



Alameda County Employees' Retirement Association
BOARD OF RETIREMENT

**RETIREES COMMITTEE/BOARD MEETING
NOTICE and AGENDA**

ACERA MISSION:

To provide ACERA members and employers with flexible, cost-effective, participant-oriented benefits through prudent investment management and superior member services.

**Wednesday, July 3, 2024
9:30 a.m.**

LOCATION AND TELECONFERENCE	COMMITTEE MEMBERS	
<p>ACERA C.G. "BUD" QUIST BOARD ROOM 475 14TH STREET, 10TH FLOOR OAKLAND, CALIFORNIA 94612-1900 MAIN LINE: 510.628.3000 FAX: 510.268.9574</p> <p>The public can observe the meeting and offer public comment by using the below Webinar ID and Passcode after clicking on the below link or calling the below call-in number.</p> <p>Link: https://zoom.us/join Call-In: 1 (669) 900-6833 US Webinar ID: 879 6337 8479 Passcode: 699406 For help joining a Zoom meeting, see: https://support.zoom.us/hc/en-us/articles/201362193</p>	ELIZABETH ROGERS, CHAIR	ELECTED RETIRED
	KELLIE SIMON, VICE CHAIR	ELECTED GENERAL
	KEITH CARSON	APPOINTED
	ROSS CLIPPINGER	ELECTED SAFETY
	HENRY LEVY	TREASURER

The Alternate Retired Member votes in the absence of the Elected Retired Member, or, if the Elected Retired Member is present, then votes if both Elected General members, or the Safety Member and an Elected General member, are absent.

The Alternate Safety Member votes in the absence of the Elected Safety Member, either of the two Elected General Members, or both the Retired and Alternate Retired members.

This is a meeting of the Retirees Committee if a quorum of the Retirees Committee attends, and it is a meeting of the Board if a quorum of the Board attends. This is a joint meeting of the Retirees Committee and the Board if a quorum of each attends.

Note regarding accommodations: If you require a reasonable modification or accommodation for a disability, please contact ACERA between 9:00 a.m. and 5:00 p.m. at least 72 hours before the meeting at accommodation@acera.org or at 510-628-3000.

Public comments are limited to four (4) minutes per person in total. The order of items on the agenda is subject to change without notice. Board and Committee agendas and minutes and all documents distributed to the Board or a Committee in connection with a public meeting (unless exempt from disclosure) are posted online at www.acera.org and also may be inspected at 475 14th Street, 10th Floor, Oakland, CA 94612-1900.

RETIREES COMMITTEE/BOARD MEETING

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Call to Order: 9:30 a.m.

Roll Call

Public Input (Time Limit: 4 minutes per speaker)

Action Items: Matters for discussion and possible motion by the Committee

1. Adoption of 2025 Monthly Medical Allowance for Group Plans

Discussion and possible motion to recommend that the Board of Retirement adopt the Monthly Medical Allowance (MMA) paid to eligible retirees in group plans for Plan Year 2025. The Group Plan MMA is stated as a monthly dollar amount which varies by years of service credit and can only be used to pay for ACERA-sponsored health plan premiums.

- Carlos Barrios

Recommendation

Staff recommends that the Retirees Committee recommend to the Board of Retirement (Board) a motion to increase the 2025 Group Plan Monthly Medical Allowance (MMA) by 4.25% for eligible retirees in the group plans, in accordance with the substantive plan definition adopted under GASB 43 equal to 50% of the rate of health care inflation assumptions provided by ACERA's actuary, which results in a MMA maximum of \$662.37 for the Plan Year 2025. The MMA contribution is a non-vested benefit subject to possible reduction or elimination if Board policies change or funds are unavailable. This benefit is funded by contributions from ACERA employers to the 401(h) account. After contributions are made, in accordance with the County Employees Retirement Law, ACERA treats an equal amount of Supplemental Retiree Benefit Reserve assets as employer contributions for pensions.

2. Adoption of 2025 Monthly Medical Allowance for Early Retiree Individual Plans

Discussion and possible motion to recommend that the Board of Retirement adopt a Monthly Medical Allowance (MMA), which will be provided to qualified early (non-Medicare eligible) retirees enrolled in Individual Plans through the Health Exchange for the 2025 Plan Year. The MMA is a suggested dollar limit used for specific medical cost reimbursement through Health Reimbursement Accounts. The MMA is set as a monthly amount which varies by years of service credit.

- Carlos Barrios

Recommendation

Staff recommends that the Retirees Committee recommend to the Board of Retirement (Board) a motion to increase the 2025 Individual Plan Monthly Medical Allowance (MMA) by 4.25% for eligible qualified early (non-Medicare) retirees enrolled in individual plans through the Health Exchange, in accordance with the substantive plan definition adopted under GASB 43 equal to 50% of the rate of

RETIREES COMMITTEE/BOARD MEETING

NOTICE and AGENDA, Page 3 of 4 – Wednesday, July 3, 2024

health care inflation assumptions provided by ACERA's actuary, which results in a MMA maximum of \$662.37 for Plan Year 2025. The MMA contribution is a non-vested benefit subject to possible reduction or elimination if Board policies change or funds are unavailable. This benefit is funded by contributions from ACERA employers to the 401(h) account. After contributions are made, in accordance with the County Employees Retirement Law, ACERA treats an equal amount of Supplemental Retiree Benefit Reserve assets as employer contributions for pensions.

3. Adoption of 2025 Monthly Medical Allowance for Medicare Eligible Retiree Individual Plans

Discussion and possible motion to recommend that the Board of Retirement adopt a Monthly Medical Allowance (MMA), which will be provided to qualified Medicare eligible retirees enrolled in Individual Plans through the Medicare Exchange for the 2025 Plan Year. The MMA is a suggested dollar limit used for specific medical cost reimbursement through Health Reimbursement Accounts. The MMA is set as a monthly amount which varies by years of service credit.

- Carlos Barrios

Recommendation

Staff recommends that the Retirees Committee recommend to the Board of Retirement (Board) a motion to increase the 2025 Individual Plan Monthly Medical Allowance (MMA) by 4.25% for qualified Medicare eligible retirees enrolled in individual plans through the Medicare Exchange, in accordance with the substantive plan definition adopted under GASB 43 equal to 50% of the rate of health care inflation assumptions provided by ACERA's actuary, which results in a MMA maximum of \$507.43 for Plan Year 2025. The MMA contribution is a non-vested benefit subject to possible reduction or elimination if Board policies change or funds are unavailable. This benefit is funded by contributions from ACERA employers to the 401(h) account. After contributions are made, in accordance with the County Employees Retirement Law, ACERA treats an equal amount of Supplemental Retiree Benefit Reserve assets as employer contributions for pensions.

Information Items: These items are not presented for Committee action but consist of status updates and cyclical reports

1. Report on Dental and Vision Plans Experience and Utilization

Segal, ACERA's Benefits Consultant, will report on claims experience and plan utilization for ACERA retirees enrolled in ACERA-sponsored Dental and Vision Plans.

- Carlos Barrios
- Stephen Murphy, Segal
- Michael Szeto, Segal

RETIREES COMMITTEE/BOARD MEETING

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Trustee Remarks

Future Discussion Items

- Adoption of Dental Plan Contributions for 2025
- Adoption of Vision Plan Contributions for 2025

Establishment of Next Meeting Date

August 7, 2024, at 9:30 a.m.


Adjournment



MEMORANDUM TO THE RETIREES COMMITTEE

DATE: July 3, 2024

TO: Members of the Retirees Committee

FROM: Carlos Barrios, Assistant Chief Executive Officer 

SUBJECT: **Monthly Medical Allowance for 2025**

Last month, Staff provided information regarding the Monthly Medical Allowance (MMA) for 2025. Staff provided the cost impacts to the MMA as a result of leaving the amount at the current rate or increasing the MMA by 4.25% for 2025. These amounts are summarized below. Attached is a chart with current plan premiums and enrollment numbers, a chart with assumptions using premium increases, and a chart with both premium and MMA increases, which were also provided last month.

GROUP PLANS COSTS

Plan Year	20+ Years MMA	Annual Cost Summary	
2024	\$635.37	Current premiums and MMA:	\$24,913,526
2025	\$635.37	Increase in premiums only:	\$27,586,890
2025	\$662.37	Increase in premiums and MMA:	\$27,955,764

INDIVIDUAL PLAN COSTS – Early (Non-Medicare) Retirees Living Outside ACERA’s HMO Service Area

Years of Service Category	Number of Members	Monthly MMA Amount	Annual MMA Amount	Maximum Annual MMA Amount
10 - 14 Years	48	\$ 317.69	\$ 3,812.28	\$ 182,989.44
15 - 19 Years	61	\$ 476.53	\$ 5,718.36	\$ 348,819.96
20 + Years	383	\$ 635.37	\$ 7,624.44	\$ 2,920,160.52
Totals	492			\$ 3,451,969.92
Totals with 4.25% Increase	492			\$ 3,598,660.92

INDIVIDUAL PLAN COSTS – Medicare Eligible Retirees

Years of Service Category	Number of Members	Monthly MMA Amount	Annual MMA Amount	Maximum Annual MMA Amount
10 - 14 Years	197	\$ 243.37	\$ 2,920.44	\$ 575,326.68
15 - 19 Years	200	\$ 365.06	\$ 4,380.72	\$ 876,144.00
20 + Years	948	\$ 486.74	\$ 5,840.88	\$ 5,537,154.24
Totals	1,345			\$ 6,988,624.92
Totals with 4.25% Increase	1,345			\$ 7,285,685.76

According to the numbers compiled above, ACERA’s current total estimated annual costs are \$35,354,121. This estimated annual cost assumes all those enrolled in the Health and Medicare Exchanges will use their full Health Reimbursement Account balances. If premiums increase and the MMA is increased, the total estimated annual cost would be \$38,840,111. The total estimated increase would be \$3,485,990 (\$2,673,364 due to group plans premium increase and \$812,626 due to MMA increase).

Discussion and Recommendations

Last month, some points to consider in making a decision to increase the MMA or to leave it the same amount for 2025 were discussed as follows:

- 2025 health care premium costs and the anticipated impact of the Inflation Reduction Act on Medicare rates are unknown.
- In 2023, \$76,323,426 was credited to the SRBR (includes interest credited at the assumed rate of return of 3.500% for regular earnings, there was no crediting of earnings above the assumed rate of return).
- On a preliminary basis, Segal projects 23 years of benefits payable from the SRBR, which is a decrease in the sufficiency period by 2.75 years compared to last year’s projection. Projections have exceeded the SRBR Policy’s 15-year goal since 2013.
- The Implicit Subsidy for 2024 is estimated to be about \$1,643,654 lower than the cost for 2023.
- Annual payee numbers are increasing by about 2.7% on average for the five-year period 2019 through 2023.
- ACERA’s overall SRBR costs increased by 5.21% in 2023, compared to a 2.02% decrease in 2022.

Based on the analysis and information provided, Staff’s recommendation is to increase the MMA for 2025 by 4.25%.

Recommendation Number One

Staff recommends that the Retirees Committee recommend to the Board of Retirement (Board) a motion to increase the 2025 Group Plan Monthly Medical Allowance (MMA) by 4.25% for eligible retirees in the group plans, in accordance with the substantive plan definition adopted under GASB 43 equal to 50% of the rate of health care inflation assumptions provided by ACERA's actuary, which results in a MMA maximum of \$662.37 for the Plan Year 2025. The MMA contribution is a non-vested benefit subject to possible reduction or elimination if Board policies change or funds are unavailable. This benefit is funded by contributions from ACERA employers to the 401(h) account. After contributions are made, in accordance with the County Employees Retirement Law, ACERA treats an equal amount of Supplemental Retiree Benefit Reserve assets as employer contributions for pensions.

Recommendation Number Two

Staff recommends that the Retirees Committee recommend to the Board of Retirement (Board) a motion to increase the 2025 Individual Plan Monthly Medical Allowance (MMA) by 4.25% for eligible qualified early (non-Medicare) retirees enrolled in individual plans through the Health Exchange, in accordance with the substantive plan definition adopted under GASB 43 equal to 50% of the rate of health care inflation assumptions provided by ACERA's actuary, which results in a MMA maximum of \$662.37 for Plan Year 2025. The MMA contribution is a non-vested benefit subject to possible reduction or elimination if Board policies change or funds are unavailable. This benefit is funded by contributions from ACERA employers to the 401(h) account. After contributions are made, in accordance with the County Employees Retirement Law, ACERA treats an equal amount of Supplemental Retiree Benefit Reserve assets as employer contributions for pensions.

Recommendation Number Three

Staff recommends that the Retirees Committee recommend to the Board of Retirement (Board) a motion to increase the 2025 Individual Plan Monthly Medical Allowance (MMA) by 4.25% for qualified Medicare eligible retirees enrolled in individual plans through the Medicare Exchange, in accordance with the substantive plan definition adopted under GASB 43 equal to 50% of the rate of health care inflation assumptions provided by ACERA's actuary, which results in a MMA maximum of \$507.43 for Plan Year 2025. The MMA contribution is a non-vested benefit subject to possible reduction or elimination if Board policies change or funds are unavailable. This benefit is funded by contributions from ACERA employers to the 401(h) account. After contributions are made, in accordance with the County Employees Retirement Law, ACERA treats an equal amount of Supplemental Retiree Benefit Reserve assets as employer contributions for pensions.

ACERA
Out-of-Pocket Expenses for Retirees in Group Plans - PLAN YEAR 2024

Current Premiums and MMA

Plan	Years of Service	Under 10 Years	10 - 14 Years	15 - 19 Years	20 + Years	Total Enrolled
	2024 MMA	\$ -	\$ 317.69	\$ 476.53	\$ 635.37	
Early Retirees Plans						
Kaiser Permanente HMO (Early Retirees)	Projected # Enrolled (2024 plan year)	0	40	67	672	779
	Total Premium (2024)	\$ 1,037.76	\$ 1,037.76	\$ 1,037.76	\$ 1,037.76	
	Projected Subsidy Paid by ACERA	\$ -	\$ 317.69	\$ 476.53	\$ 635.37	
	Projected Premium Paid by Retiree	\$ 1,037.76	\$ 720.07	\$ 561.23	\$ 402.39	
UnitedHealthcare SignatureValue HMO (Early Retirees)	Projected # Enrolled (2024 plan year)	2	1	4	57	64
	Total Premium (2024)	\$ 1,464.90	\$ 1,464.90	\$ 1,464.90	\$ 1,464.90	
	Projected Subsidy Paid by ACERA	\$ -	\$ 317.69	\$ 476.53	\$ 635.37	
	Projected Premium Paid by Retiree	\$ 1,464.90	\$ 1,147.21	\$ 988.37	\$ 829.53	
UnitedHealthcare SignatureValue Advantage HMO (Early Retirees)	Projected # Enrolled (2024 plan year)	0	9	13	84	106
	Total Premium (2024)	\$ 957.68	\$ 957.68	\$ 957.68	\$ 957.68	
	Projected Subsidy Paid by ACERA	\$ -	\$ 317.69	\$ 476.53	\$ 635.37	
	Projected Premium Paid by Retiree	\$ 957.68	\$ 639.99	\$ 481.15	\$ 322.31	
Total Plan Enrollees (Early Retirees)						949
Kaiser Senior Advantage Medicare Plan						
Kaiser Senior Advantage	Projected # Enrolled (2024 plan year)	29	475	558	3260	4322
	Total Premium (2024)	\$ 354.31	\$ 354.31	\$ 354.31	\$ 354.31	
	Projected Subsidy Paid by ACERA	\$ -	\$ 317.69	\$ 354.31	\$ 354.31	
	Projected Premium Paid by Retiree	\$ 354.31	\$ 36.62	0.00	0.00	
Total Kaiser Senior Advantage Medicare Plan Enrollees						4322
Projected Annual Cost by Years of Service			\$2,001,447	\$2,852,802	\$20,059,277	\$24,913,526

Total Projected Annual Cost: \$24,913,526

ACERA
Out-of-Pocket Expenses for Retirees in Group Plans - PLAN YEAR 2025

Assumes 0% Increase to MMA and Projected Increase to Premiums

Plan	Years of Service	Under 10 Years	10 - 14 Years	15 - 19 Years	20 + Years	Total Enrolled
	Projected (2025) MMA	\$ -	\$ 317.69	\$ 476.53	\$ 635.37	
Early Retirees Plans						
Kaiser Permanente HMO (Early Retirees) <i>Assumes 8.5% Increase</i>	Projected # Enrolled (2024 plan year)	0	40	67	672	779
	Total Premium (2025)	\$ 1,125.97	\$ 1,125.97	\$ 1,125.97	\$ 1,125.97	
	Projected Subsidy Paid by ACERA	\$ -	\$ 317.69	\$ 476.53	\$ 635.37	
	Projected Premium Paid by Retiree	\$ 1,125.97	\$ 808.28	\$ 649.44	\$ 490.60	
UnitedHealthcare SignatureValue HMO (Early Retirees) <i>Assumes 8.5% Increase</i>	Projected # Enrolled (2024 plan year)	2	1	4	57	64
	Total Premium (2025)	\$ 1,589.42	\$ 1,589.42	\$ 1,589.42	\$ 1,589.42	
	Projected Subsidy Paid by ACERA	\$ -	\$ 317.69	\$ 476.53	\$ 635.37	
	Projected Premium Paid by Retiree	\$ 1,589.42	\$ 1,271.73	\$ 1,112.89	\$ 954.05	
UnitedHealthcare SignatureValue Advantage HMO (Early Retirees) <i>Assumes 8.5% Increase</i>	Projected # Enrolled (2024 plan year)	0	9	13	84	106
	Total Premium (2025)	\$ 1,039.08	\$ 1,039.08	\$ 1,039.08	\$ 1,039.08	
	Projected Subsidy Paid by ACERA	\$ -	\$ 317.69	\$ 476.53	\$ 635.37	
	Projected Premium Paid by Retiree	\$ 1,039.08	\$ 721.39	\$ 562.55	\$ 403.71	
Total Plan Enrollees (Early Retirees)						949
Kaiser Senior Advantage Medicare Plan						
Kaiser Senior Advantage <i>Assumes 16.47% Increase</i>	Projected # Enrolled (2024 plan year)	29	475	558	3260	4322
	Total Premium (2025)	\$ 412.66	\$ 412.66	\$ 412.66	\$ 412.66	
	Projected Subsidy Paid by ACERA	\$ -	\$ 317.69	\$ 412.66	\$ 412.66	
	Projected Premium Paid by Retiree	\$ 412.66	\$ 94.97	\$ 0.00	\$ 0.00	
Total Kaiser Senior Advantage Medicare Plan Enrollees						4322
Projected Annual Cost by Years of Service			\$2,001,447	\$3,243,514	\$22,341,929	\$27,586,890

Total Projected Annual Cost: \$27,586,890

ACERA
Out-of-Pocket Expenses for Retirees in Group Plans - PLAN YEAR 2025

Assumes 4.25% Increase to MMA and Projected Increase to Premiums

Plan	Years of Service	Under 10 Years	10 - 14 Years	15 - 19 Years	20 + Years	Total Enrolled
	Projected (2025) MMA	\$ -	\$ 331.19	\$ 496.78	\$662.37	
Early Retirees Plans						
Kaiser Permanente HMO (Early Retirees) <i>Assumes 8.5% Increase</i>	Projected # Enrolled (2024 plan year)	0	40	67	672	779
	Total Premium (2025)	\$ 1,125.97	\$ 1,125.97	\$ 1,125.97	\$ 1,125.97	
	Projected Subsidy Paid by ACERA	\$ -	\$ 331.19	\$ 496.78	\$ 662.37	
	Projected Premium Paid by Retiree	\$ 1,125.97	\$ 794.78	\$ 629.19	\$ 463.60	
UnitedHealthcare SignatureValue HMO (Early Retirees) <i>Assumes 8.5% Increase</i>	Projected # Enrolled (2024 plan year)	2	1	4	57	64
	Total Premium (2025)	\$ 1,589.42	\$ 1,589.42	\$ 1,589.42	\$ 1,589.42	
	Projected Subsidy Paid by ACERA	\$ -	\$ 331.19	\$ 496.78	\$ 662.37	
	Projected Premium Paid by Retiree	\$ 1,589.42	\$ 1,258.23	\$ 1,092.64	\$ 927.05	
UnitedHealthcare SignatureValue Advantage HMO (Early Retirees) <i>Assumes 8.5% Increase</i>	Projected # Enrolled (2024 plan year)	0	9	13	84	106
	Total Premium (2025)	\$ 1,039.08	\$ 1,039.08	\$ 1,039.08	\$ 1,039.08	
	Projected Subsidy Paid by ACERA	\$ -	\$ 331.19	\$ 496.78	\$ 662.37	
	Projected Premium Paid by Retiree	\$ 1,039.08	\$ 707.89	\$ 542.30	\$ 376.71	
Total Plan Enrollees (Early Retirees)						949
Kaiser Senior Advantage Medicare Plan						
Kaiser Senior Advantage <i>Assumes 16.47% Increase</i>	Projected # Enrolled (2024 plan year)	29	475	558	3260	4322
	Total Premium (2025)	\$ 412.66	\$ 412.66	\$ 412.66	\$ 412.66	
	Projected Subsidy Paid by ACERA	\$ -	\$ 331.19	\$ 412.66	\$ 412.66	
	Projected Premium Paid by Retiree	\$ 412.66	\$ 81.47	\$ 0.00	\$ 0.00	
Total Kaiser Senior Advantage Medicare Plan Enrollees						4322
Projected Annual Cost by Years of Service			\$2,086,497	\$3,263,926	\$22,605,341	\$27,955,764


Total Projected Annual Cost: \$27,955,764



MEMORANDUM TO THE RETIREES COMMITTEE

DATE: July 3, 2024

TO: Members of the Retirees Committee

FROM: Carlos Barrios, Assistant Chief Executive Officer 

SUBJECT: **Report on Dental and Vision Plans Experience and Utilization**

Segal, ACERA's Benefits Consultant, will review the attached annual dental and vision plans experience and utilization presentations, and discuss the following topics.

- Enrollment
- Claims
- Premiums
- Utilization
- Dental PPO Annual Maximum by Network
- VSP Plan Loss Ratio by Plan

Attachments (2)



Alameda County Employees'
Retirement Association (ACERA)

Delta Dental PPO Plan Experience

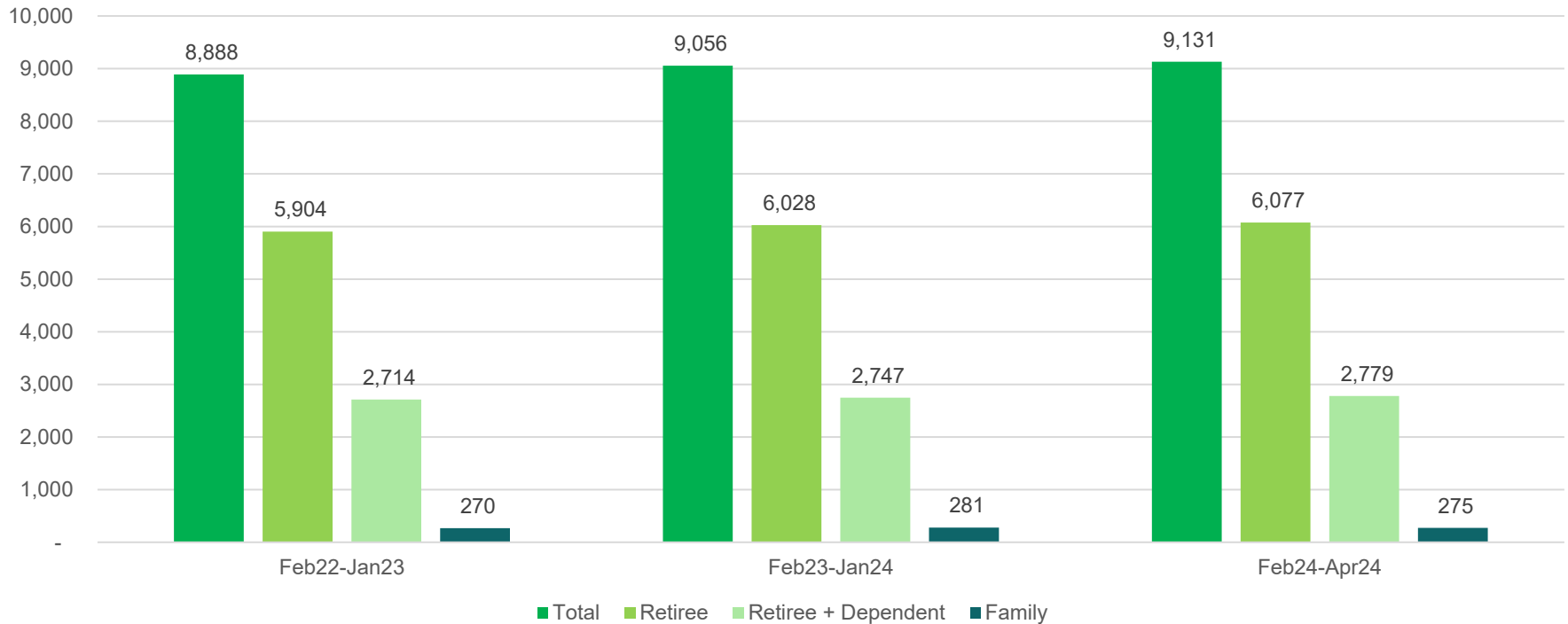
ACERA Retirees Committee Meeting

Presented on: July 3, 2024
Presenter: Stephen Murphy and Michael Szeto

Delta Dental PPO Plan Experience

Enrollment

Enrollment by Coverage Tier
Per Retiree Per Month



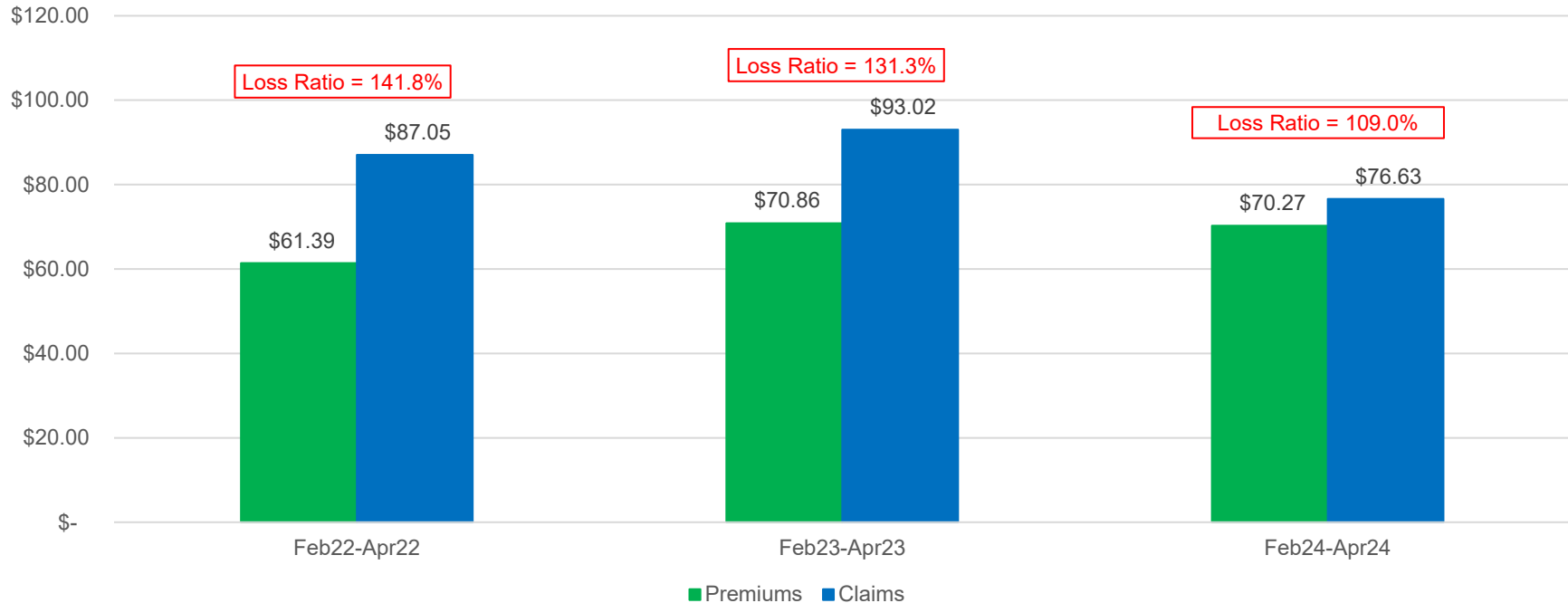
- Delta Dental PPO enrollment has steadily increased during the past three periods
- Coverage Tier distribution has also remained consistent during the past three periods
 - ACERA does not cover dependent premiums, resulting in higher Retiree Only enrollment

This document was prepared as part of a presentation made to ACERA on July 3, 2024 and is not complete without the remainder of presentation. Except as may be required by law, this document should not be shared, copied or quoted, in whole or in part, without the consent of Segal

Delta Dental PPO Plan Experience

Premiums & Claims – February through April Comparison

Premiums and Claims (February – April)
Per Retiree Per Month

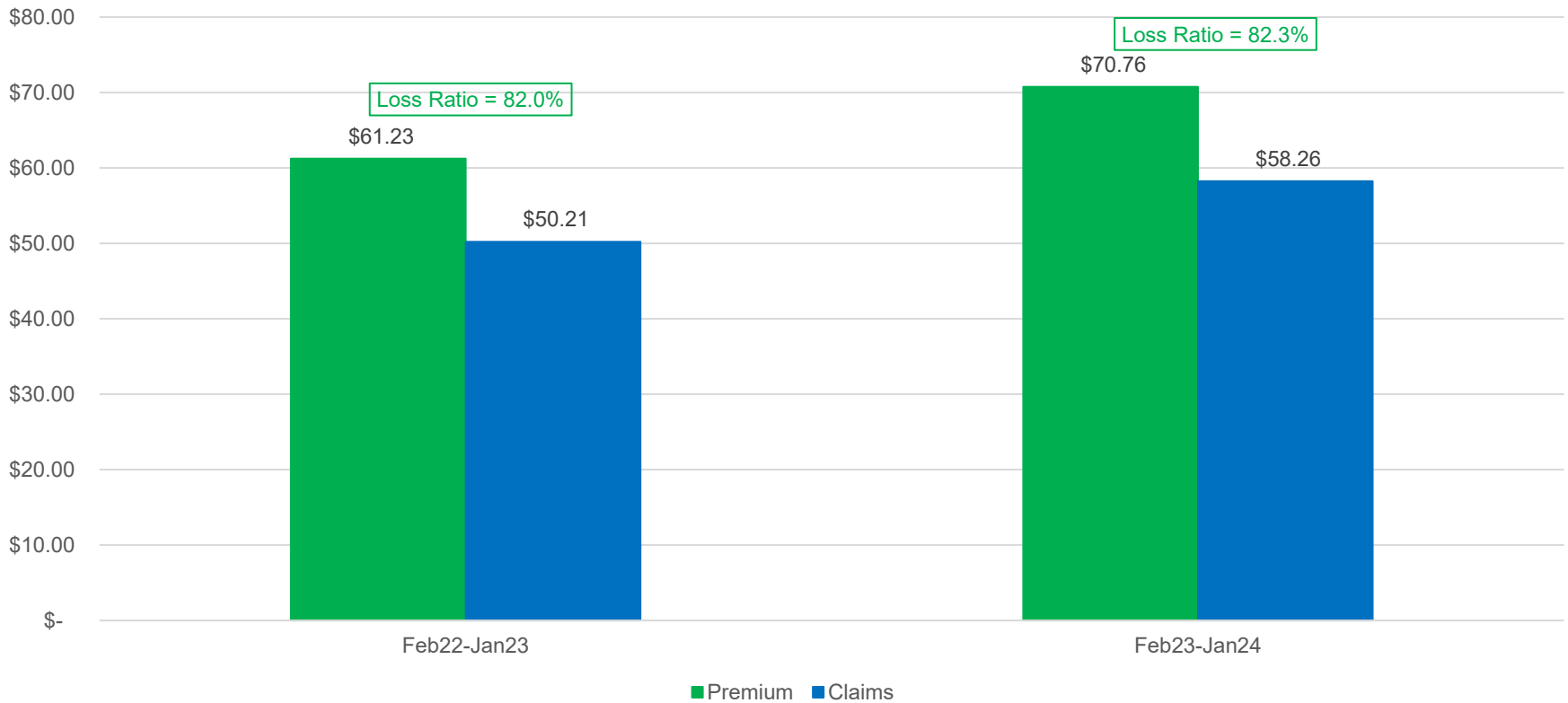


- Plan design features such as annual maximums contribute to seasonal claims fluctuation
 - Dental claims have historically been higher during the first three months of the plan when compared to the entire plan year
- Premiums increased beginning February 1, 2023, due to the following plan enhancements:
 - Diagnostic and Preventive Maximum Waiver
 - Increased Annual Maximum from \$1,000 to \$1,300 for Premier and Non-Network benefits

Delta Dental PPO Plan Experience

Premiums & Claims – Plan Year Comparison

Premium and Claims
Per Retiree Per Month

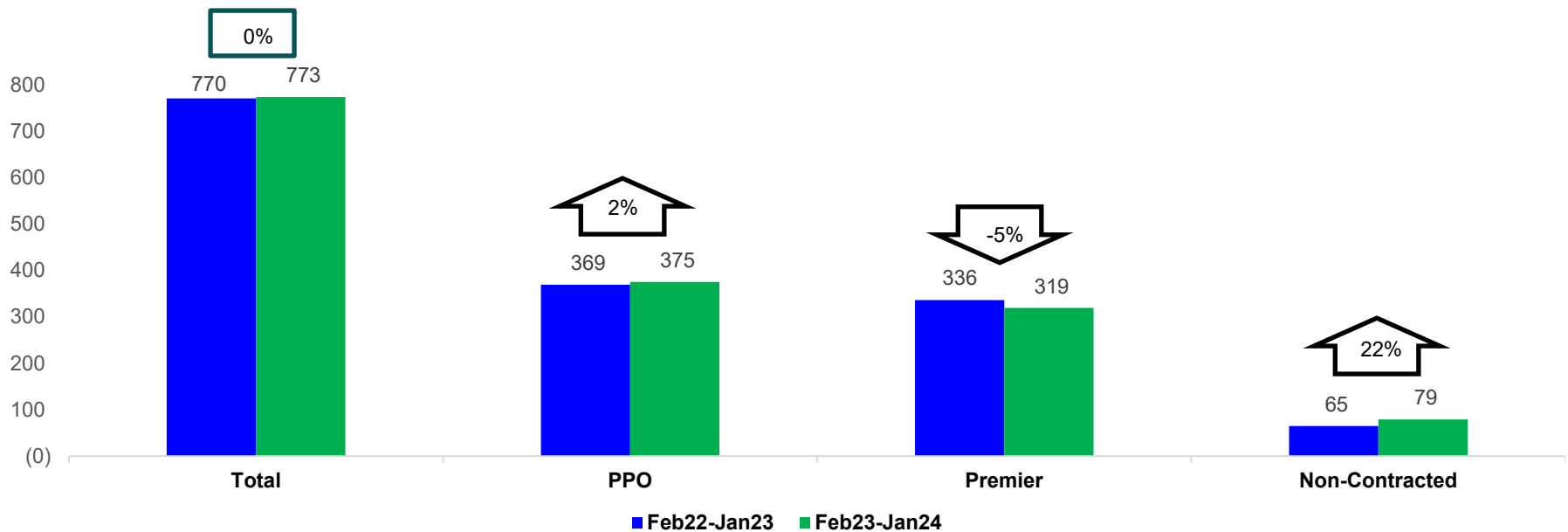


- Loss Ratio increased slightly from the prior period to the current period

Delta Dental PPO Plan Experience

Procedure Utilization by Network

Monthly Procedure Count by Network
(Per 1,000 Retirees)



- The Year Over Year network provider utilization trend (i.e., PPO and Premier combined) declined from 91.6% during the prior period to 89.9% in the current period, due to an increase in Non-Contracted provider utilization.
 - Utilization of Delta Dental network providers results in savings for retirees and ACERA

Delta Dental PPO Plan Experience

Annual Maximum by Network

	Feb22 – Jan23	Feb23 – Jan24	% Change
PPO	\$1,300 Annual Maximum	\$1,300 Annual Maximum	
Total Utilizers (Members)	4,737	4,697	-0.8%
Utilizers Reaching Maximum	901	774	-14.1%
% Reaching Maximum	19.0%	16.5%	
Premier ¹	\$1,000 Annual Maximum	\$1,300 Annual Maximum	
Total Utilizers (Members)	3,771	3,766	-0.1%
Utilizers Reaching Maximum	759	296	-61.0%
% Reaching Maximum	20.1%	7.9%	
Non-Contracted ¹	\$1,000 Annual Maximum	\$1,300 Annual Maximum	
Total Utilizers (Members)	802	1,089	35.8%
Utilizers Reaching Maximum	55	40	-27.3%
% Reaching Maximum	6.9%	3.7%	
Total			
Total Utilizers (Members)	9,310	9,552	2.6%
Utilizers Reaching Maximum	1,715	1,110	-35.3%
% Reaching Maximum	18.4%	11.6%	

- Total Utilizers increased by 2.6% for the 2023-24 plan year
- Total members reaching annual maximum decreased to 11.6% for the 2023-24 plan year
 - Premier providers experienced the largest percentage drop in utilizers reaching the annual maximum
- For the plan year effective February 1, 2024, the annual maximum will increase to \$1,900 for PPO, Premier, and Non-Contract providers

¹ Annual maximum increased from \$1,000 to \$1,300 (effective February 1, 2023) for Delta Dental Premier and Non-Contracted providers

Delta Dental PPO Plan Experience

Top Three Utilization Category

	Feb22– Jan23	Feb23– Jan24	Year over Year % Change
Top Utilization Categories by Approved Claims			
Crowns & Inlays/Onlays	\$2,572,378	\$3,269,260	27.1%
Diagnostic	\$1,738,534	\$1,800,686	3.6%
Implant Services	\$1,711,969	\$1,722,699	0.6%
Preventive	\$1,392,275	\$1,591,864	14.3%
All Other ¹	\$4,839,777	\$5,325,424	10.0%
Total DPPO Claims	\$12,254,934	\$13,709,933	11.9%
Top Utilization Categories by Procedure Counts			
Diagnostic	35,402	39,661	12.0%
Preventive	17,619	19,174	8.8%
Periodontics	5,533	6,230	12.6%
Restorative	4,618	5,116	10.8%
All Other ¹	12,193	13,747	12.7%
Total DPPO Procedures	75,365	83,928	11.4%

- Top four utilization categories by paid claims and procedure counts have remained consistent from the prior period
 - Paid claims for the top four utilization categories consists of approximately 61% of all approved claims
 - Procedure Counts for the top four utilization categories consists of approximately 78% of all approved procedures
- Diagnostic and Preventive Maximum Waiver² was implemented effective February 1, 2023
 - Approved Claims and Procedure Counts for Diagnostic and Preventive services increased by 8.4% and 11.0%, respectively for the February 2023 through January 2024 plan year

¹ Includes Basic and Major dental services that did not make the top three list on a paid and procedure count basis.

² Diagnostic and Preventive Maximum Waiver exclude Diagnostic and Preventive services from accumulating towards the annual maximum

Delta Dental PPO Plan Experience

Dollar Grade Utilization (Excludes Orthodontics)

Dollar Range	May22 – Apr23	May23 – Apr24	% Change
<= \$259.99	2,610	2,386	-8.6%
\$260 to \$999.99	4,967	4,937	-0.6%
\$1,000 to \$1,299.99	831	719	-13.5%
>= \$1,300	933	1,513	62.2%
Total	9,341	9,555	2.3%

- Total Utilization increased by 2.3%
 - With the increase in Total Utilization, members requiring services above the \$1,300 Annual Maximum also increased compared to the prior period
- Annual Maximum by provider type:
 - \$1,300 Delta Dental PPO provider
 - Increased from \$1,000 to \$1,300 (effective February 1, 2023) for Delta Dental Premier and Non-Contracted providers

Delta Dental PPO Plan Experience

Utilizers by Procedure Count

Procedure Counts	May22 - Apr23	May23 - Apr24	% Change
No Utilization	3,560	3,597	1.0%
1	225	219	-2.7%
2	560	532	-5.0%
3	678	594	-12.4%
4+	7,827	8,115	3.7%
Total	12,850	13,057	1.6%

- During the most recent period:
 - Total Procedure Counts increased 1.6% over the prior period
 - 62.2% of members had four or more dental procedures
 - 27.5% of members had no utilization

Note: Members may experience more than one procedure when visiting a dental provider.



Alameda County Employees'
Retirement Association (ACERA)

VSP Plan Experience

ACERA Retirees Committee Meeting

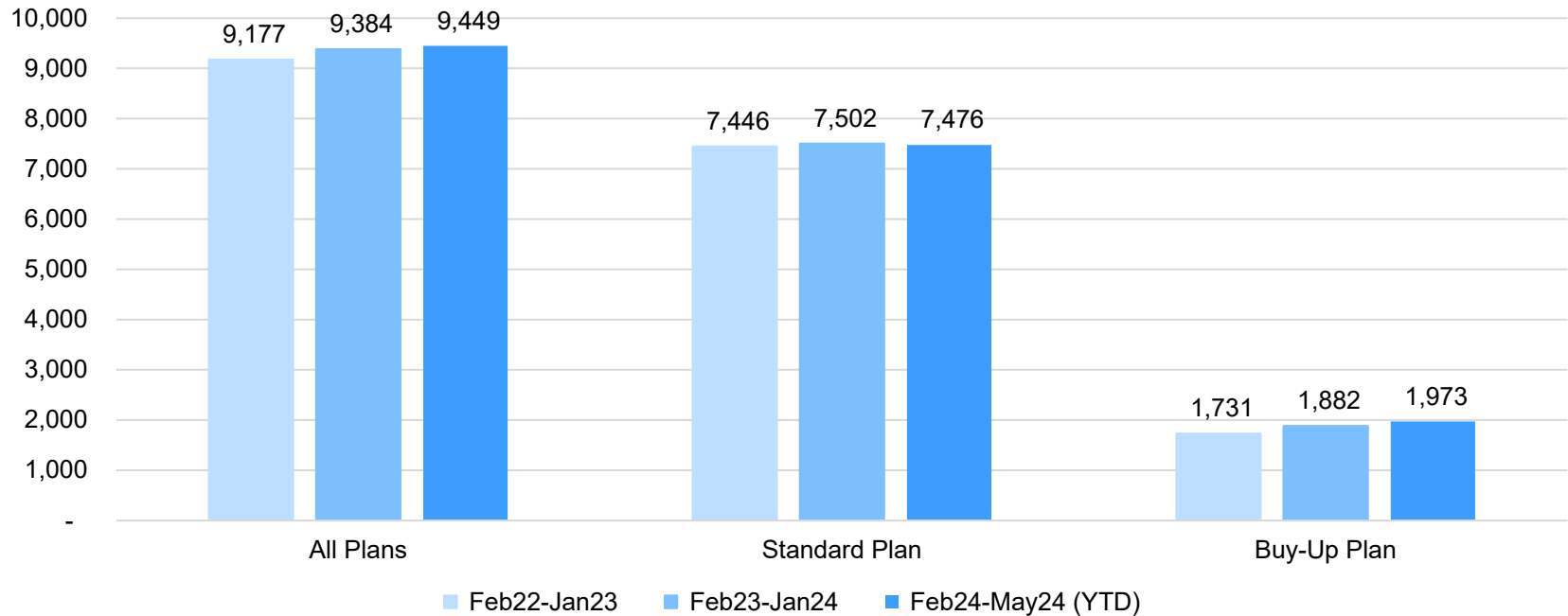
Presented on: July 3, 2024
Presenter: Stephen Murphy and Michael Szeto



VSP Plan Experience

Enrollment by Plan

Enrollment by Plan (Per Retiree Per Month)



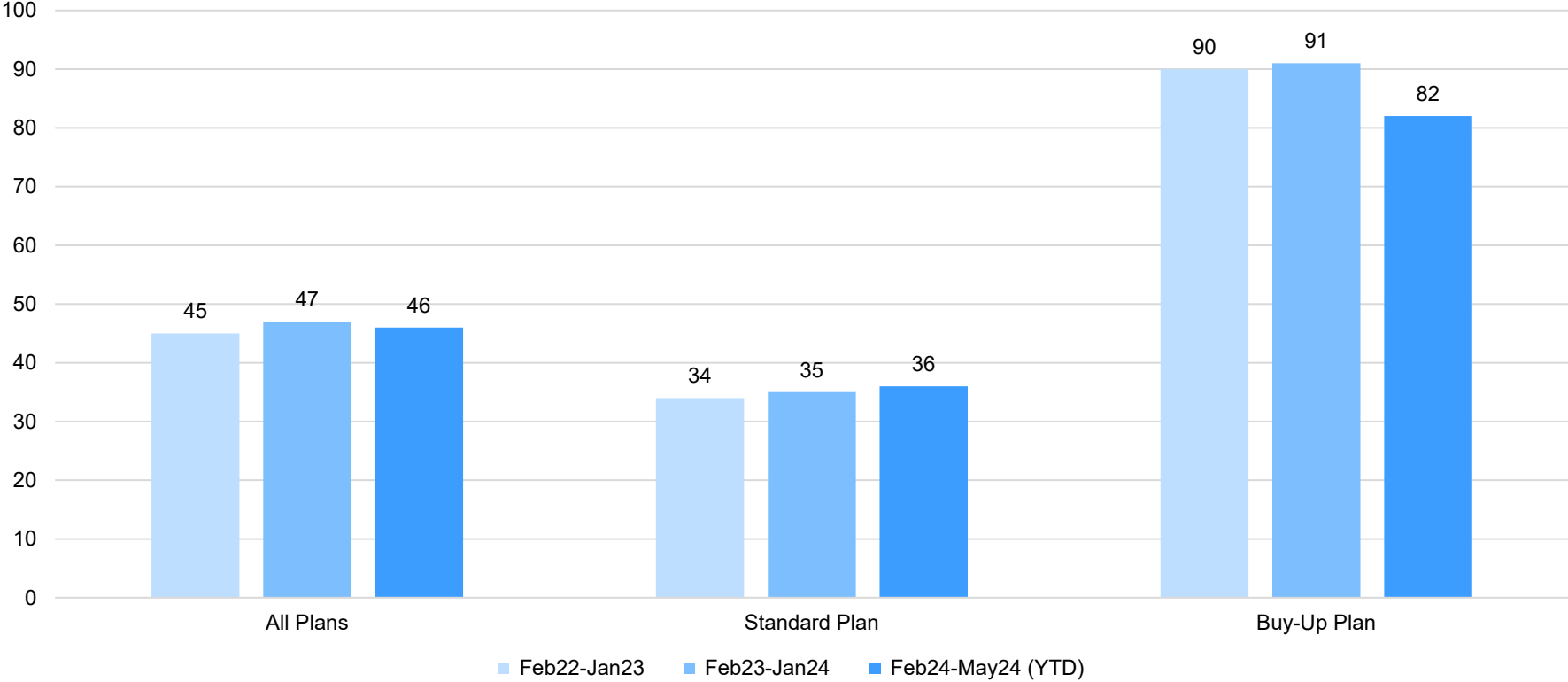
- Average enrollment continues to increase gradually each experience period.
 - Enrollment in the Standard Plan has remained steady.
 - ACERA’s Buy-Up plan is gaining in popularity and gradually increased to 21% of total enrollment.

This document was prepared as part of a presentation made to ACERA on July 3, 2024 and is not complete without the remainder of presentation. Except as may be required by law, this document should not be shared, copied or quoted, in whole or in part, without the consent of Segal

VSP Plan Experience

Claim Frequency by Plan

Monthly Claim Frequency (Per 1,000 Retirees)



- Claim frequency for all plans has remained consistent for all periods.

VSP Plan Experience

Utilization Metrics (May 2023 through April 2024)

Utilization Benchmarks (Standard & Buy-Up Plans)		
	ACERA	VSP Book of Business
Network Utilization	91%	91%
Exam Utilization	34%	44%
Materials - Top 3 Lens Options (Standard & Buy-Up Plans)		
Rank	ACERA	VSP Book of Business
1	Anti-Reflective Coating	Anti-Reflective Coating
2	Progressive Multifocals	Polycarbonate
3	High Index	UV Protection
Frames		
	Allowance	% with No Out-of-Pocket ⁽¹⁾
Standard Plan	\$175	37%
Buy-Up Plan	\$250	62%

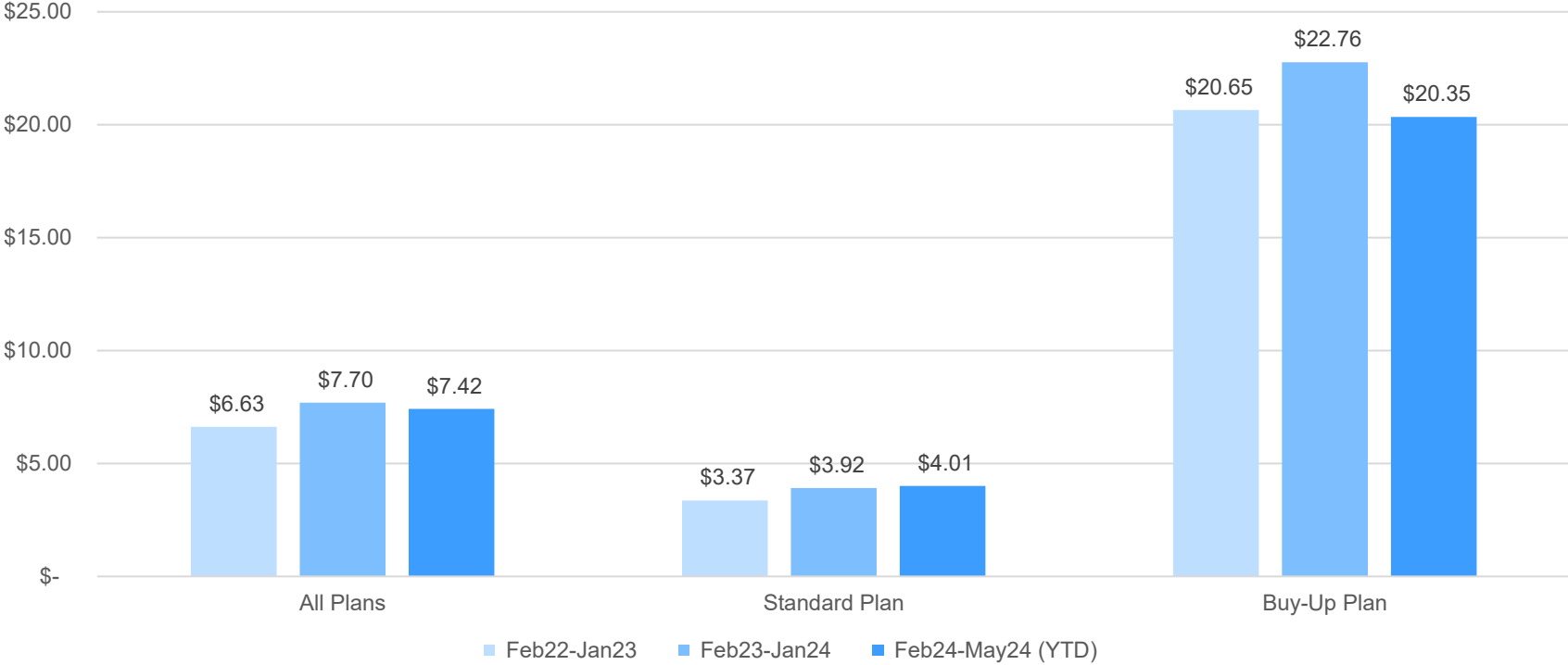
- ACERA's network utilization increased compared to the prior period (89%) and is now consistent with VSP's Book of Business.
- ACERA's Exam Utilization decreased slightly from the prior period (33%) and continues to trail VSP's Book of Business benchmark of 44%.
- Top 3 Lens Material Options for ACERA deviated slightly compared with VSP's Book of Business.
- Due to increased frame allowances for the Standard and Buy-Up plans effective 2/1/2023, the percentage of members with No Out-of-Pocket costs for frames increased compared to the prior period.

⁽¹⁾ Includes individuals who selected frames with no out-of-pocket costs.

VSP Plan Experience

Claims by Plan

Claims by Plan
(Per Retiree Per Month)

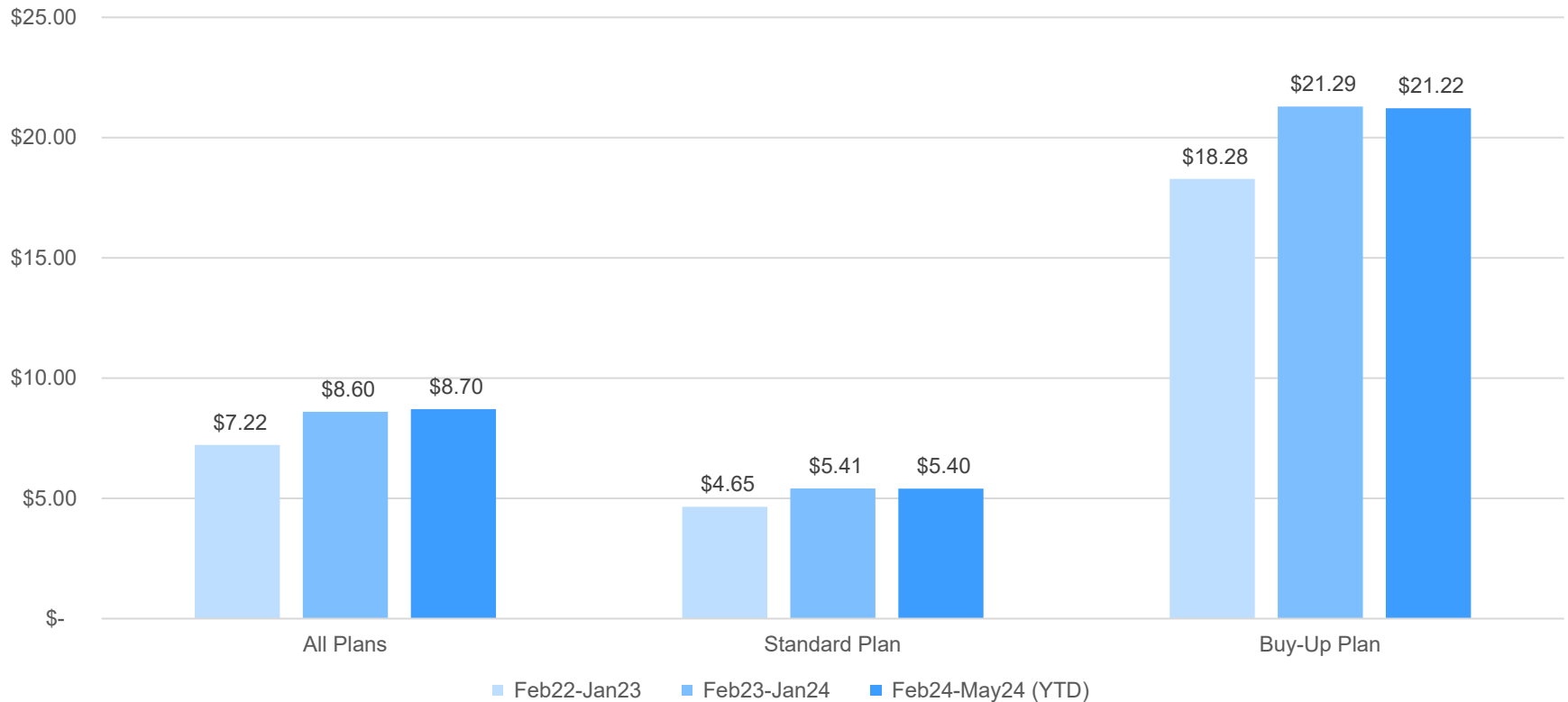


- Claims for the plan year effective February 2023 through January 2024 increased by 16.2% compared to the prior period due to increase in frame allowances for the Standard and Buy-Up plans

VSP Plan Experience

Premiums by Plan

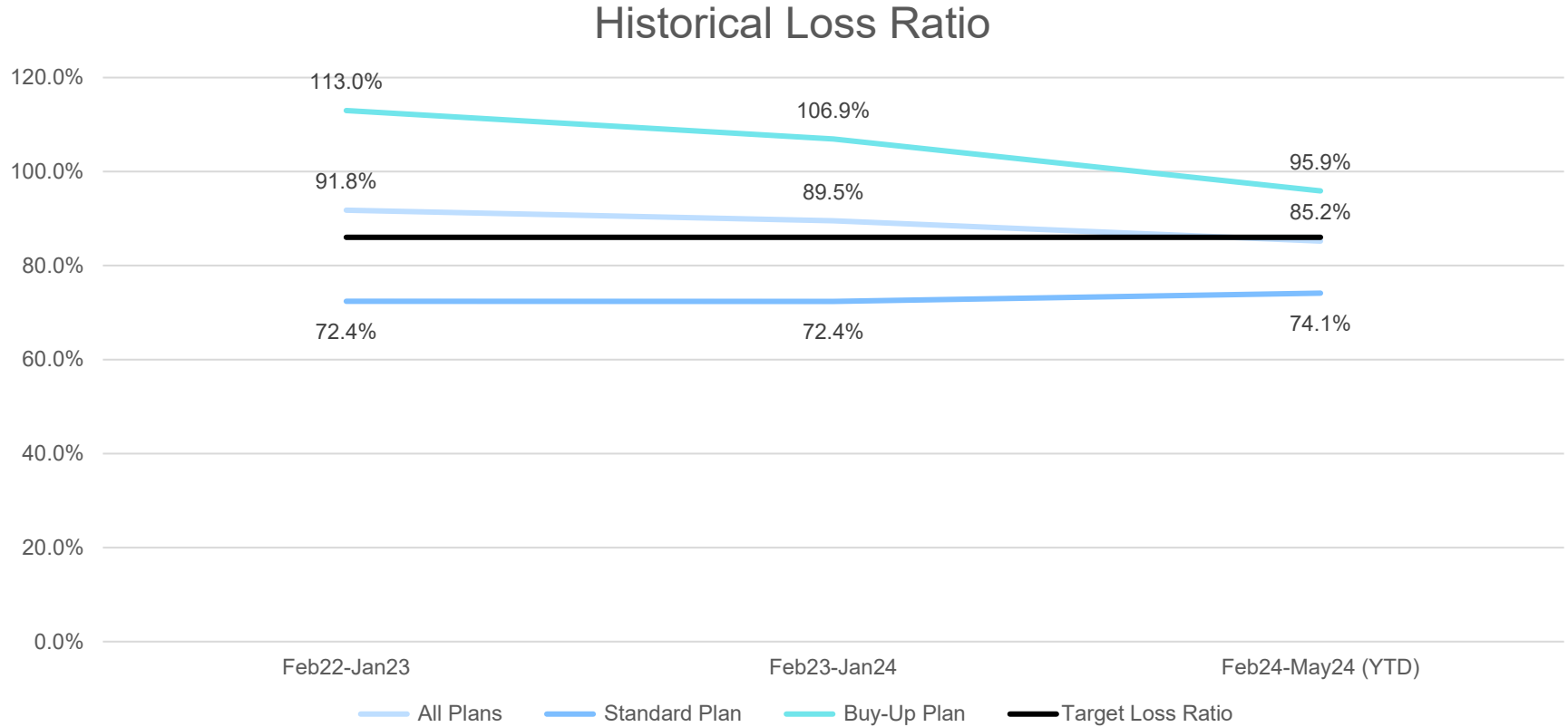
Premiums by Plan
(Per Retiree Per Month)



- Premiums for the Standard and Buy-Up plans remain consistent on a Per Retiree Per Month basis
 - Rates are guaranteed from February 1, 2023, through January 31, 2026

VSP Plan Experience

Loss Ratio by Plan



- The YTD 2024-25 loss ratio for All Plans combined has decreased to 85.2%.
 - The Standard Plan has subsidized the Buy-Up Plan for the past three experience periods.
- The FYE January 31, 2024, loss ratio for All Plans combined decreased to 89.5%.