

AGENDA

A REGULAR MEETING OF THE BOARD OF RETIREMENT
LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION
300 N. LAKE AVENUE, SUITE 810, PASADENA, CA
9:00 A.M., WEDNESDAY, DECEMBER 2, 2015

- I. CALL TO ORDER
- II. PLEDGE OF ALLEGIANCE
- III. APPROVAL OF MINUTES
 - A. Approval of the Minutes of the Regular Meeting of November 4, 2015
- IV. REPORT ON CLOSED SESSION ITEMS
- V. OTHER COMMUNICATIONS
 - A. For Information
 - 1. Awards
 - 2. October 2015 All Stars
 - 3. Chief Executive Officer's Report
(Memo dated November 23, 2015)
- VI. PUBLIC COMMENT
- VII. CONSENT AGENDA
 - A. Ratification of Service Retirement and Survivor Benefit Application Approvals.
 - B. Requests for an administrative hearing before a referee.
(Memo dated November 12, 2015)

VII. CONSENT AGENDA (Continued)

- C. Recommendation as submitted by Ricki Contreras, Division Manager, Disability Retirement Services: That the Board dismiss with prejudice the appeal for a service-connected disability retirement in the case of **Mildred L. Green**.
(Memo dated November 19, 2015)
- D. Recommendation as submitted by Ricki Contreras, Division Manager, Disability Retirement Services: That the Board dismiss with prejudice the appeal for a service-connected disability retirement in the case of **Genovieve Gomez-Lozano**.
(Memo dated November 19, 2015)
- E. For information only as submitted by Ricki Contreras, Division Manager, Disability Retirement Services regarding the Application Processing Time Snapshot Reports.
(Memo dated November 24, 2015)

VIII. NON-CONSENT AGENDA

- A. Recommendation as submitted by Joseph Kelly, Chair, Operations Oversight Committee: That the Board adopt the following proposed business model for the Member Service Center to accommodate an 80% appointment allocation.
 - 1. Offer one hour appointments
 - 2. One hour closure for lunch, 12:00 PM-1:00 PM, while allowing for drop-offs
 - 3. Appointment availability in-line with peak times and staff availability
 - 4. Saturday in-house workshops and appointments
 - 5. Neighborhood workshops
 - 6. Advance bookings up to 90 days
 - 7. Partner with Retiree Healthcare Division for their staff support
 - 8. Focus Outreach events on high attendance events
 - 9. Encourage members to use self-service options
 - 10. Progressive implementation plan with February 28, 2016 goal

(Memo dated November 20, 2015)

VIII. NON-CONSENT AGENDA (Continued)

B. Recommendation as submitted by Joseph Kelly, Chair, Operations Oversight Committee: That the Board adopt the LACERA OPEB Funding Policy, which would allow LACERA, as an independent entity, to begin pre-funding its share of the Retiree Healthcare Program's liability for its employees.
(Memo dated November 20, 2015)

C. Recommendation as submitted by Fern M. Billiny, Senior Staff Counsel: That the Board 1) Adopt the resolution specifying that canine handlers pay earned on and after August 3, 2012, by deputies of the Operations Safe Streets Bureau of the Sheriff's Department, qualifies as compensation earnable; 2) Instruct staff to implement this change by coordinating with the County Auditor-Controller to remit member and employer contributions; and 3) Instruct staff to collect arrears contributions for canine handlers pay in accordance with the Board's policy regarding implementation of new pensionable pay items.
(Memo dated November 17, 2015)

D. Recommendation as submitted by Cassandra Smith, Director, Retiree Healthcare Division: That the Board authorize staff to request a reopening from Centers for Medicare and Medicaid Services to claim additional subsidy dollars found in the Anthem Blue Cross Plans for the 2012-2013 plan year.
(Memo dated November 16, 2015)

E. Recommendation as submitted by Cassandra Smith, Director, Retiree Healthcare Division: That the Board accept Milliman's audit report and follow Milliman's recommendation to not re-open the Retiree Drug Subsidy claim with Centers for Medicare and Medicaid Services for the 2013-2014 Anthem Blue Cross plan year (Memo dated November 24, 2015)

IX. GOOD OF THE ORDER

(For information purposes only)

X. DISABILITY RETIREMENT APPLICATIONS ON CONSENT
CALENDAR

XI. DISABILITY RETIREMENT CASES TO BE HELD IN CLOSED SESSION

A. Applications for Disability

B. Referee Reports

C. Staff Recommendations

1. Recommendation as submitted by Allison E. Barrett, Senior Staff Counsel, Disability Litigation: That the Board find that the service-connected disability retirement application of **Gary Sens** be deemed filed on the day after the applicant's last day of regular compensation in accordance with Government Code Section 31724. (Letter dated November 18, 2015)
2. Recommendation as submitted by Steven Tallant, Senior Staff Counsel, Disability Litigation: That the Board find **Gary Tepper** delayed filing his application for a disability retirement because he was unable to ascertain the permanency of his incapacity and that his application be deemed filed on the day after the last day of regular compensation in accordance with Government Code Section 31724. (Letter dated November 15, 2015)
3. Recommendation as submitted by Vincent A. Lim, Chief Counsel, Disability Litigation: That the Board find that 1) **Steven A. Kenny** delayed the filing of his application for disability retirement because he was unable to ascertain the permanency of his incapacity; and 2) that his application be deemed filed on the day after the last day of regular compensation in accordance with Government Code Section 31724. (Letter dated October 29, 2015)

XII. EXECUTIVE SESSION

A. Conference with Legal Counsel - Existing Litigation
(Pursuant to Paragraph (1) of Subdivision (d) of California Government Code Section 54956.9)

1. Sarah Marks vs. LACERA
Los Angeles Superior Court Case No. BC 598957

XII. EXECUTIVE SESSION (Continued)

2. Tod Hipsher vs. LACERA, et. al.
Los Angeles Superior Court Case No. BS 153372

3. Fadi H. Ayach v. Board of Retirement

B. Conference with Legal Counsel - Anticipated Litigation
Significant Exposure to Litigation (Pursuant to Paragraph (2) of
Subdivision (d) of California Government Code Section 54956.9)

1. Employment Claim of David Kushner

XIII. ADJOURNMENT

Documents subject to public disclosure that relate to an agenda item for an open session of the Board of Retirement that are distributed to members of the Board of Retirement 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 Board of Retirement Members at LACERA's offices at 300 N. Lake Avenue, Suite 820, Pasadena, CA 91101, during normal business hours of 9:00 a.m. to 5:00 p.m. Monday through Friday.

Persons requiring an alternative format of this agenda pursuant to Section 202 of the Americans with Disabilities Act of 1990 may request one by calling Cynthia Guider at (626) 564-6000, from 8:30 a.m. to 5:00 p.m. Monday through Friday, but no later than 48 hours prior to the time the meeting is to commence. Assistive Listening Devices are available upon request. American Sign Language (ASL) Interpreters are available with at least three (3) business days notice before the meeting date.

MINUTES OF THE REGULAR MEETING OF THE BOARD OF RETIREMENT

LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION

300 N. LAKE AVENUE, SUITE 810, PASADENA, CA

9:00 A.M., WEDNESDAY, NOVEMBER 4, 2015

PRESENT:

Shawn R. Kehoe, Chair

Alan Bernstein, Vice Chair

William de la Garza, Secretary

Anthony Bravo

Yves Chery

Vivian H. Gray

Joseph Kelly

David L. Muir (Alternate Retired)

William Pryor (Alternate Member) (Arrived 9:04 a.m.)

Ronald A. Okum

Les Robbins

STAFF ADVISORS AND PARTICIPANTS

Gregg Rademacher, Chief Executive Officer

JJ Popowich, Assistant Executive Officer

Steven Rice, Chief Counsel

Dr. Vito Campese, Medical Advisor

Fern M. Billingsy, Senior Staff Counsel

STAFF ADVISORS AND PARTICIPANTS (Continued)

Michael Herrera, Senior Staff Counsel

Ricki Contreras, Division Manager
Disability Retirement Services

Tamara Caldwell, Specialist Supervisor
Disability Retirement Services

Francis J. Boyd, Senior Staff Counsel
Legal Division

Steven Tallant, Senior Staff Counsel
Disability Litigation

Allison E. Barrett, Senior Staff Counsel
Disability Litigation

Eugenia W. Der, Senior Staff Counsel

Thomas J. Wicke, Attorney at Law
Lewis, Marenstein, Wicke & Sherwin, LLP

Michael Treger, Attorney at Law

Steven M. Barry, Attorney at Law

Barry W. Lew, Legislative Affairs Officer

Kenneth S. Siers, LACERA Member

Phillip Solano, LACERA Member

I. CALL TO ORDER

The meeting was called to order by Chair Kehoe at 9:00 a.m., in the Board Room of Gateway Plaza.

II. PLEDGE OF ALLEGIANCE

Mr. Bernstein led the Board Members and staff in reciting the Pledge of Allegiance.

III. APPROVAL OF MINUTES

- A. Approval of the Minutes of the Regular Meeting of October 7, 2015
- B. Approval of the Minutes of the Regular Meeting of October 15, 2015

Mr. Chery made a motion, Ms. Gray seconded, to approve the minutes of the regular meeting of October 7 and 15, 2015. The motion passed unanimously.

IV. REPORT ON CLOSED SESSION ITEMS

There was nothing to report.

V. OTHER COMMUNICATIONS

- A. For Information

- 1. September 2015 All Stars

Mr. Popowich announced the eight winners for the month of September: Courtney Cook, Maggie Luong, Everett Moyer, Steven Rice, Josielyn Bantugan, Karla Sarni, Sandra Cortez and Alex Yin for the Employee Recognition Program and Bill Lindstrom for the Webwatcher Program. Koleta Caldwell Antonio Ramos, Bonnie Nolley, and Cookie Jaranilla were the winners of LACERA's RideShare Program.

V. OTHER COMMUNICATIONS

2. Chief Executive Officer's Report
(Memo dated October 27, 2015) (Mr. Pryor arrived at 9:04 a.m.)

Mr. Rademacher provided a brief preview of what will be discussed at the upcoming Board of Investments meeting highlighting the actuarial valuation report.

Mr. Rademacher reminded the Board that the next meeting will be a combined Board of Retirement Disability and Administrative meeting on Wednesday, December 2, 2015.

Lastly, Mr. Rademacher congratulated LACERA staff member, Rey Sare, on his recent retirement.

VI. PUBLIC COMMENT

LACERA member, Phillip Solano, addressed the Board regarding agenda item XII. C. 1. pertaining to the effective date of his retirement.

VII. CONSENT AGENDA

Mr. Bernstein made a motion, Chair Kehoe seconded, to approve the following agenda items. The motion passed unanimously.

- A. Ratification of Service Retirement and Survivor Benefit Application Approvals.
- B. Requests for an administrative hearing before a referee.
(Memo dated October 23, 2015)
- C. Recommendation as submitted by Ricki Contreras, Division Manager, Disability Retirement Services: That the Board dismiss with prejudice the appeal for an earlier effective date in the case of **Eric L. Buege**. (Memo dated October 22, 2015)

VII. CONSENT AGENDA (Continued)

- D. Recommendation as submitted by Ricki Contreras, Division Manager, Disability Retirement Services: That the Board dismiss with prejudice the appeal for a service-connected disability retirement in the case of **Roberto C. Suria Vazquez**. (Memo dated October 22, 2015)
- E. Recommendation as submitted by Vivian H. Gray, Chair, Disability Procedures & Services Committee: That the Board approve Kenneth P. Scheffels, M.D. – Board Certified Orthopedist and Thomas W. Fell, Jr., M.D. – Board Certified Orthopedist to the LACERA Panel of Physicians for the purpose of examining disability retirement applicants. (Memo dated October 13, 2015)
- F. Recommendation as submitted by Gregg Rademacher, Chief Executive Officer: That the Board approve attendance of Board members at the 13th Annual Made in America: 2016 Taft-Hartley Benefits Summit on January 24-26, 2016 in Las Vegas, Nevada and approve reimbursement of all travel costs incurred in accordance with LACERA's Education and Travel Policy. (Memo dated October 19, 2015)
- G. For information only as submitted by Ricki Contreras, Division Manager, Disability Retirement Services regarding the Application Processing Time Snapshot Reports. (Memo dated October 16, 2015)

VIII. NON-CONSENT AGENDA

- A. Recommendation as submitted by Vivian H. Gray, Chair, Disability Procedures and Services Committee: That the Board approve the proposed updated "Policy Statement: Hiring of Panel Physicians: Qualifications, Licensing, Certification and Insurance Requirements for Board Appointed Panel Physicians." (Memo dated October 22, 2015)

Ricki Contreras was present to answer questions from the Board.

Mr. Kelly made a motion, Mr. de la Garza seconded, to approve the recommendation. The motion passed unanimously.

VIII. NON-CONSENT AGENDA (Continued)

B. Recommendation as submitted by Les Robbins, Chair, Insurance, Benefits and Legislative Committee: That the Board direct its voting delegate to support inclusion of the following in the SACRS 2016 legislative platform:

- 1) District Status for 1937 Act County Employees Retirement Systems (SACRS #1) – To provide retirement systems the option to adopt district status.
- 2) Optional Employee Sworn Statements (San Diego #1) – To allow the retirement system to collect the member's enrollment information directly from the employer in lieu of a sworn statement from the member. (Memo dated October 22, 2015)

Barry Lew was present to answer questions from the Board.

Mr. Chery made a motion, Mr. Okum seconded, to approve the recommendation. The motion passed unanimously.

C. Recommendation as submitted by Les Robbins, Chair, Insurance, Benefits and Legislative Committee: That the Board direct staff to work with LACERA's legislative advocate and seek an author to introduce legislation to amend the definition of Plan D in the Prospective Plan Transfer provisions of the County Employees Retirement Law of 1937. (Memo dated October 22, 2015)

Barry Lew was present to answer questions from the Board.

Mr. Okum made a motion, Ms. Gray seconded, to approve the recommendation. The motion passed unanimously.

VIII. NON-CONSENT AGENDA (Continued)

- D. Recommendation as submitted by Gregg Rademacher, Chief Executive Officer: That the Board delegate authority to the Chief Executive Officer to set the Chief Investment Officer's initial salary in the fourth quartile of the salary range. (Memo dated October 23, 2015)

Mr. Kelly made a motion, Mr. Chery seconded, to approve the recommendation. The motion passed unanimously.

- E. For information only as submitted by Barry W. Lew, Legislative Affairs Officer, regarding the 2015 Enacted Retirement Legislation. (Memo dated October 23, 2015)
- F. For information only as submitted by Steven P. Rice, Chief Counsel, regarding the update on new proposed Reed DeMaio initiatives. (Memo dated October 27, 2015)

IX. GOOD OF THE ORDER
(For information purposes only)

Mr. Chery requested that the meeting be adjourned in memory of Probation Deputy, Suzanne Klein and Probation staff, Dajuan O. Thompson.

Mr. Muir invited the Board members to the RELAC Luncheon that will be held on January 12, 2016.

Furthermore, Mr. Kelly recognized Mr. Muir for his speech at the Board of Supervisor's meeting regarding RELAC and shared his experience in attending the PPI Roundtable in Tokyo, Japan.

X. DISABILITY RETIREMENT APPLICATIONS ON CONSENT
CALENDAR

Safety Law Enforcement
Service-Connected Disability Applications

On a motion by Chair Kehoe, seconded by Mr. Pryor, the Board of Retirement approved a service-connected disability retirement for the following named employees who were found to be disabled for the performance of their duties and have met the burden of proof:

<u>APPLICATION NO.</u>	<u>NAME</u>
397C*	ANTHONY F. SPATOLA
398C	DONALD M. ROBERTSON
399C	PAUL N. KOBE
400C	DINA R. LINCOLN
401C**	JERRY C. CUMMINS
402C*	GERARD A. VELONA
403C	EDWARD C. OTERO
404C	TERRENCE G. SMITH
405C*	LINDA M. KNIEST
406C	VICKIE L. PANZONE
407C	JACK S. JORDAN, JR.
408C	VINCENT RIVERA

* Granted SCD – Employer Cannot Accommodate

** Granted SCD – Retroactive Since Employer Cannot Accommodate

X. DISABILITY RETIREMENT APPLICATIONS ON CONSENT
CALENDAR (Continued)

Safety-Fire, Lifeguard
Service-Connected Disability Applications

On a motion by Mr. Pryor, seconded by Mr. Bernstein, the Board of Retirement approved a service-connected disability retirement for the following named employees who were found to be disabled for the performance of their duties and have met the burden of proof:

<u>APPLICATION NO.</u>	<u>NAME</u>
1710A*	MITCHELL J. MARTINEZ
1711A	WILLIAM L. KNOTT
1712A	SCOTT L. ROBINSON
1713A	KEITH R. NASH
1714A	WILLIAM J. PRENTICE
1715A	JOSEPH P. COFFEY
1716A	JOHN K. KNOWLES
1717A	CHRISTOPHER M. ADRIANCE
1718A	EDWARD ESTRADA

* Granted SCD – Retroactive

X. DISABILITY RETIREMENT APPLICATIONS ON CONSENT
CALENDAR (Continued)

General Members

Service-Connected Disability Applications

On a motion by Mr. Chery, seconded by Mr. Okum, the Board of Retirement approved a service-connected disability retirement for the following named employees who were found to be disabled for the performance of their duties and have met the burden of proof:

<u>APPLICATION NO.</u>	<u>NAME</u>
2565B*	MARY E. MORENO
2566B	JING-YUEH CHEN
2567B*	LATANYA C. LOVE
2568B	RONNA M. BRYANT
2569B	ROBERT P. KEHLER
2570B	ELAINE C. TAFESSE
2571B*	MARIA T. KENNEDY

* Granted SCD – Retroactive

X. DISABILITY RETIREMENT APPLICATIONS ON CONSENT
CALENDAR (Continued)

General Members

Non-Service Connected Disability Applications

On a motion by Ms. Gray, seconded by Mr. Okum, the Board of Retirement approved a non-service connected disability retirement for the following named employees who were found to be disabled for the performance of their duties and have met the burden of proof:

APPLICATION NO.

NAME

4334

SANDRA MARTINEZ

XI. DISABILITY RETIREMENT CASES TO BE HELD IN CLOSED
SESSION

A. Applications for Disability

APPLICATION NO. & NAME

BOARD ACTION

6845A – VIVIAN RUIZ

Chair Kehoe made a motion, Ms. Gray seconded, to refer back to staff for additional information. The motion passed with Mr. Kelly voting no.

6847A – YVETTE D. LARTHTRIDGE*

Mr. Bernstein made a motion, Mr. de la Garza seconded, to grant a non-service connected disability with the option for an earlier effective date pursuant to Government Code Sections 31720 and 31724. The motion passed unanimously.

* Applicant Present

XI. DISABILITY RETIREMENT CASES TO BE HELD IN CLOSED SESSION

A. Applications for Disability (Continued)

<u>APPLICATION NO. & NAME</u>	<u>BOARD ACTION</u>
6848A – STEPHANIE M. DE FIORE	Mr. de la Garza made a motion, Mr. Kelly seconded, to deny a service connected disability retirement and find the applicant not permanently incapacitated. The motion passed unanimously.
6849A – ROSE M. THOMAS	Chair Kehoe made a motion, Mr. Kelly seconded, to deny a service connected disability retirement since the employer can accommodate. The motion passed unanimously.
6834A – LAURIE J. BRIGGS	Mr. Chery made a motion, Mr. Kelly seconded, to grant a non-service connected disability with the option for an earlier effective date pursuant to Government Code Sections 31720 and 31724. The motion passed unanimously.
45C – RISANA NOWELL	Chair Kehoe made a motion, Ms. Gray seconded, to continue with the service connected disability retirement. The motion passed unanimously.
270C – CHARLES J. CASTILLE, JR.	Mr. Robbins made a motion, Mr. Chery seconded, to grant a service connected disability retirement with survivor benefits pursuant to Government Code Sections 31787, 31720 and 31720.5. The motion passed unanimously.

XI. DISABILITY RETIREMENT CASES TO BE HELD IN CLOSED SESSION

A. Applications for Disability (Continued)

APPLICATION NO. & NAME

BOARD ACTION

6846A – D4102DRAA

Mr. Chery made a motion, Mr. Kelly seconded, to deny a service connected disability retirement.

Chair Kehoe made a substitute motion, Mr. Chery seconded, to deny a service connected disability retirement without prejudice. The motion passed unanimously.

B. Referee Reports

APPLICATION NO. & NAME

BOARD ACTION

Sandra Munoz* – Steven M. Barry for applicant
Eugenia Der for respondent

(This case was handled out of order, after Nubar Chalikian.)

Mr. Kelly made a motion, Mr. Chery seconded, to deny a service connected disability retirement and grant a non-service connected disability retirement.

Mr. Muir made a substitute motion, Chair Kehoe seconded, to refer back to staff for additional information. The motion failed (roll call) with Messrs. Bravo, Chery, Chair Kehoe, and Ms. Gray voting yes; and Messrs. Kelly, Bernstein, Okum, Robbins, and de la Garza voting no.

XI. DISABILITY RETIREMENT CASES TO BE HELD IN CLOSED SESSION

B. Referee Reports (Continued)

APPLICATION NO. & NAME

BOARD ACTION

Sandra Munoz* – Steven M. Barry for applicant
Eugenia Der for respondent

The motion to deny a service connected disability retirement and grant a non-service connected disability retirement passed (roll call) with Messrs. Kelly, Bernstien, Bravo, Okum, Robbins, de la Garza, and Chery voting yes; and Ms. Gray and Chair Kehoe voting no.

Dennis E. Cusino – Michael Treger for applicant
Allison E. Barrett for respondent

(This case was handled out of order, before Nubar Chalikian.)

Mr. Bernstein made a motion, Mr. Robbins seconded, to deny the option of an earlier effective date.

Ms. Gray made a substitute motion, Mr. Pryor seconded, to grant an earlier effective date. The motion passed unanimously.

Henry W. Jansen III – Thomas J. Wicke for applicant
Steven Tallant for respondent

(Mr. Bernstein left the meeting at 11:15 a.m.) (This case was handled out of order, after Sandra Munoz.)

XI. DISABILITY RETIREMENT CASES TO BE HELD IN CLOSED SESSION

B. Referee Reports (Continued)

APPLICATION NO. & NAME

BOARD ACTION

Henry W. Jansen III – Thomas J. Wicke for applicant
Steven Tallant for respondent

Mr. Okum made a motion, Mr. de la Garza seconded, to deny a service connected disability retirement and find the applicant not disabled.

Mr. Chery made a substitute motion, Mr. Robbins seconded, to grant a service connected disability retirement. The motion failed (roll call) with Messrs. Bravo, Chery, Chair Kehoe, and Ms. Gray voting yes; and Messrs. Kelly, Okum, Robbins, and de la Garza voting no.

The motion to deny a service connected disability retirement and find the applicant not disabled failed (roll call) with Messrs. Kelly, Okum, Robbins, and de la Garza voting yes; and Messrs. Bravo, Chery, Chair Kehoe, and Ms. Gray voting no.

This case will be placed on the appeals agenda for next month.

XI. DISABILITY RETIREMENT CASES TO BE HELD IN CLOSED SESSION

B. Referee Reports (Continued)

APPLICATION NO. & NAME

BOARD ACTION

Nubar Chalikian – Thomas J. Wicke for applicant
Eugenia W. Der for respondent

(Mr. Kelly recused himself prior to oral argument.) (This case was handled out of order, after Dennis E. Cusino.)

Mr. Chery made a motion, Mr. Bravo seconded, to grant a service connected disability retirement. The motion failed (roll call) with Messrs. Bravo, Chery, Chair Kehoe, and Ms. Gray voting yes; and Messrs. Bernstein, Okum, Robbins, and de la Garza voting no.

Mr. Bernstein made a substitute motion, Mr. Okum seconded, to grant a non-service connected disability retirement with the continuation of survivor death benefits. The motion failed (roll call) with Messrs. Bernstein, Okum, Robbins, and de la Garza voting yes; and Messrs. Bravo, Chery, Chair Kehoe, and Ms. Gray voting no.

This case will be placed on the appeals agenda for next month.

XI. DISABILITY RETIREMENT CASES TO BE HELD IN CLOSED SESSION

B. Referee Reports (Continued)

APPLICATION NO. & NAME

BOARD ACTION

Kenneth S. Siers – In Pro Per

Steven Tallant for respondent

(This case was handled out of order, after Henry W. Jansen III.)

Mr. de la Garza made a motion, Mr. Okum seconded, to deny a service connected disability retirement and find the applicant not disabled. The motion passed unanimously.

C. Staff Recommendations

1. Recommendation as submitted by Ricki Contreras, Manager, Disability Retirement Services Division: That the Board reject the application of **Olivia L. Padilla** for processing.
(Memo dated October 19, 2015)

Ricki Contreras was present to address questions from the Board.

Mr. de la Garza made a motion, Mr. Kelly seconded, to approve the recommendation. The motion passed unanimously.

2. Recommendation as submitted by Allison E. Barrett, Senior Staff Counsel, Disability Litigation: That the Board find that the service-connected disability retirement application of **Anthony Riley** be deemed filed on the day after the last day of regular compensation in accordance with Government Code Section 31724.
(Letter dated October 27, 2015)

Allison E. Barrett was present to address questions from the Board.

XI. DISABILITY RETIREMENT CASES TO BE HELD IN CLOSED SESSION

C. Staff Recommendations (Continued)

Chair Kehoe made a motion, Mr. Muir seconded, to approve the recommendation. The motion passed unanimously.

3. For information only as submitted by Ricki Contreras, Manager, Disability Retirement Services Division, regarding the 2015 Quarterly Reports of Paid Invoices.
(Memo dated October 16, 2015)

XII. EXECUTIVE SESSION

A. Conference with Legal Counsel - Existing Litigation
(Pursuant to Paragraph (1) of Subdivision (d) of California Government Code Section 54956.9)

1. Ralph T. Nishihira v. Board of Retirement

The Board met in Executive Session pursuant to Government Code Section 54956.9 and voted unanimously to pay Mr. Nishihira \$540 in court costs and pay \$14,360 in attorney fees.

2. George A. Vanecek v. Board of Retirement

The Board met in Executive Session pursuant to Government Code Section 54956.9 in which there is nothing to report at this time.

XII. EXECUTIVE SESSION (Continued)

B. Conference with Legal Counsel – Pending Litigation
(Pursuant to Paragraph (1) of Subdivision (d) of California
Government Code Section 54956.9)

1. Monique Hudson v. County of Los Angeles et. al.
Los Angeles Superior Court Case No. BC 458667

The Board met in Executive Session pursuant to Government Code Section 54956.9 in which the Board gave direction to counsel.

C. Conference with Legal Counsel - Anticipated Litigation
Significant Exposure to Litigation
(Pursuant to Paragraph (2) of Subdivision (d) of California
Government Code Section 54956.9)

1. Administrative Appeal of Phillip Solano

The Board met in Executive Session pursuant to Government Code Section 54956.9 and voted unanimously to grant an earlier retirement date.

2. Employment Claim of David Kushner

The Board met in Executive Session pursuant to Government Code Section 54956.9 in which there is nothing to report at this time.

Green Folder Information (Information distributed in each Board
Members Green Folder at the beginning of the meeting)

1. Retirement Board Listing dated November 4, 2015
2. Disability Retirement Evaluation Summary/Report Correction Memo – Vivian Ruiz - #6845A (Memo dated November 3, 2015)
3. Disability Retirement Evaluation Summary/Report Correction Memo – Rose M. Thomas - #6849A (Memo dated November 3, 2015)

November 4, 2015

Page 20

XIII. ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at 1:10 p.m. in memory of Suzanne Klein and Dajuan O. Thompson from the LA County's Probation Department.

WILLIAM DE LA GARZA, SECRETARY

SHAWN R. KEHOE, CHAIR



November 23, 2015

TO: Each Member
Board of Retirement
Board of Investments

FROM: Gregg Rademacher 
Chief Executive Officer

SUBJECT: **CHIEF EXECUTIVE OFFICER'S REPORT**

I am pleased to present the Chief Executive Officer's Report that highlights a few of the operational activities that have taken place during the past month, key business metrics to monitor how well we are meeting our performance objectives, and an educational calendar.

The 2016 Annual Report

It's the end of the year and time to take stock of LACERA's accomplishments and generate our financial statement report. The Financial & Accounting Services Division (FASD) and Communications Division work diligently to put together and create LACERA's annual report. FASD initiates the process and works with our external auditor partner, Brown Armstrong, to generate the financial statement report. Once complete, the report is shared with Communications who then reformats the financial data and develops a positive message, the LACERA story, through graphics, photos, and words; creating the annual report.

We have three components to our annual report package, Comprehensive Annual Financial Report (CAFR), Popular Annual Financial Report (PAFR), and the Who We Are brochure, which is also used by Human Resources for job fairs and sharing a high-level overview of LACERA to our new hires.

Each December, Communications mails the PAFR along with our two professionally written and designed newsletters, Postscript and Spotlight, to all of our (162,500) members. We also include a handy payday calendar for our retirees that features both direct deposit and check mailing dates. Providing the PAFR to our members gives them a universal snapshot of LACERA from the previous fiscal year, highlighting the funding ratio, asset allocation percentages, additions and deductions of the pension fund, quick-hit stats of our global accomplishments, and a listing of our Board members. Members who would like a copy of the entire CAFR may visit LACERA.com beginning in mid-January, or may call the Call Center and request a copy be mailed to them.

Chief Executive Officer's Report

November 23, 2015

Page 2

The CAFR theme for the fiscal year ended June 30, 2015 is Working For You and focuses on the services and collaborative efforts of LACERA's 15 divisions as they Produce, Protect, and Provide the promised benefits to our members. The theme unfolds in each of the CAFR's four section breaks: Connected, Efficient, Secure, and Informed. Each section break tells the LACERA story of what we do and how we do it; our expanding customer service efforts, our use of technology for member self-service and internal efficiency, our investment structure enabling us to pay the promised benefit, and the quality retirement information available in a variety of convenient formats for our members.

GR: JP

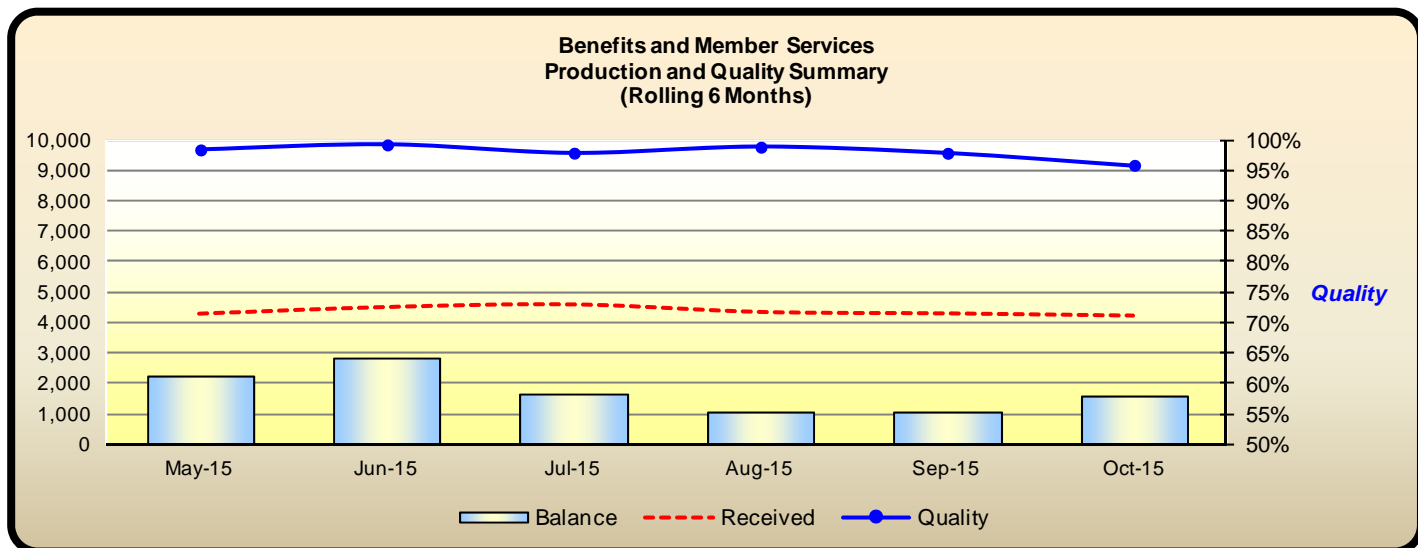
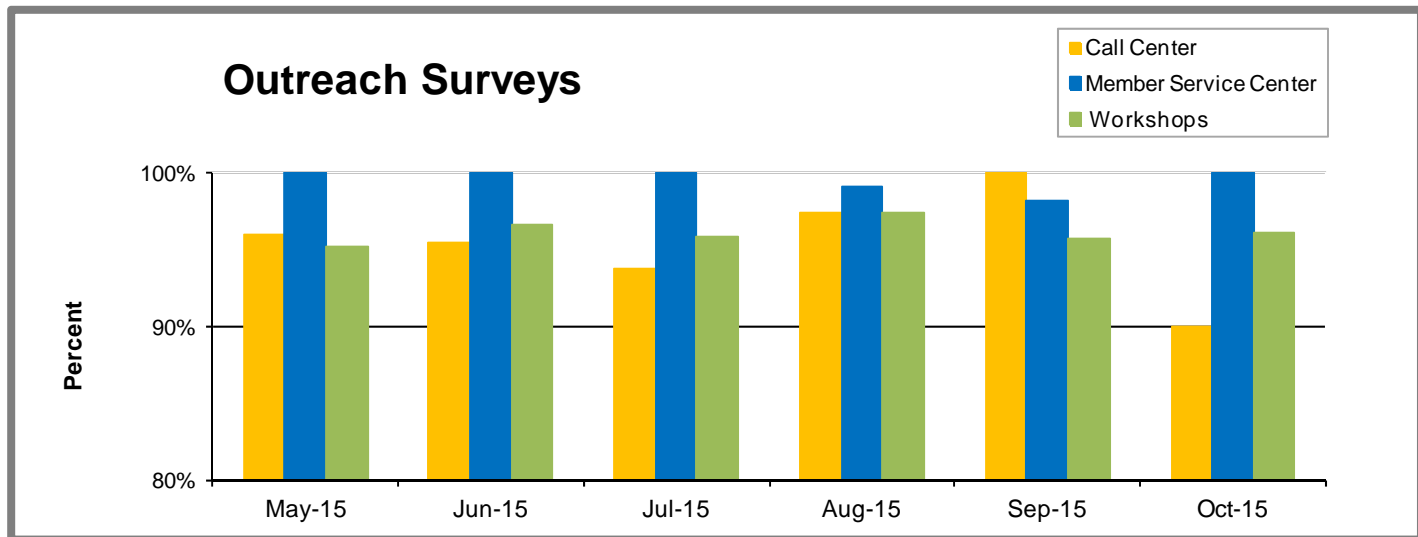
CEO report Dec 2015.doc

Attachments

LACERA's KEY BUSINESS METRICS

OUTREACH EVENTS AND ATTENDANCE

Type	# of WORKSHOPS		# of MEMBERS	
	Monthly	YTD	Monthly	YTD
Benefit Information	21	69	872	2,581
Mid Career	4	6	183	218
New Member	9	58	161	1,170
Pre-Retirement	11	36	357	943
General Information	3	7	157	419
Retiree Events	2	3	105	135
Member Service Center	Daily	Daily	1,418	5,764
TOTALS	50	179	3,253	11,230



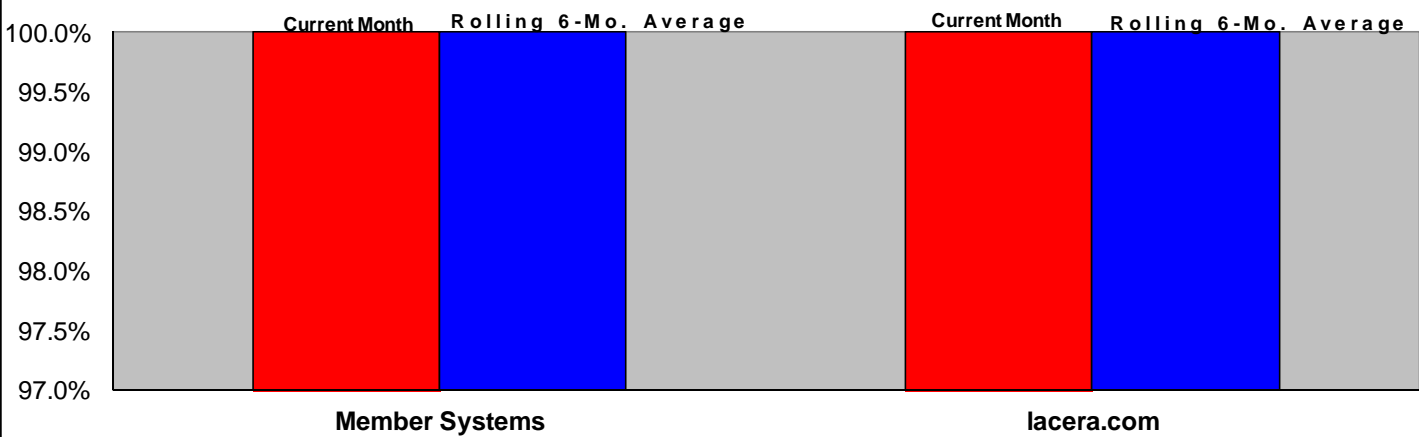
Member Services Contact Center			RHC Call Center	Top Calls
Overall Key Performance Indicator (KPI)	104.34%			
Category	Goal	Rating		<u>Member Services</u>
Call Center Monitoring Score	95%	99.5%	97%	1) Workshop Info/Appointments: Inquiries
Grade of Service (80% in 60 seconds)	80%	88%	67%	2) Benefit Payments: Gen. Inquiry/Payday
Call Center Survey Score	90%	89.95%	xxxxx	3) Retirement Counseling: Estimate
Agent Utilization Rate	65%	53	78%	
Number of Calls	9,818		3,925	<u>Retiree Health Care</u>
Calls Answered	9,535		3,745	1) Medical Benefits - General Inquiries
Calls Abandoned	283		188	2) Dental/Vision Benefits Gen. Inquiries
Calls-Average Speed of Answer	0:05:59		01:13	3) Turning Age65/Part B Prem Reimburse
Number of Emails	245		168	
Emails-Average Response Time	14:17		1 Day	Adjusted for weekends

LACERA's KEY BUSINESS METRICS

Fiscal Years	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Assets-Market Value	\$35.2	\$40.9	\$38.7	\$30.5	\$33.4	\$39.5	\$41.2	\$43.7	\$51.1	\$51.4
Funding Ratio	90.5%	93.8%	94.5%	88.9%	83.3%	80.6%	76.8%	75.0%	79.5%	83.3%
Investment Return	13.0%	19.1%	-1.4%	-18.2%	11.8%	20.4%	0.3%	12.1%	16.8%	4.3%

DISABILITY INVESTIGATIONS						
APPLICATIONS	TOTAL	YTD		APPEALS	TOTAL	YTD
On Hand	463	xxxxxxx		On Hand	193	xxxxxxx
Received	45	159		Received	3	18
Re-opened	0	1		Administratively Closed	3	8
To Board – Initial	35	137		Referee Recommendation	2	9
Closed	5	19		Revised/Reconsidered for Granting	0	4
In Process	468	468		In Process	191	191

SYSTEMS AVAILABILITY OCTOBER 2015



Active Members as of 11/20/15		Retired Members/Survivors as of 11/20/15			Retired Members	
		Retirees	Survivors	Total		
General-Plan A	293	19,903	4,794	24,697	Monthly Payroll	239.48 Million
General-Plan B	108	680	60	740	Payroll YTD	960.72 Million
General-Plan C	103	421	54	475	Monthly Added	313
General-Plan D	47,943	10,937	1,045	11,982	Seamless %	99.68
General-Plan E	21,660	10,546	840	11,386	YTD Added	1,163
General-Plan G	11,892	1	0	1	Seamless YTD %	99.91
Total General	81,999	42,488	6,793	49,281	Direct Deposit	95%
Safety-Plan A	14	5,968	1,585	7,553		
Safety-Plan B	11,617	3,972	215	4,187		
Safety-Plan C	806	1	0	1		
Total Safety	12,437	9,941	1,800	11,741		
TOTAL ACTIVE	94,436	TOTAL RETIRED	52,429	8,593	61,022	

Health Care Program (YTD Totals)		
	Employer Amount	Member Amount
Medical	145,285,680	12,950,065
Dental	12,213,616	1,313,636
Med Part B	16,340,045	xxxxxxxxx
Total Amount	\$173,839,341	\$14,263,701

Health Care Program Enrollments	
Medical	46,832
Dental	47,776
Med Part B	30,184
Long Term Care (LTC)	773

Funding Metrics as of 6/30/15	
Employer Normal Cost	9.28%
UAAL	8.49%
Assumed Rate	7.50%
Star Reserve	\$614 million
Total Assets	\$48.8 billion

Member Contributions as of 6/30/15	
Annual Additions	\$441.3 million
% of Payroll	6.18%


Employer Contributions as of 6/30/15	
Annual Addition	\$1,495 million
% of Payroll	17.77%

Date	Conference
December, 2015	
1-2	AVCJ's 16 th Annual Private Equity & Venture Forum Mumbai, India
8	Milken Institute Summit – California Los Angeles, CA
10	2015 Energy Game Change Conference Houston, TX
January, 2016	
24-26	NCPERS (National Conference on Public Employee Retirement Systems) Legislative Conference Washington D.C.
24-26	13th Annual Made in America: 2016 Taft-Hartley Benefits Summit Las Vegas, NV
27-29	CALAPRS (California Association of Public Retirement Systems) Advanced Principles of Pension Management for Trustees at UCLA Los Angeles, CA
February, 2016	
3-5	IMN (Information Management Network) Annual Beneficial Owners' international Securities Lending Conference Phoenix, AZ
24-26	Pacific Pension Institute (PPI) North American Winter Roundtable Rancho Palos Verdes, CA
29-March 1	National Institute on Retirement Security (NIRS) 2016 Policy Conference Washington D.C.
March, 2016	
5-8	CALAPRS (California Association of Public Retirement Systems) General Assembly Meeting Indian Wells, CA
8-9	International Corporate Governance Network (ICGN) Frankfurt Conference Eschborn, Germany
8-9	PREA (Pension Real Estate Association) Spring Conference Boston, MA
9-10	AHIP (America's Health Insurance Plans) National Health Policy Conference Washington D.C.
14-16	IFEBP (International Foundation of Employment Benefit Plans) Investments Institute Las Vegas, NV



November 12, 2015

TO: Each Member
Board of Retirement

FROM: Ricki Contreras, Manager 
Disability Retirement Services Division


SUBJECT: **APPEALS FOR THE BOARD OF RETIREMENT'S MEETING
OF DECEMBER 2, 2015**

IT IS RECOMMENDED that your Board grant the appeals and requests for administrative hearing received from the following applicants and direct the Disability Retirement Services Manager to refer each case to a referee:

390C	Cynthia A. Bercian	Thomas J. Wicke	Grant SCD Appealing Earlier Effective Date
6848A	Stephanie M. DeFiore	Thomas J. Wicke	Deny SCD
6843A	Roland K. Jackson	In Pro Per	Deny SCD
2434B	Barbara Barbero	Lisamarie McDermott	Deny SCD

November 19, 2015

TO: Each Member
Board of Retirement

FROM: Ricki Contreras, Manager 
Disability Retirement Services Division

FOR: December 2, 2015 Board of Retirement Meeting

SUBJECT: **DISMISS WITH PREJUDICE THE APPEAL OF MILDRED L. GREEN**

Ms. Mildred L. Green applied for a service-connected disability retirement on March 9, 2012. On October 2, 2013, the Board denied Ms. Green's application for service-connected disability retirement.

Ms. Green's attorney filed a timely appeal. On November 2, 2015, the applicant's attorney advised LACERA that his client did not wish to proceed with her appeal.

IT IS THEREFORE RECOMMENDED THAT YOUR BOARD:

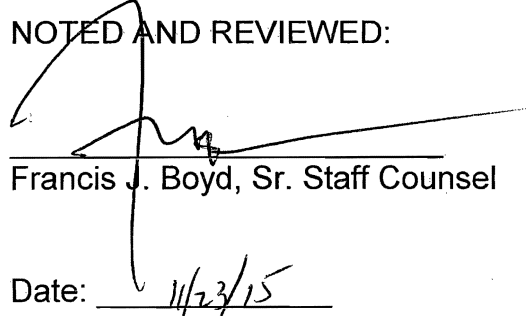
Dismiss with prejudice Mildred L. Green's appeal for a service-connected disability retirement.

FJB: RC: sc

Green, Mildred L. doc.

Attachment


NOTED AND REVIEWED:


Francis J. Boyd, Sr. Staff Counsel

Date: 11/23/15

November 19, 2015

TO: Each Member
Board of Retirement

FROM: Ricki Contreras, Manager 
Disability Retirement Services Division

FOR: December 2, 2015 Board of Retirement Meeting

SUBJECT: **DISMISS WITH PREJUDICE THE APPEAL OF GENOVIEVE GOMEZ-LOZANO**

Mrs. Genovieve Gomez-Lozano applied for a service-connected disability retirement on April 22, 2013. On September 3, 2014, the Board denied Mrs. Gomez-Lozano's application for service-connected disability retirement and granted her a non-service connected disability retirement.

Mrs. Gomez-Lozano's attorney filed a timely appeal. On November 13, 2015, the applicant's attorney advised LACERA that his client did not wish to proceed with her appeal.

IT IS THEREFORE RECOMMENDED THAT YOUR BOARD:

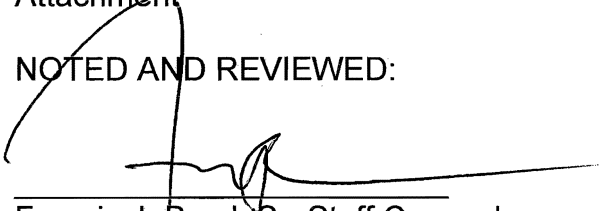
Dismiss with prejudice Genovieve Gomez-Lozano's appeal for a service-connected disability retirement.

FJB: RC: sc

Gomez-Lozano, Genovieve doc.

Attachment


NOTED AND REVIEWED:


Francis J. Boyd, Sr. Staff Counsel

Date: 11/23/15

November 24, 2015

TO: Each Member
Board of Retirement

FROM: Ricki Contreras, Manager 
Disability Retirement Services Division

FOR: December 2, 2015 Board of Retirement Meeting

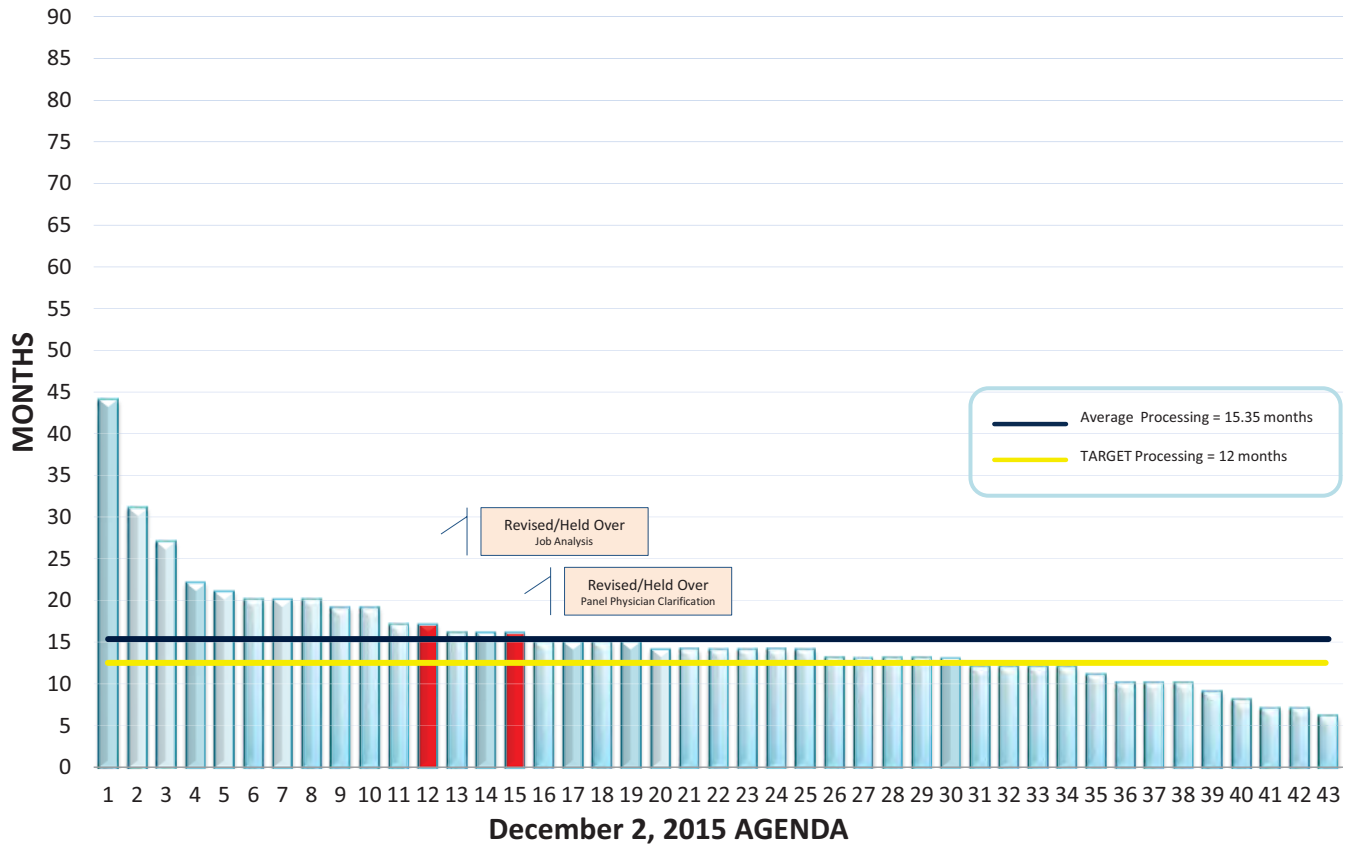
SUBJECT: **Application Processing Time Snapshot Reports**

At the February 4, 2015 meeting, the Disability Procedures & Services Committee voted to add two additional snapshot reports addressing application processing times and pending applications by elapsed time since application date. These reports will now be provided on a monthly basis along with the current snapshot that provides a look at application processing time before and after procedural changes were made to the disability application process. The Board adopted proposed changes on July 12, 2012. The chart breaks down the periods for cases processed under the old procedures vs. the new procedures with the associated monthly processing timeframes.

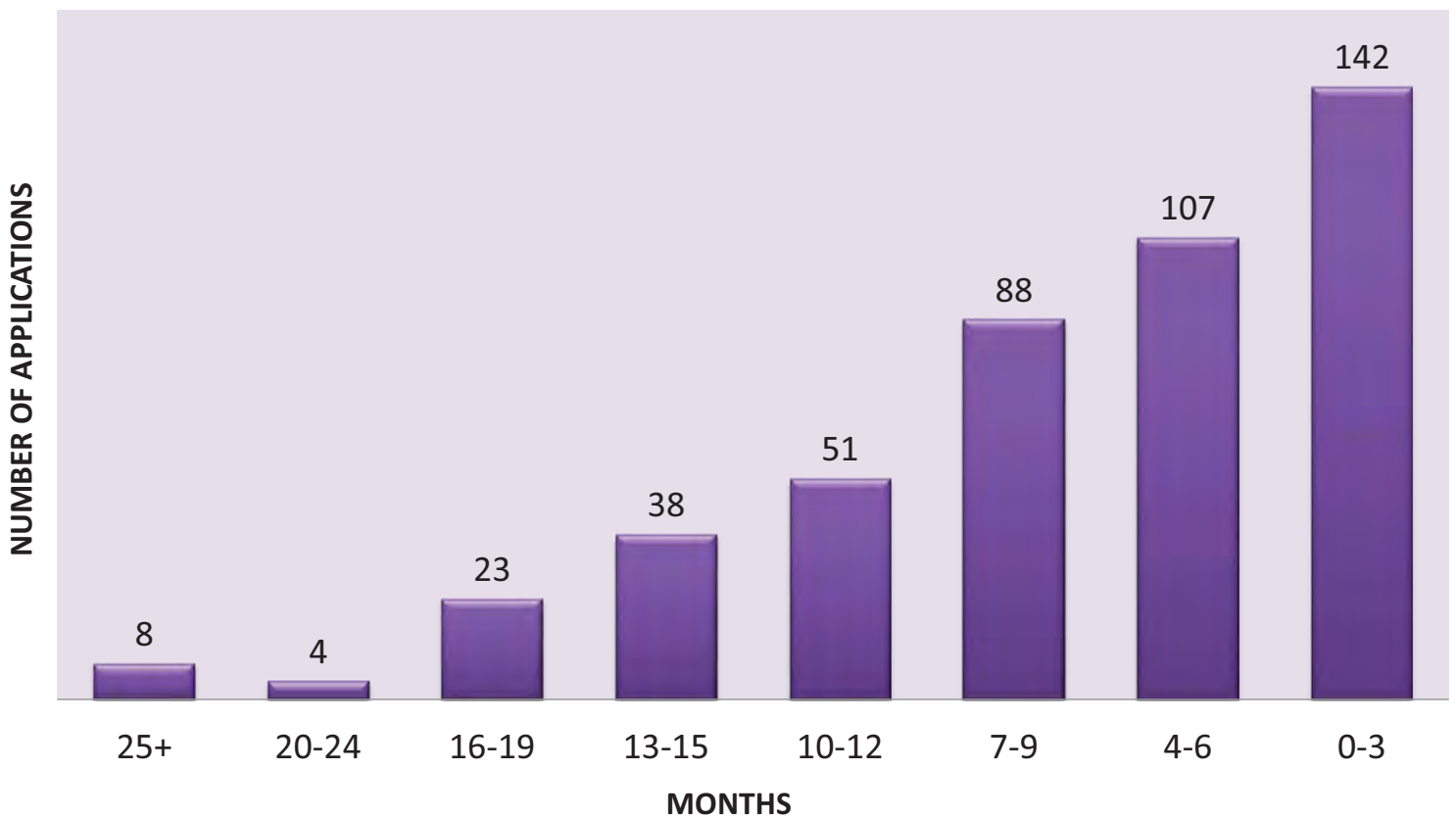
The following chart shows the total time from receipt of the application to the first Board action for the month in question.

Consent & Non-Consent Calendar			
Received <u>Prior</u> to July 12, 2012		Received <u>After</u> July 12, 2012	
Number of Applications	Processing Time (in Months)	Number of Applications	Processing Time (in Months)
1	44	40	14.58
Revised/Held Over Calendar			
Held Over/Revised; Returned for Further Development (2 Cases, total average processing time since receipt of application)		Case 1 17	Case 2 16
<i>Average Processing Time for Revised/Held Over Calendar</i>		16.5	

ACTUAL vs. AVERAGE PROCESSING TIME



TIME ELAPSED FOR PENDING APPLICATIONS





November 20, 2015

TO: Each Member
Board of Retirement

FROM: Operations Oversight Committee
Joseph Kelly, Chair
Yves Chery, Vice Chair
Anthony Bravo
Ronald Okum
David Muir, Alternate

FOR: December 2, 2015 Board of Retirement Meeting

SUBJECT: **Member Service Center–Transition Plan to a New Business Model**

RECOMMENDATION

Adopt the following proposed business model for the Member Service Center (MSC) to accommodate an 80% appointment allocation.

1. Offer one hour appointments
2. One hour closure for lunch, 12:00 PM - 1:00 PM, while allowing for drop-offs
3. Appointment availability in-line with peak times and staff availability
4. Saturday in-house workshops and appointments
5. Neighborhood workshops
6. Advance bookings up to 90 days
7. Partner with Retiree Healthcare Division for their staff support
8. Focus Outreach events on high attendance events
9. Encourage members to use self-service options
10. Progressive implementation plan with February 28, 2016 goal

DISCUSSION

The Member Service Center (MSC) provides in-person one-on-one counseling to LACERA members and beneficiaries. Members may walk-in anytime between 7:00 AM and 5:00 PM, Monday through Friday (excluding holidays) to receive counseling from a Retirement Benefits Specialist. Historically counseling sessions last about one hour, however we do not currently have any time limits. Staff are encouraged to work at the speed that makes members comfortable and satisfied.

In February of 2013, the Appointment Plus System was incorporated within the LACERA website, to allow members to make appointments for one-on-one counseling and to register to attend educational workshops in-house or at external locations, in advance.

In recent months, the Board of Retirement and Operations Oversight Committee members have expressed concerns regarding member's not being able to get an appointment in a reasonable amount of time. On September 10, 2015, the Operations Oversight Committee provided management with direction to increase the allocation of appointments to at least 20% of visits, but expressed a long-term preference for 80% of visits to be by appointment. Additionally, the Committee directed staff to reduce the ability to make an appointment to less than the current 180 days into the future.

PROPOSED PLAN OF ACTION

In response to the committee's direction, Member Services management took a closer look at the MSC operations and determined the following business model to be the most feasible in accomplishing the 80% appointment allocation.

1. Offer one hour appointments
2. One hour closure for lunch, 12:00 PM - 1:00 PM, while allowing for drop-offs
3. Appointment availability in-line with peak times and staff availability
4. Saturday in-house workshops and appointments
5. Neighborhood workshops
6. Advance bookings up to 90 days
7. Partner with Retiree Healthcare Division for their staff support
8. Focus Outreach events on high attendance events
9. Encourage members to use self-service options
10. Progressive implementation plan with February 28, 2016 goal

Offer One Hour Appointments

We plan to set appointments for one hour counseling sessions in order to increase efficiency in servicing members. The goal is to pre-direct members as much as possible to our online pre-retirement topics, videos, the member portal, or to contact the Call Center before selecting an appointment, so they may prepare themselves with relevant information which can potentially reduce the counseling time frame. We will disclose the one-hour sessions on the Appointment Plus system making members aware of the time limit before setting an appointment. Of course exceptions will be made as necessary.

One hour closure for Lunch, 12:00 PM - 1:00 PM, while Allowing Drop-offs

We plan to close the MSC during the lunch hour to maximize our availability during our peak hours leading up to and immediately after the lunch period. This should achieve the highest level of efficiency in staff scheduling based on the current schedules available. According to our current statistics, 25% of members who come to the MSC do not come in for counseling, but do so to drop off paperwork. We will keep the MSC lobby open and staffed with a receptionist to facilitate drop-off of documents, and allow members to come in and wait in comfort for their appointment.

Appointment Availability In-line with Peak Times and Staff Availability

Our statistics indicate that members prefer to visit the MSC during mid-morning and mid-afternoon time periods. In order to accommodate as many members as possible we will be adjusting staff schedules to ensure we have the maximum number of staff available during these high traffic periods and increase the appointment availability for these periods.

Saturday In-House Workshops and Appointments

We plan to open the MSC and provide Retirement Workshops on the first Saturday of each month which would provide more opportunity to serve members and an additional alternative for those members who are unable to come during the week. The MSC would be available on an appointment basis only and Pre-retirement Workshops would be held concurrently.

Neighborhood Workshops

We plan to expand Saturday workshops to offsite locations which would provide more opportunity to serve members. We are working closely with our Systems Division to acquire the appropriate technology in order to serve our members most appropriately, offsite.

Advance Bookings up to 90 Days

Since the inception of the Appointment Plus system, members have been able to make appointments as far as 180 days in advance. However, after a statistical review, there is a correlation between appointments booked beyond 90 days in advance and no-shows. Based on this, we have decided it would be a best practice to limit appointments to no further than 90 days into the future.

Partner with Retiree Healthcare Division

We have partnered with the Retiree Healthcare Division (RHC) in an effort to better serve those members who have specific questions regarding their healthcare. Currently, we have at least one RHC staff member serving members within the MSC on a daily basis. This additional step has also served to reduce calls to the Retiree Healthcare Division.

Focus Outreach Events on High Attendance Events

We plan to focus on the most popular Outreach events to allow more staff to be available to serve members in the MSC. This will allow our team to maintain a significant presence in the field, while having the majority of staff available in the MSC.

Encourage Self-service Options to Members

We plan to encourage members to utilize self-service options by redirecting them to online pre-retirement topics, videos, the member portal, or to contact the Call Center, before selecting an appointment. Our goal is to educate our members as much as possible before coming in to the MSC so that we can focus on specific questions and retirement planning. Ideally, we may even be able to save them a trip to LACERA.

COMMUNICATION AND IMPLEMENTATION PLAN

The transition to a predominantly appointment based MSC will be communicated through a variety of means such as the LACERA website, Appointment Plus system, LACERA newsletters, during Call Center counseling sessions, Outreach events, and posted signs in the MSC.

MOVING FORWARD

We have already increased the number of available appointments to 40% of the daily average of 52 visits. Over the next several months we will gradually increase the number of available appointments

until we reach our 80% goal by February of 2016. As we roll out this program we will continually evaluate the impacts of these changes and make adjustments as necessary.

CONCLUSION

The appointments in the MSC have become increasingly popular with members. By increasing the number of appointments, members will be able to book appointments for dates without having to wait inordinate amount of time for an appointment. The proposed plan of action will mitigate long wait times for walk-ins and to accommodate an 80% allocation of appointments available to members visiting the MSC. Additionally, this plan of action will increase the accessibility by adding an additional day per month of service in house as well as locations throughout the county.

IT IS, THEREFORE, RECOMMENDED THAT YOUR BOARD adopt the following proposed business model for the Member Service Center (MSC) to accommodate an 80% appointment allocation.

1. Offer one hour appointments
2. One hour closure for lunch, 12:00 PM - 1:00 PM, while allowing for drop-offs
3. Appointment availability in-line with peak times and staff availability
4. Saturday in-house workshops and appointments
5. Neighborhood workshops
6. Advance bookings up to 90 days
7. Partner with Retiree Healthcare Division for their staff support
8. Focus Outreach events on high attendance events
9. Encourage members to use self-service options
10. Progressive implementation plan with February 28, 2016 goal



November 20, 2015

TO: Each Member
Board of Retirement
Board of Investments

FROM: Each Member, Operations Oversight Committee
Joseph Kelly, Chair
Yves Chery, Vice Chair
Anthony Bravo
Ronald Okum
David Muir, Alternate

FOR: Board of Retirement Meeting of December 2, 2015
Board of Investments Meeting of December 9, 2015

SUBJECT: LACERA Other Post-Employment Benefits (OPEB) Funding Policy

RECOMMENDATION

Adopt the LACERA OPEB Funding Policy, which would allow LACERA, as an independent entity, to begin pre-funding its share of the Retiree Healthcare Program's liability for its employees.

EXECUTIVE SUMMARY

The June 30, 2015 LACERA Chief Executive Officer's Report communicated to your Boards that when the County adopted their budget on June 22, 2015, the budget included a dedicated funding promise for Los Angeles County's (County's) unfunded Retiree Healthcare Program liability (also known as the OPEB liability). Specifically, the County will: (1) continue to pay for the Retiree Healthcare Program on a pay-as-you-go basis, which is approximately \$500 million annually; and (2) make gradually increasing additional annual contributions to the OPEB Trust Fund until the County is paying an amount that will sustain the Program on a pre-funding basis.

Similar to the County, LACERA also operates on a pay-as-you-go basis for our Retiree Healthcare Program's costs and has the opportunity to participate with the County in this OPEB liability pre-funding arrangement. In addition, LACERA may decide to pre-fund LACERA's portion of the future obligations independent of the County's funding stream. A Board-approved funding policy would allow LACERA to commit to reducing the OPEB liability for our retired workers.

BACKGROUND

Since the County-sponsored Retiree Healthcare Program was established in 1971, LACERA, as an independent entity from the County, has consistently mirrored the County's generally accepted financing plan related to the OPEB liability. Thus, LACERA has essentially participated in any reference in this memo regarding the County's efforts to reduce the OPEB liability. Under the OPEB Trust, LACERA is defined as a "Contributing Employer" and separate accounts are maintained for the contributions and expense obligations of the County and LACERA.

The current funding mechanism the County practices for Retiree Healthcare Program's costs is essentially a "pay-as-you-go" system, which means that the County pays for current year retiree health

expenses as they become due. As of the latest July 1, 2014 actuarial valuation, this funding method has caused an accumulation of an unfunded Actuarial Accrued Liability for OPEB valued at \$27 billion. Additional employer groups participating in the OPEB Program who share a portion of the liability include Firefighters' Local 1014, Superior Court and South Coast Air Quality Management District. LACERA's portion of the liability is approximately \$98 million.¹

The County has been looking at ways to reduce the Retiree Healthcare Program's costs and future liability, and move towards a "pre-funding" model. It has successfully taken steps to mitigate the increasing cost of the OPEB liability; for instance, establishing an OPEB Trust Fund for the primary purpose of holding and investing assets to fund the Retiree Healthcare Program; and creating a new retiree health insurance program structure for new County employees hired after June 30, 2014 and eligible for LACERA membership. The LACERA Board of Retirement, as the Retiree Healthcare Program administrator, has also successfully implemented several cost-saving strategies for the Program over the years, including: Medicare advantage plans; mail order pharmacy; federal reimbursement programs; and coordinated care.

FUNDING

The County's 2015 budget-approved pre-funding plan addresses the County's portion of the OPEB liabilities and utilizes a multi-year strategy to phase in the pre-funding portion of the retiree healthcare benefits while continuing to make the pay-as-you-go contributions. Consistent with past practices, Staff believes it is in LACERA's best interest to join the County in pre-funding its portion of OPEB liabilities.

The County allocates costs using an active employee methodology to determine LACERA's pro-rata share of the costs, which are billed to LACERA on a monthly basis just like County departments. LACERA's current annual pay-as-you-go contribution is \$2 million, which is paid through our administrative operating budget and approved by both governing LACERA Boards.

In the table below is the County's initial estimate of LACERA's pre-funding portion of the Retiree Healthcare unfunded liability. It uses a multi-year approach to increase the LACERA retiree health payment each year in a consistent manner. Future pre-funding amounts will also be determined by the County. Staff also provided data on the financial impact, on a percentage basis, of the pre-funding contributions using the latest Fiscal Year 2015-2016 LACERA operating budget of \$73 million.

Fiscal Year	LACERA Pre-Funding Contribution	Percentage of FY 2015-16 LACERA Budget
2015-16	\$91,000	0.12%
2016-17	228,000	0.31%
2017-18	456,000	0.62%
2018-19	684,000	0.94%
2019-20	912,000	1.25%
2020-21	1,140,000	1.56%

¹ Estimate calculated by LACERA staff. The Actuarial Accrued Liability will be calculated by Consulting Actuary and presented in the July 1, 2016 Actuarial Valuation report.

The financial impact of pre-funding LACERA OPEB benefits is minimal. LACERA's participation in the County's initiative is critical in reducing the unfunded liability associated with the retiree healthcare benefits by pre-funding this benefit.

The attached OPEB Program Funding Policy is intended to provide LACERA with the ability to pre-fund retiree healthcare benefits when the County chooses to do so, and allow LACERA pre-fund its portion of the liability separately. LACERA is not legally obligated, under the Trust or otherwise, to match the County's funding practices, but such a course of action, which has been followed in the past, continues to seem prudent to reduce LACERA's share of the unfunded liability and to facilitate LACERA's administrative responsibilities for the OPEB Program. The Policy guides future funding actions and will ensure the security of the Retiree Healthcare Benefits for LACERA employees.

CONCLUSION

The County prudently established an OPEB Trust Fund to pre-fund its OPEB liability. During its most recent budget cycle, the Board of Supervisors approved a mechanism to continue the pre-funding effort by providing a steady stream of increasing contributions to the OPEB Trust over a multi-year plan. The proposed plan includes the opportunity for LACERA, as an independent entity, to participate with the County and pre-fund its portion of the OPEB liability. In addition, LACERA may provide a funding stream that is distinct from the County. Establishing the proposed OPEB Funding Policy will enhance LACERA's commitment to providing Retiree Healthcare benefits and help reduce LACERA's unfunded liability for these benefits.

IT IS, THEREFORE, RECOMMENDED THAT YOUR BOARDS adopt the LACERA OPEB Funding Policy, which would allow LACERA, as an independent entity, to begin pre-funding its share of the Retiree Healthcare Program's liability for its employees.

**Los Angeles County Employees Retirement Association
Other Post-employment Benefits (OPEB) Program – Funding Policy**

Funding Goal

The Other Post-employment Benefits (OPEB) Program Funding Policy establishes the funding process the Board of Retirement and Board of Investments would like the Los Angeles County Employees Retirement Association (LACERA) to follow as a participating entity in the OPEB Program.

The primary objective is to provide post-employment benefits through the OPEB Program, which include Retiree Healthcare Benefits, dental and burial allowance, for LACERA retirees and to reduce LACERA's portion of the OPEB Actuarial Accrued Liability (AAL).

The Funded Ratio is the measurement of Valuation Assets to the AAL. When the assets available for funding equal the AAL, the OPEB Program is considered fully funded with a Funded Ratio of 100%. Assets in excess of those needed to reach 100% funding are considered excess funds for funding purposes. A Funded Ratio equal to 100% is the Funding Goal.

Funding Policy

LACERA establishes and operates with its own distinct budget, as an independent entity from Los Angeles County (County). LACERA retirees receive healthcare and other post-employment benefits through the OPEB Program, which is sponsored by the County and administered by LACERA.

Similar to the County, LACERA funds the Program monthly on a pay-as-you-go basis through the OPEB Agency Fund.

The OPEB Trust contains assets contributed by the County and LACERA which have been set aside for future use. These assets are accounted for separately and owned by each agency.

LACERA intends to provide its proportionate share of funding when the County executes pre-funding arrangements, ramp-up contributions, or additional budget allocations. LACERA may budget for and provide a funding stream that is separate and distinct from the County, which satisfies the liability allocated to LACERA.

Implementation

LACERA's annual administrative budget includes an allocation for the pay-as-you-go Program costs.

When the County provides a pre-funding stream, LACERA will fund its pro-rata share of the Program contributions. The contribution frequency and amount are calculated by the County, reviewed by staff and presented in LACERA's annual administrative budget for the Boards' approval.

LACERA's governing Boards, may, at any time, decide to pre-fund LACERA's portion of the future obligations independent of the County's funding stream. The contribution frequency is determined and amounts are calculated by LACERA staff, and presented in LACERA's annual administrative budget for the Boards' review and approval.

**Los Angeles County Employees Retirement Association
Other Post-employment Benefits (OPEB) Program – Funding Policy**

Valuation Cycle

At least every two years, LACERA shall engage the services of an actuary to conduct a valuation of plan liabilities and assets to measure the funding progress of the Program. Every third year, the actuary shall conduct an investigation of experience to measure the effectiveness of plan assumptions, valuation methodology, and to identify trends. Upon request, the actuary may provide calculations specific to each participating entity in the OPEB Program. The Board of Retirement shall review the results of the valuation and experience study.

Any changes to actuarial assumptions and methodology as provided for in actuarial standards or financial statement reporting standards will be implemented.


Amendments

Amendments and exceptions to this Policy may be made from time to time with approval by the LACERA Board of Retirement and Board of Investments.



November 17, 2015

TO: Each Member
Board of Retirement

FROM: Fern M. Billingsy 
Senior Staff Counsel

DATE: Meeting of December 2, 2015

SUBJECT: **Canine Deputies, Operation Safe Streets Bureau**

Deputy Edward Garnica, on his behalf and that of Deputy David Cervantes, has requested your Board treat additional compensation covering canine handlers as pensionable income. Specifically, this memorandum will address employees of the Sheriff's Department who work in the Operation Safe Streets Bureau (OSSB).

Deputies assigned to the OSSB are responsible for the care and maintenance of patrol dogs. Each week deputies are each given an additional three hours of compensation for the care and maintenance of these dogs, commonly called K-9 pay. Each deputy is assigned two dogs. One for narcotic detection and one for firearm detection. Otherwise, the deputies work a normal 40-hour assignment.

Theodore King, Section Head, Benefits Division, spoke with Lieutenant Joshua Stahl regarding the work assignments for the deputies. In support of the deputies request, Mr. King was provided with a copy of the OSSB Order regarding Scent Dog Detail, and a letter from Captain Matthew Burson describing the duties of the canine deputies.

The Legal Office reviewed the Order and the letter from Captain Burson and determined that the additional compensation received for the care and maintenance of the dogs qualifies as compensation and should be included in the definition of compensation earnable*.

Therefore, we recommend that your Board:

1. Adopt the attached resolution specifying that canine handlers pay earned on and after August 3, 2012, by deputies of the Operation Safe Streets Bureau of the Sheriff's Department qualifies as compensation earnable;

* Please note the inclusion of pay does not affect members covered under California Government Code section 7522 et seq.

Each Member
Board of Retirement
November 17, 2015
Page Two

2. Instruct staff to implement this change by coordinating with the County Auditor-Controller to remit member and employer contributions; and
3. Instruct staff to collect arrears contributions for canine handlers pay in accordance with the Board's policy regarding implementation of new pensionable pay items.

ANALYSIS

A. Canine Handlers Pay Should Be Treated As Pensionable

In City of Sacramento v. PERS, (1991) 229 Cal. App. 3d 1470, the appellate court determined that firefighters' regular overtime ("premium overtime") under the applicable FLSA exemption qualified as compensation earnable.

Specifically, the appellate court upheld the PERS Board's ability to treat such overtime as compensation earnable under the PERL because the firefighters normally are required to work more than the FLSA maximum for normally required duties. The rule in determining if overtime actually is compensation earnable is whether the hours for which the pay is received are considered "normal" or part of normal duties (Id. at 1484). The court discussed and relied upon Rose v. City of Hayward, (1981) 126 CA 3d 926 (premium holiday pay is compensation earnable where law enforcement members regularly are required to work holidays, even though not all employees worked the same holiday).

LACERA confirmed that the additional work hours of the deputies are regularly scheduled in advance and are part of the normal duties of canine handlers assigned to this department. The hours assigned are not sporadic and arbitrary. Given these confirmations, it appears that these regularly worked hours do not constitute "overtime" that would be excluded from the definition of "compensation earnable" under Government Code Section 31461[†].

[†] It should be noted that the deputies may also receive "true" overtime for additional hours worked. The deputies do not dispute this type of pay is properly excluded from compensation earnable.

Each Member
Board of Retirement
November 17, 2015
Page Three

B. Effective Date for Treating Canine Handlers Pay as Pensionable

A claim against LACERA for the failure to treat compensation pensionable is limited by a three (3) year statute of limitations (Code of Civil Procedure section 338(d)). As no affected individual has brought a claim against LACERA, it is recommended this income be treated as pensionable commencing three (3) years prior to Deputy Garnica's request. Therefore, staff recommends that this income be treated as pensionable commencing August 3, 2012, the date three (3) years prior to the deputy's request.

C. Collection of Arrears Contributions

If your Board determines that this canine handlers pay qualifies for inclusion in the definition of compensation earnable, employee contributions on prior earnings may be required.

In Marin County Employees Retirement Association v. County of Marin Association of Firefighters, (1994) 30 Cal. App. 4th 1638, the Court of Appeal determined that once a Retirement Board has determined that an element of compensation is "compensation earnable", the Board must include that element in final compensation. Under the reasoning in Barrett v. Stanislaus County Employee Retirement Association, (1987) 189 Cal. App. 3d 1593 (cited with approval in Marin, supra) the Board had the ability to impose arrears contributions where it was required to classify certain active general members as safety members. The Court stated:

"A review of the entire statutory scheme reveals a retirement system based on contributions by both employer and employee. ... Thus, imposition of an arrears contributions obligation on plaintiffs would place them in the position they would have been had they been properly classified from the date of their employment." (Id. at 1609)

The Court in Marin noted the applicable statute of limitations is the three (3) year period set forth in Code of Civil Procedure section 338(d) for a claim based on mistake and that the statute does not begin to run until the discovery of the mistake. LACERA did not discover its mistake until sometime after August 3, 2015, when the failure to treat the additional hours as pensionable was brought to our attention. Thus, LACERA is not barred by the statute of limitations from seeking arrears contributions.

Each Member
Board of Retirement
November 17, 2015
Page Four

Your Board's policy for collecting arrears contributions is currently in place. Staff will apply that policy to the collection of arrears contributions relating to canine handlers pay, and will make every effort to collect contributions from all affected members.

THEREFORE, IT IS RECOMMENDED that your Board:

1. Adopt the attached resolution specifying that canine handlers pay earned on and after August 3, 2012, by deputies of the Operations Safe Streets Bureau of the Sheriff's Department, qualifies as compensation earnable;
2. Instruct staff to implement this change by coordinating with the County Auditor-Controller to remit member and employer contributions; and
3. Instruct staff to collect arrears contributions for canine handlers pay in accordance with the Board's policy regarding implementation of new pensionable pay items.

Reviewed and Approved



Steven P. Rice
Chief Counsel

FMB/et

BOR/Canine Deputies Operation Safe Streets Bureau.doc

Attachments

BEFORE THE BOARD OF RETIREMENT

LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION

RESOLUTION OF THE
BOARD OF RETIREMENT
SPECIFYING "CANINE HANDLERS PAY"
EARNED ON AND AFTER
AUGUST 3, 2012 SHALL QUALIFY
"COMPENSATION" AND
"COMPENSATION EARNABLE"

RESOLUTION NO. 15-001

WHEREAS, LACERA calculates retirement allowances based on a member's "final compensation;"

WHEREAS, LACERA is required to include in the calculation of "final compensation" a member's base pay, and certain other items of remuneration, if such remuneration qualifies as "compensation" under Government Code Section 31460 and "compensation earnable" under Government Code Section 31461;

WHEREAS, on March 4, 1998 the Board of Retirement adopted Resolution No. 98-004 specifying certain items of remuneration payable to employees of the County of Los Angeles which the Board determined qualify as "compensation" under Government Code Section 31460 and "compensation earnable" under Section 31461.

WHEREAS, remuneration accounted for by the Sheriff's Department under the description "Canine Handlers Pay" is not included in the list of items determined to qualify as "compensation" and "compensation earnable."

WHEREAS, on August 3, 2015, a request was filed by canine handlers of the County of Los Angeles Sheriff's Department Operations Safe Streets Bureau alleging, inter alia, earnings described as "Canine Handlers Pay" qualify as "compensation" and "compensation earnable."

WHEREAS, the Board of Retirement has determined that "Canine Handlers Pay" is regularly worked and does not constitute "overtime" that would be excluded from the definition of "compensation earnable" under Government Code Section 31461.

WHEREAS, the Board of Retirement has determined that remuneration accounted for as "Canine Handlers Pay" qualifies as "compensation" and "compensation earnable."

NOW THEREFORE, BE IT RESOLVED, AS FOLLOWS:

1. Earnings on and after August 3, 2012, designated as "Canine Handlers Pay" shall qualify as "compensation," as defined in Government Code Section 31460 and "compensation earnable," as defined in Section 31461, for purposes of calculating a member's retirement allowance.
2. Attachment No. 1 of this Resolution sets forth a listing of all items of remuneration qualifying as "compensation" and "compensation earnable" for purposes of calculating a member's retirement allowance.
3. Staff shall collect arrears contributions from active and retired members, if applicable.

Adopted December 2, 2015

Yes:
Noes:
Absent:

BOARD OF RETIREMENT,
LOS ANGELES COUNTY EMPLOYEES
RETIREMENT ASSOCIATION

Shawn R. Kehoe
Chair, Board of Retirement

Approved as to Form

ATTEST:

Steven P. Rice
Chief Counsel

William de la Garza
Secretary, Board of Retirement

ITEMS OF COUNTY REMUNERATION QUALIFYING AS "COMPENSATION," AS DEFINED BY GOVERNMENT CODE SECTION 31460, AND "COMPENSATION EARNABLE," AS DEFINED BY GOVERNMENT CODE SECTION 31461.

<u>Earnings Code No.:</u>	<u>Title</u>
099	Patrol Station Retention Bonus
358	Temporary Promotion Bonus
359	Lifeguard Paramedic, Catalina
503	Uniform Allowance
504	Night Shift Differential
505	Coroner's Inquest Reporter
506	Vehicle Use Allowance
507	Co-generation or Hydro-Electric Ops & Mtce
508	Henninger Flats Watchman
509	Freezer Work
510	Department Head Merit
511	Board of Supervisors Performance Lump Sum
512	Fire Suppression Transportation Truck Driver
514	Backhoe Operator
515	Weekend Bonus
516	Explosives Work
517	Evening Shift Differential

518	Power Equipment Repair, Snow Conditions
519	Engineering Employees, Hazard pay
520	Home Care Compensation
522	Custodian Acting as Watchman
523	DPD Deputy Director Recruitment Incentive
525	Contracting and Productivity Improvement Incentive For Managers
528	WEBCOM Press Operator
529	Power Equipment Operator, Fire Suppression
530	RN Extra Weekends Worked
531	Standby
532	Additional Responsibilities or Exceptional Performance
533	Power Sweeper Operator in emergency conditions
534	Power Plant Relief Engineer
535	Clinic Physician, First Hour and One-Half
536	Consulting Specialist, MD, & Mental Health Consultant, MD, First and Fifth Hours
538	RN Assigned as Acting or Relief Charge Nurse
539	RN Weekend Differential
540	Relief Nurse Holiday Differential (Hourly Item)
541	Relief Nurse Weekend Differential (Hourly Item)

- 544 Appraisers Laundry and Dry Cleaning Allowance
- 545 Heavy Duty Tow Truck Driver
- 546 Slurry Seal Truck Driver
- 547 Lifeguard Paramedic – Shift
- 548 Lifeguard Paramedic – Hourly
- 550 Incentive Awards for Medi-Cal Reimbursements, Health Services
- 551 Group Incentive Award, Treasurer Tax Collector
- 552 Standby – Emergency Rollout Program
- 553 Pioneer Excavation, Tunnel Operations, Fire Suppression, and Snow Removal - Construction Inspection and Surveying Groups
- 554 Pioneer Excavation, Tunnel Operations, Fire Suppression, and Snow Removal
- 555 Scaffold or Swing Stage, 30 feet above grade
- 556 High scale and rigging operations, general
- 557 Evening Shift, Med Tech
- 558 Night Shift, Med Tech
- 565 Paramedic Recertification Bonus
- 567 Deputy Sheriff Reserve Annual Compensation
- 570 Home Care Program Standby
- 571 CSW Licensure Supervision

- 572 MOU Lump Sum Bonus
- 575 Wastewater Plant Relief Bonus
- 576 "Solo Daily" Pay – Court Reporters
- 577 Interpreter Half Day Bonus – Sup. Ct.
- 581 Swim Proficiency Bonus
- 601 Lifeguard Paramedic, Relief
- 602 Supervising Transportation Deputy Performing Dispatcher Duties
- 603 Automotive Service Excellence Certificates
- 604 RN Mobile Intensive Care Certification
- 605 Custodian Floor Waxing Bonus
- 606 Fire Equipment Mechanic Assigned Field Repair Duties
- 607 SDPO Assigned Acting Director in a Camp
- 608 Bilingual Bonus
- 609 RN Assigned to Emergency Room
- 610 Antelope Valley Firefighting Crew
- 611 Tree Trimmer Supervisor, Power Operations
- 612 Shooting Bonus, Expert
- 613 Shooting Bonus, Distinguished Expert
- 614 Shooting Bonus, Marksman
- 615 Shooting Bonus, Sharpshooter


- 616 Antelope Valley Quarters, on Fire Call
- 617 Clinic Nurse Assigned to Probation Camp
- 618 Transportation Bus Driver, Sheriff
- 619 Lifeguard Paramedic
- 620 San Gabriel Dam Operator
- 621 Nurse Retention Incentive
- 622 Advanced Appraiser Certification
- 623 Probation Transcriber Typist Production Incentive
- 624 Bilingual Additional Bonus, Children's Social Workers
- 625 Agriculture Inspectors Assigned to Standardization
- 626 Firefighter Paramedic Not Assigned to a Paramedic post
- 627 Detention and Transportation Extra Supervision Bonus
- 628 Bilingual Bonus for Other than Monthly Employees
- 629 Mortuary Attendant at LAC/USC MC
- 630 Safety Police Educational/Longevity Incentive
- 632 Mental Health Workers Assigned to Sheriff's Detention Facilities
- 634 Supervising Detention Services Officer of the Day
- 635 Transportation Deputy Bus Driver, Probation
- 636 Sheriff's Station Commander Expenses
- 637 Professional Development Expenses

638	Probation Telecom Equipment Bonus
639	Intern Housing Allowance LAC/USC Med. Center
640	Children's Services ERCP Retention
641	Shooting Bonus, Expert – Reserve
642	Shooting Bonus, Distinguished Expert – Reserve
643	Shooting Bonus, Marksman – Reserve
644	Shooting Bonus, Sharpshooter – Reserve
645	Welder Certification Bonus
646	Emergency Rollout Program & Shift Bonus
647	Bilingual Additional Bonus, Psychiatric Social Work
648	Defibrillation Airway Bonus
649	Mammography Bonus
650	Presiding Judge 4% Bonus
653	Equine Handlers Pay
653	K-9 Handlers Pay
695	Transportation Allow
696	Traffic Mitigation
700	"Overnight trip" Pay - Sheriff's Statewide Unit
730	Premium Overnight Trip
782	FLSA Premium Pay for Regularly Scheduled Work Assignment



November 16, 2015

TO: Each Member
Board of Retirement

FROM: Cassandra Smith, Director 
Retiree Healthcare Division

FOR: December 2, 2015 Board of Retirement Meeting

SUBJECT: Anthem Blue Cross Plan 2012-2013 Medicare Part D RDS Audit Results

RECOMMENDATION

Authorize staff to request a reopening from Centers for Medicare and Medicaid Services (CMS) to claim additional subsidy dollars found in the Anthem Blue Cross Plans for the 2012-2013 plan year.

EXECUTIVE SUMMARY

The Board of Retirement retained Milliman to audit LACERA's participation in the Retiree Drug Subsidy (RDS) program for the Anthem Blue Cross I, II, III, and Prudent Buyer Plan applications submitted to the CMS for multiple plan years.

Milliman completed its audit of the 2012-2013 Anthem Blue Cross I, II, III, and Prudent Buyer plan year finding that LACERA may be entitled to an additional estimated subsidy of approximately \$697,789. Milliman recommended requesting a reopening from CMS to have an opportunity to recover additional subsidy dollars. Staff is requesting that the Board approve a reopening request to recover the estimated additional subsidy from CMS. Milliman's consulting fees to support and validate the resubmission will be \$19,400.

BACKGROUND

On August 26, 2013, LACERA issued a request for proposal for a consulting firm to audit our Medicare Part D RDS program claims submitted by our insurance carriers for completeness, accuracy, and compliance with the CMS' rules and regulations.

Milliman completed its audit of 2008-2009 with no significant audit findings being found for neither Cigna Network Model (Cigna) nor Kaiser Permanente (Kaiser). Consequently, Milliman recommended that LACERA not request a reopening for these plans, because of the lack of significant findings and the since CMS' had previously denied LACERA's requests to re-open Cigna and Kaiser applications for the 2006-2007 and 2007-2008 plan years. Milliman and staff agreed that no further audits of these two plans would be necessary. Thus, at the October 9, 2014 Board of Retirement meeting, a recommendation was made to approve a revision of the RDS Audit project's Scope of Work to replace the remaining Cigna and Kaiser audits with Anthem Blue Cross Plan I, II, III, and Prudent Buyer audit for the 2005-2006 plan year. The recommendation was unanimously approved, and those results were reported to your Board in January 2015.

In July 2015, staff reported to your Board that the authorized audits and reopening requests through the 2011-2012 plan year had yielded approximately \$39.7 million in additional subsidies due to LACERA. Also in July, your Board authorized the Chief Executive Officer to amend the agreement between LACERA and Milliman to authorize additional plan year audits until no significant errors were found. Staff advised that if additional audits recommended a reopening request, your Board would be notified.

2012-2013 AUDIT RESULTS

Milliman has completed their audit of the Anthem Blue Cross 2012-2013 RDS Program, estimating that LACERA may be entitled to an additional estimated subsidy of approximately \$697,789. Therefore, they are recommending a reopening of Anthem for the July 1, 2012 and June 30, 2013 plan year.

According to Milliman's analysis (see attached report), two contributors to the difference between Anthem's Cost Reports and Milliman's calculations:

1. Additional members who may have been eligible for RDS subsidy and other eligibility discrepancies
 - a. Milliman identified 1,176 members with claims that may be eligible for an RDS subsidy, but were not on the Covered Retiree List (CRL).
2. Additional drugs eligible for subsidy
 - a. Anthem provided the drugs excluded for subsidy for 2012 and 2013. Milliman made the subsidy eligible determination, on all claims, using CMS Formulary Reference File from 2013, and Medi-Span drug classification.

CONCLUSION

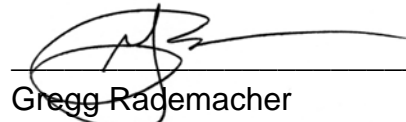
Milliman's analysis of claims for Anthem Blue Cross Plan I, II, III and Prudent Buyer plans determined that LACERA may be entitled to an additional estimated subsidy amount of \$697,789 for the 2012-2013 plan year, and recommends re-opening to retrieve the additional estimated subsidy amount.

RECOMMENDATION

Authorize staff to request a reopening from Centers for Medicare and Medicaid Services (CMS) to claim additional subsidy dollars found in the Anthem Blue Cross Plans for the 2012-2013 plan year.

CS:ho

Reviewed and Approved

A handwritten signature in black ink, appearing to read 'GR', is written over a horizontal line.

Gregg Rademacher
Chief Executive Officer

Attachment



4370 La Jolla Village Drive
Suite 700
San Diego, CA 92122

Tel (858) 558-8400
Fax (858) 597-0111
www.milliman.com

October 26, 2015

Cassandra Smith, Retiree Healthcare Director
LACERA Retiree Healthcare Division
300 North Lake Avenue, Suite 840
Pasadena, California 91101

Re: LACERA 2012-2013 Medicare Part D Retiree Drug Subsidy Audit

Dear Cassandra:

Los Angeles County Employees Retirement Association (LACERA) retained Milliman, Inc. (Milliman) to audit LACERA's Retiree Drug Subsidy (RDS) program managed by Anthem Blue Cross (Anthem) for claims incurred between July 1, 2012 and June 30, 2013. The claims include CVS Caremark (Caremark) mail order and specialty claims. The following provides an overview of our RDS audit and reconciliation process.

Scope of Services

Milliman provided audit services to validate if:

- The reported costs included costs from all eligible Medicare participants enrolled in LACERA's Anthem Plans including Plan I, Plan II, Plan III, and the Prudent Buyer Plan.
- The reported prescription drugs included all prescription drugs eligible for coverage under the Medicare Part D.
- The subsidy amounts were calculated in accordance with the Centers for Medicare and Medicaid Services (CMS) guidelines and requirements.

Summary of Audit Results

We estimate that LACERA may be entitled to an additional subsidy of approximately \$697,789. Based on the results of this report, we recommend a resubmission of the RDS cost reporting and covered retiree lists for all four plans in the program managed by Anthem between July 1, 2012 and June 30, 2013.



**Table 1: Retiree Drug Subsidy (RDS) Resubmission
July 1, 2012 to June 30, 2013
Los Angeles County Employees Retirement Association (LACERA)**

	<u>Gross Retiree Cost (GRC) (2)</u>	<u>Threshold Reduction (THR)</u>	<u>Limit Reduction (LR)</u>	<u>Gross Eligible (GE) = GRC - (THR + LR)</u>	<u>Actual Cost Adjustment (ACA) (3)</u>	<u>Allowable Retiree Cost (ARC) = GE - ACA</u>	<u>Subsidy Amount (SA) = ARC x 0.28 (4)</u>
Milliman Estimation (1)							
Plan I	\$5,087,577	\$497,371	\$1,075,804	\$3,514,402	\$291,428	\$3,222,973	\$898,622
Plan II	\$10,875,811	\$891,803	\$3,343,470	\$6,640,538	\$550,660	\$6,089,878	\$1,697,964
Plan III	\$39,575,283	\$3,682,993	\$9,466,733	\$26,425,558	\$2,191,313	\$24,234,245	\$6,754,626
Prudent Buyer	\$3,173,225	\$360,246	\$528,125	\$2,284,854	\$0	\$2,284,854	\$636,797
Total	\$58,711,897	\$5,432,413	\$14,414,133	\$38,865,351	\$3,033,401	\$35,831,950	\$9,988,010
Anthem Cost Reports							
Plan I	\$4,459,772	\$456,876	\$831,106	\$3,171,790	\$263,018	\$2,908,772	\$810,930
Plan II	\$8,451,797	\$694,787	\$2,643,675	\$5,113,335	\$424,018	\$4,689,317	\$1,307,157
Plan III	\$37,481,620	\$3,566,893	\$8,789,928	\$25,124,799	\$2,083,447	\$23,041,351	\$6,421,422
Prudent Buyer	\$4,065,906	\$330,615	\$1,040,106	\$2,695,186	\$0	\$2,695,186	\$750,711
Total	\$54,459,096	\$5,049,171	\$13,304,816	\$36,105,110	\$2,770,483	\$33,334,627	\$9,290,220
Difference (5)	\$4,252,801	\$383,242	\$1,109,317	\$2,760,241	\$262,918	\$2,497,324	\$697,789
Percentage Difference (5)	7.8%	7.6%	8.3%	7.6%		7.5%	7.5%

- (1) Plan I, Plan II, and Plan III includes only claims provided by Caremark from members on the Modified CRL. These claims contain both Caremark data and Anthem retail data. Prudent Buyer Plan only includes Anthem claims provided by Anthem.
 (2) Includes Medicare B vs. D adjustment of 0.3% per Option 6 of CMS' Part B vs. D guidance.
 (3) Rebate reduction of 8.2924% was applied to Plan I, Plan II, and Plan III.
 (4) A subsidy of 28% is applied for all months. Mandatory Payment Reduction ("Sequestration") of 2% was applied for April 2013 and beyond.
 (5) Positive values in the Subsidy Amount represent possible payment due from CMS to LACERA.

Table 1 above details how the potential additional subsidy was calculated. Our estimation includes Caremark and Anthem eligible claims provided by Caremark for Plan I, Plan II, and Plan III and Anthem eligible claims provided by Anthem for Prudent Buyer from all eligible members. Milliman estimated a subsidy amount of \$9,988,010 compared to Anthem's Cost Reports with a subsidy amount of \$9,290,220.

There were two major contributors to the difference between Anthem's Cost Reports and our calculations:

1. Additional members who may have been eligible for RDS subsidy and other eligibility discrepancies

We identified 1,176 members with claims that may be eligible for an RDS subsidy, but are not on the Covered Retiree List (CRL). These members may be eligible for Medicare. Additional research is needed to verify the Medicare eligibility of these members. The RDS subsidy associated with these members would be \$601,213. See Table 2 in the Appendix for the details on the RDS subsidy calculation for these potential members. We also observed issues with member identification numbers on the claims data, which could explain additional discrepancies between Milliman and Anthem's calculation.

2. Additional drugs eligible for subsidy

Anthem provided the drugs excluded for subsidy for 2012 and 2013. We made the subsidy eligible flag determination, on all claims, using the CMS Formulary Reference File from 2013, and Medi-Span drug classifications to determine the subsidy eligible flag.

Description of RDS Amounts

According to CMS, seven amounts need to be included in the RDS calculation:

- Gross Retiree Costs (GRC) = the drug ingredient costs plus dispensing fees, whether paid for by a plan or retiree, or a combination (e.g., copay and plan reimbursement). The GRC was adjusted by 0.3% for all plans per Option 6, “Targeted Retiree-Specific Methodology,” of CMS’ Part B vs. D guidance¹.
- Threshold Reduction (THR) = the amount below the federally defined cost threshold is not eligible for the subsidy; therefore, Plan Sponsors must reduce the amount of GRC by amounts below the cost threshold. The cost threshold during the period of this audit is \$325.
- Limit Reduction (LR) = the amount in excess of the federally defined cost limit is not eligible for the subsidy; therefore, Plan Sponsors must reduce the amount of GRC by amounts above the cost threshold. The cost limit during the period of this audit is \$6,600.
- Gross Eligible (GE) = $GRC - (THR + LR)$
- Actual Cost Adjustment (ACA) = $GE \times ACA$ from LACERA. An ACA of 8.2924% was applied to the GE amount for a rebate reduction for Plan I, Plan II, and Plan III.
- Allowable Retiree Cost (ARC) = $GE - ACA$
- Subsidy Amount (SA) = $ARC \times 0.28$. A mandatory 2% payment reduction (“sequestration”) was applied to all plan months April 2013 and beyond.

Data Used for RDS Estimates

We used the following data in calculating our estimates:

- Member Eligibility: LACERA provided a complete member eligibility file
- The Covered Retiree List (CRL) Milliman downloaded from the RDS Secure Website. Anthem also provided the Anthem Completed CRL that included additional details not included in the RDS Secure Website CRL.
- Prescription Drug Eligibility: Milliman developed a list of prescription drugs (Part D drug list) eligible for coverage under the Medicare Part D program as defined in the Medicare Prescription Drug Benefit Manual: Chapter 6 – Part D Drugs and Formulary Requirements (<http://www.cms.gov/Medicare/Prescription-Drug-Coverage/PrescriptionDrugCovContra/Downloads/Chapter6.pdf>) and CMS Formulary Reference File from 2013 (http://www.cms.gov/Medicare/Prescription-Drug-Coverage/PrescriptionDrugCovContra/RxContracting_FormularyGuidance.html).

¹ Centers for Medicare & Medicaid Services (CMS). *How To Extract Certain Medicare Part B Costs From RDS Payment Requests - Updated 7/23/2007 (corrected)*.

- Prescription Drug Claims Experience provided by Caremark for Plan I, Plan II, and Plan III for the period July 1, 2012 to June 30, 2013. These claims include both Caremark and Anthem claims.
- Prescription Drug Claims Experience provided by Anthem for Prudent Buyer for the period July 1, 2012 to June 30, 2013. These claims only include Anthem claims.
- ACA from LACERA for Plan I, Plan II, and Plan III.
- Cost data downloaded from the RDS Secure Website.

Audit Process

The audit included a review of the following elements:

1. *Member Eligibility* - The purpose of the member eligibility testing was to determine whether reported costs were incurred by eligible Medicare participants and if all eligible Medicare participants were included. All members were examined to determine the following:
 - The participant was potentially Medicare eligible and had Medicare eligible claims.
2. *Prescription Drug Eligibility* - The purpose of the drug eligibility testing was to determine whether the prescription drugs incurred by all members were eligible for coverage under the Medicare Part D program for the reporting year.
3. *Cost Reporting Spreadsheet* - The purpose of the cost reporting testing was to determine whether the subsidy amounts were calculated in accordance with the CMS guidelines and requirements.

Key Data Processing Steps

Our processing of the data files included a variety of steps. The key steps were:

1. *Data Preparation Steps*
 - a. Submitted data requests to Anthem, Caremark, and LACERA.
 - b. Loaded prescription drug claims, Anthem completed CRL
2. *Member Eligibility Verification Steps*
 - a. Compared LACERA claims against the Anthem Completed CRL table.
 - b. Compared unique members identified in the LACERA claims as age 65 or older to the Anthem Completed CRL.
 - c. We created a Modified CRL. We included all members from LACERA's claims with Medicare eligible claims. We excluded members from LACERA's claims that were previously rejected on the response files.
3. *Prescription Drug Eligibility Verification Steps*
 - a. Anthem provided two exclusion lists for 2012 and 2013. We applied these exclusions to the Caremark claims for Plan I, Plan II, and Plan III for claims with the same NDC and same year.
 - b. We compared Anthem's exclusions to our Part D drug list. The Part D drug list was developed using guidance from Medicare Prescription Drug Benefit Manual: Chapter 6 –

Part D Drugs and Formulary Requirements and CMS Formulary Reference Files from 2013. We included all drugs from the previous steps on our cost reporting spreadsheet.

4. *Cost Reporting Spreadsheet Calculation Steps*

- a. Produced our own independent cost reports based on the Modified CRL, Part D Drug list, and the claims data that we received from Anthem and Caremark. The cost reports can be found in Table 1.
- b. Compared our own independent cost reports to Anthem's cost reports submitted to CMS. This report estimates that LACERA could be entitled to an additional retiree drug subsidy.

Limitations

In our analysis, we relied on the data provided by Anthem, Caremark, LACERA, and other sources to produce the cost report estimates. Other than as described in this report, we have not independently verified this data or other information. If the data is inaccurate or incomplete, our results may be inaccurate. Please review our results carefully and let me know if you see anything that concerns you.

The information included in this report was developed under the terms of the Consulting Services Agreement between LACERA and Milliman, signed September 26, 2013.

Milliman's work product was prepared exclusively for the Los Angeles County Employees Retirement Association (LACERA) for a specific and limited purpose. It is a complex technical analysis that assumes a high level of knowledge concerning the plan's operations, and uses LACERA data. This report may not be distributed to third parties without Milliman's prior written consent. No third party recipient of Milliman's work product should rely upon Milliman's work product. Such recipients should engage qualified professionals for advice appropriate to their own specific needs.

We appreciate the opportunity to work with LACERA on this audit. If you have any questions concerning this letter, please call me at (858) 202-5017.

Sincerely,



Brian N. Anderson, MBA
Consultant

cc: Leilani Ignacio, LACERA
Richard Bendall, LACERA
Rebekah Bayram, Milliman
Patrick Cambel, Milliman
Angela Reed, Milliman

Appendix 2

**Table 2: Initial Review and Audit
July 1, 2012 to June 30, 2013 Retiree Drug Subsidy (RDS) Summary Report
Los Angeles County Employees Retirement Association (LACERA)
Potential Additional Members Not Found on CRL**


	<u>Additional</u> <u>Members (1)</u>	<u>Gross</u> <u>Retiree</u> <u>Cost</u> <u>(GRC) (2)</u>	<u>Threshold</u> <u>Reduction</u> <u>(THR)</u>	<u>Limit</u> <u>Reduction</u> <u>(LR)</u>	<u>Gross Eligible</u> <u>(GE) = GRC -</u> <u>(THR + LR)</u>	<u>Actual Cost</u> <u>Adjustment</u> <u>(ACA) (3)</u>	<u>Allowable</u> <u>Retiree Cost</u> <u>(ARC)</u> <u>= GE - ACA</u>	<u>Subsidy</u> <u>Amount (SA) =</u> <u>ARC x 0.28</u>
Additional Findings								
Members Not Found on CRL								
Plan I, II, III	1,015	\$3,301,069	\$286,937	\$935,205	\$2,078,927	\$172,393	\$1,906,534	\$531,682
Prudent Buyer	161	\$352,180	\$43,874	\$58,820	\$249,485	\$0	\$249,485	\$69,531
Total	1,176	\$3,653,248	\$330,811	\$994,026	\$2,328,411	\$172,393	\$2,156,019	\$601,213

- (1) Potentially eligible members not found on Anthem's CRL with eligible claims from Anthem and/or Caremark.
(2) Includes Medicare B vs. D adjustment of 0.3% per Option 6 of CMS' Part B vs. D guidance.
(3) Rebate reduction of 8.2924% was applied to Plan I, Plan II, and Plan III.



November 24, 2015

TO: Each Member
Board of Retirement

FROM: Cassandra Smith, Director 
Retiree Healthcare Division

FOR: December 2, 2015 Board of Retirement Meeting

SUBJECT: Anthem Blue Cross Plan 2013-2014 Medicare Part D RDS Audit Results

RECOMMENDATION

Accept Milliman's audit report and follow Milliman's recommendation to not re-open the Retiree Drug Subsidy claim with Centers for Medicare and Medicaid Services for the 2013-2014 Anthem Blue Cross plan year.

EXECUTIVE SUMMARY

The Board of Retirement retained Milliman to reconcile LACERA's 2013-2014 Retiree Drug Subsidy (RDS) program participation for the Anthem Blue Cross I, II, III, and Prudent Buyer Plan applications managed by Anthem Blue Cross (Anthem).

Milliman's audit work on the cost data developed by Anthem concluded with findings that were within 0.4% of Anthem's submission to CMS. From a dollar perspective, this represents a \$39,000 variance on the \$9,300,000 CMS approved RDS subsidy amount.

Based on the low variance and our experience with CMS denying low dollar re-opening requests, Milliman does not recommend re-opening the Anthem 2013-2014 claim with CMS.

BACKGROUND

On August 26, 2013, LACERA issued a request for proposal for a consulting firm to audit our Medicare Part D RDS program claims submitted by our insurance carriers for completeness, accuracy, and compliance with the CMS' rules and regulations.

In July 2015, your Board authorized the Chief Executive Officer to amend the agreement between LACERA and Milliman allowing Milliman to continue auditing the

Anthem Blue Cross Plans, I, II, III, and Prudent Buyer Medicare Part D RDS until submissions were determined to be complete per CMS guidelines.

Milliman completed its audit of the 2013-2014 reconciliation with no significant audit findings for any of Anthem Blue Cross I, II, III or Prudent Buyer plans being found.

2013-2014 AUDIT RESULTS

Milliman completed their audit of the Anthem Blue Cross 2013-2014 RDS participation, estimating that LACERA may be entitled to an additional estimated subsidy of approximately \$39,000. According to Milliman's analysis (see attached report), its believed the difference in the retiree cost and subsidy amounts can be attributed to two items:

1. Missing Claims

Milliman identified claims missing from Caremark' data extract and summary to Anthem. These claims were missing member information and were not included in the member summary used to create the cost reports Anthem sent to CMS. This oversight was a result of a Caremark information system transition that occurred on November 1, 2013.

2. Members who switched between the four Anthem plans during the year

Although Milliman's audit methodology is unable to calculate the RDS claim impact of members migrating between the Anthem plans, they believe this reporting discrepancy is immaterial.

Milliman recommended that LACERA not request a re-opening for the additional subsidy since CMS had previously denied LACERA's re-opening requests for similar low dollar amounts.

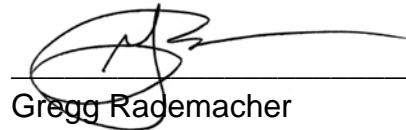
CONCLUSION

Milliman's analysis of the 2013-2014 RDS claims for Anthem Blue Cross Plan I, II, III and Prudent Buyer plans determined that Anthem's RDS claim submitted to CMS was within .4% of the expected value and as such, Milliman does not recommend re-opening the claim with CMS.

It is therefore recommended that your Board accept Milliman's audit report and follow Milliman's recommendation to not re-open the Retiree Drug Subsidy claim with Centers for Medicare and Medicaid Services for the 2013-2014 Anthem Blue Cross plan year.

CS:ho

Reviewed and Approved

A handwritten signature in black ink, appearing to be "GR", is written over a horizontal line. The signature is stylized and extends to the right of the line.

Gregg Rademacher
Chief Executive Officer

Attachment



4370 La Jolla Village Drive
Suite 700
San Diego, CA 92122

Tel (858) 558-8400
Fax (858) 597-0111
www.milliman.com

September 23, 2015

Cassandra Smith, Retiree Healthcare Director
LACERA Retiree Healthcare Division
300 North Lake Avenue, Suite 840
Pasadena, California 91101

Re: LACERA 2013-2014 Medicare Part D Retiree Drug Subsidy Reconciliation

Dear Cassandra:

Los Angeles County Employees Retirement Association (LACERA) retained Milliman, Inc. (Milliman) to reconcile LACERA's Retiree Drug Subsidy (RDS) program managed by Anthem Blue Cross (Anthem) for claims incurred between July 1, 2013 and June 30, 2014. The claims include CVS Caremark (Caremark) mail order and specialty claims. The following provides an overview of our RDS reconciliation process.

Summary of Reconciliation Results

Anthem has developed new cost data that indicates that LACERA's subsidy amount will total \$9,289,424 for the 2013-2014 plan year, based on the new covered retiree list (CRL) and updated drug lists.

Table 1 below compares Anthem and Milliman's additional subsidy amounts and is based on the new CRL that was approved by CMS. When calculating the new subsidy amount our estimation was 0.4% higher than Anthem's amounts. We believe the difference in the retiree cost and subsidy amounts can be attributed to two items:

1.) Missing claims

We were able to identify claims missing from Caremark's data extract and summary to Anthem. These claims were missing member information and were not included in the member summary used to create the cost reports. We estimate this discrepancy accounts for approximately \$30,000 of additional subsidy.

2.) Members who switched between the four plans during the year

Our methodology is unable to capture these members, however, we do not believe this discrepancy is material.

Due to reconciliation deadline of September 30, 2015, we recommend that Anthem complete the submission of the 2013-2014 RDS reconciliation using the cost data provided to us by Anthem on September 8, 2015.

	<u>Gross Retiree Cost (GRC)</u> (2)	<u>Threshold Reduction</u> (THR)	<u>Limit Reduction</u> (LR)	<u>Gross Eligible (GE) = GRC - (THR + LR)</u>	<u>Actual Cost Adjustment</u> (ACA) (3)	<u>Allowable Retiree Cost (ARC)</u> = GE - ACA	<u>Subsidy Amount (SA) = ARC x 0.28 (4)</u>
Milliman Estimation (1)							
Plan I	\$4,923,465	\$399,526	\$1,571,006	\$2,952,934	\$345,325	\$2,607,609	\$715,528
Plan II	\$9,744,709	\$690,817	\$3,465,956	\$5,587,937	\$653,470	\$4,934,467	\$1,354,018
Plan III	\$45,017,274	\$3,657,496	\$13,651,028	\$27,708,750	\$3,240,344	\$24,468,405	\$6,714,130
Prudent Buyer	\$3,110,510	\$289,226	\$834,870	\$1,986,414	\$0	\$1,986,414	\$545,072
Total	\$62,795,959	\$5,037,065	\$19,522,859	\$38,236,035	\$4,239,139	\$33,996,895	\$9,328,748
Anthem Cost Reports							
Plan I	\$4,970,154	\$404,012	\$1,579,547	\$2,986,595	\$349,262	\$2,637,334	\$723,684
Plan II	\$9,737,597	\$713,865	\$3,281,315	\$5,742,417	\$671,535	\$5,070,882	\$1,391,450
Plan III	\$44,557,099	\$3,616,806	\$13,601,123	\$27,339,170	\$3,197,124	\$24,142,047	\$6,624,578
Prudent Buyer	\$3,144,592	\$291,957	\$849,310	\$2,003,325	\$0	\$2,003,325	\$549,712
Total	\$62,409,442	\$5,026,639	\$19,311,295	\$38,071,508	\$4,217,921	\$33,853,587	\$9,289,424
Difference (4)	\$386,517	\$10,426	\$211,564	\$164,527	\$21,219	\$143,308	\$39,324
Percentage Difference (4)	0.6%	0.2%	1.1%	0.4%	0.5%	0.4%	0.4%
<p>(1) Plan I, Plan II, and Plan III include only claims provided by Caremark from members on the CRL from 8/6/2015. These claims contain both Caremark data and Anthem retail data. Prudent Buyer Plan only includes Anthem claims provided by Anthem.</p> <p>(2) Includes Medicare B vs. D adjustment of 0.3% per Option 6 of CMS' Part B vs. D guidance.</p> <p>(3) Rebate reduction of 11.6943% was applied to Plan I, Plan II, and Plan III.</p> <p>(4) A subsidy of 28% is applied for all months. Mandatory Payment Reduction ("Sequestration") of 2% was applied.</p>							

Table 1 above details how the subsidy was calculated. Our estimation includes Caremark and Anthem eligible claims provided by Caremark for Plan I, Plan II, and Plan III and Anthem eligible claims provided by Anthem for Prudent Buyer from all eligible members.

Reconciliation Process

LACERA, Anthem, and Milliman completed the following steps for the 2013-2014 resubmission:

1. Anthem and LACERA worked together to prepare a final CRL with all CMS required fields for submission based on our member list provided to Anthem and LACERA on July 21, 2015 ("Change File Prepared by Milliman 2013-2014").
2. Anthem submitted the final CRL to CMS. CMS provided the final CRL.
3. Anthem and Caremark updated the cost data to include the following:
 - a. Additional members approved on the final CRL.
 - b. Updates to Anthem's 2013 and 2014 exclusion lists that included additional Part D drugs. The drugs are detailed on file entitled "2013-2014 NDC List for Anthem - DRAFT.xlsx." A similar file will be provided to LACERA with the issue of this report.
4. Anthem and Milliman both prepared new cost data based on steps 1, 2, and 3 above.
5. Milliman then compared their results with the new cost data provided by Anthem on September 8, 2015 to validate the new cost data. See Table 1 above.

6. Milliman provided Anthem with a list of members that were missing claims and 1,000 sample claims to validate if the claims were missing. As of September 22, 2015, Caremark and Anthem are working to identify and correct this potential discrepancy.

Limitations

In our analysis, we relied on the data provided by Anthem, Caremark, CMS, and LACERA to produce the cost report estimates. Our estimates are based on the information listed, and the actual subsidy will depend on CMS' payment determination. Other than as described in this report, we have not independently verified this data or other information. If the data is inaccurate or incomplete, our results may be inaccurate. Please review our results carefully and let me know if you see anything that concerns you.

Milliman's work product was prepared exclusively for LACERA for a specific and limited purpose. It is a complex technical analysis that assumes a high level of knowledge concerning the plan's operations. This report may not be distributed to third parties without Milliman's prior written consent. No third party recipient of Milliman's work product should rely upon Milliman's work product other than as described in this report. Such recipients should engage qualified professionals for advice appropriate to their own specific needs. Milliman is not providing legal advice.

The information included in this report was developed under the terms of the Consulting Services Agreement between LACERA and Milliman, signed February 7, 2014.

We appreciate the opportunity to work with LACERA on this resubmission. If you have any questions concerning this letter, please call me at (858) 202-5017.

A handwritten signature in black ink, appearing to read "Brian N. Anderson".

Brian N. Anderson, MBA
Consultant

cc: Leilani Ignacio, LACERA
Richard Bendall, LACERA
Rebekah Bayram, Milliman
Patrick Cambel, Milliman
Angela Reed, Milliman



Documents not attached are exempt from disclosure under the California Public Records Act and other legal authority.

**For further information, contact:
LACERA
Attention: Public Records Act Requests
300 N. Lake Ave., Suite 620
Pasadena, CA 91101**



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