November 30, 2021

TO: Each Trustee,  
Board of Retirement

SUBJECT: Insurance, Benefits, and Legislative Committee Meeting on December 1, 2021 – Agenda Item III. D.

Following you will find supplemental information regarding the above-mentioned meeting:

1. LACERA Claims Experience  
   (Supplemental Document)
Los Angeles County Employees Retirement Association
Premium & Enrollment
Coverage Month Ending October 2021

<table>
<thead>
<tr>
<th>Carrier / Plan</th>
<th>Monthly Premium</th>
<th>Percent of Total</th>
<th>Retirees</th>
<th>Percent of Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Anthem All Plans</td>
<td>$22,879,996</td>
<td>44.3%</td>
<td>19,781</td>
<td>37.2%</td>
</tr>
<tr>
<td>Cigna Medical</td>
<td>$760,190</td>
<td>1.5%</td>
<td>417</td>
<td>0.8%</td>
</tr>
<tr>
<td>Kaiser</td>
<td>$19,086,550</td>
<td>36.9%</td>
<td>25,704</td>
<td>48.3%</td>
</tr>
<tr>
<td>UnitedHealthcare</td>
<td>$4,832,446</td>
<td>9.4%</td>
<td>4,831</td>
<td>9.1%</td>
</tr>
<tr>
<td>SCAN Health Plan</td>
<td>$137,976</td>
<td>0.3%</td>
<td>403</td>
<td>0.8%</td>
</tr>
<tr>
<td>Local 1014</td>
<td>$3,958,916</td>
<td>7.7%</td>
<td>2,083</td>
<td>3.9%</td>
</tr>
<tr>
<td><strong>Combined Medical</strong></td>
<td><strong>$51,656,074</strong></td>
<td><strong>100.0%</strong></td>
<td><strong>53,219</strong></td>
<td><strong>100.0%</strong></td>
</tr>
</tbody>
</table>

Cigna Dental & Vision
(PPO and HMO)  
$4,238,725  
54,815

### Monthly Premium

- **Anthem All Plans**: $22,879,996 (44.3%)
- **Cigna Medical**: $760,190 (1.5%)
- **Kaiser**: $19,086,550 (36.9%)
- **UnitedHealthcare**: $4,832,446 (9.4%)
- **SCAN Health Plan**: $137,976 (0.3%)
- **Local 1014**: $3,958,916 (7.7%)

### Retirees

- **Anthem All Plans**: 19,781 (37.2%)
- **Cigna Medical**: 417 (0.8%)
- **Kaiser**: 25,704 (48.3%)
- **UnitedHealthcare**: 4,831 (9.1%)
- **SCAN Health Plan**: 403 (0.8%)
- **Local 1014**: 2,083 (3.9%)

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

Segal | Premium & Enrollment Exhibit
LACERA - 21_22 Dashboard - Claims Ending October 2021(5708137.1) 1 of 7
Los Angeles County Employees Retirement Association
Claims Experience by Carrier
Coverage Month Ending October 2021

Historical Non-Medicare Carrier Renewals (%)

<table>
<thead>
<tr>
<th>% Change</th>
<th>2019/2020</th>
<th>2020/2021</th>
<th>2021/2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Anthem (Non-Medicare)</td>
<td>8.0%</td>
<td>6.5%</td>
<td>7.2%</td>
</tr>
<tr>
<td>Cigna (Non-Medicare)</td>
<td>6.8%</td>
<td>4.8%</td>
<td>1.4%</td>
</tr>
<tr>
<td>Kaiser (Non-Medicare)</td>
<td>3.2%</td>
<td>0.3%</td>
<td>1.6%</td>
</tr>
</tbody>
</table>

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

Prior and Current Rolling 12-Month Non-Medicare Medical & Rx Claims Experience (Per Retiree Per Month)*

<table>
<thead>
<tr>
<th>Carrier</th>
<th>Prior Period</th>
<th>Current Period</th>
</tr>
</thead>
<tbody>
<tr>
<td>Anthem</td>
<td>$1,556</td>
<td>$1,623</td>
</tr>
<tr>
<td>Cigna</td>
<td>$1,956</td>
<td>$2,067</td>
</tr>
<tr>
<td>Kaiser**</td>
<td>$1,679</td>
<td>$1,738</td>
</tr>
</tbody>
</table>

*Based on Most Recent 12 months of Claims Experience through Coverage Month.
**Kaiser Claims Experience through August 2021.
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 October 2021

Prior and Current Rolling 12 Months
Medical & Rx Claims Experience - Per Retiree Per Month
(Prior vs. Current Periods)

Medical Claims
Prescription Drug Claims

Prior
Current
Prior
Current
Prior
Current
Prior
Current
Prior
Current

Medical & Rx Claims Experience - Per Retiree Per Month ($)

4.3%
5.4%
-12.7%
5.1%

Anthem (All Plans)
Anthem Plans (Non-Medicare)
Plans I & II
Prudent Buyer
Plan III (Medicare Supplement)

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 add an estimated 0.5% and 1.8% to claims, respectively.
Los Angeles County Employees Retirement Association
Kaiser Utilization
Coverage Month Ending October 2021

- Kaiser insures approximately 25,000 LACERA retirees with the majority enrolled in Medicare Advantage plans.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Average Contract Size</td>
<td>2.38</td>
<td>2.39</td>
<td>-0.42%</td>
</tr>
<tr>
<td>Average Members</td>
<td>8,812</td>
<td>8,874</td>
<td>-0.70%</td>
</tr>
<tr>
<td>Inpatient Claims Per Member Per Month</td>
<td>$167.53</td>
<td>$162.39</td>
<td>3.17%</td>
</tr>
<tr>
<td>Outpatient Claims Per Member Per Month</td>
<td>$327.65</td>
<td>$317.03</td>
<td>3.35%</td>
</tr>
<tr>
<td>Pharmacy Per Member Per Month</td>
<td>$114.18</td>
<td>$109.59</td>
<td>4.19%</td>
</tr>
<tr>
<td>Other Per Member Per Month</td>
<td>$121.52</td>
<td>$113.09</td>
<td>7.45%</td>
</tr>
<tr>
<td><strong>Total Claims Per Member Per Month</strong></td>
<td><strong>$730.88</strong></td>
<td><strong>$702.10</strong></td>
<td><strong>4.10%</strong></td>
</tr>
<tr>
<td>Total Paid Claims</td>
<td><strong>$77,287,504</strong></td>
<td><strong>$74,767,454</strong></td>
<td><strong>3.37%</strong></td>
</tr>
<tr>
<td>Large Claims over $475,000 Pooling Point</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Number of Claims over Pooling Point</td>
<td>3</td>
<td>3</td>
<td></td>
</tr>
<tr>
<td>Amount over Pooling Point</td>
<td>$1,512,611</td>
<td>$710,036</td>
<td>113.03%</td>
</tr>
<tr>
<td>% of Total Paid Claims</td>
<td>1.96%</td>
<td>0.95%</td>
<td></td>
</tr>
<tr>
<td>Inpatient Days / 1000</td>
<td>327.7</td>
<td>337.3</td>
<td>-2.85%</td>
</tr>
<tr>
<td>Inpatient Admits / 1000</td>
<td>45.8</td>
<td>50.7</td>
<td>-9.66%</td>
</tr>
<tr>
<td>Outpatient Visits / 1000</td>
<td>13,908.0</td>
<td>11,082.5</td>
<td>25.50%</td>
</tr>
<tr>
<td>Pharmacy Scripts Per Member Per Year</td>
<td>10.1</td>
<td>10.5</td>
<td>-3.81%</td>
</tr>
</tbody>
</table>
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's figures are based on most recent 12 months of Claims Experience through Coverage Month. Kaiser's figures are based on claims experience period between September through August.

Pooling Points by Carrier:
1. Anthem's pooling points are $350,000 for Plans I & II, and $300,000 for Prudent Buyer.
2. Cigna's pooling point is $100,000.
3. Kaiser's pooling point is $500,000.
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 Express Scripts Inc. and are not included in the charts above.
Los Angeles County Employees Retirement Association
Cigna Dental & Vision Claims Experience
Coverage Month Ending October 2021

Dental Claims Experience Per Retiree Per Month
(Prior and Current Rolling 12 Months)

<table>
<thead>
<tr>
<th>Per Retiree Per Month ($)</th>
<th>Prior</th>
<th>Current</th>
</tr>
</thead>
<tbody>
<tr>
<td>$49.95</td>
<td></td>
<td>$57.45</td>
</tr>
</tbody>
</table>

15.0%

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.

Current Dental Provider Network Distribution

- In-Network Claims: 43%
- Out-of-Network Claims: 57%

Vision Claims Experience Per Retiree Per Month
(Prior and Current Rolling 12 Months)

<table>
<thead>
<tr>
<th>Per Retiree Per Month ($)</th>
<th>Prior</th>
<th>Current</th>
</tr>
</thead>
<tbody>
<tr>
<td>$1.95</td>
<td></td>
<td>$2.32</td>
</tr>
</tbody>
</table>

19.0%

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.

Current Vision Provider Network Distribution

- In-Network Claims: 15%
- Out-of-Network Claims: 85%