total Net Paid PMPM	\$1,537.15	\$1,427.00	7.70%
Medical Net Paid PMPM	\$934.61	\$900.03	3.80%
Pharmacy Net Paid PMPM	\$602.54	\$526.97	14.30%
Medical Admits/1000	157	162	-3.30%
Total # of Prescriptions	2.19M	2.15M	1.80%
Total # of Specialty Prescriptions	28,114	25,664	9.50%
Specialty Net Paid PMPM	\$225.10	\$203.53	10.60%
Health Alerts Full Compliance	61.70%	48.90%	26.20%
Mbrs w/ Preventative Services	78.10%	75.90%	2.90%
Silver Sneakers Participation	11.30%	10.10%	1.20%

## Essential Plan Executive Summary

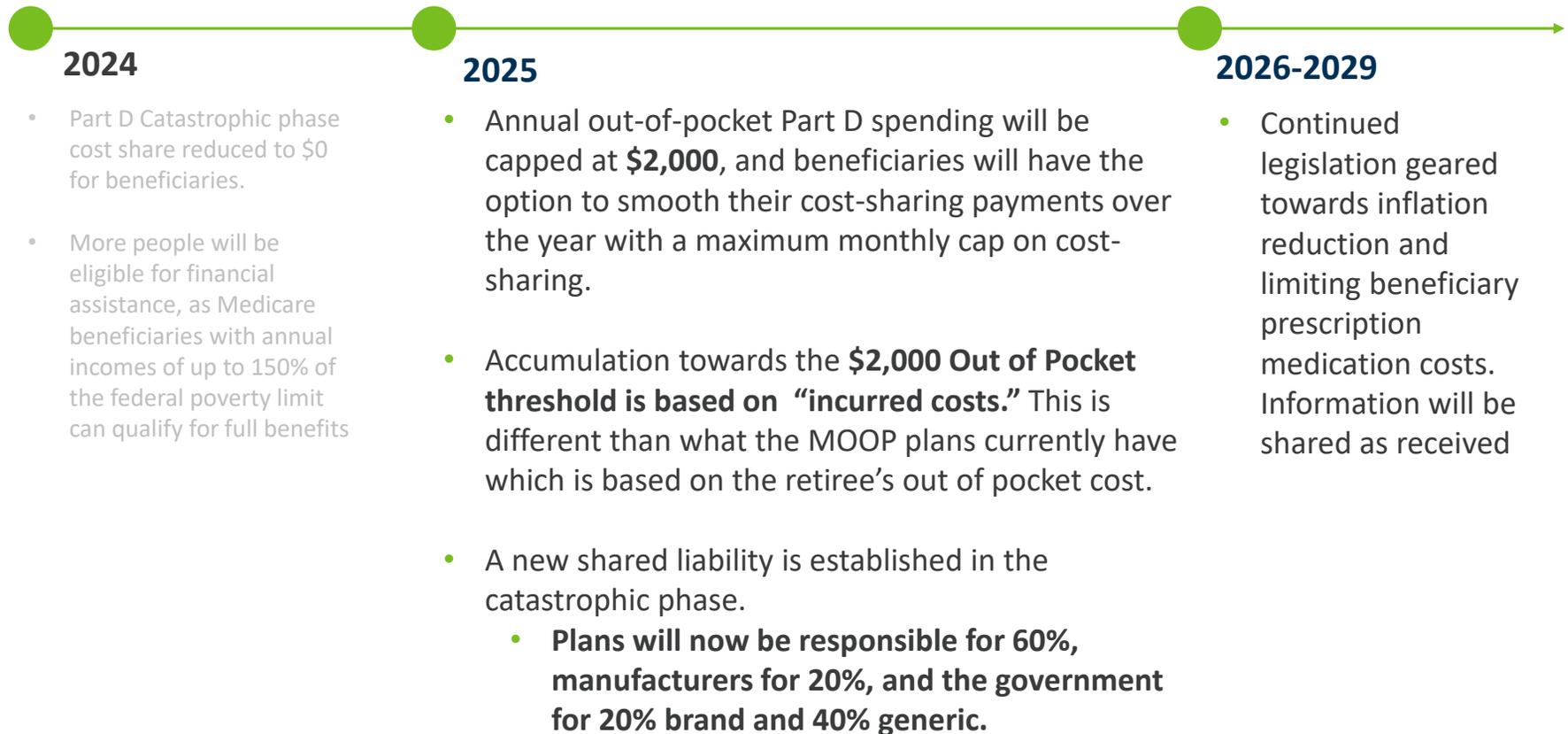
Premium Plan			
	Current	Prior	Change
Average Membership	5,234	5,250	-0.30%
Total Net Paid PMPM	\$927.85	\$893.58	3.80%
Medical Net Paid PMPM	\$788.13	\$759.32	3.80%
Pharmacy Net Paid PMPM	\$139.72	\$134.26	4.10%
Medical Admits/1000	141	139	1.40%
Total # of Prescriptions	148,190	148,373	-0.10%
Total # of Specialty Prescriptions	808	720	12.20%
Specialty Net Paid PMPM	\$53.72	\$64.56	-16.80%
Health Alerts Full Compliance	60.70%	48.80%	24.40%
Mbrs w/ Preventative Services	73.40%	71.40%	2.80%
Silver Sneakers Participation	11.90%	10.50%	1.40%

# 2025 Renewal Planning



## How the Inflation Reduction Act (IRA) will impact costs for certain medications

The IRA aims, in part, to reduce prescription medication costs for some popular drugs and here are some of the following changes:



## 2025 Maximum Out-of-Pocket (MOOP) Smoothing

MOOP Smoothing - aka Medication Prescription Payment Plan (MPPP, MP3, M3P)  
- allows beneficiaries to smooth their cost sharing (also known as out-of-pocket costs or OOP) over the course of the year.

- Potential impacts of MPPP include increased utilization, particularly of high-cost specialty treatments
- How does it work for the member at point of sale (POS)
  - For members that opt-in to the program, claims will adjudicate for \$0 at point of sale, and the member will receive a monthly statement regarding their responsibility
  - Monthly statements continue until full repayment is completed or based on MPPP repayment guidance
  - Members are not required to participate in the MPPP program

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## CMS Rate Announcement

Final rate notice launched Monday, April 1, 2024.



### Medicare Advantage Payment Policies

According to Centers for Medicare & Medicaid Services (CMS), 2025 county benchmarks are estimated to increase by 2.33%.

- CMS incorporated data from Q4 2023.
- CMS updated their risk score normalization methodology to account for the FFS risk score trend since the beginning of the COVID-19 pandemic. **CMS estimates the risk score normalization impact to the MA rates to be -2.45%.**
- In total, **CMS estimates the net payment increase for Medicare Advantage (MA) plans on average will be -0.16%.**
- **The net payment change is not sufficient to cover the current increase in medical cost trends** experienced by the broader Medicare Advantage market creating headwinds, which, will likely result in the need to reduce benefit amounts or raise premiums.



### EGWP Payments

- No significant changes were made specific to EGWPs.
- For EGWPs, CMS elected to continue calculating plan payments using its existing methodology.
- CMS maintains the EGWP MA funding methodology used for 2024 payments to determine 2025 payments. 2025 EGWP MA payments are determined based upon changes in ratebook, bid to benchmark (B2B) ratios, STARs, and county quartiles.

### Part D Benefit Parameter changes

	2024	2025
Deductible	\$545	\$590
Initial coverage limit	\$5,030	Not applicable
Out-of-pocket threshold	\$8,000	\$2,000 (required by the IRA)

## Renewal Impact

- 2025 rate caps will need to be adjusted because of the impact of the Inflation Reduction Act and other regulatory changes.
  - ***Terms and conditions: Humana will hold the proposed rate(s) unless there are material changes or clarifications to existing or implementation of new federal regulations or requirements, and/or any unforeseen/unusual circumstances (i.e. pandemic) that would impact Group Medicare.***
- Humana will not adjust the rate for any other factors including emerging experience, claims trend, etc.



Thank you!

*All product names, logos, brands and trademarks are property of their respective owners, and any use does not imply endorsement.*