

TEAM  
**KENTUCKY**<sup>®</sup>

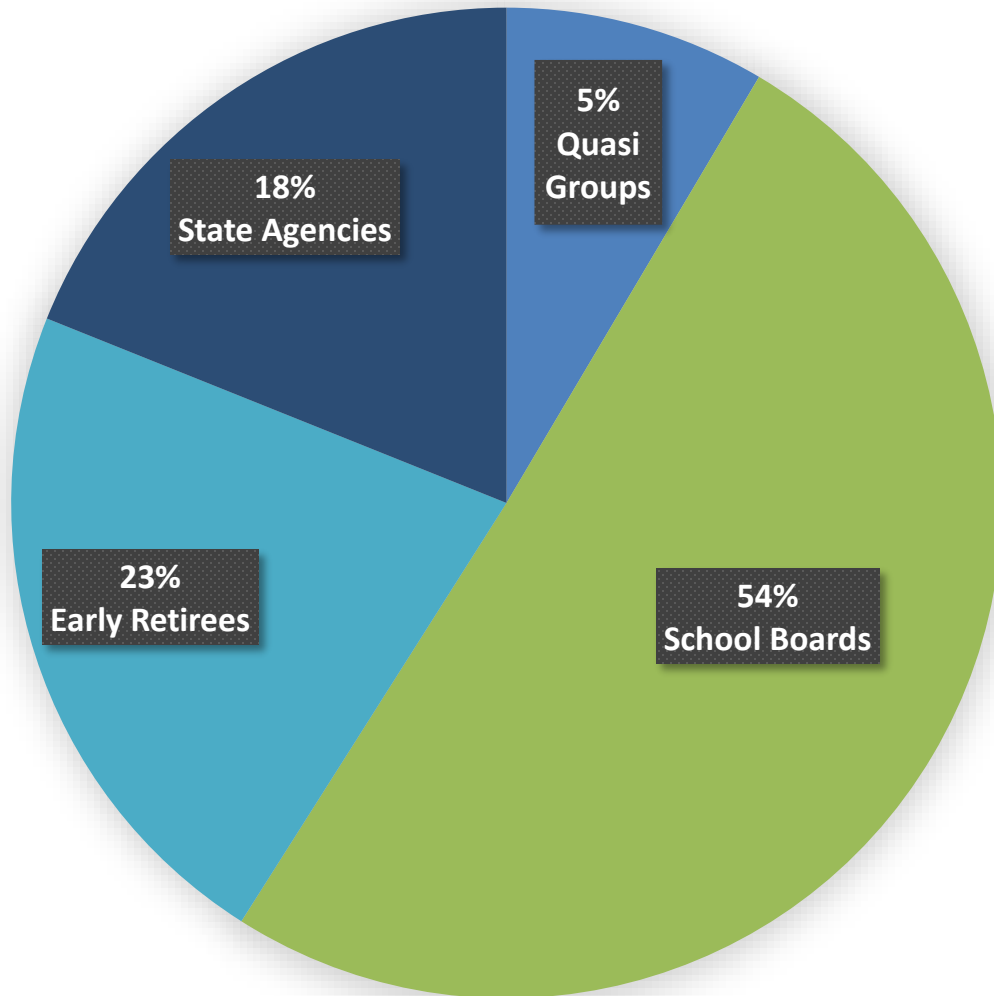
PERSONNEL CABINET

Kentucky Employees'  
Health Plan

KEHP Update  
to the  
State Government  
Interim Joint  
Committee

September 2022

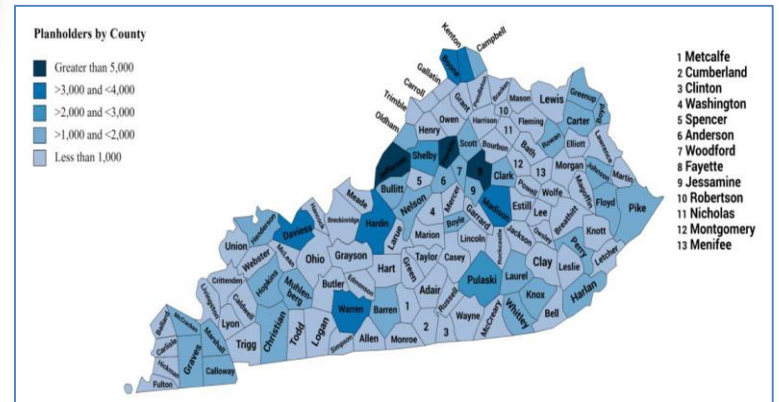
# Members by Group



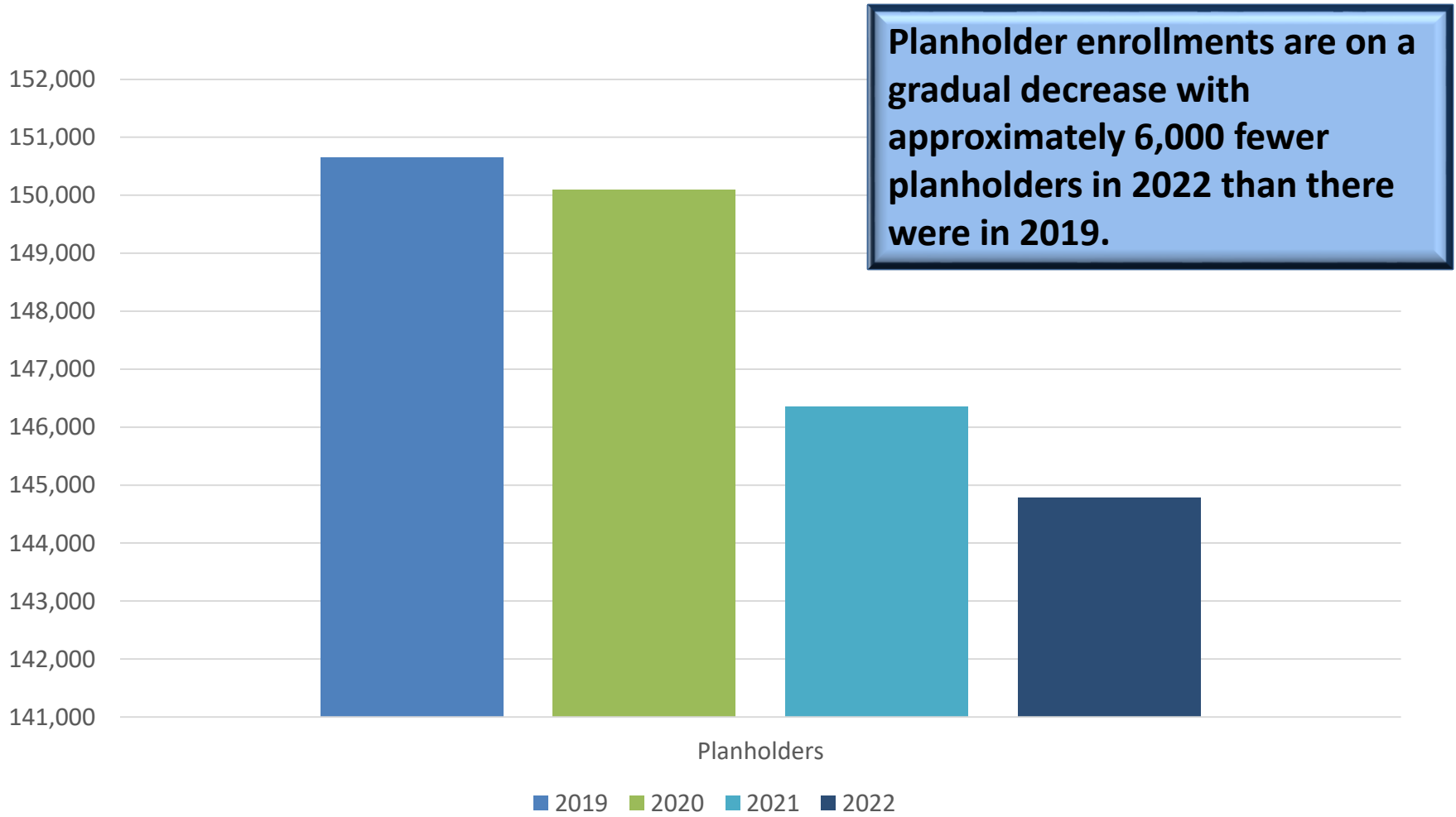
**KEHP administers health and flexible spending benefits for nearly 300,000 people in Kentucky.**

**Over half of KEHP members are school board employees.**

**There are KEHP planholders in every Kentucky county.**

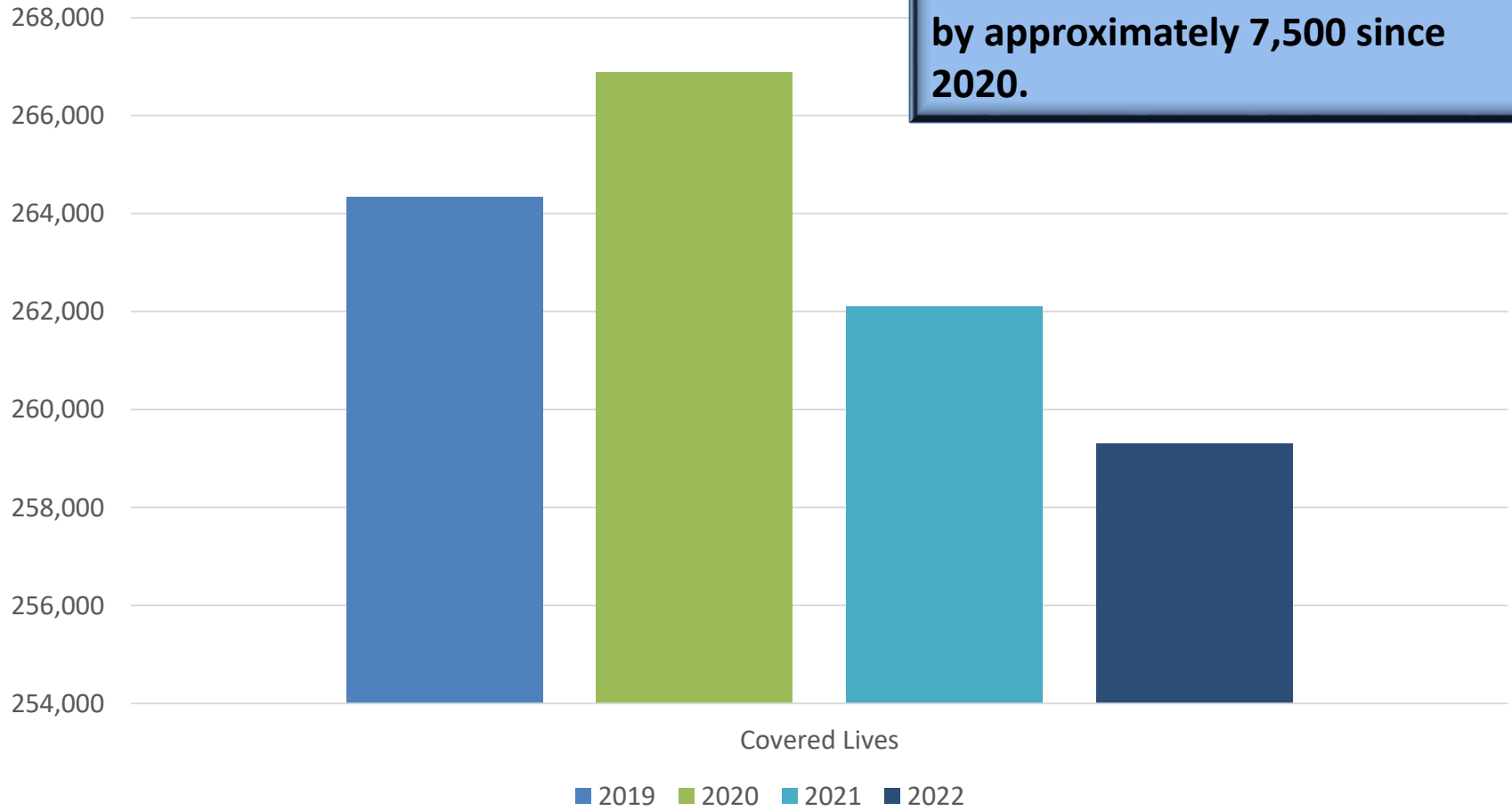


# KEHP Planholder Enrollment Trend

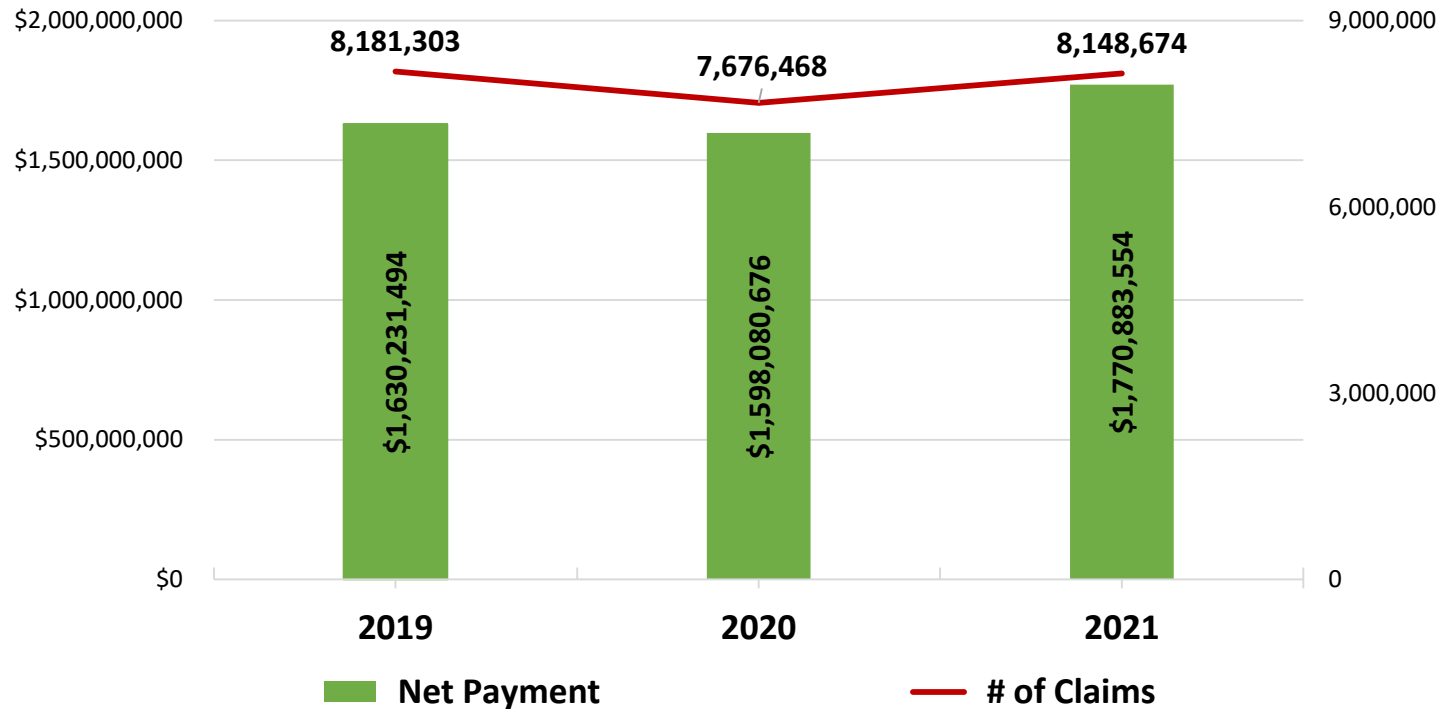


# KEHP Covered Lives Trend

**Covered lives have also declined by approximately 7,500 since 2020.**



# Net Payments and Claims by Year



Although membership is decreasing, the average net payments per claim continued to grow over the years, from \$199.26 in 2019 to \$217.32 in 2021.

# Plan Expenses

**95.8% of KEHP expenses are claims payments**

**Medical Claims  
63.1%**

**Prescription  
Claims  
28.1%**

**HRA Claims  
4.6%**



**Prescription  
Administration  
Expense  
0.5%**

**Operating  
Expense  
0.5%**

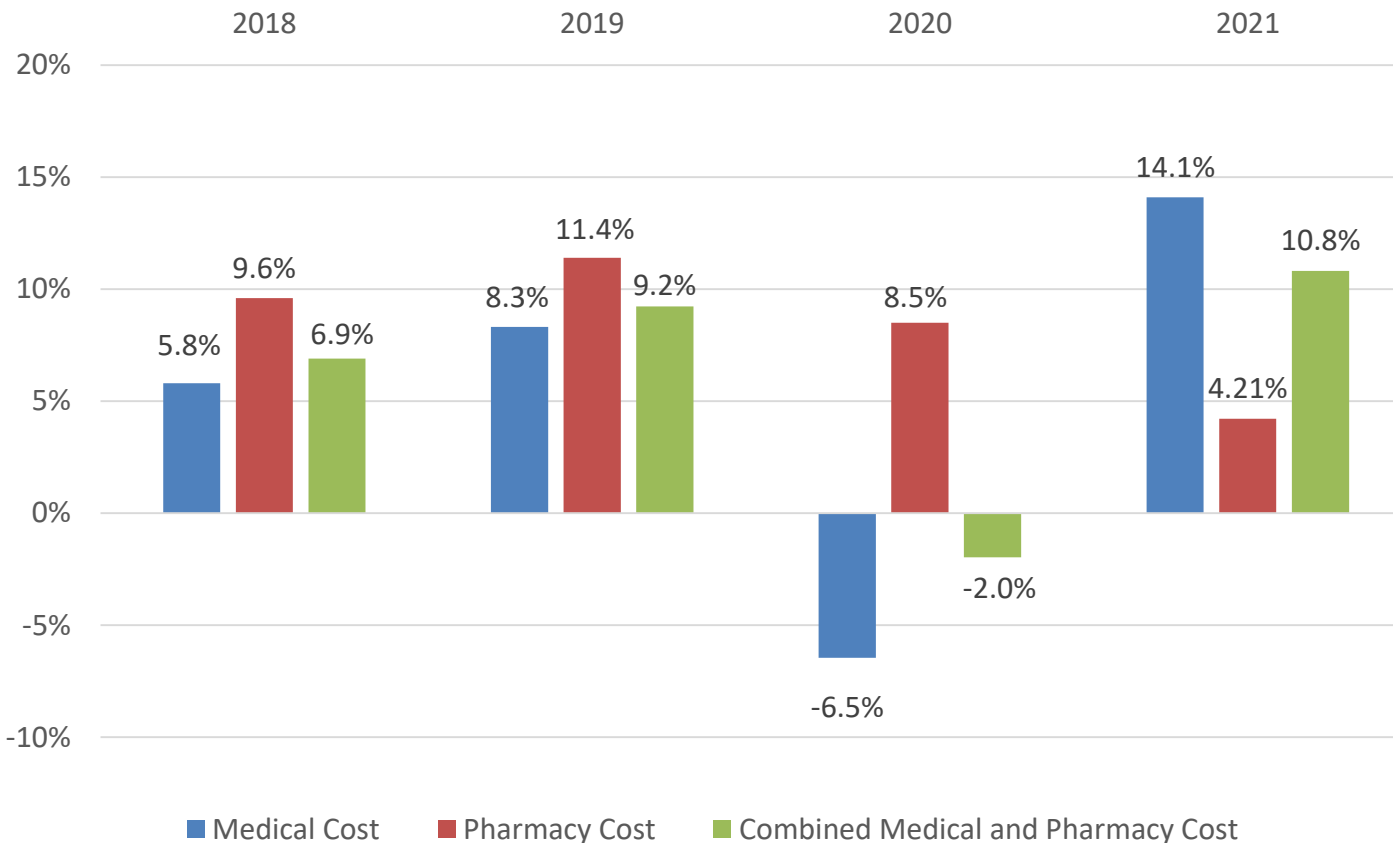
**Medical Administration  
Expense  
3.2%**

**DEI salaries  
are less than  
one-fifth of a  
penny of  
every dollar  
spent!**



# Past Trends

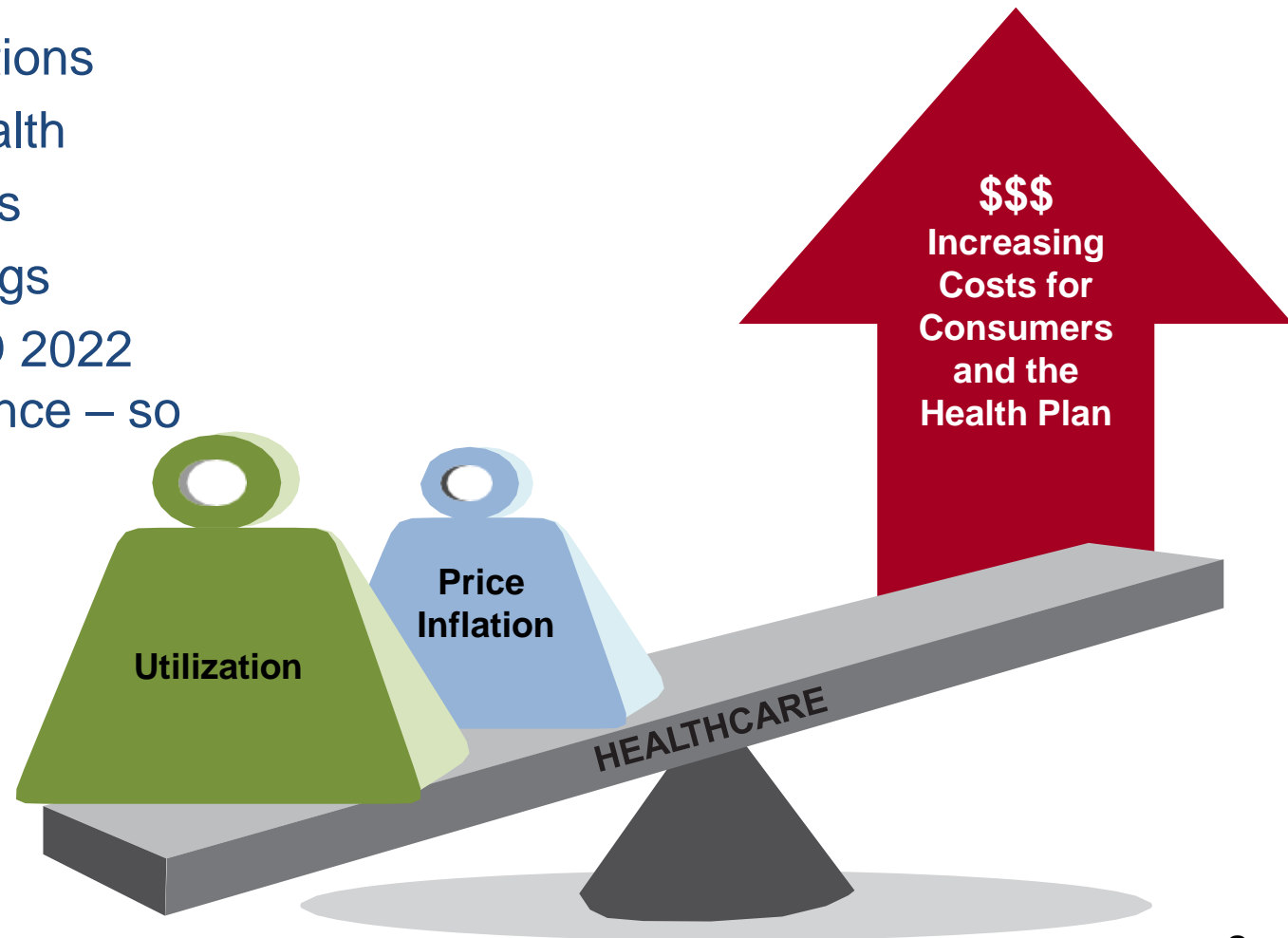
## Medical and Pharmacy Trends



**The 2020 pandemic caused a precipitous trend decrease in medical claims in 2020; followed by a sizeable increase in the first half of 2021.**

# 2022 Expectations & Beyond

- ❖ Price Inflation
- ❖ Chronic Conditions
- ❖ Behavioral Health
- ❖ Specialty Drugs
- ❖ Traditional Drugs
- ❖ Favorable YTD 2022 claims experience – so far...





# 2023 Plan Year

- ❖ 10% employer premium contribution increase
- ❖ No increase in employee premium contributions
- ❖ No changes to co-pays, co-insurance, deductibles, or maximum out-of-pocket amounts
- ❖ Eliminated the LivingWell High Deductible Plan
  - LivingWell Basic CDHP w/o HRA funds is the new default plan – for new employees who fail to elect a plan



# KEHP Programs – Spotlight

## ❖ New Program for Musculoskeletal Conditions

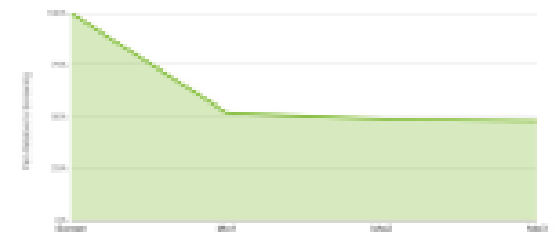
- **Hinge Health** provides at-home therapy

**5,560 Enrolled since the inception of the program in March 2022.**

### CLINICAL OUTCOMES

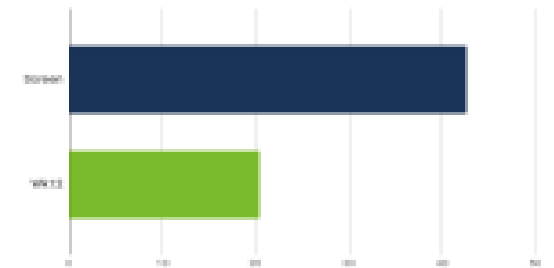
#### PAIN

**↓ 52%**  
Pain reduction



#### SURGERY

**↓ 66%**  
Surgery likelihood (1 yr)



#### MENTAL HEALTH



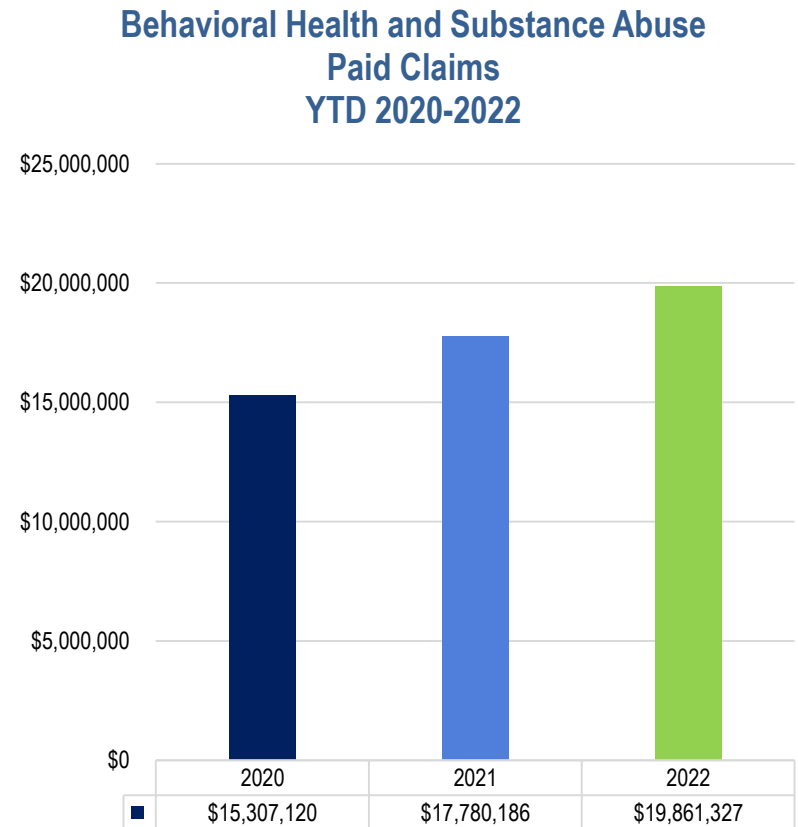
**↓ 82%**  
Anxiety incidence

**↓ 79%**  
Depression incidence

# KEHP Programs – Spotlight

## ❖ Behavioral Health

- LiveHealth Online
- Learn to Live
- Resource Center
- RethinkCare



# KEHP Programs – Spotlight

## ❖ Diabetes

- Value Based Benefits
  - Bypass the deductible
  - Reduced copay/coinsurance
  - \$30 Max copay – 30-day supply
- LARK
  - Diabetes Prevention Program
- DSMES
  - No copay
  - Physician referral required

# Decision Process

