

APPROVED

MINUTES OF THE MEETING OF THE
INSURANCE, BENEFITS & LEGISLATIVE COMMITTEE
and
BOARD OF RETIREMENT*

LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION

GATEWAY PLAZA - 300 N. LAKE AVENUE, SUITE 810, PASADENA, CA 91101

THURSDAY, APRIL 11, 2019, 9:40 A.M. – 10:45 A.M.

COMMITTEE MEMBERS

PRESENT: Les Robbins, Chair
Shawn R. Kehoe, Vice Chair
Vivian H. Gray
Ronald Okum
JP Harris, Alternate

ALSO ATTENDING:

BOARD MEMBERS AT LARGE

Alan Bernstein
Joseph Kelly
William Pryor (*left at 10:10 a.m.*)
Herman B. Santos

STAFF, ADVISORS, PARTICIPANTS

Lou Lazatin, Chief Executive Officer
Cassandra Smith, Director, Retiree Healthcare
Barry Lew, Legislative Affairs Officer

Segal Consulting

Stephen Murphy, Vice President

The meeting was called to order by Chair Robbins at 9:40 a.m.

I. APPROVAL OF THE MINUTES

A. Approval of the minutes of the regular meeting of March 14, 2019

Mr. Kehoe made a motion, Ms. Gray seconded, to approve the minutes of the regular meeting of March 14, 2019. The motion passed with Mr. Robbins abstaining.

II. PUBLIC COMMENT

III. ACTION ITEMS

A. Recommendation as submitted by Barry W. Lew, Legislative Affairs Officer: That the Committee recommend the Board of Retirement adopt a "Neutral" position on Assembly Bill 287, which relates to the annual audits of state and local retirement systems. (Memorandum dated March 27, 2019)

Mr. Kehoe made a motion, Ms. Gray seconded, to adopt a "Support" position on Assembly Bill 287. The motion passed unanimously.

B. Recommendation as submitted by Barry W. Lew, Legislative Affairs Officer: That the Committee recommend the Board of Retirement adopt a "Watch" position on Assembly Bill 664, which relates to disability retirement and peace officers. (Memorandum dated March 29, 2019)

Ms. Gray made a motion, Mr. Kehoe seconded, to adopt a "Support" position on Assembly Bill 664. The motion passed with Ms. Gray, Messrs. Kehoe and Okum voting yes and Mr. Robbins voting no.

III. ACTION ITEMS (Continued)

C. Recommendation as submitted by Barry W. Lew, Legislative Affairs Officer: That the Committee recommend the Board of Retirement:

1. Approve a visit with Congress by Board members and staff as designated by the Chair of the Board of Retirement during the week of May 20, 2019 in Washington, D.C.; and
2. Approve reimbursement of all travel costs incurred in accordance with LACERA's Education and Travel Policy.

(Memorandum dated March 25, 2019)

Mr. Kehoe made a motion, Mr. Robbins seconded, to approve the recommendation. The motion passed unanimously.

IV. FOR INFORMATION

A. Board Self-Evaluations in Closed Session: Action Plan for Legislative Proposal
Barry W. Lew, Legislative Affairs Officer

Board self-evaluations were discussed, with Mr. Lew providing answers to questions from the Committee.

B. Engagement Report for March 2019
Barry W. Lew, Legislative Affairs Officer

The engagement report was discussed.

(At Staff's request, items C thru F were handled out of order, following Public Comment)

C. Staff Activities Report for March 2019
Cassandra Smith, Director, Retiree Healthcare

The staff activities report was discussed.

D. Medical and Dental Claims Audit Findings
MaryAnne Watson, Segal Consulting

- Anthem Medical Plan Audit
- Cigna Dental Plan Audit

Stephen Murphy from Segal Consulting presented the results of the annual Anthem Blue Cross medical and Cigna dental plan audits and answered questions from the Committee.

IV. FOR INFORMATION (Continued)

- E. LACERA Claims Experience
Stephen Murphy, Segal Consulting

The LACERA Claims Experience reports through February 2019 were discussed.

- F. Federal Legislation
Stephen Murphy, Segal Consulting

(for discussion purposes)

Segal Consulting gave an update on federal legislation.

V. ITEMS FOR STAFF REVIEW

The Committee instructed staff to work with the County to address the issue of the \$1 million lifetime cap for Anthem. Furthermore, Mr. Santos requested a breakdown of Anthem's international utilization. In addition, Mr. Okum requested a report showing the cost to the County to move a member from Anthem to another plan, compared to the 1% it would cost to eliminate the cap.

VI. GOOD OF THE ORDER

(For information purposes only)

VII. ADJOURNMENT

The meeting adjourned at 10:45 a.m.

***The Board of Retirement has adopted a policy permitting any member of the Board to attend a standing committee meeting open to the public. In the event five or more members of the Board of Retirement (including members appointed to the Committee) are in attendance, the meeting shall constitute a joint meeting of the Committee and the Board of Retirement. Members of the Board of Retirement who are not members of the Committee may attend and participate in a meeting of a Board Committee but may not vote on any matter discussed at the meeting. The only action the Committee may take at the meeting is approval of a recommendation to take further action at a subsequent meeting of the Board.**