



MINUTES OF SEPTEMBER 1, 2021 RETIREES COMMITTEE MEETING

THIS MEETING WAS CONDUCTED VIA TELECONFERENCE WITH VIDEO

To: Members of the Retirees Committee

From: Liz Koppenhaver, Chair

Subject: Summary of the September 1, 2021 Retirees Committee Meeting

Committee Chair Liz Koppenhaver called the September 1, 2021 Committee meeting to order at 10:32 a.m.

ACERA TRUSTEES, SENIOR MANAGERS AND PRESENTING STAFF IN ATTENDANCE

Committee members present were Liz Koppenhaver, Keith Carson, Darryl Walker and George Wood. Also present were Ophelia Basgal, Tarrell Gamble and Jamie Godfrey, and alternate member Nancy Reilly.

Staff present were Margo Allen, Fiscal Services Officer; Kathy Foster, Assistant Chief Executive Officer; Jessica Huffman, Benefits Manager; Harsh Jadhav, Chief of Internal Audit; Vijay Jagar, Chief Technology Officer; David Nelsen, Chief Executive Officer; Jeff Rieger, Chief Counsel and Betty Tse, Chief Investment Officer.

PUBLIC INPUT

None.

INFORMATION ITEMS

Chair Liz Koppenhaver moved the following information item to the top of the agenda at the request of Staff to provide for more complete background before considering the action items:

1. ACERA-Sponsored Medical Plans and Premiums for Plan Year 2022

Staff and the County of Alameda (County) provided information on the renewal of the County's medical plan contracts for the 2022 Plan Year. The County presented detailed information regarding renewal rates and plan coverage for the Plan Year February 1, 2022 through January 31, 2023, stating that the Kaiser Permanente early retiree rate will increase by 4.0%, and the Kaiser Permanente Senior Advantage (KPSA) plan premium will decrease by <9.9%>. The UnitedHealthcare (UHC) Signature Value and UHC Signature Value Advantage plans premiums will increase by 2.93%. The UHC Signature Value Prescription Drug List (PDL) will sunset beginning January 1, 2022, and transition to the UHC Signature Value Advantage plan PDL for the 2022 Plan Year.

Kaiser Permanente offered the following two additional benefit options for the KPSA plan enrollees that Staff recommended for consideration:

- The Silver&Fit[®] Exercise and Healthy Aging Program (Silver & Fit) benefit for the 2022 Plan Year at no cost as a “trial”. Starting with the 2023 Plan Year, the cost for the benefit at that time would be added to the premium, or ACERA can choose to remove the benefit. Trustees directed Staff to 1) begin marketing this benefit early, and clearly communicate that this benefit is being offered on a trial basis for the 2022 Plan Year; 2) send out a survey to find out how many members are participating in any of the options available in this program, and whether more members would participate if the fitness center locations were expanded; and 3) find out what opportunities there may be for Kaiser to possibility expand its network of fitness centers.
- A Meals Rider at a cost of \$1.75 per member/per month. Based on the May 2021 retiree enrollment information, the estimated annual cost to provide this benefit is \$86,016.

ACTION ITEMS

1. Approve Offering Kaiser Permanente Senior Advantage Plan Enrollees Optional Silver & Fit Benefit for Plan Year 2022

It was moved by Ophelia Basgal and seconded by George Wood that the Committee recommend to the Board of Retirement a motion to offer the Silver & Fit benefit for Kaiser Permanente Senior Advantage plan enrollees for the 2022 Plan Year at no cost as a “trial”, and decide whether to continue this benefit starting with the 2023 Plan Year, based on the cost for the benefit at that time.

The motion carried 7 yes (*Basgal, Carson, Gamble, Godfrey, Koppenhaver, Walker, Wood*), 0 no, 0 abstentions.

2. Approve Offering Kaiser Permanente Senior Advantage Plan Enrollees Optional Meals Rider for Plan Year 2022

It was moved by Ophelia Basgal and seconded by Keith Carson that the Committee recommend to the Board of Retirement a motion to offer the optional Meals Rider for Kaiser Permanente Senior Advantage plan enrollees beginning in Plan Year 2022, at an estimated annual cost of \$86,016.

The motion carried 7 yes (*Basgal, Carson, Gamble, Godfrey, Koppenhaver, Walker, Wood*), 0 no, 0 abstentions.

TRUSTEE, STAFF AND CONSULTANT REMARKS

Stephen Murphy with Segal, ACERA's benefits consultant, stated that there are efforts to expand the traditional Medicare to include dental and vision coverage, which is going through the budget reconciliation process. There will be more details in the coming months as this moves through the budget process. Trustee Koppenhaver stated that she noticed that they may also be considering a hearing aid type of benefit.

Kathy Foster stated that the Monthly Medical Allowance paid to the retirees enrolled in the Kaiser Permanente Senior Advantage (KPSA) plan is the highest cost benefit to the Supplemental Retiree Benefit Reserve (SRBR). Considering the decrease in the KPSA plan premium rates for the second year in a row, and the current state of the SRBR fund, if Trustees would like Staff to review any other benefits over the year to provide information on those benefits in time to consider for the renewal request to the County of Alameda for the following Plan Year, she asked that Trustees let Staff know. She also expressed her appreciation for allowing Staff to hold this meeting to be able to present the additional benefits for consideration.

Trustee Koppenhaver stated that she would like Staff to provide information on hearing aid benefits at a future meeting.

Trustee Walker asked Staff to provide information regarding support for employees who were required to work during the pandemic, and had to retire after contracting COVID while working because they became very sick. Jeff Rieger stated that there are new laws regarding this issue for Workers Compensation and ACERA, so Staff could bring back this topic at a future meeting as an educational presentation. Additionally, there will probably be an item on the September 16, 2021 Board of Retirement meeting where some of this information will be discussed, so that may be an educational opportunity.

FUTURE DISCUSSION ITEMS

- Presentation and Acceptance of SRBR Funding Report/Valuation
- SRBR Policy Update

ESTABLISHMENT OF NEXT MEETING DATE

The next meeting is scheduled for October 6, 2021 at 10:30 a.m.

MEETING ADJOURNED

The meeting adjourned at 11:29 a.m.