



MEMORANDUM TO THE RETIREES COMMITTEE

DATE: April 2, 2014

TO: Members of the Retirees Committee

FROM: Kathy Foster, Assistant Chief Executive Officer

SUBJECT: **Project Management Review of Early Retiree Medical Coverage through Health Exchange (Covered California)**

This project includes the review of medical coverage through the Health Exchange (Covered California) in an effort to determine if this is a beneficial option for Early Retiree coverage.

The first phase of this project includes an analysis by Staff and Keenan & Associates (Keenan), ACERA's Benefits Consultant, in order to determine the following:

- What are the coverage options provided through the public and private exchanges and how do they compare to current group plan coverage?
- What are the premium amounts for comparable coverage through the public and private exchanges?
- Can the MMA be provided using a public or private exchange facilitator without causing a conflict with federal subsidies?
- How are the current exchanges and facilitating service providers operating? Will they provide sufficient service to the retirees?
- How will retirees enroll in a plan and how will they receive on-going service when using coverage? What kind of assistance will be provided to help them choose the right plan?
- Will the change be cost-effective for ACERA and for retirees?

Staff and Keenan conducted capabilities education sessions to obtain information to answer the above questions in November and December with Towers Watson/Extend Health (OneExchange), Xerox/Buck Consultants (Right Opt), and Word and Brown/Conexis (Conexis Exchange Connector Services). All of these companies offer exchange facilitator services.

Project Management Review of Early Retiree Medical Coverage through Health Exchange

April 2, 2014

Page 2 of 2

In February, a Request for Proposal (RFP) for potential services for an exchange facilitator was issued. This process will allow us to determine whether the Health Exchange can offer comparable coverage, and if the companies with exchange facilitator services can provide enrollment and support services to the retirees at an acceptable member service level. Lastly, we will determine if the transition will be cost effective or cost neutral.

Please see the attached letter from Isabella Janus, Consultant, for details on the next steps of the RFP process. A comprehensive report will be provided to the Retirees Committee at its May 7th meeting.

Attached is a Project Status Update report which is provided quarterly.

Attachments