



June 5, 2013

To: Members of the Retirees Committee

From: Liz Koppenhaver, Chair, Retired Trustee

**Subject: Summary of the June 5, 2013 Retirees Committee Meeting**

Committee Chair Liz Koppenhaver called the June 5, 2013 meeting to order at 10:05 a.m. Committee members present were Liz Koppenhaver, Annette Cain-Darnes, Keith Carson, and George Wood. Also present were alternate members David Safer and Darryl Walker. Staff present were Vincent Brown, Chief Executive Officer; Kathy Foster, Assistant Chief Executive Officer; Robert Gaumer, Chief Counsel; Rose Kwong, Benefits Manager; and Latrena Walker, Projects and Information Services Manager.

### **ACTION ITEMS**

There were no action items for discussion.

### **INFORMATION ITEMS**

#### **1. Presentation and Report on Supplemental Retiree Benefit Reserve (SRBR) Funding Status**

Kathy Foster, Assistant Chief Executive Officer, presented new projections provided by The Segal Company (Segal), ACERA's Actuary, which indicate that the terminal year of the fund is projected to be 2027 with full benefits paid through 2026, for a total of 14 full years and one partial year. The Trustees directed Staff to verify whether Segal's revised report includes retirees through December 31, 2012.

#### **2. Report on Healthcare Inflation/Trends**

Kathy Foster, Assistant Chief Executive Officer, reported on healthcare inflation factors for 2013 and 2014 based on the information provided by The Segal Company, ACERA's Actuary, and Keenan and Associates, ACERA's Benefits Consultant. The trend assumptions provided have been reset to start at 8.5% for non-Medicare and Medicare Advantage plans. The trend used for dental, vision and Medicare Part B is 5%. The Trustees directed Staff to provide information on the percentage of early retirees compared to the total number of retirees. In addition, the Trustees directed Staff to provide additional information on trends at the July 2013 Retirees Committee meeting.

### **3. Discussion of Monthly Medical Allowance (MMA) for 2014**

Kathy Foster, Assistant Chief Executive Officer, presented Group and Individual plan enrollment Monthly Medical Allowance (MMA) cost comparisons for the 2013 and 2014 plan year. This item will be brought back to the Retirees Committee for further discussion and possible approval of the 2014 MMA at the July 2013 meeting.

### **4. Report on Extend Health, Inc. First Quarter 2013 Health Reimbursement Arrangement (HRA)**

Sharen Stanek-Lowe, Assistant Benefits Manager, provided a report regarding the first quarter of the newly established Health Reimbursement Arrangement (HRA), which included the actual costs paid by ACERA; claim item summary; methods retirees used to remit their claims; reasons Extend Health provided to retirees for denial of claims; and a cost assessment.

### **5. Miscellaneous Updates**

Sharen Stanek-Lowe, Assistant Benefits Manager, provided information on the 2012 DeltaCare USA dental plan missed performance guarantee; and the second quarter meetings with the Vision Service Plan (VSP), ACERA's vision plan carrier, and Delta Dental, ACERA's dental plan carrier. She also provided an update on Extend Health, Inc., and the information to be provided to Medicare eligible members in the newly developed ACERA Medicare Exchange Update booklet.

### **TRUSTEE/PUBLIC INPUT**

The Trustees expressed their appreciation to Staff for developing the Medicare Exchange Update booklet.

### **FUTURE DISCUSSION ITEMS**

- Adoption of 2014 Monthly Medical Allowance (MMA)

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

The next meeting is scheduled for July 3, 2013 at 10:00 a.m.

### **MEETING ADJOURNED**

The meeting adjourned at 11:55 a.m.