

AGENDA

MEETING OF THE INSURANCE, BENEFITS & LEGISLATIVE COMMITTEE and BOARD OF RETIREMENT*

LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION

300 North Lake Avenue, Suite 810
Pasadena, CA 91101

February 9, 2012 - 9:00 A.M.**

COMMITTEE MEMBERS:

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 REGULAR MEETING OF JANUARY 12, 2012
- III. FOR INFORMATION
 - A. Proposed Ballot Initiatives
Cynthia Lau, Legislative Affairs Officer
 - B. Staff Activities Report for January, 2012
 - C. CIGNA & Anthem Blue Cross Claims Experience
 - D. Deep-six the "Doc Fix" – A Gimmicky Medicare Cut That Won't Happen
 - E. Federal Legislation
 - Weekly Highlights – January 30, 2012
 - Weekly Highlights – January 23, 2012
 - Weekly Highlights – January 17, 2012
 - Weekly Highlights – January 9, 2012
 - Weekly Highlights – January 3, 2012
- IV. MISCELLANEOUS
- V. PUBLIC COMMENT

February 9, 2012

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VI. GOOD OF THE ORDER

(For discussion purposes only)

VII. ADJOURNMENT *and*
SET TIME FOR OPERATIONS OVERSIGHT COMMITTEE MEETING

***The Board of Retirement has adopted a policy permitting any member of the Board to attend a standing committee meeting open to the public. In the event five or more members of the Board of Retirement (including members appointed to the Committee) are in attendance, the meeting shall constitute a joint meeting of the Committee and the Board of Retirement. Members of the Board of Retirement who are not members of the Committee may attend and participate in a meeting of a Board Committee but may not vote on any matter discussed at the meeting. The only action the Committee may take at the meeting is approval of a recommendation to take further action at a subsequent meeting of the Board.**

****Although the meeting is scheduled for 9:00 a.m., it can start anytime thereafter, depending on the length of the Board of Retirement meeting preceding it. Please be on call.**

Any documents subject to public disclosure that relate to an agenda item for an open session of the Committee, that are distributed to members of the Committee less than 72 hours prior to the meeting, will be available for public inspection at the time they are distributed to a majority of the Committee, at LACERA's offices at 300 North Lake Avenue, Suite 820, Pasadena, California during normal business hours from 9:00 a.m. to 5:00 p.m. Monday through Friday.

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MINUTES OF THE MEETING OF THE
INSURANCE, BENEFITS & LEGISLATIVE COMMITTEE
and
BOARD OF RETIREMENT*

LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION

GATEWAY PLAZA - 300 N. LAKE AVENUE, SUITE 810, PASADENA, CA 91101

FEBRUARY 9, 2012, 1:50 P.M. – 2:05 P.M.

COMMITTEE MEMBERS

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

ALSO ATTENDING:

BOARD MEMBERS AT LARGE

Sadonya Antebi
Yves Chery
Ed C. Morris

STAFF, ADVISORS, PARTICIPANTS

Cassandra Smith Cynthia Lau
Leilani Ignacio Robb Van Der Volgen

Mercer Human Resource Consulting

Clay Levister
Laurie Silva

The meeting was called to order by Chairman Robbins at 1:50 p.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 JANUARY 12, 2012

A motion was made by Mr. de la Garza, seconded by Mr. Adams, to approve the minutes of the regular meeting of January 12, 2012. The motion passed unanimously.

III. FOR INFORMATION

A. Proposed Ballot Initiatives
Cynthia Lau, Legislative Affairs Officer

On February 8, 2012, the California Pension Reform group announced it would no longer pursue signature gathering on the following two ballot initiatives due to a lack of funds:

- A.G. File No. 11-0063 “Government Employee Pension Reform Act of 2012” (Version 1), which would eliminate the ability of a California public retirement plan to accumulate debt or unfunded liabilities.
- A.G. File No. 11-0064 “Government Employee Pension Reform Act of 2012” (Version 2), which would require the Legislature to create a hybrid pension plan for new public employees hired on or after July 1, 2013.

The following two ballot initiatives are still in the signature gathering phase:

- A.G. File No. 11-0032 “Fair and Proportional Retirement for Public Officials Act of 2012,” which would restrict pensions and other post-employment benefits that can be received by “politicians”. This initiative has a circulation deadline of March 8, 2012.
- A.G. File No. 11-0066 “Elimination of Benefits for Part-time Local Officials,” which would prohibit part-time elected or appointed officials of local governments or special districts from receiving non-monetary benefits for their official service. This initiative has a circulation deadline of May 25, 2012.

B. Staff Activities Report for January, 2012

The staff activities report was discussed.

C. CIGNA & Anthem Blue Cross Claims Experience

The CIGNA & Anthem Blue Cross Claims Experience reports through December 2011 were discussed.

III. FOR INFORMATION (Continued)

D. Deep-six the “Doc Fix” – A Gimmicky Medicare Cut That Won’t Happen

Several years ago Congress enacted the Sustainable Growth Rate Formula, which sets limits on Medicare’s overall spending for physician services. If that limit is exceeded, a fee cut is supposed to be implemented. However, over the years, when the fee cut has been proposed, doctors say they will get out of the business of providing services to Medicare recipients. Therefore, every year Congress has overridden this rule and has allowed the Medicare fee schedules to continue as is or with slight increases. When the actuaries do an evaluation regarding the solvency of Medicare, they look at the fee schedule fix as part of the calculations, which gives a false prediction of Medicare solvency. If the evaluation was done with the current fee schedule in place, Medicare would be looking at an additional \$290 million shortfall. What we are currently hearing in Washington is to eliminate the fee schedule fix and face up to the tough issues of repairing the Medicare system.

E. Federal Legislation

- Weekly Highlights – January 30, 2012
- Weekly Highlights – January 23, 2012
- Weekly Highlights – January 17, 2012
- Weekly Highlights – January 9, 2012
- Weekly Highlights – January 3, 2012

Submitted for information only.

IV. MISCELLANEOUS

V. PUBLIC COMMENT

VI. GOOD OF THE ORDER

(For discussion purposes only)

VII. ADJOURNMENT

The meeting adjourned at 2:05 p.m., after setting the time for the Operations Oversight Committee at 2:10 p.m.

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