



**MINUTES OF DECEMBER 6, 2023 RETIREES COMMITTEE MEETING**

To: Members of the Retirees Committee

From: Elizabeth Rogers, Chair

**Subject: Summary of the December 6, 2023 Retirees Committee Meeting**

Committee Chair Elizabeth Rogers called the December 6, 2023 Committee meeting to order at 9:31 a.m.

**ACERA TRUSTEES, SENIOR MANAGERS AND PRESENTING STAFF IN ATTENDANCE**

Committee members present were Elizabeth Rogers and Kellie Simon. Also present were Ross Clippinger, George Wood and alternate members Cynthia Baron and Kevin Bryant. Committee member Henry Levy (via Zoom for “just cause”), Tarrell Gamble, and Jaime Godfrey joined the meeting after roll call.

Staff present were Carlos Barrios, Assistant Chief Executive Officer; Sandra Dueñas-Cuevas, Benefits Manager; Mike Fara, Communications Manager; Erica Haywood, Fiscal Service Officer; Jessica Huffman, Benefits Manager; Vijay Jagar, Chief Technology Officer; Lisa Johnson, Assistant Chief Executive Officer; David Nelsen, Chief Executive Officer; Ismael Piña, Assistant Benefits Manager; and Jeff Rieger, Chief Counsel.

**PUBLIC INPUT**

None.

**INFORMATION ITEMS**

Chair Rogers moved the following information item to the top of the agenda to provide for more complete background before considering the action items:

**2. Medicare Part B Income-Related Monthly Adjustment Amount through Health Reimbursement Arrangement**

Staff provided information on the cost, process, and potentially necessary changes to the Supplemental Retiree Benefit Reserve (SRBR) Policy and Appendix A of Resolution No. 07-29, if ACERA were to permit members enrolled in an individual plan through the Medicare Exchange to submit claims for reimbursement of the income-related monthly adjustment amount (IRMAA).

## **ACTION ITEMS**

### **1. Adoption of Medicare Part B Reimbursement Plan Benefit for 2024**

Staff and Segal, 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 also provided information regarding the reason for the increase in the 2024 Medicare Part B premiums. Staff recommends to continue the benefit for 2024 based on the reimbursement at the lowest standard premium rate of \$174.70, which is an increase of about 5.9%.

It was moved by Jaime Godfrey and seconded by Ross Clippinger 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 2024, and approve the reimbursement based on the lowest standard monthly Medicare Part B premium at the rate of \$174.70. 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 5 yes (*Clippinger, Godfrey, Rogers, Simon, Wood*), 0 no, 1 abstention (*Gamble*).

### **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 2024 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.

Based on the earlier discussion of this information item, Trustee Rogers recommended adding clarifying language to the Medicare Part B Premium section to permit reimbursement of the income-related monthly adjustment amount (IRMAA) through the Health Reimbursement Arrangement (HRA) account for retirees enrolled in individual plans through the Medicare Exchange. Staff will provide a revised redline amendment of Appendix A to Resolution No. 07-29 reflecting the requested clarification to present at the December 21<sup>st</sup> Board meeting.

It was moved by Jaime Godfrey and seconded by Kellie Simon 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 2024; with additional language to the Medicare Part B Premium section clarifying that reimbursement for the income-related monthly adjustment amount (IRMAA) is permitted through the Medicare Exchange Individual Plans Health Reimbursement Arrangement (HRA).

The motion carried 6 yes (*Clippinger, Gamble, Godfrey, Rogers, Simon, Wood*), 0 no, 0 abstentions.

### **3. Review of Possible Policy to Help Members Maximize the Death Benefits Paid to Their Designated Beneficiaries**

Based on Trustees' direction at the August 2, 2023 Retirees Committee meeting, Staff presented a proposed policy, the Death Benefit Equity Policy, to allow members to pre-file a disability retirement application and elect an optional settlement if the members become entitled to a disability retirement before dying.

The County Administrator and County Counsel do not have any objections to implementing this policy. County Counsel requested language be added to Section D of the procedures clarifying that claims for service-connected disability retirements will proceed through the Disability Retirement Procedures. Staff will add this clarifying language to the revised draft policy to present to the Board of Retirement (Board) at its December 21<sup>st</sup> meeting.

In response to Trustee Wood's comments, Staff stated that this process to allow members to pre-file a disability retirement application would be effective when the Board adopts the policy, and would apply to members who have the completed form on file. Staff plans to post the form and information on ACERA's website, as well as implement a communication plan regarding this new process to inform ACERA members as soon as the Board adopts the policy. In response to Trustee Rogers comments, Staff will also look into incorporating this process in the various counseling sessions and benefits communication information to ensure members are aware of this option. Staff will provide an update regarding the implementation of this policy at a future meeting.

Trustees Rogers, Clippinger and Simon recognized Jeff Rieger and expressed their appreciation for his hard work and efforts to create this option and policy.

It was moved by Tarrell Gamble and seconded by Ross Clippinger that the Committee recommend to the Board of Retirement to adopt the Death Benefit Equity Policy presented with the additional language to clarify that claims for service-connected disability retirements will proceed through the Disability Retirement Procedures.

The motion carried 5 yes (*Clippinger, Gamble, Rogers, Simon, Wood*), 0 no, 0 abstentions.

## **INFORMATION ITEMS**

### **1. Annual Retired Member (Lump Sum) Death Benefit Report**

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 twelve-month period December 1, 2022 through November 30, 2023, including the payments made by reciprocal agencies. In addition, Staff provided a five-year comparison of the total death

benefits paid. This \$1,000 benefit is funded by the Supplemental Retiree Benefit Reserve and is considered a vested benefit, as long as there are funds available.

### **3. Information on Hearing Aid Benefit Utilization and Reimbursement Options**

Staff provided estimated cost information and options of providing an increase in the hearing aid benefit to \$2,000, as well as the pros and cons of 1) providing the benefit through the Kaiser Permanente Senior Advantage (KPSA) group plan, 2) having Via Benefits (Individual Plan) administer the benefit through a Health Reimbursement Arrangement (HRA); and 3) splitting the benefit administration between the KPSA plan and Via Benefits.

If ACERA were to have Via Benefits administer the hearing aid benefit through the HRA, the Supplemental Retiree Benefit Reserve (SRBR) Policy and Appendix A of Resolution No. 07-29 would need to be amended to include a separate category for the hearing aid benefit for members enrolled in the group KPSA plan to identify it as a separate cost from the Monthly Medical Allowance (MMA).

Alicia Baptista, President of the Retired Employees of Alameda County, Inc. (REAC) retiree association, stated that the discussion sounds like there is an assumption that people can request reimbursement for hearing aids and that they have funds remaining in their HRA account. It has been her experience that people who are using this benefit are coming close to exhausting their HRA account balance. Some people may have other health issues that contribute to exhausting their HRA funds. She agrees that the utilization of the hearing aid benefits will increase if ACERA increases the benefit, and as the stigma of hearing aid usage goes away.

Trustees directed Staff to analyze the pros and cons of administering the reimbursement for the hearing aid benefits in-house versus through Via Benefits, and consider negotiating the administration service fees with Via Benefits. Staff will provide additional information for discussion at a future meeting.

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

Staff provided a report on the results of the Virtual Retiree Health and Wellness Fair, which was held through Zoom on October 26, 2023. The live presentations from Kaiser, VSP, Delta Dental, Via Benefits, and UnitedHealthcare were recorded and posted to ACERA's website, as well as links to the various vendors' webpages for additional information, flyers and resources. There were 500+ registered for the Virtual Event with an average of 290+ viewers for the live stream presentations.

Trustee Rogers expressed her appreciation to Ismael Piña and the Benefits Staff for their hard work on the Virtual Retiree Health and Wellness Fair.

## **5. Silver&Fit Survey Results**

Staff provided information and observations on the results of the Silver&Fit benefit survey, which was sent to ACERA members enrolled in the Kaiser Permanente Senior Advantage Medicare and HMO plans. The survey was conducted online using SurveyMonkey, and was open for responses from September 12 through September 19, 2023. There was a 19.7% response rate.

### **TRUSTEE REMARKS**

None

### **FUTURE DISCUSSION ITEMS**

- Annual Supplemental Cost of Living Adjustment (COLA)

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

The next meeting is scheduled for February 7, 2024 at 9:30 a.m.

### **MEETING ADJOURNED**

The meeting adjourned at 11:07 a.m.