



December 4, 2019

To: Members of the Retirees Committee

From: Liz Koppenhaver, Chair, Retired Trustee

**Subject: Summary of the December 4, 2019 Retirees Committee Meeting**

Committee Chair Liz Koppenhaver called the December 4, 2019 meeting to order at 10:41 a.m. Committee members present were Liz Koppenhaver and Elizabeth Rogers. Also present were Ophelia Basgal, Tarrell Gamble, and Henry Levy, and alternate members Nancy Reilly and Darryl Walker. Staff present were Kathy Foster, Assistant Chief Executive Officer; Margo Allen, Fiscal Services Officer; Susan Weiss, Investment Counsel; Betty Tse, Chief Investment Officer; Sandra Dueñas-Cuevas, Benefits Manager; Jessica Huffman, Benefits Manager; and Harsh Jadhav, Chief of Internal Audit.

### **PUBLIC INPUT**

A member of the public stated that the County of Alameda's active members currently have very good benefits, and unless there are plan enhancements or additional benefits at less costs, she is happy with the current benefits offered.

### **ACTION ITEMS**

#### **1. Adoption of Medicare Part B Reimbursement Plan Benefit for 2020**

Staff and Segal Consulting, ACERA's Benefits Consultant, provided information on ACERA's Medicare Part B Reimbursement Plan (MBRP) benefit, including retirees' out-of-pocket costs, and the percentage of retirees affected at each of the designated income levels, based on the retirees' ACERA retirement allowances only. Staff recommends to continue the benefit for 2020 based on the reimbursement at the lowest standard premium rate of \$144.60. Trustees directed Staff to track the retirees' out-of-pocket costs at the various designated income levels on an on-going basis over time.

It was moved by Tarrell Gamble and seconded by Ophelia Basgal that the Committee recommend to the Board of Retirement to continue to provide the Medicare Part B Reimbursement Plan (MBRP) benefit to eligible retirees in 2020, and approve the reimbursement based on the lowest standard monthly Medicare Part B premium at the rate of \$144.60. The MBRP benefit is a non-vested benefit 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 7 yes (*Basgal, Gamble, Koppenhaver, Levy, Reilly, Rogers, Walker*), 0 no, 0 abstentions.

## **2. Adoption of Updates to Appendix A of 401(h) Account Resolutions**

Staff stated that in order for Resolution No. 07-29 to remain current for the upcoming 2020 Plan Year, Appendix A was amended to reflect the Board of Retirement's (Board) decisions regarding the Monthly Medical Allowance amounts for Group and Individual plans; and medical, dental, and vision premium amounts as adopted by the Board.

It was moved by Tarrell Gamble and seconded by Henry Levy that the Committee recommend to the Board of Retirement (Board) to adopt the revised and updated Appendix A to Resolution No. 07-29, which reflects the changes approved by the Board to the Monthly Medical Allowance amounts for Group and Individual Plans as well as the Retiree Health Benefit contribution amounts for Plan Year 2020.

The motion carried 7 yes (*Basgal, Gamble, Koppenhaver, Levy, Reilly, Rogers, Walker*), 0 no, 0 abstentions.

## **INFORMATION ITEMS**

### **1. Report on Overpayments of Monthly Medical Allowance Amounts Paid through Health Reimbursement Arrangements (HRA) by Via Benefits**

Staff presented a summary of the Health Reimbursement Arrangements/Accounts (HRA) audit of overpayments for the period 2013 through 2018 for deceased and active retirees, including the status of Staff's collection efforts. Trustee Koppenhaver relayed concerns expressed by a few retirees who had contacted her directly regarding ACERA's process and collection efforts regarding their overpayment status. Trustees directed Staff to provide a recommendation, following further analysis, to resolve the remaining 23 active retirees with overpayments at its next Committee meeting. Trustees also directed Staff to look into the possibility of issuing debit cards for retirees to use for HRA reimbursements.

### **2. Annual Report on Retired Member (Lump Sum) Death Benefits Paid in 2019**

Staff provided information on the number and amount of the Retired Member (lump sum) Death Benefit payments made to eligible beneficiaries of retirees for the 12-month period December 1, 2018 through November 30, 2019, including the payments made by reciprocal agencies. This \$1,000 benefit is funded by the Supplemental Retiree Benefit Reserve and is a vested benefit, as long as there are funds available.

### **3. Dental and Vision Plans Request for Proposal Project for 2021 Plan Coverage**

Staff and Segal Consulting, ACERA's Benefits Consultant, provided a report on a project plan and timeline to release a Request for Proposal for the dental and vision plans coverage. A list of dental and vision plans vendors who will be invited to submit proposals in response to the RFPs was also provided. Trustees directed Staff to consider the dental and vision plan benefits currently provided to the County of Alameda's active employees.

#### **4. Semi-Annual Report on ACERA's Wellness Program**

Staff provided a presentation on ACERA's Wellness Program, and discussed topics on the focus of the 2019 wellness events and achievements, which included two wellness walks, two open houses held at ACERA's office, the annual Retiree Health and Wellness Fair, and expanded wellness section of the website. Plans for the 2020 wellness program were also discussed. Trustees directed Staff to: 1) find out the number of times individuals visited the wellness section of the website; 2) schedule discussions with Trustee Levy to plan for additional financial wellness sessions; and 3) include a link on the wellness section of the website for retirees to connect with others interested in similar topics or activities, or links to other resources that may be available such as the American Heart Association.

#### **5. Retiree Health and Wellness Fair Results and Open Enrollment Activity**

Staff provided a report on the results of the Retiree Health and Wellness Fair, which was held on October 30, 2019, with 405 retirees in attendance. All the presentations given at the Fair were videotaped and will be posted on the website. So far, Staff has received 51 Open Enrollment forms. A more detailed report on ACERA's medical, dental and vision, and Via Benefits' enrollment plan changes will be provided at the February 2020 Committee meeting.

#### **6. Miscellaneous Updates**

There were no benefit topics impacting both retirees and ACERA Staff to report at this time. However, Segal Consulting, ACERA's Benefits Consultant, reported on a recent White House proposal to create more transparency in health care by requiring hospitals to share price information, including discounts and rates negotiated with insurers. Some hospital organizations already plan to file a law suit to stop the process. The key issue is that if some medical providers see that their price point is less than other providers, they may decide to increase their charges. Also, the communications related to this proposal required both on the part of the plan sponsor, like ACERA, and health plans, like Kaiser, could be daunting. There is a lot of activity still on health care reform.

#### **TRUSTEE REMARKS**

None.

#### **FUTURE DISCUSSION ITEMS**

- Annual Supplemental COLA Adjustment

#### **ESTABLISHMENT OF NEXT MEETING DATE**

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

#### **MEETING ADJOURNED**

The meeting adjourned at 12:02 p.m.