

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, AUGUST 13, 2015, 12:20 P.M. – 1:05 P.M.

COMMITTEE MEMBERS

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

ABSENT: William de la Garza

ALSO ATTENDING:

BOARD MEMBERS AT LARGE

Anthony Bravo
Yves Chery
Joseph Kelly

STAFF, ADVISORS, PARTICIPANTS

Cassandra Smith
Barry Lew
Steven Rice

Aon Hewitt

Kirby Bosley
Laura Peck

The meeting was called to order by Chair Robbins at 12:20 p.m. Due to the absence of Mr. de la Garza, the Chair announced that Mr. Okum, as the alternate, would be a voting member of the Committee.

I. APPROVAL OF THE MINUTES

A. Approval of the minutes of the regular meeting of July 9, 2015

Mr. Okum made a motion, Mr. Bernstein seconded, to approve the minutes of the regular meeting of July 9, 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 U.S. Senate Bill 1651 which would enact the "Social Security Fairness Act of 2015." (Memorandum dated July 31, 2015)

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

IV. FOR INFORMATION

A. Staff Activities Report for July, 2015

The staff activities report was discussed.

B. Health Care Trend Overview

Laura Peck of Aon Hewitt provided an overview of health care trend. Trend is the rate of increase in health care costs every year. Future health care trend is a prediction of trend used by insurance companies and actuaries for self-insured plans and for calculating OPEB liabilities. Retrospective health care trend is a measure of the actual change in health care costs experienced. Items covered in the presentation were:

- Sources of medical trend for annual projection purposes
- Additional drivers/reducers affecting 2016 medical cost
- Pharmacy
- Long-term medical trend factors for GASB/OPEB purposes

IV. FOR INFORMATION (Continued)

C. Anthem/Cigna Merger

Anthem, Inc. recently announced that they have entered into a definitive agreement to acquire Cigna Corporation. Press releases from both Anthem and Cigna were submitted to the Committee for information.

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 1:05 p.m., after setting the time for the Operations Oversight Committee at 1:10 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.**