

# **INSURANCE, BENEFITS & LEGISLATIVE COMMITTEE MINUTES 1-14-10**

## **PRESENT**

- Les Robbins, Chair

## **ALSO ATTENDING:**

## **BOARD MEMBERS AT LARGE**

- Edward L. Blecksmith
- Yves Chery
- William de la Garza
- Ed C. Morris
- Simon S. Russin

## **STAFF, ADVISORS, PARTICIPANTS**

- Lita Payne
- Mercer Human Resource Consulting
- Clay Levister
- Laurie Silva

The meeting was called to order by Chairman Robbins at 9:40 a.m.

### **1. APPOINTMENT OF VOTING MEMBER(S) IN THE EVENT ONE OR MORE REGULAR COMMITTEE MEMBERS ARE ABSENT**

As the Committee members had not yet been appointed, Chair Les Robbins appointed all Board of Retirement members present as voting members of the Committee.

### **2. APPROVAL OF THE MINUTES OF THE REGULAR MEETING OF DECEMBER 10, 2009**

A motion was made by Mr. Morris, seconded by Mr. Chery, to approve the minutes of the regular meeting of December 10, 2009.

The motion passed unanimously.

### **3. ACTION ITEMS**

#### **1. Recommendation as submitted by Cynthia Lau, Legislative Affairs Officer:**

Recommend the Board of Retirement support San Bernardino CERA's efforts to amend Internal Revenue Code Section 401(a)(24) to allow commingled investment of retirement benefit plan and retiree healthcare benefit plan trust assets. (Memo dated January 4, 2010)

A motion was made by Mr. Morris, seconded by Mr. Blecksmith, to approve the recommendation.

The motion passed unanimously.

### **4. FOR INFORMATION**

## 1. Staff Activities Report for December, 2009

The staff activities report was discussed.

## 2. CIGNA ' Anthem Blue Cross Claims Experience

The CIGNA & Anthem Blue Cross Claims Experience reports through November, 2009 were discussed.

## 3. Health Care Reform - Comparison Summary

Mercer provided an updated comparison chart on the health care reform proposals. More detail regarding how each provision will impact the LACERA program will be provided at the Board offsite. Some provisions will impact Medicare advantage HMOs, some fee-for-service plans. Provisions include reinsurance for those 55 and over but not Medicare eligible, increase of Medicare payroll tax for high income earners, changing benefits based on evidence-based medicine, changing benefits based upon age and gender.

## 4. Federal Legislation

- Weekly Highlights - December 28, 2009
- Weekly Highlights - December 21, 2009
- Weekly Highlights - December 14, 2009
- Weekly Highlights - December 7, 2009

Submitted for information only.

## 5. MISCELLANEOUS


Mercer presented an update on the annual renewal. Currently we are looking at an overall 9% increase, which we believe will be a little less when we are done with the final negotiations. We are getting surprisingly low renewals from the Kaiser programs, which do constitute a large portion of the overall LACERA members. Also, we believe we will be able to negotiate some lower rates on the Anthem coverages, as well as on SCAN and PacifiCare.

## 6. PUBLIC COMMENT

## 7. GOOD OF THE ORDER

(For discussion purposes only)

## 8. ADJOURNMENT

 PROMISED BENEFITS | In 1937, a promise was made to County employees; we exist to uphold that promise.

2/11/10