



June 1, 2016

To: Members of the Retirees Committee

From: Tarrell Gamble, Vice Chair

Subject: Summary of the June 1, 2016 Retirees Committee Meeting

Committee Vice Chair Tarrell Gamble called the June 1, 2016 meeting to order at 10:30 a.m. Committee members present were Tarrell Gamble, Dale Amaral, Annette Cain-Darnes, and George Wood. Also present were Ophelia Basgal and Keith Carson, and alternate members David Safer and Darryl Walker. Staff present were David Nelsen, Chief Executive Officer; Kathy Foster, Assistant Chief Executive Officer; Joseph Fletcher, Chief Counsel; Margo Allen, Fiscal Services Officer; Sandra Dueñas-Cuevas, Benefits Manager; and Harsh Jadhav, Chief of Internal Audit.

ACTION ITEMS

There were no action items for discussion.

INFORMATION ITEMS

1. Presentation and Report on Health Care Inflation/Trends

Staff reported on healthcare inflation factors for 2016 and 2017 based on the information provided by Segal Consulting, ACERA's Actuary, and Keenan & Associates (Keenan), ACERA's Benefits Consultant. The trend assumptions provided have been reset to start at 6.75% for non-Medicare and Medicare Advantage plans. The trend used for dental, vision and Medicare Part B is 5%. These trends will be used in accordance with ACERA's GASB 43 substantive plan definition. Keenan also provided a six-year ACERA rate history for the period 2011 through 2016 for Kaiser Permanente and UnitedHealthcare.

2. Discussion of Monthly Medical Allowance (MMA) for 2017

Staff presented Group and Individual plan enrollment Monthly Medical Allowance (MMA) cost comparisons for the 2016 and 2017 plan years. This item will be brought back to the Retirees Committee for further discussion and possible approval of the 2017 MMA at the July 2016 meeting. Trustees directed Staff to provide 1) information on the number of retirees with reciprocity, who retired from other systems; 2) the percentage of early retirees on disability, who are enrolled in the Kaiser HMO plan; and 3) an analysis in consideration of putting a cap on the amount ACERA would pay the County of Alameda for the Implicit Subsidy Program.

3. Plans for Open Enrollment and Retiree Health Fair

Staff provided information on the planning for ACERA's annual Open Enrollment and Retiree Health Fair. During the discussion regarding the idea of changing the venue of the Retiree Health Fair, Trustees directed Staff to look into the possibility of holding the Health Fair in a vacant building that is owned by the County of Alameda located in Oakland.

4. Miscellaneous Updates

Staff provided follow-up information from OneExchange discussed at the May Retirees Committee meeting, stating that ACERA's account is handled in the United States; that ACERA is an "On Shore only client". Also, OneExchange confirmed that there were no data breaches with ACERA information.

TRUSTEE/PUBLIC/STAFF INPUT

None.

FUTURE DISCUSSION ITEMS

- Adoption of 2017 Monthly Medical Allowance for Group Plans
- Adoption of 2017 Monthly Medical Allowance for Early Retiree Individual Plans
- Adoption of 2017 Monthly Medical Allowance for Medicare Eligible Retiree Individual Plans

ESTABLISHMENT OF NEXT MEETING DATE

The next meeting is scheduled for July 6, 2016 at 10:30 a.m.

MEETING ADJOURNED

The meeting adjourned at 11:37 a.m.