



October 5, 2016

To: Members of the Retirees Committee

From: Liz Koppenhaver, Chair

Subject: Summary of the October 5, 2016 Retirees Committee Meeting

Committee Chair Liz Koppenhaver called the October 5, 2016 meeting to order at 10:39 a.m. Committee members present were Tarrell Gamble, Dale Amaral, and George Wood. Also present were Keith Carson, Elizabeth Rogers, and alternate member David Safer. Staff present were David Nelsen, Chief Executive Officer; Kathy Foster, Assistant Chief Executive Officer; Betty Tse, Chief Investment Officer; Margo Allen, Fiscal Services Officer; Victoria Arruda, Human Resources Officer; and Harsh Jadhav, Chief of Internal Audit.

ACTION ITEMS

None

INFORMATION ITEMS

1. Health Care Reform Update

Keenan & Associates, ACERA's Benefits Consultant, and Staff provided information on recent developments concerning the political environment surrounding health care reform, exchanges, and Medicare.

2. Discussion of Implicit Subsidy Cost Threshold

Keenan & Associates and Staff reviewed the cost and calculation of the Implicit Subsidy and provided information on an option of setting a cost threshold for the Implicit Subsidy.

3. ACERA-Sponsored Medical Plans and Premiums for Plan Year 2017

Staff and Keenan & Associates provided information regarding renewal rates and plan coverage for the plan year February 1, 2017 through January 31, 2018. In addition, the County of Alameda presented more detailed information on the renewal of County medical plan contracts for the 2017 plan year. Discussion revolved around a combined blended rate increase from Kaiser of 8.26%.

4. 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, 2016. The ending balance of the SRBR as of June 30, 2016 was approximately \$861.6 million. The semi-annual interest crediting as of June 30, 2016 based on the rate of 3.427% was completed on August 24, 2016; approximately \$29.3 million in interest was credited. During that same six month period approximately \$22.1 million was deducted from the SRBR.

5. Final Report on Open Enrollment Preparation and Communications Material and Health Fair Arrangements

Staff provided information regarding the preparations being made for Open Enrollment for Plan Year 2017. Updates were also given on OneExchange's preparations for their Open Enrollment period and the Retiree Health Fair.

6. Miscellaneous Updates

Staff reported on three benefit issues affecting ACERA retirees. First, ACERA will be sending out its annual Medicare Part D coverage certification by October 15th. Second, as of the May 2016 mailing to potentially eligible members for the Medicare Part B Premium Reimbursement Plan (MBRP) benefit, ACERA has received over 300 MBRP enrollment applications. Last, OneExchange is sending out notices to members that have unused balances in their Health Reimbursement Accounts.

TRUSTEE/PUBLIC/STAFF INPUT

A public comment was made expressing gratitude to the future alternate retiree trustee who attended a recent meeting of ACRE.

ESTABLISHMENT OF NEXT MEETING DATE

The next meeting is scheduled for November 2, 2016 at 10:30 a.m.

MEETING ADJOURNED

The meeting adjourned at 12:03 p.m.