MINUTES OF JULY 6, 2022 RETIREES COMMITTEE MEETING

THIS MEETING WAS CONDUCTED VIA TELECONFERENCE WITH VIDEO

To: Members of the Retirees Committee

From: Liz Koppenhaver, Chair

Subject: **Summary of the July 6, 2022 Retirees Committee Meeting**

Committee Chair Liz Koppenhaver called the July 6, 2022 Committee meeting to order at 10:31 a.m.

ACERA TRUSTEES, SENIOR MANAGERS AND PRESENTING STAFF IN ATTENDANCE

Committee members present were Liz Koppenhaver, Henry Levy, Dale Amaral and Kellie Simon. Also present were Ophelia Basgal, Tarrell Gamble, George Wood and alternate members Nancy Reilly and Darryl Walker. Jamie Godfrey joined the meeting after roll call.

Staff present were Sandra Dueñas-Cuevas, Benefits Manager; Kathy Foster, Assistant Chief Executive Officer; Erica Haywood, Fiscal Services Officer; Jessica Huffman, Benefits Manager; Harsh Jadhav, Chief of Internal Audit; Vijay Jagar, Chief Technology Officer; David Nelsen, Chief Executive Officer; Ismael Piña, Assistant Benefits Manager; Jeff Rieger, Chief Counsel and Betty Tse, Chief Investment Officer.

PUBLIC INPUT

None.

ACTION ITEMS

1. **Adoption of 2023 Monthly Medical Allowance for Group Plans, Early Retiree Individual Plans, and Medicare Eligible Retiree Individual Plans**

Staff presented information for three action items related to the Monthly Medical Allowance (MMA) for 2023. MMA cost comparisons for the 2022 and 2023 Plan Years for group plans, early retiree individual plans, and Medicare eligible retiree individual plans were provided. Staff recommended increasing the 2023 MMA by 3.25% for eligible retirees, 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 the following for the Plan Year 2023:

- Group plans – $616.12
- Early (non-Medicare) retiree individual plans – $616.12
- Medicare eligible retiree individual plans – $471.99

After some discussion, Trustees decided to defer a decision on these three action items until the 2023 medical renewal group plan rates from our carriers (Kaiser Permanente and UnitedHealthcare) were provided to ACERA by the County of Alameda. Trustee Koppenhaver stated that the Retired Employees of Alameda County, Inc. (REAC) retiree association's Board voted to support increasing the MMA for 2023. Also, Pete Albert, President of Alameda County Retired Employees (ACRE) retiree association, stated that the ACRE Board voted to support increasing the MMA.

It was moved by Ophelia Basgal and seconded by Kellie Simon to postpone taking action on the above three items to increase the MMA for the 2023 Plan Year to the August 18, 2022 Board of Retirement meeting.

The motion carried 7 yes (*Amaral, Basgal, Godfrey, Koppenhaver, Levy, Simon, Wood*), 0 no, 0 abstentions. Trustee Gamble was not present for the vote on the motion.

INFORMATION ITEMS

1. Report on Dental and Vision Plans Experience and Utilization

Segal, ACERA's Benefits Consultant, provided information on ACERA's dental and vision plans experience, utilization, dental annual maximums by network, and VSP's loss ratio by plan.

2. Report on Dental and Vision Plans Renewal Information for 2023

Segal, ACERA's Benefits Consultant, provided estimated cost information for various enhancement options to the dental and vison plans benefits in consideration for the Plan Year 2023 renewals.

3. Miscellaneous Updates

Staff provided information regarding adding requested gyms as part of the Silver&Fit® program, and transitioning ACERA's financial bank from Wells Fargo to J.P. Morgan.

TRUSTEE REMARKS

None.

FUTURE DISCUSSION ITEMS

- Adoption of Dental Plan Contributions for 2023
- Adoption of Vision Plan Contributions for 2023

ESTABLISHMENT OF NEXT MEETING DATE

The next meeting is scheduled for August 3, 2022 at 10:30 a.m.

MEETING ADJOURNED

The meeting adjourned at 11:55 a.m.