

**NOTICE OF MEETING AND AGENDA**

**SPECIAL 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, MAY 21, 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 April 9, 2015

**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 "Watch" position on Assembly Bill 1291, which relates to the ability of the Ventura County Employees' Retirement Association to define itself as a "district" and thereby become the direct employer of certain of its employees. (Memorandum dated May 6, 2015)

B. Recommendation as submitted by Barry W. Lew, Legislative Affairs Officer: That the Committee recommend the Board of Retirement adopt a "Watch" position on Senate Bill 292, which would exempt certain cities and counties from the 50-percent normal cost provision under the California Public Employees' Pension Reform Act of 2013. (Memorandum dated May 6, 2015)

III. ACTION ITEMS (Continued)

- C. Recommendation as submitted by Barry W. Lew, Legislative Affairs Officer: That the Committee recommend the Board of Retirement adopt a “Watch” position on Senate Bill 354, which clarifies the time period during which a joint powers authority can provide specified retirement benefits. (Memorandum dated May 6, 2015)
- D. Recommendation as submitted by Barry W. Lew, Legislative Affairs Officer: That the Committee recommend the Board of Retirement adopt a “Watch” position on Assembly Constitutional Amendment 3, which addresses benefit enhancements. (Memorandum dated May 6, 2015)
- E. Recommendation as submitted by Barry W. Lew, Legislative Affairs Officer: That the Committee recommend the Board of Retirement direct staff to work with LACERA’s legislative advocate and seek an author to amend legislation relating to the nonconcurrent retirement rights of members in LACERA’s noncontributory Plan E. (Memorandum dated May 6, 2015)

IV. FOR INFORMATION

- A. Retiree Health Care Insurance Counseling  
Carlos Barrios, Member Services Division
- B. Staff Activities Report for April, 2015
- C. Anthem Blue Cross Data Breach Discussion
- D. Cigna & Anthem Blue Cross Claims Experience
- E. Federal Legislation
  - Aon Hewitt Washington Report

V. GOOD OF THE ORDER

(For information purposes only)

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

May 21, 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, MAY 21, 2015, 12:50 P.M. – 2:05 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  
Shawn R. Kehoe  
Keith Knox (*sitting in for Mr. Kelly*)

STAFF, ADVISORS, PARTICIPANTS

Cassandra Smith	Kathy Migita
Carlos Barrios	JJ Popowich
Barry Lew	James Pu

Aon Hewitt

Cindy Arita  
Helen Batsalkin

Anthem Blue Cross

Molly McCoy  
Diane Patzlaff

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 regular meeting of April 9, 2015

Mr. Bernstein made a motion, Ms. Gray seconded, to approve the minutes of the regular meeting of April 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 "Watch" position on Assembly Bill 1291, which relates to the ability of the Ventura County Employees' Retirement Association to define itself as a "district" and thereby become the direct employer of certain of its employees. (Memorandum dated May 6, 2015)

Ms. Gray made a motion, Mr. Okum 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 Senate Bill 292, which would exempt certain cities and counties from the 50-percent normal cost provision under the California Public Employees' Pension Reform Act of 2013. (Memorandum dated May 6, 2015)

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

C. Recommendation as submitted by Barry W. Lew, Legislative Affairs Officer: That the Committee recommend the Board of Retirement adopt a "Watch" position on Senate Bill 354, which clarifies the time period during which a joint powers authority can provide specified retirement benefits. (Memorandum dated May 6, 2015)

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

### III. ACTION ITEMS (Continued)

- D. Recommendation as submitted by Barry W. Lew, Legislative Affairs Officer: That the Committee recommend the Board of Retirement adopt a “Watch” position on Assembly Constitutional Amendment 3, which addresses benefit enhancements. (Memorandum dated May 6, 2015)

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

- E. Recommendation as submitted by Barry W. Lew, Legislative Affairs Officer: That the Committee recommend the Board of Retirement direct staff to work with LACERA’s legislative advocate and seek an author to amend legislation relating to the nonconcurrent retirement rights of members in LACERA’s noncontributory Plan E. (Memorandum dated May 6, 2015)

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

### IV. FOR INFORMATION

- A. Retiree Healthcare Insurance Counseling  
Carlos Barrios, Member Services Division

Mr. Barrios gave a brief overview of the retiree healthcare insurance counseling that is presented at LACERA’s retirement seminars. Members are encouraged to schedule one-on-one counseling for more in-depth information pertaining to their individual needs. Items covered during the presentation are:

- Health Insurance Subsidy
- Eligible Dependents
- Eligible Survivors
- Enrollment Rules
- Indemnity Plans
- HMOs
- Medicare
- Medicare Supplement Plan
- Medicare Advantage—Prescription Drug Plans
- Dental/Vision Plan

IV. FOR INFORMATION (Continued)

B. Staff Activities Report for April, 2015

The staff activities report was discussed.

C. Anthem Blue Cross Data Breach Discussion

Diane Patzlaff and Molly McCoy of Anthem Blue Cross discussed the data breach which occurred in January of this year, and answered questions from the Committee.

Anthem is taking every precaution to make certain that their systems are protected, now and in the future. The FBI has informed Anthem that, to date, there is no indication that any of the data is being misused for the purposes of fraud. The critical member data obtained in the breach were name, address, social security number, date of birth, and email address. No medical, financial, premium, credit card, provider, or claims information was acquired.

*(This Item was handled out of order, after Item II.)*

D. CIGNA & Anthem Blue Cross Claims Experience

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

E. 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 2:05 p.m., after setting the time for the Operations Oversight Committee at 2:10 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.**