

INSURANCE, BENEFITS & LEGISLATIVE COMMITTEE AGENDA 8-11-11

MEMBERSHIP

Les Robbins, Chair
Simon S. Russin, Vice Chair
Marvin Adams
William de la Garza
Shawn R. Kehoe, Alternate

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

II. APPROVAL OF THE MINUTES OF THE SPECIAL MEETING OF JULY 14, 2011

III. ACTION ITEMS

- A. Recommendation as submitted by Cassandra Smith, Director, Retiree Healthcare: That the Committee recommend the Board of Retirement approve permanently waiving the six-month waiting period for members enrolled in a LACERA-administered non-Medicare plan who wish to transfer into Anthem Blue Cross Plan III upon becoming eligible and enrolled in Medicare Parts A and B. (Memorandum dated July 28, 2011)

IV. FOR INFORMATION

- A. Staff Activities Report for July, 2011
B. CIGNA & Anthem Blue Cross Claims Experience
C. Federal Legislation
- Weekly Highlights – July 25, 2011
 - Weekly Highlights – July 18, 2011
 - Weekly Highlights – July 11, 2011
 - Weekly Highlights – July 5, 2011

V. MISCELLANEOUS

VI. PUBLIC COMMENT

VII. GOOD OF THE ORDER

(For discussion purposes only)

VIII. ADJOURNMENT

INSURANCE, BENEFITS & LEGISLATIVE COMMITTEE MINUTES 8-11-11

PRESENT

Les Robbins, Chair
Simon S. Russin, Vice Chair
Marvin Adams
William de la Garza

ABSENT

Shawn R. Kehoe, Alternate

ALSO ATTENDING:

BOARD MEMBERS AT LARGE

Sadonya Antebi
Alan Bernstein
Yves Chery
Ed C. Morris

STAFF, ADVISORS, PARTICIPANTS

Cassandra Smith
Leilani Ignacio
Robb Van Der Volgen

Mercer Human Resource Consulting

Clay Levister
Laurie Silva

The meeting was called to order by Chairman Robbins at 10:50 a.m.

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

All regular members of the Committee were present.

II. APPROVAL OF THE MINUTES OF THE REGULAR MEETING OF JULY 14, 2011

A motion was made by Mr. de la Garza, seconded by Mr. Adams, to approve the minutes of the regular meeting of July 14, 2011. The motion passed unanimously.

III. ACTION ITEMS

- A. Recommendation as submitted by Cassandra Smith, Director, Retiree Healthcare: That the Committee recommend the Board of Retirement approve permanently waiving the six-month waiting period for members enrolled in a LACERA-administered non-Medicare plan who wish to transfer into Anthem Blue Cross Plan III upon becoming eligible and enrolled in Medicare Parts A and B. (Memorandum dated July 28, 2011)

The Anthem Blue Cross III Medicare Supplement plan and Medicare Advantage-Prescription Drug (MA-PD) plans are available to members who have Medicare Parts A and B. Enrollment in Medicare Parts A and B is viewed as a "qualifying event," meaning that a member's qualifying factors have changed, making them eligible and/or ineligible for certain plans. Based on the qualifying event of enrolling in Medicare Parts A and B, the six-month waiting period is waived. The one exception to this waiver policy is applied to members enrolled in a non-Medicare HMO plan such as CIGNA, Kaiser Permanente, or United Healthcare, and want to transfer into the Anthem Blue Cross Plan III Medicare Supplement plan. These members are still subject to the six-month waiting period. Allowing members to transfer out of a non-Medicare HMO plan into the Anthem Blue Cross Plan III realizes a cost savings by both the members and plan sponsor, as the premiums for Anthem Blue Cross III are less than the non-Medicare HMO plans. Therefore, waiving the six-month waiting period would be beneficial to all involved.

A motion was made by Mr. de la Garza, seconded by Mr. Adams, to approve the recommendation, with the permanent waiver to become effective January 1, 2012. The motion passed unanimously.

IV. FOR INFORMATION

- A. Staff Activities Report for July, 2011
The staff activities report was discussed.
- B. CIGNA & Anthem Blue Cross Claims Experience
The CIGNA & Anthem Blue Cross Claims Experience reports through June 2011 were discussed.

C. Federal Legislation

- Weekly Highlights — July 25, 2011
 - Weekly Highlights — July 18 2011
 - Weekly Highlights — July 11, 2011
 - Weekly Highlights — July 5, 2011
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- The first appellate court to review the health care reform law has upheld the individual mandate to self-insure.
 - Medicare reforms have been proposed which would raise Medicare eligibility to age 67, create a single Medicare Part A and B deductible, set income-based, annual out-of-pocket maximums, and shift more Part B and D premium costs to higher-income seniors.
 - HHS has proposed new guidance standards for state-run health insurance exchanges to stabilize the market. Awaiting response from the market.

V. MISCELLANEOUS

VI. PUBLIC COMMENT

VII. GOOD OF THE ORDER

(For discussion purposes only)

VIII. ADJOURNMENT