

TEACHERS' RETIREMENT SYSTEM OF THE STATE OF KENTUCKY
SPECIAL MEETING OF THE INSURANCE COMMITTEE
AUGUST 22, 2018

Minutes of Meeting:

After giving proper notice of a special meeting, and a quorum being present, Chair Charles Harman called the Insurance Committee to order at 10:43 a.m. on Wednesday, August 22, 2018, in the boardroom of the Teachers' Retirement System office, 479 Versailles Road, Frankfort, Kentucky.

Members present:

Charles Harman, Chair
Laura Schneider

Others present:

Gary L. Harbin, Teachers' Retirement System
Robert Barnes, Teachers' Retirement System
Eric Wampler, Teachers' Retirement System
Greg Hall, Teachers' Retirement System
Jane Gilbert, Teachers' Retirement System
Felicia Penn, Teachers' Retirement System
Teresa Sanders, Office of the State Budget Director

Staff presented to the committee information for discussion regarding the state budget in relation to TRS retiree insurance and the non-single subsidy. Discussion included stepping down payment of the non-single subsidy, to avoid an undue hardship on the members who have been receiving it, toward an elimination of that subsidy unless funding is provided in the state budget. It was stated that the insurance benefits for retired teachers are jeopardized if the subsidy is continued indefinitely without dedicated funding and if the medical trust does not receive the full funding required by the 2010 Shared Responsibility legislation (HB 540).

Staff also presented information regarding the MEHP and KEHP rates for calendar year 2019 and the Coriell personalized medicine pharmacogenomics project.

Committee Action: Upon motion duly made by Ms. Schneider and seconded by Mr. Harman, the committee voted unanimously to recommend to the full Board of Trustees

- TRS MEHP 2019: a rate up to \$226 per month for the 2019 TRS MEHP (combined United Healthcare Medicare Advantage and Express Scripts Medicare Part D) for those retirees fulfilling the necessary service requirements;
- KEHP 2019: a medical insurance benefit supplement up to \$660.04 per month for those retirees fulfilling the necessary service requirements and an administrative fee of \$7.44 PPPM for plan year 2019. (The state budget may increase the fee beginning in July 2019. Staff will report to the committee any increase in the administrative fee for plan year 2019.); and
- KEHP non-single subsidy: reducing the non-single subsidy supplement from 100% to 66.3% for plan year 2019 and then to 33.3% for plan year 2020 (with further action possibly needed for the second six months of 2020 based upon the budget decisions of the 2020 legislature).

Adjournment: There being no further business to come before the committee and by unanimous consent of the committee, Chair Harman declared the meeting adjourned at 11:32 a.m.

CERTIFICATIONS

We, the chair of the Insurance Committee and the executive secretary of the Board of Trustees of the Teachers' Retirement System of the State of Kentucky, do certify that the Minutes of Meeting were approved by the Insurance Committee on September 17, 2018.

Charles Harman, Chair

Gary L. Harbin, Executive Secretary

I, Robert B. Barnes, do certify adherence to the Kentucky Open Meetings Act, KRS 61.800 et seq., in the conduct of this meeting. I have reviewed the minutes for form, content and legality.

Robert B. Barnes, Deputy Executive Secretary
and General Counsel

I, Felicia Penn, do certify that I was present at the meeting and duly recorded the actions of the Insurance Committee of the Board of Trustees of the Teachers' Retirement System of the State of Kentucky at its meeting on August 22, 2018.

Felicia Penn
Recording Secretary