

**Kentucky Group Health Insurance Board**  
**MINUTES**  
 Personnel Cabinet  
 Frankfort, KY 40601  
**Regular Monthly Meeting**  
**Held on February 26, 2019**

**Board Members:**

Administrative Office of the Courts	Jason McGinnis, proxy for Laurie Dudgeon
Advisory Committee for State Health Insurance Subscribers	Tommy Loving
Auditor of Public Accounts	Sara Beth Gregory, proxy for Mike Harmon
Department of Education	Absent
Department of Insurance	Absent
Finance and Administration Cabinet	Absent
Kentucky Education Association	Brent McKim
Kentucky Education Support Professionals Association	Janet Allen
Kentucky Retirement Systems	Jerry Powell
Kentucky Transportation Employees Association	TJ Gilpin
Office of State Budget Director	Teresa Sanders, proxy for John Chilton
Personnel Cabinet	Thomas Stephens, Chairperson
Teachers' Retirement System	Steve Gillespie

**(Quorum Present)**

**Support Staff Present:**

Matthew Hall, Deputy Commissioner, DEI  
 Sharron Burton, General Counsel, DEI  
 Donna Marcum, Staff Assistant, DEI  
 Jennifer Alvis, Staff Assistant, DEI  
 Bruce Cottew, Healthcare Data Administrator, DEI  
 Jessie Drury, Executive Administrative Secretary, DEI  
 Paula Chisholm, Assistant Director, DEI  
 Mandi Flynn, Administrative Specialist, DEI  
 Katherine North, Executive Director, Personnel Cabinet

**Vendor Staff Present:**

Sonny Jones, Anthem  
 Colleen Huber, Aon

**I. CALL TO ORDER**

Secretary Stephens called the February 2019 meeting of the Kentucky Group Health Insurance Board (KGHIB) to order at 2:00 p.m., Eastern Standard Time on February 26, 2019, at the Kentucky State Office Building, Frankfort, Kentucky. The recording secretary called roll.

## II. REVIEW AND APPROVAL OF MINUTES

Secretary Stephens presented the minutes from the January 2019 meeting to the Board for approval, whereupon motion duly made, seconded and unanimously adopted, the minutes were approved as submitted at the February board meeting.

## III. KEHP UPDATE

Deputy Commissioner Hall updated the board on the following:

- Scheduling conflicts have delayed the wellness RFP release. It is on pace to release in the middle of March.
- Secretary Stephens has challenged us to transition into a more modern HR era to include:
  - Improving benefits communications and marketing efforts.
  - Providing better education on benefits to members.
- Commissioner Goins participated in Diabetes Day at the Capitol and spoke to advocates about:
  - Government agencies efforts in innovation.
  - Opportunities to share best practices with other state. .agencies
- The KEHP Vendor Summit is March 12, 2019.
- Pharmacy Benefit Manager (PBM) – getting a lot of attention:
  - Educating legislators on how we are different.
  - CVS account audited by Aon for first half of 2018.

## IV. AON UPDATE

Aon's Senior Vice President, Colleen Huber, presented the following to the Board:

- Review of 2018:
  - Claims trend on a year-to-date basis compared to the previous time-period has continually increased throughout 2018.
  - Medical claims trend of 5.9% is split evenly between utilization and cost per service.
  - Price per service continually drives pharmacy claims trend of 9.1%, due to specialty drugs.
  - LivingWell PPO experienced the highest claims trend; continuing to have the highest allowed claims.
    - This is due to the majority of the pre-65 retirees choosing this plan because of the copay structure being more of a traditional PPO plan.
  - Price per service continually drives pharmacy claims trend of 9.1%, due to specialty drugs.
- Outlook for 2019:
  - Historically, each plan year must stand on its own with no rollover excess funds from prior years.
  - During the budget process for 2019 and 2020, KEHP was allowed to use surpluses from prior plan years up to a certain allocation.
    - Aon calculates the projected 2019/2020 claims by using the most recent 12 months of claims then applies health care trend and adjustments for any changes.
    - This is why it is so important for claims to come in below budget for recent months.
  - If claims are below projections, fewer changes are needed ensuring KEHP stays within the budget.

- Aon and DEI staff continually monitor claims trend and plan to work on developing the plans and premiums for the 2020 plan year.

**V. OLD / NEW BUSINESS**

There being no further business, Secretary Stephens adjourned the meeting at 2:35 p.m., Eastern Standard Time. The next KGHIB meeting is Tuesday, March 26, 2019. The meeting will be at the Kentucky State Office Building, 501 High Street, in Frankfort, Kentucky.

Submitted by: \_\_\_\_\_

  
Jessie Drury  
Recording Secretary

Chaired by: \_\_\_\_\_

  
Secretary Stephens  
Chairperson



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