

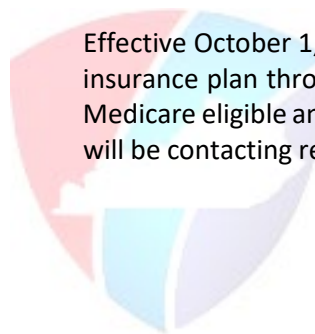
**House Bill 297 included a statutory amendment allowing KPPA to comply with a recent ruling by the Sixth U.S. Circuit Court of Appeals regarding the Medicare Secondary Payer Act (MSPA).**

Several years ago Kentucky Retirement Systems sought guidance from both the Centers for Medicare and Medicaid Services (CMS) and from outside legal counsel regarding how to administer the MSPA. At the time, KRS was advised that the Systems could not provide insurance through its Medicare Advantage (MA) plan to retired members who are reemployed with a participating employer if that position offers the retiree health insurance benefit coverage through the employer. CMS indicated they would consider this as a violation of the Act, which could result in substantial penalties against Kentucky Retirement Systems.

On June 12, 2017, a lawsuit was filed in Franklin Circuit Court challenging the Kentucky Retirement Systems' implementation of the MSPA.

Four years later, in June 2021, the United States Court of Appeals for the Sixth Circuit issued an opinion rejecting Kentucky Retirement Systems' (now KPPA's) application of the MSPA. As a result, KPPA requested that House Bill 297 include language allowing more than 300 current retired members, and any future retirees who may fall into this category, to participate through KPPA in the KEHP plans offered by DEI (Department of Employee Insurance).

Effective October 1, 2022, the systems operated by KPPA will establish a new hospital and medical insurance plan through the Kentucky Employees Health Plan (KEHP) for retired members who are Medicare eligible and reemployed in a regular full-time position with a participating employer. KPPA will be contacting retired members affected by the court decision and HB 297 regarding next steps.



**KPPA**  
Kentucky Public Pensions Authority