



**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, September 5, 2018
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
	GEORGE WOOD, VICE CHAIR	ELECTED GENERAL
	DALE AMARAL	ELECTED SAFETY
	KEITH CARSON	APPOINTED
	JAIME GODFREY	APPOINTED

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 – September 5, 2018

Call to Order: 10:30 a.m.

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

1. Motion to Approve Offering Optional UnitedHealthcare HMO Plan for Plan Year 2019

Report on the new optional UnitedHealthcare HMO plan in the SignatureValue Advantage network.

- Kathy Foster

Recommendation

Staff recommends that the Retirees Committee recommend to the Board of Retirement to approve offering the optional UnitedHealthcare HMO plan in the SignatureValue Advantage network, beginning in Plan Year 2019, in addition to the current UnitedHealthcare HMO plan in the SignatureValue network.

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

1. ACERA-Sponsored Medical Plans and Premiums for Plan Year 2019

Report on renewal of Alameda County's medical plan contracts for the 2019 Plan Year. Staff will provide information regarding renewal rates and plan coverage for the Plan Year February 1, 2019 through January 31, 2020.

- Kathy Foster

- Ava Lavender, Alameda County

- Keenan & Associates

2. Status Report on Open Enrollment and Retiree Health and Wellness Fair

Report on planning for ACERA's annual Open Enrollment and Retiree Health and Wellness Fair.

- Ismael Piña

3. Miscellaneous Updates

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

- Ismael Piña

Trustee Remarks

Public Input (Time Limit: 4 minutes per speaker)

Future Discussion Items

- Presentation and Acceptance of Supplemental Retiree Benefit Reserve Funding Report/Valuation

RETIRES COMMITTEE/BOARD MEETING

NOTICE and AGENDA, Page 3 of 3 – September 5, 2018

Establishment of Next Meeting Date

October 3, 2018, at 10:30 a.m.


Adjournment



MEMORANDUM TO THE RETIREES COMMITTEE

DATE: September 5, 2018

TO: Members of the Retirees Committee

FROM: Kathy Foster, Assistant Chief Executive Officer 

SUBJECT: **ACERA-Sponsored Medical Plans and Premiums for Plan Year 2019**

Provided below is a summary of the Plan Year 2019 medical renewal group plan rates from our carriers; Kaiser Permanente and UnitedHealthcare (UHC).

Level of Coverage	2018 Rates & % Increase	2019 Rates & % Increase	2019 Difference	20 + MMA (\$558.00) Retiree Out-of-Pocket
<i>Kaiser HMO</i>	.90%	4.0%		
Retiree Only	\$735.64	\$765.06	\$29.42	\$207.06
Retiree + One Dep	\$1,471.28	\$1,530.12	\$58.84	\$972.12
Retiree + Two/More Deps	\$2,081.88	\$2,165.12	\$83.24	\$1,607.12
<i>UHC Current HMO</i>	6.63%	0.0%		
Retiree Only	\$1,047.16	\$1,047.16	\$0	\$489.16
Retiree + One Dep	\$2,094.24	\$2,094.24	\$0	\$1,536.24
Retiree + Two/More Deps	\$2,963.32	\$2,963.32	\$0	\$2,405.32
<i>New Optional UHC HMO</i>	N/A	N/A		
Retiree Only	N/A	\$980.94	N/A	\$422.94
Retiree + One Dep	N/A	\$1,961.80	N/A	\$1,403.80
Retiree + Two/More Deps	N/A	\$2,775.92	N/A	\$2,217.92
<i>Kaiser Sr. Advantage</i>	3.52%	7.3%		
Retiree Only	\$367.23	\$394.07	\$26.84	\$0.00
Retiree + One Dep	\$734.46	\$788.14	\$53.68	\$230.14

Summary of County of Alameda's Medical Plan Renewal Changes for Plan Year 2019:

The County of Alameda will review the attached presentation regarding the 2019 Plan Year renewal rates and discuss the following.

- The UHC PPO plan will not be offered in 2019. UHC declined to renew the current PPO plan due to no active member and low early retiree enrollments.
- A new optional UHC HMO plan in the SignatureValue **Advantage** network will be offered, in addition to the existing HMO plan in the SignatureValue network.
- A combined chiropractic/acupuncture benefit will be added to both the current and new UHC HMO plans.

In addition, Staff and ACERA's Benefits Consultant will review the attached presentation and provide information regarding the following specific renewal items:

- Kaiser Permanente's Silver&Fit® Exercise & Healthy Aging Program – The per member per month cost to cover this Program in the Kaiser Permanente Senior Advantage (KPSA) plan is \$2.50
- Optional hearing aid benefit offered through Via Benefits in the individual marketplace

2019 Premium Rates for Individual Medical Plans through Via Benefits

The 2019 individual Medicare premium rates will not be available until early October. The Medicare plans and rates go through a Centers for Medicare and Medicaid Services (CMS) approval process before they are released. The 2019 premiums for individual Early Retiree plans will be available around the same time in October.

Recommendation

Staff recommends that the Retirees Committee recommend to the Board of Retirement to approve offering the optional UnitedHealthcare HMO plan in the SignatureValue **Advantage** network, beginning in Plan Year 2019, in addition to the current UnitedHealthcare HMO plan in the SignatureValue network.

Attachments

ACERA ANNUAL BENEFIT RENEWAL MEETING

ACERA RETIREES COMMITTEE

Overview of Plan Year 2019

Rates and Benefits

September 5, 2018

Ava Lavender
HR Division Manager, Benefits



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Executive Summary

The purpose of this presentation is to present rates and plan design changes to the ACERA Retirees Committee resulting from the Plan Year 2019 renewal negotiations between the County of Alameda and its medical vendors, Kaiser and UHC

- The overall blended (i.e., for actives, subgroups and early retirees) rate increase was **4.0% for Kaiser**. This incorporates a *1.0% negotiated decrease* from the 5.0% increase negotiated as part of the 2018 Plan Year renewal negotiations. The blended increase for **UHC was 0.0%** (i.e., a rate pass), which is substantially *lower than UHC's initial proposed renewal rate increase of 12.0%* (page 4)
- The County negotiated an additional HMO plan to be offered through UHC's SignatureValue Advantage (SVA) network, a select group of high-quality and cost-effective providers that is a subset of the current network. Rates represent a **6.32% reduction from those of the current HMO** (page 5)
- For both the UHC current and SVA network options, a combined Chiropractic / Acupuncture benefit has been added to the existing HMO plan design (page 6)
- UHC has declined to renew the current PPO due to no active and low early retiree enrollment in the plan
- The Senior Advantage plan **rate increase offered by Kaiser is 7.3%** (page 9)



County of Alameda 2019 Plan Year – Blended Rate Increases by Carrier (Actives, Subgroups and Early Retirees)



KAISER PERMANENTE®

4.0% (HMO)

As part of the 2018 renewal process, the County negotiated a renewal increase of 5.0% for the 2019 plan year. The County was able to negotiate this increase down to 4.0% during the 2019 renewal negotiations

-5.3%

(County)

**Actives and
Subgroups: 6,503**

40.5%

(ACERA)

**Early Retirees:
1,075**



UnitedHealthcare®

0.0% (HMO)

The County negotiated a rate pass (0.0% increase) with UHC. This was down from an initial requested rate increase of 12.0%

-2.6%

(County)

**Actives and
Subgroups: 1,517**

44.2%

(ACERA)

**Early Retirees:
141**

**Blended
Rate
Increases**

**Unblended
Rate
Increases***

*Note: These represent incremental rate changes in addition to the blended rate increases for 2019



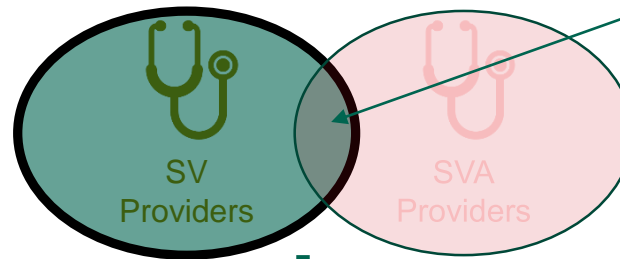
County of Alameda 2019 Plan Year – UHC SignatureValue Advantage



Approximately 70% of all ACERA members have providers that are both in the SV and SVA networks

0.0% (*HMO – Current Network*)

There are some providers in the current HMO network (i.e., SignatureValue – SV – network) who also participate in the Signature Value Advantage (SVA) network, a select group of high-quality and cost-effective providers

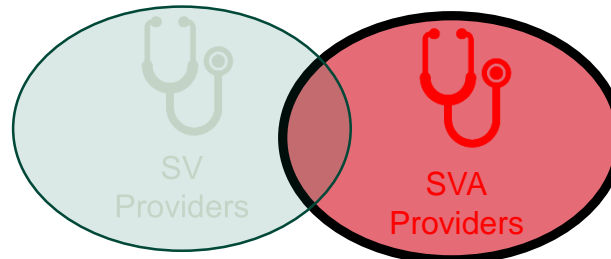


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SignatureValue
Network
(Current
Network)

The County was able to negotiate the addition of an HMO plan to be offered alongside the existing HMO plan that has identical benefit provisions; however, it would use the SignatureValue Advantage network. The only difference between the new plan and the current plan is their network composition. There is no difference in plan designs, access to care, or customer service. This plan will be offered at a 6.32% premium reduction to the existing HMO plan

-6.32% (*HMO – SignatureValue Advantage*)



=

SignatureValue
Advantage
Network

County of Alameda

2019 Plan Year

Medical Plan Design Changes

For the 2019 plan year, the County has negotiated the addition of a chiropractor / acupuncture benefit with UHC for the HMO plans

- This benefit will be accessible through both the current and the new Advantage HMO networks
- The benefit would be for a combined annual limit of 30 visits, with a \$15 copay for each visit
- Visits will be limited to medically-necessary care

County of Alameda

2019 Plan Year – Kaiser HMO Pre-65 Retiree Rates

	Current Enrollment	2018 Monthly Premium	2019 Monthly Premium	Increase
Employee Only	922	\$ 735.64	\$ 765.06	4.0%
Employee + 1	121	\$ 1,471.28	\$ 1,530.12	4.0%
Employee + Family	32	\$ 2,081.88	\$ 2,165.12	4.0%
Monthly Total	1075	\$ 922,905	\$ 959,814	4.0%

These rates include the Surcharge Buy-out (SBO)

County of Alameda

2019 Plan Year – UHC HMO Pre-65 Retiree Rates

Current HMO Network

	Current Enrollment	2018 Monthly Premium	2019 Monthly Premium	Increase
Employee Only	113	\$ 1,047.16	\$ 1,047.16	0.0%
Employee + 1	21	\$ 2,094.24	\$ 2,094.24	0.0%
Employee + Family	7	\$ 2,963.32	\$ 2,963.32	0.0%
Monthly Total	141	\$ 183,051	\$ 183,051	0.0%

Signature Value Advantage (SVA) Network

	Current Enrollment	2018	2019	Increase
Employee Only	-	-	\$ 980.94	-
Employee + 1	-	-	\$ 1,961.80	-
Employee + Family	-	-	\$ 2,775.92	-

These rates represent a 6.32% reduction from those for the full-network HMO option

County of Alameda

2019 Plan Year – Kaiser Senior Advantage Rates

These rates include
the Surcharge Buy-out

	2018 Monthly Premium	2019 Monthly Premium	Increase
Employee (Medicare)	\$ 367.23	\$ 394.07	7.3%
Employee (Medicare) + Spouse (Medicare)	\$ 734.46	\$ 788.14	7.3%
Employee (Medicare) + Spouse (Medicare) + Child (Non-Medicare)	\$ 1,345.06	\$ 1,423.14	5.8%

This rate is the sum of the 2-Party Medicare rate (\$788.14) and the difference between the Pre-65 2-Party and Family rates on page 7 (i.e., \$635, or \$2165.12 - \$1530.12)

County of Alameda

2019 Plan Year – Pre-65 Retiree HMO Rates

Blended vs. ACERA Unblended

Kaiser HMO	Current Enrollment	Blended Monthly Premium	Unblended ACERA Monthly Premium	Difference (\$)	Difference (%)
Employee Only	922	\$ 765.06	\$ 1,074.80	\$ 309.74	40.5%
Employee + 1	121	\$ 1,530.12	\$ 2,149.60	\$ 619.48	40.5%
Employee + Family	32	\$ 2,165.12	\$ 3,041.69	\$ 876.57	40.5%
Monthly Total	1075	\$ 959,814	\$ 1,348,401	\$ 388,588	40.5%

UHC HMO - Current Network	Current Enrollment	Blended Monthly Premium	Unblended ACERA Monthly Premium	Difference (\$)	Difference (%)
Employee Only	113	\$ 1,047.16	\$ 1,509.88	\$ 462.72	44.2%
Employee + 1	21	\$ 2,094.24	\$ 3,019.60	\$ 925.36	44.2%
Employee + Family	7	\$ 2,963.32	\$ 4,272.68	\$ 1,309.36	44.2%
Monthly Total	141	\$ 183,051	\$ 263,937	\$ 80,885	44.2%

UHC HMO - SVA Network	Current Enrollment	Blended Monthly Premium	Unblended ACERA Monthly Premium	Difference (\$)	Difference (%)
Employee Only	-	\$ 980.94	\$ 1,414.34	\$ 433.40	44.2%
Employee + 1	-	\$ 1,961.80	\$ 2,828.66	\$ 866.86	44.2%
Employee + Family	-	\$ 2,775.92	\$ 4,002.46	\$ 1,226.54	44.2%
Monthly Total	-	\$ -	\$ -	\$ -	-

Low-income Premium Subsidy Amounts (Part D) – 2019

Percentage of Maximum Subsidy Amount	2019 Subsidy Amount
100%	\$33.20
75%	\$24.90
50%	\$16.60
25%	\$8.30

Questions



THANK YOU



Human Resource Services
Employee Benefits Center



2019 Medical Plans Coverage

Retirees Committee Meeting
September 5, 2018
– ACERA Staff

Termination of UHC PPO Plan Impact

- ▶ ACERA currently has three retirees enrolled in the PPO plan
- ▶ All three retirees reside out of state
- ▶ Two retirees can enroll in the health exchange (Via Benefits) with multiple plan options
- ▶ One is over 80 years of age
 - We are working with Via Benefits regarding eligibility as he does not have Medicare coverage
- ▶ We will clearly communicate to these retirees, so they will have the opportunity and the time to consider plan options for coverage

Kaiser Sliver & Fit

- ▶ Cost per Kaiser Senior Advantage member is \$2.50 per month
 - For current enrollees, annual cost would be approximately \$118,980
- ▶ Wide range of gyms offering discount
- ▶ Participation in California varies from 4% to 8% of group
- ▶ Could result in overall cost decline for utilization (\$13k) per retiree using membership – but no indication from research that cost impact results in lower premiums

Proposed – Non-Kaiser Hearing Aid Benefit

Features:


- ▶ Costs – \$350/per device; 3 FDA approved models
- ▶ Programming kit (required) – \$149
- ▶ 90-day satisfaction guarantee
- ▶ 1 year warranty on hardware
- ▶ EarPing enables iHear's hearing professionals to ping your hearing aid anywhere over the internet to adjust the settings
- ▶ Additional Add-Ons:
 - Loss & Damage Protection Plan 1 year (optional) – \$49/device
 - Professional Support One Hour Session (optional) – \$49/hour
 - Premium Upgrade 1 Year Professional Support (optional) – \$99
 - Device Pre-Programming Service (optional) – \$99
 - iHear Test Kit (optional) – \$69



MEMORANDUM TO THE RETIREES COMMITTEE

DATE: September 5, 2018

TO: Members of the Retirees Committee

FROM: Ismael Piña, Assistant Benefits Manager 

SUBJECT: **Status Report on Open Enrollment and Retiree Health and Wellness Fair**

Staff will review the attached presentation regarding the planning and activities related to ACERA's annual Open Enrollment period and the Retiree Health and Wellness Fair.

Attachment



Open Enrollment and Retiree Health and Wellness Fair Status Report



Retirees Committee Meeting
September 5, 2018

Open Enrollment Details

2

➤ September

- Carriers to review Retiree Enrollment Guide sections
- Packet and Retiree Enrollment Guide final approval
- Revisions to ACERA (Medical, Dental, Vision) enrollment forms, as applicable
- Retiree Health and Wellness Fair Pamphlet included in pension checks
- Via Benefits will mail Reminder Communication to participants advising that they must continue enrollment through Via Benefits to retain HRA Funding for the new Plan Year

➤ October

- Send Retiree Health and Wellness Fair vendors confirmation letters
- Post Enrollment forms (Medical, Dental, Vision) to ACERA website
- Send Via Benefits Newsletters and information
- October 10 – mail Open Enrollment Packets
- October 25 – Retiree Health and Wellness Fair

Plan Effective Dates for Enrollment/Changes

January 1, 2019 for all Via Benefits enrollees

- ✓ Current/newly Medicare-eligible members
- ✓ Out-of-service area early retirees

February 1, 2019 for all ACERA offered group plans

- ✓ Kaiser
- ✓ UHC HMO
- ✓ Delta Dental
- ✓ VSP

New Venue for Retiree Health and Wellness Fair

- This year's Venue is larger and easier to get to in Alameda
- Free parking
- More presentations
- Raffle prizes
- Assorted pastries & cookies
- Coffee
- Refreshments
- Free giveaways

Reminder - ACERA Retiree Health and Wellness Fair

- When: Thursday, October 25, 2018
- Time: 9:00 AM – 2:00 PM
- Location: Albert H. DeWitt Officers' Club

641 West Redline Ave

Alameda, CA 94501





MEMORANDUM TO THE RETIREES COMMITTEE

DATE: September 5, 2018

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 on ACERA's First Wellness Walk and the kick off for the Finding Balance Program.

Wellness Walk

As of the night before, we had 101 members registered online to attend the Wellness Walk on August 3, 2018. Attendees checked in at the ACERA starting table, then got their vitals checked by the Kaiser Permanente Nursing Team. Many attendees then joined the two Qigong instructors for some stretching exercises to prepare for the exciting journey. After a brief pep talk from Kaiser's Doctor Slovis, the Doctor proceeded to lead the attendees around the lake. Staff estimates that there were 68+ retirees who participated in the Wellness Walk. Many who attended did something they had not done before, which is walk around Lake Merritt. Almost everyone made it around the whole 3.1 miles, and there were no injuries.

Finding Balance Program

The Wellness Walk was also used to launch the Finding Balance Program. During the Wellness Walk, there were 14 people who signed-up for the Program. Members were excited to pick-up a nicely bound journal given out by Kaiser. More sign-ups followed as members visited our website to join in on the action.

As of August 22nd, there were over 680 members subscribed to our Wellness email list who receive the Finding Balance Program emails. Our average open rate so far is 44%, and our average click rate is 6.4% compared to the industry average of 3.6%. Most significantly, at least 100 individuals have downloaded the Finding Balance workbook, which is the primary way participants follow along on the Program. Additionally, 58 of those downloads occurred in weeks 2 and 3, which means the Program is still gaining momentum. All previous Program content can be accessed on the website, allowing late starters to catch up.

Traffic to our new Wellness page, at www.acera.org/wellness, is at 454 page views over the past 30 days. Members are being directed to the Wellness section to find information on wellness events and initiatives, as well as articles and resources regarding health and wellness.