

# KENTUCKY

## TEACHERS' RETIREMENT SYSTEM

RETIRED MEMBER  
EDITION



APRIL/MAY  
2014

### Headlines

The Highest Duty

◆  
May 2014 KTRS  
Board of Trustees  
Election

◆  
KTRS Achieves  
Exceptional  
Investment  
Performance  
In 2013

◆  
Annual In Home  
Health &  
Well-being  
Assessment  
Program

◆  
Enrollees Who  
Selected a  
Living Well  
Consumer  
Driven Health  
Plan (CDHP)  
or Standard  
CDHP

◆  
Are Your  
Beneficiaries  
Current?

◆  
Compass  
ChoiceRewards

◆  
Enrollees Who  
Are Eligible  
for Medicare

◆  
Reminder: Upon  
the Death of an  
Active or  
Retired Teacher

## The Highest Duty

### A Message from the Executive Secretary

**Gary L. Harbin, CPA**

A nine member Board of Trustees is responsible for the general administration, management, and proper operation of the retirement system. Each member of the Board is charged with transacting the business of the retirement system according to the highest standards of ethical conduct and putting the interests of retirement system's members before their personal interests. In short, each member of the Board acts in a fiduciary capacity, which is the highest duty under law.

In May 2014, every active and retired member of KTRS will have the opportunity to vote for candidates for two open positions on the Board. The results of the election will be announced by the Board on Monday, June 16, 2014, and thereafter, the terms for the two positions will begin on July 1, 2014. I would like to encourage every member to participate in this important election and continue to support the Board's long history of exemplary service to the membership of the retirement system and the Commonwealth of Kentucky.

KTRS began operations on July 1, 1940 with \$1 million. Now, almost seventy-five years later, the retirement system has grown to be the largest financial institution in the Commonwealth of Kentucky. KTRS currently has more than 145,000 active

and retired members and invests over \$18 billion of teachers' pay held in trust for disbursement during retirement. KTRS's annual payroll to retirees exceeds \$1.8 billion. Most of this delayed compensation paid to retired teachers stays within the state and is a significant economic stimulus to every county in the Commonwealth.

The Board has repeatedly demonstrated an unwavering commitment to satisfying its fiduciary duties, meeting the expectations of Kentucky's education community, and easing financial burdens on the state. Under the Board's leadership, \$5.2 billion in liability was eliminated from the retired teacher health care plan through implementation of the 2010 "shared responsibility" solution and careful management of health care costs. Also, KTRS's investment program is setting the standard for public pension funds in terms of exceptional performance, low costs of operations, and governance. KTRS's performance was ranked in the top 4 percent of the nation over the last year and in the top 7 percent over the last five years. KTRS has two nationally recognized investment experts serving on the investment committee. These experts have added

*"The Highest Duty" continued on page 2 ...*

---

## May 2014 KTRS Board of Trustees Election

The Teachers' Retirement System is governed by a nine member Board of Trustees. Two trustees are ex-officio members, the Chief State School Officer and the State Treasurer. The remaining seven trustees are elected by the retired and active membership. Elections are held in May of each year to fill either one or two positions on the Board. Positions are held for four-year terms and the elections are staggered. During this year's election, the membership will elect a lay trustee and an active teacher trustee. The candidates for the lay trustee position are the incumbent Hollis Gritton, from Union, and Carl M. Thomas from Louisville.

The candidates for the active teacher trustee position are the incumbent Laura A. Zimmerman, from Lexington, and Michael H. Ross, from Maysville.

In early May, ballots are mailed to each retired and active KTRS member with information about the candidates. Retired members will receive a yellow ballot and active members will receive a blue ballot. Please select your candidate, tear along the perforation, and drop the ballot in the mail. Postage is prepaid. You may return your ballot any time during May, but your ballot **must not be postmarked after May 31, 2014**. The Chief State School Officer is responsible for counting the ballots.

All members are urged to review the qualifications of each candidate and cast their ballot for the candidate who they feel has the best qualifications to be an effective member of the Board of Trustees. The results of the election will be announced in the next KTRS newsletter.



## Kentucky Teachers' Retirement System Achieves Exceptional Investment Performance In 2013

(Frankfort, KY, March 18, 2014)

The Board of Trustees of the Kentucky Teachers' Retirement System (KTRS) announced at its quarterly meeting on March 17, 2014 the investment returns for the teachers' pension portfolio for the year ended December 31, 2013. The teachers' fund ended the year with a return of 19.7 percent and a market value of \$17.5 billion. The teachers' fund has diversified holdings in domestic and international stocks, bonds, loans, real estate, and private equity.

KTRS's return of 19.7 percent places it in the top 4 percent of pension plans nationwide with assets over \$1 billion. The median return of pension plans nationwide was 15.76 percent. KTRS's returns also exceeded the median returns of corporate plans (13.7 percent) and foundations (15 percent).

"The teachers' fund performance was strong in terms of total return and performing better than its market benchmark. As a result of strong internal investment management and the careful selection of outside managers, KTRS added more than \$1.5 billion to the teachers' fund over the last year," said Gary Harbin, KTRS Executive Secretary.

"Going into the great recession in 2008, KTRS was very well positioned because the teachers' fund did not include subprime mortgages and other high risk investments. KTRS had top 10 percent performance as the market was falling, and thereafter by adjusting asset allocation, has performed in the top 4 percent as markets have rebounded."

---

### "The Highest Duty" continued from page 1 ...

significant value to the investment program because of their extensive backgrounds in finance, risk management, governance, and alternative investments. These actions, along with many others, demonstrate the Board's continuing efforts in improving operations and the long-term sustainability of the retirement system.

The philosophy and practice of the Board is dominated by the ideas of following the highest standards of ethical conduct and putting the interests of members and beneficiaries first. For 75 years, the independent Board of Trustees of KTRS has successfully upheld its obligations to members, the education community, and the Commonwealth of Kentucky.

~MEHP~

## The KTRS MEHP would like to introduce...

... our new care management partner called Edumedics. Edumedics is a disease management company that combines the power of *data*, *education* and *medicine* to deliver face to face care management solutions to people with health conditions. Their Nurse Practitioners will provide face to face clinical care for your condition. Working together, you can become healthier and more productive.



KTRS is taking part in a pilot program with Edumedics for MEHP participants with **diabetes, and/or high blood pressure and high cholesterol**. Studies indicate that a one percent drop in a diabetic's long range blood sugar levels equates to a 40% reduction in future diabetic complexities. So, in 2014, Edumedics will be reaching out to approximately 12,600 MEHP participants that have diabetes and/or high cholesterol and high blood pressure. They will work actively and face to face to help participants become more compliant with their medications, bringing stability to their conditions, increasing quality of life, coordinating care and avoiding unnecessary health care costs down the road. The Edumedics clinical visit is covered under the MEHP and is subject to the annual medical deductible (if not already met) and the 4% coinsurance (on average, less than \$10.00). If you qualify to participate, you will be asked to complete a participant agreement and release form.

Approximately 5,000 letters were recently mailed to MEHP participants who qualify for the Edumedics program. The remaining 7,600 eligible participants will be mailed letters between April 20 and May 15. Once letters are mailed, you will receive a phone call from Edumedics to schedule your clinical visit at one of their convenient clinic locations. We hope that you will take advantage of this new health program offered through KTRS and Edumedics. You can reach Edumedics by calling them toll-free at 1-855-210-8514 or get more information on their website at <https://info.edumedics.com/ktrs>.

~MEHP~

## Annual In Home Health and Well-being Assessment Program Resumed in April 2014

Humana and KTRS are offering an in home health and well-being assessment to our MEHP participants at no cost. This assessment is part of our ongoing commitment to provide you with the resources you need to improve your health. The in home assessment is a voluntary program, and although we encourage you to participate, you are not required to do so.



### What is a Health and Well-being Assessment?

On behalf of Humana and KTRS, a doctor from CenseoHealth will come to your home to conduct a health and well-being assessment. The doctor who performs the assessment will:

- ◆ Check your vitals.
- ◆ Review your medications.
- ◆ Assess your mobility and home safety.
- ◆ Get your brief medical history.

### The doctor who performs the assessment will **not**:

- ◆ Order or perform any diagnostic tests or procedures.
- ◆ Prescribe medication.
- ◆ Replace the treatment of your Primary Care Physician.

The doctor will answer your questions and discuss any concerns you may have. The visit should take no more than 90 minutes and you're welcome to invite a friend or family member to be with you during the visit.

### Why should you have a Health and Well-being Assessment?

The assessment will provide you with a health summary that contains valuable health information you can use when visiting your regular doctor at your next appointment. It may also help Humana identify health management programs and services that may help you manage your

**"Assessment" continued on page 4 ...**



health. While the assessment doesn't replace your annual physical exam or your relationship with your doctor, it's an important part of managing your health and well-being. A summary of the Assessment's findings will also be sent to your regular doctor. In addition to the immediate benefits to your health and well-being, effective management of your health over time will help control your future healthcare costs and contribute to the solvency and longevity of your affordable KTRS MEHP. It also allows Humana to obtain proper Medicare coding to ensure they receive the highest Medicare reimbursement and as a result, control costs for KTRS.

**What to expect next.**

You might receive an introduction letter followed up by a phone call from a CenseoHealth staff member to discuss this program and to schedule your assessment. If you prefer, contact CenseoHealth directly to schedule your appointment by calling toll free 1-855-319-4450 (TTY users should call 711), Monday - Friday, 8 a.m. - 5 p.m. Central time.

**In Home Health & Well-being  
Assessment Frequently  
Asked Questions**

**1. What is a Health and Wellbeing Assessment?**

Health and Wellbeing Assessments are one-on-one, in home health evaluations conducted by a licensed physician to help identify any factors that should receive further evaluation.

The physician will arrive at the member's home wearing a photo ID. During the visit the physician will ask the member about his or her health history and review current medications. In addition, the physician may provide pertinent health information and make recommendations for further evaluation if needed.

**2. What are the qualifications of the Censeo provider?**

The providers have valid medical licenses and are doctors.

**3. Why me?**

Humana offers Health and Wellbeing Assessments as part of your KTRS health plan. Humana and KTRS encourage members to take advantage of this opportunity-it is voluntary and at no additional cost to you. This service may enable us to provide you with more effective preventative care. It also allows Humana to obtain proper Medicare coding to ensure they receive the highest Medicare reimbursement and as a result, control costs for KTRS.

**4. What happens if a problem is discovered during the assessment?**

The visiting health care provider will communicate the information to your primary care physician to ensure appropriate care is provided. If you do not have a primary care physician, the physician will refer you to Humana to assist you in finding one.

**5. Can I have more than one Health and Wellbeing Assessment in a year?**

No, it is not necessary and your health plan covers only one in home Health and Wellbeing Assessment each year.

**6. What does a Health and Wellbeing Assessment entail?**

**The visiting doctor WILL:**

- ◆ Check your vitals.
- ◆ Review your medications.
- ◆ Assess your mobility and home safety.
- ◆ Get your brief medical history.

**The visiting doctor will NOT:**

- ◆ Replace the treatment of your Primary Care Physician.
- ◆ Prescribe medication.
- ◆ Order or perform any diagnostic tests or procedures.

**7. How long does the Health and Wellbeing Assessment take?**

The Health and Wellbeing Assessment will take no more than 90 minutes.

**8. Can a member of my family be present during the assessment?**

Yes. You are welcome to have anyone you think appropriate present during the assessment.

**"Assessment" continued from page 4 ...**

**9. Can the results from the assessment lead to higher premium costs for me?**

No. The assessments are not used to recalculate benefit coverage, change rates or charge additional fees. In fact, Humana can use the members' demographic and health information to change or initiate quality measures that may ultimately end up reducing health care costs.

**10. Does the assessment take the place of any medical appointments?**

No. Be absolutely certain to keep all of your appointments. The Health and Wellbeing Assessment supports the care you are receiving. It is not a replacement for that care.

**11. I am not sick. Why would I want a Health and Wellbeing Assessment?**

You do not need to be sick to benefit from a Health and Wellbeing Assessment. The assessment

and its results are meant to give you, your primary care physician and ultimately other health care providers more information. This enables you and your doctor(s) to work together in supporting your wellness as much as managing your medical concerns. It also allows Humana to obtain proper Medicare coding to ensure they receive the highest Medicare reimbursement and as a result, control costs for KTRS.

**12. Why does this assessment take so long?**

The provider conducts a thorough assessment. Additionally, he/she allows time to address any health related questions or concerns you may have (i.e. medications or diet). The provider also provides patient education when necessary.

**13. How much does the Health and Wellbeing Assessment cost?**

There is no additional cost to you for the Health and Wellbeing Assessment.

**14. What is the difference between Censeo (in home assessment) and Edumedics (disease management program)?**

<b>~ Comparison ~</b>	
<b>Censeo/Matrix In Home Assessment</b>	<b>Edumedics Innovative Care Management Program</b>
1. In Home Assessment	1. In Clinic
2. Doctor	2. Nurse Practitioner (NP)
3. Once Per Year Assessment	3. Follow Up Visits
4. No Additional Cost	4. Deductible + 4% Coinsurance
5. Dr. Doesn't Treat Patient	5. NP Can Prescribe Medication
6. Contain Costs/Corrects Coding	6. Contain Costs/Corrects Coding
7. Anyone on Medicare Eligible Health Plan	7. Diabetics and/or High Blood Pressure and High Cholesterol
8. Voluntary But Encouraged	8. Voluntary But Encouraged
9. Appointment Reminder Phone Call	9. Appointment Reminder Phone Call
10. Letter Sent with Follow Up Phone Call	10. Letter Sent with Follow Up Phone Call
11. Texas Based	11. Kentucky Based
12. Confidential	12. Confidential
13. Humana/KTRS Collaborative	13. Edumedics/KTRS Collaborative

~ KEHP ~

## Enrollees Who Selected a Living Well Consumer Driven Health Plan (CDHP) or Standard CDHP

You should keep any receipts if you use your Humana Access card for any expenditures. Occasionally, Humana will require substantiation (copy of itemized receipt) to prove that you are using your Access card for covered expenses. If this substantiation is not provided when requested, your Access card could be "frozen" until the requested information is provided.

### Are Your Life Insurance Beneficiary & Retirement Account Beneficiary Current?

One of the advantages of being part of KTRS, is that you have a life insurance benefit. KRS 161.655 sets this benefit at \$5,000 for retirees and \$2,000 for active contributing members. The law specifies that this benefit is payable upon the death of the member to the member's estate or to a party designated by the member on a form prescribed by the retirement system. Members who do not have a party designated to receive this benefit can do so by completing a Designation of Beneficiary Form [KTRS Life Insurance Form DB-1].

KTRS retirees are reminded that changing the life insurance benefit designation does not affect the beneficiary designation made at retirement that provides for a monthly payment to a survivor in the event of death of the retired member. It is very important that both active and retired KTRS members keep their life insurance beneficiary designation current and up to date. Failure to keep your beneficiary designation up to date could lead to costly legal fees. To request this form call KTRS toll free at 1-800-618-1687.

KTRS



1/800 - 618 -1687

~ KEHP ~

## Compass ChoiceRewards

Compass provides KTRS members with a cost transparency tool in order for you to make more informed choices about your healthcare. Major variation in the cost of procedures exists everywhere, but until now, no one knew. See the chart below for some cost examples.

Procedure	Facility A	Facility B
Colonoscopy	\$850	\$1,900
Upper GI Endoscopy	\$1,125	\$2,475
MRI - Pelvis	\$475	\$2,675
Digital Mammogram	\$100	\$475

All active employees and retirees enrolled in the health benefit plan and enrolled dependents may use Compass as of Sept 1, 2013. Please note, Medicare eligible retirees are not able to participate in the program.

Just call 855.869.2133 and an adviser will see if your procedure and facility qualifies for an incentive anywhere from \$15 -\$500 dollars. You may need to reschedule your appointment to qualify for a reward, but the choice is yours.

### Be Sure to Keep Your Address CURRENT with KTRS!



ALL KTRS retirees and other annuitants are reminded that when they change their address, they should notify KTRS **in writing** in order to continue to receive their KTRS mail on a timely basis. All retirees receive a 1099R in January, a check stub in July indicating COLA increases, and newsletters and special mailings which may include retiree medical insurance information or notices.



Services & Incentives\*

Bone Density Study	\$25 / \$15
Mammogram	\$25 / \$15
Cardiac Echocardiogram	\$75 / \$50 / \$25
Adenoidectomy	\$150 / \$75 / \$50
Bunion Repair	\$150 / \$75 / \$50
Colonoscopy	\$150 / \$75 / \$50
CT Scans	\$150 / \$75 / \$50
Ear Tubes	\$150 / \$75 / \$50
Eye/Cataract Surgery	\$150 / \$75 / \$50
Kidney Stones	\$150 / \$75 / \$50
MRIs	\$150 / \$75 / \$50
Nasal / Septum Repair	\$150 / \$75 / \$50
Sleep Study	\$150 / \$75 / \$50
Tonsillectomy	\$150 / \$75 / \$50
Upper GI Endoscopy	\$150 / \$75 / \$50
Wrist Surgery	\$150 / \$75 / \$50
Gall Bladder Removal	\$250 / \$125 / \$75
Gall Bladder Repair	\$250 / \$125 / \$75
Hernia Repair	\$250 / \$125 / \$75
Knee Surgery	\$250 / \$125 / \$75
Shoulder Surgery	\$250 / \$125 / \$75
Cardiac Catheterization	\$500 / \$250
Hip Replacement	\$500 / \$250
Knee Replacement	\$500 / \$250
Low Back Surgery	\$500 / \$250

\*Services may change over time. Incentive amounts are based on a tiered format. Members qualify for the highest incentive amount listed when they shop for and select the most cost-effective facility listed by Compass. Less cost-effective options may yield lower incentives, or no incentives. If you have any questions on qualifying facilities, please contact a Health Cost Adviser at 855.869.2133.

Earn **CASH REWARDS** and help **LOWER** health care **COSTS**.

Introducing Compass ChoiceRewards, a free service to help you learn more about the cost of medical procedures and tests at locations in your area. When you use more cost-effective options, you can help lower your out-of-pocket costs. You will be rewarded for your cost-effective choices through cash incentives.

Here's how it works:

- As soon as your doctor recommends a medical procedure or test, contact Compass to find cost-effective facilities in your area.
- Be sure to call Compass at 855.869.2133, or access the website at [www.compasschoicerewards.com](http://www.compasschoicerewards.com), **at least 24 hours prior** to your appointment in order to qualify for your incentive. Have your insurance card available for verification or to login.
- Call your doctor to schedule the service at the location of your choice.
- If you use a cost-effective location identified by Compass, an incentive check will be mailed to your home after your claim has been paid.

**NOTE:** You must shop with Compass each time you have a procedure in order to qualify for an incentive.

No hassles. No forms. No restrictions on which in-network doctors to see. The ChoiceRewards program is **EASY** and completely **CONFIDENTIAL**.

**CALL** or go **ONLINE TODAY** TO LEARN HOW YOU CAN EARN AN INCENTIVE REWARD FOR THE CARE YOU NEED.

Online at: [www.compasschoicerewards.com](http://www.compasschoicerewards.com)



Administered by Humana Insurance Company or Humana Health Plan, Inc.

~ KEHP & MEHP ~

## **Enrollees Who Are Eligible for Medicare**

Prior to January 1, 2013, KTRS allowed under age 65 retirees and/or dependents who were eligible for Medicare to choose to be covered on the under 65 Kentucky Employees' Health Plan (KEHP) or move to the KTRS Medicare Eligible Health Plan (MEHP). The cost to KTRS to cover a Medicare-eligible member on the KEHP with only secondary coverage is more than double the cost of the MEHP.

If you or any of your covered dependents are under age 65, enrolled in the KEHP, and become eligible for Medicare on or after January 1, 2013, are no longer eligible for the KEHP. Medicare eligible participants will only be allowed to enroll in the MEHP through KTRS. Please contact the KTRS office regarding enrollment in the Medicare Eligible Health Plan (MEHP).

These reasonable and necessary steps will help ensure the continuation of affordable medical insurance for all KTRS participants.

~ KEHP & MEHP ~

## **Reminder: Upon the Death of an Active or Retired Teacher**

Eligible spouses have 30 days from the member's date of death to elect or decline health plan coverage through KTRS. If coverage is declined or waived, it is a permanent election, and no qualifying event will allow the surviving spouse to re-enroll.

APR-MAY 2014

Frankfort, Kentucky 40601-3800  
479 Versailles Road

**OF THE STATE OF KENTUCKY**  
**TEACHERS' RETIREMENT SYSTEM**

