

NOTICE OF MEETING AND AGENDA

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

LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION

**300 NORTH LAKE AVENUE, SUITE 810
PASADENA, CA 91101**

THURSDAY, NOVEMBER 6, 2014 - 9:00 A.M.**

COMMITTEE MEMBERS:

Vivian H. Gray, Chair
Alan Bernstein, Vice Chair
Shawn R. Kehoe
Ronald Okum
Les Robbins, Alternate

I. APPROVAL OF THE MINUTES

A. Approval of the minutes of the regular meeting of October 9, 2014

II. PUBLIC COMMENT

III. FOR INFORMATION

- A. CMS Early Retiree Reinsurance Program (ERRP) Final Audit Report
- B. Staff Activities Report for October, 2014
- C. Cigna & Anthem Blue Cross Claims Experience
- D. Federal Legislation
 - Aon Hewitt Washington Report

IV. GOOD OF THE ORDER

(For information purposes only)

**V. ADJOURNMENT *and*
SET TIME FOR OPERATIONS OVERSIGHT COMMITTEE MEETING**

November 6, 2014

Page 2

***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.**

****Although the meeting is scheduled for 9:00 a.m., it can start anytime thereafter, depending on the length of the Board of Retirement meeting preceding it. Please be on call.**

Any documents subject to public disclosure that relate to an agenda item for an open session of the Committee, that are distributed to members of the Committee less than 72 hours prior to the meeting, will be available for public inspection at the time they are distributed to a majority of the Committee, at LACERA's offices at 300 North Lake Avenue, Suite 820, Pasadena, California during normal business hours from 9:00 a.m. to 5:00 p.m. Monday through Friday.

Persons requiring an alternative format of this agenda pursuant to Section 202 of the Americans with Disabilities Act of 1990 may request one by calling Cynthia Guider at (626)-564-6000, from 8:30 a.m. to 5:00 p.m. Monday through Friday, but no later than 48 hours prior to the time the meeting is to commence. Assistive Listening Devices are available upon request. American Sign Language (ASL) Interpreters are available with at least three (3) business days notice before the meeting date.

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, NOVEMBER 6, 2014, 11:00 A.M. – 11:45 A.M.

COMMITTEE MEMBERS

PRESENT: Vivian H. Gray, Chair
Alan Bernstein, Vice Chair
Ronald Okum
Les Robbins, Alternate

ABSENT. Shawn R. Kehoe

ALSO ATTENDING:

BOARD MEMBERS AT LARGE

Marvin Adams
Yves Chery
William de la Garza
David L. Muir

STAFF, ADVISORS, PARTICIPANTS

Cassandra Smith
Leilani Ignacio

Aon Hewitt

Kirby Bosley
Helen Batsalkin

The meeting was called to order by Chair Gray at 11:00 a.m. Due to the absence of Mr. Kehoe, the Chair announced that Mr. Robbins, as the alternate, would be a voting member of the Committee.

I. APPROVAL OF THE MINUTES

A. Approval of the minutes of the regular meeting of October 9, 2014

Mr. Okum made a motion, Mr. Adams seconded, to approve the minutes of the regular meeting of October 9, 2014. The motion passed unanimously.

II. PUBLIC COMMENT

III. FOR INFORMATION

A. CMS Early Retiree Reinsurance Program (ERRP) Final Audit Report

The Early Retiree Reinsurance Program (ERRP) was included in the Patient Protection and Affordable Care Act (the ACA) enacted on March 23, 2010. This is a temporary program in which Congress appropriated \$5 billion to provide financial assistance to plan sponsors that provide health coverage to early retirees (those age 55 through 64) and their families. Our participation in this federal program has resulted in LACERA receiving approximately \$12 million in ERRP funds.

On June 18, 2013, staff received written notification from the Department of Health & Human Services that the Centers for Medicare and Medicaid Services (CMS) would be conducting an audit of LACERA's participation in the Early Retiree Reinsurance Program (ERRP). The objective of the audit was to determine compliance with the program statute, rules and guidance.

On September 26, 2014, staff received notice that CMS had completed their audit of LACERA's participation in the ERRP program. CMS' final audit findings determined that an overpayment to LACERA had occurred, and we are in the process of submitting a wire transfer to satisfy that debt.

Given the size and scope of the ERRP, and the number of eligible LACERA members, staff is generally pleased with the performance reported by the CMS audit. Staff considers the findings to be minor, and we have addressed and corrected the issues.

B. Staff Activities Report for October, 2014

The staff activities report was discussed.

III. FOR INFORMATION (Continued)

C. CIGNA & Anthem Blue Cross Claims Experience

The CIGNA & Anthem Blue Cross Claims Experience reports through September 2014 were discussed.

D. Federal Legislation

- Aon Hewitt Washington Report

Submitted for information only.

IV. GOOD OF THE ORDER

(For information purposes only)

V. ADJOURNMENT *and*
SET TIME FOR OPERATIONS OVERSIGHT COMMITTEE MEETING

The meeting adjourned at 11:45 a.m., after setting the time for the Operations Oversight Committee at 11:50 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.**