



THIS MEETING WAS CONDUCTED VIA TELECONFERENCE WITH VIDEO

July 16, 2020

To: Members of the Retirees Committee

From: Liz Koppenhaver, Chair, Retired Trustee

Subject: Summary of the July 16, 2020 Retirees Committee Meeting

Committee Chair Liz Koppenhaver called the July 16, 2020 meeting to order at 1:00 p.m. Committee members present were Liz Koppenhaver, Jamie Godfrey, Keith Carson and George Wood. Also present were Ophelia Basgal, Tarrell Gamble, Henry Levy, and Elizabeth Rogers, and alternate members Nancy Reilly and Darryl Walker. Staff present were David Nelsen, Chief Executive Officer; Kathy Foster, Assistant Chief Executive Officer; Margo Allen, Fiscal Services Officer; Jeff Rieger, Chief Counsel; Sandra Dueñas-Cuevas, Benefits Manager; Jessica Huffman, Benefits Manager; Vijay Jagar, Chief Technology Officer; and Harsh Jadhav, Chief of Internal Audit.

PUBLIC INPUT

None.

ACTION ITEMS

1. Adoption of 2021 Monthly Medical Allowance for Group Plans

Staff presented group plans Monthly Medical Allowance (MMA) cost comparisons for the 2020 and 2021 Plan Years. Staff recommended that there be no increase to the MMA amount for 2021, thereby maintaining the current MMA maximum for the group plans of \$578.65 for the Plan Year 2021.

It was moved by Ophelia Basgal and seconded by Jaime Godfrey 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.

The motion carried 9 yes (*Basgal, Carson, Gamble, Godfrey, Koppenhaver, Levy, Rogers, Walker, Wood*), 0 no, 0 abstentions.

2. Adoption of 2021 Monthly Medical Allowance for Early Retiree Individual Plans

Staff presented early (non-Medicare) retiree Individual Plans Monthly Medical Allowance (MMA) costs for the 2020 Plan Year based on the maximum MMA provided. Staff recommended that there be no increase to the MMA amount for 2021, thereby maintaining the current MMA maximum of \$578.65 for the Plan Year 2021 for eligible qualified early (non-Medicare) retirees enrolled in individual plans through the Health Exchange.

It was moved by Jaime Godfrey and seconded by George Wood 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.

The motion carried 9 yes (*Basgal, Carson, Gamble, Godfrey, Koppenhaver, Levy, Rogers, Walker, Wood*), 0 no, 0 abstentions.

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

Staff presented Medicare eligible retiree Individual Plans Monthly Medical Allowance (MMA) costs for the 2020 Plan Year based on the maximum MMA provided. Staff recommended that there be no increase to the MMA amount for 2021, thereby maintaining the current MMA maximum of \$443.28 for the Plan Year 2021 for eligible retirees enrolled in individual plans through the Medicare Exchange.

It was moved by George Wood and seconded by Ophelia Basgal 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.

The motion carried 9 yes (*Basgal, Carson, Gamble, Godfrey, Koppenhaver, Levy, Rogers, Walker, Wood*), 0 no, 0 abstentions.

INFORMATION ITEMS

1. Report on Dental and Vision Plans Experience and Utilization

Segal, ACERA's Benefits Consultant, provided information on ACERA's dental and vision plans experience, utilization, dental annual maximums by network, and request for proposal results, which included a dental value added benefits overview, and VSP's proposed materials-only plan.

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

Staff provided a report on the wellness program, Retiree Health and Wellness fair, and plans for the 2021 open enrollment. This year's Retiree Health and Wellness fair has been cancelled, and Staff is exploring alternative virtual options with ACERA's healthcare providers and experts. The 2021 open enrollment packet distribution is targeted for October 9, 2020.

3. Miscellaneous Updates

Staff reported that effective June 16, 2020, Via Benefits made changes to its reimbursement request forms by consolidating them into one easy-to-use form, which is intended to streamline the reimbursement process for participants. In response to Trustee Rogers' question, Staff will find out if Via Benefits has the capability of issuing and using debit cards for processing Health Reimbursement Account reimbursement requests.

TRUSTEE REMARKS

None.

FUTURE DISCUSSION ITEMS

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

ESTABLISHMENT OF NEXT MEETING DATE

The next meeting is scheduled for August 5, 2020 at 10:30 a.m.

MEETING ADJOURNED

The meeting adjourned at 1:51 p.m.