

AGENDA

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

LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION

300 NORTH LAKE AVENUE, SUITE 810
PASADENA, CA 91101

THURSDAY, FEBRUARY 12, 2015 - 9:00 A.M.**

COMMITTEE MEMBERS:

Les Robbins, Chair
Alan Bernstein, Vice Chair
William de la Garza
Vivian H. Gray
Ronald Okum, Alternate

- I. APPROVAL OF THE MINUTES
 - A. Approval of the minutes of the regular meeting of January 15, 2015
- II. PUBLIC COMMENT
- III. FOR INFORMATION
 - A. Staff Activities Report for January, 2015
 - B. Annual Claims Audit Reports
 - Anthem Blue Cross Medical Plan
 - Cigna Dental Plan
 - C. Cigna & Anthem Blue Cross Claims Experience
 - D. Federal Legislation
 - Aon Hewitt Washington Report
- IV. GOOD OF THE ORDER

(For information purposes only)
- V. ADJOURNMENT *and*
SET TIME FOR OPERATIONS OVERSIGHT COMMITTEE MEETING

February 12, 2015

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

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

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

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

LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION

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

THURSDAY, FEBRUARY 12, 2015, 11:40 A.M. – 12:05 P.M.

COMMITTEE MEMBERS

PRESENT: Les Robbins, Chair
Alan Bernstein, Vice Chair
William de la Garza
Vivian H. Gray
Ronald Okum, Alternate

ALSO ATTENDING:

BOARD MEMBERS AT LARGE

Anthony Bravo
Yves Chery
Joseph Kelly
David L. Muir

STAFF, ADVISORS, PARTICIPANTS

Cassandra Smith

Aon Hewitt

Kirby Bosley
Cathy Weis

The meeting was called to order by Chair Robbins at 11:40 a.m.

I. APPROVAL OF THE MINUTES

A. Approval of the minutes of the regular meeting of January 15, 2015

Mr. Okum made a motion, Mr. de la Garza seconded, to approve the minutes of the regular meeting of January 15, 2015. The motion passed unanimously.

II. PUBLIC COMMENT

III. FOR INFORMATION

A. Staff Activities Report for January, 2015

The staff activities report was discussed.

B. Annual Claims Audit Reports

- Anthem Blue Cross Medical Plan
- Cigna Dental Plan

Cathy Weis of Aon presented the results of the annual Anthem Blue Cross medical and Cigna dental plan audits.

Anthem's financial accuracy improved compared to the 2013 audit. However, there was a significant decrease in performance for overall accuracy and payment accuracy, and also a decrease in claim handling time performance results. A known system issue with Medicare Sequestration, discovered in the 2013 audit, was the cause for almost all errors identified, as well as impacting claim turnaround time. Anthem put a system enhancement in place in January, 2014, however, it was not programmed correctly. Anthem implemented a fix to the system on June 15, 2014, specifically for LACERA. With the Medicare Sequestration issue corrected, the 2015 audit results are expected to meet or exceed Aon Hewitt performance objectives.

Anthem is currently working on an impact analysis and action plan to address incorrect benefit payments.

The Cigna Dental Plan met Aon Hewitt's excellent level of performance, with financial and payment accuracy at 100%. There were no financial errors in the audit samples, with only three non-financial errors. Turnaround time within 14 calendar days did not improve over the previous audit, however, Cigna is still meeting Aon Hewitt's performance objective.

III. FOR INFORMATION (Continued)

C. CIGNA & Anthem Blue Cross Claims Experience

The CIGNA & Anthem Blue Cross Claims Experience reports through December 2014 were discussed.

D. Federal Legislation

- Aon Hewitt Washington Report

Submitted for information only.

IV. GOOD OF THE ORDER

(For information purposes only)

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

The meeting adjourned at 12:05 p.m., after setting the time for the Operations Oversight Committee at 12:10 p.m.

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