

NOTICE OF MEETING AND AGENDA

SPECIAL MEETING OF THE INSURANCE, BENEFITS & LEGISLATIVE COMMITTEE and BOARD OF RETIREMENT*

LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION

**300 North Lake Avenue, Suite 810
Pasadena, CA 91101**

June 6, 2013 - 9:00 A.M.**

COMMITTEE MEMBERS:

Alan Bernstein, Chair
Vivian H. Gray, Vice Chair
William de la Garza
Shawn R. Kehoe
Ed C. Morris, Alternate

- I. APPOINTMENT OF VOTING MEMBER(S) IN THE EVENT ONE OR MORE REGULAR COMMITTEE MEMBERS ARE ABSENT
- II. APPROVAL OF THE MINUTES OF THE REGULAR MEETING OF MAY 9, 2013
- III. ACTION ITEMS
 - A. Recommendation from Cassandra Smith, Director, Retiree Healthcare Division: That the Committee recommend the Board of Retirement approve a premium reserve policy for the Retiree Healthcare Program's indemnity plans. (Memorandum dated May 9, 2013)
- IV. FOR INFORMATION
 - A. Staff Activities Report for May, 2013
 - B. Retiree Building Blocks to Better Health
 - C. Cigna & Anthem Blue Cross Claims Experience
 - D. Federal Legislation
 - Aon Hewitt Washington Report
- V. MISCELLANEOUS
- VI. PUBLIC COMMENT

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VII. GOOD OF THE ORDER

(For discussion purposes only)

VIII. ADJOURNMENT *and*
SET TIME FOR OPERATIONS OVERSIGHT COMMITTEE MEETING

***The Board of Retirement has adopted a policy permitting any member of the Board to attend a standing committee meeting open to the public. In the event five or more members of the Board of Retirement (including members appointed to the Committee) are in attendance, the meeting shall constitute a joint meeting of the Committee and the Board of Retirement. Members of the Board of Retirement who are not members of the Committee may attend and participate in a meeting of a Board Committee but may not vote on any matter discussed at the meeting. The only action the Committee may take at the meeting is approval of a recommendation to take further action at a subsequent meeting of the Board.**

****Although the meeting is scheduled for 9:00 a.m., it can start anytime thereafter, depending on the length of the Board of Retirement meeting preceding it. Please be on call.**

Any documents subject to public disclosure that relate to an agenda item for an open session of the Committee, that are distributed to members of the Committee less than 72 hours prior to the meeting, will be available for public inspection at the time they are distributed to a majority of the Committee, at LACERA's offices at 300 North Lake Avenue, Suite 820, Pasadena, California during normal business hours from 9:00 a.m. to 5:00 p.m. Monday through Friday.

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MINUTES OF THE SPECIAL MEETING OF THE
INSURANCE, BENEFITS & LEGISLATIVE COMMITTEE
and
BOARD OF RETIREMENT*

LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION

GATEWAY PLAZA - 300 N. LAKE AVENUE, SUITE 810, PASADENA, CA 91101

JUNE 6, 2013, 10:05 A.M. – 11:25 A.M.

COMMITTEE MEMBERS

PRESENT: Alan Bernstein, Chair
William de la Garza
Shawn R. Kehoe
Ed C. Morris, Alternate

ABSENT: Vivian H. Gray, Vice Chair

ALSO ATTENDING:

BOARD MEMBERS AT LARGE

Marvin Adams
Sadonya Antebi
Yves Chery
William Pryor (*left at 10:50 a.m.*)

STAFF, ADVISORS, PARTICIPANTS

Cassandra Smith
Leilani Ignacio

Aon Hewitt

Kirby Bosley Helen Batsalkin
Debbie Donaldson Stephanie Pronk

The meeting was called to order by Chairman Bernstein at 10:05 a.m.

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

The Chair appointed Mr. Morris a voting member of the Committee.

II. APPROVAL OF THE MINUTES OF THE REGULAR MEETING OF MAY 9, 2013

Mr. de la Garza made a motion, Mr. Kehoe seconded, to approve the minutes of the regular meeting of May 9, 2013. The motion passed unanimously.

III. ACTION ITEMS

- A. Recommendation from Cassandra Smith, Director, Retiree Healthcare Division: That the Committee recommend the Board of Retirement approve a premium reserve policy for the Retiree Healthcare Program's indemnity plans. (Memorandum dated May 9, 2013)

The Retiree Healthcare Program (RHP) administers indemnity health and dental/vision plans underwritten by insurance carriers. Premiums for these plans are established to cover all anticipated claims, expenses, and related costs. Our contracts contain provisions where we are required to reimburse the carriers when the premiums collected are insufficient to pay plan costs. While the RHP has operated for many years with an informal premium reserve policy of retaining 25% of the total annual premium costs, staff is now recommending formalizing the policy. Staff, Aon Hewitt, and the County of Los Angeles Chief Executive Office staff recommend establishing a 20% premium reserve. We believe this will provide sufficient adverse claims protection while balancing the need to administer a cost effective program.

Mr. de la Garza made a motion, Mr. Morris seconded, to approve the recommendation. The motion passed unanimously.

IV. FOR INFORMATION

- A. Staff Activities Report for May, 2013.

The staff activities report was discussed.

- B. Retiree Building Blocks to Better Health

On average, Americans die sooner and experience higher rates of disease and injury than people in other high income countries. Aon discussed the following eight success tactics to improve and maintain retiree health.

- Keep moving – lack of physical activity can lead to more doctor visits, hospitalizations, and use of medicines

IV. FOR INFORMATION (Continued)

- Safe environment – make the home safer to prevent falls, and fall-related problems
- Stay alert – keep the mind active to address anxiety, depression, and other mental health concerns
- Eat healthy – eat a balanced diet in proper proportions to help maintain a healthy life style
- Appropriate care – preventive care, compliance with medications, etc., proper care for acute and chronic conditions, and end of life care
- Have fun – use of game mechanics to inform, engage, and entertain, to change health behaviors and sustain those new behaviors over time
- Go mobile – use of mobile devices for healthcare information, and communications
- Keep social – adequate emotional and social support is associated with reduced risk of mental and physical illness, and mortality

C. CIGNA & Anthem Blue Cross Claims Experience

The CIGNA & Anthem Blue Cross Claims Experience reports through April 2013 were discussed.

D. Federal Legislation

- Aon Hewitt Washington Report

Submitted for information only.

V. MISCELLANEOUS

VI. PUBLIC COMMENT

VII. GOOD OF THE ORDER

(For discussion purposes only)

VIII. ADJOURNMENT

The meeting adjourned at 11:25 a.m., after setting the time for the Operations Oversight Committee at 11:30 a.m.

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