



September 6, 2017

To: Members of the Retirees Committee

From: Liz Koppenhaver, Chair, Retired Trustee

Subject: Summary of the September 6, 2017 Retirees Committee Meeting

Committee Chair Liz Koppenhaver called the September 6, 2017 meeting to order at 11:05 a.m. Committee members present were Liz Koppenhaver, Annette Cain-Darns, Tarrell Gamble, and Elizabeth Rogers. Also present were Dale Amaral, Ophelia Basgal, Keith Carson, Henry Levy, and alternate members Nancy Reilly and Darryl Walker. Staff present were David Nelsen, Chief Executive Officer; Kathy Foster, Assistant Chief Executive Officer; Margo Allen, Fiscal Services Officer; Kathy Mount, Chief Counsel; Harsh Jadhav, Chief of Internal Audit; and Sandra Dueñas-Cuevas, Benefits Manager.

ACTION ITEMS

There were no action items for discussion.

INFORMATION ITEMS

1. Health Care Reform Update

Keenan & Associates, ACERA's Benefits Consultant, provided information on the Better Care Reconciliation Act, Obamacare Repeal Reconciliation Act, Health Care Freedom Act, future legislative efforts, and impact to employers.

2. ACERA-Sponsored Medical Plans and Premiums for Plan Year 2018

Staff provided information regarding renewal rates and plan coverage for the Plan Year February 1, 2018 through January 31, 2019. In addition, the County of Alameda presented more detailed information on the renewal of the County medical plan contracts for the 2018 Plan Year, stating that it had accepted a two-year contract with Kaiser Permanente with a .90% increase for 2018 and a fixed rate increase of 5% for 2019. The Kaiser Permanente Senior Advantage plan premium will increase by 3.52% for 2018. The UnitedHealthcare HMO premium will increase by 6.63%, and the PPO plan premium will increase by 9.81%. The County is pursuing another indemnity/PPO plan option with UnitedHealthcare for the 2019 Plan Year.

3. Supplemental Retiree Benefit Reserve Financial Status

Staff presented a history of the Supplemental Retiree Benefit Reserve (SRBR) activity for the 10-year period ending June 30, 2017. The ending balance of the SRBR as of June 30, 2017 was approximately \$881.3 million. The semi-annual interest crediting as of June 30,

2017 based on the rate of 3.80% was completed on August 23, 2017; approximately \$33.2 million in interest was credited. During that same six-month period, approximately \$26.9 million was deducted from the SRBR.

4. Status Report on Open Enrollment and Retiree Health Fair

Staff provided a report on planning for ACERA's annual Open Enrollment and Retiree Health Fair, including a timeline of when Open Enrollment materials will be mailed.

5. Miscellaneous Updates

Staff reported that the Centers for Medicare & Medicaid Services (CMS) plans to remove social security numbers from Medicare cards to help combat identity theft. The new cards will use a unique randomly-assigned identification number. CMS will begin mailing new cards in April, 2018.

TRUSTEE REMARKS

None.

PUBLIC INPUT

A public comment was made requesting that consideration be given to allow retirees to have their life insurance premiums deducted from their retirement allowances. Peter Albert, Alameda County Retired Employees (ACRE) Board President, suggested that this topic be discussed first at the ACRE and the Retired Employees of Alameda County, Inc. (REAC) board meetings.

FUTURE DISCUSSION ITEMS

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

ESTABLISHMENT OF NEXT MEETING DATE

The next meeting is scheduled for October 4, 2017 at 10:30 a.m.

ADJOURNMENT

The meeting adjourned at 11:50 a.m.