

Kentucky Teachers' Retirement System

Information for

National Coalition on Health Care



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Field of Membership

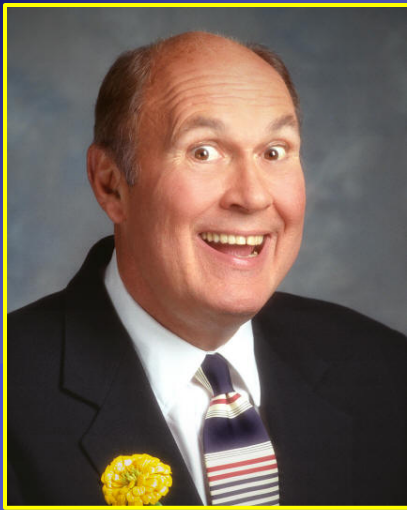
Active	0 – 26 Years	Non-eligible	43,976
	27+ Years*	Eligible	<u>14,991</u>
	Total Active		58,967
	Sub/PT/Retired Return to Work		<u>15,584</u>
	Total Contributing Members		74,551
Inactive			18,506
Retired, Beneficiaries & Survivors			48,463
Total			141,520

** and/or age 55 with 5 or more years of service within the next fiscal year*

KTRS Health Plan DEMOGRAPHICS

- ◆ 13,000 KEHP Planholders
- ◆ 30,000 MEHP Medicare Beneficiaries
 - ◆ Average MEHP age is 74

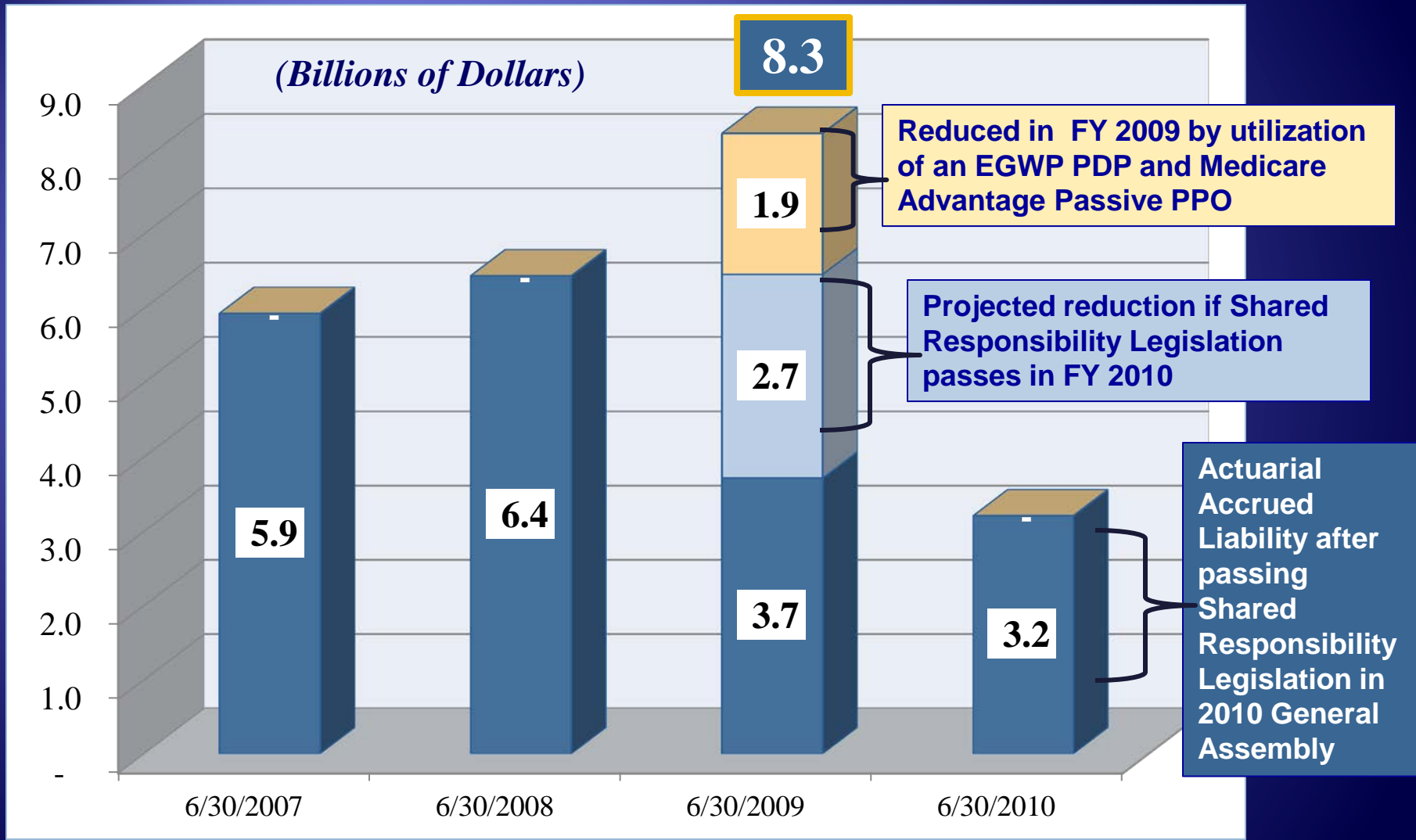




**Let's Have a Big "Shout-Out"
to KTRS Retirees
LIVING LONGER!**

<i>As of Dec. 31st</i>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Age 100 years old or more	38	46	56	62	50	54
Age 95-99 years old	278	279	276	233	220	196
Age 90-94 years old	710	708	705	707	743	758
Age 80-89 years old	3,890	4,074	4,239	4,295	4,522	4,684
TOTAL RETIREES	4,916	5,107	5,276	5,297	5,337	5,692

Actuarial Accrued Liability



■ 6/30/2011 = \$3.1

■ 6/30/2012 = \$3.3

■ 6/30/2013 = \$3.1

■ 6/30/2014 = \$2.7

History of KTRS MEHP Premiums

YEAR	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Premium Cost	\$210	\$232	\$260	\$274	\$288	\$315	\$283	\$278	\$285	\$342	\$289	\$270	\$290	\$290	\$240

2015 Premium \$240
Still Bending the Trend!



History of KTRS MEHP Premiums

YEAR	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015					
Premium	\$310	\$333	\$360	\$374	\$399	\$315	\$333	\$379	\$397	\$340	\$399	\$379	\$399	\$399	\$340
	2006	2006 - 2010					2010								
	Began Medicare Part D as a result of the Medicare Modernization Act of 2003.	Full RFP with move to full replacement and fully insured Medicare Advantage PFFS with original savings of \$10 million per year for 2007 and 2008. Valued benefit of SilverSneakers added in 2007.					Shared Responsibility enacted.								
	Received \$12 million per year in RDS primary subsidy for a four year total of \$54 million.	With Medicare Advantage, now in our 9th year, KTRS has been able to mirror our existing plan design from 2006 with minimal member disruption in regards to plan design and network. No material change in deductibles, copayments, coinsurance, and out of pocket maximums from 2006 through 2015 on the medical side of the KTRS MEHP.					In Mid 2010 converted to a fully insured Medicare Advantage Passive Local PPO.								

History of KTRS MEHP Premiums

2011 - 2014

KTRS Continues to Bend the Trend!

YEAR

200

2014

2015

Premium

\$310

\$330

\$360

\$374

\$388

\$315

\$330

\$370

\$385

\$340

\$380

\$370

\$380

\$380

\$340

2011

2012

2013

2014

Moved to an EGWP PDP With Medco.

KTRS joined the Know Your Rx Coalition with Express Scripts as PBM with EGWP plus wrap.

MEHP Spousal Shared Risk Waiver enacted.

Moved to ESI Medicare High Performance Formulary with 3rd tier non-formulary drugs at 50%.

Part B Only Waiver Plan Brought Under the Medicare Advantage Program.

Medco and Express Scripts merged.

Medicare Right Payer enacted.

Began pilot program with Edumedics on diabetes and/or high blood pressure and high cholesterol.

History of KTRS MEHP Premiums

YEAR	200	<i>The Trend Continues!</i>										2014	2015		
Premium	\$210	\$232	\$260	\$274	\$288	\$315	\$283	\$278	\$285	\$312	\$280	\$270	\$200	\$200	\$240

~ 2015 ~

Market check turned into full RFP and KTRS converted to **fully insured Medicare Advantage National Passive PPO** at a **\$40 PPPM** savings of **\$13 million per year** with **premium rate guarantees for 2015 and 2016** and **a rate cap for 2017**.

Added value benefits of onsite UHC FTE, \$500 hearing aid allowance every 36 months, and 6 general podiatry visits at no cost to the patient.

Also, RFP on the Medicare Part D EGWP Drug Plan resulting in a conversion back to self-funded with projected savings of \$20 PPPM for \$6 million per year.

Retiree Communication: The 2016 Medicare Part B Premium and Premium Equivalent Will Reverse These Trends

- ◆ Preliminary reports and projections show that the 2016 Medicare Part B premium could go as high as \$159.30.
 - ◆ Currently the standard 2015 Medicare Part B premium and premium equivalent is \$104.90.
 - ◆ This increase will affect both the under and over 65 retirees.
 - ◆ Medicare retirees pay this premium directly to the Social Security Administration.
 - ◆ As part of HB540, the Shared Responsibility solution, pre-Medicare eligible retirees pay this directly to the KTRS medical trust fund.
 - ◆ The federal government will make a final decision in late October or early November.

Stay tuned in on this and watch the future KTRS newsletters.

Ohio River Valley Needs Your Help With No 52% Increase in Medicare Part B Premiums for 2016

Kentucky/Ohio Public Entity	Lives Affected
Kentucky Teachers' Retirement System (KTRS)	48,000
School Employees Retirement System of Ohio (SERS)	18,000
State Teachers Retirement System of Ohio (STRS Ohio)	150,000





Teachers' Retirement System
of the State of Kentucky

*Our Members
Come First!*

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Protecting & Preserving Teachers' Retirement Benefits