

Teachers' Retirement System of the State of Kentucky

Public Pension Oversight Board

Sept. 27, 2022

Gary L. Harbin, CPA
Executive Secretary

Two Plans for TRS Health Benefits

KEHP **Kentucky** **Employees'** **Health Plan**

- Under 65 and not Medicare-eligible
- Same fund as active teachers and state employees
- Coverage options

MEHP **Medicare** **Eligible Health** **Plan**

- Medicare-eligible or 65 & over
- Exclusively TRS members
- One plan

Insurance Details Can Change

Kentucky law guarantees retired teachers access to group coverage, but the details of that coverage – including costs, subsidy and level of coverage – can change.

2023 Premiums

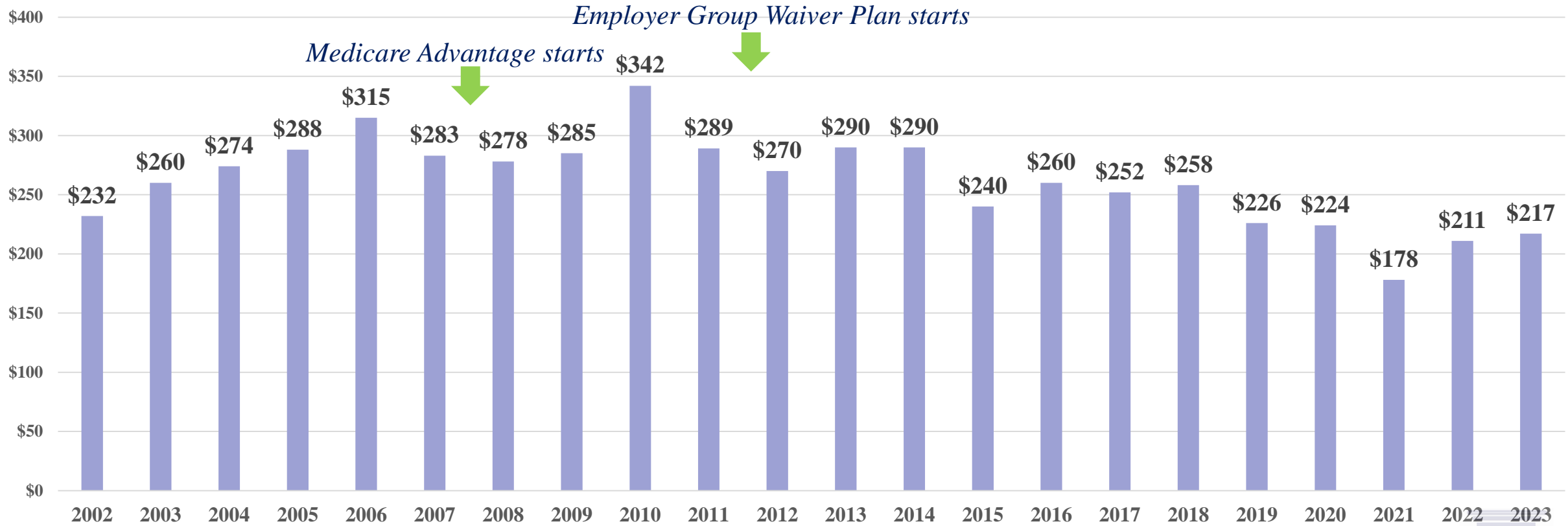
Board Approved Rates

Kentucky Employees' Health Plan (KEHP)

Up to \$767.56 per month

TRS Medicare Eligible Health Plan (MEHP)

Up to \$217 per month



Premiums Held Almost Constant For 20 Years

Prescription for Success

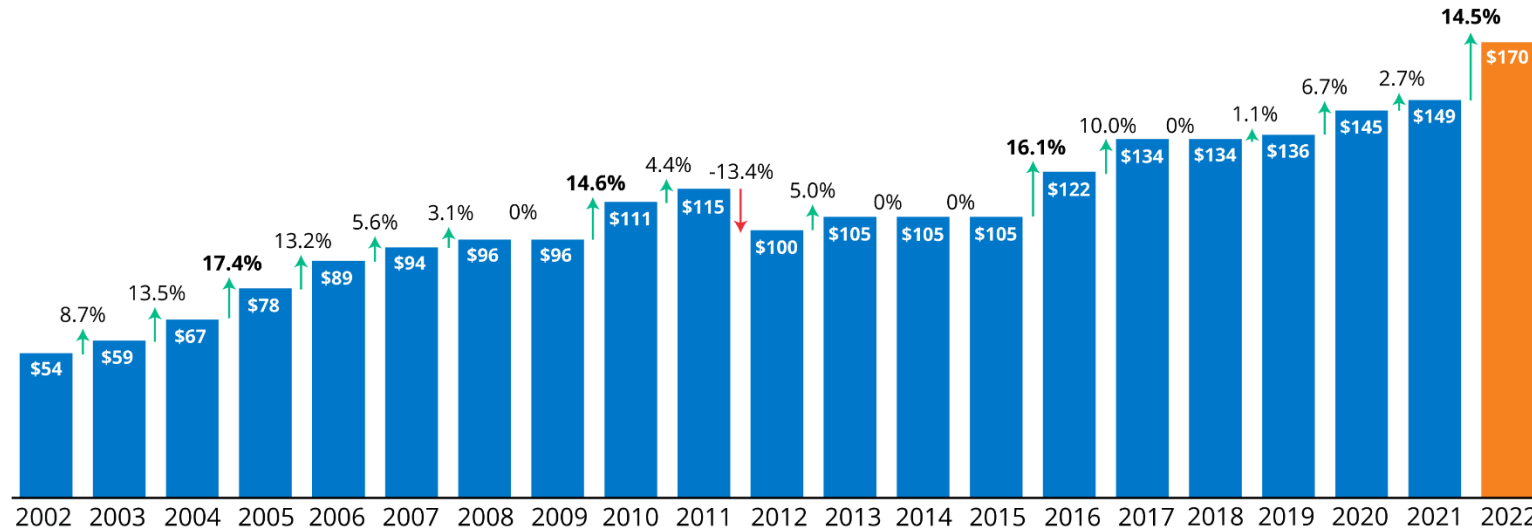
How Premiums Have Been Held Down Using 2021 Rates

- Shared Responsibility, federal subsidies, formulary rebates, drug purchasing discounts and early adoption of Medicare programs
- Must remain vigilant because none of these revenue sources are guaranteed

2021 Retiree Health Care Monthly Cost Per Member	
Actual cost (Includes hospitalization, doctor visits, labs, prescription drugs, administration fees)	\$ 2,046.24
Retiree pays Medicare Part B	(\$ 148.50)
Retiree cost share on prescriptions	(\$ 41.05)
Payment to United Healthcare by Medicare	(\$ 918.36)
Drug discounts	(\$ 527.58)
Formulary rebates	(\$ 106.19)
Federal drug subsidies	(\$ 126.95)
Remaining Cost	\$ 178

The Medicare Part B Premium Rose to \$170.10 per Month in 2022

14.5% Increase is Among the Largest in Program History



NOTE: Monthly premiums are rounded in this exhibit.

SOURCE: KFF analysis of the 2021 Annual Report of the Boards of Trustees of the Federal Hospital Insurance and Federal Supplementary Medical Insurance Trust Funds and CMS, "Medicare Program; Medicare Part B Monthly Actuarial Rates, Premium Rates, and Annual Deductible Beginning January 1, 2022," 86 Federal Register 64205, November 17, 2021.



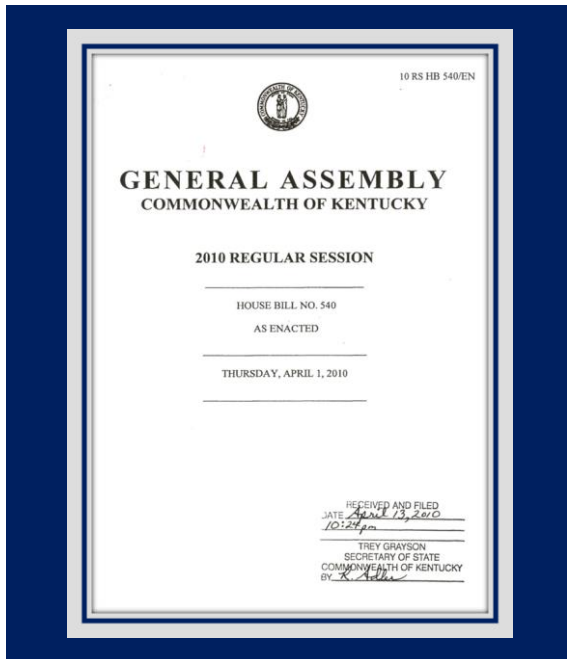
Source: Kaiser Family Foundation



Shared Responsibility

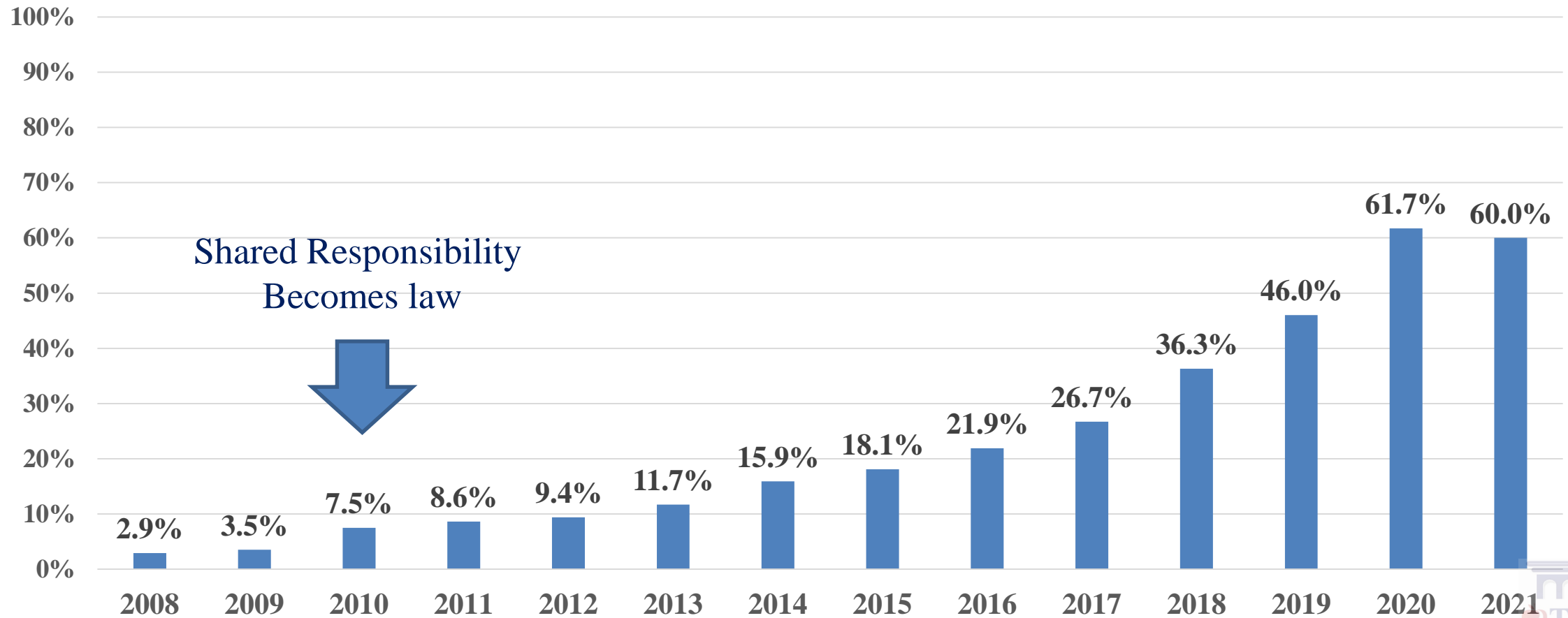
In Second Decade

Shared solution providing permanent funding for retiree health care



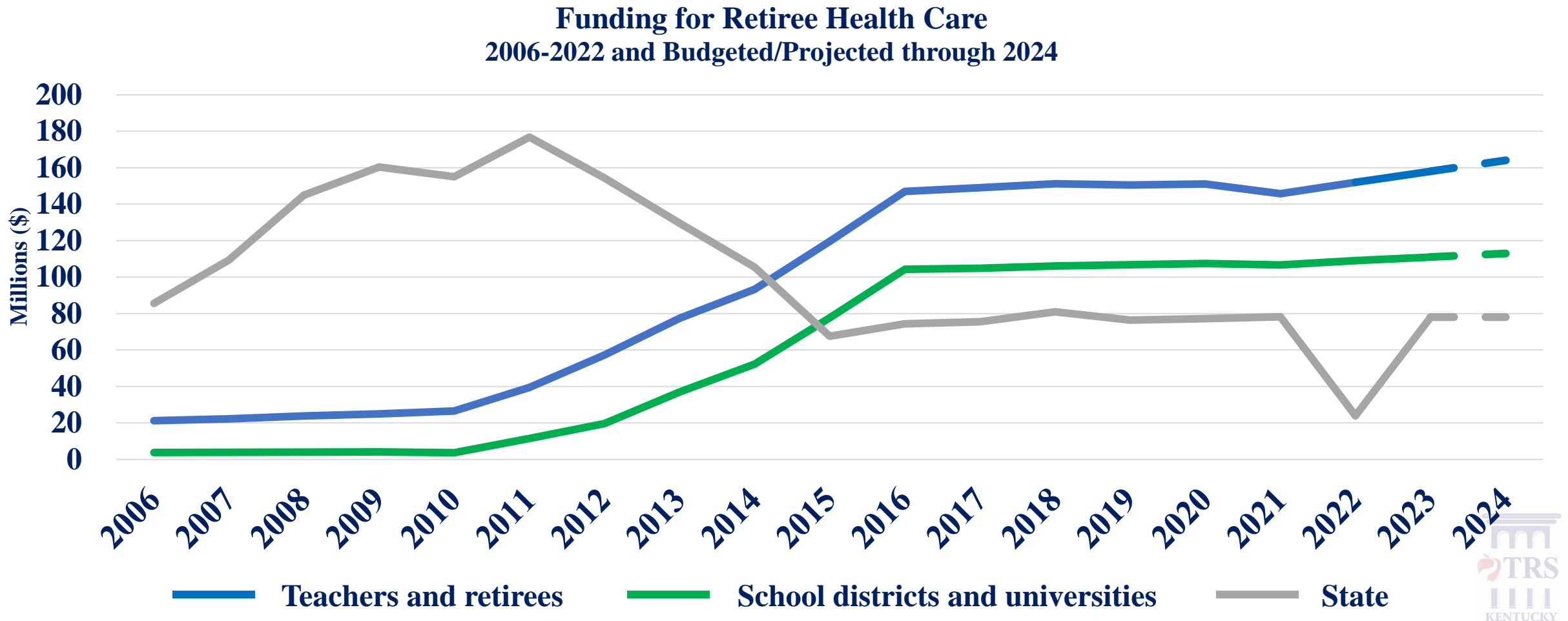
TRS Health Insurance

Funded Status



Shared Responsibility

How the Cost Has Been Shared



KEHP

MEHP

Know Your Rx Coalition

Free counseling with live pharmacists

Know Your Rx Coalition *Pharm-Assist*

Hours: Monday to Friday, 8 a.m. to 6 p.m. ET

Phone: 855-218-5979

Email: KYRx@uky.edu

Website: www.KYRx.org



KEHP

MEHP

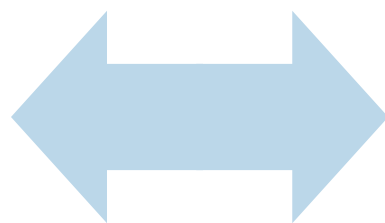
Personalized Medicine



TRS Solution: Personalized Medicine Partnership

CORIELL
LIFE SCIENCES

You
Your Doctor
Your Pharmacist





Our Members Come First!

800-618-1687

**8 a.m. – 5 p.m. ET
Monday – Friday**

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<https://trs.ky.gov>

Protecting & Preserving Teachers' Retirement Benefits