



**Andy Beshear**  
GOVERNOR

## PERSONNEL CABINET

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**Mary Elizabeth Bailey**  
SECRETARY

October 1, 2024

Mr. Jay D. Hartz, Director  
Legislative Research Commission  
State Capitol Building  
700 Capital Avenue  
Frankfort, KY 40601

Dear Director Hartz:

Pursuant to KRS 18A.226(5)(b), the Personnel Cabinet and the Kentucky Group Health Insurance Board respectfully submit the Executive Summary of the Kentucky Employees' Health Plan Twenty-Fourth Annual Report.

As in recent prior years, this 2024 Annual Report shares the story of the Kentucky Employees' Health Plan in a manner designed to reach a wider audience while educating members and the public about the important work and services being undertaken by the Plan.

The Group Health Insurance Board Recommendations for Plan Years 2023 through 2025, on slide 14, are as follows:

- Provide state of the art benefits while maintaining reasonable premiums;
- Offer benefits that meet the needs of a diverse workforce;
- Improve employee health and well-being;
- Provide the tools to manage chronic disease conditions;
- Implement actuarial recommendation to establish plan reserves;
- Increase member engagement in health and well-being programs;
- Educate and drive members to high quality, cost-effective care; and
- Help employees understand KEHP programs and tools available.

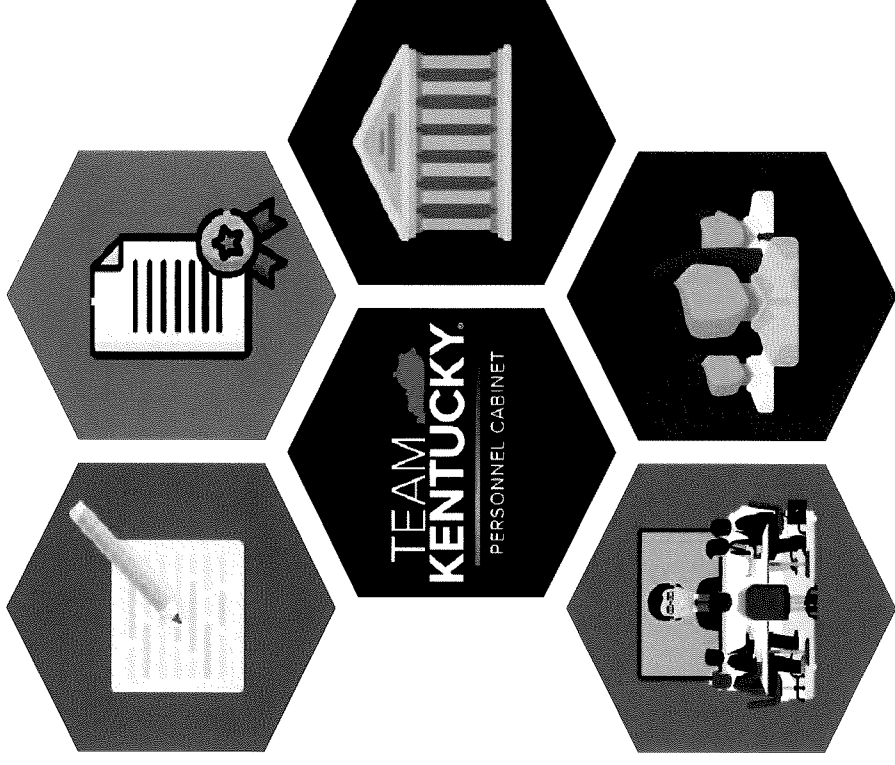
Sincerely,

  
Mary Elizabeth Bailey  
Secretary

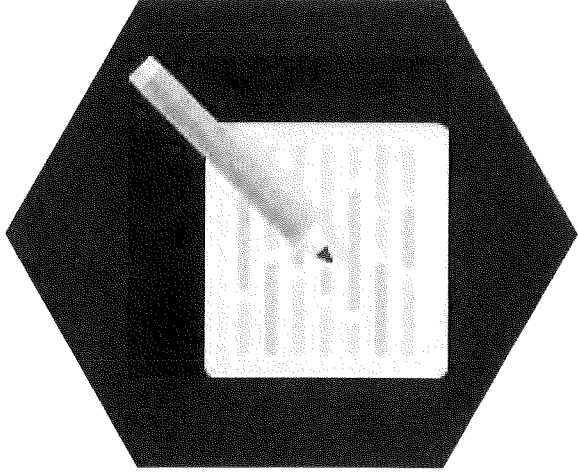
# Kentucky Employees' Health Plan (KEHP)

Twenty-Fourth Annual Report of the  
Kentucky Group Health Insurance Board

Prepared for the Commonwealth of Kentucky's  
Governor, General Assembly, and Chief Justice  
of the Supreme Court



# Executive Summary



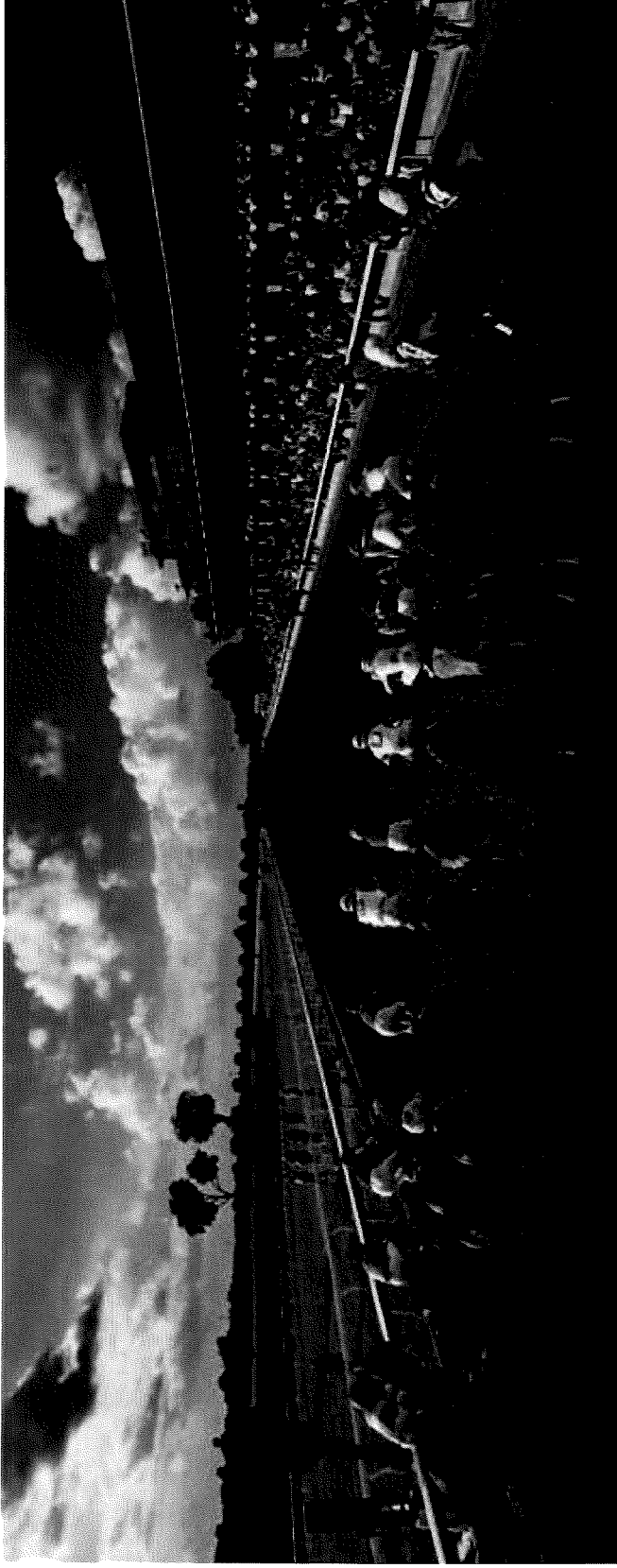
## Program Highlights

Overview of 2023 cost, utilization, and plan performance comparison to prior years and future issues outlook

# Population

The KEHP administers medical benefits for approximately 295,000 people in Kentucky—that's more than one in 16 Kentuckians!

Employees, retirees, and their family members enrolled in KEHP would fill Keeneland Racetrack more than 32 times!



Source: KEHP enrollment in Kentucky Human Resource Information System (KHRIS)

# 2023 KEHP by the Numbers

**\$2.0 billion**

in KEHP payments to doctors, hospitals, pharmacies, and other providers across Kentucky

**\$5.5 million**

average daily spend for medical and prescription drug claims

**\$7,021**

average spent on medical and prescription claims per Member

**8.3 million**

individual medical and prescription drug claims paid for members

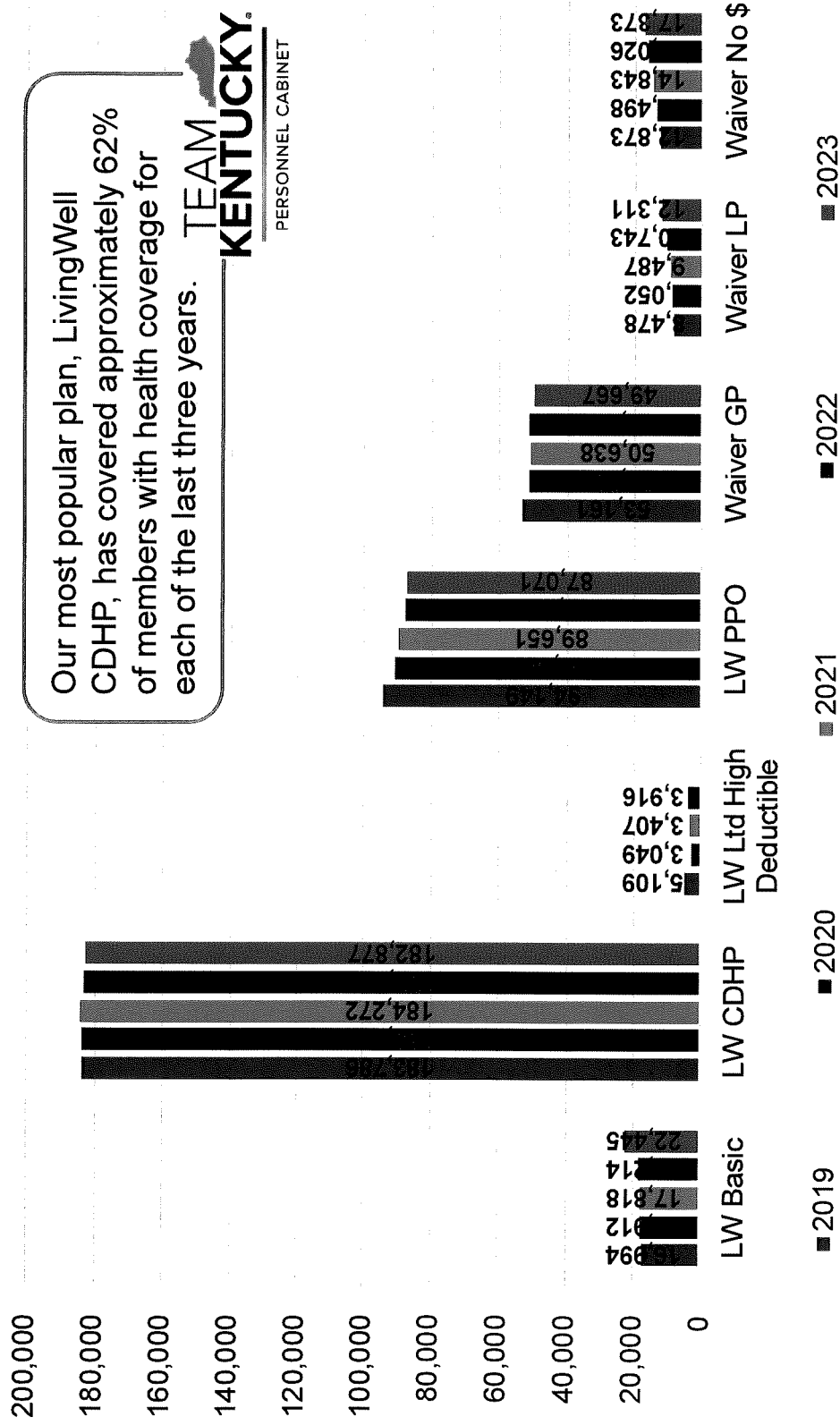
Source: KEHP enrollment and claims data aggregated by Merative

Executive Summary

Section 1

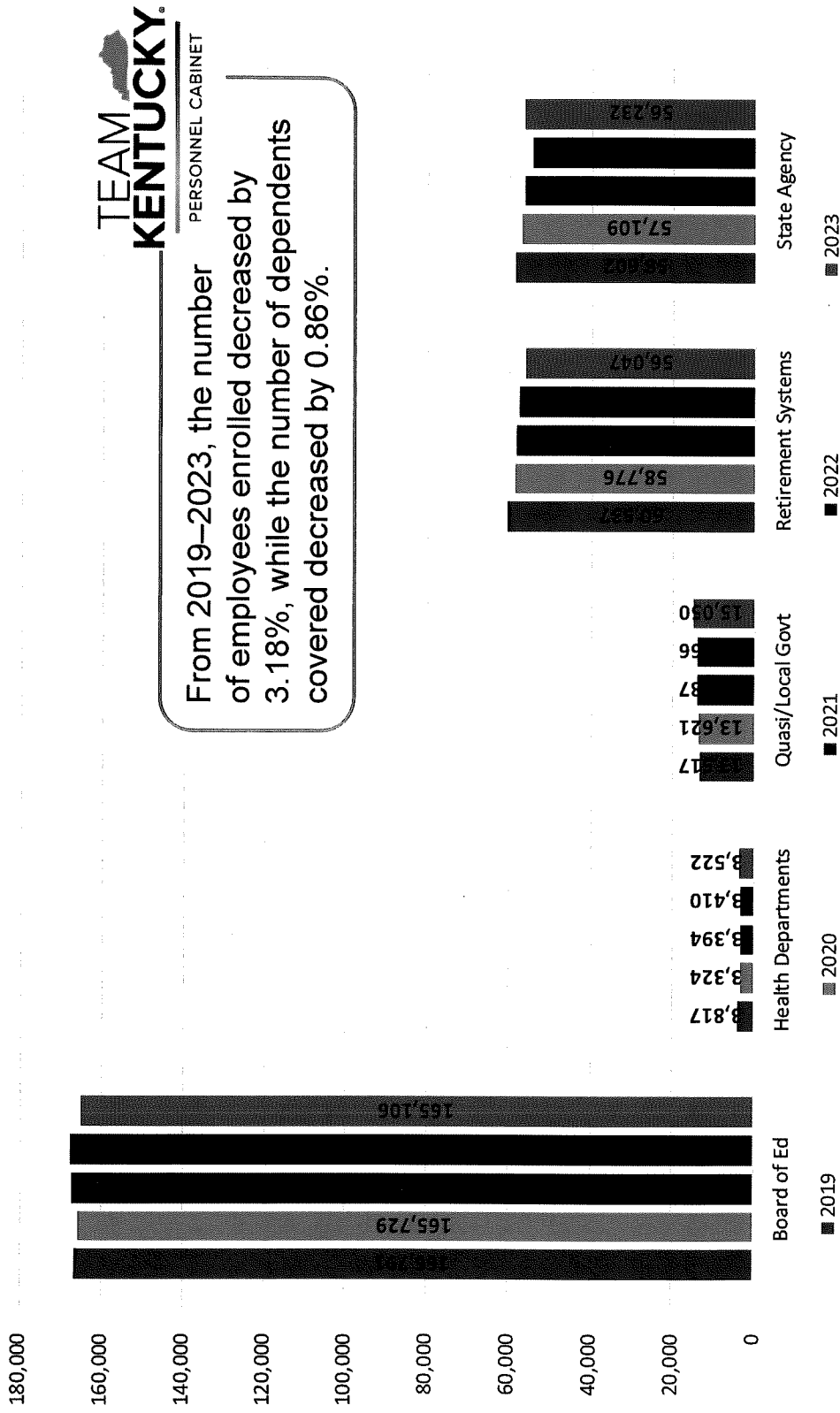
Page 4

# Members by Plan



Source: Enrollment data aggregated by Merative

# Health Covered Members by Group

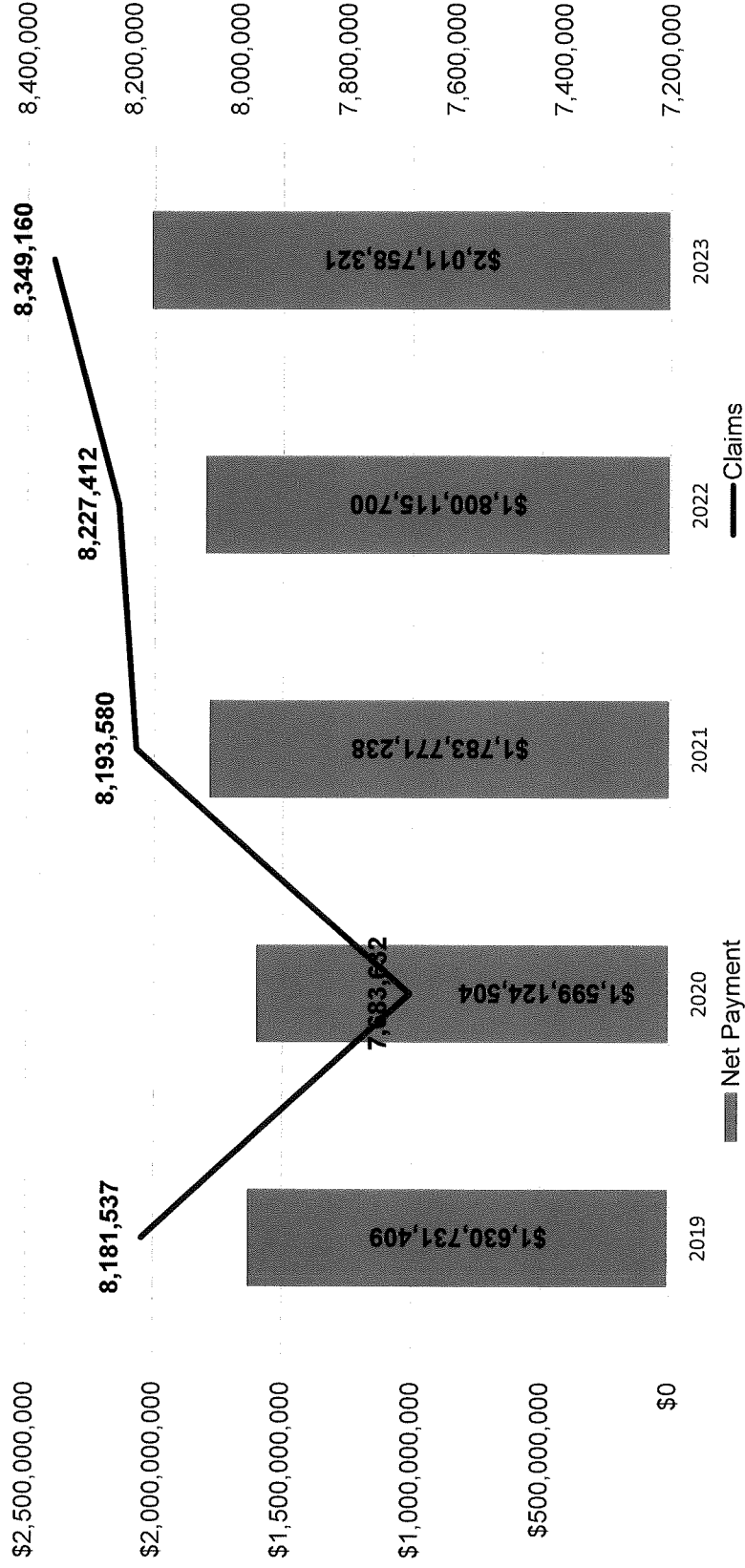


Source: Enrollment data aggregated by Merative  
 \*Other includes COBRA, KCTCS and other small employer groups

# Net Payments and Claims by Year



Average net payments per claim continue to grow over the years, from \$199.32 in 2019 to \$240.95 in 2023.



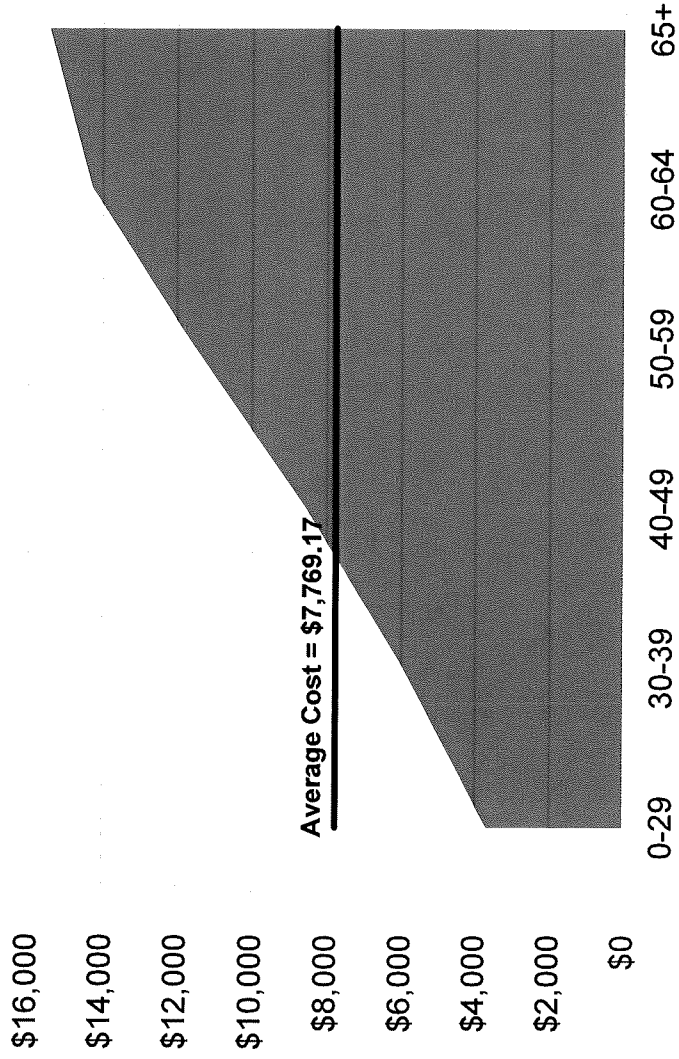
Source: Claims data aggregated by Merative



# Pooling Risk

Because anyone—young or old—can have an unforeseen catastrophic health event, KEHP spreads healthcare costs across all 256,400 health plan participants, keeping the plan affordable for everyone.

## KEHP average annual claims cost by age group, all medical and pharmacy claims, 2023



Averaging costs among the members keeps the plan affordable for all.

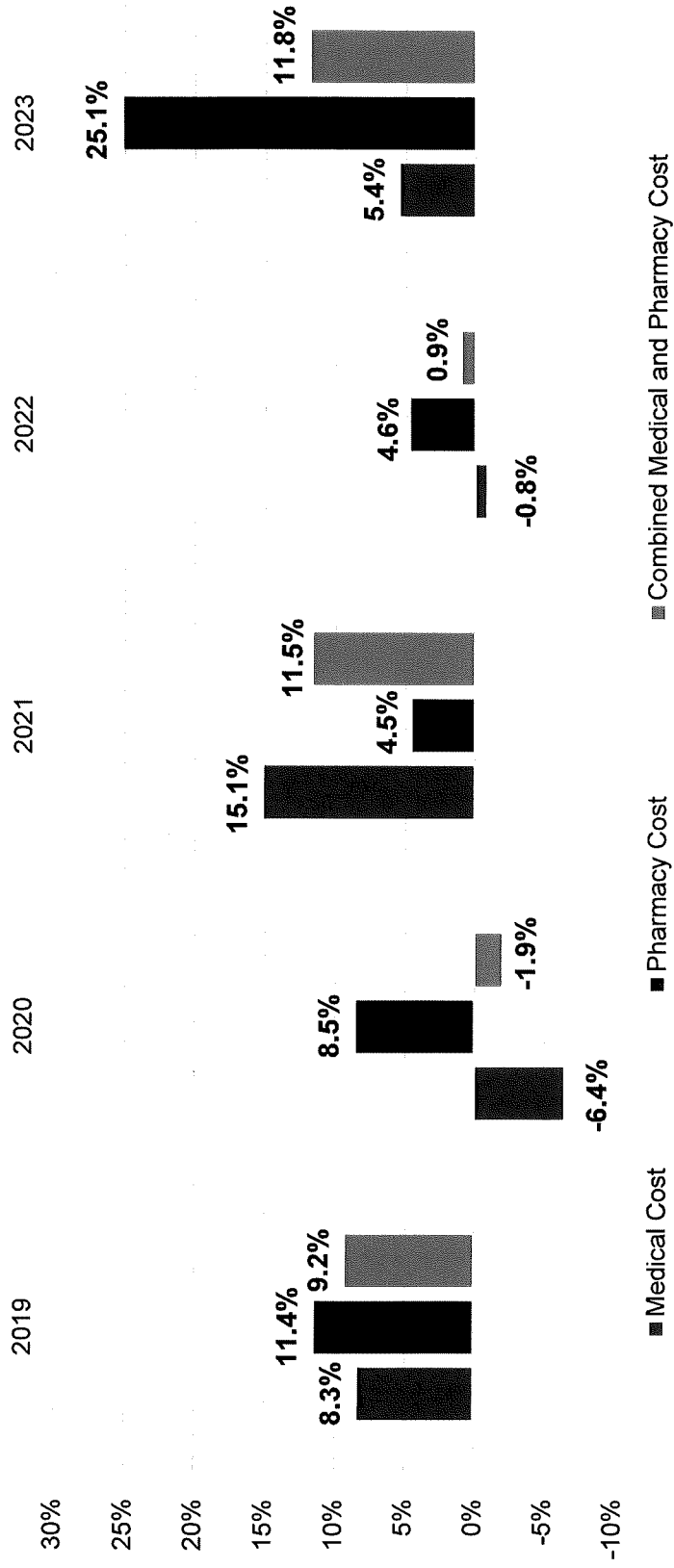


Source: KEHP claims data aggregated by Merative

# Medical and Pharmacy Trends



Incurring medical costs have increased by 11.96% (\$1.141B to \$1.278B) between 2019 to 2023 while pharmacy costs increased by 48.40% (\$489M to \$726M) over that same time period.

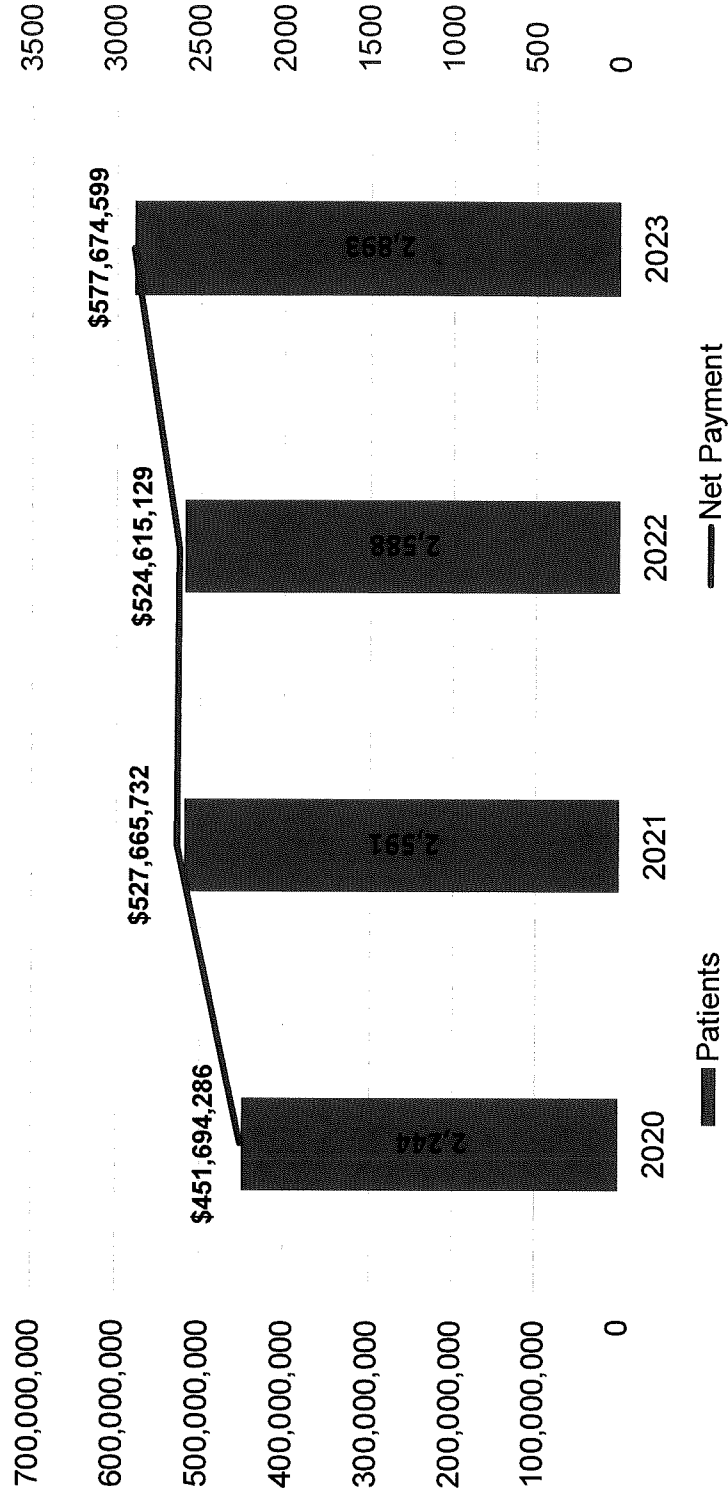


Source: KEHP claims data aggregated by Merative

# High Cost Claimants

Seventeen high cost claimants had over \$1M in medical claims in 2023, while the remaining 2,866 high cost claimants account for claims ranging from \$100k to \$1M.

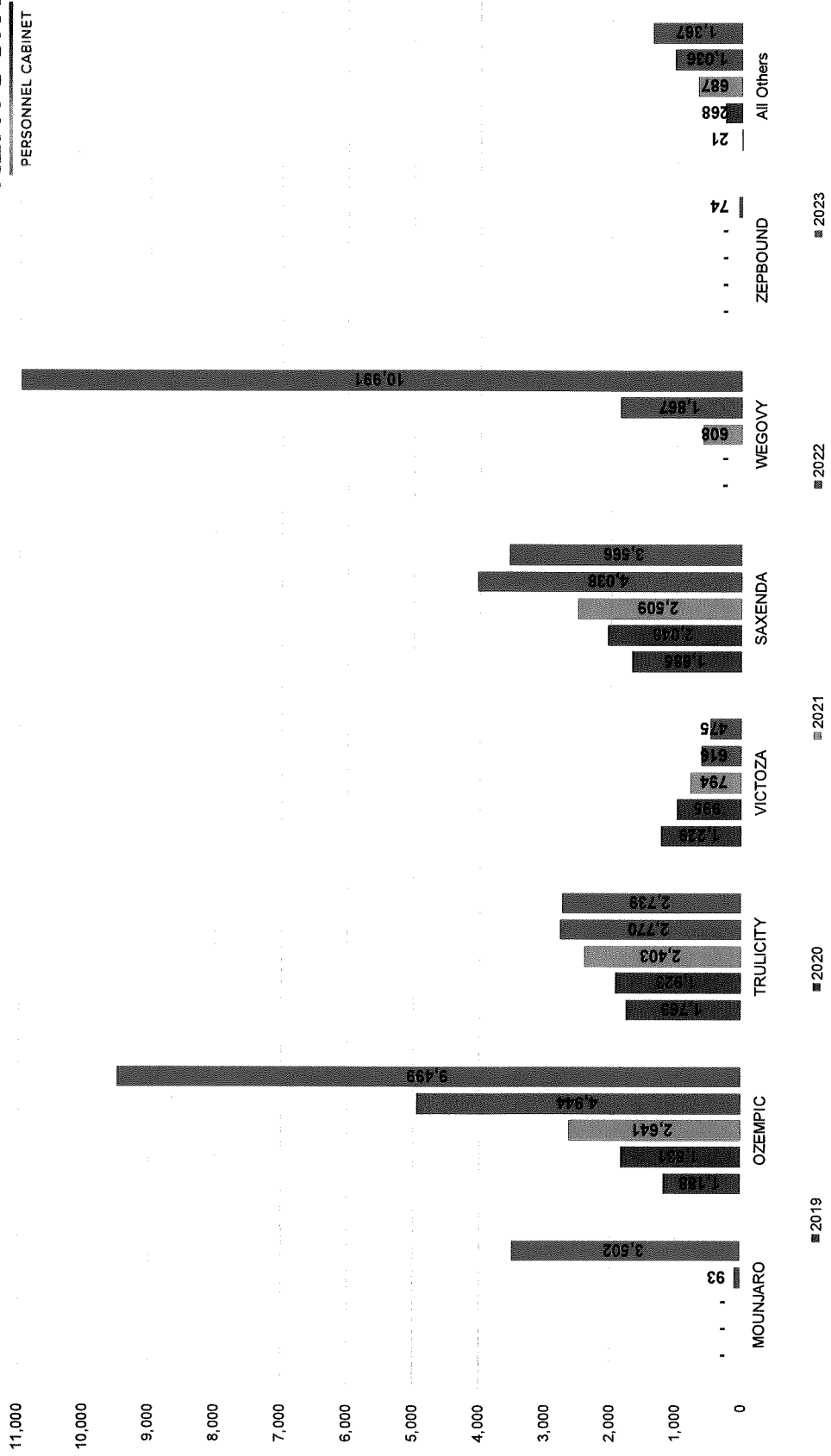
High cost claimants ( $\geq$  \$100K) continue to drive the overall cost trend.



Source: KEHP claims data aggregated by Merative

# GLP-1 Patients

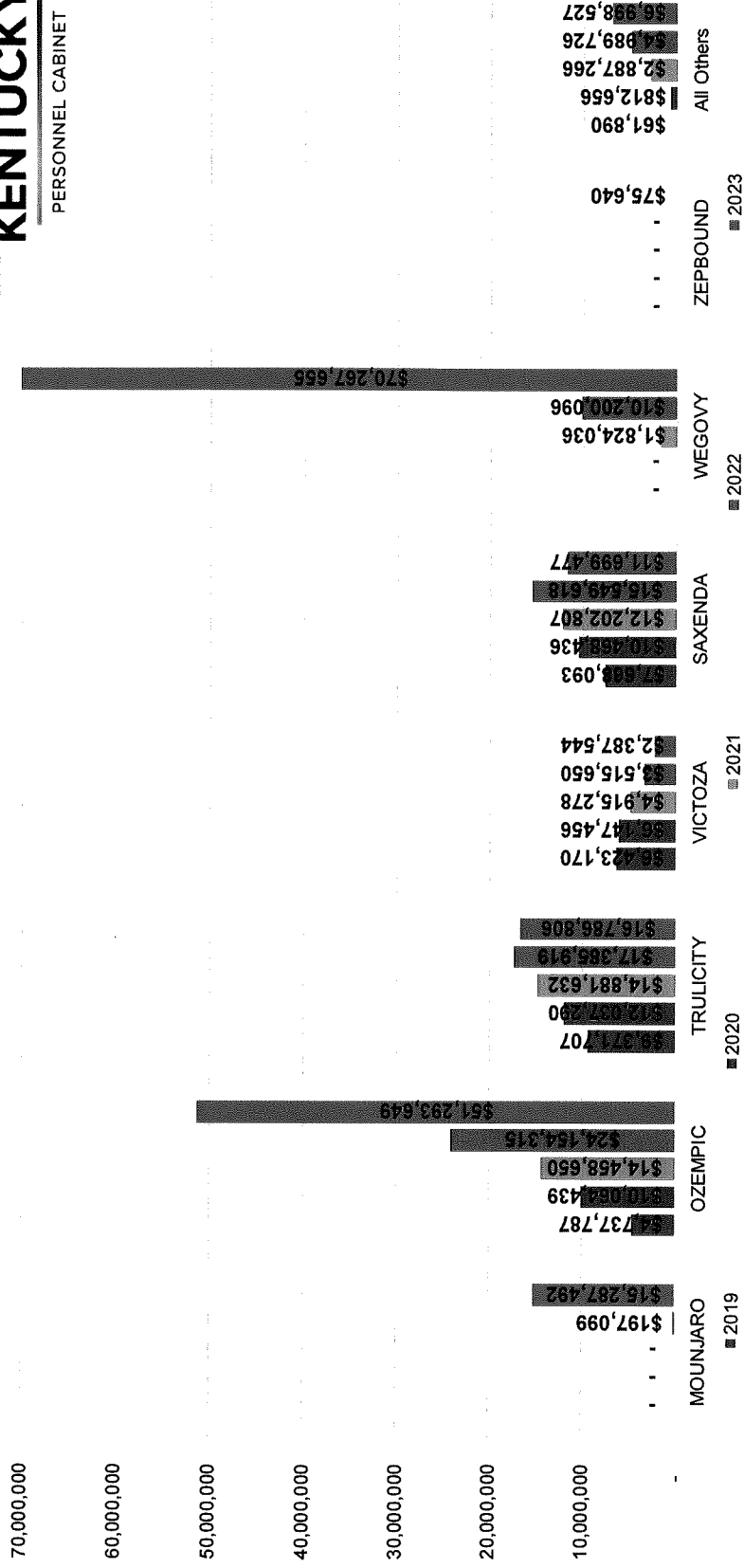
The total number of GLP-1 patients has increased from 5,886 in 2019 to 32,213 in 2023, for an overall 447% increase.



Source: KEHP claims data aggregated by Merative

# GLP-1 Plan Paid Totals

The plan paid amount for GLP-1 medications increased from \$28M in 2019 to \$175M in 2023, an increase of 518%. These amounts are before applicable rebates.



Source: KEHP claims data aggregated by Merative

# 2023 Prescription Fills

KEHP Members filled over four million prescriptions in 2023, of which 34% were filled at Kentucky Independent Pharmacies.



Pharmacy Type	Total Scripts	Allowed Amount	Plan Paid	Out of Pocket
Kentucky Independent Pharmacies	1,457,006	\$137,797,394	\$121,157,307	\$16,444,095
All Other Pharmacies	2,788,315	\$679,928,268	\$605,203,011	\$57,401,786
<b>Total</b>	<b>4,245,321</b>	<b>\$817,725,662.27</b>	<b>\$726,360,318.29</b>	<b>\$73,845,880.63</b>

Source: KEHP claims data aggregated by Merative

# Board Recommendations for Plan Years 2023–2025

- Provide state-of-the-art benefits while maintaining reasonable premiums.
- Offer benefits that meet the needs of a diverse workforce.
- Improve employee health and wellbeing.
- Provide the tools to manage chronic disease conditions.
- Implement actuarial recommendation to establish plan reserves.
- Increase member engagement in health and wellness programs.
- Educate and drive members to high-quality, cost-effective care.
- Help employees understand KEHP programs and tools available.

Source: KEHP Nineteenth Annual Report of the Kentucky Group Health Insurance Board