

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 9, 2016, 11:20 A.M. – 11:50 A.M.

COMMITTEE MEMBERS

PRESENT: Les Robbins, Chair
William de la Garza, Vice Chair
Vivian H. Gray
Shawn R. Kehoe

ABSENT: Ronald Okum, Alternate

ALSO ATTENDING:

BOARD MEMBERS AT LARGE

Marvin Adams
Yves Chery
Joseph Kelly
David L. Muir

STAFF, ADVISORS, PARTICIPANTS

Cassandra Smith
Steve Rice
Barry Lew

Aon Hewitt

Kirby Bosley
Cathy Weis

The meeting was called to order by Chair Robbins at 11:20 a..m.

I. APPROVAL OF THE MINUTES

A. Approval of the minutes of the special meeting of May 5, 2016

Mr. de la Garza made a motion, Mr. Kehoe seconded, to approve the minutes of the special meeting of May 5, 2016. 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:

1. Approve the revised format of the legislative analysis memorandum.
2. Provide staff with discretion to modify the format for specific cases if necessary.

(Memorandum dated May 28, 2016)

Mr. de la Garza made a motion, Mr. Kehoe seconded, to approve the recommendation.

After discussion by the Committee, staff indicated it would be more appropriate to defer this item and include it with the full package on LACERA's legislative processes to be brought back to the Boards. The motion was withdrawn by Mr. de la Garza and no action was taken.

IV. FOR INFORMATION

A. Staff Activities Report for May, 2016

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.

IV. FOR INFORMATION (Continued)

Anthem's financial accuracy decreased slightly compared to the 2014 audit. However, there was a significant improvement in performance for overall accuracy and payment accuracy. It appears that Anthem's initiatives to correct system issues related to Medicare Sequestration have greatly reduced the frequency of errors. There was an increase in claim handling time performance results, with the 30-calendar performance guarantee objective not achieved.

Although performance has improved since 2014, Medicare Sequestration still continues to be an issue. Anthem is currently looking to address what has not been working effectively in coordination of benefits.

The Cigna Dental Plan audit results were the highest over the last four years, with financial, overall, and payment accuracy at 100%. Unfortunately, performance in the 14 and 30 calendar day turnaround time standards decreased as compared to the 2014 results. However, Cigna had already identified issues with processing claims in a timely manner and taken steps to improve their performance. We would expect to see improved claim handling time results in the next audit period.

C. CIGNA & Anthem Blue Cross Claims Experience

The CIGNA & Anthem Blue Cross Claims Experience reports through April 2016 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 11:50 a.m., after setting the time for the Operations Oversight Committee at 11:55 a.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.**