

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**

FRIDAY, MARCH 3, 2017 - 9:00 A.M.**

*The Committee may take action on any item on the agenda,
and agenda items may be taken out of order.*

COMMITTEE MEMBERS:

William de la Garza, Chair
Vivian H. Gray, Vice Chair
Alan Bernstein
Ronald Okum
David Muir, Alternate

I. APPROVAL OF THE MINUTES

A. Approval of the minutes of the regular meeting of February 9, 2017

II. PUBLIC COMMENT

III. ACTION ITEMS

A. Recommendation as submitted by Cassandra Smith, Director, Retiree Healthcare: Authorize LACERA to join as a member of the Coalition for Affordable Prescription Drugs. (Memorandum dated February 13, 2017)

B. 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 283, which relates to disability retirement and peace officers. (Memorandum dated February 22, 2017)

C. As submitted by Barry W. Lew, Legislative Affairs Officer: Provide direction to staff regarding a potential LACERA Legislative Proposal – Correction of Errors and Omissions. (Memorandum dated February 22, 2017)

March 3, 2017

Page 2

IV. FOR INFORMATION

- A. Senate Constitutional Amendment 8 (Moorlach)--Public Employee Retirement Benefits (*Barry W. Lew, Legislative Affairs Officer*)
- B. Staff Activities Report for February 2017
- C. Federal Legislation

V. GOOD OF THE ORDER

(For information purposes only)

VI. ADJOURNMENT

***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, FEBRUARY 9, 2017, 10:10 A.M. – 10:45 A.M.

COMMITTEE MEMBERS

PRESENT: Vivian H. Gray, Vice Chair
Alan Bernstein
Ronald Okum
David Muir, Alternate

ABSENT: William de la Garza, Chair

ALSO ATTENDING:

BOARD MEMBERS AT LARGE

Marvin Adams
Anthony Bravo
Yves Chery
Shawn R. Kehoe
Keith Knox (Chief Deputy to Joseph Kelly)

STAFF, ADVISORS, PARTICIPANTS

Cassandra Smith Barry Lew
Gregg Rademacher

Aon Hewitt

Kirby Bosley
Helen Batsalkin

The meeting was called to order by Chair Gray at 10:10 a.m. Due to the absence of Mr. de la Garza, the Chair announced that Mr. Muir, 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 January 12, 2017

Ms. Gray made a motion, Mr. Muir seconded, to approve the minutes of the regular meeting of January 12, 2017. The motion passed unanimously.

II. PUBLIC COMMENT

III. FOR INFORMATION

A. Update Regarding LACERA Legislative Proposal – Correction of Errors and Omissions (*Barry W. Lew, Legislative Affairs Officer*)

At the December Committee meeting staff was requested to prepare a proposal seeking legislation to enable the Board of Retirement to reconsider cases regarding disability benefits that were denied due to an error of law. Staff is in the process of creating a legislative proposal and anticipates presenting it to the Committee at the March meeting.

B. Senate Bill 32 (Moorlach) – California Public Employees' Pension Reform Act of 2017 (*Barry W. Lew, Legislative Affairs Officer*)

SB 32 was introduced in December 2016 and expresses the intent of the California Legislature to enact legislation to resume the pension reform that began in the California Public Employees' Pension Reform Act of 2013 (PEPRA). This is a spot bill that was introduced to comply with legislative deadlines and currently contains no substantive provisions. Given the significance of pension reform on the operations of LACERA, staff will continue to monitor this bill and report further developments to your Committee.

C. Staff Activities Report for January, 2017

The staff activities report was discussed.

D. CIGNA & Anthem Blue Cross Claims Experience

The CIGNA & Anthem Blue Cross Claims Experience reports through December 2016 were discussed.

E. Federal Legislation

- Aon Hewitt Washington Report

Submitted for information only.

February 9, 2017

Page 3

IV. GOOD OF THE ORDER

(For information purposes only)

V. 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.**



February 13, 2017

TO: Insurance, Benefits & Legislative Committee
William de la Garza, Chair
Vivian Gray, Vice Chair
Ronald Okum
Alan Bernstein
David Muir, Alternate

FROM: Cassandra Smith 
Director, Retiree Healthcare

FOR: March 3, 2017 Insurance, Benefits, & Legislative Committee Meeting

SUBJECT: **COALITION FOR AFFORDABLE PRESCRIPTION DRUGS**

RECOMMENDATION

Authorize LACERA to join as a member of the Coalition for Affordable Prescription Drugs.

EXECUTIVE SUMMARY

Staff is asking for your approval to partner with CVS Health and United Healthcare as a founding member of the Coalition for Affordable Prescription Drugs (CAPD/Coalition). Per our organizations great partnership, LACERA has been invited to participate with CVS Health and United Healthcare, two of the LACERA administered medical plans offered to our retirees as a founding member of CAPD. The Coalition will lead a targeted and proactive effort to get facts on the table and address the real issues at the root of rising drug cost. Joining this great cause falls in alignment with the offsite topic of activism where the Board expressed desire to become more proactive and engaged with the world through deployment of LACERA's resources. The best part of this is it supports LACERA's mission – To Produce, **Protect**, and Provide the Promised benefit.

According to the January 2017 issue of CVS Health's Insight commentary, spending on prescription drugs grew 9 percent in 2015 – faster than any other health care product or service; moreover, price increases accounted for 52 percent of the spending growth.

Prescription drug price increases have drawn public and congressional attention. As a founding Coalition member, LACERA will be recognized for the vital role that administrators and plan sponsors play in helping to keep drugs affordable for their members and for consumers overall.

As a member, LACERA will support the Coalition's mission and objectives, which include:

- Represent American employers, unions and pharmacy benefits managers (PBMs) who are working to keep drug prices affordable for the people they serve in the private and public sector.
- Deliver a strong, positive message to show how coalition members are working to lower prescription drug prices for millions of Americans.
- Defend against misinformation and attacks to make sure the record is accurate and the narrative is balanced.

LACERA will be responsible to:

- Be recognized as a founding Coalition member
- Allow LACERA's name and logo to be used in correspondence
- Allow LACERA's name and logo to be used on the Coalition's digital platform and member recruitment materials.

LACERA's name would not be use in testimony on Capitol Hill or in other comparable settings.

The Coalition will keep its members informed of activities and public statements through email communications, conference calls and occasional in-person meetings. Staff will keep the Insurance Benefit and Legislative Committee appraised of the Coalition's activities at its monthly meetings and through email communications as appropriate.

CONCLUSION

LACERA has been asked to join as a founding member of the Coalition for Affordable Prescription Drugs (CAPE). There is no additional cost in helping to fight the cause to keep drug prices affordable for our members and for consumers overall.

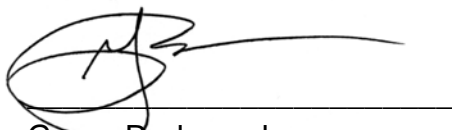
RECOMMENDATION

Authorize LACERA to join as a member of the Coalition for Affordable Prescription Drugs.

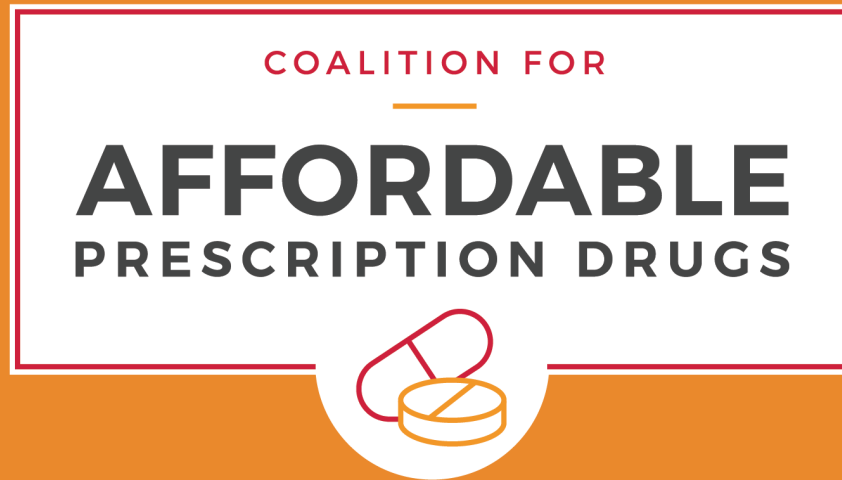
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Attachment

REVIEWED AND APPROVED:

A handwritten signature in black ink, appearing to be "GR", is written over a horizontal line.

Gregg Rademacher
Chief Executive Officer



Coalition Member Recruitment Deck

December 2016



THE CHALLENGE & THE OPPORTUNITY

THE CHALLENGE:

High drug price debate is not abating...

Public concerns about drug prices remain high...

PBMs are being defined as part of the problem...

THE OPPORTUNITY:

As the debate intensifies, we need to supplement the good work being done by other groups with a targeted, proactive effort that is dedicated to telling the innovative success stories of how our members are working to control high drug prices.

Money

Prescription Drug Prices in America Are Rising Like No Other Industry

POLITICO

Drug Lobby Gears Up for Massive PR Campaign

BARRON'S

Pharmacy-Benefit Managers Under Pressure

Bloomberg

In Washington's Drug Price Fight, Plenty of Blame to Go Around



HOW WE ARE DIFFERENT

We are a **broad-based coalition** driving a **campaign to champion solutions**.

We represent and give a **voice to the employers and organizations who seek to make prescriptions more affordable**.

By **amplifying new and different voices**, the coalition and its members add an important dimension to the debate.

We **play offense and defense**, striking a balance between proactive education and defending against misinformation.



MISSION & OBJECTIVES

MISSION:

We represent American employers, unions and pharmacy benefits managers (PBMs) who are working to keep drug prices affordable for the people they serve in the private and public sector.

OBJECTIVES:

- ▶ **Deliver a strong, positive message:**
 - Show how coalition members are working to lower prescription drug prices for millions of Americans.
- ▶ **Defend against misinformation and attacks** to make sure the record is accurate and the narrative is balanced.



WHAT WE DO

DELIVER A STRONG, POSITIVE MESSAGE

Leverage earned, paid and owned channels to amplify our collective voice and demonstrate the value of PBMs.

Core Campaign Elements:

MEDIA RELATIONS & ON-THE-RECORD SPOKESPERSON

A programmatic media relations effort with a dedicated spokesperson to build reporter relationships and become the “go-to” source when the news is breaking – not after the fact.

NEW DIGITAL PLATFORM

A content hub to promote original content and showcase coalition efforts.

DIGITAL / SOCIAL CAMPAIGN

Paid media aimed at influencers inside and outside the Beltway to drive visibility and promote our content.





WHAT WE DO

DEFEND AGAINST ATTACKS...

A sophisticated rapid response operation that quickly corrects misinformation in the media to ensure critics do not go unanswered. This allows us to quickly get back on offense, driving the stories and promoting content we want to be seen.

Instead of this...



Wall Street Journal, October 3, 2016

We could see this...





HOW WE DO IT

The coalition will drive a more balanced and positive narrative using a suite of tools aimed at reaching our key audiences (policymakers, media, thought leaders in health and business communities) including:

- ▶ Original content and collateral materials (e.g. fact sheets, infographics, etc., on specific disease category efforts)
- ▶ On-the-record press events
- ▶ Reporter deskside briefings
- ▶ Blog posts
- ▶ Explainer videos
- ▶ Commentary from employer, patient and provider groups



WHAT WE WILL SAY

We are the voice of the employers and organizations in the health care system that are helping keep prescription drugs affordable for millions of Americans.

COALITION MESSAGING AND CONTENT WILL HIGHLIGHT

- ▶ PBM's success in **keeping prescription drug costs affordable** for consumers, American businesses and the entire health care system
- ▶ PBM's proven ability to **help manage prescription drug costs for the people they serve**
- ▶ PBM's efforts ensure consumer **access to safe, effective and affordable medications** they need to get and stay healthy



MEMBERSHIP

What We Need From You:

LEND YOUR COMPANY'S NAME AND LOGO for the coalition website

Members will also have the opportunity to:

- ▶ **ENGAGE** with media to **INFLUENCE** the public conversation around high prescription prices and push back on misinformation
- ▶ **SHARE YOUR CONTENT** to help inform the coalition's efforts

Founding Members:

UNITEDHEALTH GROUP® 

HOW WE OPERATE:

Keep our members engaged and up-to-date on issues affecting the industry through:

- ▶ Bi-weekly coalition calls
- ▶ Regular media summaries
- ▶ Messaging and collateral materials for your use

For more information on Coalition membership, please contact:
Amanda Keating
CAPD@gpg.com
202-337-0808

THANK YOU

February 22, 2017

TO: Insurance, Benefits and Legislative Committee
William de la Garza, Chair
Vivian H. Gray, Vice Chair
Ronald Okum
Alan Bernstein
David Muir, Alternate

FROM: Barry W. Lew 
Legislative Affairs Officer

FOR: March 3, 2017 Insurance, Benefits and Legislative Committee Meeting

SUBJECT: **Assembly Bill 283—Disability Retirement and Peace Officers**

Author: Cooper [D]
Sponsor: Law Enforcement Managers Association
Introduced: February 2, 2017
Status: Introduced (02/02/2017)

Staff Recommendation: Neutral

RECOMMENDATION

That the Insurance, Benefits and Legislative Committee recommend that the Board of Retirement adopt a “Neutral” position on Assembly Bill 283, which relates to disability retirement and peace officers.

LEGISLATIVE POLICY STANDARD

A “Neutral” position indicates that the legislative proposal affects LACERA and its stakeholders, but the Board neither supports nor opposes it. AB 283 proposes a change in plan design relating to the eligibility criteria for disability retirement and is not consistent with existing legislative policy standards that would entail support or opposition.

SUMMARY

AB 283 would require that a member who is designated as a peace officer under Section 830 of the Penal Code be retired for disability if the member meets the criteria for disability retirement, regardless of the member’s rank, position, or duty at the time of the injury or at the time of application for disability retirement.

ANALYSIS

Existing Law

Section 31720 of the Government Code currently provides that a member shall be retired for disability regardless of age if the member is permanently incapacitated for the

performance of duty. The member is eligible for nonservice-connected disability retirement if the member has at least five years of service. The member is eligible for service-connected disability retirement if the member's incapacity is the result of injury or disease arising out of and in the course of the member's employment, and such employment contributes substantially to the incapacity.

In general, permanent incapacity for the performance of duty is determined by the inability of the member to substantially perform his or her usual duties. The definition of the term "incapacitated for the performance of duty" in *Mansperger v. Public Employees' Retirement System* (1970) 6 Cal.App.3d 873 was defined as the inability of the member to substantially perform his or her usual duties. The definition of incapacity under *Mansperger* has been applied to disability cases under the County Employees Retirement Law of 1937 (CERL). (See *Harmon v. Board of Retirement of San Mateo County* (1976) 62 Cal.App.3d 689 and *Schrier v. San Mateo County Employees' Retirement Association* (1983) 142 Cal.App.3d 957.)

This Bill

AB 283 provides that a member who is designated as a peace officer in Section 830 of the Penal Code will be retired for disability upon meeting the criteria in Section 31720 of the Government Code, regardless of the member's rank, position, or duty at the time of the injury or at the time of application for permanent incapacity.

According to a fact sheet issued by the bill's author, there is an inconsistency among the CERL retirement systems in the consideration of disability applications from peace officers in management positions. Some systems have denied disability retirement if the usual duties of the member do not require the physical demands that are found in the standards of being a peace officer. Other systems have granted disability retirement since regardless of the member's usual duties, he or she is required to meet the standards of a peace officer and be ready to respond to the physical demands of the job, such as being able to respond to emergencies and effect arrests, but is unable to. The bill seeks to resolve this inconsistency by specifying that regardless of rank, position, or duty, peace officers who are permanently incapacitated for the performance of duty would be granted disability retirement. As such, the standard of full duties of a peace officer instead of usual duties would be used in the determination of disability retirement for peace officers.

Sections 830 – 832.18 of the Penal Code list the various positions that are defined as peace officers; the sections also list positions that are defined as not being peace officers. Attachment 3 outlines the various categories of peace officer positions under the Penal Code that may include Los Angeles County employees as well as categories of positions that would not be considered peace officers. Attachment 4 lists various job classifications of employees that may be considered peace officers and the current employee population in each classification. The County of Los Angeles does not

IT IS THEREFORE RECOMMENDED THAT YOUR COMMITTEE recommend that the Board of Retirement adopt a “Neutral” position on Assembly Bill 283, which relates to disability retirement and peace officers.

Reviewed and Approved:



Steven P. Rice, Chief Counsel

Attachments

Attachment 1—Board Positions Adopted on Related Legislation

Attachment 2—Support And Opposition

Attachment 3—Peace Officers Under Penal Code Sections 830 – 832.18

Attachment 4—Peace Officer Job Classifications in Los Angeles County

AB 283 (Cooper) as introduced February 2, 2017

cc: Frank Boyd
Ricki Contreras
Vincent Lim

BOARD POSITIONS ADOPTED ON RELATED LEGISLATION

AB 1692 (Chapter 123, Statutes of 2016) applied the terms and conditions of disability retirement in Tier Three to nonsafety members of the Contra Costa Employees' Retirement Association who are subject to the California Public Employees' Pension Reform Act of 2013 and for whom the Board of Supervisors of Contra Costa County is the governing body. The Board of Retirement adopted a "Watch" position.

AB 992 (Chapter 40, Statutes of 2015) clarified that a member who retired for service pursuant to Government Code Section 31725.7 and is later granted a disability retirement may change the retirement option that he or she elected at the time the service retirement was granted. The Board of Retirement adopted a "Support" position.

AB 1902 (Chapter 86, Statutes of 2010) enabled Plan D members who transferred prospectively from Plan E but do not meet the requirements for disability retirement to transfer back to Plan E and continue to be eligible for long-term disability benefits from Los Angeles County. The Board of Retirement adopted a "Support" position.

AB 1739 (Chapter 83, Statutes of 2010) required that a member who becomes permanently incapacitated for the performance of duty as a direct result of injury or disease arising out of, and in the course of, active military service while on military leave, to be retired for nonservice-connected disability regardless of age or years of service. The section becomes operative upon adoption of a resolution by majority vote by the board of supervisors of Los Angeles County. The Board of Retirement adopted a "Watch" position.

AB 538 (Chapter 190, Statutes of 2009) provided a safety member who was on a disability leave of absence the opportunity to receive a physician certification upon his or her return to service that the member was capable of performing his or her assigned duties and consequently not subject to mandatory retirement prior to receiving that opportunity. The Board of Retirement adopted a "Watch" position.

AB 283
Attachment 2—Support And Opposition
Insurance, Benefits and Legislative Committee
February 22, 2017
Page 1

SUPPORT

Law Enforcement Managers Association

OPPOSITION

None

Positions defined as “peace officers” under Sections 830 – 832.18 of the Penal Code that may include Los Angeles County employees.

Section	Position
830.1	Sheriff, undersheriff, deputy sheriff, district attorney investigator.
830.31	Police officer of County of Los Angeles. (Office of Public Safety merged with Sheriff’s Department in 2010.)
830.35	Welfare fraud investigator or inspector, child support investigator or inspector, coroner and deputy coroners.
830.37	Members of arson-investigating unit of county fire department, members in other units of county fire department that enforce laws relating to fire prevention or fire suppression.
830.5	Probation officer, deputy probation officer.
830.55	Correctional officers of a county that operates certain facilities.
830.6	Reserve or auxiliary sheriff, reserve deputy sheriffs, any person summoned to the aid of a uniformed peace officer.

Positions defined as not “peace officers” under Sections 830 – 832.18 of the Penal Code that may include Los Angeles County employees.

Section	Position
830.7	Security officers of health facilities owned and operated by a county.
830.9	Animal control officers
830.12	Litter control officers, vehicle abatement officers, registered sanitarians, solid waste specialists.
830.13	Investigators of a county auditor-controller.
831	Custodial officers of a county law enforcement agency.
831.4	Sheriff’s security officer.
831.7	Custody assistant of county sheriff’s department.

ITEM	CLASSIFICATION	COUNT
1638	ASSISTANT CHIEF, CORONER'S INVESTIGATIONS	1
8612	ASSISTANT PROBATION DIRECTOR	10
9969	ASSISTANT SHERIFF/UC/	3
8629	ASST HEAD TRANSP DEPUTY,PROBATION	0
8633	BUREAU CHIEF, PROBATION	11
2721	CAPTAIN	77
2896	CAPTAIN,DA	5
1645	CHIEF, CORONER'S INVESTIGATIONS	2
8632	CHIEF DEPUTY PROBATION OFFICER (UC)	1
2723	COMMANDER	26
1637	CORONER INVESTIGATOR	35
1636	CORONER INVESTIGATOR TRAINEE	4
8616	DEPUTY DIRECTOR, PROBATION (UC)	2
8604	DEPUTY PROBATION OFFICER I, FIELD	0
8607	DEPUTY PROBATION OFFICER II, FIELD	1,423
2708	DEPUTY SHERIFF	7,685
9977	DETECTIVE, UNCLASSIFIED	1
9978	DETECTIVE, UNCLASSIFIED	1
9979	DETECTIVE, UNCLASSIFIED	1
9980	DETECTIVE, UNCLASSIFIED	2
8655	DETENTION SERVICES OFFICER	777
9968	DIVISION CHIEF,SHERIFF/UC/	13
8609	DPY PROB OFCR II, RESIDENT TREAT/DETENTION SVCS	285
8608	DPY PROB OFFCR I, RESIDENT TREAT/DETENTION SVCS	482
8602	GROUP SUPERVISOR II	38
8619	GROUP SUPERVISOR II, PROBATION	0
8618	GROUP SUPERVISOR, NIGHTS, PROBATION	375
2889	INVESTIGATOR, D.A.	19
2719	LIEUTENANT	384
2894	LIEUTENANT,DA	13
8620	PROBATION DIRECTOR	87
8624	PROBATION OFFICER	2
8657	SENIOR DETENTION SERVICES OFFICER	139
2890	SENIOR INVESTIGATOR, D.A.	208
8621	SENIOR PROBATION DIRECTOR	14

AB 283

Attachment 4—Peace Officer Job Classifications in Los Angeles County
Insurance, Benefits and Legislative Committee

February 22, 2017

Page 2

ITEM	CLASSIFICATION	COUNT
2717	SERGEANT	1,293
2891	SERGEANT, D.A.	40
1639	SUPERVISING CORONER'S INVESTIGATOR I	5
1642	SUPERVISING CORONER'S INVESTIGATOR II	1
9994	SHERIFF/UNCLASSIFIED	1
8610	SUPVG DEPUTY PROBATION OFFICER	302
8659	SUPVG DETENTION SERVICES OFFICER	60
8627	SUPVG TRANSP DEPUTY, PROBATION	9
9153	SUPERVISING WELFARE FRAUD INVESTIGATOR	27
8626	TRANSPORTATION DEPUTY, PROBATION	84
9970	UNDERSHERIFF, UNCLASSIFIED	1
9151	WELFARE FRAUD INVESTIGATOR TRAINEE	23
9152	WELFARE FRAUD INVESTIGATOR	136
TOTAL		14,108

ASSEMBLY BILL

No. 283

Introduced by Assembly Member Cooper

February 2, 2017

An act to amend Section 31720 of the Government Code, relating to county employees' retirement.

LEGISLATIVE COUNSEL'S DIGEST

AB 283, as introduced, Cooper. County employees' retirement: permanent incapacity.

The County Employees Retirement Law of 1937 provides that a member who is permanently incapacitated shall be retired for disability despite age if, among other conditions, the member's incapacity is a result of injury or disease arising out of and in the course of the member's employment, and that employment contributes substantially to that incapacity or the member has completed 5 years of service and not waived retirement in respect to the particular incapacity or aggravation thereof, as specified.

This bill would specify that any member who is classified as a peace officer, as defined, shall be retired for disability upon meeting the criteria of this provision, regardless of the member's rank, position, or duty at the time of injury or at the time of application for permanent incapacity. The bill would also make nonsubstantive changes to that provision.

Vote: majority. Appropriation: no. Fiscal committee: no.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 31720 of the Government Code is
2 amended to read:

3 31720. (a) Any member permanently incapacitated for the
4 performance of duty shall be retired for disability regardless of
5 age if, and only if:

6 (a)

7 (1) The member’s incapacity is a result of injury or disease
8 arising out of and in the course of the member’s employment, and
9 ~~such that~~ employment contributes substantially to ~~such that~~
10 incapacity, or

11 (b)

12 (2) The member has completed five years of service, and

13 (c)

14 (3) The member has not waived retirement in respect to the
15 particular incapacity or aggravation thereof as provided by Section
16 31009.


17 (b) *Any member who is designated as a peace officer in Section*
18 *830 of the Penal Code, shall be retired for disability upon meeting*
19 *the criteria set forth in subdivision (a) regardless of that member’s*
20 *rank, position, or duty at the time of injury, or at the time of*
21 *application for permanent incapacity.*

22 (c) The amendments to this section enacted during the 1979–80
23 Regular Session of the Legislature shall ~~be applicable~~ *apply* to all
24 applicants for disability retirement on or after the effective date
25 of ~~such those~~ amendments.

O

February 22, 2017

TO: Insurance, Benefits and Legislative Committee
William de la Garza, Chair
Vivian H. Gray, Vice Chair
Ronald Okum
Alan Bernstein
David Muir, Alternate

FROM: Barry W. Lew 
Legislative Affairs Officer

FOR: March 3, 2017 Insurance, Benefits and Legislative Committee Meeting

SUBJECT: **Potential LACERA Legislative Proposal—Correction of Errors and Omissions**

INTRODUCTION

At the Insurance, Benefits and Legislative Committee meeting on December 15, 2016, trustee David Muir requested staff develop a legislative solution to allow the Board to reconsider actions based on an error of law. For example, as Mr. Muir mentioned at the Disability Procedures and Services Committee meeting on July 6, 2016, there was a two-year period beginning in 2013 during which the Board, based on the advice of prior counsel, used a different approach than current counsel recommends in applying Section 31724 of the Government Code in the determination of a member's effective date of disability retirement.

This memo presents a legislative solution for the Committee's consideration. The solution is an amendment to LACERA's existing errors and omissions correction statute, Government Code Section 31541. The proposed amendment is attached as Attachment A. This memo lists the pros and cons of making such an amendment. Given the significant nature of the pros and cons, the Legal Office does not make a recommendation as to whether the Committee should advance the proposal to the full Board. Instead, staff requests that the Committee discuss the proposal and the information in this memo, and provide direction. Such direction may consist, for example, of (1) action to advance the proposal to the full Board with the Committee's recommendation to sponsor the proposed legislation, (2) action instructing staff to revise the current proposal or develop a different approach, or (3) action that the Committee does not wish to pursue the issue further. All of these actions are permissible under this item as noticed in the Committee agenda.

CURRENT LAW

In 2012, LACERA proposed legislation to enable the correction of errors and omissions. At that time, existing law under Government Code Section 31539 authorized the boards of retirement systems under the County Employees Retirement Law of 1937 (CERL) to reduce the monthly retirement benefits of members who fraudulently report

compensation or overstate earnings that result in improper increases in their pensions. However, there were no provisions in CERL that provided explicit statutory authority to correct errors and omissions.

LACERA initially proposed that legislation on the correction of errors and omissions be included in the 2012 legislative platform of the State Association of County Retirement Systems (SACRS). However, the proposal was not recommended for inclusion in the platform by the SACRS Legislative Committee; it was also not approved for inclusion in the platform by a vote of the SACRS membership during the business meeting at the 2012 SACRS Fall Conference.

Although the other CERL retirement systems did not see the need to have statutory authority for the correction of errors and omissions, LACERA believed such a statute was necessary to provide clarity regarding its authority to fix mistakes. Accordingly, LACERA sponsored legislation that would apply only to a retirement system operating under a county of the first class, i.e., the County of Los Angeles.

AB 2664 was enacted in 2012 and added Government Code Sections 31540 and 31541, which apply to LACERA only. These sections outline the obligations among the retirement system, plan sponsors, and members, establish periods of time within which correction may be sought, and provide the authority and framework for the Board of Retirement to correct errors and omissions. The full text of Sections 31540 and 31541 as enacted in 2012 is attached as Attachment B.

While Section 31541 as enacted allows for the correction of errors and omissions made by a member, the County, a district, or LACERA, the statute does not permit the Board to reconsider or reopen the Board's own prior adjudicative actions, such as disability decisions or decisions on administrative appeals. Well-established California case law supports that, absent explicit statutory authorization, the Board does not have the power to reopen or reconsider its adjudicative actions (even if they are erroneous or based on an error of law) absent explicit statutory authorization, which currently does not exist.

ISSUE

Although Government Code Section 31541 provides the Board of Retirement with the authority to correct certain errors and omissions and requires that the Board shall correct actions taken as a result of those errors and omissions, the statute does not provide authority for the Board to reopen, reconsider, or modify its prior adjudicatory actions. In general, an administrative agency's quasi-judicial actions are final, and the agency's governing body, such as LACERA's Board of Retirement, cannot reconsider such actions unless authorized by statute. How can Section 31541 be amended to provide the Board with the ability to correct its own errors?

PROPOSED SOLUTION

The proposed changes in Attachment A amend Section 31541 to provide the Board of Retirement the statutory authority to correct prior board actions made based upon errors and omissions, including errors of law that existed at the time of the action. The

amendment would enable the Board to correct such errors upon any terms it deems just to ensure that the corrections are performed in an equitable manner. Although Mr. Muir's request may have been motivated specifically by Board actions with respect to disability retirement benefits, the current proposal, if adopted, will apply to all adjudicatory actions, not just disability cases, such that the Board of Retirement may correct any actions made in the future that are based on errors resulting in the promised benefit not being correctly paid to LACERA members.

If this proposal is passed as a bill and signed by the Governor, the amended statute would normally be effective the first day of the year following the year in which it is enacted, and the Board would have the authority to reconsider actions made after the effective date of the statute based on an error of law. However, in order to reconsider disability cases during the two-year period beginning in 2013 that may have been decided based upon an error of law before enactment of the amended statute as well as other past errors that may have been made, a retroactive application of the statute is necessary. The proposal includes a provision that makes the amendments retroactive and operative as of January 1, 2013.

These changes only give the Board the power to correct errors, including errors of law, which existed at the time of the action, not due to subsequent changes in the law. If the law changes, such changes would not constitute an error, but instead they would just be a change in policy by the Legislature. If statutory law changes occur in the future, the effective date will be the January 1 of the year following the year it is enacted or as stated in the new law, and the Board should not apply the law to an earlier period. Changes in case law will be evaluated individually. Similarly, issues that could affect cases of LACERA members that actually took their case to court and received a final decision of a court will also need to be evaluated individually; ordinarily, reconsideration of case with a final court judgment would be barred by other legal principles which this proposal does not address.

The proposed amendments also update other provisions of the law for clarity and consistency in the use of terms.

It is important to note that the final language in a bill may be different due to legislative drafting practices, including review by the Legislature's Legislative Counsel. However, if the Board decides to take this proposal to the Legislature, staff will work with LACERA's legislative advocate to ensure that the bill meets the Board's objectives.

Pros

Advances the public policy embodied in the California Constitution of ensuring the rights of members and retirees to receiving their earned benefits.

Provides the Board with the statutory authority to correct errors and omissions, including errors of law, on such terms as the Board deems just.

CONCLUSION

Based on the information above, staff requests that the Committee determine whether or not to advance the proposed amendment to Section 31541 to the full Board with a recommendation to sponsor the proposal in the Legislature, or give staff other direction with respect to the issue.

Reviewed and Approved:



Steven P. Rice, Chief Counsel

Attachments

cc: Frank Boyd
Ricki Contreras
Johanna Fontenot
Michael Herrera
Vincent Lim
Joe Ackler, Acker & Associates

ATTACHMENT A

31541.

(a) Subject to subdivisions (c) and (d), the board may, in its discretion and upon any terms it deems just, correct the errors or omissions of any active or retired member, or any beneficiary of an active or retired member, if all of the following facts exist:

(1) The request, claim, or demand to correct the error or omission is made by the party seeking correction within a reasonable time after discovery of the right to make the correction, which in no case shall exceed six months after discovery of this right.

(2) The error or omission was the result of mistake, inadvertence, surprise, or excusable neglect, as each of those terms is used in Section 473 of the Code of Civil Procedure.

(3) The correction will not provide the party seeking correction with a status, right, or obligation not otherwise available under this part.

Failure by a member or beneficiary to make the inquiry that would be made by a reasonable person in like or similar circumstances does not constitute an "error or omission" correctable under this section.

(b) Subject to subdivisions (c) and (d), the board, upon any terms it deems just, shall correct all actions taken as a result of errors or omissions of the county or district, or this system, including prior board decisions made based upon an error of law existing at the time of the decision.-

(c) The duty and power of the board to correct mistakes all actions taken as a result of errors or omissions, as provided in this section, shall terminate upon the expiration of obligations of this system to the party seeking correction of the error or omission, as those obligations are defined by Section 31540.

(d) The party seeking correction of an error or omission pursuant to this section has the burden of presenting documentation or other evidence to the board establishing the right to correction pursuant to subdivisions (a) and (b).

(e) Corrections of errors or omissions pursuant to this section shall be such that the status, rights, and obligations of all parties described in subdivisions (a) and (b) are adjusted to be the same as they would have been if the act that would have been taken, but for the error or omission, was taken at the proper time. However, notwithstanding any other provision of this section, corrections made pursuant to this section shall adjust the status, rights, and obligations of all parties described in

subdivisions (a) and (b) as of the time that the correction actually takes place if the board finds any of the following:

(1) That the correction cannot be performed in a retroactive manner.

(2) That, even if the correction can be performed in a retroactive manner, the status, rights, and obligations of all of the parties described in subdivisions (a) and (b) cannot be adjusted to be the same, as they would have been if the error or omission had not occurred.

(3) That the purposes of this chapter will not be effectuated if the correction is performed in a retroactive manner.

(f) The amendments to this section enacted at the 2017-2018 Regular Session of the Legislature shall be retroactively operative as of January 1, 2013.

(fg) This section shall apply only to a county of the first class as described in Section 28020.

ATTACHMENT B

State of California

GOVERNMENT CODE

Section 31540

31540. (a) The obligations of the retirement system to its members continue throughout their respective memberships, and the obligations of the retirement system to, and in respect to, retired members continue throughout the lives of the retired members, and thereafter until all obligations to the members' beneficiaries under optional settlements have been discharged. The obligations of the county or district to the retirement system with respect to members employed by them, respectively, continue throughout the memberships of the members, and the obligations of the county or district to the retirement system with respect to retired members formerly employed by them, respectively, continue until all of the obligations of the retirement system to those retired members have been discharged. The obligations of any member to the retirement system continue throughout his or her membership, and thereafter until all of the obligations of the retirement system to that member have been discharged.

(b) For the purposes of payments into or out of the retirement fund for adjustment of errors or omissions, the period of limitation of actions shall be three years, and shall be applied as follows:

(1) In cases in which the retirement system makes an erroneous payment to a member or beneficiary, the system's right to collect shall expire three years from the date of payment.

(2) In cases in which the retirement system owes money to a member or beneficiary, the period of limitation shall not apply.

(c) Notwithstanding subdivision (b), in cases in which payment is erroneous because of the death of the retired member or beneficiary or because of the remarriage of the beneficiary, the period of limitation shall be 10 years and that period shall commence with the discovery of the erroneous payment.

(d) Notwithstanding subdivision (b), if any payment has been made as a result of fraudulent reports for compensation made, or caused to be made, by a member for his or her own benefit, the period of limitation shall be 10 years and that period shall commence either from the date of payment or upon discovery of the fraudulent reporting, whichever date is later.

(e) The board shall determine the applicability of the period of limitation in any case, and its determination with respect to the running of any period of limitation shall be conclusive and binding for purposes of correcting the error or omission.

(f) This section shall apply only to a county of the first class as described in Section 28020.

(Added by Stats. 2012, Ch. 59, Sec. 2. (AB 2664) Effective January 1, 2013.)

State of California

GOVERNMENT CODE

Section 31541

31541. (a) Subject to subdivisions (c) and (d), the board may, in its discretion and upon any terms it deems just, correct the errors or omissions of any active or retired member, or any beneficiary of an active or retired member, if all of the following facts exist:

(1) The request, claim, or demand to correct the error or omission is made by the party seeking correction within a reasonable time after discovery of the right to make the correction, which in no case shall exceed six months after discovery of this right.

(2) The error or omission was the result of mistake, inadvertence, surprise, or excusable neglect, as each of those terms is used in Section 473 of the Code of Civil Procedure.

(3) The correction will not provide the party seeking correction with a status, right, or obligation not otherwise available under this part.

Failure by a member or beneficiary to make the inquiry that would be made by a reasonable person in like or similar circumstances does not constitute an "error or omission" correctable under this section.

(b) Subject to subdivisions (c) and (d), the board shall correct all actions taken as a result of errors or omissions of the county or district, or this system.

(c) The duty and power of the board to correct mistakes, as provided in this section, shall terminate upon the expiration of obligations of this system to the party seeking correction of the error or omission, as those obligations are defined by Section 31540.

(d) The party seeking correction of an error or omission pursuant to this section has the burden of presenting documentation or other evidence to the board establishing the right to correction pursuant to subdivisions (a) and (b).

(e) Corrections of errors or omissions pursuant to this section shall be such that the status, rights, and obligations of all parties described in subdivisions (a) and (b) are adjusted to be the same as they would have been if the act that would have been taken, but for the error or omission, was taken at the proper time. However, notwithstanding any other provision of this section, corrections made pursuant to this section shall adjust the status, rights, and obligations of all parties described in subdivisions (a) and (b) as of the time that the correction actually takes place if the board finds any of the following:

(1) That the correction cannot be performed in a retroactive manner.

(2) That, even if the correction can be performed in a retroactive manner, the status, rights, and obligations of all of the parties described in subdivisions (a) and (b) cannot be adjusted to be the same, as they would have been if the error or omission had not occurred.

(3) That the purposes of this chapter will not be effectuated if the correction is performed in a retroactive manner.


(f) This section shall apply only to a county of the first class as described in Section 28020.

(Added by Stats. 2012, Ch. 59, Sec. 3. (AB 2664) Effective January 1, 2013.)

February 22, 2017

FOR INFORMATION ONLY

TO: Insurance, Benefits and Legislative Committee
William de la Garza, Chair
Vivian H. Gray, Vice Chair
Ronald Okum
Alan Bernstein
David Muir, Alternate

FROM: Barry W. Lew 
Legislative Affairs Officer

FOR: March 3, 2017 Insurance, Benefits and Legislative Committee Meeting

SUBJECT: **Senate Constitutional Amendment 8 (Moorlach) – Public Employee Retirement Benefits**

SCA 8 was introduced on February 15, 2017 and is a proposal to add Section 17.5 to Article XVI of the California Constitution.

SCA 8 would provide a government employer the ability to reduce retirement benefits based on work not yet performed by an employee, regardless of the date the employee was first hired. It will not, however, permit the reduction of retirement benefits that were earned based on work that has been performed. The measure is based on a similar line of thinking, contrary to the general past understanding of the California Rule and vested rights, as the *MAPE v. Marin CERA* case now pending review in the California Supreme Court.

Government employers would include the state and any political subdivisions of the state, such as the County of Los Angeles. Retirement benefits would include defined benefit pension plans, defined contribution plans, retiree health care plans, or any form of deferred compensation offered by a government employer.

Given the significant nature of this bill, staff is bringing it to your Committee's attention and anticipates providing an analysis at your meeting in April.

Reviewed and Approved:



Steven P. Rice, Chief Counsel

Attachment

SCA 8 (Moorlach) as introduced February 15, 2017

Introduced by Senator Moorlach

February 15, 2017

Senate Constitutional Amendment No. 8—A resolution to propose to the people of the State of California an amendment to the Constitution of the State, by adding Section 17.5 to Article XVI thereof, relating to public employee retirement benefits.

LEGISLATIVE COUNSEL'S DIGEST

SCA 8, as introduced, Moorlach. Public employee retirement benefits.

Existing statutory law establishes various public agency retirement systems, including, among others, the Public Employees' Retirement System, the State Teachers' Retirement System, the Judges' Retirement System II, and various county retirement systems pursuant to the County Employees Retirement Law of 1937, and these systems provide defined pension benefits to public employees based on age, service credit, and amount of final compensation. The California Constitution permits a city or county to adopt a charter for purposes of its governance that supersedes general laws of the state in regard to specified subjects, including compensation of city or county employees. The California Constitution establishes the University of California as a public trust with full powers of organization and government, subject only to specified limitations. Under their respective independent constitutional authority, charter cities and counties and the University of California may and have established retirement systems. The California Public Employees' Pension Reform Act of 2013 (PEPRA) generally requires the retirement systems to which it applies to modify their provisions to conform with its requirements. PEPRA excepts from its provisions retirement systems established by charter cities and counties and the University of California. PEPRA requires the retirement systems that

it regulates and that offer defined benefit plans to provide specified defined benefit formulas and prescribes requirements regarding employer and employee contributions to defined benefit pension plans.

This measure would permit a government employer to reduce retirement benefits that are based on work not yet performed by an employee regardless of the date that the employee was first hired, notwithstanding other provisions of the California Constitution or any other law. The measure would prohibit it from being interpreted to permit the reduction of retirement benefits that a public employee has earned based on work that has been performed, as specified. The measure would define government employer and retirement benefits for the purposes of its provisions.

Vote: $\frac{2}{3}$. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

1 WHEREAS, The State of California has made retirement
2 security a priority for public employees since the early part of the
3 20th century by creating various state and local pension systems;
4 and

5 WHEREAS, Over nearly a century of experience has shown
6 that when planned and paid for, pensions can be useful in attracting
7 and retaining good talent to public service. However, pension
8 systems have also shown great weaknesses in properly accounting
9 for their future retirement obligations, paying the normal costs of
10 funding pension plans and mitigating risk associated with the
11 market, thus often shifting unfunded liabilities and other financial
12 risks to taxpayer costs of paying retirement and pension benefits
13 when they outstrip revenues and investment returns; and

14 WHEREAS, The nonpartisan Legislative Analyst's Office
15 estimates the current unfunded liabilities for the Public Employees'
16 Retirement System, the Teachers' Retirement System, and the
17 University of California Retirement System at approximately \$140
18 billion; and

19 WHEREAS, The Pew Charitable Trusts, using data from 2012,
20 found California ranked highest in the nation for unfunded pension
21 obligations; and

22 WHEREAS, The unfunded public pension liabilities of
23 California and its local governments' are estimated to be over
24 one-half trillion dollars; and

1 WHEREAS, Public pension debt has contributed to the
2 bankruptcies of the cities of Stockton, Vallejo, and San Bernardino
3 and has left other California municipalities in dire fiscal straits.
4 As a result, several municipalities in the state now have the difficult
5 task of balancing budgets in a way that is fair to both public
6 employees and taxpayers, while continuing to provide basic
7 services; and

8 WHEREAS, As noted by the Manhattan Institute: “In recent
9 years, California municipalities have seen retirement benefit costs
10 grow at a rate above that of taxes, fees, and charges. ‘Crowd-out’
11 is the term given to this condition by some public officials forced
12 to deal with the resulting fiscal strain. Balanced budget
13 requirements mandate that when costs grow more rapidly than
14 revenues, something must give. All too often, this has meant
15 reductions in core government services, most of which—police,
16 fire, libraries, parks, and street and sidewalk maintenance—are
17 delivered at the local level in California”; and

18 WHEREAS, While state government retirees collect guaranteed
19 pensions, young and future taxpayers will be responsible for paying
20 the bill. Growing unfunded obligations have particularly serious
21 ramifications for the millennial generation, who are sinking under
22 the weight of public debts and obligations incurred years before
23 they were even born; and

24 WHEREAS, While recent legislation and action by several
25 pension boards have put the state on a more prudent financial path,
26 much fundamental and substantial reform is still left to be done to
27 make California’s pension systems sustainable for both employees
28 and taxpayers; and

29 WHEREAS, Several recent polls, include those done by Reason
30 Foundation and the Public Policy Institute of California, show that
31 nearly three out of four of respondents say the amount of money
32 spent on public employee pensions is a problem and that voters
33 should have a great say in reforms; and

34 WHEREAS, Elements of true reform should make pensions fair
35 to government workers and accountable to taxpayers in a simple
36 and transparent manner, and include the ability for government
37 entities to create a defined contribution plan or defined
38 benefit/defined contribution hybrid pension plan for their current
39 and new employees. Fundamental reforms should address the

1 “California Rule” and allow the state and municipalities to modify
2 future pension benefits for current public employees; and

3 WHEREAS, Local governments and the electorate should have
4 a voice on what reforms may happen and how they may occur;
5 and

6 WHEREAS, Failing to now adequately address the current
7 pension unfunded liabilities in California and ignoring the debt
8 pressure pension costs have on other budget priorities will only
9 prolong the problems and delay meaningful reform. It will also
10 endanger future pension benefits promised to public employees,
11 risk the reduction or elimination of governmental services, and
12 cause taxpayers to incur higher taxes to pay for unfunded liabilities;
13 and

14 WHEREAS, It is in the interest of all Californians to encourage
15 a public pension law that provides a fair, workable plan to pay
16 down the accumulated pension debt as quickly as possible and
17 implements processes and practices that ensure both the state and
18 local governments adequately fund their retirement promises; now,
19 therefore, be it

20 *Resolved by the Senate, the Assembly concurring,* That the
21 Legislature of the State of California at its 2017–18 session
22 commencing on the fifth day of December 2016, two-thirds of the
23 membership of each house concurring, hereby proposes to the
24 people of the State of California, that the Constitution of the State
25 be amended as follows:

26 That Section 17.5 is added to Article XVI thereof, to read:

27 SEC. 17.5. (a) Notwithstanding Section 9 of Article I, or any
28 other provision of this Constitution or law, a government employer
29 may reduce retirement benefits that are based on work not yet
30 performed by an employee regardless of the date that the employee
31 was first hired. This section shall not be interpreted to permit the
32 reduction of retirement benefits that a public employee has earned
33 based on work that has been performed, which shall continue to
34 be subject to the protections of Section 9 of Article I.

35 (b) For the purpose of this section:

36 (1) “Government employer” means the state, or a political
37 subdivision of the state, including, but not limited to, counties,
38 cities, charter counties, charter cities, a charter city and county,
39 school districts, special districts, boards, commissions, the Regents

1 of the University of California, the California State University,
2 and agencies thereof.

3 (2) “Retirement benefits” means defined benefit pension plans,
4 defined contribution plans, retiree health care plans, or any form
5 of deferred compensation offered by a government employer.

O

**INSURANCE, BENEFITS & LEGISLATIVE COMMITTEE
RETIREE HEALTHCARE BENEFITS PROGRAM
STAFF ACTIVITIES REPORT
FEBURARY 2017
FOR INFORMATION ONLY**

Retiree Wellness Program - Staying Healthy Together Spring Half-Day Workshop

Planning is underway for the spring Staying Healthy Together half-day workshop which will be held Tuesday, April 18, 2017, at the Pickwick Gardens in Burbank, CA. The invitation is scheduled to be sent to members in March. We will continue to keep your Board apprised.

Cigna Due Diligence Meeting

Staff and representatives from Cigna attended a due diligence meeting held on February 14, 2017 at the Cigna offices in Visalia, CA. The following topics were discussed:

- July 1, 2015 – June 30, 2016 Consultative Analytics (Utilization) Review
- Met Cigna Claim and Call Center Representatives
- Tour of Service Center

Centers for Medicare and Medicaid (CMS) Medicare Part D Retiree Drug Subsidy Program (RDS) – 2017 – 2018 Plan Year Application

We began the application process for the 7/1/2017 – 6/30/2018 RDS Application for the following plans:

- Anthem Blue Cross
- Cigna
- Kaiser
- Local 1014

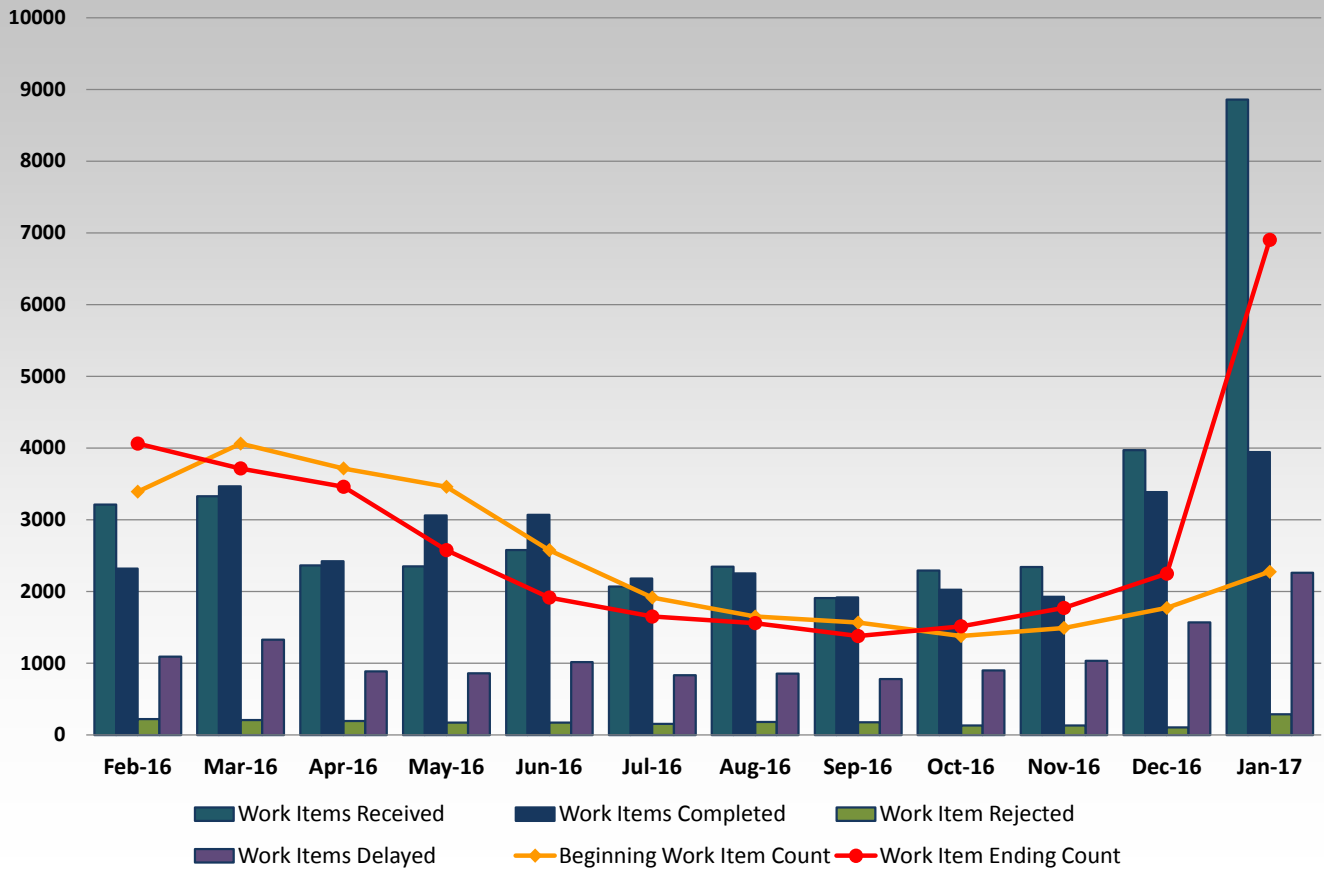
Carriers were informed and they have confirmed they will send the initial eligibility file to CMS RDS by the May 3, 2017 CMS deadline. Aon's actuary completed the actuarial attestation for all plans. We will continue to keep your Board informed on the status of this RDS application.

2017 NCPERS Legislative Conference

Staff attended the 2017 NCPERS Legislative Conference held in Washington, DC on January 29-31, 2017. We attended a congressional breakfast and met with a congressman and committee members. The resounding message was that we need to meet and educate our representatives on our healthcare program and position based upon whatever will be happening in the healthcare landscape.

Retiree Healthcare Division Trend Report

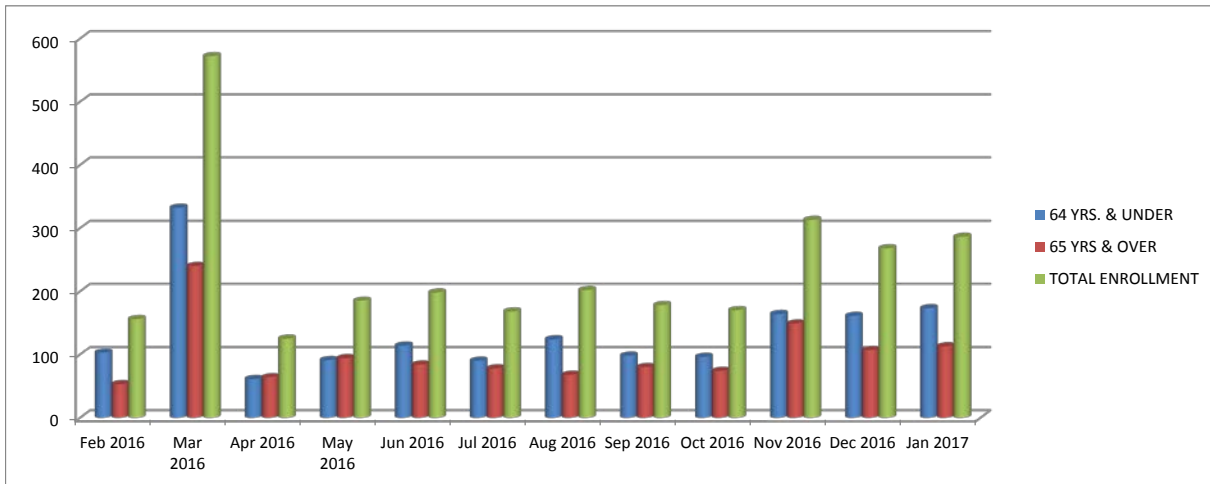
February 2016-January 2017
Updated 2/17/2017



	Beginning Work Item Count	Work Items Received	Work Items Completed	Work Item Rejected	Work Items Delayed	Work Item Ending Count
Feb-16	3393	3214	2320	224	1094	4063
Mar-16	4063	3331	3467	210	1328	3717
Apr-16	3717	2365	2423	198	887	3461
May-16	3461	2350	3059	174	860	2578
Jun-16	2578	2579	3068	172	1015	1917
Jul-16	1917	2072	2183	154	836	1652
Aug-16	1652	2347	2255	183	855	1561
Sep-16	1568	1910	1920	178	780	1380
Oct-16	1380	2295	2027	132	899	1516
Nov-16	1494	2342	1929	135	1034	1772
Dec-16	1772	3970	3387	105	1572	2250
Jan-17	2276	8859	3944	288	2260	6903

Retirees Monthly Age Breakdown FEBRUARY 2016 ~ JANUARY 2017

Service Retirement			
MONTH	64 YRS. & UNDER	65 YRS & OVER	TOTAL ENROLLMENT
Feb 2016	103	53	156
Mar 2016	332	240	572
Apr 2016	61	64	125
May 2016	91	94	185
Jun 2016	114	84	198
Jul 2016	90	78	168
Aug 2016	124	68	202
Sep 2016	98	80	178
Oct 2016	96	74	170
Nov 2016	164	149	313
Dec 2016	161	107	268
Jan 2017	173	113	286



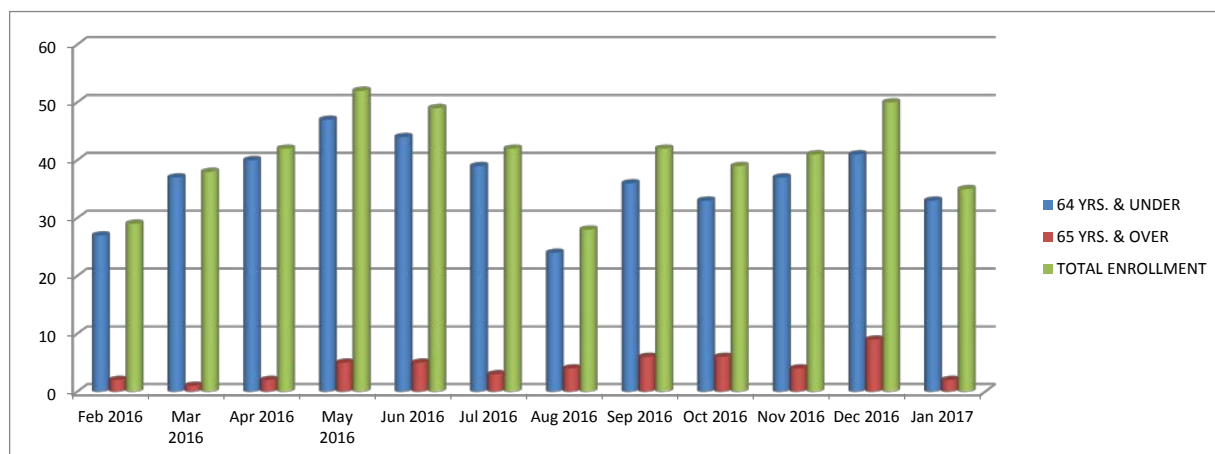
PLEASE NOTE:

- February (2/2017) data is not yet available as data is provided on a full month basis.
- Next Report will include the following dates: February 1, 2016 through February 28, 2017.

Retirees Monthly Age Breakdown FEBRUARY 2016 ~ JANUARY 2017

Disability Retirement

MONTH	64 YRS. & UNDER	65 YRS. & OVER	TOTAL ENROLLMENT
Feb 2016	27	2	29
Mar 2016	37	1	38
Apr 2016	40	2	42
May 2016	47	5	52
Jun 2016	44	5	49
Jul 2016	39	3	42
Aug 2016	24	4	28
Sep 2016	36	6	42
Oct 2016	33	6	39
Nov 2016	37	4	41
Dec 2016	41	9	50
Jan 2017	33	2	35



PLEASE NOTE:

- February (2/2017) data is not yet available as data is provided on a full month basis.
- Next Report will include the following dates: February 1, 2016 through February 28, 2017.

Medicare Part B Reimbursement and Penalty Report

PAY PERIOD 2/28/2017

Deduction Code	No. of Members	Reimbursement Amount	No. of Penalties	Penalty Amount
ANTHEM BC III				
202	1	\$268.00	0	\$0.00
211	2	\$134.00	0	\$0.00
222	1	\$268.00	0	\$0.00
240	6,309	\$695,061.70	8	\$210.30
241	169	\$18,379.20	1	\$62.90
242	841	\$95,251.00	0	\$0.00
243	3,622	\$796,412.44	6	\$449.10
244	19	\$2,323.80	0	\$0.00
245	52	\$5,895.20	0	\$0.00
246	19	\$2,200.80	0	\$0.00
247	91	\$10,504.20	0	\$0.00
248	10	\$2,138.70	1	\$36.50
249	42	\$9,417.80	0	\$0.00
250	12	\$2,632.60	0	\$0.00
Plan Total:	11,190	\$1,640,887.44	16	\$758.80
CIGNA-HEALTHSPRING PREFERRED with RX				
321	28	\$3,132.80	0	\$0.00
322	8	\$956.70	0	\$0.00
324	14	\$2,970.90	0	\$0.00
327	2	\$238.90	0	\$0.00
329	2	\$449.10	0	\$0.00
Plan Total:	54	\$7,748.40	0	\$0.00
KAISER SR. ADVANTAGE				
403	9,785	\$1,076,681.00	7	\$199.50
413	1,650	\$184,903.00	0	\$0.00
418	4,944	\$1,086,247.00	5	(\$37.60)
419	269	\$28,088.70	0	\$0.00
426	207	\$22,372.90	0	\$0.00
427	166	\$17,959.40	0	\$0.00
445	2	\$213.10	0	\$0.00
451	33	\$3,826.90	0	\$0.00
457	11	\$2,328.90	0	\$0.00
458	1	\$134.00	0	\$0.00
462	48	\$5,186.90	0	\$0.00
465	12	\$1,252.90	0	\$0.00
466	25	\$5,366.90	0	\$0.00
472	34	\$3,700.60	0	\$0.00
476	5	\$575.20	0	\$0.00
478	11	\$2,307.80	0	\$0.00
482	79	\$8,719.70	0	\$0.00
486	10	\$1,117.70	0	\$0.00
488	43	\$9,581.90	0	\$0.00
492	1	\$104.90	0	\$0.00
494	1	\$226.70	0	\$0.00
Plan Total:	17,337	\$2,460,896.10	12	\$161.90

Medicare Part B Reimbursement and Penalty Report

PAY PERIOD 2/28/2017

Deduction Code	No. of Members	Reimbursement Amount	No. of Penalties	Penalty Amount
SCAN				
611	288	\$31,845.10	0	\$0.00
613	110	\$23,780.60	0	\$0.00
Plan Total:	398	\$55,625.70	0	\$0.00
UNITED HEALTHCARE GROUP MEDICARE ADV. HMO				
701	1,508	\$166,495.00	1	\$36.50
702	325	\$36,944.30	0	\$0.00
703	835	\$181,745.61	1	\$10.50
704	74	\$8,620.00	0	\$0.00
705	27	\$6,273.30	0	\$0.00
707	1	(\$121.80)	0	\$0.00
Plan Total:	2,770	\$399,956.41	2	\$47.00
Grand Total:	31,749	\$4,565,114.05	30	\$967.70

Medicare Part B Reimbursement and Penalty Report

PAY PERIOD 2/28/2017

Deduction Code	No. of Members	Reimbursement Amount	No. of Penalties	Penalty Amount
ANTHEM BC III				
202	1	\$268.00	0	\$0.00
211	2	\$134.00	0	\$0.00
222	1	\$268.00	0	\$0.00
240	6,309	\$695,061.70	8	\$210.30
241	169	\$18,379.20	1	\$62.90
242	841	\$95,251.00	0	\$0.00
243	3,622	\$796,412.44	6	\$449.10
244	19	\$2,323.80	0	\$0.00
245	52	\$5,895.20	0	\$0.00
246	19	\$2,200.80	0	\$0.00
247	91	\$10,504.20	0	\$0.00
248	10	\$2,138.70	1	\$36.50
249	42	\$9,417.80	0	\$0.00
250	12	\$2,632.60	0	\$0.00
Plan Total:	11,190	\$1,640,887.44	16	\$758.80
CIGNA-HEALTHSPRING PREFERRED with RX				
321	28	\$3,132.80	0	\$0.00
322	8	\$956.70	0	\$0.00
324	14	\$2,970.90	0	\$0.00
327	2	\$238.90	0	\$0.00
329	2	\$449.10	0	\$0.00
Plan Total:	54	\$7,748.40	0	\$0.00
KAISER SR. ADVANTAGE				
403	9,785	\$1,076,681.00	7	\$199.50
413	1,650	\$184,903.00	0	\$0.00
418	4,944	\$1,086,247.00	5	(\$37.60)
419	269	\$28,088.70	0	\$0.00
426	207	\$22,372.90	0	\$0.00
427	166	\$17,959.40	0	\$0.00
445	2	\$213.10	0	\$0.00
451	33	\$3,826.90	0	\$0.00
457	11	\$2,328.90	0	\$0.00
458	1	\$134.00	0	\$0.00
462	48	\$5,186.90	0	\$0.00
465	12	\$1,252.90	0	\$0.00
466	25	\$5,366.90	0	\$0.00
472	34	\$3,700.60	0	\$0.00
476	5	\$575.20	0	\$0.00
478	11	\$2,307.80	0	\$0.00
482	79	\$8,719.70	0	\$0.00
486	10	\$1,117.70	0	\$0.00
488	43	\$9,581.90	0	\$0.00
492	1	\$104.90	0	\$0.00
494	1	\$226.70	0	\$0.00
Plan Total:	17,337	\$2,460,896.10	12	\$161.90

Medicare Part B Reimbursement and Penalty Report

PAY PERIOD 2/28/2017

Deduction Code	No. of Members	Reimbursement Amount	No. of Penalties	Penalty Amount
SCAN				
611	288	\$31,845.10	0	\$0.00
613	110	\$23,780.60	0	\$0.00
Plan Total:	398	\$55,625.70	0	\$0.00
UNITED HEALTHCARE GROUP MEDICARE ADV. HMO				
701	1,508	\$166,495.00	1	\$36.50
702	325	\$36,944.30	0	\$0.00
703	835	\$181,745.61	1	\$10.50
704	74	\$8,620.00	0	\$0.00
705	27	\$6,273.30	0	\$0.00
707	1	(\$121.80)	0	\$0.00
Plan Total:	2,770	\$399,956.41	2	\$47.00
LOCAL 1014				
804	160	\$22,207.20	0	\$0.00
805	172	\$23,388.40	0	\$0.00
806	559	\$134,127.86	0	\$0.00
807	33	\$4,477.30	0	\$0.00
808	10	\$2,280.00	0	\$0.00
812	217	\$25,015.40	0	\$0.00
Plan Total:	1,151	\$211,496.16	0	\$0.00
Grand Total:	32,900	\$4,776,610.21	30	\$967.70

Medical and Dental Vision Insurance Premiums

March 2017

Carrier Codes	Member Count	Premium Amount	Member Amount	County Subsidy Amount	Total	Adjustments	Total Paid
Medical Plan							
Anthem Blue Cross Prudent Buyer Plan							
201	722	\$611,798.50	\$99,170.38	\$510,096.54	\$609,266.92	(\$2,531.58)	\$606,735.34
202	410	\$681,775.02	\$73,651.59	\$603,146.97	\$676,798.56	\$0.00	\$676,798.56
203	99	\$185,315.13	\$45,037.05	\$136,534.34	\$181,571.39	\$0.00	\$181,571.39
204	35	\$39,029.40	\$13,157.25	\$21,904.52	\$35,061.77	\$0.00	\$35,061.77
205	1	\$231.33	\$18.50	\$444.16	\$462.66	\$0.00	\$462.66
SUBTOTAL	1,267	\$1,518,149.38	\$231,034.77	\$1,272,126.53	\$1,503,161.30	(\$2,531.58)	\$1,500,629.72
Anthem Blue Cross I							
211	915	\$977,329.43	\$65,417.83	\$921,503.71	\$986,921.54	(\$6,394.74)	\$980,526.80
212	328	\$631,630.65	\$36,054.70	\$589,816.40	\$625,871.10	\$2,979.64	\$628,850.74
213	51	\$117,741.52	\$15,623.36	\$95,325.38	\$110,948.74	\$0.00	\$110,948.74
214	19	\$26,780.12	\$5,158.70	\$21,621.42	\$26,780.12	\$0.00	\$26,780.12
215	4	\$1,418.04	\$205.61	\$1,212.43	\$1,418.04	\$0.00	\$1,418.04
SUBTOTAL	1,317	\$1,754,899.76	\$122,460.20	\$1,629,479.34	\$1,751,939.54	(\$3,415.10)	\$1,748,524.44
Anthem Blue Cross II							
221	2,100	\$2,239,224.79	\$138,807.87	\$2,098,285.34	\$2,237,093.21	(\$0.04)	\$2,237,093.17
222	1,883	\$3,616,997.40	\$98,526.56	\$3,493,512.79	\$3,592,039.35	\$0.00	\$3,592,039.35
223	580	\$1,313,270.80	\$50,583.43	\$1,251,366.07	\$1,301,949.50	\$0.00	\$1,301,949.50
224	127	\$179,003.96	\$14,827.73	\$168,404.67	\$183,232.40	\$0.00	\$183,232.40
225	3	\$1,063.53	\$177.25	\$886.28	\$1,063.53	\$0.00	\$1,063.53
SUBTOTAL	4,693	\$7,349,560.48	\$302,922.84	\$7,012,455.15	\$7,315,377.99	(\$0.04)	\$7,315,377.95

Medical and Dental Vision Insurance Premiums

March 2017

Carrier Codes	Member Count	Premium Amount	Member Amount	County Subsidy Amount	Total	Adjustments	Total Paid
Anthem Blue Cross III							
240	6,330	\$2,733,956.10	\$436,250.13	\$2,310,237.67	\$2,746,487.80	(\$15,544.20)	\$2,730,943.60
241	167	\$233,846.90	\$26,817.58	\$203,421.04	\$230,238.62	(\$4,126.71)	\$226,111.91
242	843	\$1,163,732.22	\$78,022.19	\$1,091,200.31	\$1,169,222.50	\$1,375.57	\$1,170,598.07
243	3,620	\$3,118,275.32	\$363,068.28	\$2,716,684.54	\$3,079,752.82	(\$4,285.70)	\$3,075,467.12
244	19	\$14,655.27	\$3,285.86	\$12,912.07	\$16,197.93	\$0.00	\$16,197.93
245	53	\$40,880.49	\$5,815.82	\$34,293.34	\$40,109.16	\$0.00	\$40,109.16
246	18	\$32,586.90	\$2,332.53	\$31,969.47	\$34,302.00	\$0.00	\$34,302.00
247	92	\$159,504.30	\$9,707.47	\$129,227.63	\$138,935.10	\$0.00	\$138,935.10
248	10	\$11,965.90	\$1,914.54	\$10,051.36	\$11,965.90	\$0.00	\$11,965.90
249	43	\$52,649.96	\$4,283.80	\$44,776.39	\$49,060.19	\$0.00	\$49,060.19
250	12	\$16,089.24	\$750.83	\$15,338.41	\$16,089.24	\$0.00	\$16,089.24
SUBTOTAL	11,207	\$7,578,142.60	\$932,249.03	\$6,600,112.23	\$7,532,361.26	(\$22,581.04)	\$7,509,780.22
CIGNA Network Model Plan							
301	370	\$493,036.10	\$116,972.32	\$377,396.32	\$494,368.64	\$0.00	\$494,368.64
302	163	\$391,897.64	\$86,718.29	\$305,179.35	\$391,897.64	\$0.00	\$391,897.64
303	21	\$59,598.00	\$15,339.00	\$38,583.00	\$53,922.00	\$0.00	\$53,922.00
304	23	\$40,655.72	\$15,989.82	\$24,665.90	\$40,655.72	\$0.00	\$40,655.72
SUBTOTAL	577	\$985,187.46	\$235,019.43	\$745,824.57	\$980,844.00	\$0.00	\$980,844.00

Medical and Dental Vision Insurance Premiums March 2017

Carrier Codes	Member Count	Premium Amount	Member Amount	County Subsidy Amount	Total	Adjustments	Total Paid
CIGNA Healthspring Pref w/ Rx - Phoenix, AZ							
321	28	\$9,645.72	\$1,729.35	\$8,260.86	\$9,990.21	\$0.00	\$9,990.21
322	9	\$12,739.77	\$452.96	\$10,871.28	\$11,324.24	\$0.00	\$11,324.24
324	14	\$9,533.72	\$1,157.67	\$8,376.05	\$9,533.72	\$0.00	\$9,533.72
327	2	\$3,697.48	\$369.75	\$3,327.73	\$3,697.48	\$0.00	\$3,697.48
329	2	\$2,362.48	\$0.00	\$2,362.48	\$2,362.48	\$0.00	\$2,362.48
SUBTOTAL	55	\$37,979.17	\$3,709.73	\$33,198.40	\$36,908.13	\$0.00	\$36,908.13

Medical and Dental Vision Insurance Premiums

March 2017

Carrier Codes	Member Count	Premium Amount	Member Amount	County Subsidy Amount	Total	Adjustments	Total Paid
Kaiser/Senior Advantage							
401	1,618	\$1,478,270.95	\$138,836.55	\$1,334,874.65	\$1,473,711.20	\$1,823.90	\$1,475,535.10
403	9,854	\$2,393,976.80	\$254,546.09	\$2,144,040.51	\$2,398,586.60	(\$6,307.60)	\$2,392,279.00
404	513	\$510,220.80	\$17,694.33	\$492,240.47	\$509,934.80	(\$1,003.20)	\$508,931.60
405	903	\$860,978.64	\$20,476.84	\$838,596.98	\$859,073.82	\$0.00	\$859,073.82
406	44	\$77,947.00	\$26,992.30	\$39,093.20	\$66,085.50	\$0.00	\$66,085.50
411	1,781	\$3,239,565.60	\$179,774.16	\$3,045,264.24	\$3,225,038.40	\$0.00	\$3,225,038.40
413	1,658	\$1,910,152.30	\$89,637.09	\$1,790,035.56	\$1,879,672.65	(\$2,293.10)	\$1,877,379.55
414	143	\$274,727.15	\$3,834.08	\$279,662.64	\$283,496.72	\$0.00	\$283,496.72
418	4,934	\$2,361,662.80	\$189,620.40	\$2,152,976.80	\$2,342,597.20	(\$2,386.00)	\$2,340,211.20
419	269	\$333,287.04	\$7,694.99	\$315,789.49	\$323,484.48	\$0.00	\$323,484.48
420	124	\$244,706.56	\$1,341.95	\$243,364.61	\$244,706.56	(\$3,946.88)	\$240,759.68
421	10	\$9,119.50	\$729.58	\$9,301.87	\$10,031.45	\$0.00	\$10,031.45
422	215	\$400,973.76	\$1,262.31	\$414,562.33	\$415,824.64	\$0.00	\$415,824.64
423	15	\$59,764.35	(\$312.39)	(\$15,278.31)	(\$15,590.70)	\$0.00	(\$15,590.70)
426	206	\$245,711.07	\$3,394.82	\$263,682.43	\$267,077.25	\$0.00	\$267,077.25
427	165	\$329,876.10	\$2,355.63	\$267,447.27	\$269,802.90	\$0.00	\$269,802.90
428	55	\$106,432.15	\$1,083.68	\$109,218.73	\$110,302.41	\$0.00	\$110,302.41
429	11	\$32,126.64	\$4,955.52	\$27,171.12	\$32,126.64	\$0.00	\$32,126.64
430	134	\$254,173.88	\$3,528.08	\$258,233.08	\$261,761.16	\$0.00	\$261,761.16
431	9	\$23,750.19	\$3,371.85	\$20,378.34	\$23,750.19	\$0.00	\$23,750.19
432	8	\$30,429.00	\$7,817.18	\$15,849.82	\$23,667.00	\$0.00	\$23,667.00
SUBTOTAL	22,669	\$15,177,852.28	\$958,635.04	\$14,046,505.83	\$15,005,140.87	(\$14,112.88)	\$14,991,027.99

Medical and Dental Vision Insurance Premiums March 2017

Carrier Codes	Member Count	Premium Amount	Member Amount	County Subsidy Amount	Total	Adjustments	Total Paid
Kaiser - Colorado							
450	4	\$4,250.44	\$510.05	\$3,740.39	\$4,250.44	\$0.00	\$4,250.44
451	33	\$11,324.28	\$1,736.41	\$10,274.19	\$12,010.60	\$0.00	\$12,010.60
453	3	\$7,047.99	\$858.96	\$3,839.70	\$4,698.66	\$0.00	\$4,698.66
457	11	\$7,461.52	\$1,302.37	\$6,159.15	\$7,461.52	\$0.00	\$7,461.52
458	1	\$2,391.04	\$126.78	\$2,264.26	\$2,391.04	\$0.00	\$2,391.04
SUBTOTAL	52	\$32,475.27	\$4,534.57	\$26,277.69	\$30,812.26	\$0.00	\$30,812.26
Kaiser - Georgia							
440	1	\$1,164.41	\$98.62	\$1,065.79	\$1,164.41	\$0.00	\$1,164.41
441	2	\$2,328.82	\$197.24	\$2,131.58	\$2,328.82	\$0.00	\$2,328.82
442	4	\$4,657.64	\$394.48	\$4,263.16	\$4,657.64	\$0.00	\$4,657.64
445	2	\$3,129.34	\$0.00	\$3,129.34	\$3,129.34	\$0.00	\$3,129.34
461	16	\$18,630.56	\$3,717.45	\$13,748.70	\$17,466.15	\$0.00	\$17,466.15
462	50	\$20,413.00	\$3,617.17	\$16,795.83	\$20,413.00	\$0.00	\$20,413.00
463	3	\$6,962.49	\$2,162.86	\$4,799.63	\$6,962.49	\$0.00	\$6,962.49
465	12	\$18,776.04	\$938.80	\$17,837.24	\$18,776.04	\$0.00	\$18,776.04
466	25	\$20,213.00	\$1,552.36	\$18,660.64	\$20,213.00	\$0.00	\$20,213.00
SUBTOTAL	115	\$96,275.30	\$12,678.98	\$82,431.91	\$95,110.89	\$0.00	\$95,110.89

Medical and Dental Vision Insurance Premiums

March 2017

Carrier Codes	Member Count	Premium Amount	Member Amount	County Subsidy Amount	Total	Adjustments	Total Paid
Kaiser - Hawaii							
471	7	\$7,022.40	\$1,123.58	\$5,898.82	\$7,022.40	\$0.00	\$7,022.40
472	34	\$12,859.48	\$2,223.93	\$11,770.21	\$13,994.14	\$0.00	\$13,994.14
473	2	\$2,992.72	\$989.03	\$2,003.69	\$2,992.72	\$0.00	\$2,992.72
474	4	\$7,993.60	\$1,235.73	\$6,757.87	\$7,993.60	\$0.00	\$7,993.60
476	5	\$6,867.10	\$2,582.03	\$4,285.07	\$6,867.10	\$0.00	\$6,867.10
478	11	\$8,232.84	\$329.31	\$7,903.53	\$8,232.84	\$0.00	\$8,232.84
SUBTOTAL	63	\$45,968.14	\$8,483.61	\$38,619.19	\$47,102.80	\$0.00	\$47,102.80
Kaiser - Oregon							
481	7	\$7,625.17	\$2,019.10	\$5,606.07	\$7,625.17	\$0.00	\$7,625.17
482	79	\$35,977.39	\$5,364.73	\$30,612.66	\$35,977.39	\$0.00	\$35,977.39
484	2	\$4,341.24	\$655.13	\$3,686.11	\$4,341.24	\$0.00	\$4,341.24
486	10	\$15,367.20	\$1,659.66	\$13,707.54	\$15,367.20	\$0.00	\$15,367.20
488	43	\$38,821.26	\$4,803.02	\$34,018.24	\$38,821.26	\$0.00	\$38,821.26
489	1	\$991.06	\$0.00	\$991.06	\$991.06	\$0.00	\$991.06
492	1	\$1,603.48	\$320.70	\$1,282.78	\$1,603.48	\$0.00	\$1,603.48
494	1	\$1,984.13	\$0.00	\$1,984.13	\$1,984.13	\$0.00	\$1,984.13
495	2	\$4,608.28	\$768.58	\$3,839.70	\$4,608.28	\$0.00	\$4,608.28
SUBTOTAL	146	\$111,319.21	\$15,590.92	\$95,728.29	\$111,319.21	\$0.00	\$111,319.21
SCAN Health Plan							
611	290	\$89,030.00	\$18,886.64	\$70,450.36	\$89,337.00	(\$1,228.00)	\$88,109.00
613	110	\$66,660.00	\$11,901.84	\$54,758.16	\$66,660.00	\$0.00	\$66,660.00
SUBTOTAL	400	\$155,690.00	\$30,788.48	\$125,208.52	\$155,997.00	(\$1,228.00)	\$154,769.00

Medical and Dental Vision Insurance Premiums

March 2017

Carrier Codes	Member Count	Premium Amount	Member Amount	County Subsidy Amount	Total	Adjustments	Total Paid
UHC Medicare Adv.							
701	1,508	\$504,191.28	\$62,505.31	\$439,357.91	\$501,863.22	(\$997.74)	\$500,865.48
702	327	\$436,738.56	\$28,228.19	\$403,184.29	\$431,412.48	\$0.00	\$431,412.48
703	831	\$549,385.76	\$55,424.91	\$482,131.97	\$537,556.88	(\$1,971.48)	\$535,585.40
704	76	\$114,275.12	\$6,014.44	\$105,253.44	\$111,267.88	\$0.00	\$111,267.88
705	27	\$22,390.02	\$1,144.38	\$22,074.90	\$23,219.28	\$0.00	\$23,219.28
SUBTOTAL	2,769	\$1,626,980.74	\$153,317.23	\$1,452,002.51	\$1,605,319.74	(\$2,969.22)	\$1,602,350.52
United Healthcare							
707	422	\$424,928.68	\$46,581.14	\$388,416.94	\$434,998.08	\$0.00	\$434,998.08
708	351	\$646,708.48	\$28,183.36	\$605,664.44	\$633,847.80	\$0.00	\$633,847.80
709	259	\$564,099.41	\$36,285.30	\$538,704.06	\$574,989.36	\$0.00	\$574,989.36
SUBTOTAL	1,032	\$1,635,736.57	\$111,049.80	\$1,532,785.44	\$1,643,835.24	\$0.00	\$1,643,835.24

Medical and Dental Vision Insurance Premiums

March 2017

Carrier Codes	Member Count	Premium Amount	Member Amount	County Subsidy Amount	Total	Adjustments	Total Paid
Local 1014 Firefighters							
801	45	\$46,530.00	\$1,344.20	\$44,723.72	\$46,067.92	\$0.00	\$46,067.92
802	264	\$492,196.32	\$13,498.13	\$490,884.48	\$504,382.61	\$0.00	\$504,382.61
803	231	\$508,015.20	\$15,746.27	\$490,069.73	\$505,816.00	\$0.00	\$505,816.00
804	162	\$167,508.00	\$8,830.36	\$157,013.84	\$165,844.20	(\$23,241.20)	\$142,603.00
805	176	\$328,130.88	\$10,142.24	\$317,988.64	\$328,130.88	(\$23,388.40)	\$304,742.48
806	559	\$1,042,188.42	\$33,931.77	\$1,008,256.65	\$1,042,188.42	(\$134,127.85)	\$908,060.57
807	34	\$74,772.80	\$703.74	\$74,069.06	\$74,772.80	(\$4,477.30)	\$70,295.50
808	10	\$21,992.00	\$175.94	\$21,816.06	\$21,992.00	(\$2,280.00)	\$19,712.00
809	22	\$22,748.00	\$3,164.04	\$19,583.96	\$22,748.00	\$0.00	\$22,748.00
810	5	\$9,321.90	\$1,528.79	\$7,793.11	\$9,321.90	\$0.00	\$9,321.90
811	5	\$10,996.00	\$791.71	\$11,435.85	\$12,227.56	\$0.00	\$12,227.56
812	219	\$226,446.00	\$20,018.24	\$207,834.00	\$227,852.24	(\$25,015.40)	\$202,836.84
SUBTOTAL	1,732	\$2,950,845.52	\$109,875.43	\$2,851,469.10	\$2,961,344.53	(\$212,530.15)	\$2,748,814.38
Medical Plan Total	48,094	\$41,057,061.88	\$3,232,350.06	\$37,544,224.70	\$40,776,574.76	(\$259,368.01)	\$40,517,206.75

Medical and Dental Vision Insurance Premiums

March 2017

Carrier Codes	Member Count	Premium Amount	Member Amount	County Subsidy Amount	Total	Adjustments	Total Paid
<u>Dental/Vision Plan</u>							
CIGNA Indemnity Dental/Vision							
501	22,704	\$1,160,906.65	\$137,276.97	\$1,029,572.85	\$1,166,849.82	(\$3,829.12)	\$1,163,020.70
502	21,041	\$2,237,945.60	\$180,025.35	\$2,051,971.93	\$2,231,997.28	(\$2,605.17)	\$2,229,392.11
503	13	\$816.92	\$147.04	\$795.56	\$942.60	\$0.00	\$942.60
SUBTOTAL	43,758	\$3,399,669.17	\$317,449.36	\$3,082,340.34	\$3,399,789.70	(\$6,434.29)	\$3,393,355.41
CIGNA Dental HMO/Vision							
901	3,176	\$146,635.92	\$19,421.56	\$127,906.91	\$147,328.47	(\$46.17)	\$147,282.30
902	2,259	\$212,722.00	\$19,884.76	\$192,649.24	\$212,534.00	\$94.00	\$212,628.00
903	4	\$187.00	\$5.61	\$181.39	\$187.00	\$0.00	\$187.00
SUBTOTAL	5,439	\$359,544.92	\$39,311.93	\$320,737.54	\$360,049.47	\$47.83	\$360,097.30
Dental/Vision Plan Total	49,197	\$3,759,214.09	\$356,761.29	\$3,403,077.88	\$3,759,839.17	(\$6,386.46)	\$3,753,452.71
GRAND TOTALS	97,291	\$44,816,275.97	\$3,589,111.35	\$40,947,302.58	\$44,536,413.93	(\$265,754.47)	\$44,270,659.46

CARRIER DEDUCTION PREMIUMS*	CODES	DEDUCTION CODE DEFINITIONS
<u>Anthem Blue Cross Prudent Buyer Plan</u>		
\$630.26	201	Retiree Only
\$1,239.88	202	Retiree and Spouse/Domestic Partner
\$1,399.26	203	Retiree, Spouse/Domestic Partner and Children
\$810.01	204	Retiree and Children
\$172.06	205	Survivor Children Only Rates
<u>Anthem Blue Cross Plan I</u>		
\$904.25	211	Retiree Only
\$1,630.31	212	Retiree and Spouse/Domestic Partner
\$1,923.10	213	Retiree, Spouse/Domestic Partner and Children
\$1,196.44	214	Retiree and Children
\$299.58	215	Survivor Children Only Rates
<u>Anthem Blue Cross Plan II</u>		
\$904.25	221	Retiree Only
\$1,630.31	222	Retiree and Spouse/Domestic Partner
\$1,923.10	223	Retiree, Spouse/Domestic Partner and Children
\$1,196.44	224	Retiree and Children
\$299.58	225	Survivor Children Only Rates
<u>Anthem Blue Cross Plan III</u>		
\$365.20	240	Retiree Only with Medicare
\$1,167.61	241	Retiree and Spouse/Domestic Partner - One with Medicare (Non-Medicare has Anthem Blue Cross I)
\$1,167.61	242	Retiree and Spouse/Domestic Partner - One with Medicare (Non-Medicare has Anthem Blue Cross II)
\$726.87	243	Retiree and Spouse/Domestic Partner - Both with Medicare
\$653.93	244	Retiree and Children (Retiree has Medicare; Children have Anthem Blue Cross I)
\$653.93	245	Retiree and Children (Retiree has Medicare; Children have Anthem Blue Cross II)
\$1,456.25	246	Retiree, Spouse/Domestic Partner and Children - One with Medicare (Non-Medicare has Anthem Blue Cross I)
\$1,456.25	247	Retiree, Spouse/Domestic Partner and Children - One with Medicare (Non-Medicare has Anthem Blue Cross II)
\$1,015.45	248	Retiree, Spouse/Domestic Partner and Children - Two with Medicare (Children have Anthem Blue Cross I)
\$1,015.45	249	Retiree, Spouse/Domestic Partner and Children - Two with Medicare (Children have Anthem Blue Cross II)
\$1,138.02	250	Member, Spouse/Domestic Partner, Child (3 with Medicare)

*Benchmark premiums are bolded.

CARRIER DEDUCTION PREMIUMS*	CODES	DEDUCTION CODE DEFINITIONS
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CIGNA Network Model Plan

\$1,143.49	301	Retiree Only
\$2,064.71	302	Retiree and Spouse/Domestic Partner
\$2,438.35	303	Retiree, Spouse/Domestic Partner and Children
\$1,517.57	304	Retiree and Children
\$378.87	305	Survivor Children Only Rates

CIGNA Medicare Select Plus Rx (Available in the Phoenix, AZ area only)

\$328.00	321	Retiree Only with Medicare
\$1,249.22	322	Retiree and Spouse/Domestic Partner/Domestic Partner - One with Medicare
\$651.00	324	Retiree and Spouse/Domestic Partner -Both with Medicare
\$702.09	325	Retiree and Children
\$1,622.87	327	Retiree, Spouse/Domestic Partner and Children - One with Medicare
\$1,025.09	329	Retiree, Spouse/Domestic Partner and Children - Two with Medicare

Kaiser

\$774.10	401	Retiree Only ("Basic")
N/A	402	Retiree Only ("Supplement")
\$235.64	403	Retiree Only ("Senior Advantage")
\$894.95	404	Retiree Only ("Excess I")
\$795.39	405	Retiree Only - ("Excess II")
\$1,408.39	406	Retiree Only ("Excess III")
\$1,543.20	411	Retiree and Family (All family members are "Basic")
N/A	412	Retiree and Family (One family member is "Supplement"; others are "Basic")
\$1,004.74	413	Retiree and Family (One family member is "Senior Advantage"; others are "Basic")
\$1,664.05	414	Retiree and Family (One family member is "Excess I"; others are "Basic")
N/A	415	Retiree and Family (Two or more family members are "Supplement")
N/A	416	Retiree and Family (One family member is "Senior Advantage"; others are "Supplement")
N/A	417	Retiree and Family (One family member is "Excess I"; others are "Supplement")
\$466.28	418	Retiree and Family (Two or more family members are "Senior Advantage")
\$1,125.59	419	Retiree and Family (One family member is "Excess I"; others are "Senior Advantage")
\$1,784.90	420	Retiree and Family (Two or more family members are "Excess I")
N/A	421	Survivor Children Only Rates
\$1,564.49	422	Retiree and Family (One family member is "Excess II"; others are "Basic")
\$2,177.49	423	Retiree and Family (One family member is "Excess III"; others are "Basic")

*Benchmark premiums are bolded.

CARRIER DEDUCTION PREMIUMS*	CODES	DEDUCTION CODE DEFINITIONS
<u>Kaiser (continued)</u>		
N/A	424	Retiree and Family (One family member is "Supplement"; others are "Excess II")
N/A	425	Retiree and Family (One family member is "Supplement"; others are "Excess III")
\$1,026.03	426	Retiree and Family (One family member is "Senior Advantage"; others are "Excess II")
\$1,639.03	427	Retiree and Family (One family member is "Senior Advantage"; others are "Excess III")
\$1,685.34	428	Retiree and Family (One family member is "Excess I"; others are "Excess II")
\$2,298.34	429	Retiree and Family One family member is "Excess I"; others are "Excess III")
\$1,585.78	430	Retiree and Family (Two or more family members are "Excess II")
\$2,198.78	431	Retiree and Family (One family member is "Excess II"; others are "Excess III")
\$2,811.78	432	Retiree and Family (Two or more family members are "Excess III")
<u>Kaiser Colorado</u>		
\$793.06	450	Retiree Only ("Basic" under age 65)
\$327.27	451	Retiree Only ("Senior Advantage")
\$1,754.57	453	Retiree and Family (Two family members are "Basic")
\$2,369.25	454	Retiree and Family (Three or more family members are "Basic")
\$1,115.33	455	Retiree and Family (One family member is "Senior Advantage"; one family member is "Basic")
\$649.55	457	Retiree and Family (Two family members are "Senior Advantage")
\$1,857.56	458	Retiree and Family (One family member is "Senior Advantage"; two or more are "Basic")
\$1,437.60	459	Retiree and Family (Two family members are "Senior Advantage"; one or more are "Basic")
<u>Kaiser Georgia</u>		
\$847.24	440	Retiree Only ("Basic" over age 65 with Medicare Part B only)
\$847.24	441	Retiree Only ("Basic over age 65 with Medicare Part A only)
\$847.24	442	Retiree Only ("Basic over age 65 without Medicare Part A or Medicare Part B)
\$361.11	443	Retiree Only ("Basic" over age 65 - Medicare eligible who is classified as having renal failure)
\$1,203.35	444	Retiree and Family (One family member is "Senior Advantage"; one family member is "Basic" over age 65 with Medicare Part B only)
\$1,203.35	445	Retiree and Family (One family member is "Senior Advantage"; one family member is "Basic" over age 65 with Medicare Part A only)
\$1,203.35	446	Retiree and Family (One family member is "Senior Advantage"; one family member is "Basic" over age 65 without Medicare Part A and B)
\$847.24	461	Retiree Only ("Basic" under age 65)
\$361.11	462	Retiree Only ("Senior Advantage")

*Benchmark premiums are bolded.

CARRIER DEDUCTION PREMIUMS*	CODES	DEDUCTION CODE DEFINITIONS
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Kaiser Georgia (continued)

\$1,689.48	463	Retiree and Family (Two family members are "Basic")
\$2,531.72	464	Retiree and Family (Three or more family members are "Basic")
\$1,203.35	465	Retiree and Family (One family member is "Senior Advantage"; one is "Basic")
\$717.22	466	Retiree and Family (Two family members are "Senior Advantage")
\$2,045.59	467	Retiree and Family (One family member is "Senior Advantage"; two or more are "Basic")
\$1,559.46	468	Retiree and Family (Two family members are "Senior Advantage"; one is "Basic")
\$1,915.57	469	Retiree and Family (Three or more family members are "Senior Advantage"; one is "Basic")
\$2,045.59	470	Retiree and Family (Three or more family members are "Basic"; one is "Senior Advantage")

Kaiser Hawaii

\$795.16	471	Retiree Only ("Basic" under age 65)
\$346.45	472	Retiree Only ("Senior Advantage")
\$1,381.42	473	Retiree Only (Over age 65 without Medicare Part A or Medicare Part B)
\$1,585.31	474	Retiree and Family (Two family members are "Basic")
\$2,375.47	475	Retiree and Family (Three or more family members are "Basic")
\$1,136.61	476	Retiree and Family (One family member is "Senior Advantage"; one is "Basic")
\$2,171.58	477	Retiree and Family (One family member is "Basic" under age 65; one is over age 65 without Medicare Part A or Medicare Part B)
\$687.90	478	Retiree and Family (Two family members are "Senior Advantage")
\$1,722.87	479	Retiree and Family (One family member is "Senior Advantage"; one is over age 65 without Medicare Part A or Medicare Part B)

Kaiser Oregon

\$806.67	481	Retiree Only ("Basic" under age 65)
\$465.92	482	Retiree Only ("Senior Advantage")
\$1,205.27	483	Retiree Only (Over age 65 without Medicare Part A or Medicare Part B)
\$1,608.34	484	Retiree and Family (Two family members are "Basic")
\$2,410.01	485	Retiree and Family (Three or more family members are "Basic")
\$1,267.59	486	Retiree and Family (One family member is "Senior Advantage"; one is "Basic")
N/A	487	Retiree Only (Medicare Cost "Supplement" program)
\$926.84	488	Retiree and Family (Two family members are "Senior Advantage")
\$1,110.84	489	Retiree Only (Over age 65 with Medicare Part A only)
\$1,205.27	490	Retiree Only (Over age 65 with Medicare Part B only)

*Benchmark premiums are bolded.

PREMIUMS*	CARRIER DEDUCTION CODES	DEDUCTION CODE DEFINITIONS
<u>Kaiser Oregon (continued)</u>		
\$1,571.76	491	Retiree and Family (One family member is "Senior Advantage"; one is over age 65 with Medicare Par A only)
\$1,666.19	492	Retiree and Family (One family member is "Senior Advantage"; one is over age 65 without Medicare Part A or Medicare Part B)
\$2,069.26	493	Retiree and Family (One family member is "Senior Advantage"; two or more are "Basic")
\$1,728.51	494	Retiree and Family (Two family members are "Senior Advantage"; one is "Basic")
\$2,405.54	495	Retiree and Family (Two family members are over age 65 without Medicare Part A or Medicare Part B)
\$2,216.68	496	Retiree and Family (Two family members are over age 65 with Medicare Part A only)
\$2,216.68	497	Retiree and Family (One family member is "Basic"; one is over age 65 with Medicare Part A only)
\$2,006.94	498	Retiree and Family (One family member is "Basic"; one is over age 65 without Medicare Part A or Medicare Part B)

Kaiser Rate Category Definitions

"Basic" - includes those who are under age 65

Medicare Cost ("Supplement")

- Includes people who have both Part A and Part B of Medicare, who were enrolled in Kaiser's Medicare supplement ("M" coverage) before July 1, 1987, and who chose to stay in that Kaiser arrangement.
- It is not open to new enrollments.
- People who have left it cannot return to it.

"Senior Advantage"

- Includes participants who are age 65 or older and who have assigned both Medicare Part A and Part B to Kaiser.

"Excess I"

- Is for participants who have Medicare Part A only.

"Excess II"

- Is for participants in the Excess Plan who either have Medicare Part B only or are not eligible for Medicare.

"Excess III"

- Is for participants in the Excess Plan who either have Medicare Parts A and B and have not assigned their Medicare benefits to Kaiser or have not provided their Medicare status to LACERA. Premium is above the Anthem Blue Cross I and II Benchmark rate and II Benchmark.

PREMIUMS*	CARRIER DEDUCTION CODES	DEDUCTION CODE DEFINITIONS
<u>SCAN Health Plan</u>		
\$304.00	611	Retiree Only with SCAN
\$603.00	613	Retiree and 1 Dependent - Both with SCAN (Retiree and 1 Dependent = Retiree and Spouse/Domestic Partner OR Retiree and 1 Child. Both Retiree and Dependent must have Medicare.)
<u>United Healthcare Medicare Advantage (UHCMA)</u>		
(For both members and dependents who are enrolled in UHCMA, or a family combination of UHCMA/UHC)		
\$293.62	701	Retiree Only with Secure Horizons
\$1,203.81	702	Retiree and 1 Dependent - One with Secure Horizons (Retiree and 1 Dependent = Retiree and Spouse/Domestic Partner OR Retiree and 1 Child)
\$582.24	703	Retiree and 1 Dependent - Both with Secure Horizons (Retiree and 1 Dependent = Retiree and Spouse/Domestic Partner OR Retiree and 1 Child)
\$1,360.59	704	Retiree and 2 or More Dependents - One with Secure Horizons (Retiree and 2 or More Dependents = Retiree, Spouse/Domestic Partner and 1 or More Children OR Retiree and 2 or More Children)
\$739.02	705	Retiree and 2 or More Dependents - Two with Secure Horizons (Retiree and 2 or More Dependents = Retiree, Spouse/Domestic Partner and 1 or More Children OR Retiree and 2 or More Children)
\$261.24	706	Survivor Children Only Rates
<u>United Healthcare (UHC)</u>		
(For members and dependents under age 65 [no Medicare])		
\$915.18	707	Retiree Only
\$1,671.68	708	Retiree and 1 Dependent
\$1,982.16	709	Retiree and 2 Or More Dependents
<u>Local 1014 Firefighters</u>		
\$914.03	801	Member Under 65
\$1,648.06	802	Member + 1 Under 65
\$1,944.04	803	Member + 2 Under 65
\$914.03	804	Member with Medicare
\$1,648.06	805	Member + 1; 1 Medicare
\$1,648.06	806	Member + 1; 2 Medicare
\$1,944.04	807	Member + 2; 1 Medicare
\$1,944.04	808	Member + 2; 2 Medicare

*Benchmark premiums are bolded.

PREMIUMS*	CARRIER DEDUCTION CODES	DEDUCTION CODE DEFINITIONS
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Local 1014 Firefighters (continued)

\$914.03	809	Surviving Spouse Under 65
\$1,648.06	810	Surviving Spouse + 1; Under 65
\$1,944.04	811	Surviving Spouse + 2 Under 65
\$914.03	812	Surviving Spouse with Medicare
\$1,648.06	813	Surviving Spouse + 1; 1 Medicare
\$1,944.04	814	Spouse + 1; 1 Medicare
\$1,648.06	815	Surviving Spouse + 1; 2 Medicare

CIGNA Indemnity - Dental/Vision

\$46.55	501	Retiree Only
\$99.61	502	Retiree and Dependent(s)
\$57.81	503	Survivor Children Only Rates

CIGNA HMO - Dental/Vision

\$39.02	901	Retiree Only
\$81.07	902	Retiree and Dependent(s)
\$39.56	903	Survivor Children Only Rates

February 20, 2017

Health

CMS Publishes Proposed Rule on Market Stabilization

On February 17, 2017, the Department of Health and Human Services' Centers for Medicare and Medicaid Services (CMS) published a proposed rule addressing the stabilization of the individual and small group markets. This proposed rule would amend standards related to special enrollment periods, guaranteed availability, and the timing of the annual open enrollment period in the individual market for the 2018 plan year; standards related to network adequacy and essential community providers for qualified health plans; and the rules around actuarial value requirements. Comments on the proposed rule are due by March 7, 2017.

The CMS proposed rule is available [here](#).

Retirement

House Passes Resolutions to Halt State-Run Retirement Plans for Private-Sector Employees

On February 15, 2017, the House approved two resolutions of disapproval (H.J. Res. 66 and H.J. Res. 67) that would prevent two Department of Labor (DOL) regulations regarding state and locally run retirement plans for private sector workers from going into effect. The final vote on each resolution was 234–91, along party lines. The resolutions now move to the Senate floor for consideration.

In August 2016, the DOL issued final safe harbor regulations that describe how states may design and operate payroll deduction savings programs using automatic enrollment for private-sector employees, without causing the states or the private-sector employers to establish employee pension benefit plans under ERISA. The DOL followed up with additional final safe harbor regulations in December 2016, to include cities and other political subdivisions. According to the DOL, eight states have enacted legislation to

create retirement savings programs for private-sector workers.

H.J. Res. 66 (focusing on state-run plans) is available [here](#).

H.J. Res. 67 (focusing on locally run plans) is available [here](#).

The DOL news release (from August 2016) on the final regulations for state plans (including a link to the regulations) is available [here](#).

The DOL news release (from December 2016) on the ERISA safe harbor regulations for municipally sponsored plans (including a fact sheet, regulations, etc.) is available [here](#).

February 13, 2017

Retirement

DOL Sends Proposed Rule to OMB to Delay Fiduciary Rule

On February 9, 2017, the Department of Labor (DOL) sent a proposed rule to the Office of Management and Budget (OMB) that would delay the applicability date of the fiduciary investment advice rule. The rule is otherwise scheduled to go into effect on April 10, 2017. As we reported last week, President Trump sent a memo to the Secretary of Labor on February 3 asking him to review the fiduciary rule. The proposed regulation, which is titled “Definition of the Term ‘Fiduciary’—Delay of Applicability Date,” reportedly would delay the rule by 180 days, but the text of the proposed rule is not yet available.

The OMB notice for the proposal is available [here](#).

February 6, 2017

Legislative/Executive

Secretary of Labor Directed to Review Fiduciary Rule

On February 3, 2017, President Trump issued a memorandum to the secretary of labor directing him to examine and prepare an “updated economic and legal analysis” of the final fiduciary investment advice rule. The secretary is directed to consider the following three factors, among other considerations:

- Whether the anticipated application of the fiduciary rule has harmed or is likely to harm investors;

- Whether the retirement services industry has been disrupted by the anticipated application of the rule in a manner that may adversely affect investors or retirees; and
- Whether the rule is likely to increase litigation and costs that investors and retirees must pay to gain access to retirement services.

If the secretary finds that at least one of the three factors above is true (or if he makes an adverse finding based on other, more general criteria outlined elsewhere in the memorandum), he is directed to publish a proposed regulation (for notice and comment) that would rescind or revise the fiduciary rule.

In response to President Trump's memorandum, Acting U.S. Secretary of Labor Ed Hugler issued a statement on February 3 indicating that "The Department of Labor will now consider its legal options to delay the applicability date as we comply with the President's memorandum."

The Presidential memorandum on the fiduciary rule is available [here](#).

A news release from the Department of Labor is available [here](#).

Guidance on One In/Two Out Rule for Regulations and Regulatory Freeze Issued

On February 2, 2017, the White House issued interim guidance implementing part of the Executive Order (EO) issued on January 30, 2017 that addressed the reduction of the number of regulations and their costs. The January 30 EO requires that two federal regulations be rescinded for every new federal regulation that is implemented. The February 2 guidance clarifies that the EO applies only to regulations that are "significant," as defined under EO 12866 (issued in 1993). Agencies issuing significant regulations on or before September 30, 2017, must identify two existing regulatory actions to eliminate or propose for elimination on or before September 30, 2017, and the total incremental cost of the new regulation must be fully offset as of September 30, 2017. Regulations overturned by Congress may count as eliminated regulations exchanged for the new regulations, but not regulations issued prior to January 20, 2017, that were vacated or remanded by a court. The interim guidance also discusses how costs are to be measured.

In addition, on January 24, 2017, the Office of Management and Budget (OMB) sent guidance on the January 20 regulatory freeze memorandum to executive branch departments and agencies. The OMB directs the agencies to begin by identifying regulations that have been published but have not yet taken effect and postponing their

effective dates for at least 60 days and provides a procedure for withdrawing regulations that were sent to the Office of the Federal Register but were not yet published.

The February 2 memorandum containing interim guidance on the EO dated January 30, 2017, is available [here](#).

The January 30 EO on "Reducing Regulation and Controlling Regulatory Costs" is available [here](#).

The January 24 OMB memorandum (M-17-16) on the regulatory freeze is available [here](#).

EO 12866 is available [here](#).

House Passes Resolution That Would Eliminate Federal Contractor Violation Disclosure Requirements

On February 2, 2017, the House passed a resolution by a vote of 236 to 187 formally disapproving regulations that require federal contractors to disclose labor and employment law violations. The regulations were published in the *Federal Register* on August 25, 2016. The resolution, which has been sent to the Senate, declares that the regulations "shall have no force or effect." The White House has said the president will sign the resolution, if it is sent to him.

H.J. Res. 37 is available [here](#).

The regulations that are the subject of the resolution are available [here](#).

Health

CMS Sends Proposed Regulations to OMB to Stabilize Affordable Care Act Markets

On February 1, 2017, the Department of Health and Human Services' Centers for Medicare and Medicaid Services (CMS) sent proposed regulations to the Office of Management and Budget (OMB) that are intended to stabilize the Affordable Care Act insurance market. The regulations are entitled "Patient Protection and Affordable Care Act; Market Stabilization." At this time, the text of the regulations is unavailable.

The OMB notice for the proposed regulation is available [here](#).

Retirement

PBGC Increases Maximum Penalty Amounts

On January 30, 2017, the Pension Benefit Guaranty Corporation (PBGC) issued a regulation that increases the maximum penalty amount for the failure to provide certain notices or other material information under ERISA Section 4071 as required by the Federal Civil Penalties Inflation Adjustment Act Improvements Act of 2015. The amount is increased from \$2,063 to \$2,097 per day. The PBGC also increased the maximum penalty amount for the failure to provide certain multiemployer plan notices under ERISA Section 4302, from \$275 to \$279 per day. The increases apply to penalties assessed after January 31, 2017.

The final regulation is available [here](#).