



**Alameda County Employees' Retirement Association
BOARD OF RETIREMENT**

***RETIREEES COMMITTEE/BOARD MEETING
NOTICE and AGENDA***

ACERA MISSION:

To provide ACERA members and employers with flexible, cost-effective, participant-oriented benefits through prudent investment management and superior member services.

**Wednesday, April 3, 2019
10:30 a.m.**

LOCATION	COMMITTEE MEMBERS	
ACERA C.G. "BUD" QUIST BOARD ROOM 475 14 TH STREET, 10 TH FLOOR OAKLAND, CALIFORNIA 94612-1900 MAIN LINE: 510.628.3000 FAX: 510.268.9574	LIZ KOPPENHAVER, CHAIR	ELECTED RETIRED
	DALE AMARAL, VICE CHAIR	ELECTED SAFETY
	KEITH CARSON	APPOINTED
	JAIME GODFREY	APPOINTED
	ELIZABETH ROGERS	ELECTED GENERAL

Should a quorum of the Board attend this meeting, this meeting shall be deemed a joint meeting of the Board and Committee.

The order of agenda items is subject to change without notice. Board and Committee agendas and minutes are available online at www.acera.org.

Note regarding public comments: Public comments are limited to four (4) minutes per person in total.

Note regarding accommodations: The Board of Retirement will provide reasonable accommodations for persons with special needs of accessibility who plan to attend Board meetings. Please contact ACERA at (510) 628-3000 to arrange for accommodation.

RETIREES COMMITTEE/BOARD MEETING

NOTICE and AGENDA, Page 2 of 3 – April 3, 2019

Call to Order: 10:30 a.m.

Public Input (Time Limit: 4 minutes per speaker)

Action Items: Matters for Discussion and Possible Motion by the Committee

There are no action items for discussion.

Information Items: These items are not presented for Committee action but consist of status updates and cyclical reports

1. Review of the Revised 2019 Annual Retirees Committee Work Plan

Review of the revised proposed Retirees Committee Work Plan for 2019.

- Kathy Foster

2. Supplemental Retiree Benefit Reserve Financial Status

Statement of additions and deductions to the Supplemental Retiree Benefit Reserve for the period ending December 31, 2018.

- Margo Allen

3. Discussion Regarding Active Death Equity Benefit

Staff will provide information regarding the previously provided Active Death Equity Benefit.

- Kathy Foster

4. Discussion Regarding Retired Member (Lump Sum) Death Benefit

Staff will provide information on the cost of the Retired Member (lump sum) Death Benefit at various level amounts.

- Kathy Foster

5. Semi-Annual Report on ACERA's Wellness Program

Staff will provide the semi-annual report on ACERA's Wellness Program.

- Kathy Foster

- Ismael Piña

- Mike Fara

6. Via Benefits 2018 Year End Review

Via Benefits will present a year-end review report for 2018.

- Kathy Foster

- Via Benefits

7. Miscellaneous Updates

Staff will update the Committee on any recent benefit issues affecting ACERA retirees.

- Ismael Piña

RETIREES COMMITTEE/BOARD MEETING

NOTICE and AGENDA, Page 3 of 3 – April 3, 2019

Trustee Remarks

Establishment of Next Meeting Date

June 5, 2019, at 10:30 a.m.


Adjournment



MEMORANDUM TO THE RETIREES COMMITTEE

DATE: April 3, 2019

TO: Members of the Retirees Committee

FROM: Kathy Foster, Assistant Chief Executive Officer 

SUBJECT: **Retirees Committee Revised Work Plan Review**

Attached is the revised proposed 2019 Retirees Committee Work Plan. This work plan mirrors the Operations Committee work plan in scheduling both Committee meetings on the same day, except for the July meeting. There is a need to hold the July Retirees Committee meeting to take action on recommendations for the Monthly Medical Allowance, and review dental and vision plans renewal options. The July Retirees Committee meeting will be scheduled for the same day as the Board meeting.

Attachment



Proposed 2019 Retirees Committee Work Plan

Action Items		Information Items
January <i>Meeting Cancelled</i>		<ul style="list-style-type: none"> • 2019 Annual Retirees Committee Work Plan Review • Report on 1099-R Processing • Report on Results of Retiree Health Fair and Open Enrollment Activity • Miscellaneous Updates <p><i>Items moved to February 2019 Committee meeting</i></p>
February	<ul style="list-style-type: none"> • Annual Supplemental COLA Adjustment 	<ul style="list-style-type: none"> • Annual COLA Adjustment • 2019 Annual Retirees Committee Work Plan Review • Annual Health Care Planning Meeting with Retiree Representative/ Date Announcement • Report on 1099-R Processing • Report on Results of Retiree Health and Wellness Fair and Open Enrollment Activity • Miscellaneous Updates
April		<ul style="list-style-type: none"> • Review of Revised 2019 Annual Retirees Committee Work Plan • SRBR Financial Status • Discussion Regarding Active Death Equity Benefit • Discussion Regarding Retired Member (Lump Sum) Death Benefit • Semi-Annual Report on ACERA's Wellness Program • Via Benefits 2018 Year End Review • Miscellaneous Updates
June	<ul style="list-style-type: none"> • Approval of Payment for Implicit Subsidy Cost for 2018 • Possible Declaration of Intent to Fund Implicit Subsidy Program for 2020 	<ul style="list-style-type: none"> • Preliminary Report on Projected Benefit Costs Funded through SRBR • Presentation and Report on Health Care Inflation/Trends • Discussion of Monthly Medical Allowance for 2020 • 2020 Medical Plans Update/Renewal Requests of ACERA/County • Report on Annual Health Care Planning Meeting with Retiree Groups • Report on HRA Balances and Reimbursements • Plans for Open Enrollment and Retiree Health Fair • Miscellaneous Updates



Proposed 2019 Retirees Committee Work Plan

Action Items		Information Items
July	<ul style="list-style-type: none"> • Adoption of 2020 Monthly Medical Allowance for Group Plans • Adoption of 2020 Monthly Medical Allowance for Early Retiree Individual Plans • Adoption of 2020 Monthly Medical Allowance for Medicare Eligible Retiree Individual Plans 	<ul style="list-style-type: none"> • Report on Dental and Vision Plan Experience and Utilization • Miscellaneous Updates
August	<ul style="list-style-type: none"> • Adoption of Dental Plan Contributions for 2020 • Adoption of Vision Plan Contributions for 2020 	<ul style="list-style-type: none"> • Review of Dental and Vision Plan Premiums for 2020 • Miscellaneous Updates
October	<ul style="list-style-type: none"> • Presentation and Acceptance of SRBR Funding Report/Valuation • SRBR Policy Update 	<ul style="list-style-type: none"> • SRBR Financial Status • Semi-Annual Report on ACERA's Wellness Program • Final Report on Open Enrollment Preparation and Communications Material, and Health and Wellness Fair Arrangements • Miscellaneous Updates <ul style="list-style-type: none"> ○ Report on Medicare Part D Certificates of Creditable Coverage and Updates for 2019 ○ Via Benefits Balance Reminder Statement
December	<ul style="list-style-type: none"> • Adoption of Medicare Part B Reimbursement Plan Benefit for 2020 • Adoption of Updates to Appendix A of 401(h) Account Resolutions 	<ul style="list-style-type: none"> • Annual Retired Member (Lump Sum) Death Benefit Report • Dental and Vision Plans Request for Proposals for 2021 Plan Coverage • Retiree Health and Wellness Fair Results and Open Enrollment Activity • Miscellaneous Updates


Notes: 1) This work plan is subject to change without prior notice. Periodic rearrangements of agenda items will be made to the work plan to provide a reasonable length of time for each meeting.
 2) Meeting date is assumed to be the first Wednesday of the month.



MEMORANDUM TO THE OPERATIONS AND RETIREES COMMITTEES

DATE: April 3, 2019

TO: Members of the Operations and Retirees Committees

FROM: Margo Allen, Fiscal Services Officer 

SUBJECT: Statement of Reserves and Supplemental Retirees Benefit Reserve (SRBR)
Status as of December 31, 2018

Executive Summary

The Statement of Reserves as of December 31, 2018, is attached for your review. The semi-annual interest crediting as of December 31, 2018 was completed on February 21, 2019.

For the six-month period ended December 31, 2018, approximately \$269.5 million of total interest was credited to all the valuation reserve accounts, including the 401(h) account and the SRBR.

- Regular earnings of \$269.5 million were credited to the valuation reserve accounts, the 401(h) account and the SRBR at the rate of return of 3.3861%, slightly short of one half of the assumed crediting rate of return of 3.6250%.
- The earnings were below the expected rate of return and as a result there was no crediting of earnings above the assumed rate of return (excess earnings).

The total interest crediting rate to the valuation reserve accounts and the 401(h) account as well as the SRBR was 3.3861% (See Table 1 below).

Table 1 Interest Crediting Rate					
	Valuation Reserve & 401(h) Accounts			SRBR	
	Amount	Rate		Amount	Rate
Regular Earnings	\$238,606,525	3.3861%		\$30,864,398	3.3861%
Excess Earnings	0	0.0000%		0	0.0000%
Total Interest Credited	\$238,606,525	3.3861%		\$30,864,398	3.3861%

The process for crediting interest as of December 31, 2018, is presented in the Table 2 on page 2. Note that for this semi-annual interest crediting period, the Contingency Reserve Account (CRA) was restored to 1% of total assets as of December 31, 2018, and the entire balance of \$78,063,689 was subsequently withdrawn of from the CRA to fund the interest crediting shortfalls. Without the use of the CRA funds the interest crediting rate would've been 2.4052%

Table 2 Interest Crediting Methodology as of December 31, 2018	
Expected Actuarial Earnings for the period	\$ 293,029,560.86
10 % Amortization of deferred amounts – (Sum of the last 10 periods)	(108,074,272.46)
Actuarial Earnings on a Smoothed Basis	184,955,288.40
CRA adjustment to 1% of total assets as of 12/31/2018	6,451,945.97
Actuarial Earnings Available for Interest Crediting at 2.4052%	191,407,234.37
CRA usage to cover the interest crediting shortfall	78,063,688.82
Total amount to credit interest at 3.3861%	\$ 269,470,923.19

There was a market *loss* of approximately \$457.5 million for the six-month period ended December 31, 2018, which was lower than the expected actuarial earnings of approximately \$293.0 million. As a result, \$750.5 million in *losses* were added to the market stabilization reserve (the difference of the actual market gain and the expected actuarial earnings). In addition, \$108.1 million of net *losses* from the previous ten (10) interest crediting cycles were recognized in the current interest cycle period. Thus, the market stabilization reserve deferred *gains* decreased from \$73.3 million as of June 30, 2018, to \$569.1 million in deferred *losses* as of December 31, 2018.

Supplemental Retiree Benefit Reserve (SRBR) Status Report

The 10-year history of SRBR activity through December 31, 2018, is attached for your review. The December 31, 2018, ending balance of the SRBR account is approximately \$919.5 million.

The break-down of the total interest crediting rate is as follows:

- Regular earnings were credited at the assumed rate of return of 3.3861%.
- No earnings above the assumed rate of return (excess earning) were credited.

The total interest credited to the SRBR for the six-month period ended December 31, 2018 was approximately \$30.95 million of regular earning and \$0.0 of excess earnings.

For the six-month period ended December 31, 2018, the net deductions from SRBR were approximately \$22.9 million. These deductions include the net transfer to/from the employer advance reserve for 401(h) contributions of \$22.2 million as well as payments of supplemental COLA and retired death benefits of \$0.7 million.

For the year-ended December 31, 2018, approximately \$64.8 million of regular earnings and \$10.6 million of excess earnings were allocated to the SRBR.

For the year-ended December 31, 2018, the net deductions from SRBR were approximately \$49.7 million. These deductions include the net transfer to/from the employer advance reserve for 401(h) contributions of \$48.4 million (which includes transfer of \$58 million for implicit subsidy) as well as payments of supplemental COLA and retired death benefits of \$1.3 million.

Attachments:

- Statement of Reserves as of December 31, 2018.
- SRBR Status as of December 31, 2018.

ALAMEDA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
STATEMENT OF RESERVES
For the Six Months Ended December 31, 2018

	Beginning Balances 6/30/2018	Net Contributions Benefits, Refunds & Transfers 7/1 - 12/31/2017	Interest Crediting Process 7/1 - 12/31/2018 (3.3861%)	Allocation of Excess Earnings 7/1 - 12/31/2018 (0.0000%)	Ending Balances 12/31/2018
Member Reserves:					
Active Member Reserves	1,488,131,971	(3,888,467)	47,908,336 ¹	- ¹	1,532,151,840
Employer Advance Reserve	964,817,691	49,715,191	31,294,710	-	1,045,827,592
401(h) Account - OPEB	8,089,243	1,466,949	273,910	-	9,830,102
Total Employer Reserves	972,906,934	51,182,140	31,568,620 ¹	- ¹	1,055,657,694
Retired Member Reserves	4,588,919,033	(93,640,684)	159,129,569 ¹	- ¹	4,654,407,918
Supplemental Retiree Benefit Reserve:	911,503,016	(22,878,797)	30,864,398 ¹	- ¹	919,488,617
Contingency Reserve	84,515,635		(84,515,635) ²		-
Market Stabilization Reserve	73,293,645		-	(642,413,145)	(569,119,500)
Total Reserves at Fair Value	8,119,270,234	(69,225,808)	184,955,288	(642,413,145)	7,592,586,569

Notes: 1. Interest credited as of 12/31/18 includes \$269,470,923.19 of regular earnings and no excess earning allocation to either the SRBR Reserve or Non-SRBR reserves.

2. Amount includes reduction of the CRA by \$6,451,945.97 to restore the balance at 1% total assets as of 12/31/18; and subsequent withdrawal of \$78,063,688.82 to cover the semi-annual interest crediting shortfall at 12/31/18. As a result, the CRA balance at 12/31/18 was 0.0% of total assets.

ALAMEDA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
STATEMENT OF RESERVES
For the Year Ended December 31, 2018

	Beginning Balances 1/1/2018	Net Contributions Benefits, Refunds & Transfers 1/1 - 12/31/2018	Interest Crediting Process 6/30/18 & 12/31/2018 (3.8000%) and (3.3861%)	Allocation of Excess Earnings 6/30/18 & 12/31/2018 (0.1548%) & (0.0000%)	Ending Balances 12/31/2018
Member Reserves:					
Active Member Reserves	1,462,720,919	(32,713,602)	100,021,820 ¹	2,122,703 ¹	1,532,151,840
Employer Advance Reserve	916,408,841	64,784,633	63,329,276	1,304,842	1,045,827,592
401(h) Account - OPEB	7,582,098	1,674,239	562,029	11,736	9,830,102
Total Employer Reserves	923,990,939	66,458,872	63,891,305 ¹	1,316,578 ¹	1,055,657,694
Retired Member Reserves	4,445,419,417	(132,461,977)	334,314,777 ¹	7,135,701 ¹	4,654,407,918
Supplemental Retiree Benefit Reserve:	893,770,614	(49,684,661)	64,827,682 ¹	10,574,982 ¹	919,488,617
Contingency Reserve	77,124,340		(77,124,340) ²		-
Market Stabilization Reserve	309,073,327			(878,192,827)	(569,119,500)
Total Reserves at Fair Value	8,112,099,556	(148,401,368)	485,931,244	(857,042,863)	7,592,586,569

Notes: 1. Interest credited as of 06/30/18 and 12/31/18 were \$293,584,660.68 and \$269,470,923.19, respectively. Allocation of earnings above the assumed rate of return were \$21,149,964.53 as of 6/30/18 and \$0.00 as of 12/31/18.

2. Net amount includes addition to the CRA of \$7,391,294.62 as of 6/30/18 and reduction by \$6,451,945.97 as of 12/31/18, to restore the balance at 1% total assets; and subsequent withdrawals of \$0.00 and \$78,063,688.82 to cover the semi-annual interest crediting shortfall at 6/30/18 and 12/31/18, respectively. As a result, the CRA balance at 12/31/18 was about 0.00% of total assets.

**ALAMEDA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
SUPPLEMENTAL RETIREES' BENEFIT RESERVE (SRBR)
For the Ten Years Ended December 31, 2009 - December 31, 2018**

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Beginning Balance	\$ 677,383,980	\$ 658,702,779	\$624,166,664	\$ 602,906,726	\$570,878,929	\$ 643,056,500	\$ 789,826,877	\$ 853,842,371	\$ 874,385,246	\$ 893,770,614
Deductions:										
Transferred to Employers Advance Reserve	27,934,980	29,459,690	31,858,291	33,353,151	32,240,449	34,039,593	36,528,264	33,818,832	38,327,914	43,777,409
Employers Implicit Subsidy	4,149,463	5,287,767	4,402,603	4,411,206	7,370,466	6,992,822	5,320,953	6,021,451	8,787,596	5,800,563
Supplemental Cost of Living	3,534,754	2,984,499	2,556,221	2,345,527	2,067,218	1,849,140	1,555,924	1,350,784	1,231,500	1,134,613
Death Benefit - Burial - SRBR	747,163	810,675	746,102	791,492	5,525	223,529	213,909	187,081	187,060	196,576
ADEB (Active Death)	107,544	828,274	936,133	426,640	-	-	-	-	-	-
Total Deductions	<u>36,473,903</u>	<u>39,370,904</u>	<u>40,499,351</u>	<u>41,328,016</u>	<u>41,683,658</u>	<u>43,105,084</u>	<u>43,619,050</u>	<u>41,378,148</u>	<u>48,534,070</u>	<u>50,909,161</u>
Additions:										
Interest Credited to SRBR	17,792,703	4,834,790	19,239,412	9,300,219	38,786,516	54,031,947	62,722,797	60,730,023	66,715,938	64,827,682
Excess Earnings Allocation	-	-	-	-	75,074,713 (1)	132,455,002	43,770,247	-	-	10,574,982
Transferred from Employers Advance Reserve			-	-	-	3,388,512 (2)	1,141,500	1,191,000	1,203,500	1,224,500
Total Additions	<u>17,792,703</u>	<u>4,834,790</u>	<u>19,239,412</u>	<u>9,300,219</u>	<u>113,861,229</u>	<u>189,875,461</u>	<u>107,634,544</u>	<u>61,921,023</u>	<u>67,919,438</u>	<u>76,627,164</u>
Ending Balance	<u>\$ 658,702,779</u>	<u>\$ 624,166,664</u>	<u>\$602,906,726</u>	<u>\$ 570,878,929</u>	<u>\$643,056,500</u>	<u>\$ 789,826,877</u>	<u>\$ 853,842,371</u>	<u>\$ 874,385,246</u>	<u>\$ 893,770,614</u>	<u>\$919,488,617</u>

Notes

(1) The Excess Earnings allocation of \$75,074,713.03 is a total of \$72,013,436.53 from investment earning above the assumed rate of return and \$3,061,276.50 from additional excess earning made available from the dispersal of the Death Benefit-Burial Reserve as of 12/31/13.

(2) These amounts include reclassification of OPEB Administrative Expense contribution reimbursement activities and interest from January 2012 through June 2014; and normal activities for the six month period of July 2014 through December 2014. The SB 1479 reimbursements from the Employer Advance Reserve were inadvertently booked to the 401(h) account instead of SRBR. A total misclassified balance of \$2,649,500 and regular credited interest of \$182,511.54 were

Amounts are rounded to the nearest dollar and include <\$1 rounding differences.



MEMORANDUM TO THE RETIREES COMMITTEE

DATE: April 3, 2019

TO: Members of the Retirees Committee

FROM: Kathy Foster, Assistant Chief Executive Officer

SUBJECT: **Active Death Equity Benefit**

A handwritten signature in blue ink, appearing to read "Kathy Foster", is written over the printed name in the "FROM" field.

Under our existing law, the surviving, eligible spouse of an ACERA vested member who dies while an active member can elect to receive a lifetime continuance of 60% of the amount payable as a non-service connected disability based on the unmodified allowance. A member suffering from a potentially fatal illness can apply for retirement and select Option 2, which provides for a 100% continuance of a reduced allowance. The Active Death Equity Benefit (ADEB) was established so the members who suffer accidental or untimely deaths would also be able to provide such coverage for their surviving spouses.

The ADEB was provided until late 2012. It authorized the pre-funding of a supplemental benefit which, in combination with the 60% continuance, permitted an eligible surviving spouse to receive a total allowance equivalent to the reduced Option 2 - 100% continuance benefit. The pre-funding of the benefit was established for the lifetime of each participant at the time each new benefit was created.

From 2013 through 2018, a total of 25 active deaths occurred where an eligible spouse could have elected the ADEB, an average of four per year. Three were safety members.

Over the last five years in which the benefit was provided, the annual costs ranged from \$107,544 to \$936,133. Based on the Supplemental Retiree Benefit Reserve (SRBR) Policy, this benefit was discontinued at the discretion of the Board of Retirement due to decreasing SRBR sufficiency. It was to be reviewed again for consideration at such a time that the SRBR was believed to be sufficiently funded. At the time the benefit was discontinued, the balance in the SRBR was approximately \$571 million. It is currently over \$900 million. Therefore, it has been requested that this matter be brought to the Retirees Committee for discussion.



MEMORANDUM TO THE RETIREES COMMITTEE

DATE: April 3, 2019

TO: Members of the Retirees Committee

FROM: Kathy Foster, Assistant Chief Executive Officer *Kathy Foster*

SUBJECT: **Retired Member (Lump Sum) Death Benefit**

ACERA provides a one-time payment of \$1,000 to be paid upon the death of an ACERA retired member if that member retired from ACERA as their last employer. If a reciprocal agency was the last employer and that agency pays less than a \$1,000 death benefit, ACERA will supplement that benefit at a level which ensures the reciprocal retired member will receive at least a \$1,000 death benefit when considering the amount of death benefits paid by all reciprocal retirement systems combined. There is no minimum years of service requirement for this benefit.

On January 1, 2013, this benefit was reduced from \$5,000 to \$1,000. At that time the Board of Retirement (Board) had concerns about the sufficiency of the Supplemental Retiree Benefit Reserve (SRBR) as the projected payment period was close to 15 years, and the fund balance was at approximately \$571 million. Pursuant to the SRBR Policy, the Board made decisions at that time to eliminate the Active Death Equity Benefit and to decrease the retired lump sum death benefit in an attempt to preserve and prolong the solvency of the SRBR. However, it was stated that if there came a time when the fund was at a higher sufficiency level, these benefits would be reconsidered.

Last December, Staff provided the Retirees Committee with a report on death benefits paid for the twelve-month period through November 30, 2018. At that time a total of 204 death benefits had been paid at a total of \$194,000. Reciprocal agencies paid \$37,800, either a portion or the entire amount for nine reciprocal member deaths.

Staff obtained information from the other '37 Act Systems regarding retiree death benefits provided. As a range, three systems pay no benefit and ten systems pay \$5,000. Four systems pay \$1,000, one pays \$3,000, one pays \$3,500 and one pays \$4,000.


Using last year's total deaths of 204, we can project costs if ACERA were to increase the benefit to the following amounts, assuming ACERA pays the full benefit (no reciprocal system payments).

Benefit Amount	Total Cost
Leave at \$1,000	\$ 204,000
Increase to \$2,000	\$ 408,000
Increase to \$3,000	\$ 612,000
Increase to \$4,000	\$ 816,000
Increase to \$5,000	\$1,020,000

Staff looks forward to discussing this matter further and providing any further assistance.



MEMORANDUM TO THE RETIREES COMMITTEE

DATE: April 3, 2019
TO: Members of the Retirees Committee
FROM: Kathy Foster, Assistant Chief Executive Officer 
SUBJECT: **Semi-Annual Report on ACERA's Wellness Program**

Staff will review the attached presentation and discuss the following topics:

- Retiree Chronic Conditions
- Other Lifestyle Risks
- 2019 Activity and Wellness Walks at Lake Merritt
- 2019 Health and Wellness Fairs
- 2019 Wellness Passport
- Continuous Communication
- Establish Community Partnerships
- Updates to the Wellness Website

Attachment

Wellness Program Semi-Annual Report

Kathy Foster – Assistant CEO
April 3, 2019



Retiree Chronic Conditions

Taken from Kaiser 2018 Lifestyle Risk Report

- 73% of screened adults are either Overweight or Obese
- 38% are Pre-diabetic
- 22% are Diabetic
- 35% have Borderline to High Cholesterol Levels
- 17% have High Blood Pressure

Other Lifestyle Risks

- Retiree preventative screening rates are comparable or better than our peers but continued promotion is recommended
- 73% did not meet the minimum exercise recommendations and 57% were classified as sedentary

2019 Activity

- Segal Consulting conducted individual carrier meetings identifying wellness resources
 - Kaiser
 - UHC
 - VSP
 - Delta Dental
- Bi-weekly Workgroup Meetings
 - Staff created framework for 2019

2019 Wellness Walks at Lake Merritt

- **Friday, April 26th**
- 10:00AM to 12:00PM
- **Friday, August 23rd**
- 10:00AM to 12:00PM
- Walk is slightly over 3 miles
- Shorter walks will be led by ACERA team
- Vendors will be present at the entrance and at stations around the lake
 - Will provide hydration stations
 - Raffle Prizes

2018 ACERA Retiree Wellness Walk



2019 Health and Wellness Fairs

- 1. Wellness Open House**
- Friday, June 7th from 10:00AM to 3:00PM at ACERA with a focus on Physical Health
- 2. Financial Wellness Open House**
-Friday, July 12th from 10:00AM to 3:00PM at ACERA
- 3. Annual Health and Wellness Fair**
- Venue & Date to be Determined

2018 ACERA Health and Wellness Fair



2019 Wellness Passport

- Retirees who participate in all ACERA wellness events will get their passports stamped and become Wellness Champions
- Wellness Champions will receive:
 - Recognition on ACERA's Wellness Wall of Fame
 - Recognition at the year end events
 - A chance to win a Raffle Prize



Continuous Communication

- ACERA Wellness Site
(Wall of Fame)
- Email Campaign/Articles
- Newsletters - ACERA
- REAC Newsletters
- Presence at ACRE & REAC events

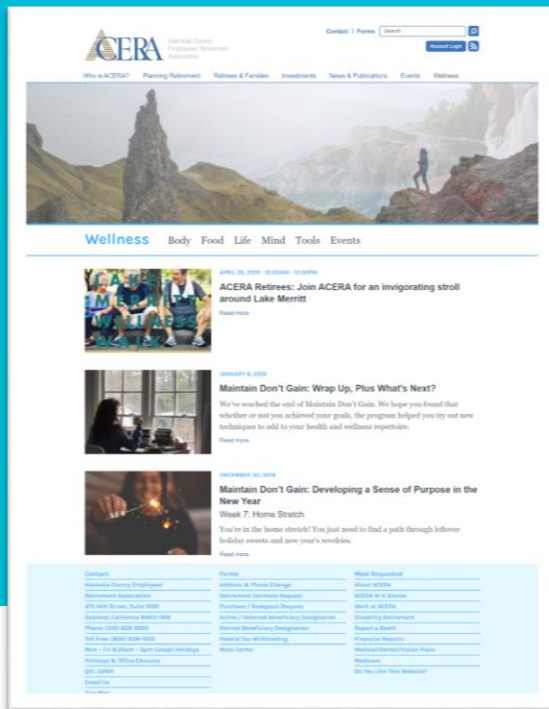
Establish Community Partnerships

- Oakland Senior Center
- Sierra Club
- Alameda County

Updates to the Wellness Website

- **Finding Balance campaign**
8-week stress reduction campaign
- **Maintain Don't Gain campaign**
8-week holiday weight control campaign
- Announcements and registration pages were created for our events:

- 2018 Wellness Walk,
- 2018 Annual Health Fair
- 2019 Wellness Events






MEMORANDUM TO THE RETIREES COMMITTEE

DATE: April 3, 2019

TO: Members of the Retirees Committee

FROM: Kathy Foster, Assistant Chief Executive Officer 

SUBJECT: **Via Benefits 2018 Year End Review**

Via Benefits will review the attached presentation and discuss the following topics.

- Medicare
 - Current State of Medicare
 - 2018 Call Statistics
 - Enrollment Statistics
 - Carrier Selections and Average Premiums
- Individual and Family Plan/IFP (Pre-65)
 - Current State of Individual Marketplace
 - 2018 Call Statistics and 2019 Enrollment Summary
 - Top Five Carrier Selections
- Voice of the Customer
- Funding Account Activity
- Service Level Agreements
- Client Services Annual Calendar
- Achievements and Enhancements

Attachment

2018 Year End Review

Individual Marketplace

ACERA

April 3, 2019

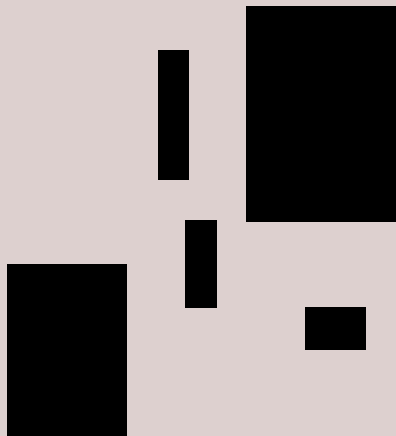
Presenters: Lisa Starr and Kris Gates



Agenda

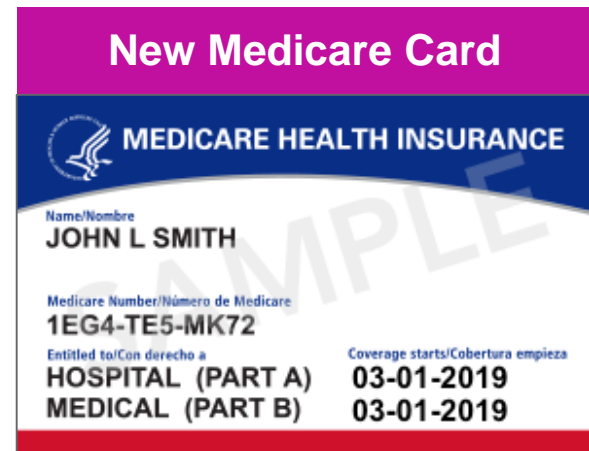
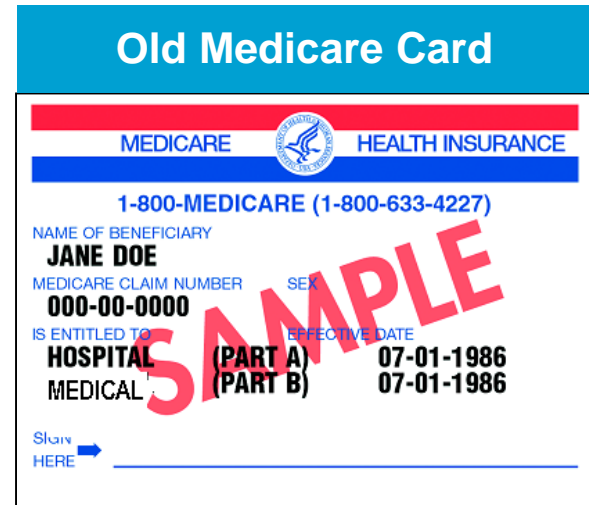
- 2018 Year in Review
 - Medicare
 - Individual and Family Plan/IFP (Pre-65)
 - Voice of the Customer
 - Funding Account Activity
 - Service Level Agreements
- Achievements and Enhancements

2018 Year in Review Medicare



The Current State of Medicare

- 2019 Part D prescription coverage gap; also known as the donut hole. Beneficiaries will pay no more than 25% for covered brand-name medications after they have met a \$3,820 threshold on covered medications.
- Medicare 2020 MACRA legislation and impacts to Medigap Plan C and Plan F. The next closest option is Medigap Plan G.
- New Medicare cards are in the mail. Beneficiaries may use the old Medicare card until Jan 1, 2020.



2018 Call Statistics, Age-in Enrollments, and 2019 Enrollment Plan Changes

Metric	Q1	Q2	Q3	Q4	Totals
Total Inbound Calls	1,743	810	829	1,548	4,930
Total Outbound Calls	556	1,091	322	445	2,414
Average Handle Time	19m 15s	21m 14s	21m 50s	29m 48s	23m 52s
Average Speed to Answer	1m 14s	15s	19s	40s	42s

Age-In Participants	Number Enrolled	Percentage Enrolled
502	45	8.96%

Original Plan	New Plan	2019 Changes	2018 Changes
Medicare Supplement	Medicare Supplement	16	14
Medicare Supplement	Medicare Advantage	0	1
Medicare Advantage	Medicare Advantage	5	6
Medicare Advantage	Medicare Supplement	1	1
Prescription Drug Plan	Prescription Drug Plan	122	106

Enrollment Statistics

at the end of 2018

Total Elected Plans

Total Eligible	Total Elected Plans	Percent Enrolled
10,763	1,592	14.79%

Enrollment Statistics

Plan Type	Enrollment
Medicare Advantage	135
Medicare Supplement	1,457
Part D	1,306

Medicare Advantage vs. Medicare Supplement

Medicare Advantage	Medicare Supplement
11.51%	88.49%

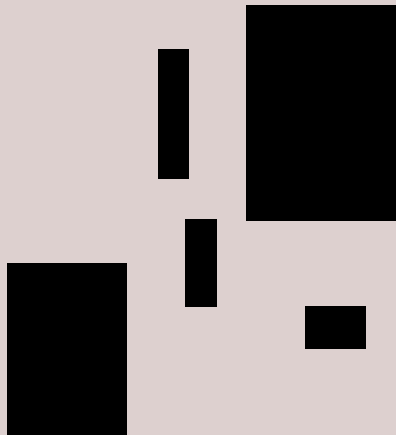
Carrier Selections and Average Premiums at the end of 2018

Top 5 Medical Carriers	Top 5 Part D Carriers
AARP Medicare Supplement Insured By UHC	SilverScript
Aetna	AARP Part D from UHC
Anthem BlueCross of California	Humana
Humana	Coventry Health Care
AARP Medicare Advantage from UHC	WellCare

Plan Type	Average Premium
Medicare Advantage	\$59
Medicare Supplement	\$171
Part D	\$33

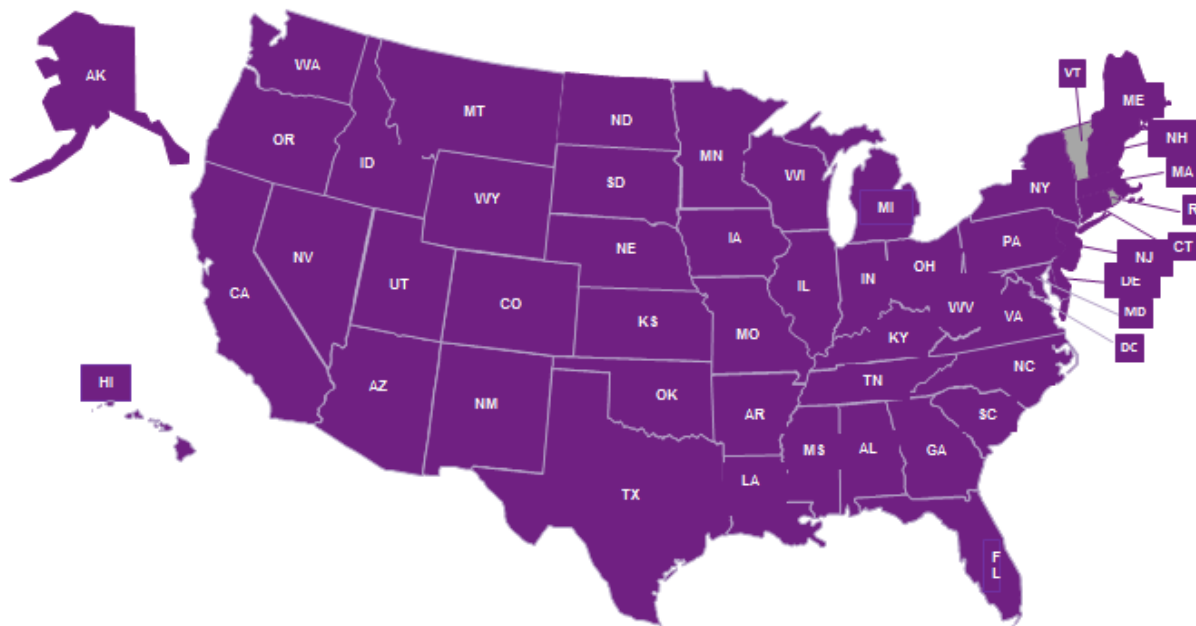
2018 Year in Review

Individual and Family Plan/IFP (Pre-65)



Current State of the Individual Marketplace

The marketplace has stabilized in the last year. There were zero counties with a gap in coverage for the 2018 Annual Enrollment Period.



- As in previous years, gaps in enrollment services exist in Vermont and Rhode Island due to state rules regarding out-of-state brokers.
- We continue to support Pre-65 retirees to the extent allowed in these states, including 3-way calls with state marketplace resources.
- We continue to offer all plans available on the public marketplace.

2018 Call Statistics and 2019 Enrollment Summary

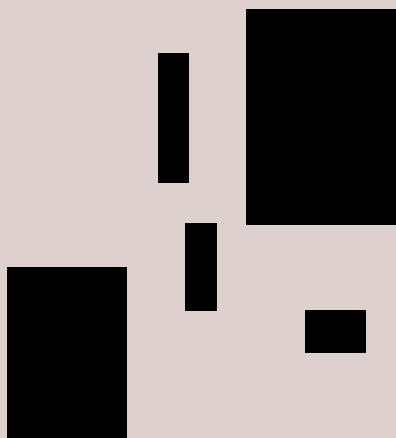
Metric	Q1	Q2	Q3	Q4	Totals
Total Inbound Calls	227	140	107	226	700
Total Outbound Calls	163	711	93	136	1,103
Average Handle Time	24m 16s	21m 10s	29m 48s	32m 00s	27m 20s
Average Speed to Answer	44s	16s	34s	1m 26s	51s

Plan Statistics	2018	2017
Eligible	263	271
Total Enrolled	31	42
Total Opted-in for Funding	28	80
Top Enrollment State	NV	ID
Enrollments: Qualified Health Plan	23	26
Enrollments: Non-Qualified Health Plan	8	16

Individual and Family Plan/IFP (Pre-65) Carrier Selections

Top 5 Medical Carriers
Health Plan of Nevada
Providence Health Plan
Blue Cross and Blue Shield of Texas
Select Health
Ambetter from SilverSummit Healthplan

2018 Year in Review Voice of the Customer



Medicare – Customer Satisfaction (CSAT)

“Overall, how satisfied are you with the service you received from Via Benefits?”

2018 Average Score – 4.2/5

Benchmark Score – 4.4/5



	2018	2018	2017	2017
CSAT Score*	Count	%	Count	%
5	119	61.3%	206	64.0%
4	32	16.5%	70	21.7%
3	16	8.2%	22	6.8%
2	17	8.8%	11	3.4%
1	10	5.2%	13	4.0%
	194	100%	322	100%

CSAT Scale:

5 = Very Satisfied

1 = Very Dissatisfied

*All 1 and 2 scores receive a call back

Individual and Family Plan – Customer Satisfaction (CSAT)

“Overall, how satisfied are you with the service you received from Via Benefits?”

2018 Average Score – 4.0/5

Benchmark Score – 4.1/5



	2018	2018	2017	2017
CSAT Score*	Count	%	Count	%
5	19	67.9%	27	57.4%
4	2	7.1%	6	12.8%
3	0	0.0%	6	12.8%
2	2	7.1%	1	2.1%
1	5	17.9%	7	14.9%
	28	100.0%	47	100.0%

CSAT Scale:

5 = Very Satisfied

1 = Very Dissatisfied

*All 1 and 2 scores receive a call back

Funding Account – Customer Satisfaction (CSAT)

“Overall, how satisfied are you with the service you received from Via Benefits?”

2018 Average Score – 3.07/5

Benchmark Score – 3.8/5



	2018	2018	2017	2017
CSAT Score*	Count	%	Count	%
5	23	24.2%	81	45.8%
4	18	18.9%	31	17.5%
3	18	18.9%	19	10.7%
2	15	15.8%	14	7.9%
1	21	22.1%	32	18.1%
	95	100.0%	177	100.0%

CSAT Scale:

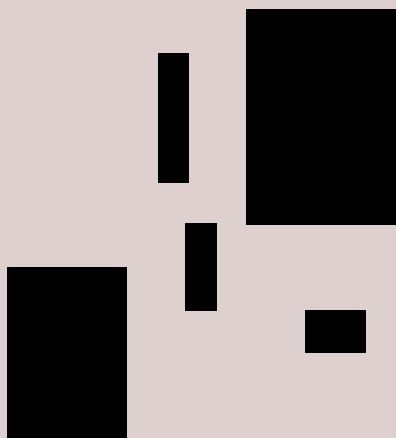
5 = Very Satisfied

1 = Very Dissatisfied

*All 1 and 2 scores receive a call back

2018 Year in Review

Funding Account Activity



2018 Funding Account Activity

Total Reimbursements Paid in Calendar Year

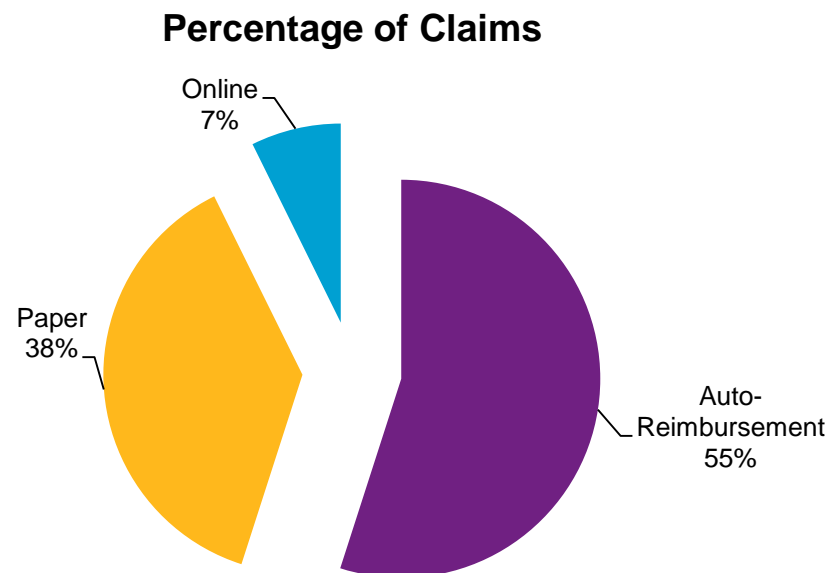
\$4,255,932.32

Reimbursement Activity	Q1	Q2	Q3	Q4
Accounts	1,414	1,443	1,465	1,491
Accounts with no reimbursements in plan year	160	144	136	134
Accounts with no reimbursements in plan year	11%	10%	9%	9%
Accounts with \$0 available balance	8	22	94	269

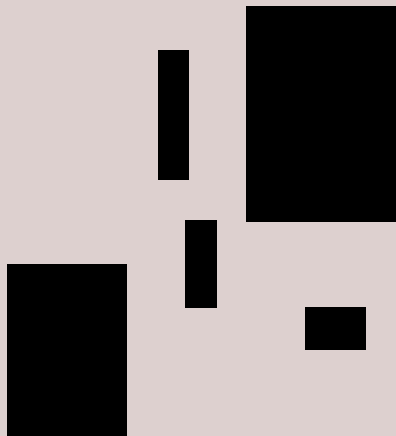
2018 Funding Account Activity (continued)

Direct Deposit Activity	2018	2017
Accounts	1,496	1,426
Accounts with Direct Deposit as of 12/31	830	772
Accounts with Direct Deposit as of 12/31	55.48%	54.14%

Submission Source	Number of Claims
Auto-Reimbursement	24,275
Paper	16,665
Online	3,229
Total	44,169



2018 Year in Review Service Level Agreements



2018 Service Level Agreement Performance

Metric	Standard	HRA % Penalty	Q1 2018	Q2 2018	Q3 2018	Q4 2018	Q4 Met?	Penalty Amount
Licensed Benefit Advisor	Benefit Advisors will be available on business days (Monday-Friday, from 8am to 9pm Eastern Time.) Benefit Advisors will not be available the following Extend standard holidays when business offices are closed: Martin Luther King Day, Presidents Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, Christmas Day, and New Year's Day.	2%	100%	100%	100%	100%	Y	\$ -
Reliability of Systems	Eligible Individuals who call the designated number will be greeted by an Interactive Voice Response (IVR) scripted message. The IVR will be operational at least 99% of each month excluding downtime for regularly scheduled maintenance which will be performed during off-peak hours.	2%	99%	99%	99%	99%	Y	\$ -
Average Speed to Answer	The average speed to answer shall be less than 8 minutes during the quarter that is the Annual Enrollment Period (October - December), and less than 5 minutes, on average, for each remaining quarter of the year.	2%	44 Seconds	15 Seconds	20 Seconds	40 Seconds	Y	\$ -

2018 Service Level Agreement Performance (continued)

Metric	Standard	HRA % Penalty	Q1 2018	Q2 2018	Q3 2018	Q4 2018	Q4 Met?	Penalty Amount
Customer Service	Extend shall respond to at least 95% of issues reported by individual retirees and escalated to Extend by Client within two (2) business days of receipt of issue.	2%	100% contacted within 48 business hours	100% contacted within 48 business hours	100% contacted within 48 business hours	100% contacted within 48 business hours	Y	\$ -
Website Availability	The performance standard is 99 percent availability, 24 hours a day, 7 days a week, excluding pre-scheduled maintenance releases by the vendor.	2%	99.84%	99.03%	99.45%	99.35%	Y	\$ -
Claim Processing Turnaround Time	Towers Watson agrees claim processing will average two (2) business days or less calculated from the time the claim was received until it is adjudicated by an examiner. Additionally, 98% of all claims will be processed within five (5) business days.	2%	0.89 Days	0.97 Days	0.24 Days	0.57 Days	Y	\$ -
Claim Financial Precision	Towers Watson agrees to a 98% or better Financial Precision measure defined as Total Amount Approved to the Total Correct Amount Approved for the audited claim details. This will be calculated as: $1 - ((\text{Total Paid} - \text{Correct Paid}) / \text{Total Paid})$	2%	99.61%	98.95%	98.52%	99.49%	Y	\$ -

2018 Service Level Agreement Performance (continued)

Metric	Standard	HRA % Penalty	Q1 2018	Q2 2018	Q3 2018	Q4 2018	Q4 Met?	Penalty Amount
Customer Service Call Center Abandon Rate	Towers Watson agrees to a 5% or less Abandonment Rate calculated as the total number of calls transferred from the IVR that disconnect before reaching an agent divided by the total number of the calls transferred by the IVR.	2%	0.35%	0.46%	0.79%	1.76%	Y	\$ -
Customer Service Average Speed to Answer	Incoming telephone calls, on average, shall be answered within thirty (30) seconds.	2%	5 Seconds	4.9 Seconds	6.4 Seconds	12.9 Seconds	Y	\$ -
Web Services	Towers Watson agrees to 99% availability exclusive of scheduled maintenance.	2%	>99%	>99%	>99%	>99%	Y	\$ -
							Total Penalties	\$ -

Summary of Participant Inquiry Log

2018 Participant Log	Results
Total Inquiries	100
Average Days to Resolution	10.7
% of Inquiries vs. Call Volume	2.02%

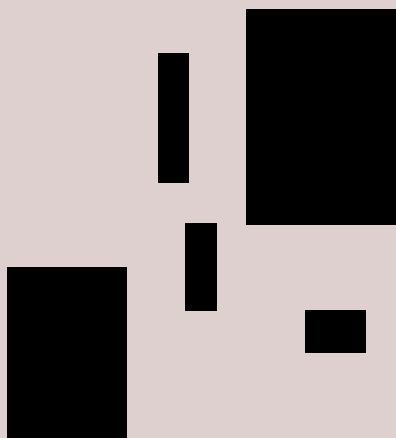
Most frequently submitted inquiry types:

- Reimbursement
- Enrollment Request
- General Questions

Client Services Annual Calendar

Quarter	Event
Q1	<ul style="list-style-type: none"> ▪ Recurring Premium Reimbursement Form ▪ Annual Year End Review ▪ Funding Account Balance Reminder Mailing
Q2	<ul style="list-style-type: none"> ▪ Spring Medicare Newsletter ▪ Spring IFP Newsletter ▪ Communication Guide Review
Q3	<ul style="list-style-type: none"> ▪ Annual Enrollment Readiness Presentation ▪ Medicare Fall Newsletter begins ▪ Fall Funding Account Balance Reminder Mailing
Q4	<ul style="list-style-type: none"> ▪ IFP Fall Newsletter ▪ Medicare Annual Enrollment ▪ IFP Annual Enrollment ▪ Funding Account Plan Readiness

Achievements and Enhancements



2018 Achievements and Enhancements

Participant Experience:

- Via Benefits Branding Change Communication
- New version enhancements of the Spring and Fall Newsletters
- Access funding account balance and Medicare reimbursement forms through our IVR automated system
- Enhanced prescription comparison tool on the website
- Use Medicare Beneficiary Identifier (MBI) number in lieu of social security number in the online website tools and with customer service
- Live Educational meetings (see more information on next page)

Client Experience:

- New BenefitView™ Portal
- Enhanced participant inquiry portal, The Gateway, and new reporting tools available 24/7
- Added MBI number to Detailed Election Report (DER) if available
- Updated reporting code fields



2018 Achievements and Enhancements (continued)

Live Educational Retiree Meetings

- Retiree education meetings held at retiree-friendly venues throughout the country
- Active participants ready to retire are welcome
- Opportunity for face-to-face interactions with our retiree meeting specialists
- Positive feedback from HR Managers and retirees/future retirees that attended
- A higher percentage of people attending the meetings enrolled compared to the usual enrollment numbers



Enhancements Coming in 2019

Participant Experience:

- Creating a singular Pre-65 and Medicare participant experience on our website
- New login and registration experience, including multifactor security authentication
- Integrated shop and compare experience, supporting households with both Medicare-eligible and Pre-65 family members
- Online enrollment for Pre-65 participants
- Refinement of the Prescription Profile tool for Medicare participants and introduction for Pre-65 participants
- Prescription Coverage Checkup tool update to proactively analyze participant's current Rx plan compared to more cost effective plan options

Client Experience:

- Introducing a Medicare Retiree microsite – helping employees planning for retirement as well as new retirees learn what we do and what they should consider
- New Mobile App enabling participants to manage their Benefits Accounts funding account via mobile devices





MEMORANDUM TO THE RETIREES COMMITTEE

DATE: April 3, 2019

TO: Members of the Retirees Committee

FROM: Ismael Piña, Assistant Benefits Manager

SUBJECT: **Miscellaneous Updates**

A handwritten signature in black ink, appearing to read "Ismael Piña", is placed to the right of the "FROM:" line.

This memo is to provide the Retirees Committee information on various monthly topics, which impact both retirees and ACERA Staff. This month's report provides an update regarding 1) the transition from the third party Health Reimbursement Arrangement/Account (HRA) administrator (PayFlex) to Via Benefits' in-house HRA administration, and 2) the Via Benefits live informational seminars.

Transition to Via Benefits' In-House HRA Administration

Effective March 29, 2019, the HRA administration will be transitioned from Via Benefits' third party administrator, PayFlex, to its own in-house system. Via Benefits' HRA administration system was designed around the retiree, giving the customer service representatives quicker access to retiree information related to account activity, the status of reimbursement requests, order forms, and providing help with reimbursement requests. In addition, the communications capability to the retiree will expand to include email and text options.

Retirees will also benefit from the new website look and accessible online features. The quick access icons will allow for easier submission of new claims, access to payment history, statements, the uploading of images and documents, and the submission for a help tickets. All to provide a better experience for retirees.

The attached announcement regarding the transition was mailed to ACERA retirees on February 22, 2019.

Live Informational Seminars

Via Benefits is hosting live informational seminars to provide additional hands-on support to participants who are aging into Medicare. During the seminar, presenters will review the basics of Medicare, and the type of Medicare plans available on the market. They will also go over services, and the benefits of using Via Benefits. These seminars will be held at various locations across the country. The invitation postcards (see sample attached) will be sent to participants turning age 65 from March 1, through August 1, 2019, and include seminar logistics. Members turning age 65 nationwide regardless of their current medical plan enrollment who reside within a 70-mile radius of a seminar location will be invited to attend. Seminar representatives will not be enrolling anyone in plans or answering questions pertaining to their current plan coverage.

Attachments



Information Center

2105 West 2300 South

Salt Lake City, UT 84119

PRST FIRST CLASS
U.S. POSTAGE
PAID
SALT LAKE CITY, UT
PERMIT # 766



1 1 SP 0.900
*****SNGLP T1 P1
<First Name> <Last Name>
<Employer>
<Address Line 1>
<Address Line 2>
<City>, <State> <ZIP CODE>

Via Benefits Announcement

Via Benefits (formerly OneExchange) will be performing an enhancement to our funding and reimbursement platform. Look inside to see some of the coming enhancements.

IMPORTANT ANNOUNCEMENT

Via Benefits Enhancement Announcement

Via Benefits (formerly OneExchange) will be enhancing our funding and reimbursement platform. During the enhancement process, all reimbursement requests submitted manually from <date> to <date>, will be delayed and processed after <date>. Your automatic premium reimbursements will be processed as normal. Please note during this enhancement process the reimbursement center will be offline. The Via Benefits website will be available during the enhancement process, where you will be able to download forms, view your health plans and see your allocations.

With the enhancement to the funding platform, the Explanation of Benefits (EOB) Account Statement is sent to assist you in understanding how your claim(s) are processed. The EOB will now include your account balance information in addition to any pending reimbursement requests and overpayments/offsets that may have occurred. If there is a denied reimbursement request, the Denial Statement will now show why it was denied and what action steps are needed. Direct deposit reimbursements will now indicate the reimbursement source as Via Benefits.

Via Benefits will be a one stop shop as the customer service representative will now be able to look at account activity, order personalized barcoded forms, see denied reimbursement requests, view overpayments and help with reimbursement requests.

The personalized barcoded forms will enhance the process with the updated funding and reimbursement platform. The barcode allows the forms to be auto-indexed for faster processing of your reimbursement requests. Please note that personalized barcoded forms were mailed last fall to you. Going forward, you will be able to download the personalized forms through your online portal or request them through a Via Benefits customer service representative.

Once the enhancement process is completed on <date>, the website will have a new look and feel. The funding and reimbursement platform was designed around the participant, giving you quick access to the information you need. Below are some of the features of the enhanced website.

Website Highlights

Accessible online features:

- Submit reimbursements and supporting documentation online
- Enroll in direct deposit
- Set up personal preferences:
 - E-notifications
 - Personal profile
- View account balance, activity, history and alerts
- View and print personalized forms
- View payments
- Contact customer service

Go online at My.ViaBenefits.com/Funds

View account balance, recent activity and alerts. Use the quick access icons to Enter New Claims, Manage/Pay Claims and Enter Help Ticket. The top menu allows more access, such as payment history, statements, uploaded images and profile.

The screenshot shows the My.ViaBenefits.com/Funds website. The top navigation bar includes links for Home, Accounts, Claims, Images, Payments, and Profile. A welcome message "Welcome John." is displayed. Below the welcome message are three quick access icons: "Manage/Pay Claims", "Enter New Claims", and "Enter Help Ticket". The main content area is divided into two sections: "ALERTS" and "RECENT ACTIVITY".

ALERTS

- Go Paperless

ACCOUNT BALANCE(S)

Health Reimbursement Arrangement
\$1,000.00

*Usable amount within a plan year may vary based on the plan rules set by your employer. See the Accounts page for details.

MORE ACCOUNT OPTIONS

- [View Forms](#)
- [View Links](#)
- [View Statements](#)
- [View Help Tickets](#)

RECENT ACTIVITY

JAN 01	Insurance Carrier Pay to Self from HRA	Approved	- \$100.00
JAN 01	Contribution Contribution to HRA	Approved	\$100.00
JAN 01	Insurance Carrier Pay to Self from HRA	Approved	- \$100.00
JAN 01	Contribution Contribution to HRA	Approved	\$100.00
JAN 01	Insurance Carrier Pay to Self from HRA	Approved	- \$100.00

[View All Activity >>](#)



Information Center
4080 South 500 West
Salt Lake City, UT 84123

PRST FIRST CLASS
U.S. POSTAGE
PAID
SALT LAKE CITY, UT
PERMIT #953

CLIENT LOGO

11 SP 0.900
*****SNGLP T1 P1
<First Name> <Last Name>
<Address Line 1>
<Address Line 2>
<City>, <State> <ZIP CODE>

You're Invited!

**Discover how Via Benefits can help you
navigate the complexities of Medicare.**

Join us on June 26 to learn about Via Benefits services

Medicare is complex – we'll help simplify it

Join our informational meetings on June 26 to learn how our free service can assist you in getting the coverage you need.

At the meeting, we'll review:

- The different parts of Medicare
- How we work with you
- How Via Benefits Insurance Services may save you time and money

Via Benefits is not an insurance company, rather a comprehensive service to help you find the plan that fits your health needs and budget.

All at no cost to you!

June 26, 2018

Two 90 minute meetings to choose from
10:00 a.m. or 1:30 p.m.

Meeting address

Sheraton Crescent
2620 W. Dunlap Avenue
Phoenix, AZ 85021

RSVP – we'll save you a seat or two
1-800-955-3707

Beverages and snacks will be provided

We look forward to seeing you!