

**MINUTES OF MEETING
KENTUCKY GROUP HEALTH INSURANCE BOARD
KENTUCKY EMPLOYEES' HEALTH PLAN
MONTHLY MEETING April 29, 2025, AT 2:00 P.M.
PERSONNEL CABINET, 501 HIGH STREET, FRANKFORT, KENTUCKY 40601
IN-PERSON MEETING**

At the monthly meeting of the Kentucky Group Health Insurance Board held on April 29, 2025, the following members were present: Secretary Mary Elizabeth Bailey, Nancy Haggerty as proxy for Secretary & State Budget Director John Hicks, Tanya Bradshaw as proxy for Commissioner Robbie Fletcher, Glenda Hager as proxy for Auditor of Public Accounts Allison Ball, Michael Wilson, Elizabeth Cunningham as proxy for Secretary Holly Johnson, Connie Pettyjohn as proxy for Jerry Powell, Camille Burgess as proxy for Tommy Loving, Shawn Boggs as proxy for Commissioner Sharon Clark, Robin Winkfield as proxy for Deputy Director Jason McGinnis, and Steve Gillespie. Staff members present were Deputy Secretary Robert Long, Commissioner Chris Chamness, Deputy Commissioner Brandon Adams, Jen Thompson, Will Adams, Grant Hakanson, Donna Marcum, and Paula Chisholm. Also present were David Hume and Leah Locknane.

Secretary Bailey called the meeting to order at 2:00 p.m. Ms. Jen Thompson called roll.

Secretary Bailey asked for a motion to accept the March 25, 2025, board minutes as read and approved. The motion was made by Steve Gillespie and seconded by Connie Pettyjohn. The motion passed unanimously.

Secretary Bailey introduced the agenda item *Kentucky Employees' Health Plan (KEHP) Update*. Commissioner Chamness updated the Board on the following items:

- Procurement Update
 - Transparency RFP – Contract negotiations with the winning bidder underway.
 - Pharmacy Benefit Manager RFP – the RFP closed on 4/17; scoring is underway.
 - FSA/HRA/COBRA Administrator – drafting is largely complete, and we hope to publish this RFP soon.

- New Benefit System Project – The Cabinet is making progress on the initial steps for a multi-phase system update project. The capital budget request has been submitted for initial approvals and if approved at this initial stage, it will then move to the Capital Planning Advisory Committee. Upon all funding approvals, procurement would be via an RFP once funds are appropriated. Rough timeline would be implementation in 2027 for a go-live in 2028, for the health plan benefits piece of the project.

Database modernization Project – the Cabinet is working on updating database tools using funds from the Kentucky “Legacy Project” to update database operations. If successful, this should improve operations in several respects.

- We plan to use an existing vendor of the Commonwealth Office of Technology to expedite approval, contracting, and implantation. The timeline for approval and go-live is not yet certain.
- Aon will be presenting today on some market and cost trends and challenges that KEHP is facing. We are working with Aon to evaluate the changes needed in response. We will share more details once we have them with the Board.
- Wellness Fairs – the Department will be hosting an upcoming fair on Wednesday, May 14th at the Administrative Office of the Courts Building.


Secretary Bailey introduced the agenda item *Aon Update*. Colleen Huber, Senior Vice President, presented the board with a business review of Market Trends and Outlook, along with the KEHP recent experience. Medical cost trends are increasing, driven by facility inpatient and outpatient claims, and are consistent with national trends. Tariffs may impact on medical supplies, devices, and medical equipment imported from other countries as well as the pharmaceutical industry. KEHP pharmacy claims are trending higher than national benchmarks; the benchmark trend includes plans that do not cover GLP-1s for anti-obesity. Projected healthcare trends show price increases and growing utilization driving higher cost.

Secretary Bailey introduced the agenda item *Old/New Business*. There being no further business, Secretary Bailey asked for a motion to adjourn the meeting. The motion was made by Michael Wilson and seconded by Robin Winkfield. The motion passed unanimously. The meeting was

adjourned at 2:45 pm.

Copies of all documents presented are incorporated as part of the minutes of the Kentucky Group Health Insurance Board held April 29, 2025.

I do certify that I was present at this meeting, and I have recorded the above actions of the Board on the various items considered by it at this meeting. Further, I certify that all applicable requirements of KRS 61.805-61.850 were met in conjunction with this meeting.


Recording Secretary

We, the Chair of the Kentucky Group Health Insurance Board and Commissioner of the Kentucky Department of Employee Insurance, do certify that the Minutes of Meeting held on April 29, 2025, were approved on May 20, 2025.


Chairperson


Commissioner

I have reviewed the Minutes of the April 29, 2025, Kentucky Group Health Insurance Board Meeting for content, form, and legality.


Office of Legal Services

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