

**KENTUCKY PUBLIC PENSIONS AUTHORITY
JOINT CERS-KRS BOARD OF TRUSTEES
RETIREE HEALTH PLAN COMMITTEE MEETING
SEPTEMBER 5, 2023, at 10:00 A.M., E.S.T.
VIA LIVE VIDEO TELECONFERENCE**

At the September 5, 2023, 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 Percy and Dr. Crystal Miller. Staff members present were CERS CEO Ed Owens, III, KRS CEO John Chilton, David Eager, Erin Surratt, Michael Board, Vicki Hale, Carrie Bass, Michael Lamb, Connie Pettyjohn, Abby Sutherland, Ashley Gabbard, Brian Towles, Katie Park, Phillip Cook, and Sherry Rankin. Others in attendance included Tracey Garrison, Larry Loew, Carrie Lovell, and Carla Whaley with Humana as well as Danny White, Janie Shaw, and Michael Reed with GRS.

Mr. Powell called the meeting to order.

Mr. Board read the Opening Video Teleconference Statement.

Ms. Rankin called Roll.

Ms. Rankin announced that one (1) **Public Comment** was submitted by Larry P Totten and read it aloud to the Committee:

The Humana section of the Meeting Materials for today's meeting contains a veritable cafeteria of options for possible enhanced benefits. I note that the Humana rate for 2024 will be rising to just under the contractually allowed 5% to \$93.35. One can assume that the same will apply for 2025 to put the rate in the neighborhood of \$98. These rates are substantially lower than the contribution rate of \$252.51. It would seem that the addition of benefits totaling no more than \$10/PMPM would be very doable for our insurance plans. Four of the five were 100+% funded in June 2022. The assets in these plans gained 9.5%

as of June 2023. This increase should still be manageable even with assumed increases in plan rates for 2026 and beyond. I don't presume to know what those covered under the Medicare Advantage plan would like to see added. I would ask, though, that a final decision on the benefit structure be delayed until the October 23, 2023, meeting to solicit input from members to find out. At a time when pension benefits have stagnated for twelve years, this is something that KPPA can do for its Medicare Advantage members.

Mr. Powell introduced the agenda item ***Approval of Minutes – May 11, 2023*** (Video 00:07:50 to 00:08:38). A motion was made by Mr. Percy and seconded by Dr. Miller to approve the minutes as presented. The motion passed unanimously.

Mr. Powell introduced the agenda item ***Establish 2024 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*** (Video 00:08:39 to 00:38:30).

Ms. Erin Surratt presented information on the non-Medicare eligible health insurance plans Kentucky Employees' Health Plan (KEHP). She also discussed Tobacco Usage and The Living Well Promise (LW). Lastly, Ms. Surratt reviewed the 2024 premium changes and 2023 plan enrollments with the Committee Members.

It was determined that the LivingWell PPO Plan would be the 2024 Percentage Contribution Plan.

Mr. Percy made a motion to set the contribution rate as the LivingWell PPO Plan for 240 months of Nonhazardous and Hazardous Retiree Service Credit (100%). The motion was seconded by Mr. Fulkerson and passed unanimously.

Mr. Percy made a motion to set the contribution rate as the LivingWell PPO Plan for Hazardous Spouse/Dependent (Couple, Family, and Parent Plus). The motion was seconded by Dr. Miller and passed unanimously.

Mr. Peercy made a motion to follow the Tobacco rates set by KEHP for all retirees, eligible spouses/dependents. The motion was seconded by Dr. Miller and passed unanimously.

Mr. Peercy made a motion to allow KPPA Retirees to access the Consumer-Driven plans that includes an embedded (HRA). The motion was seconded by Dr. Miller and passed unanimously.

Mr. Peercy made a motion regarding the LivingWell Promise Premium Incentive. The premium incentive will not be applied to the premiums in a LivingWell Plan for 2025 for retirees or eligible dependents who fail to fulfill the LivingWell Promise in 2024. Mr. Peercy made a motion to follow the KEHP rules for the LivingWell Promise. The motion was seconded by Dr. Miller and the motion passed unanimously.

Mr. Peercy made a motion to accept the LivingWell Basic CDHP Plan as the Default Plan for 2024. New Retirees that fail to submit a health insurance enrollment form will be defaulted into this plan. Dr. Miller seconded the motion and the motion passed unanimously.

Mr. Peercy made a motion stating that retirees currently enrolled in a KEHP plan that fail to submit a health insurance application will be rolled over into the same plan at the same level of coverage they had in 2023. Dr. Miller seconded the motion and the motion passed unanimously.

Mr. Peercy made a motion to allow Cross-Reference option for retirees. Dr. Miller seconded the motion and the motion passed unanimously.

Mr. Peercy made a motion to maintain the LivingWell PPO Plan as the premium for KEHP Medicare Secondary Payer (MSP) Plan. Dr. Miller seconded the motion and the motion passed unanimously.

Mr. Powell introduced the agenda item *Establish 2024 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 (Video 00:38:31 to 01:42:53)*. Ms. Tracey Garrison with Humana presented information regarding the 2024 Medicare Advantage (MA) Renewal, Benefit Enhancement Options and Part D Cost Share Changes. Mr. Larry Loew with Humana provided an update on the Baptist Health Medical Group Contract.

Next, Mr. Michael Reed with GRS presented the GRS Medical Only and Mirror Premium Letter. Ms. Surratt briefly reviewed the GRS Equivalency letter (2021) with the Joint Retiree Health Plan Committee. Lastly, Ms. Janie Shaw and Mr. Danny White with GRS exhibited the Actuarial Analysis of Change to Monthly Contribution Rate.

Mr. Percy made a motion to table the Enhanced Benefit Options. The motion was seconded by Mr. Fulkerson and passed unanimously.

In reference to the presentation by GRS, Mr. Powell requested that the Committee determine the monthly contribution rate. Mr. Percy made a motion to mirror the premium amount as presented by Humana. Dr. Miller seconded by the motion and the motion was passed unanimously.

Next, the Committee set the contribution rate for the MA Premium Plan. Mr. Percy made a motion to set the contribution rate at \$93.35 for the MA Premium Plan. Mr. Fulkerson seconded the motion and the motion passed unanimously.

Mr. Percy made a motion to set the same contribution rate as established by the rates being charged by Humana for Hazardous duty spouse/dependents for the MA Premium Plan. Mr. Fulkerson seconded the motion and the motion passed unanimously.

Next, the Committee set the contribution rate for the MA Premium Plan. Mr. Percy made a motion to set the contribution rate at \$93.35 for the MA Premium Plan. Mr. Fulkerson seconded the motion and the motion passed unanimously.

Ms. Surratt advised that the contribution rate set for the MA Essential Plan in 2023 was \$75.56 and the premium paid to Humana was \$0; however, the premium for the Essential Plan and the rate that will be paid to Humana in 2024 is \$4.07. Mr. Powell requested a motion to approve the above for the 2024 plan year. Mr. Percy made the motion and was seconded by Mr. Fulkerson. The motion passed unanimously.

Mr. Percy made a motion to set the Medical Only Plan rate at \$188.73 as established by GRS. Mr. Fulkerson seconded the motion and the motion passed unanimously.

Mr. Percy made a motion to set the MA Essential Mirror Plan rate at \$228.98 and the MA Mirror Premium Plan rate at \$328.11. Mr. Fulkerson seconded the motion and the motion passed unanimously.

Next, Mr. Powell requested a motion to allow enrollment for No Part B and exceptions. Mr. Percy made the motion and was seconded by Mr. Fulkerson. The motion passed unanimously.

Lastly, Mr. Percy made a motion to continue the Medical Only Plan as the Default Plan for plan year 2024. The motion was seconded by Mr. Fulkerson and passed unanimously.

Mr. Powell *adjourned* the meeting.

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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 5, 2023, were approved by the Joint Retiree Health Plan Committee on October 23, 2023.


Committee Chair

I have reviewed the Minutes of the September 5, 2023, Joint Retiree Health Plan Committee meeting for form, content, and legality.


Executive Director
Office of Legal Services