



September 4, 2013

To: Members of the Retirees Committee

From: Liz Koppenhaver, Chair, Retired Trustee

Subject: Summary of the September 4, 2013 Retirees Committee Meeting

Committee Chair Liz Koppenhaver called the September 4, 2013 meeting to order at 11:45 a.m. Committee members present were Liz Koppenhaver, Annette Cain-Darnes, Elizabeth Rogers and George Wood. Also present were Dale Amaral; and alternate member David Safer. Staff present were Vincent Brown, Chief Executive Officer; Kathy Foster, Assistant Chief Executive Officer; Margo Allen, Fiscal Services Officer; Marguerite Malloy, Associate Counsel; Rose Kwong, Benefits Manager; and Harsh Jadhav, Internal Audit Manager.

ACTION ITEMS

1. Supplemental Retiree Benefit Reserve (SRBR) Policy Update

Kathy Foster, Assistant Chief Executive Officer, provided suggested revised language for the Supplemental Retiree Benefit Reserve (SRBR) Policy to reflect the changes in the eligibility requirements for the dental and vision plan contributions, effective February 1, 2014; and to make other minor consistency and clarifying changes for consideration.

It was moved by Annette Cain-Darnes and seconded by Elizabeth Rogers that the Committee recommends to the Board of Retirement that it adopts the revisions to the Supplemental Retiree Benefit Reserve (SRBR) Policy that reflect the changes in the eligibility requirements for the dental and vision plan contributions, effective February 1, 2014; and the other language changes. The motion passed unanimously.

INFORMATION ITEMS

1. Retirees Committee Work Plan Update

Kathy Foster, Assistant Chief Executive Officer, provided a revised Work Plan, which reflects changes on two scheduled items currently for September; the presentation and report on the Supplemental Retiree Benefit Reserve (SRBR) funding report/study has been delayed until October, and the information regarding the SRBR funding policy will be presented at the November Actuarial Committee meeting. The Segal Company, ACERA's Actuary, will provide the SRBR funding report/study at the October Retirees Committee meeting and the SRBR funding policy information at the November Actuarial Committee meeting.

2. ACERA-Sponsored Medical Plans and Premiums for Plan Year 2014

Kathy Foster, Assistant Chief Executive Officer, provided summary information regarding renewal rates from Kaiser Permanente and UnitedHealthcare for the plan year February 1, 2014 through January 31, 2015. In addition, Ava Lavender from the County of Alameda presented more detailed information on the renewal rates. Also, Isabella Janus with Keenan & Associates, ACERA's Benefits Consultant, provided information on plan coverage and how rates were impacted based on retiree utilization/experience.

3. Report on Extend Health, Inc. Second Quarter 2013 Health Reimbursement Arrangement (HRA) and Discussion on Catastrophic Coverage

Sharen Stanek-Lowe, Assistant Benefits Manager, provided a report on the first and second quarter of the Health Reimbursement Arrangement (HRA) account activity related to Extend Health, Inc.'s performance, claim activity, payments, denied claims, and benefit overview. In addition, Kathy Foster, Assistant Chief Executive Officer, provided information on retirees' HRA balances as of July 31, 2013 categorized by years of service, and information on Extend Health's catastrophic coverage.

4. Status Report on Open Enrollment and Retiree Health Fair

Sharen Stanek-Lowe, Assistant Benefits Manager, provided a timeline of milestones for ACERA's annual Open Enrollment and Retiree Health Fair activities, and a summary of the "What's New for 2014" section of the Enrollment Guide.

5. Miscellaneous Updates

Sharen Stanek-Lowe, Assistant Benefits Manager, provided a list of organizations that act as advocates for patients, information regarding the Center for Medicare and Medicaid Services' policy regarding formulary changes during the plan year, and information regarding Staff's research on an option to provide retirees their retirement allowances via a prepaid debit card instead of a check.

TRUSTEE/PUBLIC INPUT

None.

RECOMMENDATIONS

1. Supplemental Retiree Benefit Reserve (SRBR) Policy Update

The Committee recommends, and I move that the Board of Retirement adopts the revisions to the Supplemental Retiree Benefit Reserve (SRBR) Policy that reflect the changes in the eligibility requirements for the dental and vision plan contributions, effective February 1, 2014; and the other language changes.

FUTURE DISCUSSION ITEMS

- Presentation and Acceptance of Supplemental Retiree Benefit Reserve (SRBR) Funding Report/Study

ESTABLISHMENT OF NEXT MEETING DATE

The next meeting is scheduled for October 2, 2013 at 10:00 a.m.

MEETING ADJOURNED

The meeting adjourned at 1:15 p.m.