

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

## **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
- Cassandra Smith
  
- Mercer Human Resource Consulting
- Clay Levister
- Laurie Silva

The meeting was called to order by Chairman Robbins at 10:15 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 SPECIAL MEETING OF MAY 6, 2010**

A motion was made by Mr. Blecksmith, seconded by Mr. de la Garza, to approve the minutes of the special meeting of May 6, 2010.

The motion passed unanimously.

### **3. FOR INFORMATION**

1. Staff Activities Report for May, 2010 The staff activities report was discussed.
2. CIGNA & Anthem Blue Cross Claims Experience

The CIGNA & Anthem Blue Cross Claims Experience reports through April 2010 were discussed.

3. Federal Legislation

- Weekly Highlights – May 24, 2010
- Weekly Highlights – May 17, 2010
- Weekly Highlights – May 10, 2010
- Weekly Highlights – May 3, 2010

More information is becoming available regarding the health care reform law. The application for early retiree insurance is now in the red-line stage. Rulemaking is now underway which will shape how insurers meet the medical-loss ratios.

#### 4. MISCELLANEOUS

On June 9, CVS Caremark announced it would terminate Walgreens participation in its retail pharmacy network within 30 days, for being in violation of contractual obligations. However, CVS Caremark and Walgreens are continuing negotiations to reach an agreement.

Approximately 14% of LACERA members have utilized a Walgreens pharmacy in the last three months. In the event the contract is terminated, those members will receive a letter from CVS Caremark which will identify three network pharmacies in their area. Members may still use Walgreens, though they could potentially be responsible for higher out-of-pocket costs.

CVS Caremark will inform LACERA as soon as a decision is reached, and if and when letters will be going out to affected members.

#### 5. PUBLIC COMMENT

#### 6. GOOD OF THE ORDER

(For discussion purposes only)

#### 7. ADJOURNMENT

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

7/15/10