

Teachers' Retirement System

of the State of Kentucky



Gary L. Harbin, CPA
Executive Secretary

TRS Insurance 2018



TRS Health Benefits

Retired teachers' health insurance provided through two plans:

Medicare Eligible Health Plan (MEHP)

Medicare-eligible or 65 & over

- A Medicare Advantage plan provided through UnitedHealthcare (UHC) and a Part D prescription plan provided through Express Scripts
- Exclusively TRS



Kentucky Employees' Health Plan (KEHP)

Under 65 and not Medicare-eligible

- Provided through Anthem and CVS/Caremark
- Same fund as active teachers and state employees



MEHP

Medicare-eligible
or
Age 65 & Over

Medicare Eligible Health Plan



MEHP – What We Know

From TRS data

74	Average age of enrollees
6,000	Retired teachers 80 and older
34,000	MEHP enrollees
\$105 million	Annual spending



15

Average # of prescriptions



75%

Members with high bp/heart disease



58%

Members with high cholesterol



50%

Members with pain/inflammation

Based on 12 month case study involving 34,000 members

Nationally, not just 65 and over



50%

of the medications patients take are ineffective

4TH



Leading cause of death in the US are

Adverse Drug Reactions.

Source: Coriell Life Sciences

Solution: TRS Personalized Medicine Partnership



You



Your Doctor



Your Pharmacist

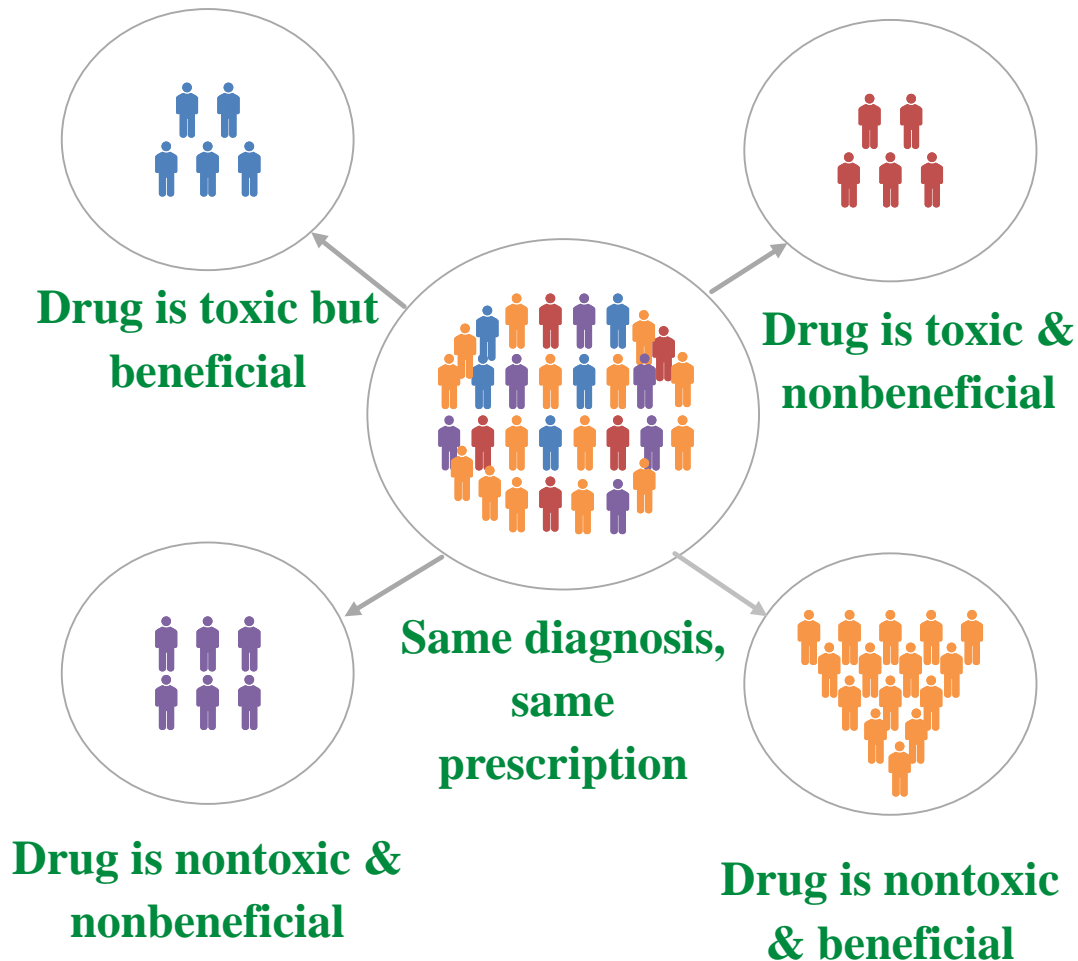


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Clinical Director

Toll free: 855-218-5979



Personalized Medicine = Your DNA Matters



Pharmacogenomics

Using DNA to see
what drugs will be
safe and effective



What TRS Data Shows

Age 65 and Over Only

KNOW
YOUR **Rx**
COALITION


Coriell Life
SCIENCES

- 84% of TRS retirees are on medications that are influenced by genetics

- 23,000-plus TRS retirees may need to stop or change at least one medication

What the data means – safety and savings

Taking medications that don't work for you is costly to your health and to your TRS insurance fund

- 10% of members should stop prescription immediately
 - Savings of \$1.7M
- 57% of members are taking the wrong dosage
 - Savings of \$10M
- 33% of members have a better alternative available
 - Savings of \$10M

PACE (Program for All Inclusive Care of the Elderly) pilot similar to TRS pilot with Coriell



- Hospitalizations down 29%
- Occurrence of falls down
- Medication spend per person per month decrease

Solution: Comprehensive Medication Safety Management Pilot

Age 65 and Over Only

1. Collect genetic information
2. Empower pharmacists with Medication Therapy Management software & genetic guidance
3. Communicate the Medication Action Plan



GeneDose Medication Action Plan



Patient: Fisher, Doris
Date of Birth: Jan 1, 1931
Gender: FEMALE
Patient Identifier: 487655

Created by: Coriell Life Sciences
Pharmacist: Megill, Scott
Phone:
Email: smegill+2@coriell.com

1. About This Report

This GeneDose Medication Action Plan (MAP) is the result of a Medication Risk Assessment that consists of clinical pharmacogenomic assays that together with clinical, demographic, lifestyle information, and pharmacist's review provide a Medication Action Plan. Pharmaceutical safety, healthcare best practices, lifestyle factors, side effects, medical conditions, and more were analyzed.

The Pharmacist's Notes & Recommendations below provide clinical suggestions for your consideration.

2. Results

Suggested Changes to Current Medications:

--- Remove ---	+++ Add +++	/// Do not Change ///
Oxycodone Carisoprodol	Hydromorphone Chlorzoxazone	Amitriptyline Fluconazole Dapagliflozin Doxycycline Amlodipine Clobetasol Lansoprazole

Pharmacist's recommended changes to patient's current medications based on the Medication Risk Assessment.

Pharmacist's Notes & Recommendations:

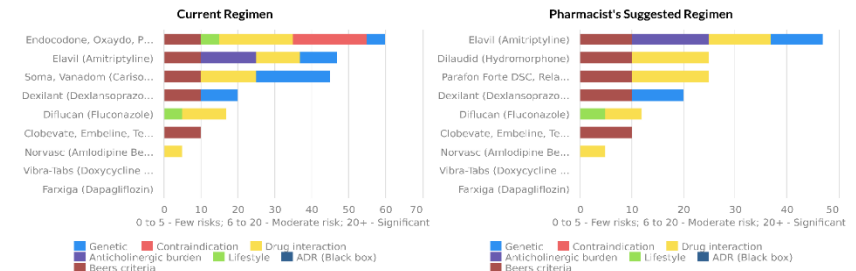
We think this patient should be on these meds

3. Next Steps

Changes in medication dosing are recommended as noted in order to reduce risk of adverse reactions and potential therapy failures. Supplemental risk information can be found in Section 4.

4. Supplemental Information: Medication Risk Charts

These charts show each medication input into GeneDose Medication Risk Assessment for the patient. The longer a bar is in the chart, the more risky the medication may be.



Results thus far

- More than 3,600 members enrolled since December
- Testing and review has resulted in immediate medication change recommendations for three out of five participating retired teachers









**Your TRS
WON **FIRST PLACE** in
SALGBA Challenge
for its pharmacogenomics pilot**

*Presented at 2018 SALGBA National
Conference*



Use Your Plan Resources All Year

RESOURCE	2017 VISITS	DESCRIPTION	CONTACT
Annual Wellness Care	16,133	Yearly preventive visit with your physician	www.UHCRetiree.com 844-518-5877
Diabetes Support Program		Resources for people with diabetes	866-202-5975
HouseCalls	6,743	In-home yearly clinical visit	www.UCHouseCalls.com
		Access to a pharmacist by phone	855-218-5979
NurseLine		24/7 phone access to a nurse	866-202-5975
	Began July 2018	Online weight loss program	uhc.realappeal.com 844-344-REAL (7325)
	11,636 rewards	Your guide to helping you live your best life	www.UHCRetiree.com 844-518-5877
	330,957	Fitness Program	www.SilverSneakers.com
Virtual Doctor	18	Speak to a doctor using a computer, tablet or mobile device	www.UHCRetiree.com 844-518-5877

THE INVIOABLE CONTRACT

As set forth by Kentucky law (KRS 161.714), certain benefits for teachers are a contractual right. Under the inviolable contract, changes in benefits for retirees and current employees are limited.

Benefits included:

- Lifetime monthly annuity
- 1.5% COLA
- Access to health insurance

Examples of benefits NOT included:

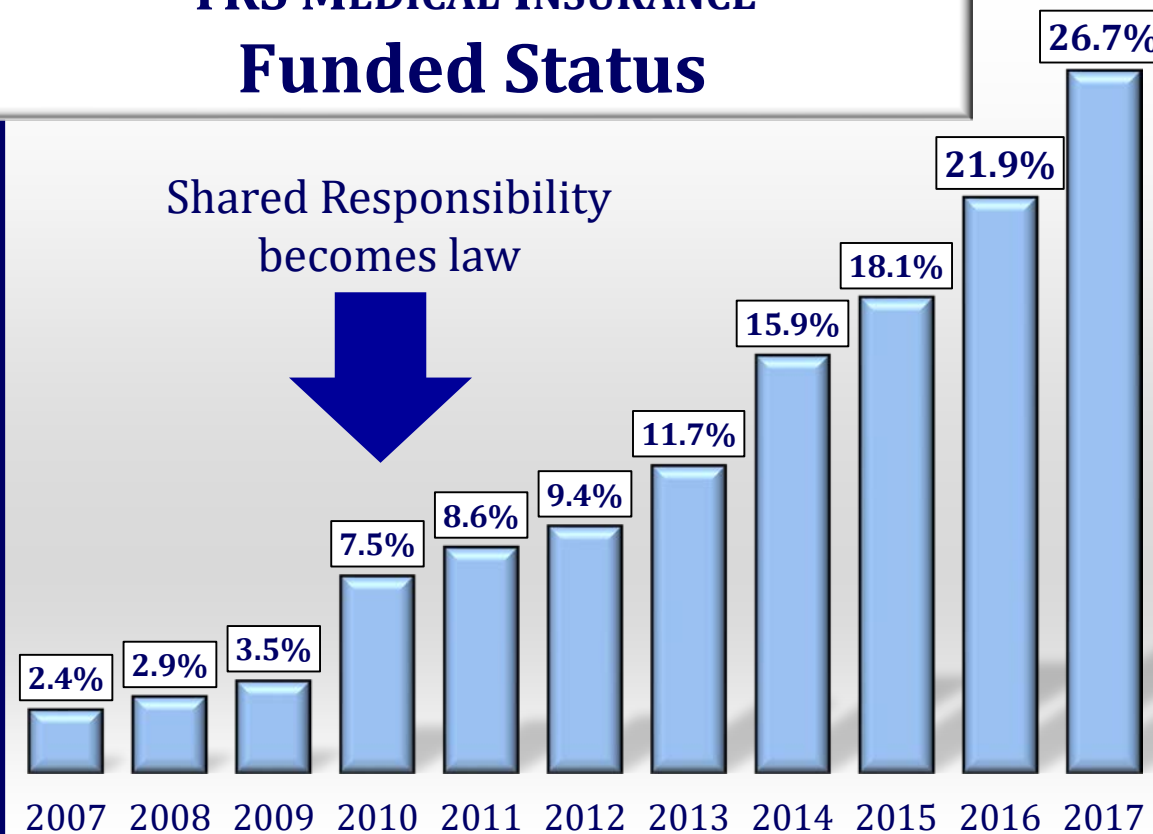
- 3% multiplier
- Average high three salaries
- Use of sick leave payout as salary credit toward pension
- Health insurance specifics (such as cost, any subsidy and level of coverage)
- Availability of second accounts for retirees returning to work

Shared Responsibility Solution for Long-Term Funding of Retiree Health Care

Shared Responsibility calls for active teachers, retired teachers, school districts and the state to share in a piece of the solution by investing a little more now to receive substantial returns later.

TRS MEDICAL INSURANCE Funded Status

Shared Responsibility
becomes law



Retirees Under 65 pay a
Shared Responsibility
amount to TRS of
\$134 per month in 2018

Retirees 65 & Over pay a
Medicare Part B premium
to Social Security of
\$134 per month in 2018

Active Teachers

School Districts

State

Above amount of \$134 changes
yearly and is determined by the
federal government

2018-20 State Budget

Retired Teacher Health Care

Single Coverage

- State pays single premium subsidies for under-65 health care in the first year of the biennium (FY 2018-19) for retirees after July 1, 2010
- Requires TRS to pay what has been the state's share of under-65 single health care in the second year of the biennium (FY 2019-20) from the prefunded MEHP Medical Insurance Fund for retirees after July 1, 2010

Non-Single Coverage

- Allows TRS to pay the non-single subsidy out of the MEHP Medical Insurance Fund (still subject to TRS board approval) for plan years 2019 and or 2020

Short-Term Impact

Retired Teacher Health Care

- Paying under-65 premium subsidies for teachers who retired after July 1, 2010, or the non-single subsidy out of the Medical Insurance Fund were not envisioned in the 2010 Shared Responsibility solution (HB 540)
- Will slow the growth in funding level of the Medical Insurance Fund

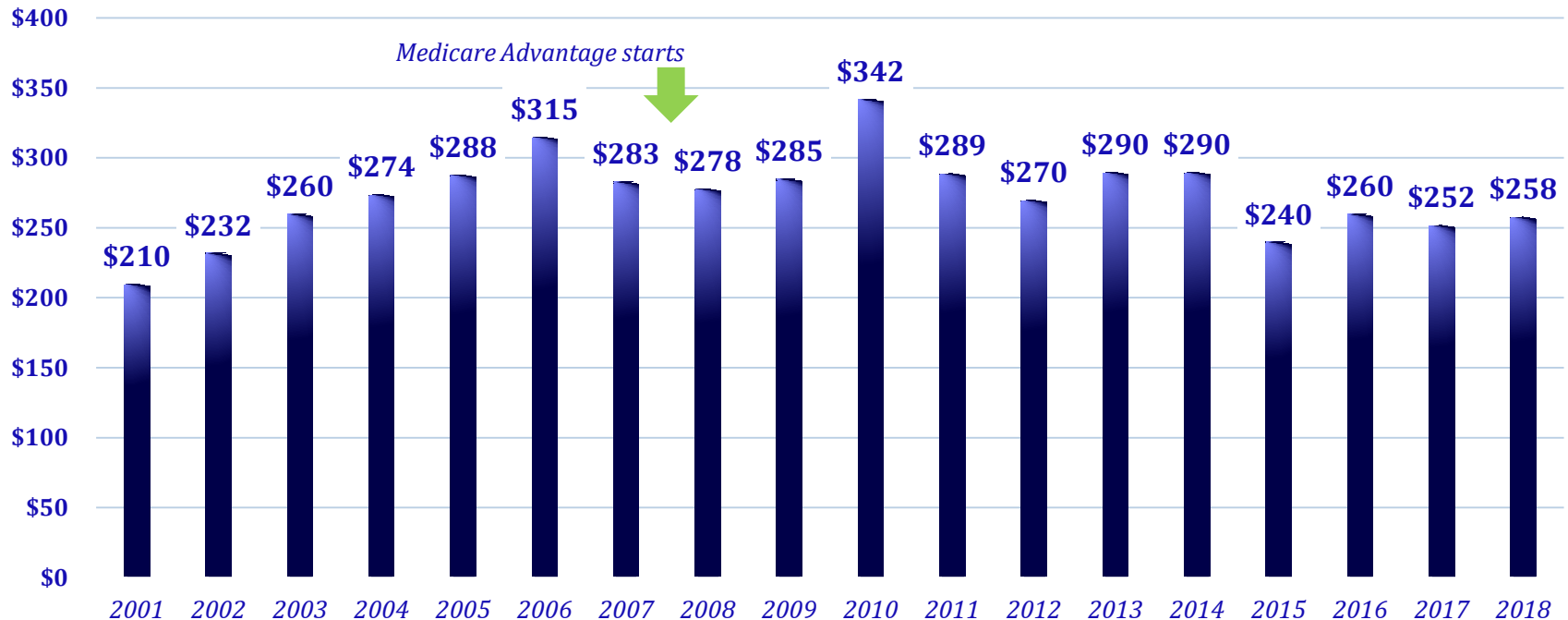
Impact if Repeated in Future Budgets

Retired Teacher Health Care

Long term, using over-65 medical care funds for under-65 premiums jeopardizes all retiree health care.

- TRS Medical Insurance Fund for the MEHP doesn't have a surplus.
- TRS Medical Insurance Fund is for over-65 MEHP's claims in next 26 years.
- 2010 Shared Responsibility law said under-65 retiree costs were to be shared by state and those retirees, not the prefunded TRS Medical Insurance Fund.
- Doing so wasn't part of the law and would undermine its actuarial analysis.
- Shared Responsibility actuarial estimates also did not include non-single subsidy.

TRS MEHP Premiums



Still Bending the Trend

Now, in 12th year, still saving \$30 per person per month compared to Medicare supplement/complement projected medical costs for 2007, which equates to \$12.2 million annually on Medicare Advantage alone (not including Medicare Part D).

Kentucky Medicare Advantage Plan Comparisons

	TRS UHC Customized Group Medicare Advantage National PPO	Individual Medicare Advantage Plan Offered in KY
Provider Access	<ul style="list-style-type: none"> Any Medicare willing provider in all national counties with no out of network penalty Same cost share in/out network 	<ul style="list-style-type: none"> Narrow network Not available in all counties Mostly HMO's with no out of network coverage
Clinical / Wellness Programs and support	<ul style="list-style-type: none"> HouseCalls Health Incentives Clinical Management Programs Personalized and customized support 	<ul style="list-style-type: none"> Varies by plan – thousands less to participate in preventive screenings such as breast cancer and colon cancer
Customer Service	<ul style="list-style-type: none"> Dedicated Team Advocate4Me 	<ul style="list-style-type: none"> Standard Service
Value-Added Benefits	<ul style="list-style-type: none"> Hearing Aid Allowance Routine Podiatry Renew Rewards SilverSneakers 	<ul style="list-style-type: none"> Typically not covered

KEHP



Under 65
&
Not Medicare-eligible

Kentucky Employees' Health Plan

LivingWell Promise Plans

Under Age 65 Only



Of all KEHP participants



KENTUCKY
PERSONNEL CABINET

LiveHealth Online

Under Age 65 Only



FREE

for KEHP Members

LIVEHEALTHONLINE.COM

- PHYSICIANS
- PSYCHOLOGISTS
- TEEN COUNSELING

APPOINTMENTS AVAILABLE
AT NO COST TO KEHP
MEMBERS

Download the app



Download on the
App Store



ANDROID APP ON
Google play

LiveHealth
O N L I N E

or call 844-784-8409

\$1.9M in cost of care savings

16,029 registrations

9,545 online medical visits

475 online psychology visits



KENTUCKY
PERSONNEL CABINET

How does SmartShopper work?

1	Your doctor recommends a medical service.
2	Go online or call to find high-value options in your area.
3	Have your procedure at the location of your choice.
4	SmartShopper verifies the location qualifies for an incentive and triggers a reward.



Benefits of SmartShopper to KEHP in 2017

**\$1.6M Savings
to KEHP**

**\$456K paid to
members**

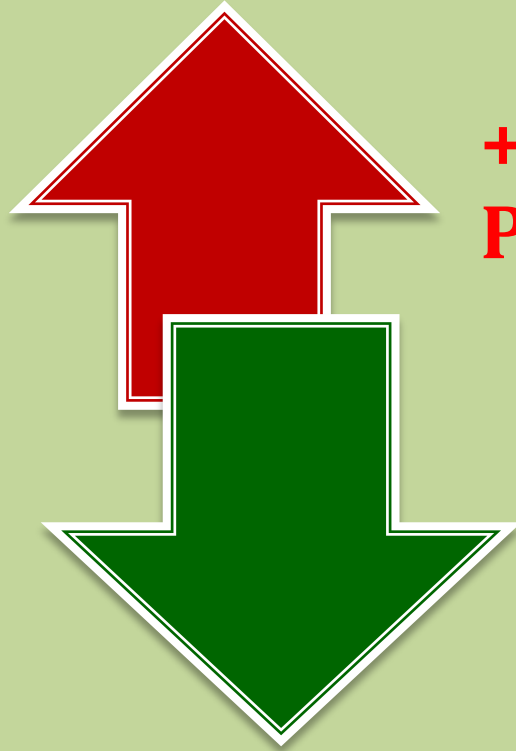
**9% of KEHP
members are
registered users**

**\$10.2M in total
savings to KEHP
since 2013**

Diabetes Programs

Under Age 65 Only

Diabetes Value Benefit



**+ 13.9%
Pharmacy Cost**

**7% Lower
Medical Cost**

**10.3% less
emergency
room use**

**3.5% fewer
prescriptions
per patient**

**6.5% less
acute hospital admissions**

Call Anthem's Personal Health
Consultants at 844-402-KEHP (5347)
or visit anthem.com/kehpn



**KENTUCKY
PERSONNEL CABINET**

Enrolled in a LivingWell Plan for 2018?

Two ways to complete the LivingWell promise

1. Go365 Health Assessment (HA) or
2. Biometric screening from January 1, 2018 through July 1, 2018.



Instructions on fulfilling the promise can be found at LivingWell.ky.gov.

If you do not complete the promise

Even though you will still have access to all plans, you will not be eligible for discounted insurance premiums in 2019 and will pay an additional \$40 per month for coverage.

Enrolled in a CDHP Plan?

WageWorks Healthcare Reimbursement Arrangement (HRA) helps reduce your costs

HRA card is pre-funded with up to:

\$500 annually for single coverage
\$1,000 annually for couple, parent plus, or family coverage



Pay for eligible healthcare expenses such as:

Medical & Pharmacy

Certain Dental & Vision Fees

Deductibles

Copayments & Coinsurance

Some Over the Counter Products

If you are on a CDHP plan and you do not have a WageWorks card or you want to determine eligible expenses, call 877-430-5519 or visit wageworks.com.

Transitioning to Medicare?

Under Age 65 Only

livingwell.ky.gov



Don't forget you may have unspent bucks left with Go365. You will need to spend all your bucks in the Go365 Mall before your Kentucky Employees' Health Plan terminates.



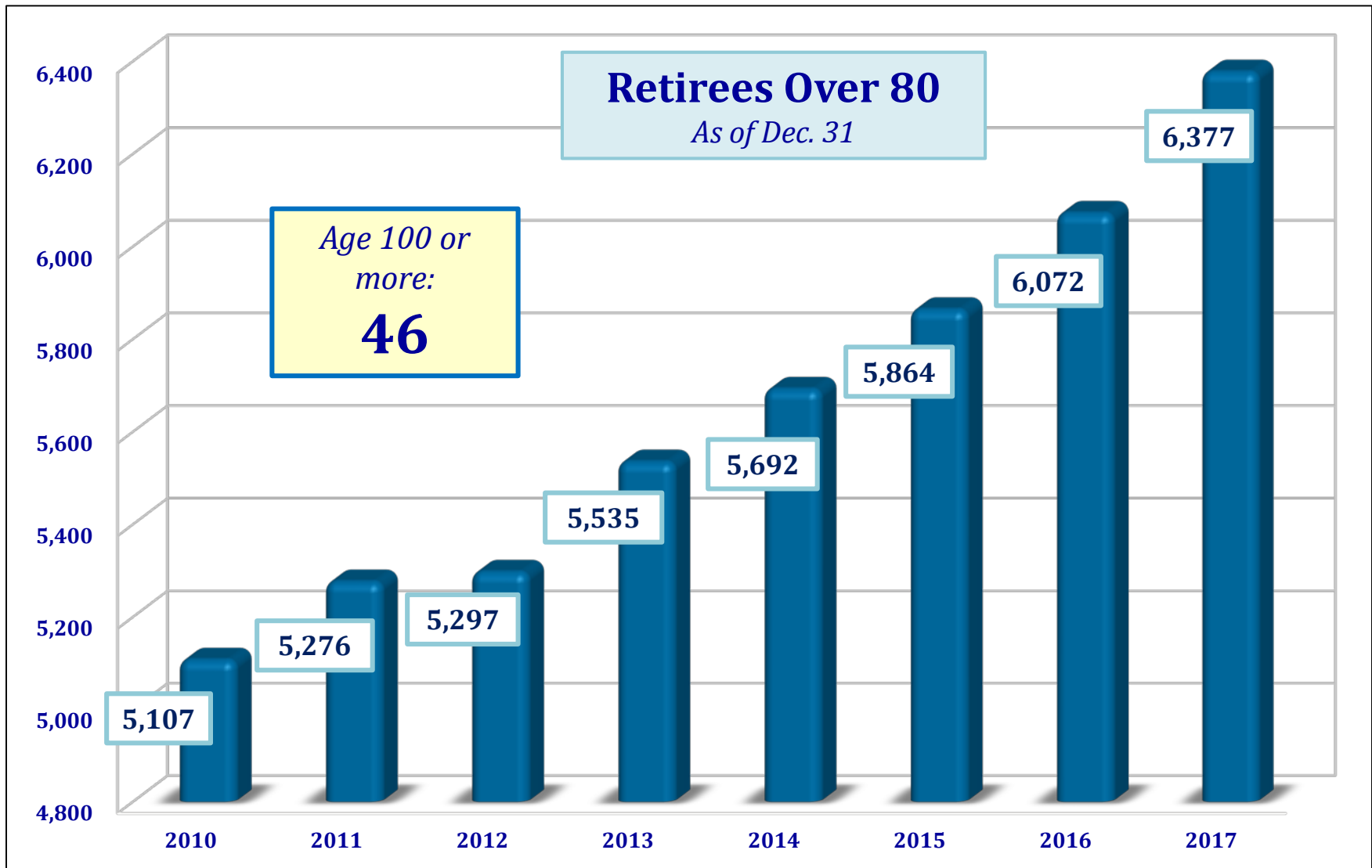
If you have a Consumer Driven Health Plan (CDHP) you will want to use any remaining HRA funds before moving to the MEHP.

Look for turning 65 seminar and webinar dates by visiting:

<https://trs.ky.gov/active-members/seminars-workshops/>



Longevity for TRS Retirees



TRS News & Information

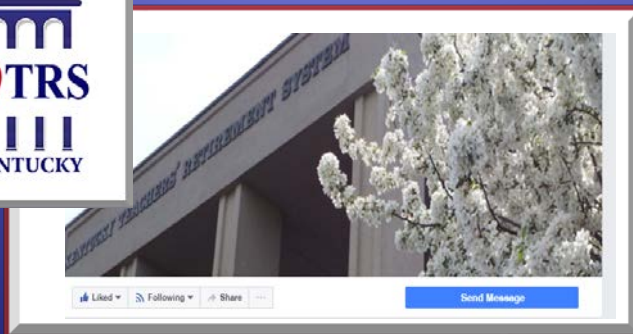


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TRS



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Our Members Come First!

*As always, you may contact
TRS if you have any
questions or concerns.*

Monday through Friday,

8 a.m. – 5 p.m. ET

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