

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**

WEDNESDAY, NOVEMBER 2, 2016 - 9:00 A.M.**

*The Committee may take action on any item on the agenda,
and agenda items may be taken out of order.*

COMMITTEE MEMBERS:

Les Robbins, Chair
William de la Garza, Vice Chair
Vivian H. Gray
Shawn R. Kehoe
Ronald Okum, Alternate

I. PUBLIC COMMENT

II. FOR INFORMATION

- A. Staff Activities Report for October 2016
- B. Medicare Access and CHIP Reauthorization Act of 2015 (MACRA)
- C. Cigna & Anthem Blue Cross Claims Experience
- D. Federal Legislation
 - Aon Hewitt Washington Report

III. GOOD OF THE ORDER

(For information purposes only)

IV. ADJOURNMENT

November 2, 2016

Page 2

***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.

**INSURANCE, BENEFITS & LEGISLATIVE COMMITTEE
RETIREE HEALTHCARE BENEFITS PROGRAM
STAFF ACTIVITIES REPORT
OCTOBER 2016
FOR INFORMATION ONLY**

Retiree Healthcare Benefits Program Consulting Services – Request for Proposals (RFP) Update

As you may recall, your Committee approved staff's recommendation to issue a Request for Proposal for the Retiree Healthcare Benefits Program consulting services. With your Committee's authorization, staff released the RFP on August 12, 2016. Staff received responses from six firms, namely, Aon, Buck Keenan, Mercer, Milliman, and Segal. The responding firms were invited to present to the Evaluation Committee on October 28, 2016 (date was changed from October 25, 2016). The Evaluation Committee members are comprised of representatives from the following divisions: Internal Audit, Legal, and Retiree Healthcare.

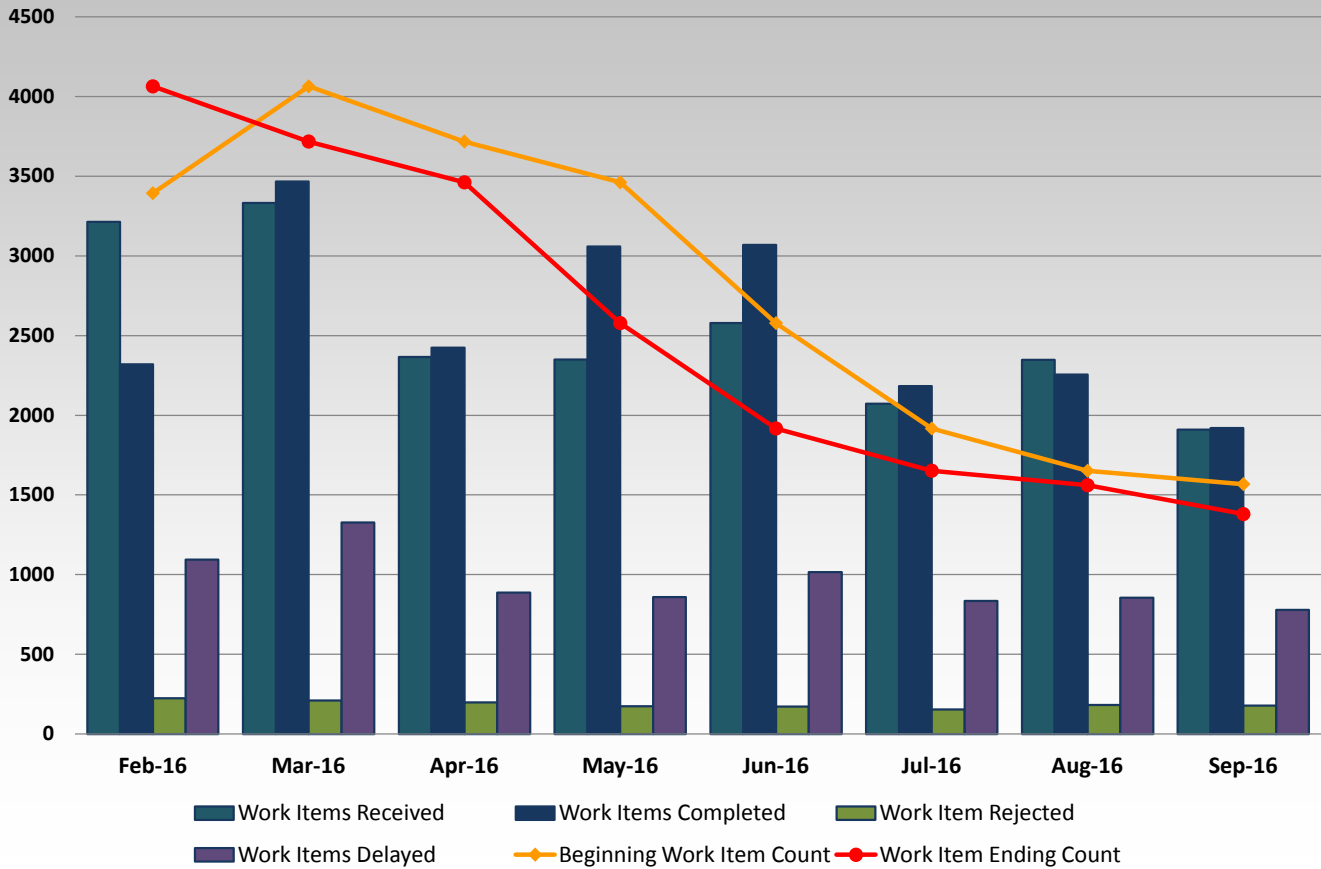
Staff will continue to keep your Board apprised on the status of the RFP process.

Retiree Healthcare Division

Trend Report

February 2016-September 2016

Updated 10/25/2016

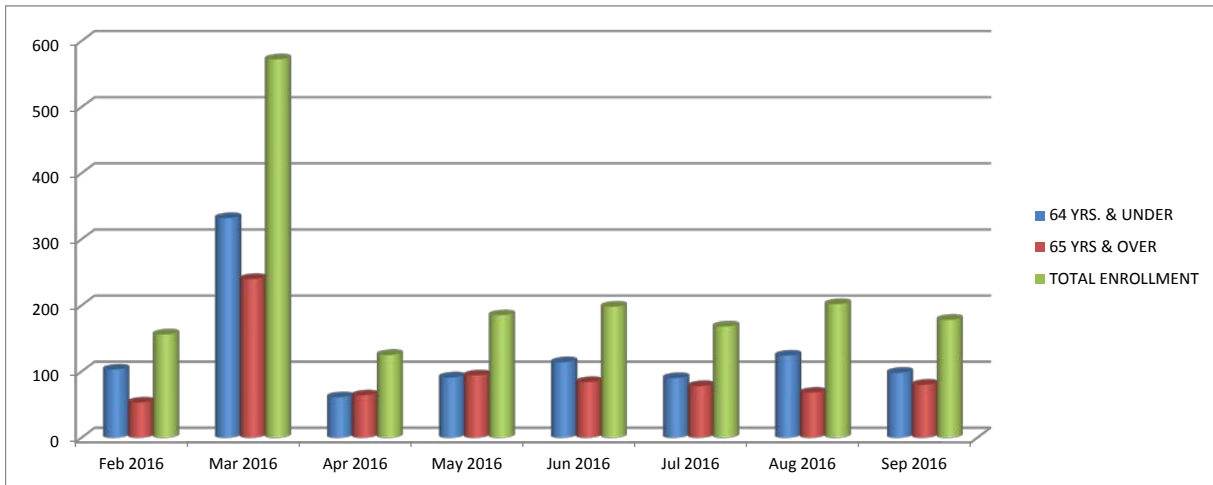


	Beginning Work Item Count	Work Items Received	Work Items Completed	Work Item Rejected	Work Items Delayed	Work Item Ending Count
Feb-16	3393	3214	2320	224	1094	4063
Mar-16	4063	3331	3467	210	1328	3717
Apr-16	3717	2365	2423	198	887	3461
May-16	3461	2350	3059	174	860	2578
Jun-16	2578	2579	3068	172	1015	1917
Jul-16	1917	2072	2183	154	836	1652
Aug-16	1652	2347	2255	183	855	1561
Sep-16	1568	1910	1920	178	780	1380

Retirees Monthly Age Breakdown FEBRUARY ~ SEPTEMBER, 2016

Service Retirement

MONTH	64 YRS. & UNDER	65 YRS & OVER	TOTAL ENROLLMENT
Feb 2016	103	53	156
Mar 2016	332	240	572
Apr 2016	61	64	125
May 2016	91	94	185
Jun 2016	114	84	198
Jul 2016	90	78	168
Aug 2016	124	68	202
Sep 2016	98	80	178



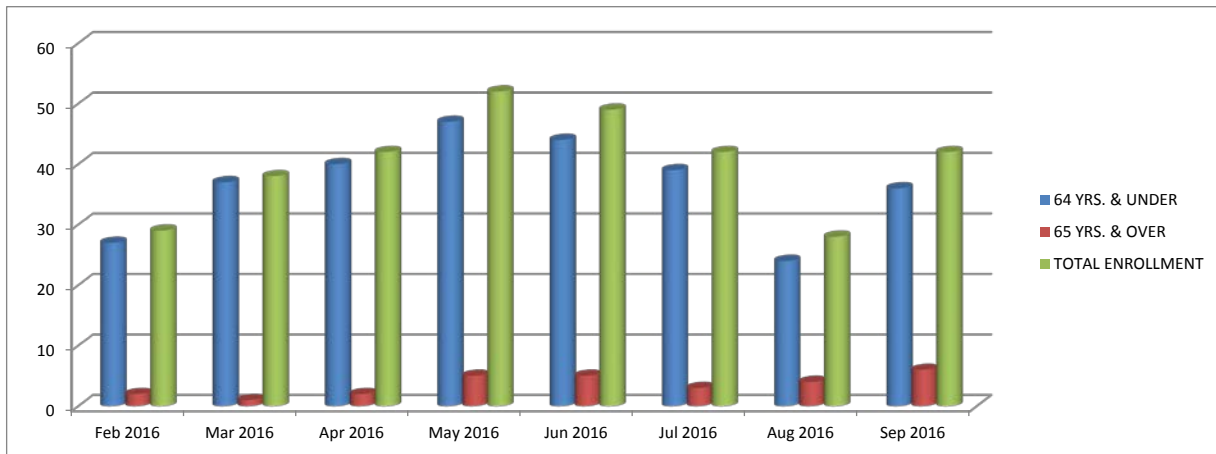
PLEASE NOTE:

- **October (10/2016) data is not yet available as data is provided on a full month basis.**
- **Next Report will include the following dates: February 1, through October 31, 2016.**

Retirees Monthly Age Breakdown FEBRUARY ~ SEPTEMBER, 2016

Disability Retirement

MONTH	64 YRS. & UNDER	65 YRS. & OVER	TOTAL ENROLLMENT
Feb 2016	27	2	29
Mar 2016	37	1	38
Apr 2016	40	2	42
May 2016	47	5	52
Jun 2016	44	5	49
Jul 2016	39	3	42
Aug 2016	24	4	28
Sep 2016	36	6	42



PLEASE NOTE:

- October (10/2016) data is not yet available as data is provided on a full month basis.
- Next Report will include the following dates: February 1, through October 31, 2016.

Medicare Part B Reimbursement and Penalty Report

PAY PERIOD 10/31/2016

Deduction Code	No. of Members	Reimbursement Amount	No. of Penalties	Penalty Amount
ANTHEM BC III				
240	6,283	\$671,617.40	11	\$287.70
241	173	\$18,485.70	1	\$62.90
242	838	\$90,325.20	1	\$121.80
243	3,590	\$762,136.10	6	\$449.10
244	16	\$1,729.10	0	\$0.00
245	51	\$5,620.30	0	\$0.00
246	19	\$2,026.90	0	\$0.00
247	84	\$9,217.20	0	\$0.00
248	10	\$2,114.90	1	\$36.50
249	41	\$8,973.60	0	\$0.00
250	12	\$2,551.40	0	\$0.00
Plan Total:	11,117	\$1,574,797.80	20	\$958.00
CIGNA-HEALTHSPRING PREFERRED with RX				
321	25	\$2,673.20	0	\$0.00
322	7	\$734.30	0	\$0.00
324	14	\$2,954.10	0	\$0.00
327	2	\$209.80	0	\$0.00
329	2	\$436.50	0	\$0.00
Plan Total:	50	\$7,007.90	0	\$0.00
KAISER SR. ADVANTAGE				
401	1	(\$104.90)	0	\$0.00
403	9,700	\$1,035,726.60	7	\$204.10
404	1	(\$121.80)	0	\$0.00
411	1	(\$209.80)	0	\$0.00
413	1,683	\$181,745.87	0	\$0.00
418	4,879	\$1,040,040.00	5	\$360.80
419	264	\$28,254.30	0	\$0.00
426	198	\$20,962.50	0	\$0.00
427	161	\$17,230.40	0	\$0.00
445	2	\$209.80	0	\$0.00
451	30	\$3,197.70	0	\$0.00
457	11	\$2,324.70	0	\$0.00
462	52	\$5,488.60	0	\$0.00
465	13	\$1,380.60	0	\$0.00
466	24	\$5,085.90	0	\$0.00
472	33	\$3,478.60	0	\$0.00
476	5	\$575.20	0	\$0.00
478	13	\$2,727.40	0	\$0.00
482	77	\$8,229.40	1	\$12.20
486	10	\$1,099.70	0	\$0.00
488	42	\$9,048.20	0	\$0.00
492	1	\$104.90	0	\$0.00
494	1	\$226.70	0	\$0.00
Plan Total:	17,202	\$2,366,700.57	13	\$577.10

Medicare Part B Reimbursement and Penalty Report

PAY PERIOD 10/31/2016

Deduction Code	No. of Members	Reimbursement Amount	No. of Penalties	Penalty Amount
SCAN				
611	260	\$27,818.30	0	\$0.00
613	96	\$20,482.30	0	\$0.00
Plan Total:	356	\$48,300.60	0	\$0.00
UNITED HEALTHCARE GROUP MEDICARE ADV. HMO				
701	1,517	\$162,475.40	1	\$36.50
702	319	\$35,061.60	0	\$0.00
703	832	\$178,747.60	1	\$10.50
704	73	\$8,164.70	0	\$0.00
705	25	\$5,447.80	0	\$0.00
Plan Total:	2,766	\$389,897.10	2	\$47.00
Grand Total:	31,491	\$4,386,703.97	35	\$1,582.10

Medicare Part B Reimbursement and Penalty Report

PAY PERIOD 10/31/2016

Deduction Code	No. of Members	Reimbursement Amount	No. of Penalties	Penalty Amount
ANTHEM BC III				
240	6,283	\$671,617.40	11	\$287.70
241	173	\$18,485.70	1	\$62.90
242	838	\$90,325.20	1	\$121.80
243	3,590	\$762,136.10	6	\$449.10
244	16	\$1,729.10	0	\$0.00
245	51	\$5,620.30	0	\$0.00
246	19	\$2,026.90	0	\$0.00
247	84	\$9,217.20	0	\$0.00
248	10	\$2,114.90	1	\$36.50
249	41	\$8,973.60	0	\$0.00
250	12	\$2,551.40	0	\$0.00
Plan Total:	11,117	\$1,574,797.80	20	\$958.00
CIGNA-HEALTHSPRING PREFERRED with RX				
321	25	\$2,673.20	0	\$0.00
322	7	\$734.30	0	\$0.00
324	14	\$2,954.10	0	\$0.00
327	2	\$209.80	0	\$0.00
329	2	\$436.50	0	\$0.00
Plan Total:	50	\$7,007.90	0	\$0.00
KAISER SR. ADVANTAGE				
401	1	(\$104.90)	0	\$0.00
403	9,700	\$1,035,726.60	7	\$204.10
404	1	(\$121.80)	0	\$0.00
411	1	(\$209.80)	0	\$0.00
413	1,683	\$181,745.87	0	\$0.00
418	4,879	\$1,040,040.00	5	\$360.80
419	264	\$28,254.30	0	\$0.00
426	198	\$20,962.50	0	\$0.00
427	161	\$17,230.40	0	\$0.00
445	2	\$209.80	0	\$0.00
451	30	\$3,197.70	0	\$0.00
457	11	\$2,324.70	0	\$0.00
462	52	\$5,488.60	0	\$0.00
465	13	\$1,380.60	0	\$0.00
466	24	\$5,085.90	0	\$0.00
472	33	\$3,478.60	0	\$0.00
476	5	\$575.20	0	\$0.00
478	13	\$2,727.40	0	\$0.00
482	77	\$8,229.40	1	\$12.20
486	10	\$1,099.70	0	\$0.00
488	42	\$9,048.20	0	\$0.00
492	1	\$104.90	0	\$0.00
494	1	\$226.70	0	\$0.00
Plan Total:	17,202	\$2,366,700.57	13	\$577.10

Medicare Part B Reimbursement and Penalty Report

PAY PERIOD 10/31/2016

Deduction Code	No. of Members	Reimbursement Amount	No. of Penalties	Penalty Amount
SCAN				
611	260	\$27,818.30	0	\$0.00
613	96	\$20,482.30	0	\$0.00
Plan Total:	356	\$48,300.60	0	\$0.00
UNITED HEALTHCARE GROUP MEDICARE ADV. HMO				
701	1,517	\$162,475.40	1	\$36.50
702	319	\$35,061.60	0	\$0.00
703	832	\$178,747.60	1	\$10.50
704	73	\$8,164.70	0	\$0.00
705	25	\$5,447.80	0	\$0.00
Plan Total:	2,766	\$389,897.10	2	\$47.00
LOCAL 1014				
804	164	\$20,673.50	0	\$0.00
805	182	\$22,524.20	0	\$0.00
806	554	\$125,826.10	0	\$0.00
807	32	\$4,251.10	0	\$0.00
808	10	\$2,165.60	0	\$0.00
812	212	\$23,435.80	0	\$0.00
Plan Total:	1,154	\$198,876.30	0	\$0.00
Grand Total:	32,645	\$4,585,580.27	35	\$1,582.10

Medical and Dental Vision Insurance Premiums November 2016

Carrier Codes	Member Count	Premium Amount	Member Amount	County Subsidy Amount	Total	Adjustments	Total Paid
Medical Plan							
Anthem Blue Cross Prudent Buyer Plan							
201	746	\$629,519.56	\$105,668.08	\$524,694.84	\$630,362.92	(\$843.86)	\$629,519.06
202	410	\$685,092.66	\$73,319.81	\$595,187.65	\$668,507.46	\$0.00	\$668,507.46
203	104	\$207,777.57	\$48,062.26	\$130,587.89	\$178,650.15	\$0.00	\$178,650.15
204	36	\$40,113.55	\$13,546.70	\$28,016.97	\$41,563.67	\$0.00	\$41,563.67
205	1	\$231.33	\$37.00	\$888.32	\$925.32	\$0.00	\$925.32
SUBTOTAL	1,297	\$1,562,734.67	\$240,633.85	\$1,279,375.67	\$1,520,009.52	(\$843.86)	\$1,519,165.66
Anthem Blue Cross I							
211	936	\$997,579.44	\$67,805.21	\$931,905.81	\$999,711.02	(\$3,197.37)	\$996,513.65
212	342	\$660,428.40	\$37,782.55	\$604,757.34	\$642,539.89	(\$1,919.85)	\$640,620.04
213	50	\$113,213.00	\$15,442.22	\$95,506.52	\$110,948.74	\$0.00	\$110,948.74
214	19	\$26,780.12	\$5,327.83	\$21,452.29	\$26,780.12	\$0.00	\$26,780.12
215	4	\$1,418.04	\$205.61	\$1,212.43	\$1,418.04	\$354.51	\$1,772.55
SUBTOTAL	1,351	\$1,799,419.00	\$126,563.42	\$1,654,834.39	\$1,781,397.81	(\$4,762.71)	\$1,776,635.10
Anthem Blue Cross II							
221	2,100	\$2,238,159.00	\$138,359.51	\$2,105,591.23	\$2,243,950.74	(\$8,526.32)	\$2,235,424.42
222	1,894	\$3,647,715.00	\$99,584.49	\$3,512,175.45	\$3,611,759.94	(\$3,839.70)	\$3,607,920.24
223	558	\$1,263,457.08	\$48,138.04	\$1,199,469.22	\$1,247,607.26	\$2,264.26	\$1,249,871.52
224	119	\$167,728.12	\$15,786.17	\$154,760.91	\$170,547.08	\$0.00	\$170,547.08
225	3	\$1,063.53	\$177.25	\$886.28	\$1,063.53	\$0.00	\$1,063.53
SUBTOTAL	4,674	\$7,318,122.73	\$302,045.46	\$6,972,883.09	\$7,274,928.55	(\$10,101.76)	\$7,264,826.79

Medical and Dental Vision Insurance Premiums November 2016

Carrier Codes	Member Count	Premium Amount	Member Amount	County Subsidy Amount	Total	Adjustments	Total Paid
Anthem Blue Cross III							
240	6,305	\$2,723,163.60	\$433,752.39	\$2,291,132.01	\$2,724,884.40	(\$5,417.84)	\$2,719,466.56
241	173	\$240,724.75	\$28,195.19	\$201,978.70	\$230,173.89	\$0.00	\$230,173.89
242	842	\$1,165,107.79	\$78,352.31	\$1,051,490.66	\$1,129,842.97	\$0.00	\$1,129,842.97
243	3,594	\$3,095,989.68	\$361,117.38	\$2,661,383.50	\$3,022,500.88	(\$1,714.28)	\$3,020,786.60
244	16	\$13,112.61	\$2,560.81	\$14,402.45	\$16,963.26	\$0.00	\$16,963.26
245	52	\$40,109.16	\$5,137.05	\$34,200.78	\$39,337.83	\$0.00	\$39,337.83
246	19	\$32,586.90	\$3,190.08	\$29,396.82	\$32,586.90	\$0.00	\$32,586.90
247	86	\$147,498.60	\$9,227.24	\$136,556.26	\$145,783.50	\$0.00	\$145,783.50
248	10	\$11,965.90	\$1,914.54	\$10,051.36	\$11,965.90	\$0.00	\$11,965.90
249	41	\$49,060.19	\$4,331.66	\$44,728.53	\$49,060.19	\$0.00	\$49,060.19
250	12	\$16,089.24	\$750.83	\$15,338.41	\$16,089.24	\$0.00	\$16,089.24
SUBTOTAL	11,150	\$7,535,408.42	\$928,529.48	\$6,490,659.48	\$7,419,188.96	(\$7,132.12)	\$7,412,056.84
CIGNA Network Model Plan							
301	369	\$491,703.57	\$116,524.11	\$375,179.46	\$491,703.57	(\$1,332.53)	\$490,371.04
302	170	\$408,727.60	\$90,262.89	\$318,464.71	\$408,727.60	(\$4,808.56)	\$403,919.04
303	24	\$68,112.00	\$17,422.50	\$45,013.50	\$62,436.00	\$0.00	\$62,436.00
304	23	\$40,655.72	\$15,989.82	\$24,665.90	\$40,655.72	\$0.00	\$40,655.72
SUBTOTAL	586	\$1,009,198.89	\$240,199.32	\$763,323.57	\$1,003,522.89	(\$6,141.09)	\$997,381.80

Medical and Dental Vision Insurance Premiums November 2016

Carrier Codes	Member Count	Premium Amount	Member Amount	County Subsidy Amount	Total	Adjustments	Total Paid
CIGNA Healthspring Pref w/ Rx - Phoenix, AZ							
321	25	\$8,612.25	\$1,715.57	\$7,241.17	\$8,956.74	\$0.00	\$8,956.74
322	8	\$12,739.77	\$56.61	\$8,436.57	\$8,493.18	\$0.00	\$8,493.18
324	14	\$9,533.72	\$1,157.67	\$8,376.05	\$9,533.72	\$0.00	\$9,533.72
327	2	\$3,697.48	\$369.75	\$3,327.73	\$3,697.48	\$0.00	\$3,697.48
329	2	\$2,362.48	\$0.00	\$2,362.48	\$2,362.48	\$0.00	\$2,362.48
SUBTOTAL	51	\$36,945.70	\$3,299.60	\$29,744.00	\$33,043.60	\$0.00	\$33,043.60

Medical and Dental Vision Insurance Premiums November 2016

Carrier Codes	Member Count	Premium Amount	Member Amount	County Subsidy Amount	Total	Adjustments	Total Paid
Kaiser/Senior Advantage							
401	1,635	\$1,499,245.80	\$133,663.32	\$1,365,605.72	\$1,499,269.04	\$0.00	\$1,499,269.04
403	9,773	\$2,373,598.40	\$257,251.87	\$2,118,944.12	\$2,376,195.99	(\$4,118.20)	\$2,372,077.79
404	496	\$493,378.56	\$15,224.79	\$520,940.43	\$536,165.22	(\$978.24)	\$535,186.98
405	889	\$851,454.54	\$21,094.09	\$803,691.23	\$824,785.32	\$0.00	\$824,785.32
406	45	\$77,947.00	\$28,197.19	\$41,443.93	\$69,641.12	\$0.00	\$69,641.12
411	1,801	\$3,281,331.30	\$171,929.47	\$3,087,637.27	\$3,259,566.74	\$0.00	\$3,259,566.74
413	1,678	\$1,942,255.70	\$92,962.07	\$1,814,341.83	\$1,907,303.90	(\$3,439.65)	\$1,903,864.25
414	139	\$265,253.80	\$5,001.93	\$297,304.79	\$302,306.72	\$0.00	\$302,306.72
418	4,873	\$2,331,122.00	\$188,409.45	\$2,121,748.75	\$2,310,158.20	(\$2,386.00)	\$2,307,772.20
419	266	\$328,385.76	\$7,807.53	\$421,379.51	\$429,187.04	\$0.00	\$429,187.04
420	125	\$250,626.88	\$1,341.95	\$260,509.44	\$261,851.39	\$0.00	\$261,851.39
421	9	\$8,207.55	\$1,203.79	\$7,003.76	\$8,207.55	\$0.00	\$8,207.55
422	212	\$397,261.04	\$1,633.58	\$365,501.68	\$367,135.26	\$0.00	\$367,135.26
423	22	\$59,764.35	\$7,280.51	\$37,139.86	\$44,420.37	\$0.00	\$44,420.37
426	197	\$243,337.05	\$3,394.82	\$163,196.11	\$166,590.93	\$0.00	\$166,590.93
427	163	\$320,230.60	\$3,163.71	\$299,954.92	\$303,118.63	(\$5,787.30)	\$297,331.33
428	48	\$94,821.37	\$1,083.68	\$93,737.69	\$94,821.37	\$0.00	\$94,821.37
429	10	\$26,772.20	\$4,542.56	\$24,906.86	\$29,449.42	\$0.00	\$29,449.42
430	129	\$246,586.60	\$3,300.46	\$223,393.28	\$226,693.74	\$0.00	\$226,693.74
431	12	\$31,666.92	\$4,948.65	\$26,718.27	\$31,666.92	\$0.00	\$31,666.92
432	9	\$30,429.00	\$10,050.66	\$20,378.34	\$30,429.00	\$0.00	\$30,429.00
SUBTOTAL	22,531	\$15,153,676.42	\$963,486.08	\$14,115,477.79	\$15,078,963.87	(\$16,709.39)	\$15,062,254.48

Medical and Dental Vision Insurance Premiums November 2016

Carrier Codes	Member Count	Premium Amount	Member Amount	County Subsidy Amount	Total	Adjustments	Total Paid
Kaiser - Colorado							
450	4	\$4,250.44	\$552.55	\$3,697.89	\$4,250.44	\$0.00	\$4,250.44
451	30	\$10,294.80	\$1,207.94	\$9,086.86	\$10,294.80	\$0.00	\$10,294.80
453	3	\$7,047.99	\$858.96	\$3,839.70	\$4,698.66	\$0.00	\$4,698.66
454	1	\$3,171.92	\$907.66	\$2,264.26	\$3,171.92	\$0.00	\$3,171.92
457	11	\$7,461.52	\$1,302.37	\$6,159.15	\$7,461.52	\$0.00	\$7,461.52
SUBTOTAL	49	\$32,226.67	\$4,829.48	\$25,047.86	\$29,877.34	\$0.00	\$29,877.34
Kaiser - Georgia							
440	1	\$1,164.41	\$98.62	\$1,065.79	\$1,164.41	\$0.00	\$1,164.41
441	2	\$2,328.82	\$197.24	\$2,131.58	\$2,328.82	\$0.00	\$2,328.82
442	4	\$4,657.64	\$394.48	\$4,263.16	\$4,657.64	\$0.00	\$4,657.64
445	2	\$3,129.34	\$0.00	\$3,129.34	\$3,129.34	\$0.00	\$3,129.34
461	16	\$18,630.56	\$3,717.45	\$13,748.70	\$17,466.15	\$0.00	\$17,466.15
462	54	\$22,046.04	\$3,633.50	\$18,412.54	\$22,046.04	(\$408.26)	\$21,637.78
463	3	\$6,962.49	\$2,162.86	\$4,799.63	\$6,962.49	\$0.00	\$6,962.49
465	13	\$20,340.71	\$2,503.47	\$17,837.24	\$20,340.71	\$0.00	\$20,340.71
466	24	\$19,404.48	\$743.84	\$18,660.64	\$19,404.48	\$0.00	\$19,404.48
SUBTOTAL	119	\$98,664.49	\$13,451.46	\$84,048.62	\$97,500.08	(\$408.26)	\$97,091.82

Medical and Dental Vision Insurance Premiums November 2016

Carrier Codes	Member Count	Premium Amount	Member Amount	County Subsidy Amount	Total	Adjustments	Total Paid
Kaiser - Hawaii							
471	6	\$6,019.20	\$1,123.58	\$4,895.62	\$6,019.20	\$0.00	\$6,019.20
472	33	\$12,481.26	\$2,072.64	\$10,408.62	\$12,481.26	\$0.00	\$12,481.26
473	2	\$2,992.72	\$989.03	\$2,003.69	\$2,992.72	\$0.00	\$2,992.72
474	4	\$7,993.60	\$1,235.73	\$6,757.87	\$7,993.60	\$0.00	\$7,993.60
476	5	\$6,867.10	\$2,582.03	\$4,285.07	\$6,867.10	\$0.00	\$6,867.10
478	13	\$9,729.72	\$568.81	\$9,160.91	\$9,729.72	\$0.00	\$9,729.72
SUBTOTAL	63	\$46,083.60	\$8,571.82	\$37,511.78	\$46,083.60	\$0.00	\$46,083.60
Kaiser - Oregon							
481	7	\$7,625.17	\$2,019.10	\$5,606.07	\$7,625.17	\$0.00	\$7,625.17
482	77	\$35,066.57	\$5,200.79	\$30,321.19	\$35,521.98	\$0.00	\$35,521.98
484	3	\$6,511.86	\$655.13	\$3,686.11	\$4,341.24	\$0.00	\$4,341.24
486	10	\$15,367.20	\$1,106.44	\$14,260.76	\$15,367.20	\$0.00	\$15,367.20
488	42	\$38,821.26	\$4,875.25	\$32,140.37	\$37,015.62	\$0.00	\$37,015.62
489	1	\$991.06	\$0.00	\$991.06	\$991.06	\$0.00	\$991.06
492	1	\$1,603.48	\$320.70	\$1,282.78	\$1,603.48	\$0.00	\$1,603.48
494	1	\$1,984.13	\$0.00	\$1,984.13	\$1,984.13	\$0.00	\$1,984.13
495	2	\$4,608.28	\$768.58	\$3,839.70	\$4,608.28	\$0.00	\$4,608.28
SUBTOTAL	144	\$112,579.01	\$14,945.99	\$94,112.17	\$109,058.16	\$0.00	\$109,058.16
SCAN Health Plan							
611	262	\$80,434.00	\$16,866.58	\$63,567.42	\$80,434.00	\$0.00	\$80,434.00
613	96	\$58,176.00	\$11,853.36	\$46,928.64	\$58,782.00	\$0.00	\$58,782.00
SUBTOTAL	358	\$138,610.00	\$28,719.94	\$110,496.06	\$139,216.00	\$0.00	\$139,216.00

Medical and Dental Vision Insurance Premiums November 2016

Carrier Codes	Member Count	Premium Amount	Member Amount	County Subsidy Amount	Total	Adjustments	Total Paid
UHC Medicare Adv.							
701	1,521	\$506,851.92	\$64,132.86	\$441,388.74	\$505,521.60	(\$332.58)	\$505,189.02
702	320	\$427,417.92	\$29,932.55	\$392,159.29	\$422,091.84	\$0.00	\$422,091.84
703	831	\$547,414.28	\$58,079.81	\$489,957.71	\$548,037.52	(\$1,314.32)	\$546,723.20
704	75	\$112,771.50	\$6,134.73	\$103,629.53	\$109,764.26	\$0.00	\$109,764.26
705	25	\$20,731.50	\$1,144.38	\$19,587.12	\$20,731.50	\$0.00	\$20,731.50
SUBTOTAL	2,772	\$1,615,187.12	\$159,424.33	\$1,446,722.39	\$1,606,146.72	(\$1,646.90)	\$1,604,499.82
United Healthcare							
707	411	\$414,859.28	\$46,077.64	\$381,742.48	\$427,820.12	\$0.00	\$427,820.12
708	347	\$644,871.24	\$27,338.22	\$590,206.40	\$617,544.62	\$1,837.24	\$619,381.86
709	245	\$533,607.55	\$35,980.38	\$499,805.16	\$535,785.54	\$2,177.99	\$537,963.53
SUBTOTAL	1,003	\$1,593,338.07	\$109,396.24	\$1,471,754.04	\$1,581,150.28	\$4,015.23	\$1,585,165.51

Medical and Dental Vision Insurance Premiums November 2016

Carrier Codes	Member Count	Premium Amount	Member Amount	County Subsidy Amount	Total	Adjustments	Total Paid
Local 1014 Firefighters							
801	41	\$42,394.00	\$1,344.20	\$41,717.64	\$43,061.84	\$1,737.12	\$44,798.96
802	259	\$482,874.42	\$12,640.51	\$475,827.05	\$488,467.56	\$0.00	\$488,467.56
803	230	\$505,816.00	\$16,494.00	\$498,118.80	\$514,612.80	\$0.00	\$514,612.80
804	165	\$170,610.00	\$9,926.40	\$158,615.60	\$168,542.00	(\$21,190.50)	\$147,351.50
805	182	\$339,317.16	\$10,328.68	\$330,852.86	\$341,181.54	(\$22,524.20)	\$318,657.34
806	554	\$1,032,866.52	\$34,975.82	\$997,890.70	\$1,032,866.52	(\$125,826.10)	\$907,040.42
807	32	\$70,374.40	\$703.74	\$69,670.66	\$70,374.40	(\$4,251.10)	\$66,123.30
808	10	\$21,992.00	\$175.94	\$21,816.06	\$21,992.00	(\$2,165.60)	\$19,826.40
809	22	\$22,748.00	\$2,647.04	\$20,100.96	\$22,748.00	\$0.00	\$22,748.00
810	4	\$7,457.52	\$1,528.79	\$5,928.73	\$7,457.52	\$0.00	\$7,457.52
811	5	\$10,996.00	\$0.00	\$10,996.00	\$10,996.00	\$0.00	\$10,996.00
812	212	\$219,208.00	\$19,956.20	\$199,251.80	\$219,208.00	(\$22,401.80)	\$196,806.20
SUBTOTAL	1,716	\$2,926,654.02	\$110,721.32	\$2,830,786.86	\$2,941,508.18	(\$196,622.18)	\$2,744,886.00
Medical Plan Total	47,864	\$40,978,848.81	\$3,254,817.79	\$37,406,777.77	\$40,661,595.56	(\$240,353.04)	\$40,421,242.52

Medical and Dental Vision Insurance Premiums November 2016

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	22,622	\$1,156,713.99	\$137,260.67	\$1,023,721.40	\$1,160,982.07	(\$2,266.41)	\$1,158,715.66
502	20,875	\$2,221,053.44	\$180,101.77	\$2,030,999.50	\$2,211,101.27	(\$1,912.32)	\$2,209,188.95
503	12	\$754.08	\$120.64	\$821.96	\$942.60	\$0.00	\$942.60
SUBTOTAL	43,509	\$3,378,521.51	\$317,483.08	\$3,055,542.86	\$3,373,025.94	(\$4,178.73)	\$3,368,847.21
CIGNA Dental HMO/Vision							
901	3,148	\$145,389.33	\$19,165.78	\$126,585.03	\$145,750.81	(\$278.68)	\$145,472.13
902	2,264	\$213,192.00	\$20,187.44	\$193,016.80	\$213,204.24	(\$94.00)	\$213,110.24
903	5	\$233.75	\$29.92	\$203.83	\$233.75	\$46.75	\$280.50
SUBTOTAL	5,417	\$358,815.08	\$39,383.14	\$319,805.66	\$359,188.80	(\$325.93)	\$358,862.87
Dental/Vision Plan Total	48,926	\$3,737,336.59	\$356,866.22	\$3,375,348.52	\$3,732,214.74	(\$4,504.66)	\$3,727,710.08
GRAND TOTALS	96,790	\$44,716,185.40	\$3,611,684.01	\$40,782,126.29	\$44,393,810.30	(\$244,857.70)	\$44,148,952.60

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
-----------------------------------	-------	----------------------------

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
-----------------------------------	-------	----------------------------

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.

CARRIER DEDUCTION PREMIUMS*	CODES	DEDUCTION CODE DEFINITIONS
-----------------------------------	-------	----------------------------

Local 1014 Firefighters (continued)

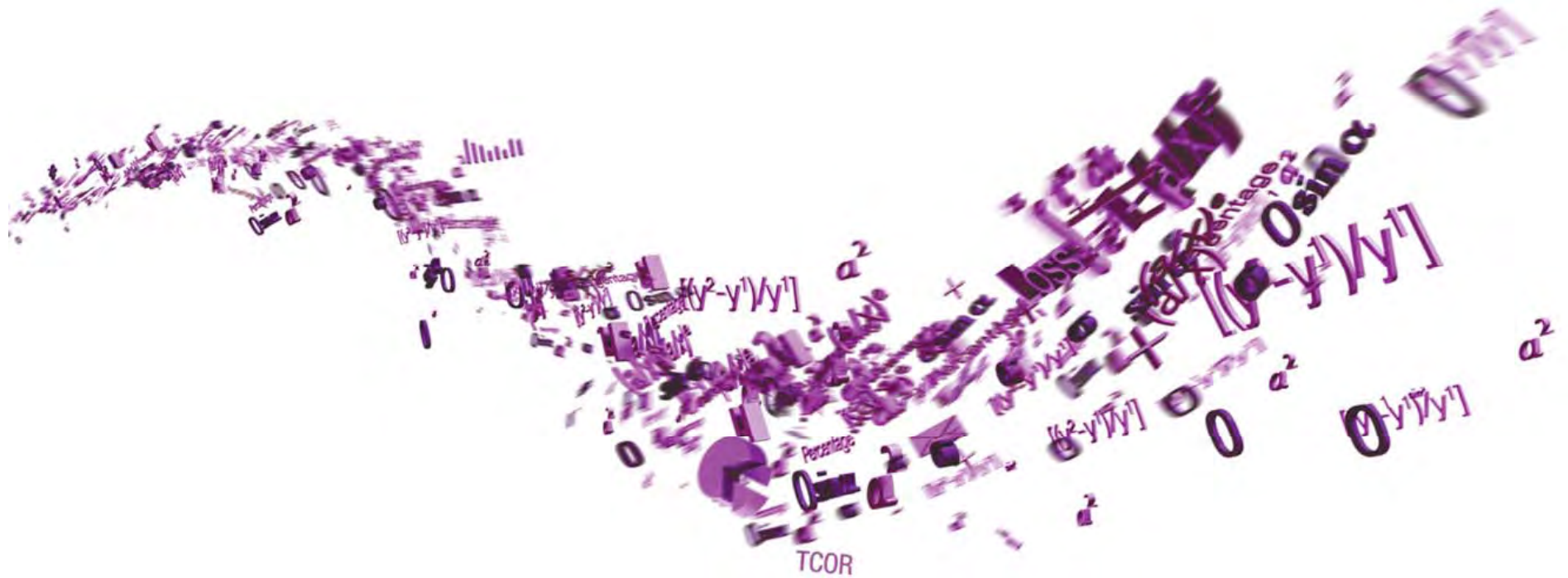
\$914.03	809	Surviving Spouse Under 65
\$1,648.06	810	Surviving Spouse + 1; Under 65
\$1,944.04	811	Surviving Spouse + 2 Under 65
\$914.03	812	Surviving Spouse with Medicare
\$1,648.06	813	Surviving Spouse + 1; 1 Medicare
\$1,944.04	814	Spouse + 1; 1 Medicare
\$1,648.06	815	Surviving Spouse + 1; 2 Medicare

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



Medicare Access and CHIP Reauthorization Act of 2015 (MACRA)

November 2, 2016

What is MACRA?

- Medicare overhaul legislation, resulting in a new payment model for Medicare
- Passed by Congress and signed by the President in 2015
- One of the biggest changes in Medicare's history
- Goal of MACRA: to reward quality, cost-effective care (value vs. volume)
- Final regulations released October 14, 2016
- Nearly 2,400 pages after receiving 4,000 formal comments
- 60-day comment period, although regs. are final

MACRA

- Three changes to how Medicare pays those who give care to Medicare
 - Ends the Sustainable Growth Rate (SGR) formula for determining Medicare payments for healthcare providers' services;
 - Creates a new framework for rewarding health care providers for giving better care not just more care; and
 - Combines existing CMS quality reporting programs into one new system.
- Replaces existing multiple systems of Medicare reporting programs
- MACRA also requires CMS to develop and post a Quality Measure Development Plan

Reactions from the Provider Community

April 27, 2016 AMA

"The existing Medicare pay-for-performance programs are burdensome, meaningless and punitive. The new incentive system needs to be relevant to the real-world practice of medicine and establish meaningful links between payments and the quality of patient care, while reducing red tape"

October 4, 2016 AMA

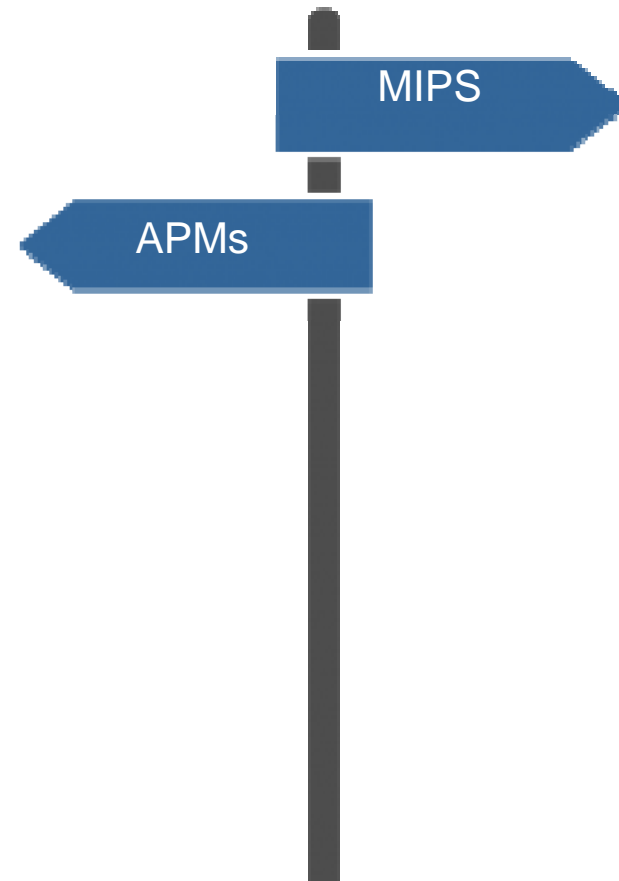
"Our initial review indicates that CMS has been responsive to many of the concerns raised by the AMA, and in the days ahead, the AMA will conduct a comprehensive review of the final rule to ensure that it promotes flexibility and innovation in the delivery of care to help meet the unique needs of all patients"

October 2016 Medical Group Managed

"It's disappointing that flexibility provided for quality reporting in 2017 largely disappears in 2018 and beyond. The Centers for Medicare and Medicaid Services missed an opportunity to close the two-year gap between the measurement and payment periods, which would facilitate improved patient care by providing actionable feedback to physicians and more timely incentives"

MACRA Establishes Two Medicare Paths for Physicians

- MACRA was designed to offer physicians two payment model pathways:
 - Merit Based Incentive Payment Systems (MIPS)
 - Alternative Payment Models (APMs) - new payment models that reduce costs of care and/or support high-value services not typically covered under the Medicare fee schedule
- In the beginning, most are expected to choose MIPS



What is MIPS

- Beginning in 2019, bonuses will be available for physicians who score well in the MIPS, a new pay-for-performance program under the current Medicare fee-for-service payment system
- MIPS will become the primary Medicare quality reporting program for physicians.
- Opportunity for high-performing physicians to earn substantial bonuses (penalties for those who don't participate)
- Sliding scale measurement: partial credit vs. today's all or nothing system
- Substantial credit for clinical practice improvements (CPIs)
- Exemptions for physicians with few Medicare patients
- Significant reporting requirements - but softened from proposed legislation
- Small practices eligible for government transition money to implement

What are Alternative Payment Models (APMs)?

- Incentives and a pathway for physicians to develop and participate in new models of health care delivery and payment (e.g., Patient Centered Medical Homes, Accountable Care Organizations)
- 5 percent bonus payments from 2019 to 2024 for those who participating in APMs
- Physicians in APMs are exempt from MIPS reporting requirements
- MACRA creates an advisory panel to consider physicians' proposals for new models
- MACRA authorizes coverage for tele-health services in APMs, even if the service is not otherwise covered by the traditional Medicare program

Other Provisions

- Encouraging care management for individuals with chronic care needs
- Beginning in 2016 , integrating physician Medicare claims data into “Physician Compare” (CMS’s physician directory website)
- Expanding availability of Medicare data
- Reducing administrative burden and other provisions for physicians who opt out of Medicare
- Implementing goals and measures to achieving “widespread interoperability” nationwide of EHR systems by December 31, 2018

Implications to LACERA

Potential Positives

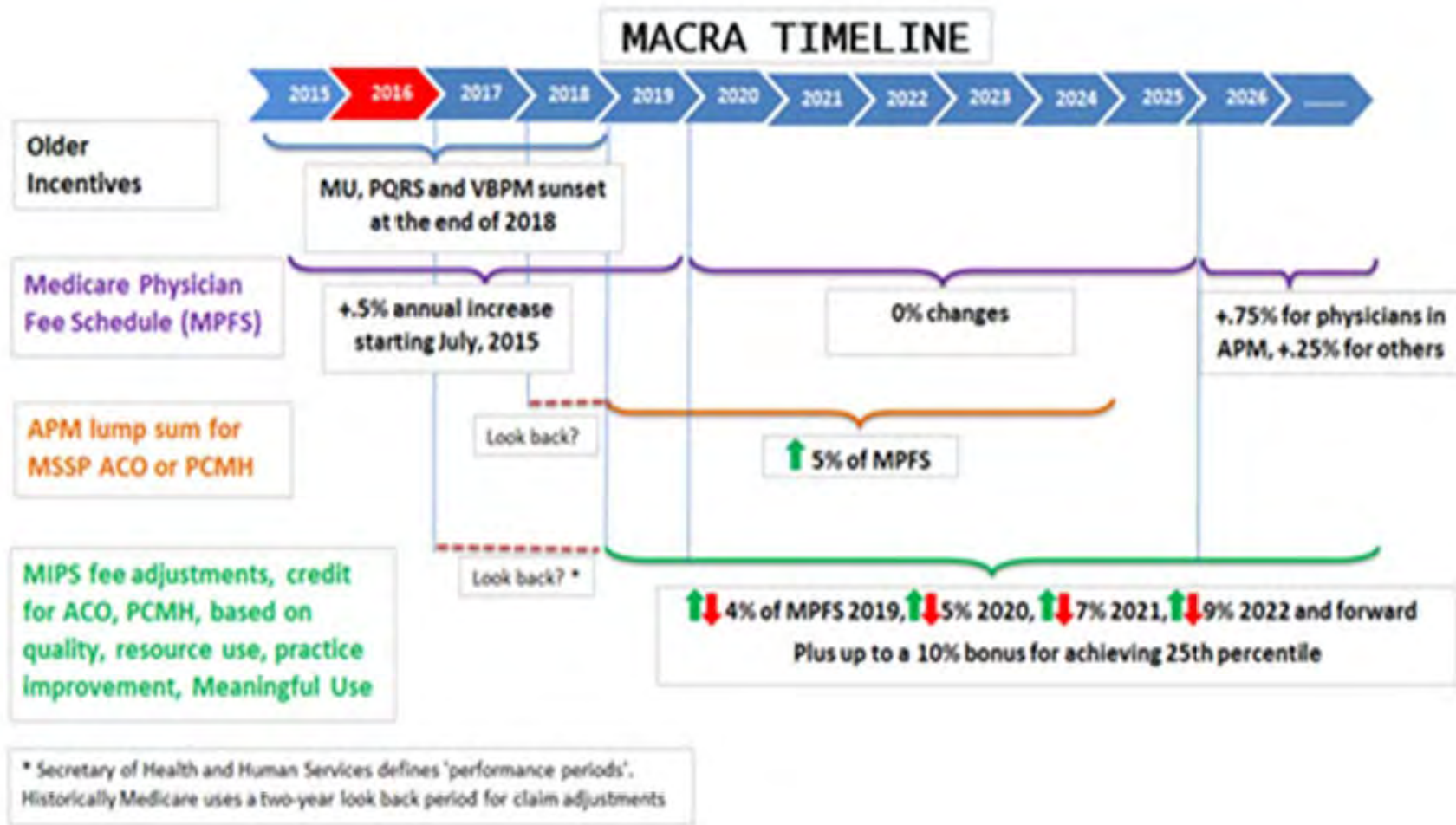
- Accelerated development of alternative systems of care
- Improved quality of care
- Improved reporting and transparency to members
- Lower health care trend due to transition from paying for volume to paying for quality

Bottom line: too soon to tell

Potential Negatives

- Physician confusion and or dissatisfaction
- 2017 is a transition year. Physicians who don't elect a payment pathway are subject to a withholding in 2019
- Physicians dropping out of Medicare to avoid compliance

MACRA Timeline



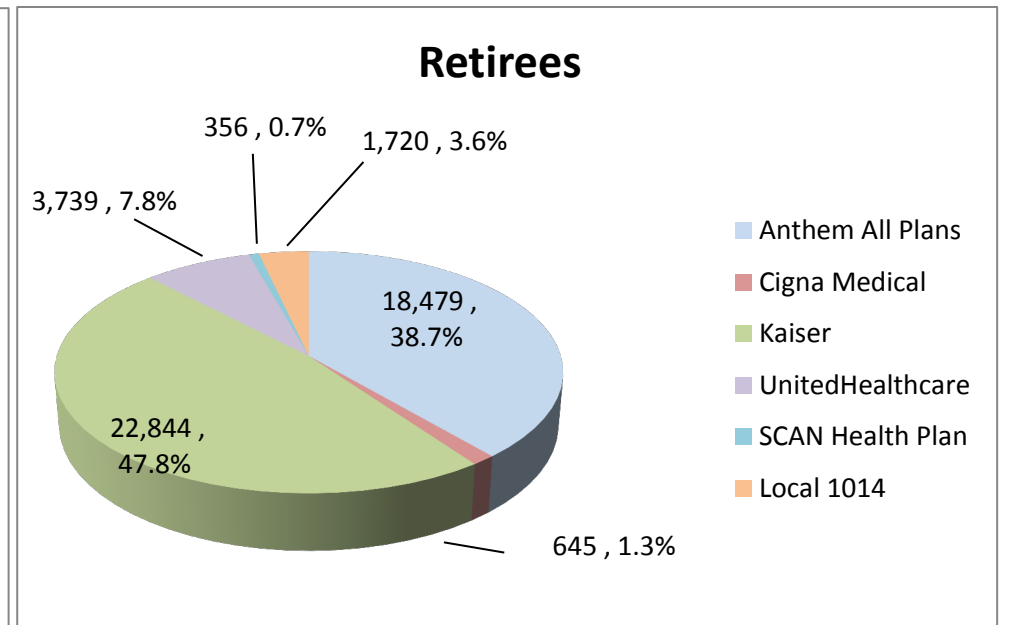
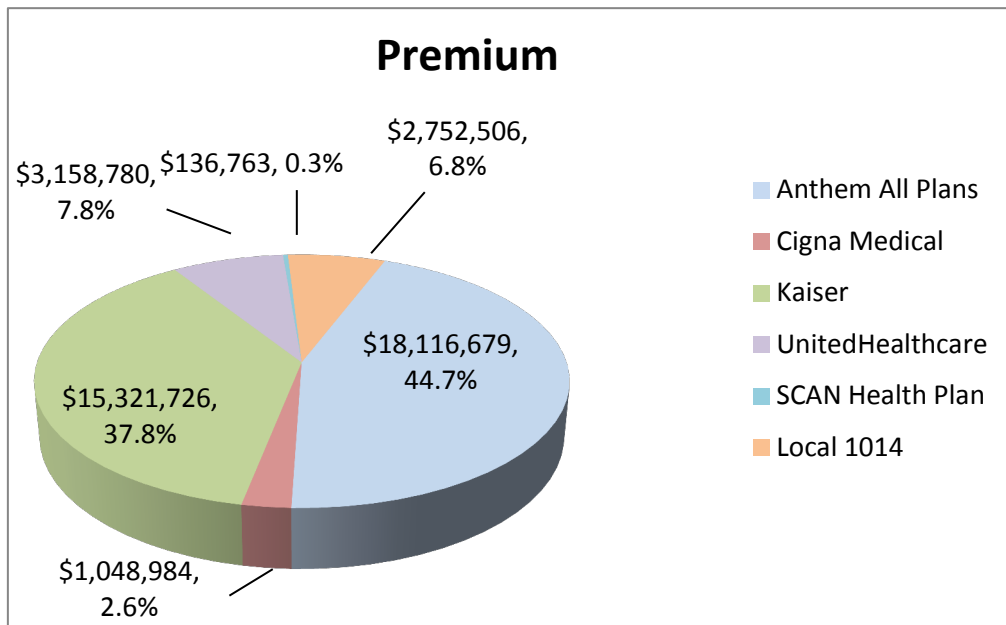
LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION

Premium and Enrollment

Coverage Month September 2016

Carrier / Plan	Monthly Premium	Percent of Total	Retirees	Percent of Total
Anthem All Plans	\$18,116,679	44.7%	18,479	38.7%
Cigna Medical	\$1,048,984	2.6%	645	1.3%
Kaiser	\$15,321,726	37.8%	22,844	47.8%
UnitedHealthcare	\$3,158,780	7.8%	3,739	7.8%
SCAN Health Plan	\$136,763	0.3%	356	0.7%
Local 1014	\$2,752,506	6.8%	1,720	3.6%
Combined Medical	\$40,535,439	100.0%	47,783	100.0%

Cigna Dental & Vision	\$3,720,769	48,805
----------------------------------	--------------------	---------------



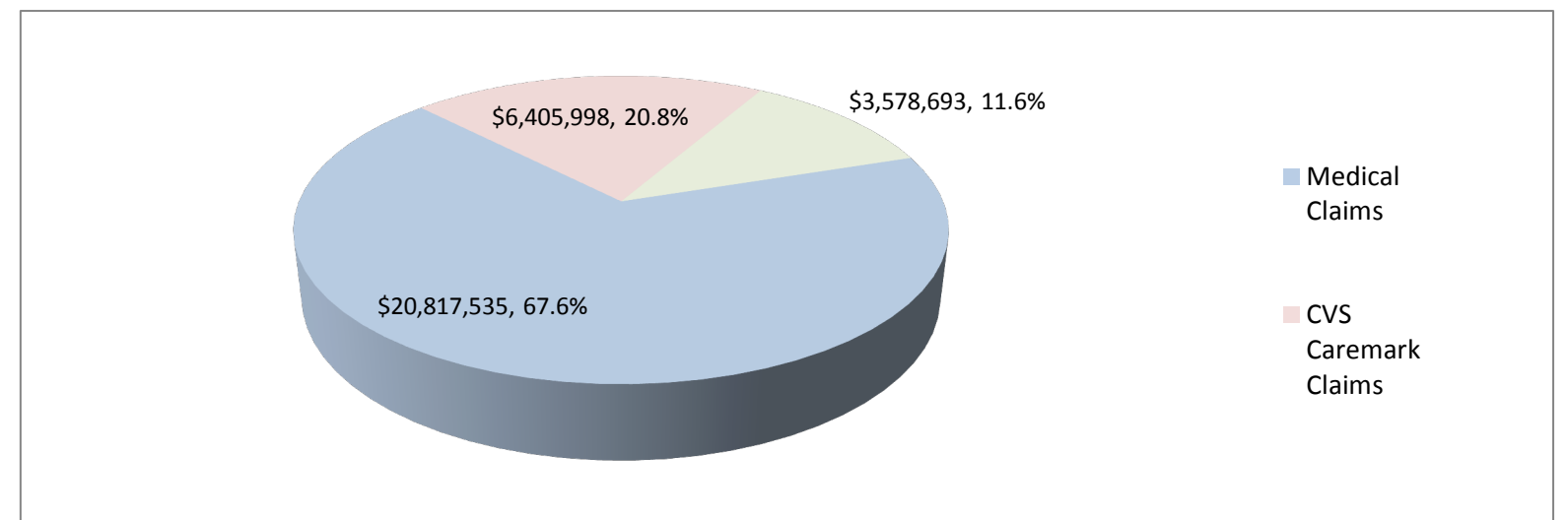
LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION

Anthem Plans I and II

Plan Year July 1, 2016 - June 30, 2017

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-16	6,088	\$9,121,640	\$6,534,411	\$2,101,899	\$8,636,310	\$1,418.58	94.7%	\$1,191,231	\$9,827,541	107.7%
Aug-16	6,078	\$9,135,046	\$7,874,179	\$2,364,260	\$10,238,438	\$1,684.51	112.1%	\$1,200,737	\$11,439,175	125.2%
Sep-16	6,065	\$9,111,569	\$6,408,946	\$1,939,840	\$8,348,785	\$1,376.55	91.6%	\$1,186,724	\$9,535,509	104.7%
Oct-16										
Nov-16										
Dec-16										
Jan-17										
Feb-17										
Mar-17										
Apr-17										
May-17										
Jun-17										
YTD Plan Year	18,231	\$27,368,255	\$20,817,535	\$6,405,998	\$27,223,533	\$1,493.26	99.5%	\$3,578,693	\$30,802,226	112.5%
3 Month Average	6,077	\$9,122,752	\$6,939,178	\$2,135,333	\$9,074,511	\$1,493.26	99.5%	\$1,192,898	\$10,267,409	112.5%
12 Month Rollup	73,169	\$109,414,200	\$78,089,881	\$24,365,371	\$102,455,252	\$1,400.25	93.6%	\$12,469,092	\$114,924,343	105.0%

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

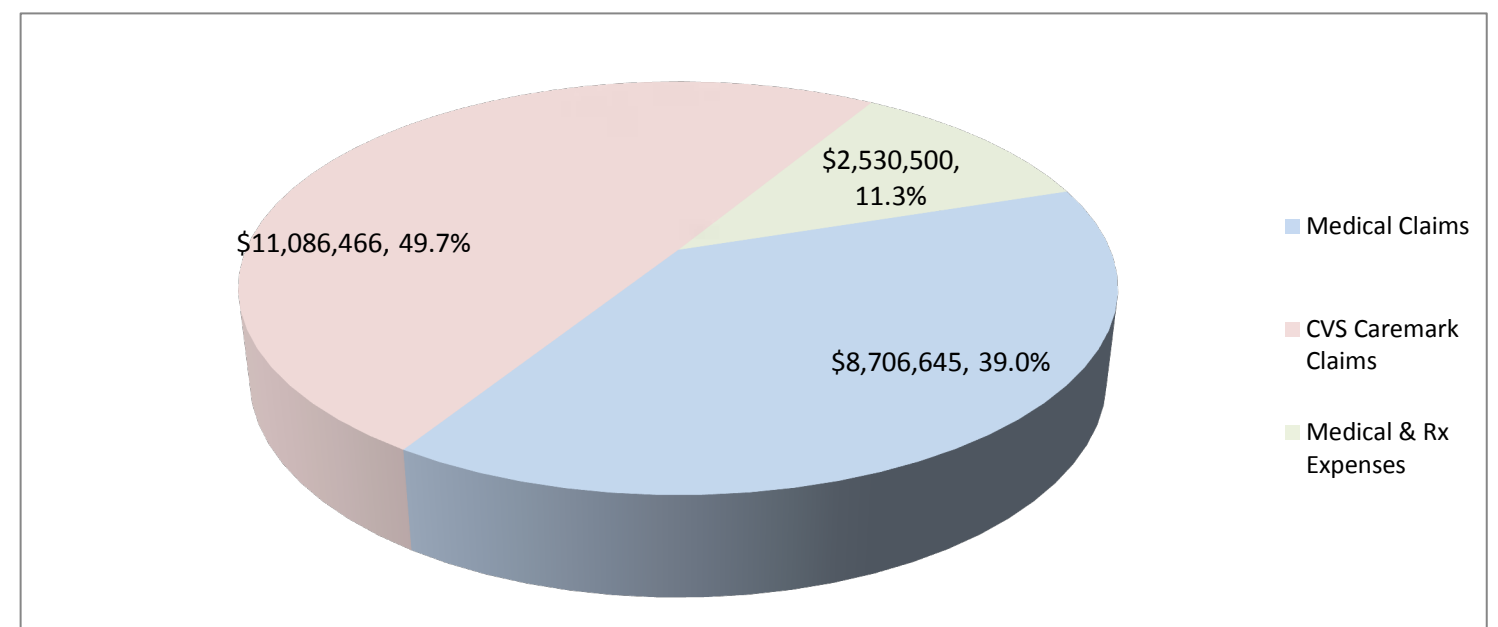
Anthem Plan III

Plan Year July 1, 2016 - June 30, 2017

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-16	11,065	\$7,446,109	\$2,789,671	\$3,515,111	\$6,304,782	\$569.80	84.7%	\$841,852	\$7,146,634	96.0%
Aug-16	11,083	\$7,427,254	\$2,960,288	\$3,940,053	\$6,900,341	\$622.61	92.9%	\$843,221	\$7,743,562	104.3%
Sep-16	11,112	\$7,458,876	\$2,956,685	\$3,631,303	\$6,587,988	\$592.87	88.3%	\$845,427	\$7,433,415	99.7%
Oct-16										
Nov-16										
Dec-16										
Jan-17										
Feb-17										
Mar-17										
Apr-17										
May-17										
Jun-17										

YTD Plan Year	33,260	\$22,332,238	\$8,706,645	\$11,086,466	\$19,793,111	\$595.10	88.6%	\$2,530,500	\$22,323,611	100.0%
3 Month Average	11,087	\$7,444,079	\$2,902,215	\$3,695,489	\$6,597,704	\$595.10	88.6%	\$843,500	\$7,441,204	100.0%
12 Month Rollup	131,598	\$88,234,241	\$35,135,473	\$41,434,479	\$76,569,952	\$581.85	86.8%	\$9,362,996	\$85,932,948	97.4%

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

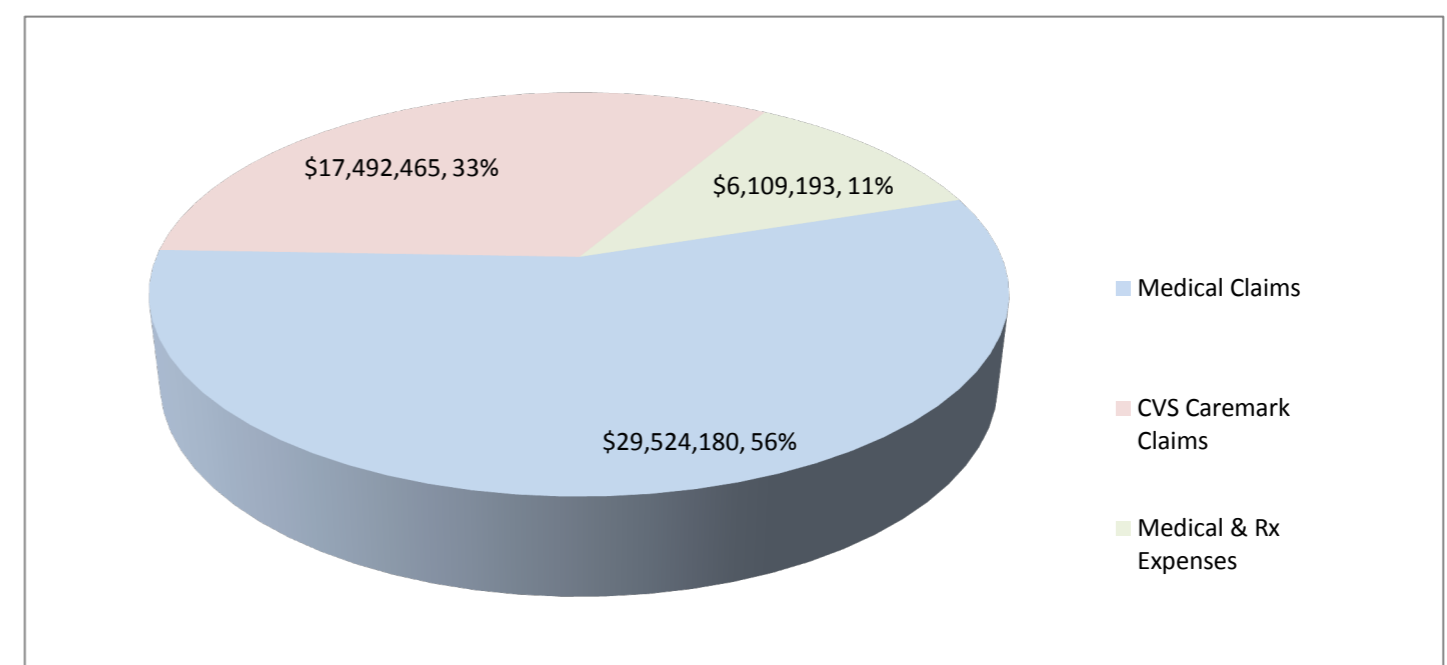
Anthem Plan I, II, and III

Plan Year July 1, 2016 – June 30, 2017

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-16	17,153	\$16,567,748	\$9,324,082	\$5,617,010	\$14,941,092	\$871.05	90.2%	\$2,033,083	\$16,974,175	102.5%
Aug-16	17,161	\$16,562,300	\$10,834,467	\$6,304,312	\$17,138,779	\$998.71	103.5%	\$2,043,958	\$19,182,737	115.8%
Sep-16	17,177	\$16,570,445	\$9,365,631	\$5,571,142	\$14,936,773	\$869.58	90.1%	\$2,032,151	\$16,968,924	102.4%
Oct-16										
Nov-16										
Dec-16										
Jan-17										
Feb-17										
Mar-17										
Apr-17										
May-17										
Jun-17										

YTD Plan Year	51,491	\$49,700,493	\$29,524,180	\$17,492,465	\$47,016,644	\$913.10	94.6%	\$6,109,193	\$53,125,837	106.9%
3 Month Average	17,164	\$16,566,831	\$9,841,393	\$5,830,822	\$15,672,215	\$913.10	94.6%	\$2,036,398	\$17,708,612	106.9%
12 Month Rollup	204,767	\$197,648,441	\$113,225,355	\$65,799,849	\$179,025,204	\$874.29	90.6%	\$21,832,088	\$200,857,291	101.6%

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

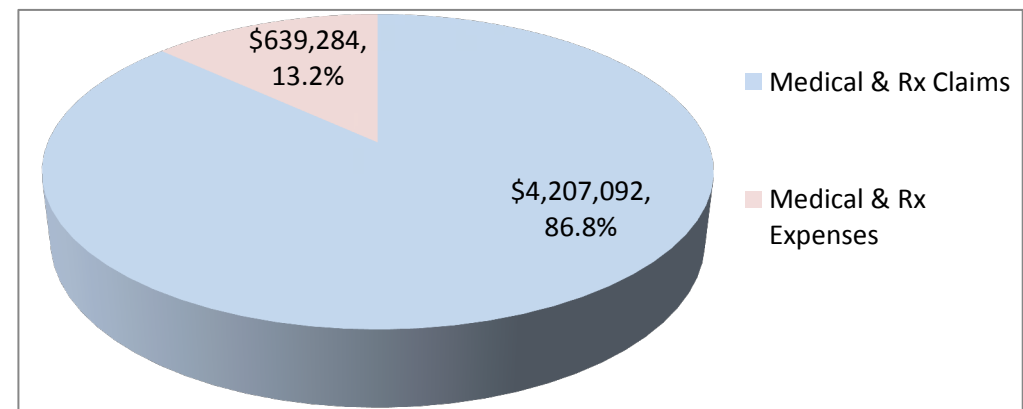
Anthem Prudent Buyer

Plan Year July 1, 2016 – June 30, 2017

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-16	1,321	\$1,562,451	\$1,318,391	\$998.03	84.4%	\$214,611	\$1,533,002	98.1%
Aug-16	1,312	\$1,564,102	\$1,376,003	\$1,048.78	88.0%	\$213,149	\$1,589,152	101.6%
Sep-16	1,302	\$1,546,234	\$1,512,698	\$1,161.83	97.8%	\$211,524	\$1,724,222	111.5%
Oct-16								
Nov-16								
Dec-16								
Jan-17								
Feb-17								
Mar-17								
Apr-17								
May-17								
Jun-17								

YTD Plan Year	3,935	\$4,672,787	\$4,207,092	\$1,069.15	90.0%	\$639,284	\$4,846,376	103.7%
3 Month Average	1,312	\$1,557,596	\$1,402,364	\$1,069.15	90.0%	\$213,095	\$1,615,459	103.7%
12 Month Rollup	16,196	\$19,150,900	\$15,663,948	\$967.15	81.8%	\$2,290,985	\$17,954,933	93.8%

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

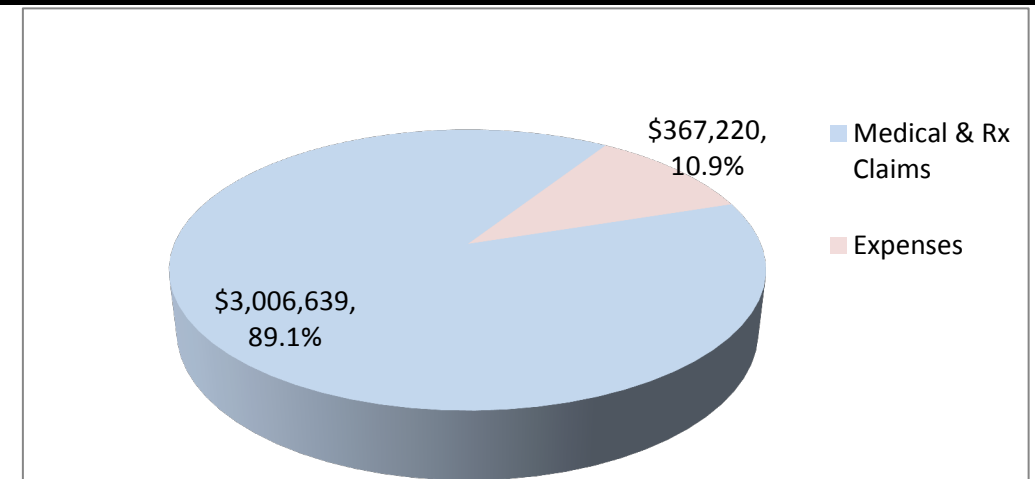
Cigna HMO

Plan Year July 1, 2016 – June 30, 2017

Month	Monthly Enrollment	Monthly Premium	Medical & Rx Claims	Claims Per Retiree Per Month	Paid Loss Ratio	Expenses	Total Paid Claims & Expenses	Expense Ratio
Jul-16	600	\$1,024,268	\$1,053,209	\$1,755.35	102.8%	\$122,810	\$1,176,019	114.8%
Aug-16	598	\$1,023,919	\$898,265	\$1,502.11	87.7%	\$122,768	\$1,021,033	99.7%
Sep-16	594	\$1,014,533	\$1,055,166	\$1,776.37	104.0%	\$121,643	\$1,176,808	116.0%
Oct-16								
Nov-16								
Dec-16								
Jan-17								
Feb-17								
Mar-17								
Apr-17								
May-17								
Jun-17								

YTD Plan Year	1,792	\$3,062,721	\$3,006,639	\$1,677.81	98.2%	\$367,220	\$3,373,860	110.2%
3 Month Average	597	1,020,907	1,002,213	\$1,677.81	98.2%	\$122,407	\$1,124,620	110.2%
12 Month Rollup	7,359	\$12,268,301	\$12,327,415	\$1,675.15	100.5%	\$1,343,043	\$13,670,457	111.4%

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

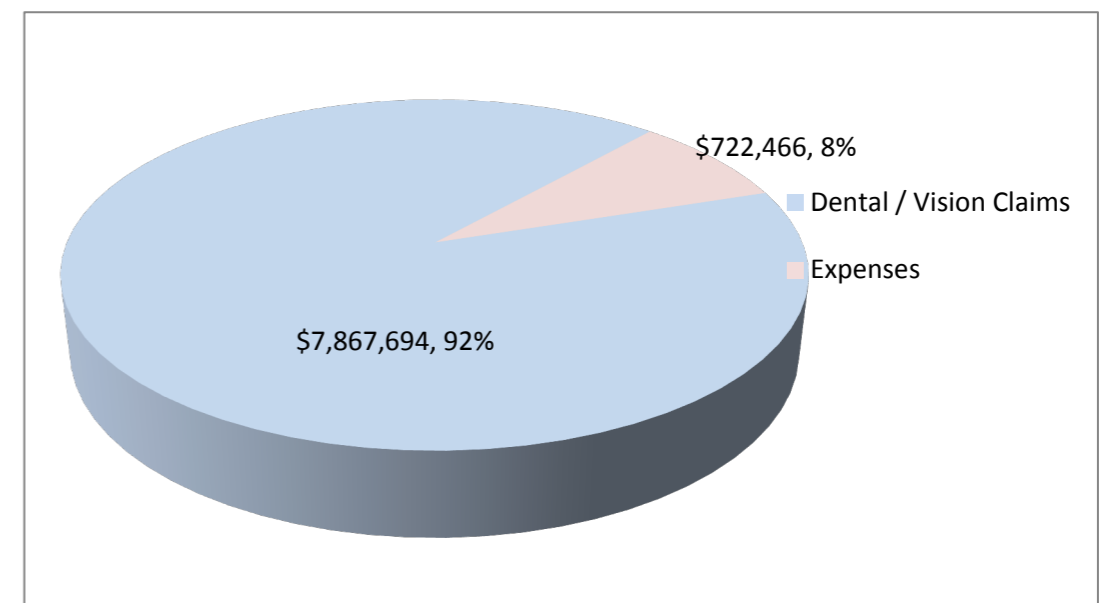
Cigna Dental PPO and Vision

Plan Year July 1, 2016 - June 30, 2017

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-16	43,276	\$3,364,467	\$2,534,298	54.5%	\$58.56	75.3%	\$240,769	\$2,775,067	82.5%
Aug-16	43,353	\$3,367,060	\$2,730,885	57.7%	\$62.99	81.1%	\$240,955	\$2,971,840	88.3%
Sep-16	43,417	\$3,364,087	\$2,602,511	56.8%	\$59.94	77.4%	\$240,742	\$2,843,253	84.5%
Oct-16									
Nov-16									
Dec-16									
Jan-17									
Feb-17									
Mar-17									
Apr-17									
May-17									
Jun-17									

YTD Plan Year	130,046	\$10,095,615	\$7,867,694	56.3%	\$60.50	77.9%	\$722,466	\$8,590,161	85.1%
3 Month Average	43,349	\$3,365,205	\$2,622,565	56.1%	\$60.50	77.9%	\$240,822	\$2,863,387	85.1%
12 Month Rollup	514,489	\$38,040,047	\$33,274,053	55.9%	\$64.67	87.5%	\$3,128,722	\$36,402,775	95.7%

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





October 17, 2016

Legislative

Congress Adjourns; Returns in November

The House and Senate have adjourned for the month of October. The chambers are scheduled to return to the Hill November 14, 2016, after the presidential election.

Other HR-Related Topics

2017 Indexed Figures for Retirement Plans and Social Security to Be Released Soon

The Internal Revenue Service (IRS) is expected to release its 2017 indexed figures for retirement plans and other employee benefit plans later this month, including the 2017 dollar limit for pretax contributions to 401(k) plans. In addition, the Social Security Administration (SSA) is expected to release the Social Security indexed figures for 2017 later this month. Both the IRS and SSA figures will be reported in "The Washington Report."

October 10, 2016

Legislative

Congress Adjourns; Returns in November

The House and Senate have adjourned for the month of October. The chambers are scheduled to return to the Hill November 14, 2016, after the presidential election.

October 3, 2016

Legislative

Congress Adjourns; Returns in November

The House and Senate have adjourned for the month of October. The chambers are scheduled to return to the Hill November 14, 2016, after the presidential election.

Continuing Resolution to Fund Government Through December 9 Enacted

On September 28, 2016, the House and Senate passed a continuing resolution (CR) to fund the federal government through December 9, 2016, and the President signed it into law on September 29, 2016. Enactment of the budget measure averted the government shutdown that would have otherwise occurred beginning at midnight on September 30.

The CR was the last major action taken by Congress before both chambers adjourned for their pre-election recess.

The text of the CR is available [here](#).

House Passes Bill Delaying Overtime Rule Implementation for Six Months

On September 28, 2016, the House passed with a 246-177 vote the Regulatory Relief for Small Businesses, Schools and Nonprofits Act (H.R. 6094). The bill would delay the effective date of the Department of Labor rule relating to the income thresholds for determining overtime pay for executive, administrative, professional, outside sales, and computer employees from December 1, 2016, to June 1, 2017. The bill moves to the Senate, where passage is uncertain. In a Statement of Administration Policy, President Obama stated he will veto the bill if passed by both chambers of Congress.

H.R. 6094 is available [here](#).

The White House Statement of Administration Policy is available [here](#).

Retirement

IRS Updates EPCRS Program in Lieu of Determination Letter Changes

On September 29, 2016, the Internal Revenue Service (IRS) released Revenue Procedure 2016-51. The Revenue Procedure notes the updates and modifications to the Employee Plans Compliance Resolution System (EPCRS), after taking into account the changes in the determination letter application program, as described in Revenue Procedure 2016-37. The EPCRS provides a system under which plan sponsors can correct certain plan failures and thereby continue to provide employees with retirement benefits on a tax-favored basis. There are three ways to correct mistakes under the EPCRS: the self-correction program, the voluntary correction program, and the audit closing agreement program. Revenue Procedure 2016-51 is effective January 1, 2017.

IRS Revenue Procedure 2016-51 is available [here](#).

Other HR-Related Topics

DOL Issues Final Regulations Establishing Paid Sick Leave for Federal Contractors

On September 29, 2016, the Department of Labor (DOL) issued final regulations to implement Executive Order 13706, Establishing Paid Sick Leave for Federal Contractors, signed by President Barack Obama on September 7, 2015. Executive Order 13706 requires certain parties that contract with the federal government to

provide their employees with up to seven days (56 hours) of paid sick leave annually, including paid leave allowing for family care. The Order directed the Secretary of Labor to issue regulations to implement its requirements.

The final regulations define terms used in the regulatory text, describe the categories of contracts and employees the Order covers and excludes from coverage, set forth requirements and restrictions governing the accrual and use of paid sick leave, and prohibit interference with or discrimination for the exercise of rights under the Order. The regulations also describe the obligations of contracting agencies, the DOL, and contractors under the Order, and establish the standards and procedures for complaints, investigations, remedies, and administrative enforcement proceedings related to alleged violations of the Order. The final regulations incorporate existing definitions, procedures, remedies, and enforcement processes under the Fair Labor Standards Act, the Service Contract Act, the Davis-Bacon Act, the Family and Medical Leave Act, the Violence Against Women Act, and Executive Order 13658, Establishing a Minimum Wage for Contractors, as required by the Order and to the extent practicable. The final regulations become effective on November 29, 2016. For procurement contracts subject to the Federal Acquisition Regulation and Executive Order 13706, the final regulations are applicable only after the effective date of regulations to be issued by the Federal Acquisition Regulatory Council. The DOL will publish a document in the Federal Register to announce the applicability date for such contracts.

The DOL final regulations are available [here](#).

The DOL information page, which provides an overview of the final rule, fact sheet, frequently asked questions, and other resources, is available [here](#).

Executive Order 13706 is available [here](#).

EEOC to Collect Summary Pay Data Beginning March 2018; New EEO-1 Form Released

On September 29, 2016, the Equal Employment Opportunity Commission (EEOC) announced that starting March 2018, it will collect summary employee pay data from certain employers. The summary pay data will be added to the annual Employer Information Report, or EEO-1 report, that is coordinated by the EEOC and the DOL's Office of Federal Contract Compliance Programs (OFCCP). The OFCCP collects data from federal contractors and subcontractors. The EEOC adopted the new EEO-1 after an extensive deliberative process that included publication of two versions of the proposed EEO-1 for public comment and a public hearing on March 16, 2016. In

response to public comments, the first deadline for the new 2017 EEO-1 report will be March 31, 2018, which gives employers 18 months to prepare. This revision does not impact the 2016 EEO-1 report, which is due on September 30, 2016, and is unchanged.

Private employers, including federal contractors and subcontractors with 100 or more employees, will report summary pay data. Federal contractors and subcontractors with 50-99 employees will not report summary pay data, but they will continue to report employees by job category as well as by sex, ethnicity, and race as they do now. Employers with 99 or fewer employees and federal contractors and subcontractors with 49 or fewer employees will not be required to complete the EEO-1 report as is current practice.

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

The EEO-1 form to collect pay data is available [here](#).

A fact sheet for small business is available [here](#).

A question and answer document is available [here](#).

IRS Releases 2016-2017 Special Per Diem Rates

On September 27, 2016, the Internal Revenue Service (IRS) released Notice 2016-58. The annual notice provides the 2016-2017 special per diem rates for taxpayers to use in substantiating the amount of ordinary and necessary business expenses incurred while traveling away from home, specifically: (1) the special transportation industry meal and incidental expenses rates; (2) the rate for the incidental expenses only deduction; and (3) the rates and list of high-cost localities for purposes of the high-low substantiation method.

IRS Notice 2016-58 is available [here](#).

EEOC Releases New Online Resource Center for Small Businesses

On September 27, 2016, the EEOC released a new online resource center designed to help small business owners comply with the laws enforced by the EEOC. The Small Business Resource Center (SBRC) provides user-friendly information on federal anti-discrimination laws, tips for small businesses, and videos on frequently asked compliance questions.

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

The EEOC SBRC is available [here](#).

September 26, 2016

Retirement

PBGC Issues Final Regulations on Payment of Premiums; Late Payment Penalty Relief

On September 22, 2016, the Pension Benefit Guaranty Corporation (PBGC) released final regulations lowering the rates of penalty charged for late payment of premiums by all plans, and providing a waiver of most of the penalty for plans with a demonstrated commitment to premium compliance. The final regulations become effective on October 24, 2016. The changes made by these regulations apply to late premium payments for plan years beginning after 2015.

The PBGC final regulations are available [here](#).

PBGC Releases Proposed Regulations Expanding Support for Missing Participants in Terminated Plans; Asks for Comments on Changes

On September 19, 2016, the PBGC released proposed regulations on locating and paying benefits for missing participants and beneficiaries in terminated retirement plans. The PBGC currently administers a program to hold retirement benefits for missing participants and beneficiaries in terminated retirement plans and to help those participants and beneficiaries find and receive the benefits being held for them. The program is currently limited to single-employer defined benefit pension plans covered by the pension insurance system under Title IV of ERISA. The PBGC proposes to make changes to its existing program and, as authorized by the Pension Protection Act of 2006, to establish fee-based missing participant programs for multiemployer plans covered by Title IV, certain professional service employer defined benefit plans that are not covered by Title IV, and most defined contribution plans. Among other things, the proposed regulations will provide for a new unified pension search database covering missing participants and their benefits.

Comments on the proposed regulations are due November 21, 2016.

The PBGC proposed regulations are available [here](#).

The "Proposed Expanded Missing Participants Program Draft Forms and Instructions" are available [here](#).

IRS Announces Extension of Temporary Nondiscrimination Relief for Closed Defined Benefit Plans Through 2017

On September 19, 2016, the Internal Revenue Service (IRS) released Notice 2016-57, which extends the temporary nondiscrimination relief for closed defined benefit plans that is provided in Notice 2014-5, by making that relief available for plan years beginning before 2018 if the conditions of Notice 2014-5 are satisfied. Notice 2015-28 had previously extended the relief for plan years beginning before 2017.

The latest extension found in Notice 2016-57 is provided in anticipation of the issuance of final amendments to the Section 401(a)(4) regulations. According to the IRS, those regulations are expected to be effective for plan years beginning on or after January 1, 2018, and are expected to permit plan sponsors to apply the provisions of the regulations that apply specifically to closed plans for certain earlier plan years.

IRS Notice 2016-57 is available [here](#).

IRS Notice 2015-28 is available [here](#).

IRS Notice 2014-5 is available [here](#).