



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

**RETIREES 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, July 2, 2025
9:30 a.m.**

LOCATION AND TELECONFERENCE	COMMITTEE MEMBERS	
	ELIZABETH ROGERS, CHAIR	ELECTED RETIRED
	KEITH CARSON, VICE CHAIR	APPOINTED
	HENRY LEVY	TREASURER
	STEVEN WILKINSON	APPOINTED
	GEORGE WOOD	ELECTED GENERAL
ACERA C.G. "BUD" QUIST BOARD ROOM 475 14TH STREET, 10TH FLOOR OAKLAND, CALIFORNIA 94612-1900 MAIN LINE: 510.628.3000 FAX: 510.268.9574		
The public can observe the meeting and offer public comment by using the below Webinar ID and Passcode after clicking on the below link or calling the below call-in number.		
Link: https://zoom.us/join		
Call-In: 1 (669) 900-6833 US		
Webinar ID: 879 6337 8479		
Passcode: 699406		
For help joining a Zoom meeting, see: https://support.zoom.us/hc/en-us/articles/201362193		

The Alternate Retired Member votes in the absence of the Elected Retired Member, or, if the Elected Retired Member is present, then votes if both Elected General members, or the Safety Member and an Elected General member, are absent.

The Alternate Safety Member votes in the absence of the Elected Safety Member, either of the two Elected General Members, or both the Retired and Alternate Retired members.

This is a meeting of the Retirees Committee if a quorum of the Retirees Committee attends, and it is a meeting of the Board if a quorum of the Board attends. This is a joint meeting of the Retirees Committee and the Board if a quorum of each attends.

Note regarding accommodations: If you require a reasonable modification or accommodation for a disability, please contact ACERA between 9:00 a.m. and 5:00 p.m. at least 72 hours before the meeting at accommodation@acera.org or at 510-628-3000.

Public comments are limited to four (4) minutes per person in total. The order of items on the agenda is subject to change without notice. Board and Committee agendas and minutes and all documents distributed to the Board or a Committee in connection with a public meeting (unless exempt from disclosure) are posted online at www.acera.org and also may be inspected at 475 14th Street, 10th Floor, Oakland, CA 94612-1900.

RETIREES COMMITTEE/BOARD MEETING

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Call to Order: 9:30 a.m.

Roll Call

Public Input (Time Limit: 4 minutes per speaker)

Action Items: Matters for discussion and possible motion by the Committee

1. Adoption of 2026 Monthly Medical Allowance for Group Plans

Discussion and possible motion to recommend that the Board of Retirement adopt the Monthly Medical Allowance (MMA) paid to eligible retirees in group plans for Plan Year 2026. The Group Plan MMA is stated as a monthly dollar amount which varies by years of service credit and can only be used to pay for ACERA-sponsored health plan premiums.

- Carlos Barrios

Recommendation

Staff recommends that the Retirees Committee recommend to the Board of Retirement (Board) a motion to increase the 2026 Group Plan Monthly Medical Allowance (MMA) by 3.75% for eligible retirees in the group plans, in accordance with the substantive plan definition adopted under GASB 43 equal to 50% of the rate of health care inflation assumptions provided by ACERA's actuary, which results in a MMA maximum of \$687.21 for the Plan Year 2026. The MMA contribution is a non-vested benefit subject to possible reduction or elimination if Board policies change or funds are unavailable. This benefit is funded by contributions from ACERA employers to the 401(h) account. After contributions are made, in accordance with the County Employees Retirement Law, ACERA treats an equal amount of Supplemental Retiree Benefit Reserve assets as employer contributions for pensions.

2. Adoption of 2026 Monthly Medical Allowance for Early Retiree Individual Plans

Discussion and possible motion to recommend that the Board of Retirement adopt a Monthly Medical Allowance (MMA), which will be provided to qualified early (non-Medicare eligible) retirees enrolled in Individual Plans through the Health Exchange for the 2026 Plan Year. The MMA is a suggested dollar limit used for specific medical cost reimbursement through Health Reimbursement Accounts. The MMA is set as a monthly amount which varies by years of service credit.

- Carlos Barrios

Recommendation

Staff recommends that the Retirees Committee recommend to the Board of Retirement (Board) a motion to increase the 2026 Individual Plan Monthly Medical Allowance (MMA) by 3.75% for eligible qualified early (non-Medicare) retirees enrolled in individual plans through the Health Exchange, in accordance with the substantive plan definition adopted under GASB 43 equal to 50% of the rate of

RETIREES COMMITTEE/BOARD MEETING

NOTICE and AGENDA, Page 3 of 4 – Wednesday, July 2, 2025

health care inflation assumptions provided by ACERA's actuary, which results in a MMA maximum of \$687.21 for Plan Year 2026. The MMA contribution is a non-vested benefit subject to possible reduction or elimination if Board policies change or funds are unavailable. This benefit is funded by contributions from ACERA employers to the 401(h) account. After contributions are made, in accordance with the County Employees Retirement Law, ACERA treats an equal amount of Supplemental Retiree Benefit Reserve assets as employer contributions for pensions.

3. Adoption of 2026 Monthly Medical Allowance for Medicare Eligible Retiree Individual Plans

Discussion and possible motion to recommend that the Board of Retirement adopt a Monthly Medical Allowance (MMA), which will be provided to qualified Medicare eligible retirees enrolled in Individual Plans through the Medicare Exchange for the 2026 Plan Year. The MMA is a suggested dollar limit used for specific medical cost reimbursement through Health Reimbursement Accounts. The MMA is set as a monthly amount which varies by years of service credit.

- Carlos Barrios

Recommendation

Staff recommends that the Retirees Committee recommend to the Board of Retirement (Board) a motion to increase the 2026 Individual Plan Monthly Medical Allowance (MMA) by 3.75% for qualified Medicare eligible retirees enrolled in individual plans through the Medicare Exchange, in accordance with the substantive plan definition adopted under GASB 43 equal to 50% of the rate of health care inflation assumptions provided by ACERA's actuary, which results in a MMA maximum of \$526.46 for Plan Year 2026. The MMA contribution is a non-vested benefit subject to possible reduction or elimination if Board policies change or funds are unavailable. This benefit is funded by contributions from ACERA employers to the 401(h) account. After contributions are made, in accordance with the County Employees Retirement Law, ACERA treats an equal amount of Supplemental Retiree Benefit Reserve assets as employer contributions for pensions.

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

1. Report on Dental and Vision Plans Experience and Utilization

Segal, ACERA's Benefits Consultant, will report on claims experience and plan utilization for ACERA retirees enrolled in ACERA-sponsored Dental and Vision Plans.

- Carlos Barrios
- Stephen Murphy, Segal
- Michael Szeto, Segal

RETIREES COMMITTEE/BOARD MEETING

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Trustee Remarks

Future Discussion Items

- Adoption of Dental Plan Contributions for 2026
- Adoption of Vision Plan Contributions for 2026

Establishment of Next Meeting Date

August 6, 2025, at 9:30 a.m.


Adjournment



MEMORANDUM TO THE RETIREES COMMITTEE

DATE: July 2, 2025

TO: Members of the Retirees Committee

FROM: Carlos Barrios, Assistant Chief Executive Officer 

SUBJECT: **Monthly Medical Allowance for 2026**

Last month, Staff provided information regarding the Monthly Medical Allowance (MMA) for 2026. Staff provided the cost impacts to the MMA as a result of leaving the amount at the current rate or increasing the MMA by 3.75% for 2026. These amounts are summarized below. Attached is a chart with current plan premiums and enrollment numbers, a chart with assumptions using premium increases, and a chart with both premium and MMA increases, which were also provided last month.

GROUP PLANS COSTS

Plan Year	20+ Years MMA	Annual Cost Summary	
2025	\$662.37	Current premiums and MMA:	\$25,949,045
2026	\$687.21	Increase in premiums only:	\$27,251,476
2026	\$687.21	Increase in premiums and MMA:	\$27,573,328

INDIVIDUAL PLAN COSTS – Early (Non-Medicare) Retirees Living Outside ACERA’s HMO Service Area

Years of Service Category	Number of Members	Monthly MMA Amount	Annual MMA Amount	Maximum Annual MMA Amount
10 - 14 Years	21	\$ 331.19	\$ 3,974.28	\$ 83,459.88
15 - 19 Years	24	\$ 496.78	\$ 5,961.36	\$ 143,072.64
20 + Years	176	\$ 662.37	\$ 7,948.44	\$ 1,398,925.44
Totals	221			\$ 1,625,457.96
Totals with 3.75% Increase	221			\$ 1,686,415.32

INDIVIDUAL PLAN COSTS – Medicare Eligible Retirees

Years of Service Category	Number of Members	Monthly MMA Amount	Annual MMA Amount	Maximum Annual MMA Amount
10 - 14 Years	228	\$ 253.72	\$ 3,044.64	\$ 694,177.92
15 - 19 Years	237	\$ 380.57	\$ 4,566.84	\$ 1,082,341.08
20 + Years	1,195	\$ 507.43	\$ 6,089.16	\$ 7,276,546.20
Totals	1,660			\$ 9,053,065.20
Totals with 3.75% Increase	1,660			\$ 9,392,587.08

According to the numbers compiled above, ACERA's current total estimated annual costs are \$36,627,568. This estimated annual cost assumes all those enrolled in the Health and Medicare Exchanges will use their full Health Reimbursement Account balances. If premiums increase and the MMA is increased, the total estimated annual cost would be \$38,652,330. The total estimated increase would be \$2,024,762 (\$1,302,431 due to group plans premium increase and \$722,331 due to MMA increase).

Discussion and Recommendations

Last month, some points to consider in making a decision to increase the MMA or to leave it the same amount for 2026 were discussed as follows:

- 2026 health care premium costs and the anticipated impact of the Inflation Reduction Act on Medicare rates are unknown.
- In 2024, \$85,440,749 was credited to the SRBR (includes interest credited at the assumed rate of return of 3.500% for regular earnings, there was no crediting of earnings above the assumed rate of return).
- On a preliminary basis, Segal projects 20 years of benefits payable from the SRBR, which is a decrease in the sufficiency period by 3.08 years compared to last year's projection. Projections have exceeded the SRBR Policy's 15-year goal since 2013.
- The Implicit Subsidy for 2025 is estimated to be about \$6,936,733 higher than the cost for 2024.
- Annual payee numbers are increasing by about 2.24% on average for the five-year period 2020 through 2024.
- ACERA's overall SRBR costs decreased by 0.77% in 2024, compared to a 5.21% increase in 2023.

Based on the analysis and information provided, Staff's recommendation is to increase the MMA for 2026 by 3.75%.

Recommendation Number One

Staff recommends that the Retirees Committee recommend to the Board of Retirement (Board) a motion to increase the 2026 Group Plan Monthly Medical Allowance (MMA) by 3.75% for eligible retirees in the group plans, in accordance with the substantive plan definition adopted under GASB 43 equal to 50% of the rate of health care inflation assumptions provided by ACERA's actuary, which results in a MMA maximum of \$687.21 for the Plan Year 2026. The MMA contribution is a non-vested benefit subject to possible reduction or elimination if Board policies change or funds are unavailable. This benefit is funded by contributions from ACERA employers to the 401(h) account. After contributions are made, in accordance with the County Employees Retirement Law, ACERA treats an equal amount of Supplemental Retiree Benefit Reserve assets as employer contributions for pensions.

Recommendation Number Two

Staff recommends that the Retirees Committee recommend to the Board of Retirement (Board) a motion to increase the 2026 Individual Plan Monthly Medical Allowance (MMA) by 3.75% for eligible qualified early (non-Medicare) retirees enrolled in individual plans through the Health Exchange, in accordance with the substantive plan definition adopted under GASB 43 equal to 50% of the rate of health care inflation assumptions provided by ACERA's actuary, which results in a MMA maximum of \$687.21 for Plan Year 2026. The MMA contribution is a non-vested benefit subject to possible reduction or elimination if Board policies change or funds are unavailable. This benefit is funded by contributions from ACERA employers to the 401(h) account. After contributions are made, in accordance with the County Employees Retirement Law, ACERA treats an equal amount of Supplemental Retiree Benefit Reserve assets as employer contributions for pensions.

Recommendation Number Three

Staff recommends that the Retirees Committee recommend to the Board of Retirement (Board) a motion to increase the 2026 Individual Plan Monthly Medical Allowance (MMA) by 3.75% for qualified Medicare eligible retirees enrolled in individual plans through the Medicare Exchange, in accordance with the substantive plan definition adopted under GASB 43 equal to 50% of the rate of health care inflation assumptions provided by ACERA's actuary, which results in a MMA maximum of \$526.46 for Plan Year 2026. The MMA contribution is a non-vested benefit subject to possible reduction or elimination if Board policies change or funds are unavailable. This benefit is funded by contributions from ACERA employers to the 401(h) account. After contributions are made, in accordance with the County Employees Retirement Law, ACERA treats an equal amount of Supplemental Retiree Benefit Reserve assets as employer contributions for pensions.

ACERA
Out-of-Pocket Expenses for Retirees in Group Plans - PLAN YEAR 2025

Current Premiums and MMA

Plan	Years of Service	Under 10 Years	10 - 14 Years	15 - 19 Years	20 + Years	Total Enrolled
	2025 MMA	\$ -	\$ 331.19	\$ 496.78	\$ 662.37	
Early Retirees Plans						
Kaiser Permanente HMO (Early Retirees)	Projected # Enrolled (2025 plan year)	1	39	62	608	710
	Total Premium (2025)	\$ 1,097.88	\$ 1,097.88	\$ 1,097.88	\$ 1,097.88	
	Projected Subsidy Paid by ACERA	\$ -	\$ 331.19	\$ 496.78	\$ 662.37	
	Projected Premium Paid by Retiree	\$ 1,097.88	\$ 766.69	\$ 601.10	\$ 435.51	
UnitedHealthcare SignatureValue HMO (Early Retirees)	Projected # Enrolled (2025 plan year)	1	1	3	61	66
	Total Premium (2025)	\$ 1,594.36	\$ 1,594.36	\$ 1,594.36	\$ 1,594.36	
	Projected Subsidy Paid by ACERA	\$ -	\$ 331.19	\$ 496.78	\$ 662.37	
	Projected Premium Paid by Retiree	\$ 1,594.36	\$ 1,263.17	\$ 1,097.58	\$ 931.99	
UnitedHealthcare SignatureValue Advantage HMO (Early Retirees)	Projected # Enrolled (2025 plan year)	0	9	12	91	112
	Total Premium (2025)	\$ 1,042.48	\$ 1,042.48	\$ 1,042.48	\$ 1,042.48	
	Projected Subsidy Paid by ACERA	\$ -	\$ 331.19	\$ 496.78	\$ 662.37	
	Projected Premium Paid by Retiree	\$ 1,042.48	\$ 711.29	\$ 545.70	\$ 380.11	
Total Plan Enrollees (Early Retirees)						888
Kaiser Senior Advantage Medicare Plan						
Kaiser Senior Advantage	Projected # Enrolled (2025 plan year)	28	475	552	3305	4360
	Total Premium (2025)	\$ 375.22	\$ 375.22	\$ 375.22	\$ 375.22	
	Projected Subsidy Paid by ACERA	\$ -	\$ 331.19	\$ 375.22	\$ 375.22	
	Projected Premium Paid by Retiree	\$ 375.22	\$ 44.03	0.00	0.00	
Total Kaiser Senior Advantage Medicare Plan Enrollees						4360
Projected Annual Cost by Years of Service			\$2,082,523	\$2,944,482	\$20,922,040	\$25,949,045

Total Projected Annual Cost: \$25,949,045

ACERA
Out-of-Pocket Expenses for Retirees in Group Plans - PLAN YEAR 2026

Assumes 0% Increase to MMA and Projected Increase to Premiums

Plan	Years of Service	Under 10 Years	10 - 14 Years	15 - 19 Years	20 + Years	Total Enrolled
	Projected (2026) MMA	\$ -	\$ 331.19	\$ 496.78	\$ 662.37	
Early Retirees Plans						
Kaiser Permanente HMO (Early Retirees) Assumes 7.75% Increase	Projected # Enrolled (2025 plan year)	1	39	62	608	710
	Total Premium (2026)	\$ 1,182.97	\$ 1,182.97	\$ 1,182.97	\$ 1,182.97	
	Projected Subsidy Paid by ACERA	\$ -	\$ 331.19	\$ 496.78	\$ 662.37	
	Projected Premium Paid by Retiree	\$ 1,182.97	\$ 851.78	\$ 686.19	\$ 520.60	
UnitedHealthcare SignatureValue HMO (Early Retirees) Assumes 7.75% Increase	Projected # Enrolled (2025 plan year)	1	1	3	61	66
	Total Premium (2026)	\$ 1,717.92	\$ 1,717.92	\$ 1,717.92	\$ 1,717.92	
	Projected Subsidy Paid by ACERA	\$ -	\$ 331.19	\$ 496.78	\$ 662.37	
	Projected Premium Paid by Retiree	\$ 1,717.92	\$ 1,386.73	\$ 1,221.14	\$ 1,055.55	
UnitedHealthcare SignatureValue Advantage HMO (Early Retirees) Assumes 7.75% Increase	Projected # Enrolled (2025 plan year)	0	9	12	91	112
	Total Premium (2026)	\$ 1,123.27	\$ 1,123.27	\$ 1,123.27	\$ 1,123.27	
	Projected Subsidy Paid by ACERA	\$ -	\$ 331.19	\$ 496.78	\$ 662.37	
	Projected Premium Paid by Retiree	\$ 1,123.27	\$ 792.08	\$ 626.49	\$ 460.90	
	Total Plan Enrollees (Early Retirees)					888
Kaiser Senior Advantage Medicare Plan						
Kaiser Senior Advantage Assumes 7.50% Increase	Projected # Enrolled (2025 plan year)	28	475	552	3305	4360
	Total Premium (2026)	\$ 403.36	\$ 403.36	\$ 403.36	\$ 403.36	
	Projected Subsidy Paid by ACERA	\$ -	\$ 331.19	\$ 403.36	\$ 403.36	
	Projected Premium Paid by Retiree	\$ 403.36	\$ 72.17	0.00	0.00	
Total Kaiser Senior Advantage Medicare Plan Enrollees					4360	
Projected Annual Cost by Years of Service						\$27,251,476

Total Projected Annual Cost: \$27,251,476

ACERA
Out-of-Pocket Expenses for Retirees in Group Plans - PLAN YEAR 2026

Assumes 3.75% Increase to MMA and Projected Increase to Premiums

Plan	Years of Service	Under 10 Years	10 - 14 Years	15 - 19 Years	20 + Years	Total Enrolled
	Projected (2026) MMA	\$ -	\$ 343.61	\$ 515.41	\$687.21	
Early Retirees Plans						
Kaiser Permanente HMO (Early Retirees) Assumes 7.75% Increase	Projected # Enrolled (2025 plan year)	1	39	62	608	710
	Total Premium (2026)	\$ 1,182.97	\$ 1,182.97	\$ 1,182.97	\$ 1,182.97	
	Projected Subsidy Paid by ACERA	\$ -	\$ 343.61	\$ 515.41	\$ 687.21	
	Projected Premium Paid by Retiree	\$ 1,182.97	\$ 839.36	\$ 667.56	\$ 495.76	
UnitedHealthcare SignatureValue HMO (Early Retirees) Assumes 7.75% Increase	Projected # Enrolled (2025 plan year)	1	1	3	61	66
	Total Premium (2026)	\$ 1,717.92	\$ 1,717.92	\$ 1,717.92	\$ 1,717.92	
	Projected Subsidy Paid by ACERA	\$ -	\$ 343.61	\$ 515.41	\$ 687.21	
	Projected Premium Paid by Retiree	\$ 1,717.92	\$ 1,374.31	\$ 1,202.51	\$ 1,030.71	
UnitedHealthcare SignatureValue Advantage HMO (Early Retirees) Assumes 7.75% Increase	Projected # Enrolled (2025 plan year)	0	9	12	91	112
	Total Premium (2026)	\$ 1,123.27	\$ 1,123.27	\$ 1,123.27	\$ 1,123.27	
	Projected Subsidy Paid by ACERA	\$ -	\$ 343.61	\$ 515.41	\$ 687.21	
	Projected Premium Paid by Retiree	\$ 1,123.27	\$ 779.66	\$ 607.86	\$ 436.06	
Total Plan Enrollees (Early Retirees)						888
Kaiser Senior Advantage Medicare Plan						
Kaiser Senior Advantage Assumes 7.5% Increase	Projected # Enrolled (2025 plan year)	28	475	552	3305	4360
	Total Premium (2026)	\$ 403.36	\$ 403.36	\$ 403.36	\$ 403.36	
	Projected Subsidy Paid by ACERA	\$ -	\$ 343.61	\$ 403.36	\$ 403.36	
	Projected Premium Paid by Retiree	\$ 403.36	\$ 59.75	0.00	0.00	
Total Kaiser Senior Advantage Medicare Plan Enrollees						4360
Projected Annual Cost by Years of Service						
			\$2,160,620	\$3,148,095	\$22,264,613	\$27,573,328


Total Projected Annual Cost: \$27,573,328



MEMORANDUM TO THE RETIREES COMMITTEE

DATE: July 2, 2025

TO: Members of the Retirees Committee

FROM: Carlos Barrios, Assistant Chief Executive Officer 

SUBJECT: **Report on Dental and Vision Plans Experience and Utilization**

Segal, ACERA's Benefits Consultant, will review the attached annual dental and vision plans experience and utilization presentations, and discuss the following topics.

- Enrollment
- Claims
- Premiums
- Utilization
- Dental PPO Annual Maximum by Network
- VSP Plan Loss Ratio by Plan

Attachments (2)



Alameda County Employees'
Retirement Association (ACERA)

Delta Dental PPO Plan Experience

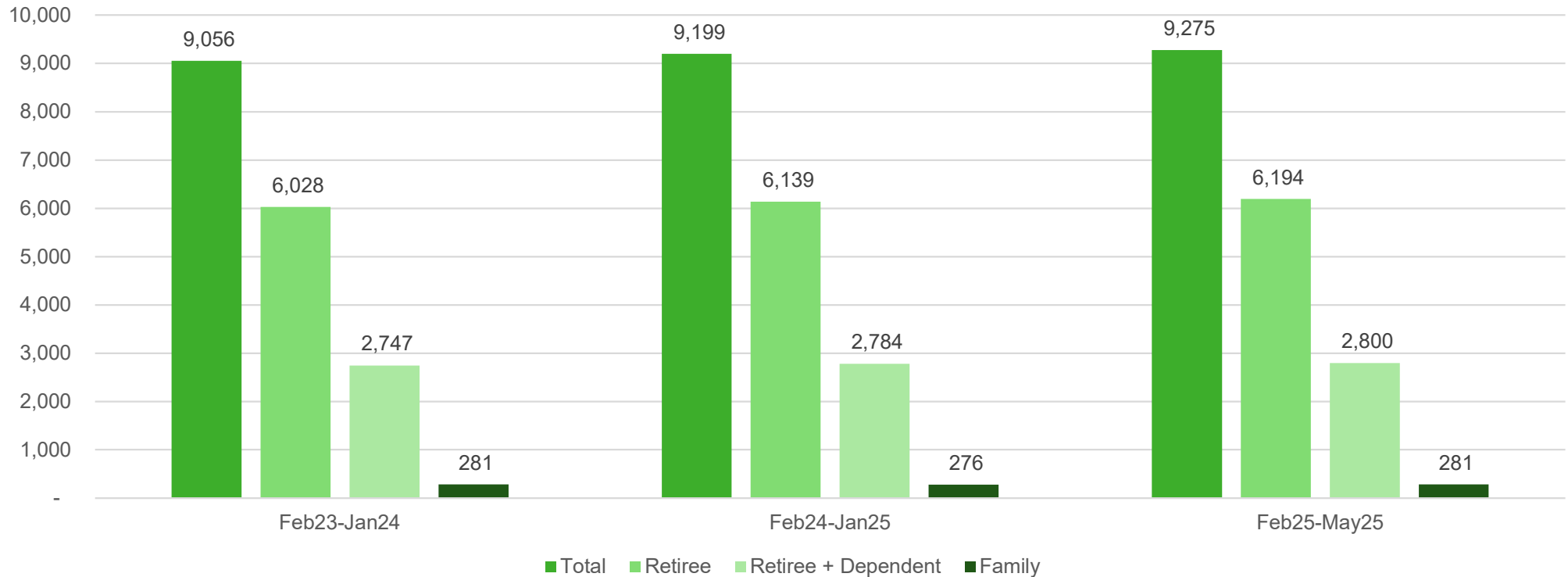
ACERA Retirees Committee Meeting

Presented on: July 2, 2025
Presenter: Stephen Murphy and Michael Szeto

Delta Dental PPO Plan Experience

Enrollment

Enrollment by Coverage Tier
Per Retiree Per Month



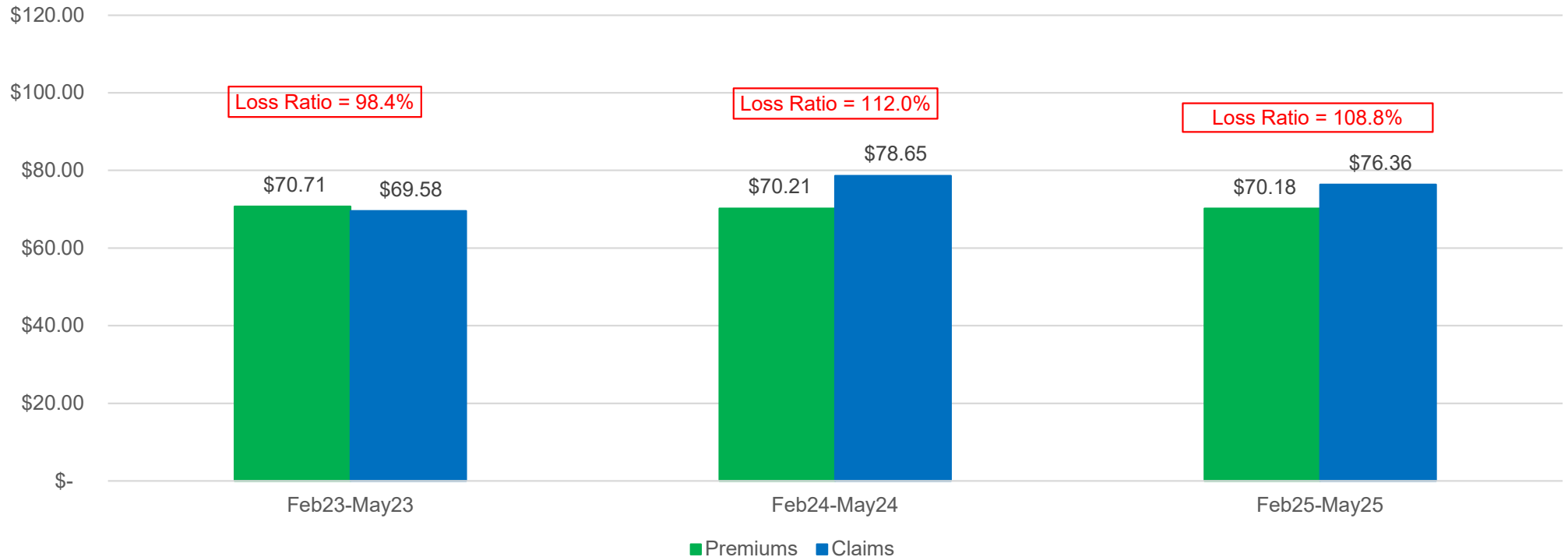
- Delta Dental PPO enrollment has continued to show steady growth.
- Enrollment is concentrated in the Retiree-Only tier, because ACERA does not cover dependent premiums.

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Delta Dental PPO Plan Experience

Premiums & Claims — February through May Comparison

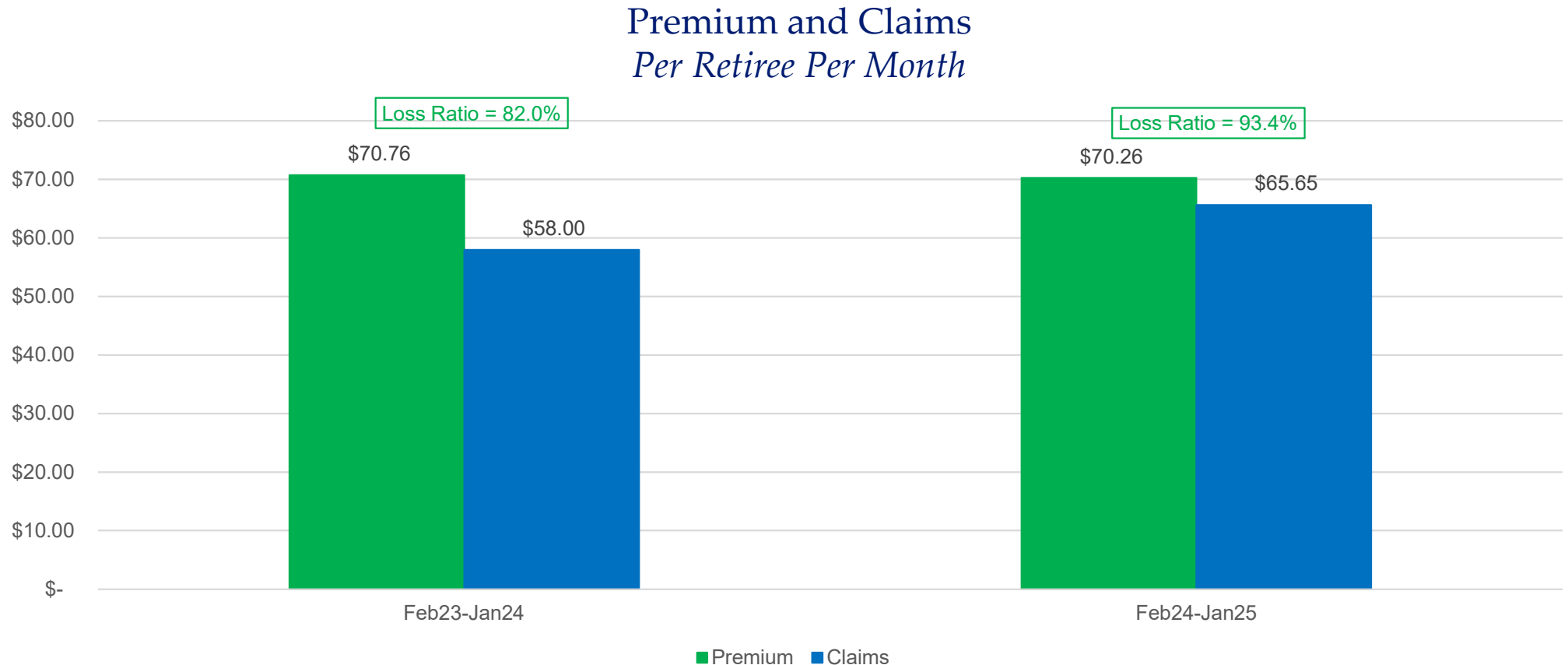
Premiums and Claims (February – May)
Per Retiree Per Month



- ACERA's dental plan experience is subject to seasonal fluctuations.
 - Dental claims have historically been higher during the first four months of the plan when compared to the entire plan year.
- Premium and claim increases beginning February 1, 2024, are attributable to the annual maximum increase from \$1,300 to \$1,900 for any provider (i.e., PPO, Premier, and Non-Network).

Delta Dental PPO Plan Experience

Premiums & Claims – Plan Year Comparison

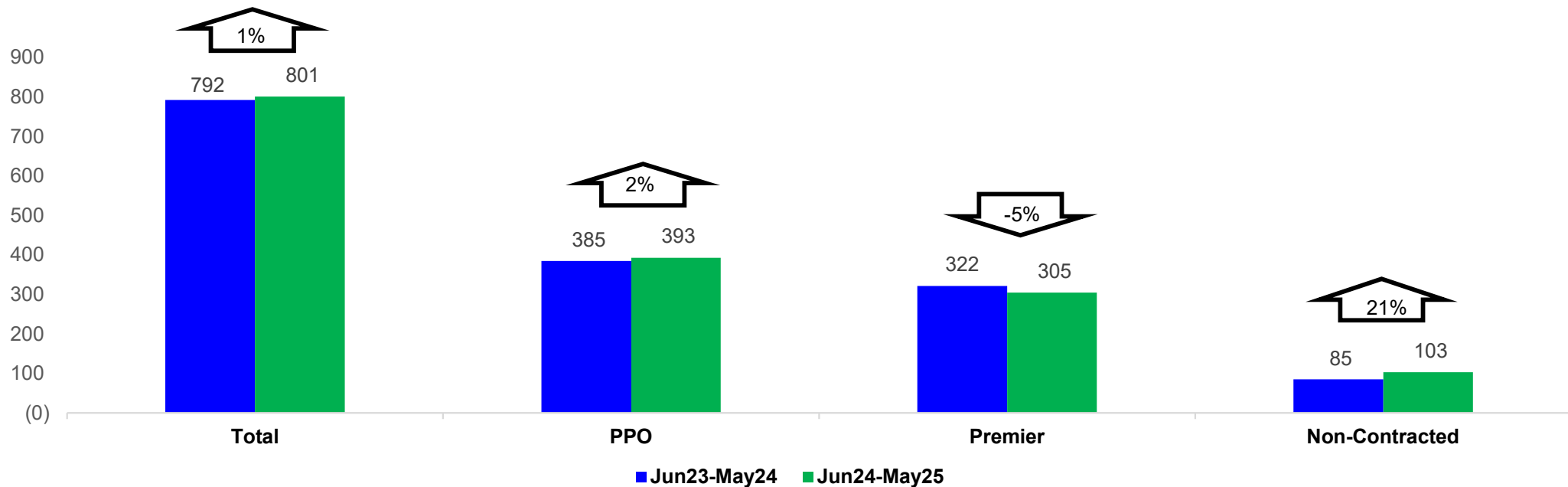


- Period-over-period change in the loss ratio is consistent with the increase in the annual maximum from \$1,300 to \$1,900 effective February 1, 2024.

Delta Dental PPO Plan Experience

Procedure Utilization by Network

Monthly Procedure Count by Network
(Per 1,000 Retirees)



- Utilization of Delta Dental PPO and Premier providers continues to decline in favor of Non-Contracted providers.
 - Compared to the prior period network providers (i.e., PPO and Premier combined) fell from 89.3% to 87.1%.

Delta Dental PPO Plan Experience

Annual Maximum by Network

	Feb23 – Jan24	Feb24 – Jan25	% Change
PPO	\$1,300 Annual Maximum	\$1,900 Annual Maximum	
Total Utilizers (Members)	4,709	4,679	-0.6%
Utilizers Reaching Maximum	786	464	-41.0%
% Reaching Maximum	16.7%	9.9%	
Premier ¹	\$1,300 Annual Maximum	\$1,900 Annual Maximum	
Total Utilizers (Members)	3,766	3,723	-1.1%
Utilizers Reaching Maximum	297	175	-41.1%
% Reaching Maximum	7.9%	4.7%	
Non-Contracted	\$1,300 Annual Maximum	\$1,900 Annual Maximum	
Total Utilizers (Members)	1,088	1,268	16.5%
Utilizers Reaching Maximum	41	22	-46.3%
% Reaching Maximum	3.8%	1.7%	
Total			
Total Utilizers (Members)	9,563	9,670	1.1%
Utilizers Reaching Maximum	1,124	661	-41.2%
% Reaching Maximum	11.8%	6.8%	

- For the plan year effective February 1, 2024, the annual maximum increased from \$1,300 to \$1,900 for PPO, Premier, and Non-Contract providers.
 - As a result of the benefit change, total members reaching the annual maximum declined from 11.8% to 6.8%



Alameda County Employees'
Retirement Association (ACERA)

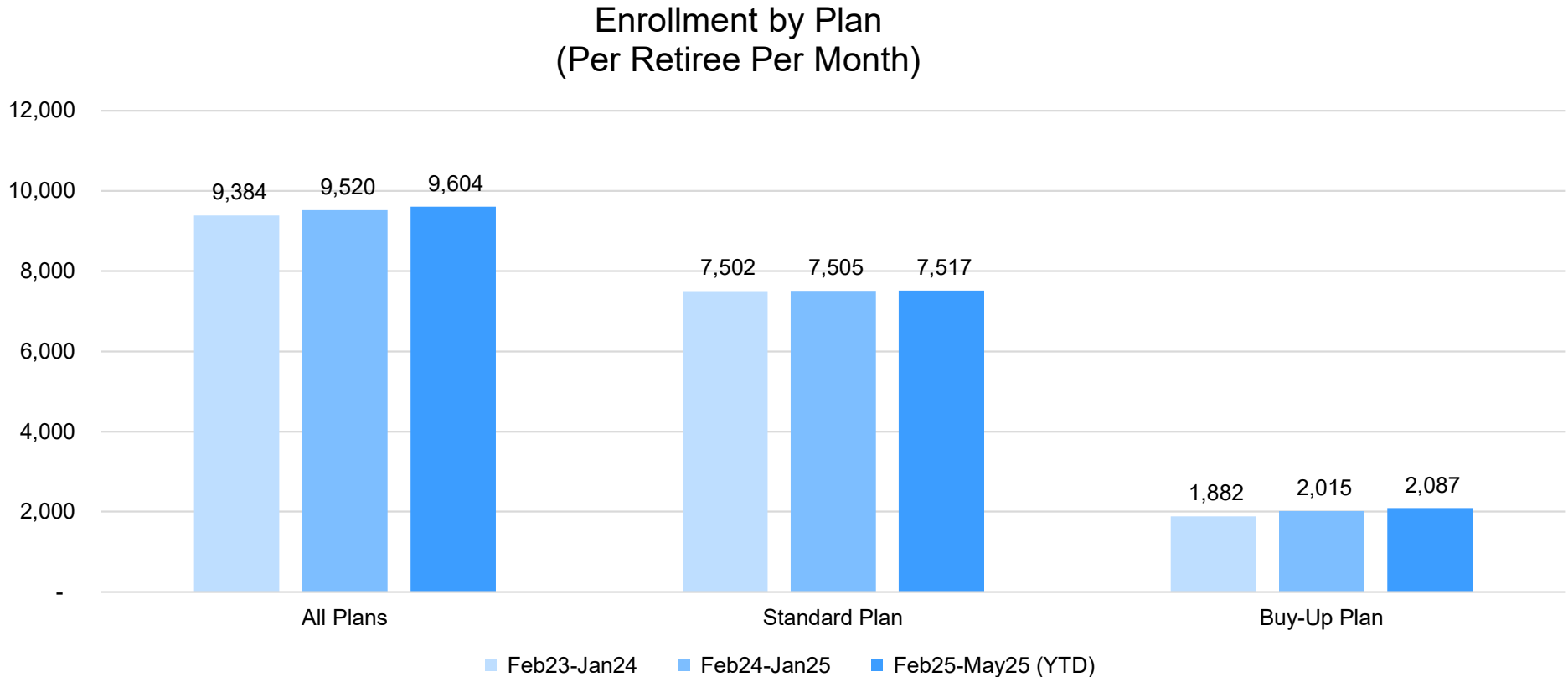
VSP Plan Experience

ACERA Retirees Committee Meeting

Presented on July 2, 2025
Presenters: Stephen Murphy and Michael Szeto

VSP Plan Experience

Enrollment by Plan

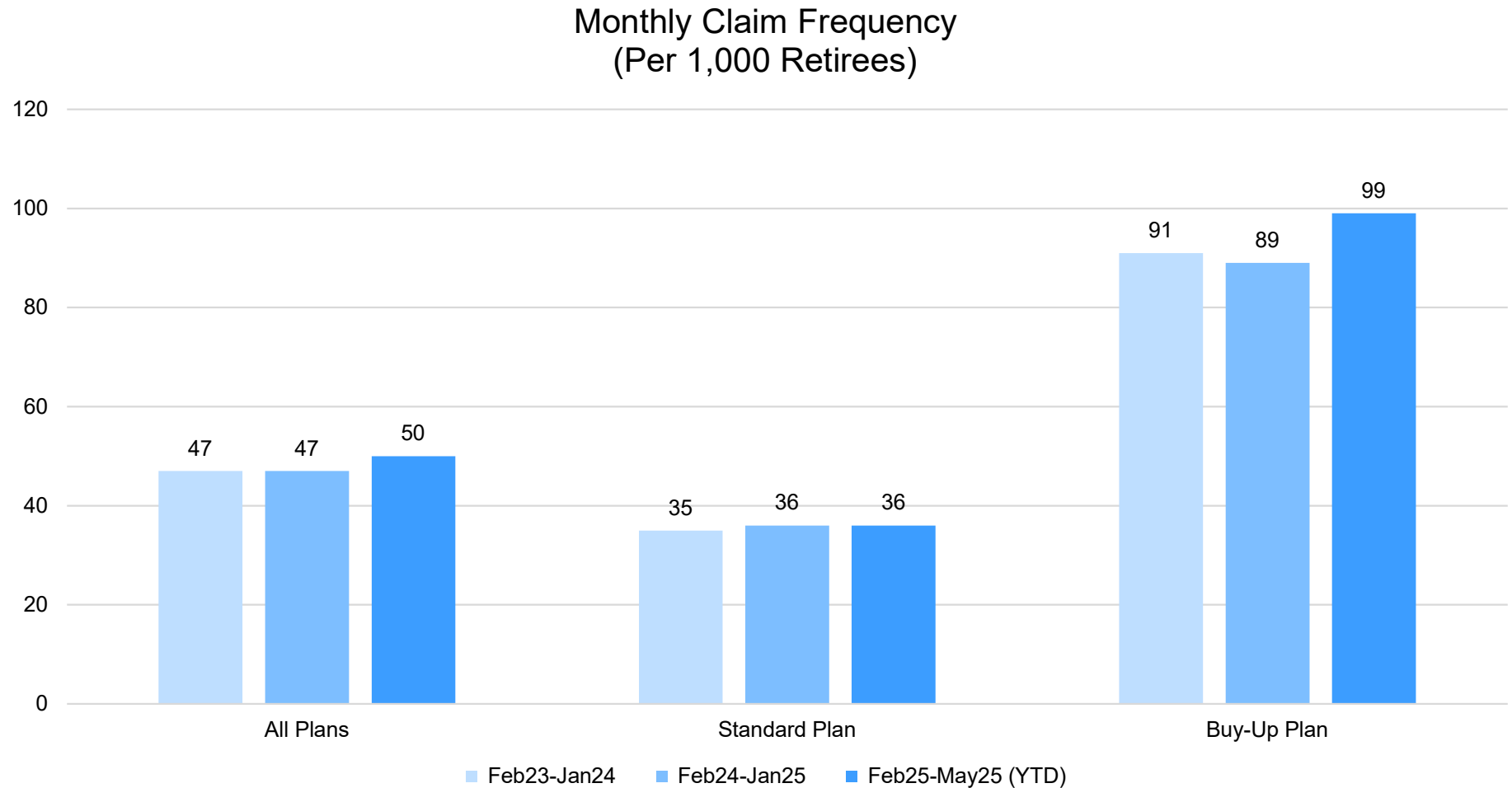


- Average enrollment continues to increase gradually each experience period.
 - Standard plan represents the majority of enrollment.
 - Buy-Up plan continues to grow in popularity and now represents 22% of total enrollment.

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VSP Plan Experience

Claim Frequency by Plan



- During the period February 2025 through May 2025, Buy-Up plan monthly claim frequency has accelerated compared to the 2023 and 2024 plan years.

VSP Plan Experience

Utilization Metrics (June 2024 through May 2025)

Utilization Benchmarks (Standard & Buy-Up Plans)		
	ACERA	VSP Book of Business
Network Utilization	91%	91%
Exam Utilization	35%	44%
Materials - Top 3 Lens Options (Standard & Buy-Up Plans)		
Rank	ACERA	VSP Book of Business
1	Anti-Reflective Coating	Anti-Reflective Coating
2	Progressive Multifocals	Polycarbonate
3	High Index	UV Protection
Frames		
	Allowance	% with No Out-of-Pocket ⁽¹⁾
Standard Plan	\$175	35%
Buy-Up Plan	\$250	64%

- ACERA's network utilization remained consistent with the prior period and is currently on-par with VSP's Book of Business.
- ACERA's Exam Utilization increased slightly from the prior period (34%) but continues to trail VSP's Book of Business benchmark of 44%.
- ACERA's top three Lens Options were consistent with a retiree population and deviated slightly compared to VSP's Book of Business.
- The percentage of Standard Plan members with No Out-of-Pocket costs for frames decreased from 37% to 35% when compared to the prior period.

⁽¹⁾ Includes individuals who selected frames with no out-of-pocket costs.

VSP Plan Experience

Claims by Plan

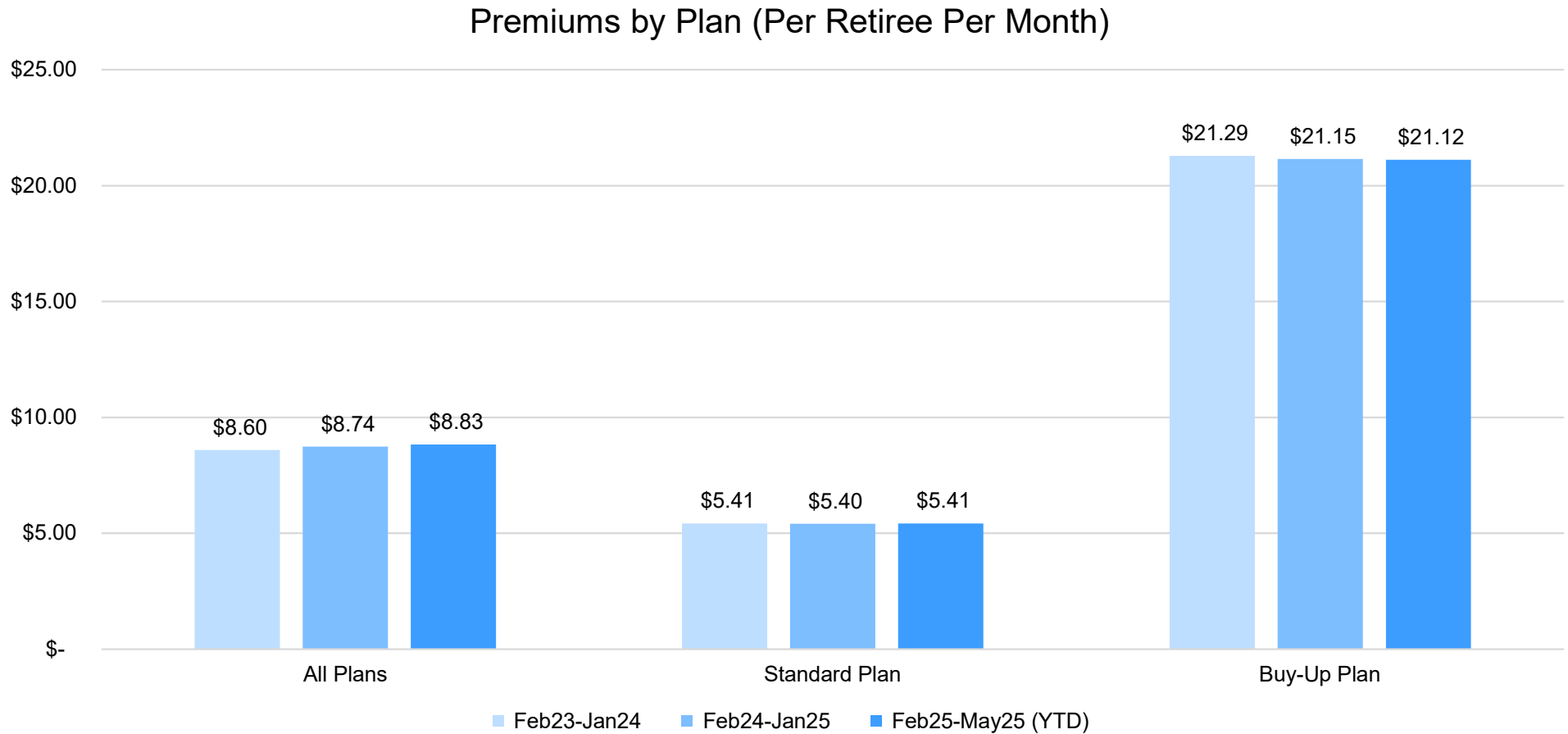
Claims by Plan (Per Retiree Per Month)



- Claims on a Per Retiree Per Month basis for All Plans are up 3.5% during the period February 2025 through May 2025, when compared to the 2024 plan year.

VSP Plan Experience

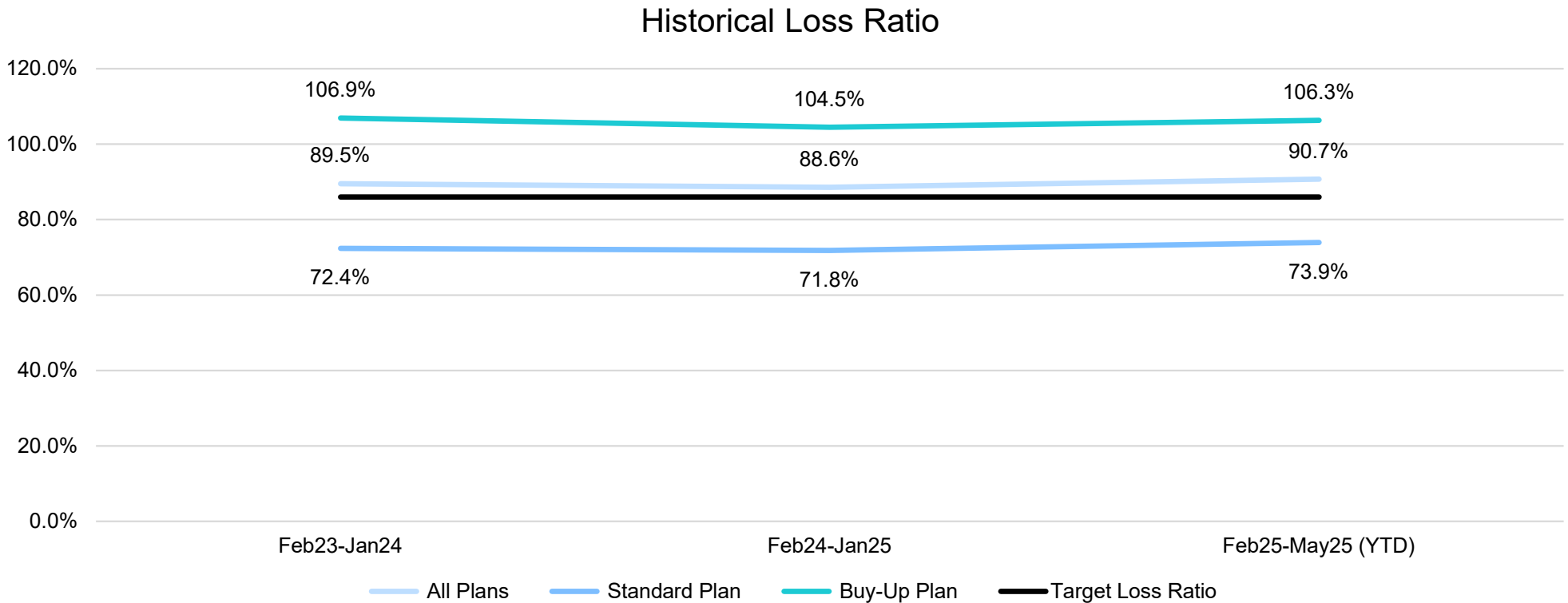
Premiums by Plan



- On a Per Retiree Per Month basis, premium rates for the Standard and Buy-Up plans have remained consistent.
- As a result of the recently concluded Vision RFP, premium rates will continue unchanged from February 1, 2026, through January 31, 2029

VSP Plan Experience

Loss Ratio by Plan



- ACERA's historic loss ratio (i.e., claims divided by premiums) for all plans combined has consistently exceeded VSP's Target Loss Ratio of 85%.