IN PERSON & VIRTUAL BOARD MEETING

SEPTEMBER 2, 2026, AT 8:30 AM*

INSURANCE, BENEFITS & LEGISLATIVE COMMITTEE MEETING

*The Committee meeting will be held prior to the Board of Retirement meeting scheduled prior.

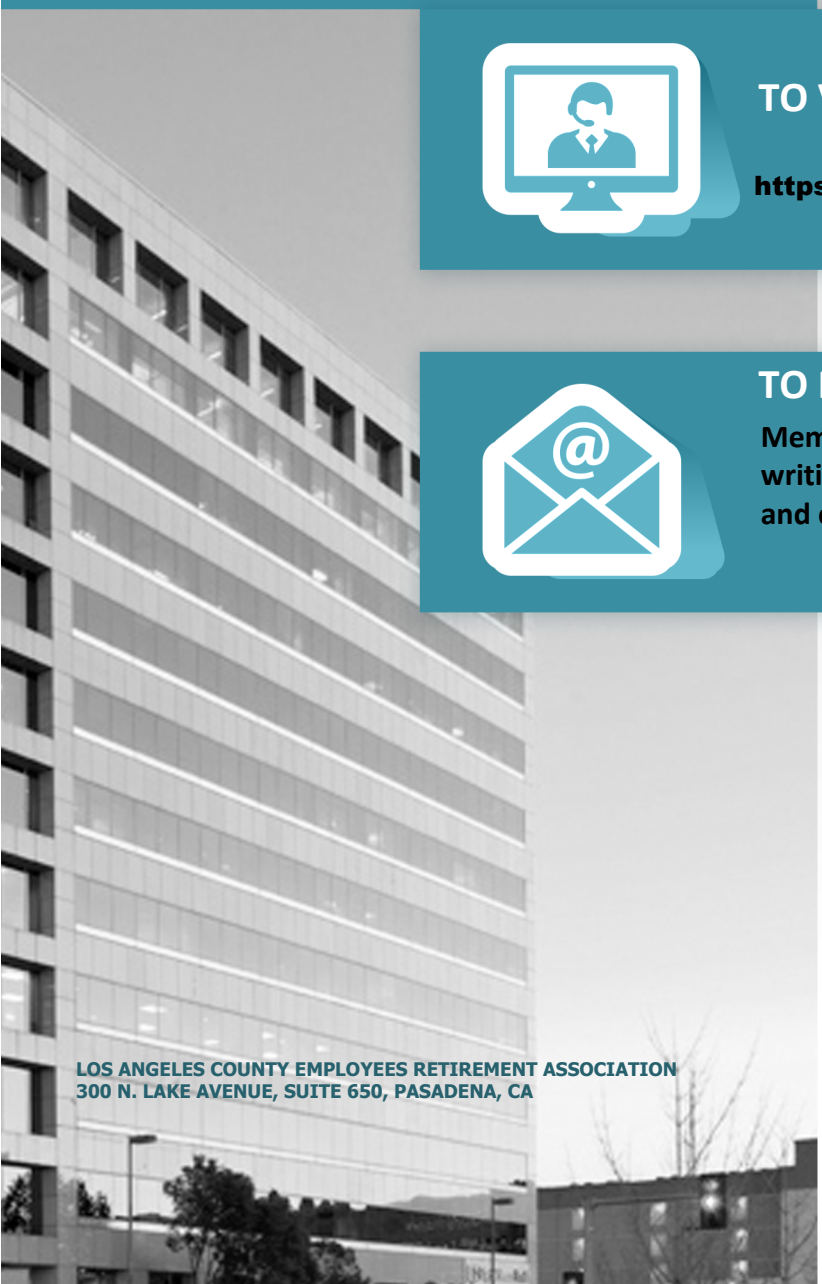
TO VIEW VIA WEB

https://lacera.gov/leadership/board-meetings

TO PROVIDE PUBLIC COMMENT

Members of the public may address the Board orally and in writing. To provide Public Comment, please visit the above link and complete the request form.

Attention: If you have any questions, you may email PublicComment@lacera.gov.



LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION
300 N. LAKE AVENUE, SUITE 650, PASADENA, CA

AGENDA

A REGULAR MEETING OF THE INSURANCE, BENEFITS & LEGISLATIVE

COMMITTEE AND BOARD OF RETIREMENT*

LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION

300 N. LAKE AVENUE, SUITE 810, PASADENA, CA 91101

8:30 A.M., WEDNESDAY, SEPTEMBER 2, 2026

This meeting will be conducted by the Insurance, Benefits and Legislative Committee and Board of Retirement both in person and by teleconference under California Government Code Sections 54953.8.3.

Any person may view the meeting in person at LACERA's offices or online at https://LACERA.gov/leadership/board-meetings.

The Committee may take action on any item on the agenda, and agenda items may be taken out of order.

COMMITTEE TRUSTEES:

Les Robbins, Chair
Aleen Langton, Vice Chair
Shawn R. Kehoe, Trustee
Ernesto J. Pantoja, Trustee
Jason E. Green, Alternate Trustee

I. CALL TO ORDER

II. PROCEDURE FOR TELECONFERENCE MEETING ATTENDANCE UNDER SB 707

A. Just Cause (Section 54953.8.3)
B. Statement of Persons Present at SB 707 Teleconference Locations

III. APPROVAL OF MINUTES

A. Approval of the Minutes of the Regular Meeting of August 5, 2026

IV. PUBLIC COMMENT

(Members of the public may address the Committee orally and in writing. To provide Public Comment, you should visit https://LACERA.gov/leadership/board-meetings and complete the request form.

If you select oral comment, we will contact you via email with information and instructions as to how to access the meeting as a speaker. You will have up to 3 minutes to address the Committee. Oral comment requests will be accepted up to the close of the Public Comment item on the agenda.

If you select written comment, please input your written public comment within the form as soon as possible and up to the close of the meeting. Written comment will be made part of the official record of the meeting. If you would like to remain anonymous at the meeting without stating your name, please leave the name field blank in the request form. If you have any questions, you may email PublicComment@lacera.gov.)

V. NON-CONSENT ITEMS

A. **Legislative Proposal—Prepaid Card Account**
Recommendation as submitted by Barry W. Lew, Legislative Affairs Officer: That the Committee recommend the Board of Retirement sponsor legislation for the 2027 legislative year to extend or repeal the sunset date of LACERA's prepaid card program.
(Memo dated August 19, 2026)

VI. REPORTS

A. **Engagement Report for August 2026**
Barry W. Lew, Legislative Affairs Officer
(For Information Only)

B. **Staff Activities Report for August 2026**
Cassandra Smith, Director, Retiree Healthcare
(For Information Only)

C. **LACERA Claims Experience**
Michael Szeto, Segal Consulting
(Presentation)

VI. REPORTS (Continued)

D. **Federal Legislation**
Stephen Murphy, Segal Consulting
(For Information Only)

VII. ITEMS FOR STAFF REVIEW
(This item summarizes requests and suggestions by individual trustees during the meeting for consideration by staff. These requests and suggestions do not constitute approval or formal action by the Board, which can only be made separately by motion on an agendized item at a future meeting.)

VIII. ITEMS FOR FUTURE AGENDAS
(This item provides an opportunity for trustees to identify items to be included on a future agenda as permitted under the Board's Regulations.)

IX. GOOD OF THE ORDER
(For Information Purposes Only)

X. ADJOURNMENT

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.

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 *and will also be posted on lacera.com at the same time,* Board Meetings | LACERA.

Requests for reasonable modification or accommodation of the telephone public access and Public Comments procedures stated in this agenda from individuals with disabilities, consistent with the Americans with Disabilities Act of 1990, may call the Board Offices at (626) 564-6000, from 8:30 a.m. to 5:00 p.m. Monday through Friday or email PublicComment@lacera.gov, but no later than 48 hours prior to the time the meeting is to commence.

MINUTES OF THE REGULAR MEETING OF THE INSURANCE, BENEFITS &

LEGISLATIVE COMMITTEE AND BOARD OF RETIREMENT*

LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION

300 N. LAKE AVENUE, SUITE 810, PASADENA, CA 91101

8:32 A.M. – 9:02 A.M., WEDNESDAY, AUGUST 5, 2026

This meeting was conducted by the Insurance, Benefits & Legislative Committee both in person and by teleconference under California Government Code Section 54953.8.3.

COMMITTEE TRUSTEES

PRESENT: Aleen Langton, Vice Chair

Shawn R. Kehoe, Trustee *(arrived at 8:55 a.m.)*

Ernesto J. Pantoja, Trustee

ABSENT; Jason E. Green, Alternate Trustee

Les Robbins, Chair

OTHER BOARD OF RETIREMENT TRUSTEES

Elizabeth Ginsberg, Trustee *(arrived at 8:42 a.m.)*

J.P. Harris, Trustee

Wayne Moore, Trustee

STAFF, ADVISORS AND PARTICIPANTS

Cassandra Smith, Director, Retiree Healthcare

Luis A. Lugo, Chief Executive Officer

STAFF, ADVISORS AND PARTICIPANTS (Continued)

JJ Popowich, Chief Benefits Officer

Jessica Baxter, Chief Administrative Officer

Barry W. Lew, Legislative Affairs Officer

Tionna Fredericks, Section Head, Retiree Healthcare

Erika Heru, Creative Coordinator, Communications

Stephen Murphy, Sr. Vice President, Segal Consulting

I. CALL TO ORDER

This meeting was called to order by Chair Langton at 8:32 a.m.

II. PROCEDURE FOR TELECONFERENCE MEETING ATTENDANCE UNDER SB 707

A. Just Cause (Section 54953.8.3)
B. Statement of Persons Present at SB 707 Teleconference Locations

There were no requests received.

III. APPROVAL OF MINUTES

A. Approval of the Minutes of the Regular Meeting of July 1, 2026

Trustee Kehoe made a motion, Trustee Langton seconded, to approve the minutes of the regular meeting of July 1, 2026. The motion passed by the following roll call vote:

Yes: Langton, Kehoe, Pantoja

No: None

Absent: Robbins, Green

(This Item was handled out of order, after Item V-E.)

IV. PUBLIC COMMENT

There were no requests from the public to speak.

V. REPORTS

A. **Engagement Report for July 2026**
Barry W. Lew, Legislative Affairs Officer
(For Information Only)

The engagement report was discussed. This item was received and filed.

B. **Strategic Plan 1.4 – Improving the Member Retiree Healthcare Experience**
Tionna Fredericks, Section Head, Retiree Healthcare
(For Information Only) (Memo dated July 23, 2026)

Ms. Fredericks provided an update on the Retiree Healthcare fall 2026 member survey initiative under Strategic Plan 1.4. This item was received and filed.

C. **Staff Activities Report for July 2026**
Cassandra Smith, Director, Retiree Healthcare
(For Information Only)

The staff activities report was discussed. This item was received and filed.

D. **LACERA Claims Experience**
Stephen Murphy, Segal Consulting
(Presentation)

The LACERA Claims Experience reports through June 2026 were discussed. This item was received and filed.

E. **Federal Legislation**
Stephen Murphy, Segal Consulting
(For Information Only)

Segal Consulting gave an update on federal legislation. This item was received and filed.

VI. ITEMS FOR STAFF REVIEW

(This item summarizes requests and suggestions by individual trustees during the meeting for consideration by staff. These requests and suggestions do not constitute approval or formal action by the Board, which can only be made separately by motion on an agendized item at a future meeting.)

Trustee Harris suggested including a question re the respondent's age range in the Retiree Healthcare member survey.

VII. ITEMS FOR FUTURE AGENDAS

(This item provides an opportunity for trustees to identify items to be included on a future agenda as permitted under the Board's Regulations.)

There was nothing to report.

VIII. GOOD OF THE ORDER

(For Information Purposes Only)

There was nothing to report.

IX. ADJOURNMENT

There being no further business to come before the Committee, the meeting was adjourned at 9:02 a.m.

***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.**

LACERA

August 19, 2026

TO: Insurance, Benefits and Legislative Committee
Les Robbins, Chair
Aleen Langton, Vice Chair
Ernesto J. Pantoja
Shawn R. Kehoe
Jason Green, Alternate

FROM: Barry W. Lew
Legislative Affairs Officer

FOR: September 2, 2026, Insurance, Benefits and Legislative Committee Meeting

SUBJECT: **Legislative Proposal—Prepaid Card Accounts**

RECOMMENDATION
That the Insurance, Benefits and Legislative Committee recommend that the Board of Retirement sponsor legislation for the 2027 legislative year to extend or repeal the sunset date of LACERA's prepaid card program.

BACKGROUND
LACERA's retirement benefits are by default paid to retired members and beneficiaries by means of a paper check. Many retired members and beneficiaries authorize the payment of benefits to be directly deposited by electronic transfer into their account at a bank, savings and loan, or credit union.

The COVID-19 pandemic caused disruptions in the delivery of mail and revealed the risks of receiving paper checks either due to delays in mail service or limited in-person access to pick up and cash a check.

The disbursement of benefits through direct deposit presupposes that retired members and beneficiaries have an account at a financial institution. However, members who have challenges establishing such an account are limited at LACERA to receiving benefits through a paper check.

The use of paper checks and direct deposit revealed shortcomings in these two methods for disbursing retirement benefits during the pandemic. Consequently, in June 2022, LACERA released a Request for Proposal to provide prepaid card services that would enable LACERA to disburse benefits through a prepaid card and ensure that retired members receive their promised benefits continuously without interruption. In April 2023, the Board of Retirement selected a vendor to implement a prepaid card program at LACERA. LACERA was able to proceed with this program under the County Employees Retirement Law of 1937 (CERL) with appropriate safeguards, including member consent.

Although CERL provided that a member or beneficiary may authorize retirement benefits to be directly deposited into their account in a financial institution, it was silent as to whether those benefits may be electronically deposited into a prepaid account. LACERA subsequently sponsored AB 2474 (2024), which added Government Code Sections 31452.61 and 31590.2 to clarify that a member may authorize their retirement benefits to be electronically deposited into a prepaid card.

However, due to concerns by committee consultants of the California State Legislature's retirement policy committees on the misuse of prepaid cards for unemployment benefits during the pandemic, they requested that more controls rather than just clarifications be included in the legislative framework. In addition to rights and protections for members, AB 2474 required that LACERA submit a report to the Assembly and Senate retirement committees on the program no later than November 30, 2027. Most notably, the prepaid card program was to sunset on January 1, 2028.

LACERA launched the prepaid card program on November 1, 2025. At that time, there were 1,258 retirees and beneficiaries receiving paper checks. As of July 31, 2026, there are 1,072 receiving paper checks and 127 who are enrolled in the prepaid card program.

LEGISLATIVE POLICY STANDARD
The Board of Retirement's legislative policy standard is to support proposals that provide clarification, technical updates, or conforming changes to CERL, the California Public Employees' Pension Reform Act of 2013, or other applicable provisions under California law related to public retirement systems. (Legislative Policy, page 6).

ISSUE
Staff acknowledges that the report would assist the retirement policy committees in assessing the effectiveness of the prepaid card program and will comply with the submission date of November 30, 2027. However, the sunset date of January 1, 2028, would not provide an opportunity for LACERA to continue the program based on a positive reception of the report if we do not begin the process of sponsoring a bill at the beginning of the 2027 legislative year to at the very least extend the sunset date.

PROPOSED SOLUTION
Government Code Sections 31452.61 and 31590.2 authorize the operation of a prepaid card program for LACERA, and these sections will sunset on January 1, 2028. To ensure that there is sufficient time for the retirement committee consultants to consider the report and whether the prepaid card program should continue, the sunset date of January 1, 2028, should either be extended or repealed.

IT IS THEREFORE RECOMMENDED THAT THE COMMITTEE recommend that the Board of Retirement sponsor legislation for the 2027 legislative year to extend or repeal the sunset date of LACERA's prepaid card program.

Reviewed and Approved:

Cynthia Martinez

Cynthia Martinez
Chief, Communications

Attachments
Government Code Sections 31452.61 and 31590.2

cc: Luis Lugo
JJ Popowich
Jessica Baxter
Steven P. Rice
Cynthia Martinez
Naomi Padron, McHugh Koepke Padron Government Relations

State of California

GOVERNMENT CODE

Section 31452.61

31452.61. (a) (1) This section applies only to a retirement system in a county of the first class, as described in Sections 28020 and 28022.

(2) The board shall comply with and give effect to a revocable written authorization signed by a retired member or beneficiary of a retired member entitled to a retirement allowance or benefit under this chapter or the California Public Employees' Pension Reform Act of 2013, authorizing the treasurer or other entity authorized by the board to deliver the monthly warrant, check, or electronic fund transfer, for the retirement allowance or benefit to any specified bank, savings and loan institution, credit union, or prepaid account to be credited to the account of the retired member or survivor of a deceased retired member. That delivery is full discharge of the liability of the board to pay a monthly retirement allowance or benefit to the retired member or survivor of a deceased retired member.

(3) For purposes of this subdivision, a prepaid account shall have the same meaning as in Section 1339.1 of the Unemployment Insurance Code and shall meet the applicable requirements of that section to qualify under this subdivision.

(4) Prior to implementing the option to receive a retirement allowance or benefit by electronic fund transfer to a prepaid account pursuant to this section, the board shall develop a procedure to provide a retired member or beneficiary who elects the option all of the following:

(A) Access to a monthly statement detailing the retirement allowance or benefit amount and any deductions thereof.

(B) A reasonable process for the retired member or beneficiary to report and contest any error of the retirement allowance or benefit amount.

(C) Contact information for a responsible system ombudsperson to assist the retired member or beneficiary in recovering any amounts deducted from the net retirement allowance or benefit amount once it has been deposited in the account, resulting from an error or by fraud.

(b) Any payments directly deposited by electronic fund transfer following the date of death of a person who was entitled to receive a retirement allowance or benefit under this chapter or the California Public Employees' Pension Reform Act of 2013 shall be refunded to the retirement system.

(c) In order to obtain information from a financial institution following the death of a retired member or the beneficiary of a retired member, as provided in subdivision (o) of Section 7480, the board may certify in writing to the financial institution that the retired member or the beneficiary of a retired member has died and that transfers to the account of the retired member or beneficiary of a retired member at the financial

institution from the retirement system occurred after the date of death of the retired member or the beneficiary of a retired member.

(d) (1) No later than November 30, 2027, a retirement system of a county of the first class shall submit a report to the Assembly Committee on Public Employment and Retirement and the Senate Committee on Labor, Public Employment and Retirement that includes, but is not limited to, each of the following:

(A) A description of the history and need for a prepaid account to be offered as an option to the retirement system's retired members or their beneficiaries.

(B) A summary of the board of retirement system's processes and procedures to implement this section and Section 31590.2.

(C) The total number of all retired members of the retirement system.

(D) The total number of retired members of the retirement system who elected to have their retirement allowance under this chapter directly deposited into an account at a financial institution, as identified by the retired member.

(E) The total number of retired members of the retirement system who elected to have their retirement allowance provided by bank draft, such as a check.

(F) The total number of retired members of the retirement system who elected to have their retirement allowance deposited to a prepaid account, consistent with this section and Section 31590.2.

(G) Information detailing all costs to the retirement system with respect to implementing and administering the option of a prepaid account, consistent with this section and Section 31590.2, respectively.

(H) To the extent feasible, a summary of comments, feedback, or experiences received from a retired member who elected to have their retirement allowance deposited to a prepaid account card, consistent with this section and Section 31590.2, and with respect to obtaining, using, or the replacement of, a prepaid account card for their retirement allowance.

(2) The report pursuant to paragraph (1) shall be submitted in compliance with Section 9795.

(e) This section shall remain in effect only until January 1, 2028, and as of that date is repealed.

(Added by Stats. 2024, Ch. 108, Sec. 2. (AB 2474) Effective January 1, 2025. Repealed as of January 1, 2028, by its own provisions.)

State of California

GOVERNMENT CODE

Section 31590.2

31590.2. (a) (1) This section applies only to a retirement system in a county of the first class, as described in Sections 28020 and 28022.

(2) All warrants, checks, and electronic fund transfers drawn on the retirement fund shall be signed or authorized by at least two board officers or employees, designated by the board or by the treasurer if designated by the board. If the treasurer is designated by the board, the board shall also designate the auditor to sign or authorize warrants, checks, and electronic fund transfers. The authorization may be by blanket authorization of all warrants, checks, or electronic fund transfers appearing on a list or register, or may be by a standing order to draw warrants, checks, or electronic fund transfers, which shall be good until revoked. If the treasurer and auditor are designated by the board, a warrant, check, or electronic fund transfer is not valid until it is signed or authorized, numbered, and recorded by the county auditor, except as provided in subdivision (c).

(b) Any person entitled to the receipt of benefits may authorize the payment of the benefits to be deposited as follows:

(1) Directly deposited by electronic fund transfer into the person's account at the financial institution of the person's choice under a program for direct deposit by electronic transfer established by the board or treasurer if authorized by the board. The direct deposit shall discharge the system's obligation in respect to that payment.

(2) Deposited into a prepaid account under a program for deposit into a prepaid account that is established by the board or by the treasurer if authorized by the board. That deposit shall discharge the system's obligation in respect to that payment. For purposes of this paragraph, a prepaid account shall have the same meaning as in Section 1339.1 of the Unemployment Insurance Code and shall meet the applicable requirements of that section to qualify under this paragraph.

(c) The board may, or, if authorized by the board, the treasurer shall, authorize a trust company or trust department of any state or national bank authorized to conduct the business of a trust company in this state or the Federal Reserve Bank of San Francisco or any branch thereof within this state, to process and issue payments by check or electronic fund transfer.

(d) This section shall remain in effect only until January 1, 2028, and as of that date is repealed.

(Added by Stats. 2024, Ch. 108, Sec. 3. (AB 2474) Effective January 1, 2025. Repealed as of January 1, 2028, by its own provisions.)

INSURANCE, BENEFITS & LEGISLATIVE COMMITTEE
ENGAGEMENT REPORT
AUGUST 2026
FOR INFORMATION ONLY

Senate Finance Committee Members Clash Over Social Security's Future

The Senate Finance Committee held a hearing on how Congress should address Social Security's projected insolvency, focusing on whether a bipartisan commission or regular legislative procedures are the best path forward. Republicans, led by Chairman Mike Crapo (R-Idaho), argued that a commission or working group could help lawmakers evaluate options and build consensus. Democrats, led by Ranking Member Ron Wyden (D-Oregon), opposed the idea, arguing Congress should address the issue directly and transparently through the normal legislative process.

Witnesses generally agreed that Social Security's finances require action, as the Old-Age and Survivors Insurance Trust Fund is projected to deplete its reserves in late 2032, at which point payroll tax revenues would cover only about 78% of scheduled benefits. Potential solutions discussed included raising revenue, reducing benefits, or combining both approaches.

Several bipartisan proposals were highlighted, including measures to create commissions and a recent bipartisan bill that would eliminate the Social Security payroll tax cap on earnings above $184,500. All witnesses expressed some support for increasing the taxable wage base.

Supporters of commissions pointed to the process leading to the 1983 Social Security reforms, while opponents warned commissions could become vehicles for benefit cuts. Despite broad agreement that action is needed, there remains significant disagreement over both process and policy solutions. (Source) (Source)

Illinois COLA Buyout Program

Illinois is one of four states with pension funding below 60% and ranks last among all other states for the second year in a row in terms of its funding ratio at 52%. Illinois' COLA Buyout Program exists as an option to reduce the state's pension liabilities by allowing retirees to cash out part of their pension benefit by waiving a future compounded COLA.

Illinois has extended its public pension buyout program through June 2028, giving eligible state retirement system members the option to accept a lump-sum payment in exchange for permanently reduced pension cost-of-living adjustments (COLAs). The lump sum, which must be rolled into a qualified retirement account such as an IRA or 403(b), is calculated at 70% of the actuarial value of the COLA reduction.

The tradeoff is significant: members give up a 3% compounded annual COLA and instead receive a delayed 1.5% simple (non-compounded) increase. Over time, the gap can be

substantial. The retirement system estimates that a $3,300 monthly pension would grow to about $5,960 after 20 years under the standard COLA versus about $4,440 under the buyout, a difference of roughly $1,520 per month.

Taxes are a secondary consideration. A rollover to a traditional IRA defers taxes until withdrawal, while a Roth conversion triggers immediate taxation. Future IRA withdrawals and required minimum distributions (RMDs) can affect the taxation of Social Security benefits and Medicare premium surcharges. However, larger pension payments under the non-buyout option would also increase taxable income. The key decision is whether the lump sum outweighs the long-term value of higher lifetime pension income and any survivor benefits. (Source) (Source)

State of Pensions 2026
The Equable Institute releases an annual report on the status of statewide public pension system. The report analyzes trends in public pension funding, investments, contributions, cash flows, and benefits for 253 of the largest statewide and municipal retirement systems across the country.

The following are key findings in the report:

- Funded Status: The national funded ratio average reached 85.0% in 2026, up from 81.2% in 2025.
- Unfunded Liabilities: Shortfalls decreased from $1.37 trillion in 2025 to $1.13 trillion in 2026. This is a $210 billion reduction from the $1.34 trillion shortfall in 2009 during the Great Recession.
    - The Top 10 funded plans include the following 1937 Act plans: Marin County (96.9%), Contra Costa County (95.8%), and Alameda County (95.6%)
- Contributions: 31.83% of payroll is a new historic high employer contribution rate.
- Investment Returns: The projected average return of 9.37% beat the 6.8% target for the fourth straight year.
- Valuation Risk: 27.1% of public pension assets are valuation-priced (i.e., private equity and real estate) versus market-priced.
- A.I. Investment Dependence: Pension funds have 8% to 10% of assets invested in A.I.-related companies.

(Source) (Source)

NCPERS Research Brief on AI Adoption and Strategy at Public Pension Administration

A 2026 NCPERS survey of 33 public pension professionals found that AI adoption in the public pension sector remains cautious, limited, and focused on operational efficiency rather than fiduciary decision-making. While 58% of respondents are optimistic about AI's long-term impact, most funds use it primarily for drafting communications, summarizing documents, automating routine tasks, and improving member services. Functions such as actuarial modeling, asset-liability management, and investment decision-making show little AI adoption.

A key finding is that **human judgment remains central**, with 96% of respondents stating that people, not AI, drive final decisions. Most view AI as an assistive tool rather than a decision-maker.

Governance remains uneven. Only 18% of respondents report having a formal board-approved AI policy, while 18% have no AI governance framework at all. Many organizations rely on existing technology policies not specifically designed for AI. Survey responses revealed uncertainty about how organizations would respond if AI generated significant errors.

The biggest barriers to adoption are **lack of in-house expertise (63%)** and **data security/privacy concerns (59%)**, while the top risk cited is **cybersecurity vulnerabilities (43%)**. Oversight is largely procedural, with 69% requiring human review of AI-generated outputs, but relatively few organizations conduct independent validation or model audits.

Overall, the survey concludes that public pension systems are still in the experimental phase of AI adoption. The main challenge is not implementing AI, but doing so responsibly while maintaining fiduciary accountability, member trust, and adequate governance controls. NCPERS identifies governance guidance, AI evaluation expertise, pension-specific use cases, and peer learning as key needs moving forward. (Source)

Retirement Insecurity 2026: Americans' Views of Retirement

The National Institute on Retirement Security (NIRS) released its 2026 report that examined the retirement preparedness of Americans aged 21 and older, assessing retirement savings, access to workplace retirement plans, and the financial challenges affecting workers' ability to prepare for retirement.

The following are key findings in the report:

- Americans increasing view retirement security as a national crisis. About 80% of Americans say there is a retirement crisis, up from 67% in 2020. They cite inflation,

affordability, market volatility, possibly Social Security cuts, and decline of traditional pensions for their concerns.

- Americans say retirement preparation is becoming harder and expect policy makers to do more. 68% say it is becoming harder, compared to 58% in 2020. A vast majority (84%) say that political leaders do not understanding retirement challenges facing Americans.
- Americans are embracing AI but remain cautious about using it for financial and retirement decisions. About two-thirds report using AI as a tool, but 45% say they are uncomfortable using it for financial advice.
- Americans are guarded about cryptocurrency and alternative investments in retirement plans. Most have never heard of or are not familiar with private equity, cryptocurrency, or real estate investment trusts.
- Americans lack a clear understanding of what it takes to be financially prepared for retirement. More than half report waiting until age 30 to begin saving for retirement. Low-income households are more likely to delay saving for retirement. Many Americans also overestimate how much retirement income their savings can generate.
- Debt limits Americans' ability to save for retirement. About three-quarters say debt is a problem and preventing them from saving, up from 71% in 2023.
- Retirement benefits are becoming increasingly important, and Americans continue to value pension benefits. Nearly 7 in 10 Americans believe pensions do more than 401(k) plans to help workers achieve a secure retirement, up from 65% in 2020.

(Source) (Source)

INSURANCE, BENEFITS & LEGISLATIVE COMMITTEE
RETIREE HEALTHCARE BENEFITS PROGRAM
STAFF ACTIVITIES REPORT
AUGUST 2026
FOR INFORMATION ONLY

LACERA Retiree Healthcare Wellness Program Called Staying Healthy Together – Fall 2026 Workshop

The half-day retiree wellness workshop is scheduled for September 29, 2026, at the Diamond Bar Center, 1600 Grand Avenue, Diamond Bar, CA 8:30 a.m. – 1:00 p.m., with a focus on how social connections can positively influence your health and life. Member survey results from the prior event indicated a high level of interest in this topic.

We are pleased to present the following speakers:

• Welcome Remarks – Luis Lugo, Chief Executive Officer

• The Power of Social Connection and Your Health – Kaiser Permanente

• Let's Move – United Healthcare

• Oral Health Technology Demo - Cigna

Invitations were mailed to members on **August 21, 2026**.

Event sponsors: Anthem Blue Cross, Cigna, CVS Caremark, Kaiser Permanente, SCAN Health Plan, UnitedHealthcare, and RELAC.

We invite you to join this fun-filled event.

c: Copy of invitation

LACERA

For LACERA Retirees:
Staying Healthy Together
Fall Workshop

The Power of Social Connection and Your Health

Join us to learn how strong social connections can positively influence your health and life. Enjoy healthy snacks! Stay to win raffle prizes and reconnect with fellow retirees.

Tuesday, Sep 29, 2026
8:30 a.m.–1:00 p.m.
Diamond Bar Center
(see other side for details)

Event Sponsors

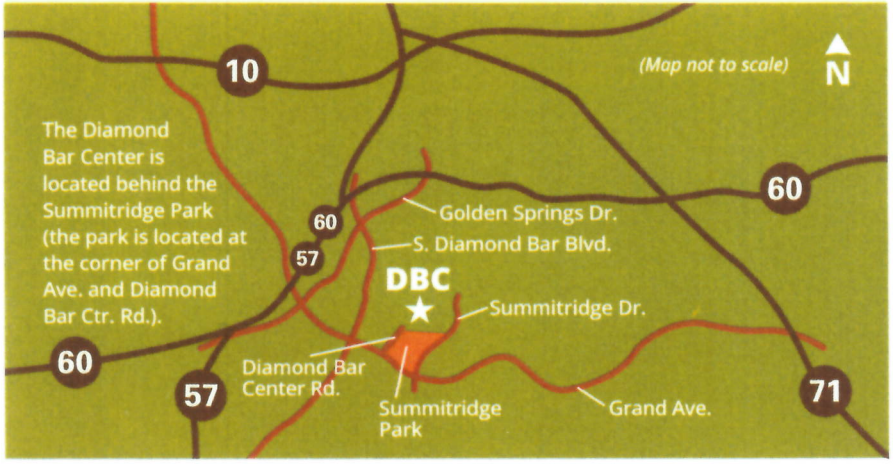
- Anthem Blue Cross
- Cigna
- CVS Health
- Kaiser Permanente
- RELAC
- SCAN Health Plan
- UnitedHealthcare

WHEN **Tuesday, September 29, 2026**
8:30 a.m.–1:00 p.m.

WHERE **Diamond Bar Center**
1600 Grand Avenue
Diamond Bar, CA 91765

VALET PARKING IS FREE

FEATURED PRESENTATION **The Power of Social Connection and Your Health**
Caroline Gutierrez, Senior Learning Consultant, Kaiser Permanente



From eastbound Pomona (60) Freeway or northbound Orange (57) Freeway:

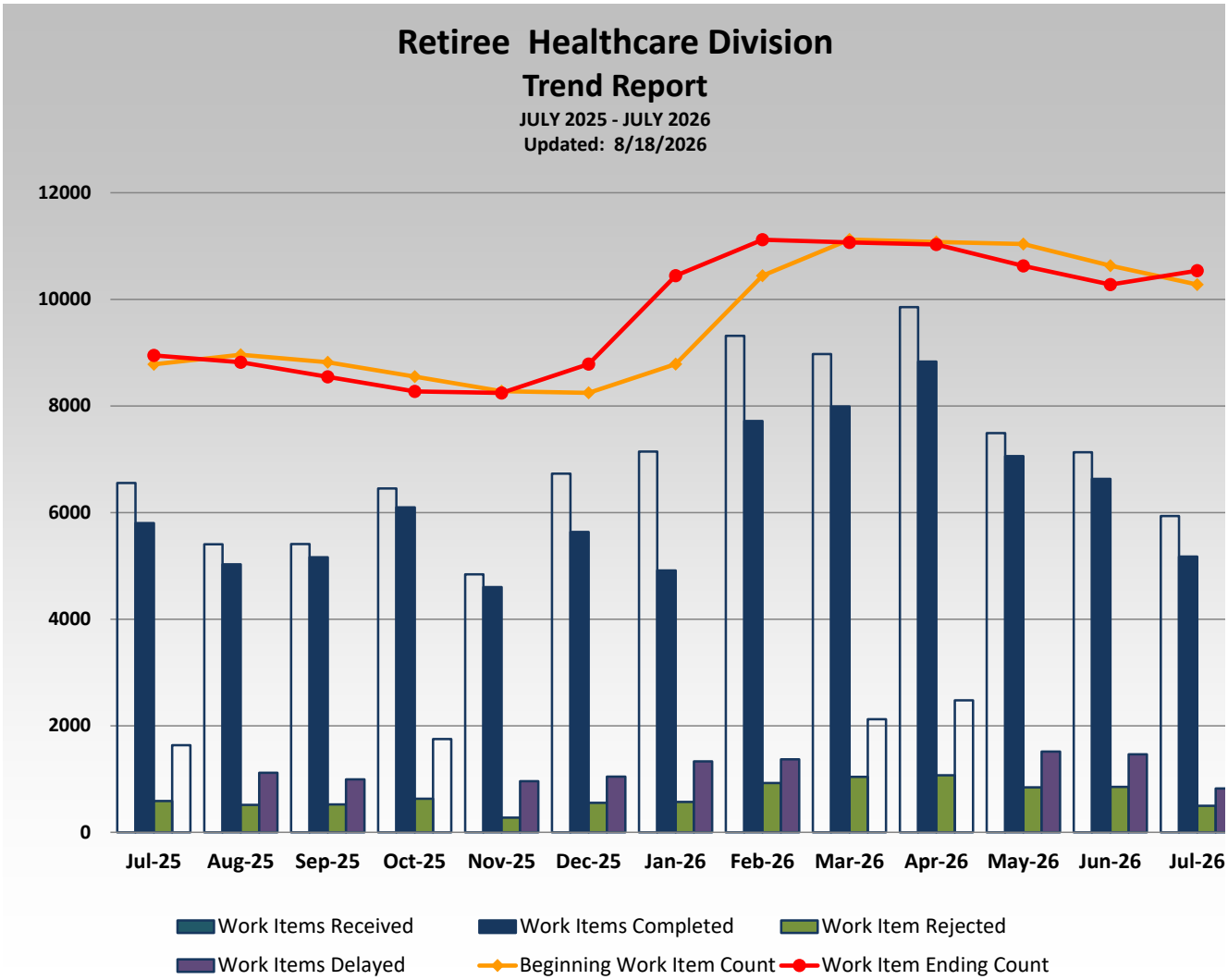
Exit Grand Avenue, then turn right onto Grand Ave. (drive approx. 1.5 miles); Turn left onto Diamond Bar Center Rd.

From westbound Pomona (60) Freeway or southbound Orange (57) Freeway:

Exit Grand Avenue, then turn left onto Grand Ave. (drive approx. 1.5 miles); Turn left onto Diamond Bar Center Rd.

LACERA

PO Box 7060
Pasadena, CA
91109-7060

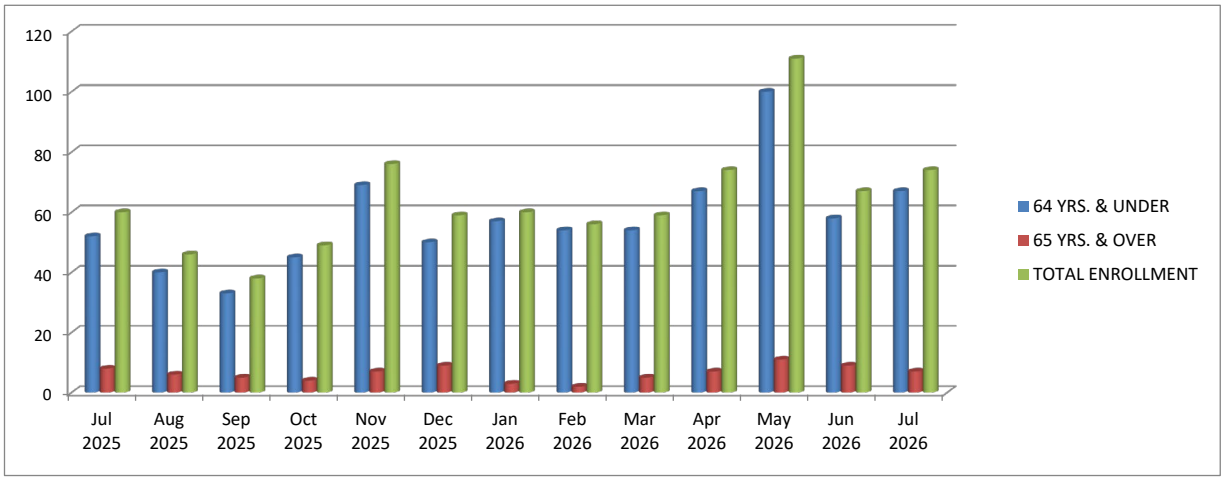


	Beginning Work Item Count	Work Items Received	Work Items Completed	Work Item Rejected	Work Items Delayed	Work Item Ending Count
Jul-25	8783	6552	5803	586	1635	8946
Aug-25	8960	5405	5030	515	1116	8820
Sep-25	8821	5408	5161	524	992	8544
Oct-25	8550	6452	6098	630	1751	8274
Nov-25	8278	4840	4600	274	959	8244
Dec-25	8245	6729	5637	552	1045	8785
Jan-26	8785	7142	4912	571	1332	10444
Feb-26	10444	9315	7715	926	1370	11118
Mar-26	11121	8975	7989	1039	2121	11068
Apr-26	11077	9854	8832	1070	2476	11029
May-26	11037	7491	7057	842	1515	10629
Jun-26	10630	7130	6632	852	1465	10276

Retirees Monthly Age Breakdown
JULY 2025 - JULY 2026

Disability Retirement

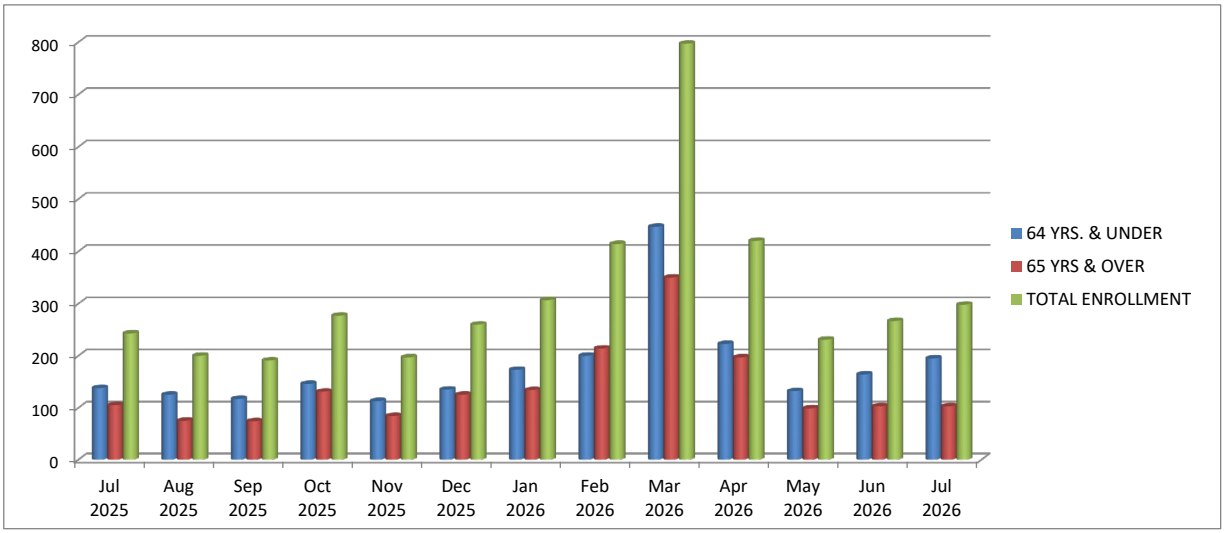
MONTH	64 YRS. & UNDER	65 YRS. & OVER	TOTAL ENROLLMENT
Jul 2025	52	8	60
Aug 2025	40	6	46
Sep 2025	33	5	38
Oct 2025	45	4	49
Nov 2025	69	7	76
Dec 2025	50	9	59
Jan 2026	57	3	60
Feb 2026	54	2	56
Mar 2026	54	5	59
Apr 2026	67	7	74
May 2026	100	11	111
Jun 2026	58	9	67
Jul 2026	67	7	74



PLEASE NOTE: Next Report will include the following dates: August 1, 2025, through August 31, 2026.

Retirees Monthly Age Breakdown
JULY 2025 - JULY 2026

Service Retirement			
MONTH	**64 YRS. & UNDER**	**65 YRS & OVER**	**TOTAL ENROLLMENT**
Aug 2025	125	75	200
Oct 2025	146	131	277
Dec 2025	135	125	260
Feb 2026	200	214	414
Apr 2026	223	197	420
Jun 2026	164	103	267



PLEASE NOTE: Next Report will include the following dates: August 1, 2025, through August 31, 2026.

Medicare Part B Reimbursement and Penalty Report

PAY PERIOD 8/31/2026

Deduction Code	No. of Members	Reimbursement Amount	No. of Penalties	Penalty Amount
ANTHEM BC III				
240	8102	$1,508,404.70	0	$0.00
241	128	$22,737.00	0	$0.00
242	1073	$206,434.40	0	$0.00
243	4960	$1,892,163.36	0	$0.00
244	14	$2,437.40	0	$0.00
245	67	$13,047.80	0	$0.00
246	14	$3,067.30	0	$0.00
247	190	$38,966.10	0	$0.00
248	12	$3,837.50	0	$0.00
249	97	$39,011.20	0	$0.00
250	16	$5,957.00	0	$0.00
Plan Total:	**14,673**	**$3,736,063.76**	**0**	**$0.00**
KAISER SR. ADVANTAGE				
394	24	$4,432.60	0	$0.00
397	2	$347.50	0	$0.00
398	17	$8,116.00	0	$0.00
403	12663	$2,321,850.13	0	$0.00
413	1628	$308,814.88	0	$0.00
418	6635	$2,497,638.57	1	$51.50
419	197	$32,616.90	0	$0.00
426	260	$46,326.30	0	$0.00
445	2	$405.80	0	$0.00
451	40	$7,309.50	0	$0.00
455	7	$1,420.30	0	$0.00
457	18	$7,020.60	0	$0.00
459	2	$811.60	0	$0.00
462	94	$18,050.80	0	$0.00
465	2	$405.80	0	$0.00
466	26	$9,920.60	0	$0.00
472	26	$4,927.00	0	$0.00
476	4	$753.30	0	$0.00
478	15	$5,927.50	0	$0.00
482	72	$13,002.60	0	$0.00
486	5	$960.10	0	$0.00
488	33	$12,913.80	0	$0.00
493	1	$202.90	0	$0.00
0	0	$0.00	0	$0.00
0	0	$0.00	0	$0.00
Plan Total:	**21,773**	**$5,304,175.08**	**1**	**$51.50**

Medicare Part B Reimbursement and Penalty Report

PAY PERIOD 8/31/2026

Deduction Code	No. of Members	Reimbursement Amount	No. of Penalties	Penalty Amount
SCAN				
611	375	$71,192.20	0	$0.00
613	164	$63,109.30	0	$0.00
620	29	$5,380.50	0	$0.00
621	14	$5,561.60	0	$0.00
622	26	$3,825.80	0	$0.00
623	11	$4,151.20	0	$0.00
Plan Total:	**619**	**$153,220.60**	**0**	**$0.00**
UNITED HEALTHCARE GROUP MEDICARE ADV. HMO				
701	2291	$432,226.10	0	$0.00
702	421	$81,632.60	0	$0.00
703	1426	$545,678.70	0	$0.00
704	118	$24,410.30	0	$0.00
705	53	$20,592.70	0	$0.00
Plan Total:	**4,309**	**$1,104,540.40**	**0**	**$0.00**
Grand Total:	**41,374**	**$10,297,999.84**	**1**	**$51.50**

Medicare Part B Reimbursement and Penalty Report

PAY PERIOD 8/31/2026

Deduction Code	No. of Members	Reimbursement Amount	No. of Penalties	Penalty Amount
ANTHEM BC III				
240	8102	$1,508,404.70	0	$0.00
241	128	$22,737.00	0	$0.00
242	1073	$206,434.40	0	$0.00
243	4960	$1,892,163.36	0	$0.00
244	14	$2,437.40	0	$0.00
245	67	$13,047.80	0	$0.00
246	14	$3,067.30	0	$0.00
247	190	$38,966.10	0	$0.00
248	12	$3,837.50	0	$0.00
249	97	$39,011.20	0	$0.00
250	16	$5,957.00	0	$0.00
Plan Total:	**14,673**	**$3,736,063.76**	**0**	**$0.00**
KAISER SR. ADVANTAGE				
394	24	$4,432.60	0	$0.00
397	2	$347.50	0	$0.00
398	17	$8,116.00	0	$0.00
403	12663	$2,321,850.13	0	$0.00
413	1628	$308,814.88	0	$0.00
418	6635	$2,497,638.57	1	$51.50
419	197	$32,616.90	0	$0.00
426	260	$46,326.30	0	$0.00
445	2	$405.80	0	$0.00
451	40	$7,309.50	0	$0.00
455	7	$1,420.30	0	$0.00
457	18	$7,020.60	0	$0.00
459	2	$811.60	0	$0.00
462	94	$18,050.80	0	$0.00
465	2	$405.80	0	$0.00
466	26	$9,920.60	0	$0.00
472	26	$4,927.00	0	$0.00
476	4	$753.30	0	$0.00
478	15	$5,927.50	0	$0.00
482	72	$13,002.60	0	$0.00
486	5	$960.10	0	$0.00
488	33	$12,913.80	0	$0.00
493	1	$202.90	0	$0.00
Plan Total:	**21,773**	**$5,304,175.08**	**1**	**$51.50**

Medicare Part B Reimbursement and Penalty Report

PAY PERIOD 8/31/2026

Deduction Code	No. of Members	Reimbursement Amount	No. of Penalties	Penalty Amount
SCAN				
611	375	$71,192.20	0	$0.00
613	164	$63,109.30	0	$0.00
620	29	$5,380.50	0	$0.00
621	14	$5,561.60	0	$0.00
622	26	$3,825.80	0	$0.00
623	11	$4,151.20	0	$0.00
Plan Total:	**619**	**$153,220.60**	**0**	**$0.00**
UNITED HEALTHCARE GROUP MEDICARE ADV. HMO				
701	2291	$432,226.10	0	$0.00
702	421	$81,632.60	0	$0.00
703	1426	$545,678.70	0	$0.00
704	118	$24,410.30	0	$0.00
705	53	$20,592.70	0	$0.00
Plan Total:	**4,309**	**$1,104,540.40**	**0**	**$0.00**
LOCAL 1014				
804	215	$60,645.90	0	$0.00
805	248	$59,002.80	0	$0.00
806	802	$363,313.10	0	$0.00
807	63	$13,350.90	0	$0.00
808	26	$14,040.60	0	$0.00
812	269	$60,423.55	0	$0.00
813	2	$405.80	0	$0.00
814	1	$202.90	0	$0.00
Plan Total:	**1,626**	**571,386**	**0**	**0**
Grand Total:	**43,000**	**$10,869,385.39**	**1**	**$51.50**

Medical and Dental Vision Insurance Premiums
September 2026

Carrier Codes	Member Count	Premium Amount	Member Amount	County Subsidy Amount	Total	Adjustments	Total Paid
Medical Plan							
Anthem Blue Cross Prudent Buyer Plan							
201	388	$488,879.64	$61,423.90	$439,841.44	$501,265.34	($1,256.76)	$500,008.58
202	202	$507,225.35	$35,679.15	$456,556.92	$492,236.07	($2,474.27)	$489,761.80
203	78	$217,820.46	$31,695.05	$194,503.12	$226,198.17	$2,792.57	$228,990.74
204	24	$38,777.76	$9,048.18	$29,729.58	$38,777.76	$1,615.74	$40,393.50
SUBTOTAL	**692**	**$1,252,703.21**	**$137,846.28**	**$1,120,631.06**	**$1,258,477.34**	**$677.28**	**$1,259,154.62**
Anthem Blue Cross I							
211	489	$850,682.05	$50,555.73	$803,591.42	$854,147.15	$3,465.10	$857,612.25
212	210	$656,237.40	$36,311.85	$613,675.67	$649,987.52	$0.00	$649,987.52
213	74	$276,483.00	$24,256.77	$248,539.79	$272,796.56	$0.00	$272,796.56
214	29	$66,493.23	$5,135.99	$61,357.24	$66,493.23	$0.00	$66,493.23
215	1	$584.34	$163.62	$420.72	$584.34	$0.00	$584.34
SUBTOTAL	**803**	**$1,850,480.02**	**$116,423.96**	**$1,727,584.84**	**$1,844,008.80**	**$3,465.10**	**$1,847,473.90**
Anthem Blue Cross II							
221	2,533	$4,416,269.95	$206,796.82	$4,182,007.38	$4,388,804.20	($3,465.10)	$4,385,339.10
222	2,110	$6,624,872.80	$149,122.42	$6,351,099.36	$6,500,221.78	$6,249.88	$6,506,471.66
223	1,015	$3,763,855.24	$149,301.04	$3,608,031.50	$3,757,332.54	$3,686.44	$3,761,018.98
224	270	$621,367.77	$58,990.54	$560,084.36	$619,074.90	$0.00	$619,074.90
225	1	$584.34	$0.00	$584.34	$584.34	$0.00	$584.34
SUBTOTAL	**5,929**	**$15,426,950.10**	**$564,210.82**	**$14,701,806.94**	**$15,266,017.76**	**$6,471.22**	**$15,272,488.98**

Medical and Dental Vision Insurance Premiums
September 2026

Carrier Codes	Member Count	Premium Amount	Member Amount	County Subsidy Amount	Total	Adjustments	Total Paid
Anthem Blue Cross III							
240	8,146	$5,725,180.89	$710,774.79	$5,058,050.28	$5,768,825.07	($10,346.16)	$5,758,478.91
241	127	$287,911.68	$18,624.25	$260,674.23	$279,298.48	$0.00	$279,298.48
242	1,067	$2,424,756.18	$124,361.22	$2,271,345.95	$2,395,707.17	($2,249.31)	$2,393,457.86
243	4,982	$6,986,952.96	$682,290.86	$6,251,061.30	$6,933,352.16	($11,276.62)	$6,922,075.54
244	14	$17,626.14	$1,057.56	$16,568.58	$17,626.14	$0.00	$17,626.14
245	68	$85,612.68	$6,018.02	$79,594.66	$85,612.68	$0.00	$85,612.68
246	15	$42,086.10	$2,356.83	$42,535.01	$44,891.84	$0.00	$44,891.84
247	196	$555,536.52	$22,726.54	$534,896.65	$557,623.19	$0.00	$557,623.19
248	12	$23,471.64	$3,200.66	$20,270.98	$23,471.64	$0.00	$23,471.64
249	98	$191,685.06	$15,843.34	$177,797.69	$193,641.03	$0.00	$193,641.03
250	16	$35,076.00	$2,849.92	$32,226.08	$35,076.00	$0.00	$35,076.00
SUBTOTAL	**14,741**	**$16,375,895.85**	**$1,590,103.99**	**$14,745,021.41**	**$16,335,125.40**	**($23,872.09)**	**$16,311,253.31**
CIGNA Network Model Plan							
301	190	$434,631.96	$111,545.57	$316,259.71	$427,805.28	($20,471.41)	$407,333.87
302	51	$209,624.79	$53,940.28	$155,684.51	$209,624.79	$0.00	$209,624.79
303	6	$33,974.78	$2,764.01	$11,796.61	$14,560.62	$0.00	$14,560.62
304	10	$30,199.10	$11,672.69	$18,526.41	$30,199.10	$0.00	$30,199.10
SUBTOTAL	**257**	**$708,430.63**	**$179,922.55**	**$502,267.24**	**$682,189.79**	**($20,471.41)**	**$661,718.38**

Medical and Dental Vision Insurance Premiums
September 2026

Carrier Codes	Member Count	Premium Amount	Member Amount	County Subsidy Amount	Total	Adjustments	Total Paid
Kaiser/Senior Advantage							
401	1,708	$2,980,329.17	$188,277.76	$2,743,165.95	$2,931,443.71	$4,858.23	$2,936,301.94
403	12,674	$3,878,494.08	$329,858.62	$3,565,912.08	$3,895,770.70	($7,786.84)	$3,887,983.86
404	427	$739,480.17	$11,307.77	$735,067.32	$746,375.09	($3,447.46)	$742,927.63
405	1,483	$2,556,291.59	$18,512.93	$2,546,397.31	$2,564,910.24	($2,033.13)	$2,562,877.11
411	2,051	$6,390,394.00	$239,775.65	$5,937,769.11	$6,177,544.76	$15,310.00	$6,192,854.76
413	1,601	$2,695,834.80	$117,248.61	$2,479,240.83	$2,596,489.44	($1,694.43)	$2,594,795.01
414	40	$122,480.00	$367.44	$119,050.56	$119,418.00	$0.00	$119,418.00
418	6,598	$3,989,235.22	$276,171.65	$3,691,837.25	$3,968,008.90	($2,961.04)	$3,965,047.86
419	199	$408,092.52	$5,414.27	$392,576.95	$397,991.22	$0.00	$397,991.22
420	86	$266,394.00	$1,469.76	$255,738.24	$257,208.00	$0.00	$257,208.00
421	8	$13,789.84	$551.60	$13,238.24	$13,789.84	$0.00	$13,789.84
422	270	$829,802.00	$3,184.48	$823,555.52	$826,740.00	($3,062.00)	$823,678.00
426	255	$525,267.60	$3,878.88	$495,125.34	$499,004.22	$0.00	$499,004.22
428	35	$107,170.00	$612.40	$106,557.60	$107,170.00	$0.00	$107,170.00
430	136	$416,432.00	$2,143.40	$414,288.60	$416,432.00	$0.00	$416,432.00
SUBTOTAL	**27,571**	**$25,919,486.99**	**$1,198,775.22**	**$24,319,520.90**	**$25,518,296.12**	**($816.67)**	**$25,517,479.45**
Kaiser - Colorado							
450	4	$5,687.20	$284.36	$5,402.84	$5,687.20	$0.00	$5,687.20
451	41	$12,213.90	$1,483.54	$10,730.36	$12,213.90	$0.00	$12,213.90
453	9	$28,321.11	$571.64	$27,749.47	$28,321.11	$0.00	$28,321.11
455	7	$11,981.90	$924.32	$11,057.58	$11,981.90	$0.00	$11,981.90
457	18	$10,580.40	$1,034.53	$9,545.87	$10,580.40	$0.00	$10,580.40
459	2	$4,003.20	$80.06	$3,923.14	$4,003.20	$0.00	$4,003.20
SUBTOTAL	**81**	**$72,787.71**	**$4,378.45**	**$68,409.26**	**$72,787.71**	**$0.00**	**$72,787.71**

Medical and Dental Vision Insurance Premiums

September 2026

Carrier Codes	Member Count	Premium Amount	Member Amount	County Subsidy Amount	Total	Adjustments	Total Paid
Kaiser - Georgia							
440	1	$1,780.87	$48.32	$1,732.55	$1,780.87	$0.00	$1,780.87
441	3	$5,342.61	$144.96	$5,197.65	$5,342.61	$0.00	$5,342.61
442	6	$10,685.22	$289.92	$10,395.30	$10,685.22	$0.00	$10,685.22
445	2	$4,399.46	$0.00	$4,399.46	$4,399.46	$0.00	$4,399.46
461	14	$24,932.18	$2,305.07	$22,627.11	$24,932.18	$0.00	$24,932.18
462	94	$40,124.84	$5,626.02	$34,925.68	$40,551.70	$0.00	$40,551.70
463	3	$10,661.22	$2,848.87	$7,812.35	$10,661.22	$0.00	$10,661.22
465	2	$4,399.46	$0.00	$4,399.46	$4,399.46	$0.00	$4,399.46
466	26	$21,988.72	$1,370.07	$20,618.65	$21,988.72	$0.00	$21,988.72
SUBTOTAL	**151**	**$124,314.58**	**$12,633.23**	**$112,108.21**	**$124,741.44**	**$0.00**	**$124,741.44**
Kaiser - Hawaii							
471	7	$7,423.99	$296.96	$7,127.03	$7,423.99	$0.00	$7,423.99
472	26	$11,686.74	$1,762.02	$9,924.72	$11,686.74	$0.00	$11,686.74
474	3	$6,339.42	$0.00	$6,339.42	$6,339.42	$0.00	$6,339.42
475	2	$6,331.42	$0.00	$6,331.42	$6,331.42	$0.00	$6,331.42
476	4	$6,008.24	$660.91	$5,347.33	$6,008.24	$0.00	$6,008.24
478	15	$13,364.70	$605.86	$12,758.84	$13,364.70	$0.00	$13,364.70
SUBTOTAL	**57**	**$51,154.51**	**$3,325.75**	**$47,828.76**	**$51,154.51**	**$0.00**	**$51,154.51**

Medical and Dental Vision Insurance Premiums
September 2026

Carrier Codes	Member Count	Premium Amount	Member Amount	County Subsidy Amount	Total	Adjustments	Total Paid
Kaiser - Oregon							
481	8	$12,943.04	$388.29	$12,554.75	$12,943.04	$0.00	$12,943.04
482	74	$45,122.24	$6,085.38	$39,036.86	$45,122.24	($609.76)	$44,512.48
484	3	$9,683.28	$308.46	$9,374.82	$9,683.28	$0.00	$9,683.28
486	5	$11,098.20	$0.00	$11,098.20	$11,098.20	$0.00	$11,098.20
488	33	$39,980.16	$7,075.28	$34,116.40	$41,191.68	$0.00	$41,191.68
493	1	$3,829.52	$143.08	$3,686.44	$3,829.52	$0.00	$3,829.52
SUBTOTAL	**124**	**$122,656.44**	**$14,000.49**	**$109,867.47**	**$123,867.96**	**($609.76)**	**$123,258.20**
SCAN Health Plan							
611	376	$108,784.37	$18,783.01	$90,575.70	$109,358.71	$0.00	$109,358.71
613	163	$92,833.84	$14,128.84	$78,705.00	$92,833.84	$0.00	$92,833.84
SUBTOTAL	**539**	**$201,618.21**	**$32,911.85**	**$169,280.70**	**$202,192.55**	**$0.00**	**$202,192.55**
SCAN Health Plan, AZ							
620	29	$8,323.87	$1,406.45	$7,204.45	$8,610.90	$0.00	$8,610.90
621	14	$7,924.84	$1,369.86	$6,554.98	$7,924.84	$0.00	$7,924.84
SUBTOTAL	**43**	**$16,248.71**	**$2,776.31**	**$13,759.43**	**$16,535.74**	**$0.00**	**$16,535.74**
SCAN Health Plan, NV							
622	25	$7,749.81	$866.83	$4,011.28	$4,878.11	$0.00	$4,878.11
623	11	$6,226.66	$1,018.90	$5,207.76	$6,226.66	$0.00	$6,226.66
SUBTOTAL	**36**	**$13,976.47**	**$1,885.73**	**$9,219.04**	**$11,104.77**	**$0.00**	**$11,104.77**

Medical and Dental Vision Insurance Premiums
September 2026

Carrier Codes	Member Count	Premium Amount	Member Amount	County Subsidy Amount	Total	Adjustments	Total Paid
UHC Medicare Adv.							
701	2,288	$996,286.98	$107,792.11	$887,300.05	$995,092.16	($2,340.49)	$992,751.67
702	416	$988,783.98	$44,118.30	$930,053.65	$974,171.95	$0.00	$974,171.95
703	1,415	$1,224,308.92	$112,035.15	$1,089,161.49	$1,201,196.64	$0.00	$1,201,196.64
704	120	$320,656.80	$10,100.72	$318,267.41	$328,368.13	$0.00	$328,368.13
705	53	$62,911.53	$3,347.35	$59,564.18	$62,911.53	$0.00	$62,911.53
SUBTOTAL	**4,292**	**$3,592,948.21**	**$277,393.63**	**$3,284,346.78**	**$3,561,740.41**	**($2,340.49)**	**$3,559,399.92**
United Healthcare							
706	2	$1,092.06	$65.52	$1,026.54	$1,092.06	$0.00	$1,092.06
707	526	$1,026,188.85	$153,247.21	$838,415.66	$991,662.87	$0.00	$991,662.87
708	446	$1,584,580.92	$210,175.65	$1,317,503.03	$1,527,678.68	$0.00	$1,527,678.68
709	320	$1,342,798.21	$199,583.50	$1,109,764.81	$1,309,348.31	$0.00	$1,309,348.31
SUBTOTAL	**1,294**	**$3,954,660.04**	**$563,071.88**	**$3,266,710.04**	**$3,829,781.92**	**$0.00**	**$3,829,781.92**

Medical and Dental Vision Insurance Premiums
September 2026

Carrier Codes	Member Count	Premium Amount	Member Amount	County Subsidy Amount	Total	Adjustments	Total Paid
Local 1014 Firefighters							
801	79	$119,586.25	$6,388.02	$110,170.73	$116,558.75	$0.00	$116,558.75
802	340	$927,996.00	$30,460.10	$892,077.10	$922,537.20	$0.00	$922,537.20
803	447	$1,439,156.73	$49,774.82	$1,386,162.32	$1,435,937.14	$6,439.18	$1,442,376.32
804	216	$326,970.00	$9,748.53	$321,638.74	$331,387.27	($62,159.65)	$269,227.62
805	250	$682,350.00	$20,415.91	$653,745.89	$674,161.80	($59,002.80)	$615,159.00
806	803	$2,191,708.20	$45,690.18	$2,135,323.96	$2,181,014.14	($360,583.70)	$1,820,430.44
807	63	$202,834.17	$2,318.10	$200,516.07	$202,834.17	($13,350.90)	$189,483.27
808	26	$83,709.34	$2,060.54	$81,648.80	$83,709.34	($14,040.60)	$69,668.74
809	14	$21,192.50	$908.25	$20,284.25	$21,192.50	$0.00	$21,192.50
810	9	$24,564.60	$3,220.69	$21,343.91	$24,564.60	$0.00	$24,564.60
811	5	$16,097.95	$1,931.76	$14,166.19	$16,097.95	$0.00	$16,097.95
812	271	$410,226.25	$23,341.96	$392,877.30	$416,219.26	($58,909.80)	$357,309.46
813	2	$5,458.80	$0.00	$5,458.80	$5,458.80	($405.80)	$5,053.00
814	1	$3,219.59	$1,030.27	$2,189.32	$3,219.59	($202.90)	$3,016.69
SUBTOTAL	**2,526**	**$6,455,070.38**	**$197,289.13**	**$6,237,603.38**	**$6,434,892.51**	**($562,216.97)**	**$5,872,675.54**
Kaiser - Washington							
393	6	$13,161.18	$3,226.86	$12,127.85	$15,354.71	$0.00	$15,354.71
394	24	$10,818.72	$1,343.31	$9,475.41	$10,818.72	$0.00	$10,818.72
395	1	$4,089.26	$964.32	$3,124.94	$4,089.26	$0.00	$4,089.26
397	2	$4,693.02	$0.00	$4,693.02	$4,693.02	$0.00	$4,693.02
398	17	$15,190.52	$3,680.38	$14,125.08	$17,805.46	$0.00	$17,805.46
SUBTOTAL	**50**	**$47,952.70**	**$9,214.87**	**$43,546.30**	**$52,761.17**	**$0.00**	**$52,761.17**
Medical Plan Total	**59,186**	**$76,187,334.76**	**$4,906,164.14**	**$70,479,511.76**	**$75,385,675.90**	**($599,713.79)**	**$74,785,962.11**

Medical and Dental Vision Insurance Premiums
September 2026

Carrier Codes	Member Count	Premium Amount	Member Amount	County Subsidy Amount	Total	Adjustments	Total Paid
Dental/Vision Plan							
CIGNA Indemnity Dental/Vision							
501	27,970	$1,573,651.44	$153,673.04	$1,438,696.87	$1,592,369.91	($3,132.78)	$1,589,237.13
502	25,730	$3,039,667.62	$221,658.19	$2,822,839.35	$3,044,497.54	($611.80)	$3,043,885.74
503	11	$762.85	$24.97	$737.88	$762.85	$0.00	$762.85
SUBTOTAL	**53,711**	**$4,614,081.91**	**$375,356.20**	**$4,262,274.10**	**$4,637,630.30**	**($3,744.58)**	**$4,633,885.72**
CIGNA Dental HMO/Vision							
901	4,566	$213,285.62	$20,971.48	$192,920.21	$213,891.69	($140.00)	$213,751.69
902	3,456	$331,298.04	$22,040.40	$306,297.17	$328,337.57	$0.00	$328,337.57
903	2	$94.52	$17.01	$77.51	$94.52	$0.00	$94.52
SUBTOTAL	**8,024**	**$544,678.18**	**$43,028.89**	**$499,294.89**	**$542,323.78**	**($140.00)**	**$542,183.78**
Dental/Vision Plan Total	**61,735**	**$5,158,760.09**	**$418,385.09**	**$4,761,568.99**	**$5,179,954.08**	**($3,884.58)**	**$5,176,069.50**
GRAND TOTALS	**120,921**	**$81,346,094.85**	**$5,324,549.23**	**$75,241,080.75**	**$80,565,629.98**	**($603,598.37)**	**$79,962,031.61**

PREMIUMS*	CARRIER DEDUCTION CODES	DEDUCTION CODE DEFINITIONS
Anthem Blue Cross Prudent Buyer Plan		
$1,220.38	201	Retiree Only
$2,402.44	202	Retiree and Spouse/Domestic Partner
$2,711.47	203	Retiree, Spouse/Domestic Partner and Children
$1,568.92	204	Retiree and Children
$331.92	205	Survivor Children Only Rates
Anthem Blue Cross Plan I		
$1,584.80	211	Retiree Only
$2,857.90	212	Retiree and Spouse/Domestic Partner
$3,371.30	213	Retiree, Spouse/Domestic Partner and Children
$2,097.12	214	Retiree and Children
$534.96	215	Survivor Children Only Rates
Anthem Blue Cross Plan II		
$1,584.80	221	Retiree Only
$2,857.90	222	Retiree and Spouse/Domestic Partner
$3,371.30	223	Retiree, Spouse/Domestic Partner and Children
$2,097.12	224	Retiree and Children
$534.96	225	Survivor Children Only Rates
Anthem Blue Cross Plan III		
$642.90	240	Retiree Only with Medicare
$2,057.29	241	Retiree and Spouse/Domestic Partner - One with Medicare (Non-Medicare has Anthem Blue Cross I)
$2,057.29	242	Retiree and Spouse/Domestic Partner - One with Medicare (Non-Medicare has Anthem Blue Cross II)
$1,280.41	243	Retiree and Spouse/Domestic Partner - Both with Medicare
$1,151.83	244	Retiree and Children (Retiree has Medicare; Children have Anthem Blue Cross I)
$1,151.83	245	Retiree and Children (Retiree has Medicare; Children have Anthem Blue Cross II)
$2,566.05	246	Retiree, Spouse/Domestic Partner and Children - One with Medicare (Non-Medicare has Anthem Blue Cross I)
$2,566.05	247	Retiree, Spouse/Domestic Partner and Children - One with Medicare (Non-Medicare has Anthem Blue Cross II)
$1,789.08	248	Retiree, Spouse/Domestic Partner and Children - Two with Medicare (Children have Anthem Blue Cross I)
$1,789.08	249	Retiree, Spouse/Domestic Partner and Children - Two with Medicare (Children have Anthem Blue Cross II)
$2,005.12	250	Member, Spouse/Domestic Partner, Child (3 with Medicare)

***Benchmark premiums are bolded.**

PREMIUMS*	CARRIER DEDUCTION CODES	DEDUCTION CODE DEFINITIONS
CIGNA Network Model Plan		
$2,027.27	301	Retiree Only
$3,661.10	302	Retiree and Spouse/Domestic Partner
$4,323.07	303	Retiree, Spouse/Domestic Partner and Children
$2,690.19	304	Retiree and Children
$670.42	305	Survivor Children Only Rates
Kaiser		
$1,410.77	401	Retiree Only ("Basic")
$291.66	403	Retiree Only ("Senior Advantage")
$1,367.03	404	Retiree Only ("Excess I") *"Closed to New Entrants"*
$1,414.33	405	Retiree Only - ("Excess II")
$2,813.54	411	Retiree and Family (All family members are "Basic")
$1,694.43	413	Retiree and Family (One family member is "Senior Advantage"; others are "Basic")
$2,769.80	414	Retiree and Family (One family member is "Excess I"; others are "Basic") *"Closed to New Entrants"*
$575.32	418	Retiree and Family (Two or more family members are "Senior Advantage")
$1,650.69	419	Retiree and Family (One family member is "Excess I"; others are "Senior Advantage" *"Closed to New Entrants*"
$2,726.06	420	Retiree and Family (Two or more family members are "Excess I") *"Closed to New Entrants"*
N/A	421	Survivor Children Only Rates
$2,817.10	422	Retiree and Family (One family member is "Excess II"; others are "Basic")
$1,697.99	426	Retiree and Family (One family member is "Senior Advantage"; others are "Excess II")
$2,773.36	428	Retiree and Family (One family member is "Excess I"; others are "Excess II")
$2,820.66	430	Retiree and Family (Two or more family members are "Excess II")
Kaiser Colorado		
$1,421.80	450	Retiree Only ("Basic" under age 65)
$297.90	451	Retiree Only ("Senior Advantage")
$3,146.79	453	Retiree and Family (Two family members are "Basic")
$4,249.55	454	Retiree and Family (Three or more family members are "Basic")
$1,711.70	455	Retiree and Family (One family member is "Senior Advantage"; one family member is "Basic")
$587.80	457	Retiree and Family (Two family members are "Senior Advantage")
$3,043.28	458	Retiree and Family (One family member is "Senior Advantage"; two or more are "Basic")
$2,001.60	459	Retiree and Family (Two family members are "Senior Advantage"; one or more are "Basic")

***Benchmark premiums are bolded.**

PREMIUMS*	CARRIER DEDUCTION CODES	DEDUCTION CODE DEFINITIONS
Kaiser Georgia		
$1,780.87	440	Retiree Only ("Basic" over age 65 with Medicare Part B only
$1,780.87	441	Retiree Only ("Basic over age 65 with Medicare Part A only)
$1,780.87	442	Retiree Only ("Basic over age 65 without Medicare Part A or Medicare Part B)
$413.87	443	Retiree Only ("Basic" over age 65 - Medicare eligible who is classified as having renal failure)
$2,186.74	444	Retiree and Family (One family member is "Senior Advantage"; one family member is "Basic" over age 65 with Medicare Part B only)
$2,186.74	445	Retiree and Family (One family member is "Senior Advantage"; one family member is "Basic" over age 65 with Medicare Part A only)
$2,186.74	446	Retiree and Family (One family member is "Senior Advantage"; one family member is "Basic" over age 65 without Medicare Part A and B)
$1,780.87	461	Retiree Only ("Basic" under age 65)
$413.87	462	Retiree Only ("Senior Advantage")
$3,553.74	463	Retiree and Family (Two family members are "Basic")
$5,326.61	464	Retiree and Family (Three or more family members are "Basic)
$2,186.74	465	Retiree and Family (One family member is "Senior Advantage"; one is "Basic")
$819.74	466	Retiree and Family (Two family members are "Senior Advantage")
$3,959.61	467	Retiree and Family (One family member is "Senior Advantage"; two or more are "Basic")
$2,592.61	468	Retiree and Family (Two family members are "Senior Advantage"; one is "Basic")
$1,225.61	469	Retiree and Family (Three or more family members are "Senior Advantage"; one is "Basic")
$3,959.61	470	Retiree and Family (Three or more family members are "Basic"; one is "Senior Advantage"
Kaiser Hawaii		
$962.84	471	Retiree Only ("Basic" under age 65)
$447.25	472	Retiree Only ("Senior Advantage")
$2,222.50	473	Retiree Only (Over age 65 without Medicare Part A or Medicare Part B)
$1,917.68	474	Retiree and Family (Two family members are "Basic")
$2,872.52	475	Retiree and Family (Three or more family members are "Basic")
$1,402.09	476	Retiree and Family (One family member is "Senior Advantage"; one is "Basic")
$3,177.34	477	Retiree and Family (One family member is "Basic" under age 65; one is over age 65 without Medicare Part A or Medicare Part B)
$886.50	478	Retiree and Family (Two family members are "Senior Advantage"
$2,661.75	479	Retiree and Family (One family member is "Senior Advantage"; one is over age 65 without Medicare Part A or Medicare Part B)

***Benchmark premiums are bolded.**

PREMIUMS*	CARRIER DEDUCTION CODES	DEDUCTION CODE DEFINITIONS
Kaiser Oregon		
$1,414.96	481	Retiree Only ("Basic" under age 65)
$565.20	482	Retiree Only ("Senior Advantage")
$1,732.21	483	Retiree Only (Over age 65 without Medicare Part A or Medicare Part B)
$2,821.92	484	Retiree and Family (Two family members are "Basic")
$4,228.88	485	Retiree and Family (Three or more family members are "Basic")
$1,972.16	486	Retiree and Family (One family member is "Senior Advantage"; one is "Basic")
$1,122.40	488	Retiree and Family (Two family members are "Senior Advantage")
$1,732.21	490	Retiree Only (Over age 65 with Medicare Part B only)
$1,930.86	491	Retiree and Family (One family member is "Senior Advantage"; one is over age 65 with Medicare Par A only)
$2,289.41	492	Retiree and Family (One family member is "Senior Advantage"; one is over age 65 without Medicare Part A or Medicare Part B)
$3,379.12	493	Retiree and Family (One family member is "Senior Advantage"; two or more are "Basic")
$2,529.36	494	Retiree and Family (Two family members are "Senior Advantage"; one is "Basic")
$3,456.42	495	Retiree and Family (Two family members are over age 65 without Medicare Part A or Medicare Part B)
$2,739.32	496	Retiree and Family (Two family members are over age 65 with Medicare Part A only)
$2,780.62	497	Retiree and Family (One family member is "Basic"; one is over age 65 with Medicare Part A only)
$3,139.17	498	Retiree and Family (One family member is "Basic"; one is over age 65 without Medicare Part A or Medicare Part B)
Kaiser Washington		
$2,012.53	393	Retiree and Family ("Basic" under age 65)
$417.92	394	Retiree Only ("Senior Advantage")
$3,751.26	395	Retiree and Family (Two family members are "Basic")
$6,275.96	396	Retiree and Family (Three or more family members are "Basic")
$2,156.64	397	Retiree and Family (One family member is "Senior Advantage"; one family member is "Basic")
$827.82	398	Retiree and Family (Two family members are "Senior Advantage")
$4,681.34	399	Retiree and Family (One family member is "Senior Advantage"; two or more are "Basic")
$3,352.52	400	Retiree and Family (Two family members are "Senior Advantage"; one or more are "Basic")

***Benchmark premiums are bolded.**

PREMIUMS*	CARRIER DEDUCTION CODES	DEDUCTION CODE DEFINITIONS

Kaiser Rate Category Definitions

"Basic" - includes those who are under age 65

"Senior Advantage"

-Includes participants who are age 65 or older and who have assigned both Medicare Part A and Part B to Kaiser.

"Excess II"

-Is for participants in the Excess Plan who either have Medicare Part B only or are not eligible for Medicare.

***Benchmark premiums are bolded.**

PREMIUMS*	CARRIER DEDUCTION CODES	DEDUCTION CODE DEFINITIONS
SCAN Health Plan		
$287.31	611	Retiree Only with SCAN
$566.62	613	Retiree and 1 Dependent - Both with SCAN (Retiree and 1 Dependent = Retiree and Spouse/Domestic Partner OR Retiree and 1 Child. Both Retiree and Dependent must have Medicare.)
SCAN Health Plan – Arizona (Maricopa, Pima, Pinal Counties)		
$287.31	620	Retiree Only
$566.62	621	Retiree and Spouse/Domestic Partner or Retiree and One Child. Both Retiree and eligible dependent must be enrolled in Medicare Parts A & B.
SCAN Health Plan – Nevada (Nye and Clark Counties)		
$287.31	622	Retiree Only
$566.82	623	Retiree and Spouse/Domestic Partner or Retiree and One Child. Both Retiree and eligible dependent must be enrolled in Medicare Parts A & B
United Healthcare Medicare Advantage (UHCMA) (For both members and dependents who are enrolled in UHCMA, or a family combination of UHCMA/UHC)		
$387.45	701	Retiree Only with Secure Horizons
$2,076.15	702	Retiree and 1 Dependent - One with Secure Horizons (Retiree and 1 Dependent = Retiree and Spouse/Domestic Partner OR Retiree and 1 Child)
$766.90	703	Retiree and 1 Dependent - Both with Secure Horizons (Retiree and 1 Dependent = Retiree and Spouse/Domestic Partner OR Retiree and 1 Child)
$2,367.05	704	Retiree and 2 or More Dependents - One with Secure Horizons (Retiree and 2 or More Dependents = Retiree, Spouse/Domestic Partner and 1 or More Children OR Retiree and 2 or More Children)
$1,057.80	705	Retiree and 2 or More Dependents - Two with Secure Horizons (Retiree and 2 or More Dependents = Retiree, Spouse/Domestic Partner and 1 or More Children OR Retiree and 2 or More Children)
$483.66	706	Survivor Children Only Rates

***Benchmark premiums are bolded.**

PREMIUMS*	CARRIER DEDUCTION CODES	DEDUCTION CODE DEFINITIONS

United Healthcare (UHC)

(For members and dependents under age 65 [no Medicare])

$1,696.70	707	Retiree Only
$3,100.27	708	Retiree and 1 Dependent
$3,676.30	709	Retiree and 2 Or More Dependents

Local 1014 Firefighters

$1,451.76	801	Member Under 65
$2,617.63	802	Member + 1 Under 65
$3,087.74	803	Member + 2 Under 65
$1,451.76	804	Member with Medicare
$2,617.63	805	Member + 1; 1 Medicare
$2,617.63	806	Member + 1; 2 Medicare
$3,087.74	807	Member + 2; 1 Medicare
$3,087.74	808	Member + 2; 2 Medicare
$1,451.76	809	Surviving Spouse Under 65
$2,617.63	810	Surviving Spouse + 1; Under 65
$3,087.74	811	Surviving Spouse + 2 Under 65
$1,451.76	812	Surviving Spouse with Medicare
$2,617.63	813	Surviving Spouse + 1; 1 Medicare
$3,087.74	814	Spouse + 1; 1 Medicare
$2,617.63	815	Surviving Spouse + 1; 2 Medicare

CIGNA Indemnity - Dental/Vision

$56.20	501	Retiree Only
$117.86	502	Retiree and Dependent(s)
$69.30	503	Survivor Children Only Rates

CIGNA HMO - Dental/Vision

$46.60	901	Retiree Only
$95.45	902	Retiree and Dependent(s)
$47.21	903	Survivor Children Only Rates

***Benchmark premiums are bolded.**

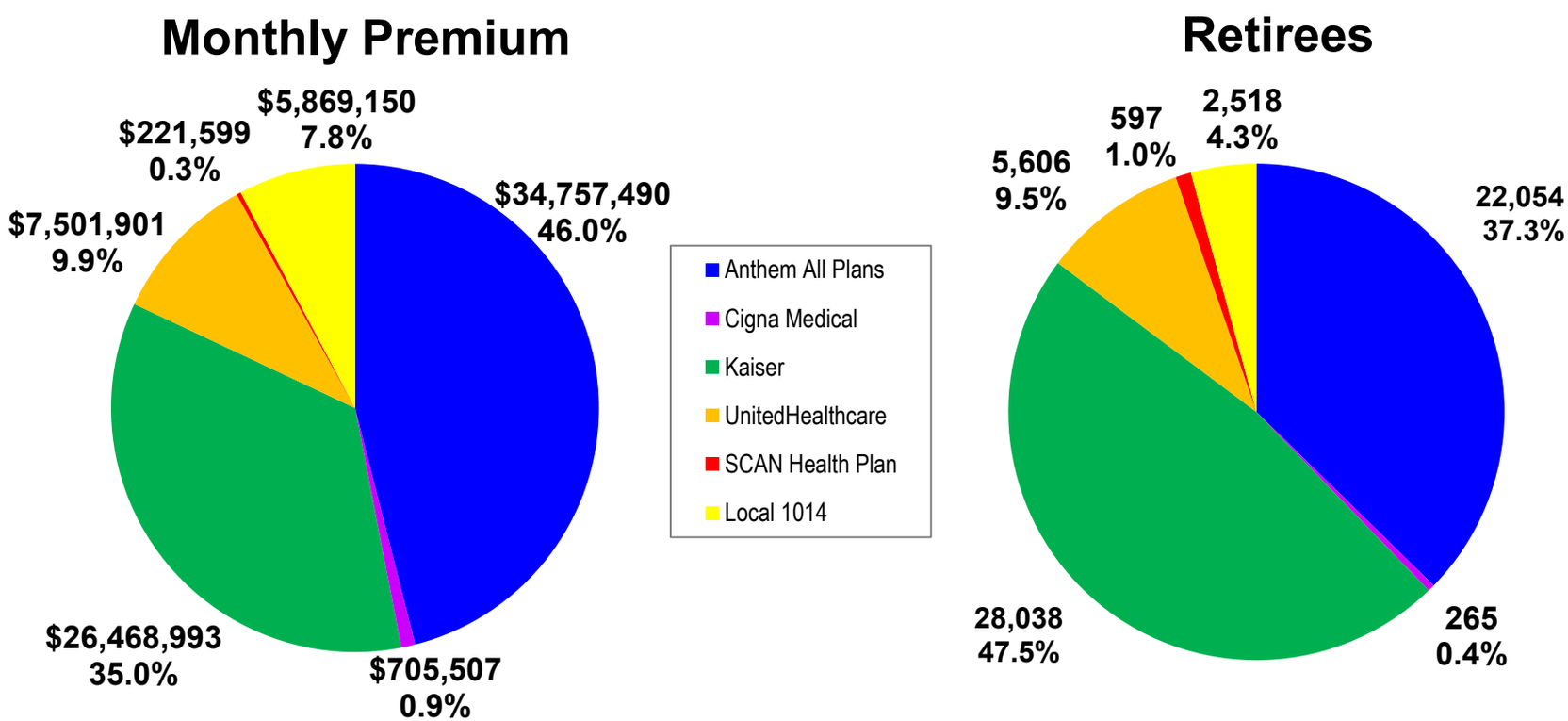
Los Angeles County Employees Retirement Association

Premium & Enrollment

Coverage Month Ending July 2026

Carrier / Plan	Monthly Premium	Percent of Total	Retirees	Percent of Total
	$34,757,490			
Cigna Medical	$705,507	0.9%	265	0.4%
Kaiser	$26,468,993	35.1%	28,038	47.5%
UnitedHealthcare	$7,501,901	9.9%	5,606	9.5%
SCAN Health Plan	$221,599	0.3%	597	1.0%
Local 1014	$5,869,150	7.8%	2,518	4.3%
Combined Medical	**$75,524,639**	**100.0%**	**59,078**	**100.0%**

Cigna Dental & Vision (PPO and HMO)	**$5,179,714**	**61,534**

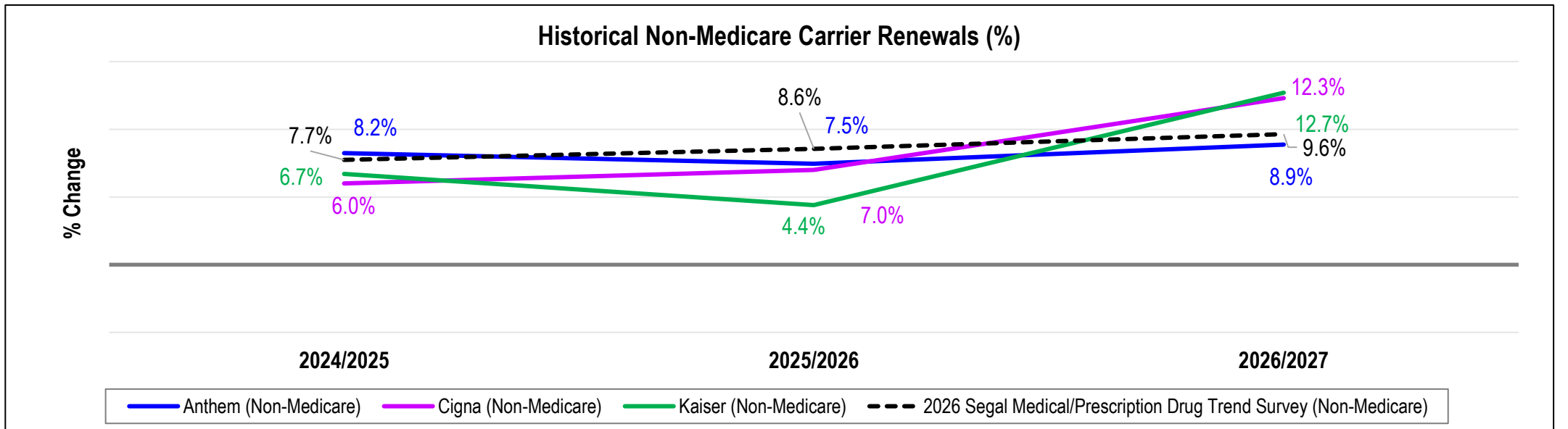


Note: Premiums **include** LACERA's Administrative Fee of $8.00 per member, per plan, per month.

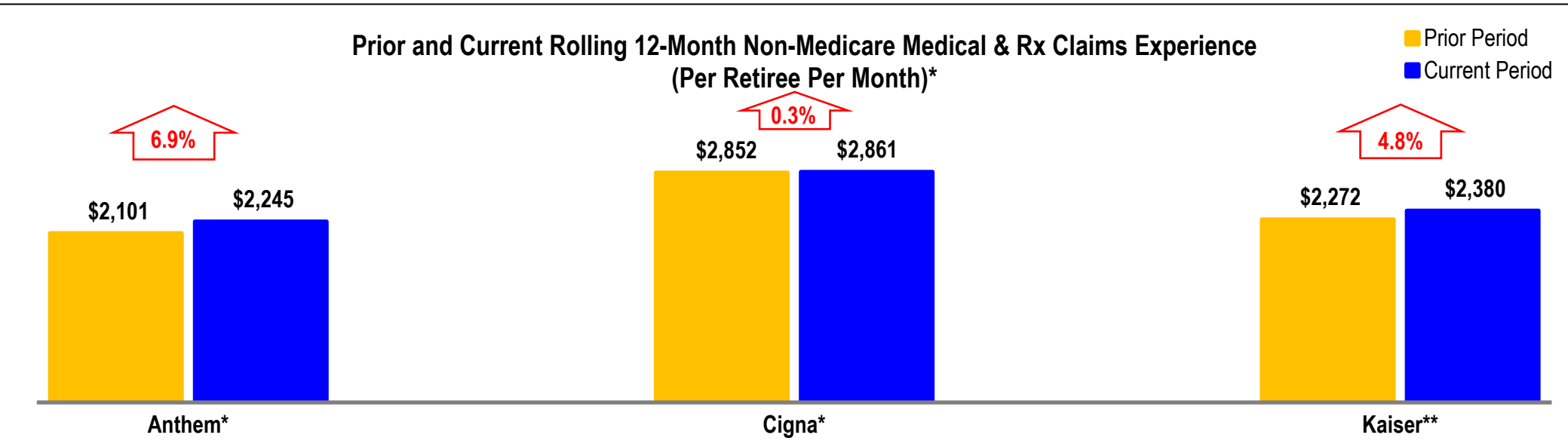
Los Angeles County Employees Retirement Association

Claims Experience by Carrier

Coverage Month Ending July 2026



Note: Segal's Annual Medical/Prescription Drug Trend Survey blends multiple calendar year trends to reflect LACERA's fiscal plan year.



* Based on Most Recent Claims Experience through Coverage Month.

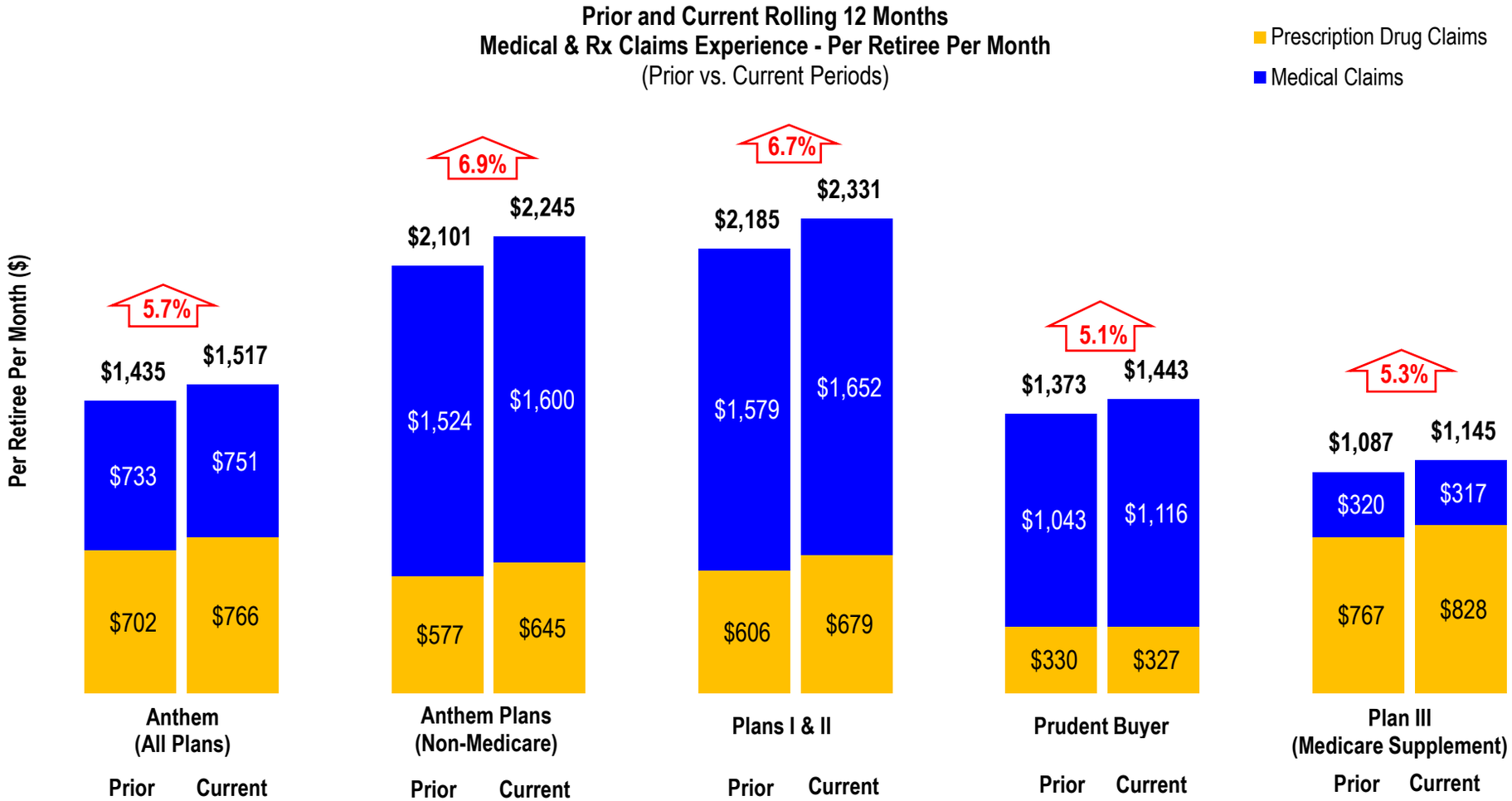
** Kaiser Claims Experience through March 2026.

Note: Figures above include gross claims only, and do not include rebates or pooling credits.

Los Angeles County Employees Retirement Association

Anthem Claims Experience By Plan

Coverage Month Ending July 2026



Note:

1. Figures above are based on most recent 12 months of Claims Experience through Coverage Month.
2. Figures above include gross claims only, and do not include rebates, pooling credits, or ITS surcharges.
3. Prudent Buyer pharmacy claims are retroactively updated due to the timing of Anthem PBM's receipt of recorded claims.
4. Anthem applies ITS surcharges for Plans I-III, and Prudent Buyer, which historically adds an estimated 0.5% to 0.6% towards claims.

Blended (Medical & Rx) Trend	2024/2025	2025/2026	2026/2027
Non-Medicare (80% Medical / 20% Rx)	7.7%	8.6%	9.6%
Medicare (20% Medical / 80% Rx)	6.2%	8.1%	7.4%

Los Angeles County Employees Retirement Association

Kaiser Utilization

Coverage Month Ending July 2026

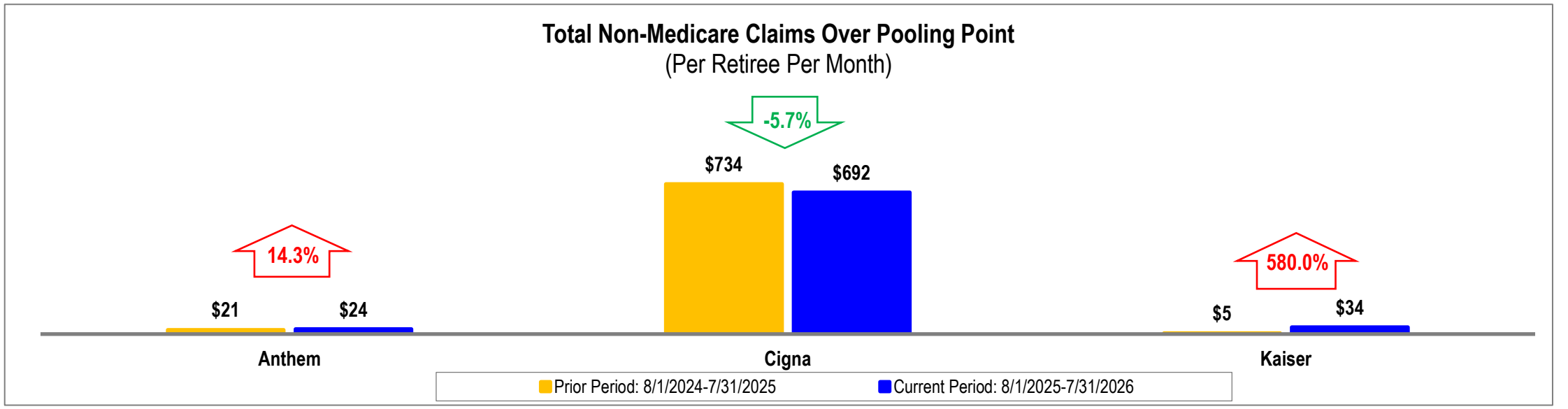
- Kaiser insures approximately 27,000 LACERA retirees with the majority enrolled in Medicare Advantage plans.
- Kaiser's Periodic Utilization Report (PUR) monitors utilization patterns of LACERA's non-Medicare population in California.

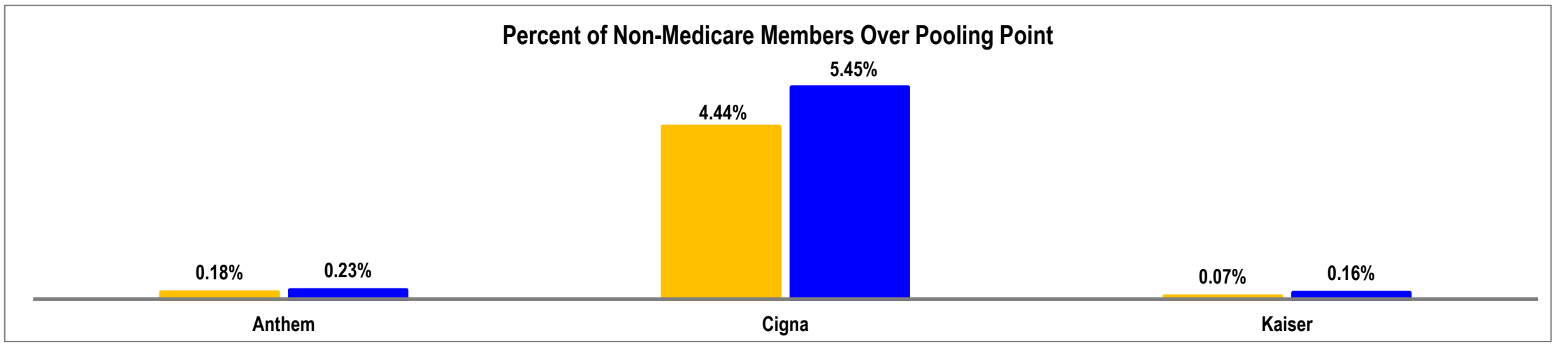
Category	Current Period 4/1/2025 - 3/31/2026	Prior Period 4/1/2024 - 3/31/2025	Change
Average Contract Size	**1.83**	**1.82**	**0.55%**
Average Members	**12,794**	**12,578**	**1.72%**
Inpatient Claims Per Member Per Month	$319.70	$321.30	-0.50%
Outpatient Claims Per Member Per Month	$581.14	$548.03	6.04%
Pharmacy Per Member Per Month	$182.94	$168.03	8.87%
Other Per Member Per Month	$218.83	$212.54	2.96%
Total Claims Per Member Per Month	**$1,302.61**	**$1,249.90**	**4.22%**
Total Paid Claims	**$199,993,015**	**$188,661,915**	**6.01%**
Large Claims over $600,000 Pooling Point			
Number of Claims over Pooling Point	11	5	
Amount over Pooling Point	$2,874,054	$427,516	572.27%
% of Total Paid Claims	**1.44%**	**0.23%**	
Inpatient Days / 1000	906.7	672.7	34.79%
Inpatient Admits / 1000	96.4	96.0	0.42%
Outpatient Visits / 1000	16,676.4	16,636.9	0.24%
Pharmacy Scripts Per Member Per Year	14.2	14.1	0.71%

Los Angeles County Employees Retirement Association

High Cost Claimants (Anthem, Cigna, & Kaiser)

Coverage Month Ending July 2026





Stop-Loss & Pooling Points Overview:

Plan sponsors mitigate the financial risk associated with individual large claimants through reinsurance. Claims exceeding the specified individual pooling threshold are deducted from the carrier's renewal calculation. The pooling credit is offset by the carrier's pooling expense, which is applied to all policyholders.

Anthem and Cigna figures are based on the most recent Claims Experience through Coverage Month. Kaiser's figures are based on Claims Experience period between April through March.

Pooling Points by Carrier:

1. Anthem's pooling points are $500,000 for Plans I & II, and $250,000 for Prudent Buyer.
2. Cigna's pooling point is $100,000.
3. Kaiser's pooling point is $600,000.

LACERA

Los Angeles County Employees Retirement Association

Anthem Lifetime Max Accumulation Status By Plan

Coverage Month Ending July 2026

	Prior Calendar Year: December 2024 [1,2]			Current Calendar Year: December 2025 [3,4]		
Lifetime Claim Amount [5]	**Plans I & II**	**Prudent Buyer**	**Combined**	**Plans I & II**	**Prudent Buyer**	**Combined**
$2.00M-$2.25M	0	0	**0**	0	0	**0**
$1.80M-$2.00M	0	0	**0**	0	0	**0**
$1.60M-$1.80M	0	0	**0**	0	0	**0**
$1.40M-$1.60M	0	0	**0**	0	0	**0**
$1.20M-$1.40M	0	0	**0**	0	0	**0**
$1.00M-$1.20M	7	0	**7**	8	1	**9**
$800K-$999K	33	2	**35**	29	3	**32**
Total	**40**	**2**	**42**	**37**	**4**	**41**

	Prior Month: June 2026 [3,6]			Most Recent Month: July 2026 [3,7]		
Lifetime Claim Amount [5]	**Plans I & II**	**Prudent Buyer**	**Combined**	**Plans I & II**	**Prudent Buyer**	**Combined**
$2.00M-$2.25M	0	0	**0**	0	0	**0**
$1.80M-$2.00M	0	0	**0**	0	0	**0**
$1.60M-$1.80M	0	0	**0**	0	0	**0**
$1.40M-$1.60M	0	0	**0**	0	0	**0**
$1.20M-$1.40M	0	0	**0**	2	0	**2**
$1.00M-$1.20M	11	0	**11**	7	0	**7**
$800K-$999K	34	4	**38**	36	4	**40**
Total	**45**	**4**	**49**	**45**	**4**	**49**

The number of members reported will fluctuate period to period due to multiple factors including migration from an Anthem plan to another LACERA-administered plan or members passing away.

[1] Includes two years of historical data.

[2] Based on data provided by Anthem on January 22, 2025.

[3] Includes two months of historical data.

[4] Based on data provided by Anthem on January 14, 2026.

[5] Members identified by Anthem as terminated were excluded from the counts above.

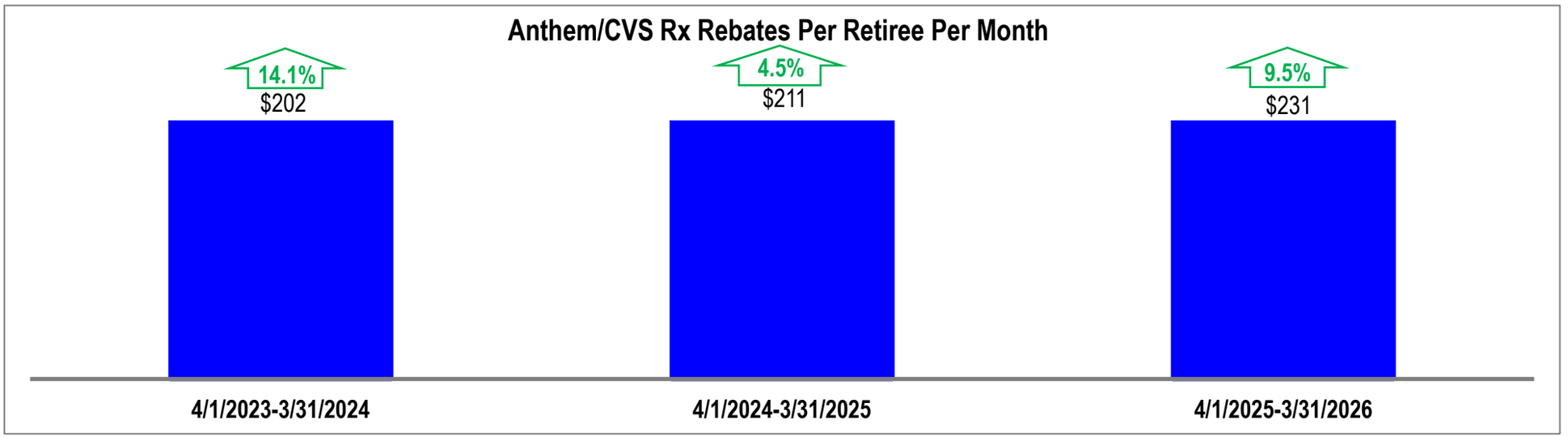
[6] Based on data provided by Anthem on July 15, 2026.

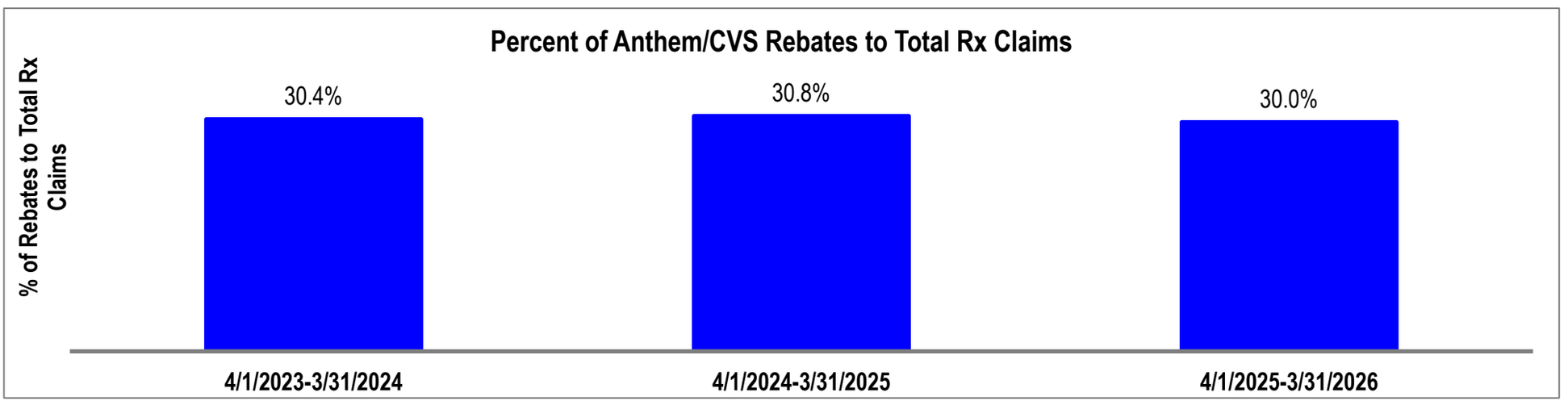
[7] Based on data provided by Anthem on August 17, 2026.

Los Angeles County Employees Retirement Association

Prescription Drug Rebates (Anthem)

Coverage Month Ending July 2026





Rebates Overview:

Pharmacy Benefit Managers negotiate volume-based rebates with drug manufacturers of brand medications. Manufacturer rebates are passed on to plan sponsors and are used to offset pharmaceutical claims expenses.

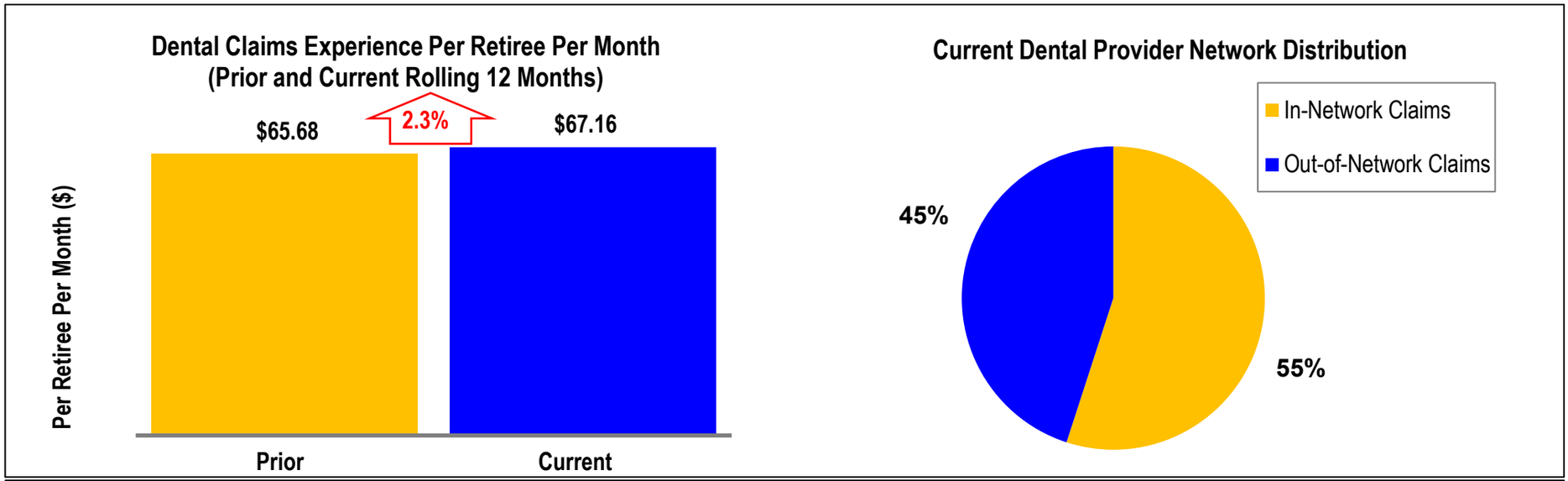
Note:

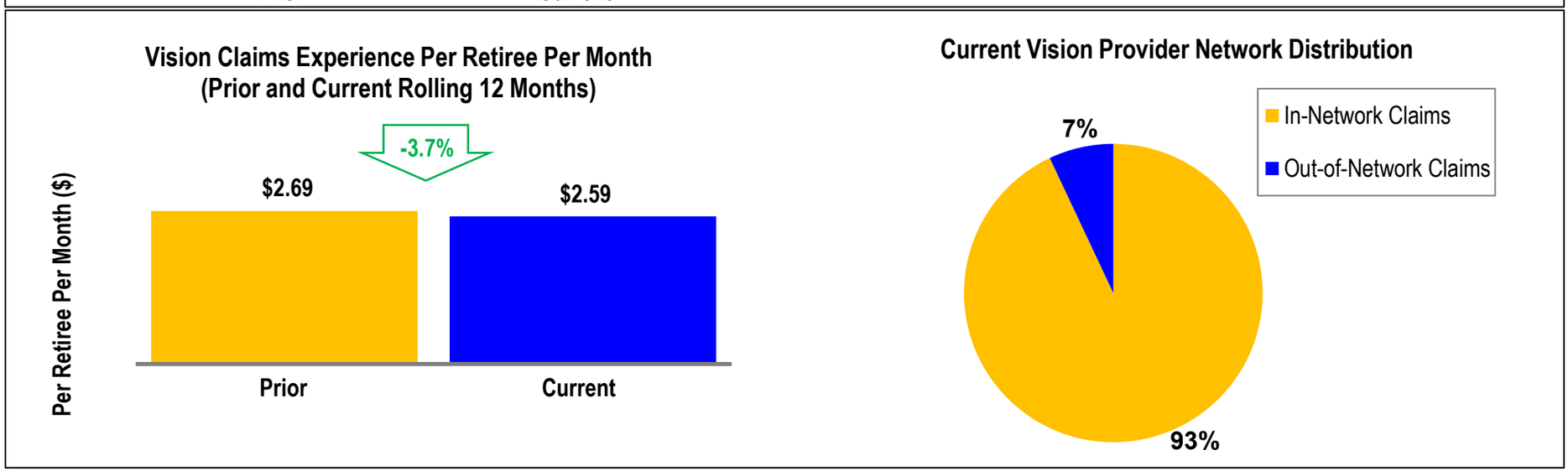
1. Prescription Claims and Rebates Data were provided by CVS.
2. Anthem Prudent Buyer prescription drugs are provided by CarelonRx and are not included in the charts above.

Los Angeles County Employees Retirement Association

Cigna Dental & Vision Claims Experience

Coverage Month Ending July 2026





Notes:

1. Figures above are based on most recent 12 months of Claims Experience through Coverage Month.
2. Dental Claims Experience reflects passive use of Cigna's PPO Dental Network.

Segal

Complian b $July 29, 2026

IDR Operations Update: A New Gateway and Guidance on Codes

As required y the recently issued final rule on independent b dispute resolution (IDR) operations under the No Surprises Act, the Centers for Medicare & Medicaid Services (CMS) has provided an update on the status of the new IDR portal known as the IDR Gateway. CMS has also provided guidance a out remittance advice remark codes (RARCs).

Ba kground on IDR Op rations Final Rul

Most plans became subject to the No Surprises Act in 2022. The No Surprises Act prevents providers from balance billing patients who receive emergency services in the emergency department of a hospital, at an independent free-standing emergency department and from air ambulances. The law also protects patients who receive certain non-emergency services from an out-of-network provider at an in-network facility. (See our insights, "New Law Requires Transparency and Prohibits Surprise Billing" and "The No Surprises Act Requires Changes to Your Plan Coverage.")

The law established the federal IDR process to settle payment disputes between payers and providers for out-of-network claims. b

The final rule, which the Departments of Labor, Health and Human Services, and the Treasury and the Office of Personnel Management (collectively, the Departments) issued on June 4, 2026, provides enhanced standards for claims adjudication communications, open negotiations, batching, eligibility determinations, administrative fees and other procedural requirements during the IDR process. Standardizing IDR processes is intended to reduce delays and costs and increase efficiency, including lowering the number of ineligible claims entering the system and facilitating the proper handling of claims by the entity responsible.

Among other things, under the final rule, payers must use specific claim adjustment reason codes (CARCs) and remittance advice remark codes (RARCs) when they provide any paper or electronic remittance advice to an entity that does not have a contractual relationship with the payer.

As required by the final rule, open negotiations and IDR will run through a federal IDR portal and proprietary portals will no longer be used. The applicability of the various provisions of the final IDR operations rule is contingent upon the date the related requirements become functional under the federal IDR portal.

For more information about the final rule and background on the IDR implementation, see our June 5, 2026 insight, "Final Rule on Independent Dispute Resolution Operations." b

New IDR G ew a

July 15, 2026, CMS a ou ced ha he federal IDR process will ra si io from a si gle-use web form o the ew IDR Ga eway, which will provide a secure, ce ralized pla form ha par ies ca use e o ma age dis pu es.

Through he IDR Ga eway, users will be able o:

- I i ia e dispu es a d respo d o dispu es filed by o her par ies
- View dashboards a d repor s rela ed o dispu es associa ed wi h heir orga iza io
- Mo i or dispu e ac ivi y a d rack ma ers assig ed o a cer ified IDR e i y
- Follow he s a us of dispu es hroughou each s age of he IDR process
- Receive a d review o ifica io s regardi g dispu e-rela ed ac io s a d upda es

The IDR Ga eway will also bri g impor a ew securi y fea ures, i cludi g ide i y verifica io processes a d pro ocols ha permi o ly U.S.-based users o access he federal IDR process.

ga iza io s a d i dividuals ha process dispu es, represe par ies or submi IDR web forms i he curre federal IDR process will be required o sig up o ma age dispu es i he IDR Ga eway. If hey use a hird-par y admi is ra or (TPA) or a o her orga iza io o process dispu es, hey do o eed o sig up for he IDR Ga eway. However, hey mus e sure he TPA or orga iza io respo sible for ma agi g dispu e-processi g ac ivi ies sig s up for a IDR Ga eway accou .

De ails abou sig i g up for he IDR Ga eway are comi g soo . U il he , e i ies should co i ue usi g he federal IDR web forms.

The ew IDR Ga eway is expec ed o lau ch i la e 2026.

New requiremen s for using RARC codes

July 17, 2026, CMS issued Guida ce o Required Remi a ce Advice Remark Codes Rela ed o he No Surprises Ac . The guida ce ide ifies he specific RARCs ha mus be used a d he circums a ces i which o use hem o commu ica e i forma io abou whe her a i em or service is subjec o he No Surprises Ac 's surprise billi g a d federal IDR process provisio s. The guida ce also provides ech ical i s ruc io s o facili a e heir use.

Use of he RARC codes will be i corpora ed i o he official i dus ry code se by November 1, 2026, a d will be required o be used for i ems a d services provided o or af er Ja uary 1, 2027.

For ow, pla s a d issuers may co i ue o choose he CARC hey hi k is mos appropria e for a y claim adjus me .

Implic ions for sponsors of group he l h pl ns

Pla spo sors should s ay abreas of IDR develop me s as he Depar me s co i ue o issue i forma io rela ed o IDR opera io s. Spo sors of pla s ha direc ly admi is er heir IDR process will eed o e sure hey comply wi h he ew proc ess require me s as of he various applicabili y da es. Those ha rely o a TPA will wa o mo i or he TPA for compliat ce.

Impleme a io guida ce for he IDR opera io s rule is expec ed o be issued by he Depar me s i creme tally over he comi g mo hs. Segal will co i ue o provide upda es as ew i forma io becomes available.

Segal

Complian c $August 7, 2026

Medicare Part D Demonstration Program Will End on 12/31/26

In an unexpe ted announ ement, the Centers for Medi are & Medi aid Servi es (CMS) said the Medi are Part D Premium Stabilization Demonstration program that began last year will end on De ember 31, 2026, one year earlier than s heduled.

CMS has not changed these Medicare subsidies:

- The Medicare Low-Income Subsidy or "Extra Help" subsidy that has existed since 2006
- The Retiree Drug Subsidy (RDS)

Additionally, the 6 percent cap on the year-over-year growth of the Medicare Part D base beneficiary premium under the Inflation Reduction Act of 2022 still applies through 2029.

Ba kground on th Medi ar Part D d monstration program

The Inflation Reduction Act capped out-of-pocket Part D costs beginning in 2025. The Medicare Part D Premium Stabilization Demonstration program was implemented in 2025 as a voluntary demonstration for standalone prescription drug plans to address volatility and variation in premiums following the benefit changes mandated by the Inflation Reduction Act. The demonstration subsidy was aimed at supporting the transition as insurers determined how to set premiums under the revised Medicare Part D rules.

The demonstration program operated in 2025 and 2026 to help stabilize standalone prescription drug plan (PDP) premiums. It provided monthly subsidies, $15 per member in 2025 and $10 per member in 2026, to help reduce the base beneficiary premium and capped year-over-year monthly premium increases.

CMS's announ ment that th Medi ar Part D d monstration program li nd arly

On July 28, 2026, CMS announced that the demonstration program will conclude at the end of 2026, instead of running through 2027, as originally planned. CMS contends that this subsidy is no longer needed because Part D plan sponsors already have sufficient experience under the redesigned Part D benefit to support their assumptions in developing the prescription drug plan bids. c

Consider ions or s onsors o re iree he l h l ns

The phasing out of the Demonstration su sidy impacts standalone Part D PDPs and PDP Employer Group Waiver Plans (EGWPs). The change also affects private insurers involved in the Part D market, which will have to adjust their pricing to account for this change in 2027.

For 2027, the ase Medicare Part D eneficiary premium will increase y a out 6 percent from $38.99 in 2026 to $41.33. CMS predicts that with the demonstration program expiring, individual premiums for standalone Part D PDPs will increase y less than $10 for most eneficiaries. However, some speculate that increases could e higher, noting that premiums may need to rise to reflect the full cost of the Inflation Reduction Act enefit redesign. More specific Part D premium details are expected to e announced y CMS in late Septem er.

It is unclear whether rising Part D premiums will lead more eneficiaries to migrate to Medicare Advantage plans, which already have su stantially lower premiums.

Note, the end of the demonstration program does not create any new compliance o ligations ut rather increases the financial and actuarial risk orne y Part D sponsors y eliminating temporary federal su sidies and premium-sta ilization protections that helped offset the costs of the IRA Part D redesign.

Sponsors of Medicare PDPs or EGWPs should keep an eye on 2027 pricing and plan details as insurers adjust to the end of sta ilization funding.

Segal

Complian r $August 13, 2026

Expanded Electronic Delivery Proposed for Group Health Plans

The Depa tment of Labo (DOL) issued a p oposed ule ega ding elect onic disclosu es by g oup health plans that would c eate a new optional elect onic disclosu e safe ha bo fo g oup health plans. The new safe ha bo would allow plans to p ovide many equi ed disclosu es elect onically by posting them on a secu e website o po tal if they send r pa ticipants an elect onic Notice of Inte net Availability (NOIA) of the equi ed disclosu es.

The p oposed ule is intended to imp ove efficiency and r educe costs.

Comments on the proposed rule are due September 21, 2026.

Plans can continue to rely on previously issued electronic-disclosure safe harbors and individuals continue to have the right to request paper copies of disclosures.

Ba kground on l troni plan dis losur s

ERISA requires group health plans to provide required disclosures using methods reasonably calculated to ensure actual receipt by participants, beneficiaries and other entitled individuals. In 1997, the DOL amended the standards for paper delivery of certain required disclosures to add a safe harbor for the use of electronic media.

In 2002, the DOL expanded the 1997 safe harbor to apply to disclosures under Title I of ERISA generally, for both pension benefit plans and group health plans. The 2002 safe harbor applies to two groups: employees who are "wired at work," meaning they can effectively access electronic documents at a location where they are expected to perform their job duties, and other participants, beneficiaries or individuals who affirmatively consent to electronic delivery.

In 2020, the DOL created a separate electronic disclosure safe harbor for pension benefit plans using notice-and-access and direct email methods, with safeguards such as accessibility standards, invalid-address checks and website security. See our insight, "New ERISA Rules for Retirement Plan Electronic Disclosure."

Under the proposed rule, group health plans would be able to continue to rely upon the 2002 safe harbors as well as the new safe harbor under the proposed rule. There are also separate, additional rules that permit or require electronic disclosure for specific group health plan materials, including the Summary of Benefits and Coverage documents and Transparency in Coverage disclosures, such as cost-sharing tools and machine-readable rate files. The proposed rule would not replace those existing standards. r

The propose r e o e e tro i is os res for gro p hea th p a s

This proposed rule would cre te n ddition l option l s fe h rbor llowing group he lth pl ns to provide required documents electronic lly through n NOIA model, while preserving individu ls' rights to request free p per copies or opt out of electronic delivery.

Electronic delivery would be v il ble for ny document or inform tion th t group he lth pl n is required to provide, including documents th t re only required upon request. This would include documents such s summ ry pl n descriptions, summ ries of m teri l modific tions s well s he lth pl n notices nd disclosures required under COBRA nd P rt 7 of ERISA. P rt 7 of ERISA includes m ny of the l ws dministered jointly by the Dep rtments of L bor, HHS nd Tre sury including the HIPAA port bility nd nondiscrimin tion requirements, the group m rket provisions of the Afford ble C re Act, the Ment l P rity nd Addiction Equity Act nd more.

Electronic disclosures could be provided to p rticip nts, benefici ries (including dependents over the ge of 18) or other individu ls entitled to covered documents who provide n "electronic ddress." For ex mple, the electronic ddress could be n em il ddress or text mess ge number, provided by the individu l or n electronic ddress c n be ssigned to n individu l for the delivery of covered documents.

The proposed rule would not permit covered documents to be provided directly by em il under the new s fe h rbor p rticul rly due to concern th t group he lth pl n disclosures m y cont in person l or protected he lth inform tion (PHI) protected by the HIPAA priv cy rule. To t ke dv nt ge of the s fe h rbor, pl ns would h ve to meet requirements rel ted to the initi l notific tion, NOIA nd "internet website," which re discussed below.

The proposed rule would require pl ns to h ve re son ble procedures in pl ce to ensure documents re v il ble s required nd to t ke prompt ction to ddress inst nces when covered documents re tempor rily un v il ble for re son ble period due to technic l m inten nce, unforesee ble events or circumst nces beyond the control of the pl n.

The DOL proposes th t the fin l rule would become pplic ble on the first d y of the first c lend r ye r following the d te of public tion of the fin l rule. However, the DOL specific lly solicits input on whether n e rlier pplic bility d te would be helpful nd ppropri te, especi lly given the s fe h rbor would be option l, or whether l ter d te is needed to ensure dequ te protection for p rticip nts.

The s fe h rbor would not be v il ble for ll welf re benefit pl ns, such s sickness, ccident nd dis bility pl ns.

I itia otifi atio

To rely upon the s fe h rbor, pl ns would h ve to ensure n initi l p per notific tion is provided reg rding the covered documents th t will be furnished electronic lly to n electronic ddress, including the electronic ddress th t will be used for the individu l. However, pl n would not be required to provide p per copy of n initi l notific tion of def ult electronic delivery for individu ls who re lre dy receiving electronic disclosures under the 2002 s fe h rbor.

The initi l notific tion would be required to include:

- Instructions for ccessing the covered documents, including c ution ry st tement th t the covered document is not required to be v il ble on the internet website for more th n one ye r or, if l ter, fter it is superseded by subsequent version of the covered document
- A st tement reg rding the right to request p per version of ny covered documents free of ch rge nd how to m ke th t request s well s how to opt out of electronic delivery nd receive only p per versions of covered a documents

Noti e of I ter et Avai abi ity

An NOIA would h ve to be provided for e ch covered document, however speci l rules llow for the combining of NOIAs. The NOIA would h ve to be provided t the time the covered document is m de v il ble on the internet website nd provided electronic lly to the covered individu l's electronic ddress. The system for furnishing NOIA would h ve to be designed to lert the dministr tor of covered individu l's inv lid or inoper ble electronic ddress. Except for combined NOIAs, the NOIA would h ve to be provided sep r tely from ny other documents or disclosures. a

The NOIA have t meet specific c ntent an timing req irements, inc ing a ebsite a ress r hyper in s fficient y specific t pr vi e rea y access t the c vere c ment Li e the Initia N tice, the NOIA have t inc e a statement f the right an h t req est an btain a paper versi n f the c vere c ment free f charge, as e as a statement regar ing the right an instr cti ns n h t pt t f e ectr nic e ivery an receive n y paper versi ns f c vere c ments Am ong ther things, the NOIA a s have t inc e a te eph ne n mber t c ntact the a ministrat r r ther esignate representative f the p an

Standards for internet websites

The p an have t maintain an internet ebsite here c vere in ivi a s can access c vere. c ments Un er the pr p se r e, a ebsite c inc e an internet ebsite r ther internet r e ectr nic-base inf rmati n rep sit ries, s ch as a m obi e app ication, here c vere in ivi a s have been pr vi e reas nab e access

Specific internet ebsite stan ar s re ate t timing, f rmat an reas nab e access are t ine in the r e F r instance, p ans have t ens re that c vere in ivi a s tsi e f the rkp ace can access the internet ebsite an that the ebsite pr tects the c nfi entia ity f pers na inf rmati n Thir -party a ministrati n f ebsite-re ate activities is permissib e; h ever, the p an have a fi ciary ty t pr ent y se ect an m onit r s ch parties

Implications for plan sponsors

If fina ize as pr p se , the r e create an pti na ne meth f r efa t e ectr nic e ivery f ERISA gr p hea th p an isc s res, hich c re ce a ministrative b r ens an expense

P an sp ns rs may ant t eva ate the c sts an a ministrative c nsi erati ns ass ciate ith a pting the pr p se ne safe harb r c mpare ith their existing isc s re meth s P an sp ns rs that ch se t se the ne safe harb r nee t ens re req ire pr ce res are in p ace t m onit r its ng ing c mp iance ith the DOL e- isc s re safe harb r req irements

This page is f r inf rmati na p rp ses n y an es n t c nstit te ega , tax r investment a vice Y are enc rage t isc ss the iss es raise here ith y r ega , tax an ther a vis rs bef re etermining h the iss es app y t y r specific sit ati ns .