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MARY ELIZABETH BAILEY
SECRETARY

May 30, 2023

Interim Joint Committee on Appropriations and Revenue
Capitol Annex
702 Capital Ave.
Frankfort, Kentucky 40601

Re: First Quarter KEHP Trust Fund Status Report period ending March 31, 2023

Dear Members of the Interim Joint Committee on Appropriations and Revenue:

Kentucky Revised Statute (KRS) 18A.2254 directs the Public Employee Health Insurance Program to submit quarterly reports on the status of the Kentucky Employees' Health Plan (KEHP) Trust Fund to the Governor, Interim Joint Committee on Appropriations and Revenue, Kentucky Group Health Insurance Board, and the Advisory Committee of State Health Insurance Subscribers.

The attached report includes, as of March 31, 2023:

1. The current balance of the trust fund;
2. A detailed description of all income to the trust fund;
3. A detailed description of all receipts due to the trust fund;
4. The total amount of payments made for claims from the trust fund;
5. A detailed description of all payments made to program administrators;
6. Current enrollment data;
7. Other information provided by the Secretary;
8. Other information requested by the Interim Joint Committee on Appropriations and Revenue; and

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If you have any questions or need additional information, please feel free to contact my office at 564-0358.

Sincerely,



Mary Elizabeth Bailey
Secretary

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1. Current Trust Fund Balance:

As of March 31, 2023, the balance of the self-insurance trust fund was \$246,798,951.04, which includes accounting for the 2006–2023 plan years, including reserves for Healthcare Reimbursement Arrangements (HRA) and Flexible Spending Accounts (FSA). Along with the detailed transactions, summary reports for each plan year, as well as a combined summary, have been provided.

2-5. Detailed Description of Trust Fund Transactions:

Detailed transactions of the trust fund are contained in **Attachment A**. Monthly detailed transaction reports have been provided to the Legislative Research Commission. A month-by-month summary of the trust fund accounting by premiums, interest income, drug rebates, claims, and ASO fees is included as **Attachment B**.

6. Current Enrollment Data:

Charts detailing the number of employees and the number of covered lives under the plan are included as **Attachment C**. The totals shown reflect the same information as provided in the previous report, updated to include the most recent quarter's data.

7. Additional Information Provided by the Secretary of the Personnel Cabinet:

No additional information has been requested for inclusion in this report.

8. Additional Information as Requested by the Committee:

No additional information has been requested by the Committee for inclusion in this report.

9. Performance Guarantees Penalty Updated from the 2022 Q4 Trust Fund Report:

A listing of operational performance guarantees of KEHP's Wellness Benefits Manager, WebMD, were included in the 2021 Q4 report as Attachment I. WebMD met all performance guarantees except for Incentives Management: Incentives Fulfillment and Portal Participation: Activity Completion. At the time of the 2022 Q4 report the penalty was reported as approximately \$74,000. The final calculation of the penalty is as follows:

PG Missed	Payout
Incentive Management PG	10,751.66
Engagement PG	68,661.32
Total	79,412.98