



June 16, 2015

To: Members of the Retirees Committee

From: Liz Koppenhaver, Chair, Retired Trustee

Subject: Summary of the June 16, 2015 Retirees Committee Meeting

Committee Chair Liz Koppenhaver called the June 16, 2015 meeting to order at 1:05 p.m. Committee members present were Liz Koppenhaver, Tarrell Gamble and Dale Amaral. Also present were Elizabeth Rogers, and alternate member David Safer. Staff present were Kathy Foster, Interim Chief Executive Officer; Joseph Fletcher, Chief Counsel; Margo Allen, Fiscal Services Officer; Sandra Dueñas-Cuevas, Benefits Manager; Latrena Walker, Projects and Information Services Manager; and Harsh Jadhav, Chief of Internal Audit.

ACTION ITEMS

1. Report and Possible Recommendation on Dental Care Provider Request for Proposal and Awarding Contract for Plan Year 2016

Keenan & Associates, ACERA's Benefits Consultant, provided a presentation describing the process, which included the review and scoring of the Request for Proposal responses from Delta Dental, MetLife, and UnitedHealthcare and the recommendation on the finalist.

It was moved by Dale Amaral and seconded by Tarrell Gamble that the Committee recommends to the Board of Retirement that it approves Staff's recommendation to continue ACERA's retiree dental care coverage through Delta Dental, and to award the dental care coverage contract to Delta Dental for plan year 2016.

The motion carried 4 yes (*Amaral, Gamble, Koppenhaver, Rogers*), 0 no, 0 abstentions.

2. Report and Possible Recommendation on Vision Care Provider Request for Proposal and Awarding Contract for Plan Year 2016

Keenan & Associates, ACERA's Benefits Consultant, provided a presentation describing the process, which included the review and scoring of the Request for Proposal responses from EyeMed and Vision Service Plan (VSP), and the recommendation on the finalist.

It was moved by Elizabeth Rogers and seconded by Tarrell Gamble that the Committee recommends to the Board of Retirement that it approves Staff's recommendation to continue ACERA's retiree vision care coverage through Vision Service Plan (VSP), and to award the vision care coverage contract to VSP for plan year 2016.

The motion carried 4 yes (*Amaral, Gamble, Koppenhaver, Rogers*), 0 no, 0 abstentions.

3. Report and Possible Recommendation to Terminate Kaiser Permanente's Group Multi-Site Contracts and Provide Individual Medical Coverage through OneExchange for Plan Year 2016

Staff and Keenan & Associates, ACERA's Benefits Consultant, provided information regarding Kaiser Permanente's multi-site contracts, availability of Kaiser individual plans for early retirees and Medicare eligible retirees in each state through a health exchange, and a comparison of the premiums.

It was moved by Tarrell Gamble and seconded by Dale Amaral that the Committee recommends to the Board of Retirement that it approves the termination of the group multi-site contracts with Kaiser Permanente and instead provide individual medical coverage for impacted retirees through OneExchange effective with the 2016 plan year.

The motion carried 4 yes (*Amaral, Gamble, Koppenhaver, Rogers*), 0 no, 0 abstentions.

INFORMATION ITEMS

1. Presentation and Report on Health Care Inflation/Trends

Staff reported on healthcare inflation factors for 2015 and 2016 based on the information provided by The Segal Company, ACERA's Actuary, and Keenan & Associates (Keenan), ACERA's Benefits Consultant. The trend assumptions provided have been reset to start at 7.0% 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.

2. Discussion of Monthly Medical Allowance (MMA) for 2016

Staff presented Group and Individual plan enrollment Monthly Medical Allowance (MMA) cost comparisons for the 2015 and 2016 plan years. This item will be brought back to the Retirees Committee for further discussion and possible approval of the 2016 MMA at the July 2015 meeting.

3. Miscellaneous Updates

Keenan & Associates, ACERA's Benefits Consultant, provided an update on the Delta Dental lawsuit regarding the fee reduction for its premier providers.

TRUSTEE/PUBLIC/STAFF INPUT

Trustees directed Staff to add a future agenda item to discuss and consider reinstating the Active Death Equity Benefit (ADEB). In addition, Trustees directed Staff to also add a future agenda item to consider increasing the Retired Member (Lump Sum) Death Benefit from the current \$1,000 to the former \$5,000 level.

Ava Lavender, Benefits Manager, with the County of Alameda introduced Laurie Anderson-Jones as the new Benefits Analyst for the County.

RECOMMENDATIONS

1. Report and Possible Recommendation on Dental Care Provider Request for Proposal and Awarding Contract for Plan Year 2016

The Committee recommends, and I move that the Board of Retirement approves Staff's recommendation to continue ACERA's retiree dental care coverage through Delta Dental, and to award the dental care coverage contract to Delta Dental for plan year 2016.

2. Report and Possible Recommendation on Vision Care Provider Request for Proposal and Awarding Contract for Plan Year 2016

The Committee recommends, and I move that the Board of Retirement approves Staff's recommendation to continue ACERA's retiree vision care coverage through Vision Service Plan (VSP), and to award the vision care coverage contract to VSP for plan year 2016.

3. Report and Possible Recommendation to Terminate Kaiser Permanente's Group Multi-Site Contracts and Provide Individual Medical Coverage through OneExchange for Plan Year 2016

The Committee recommends, and I move that the Board of Retirement approves the termination of the group multi-site contracts with Kaiser Permanente and instead provide individual medical coverage for impacted retirees through OneExchange effective with the 2016 plan year.

FUTURE DISCUSSION ITEMS

- Adoption of 2016 Monthly Medical Allowance (MMA) for Group Plans
- Adoption of 2016 Monthly Medical Allowance (MMA) for Individual Plans

ESTABLISHMENT OF NEXT MEETING DATE

The next meeting is scheduled for July 1, 2015 at 10:30 a.m.

MEETING ADJOURNED

The meeting adjourned at 2:25 p.m.