



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

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

THIS MEETING WILL BE CONDUCTED VIA TELECONFERENCE [SEE EXECUTIVE ORDER N-29-20 ATTACHED AT THE END OF THIS AGENDA.]

ACERA MISSION:

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

**Thursday, July 16, 2020
1:00 p.m.**

ZOOM INSTRUCTIONS	COMMITTEE MEMBERS	
The public can view the Teleconference and comment via audio during the meeting. To join this Teleconference, please click on the link below. https://zoom.us/join Meeting ID: 848 4263 9718 Password: 537892 For help joining a Zoom meeting, see: https://support.zoom.us/hc/en-us/articles/201362193	LIZ KOPPENHAVER, CHAIR	ELECTED RETIRED
	JAIME GODFREY, VICE CHAIR	APPOINTED
	DALE AMARAL	ELECTED SAFETY
	KEITH CARSON	APPOINTED
	GEORGE WOOD	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

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Call to Order: 1:00 p.m.

Public Input (Time Limit: 4 minutes per speaker)

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

1. Adoption of 2021 Monthly Medical Allowance for Group Plans

Motion to adopt the Monthly Medical Allowance (MMA) paid to eligible retirees in group plans for Plan Year 2021. 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.

- Kathy Foster

Recommendation

Staff recommends that the Retirees Committee recommend to the Board of Retirement (Board) a motion to adopt a 2021 Group Plan Monthly Medical Allowance (MMA) equal to the 2020 MMA for eligible retirees in the group plans, thereby maintaining the current MMA maximum of \$578.65 for the Plan Year 2021. 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 2021 Monthly Medical Allowance for Early Retiree Individual Plans

Motion to 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 2021 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.

- Kathy Foster

Recommendation

Staff recommends that the Retirees Committee recommend to the Board of Retirement (Board) a motion to adopt a 2021 Individual Plan Monthly Medical Allowance (MMA) equal to the 2020 MMA for eligible qualified early (non-Medicare) retirees enrolled in individual plans through the Health Exchange, thereby maintaining the current MMA maximum of \$578.65 for the Plan Year 2021. 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.

RETIREES COMMITTEE/BOARD MEETING

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3. Adoption of 2021 Monthly Medical Allowance for Medicare Eligible Retiree Individual Plans

Motion to 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 2021 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.

- Kathy Foster

Recommendation

Staff recommends that the Retirees Committee recommend to the Board of Retirement (Board) a motion to adopt a 2021 Individual Plan Monthly Medical Allowance (MMA) equal to the 2020 MMA for qualified Medicare eligible retirees enrolled in individual plans through the Medicare Exchange, thereby maintaining the current MMA maximum of \$443.28 for the Plan Year 2021. 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

Staff will report on claims experience and plan utilization for ACERA retirees enrolled in ACERA-sponsored Dental and Vision Plans.

- Kathy Foster

- Segal Consulting

2. Status of ACERA's Wellness Program and Retiree Health and Wellness Fair, and Plans for Open Enrollment

Staff will provide a report on the status of ACERA's Wellness Program and Retiree Health and Wellness Fair, and plans for Open Enrollment; and the impacts COVID-19 health orders are having on the planning of these events.

- Ismael Piña

- Mike Fara

3. 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 4 of 4 – July 16, 2020

Trustee Remarks

Future Discussion Items

Adoption of Dental Plan Contributions for 2021
Adoption of Vision Plan Contributions for 2021

Establishment of Next Meeting Date

August 5, 2020, at 10:30 a.m.

Adjournment

**EXECUTIVE DEPARTMENT
STATE OF CALIFORNIA**

EXECUTIVE ORDER N-29-20

WHEREAS on March 4, 2020, I proclaimed a State of Emergency to exist in California as a result of the threat of COVID-19; and

WHEREAS despite sustained efforts, the virus continues to spread and is impacting nearly all sectors of California; and

WHEREAS the threat of COVID-19 has resulted in serious and ongoing economic harms, in particular to some of the most vulnerable Californians; and

WHEREAS time bound eligibility redeterminations are required for Medi-Cal, CalFresh, CalWORKs, Cash Assistance Program for Immigrants, California Food Assistance Program, and In Home Supportive Services beneficiaries to continue their benefits, in accordance with processes established by the Department of Social Services, the Department of Health Care Services, and the Federal Government; and

WHEREAS social distancing recommendations or Orders as well as a statewide imperative for critical employees to focus on health needs may prevent Medi-Cal, CalFresh, CalWORKs, Cash Assistance Program for Immigrants, California Food Assistance Program, and In Home Supportive Services beneficiaries from obtaining in-person eligibility redeterminations; and

WHEREAS under the provisions of Government Code section 8571, I find that strict compliance with various statutes and regulations specified in this order would prevent, hinder, or delay appropriate actions to prevent and mitigate the effects of the COVID-19 pandemic.

NOW, THEREFORE, I, GAVIN NEWSOM, Governor of the State of California, in accordance with the authority vested in me by the State Constitution and statutes of the State of California, and in particular, Government Code sections 8567 and 8571, do hereby issue the following order to become effective immediately:

IT IS HEREBY ORDERED THAT:

1. As to individuals currently eligible for benefits under Medi-Cal, CalFresh, CalWORKs, the Cash Assistance Program for Immigrants, the California Food Assistance Program, or In Home Supportive Services benefits, and to the extent necessary to allow such individuals to maintain eligibility for such benefits, any state law, including but not limited to California Code of Regulations, Title 22, section 50189(a) and Welfare and Institutions Code sections 18940 and 11265, that would require redetermination of such benefits is suspended for a period of 90 days from the date of this Order. This Order shall be construed to be consistent with applicable federal laws, including but not limited to Code of Federal Regulations, Title 42, section 435.912, subdivision (e), as interpreted by the Centers for Medicare and Medicaid Services (in guidance issued on January 30, 2018) to permit the extension of

otherwise-applicable Medicaid time limits in emergency situations.

2. Through June 17, 2020, any month or partial month in which California Work Opportunity and Responsibility to Kids (CalWORKs) aid or services are received pursuant to Welfare and Institutions Code Section 11200 et seq. shall not be counted for purposes of the 48-month time limit set forth in Welfare and Institutions Code Section 11454. Any waiver of this time limit shall not be applied if it will exceed the federal time limits set forth in Code of Federal Regulations, Title 45, section 264.1.
3. Paragraph 11 of Executive Order N-25-20 (March 12, 2020) is withdrawn and superseded by the following text:

Notwithstanding any other provision of state or local law (including, but not limited to, the Bagley-Keene Act or the Brown Act), and subject to the notice and accessibility requirements set forth below, a local legislative body or state body is authorized to hold public meetings via teleconferencing and to make public meetings accessible telephonically or otherwise electronically to all members of the public seeking to observe and to address the local legislative body or state body. All requirements in both the Bagley-Keene Act and the Brown Act expressly or impliedly requiring the physical presence of members, the clerk or other personnel of the body, or of the public as a condition of participation in or quorum for a public meeting are hereby waived.

In particular, any otherwise-applicable requirements that

- (i) state and local bodies notice each teleconference location from which a member will be participating in a public meeting;
- (ii) each teleconference location be accessible to the public;
- (iii) members of the public may address the body at each teleconference conference location;
- (iv) state and local bodies post agendas at all teleconference locations;
- (v) at least one member of the state body be physically present at the location specified in the notice of the meeting; and
- (vi) during teleconference meetings, a least a quorum of the members of the local body participate from locations within the boundaries of the territory over which the local body exercises jurisdiction

are hereby suspended.

A local legislative body or state body that holds a meeting via teleconferencing and allows members of the public to observe and address the meeting telephonically or otherwise electronically, consistent with the notice and accessibility requirements set forth below, shall have satisfied any requirement that the body allow

members of the public to attend the meeting and offer public comment. Such a body need not make available any physical location from which members of the public may observe the meeting and offer public comment.

Accessibility Requirements: If a local legislative body or state body holds a meeting via teleconferencing and allows members of the public to observe and address the meeting telephonically or otherwise electronically, the body shall also:

- (i) Implement a procedure for receiving and swiftly resolving requests for reasonable modification or accommodation from individuals with disabilities, consistent with the Americans with Disabilities Act and resolving any doubt whatsoever in favor of accessibility; and
- (ii) Advertise that procedure each time notice is given of the means by which members of the public may observe the meeting and offer public comment, pursuant to subparagraph (ii) of the Notice Requirements below.

Notice Requirements: Except to the extent this Order expressly provides otherwise, each local legislative body and state body shall:

- (i) Give advance notice of the time of, and post the agenda for, each public meeting according to the timeframes otherwise prescribed by the Bagley-Keene Act or the Brown Act, and using the means otherwise prescribed by the Bagley-Keene Act or the Brown Act, as applicable; and
- (ii) In each instance in which notice of the time of the meeting is otherwise given or the agenda for the meeting is otherwise posted, also give notice of the means by which members of the public may observe the meeting and offer public comment. As to any instance in which there is a change in such means of public observation and comment, or any instance prior to the issuance of this Order in which the time of the meeting has been noticed or the agenda for the meeting has been posted without also including notice of such means, a body may satisfy this requirement by advertising such means using "the most rapid means of communication available at the time" within the meaning of Government Code, section 54954, subdivision (e); this shall include, but need not be limited to, posting such means on the body's Internet website.

All of the foregoing provisions concerning the conduct of public meetings shall apply only during the period in which state or local public health officials have imposed or recommended social distancing measures.

All state and local bodies are urged to use sound discretion and to make reasonable efforts to adhere as closely as reasonably possible to the provisions of the Bagley-Keene Act and the Brown Act, and other applicable local laws regulating the conduct of public meetings, in order to maximize transparency and provide the public access to their meetings.

IT IS FURTHER ORDERED that as soon as hereafter possible, this Order be filed in the Office of the Secretary of State and that widespread publicity and notice be given of this Order.

This Order is not intended to, and does not, create any rights or benefits, substantive or procedural, enforceable at law or in equity, against the State of California, its agencies, departments, entities, officers, employees, or any other person.

IN WITNESS WHEREOF I have hereunto set my hand and caused the Great Seal of the State of California to be affixed this 17th day of March 2020.



GAVIN NEWSOM
Governor of California

ATTEST:

ALEX PADILLA
Secretary of State



MEMORANDUM TO THE RETIREES COMMITTEE

DATE: July 16, 2020

TO: Members of the Retirees Committee

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

SUBJECT: **Monthly Medical Allowance for 2021**

Last month, Staff provided information regarding the Monthly Medical Allowance (MMA) for 2021. Staff provided the cost impacts to the MMA as a result of leaving the amount at the current rate or increasing the MMA by 2.675% for 2021. 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	
2020	\$578.65	Current premiums and MMA:	\$26,601,170
2021	\$578.65	Increase in premiums only:	\$27,524,689
2021	\$594.13	Increase in premiums and MMA:	\$27,774,583

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	17	\$ 289.33	\$ 3,471.96	\$ 59,023.32
15 - 19 Years	30	\$ 433.99	\$ 5,207.88	\$ 156,236.40
20 + Years	131	\$ 578.65	\$ 6,943.80	\$ 909,637.80
Totals	178			\$ 1,124,897.52
Totals with 2.675% Increase	178			\$ 1,154,990.64

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	188	\$ 221.64	\$ 2,659.68	\$ 500,019.84
15 - 19 Years	205	\$ 332.46	\$ 3,989.52	\$ 817,851.60
20 + Years	987	\$ 443.28	\$ 5,319.36	\$ 5,250,208.32
Totals	1,380			\$ 6,568,079.76
Totals with 2.675% Increase	1380			\$ 6,743,821.68

According to the numbers compiled above, ACERA’s current total estimated annual costs are \$34,294,147. This estimated annual cost assumes all those enrolled in the Health and Medicare Exchange will use their full Health Reimbursement Account balances. If premiums increase and the MMA is increased, the total estimated annual cost would be \$35,673,395. The total estimated increase would be \$1,379,248 (\$923,519 due to group plans premium increase and \$455,729 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 2021 were discussed. The Supplemental Retiree Benefit Reserve (SRBR) is projected to have a current lifespan of 19 years, based on the preliminary report from Segal, ACERA’s Actuary. However, next year, a reduction of one year is anticipated due to market losses to be recognized. Although in 2019, \$58,376,794 was credited to the SRBR, no excess earnings were added (includes interest at the rate of return of 3.5754%, short of one half of the assumed crediting rate of return of 3.6250%,). The Implicit Subsidy for 2020 is estimated to be about \$1,101,981 higher than the cost for 2019. The cost of providing the health, vision, dental and Medicare Part B Reimbursement Plan (MBRP) benefits increased approximately 6.0% on average over the last five years, which is down from 6.6%. The estimated annual cost to increase the MMA for 2021 is \$455,729. For these reasons, Staff is recommending to not increase the MMA for 2021.

Recommendation Number One

Staff recommends that the Retirees Committee recommend to the Board of Retirement (Board) a motion to adopt a 2021 Group Plan Monthly Medical Allowance (MMA) equal to the 2020 MMA for eligible retirees in the group plans, thereby maintaining the current MMA maximum of \$578.65 for the Plan Year 2021. 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 adopt a 2021 Individual Plan Monthly Medical Allowance (MMA) equal to the 2020 MMA for eligible qualified early (non-Medicare) retirees enrolled in individual plans through the Health Exchange, thereby maintaining the current MMA maximum of \$578.65 for the Plan Year 2021. 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 adopt a 2021 Individual Plan Monthly Medical Allowance (MMA) equal to the 2020 MMA for qualified Medicare eligible retirees enrolled in individual plans through the Medicare Exchange, thereby maintaining the current MMA maximum of \$443.28 for the Plan Year 2021. 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.

Attachments (3)

ACERA
Out-of-Pocket Expenses for Retirees in Group Plans - PLAN YEAR 2020

Current Premiums and MMA

Plan	Years of Service	Under 10 Years	10 - 14 Years	15 - 19 Years	20 + Years	Total Enrolled
	2020 MMA	\$ -	\$ 289.33	\$ 433.99	\$ 578.65	
Early Retirees Plans						
Kaiser Permanente HMO (Early Retirees)	Projected # Enrolled (2020 plan year)	2	62	80	903	1047
	Total Premium (2020)	\$ 785.44	\$ 785.44	\$ 785.44	\$ 785.44	
	Projected Subsidy Paid by ACERA	\$ -	\$ 289.33	\$ 433.99	\$ 578.65	
	Projected Premium Paid by Retiree	\$ 785.44	\$ 496.11	\$ 351.45	\$ 206.79	
UnitedHealthcare SignatureValue HMO (Early Retirees)	Projected # Enrolled (2020 plan year)	1	6	6	87	100
	Total Premium (2020)	\$ 1,087.80	\$ 1,087.80	\$ 1,087.80	\$ 1,087.80	
	Projected Subsidy Paid by ACERA	\$ -	\$ 289.33	\$ 433.99	\$ 578.65	
	Projected Premium Paid by Retiree	\$ 1,087.80	\$ 798.47	\$ 653.81	\$ 509.15	
UnitedHealthcare SignatureValue Advantage HMO (Early Retirees)	Projected # Enrolled (2020 plan year)	1	3	3	14	21
	Total Premium (2020)	\$ 831.92	\$ 831.92	\$ 831.92	\$ 831.92	
	Projected Subsidy Paid by ACERA	\$ -	\$ 289.33	\$ 433.99	\$ 578.65	
	Projected Premium Paid by Retiree	\$ 831.92	\$ 542.59	\$ 397.93	\$ 253.27	
Total Plan Enrollees (Early Retirees)						1168
Kaiser Senior Advantage Medicare Plan						
Kaiser Senior Advantage	Projected # Enrolled (2020 plan year)	36	478	549	2946	4009
	Total Premium (2020)	\$ 411.54	\$ 411.54	\$ 411.54	\$ 411.54	
	Projected Subsidy Paid by ACERA	\$ -	\$ 289.33	\$ 411.54	\$ 411.54	
	Projected Premium Paid by Retiree	\$ 411.54	\$ 122.21	0.00	0.00	
Total Kaiser Senior Advantage Medicare Plan Enrollees						4009

Total Projected Annual Cost: \$26,601,170

ACERA
Out-of-Pocket Expenses for Retirees in Group Plans - PLAN YEAR 2021

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 (2021) MMA	\$ -	\$ 289.33	\$ 433.99	\$ 578.65	
Early Retirees Plans						
Kaiser Permanente HMO (Early Retirees) <i>Assumes 5.55% Increase</i>	Projected # Enrolled (2020 plan year)	2	62	80	903	1047
	Total Premium (2021)	\$ 829.03	\$ 829.03	\$ 829.03	\$ 829.03	
	Projected Subsidy Paid by ACERA	\$ -	\$ 289.33	\$ 433.99	\$ 578.65	
	Projected Premium Paid by Retiree	\$ 829.03	\$ 539.70	\$ 395.04	\$ 250.38	
UnitedHealthcare SignatureValue HMO (Early Retirees) <i>Assumes 5.55% Increase</i>	Projected # Enrolled (2020 plan year)	1	6	6	87	100
	Total Premium (2021)	\$ 1,148.17	\$ 1,148.17	\$ 1,148.17	\$ 1,148.17	
	Projected Subsidy Paid by ACERA	\$ -	\$ 289.33	\$ 433.99	\$ 578.65	
	Projected Premium Paid by Retiree	\$ 1,148.17	\$ 858.84	\$ 714.18	\$ 569.52	
UnitedHealthcare SignatureValue Advantage HMO (Early Retirees) <i>Assumes 5.55% Increase</i>	Projected # Enrolled (2020 plan year)	1	3	3	14	21
	Total Premium (2021)	\$ 878.09	\$ 878.09	\$ 878.09	\$ 878.09	
	Projected Subsidy Paid by ACERA	\$ -	\$ 289.33	\$ 433.99	\$ 578.65	
	Projected Premium Paid by Retiree	\$ 878.09	\$ 588.76	\$ 444.10	\$ 299.44	
Total Plan Enrollees (Early Retirees)						1168
Kaiser Senior Advantage Medicare Plan						
Kaiser Senior Advantage <i>Assumes 5.35% Increase</i>	Projected # Enrolled (2020 plan year)	36	478	549	2946	4009
	Total Premium (2021)	\$ 433.56	\$ 433.56	\$ 433.56	\$ 433.56	
	Projected Subsidy Paid by ACERA	\$ -	\$ 289.33	\$ 433.56	\$ 433.56	
	Projected Premium Paid by Retiree	\$ 433.56	\$ 144.23	0.00	0.00	
Total Kaiser Senior Advantage Medicare Plan Enrollees						4009

Total Projected Annual Cost: \$27,524,689

ACERA
Out-of-Pocket Expenses for Retirees in Group Plans - PLAN YEAR 2021

Assumes 2.675% 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 (2021) MMA	\$ -	\$ 297.07	\$ 445.60	\$ 594.13	
Early Retirees Plans						
Kaiser Permanente HMO (Early Retirees) <i>Assumes 5.55% Increase</i>	Projected # Enrolled (2020 plan year)	2	62	80	903	1047
	Total Premium (2021)	\$ 829.03	\$ 829.03	\$ 829.03	\$ 829.03	
	Projected Subsidy Paid by ACERA	\$ -	\$ 297.07	\$ 445.60	\$ 594.13	
	Projected Premium Paid by Retiree	\$ 829.03	\$ 531.96	\$ 383.43	\$ 234.90	
UnitedHealthcare SignatureValue HMO (Early Retirees) <i>Assumes 5.55% Increase</i>	Projected # Enrolled (2020 plan year)	1	6	6	87	100
	Total Premium (2021)	\$ 1,148.17	\$ 1,148.17	\$ 1,148.17	\$ 1,148.17	
	Projected Subsidy Paid by ACERA	\$ -	\$ 297.07	\$ 445.60	\$ 594.13	
	Projected Premium Paid by Retiree	\$ 1,148.17	\$ 851.10	\$ 702.57	\$ 554.04	
UnitedHealthcare SignatureValue Advantage HMO (Early Retirees) <i>Assumes 5.55% Increase</i>	Projected # Enrolled (2020 plan year)	1	3	3	14	21
	Total Premium (2021)	\$ 878.09	\$ 878.09	\$ 878.09	\$ 878.09	
	Projected Subsidy Paid by ACERA	\$ -	\$ 297.07	\$ 445.60	\$ 594.13	
	Projected Premium Paid by Retiree	\$ 878.09	\$ 581.02	\$ 432.49	\$ 283.96	
Total Plan Enrollees (Early Retirees)						1168
Kaiser Senior Advantage Medicare Plan						
Kaiser Senior Advantage <i>Assumes 5.35% Increase</i>	Projected # Enrolled (2020 plan year)	36	478	549	2946	4009
	Total Premium (2021)	\$ 433.56	\$ 433.56	\$ 433.56	\$ 433.56	
	Projected Subsidy Paid by ACERA	\$ -	\$ 297.07	\$ 433.56	\$ 433.56	
	Projected Premium Paid by Retiree	\$ 433.56	\$ 136.49	\$ 0.00	\$ 0.00	
Total Kaiser Senior Advantage Medicare Plan Enrollees						4009


Total Projected Annual Cost: \$27,774,583



MEMORANDUM TO THE RETIREES COMMITTEE

DATE: July 16, 2020

TO: Members of the Retirees Committee

FROM: Kathy Foster, 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
- Request for Proposal Results
- Dental Value Added Benefits Overview
- VSP Plan Loss Ratio by Plan

Attachments



Alameda County Employee's
Retirement Association (ACERA)
**Delta Dental PPO
Plan Experience**
ACERA Retirees Committee Meeting

Presented on: July 16, 2020
Presenter: Stephen Murphy



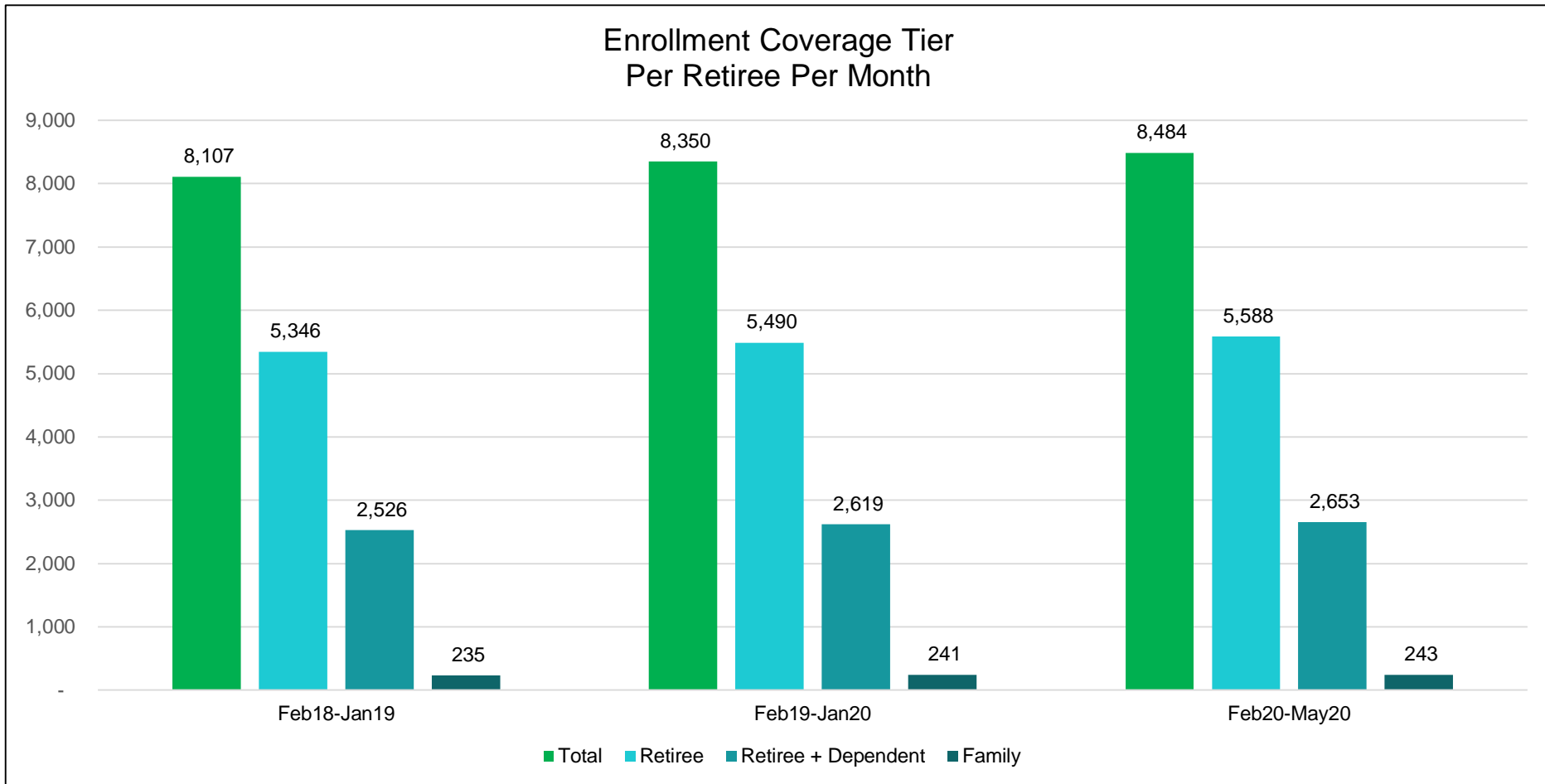
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- **Dental Request For Proposal Results**
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 - **Appendix B: BrushSmart Wellness Benefit**
 - **Appendix C: Value-Added Discount Programs**

| Delta Dental PPO Plan Experience

Delta Dental PPO Plan Experience

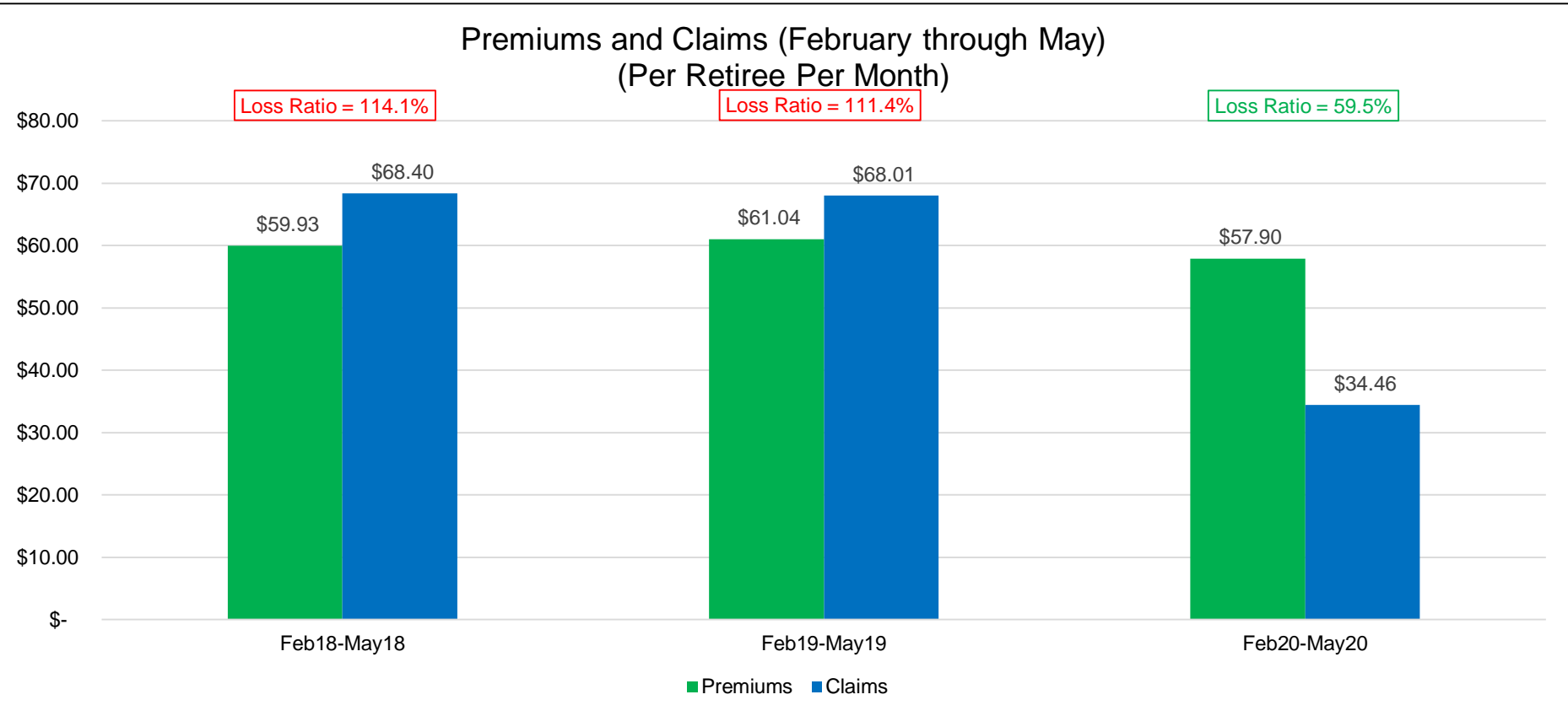
Enrollment



- Delta Dental PPO enrollment has steadily increased in the past three periods
- Coverage Tier distribution has remained consistent in the past three periods
 - ACERA does not cover dependent premiums, resulting in higher Retiree Only enrollment

Delta Dental PPO Plan Experience

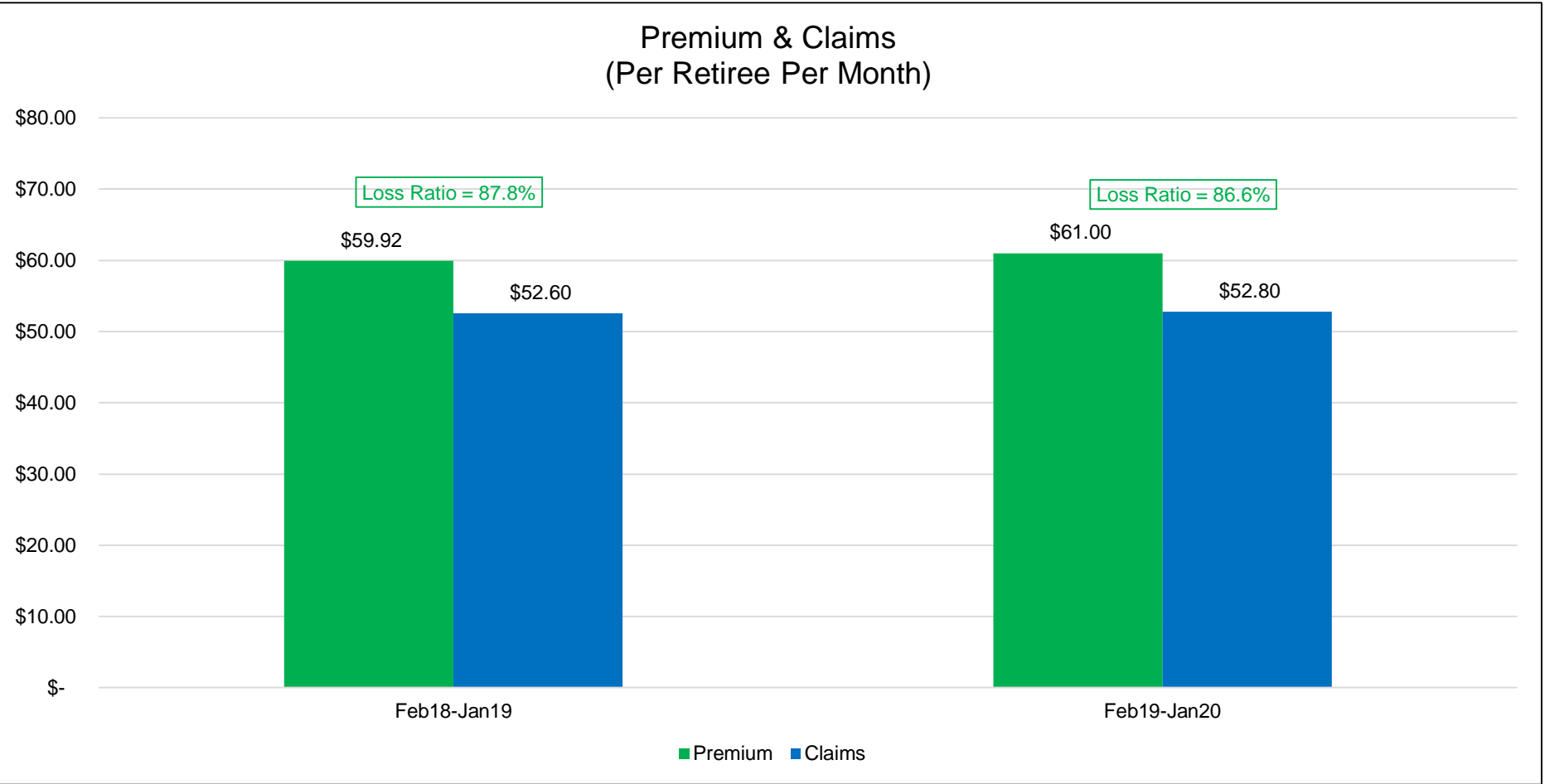
Premiums & Claims – February through May Comparison



- ▶ Plan design features such as annual maximums contribute to seasonal claims fluctuation
 - Dental claims have been 30% higher during the first four months of the plan when compared to the entire plan year
- ▶ Feb-May 2020 claims are half of the prior period due to the suspension of nonessential healthcare to mitigate the spread of COVID19.

Delta Dental PPO Plan Experience

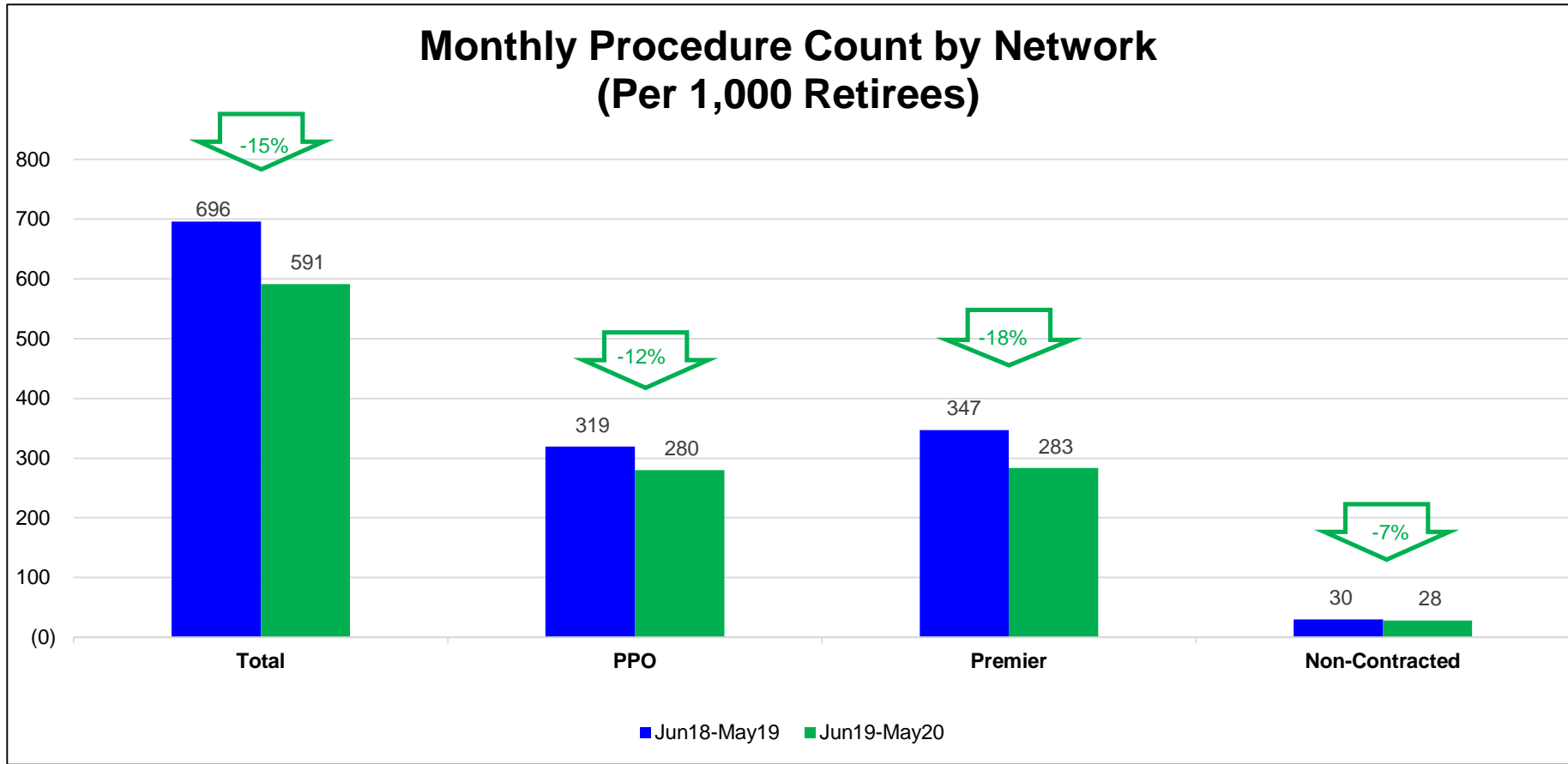
Premiums & Claims – Plan Year Comparison



- Loss Ratio has improved slightly from 87.8% in 2018-19 to 86.6% in 2019-20
- Delta Dental's recent RFP proposal, which includes a three-year rate guarantee (2021-23), is consistent with ACERA's historic claims experience and Delta Dental's trend and administrative fee assumptions.

Delta Dental PPO Plan Experience

Procedure Utilization by Network



- Migration to Delta Dental PPO providers result in deeper discounts and increase the Annual Maximum Benefit from \$1,000 to \$1,300
- Overall utilization for the current period decreased compared to the prior period due to the suspension of nonessential healthcare to mitigate the spread of COVID19.

Delta Dental PPO Plan Experience

Annual Maximum by Network

	Feb18 - Jan19	Feb19 - Jan20	% Change
PPO (\$1,300 Annual Maximum)			
Total Utilizers (Members)	4,384	4,570	4.2%
Utilizers Reaching Maximum	808	823	1.9%
% Reaching Maximum	18.4%	18.0%	N/A
Premier (\$1,000 Annual Maximum)			
Total Utilizers (Members)	4,321	4,310	-0.3%
Utilizers Reaching Maximum	802	827	3.1%
% Reaching Maximum	18.6%	19.2%	N/A
Non-Contracted (\$1,000 Annual Maximum)			
Total Utilizers (Members)	272	316	16.2%
Utilizers Reaching Maximum	28	23	-18.0%
% Reaching Maximum	10.3%	7.3%	N/A
Total			
Total Utilizers (Members)	8,977	9,196	2.4%
Utilizers Reaching Maximum	1,638	1,673	2.1%
% Reaching Maximum	18.2%	18.2%	N/A

- Total members reaching annual maximum decreased slightly to 18% for the 2019-20 plan year
- During the last two plan years, nearly 97.0% of members utilized Delta Dental's PPO and Premier network providers
 - Members utilizing Delta Dental's PPO network increased slightly to 49.7%, while members utilizing the Premier network decreased slightly to 46.9%
- Less than one percent of members have reached the annual maximum for Non-Contracted providers over the past two years

Delta Dental PPO Plan Experience

Top Three Utilization Category

	Feb18 - Jan19	Feb19 - Jan20	Year over Year % Change
Top Three Utilization Category by Paid Claims			
Crowns & Inlays/Onlays	\$2,308,655	\$2,492,775	8.0%
Diagnostic	\$1,477,188	\$1,536,159	4.0%
Preventive	\$1,340,521	\$1,364,567	1.8%
All Other*	\$5,596,701	\$5,758,579	2.9%
Total PPO Claims	\$10,723,065	\$11,152,080	4.0%
Top Three Utilization Category by Procedure Counts			
Diagnostic	31,598	32,870	4.0%
Preventive	16,391	16,910	3.2%
Periodontics	5,259	5,329	1.3%
All Other*	15,700	16,127	2.7%
Total PPO Procedures	68,948	71,236	3.3%

* Includes Basic and Major dental services that did not make the top three list on a paid and procedure count basis.

- Top three utilization categories by paid claims and procedure counts remained consistent with prior plan years
 - Top three utilization categories by paid claims consist of approximately 48% of total claims for prior plan years
 - Top three utilization categories by procedure counts consist of approximately 77% of total procedure counts for prior plan years.

Delta Dental PPO Plan Experience

Dollar Grade Utilization (Excludes Orthodontics)

Dollar Range	Jun18 - May19	Jun19 - May20	% Change
<= \$259.99	2,480	3,470	39.9%
\$260 to \$999.99	4,886	4,164	-14.8%
\$1,000 to \$1,299.99	816	719	-11.9%
>= \$1,300	834	576	-30.9%
Total Utilizers	9,016	8,929	-1.0%

- Total utilization on a rolling 12-month basis decreased by (1%), due to the suspension of nonessential healthcare to mitigate the spread of COVID19
 - Less than 15% of utilization exceeded \$1,000 in claims
- Annual maximum by provider type:
 - \$1,300 Delta Dental PPO provider
 - \$1,000 Delta Dental Premier and Non-Contracted providers

Delta Dental PPO Plan Experience

Utilizers by Procedure Count

Procedure Counts	Jun18 - May19	Jun19 - May20	% Change
No Utilization	2,881	3,300	14.5%
1	241	450	86.7%
2	581	1,023	76.1%
3	677	962	42.1%
4+	7,543	6,387	-15.3%
Total Members	11,923	12,122	1.7%

Note: Members may experience more than one procedure when visiting a dental provider.

- Due in part to the recent suspension of nonessential healthcare to mitigate the spread of COVID19 the percentage of members with:
 - No utilization increased from 24.1% to 27.2%; and,
 - Four or more procedures decreased from 63.3% to 52.7%

| Dental Request For Proposal Results

Dental Request For Proposal

Delta Dental Overview

	PPO	DeltaCare USA HMO
Proposed Rate Change	<ul style="list-style-type: none">• 5.6% Increase	<ul style="list-style-type: none">• Rate Pass
Rate Guarantee Period	<ul style="list-style-type: none">• 3 Years	<ul style="list-style-type: none">• 3 years
Rate Cap	<ul style="list-style-type: none">• Years 4 & 5: 5%	<ul style="list-style-type: none">• Years 4 & 5: 5%
Wellness Offering	<ul style="list-style-type: none">• \$2,500 annually for DPPO and DHMO plans	

Note: DeltaCare USA HMO will apply a 25% COVID19 premium credit for August and September 2020 to the first month's invoice in 2021.

Dental Request For Proposal

Value Added Benefits Overview

Value Added Benefit	Benefit Description
<ul style="list-style-type: none">Smileway Wellness Benefit (include in PPO only)	<ul style="list-style-type: none">Yearly Periodontal Scaling and Root Planing ProcedureAny Combination of Yearly Cleanings or Periodontal Maintenance
<ul style="list-style-type: none">BrushSmart	<ul style="list-style-type: none">App-connected smart toothbrush from SonicareProfessional Rx Products (Toothpaste & Rinse)Additional Toothbrushes for family membersZoom WhiteningTeledentistry
<ul style="list-style-type: none">Customized Microsite for ACERA Members	<ul style="list-style-type: none">Digital CampaignsDashboard Interface to Track Costs, Dentists, and Services
<ul style="list-style-type: none">Value-Added Discount Programs	<ul style="list-style-type: none">Hearing Aid Discounts through AmplifonLasik Eye Surgery discounts through Quallsight

| Appendices

Smileway Wellness Benefits

For high-risk patients

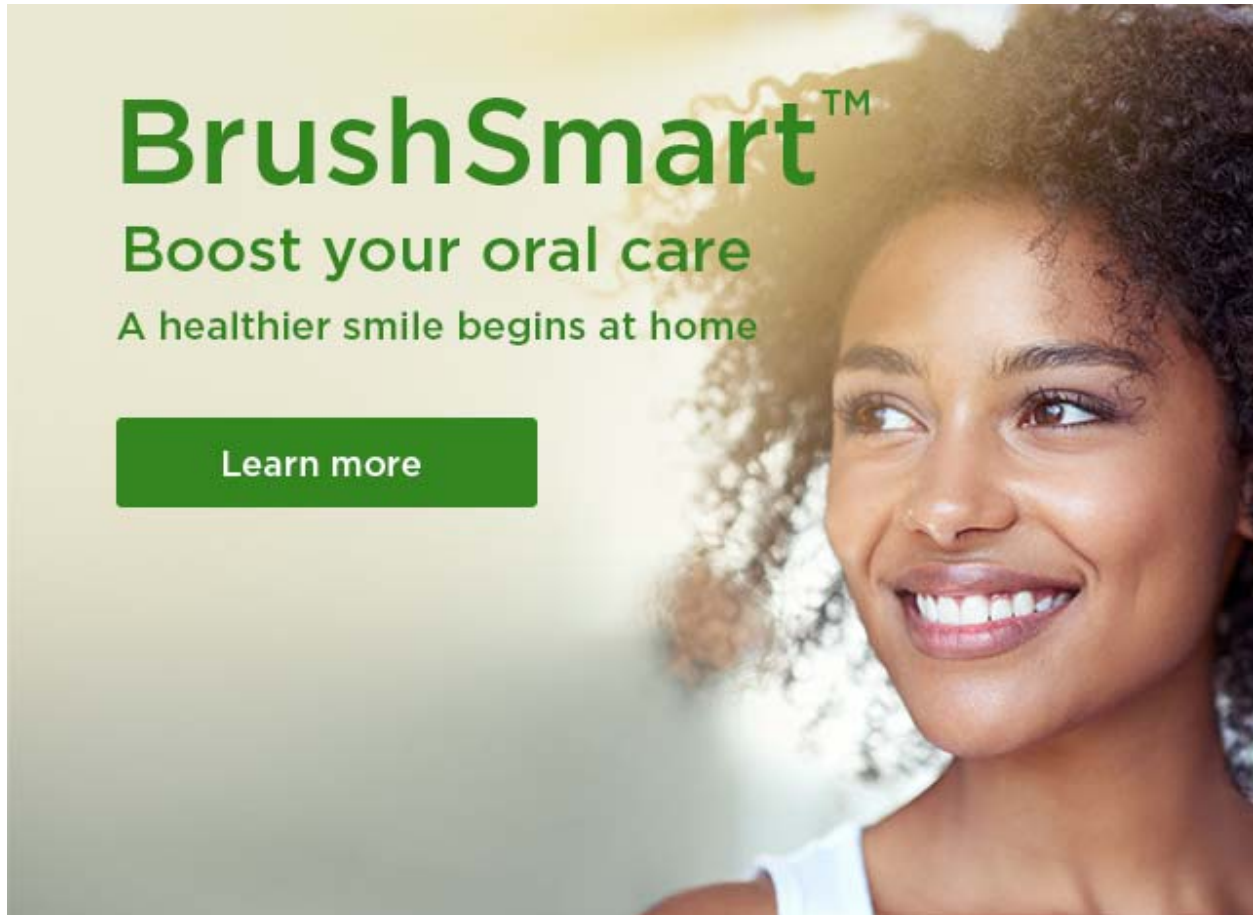
Retirees opt in
Confidentially and
get **100%** coverage

1 Yearly periodontal
scaling and root planing
procedure

4 Any combination of
yearly cleanings or
periodontal maintenance

Focusing on:

- Diabetes
- High Blood Pressure
- HIV AIDS
- Heart Disease
- Rheumatoid Arthritis



Seeing your dentist might be difficult right now. The good news is, you can treat yourself to quality dental care right in the comfort of your home. By being proactive about your oral care, you can significantly lessen your risk of gum disease and other oral health-related conditions that could weaken your immune system.

Learn more about an ideal at-home care routine and get discounts on **Philips Sonicare** products by joining BrushSmart, the oral wellness program available exclusively to Delta Dental enrollees. As a BrushSmart

Appendix B Brushmart Wellness Benefit

member, you'll receive special offers on dental products, tips on home care and recommendations on tools to meet your needs.

Sign up today and get your first offer, a **25% discount** through our partnership with Philips on Sonicare products that can improve your at-home routine.

[Sign up for BrushSmart](#)

PHILIPS sonicare

Stay Informed!



An offer to keep you smiling from ear to ear



Save on hearing aids from Amplifon

You now have access to discounts on hearing aids through Amplifon Hearing Health Care.¹ Delta Dental has selected Amplifon, a leader in hearing health care, to act as your personal concierge. Amplifon will guide you through every step, from using your discounts to finding the right products and care for your hearing needs.

Have you heard? 48 million Americans have significant hearing loss.² Let Amplifon help.

- Access to the best hearing aid prices, guaranteed.**
 There's no sign-up fee for the program, and you'll enjoy 62% average savings off retail pricing.³ If you find a lower price at another local provider, Amplifon will beat it by 5%.⁴ Plus, no-interest financing is also available.
- Choice of top hearing aid brands.**
 Amplifon offers access to the nation's leading hearing aid brands featuring the latest technology. And, all products are backed by a 60-day no-risk trial.
- Thousands of hearing care providers.⁵**
 With a broad network of hearing clinics across the nation, it's likely you'll find an Amplifon provider near you.
- Industry-leading support for your purchase.**
 The advantages of Amplifon don't stop right after you buy. You get one year of free follow-up care, two years of free batteries and a three-year product warranty for all hearing aid purchases.

Ready to get started? It's simple.

Continued on back ►



deltadentalins.com/enrollees

Appendix C Value-Added Discount Program (Hearing Aids)

1



Call Amplifon at **888-779-1429**. A Patient Care Advocate will help you find a hearing care provider near you.

2



Your advocate will explain the discount process, ask you a few simple questions, then help you make an appointment.

3



Sit back. Amplifon will send you and your selected provider the necessary information to activate your hearing aid discounts.

Take advantage of your value-added feature!
Visit amplifonusa.com/deltadentalins or call **888-779-1429** to get started.

¹ Amplifon's hearing health care services are not insured benefits. Delta Dental makes the hearing health care services program available to enrollees to provide access to the preferred pricing for hearing aids and other hearing health services.

² Center for Hearing and Communication; <http://chcheating.org/facts-about-hearing-loss/>

³ Amplifon Hearing Health Care utilization database, January-December 2018. Discounts or savings may vary by manufacturer and technology level of the hearing aid device.

⁴ Amplifon offers a price match on most hearing devices; some exclusions apply. Not available where prohibited by law. Visit amplifonusa.com/deltadentalins or call 888-779-1429 for more details.

⁵ Amplifon Hearing Health Care provider file, February 2019

Our Delta Dental enterprise includes these companies in these states: Delta Dental of California — CA, Delta Dental of the District of Columbia — DC, Delta Dental of Pennsylvania — PA & MD, Delta Dental of West Virginia, Inc. — WV, Delta Dental of Delaware, Inc. — DE, Delta Dental of New York, Inc. — NY, Delta Dental Insurance Company — AL, DC, FL, GA, LA, MS, MT, NV, TX and UT.

Delta Dental is a registered trademark of Delta Dental Plans Association.

Set your sights on even more value

Save on LASIK services from QualSight



Thought you'd never be able to afford LASIK eye surgery? Now it may be within reach. Delta Dental has selected QualSight¹ to offer you access to discounts on LASIK services. Through QualSight, you can save 40% to 50% off the national average price of Traditional LASIK² along with big savings on custom and custom bladeless LASIK procedures.

See it to believe it.

QualSight can help you find the right vision solution.

Extra savings



You get preferred pricing on LASIK through QualSight providers across the nation. Plus, pre- and post-operative visits are included, along with a one-year assurance plan.

Expert surgeons



QualSight's network is built with credentialed laser eye surgeons who have collectively performed more than 6.5 million procedures.⁴

Expansive choice



With more than 1,000 LASIK locations⁴, you can choose the physician with the experience, reputation and technology your vision correction requires.



deltadentalins.com/enrollees

Continued on back ►

Appendix C Value-Added Discount Programs (LASIK)

Ready. Set. Save. It only takes three simple steps to take advantage of these savings.

1. Get ready.

Give a QualSight care manager a call at **855-248-2020**.

2. Get set.

A care manager will explain the program and answer any questions.

3. Save!

Pick a physician and pay a discounted price for LASIK services.

To learn more about the LASIK discounts, visit qualsight.com/-delta-dental.

¹ Vision corrective services are not an insured benefit. Delta Dental makes the vision corrective services program available to you to provide access to the preferred pricing for LASIK surgery.

² Refractive Quarterly Update, Market Scope LLC, November 2018. Discounts or savings may vary by provider.

³ QualSight provider file, February 2019.

Our Delta Dental enterprise includes these companies in these states: Delta Dental of California — CA, Delta Dental of the District of Columbia — DC, Delta Dental of Pennsylvania — PA & MD, Delta Dental of West Virginia, Inc. — WV, Delta Dental of Delaware, Inc. — DE, Delta Dental of New York, Inc. — NY, Delta Dental Insurance Company — AL, DC, FL, GA, LA, MS, MT, NV, TX and UT.

Delta Dental is a registered trademark of Delta Dental Plans Association.



Alameda County Employee's Retirement Association (ACERA)

VSP Plan Experience

ACERA Retirees Committee Meeting

Presented on: July 16, 2020
Presenter: Stephen Murphy



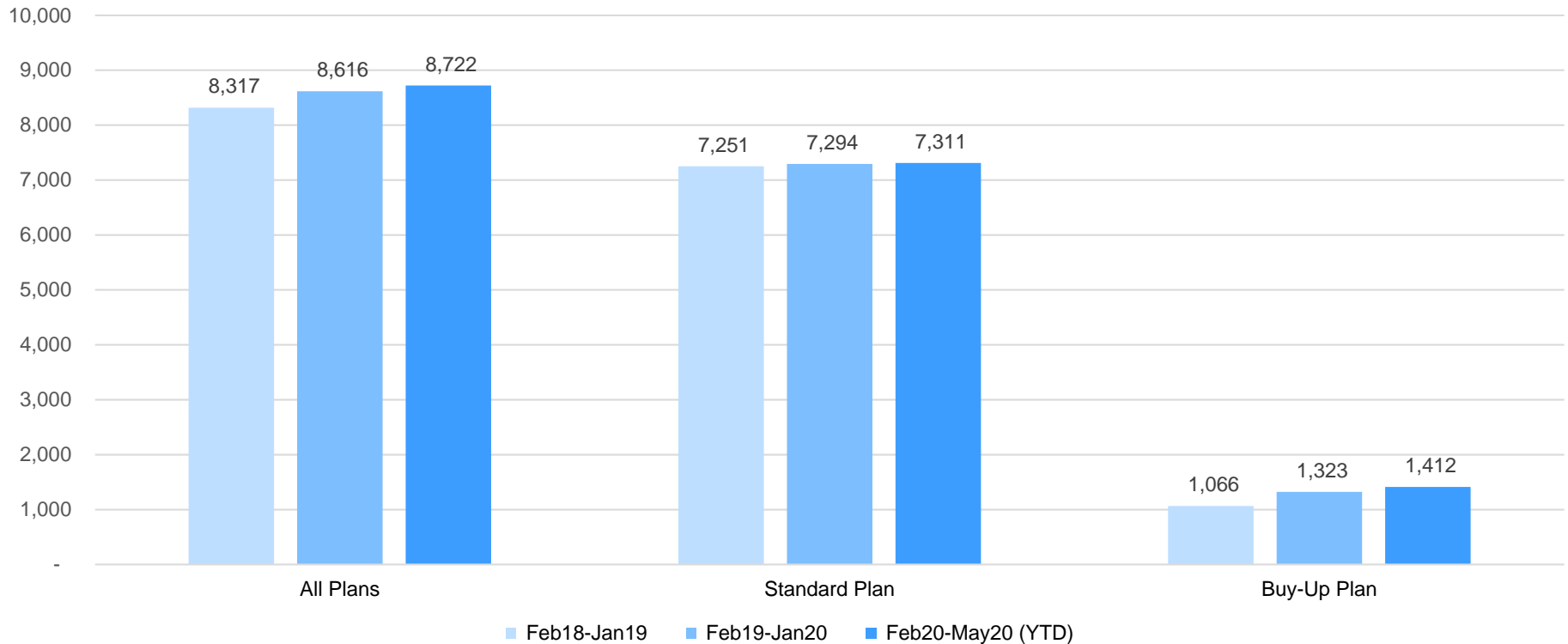
Table of Content

- **VSP Plan Experience**
- **Vision Request For Proposal Results**

| VSP Plan Experience

VSP Plan Experience Enrollment by Plan

Enrollment by Plan
(Per Retiree Per Month)

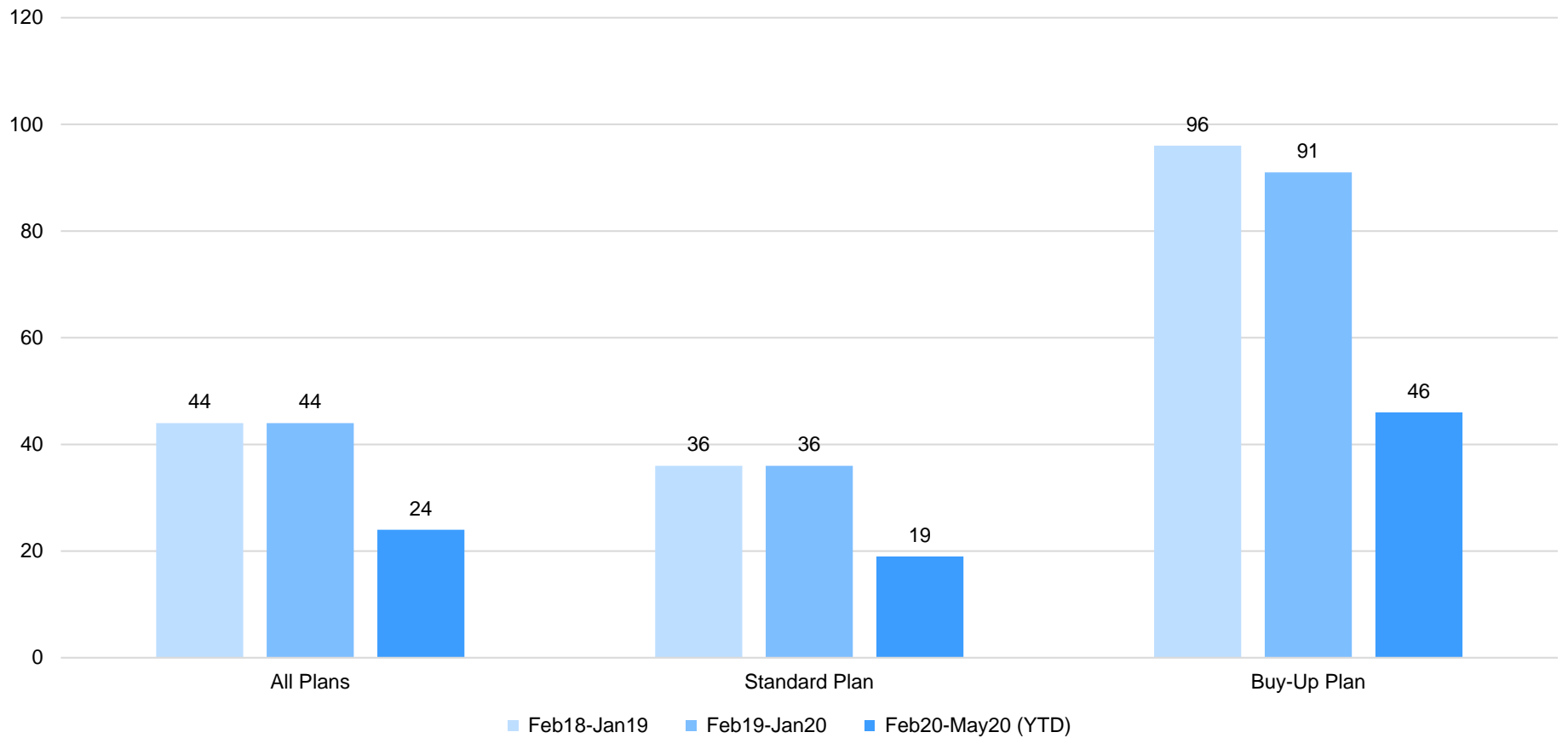


- Total Vision Enrollment has increased gradually over each experience period
 - Enrollment in the Standard Plan has remained steady
 - ACERA's Buy-Up plan is gaining in popularity and now represents 16% of total enrollment

VSP Plan Experience

Claim Frequency by Plan

Monthly Claim Frequency
(Per 1,000 Retirees)



➤ Claim frequency for all plans during the current plan year has decreased by approximately 50% due to the suspension of nonessential healthcare to mitigate the spread of COVID19

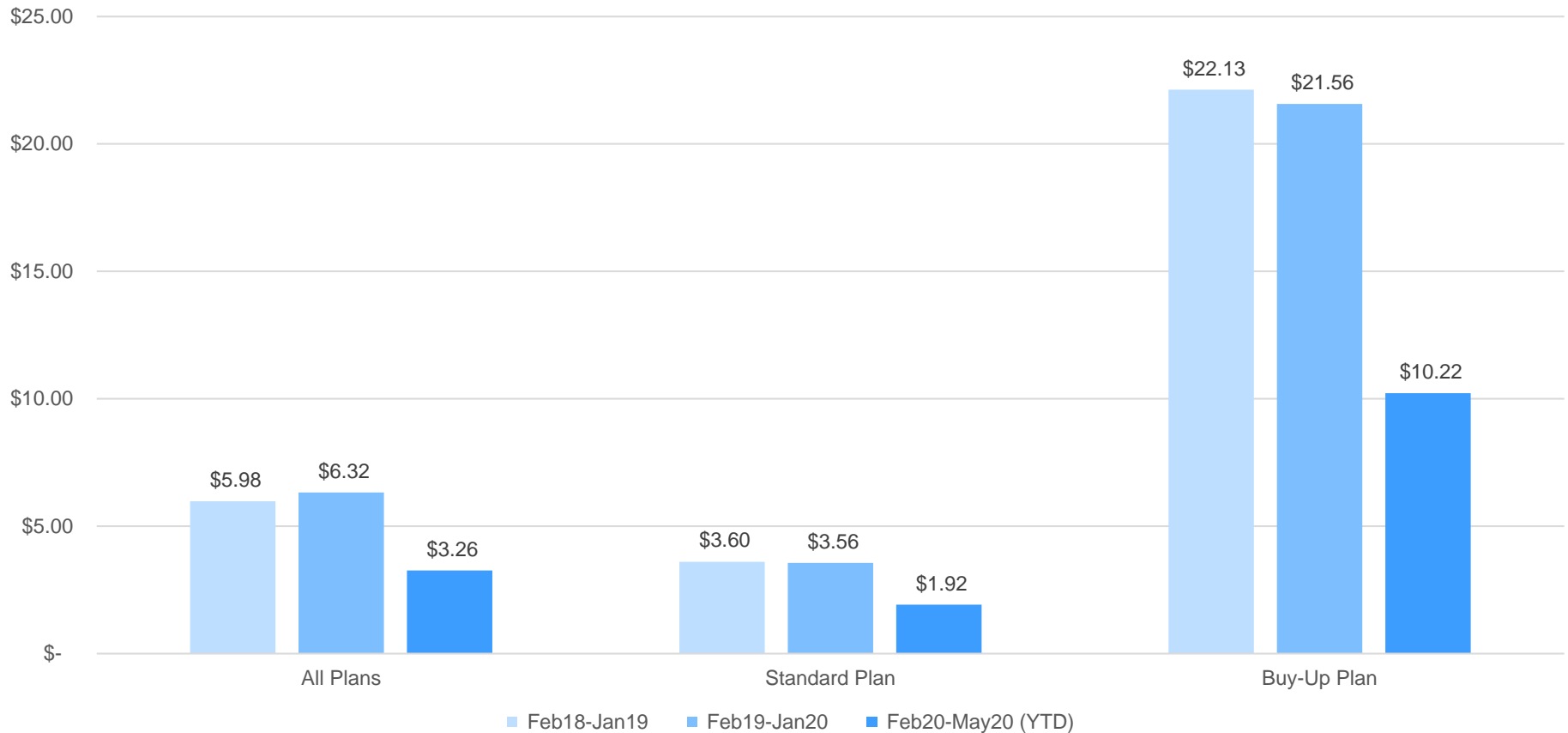
VSP Plan Experience Utilization Metrics

Utilization Benchmarks (Standard & Buy-Up Plans)		
	ACERA	VSP Book of Business
Network Utilization	88%	89%
Exam Utilization	35%	41%
Materials - Top 3 Lens Options (Standard & Buy-Up Plans)		
Feb17 - Jan18	Feb18 - Jan19	Feb19 - Jan20
1. Polycarbonate	1. Polycarbonate	1. Polycarbonate
2. Anti-Reflective Coating	2. Anti-Reflective Coating	2. UV Protection
3. Progressives	3. UV Protection	3. Anti-Reflective Coating
Frames		
	Allowance	% with No Out-of-Pocket ⁽¹⁾
Standard Plan	\$150	33%
Buy-Up Plan	\$200	55%

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

VSP Plan Experience Claims by Plan

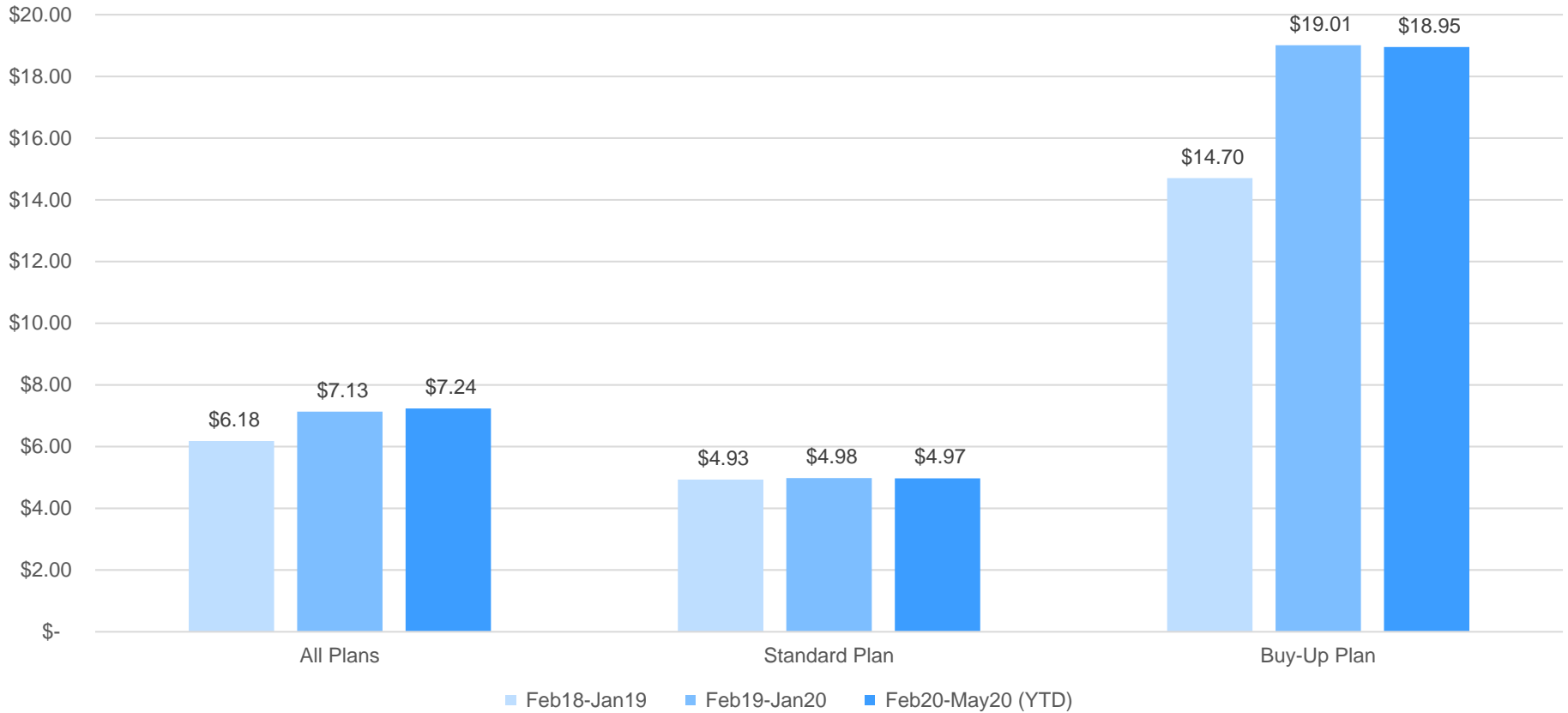
Claim by Plan
(Per Retiree Per Month)



- ▶ Claims paid on a Per Retiree Per Month basis for the most recent period have decreased by approximately 50% due to the suspension of nonessential healthcare to mitigate the spread of COVID19.

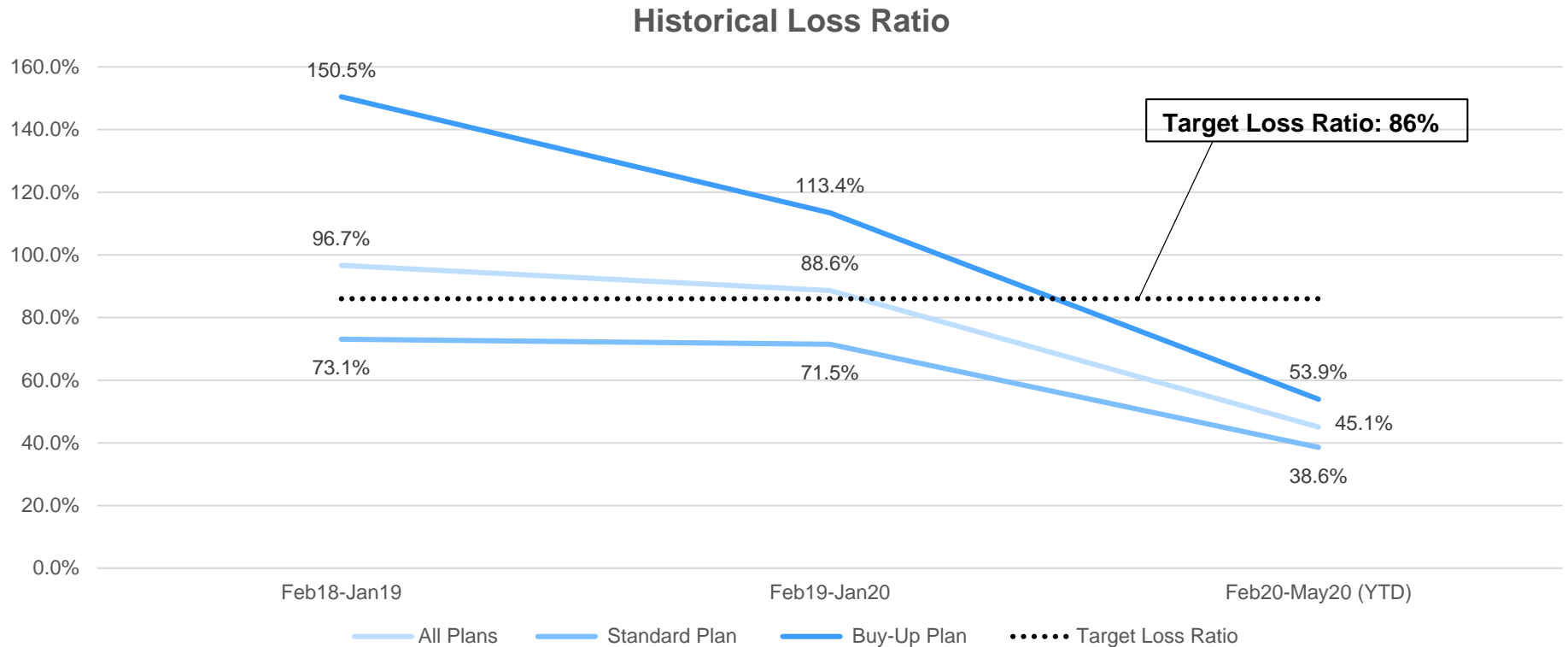
VSP Plan Experience Premiums by Plan

Premiums by Plan
(Per Retiree Per Month)



- Premium rates remained consistent for the 2019-20 and 2020-21 plan years
 - The slight decrease in the 2020-21 Buy-Up Plan premiums is attributed to enrollment changes

VSP Plan Experience Loss Ratio by Plan



- The YTD 2020-21 loss ratio for All Plans has decreased to almost half of VSP’s target loss ratio of 86%, due to the suspension of nonessential healthcare to mitigate the spread of COVID19
 - The Standard Plan has subsidized the Buy-Up Plan for the past three experience periods

| Vision Request For Proposal Results

Vision Request For Proposal

VSP Overview

	Base	Buy-Up
Proposed Rate Change	<ul style="list-style-type: none"> • 6.2% Decrease 	<ul style="list-style-type: none"> • 3.3% Decrease
Rate Guarantee Period	<ul style="list-style-type: none"> • 5 Years 	<ul style="list-style-type: none"> • 5 years
Wellness Offering	<ul style="list-style-type: none"> • \$2,500 annually for Base and Buy-Up plans • \$10,000 Marketing Communication Fund 	
Value Added Benefits	<ul style="list-style-type: none"> • Expand network providers to include Walmart and Sam's Club locations • Include COBRA Administration 	<ul style="list-style-type: none"> • Expand network providers to include Walmart and Sam's Club locations • Include COBRA Administration

- VSP proposed a materials-only plan to be offered to retirees enrolled with Kaiser
 - Kaiser's plan of benefits includes an annual eye exam
 - VSP's materials-only plan would provide members receiving an eye exam from Kaiser access to a broader section of frames at discounted prices through VSP's network providers.

Vision Request For Proposal Materials-Only Plan Overview

	Base	Buy-Up
Proposed Rate Change	<ul style="list-style-type: none"> • 25% Decrease 	<ul style="list-style-type: none"> • 25% Decrease
Rate Guarantee Period	<ul style="list-style-type: none"> • 5 Years 	<ul style="list-style-type: none"> • 5 years
Benefits		
Frequency in Months (Lenses/Frames/Contact Lenses)	<ul style="list-style-type: none"> • 12/24/12 	<ul style="list-style-type: none"> • 12/12/12
Prescription Glasses	<ul style="list-style-type: none"> • \$25 Copay 	<ul style="list-style-type: none"> • \$15 Copay
Lenses	<ul style="list-style-type: none"> • Covered in Full (Glass/plastic single vision, lined bifocal, lined trifocal, or lenticular lenses) 	<ul style="list-style-type: none"> • Covered in Full (Glass/plastic single vision, lined bifocal, lined trifocal, or lenticular lenses)
Lens Enhancements	<ul style="list-style-type: none"> • Average 20-25% Savings 	<ul style="list-style-type: none"> • Average 20-25% Savings
Frames	<ul style="list-style-type: none"> • \$150 Allowance 	<ul style="list-style-type: none"> • \$200 Allowance
Elective Contact Lenses	<ul style="list-style-type: none"> • \$105 Allowance 	<ul style="list-style-type: none"> • \$200 Allowance
Low Vision	<ul style="list-style-type: none"> • 75% coverage for approved low vision aids, up to \$1,000 every two years 	<ul style="list-style-type: none"> • 75% coverage for approved low vision aids, up to \$1,000 every two years



- The proposed materials-only plan will be offered alongside the current plans to retirees enrolled with Kaiser
 - Retirees can utilize their exam coverage through Kaiser while maintaining identical materials benefits as the corresponding current plan.
 - Single subsidized retiree premiums are 20% and 23% lower than corresponding Base and Buy-Up premiums with exam coverage, respectively.



MEMORANDUM TO THE RETIREES COMMITTEE

DATE: July 16, 2020

TO: Members of the Retirees Committee

FROM: Ismael Piña, Assistant Benefits Manager 
Mike Fara, Communications Manager 

SUBJECT: **Status of ACERA's Wellness Program and Retiree Health and Wellness Fair, and Plans for Open Enrollment**

Due to the worldwide pandemic, we have adjusted our wellness approach for 2020.

Wellness Program

Due to the public health order to shelter in place and the risk of public gatherings, we have put our wellness events on hold for this year.

While focusing most of our resources on essential services during this period, we have completed some limited wellness items:

- We created a web post and mass email providing links to a variety of self-care resources, such as guided meditation audio files.
- We created a web post and mass email providing a link to Kaiser's COVID-19 resource webpage.
- We worked with Delta Dental to provide PPO participants free access to a teledentistry smartphone app called Toothpic, which facilitates virtual dental appointments. We marketed this on our website and by mass email.

Retiree Health and Wellness Fair

We predict that conditions will not have improved sufficiently by October to hold the annual event and have cancelled our reservation for the Albert Dewitt Officers Club in Alameda, CA. We are exploring options to holding a virtual event over Zoom with our healthcare providers and other experts. In addition to the virtual fair, will are looking to gather new information and resources from our healthcare providers and other experts that can be sent with our open enrollment packet.

Open Enrollment

We do not anticipate much of a disruption to our normal open enrollment activities due to the pandemic. We are targeting sending open enrollment packet material artwork to print on September 18 for an October 9 mailing date.



MEMORANDUM TO THE RETIREES COMMITTEE

DATE: July 16, 2020

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".

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 the changes to the Via Benefits reimbursement request forms effective June 16, 2020.

In an effort to simplify the reimbursement process, Via Benefits has consolidated the Reimbursement Request Form and the Recurring Reimbursement Form into one easy-to-use form. All types of reimbursement requests will now be processed using the same form. The combined form is intended to streamline the reimbursement process for participants.

Via Benefits will continue to accept the current reimbursement forms in use, but will guide our retirees to use the new consolidated form as reimbursement requests are received.