**Presiding:** Burr, Stephen, (Chair), Enterprise CISO – ITS Security & Policy

**Present:** Adkins, Todd, Risk Mgmt./Campus Accessibility Exec Dr – Risk Management

Albrecht, Travis, Know Your Rx (KYRx) Representative

Beatty, Azetta, Manager, Work Life

Boelhauf, Marissa, Know Your Rx (KYRx)

Buchheit, Rudolf, Dean, College of Engineering

Doty, Christopher, COM – Professor – Emergency Medicine

Ensman, Jody, Manager, Health and Wellness

Farmer, Hannah, Benefits Specialist

Greer, Jennifer, Dean, College of Communications and Information

Martin, Troy, Facilities Planning Director – Library Administration

Routt, Thalethia, Executive Director Procurement Compliance – Procurement Services

Vega, Leslie, HR Informatics Business Partner

Ward, George, AVP Economic Development and Real Estate – Economic Development

Williams, Dominick, Chief Operations Officer Student Success

Ex Officio:

Amos, Richard, Chief Benefits Officer/Executive Director Know Your Rx Coalition

Carbol, Gail, HR Manager/Benefits – Employee Benefits

Frederick, Melissa, Chief Human Resources Officer - Human Resources Administration

Martin, Angie, Chief Budget Officer – University Budget Office

Younce, Elaine, Chief of Commercial & Government Payer Admin – EVPHA Revenue Management

**Absent:** Bender, Patty Bender, Retiree

Cox, Penny, Treasurer Financial Services Administration

Hahn, Grace, Academic Advisor Director – CAFE Academic Advising

Ivey, Steve, HR Communications Director

Lasley, Catie, AVP HR Operations

Miller, Stacy, Ag Extension Director Assistant – Program and Staff Development

Stamper, Shannan, Deputy General Counsel/ Finance & Administration – Office of Legal Counsel

Swartz, Colleen, VP of Hospital Integration/UKHC – EVPHA Administration

Talbert, Tukea, Chief Diversity Officer EVPHA

Tearney, Michael, Retiree

**Recorder**: Robinson, Sherri, HR Benefits, Administrative Support Associate

| **Agenda Item & Speaker** | **REPORT** | **ACTION** |
| --- | --- | --- |
| **Call to order – Stephen Burr** | Stephen Burr called the meeting to order at 1:01 PM. | No action needed. |
| **Review of the**  **January 6 Minutes** | Stephen Burr asked for review and approval of the minutes.   * Leslie Vega approved. Thalethia Routt seconded. | Minutes were approved by a show of hands. |
| **KYRx Presentation:**  **Travis Albrecht and Marissa Boelhauf** | **Know Your Rx Coalition**   * **Two Major Components of UK Insurance offered to employees** * **Medical benefit** provided by Anthem for doctor, ER, and hospital visits. * **Prescription benefit** managed by Express Scripts for pharmacy needs.   + Employees automatically receive both benefits when they enroll. * **“Carve Out”** * Express Scripts manages the prescription benefit rather than the medical vendor managing both. * Achieves greater cost-effectiveness for their plans. * **Self-funded** * UK Medical plans are self-funded which include the prescription benefit. UK and employee contributions pay medical plans. * Stop-loss insurance protects the plan against catastrophic claims. * **Prescription Process** * There is a patient cost and plan cost for prescriptions filled at the pharmacy. UK employee medical insurance pays the balance of the claim. Express Scripts processes the claim on our behalf, but UK medical plans pay the bill from its pool of contributions. * **Coalition History** * Established in 2011 by the UK Benefits department. The initial coalition was comprised of three regional universities.   + University of Kentucky   + University of Louisville   + Eastern Kentucky University * Expanded to 15 entities (14 in KY and 1 in Ohio) covering over 200,000 lives. * KYRx has obtained a 5:1 return on investment for its clients * Achieves a strong return on investment and maintains a high client retention rate (~90%). * **Services Provided** * Employs 12 pharmacists with expertise in prescription benefit plan design and medication coverage.   + Manages a high volume of support calls—approximately 2,900 outbound and 2,800 inbound calls per month. * **Assist members** * Questions about medication costs and coverage. * Guidance on formulary changes. * Navigating prior authorization issues. * Initiative-taking outreach for high-cost prescriptions and potential plan adjustments. * **Savings & Impact (2024 Data)**   + Demonstrated significant savings for both the UK Employee and Medicare Plans through targeted interventions. * **Limitations & Additional Details** * KYRx does not manage enrollment changes; those are overseen by HR Benefits. * It does not manage Workers’ Compensation claims. * Outreach efforts are focused on alerting members about formulary updates, cost-saving opportunities, and changes in plan design. |  |
| **Benefit Updates:**  **Richard Amos and Gail Carbol** | * **Health Plan Challenges**   Current plans are not financially sustainable going forward.  Health expenses are greater than premiums paid by the university and its employees, causing expenses to be paid by university’s reserve funds.  Too many plans without distinct options.  Benefits optimization project found employees want lower premiums and more flexibility.   * **Our Principles** * Respond to employee feedback from the benefits optimization project   + Provide a lower-cost option   + Increase provider network flexibility * Offer plans that are truly distinct in both design and cost. * Provide competitive choices. * Align plan design and employee contribution to our benchmark institutions (50th percentile). * Reduce number of plans by eliminating the least fiscally sustainable. * Rebuild reserve funds and stabilize budget risks. * Balance impact to both employee and university costs. * Adjustments (e.g., moderate increases in premiums, deductibles, and copays) have led to unexpected cost savings. * Secure fiscal sustainability for our health insurance plans. * Focused on changes to non-HMO plans to break even and not operate at a loss. * Progress toward replenishing reserves. * Look at all plans for 2025-26 and beyond. * **Review Process** * Comprehensive review from UK Human Resources, UK HealthCare, University Budget Office and Aon consultants reviewed. * Expenses for all insurance plans. * Plan design models. * Pricing models. * Multiple scenarios to plan for the future. * **Further Review** * Met with stakeholders across the university to gather feedback and socialize the need to make changes this Year. * Employee Benefits Committee. * Group of staff senators. * Dave Melanson, UK Board of Trustees staff representative. * Laura Stephenson, Vice President for Land-grant Engagement, Martin-Gatton College of Agriculture, Food and Environment. * **Our 2025-26 Plan** * Increase contribution toward health insurance. * Implement changes in plan design. * Offer distinct choices to employees. * Set rates to closely match plan cost and value. * Eliminate the RHP and EPO plans that are not financially viable. * **Open Enrollment Process** * Consideration of active versus passive (or hybrid) enrollment. * For members in plans to eliminate (EPO and RHP), a default to the lowest-cost plan may be necessary if no action taken on confirming enrollment. * Plans differ in monthly premiums, out-of-pocket costs, and provider network. * **Voluntary Benefits** * Upcoming RFPs for voluntary benefits including life insurance, accidental death/dismemberment, and stop-loss insurance. * Overview of the success of the Medicare Advantage plan, noting a 46% reduction in retiree premiums. * Update on the PBM re-bidding process (current vendor: Express Scripts; potential competitors include CVS and Optum). * Mention of student health plan details for graduate students (voluntary dental and vision). * **Dental and Vision** * Delta Dental renewal has no rate increases, locked for two years. * Eye Med Vision plans (Essential and Enhanced) also have no rate increases, with rates locked for five years. * Increased frame allowances for out-of-network services were noted. * **Retirement Plan Enhancements** * Secure 2.0 Section 109 allows a 50% increase in catch-up contributions: * Standard catch-up now $7,500; for employees aged 60–63, increased to $11,250. * **Committee Involvement** * Discussion on forming committees for upcoming RFP processes (medical plan administrator, voluntary benefits, retirement, among other areas) with a preference for small groups (around seven members). |  |
| **Meeting adjourned– Stephen Burr** | Stephen Burr ended the meeting at 2:20 PM.   * Elaine Younce approved. Penny Cox seconded. | No action needed. |