

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, JULY 9, 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 June 11, 2015

II. PUBLIC COMMENT

III. FOR INFORMATION

- A. Staff Activities Report for June, 2015
- B. Cigna & Anthem Blue Cross Claims Experience
- C. 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

July 9, 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.

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 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, JUNE 11, 2015, 12:50 P.M. – 1:30 P.M.

COMMITTEE MEMBERS

PRESENT: Les Robbins, Chair
Alan Bernstein, Vice Chair
William de la Garza
Vivian H. Gray (*arrived at 12:55 p.m.*)
Ronald Okum, Alternate

ALSO ATTENDING:

BOARD MEMBERS AT LARGE

Anthony Bravo
Yves Chery
David Muir

STAFF, ADVISORS, PARTICIPANTS

Cassandra Smith
Leilani Ignacio
Barry Lew

Aon Hewitt

Kirby Bosley

CVS/Caremark

Eric Bluhm
Jeremy Sarich

The meeting was called to order by Chair Robbins at 12:50 p.m.

I. APPROVAL OF THE MINUTES

A. Approval of the minutes of the special meeting of May 21, 2015

Mr. Bernstein made a motion, Mr. Robbins seconded, to approve the minutes of the special meeting of May 21, 2015. The motion passed unanimously.

II. PUBLIC COMMENT

III. ACTION ITEMS

A. Recommendation as submitted by Barry W. Lew, Legislative Affairs Officer: That the Committee recommend the Board of Retirement adopt a "Support" position on HR 973, which would enact the "Social Security Fairness Act of 2015." (Memorandum dated May 20, 2015)

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

B. Recommendation as submitted by Barry W. Lew, Legislative Affairs Officer: That the Committee recommend the Board of Retirement adopt a "Watch" position on HR 711, which would enact the "Equal Treatment of Public Servants Act of 2015." (Memorandum dated May 20, 2015)

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

IV. FOR INFORMATION

A. Staff Activities Report for May, 2015

The staff activities report was discussed.

IV. FOR INFORMATION (Continued)

B. Change of Disease Management Carrier from Alere

Disease management programs are designed to provide a means for members to make more effective health care decisions while facing chronic health care conditions. Effective July 1, 2015, Alere, the current disease management carrier for the Anthem Blue Cross I, II, and III plans, will be replaced by Pharmacy Advisor and Accordant to provide disease management and support for an even broader range of chronic conditions. All members participating in the Alere program will be proactively targeted for participation in the new programs.

Messrs. Bluhm and Sarich from CVS Caremark gave a brief presentation introducing the two new providers, with emphasis on the types of services each provides.

C. CIGNA & Anthem Blue Cross Claims Experience

The CIGNA & Anthem Blue Cross Claims Experience reports through April 2015 were discussed.

D. Federal Legislation

- Aon Hewitt Washington Report

Submitted for information only.

V. GOOD OF THE ORDER

(For information purposes only)

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

The meeting adjourned at 1:30 p.m., after setting the time for the Operations Oversight Committee at 1:35 p.m.

***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.**

**INSURANCE, BENEFITS & LEGISLATIVE COMMITTEE
RETIREE HEALTHCARE BENEFITS PROGRAM
STAFF ACTIVITIES REPORT
JUNE 2015
FOR INFORMATION ONLY**

2015 Insurance Premium Rate Table Update

Staff completed the insurance premium rate tables update for the June 30, 2015 Pay Period, for coverage effective July 1, 2015. In addition, the insurance rate table update for the Los Angeles County Firefighters Local 1014 medical plan was also completed.

We would like to thank Systems staff for their continued support with this annual project.

Kaiser Northern California Region Contract

On June 4, 2015, Kaiser informed staff that effective July 1, 2015, a new Kaiser Northern California group contract for both members and over and under 65 will be created. This change was implemented to assist members residing in Northern California improve their access and to better align their benefits and facilitate their use of services, throughout Kaiser.

What this means for our members:

- Their coverage, benefits, prior authorizations and costs will **not** change, they will remain the same.
- Their coverage will transfer to the Kaiser Northern CA region automatically, there is no action on their part
- Their benefits will match the Southern CA Kaiser region benefits, making it easier for them to access their benefits.

Kaiser will be sending new ID cards to affected members and their enrolled dependents. Members are to discontinue use of any previous ID cards in their possession.

Staff participated in a conference call led by representatives from Kaiser to discuss and clarify the required set up process. Staff outreached members that needed to complete enrollment forms. Lastly, staff conducted a mass mailing to those affected members and eligible survivors (432 total) informing them of this positive change.

Centers for Medicare and Medicaid Services (CMS) Medicare Part D Retiree Drug Subsidy (RDS) Application Reopening – Anthem Blue Cross Plan Years 2006-2007 and 2011-2012

On June 15, 2015, staff completed and submitted the subsidy payment request to CMS for the Anthem Blue Cross Application Reopening of Plan Years 2006-2007 and 2011-2012, before the June 30, 2015 deadline.

A representative from the CMS/RDS contacted staff on June 19, 2015, requesting that LACERA provide a written explanation detailing the reasons for the difference between the subsidy amounts reflected on the reopening letter requests dated January 16, 2015 (for both plan years) and the final reconciliation subsidy amounts (reconciliations completed June 15, 2015). Milliman drafted a response and on June 25, 2015, staff provided a written to CMS/RDS detailing the reasons for the difference for both applications.

We are monitoring the progress of this request and will continue to update your Board as we receive updates from CMS.

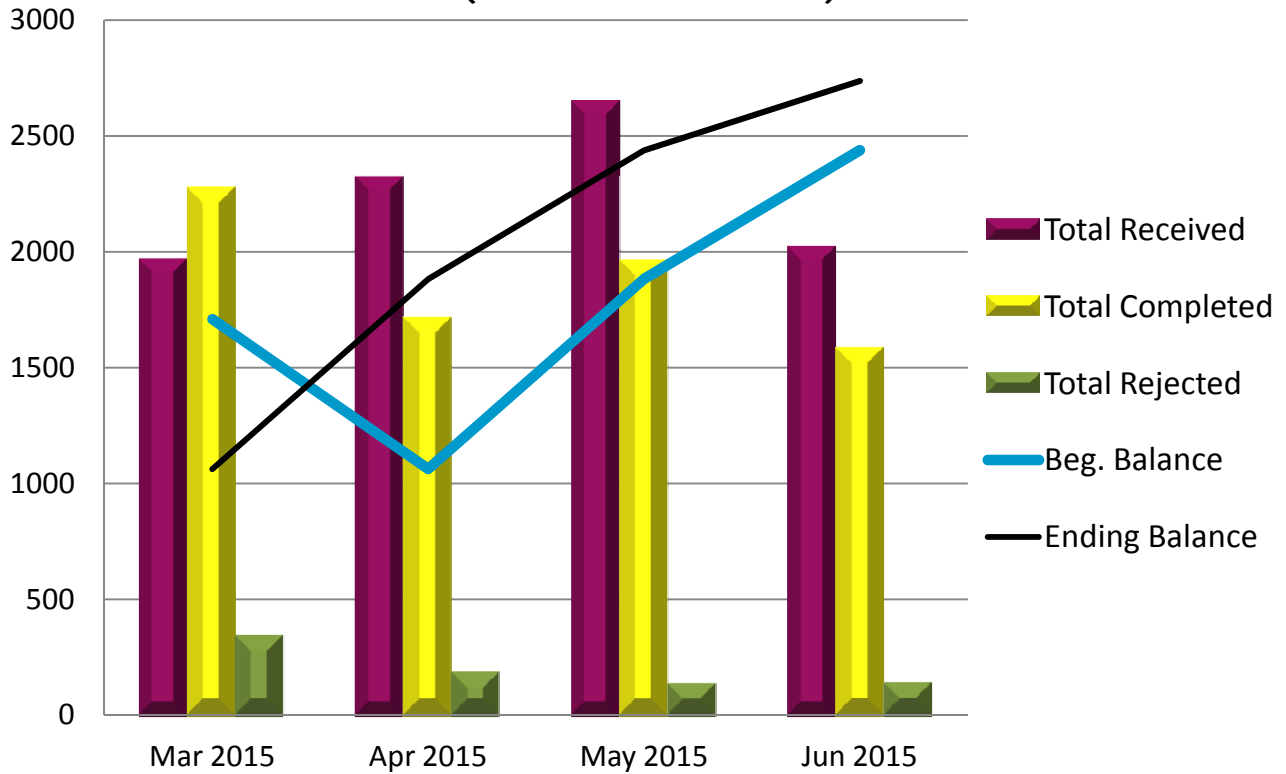
Anthem Blue Cross Due Dilligence Meeting

Staff and representatives from Aon attended the Anthem Blue Cross Due Dilligence meeting held on June 24, 2015 at the Anthem Blue Cross Offices in Rancho Cordova. The following topics were discussed:

- Audit Results
- Audit Follow-up and Operations Overview

Retiree Healthcare Division Insurance Status Report Mar. 2015 - June 2015

RETIREE HEALTHCARE ENROLLMENT SUMMARY (ROLLING 4 MONTHS)

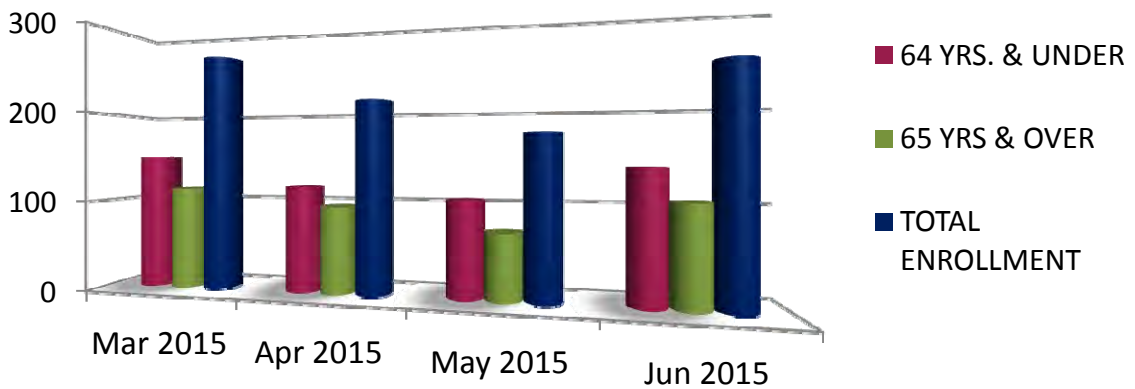


Date	Beg. Balance	Total Received	Total Completed	Total Rejected	Ending Balance
Mar 2015	1709	1966	2272	341	1062
Apr 2015	1062	2321	1713	183	1883
May 2015	1883	2648	1959	134	2438
Jun 2015	2438	2019	1582	138	2737

Retirees Monthly Age Breakdown Mar. 2015 - June 2015

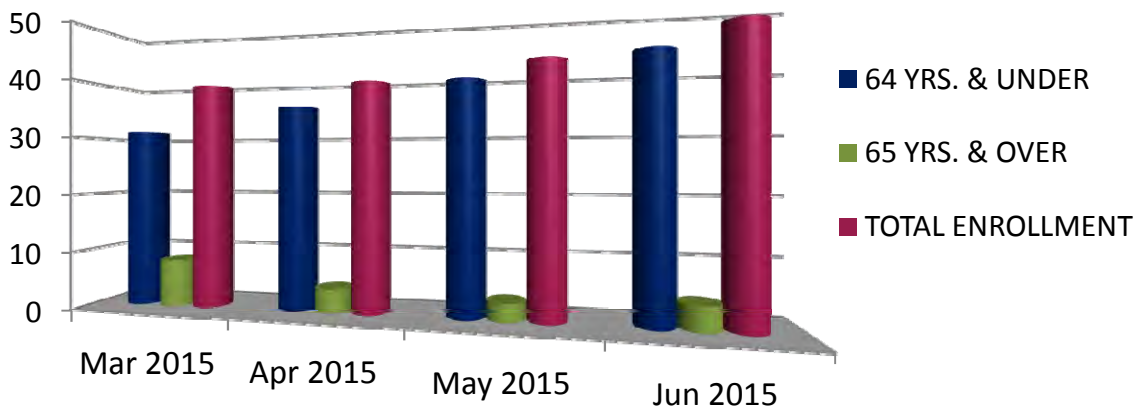
Service Retirement

MONTH	64 YRS. & UNDER	65 YRS & OVER	TOTAL ENROLLMENT
Mar 2015	149	113	262
Apr 2015	116	95	211
May 2015	104	71	175
Jun 2015	139	105	244



Disability Retirement

MONTH	64 YRS. & UNDER	65 YRS. & OVER	TOTAL ENROLLMENT
Mar 2015	31	8	39
Apr 2015	35	4	39
May 2015	39	3	42
Jun 2015	43	4	47



Medicare Part B Reimbursement and Penalty Report

PAY PERIOD 6/30/2015

Deduction Code	No. of Members	Reimbursement Amount	No. of Penalties	Penalty Amount
ANTHEM BC III				
221	1	(\$104.90)	0	\$0.00
240	6,028	\$634,964.70	9	\$210.00
241	196	\$20,560.40	1	\$62.90
242	856	\$89,794.40	0	\$0.00
243	3,481	\$722,548.90	9	\$482.70
244	13	\$1,363.70	0	\$0.00
245	37	\$3,881.30	0	\$0.00
246	15	\$1,573.50	0	\$0.00
247	65	\$7,133.20	0	\$0.00
248	9	\$1,888.20	1	\$31.50
249	28	\$6,084.20	0	\$0.00
250	12	\$2,517.60	0	\$0.00
Plan Total:	10,741	\$1,492,205.20	20	\$787.10
CIGNA MEDICARE SELECT PLUS RX PLAN				
321	21	\$2,202.90	0	\$0.00
322	7	\$734.30	0	\$0.00
324	17	\$3,566.60	0	\$0.00
327	1	\$104.90	0	\$0.00
329	1	\$209.80	0	\$0.00
Plan Total:	47	\$6,818.50	0	\$0.00
KAISER SR. ADVANTAGE				
401	2	(\$209.80)	0	\$0.00
403	9,073	\$950,708.70	5	\$147.00
413	1,677	\$175,925.80	0	\$0.00
418	4,498	\$939,400.40	7	\$294.00
419	237	\$25,805.40	0	\$0.00
426	193	\$20,245.70	0	\$0.00
427	166	\$17,203.60	0	\$0.00
445	2	\$209.80	0	\$0.00
451	27	\$2,832.30	0	\$0.00
457	13	\$2,727.40	0	\$0.00
462	53	\$5,559.70	0	\$0.00
465	17	\$1,783.30	0	\$0.00
466	19	\$3,986.20	0	\$0.00
472	28	\$2,937.20	0	\$0.00
476	5	\$524.50	0	\$0.00
478	12	\$2,517.60	0	\$0.00
482	72	\$7,552.80	1	\$10.50
486	12	\$1,258.80	0	\$0.00
488	40	\$8,392.00	1	\$10.50
491	1	\$104.90	0	\$0.00
492	1	\$104.90	0	\$0.00
493	1	\$104.90	0	\$0.00
Plan Total:	16,149	\$2,169,676.10	14	\$462.00

Medicare Part B Reimbursement and Penalty Report

PAY PERIOD 6/30/2015

Deduction Code	No. of Members	Reimbursement Amount	No. of Penalties	Penalty Amount
SCAN				
611	266	\$27,903.40	0	\$0.00
613	91	\$19,406.50	0	\$0.00
Plan Total:	357	\$47,309.90	0	\$0.00
UNITED HEALTHCARE GROUP MEDICARE ADV. HMO				
701	1,370	\$144,342.40	1	\$31.50
702	289	\$30,630.80	0	\$0.00
703	738	\$154,181.00	1	\$10.50
704	52	\$6,084.20	0	\$0.00
705	17	\$3,566.60	0	\$0.00
Plan Total:	2,466	\$338,805.00	2	\$42.00
Grand Total:	29,760	\$4,054,814.70	36	\$1,291.10

Medicare Part B Reimbursement and Penalty Report

PAY PERIOD 6/30/2015

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Plan Total:	10,741	\$1,492,205.20	20	\$787.10
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Plan Total:	47	\$6,818.50	0	\$0.00
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478	12	\$2,517.60	0	\$0.00
482	72	\$7,552.80	1	\$10.50
486	12	\$1,258.80	0	\$0.00
488	40	\$8,392.00	1	\$10.50
491	1	\$104.90	0	\$0.00
492	1	\$104.90	0	\$0.00
493	1	\$104.90	0	\$0.00
Plan Total:	16,149	\$2,169,676.10	14	\$462.00

Medicare Part B Reimbursement and Penalty Report

PAY PERIOD 6/30/2015

Deduction Code	No. of Members	Reimbursement Amount	No. of Penalties	Penalty Amount
SCAN				
611	266	\$27,903.40	0	\$0.00
613	91	\$19,406.50	0	\$0.00
Plan Total:	357	\$47,309.90	0	\$0.00
UNITED HEALTHCARE GROUP MEDICARE ADV. HMO				
701	1,370	\$144,342.40	1	\$31.50
702	289	\$30,630.80	0	\$0.00
703	738	\$154,181.00	1	\$10.50
704	52	\$6,084.20	0	\$0.00
705	17	\$3,566.60	0	\$0.00
Plan Total:	2,466	\$338,805.00	2	\$42.00
LOCAL 1014				
804	161	\$19,574.50	0	\$0.00
805	171	\$18,441.70	0	\$0.00
806	544	\$117,509.90	0	\$0.00
807	22	\$2,559.60	0	\$0.00
808	6	\$1,363.70	0	\$0.00
812	201	\$21,882.30	0	\$0.00
Plan Total:	1,105	\$181,331.70	0	\$0.00
Grand Total:	30,865	\$4,236,146.40	36	\$1,291.10

Medical and Dental Vision Insurance Premiums July 2015

Carrier Codes	Member Count	Premium Amount	Member Amount	County Subsidy Amount	Total	Adjustments	Total Paid
Medical Plan							
Anthem Blue Cross Prudent Buyer Plan							
201	828	\$696,232.08	\$121,151.08	\$574,559.30	\$695,710.38	(\$667.56)	\$695,042.82
202	470	\$786,514.50	\$87,876.22	\$679,840.28	\$767,716.50	\$0.00	\$767,716.50
203	109	\$203,706.83	\$47,985.44	\$154,895.54	\$202,880.98	\$0.00	\$202,880.98
204	36	\$38,921.40	\$15,352.24	\$23,569.16	\$38,921.40	\$0.00	\$38,921.40
205	2	\$456.66	\$36.53	\$420.13	\$456.66	\$0.00	\$456.66
SUBTOTAL	1,445	\$1,725,831.47	\$272,401.51	\$1,433,284.41	\$1,705,685.92	(\$667.56)	\$1,705,018.36
Anthem Blue Cross I							
211	1,028	\$1,092,548.12	\$83,279.82	\$1,017,390.11	\$1,100,669.93	(\$2,909.42)	\$1,097,760.51
212	395	\$759,072.60	\$38,260.23	\$715,322.68	\$753,582.91	(\$1,655.99)	\$751,926.92
213	38	\$85,927.88	\$13,522.31	\$74,358.98	\$87,881.29	(\$1,953.41)	\$85,927.88
214	17	\$23,910.16	\$5,766.56	\$18,143.60	\$23,910.16	\$0.00	\$23,910.16
215	4	\$1,406.04	\$414.78	\$991.26	\$1,406.04	\$0.00	\$1,406.04
SUBTOTAL	1,482	\$1,962,864.80	\$141,243.70	\$1,826,206.63	\$1,967,450.33	(\$6,518.82)	\$1,960,931.51
Anthem Blue Cross II							
221	2,125	\$2,266,931.07	\$142,169.23	\$2,113,939.94	\$2,256,109.17	(\$3,673.84)	\$2,252,435.33
222	1,992	\$3,850,951.65	\$105,799.81	\$3,648,976.67	\$3,754,776.48	\$0.00	\$3,754,776.48
223	455	\$1,031,134.56	\$43,111.70	\$1,009,607.30	\$1,052,719.00	(\$1,953.41)	\$1,050,765.59
224	102	\$143,460.96	\$13,839.77	\$137,506.35	\$151,346.12	\$0.00	\$151,346.12
225	2	\$703.02	\$175.75	\$527.27	\$703.02	\$0.00	\$703.02
SUBTOTAL	4,676	\$7,293,181.26	\$305,096.26	\$6,910,557.53	\$7,215,653.79	(\$5,627.25)	\$7,210,026.54

Medical and Dental Vision Insurance Premiums July 2015

Carrier Codes	Member Count	Premium Amount	Member Amount	County Subsidy Amount	Total	Adjustments	Total Paid
Anthem Blue Cross III							
240	6,047	\$2,594,063.70	\$426,296.91	\$2,179,883.40	\$2,606,180.31	(\$8,530.44)	\$2,597,649.87
241	197	\$273,141.43	\$34,421.31	\$232,417.04	\$266,838.35	\$0.00	\$266,838.35
242	863	\$1,187,273.05	\$87,747.15	\$1,089,627.03	\$1,177,374.18	(\$2,371.96)	\$1,175,002.22
243	3,483	\$2,992,052.42	\$357,628.09	\$2,596,806.18	\$2,954,434.27	(\$3,691.40)	\$2,950,742.87
244	13	\$9,988.29	\$1,920.82	\$8,067.47	\$9,988.29	\$0.00	\$9,988.29
245	37	\$28,428.21	\$3,503.58	\$24,924.63	\$28,428.21	\$0.00	\$28,428.21
246	15	\$27,393.60	\$3,769.88	\$23,390.80	\$27,160.68	\$0.00	\$27,160.68
247	67	\$114,710.70	\$7,841.41	\$109,594.73	\$117,436.14	\$0.00	\$117,436.14
248	9	\$10,742.31	\$1,193.59	\$9,548.72	\$10,742.31	\$0.00	\$10,742.31
249	28	\$33,420.52	\$3,216.21	\$32,115.15	\$35,331.36	\$0.00	\$35,331.36
250	12	\$16,053.24	\$481.60	\$15,571.64	\$16,053.24	\$0.00	\$16,053.24
SUBTOTAL	10,771	\$7,287,267.47	\$928,020.55	\$6,321,946.79	\$7,249,967.34	(\$14,593.80)	\$7,235,373.54
CIGNA Network Model Plan							
301	408	\$522,943.31	\$110,889.09	\$409,497.04	\$520,386.13	(\$2,473.46)	\$517,912.67
302	195	\$450,278.40	\$86,345.27	\$363,933.13	\$450,278.40	(\$4,466.80)	\$445,811.60
303	31	\$84,510.65	\$23,534.43	\$58,250.07	\$81,784.50	\$0.00	\$81,784.50
304	22	\$37,354.68	\$13,022.80	\$26,782.77	\$39,805.57	\$0.00	\$39,805.57
305	1	\$423.95	\$118.71	\$305.24	\$423.95	\$0.00	\$423.95
SUBTOTAL	657	\$1,095,510.99	\$233,910.30	\$858,768.25	\$1,092,678.55	(\$6,940.26)	\$1,085,738.29

Medical and Dental Vision Insurance Premiums July 2015

Carrier Codes	Member Count	Premium Amount	Member Amount	County Subsidy Amount	Total	Adjustments	Total Paid
CIGNA Medicare Select Plus Rx - Phoenix, AZ							
321	21	\$7,032.90	\$1,674.51	\$5,358.39	\$7,032.90	\$0.00	\$7,032.90
322	7	\$9,553.25	\$764.26	\$8,788.99	\$9,553.25	\$0.00	\$9,553.25
324	17	\$11,301.60	\$1,994.40	\$9,307.20	\$11,301.60	\$0.00	\$11,301.60
327	1	\$1,781.30	\$0.00	\$1,781.30	\$1,781.30	\$0.00	\$1,781.30
329	1	\$1,136.12	\$0.00	\$1,136.12	\$1,136.12	\$0.00	\$1,136.12
SUBTOTAL	47	\$30,805.17	\$4,433.17	\$26,372.00	\$30,805.17	\$0.00	\$30,805.17

Medical and Dental Vision Insurance Premiums July 2015

Carrier Codes	Member Count	Premium Amount	Member Amount	County Subsidy Amount	Total	Adjustments	Total Paid
Kaiser/Senior Advantage							
401	1,866	\$1,631,794.20	\$145,231.29	\$1,473,071.53	\$1,618,302.82	\$5,090.16	\$1,623,392.98
403	9,155	\$2,197,611.20	\$249,627.00	\$1,956,487.60	\$2,206,114.60	(\$4,504.14)	\$2,201,610.46
404	474	\$465,642.24	\$15,849.79	\$449,613.10	\$465,462.89	(\$978.24)	\$464,484.65
405	840	\$748,616.15	\$20,598.04	\$730,604.20	\$751,202.24	(\$2,607.18)	\$748,595.06
406	58	\$96,671.40	\$34,147.72	\$54,644.21	\$88,791.93	(\$1,534.70)	\$87,257.23
411	1,802	\$3,141,566.40	\$167,994.17	\$2,950,068.47	\$3,118,062.64	\$3,383.44	\$3,121,446.08
413	1,683	\$1,872,639.50	\$87,651.04	\$1,774,968.34	\$1,862,619.38	\$1,080.42	\$1,863,699.80
414	145	\$267,110.30	\$4,659.68	\$261,894.16	\$266,553.84	\$0.00	\$266,553.84
418	4,497	\$2,137,219.40	\$182,598.14	\$1,948,930.86	\$2,131,529.00	(\$1,876.48)	\$2,129,652.52
419	239	\$291,081.60	\$5,967.17	\$273,141.31	\$279,108.48	\$0.00	\$279,108.48
420	120	\$234,177.60	\$1,561.20	\$232,616.40	\$234,177.60	(\$1,951.48)	\$232,226.12
421	7	\$6,082.30	\$903.67	\$5,178.63	\$6,082.30	\$0.00	\$6,082.30
422	208	\$368,350.50	\$1,403.23	\$365,151.59	\$366,554.82	\$0.00	\$366,554.82
423	18	\$44,551.62	\$5,205.70	\$39,345.92	\$44,551.62	(\$2,378.06)	\$42,173.56
426	193	\$217,076.75	\$3,689.17	\$213,387.58	\$217,076.75	\$0.00	\$217,076.75
427	167	\$311,938.51	\$3,630.38	\$297,549.51	\$301,179.89	(\$1,766.76)	\$299,413.13
428	39	\$72,672.21	\$1,788.86	\$70,883.35	\$72,672.21	\$0.00	\$72,672.21
429	7	\$20,675.44	\$1,798.11	\$13,784.96	\$15,583.07	(\$2,507.94)	\$13,075.13
430	133	\$236,114.90	\$3,231.04	\$232,883.86	\$236,114.90	(\$1,733.12)	\$234,381.78
431	11	\$27,459.74	\$2,585.88	\$24,873.86	\$27,459.74	\$0.00	\$27,459.74
432	9	\$28,956.42	\$7,648.96	\$18,090.08	\$25,739.04	\$0.00	\$25,739.04
SUBTOTAL	21,671	\$14,418,008.38	\$947,770.24	\$13,387,169.52	\$14,334,939.76	(\$12,284.08)	\$14,322,655.68

Medical and Dental Vision Insurance Premiums July 2015

Carrier Codes	Member Count	Premium Amount	Member Amount	County Subsidy Amount	Total	Adjustments	Total Paid
Kaiser - Colorado							
450	5	\$5,298.05	\$1,059.61	\$4,238.44	\$5,298.05	\$0.00	\$5,298.05
451	27	\$9,184.32	\$1,170.16	\$8,014.16	\$9,184.32	\$0.00	\$9,184.32
453	1	\$2,346.33	\$429.48	\$1,916.85	\$2,346.33	\$0.00	\$2,346.33
454	1	\$3,168.92	\$907.66	\$2,261.26	\$3,168.92	\$0.00	\$3,168.92
457	13	\$8,779.16	\$1,701.80	\$7,077.36	\$8,779.16	\$0.00	\$8,779.16
SUBTOTAL	47	\$28,776.78	\$5,268.71	\$23,508.07	\$28,776.78	\$0.00	\$28,776.78
Kaiser - Georgia							
440	1	\$1,010.58	\$0.00	\$1,010.58	\$1,010.58	\$0.00	\$1,010.58
441	2	\$2,021.16	\$0.00	\$2,021.16	\$2,021.16	\$0.00	\$2,021.16
442	3	\$3,031.74	\$0.00	\$3,031.74	\$3,031.74	\$0.00	\$3,031.74
445	2	\$2,783.56	\$0.00	\$2,783.56	\$2,783.56	\$0.00	\$2,783.56
461	14	\$14,148.12	\$2,162.65	\$10,974.89	\$13,137.54	\$0.00	\$13,137.54
462	55	\$21,241.00	\$3,305.87	\$17,935.13	\$21,241.00	\$0.00	\$21,241.00
463	7	\$14,113.05	\$1,652.05	\$12,296.50	\$13,948.55	\$0.00	\$13,948.55
465	17	\$23,660.26	\$1,391.78	\$22,268.48	\$23,660.26	\$0.00	\$23,660.26
466	19	\$14,580.60	\$859.49	\$13,721.11	\$14,580.60	\$0.00	\$14,580.60
SUBTOTAL	120	\$96,590.07	\$9,371.84	\$86,043.15	\$95,414.99	\$0.00	\$95,414.99

Medical and Dental Vision Insurance Premiums July 2015

Carrier Codes	Member Count	Premium Amount	Member Amount	County Subsidy Amount	Total	Adjustments	Total Paid
Kaiser - Hawaii							
471	6	\$5,805.84	\$1,083.76	\$4,722.08	\$5,805.84	\$0.00	\$5,805.84
472	28	\$9,885.12	\$1,680.47	\$8,204.65	\$9,885.12	\$0.00	\$9,885.12
473	2	\$2,851.82	\$853.77	\$1,998.05	\$2,851.82	\$0.00	\$2,851.82
474	2	\$3,460.56	\$830.53	\$2,630.03	\$3,460.56	\$0.00	\$3,460.56
476	5	\$6,078.40	\$2,285.48	\$3,792.92	\$6,078.40	\$0.00	\$6,078.40
478	12	\$8,412.96	\$532.82	\$7,880.14	\$8,412.96	\$0.00	\$8,412.96
SUBTOTAL	55	\$36,494.70	\$7,266.83	\$29,227.87	\$36,494.70	\$0.00	\$36,494.70
Kaiser - Oregon							
481	9	\$9,749.97	\$1,354.64	\$7,312.00	\$8,666.64	\$0.00	\$8,666.64
482	72	\$32,241.60	\$4,809.36	\$27,432.24	\$32,241.60	\$0.00	\$32,241.60
484	6	\$12,969.96	\$2,949.21	\$7,859.09	\$10,808.30	\$0.00	\$10,808.30
486	12	\$19,839.69	\$1,922.92	\$15,000.36	\$16,923.28	\$0.00	\$16,923.28
488	40	\$35,624.00	\$4,648.94	\$30,975.06	\$35,624.00	\$0.00	\$35,624.00
491	1	\$1,419.46	\$0.00	\$1,419.46	\$1,419.46	\$0.00	\$1,419.46
492	1	\$1,584.47	\$316.89	\$1,267.58	\$1,584.47	\$0.00	\$1,584.47
493	1	\$2,604.46	\$343.20	\$2,261.26	\$2,604.46	\$0.00	\$2,604.46
495	1	\$2,278.34	\$361.49	\$1,916.85	\$2,278.34	\$0.00	\$2,278.34
498	2	\$4,440.00	\$606.30	\$3,833.70	\$4,440.00	\$0.00	\$4,440.00
SUBTOTAL	145	\$122,751.95	\$17,312.95	\$99,277.60	\$116,590.55	\$0.00	\$116,590.55
SCAN Health Plan							
611	269	\$91,729.00	\$19,771.18	\$71,957.82	\$91,729.00	(\$293.00)	\$91,436.00
613	91	\$61,607.00	\$13,281.52	\$49,487.48	\$62,769.00	\$0.00	\$62,769.00
SUBTOTAL	360	\$153,336.00	\$33,052.70	\$121,445.30	\$154,498.00	(\$293.00)	\$154,205.00

Medical and Dental Vision Insurance Premiums July 2015

Carrier Codes	Member Count	Premium Amount	Member Amount	County Subsidy Amount	Total	Adjustments	Total Paid
UHC Medicare Adv.							
701	1,375	\$433,171.48	\$55,348.25	\$378,049.03	\$433,397.28	(\$598.30)	\$432,798.98
702	291	\$367,902.78	\$22,624.65	\$340,230.86	\$362,855.51	\$0.00	\$362,855.51
703	736	\$461,197.60	\$54,092.66	\$405,205.78	\$459,298.44	\$0.00	\$459,298.44
704	53	\$74,879.99	\$3,861.87	\$80,849.93	\$84,711.80	\$0.00	\$84,711.80
705	17	\$13,339.90	\$690.53	\$13,399.97	\$14,090.50	\$0.00	\$14,090.50
SUBTOTAL	2,472	\$1,350,491.75	\$136,617.96	\$1,217,735.57	\$1,354,353.53	(\$598.30)	\$1,353,755.23
United Healthcare							
707	418	\$394,802.75	\$43,041.87	\$350,737.42	\$393,779.29	\$0.00	\$393,779.29
708	352	\$607,601.25	\$28,574.87	\$576,290.81	\$604,865.68	\$0.00	\$604,865.68
709	188	\$383,700.48	\$24,465.22	\$370,077.50	\$394,542.72	\$0.00	\$394,542.72
SUBTOTAL	958	\$1,386,104.48	\$96,081.96	\$1,297,105.73	\$1,393,187.69	\$0.00	\$1,393,187.69

Medical and Dental Vision Insurance Premiums July 2015

Carrier Codes	Member Count	Premium Amount	Member Amount	County Subsidy Amount	Total	Adjustments	Total Paid
Local 1014 Firefighters							
801	41	\$40,552.69	\$2,096.87	\$42,045.02	\$44,141.89	\$0.00	\$44,141.89
802	264	\$470,820.24	\$12,269.84	\$497,391.19	\$509,661.03	\$0.00	\$509,661.03
803	223	\$469,122.87	\$14,136.78	\$490,665.71	\$504,802.49	\$0.00	\$504,802.49
804	161	\$159,243.49	\$9,950.18	\$140,629.18	\$150,579.36	(\$19,574.50)	\$131,004.86
805	172	\$306,746.52	\$7,953.99	\$288,344.99	\$296,298.98	(\$20,059.60)	\$276,239.38
806	545	\$971,958.45	\$40,554.66	\$932,135.58	\$972,690.24	(\$120,357.40)	\$852,332.84
807	22	\$46,281.18	\$168.30	\$46,112.88	\$46,281.18	(\$4,468.06)	\$41,813.12
808	6	\$12,622.14	\$0.00	\$12,622.14	\$12,622.14	(\$1,363.70)	\$11,258.44
809	23	\$22,749.07	\$2,175.99	\$21,470.38	\$23,646.37	\$0.00	\$23,646.37
810	5	\$8,917.05	\$2,033.08	\$6,883.97	\$8,917.05	\$0.00	\$8,917.05
811	4	\$8,414.76	\$0.00	\$10,323.22	\$10,323.22	\$0.00	\$10,323.22
812	201	\$198,807.09	\$19,168.45	\$179,638.64	\$198,807.09	(\$22,779.60)	\$176,027.49
SUBTOTAL	1,667	\$2,716,235.55	\$110,508.14	\$2,668,262.90	\$2,778,771.04	(\$188,602.86)	\$2,590,168.18
Medical Plan Total	46,573	\$39,704,250.82	\$3,248,356.82	\$36,306,911.32	\$39,555,268.14	(\$236,125.93)	\$39,319,142.21

Medical and Dental Vision Insurance Premiums July 2015

Carrier Codes	Member Count	Premium Amount	Member Amount	County Subsidy Amount	Total	Adjustments	Total Paid
<u>Dental/Vision Plan</u>							
CIGNA Indemnity Dental/Vision							
501	22,000	\$1,026,258.98	\$125,076.92	\$905,104.25	\$1,030,181.17	(\$2,560.25)	\$1,027,620.92
502	20,175	\$2,014,752.96	\$165,680.02	\$1,848,140.75	\$2,013,820.77	(\$1,945.90)	\$2,011,874.87
503	12	\$694.80	\$137.81	\$556.99	\$694.80	\$0.00	\$694.80
SUBTOTAL	42,187	\$3,041,706.74	\$290,894.75	\$2,753,801.99	\$3,044,696.74	(\$4,506.15)	\$3,040,190.59
CIGNA Dental HMO/Vision							
901	3,126	\$132,179.90	\$17,871.76	\$114,035.28	\$131,907.04	(\$40.80)	\$131,866.24
902	2,172	\$194,268.64	\$18,527.63	\$175,489.68	\$194,017.31	(\$430.55)	\$193,586.76
903	5	\$214.00	\$54.79	\$159.21	\$214.00	\$0.00	\$214.00
SUBTOTAL	5,303	\$326,662.54	\$36,454.18	\$289,684.17	\$326,138.35	(\$471.35)	\$325,667.00
Dental/Vision Plan Total	47,490	\$3,368,369.28	\$327,348.93	\$3,043,486.16	\$3,370,835.09	(\$4,977.50)	\$3,365,857.59
GRAND TOTALS	94,063	\$43,072,620.10	\$3,575,705.75	\$39,350,397.48	\$42,926,103.23	(\$241,103.43)	\$42,684,999.80

CARRIER DEDUCTION PREMIUMS*	CODES	DEDUCTION CODE DEFINITIONS
<u>Anthem Blue Cross Prudent Buyer Plan</u>		
\$630.26	201	Retiree Only
\$1,239.88	202	Retiree and Spouse/Domestic Partner
\$1,399.26	203	Retiree, Spouse/Domestic Partner and Children
\$810.01	204	Retiree and Children
\$172.06	205	Survivor Children Only Rates
<u>Anthem Blue Cross Plan I</u>		
\$904.25	211	Retiree Only
\$1,630.31	212	Retiree and Spouse/Domestic Partner
\$1,923.10	213	Retiree, Spouse/Domestic Partner and Children
\$1,196.44	214	Retiree and Children
\$299.58	215	Survivor Children Only Rates
<u>Anthem Blue Cross Plan II</u>		
\$904.25	221	Retiree Only
\$1,630.31	222	Retiree and Spouse/Domestic Partner
\$1,923.10	223	Retiree, Spouse/Domestic Partner and Children
\$1,196.44	224	Retiree and Children
\$299.58	225	Survivor Children Only Rates
<u>Anthem Blue Cross Plan III</u>		
\$365.20	240	Retiree Only with Medicare
\$1,167.61	241	Retiree and Spouse/Domestic Partner - One with Medicare (Non-Medicare has Anthem Blue Cross I)
\$1,167.61	242	Retiree and Spouse/Domestic Partner - One with Medicare (Non-Medicare has Anthem Blue Cross II)
\$726.87	243	Retiree and Spouse/Domestic Partner - Both with Medicare
\$653.93	244	Retiree and Children (Retiree has Medicare; Children have Anthem Blue Cross I)
\$653.93	245	Retiree and Children (Retiree has Medicare; Children have Anthem Blue Cross II)
\$1,456.25	246	Retiree, Spouse/Domestic Partner and Children - One with Medicare (Non-Medicare has Anthem Blue Cross I)
\$1,456.25	247	Retiree, Spouse/Domestic Partner and Children - One with Medicare (Non-Medicare has Anthem Blue Cross II)
\$1,015.45	248	Retiree, Spouse/Domestic Partner and Children - Two with Medicare (Children have Anthem Blue Cross I)
\$1,015.45	249	Retiree, Spouse/Domestic Partner and Children - Two with Medicare (Children have Anthem Blue Cross II)
\$1,138.02	250	Member, Spouse/Domestic Partner, Child (3 with Medicare)

*Benchmark premiums are bolded.

CARRIER DEDUCTION PREMIUMS*	CODES	DEDUCTION CODE DEFINITIONS
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CIGNA Network Model Plan

\$1,143.49	301	Retiree Only
\$2,064.71	302	Retiree and Spouse/Domestic Partner
\$2,438.35	303	Retiree, Spouse/Domestic Partner and Children
\$1,517.57	304	Retiree and Children
\$378.87	305	Survivor Children Only Rates

CIGNA Medicare Select Plus Rx (Available in the Phoenix, AZ area only)

\$328.00	321	Retiree Only with Medicare
\$1,249.22	322	Retiree and Spouse/Domestic Partner/Domestic Partner - One with Medicare
\$651.00	324	Retiree and Spouse/Domestic Partner -Both with Medicare
\$702.09	325	Retiree and Children
\$1,622.87	327	Retiree, Spouse/Domestic Partner and Children - One with Medicare
\$1,025.09	329	Retiree, Spouse/Domestic Partner and Children - Two with Medicare

Kaiser

\$774.10	401	Retiree Only ("Basic")
N/A	402	Retiree Only ("Supplement")
\$235.64	403	Retiree Only ("Senior Advantage")
\$894.95	404	Retiree Only ("Excess I")
\$795.39	405	Retiree Only - ("Excess II")
\$1,408.39	406	Retiree Only ("Excess III")
\$1,543.20	411	Retiree and Family (All family members are "Basic")
N/A	412	Retiree and Family (One family member is "Supplement"; others are "Basic")
\$1,004.74	413	Retiree and Family (One family member is "Senior Advantage"; others are "Basic")
\$1,664.05	414	Retiree and Family (One family member is "Excess I"; others are "Basic")
N/A	415	Retiree and Family (Two or more family members are "Supplement")
N/A	416	Retiree and Family (One family member is "Senior Advantage"; others are "Supplement")
N/A	417	Retiree and Family (One family member is "Excess I"; others are "Supplement")
\$466.28	418	Retiree and Family (Two or more family members are "Senior Advantage")
\$1,125.59	419	Retiree and Family (One family member is "Excess I"; others are "Senior Advantage")
\$1,784.90	420	Retiree and Family (Two or more family members are "Excess I")
N/A	421	Survivor Children Only Rates
\$1,564.49	422	Retiree and Family (One family member is "Excess II"; others are "Basic")
\$2,177.49	423	Retiree and Family (One family member is "Excess III"; others are "Basic")

*Benchmark premiums are bolded.

CARRIER DEDUCTION PREMIUMS*	CODES	DEDUCTION CODE DEFINITIONS
<u>Kaiser (continued)</u>		
N/A	424	Retiree and Family (One family member is "Supplement"; others are "Excess II")
N/A	425	Retiree and Family (One family member is "Supplement"; others are "Excess III")
\$1,026.03	426	Retiree and Family (One family member is "Senior Advantage"; others are "Excess II")
\$1,639.03	427	Retiree and Family (One family member is "Senior Advantage"; others are "Excess III")
\$1,685.34	428	Retiree and Family (One family member is "Excess I"; others are "Excess II")
\$2,298.34	429	Retiree and Family One family member is "Excess I"; others are "Excess III")
\$1,585.78	430	Retiree and Family (Two or more family members are "Excess II")
\$2,198.78	431	Retiree and Family (One family member is "Excess II"; others are "Excess III")
\$2,811.78	432	Retiree and Family (Two or more family members are "Excess III")
<u>Kaiser Colorado</u>		
\$793.06	450	Retiree Only ("Basic" under age 65)
\$327.27	451	Retiree Only ("Senior Advantage")
\$1,754.57	453	Retiree and Family (Two family members are "Basic")
\$2,369.25	454	Retiree and Family (Three or more family members are "Basic")
\$1,115.33	455	Retiree and Family (One family member is "Senior Advantage"; one family member is "Basic")
\$649.55	457	Retiree and Family (Two family members are "Senior Advantage")
\$1,857.56	458	Retiree and Family (One family member is "Senior Advantage"; two or more are "Basic")
\$1,437.60	459	Retiree and Family (Two family members are "Senior Advantage"; one or more are "Basic")
<u>Kaiser Georgia</u>		
\$847.24	440	Retiree Only ("Basic" over age 65 with Medicare Part B only)
\$847.24	441	Retiree Only ("Basic over age 65 with Medicare Part A only)
\$847.24	442	Retiree Only ("Basic over age 65 without Medicare Part A or Medicare Part B)
\$361.11	443	Retiree Only ("Basic" over age 65 - Medicare eligible who is classified as having renal failure)
\$1,203.35	444	Retiree and Family (One family member is "Senior Advantage"; one family member is "Basic" over age 65 with Medicare Part B only)
\$1,203.35	445	Retiree and Family (One family member is "Senior Advantage"; one family member is "Basic" over age 65 with Medicare Part A only)
\$1,203.35	446	Retiree and Family (One family member is "Senior Advantage"; one family member is "Basic" over age 65 without Medicare Part A and B)
\$847.24	461	Retiree Only ("Basic" under age 65)
\$361.11	462	Retiree Only ("Senior Advantage")

*Benchmark premiums are bolded.

CARRIER DEDUCTION PREMIUMS*	CODES	DEDUCTION CODE DEFINITIONS
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Kaiser Georgia (continued)

\$1,689.48	463	Retiree and Family (Two family members are "Basic")
\$2,531.72	464	Retiree and Family (Three or more family members are "Basic")
\$1,203.35	465	Retiree and Family (One family member is "Senior Advantage"; one is "Basic")
\$717.22	466	Retiree and Family (Two family members are "Senior Advantage")
\$2,045.59	467	Retiree and Family (One family member is "Senior Advantage"; two or more are "Basic")
\$1,559.46	468	Retiree and Family (Two family members are "Senior Advantage"; one is "Basic")
\$1,915.57	469	Retiree and Family (Three or more family members are "Senior Advantage"; one is "Basic")
\$2,045.59	470	Retiree and Family (Three or more family members are "Basic"; one is "Senior Advantage")

Kaiser Hawaii

\$795.16	471	Retiree Only ("Basic" under age 65)
\$346.45	472	Retiree Only ("Senior Advantage")
\$1,381.42	473	Retiree Only (Over age 65 without Medicare Part A or Medicare Part B)
\$1,585.31	474	Retiree and Family (Two family members are "Basic")
\$2,375.47	475	Retiree and Family (Three or more family members are "Basic")
\$1,136.61	476	Retiree and Family (One family member is "Senior Advantage"; one is "Basic")
\$2,171.58	477	Retiree and Family (One family member is "Basic" under age 65; one is over age 65 without Medicare Part A or Medicare Part B)
\$687.90	478	Retiree and Family (Two family members are "Senior Advantage")
\$1,722.87	479	Retiree and Family (One family member is "Senior Advantage"; one is over age 65 without Medicare Part A or Medicare Part B)

Kaiser Oregon

\$806.67	481	Retiree Only ("Basic" under age 65)
\$465.92	482	Retiree Only ("Senior Advantage")
\$1,205.27	483	Retiree Only (Over age 65 without Medicare Part A or Medicare Part B)
\$1,608.34	484	Retiree and Family (Two family members are "Basic")
\$2,410.01	485	Retiree and Family (Three or more family members are "Basic")
\$1,267.59	486	Retiree and Family (One family member is "Senior Advantage"; one is "Basic")
N/A	487	Retiree Only (Medicare Cost "Supplement" program)
\$926.84	488	Retiree and Family (Two family members are "Senior Advantage")
\$1,110.84	489	Retiree Only (Over age 65 with Medicare Part A only)
\$1,205.27	490	Retiree Only (Over age 65 with Medicare Part B only)

*Benchmark premiums are bolded.

PREMIUMS*	CARRIER DEDUCTION CODES	DEDUCTION CODE DEFINITIONS
<u>Kaiser Oregon (continued)</u>		
\$1,571.76	491	Retiree and Family (One family member is "Senior Advantage"; one is over age 65 with Medicare Par A only)
\$1,666.19	492	Retiree and Family (One family member is "Senior Advantage"; one is over age 65 without Medicare Part A or Medicare Part B)
\$2,069.26	493	Retiree and Family (One family member is "Senior Advantage"; two or more are "Basic")
\$1,728.51	494	Retiree and Family (Two family members are "Senior Advantage"; one is "Basic")
\$2,405.54	495	Retiree and Family (Two family members are over age 65 without Medicare Part A or Medicare Part B)
\$2,216.68	496	Retiree and Family (Two family members are over age 65 with Medicare Part A only)
\$2,216.68	497	Retiree and Family (One family member is "Basic"; one is over age 65 with Medicare Part A only)
\$2,006.94	498	Retiree and Family (One family member is "Basic"; one is over age 65 without Medicare Part A or Medicare Part B)

Kaiser Rate Category Definitions

"Basic" - includes those who are under age 65

Medicare Cost ("Supplement")

- Includes people who have both Part A and Part B of Medicare, who were enrolled in Kaiser's Medicare supplement ("M" coverage) before July 1, 1987, and who chose to stay in that Kaiser arrangement.
- It is not open to new enrollments.
- People who have left it cannot return to it.

"Senior Advantage"

- Includes participants who are age 65 or older and who have assigned both Medicare Part A and Part B to Kaiser.

"Excess I"

- Is for participants who have Medicare Part A only.

"Excess II"

- Is for participants in the Excess Plan who either have Medicare Part B only or are not eligible for Medicare.

"Excess III"

- Is for participants in the Excess Plan who either have Medicare Parts A and B and have not assigned their Medicare benefits to Kaiser or have not provided their Medicare status to LACERA. Premium is above the Anthem Blue Cross I and II Benchmark rate and II Benchmark.

PREMIUMS*	CARRIER DEDUCTION CODES	DEDUCTION CODE DEFINITIONS
<u>SCAN Health Plan</u>		
\$304.00	611	Retiree Only with SCAN
\$603.00	613	Retiree and 1 Dependent - Both with SCAN (Retiree and 1 Dependent = Retiree and Spouse/Domestic Partner OR Retiree and 1 Child. Both Retiree and Dependent must have Medicare.)
<u>United Healthcare Medicare Advantage (UHCMA)</u>		
(For both members and dependents who are enrolled in UHCMA, or a family combination of UHCMA/UHC)		
\$293.62	701	Retiree Only with Secure Horizons
\$1,203.81	702	Retiree and 1 Dependent - One with Secure Horizons (Retiree and 1 Dependent = Retiree and Spouse/Domestic Partner OR Retiree and 1 Child)
\$582.24	703	Retiree and 1 Dependent - Both with Secure Horizons (Retiree and 1 Dependent = Retiree and Spouse/Domestic Partner OR Retiree and 1 Child)
\$1,360.59	704	Retiree and 2 or More Dependents - One with Secure Horizons (Retiree and 2 or More Dependents = Retiree, Spouse/Domestic Partner and 1 or More Children OR Retiree and 2 or More Children)
\$739.02	705	Retiree and 2 or More Dependents - Two with Secure Horizons (Retiree and 2 or More Dependents = Retiree, Spouse/Domestic Partner and 1 or More Children OR Retiree and 2 or More Children)
\$261.24	706	Survivor Children Only Rates
<u>United Healthcare (UHC)</u>		
(For members and dependents under age 65 [no Medicare])		
\$915.18	707	Retiree Only
\$1,671.68	708	Retiree and 1 Dependent
\$1,982.16	709	Retiree and 2 Or More Dependents
<u>Local 1014 Firefighters</u>		
\$914.03	801	Member Under 65
\$1,648.06	802	Member + 1 Under 65
\$1,944.04	803	Member + 2 Under 65
\$914.03	804	Member with Medicare
\$1,648.06	805	Member + 1; 1 Medicare
\$1,648.06	806	Member + 1; 2 Medicare
\$1,944.04	807	Member + 2; 1 Medicare
\$1,944.04	808	Member + 2; 2 Medicare

*Benchmark premiums are bolded.

PREMIUMS*	CARRIER DEDUCTION CODES	DEDUCTION CODE DEFINITIONS
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Local 1014 Firefighters (continued)

\$914.03	809	Surviving Spouse Under 65
\$1,648.06	810	Surviving Spouse + 1; Under 65
\$1,944.04	811	Surviving Spouse + 2 Under 65
\$914.03	812	Surviving Spouse with Medicare
\$1,648.06	813	Surviving Spouse + 1; 1 Medicare
\$1,944.04	814	Spouse + 1; 1 Medicare
\$1,648.06	815	Surviving Spouse + 1; 2 Medicare

CIGNA Indemnity - Dental/Vision

\$46.55	501	Retiree Only
\$99.61	502	Retiree and Dependent(s)
\$57.81	503	Survivor Children Only Rates

CIGNA HMO - Dental/Vision

\$39.02	901	Retiree Only
\$81.07	902	Retiree and Dependent(s)
\$39.56	903	Survivor Children Only Rates

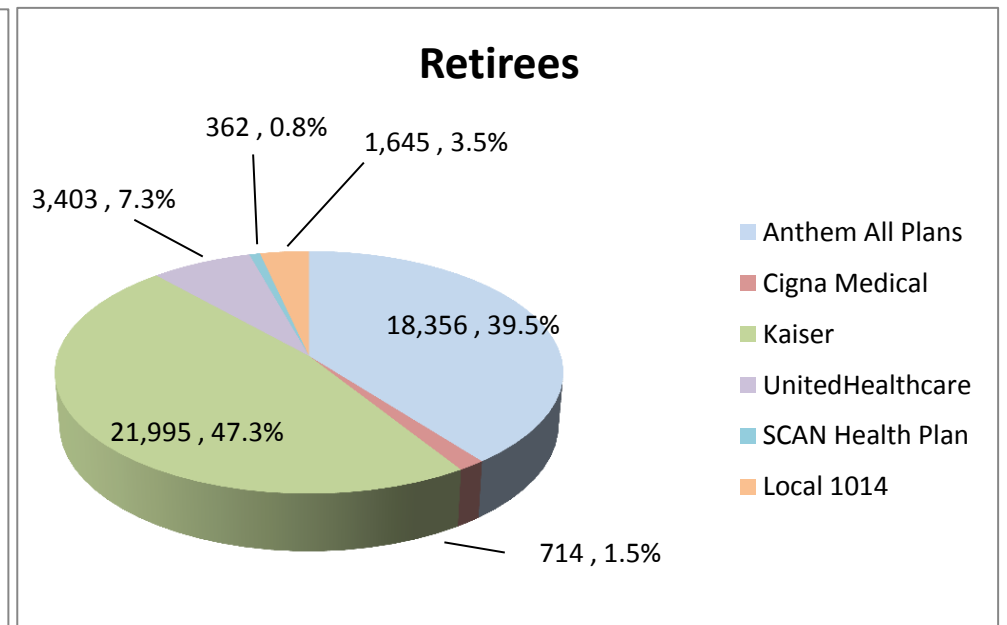
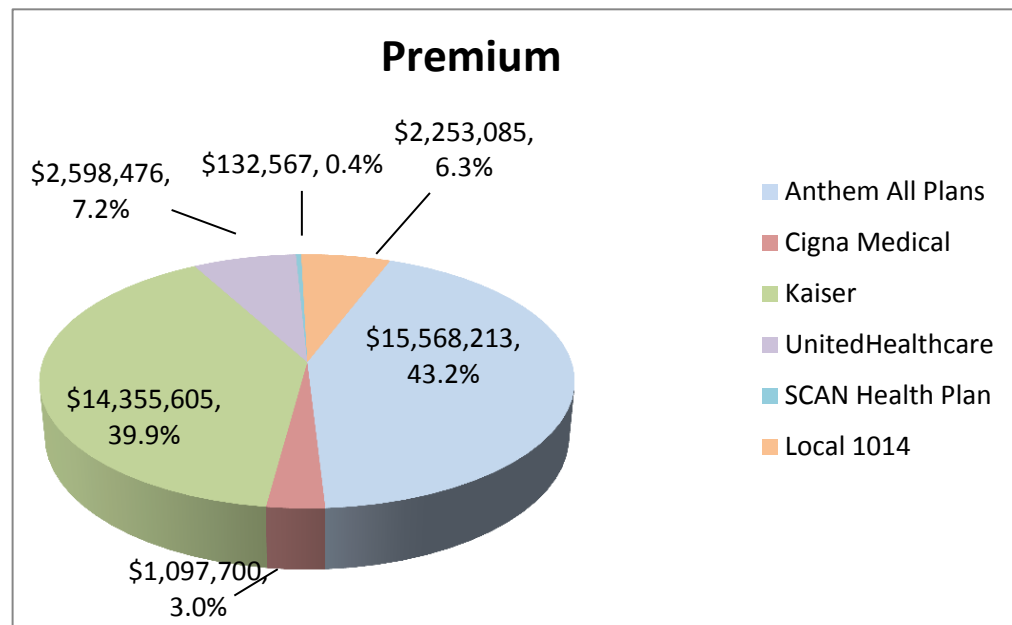
LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION

Premium and Enrollment

Pay Period May 31, 2015

Carrier / Plan	Monthly Premium	Percent of Total	Retirees	Percent of Total
Anthem All Plans	\$15,568,213	43.2%	18,356	39.5%
Cigna Medical	\$1,097,700	3.0%	714	1.5%
Kaiser	\$14,355,605	39.9%	21,995	47.3%
UnitedHealthcare	\$2,598,476	7.2%	3,403	7.3%
SCAN Health Plan	\$132,567	0.4%	362	0.8%
Local 1014	\$2,253,085	6.3%	1,645	3.5%
Combined Medical	\$36,005,646	100.0%	46,475	100.0%

Cigna Dental & Vision	\$3,344,427	47,414
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LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION

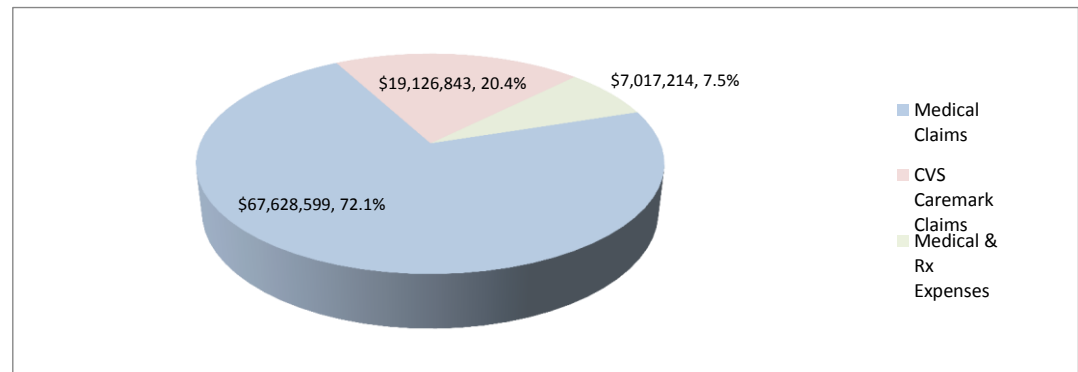
Anthem Plans I and II

Plan Year July 1, 2014 - June 30, 2015

Month	Monthly Enrollment	Monthly Premium	Medical Claims	CVS Caremark Claims	Medical & Rx Claims	Claims Per Retiree Per Month	Paid Loss Ratio	Medical & Rx Expenses	Total Paid Claims & Expenses	Expense Ratio
Jul-14	6,250	\$7,943,902	\$5,730,512	\$1,797,996	\$7,528,508	\$1,204.56	94.8%	\$644,763	\$8,173,271	102.9%
Aug-14	6,256	\$7,759,870	\$7,277,216	\$1,713,100	\$8,990,316	\$1,437.07	115.9%	\$645,319	\$9,635,635	124.2%
Sep-14	6,234	\$7,924,501	\$6,739,362	\$1,672,002	\$8,411,364	\$1,349.27	106.1%	\$642,882	\$9,054,246	114.3%
Oct-14	6,244	\$7,749,038	\$7,937,539	\$1,734,557	\$9,672,095	\$1,549.02	124.8%	\$643,743	\$10,315,839	133.1%
Nov-14	6,193	\$7,865,806	\$5,479,661	\$1,396,255	\$6,875,916	\$1,110.27	87.4%	\$638,324	\$7,514,240	95.5%
Dec-14	6,158	\$7,866,478	\$5,883,026	\$1,883,506	\$7,766,532	\$1,261.21	98.7%	\$634,678	\$8,401,209	106.8%
Jan-15	6,149	\$7,860,571	\$5,485,621	\$1,820,094	\$7,305,715	\$1,188.11	92.9%	\$633,505	\$7,939,220	101.0%
Feb-15	6,143	\$7,821,958	\$4,557,848	\$1,586,440	\$6,144,288	\$1,000.21	78.6%	\$632,717	\$6,777,006	86.6%
Mar-15	6,135	\$7,855,378	\$6,291,538	\$1,743,570	\$8,035,108	\$1,309.72	102.3%	\$631,732	\$8,666,840	110.3%
Apr-15	6,167	\$7,923,506	\$6,369,733	\$1,965,357	\$8,335,090	\$1,351.56	105.2%	\$634,744	\$8,969,834	113.2%
May-15	6,170	\$7,967,539	\$5,876,543	\$1,813,966	\$7,690,509	\$1,246.44	96.5%	\$634,808	\$8,325,317	104.5%
Jun-15										

YTD Plan Year	68,099	\$86,538,549	\$67,628,599	\$19,126,843	\$86,755,442	\$1,273.96	100.3%	\$7,017,214	\$93,772,656	108.4%
11 Month Average	6,191	\$7,867,141	\$6,148,054	\$1,738,804	\$7,886,858	\$1,273.96	100.3%	\$637,929	\$8,524,787	108.4%
12 Month Rollup	74,364	\$94,560,956	\$74,304,588	\$20,864,776	\$95,169,364	\$1,279.78	100.6%	7,636,064	\$102,805,428	108.7%

Medical Claims reported by Anthem
 CVS Caremark Claims reported by CVS
 Expenses: Anthem Admin, Stop Loss, and Premium Taxes
 Enrollment and Premium Reported by LACERA



LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION

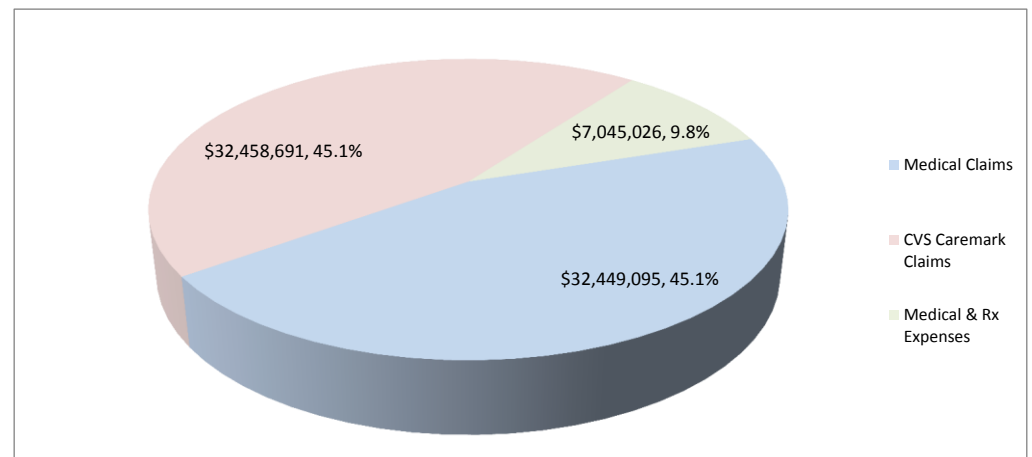
Anthem Plan III

Plan Year July 1, 2014 - June 30, 2015

Month	Monthly Enrollment	Monthly Premium	Medical Claims	CVS Caremark Claims	Medical & Rx Claims	Claims Per Retiree Per Month	Paid Loss Ratio	Medical & Rx Expenses	Total Paid Claims & Expenses	Expense Ratio
Jul-14	10,559	\$6,038,811	\$2,668,682	\$2,869,867	\$5,538,549	\$524.53	91.7%	\$635,668	\$6,174,217	102.2%
Aug-14	10,580	\$6,090,251	\$2,975,527	\$2,679,315	\$5,654,842	\$534.48	92.9%	\$636,932	\$6,291,774	103.3%
Sep-14	10,577	\$6,145,134	\$2,987,872	\$2,752,919	\$5,740,791	\$542.76	93.4%	\$636,752	\$6,377,543	103.8%
Oct-14	10,602	\$6,136,901	\$2,943,910	\$3,182,580	\$6,126,490	\$577.86	99.8%	\$638,257	\$6,764,747	110.2%
Nov-14	10,632	\$6,178,049	\$2,698,608	\$2,593,427	\$5,292,035	\$497.75	85.7%	\$640,063	\$5,932,098	96.0%
Dec-14	10,646	\$6,191,157	\$2,612,564	\$3,076,266	\$5,688,829	\$534.36	91.9%	\$640,906	\$6,329,735	102.2%
Jan-15	10,658	\$6,202,973	\$3,331,741	\$3,160,964	\$6,492,705	\$609.19	104.7%	\$641,628	\$7,134,333	115.0%
Feb-15	10,661	\$6,194,832	\$3,301,865	\$2,807,265	\$6,109,130	\$573.04	98.6%	\$641,809	\$6,750,939	109.0%
Mar-15	10,672	\$6,189,591	\$3,046,201	\$3,255,838	\$6,302,039	\$590.52	101.8%	\$642,471	\$6,944,510	112.2%
Apr-15	10,703	\$6,216,219	\$2,985,863	\$3,158,022	\$6,143,884	\$574.03	98.8%	\$644,337	\$6,788,222	109.2%
May-15	10,734	\$6,243,119	\$2,896,264	\$2,922,228	\$5,818,491	\$542.06	93.2%	\$646,203	\$6,464,695	103.5%
Jun-15										

YTD Plan Year	117,024	\$67,827,037	\$32,449,095	\$32,458,691	\$64,907,786	\$554.65	95.7%	\$7,045,026	\$71,952,812	106.1%
11 Month Average	10,639	\$6,166,094	\$2,949,918	\$2,950,790	\$5,900,708	\$554.65	95.7%	\$640,457	\$6,541,165	106.1%
12 Month Rollup	127,514	\$73,924,420	\$35,219,925	\$35,159,851	\$70,379,776	\$551.94	95.2%	\$7,588,416	\$77,968,192	105.5%

Medical Claims reported by Anthem
 CVS Caremark Claims reported by CVS
 Expenses: Anthem Admin and Premium Taxes
 Enrollment and Premium Reported by LACERA



LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION

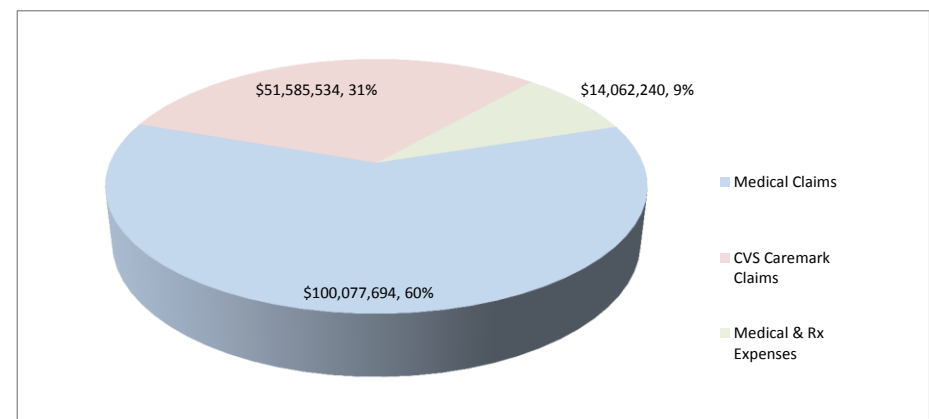
Anthem Plan I, II, and III

Plan Year July 1, 2014 – June 30, 2015

Month	Monthly Enrollment	Monthly Premium	Medical Claims	CVS Caremark Claims	Medical & Rx Claims	Claims Per Retiree Per Month	Paid Loss Ratio	Medical & Rx Expenses	Total Paid Claims & Expenses	Expense Ratio
Jul-14	16,809	\$13,982,713	\$8,399,194	\$4,667,863	\$13,067,057	\$777.38	93.5%	\$1,280,431	\$14,347,488	102.6%
Aug-14	16,836	\$13,850,121	\$10,252,743	\$4,392,415	\$14,645,158	\$869.87	105.7%	\$1,282,251	\$15,927,409	115.0%
Sep-14	16,811	\$14,069,635	\$9,727,234	\$4,424,921	\$14,152,155	\$841.84	100.6%	\$1,279,634	\$15,431,789	109.7%
Oct-14	16,846	\$13,885,939	\$10,881,448	\$4,917,137	\$15,798,585	\$937.82	113.8%	\$1,282,000	\$17,080,585	123.0%
Nov-14	16,825	\$14,043,855	\$8,178,269	\$3,989,683	\$12,167,951	\$723.21	86.6%	\$1,278,387	\$13,446,338	95.7%
Dec-14	16,804	\$14,057,635	\$8,495,589	\$4,959,772	\$13,455,361	\$800.72	95.7%	\$1,275,583	\$14,730,944	104.8%
Jan-15	16,807	\$14,063,544	\$8,817,362	\$4,981,058	\$13,798,420	\$820.99	98.1%	\$1,275,133	\$15,073,553	107.2%
Feb-15	16,804	\$14,016,790	\$7,859,713	\$4,393,705	\$12,253,418	\$729.20	87.4%	\$1,274,526	\$13,527,944	96.5%
Mar-15	16,807	\$14,044,969	\$9,337,739	\$4,999,408	\$14,337,147	\$853.05	102.1%	\$1,274,203	\$15,611,350	111.2%
Apr-15	16,870	\$14,139,725	\$9,355,596	\$5,123,379	\$14,478,975	\$858.27	102.4%	\$1,279,081	\$15,758,056	111.4%
May-15	16,904	\$14,210,658	\$8,772,807	\$4,736,194	\$13,509,001	\$799.16	95.1%	\$1,281,011	\$14,790,012	104.1%
Jun-15										

YTD Plan Year	185,123	\$154,365,585	\$100,077,694	\$51,585,534	\$151,663,228	\$819.26	98.2%	\$14,062,240	\$165,725,468	107.4%
11 Month Average	16,829	\$14,033,235	\$9,097,972	\$4,689,594	\$13,787,566	\$819.26	98.2%	\$1,278,385	\$15,065,952	107.4%
12 Month Rollup	201,878	\$168,485,376	\$109,524,513	\$56,024,628	\$165,549,140	\$820.05	98.3%	\$15,224,480	\$180,773,620	107.3%

Medical Claims reported by Anthem
 CVS Caremark Claims reported by CVS
 Expenses: Anthem Admin, Stop Loss, and Premium Taxes
 Enrollment and Premium Reported by LACERA



LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION

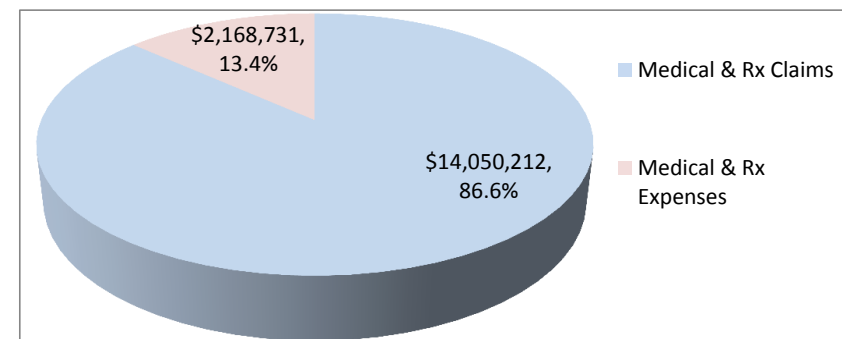
Anthem Prudent Buyer

Plan Year July 1, 2014 – June 30, 2015

Month	Monthly Enrollment	Monthly Premium	Medical & Rx Claims	Claims Per Retiree Per Month	Paid Loss Ratio	Medical & Rx Expenses	Total Paid Claims & Expenses	Expense Ratio
Jul-14	1,518	\$1,431,224	\$1,285,858	\$847.07	89.8%	\$201,984	\$1,487,842	104.0%
Aug-14	1,520	\$1,328,503	\$1,366,663	\$899.12	102.9%	\$202,250	\$1,568,913	118.1%
Sep-14	1,496	\$1,395,499	\$1,221,817	\$816.72	87.6%	\$199,057	\$1,420,874	101.8%
Oct-14	1,501	\$1,392,338	\$1,566,345	\$1,043.53	112.5%	\$199,722	\$1,766,067	126.8%
Nov-14	1,490	\$1,401,442	\$1,089,368	\$731.12	77.7%	\$198,258	\$1,287,626	91.9%
Dec-14	1,478	\$1,383,306	\$1,136,782	\$769.14	82.2%	\$196,661	\$1,333,443	96.4%
Jan-15	1,468	\$1,367,904	\$1,303,367	\$887.85	95.3%	\$195,331	\$1,498,698	109.6%
Feb-15	1,459	\$1,357,459	\$1,218,558	\$835.20	89.8%	\$194,133	\$1,412,691	104.1%
Mar-15	1,459	\$1,359,739	\$1,298,486	\$889.98	95.5%	\$194,133	\$1,492,620	109.8%
Apr-15	1,458	\$1,367,646	\$1,303,066	\$893.74	95.3%	\$194,000	\$1,497,067	109.5%
May-15	1,452	\$1,357,555	\$1,259,900	\$867.70	92.8%	\$193,202	\$1,453,102	107.0%
Jun-15								

YTD Plan Year	16,299	\$15,142,617	\$14,050,212	\$862.03	92.8%	\$2,168,731	\$16,218,943	107.1%
11 Month Average	1,482	\$1,376,602	\$1,277,292	\$861.93	92.8%	\$197,157	\$1,474,449	107.1%
12 Month Rollup	17,837	\$16,560,145	\$15,346,399	\$860.37	92.7%	\$2,292,620	\$17,639,020	106.5%

Monthly Enrollment and Premium Data as reported by LACERA
 Medical Claims reported by Anthem
 Expenses: Anthem Admin, Stop Loss, and Premium Taxes
 Enrollment and Premium Reported by LACERA



LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION

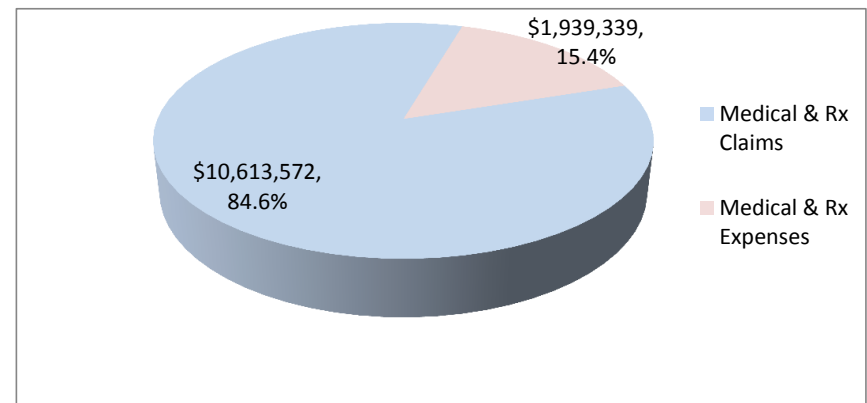
Cigna HMO

Plan Year July 1, 2014 – June 30, 2015

Month	Monthly Enrollment	Monthly Premium	Medical & Rx Claims	Claims Per Retiree Per Month	Paid Loss Ratio	Medical & Rx Expenses	Total Paid Claims & Expenses	Expense Ratio
Jul-14	735	\$1,159,321	\$841,350	\$1,144.69	72.6%	\$184,004	\$1,025,354	88.4%
Aug-14	730	\$1,154,023	\$1,038,202	\$1,422.19	90.0%	\$183,164	\$1,221,366	105.8%
Sep-14	719	\$1,152,128	\$924,763	\$1,286.18	80.3%	\$182,863	\$1,107,626	96.1%
Oct-14	712	\$1,127,149	\$1,508,032	\$2,118.02	133.8%	\$178,898	\$1,686,930	149.7%
Nov-14	703	\$1,131,559	\$731,555	\$1,040.62	64.7%	\$179,598	\$911,153	80.5%
Dec-14	687	\$1,098,224	\$752,613	\$1,095.51	68.5%	\$174,307	\$926,920	84.4%
Jan-15	688	\$1,103,593	\$769,753	\$1,118.83	69.7%	\$175,160	\$944,913	85.6%
Feb-15	680	\$1,070,812	\$1,144,401	\$1,682.94	106.9%	\$169,957	\$1,314,358	122.7%
Mar-15	675	\$1,079,818	\$802,534	\$1,188.94	74.3%	\$171,386	\$973,920	90.2%
Apr-15	674	\$1,076,189	\$1,159,583	\$1,720.45	107.7%	\$170,810	\$1,330,393	123.6%
May-15	668	\$1,065,995	\$940,786	\$1,408.36	88.3%	\$169,192	\$1,109,978	104.1%
Jun-15								

YTD Plan Year	7,671	\$12,218,811	\$10,613,572	\$1,383.60	86.9%	\$1,939,339	\$12,552,911	102.7%
11 Month Average	697	\$1,110,801	\$964,870	\$1,383.60	86.9%	\$176,304	\$1,141,174	102.7%
12 Month Rollup	8,420	\$13,422,268	\$11,659,793	\$1,384.77	86.9%	\$2,072,081	\$13,731,874	102.3%

Monthly Enrollment and Premium Data as reported by LACERA
 Medical Claims reported by Cigna
 Expenses: Cigna Admin Costs and Premium Taxes
 Enrollment and Premium Reported by LACERA



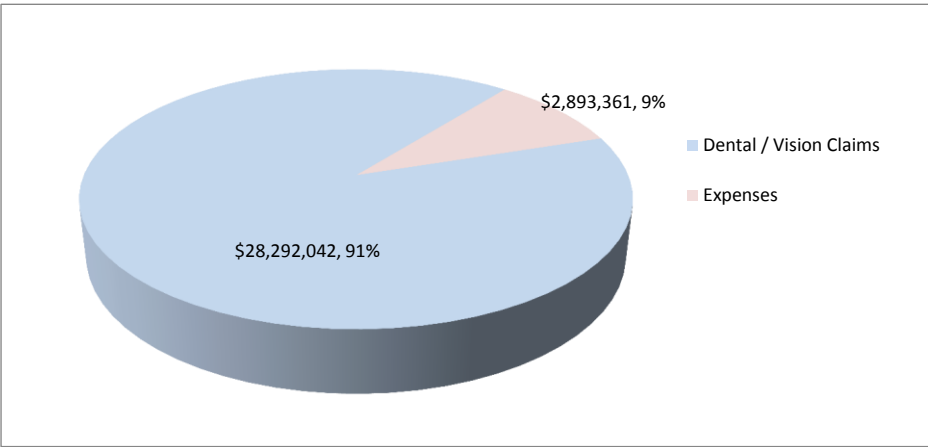
LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION

Cigna Dental PPO and Vision Plan Year July 1, 2014 - June 30, 2015

Month	Monthly Enrollment	Monthly Premium	Dental / Vision Claims	In-Network Dental Claims	Claims Per Retiree Per Month	Paid Loss Ratio	Expenses	Total Paid Claims & Expenses	Expense Ratio
Jul-14	41,346	\$2,933,132	\$2,477,154	35.6%	\$59.91	84.5%	\$259,242	\$2,736,396	93.3%
Aug-14	41,452	\$2,916,875	\$2,296,660	38.1%	\$55.41	78.7%	\$257,805	\$2,554,465	87.6%
Sep-14	41,434	\$2,952,075	\$2,017,741	38.9%	\$48.70	68.3%	\$260,916	\$2,278,657	77.2%
Oct-14	41,504	\$2,941,189	\$2,480,919	38.0%	\$59.78	84.4%	\$259,954	\$2,740,873	93.2%
Nov-14	41,518	\$2,981,671	\$2,116,580	39.9%	\$50.98	71.0%	\$263,532	\$2,380,112	79.8%
Dec-14	41,494	\$2,980,000	\$2,277,403	39.5%	\$54.89	76.4%	\$263,384	\$2,540,787	85.3%
Jan-15	41,564	\$2,986,413	\$2,626,992	45.7%	\$63.20	88.0%	\$263,951	\$2,890,943	96.8%
Feb-15	41,639	\$2,987,855	\$2,835,606	50.6%	\$68.10	94.9%	\$264,078	\$3,099,684	103.7%
Mar-15	41,741	\$3,001,471	\$3,140,583	51.3%	\$75.24	104.6%	\$265,282	\$3,405,865	113.5%
Apr-15	42,091	\$3,026,507	\$3,042,966	53.8%	\$72.29	100.5%	\$267,494	\$3,310,460	109.4%
May-15	42,122	\$3,029,108	\$2,979,438	54.5%	\$70.73	98.4%	\$267,724	\$3,247,162	107.2%
Jun-15									

YTD Plan Year	457,905	\$32,736,296	\$28,292,042	44.2%	\$61.79	86.4%	\$2,893,361	\$31,185,403	95.3%
11 Month Average	41,628	\$2,976,027	\$2,572,004	44.2%	\$61.79	86.4%	\$263,033	\$2,835,037	95.3%
12 Month Rollup	499,146	\$35,704,621	\$30,698,143	43.6%	\$61.50	86.0%	\$3,101,144	\$33,799,287	94.7%

Expenses: Cigna Admin Costs and Premium Taxes
Enrollment and Premium Reported by LACERA



Retirement

EBSA Publishes Notice of Hearings and Extension of Comment Period on Definition of Fiduciary, Conflict of Interest Rule

On June 18, 2015, the Department of Labor's Employee Benefits Security Administration (EBSA) published a notice announcing that public hearings on the definition of fiduciary and conflict of interest rule will be held on August 10, 11, and 12 and will continue through August 13, 2015, if necessary. Additionally, the notice confirmed that EBSA is also extending the date by which comments may be submitted on the proposed rule to July 21, 2015.

The notice is available [here](#).

Health Care

IRS Posts New Guidance on Large Employer Reporting Under Affordable Care Act

On May 19, 2015, the Internal Revenue Service (IRS) revised a set of questions and answers (Q&As) on large employer reporting required under the Affordable Care Act and also posted a new set of Q&As. According to the new guidance added to the revised set of Q&As, an "applicable large employer member" with no full-time employees in any month of a year does not have to file under Code Section 6056, but generally does have to file Form 1094-C (Transmittal of Employer-Provided Health Insurance Offer and Coverage Information Returns) and Form 1095-C (Employer-Provided Health Insurance Offer and Coverage) if it sponsors a self-insured health plan and any employee or employee's spouse or dependent was enrolled in the plan. The IRS also clarified required delivery methods for Form 1095-C and reporting requirements for an employee who has terminated employment. In the new set of Q&As, the IRS provided guidance on reporting offers of coverage for new hires, COBRA-related reporting, and other matters.

The revised set of Q&As is available [here](#).

The new set of Q&As is available [here](#).

Departments Release FAQs on Cost-Sharing and Provider Nondiscrimination

On May 26, 2015, the Departments of Labor, Health and Human Services, and the Treasury (the Departments) issued the 27th set of Frequently Asked Questions (FAQs) About Affordable Care Act Implementation. Specifically, the five FAQs address limitations on cost-sharing and provider nondiscrimination. The Departments answer the following questions:

- The 2016 Payment Notice clarified that under Section 1302(c)(1) of the Affordable Care Act, the self-only maximum annual limitation on cost-sharing applies to each individual, regardless of whether the individual is enrolled in self-only coverage or in coverage other than self-only. Does the Public Health Service (PHS) Act Section 2707(b) apply this requirement to all nongrandfathered group health plans?
- Does the clarification of Section 1302(c)(1) of the Affordable Care Act apply for plan or policy years that begin in 2015?

- Does the clarification of Section 1302(c)(1) of the Affordable Care Act apply to self-only coverage or other coverage that is not self-only coverage under a high-deductible health plan (HDHP) as defined at Section 223(c)(2) of the Internal Revenue Code?
- What is the Departments' approach to PHS Act Section 2706(a)?
- Does Q2 in FAQs About Affordable Care Act Implementation Part XV continue to apply?

On the provider nondiscrimination issue, the Departments restated their current enforcement approach to PHS Act Section 2706(a). Until further guidance is issued, the Departments "will not take any enforcement action against a group health plan, or health insurance issuer offering group or individual coverage, with respect to implementing the requirements of PHS Act section 2706(a) as long as the plan or issuer is using a good faith, reasonable interpretation of the statutory provision."

Regarding the cost-sharing issue, the Departments addressed a clarification provided in the final Notice and Benefits Parameters for 2016. That clarification stated that the Affordable Care Act provisions requiring that nongrandfathered group health plans not exceed cost-sharing limits laid out elsewhere in the health-care law apply to each plan participant, regardless of whether the individual is enrolled in self-only coverage or in coverage other than self-only. In the latest FAQs, the Departments clarified that this applies to all nongrandfathered group health plans (self-insured or not) and to HDHPs. Additionally, the Departments will apply this clarification only for plan or policy years that begin in or after 2016.

The 27th set of FAQs is available [here](#).

Supreme Court Upholds Affordable Care Act Subsidies in Federal Exchange

On June 25, 2015, the United States Supreme Court in *King v. Burwell* upheld by a 6–3 vote an Internal Revenue Service regulation issued under the Affordable Care Act authorizing the payment of subsidies for the purchase of health insurance on the federal health care Exchange.

The Court's majority opinion, written by Chief Justice John Roberts, held that the "context and structure" of the Affordable Care Act lead "us to conclude that Section 36B [of the Internal Revenue Code] allows tax credits for insurance purchased on any Exchange created under the Act. Those credits are necessary for the Federal Exchanges to function like their State Exchange counterparts, and to avoid the type of calamitous result that Congress plainly meant to avoid."

The Court's decision leaves the Affordable Care Act's regulatory structure unchanged and removes the last judicial hurdle to full implementation of the health care reform law.

Resources

The opinion is available [here](#).

Other HR-Related Topics

Spring 2015 Semiannual Regulatory Agendas Released

Federal departments and agencies (the Department of Labor, Employee Benefits Security Administration, Equal Employment Opportunity Commission, Treasury, Internal Revenue Service, Department of Health and Human Services, Pension Benefit Guaranty Corporation, etc.) recently released their Spring 2015 Semiannual Regulatory Agendas. The agendas include regulatory plans and priorities for 2015 and provide a framework of activity expected throughout the remainder of the year. Agencies may delay the release of regulations at any time, so it is important to note that projected timelines are estimates and may not be met by the date(s) indicated in the agendas.

A variety of regulations are scheduled to be issued in the months ahead impacting health care, retirement, compensation, and employment. For additional information, please refer to the specific regulatory agendas.

The link to the Current Unified Agenda of Regulatory and Deregulatory Actions (i.e., the Spring 2015 Semiannual Agendas and Regulatory Plans, searchable by department and agency) is available [here](#).

HHS Reaffirms Position on Out-of-Pocket Maximum Limits

The Department of Health and Human Services (HHS) published question-and-answer guidance on May 8, 2015, applying the Affordable Care Act's limits on out-of-pocket maximum amounts to individuals enrolled in family coverage. HHS's guidance reiterates HHS's position that the individual out-of-pocket maximum limit must apply to each individual, regardless of whether that individual is covered under a family tier of coverage.

On May 18, 2015, officials from the Department of Labor (DOL) and Department of Treasury (Treasury) joined HHS and confirmed that these limits apply to large group market and self-insured plans and do not prevent plans from complying with the requirements for health savings account (HSA)-qualified high-deductible health plans (HDHPs). These requirements will go into effect starting with the first plan year beginning on or after January 1, 2016.

The Aon Hewitt bulletin on the question-and-answer guidance is available [here](#).

Guidance on Employer Payment Plans Questions Continued Use of Certain Opt-Out Credits

Recent guidance from the Departments of Treasury, Labor, and Health and Human Services (the Departments) calls into question the continued viability of opt-out credits that an employer offers to employees, where the employee chooses not to enroll in the employer's medical plan and instead receives a cash payment contingent on enrolling in coverage in the individual market. Opt-out credits may adversely impact an employer's affordability calculation for purposes of complying with the employer mandate to offer affordable, minimum value coverage. Employers need to review plan designs for potential issues if the employer offers employees a cash payment in lieu of coverage under its medical plan.

In Notice 2015-17, the Internal Revenue Service (IRS) reiterated previous guidance on an employer payment plan, which is a health plan that either reimburses employees for the premium expenses incurred for an individual health insurance policy or directly pays a premium for an individual health insurance policy coverage on behalf of the employee. Under prior guidance, the IRS has stated that an employer payment plan fails to comply with the group market reforms under the Affordable Care Act. Notice 2015-17 clarifies that an employer payment plan includes any reimbursements or payments made to an employee based on substantiated expenses for premiums under an individual market policy, regardless of whether the reimbursement is made on a pretax or after-tax basis. In contrast, if an employer simply provides an employee with the payment of additional compensation that is not conditioned on the purchase of health insurance coverage, that arrangement is not an employer payment plan and will not be subject to the group market reforms under the Affordable Care Act for group health plans.

Therefore, under this guidance, a plan that provides for an opt-out credit (regardless of whether it's pretax or after-tax) that conditions the receipt of the credit on the individual purchasing individual market coverage is an employer payment plan and does not meet the group market reforms under the Affordable Care Act. A group health plan that does not comply with the group market reform requirements is subject to a penalty of \$100/day (\$36,500 per year) per impacted individual. Limited transition relief applies to small employers and S-Corporation health care arrangements for 2% shareholders.

The Aon Hewitt bulletin on Notice 2015-17 is available [here](#).

IRS Makes Permanent Penalty Relief Program for Some Late Filers of Form 5500

On May 29, 2015, the Internal Revenue Service (IRS) released Revenue Procedure 2015-32, which establishes a permanent program offering relief to plan administrators who fail to timely file a Form 5500

Series Annual Return/Report. The administrative relief provided under this Revenue Procedure applies to plan administrators and plan sponsors of certain retirement plans from the penalties otherwise applicable under Sections 6652(e) and 6692 of the Internal Revenue Code for failing to timely comply with the annual reporting requirements imposed under Sections 6047(e), 6058, and 6059. This permanent program replaces the temporary pilot program established by Revenue Procedure 2014-32 (issued in May 2014). The administrative relief provided under Revenue Procedure 2015-32 applies only to plan administrators and plan sponsors of retirement plans that are subject to the reporting requirements of Sections 6047(e), 6058, and 6059, but that are not subject to the reporting requirements of Title I of ERISA. The program goes into effect on June 3, 2015.

IRS Revenue Procedure 2015-32 is available [here](#).

EBSA Publishes Plan Audit Quality Report

On May 28, 2015, the Department of Labor's Employee Benefits Security Administration (EBSA) published its study (Assessing the Quality of Employee Benefit Plan Audits) on the quality of benefit plan audits performed by certified public accountants (CPAs). The report reveals challenges within the current system. "The existing patchwork of regulations and rules needs to be overhauled and a meaningful enforcement mechanism needs to be created," said Assistant Secretary of Labor for Employee Benefits Security Phyllis C. Borzi. "The department is proposing, among other measures, legislation that will fix these problems."

According to EBSA, more than 7,300 licensed CPAs nationwide audit more than 81,000 employee benefit plans. EBSA's review found that 61% of audits fully complied with professional auditing standards or had only minor deficiencies under professional standards. However, the remaining 39% of the audits contained major deficiencies.

The news release is available [here](#).

The complete audit report is available [here](#).

DOL Releases New FMLA Forms; Valid Through May 2018

The Department of Labor (DOL) recently released the new model Family and Medical Leave Act (FMLA) notices and medical certification forms. The expiration date for the new forms is May 31, 2018. The DOL updated the following forms:

- WH-380-E Certification of Health Care Provider for Employee's Serious Health Condition
- WH-380-F Certification of Health Care Provider for Family Member's Serious Health Condition
- WH-381 Notice of Eligibility and Rights & Responsibilities
- WH-382 Designation Notice
- WH-384 Certification of Qualifying Exigency For Military Family Leave
- WH-385 Certification for Serious Injury or Illness of Current Servicemember — for Military Family Leave
- WH-385-V Certification for Serious Injury or Illness of a Veteran for Military Caregiver Leave

The updated DOL forms may be accessed [here](#).

Aon Hewitt Publications

Departments Unite on Out-of-Pocket Maximum Limits, but Refrain From Further Guidance on Provider Nondiscrimination

The Departments of Labor, Treasury, and Health and Human Services (the Departments) issued definitive guidance on the application of the Affordable Care Act's out-of-pocket maximum limits, which has been the source of some confusion in the employee benefits community the past few months. (See

the Aon Hewitt bulletin “HHS Reaffirms Position on Out-of-Pocket Maximum Limits” in Resources for details.)

The Departments’ guidance in the 27th set of *Frequently Asked Questions (FAQs) About Affordable Care Act Implementation*:

- Reiterates that the individual out-of-pocket maximum limit under the Affordable Care Act (\$6,850 for plan and policy years beginning after 2015) applies to expenses incurred by each individual covered by the plan, regardless of whether the individual is covered under self-only coverage or other-than-self-only (e.g., family) coverage;
- Confirms that the Affordable Care Act’s out-of-pocket limits apply to all non-grandfathered group health plans, including self-insured, fully insured, large group, small group, and high deductible health plans; and
- Confirms that this rule will apply for plan or policy years that begin on or after January 1, 2016.
- The Aon Hewitt bulletin on the FAQs is available [here](#).

Now Available: Retirement Legal Consulting and Compliance Quarterly Update

The Aon Hewitt Retirement Legal Consulting & Compliance group is pleased to present its *Quarterly Update* of recent legal developments and consulting opportunities for the second quarter of 2015. In this issue you will find information on the following topics:

- New Proposed Fiduciary Rules Change the Playing Field
- New Guidance for Correcting Overpayments
- Modifications to Procedure for Correcting Enrollment Errors
- Lump-Sum Window Disclosures Are Receiving Governmental Attention
- Death of a *Yard-Man*—U.S. Supreme Court Decision Changes Retiree Health Care Game
- The Retirement Legal Consulting and Compliance Quarterly Update is available [here](#).

Agencies Issue More FAQs on Coverage of Preventive Services

On May 11, 2015, the Departments of Health and Human Services, Labor, and Treasury (the agencies) issued a new set of frequently asked questions (FAQs) that address the coverage of recommended preventive services by plans and health insurance issuers under the Affordable Care Act.

These FAQs clarify the coverage of breast cancer genetic marker (BRCA) testing, contraception, sex-specific recommended preventive services, preventive care for dependents, and colonoscopies.

The Aon Hewitt bulletin, which summarizes the coverage of preventive services guidance provided in the agencies’ latest set of FAQs, is available [here](#).