

# **INSURANCE, BENEFITS & LEGISLATIVE COMMITTEE MINUTES 5-6-10**

## **PRESENT**

- Les Robbins, Chair
- William de la Garza, Vice Chair
- Edward L. Blecksmith
- Simon S. Russin

## **ABSENT**

- Will Pryor, Alternate

## **ALSO ATTENDING:**

## **BOARD MEMBERS AT LARGE**

- Yves Chery
- Ed C. Morris

## **STAFF, ADVISORS, PARTICIPANTS**

- Robert Hill
- Robb Van Der Volgen
- Cynthia Lau
  
- Mercer Human Resource Consulting
- Laurie Silva

The meeting was called to order by Chairman Robbins at 10:40 a.m.

### **1. APPOINTMENT OF VOTING MEMBER(S) IN THE EVENT ONE OR MORE REGULAR COMMITTEE MEMBERS ARE ABSENT**

All regular members of the Committee were present.

### **2. APPROVAL OF THE MINUTES OF THE REGULAR MEETING OF APRIL 15, 2010**

A motion was made by Mr. de la Garza, seconded by Mr. Blecksmith, to approve the minutes of the regular meeting of April 15, 2010.

The motion passed unanimously.

### **3. ACTION ITEMS**

1. Recommendation as submitted by Cynthia Lau, Legislative Affairs Officer: That the Committee recommend the Board of Retirement adopt a "Watch" position on Senate Bill 1271, which would require posting a conflict of interest code appendix on the Internet Web site. (Memorandum dated April 27, 2010)

A motion was made by Mr. de la Garza, seconded by Mr. Robbins, to approve the recommendation.

The motion passed unanimously.

#### 4. FOR INFORMATION

##### 1. Staff Activities Report for April, 2010

The staff activities report was discussed.

##### 2. Health Care Reform Update (oral presentation)

Laurie Silva of Mercer discussed two issues of the new health care reform law.

#### **Age 26 dependent eligibility extension.**

HHS is urging employers and insurers to voluntarily extend dependent coverage in May to graduating students who would lose eligibility. This provision would actually not take effect until the LACERA plan year beginning July 1, 2011. Mercer is recommending caution in extending eligibility before being required to do so. Many things have not yet been defined with regard to dependent coverage, i.e. would the earlier extension eliminate the plan's grandfathered status, and who would pay the additional premium cost. Also, what would be the impact on the negotiated premiums for the next plan year.

#### **HHS has released some regulations on the early retiree reinsurance program.**

They are asking plans to project what their costs will be for this early retiree program over the next two plan cycles. The money available for this program is \$5 billion for the entire country, on a first-come, first-served basis. They will stop accepting applications once they reach the \$5 billion mark. It will be important for LACERA to submit their application as soon as it becomes available.

##### 3. Federal Legislation

- Weekly Highlights – April 26, 2010
- Weekly Highlights – April 19, 2010
- Weekly Highlights – April 12, 2010
- Weekly Highlights – April 5, 2010

Submitted for information only.

##### 5. MISCELLANEOUS

##### 6. PUBLIC COMMENT

##### 7. GOOD OF THE ORDER

(For discussion purposes only)

##### 8. ADJOURNMENT

 PROMISED BENEFITS | In 1937, a promise was made to County employees; we exist to uphold that promise.

6/10/10