



December 4, 2013

To: Members of the Retirees Committee

From: Liz Koppenhaver, Chair, Retired Trustee

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

Committee Chair Liz Koppenhaver called the December 4, 2013 meeting to order at 10:45 a.m. Committee members present were Liz Koppenhaver, Annette Cain-Darnes, Keith Carson, and Elizabeth Rogers. Also present were Dale Amaral; and alternate member David Safer. Staff present were Vincent Brown, Chief Executive Officer; Kathy Foster, Assistant Chief Executive Officer; Betty Tse, Chief Investment Officer; Margo Allen, Fiscal Services Officer; Marguerite Malloy, Associate Counsel; Rose Kwong, Benefits Manager; Latrena Walker, Projects and Information Services Manager; and Harsh Jadhav, Internal Audit Manager.

ACTION ITEMS

1. Adoption of Medicare Part B Reimbursement Plan Benefit for 2014

Kathy Foster, Assistant Chief Executive Officer, provided information on the structure and eligibility of ACERA's Medicare Part B Reimbursement Plan (MBRP) benefit with a recommendation to continue the benefit for 2014. Keenan & Associates, ACERA's Benefits Consultant, provided information regarding the 2014 cost of living adjustment and Medicare Part B premiums, which is available on the Medicare website.

It was moved by Annette Cain-Darnes and seconded by Dale Amaral that the Committee recommends to the Board of Retirement to continue to provide the Medicare Part B Reimbursement Plan (MBRP) benefit to eligible retirees in 2014, and approve the reimbursement based on the lowest standard monthly Medicare Part B premium at the rate of \$104.90.

The motion passed unanimously as follows:

Ms. Koppenhaver, yes; Ms. Cain-Darnes, yes; Supervisor Carson, yes; Ms. Rogers, yes; Captain Amaral, yes.

2. Adoption of Updates to Appendix A of 401(h) Account Resolutions

Marguerite Malloy, Associate Counsel, advised the Committee as follows: to assure Resolution No. 07-29 accurately reflects benefits to be paid in the upcoming Plan Year, Appendix A must be amended to reflect the Board of Retirement's (Board) decisions regarding the Monthly Medical Allowance (MMA) amounts for Group and Individual plans; and medical, dental, and vision premium amounts as adopted by the Board.

It was moved by Annette Cain-Darnes and seconded by Dale Amaral that the Committee recommends to the Board of Retirement to approve the revised Appendix A of the 401(h) Resolution No. 07-29, which reflects the updated changes approved by the Board of Retirement to the Monthly Medical Allowance (MMA) amounts for Group and Individual plans; and Retiree Health Benefit premiums for Plan Year 2014.

The motion passed unanimously as follows:

Ms. Koppenhaver, yes; Ms. Cain-Darnes, yes; Supervisor Carson, yes; Ms. Rogers, yes; Captain Amaral, yes.

INFORMATION ITEMS

1. Status Update on Project Plan for Early Retiree Medical Coverage through Health Exchange (Covered California)

Kathy Foster, Assistant Chief Executive Officer, provided a status update on the Covered California project, including all areas of review with which Keenan & Associates will be assisting. A comprehensive presentation on public and private exchanges will be provided at the January Retirees Committee meeting.

2. Report on Extend Health, Inc. Third Quarter 2013 Health Reimbursement Arrangement (HRA)

Sharen Stanek-Lowe, Assistant Benefits Manager, provided a report on the third quarter results of the Health Reimbursement Arrangement (HRA) account activity related to Extend Health, Inc.'s performance, claim activity, denied claims, and benefit overview. Trustees directed Staff to provide additional information on what service claims are being denied and to clarify the premium expense type and out-of-pocket expense type information.

3. Retiree Health Fair Results and Open Enrollment Activity

Sharen Stanek-Lowe, Assistant Benefits Manager, provided results of the Retiree Health Fair and Wellness Center and information on the Open Enrollment activity for Plan Year 2014.

4. Miscellaneous Updates

Sharen Stanek-Lowe, Assistant Benefits Manager, provided an update on the Health Reimbursement Arrangement (HRA) through October 31, 2013. She also reported on UnitedHealthcare's non-Medicare network contract renewals.

TRUSTEE/PUBLIC INPUT

Before calling the meeting to order, Trustees acknowledged REAC Board member Janet Waring for winning the Jefferson Awards.

Pete Albert, ACRE Board President, stated that ACRE's holiday luncheon will be held in February 2014, instead of in December 2013.

RECOMMENDATIONS

1. Adoption of Medicare Part B Reimbursement Plan Benefit for 2014

The Committee recommends, and I move that the Board of Retirement continues to provide the Medicare Part B Reimbursement Plan (MBRP) benefit to eligible retirees in 2014, and approve the reimbursement based on the lowest standard monthly Medicare Part B premium at the rate of \$104.90. 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 Employee Retirement Law (CERL), ACERA treats an equal amount of Supplemental Retiree Benefit Reserve (SRBR) assets as employer contributions for pensions.

2. Adoption of Updates to Appendix A of 401(h) Account Resolutions

The Committee recommends, and I move that the Board of Retirement approves the revised Appendix A of the 401(h) Resolution No. 07-29, which reflects the updated changes approved by the Board of Retirement to the Monthly Medical Allowance (MMA) amounts for Group and Individual plans; and Retiree Health Benefit premiums for Plan Year 2014.

ESTABLISHMENT OF NEXT MEETING DATE

The next meeting is scheduled for January 16, 2014 at 10:00 a.m.

MEETING ADJOURNED

The meeting adjourned at 11:50 a.m.