

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, DECEMBER 15, 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. APPROVAL OF THE MINUTES

- A. Approval of the minutes of the regular meeting of October 13, 2016
- B. Approval of the minutes of the special meeting of November 2, 2016

II. PUBLIC COMMENT

III. ACTION ITEMS

- A. Recommendation as submitted by Cassandra Smith, Director, Retiree Healthcare Division: That the Committee recommend the Board of Retirement select one firm to provide the Retiree Healthcare Benefits Program Consulting Services for the five year period beginning July 1, 2017 and ending June 30, 2022. (Memorandum dated November 29, 2016)

IV. FOR INFORMATION

- A. Staff Activities Report for November 2016
- B. Medicare Part B Reimbursement Program for 2017
- C. Anthem Blue Cross Plans I, II, and III Prescription Benefit Retail and Maintenance Choice Update
- D. Board Offsite Proposed Agenda Planning – Day 2

December 15, 2016

Page 2

IV. FOR INFORMATION (Continued)

- E. Medicare Access and CHIP Reauthorization Act of 2015 (MACRA) Part II
- F. Cigna & Anthem Blue Cross Claims Experience
- G. Federal Legislation
 - Aon Hewitt Washington Report

V. GOOD OF THE ORDER

(For information purposes only)

VI. ADJOURNMENT

***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, OCTOBER 13, 2016, 11:05 A.M. – 12:05 P.M.

COMMITTEE MEMBERS

PRESENT: Les Robbins, Chair
William de la Garza, Vice Chair
Shawn R. Kehoe
Ronald Okum, Alternate

ABSENT Vivian H. Gray

ALSO ATTENDING:

BOARD MEMBERS AT LARGE

Marvin Adams
Anthony Bravo
Yves Chery
Keith Knox (Chief Deputy to Joseph Kelly)
David L. Muir

STAFF, ADVISORS, PARTICIPANTS

Cassandra Smith Barry Lew
Leilani Ignacio Steven Rice

Aon Hewitt

Kirby Bosley
Helen Batsalkin

The meeting was called to order by Chair Robbins at 11:05 a.m. Due to the absence of Ms. Gray, 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 September 15, 2016

Mr. de la Garza made a motion, Mr. Okum seconded, to approve the minutes of the regular meeting of September 15, 2016. The motion passed unanimously.

II. PUBLIC COMMENT

III. ACTION ITEMS

A. Recommendation as submitted by Cassandra Smith, Director, Retiree Healthcare Division: That the Committee recommend the Board of Retirement approve Life Secure as LACERA's Long Term Care insurance program carrier. (Memorandum dated October 3, 2016)

Mr. Kehoe made a motion, Mr. Robbins 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 to direct its voting delegate to:

A. Oppose inclusion in the SACRS 2017 legislative platform of "Voting Rights of Alternate Retiree Member" (MCERA #1).

B. Take no action on "Transfer of Accrued Leave Balances" (VCERA #1).

(Memorandum dated October 3, 2016)

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

IV. FOR INFORMATION

- A. LACERA 2017 Legislative Proposals - Initial Discussion and Work Plan
Barry W. Lew, Legislative Affairs Officer

As part of the planning process for the 2017 California legislative session, two areas of CERL have been identified by staff for analysis and possible consideration as initiatives the Boards may wish to pursue.

- Board Authority
- Correction of Errors and Omissions

- B. Staff Activities Report for September, 2016

The staff activities report was discussed.

- C. CIGNA & Anthem Blue Cross Claims Experience

The CIGNA & Anthem Blue Cross Claims Experience reports through August 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

The meeting adjourned at 12:05 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.**

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

WEDNESDAY, NOVEMBER 2, 2016, 11:45 A.M. – 12:25 P.M.

COMMITTEE MEMBERS

PRESENT: Les Robbins, Chair
William de la Garza, Vice Chair
Vivian H. Gray
Ronald Okum, Alternate

ABSENT: Shawn R. Kehoe

ALSO ATTENDING:

BOARD MEMBERS AT LARGE

Marvin Adams
Yves Chery
Joseph Kelly
David L. Muir

STAFF, ADVISORS, PARTICIPANTS

Cassandra Smith

Aon Hewitt

Kirby Bosley
Helen Batsalkin

The meeting was called to order by Chair Robbins at 11:45 a.m. Due to the absence of Mr. Kehoe, the Chair announced that Mr. Okum, as the alternate, would be a voting member of the Committee.

I. PUBLIC COMMENT

II. FOR INFORMATION

A. Staff Activities Report for October, 2016

The staff activities report was discussed.

B. Medicare Access and CHIP Reauthorization Act of 2015 (MACRA)

MACRA is one of the biggest changes in Medicare's history, with a goal to reward higher quality, more cost-effective care. Aon gave a presentation to the Committee including reactions from the provider community, information on the two payment model pathways available for physicians, and potential implications to LACERA.

C. CIGNA & Anthem Blue Cross Claims Experience

The CIGNA & Anthem Blue Cross Claims Experience reports through September 2016 were discussed.

D. Federal Legislation

- Aon Hewitt Washington Report

Submitted for information only.

III. GOOD OF THE ORDER

(For information purposes only)

IV. ADJOURNMENT

The meeting adjourned at 12:25 p.m.


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November 29, 2106

TO: Insurance, Benefits and Legislative Committee

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

FROM: Cassandra Smith 
Retiree Healthcare Division

FOR: December 15, 2016-Insurance, Benefits and Legislative Committee Meeting.

SUBJECT: **RETIREE HEALTHCARE BENEFITS CONSULTING SERVICES
CONTRACT FOR PERIOD OF JULY 1, 2017 THROUGH JUNE 30, 2022**

RECOMMENDATION

The Insurance, Benefits & Legislative Committee recommend the Board of Retirement select one firm to provide the Retiree Healthcare Benefits Program Consulting Services for the five year period beginning July 1, 2017 and ending June 30, 2022.

EXECUTIVE SUMMARY

On August 11, 2016, the Insurance, Benefits & Legislative Committee (IBLC) authorized staff to issue a Request for Proposal for Retiree Healthcare Consulting Services for the period of July 1, 2017 through June 30, 2022. Based on the committee's approval, staff sent direct notification of the RFP to five (5) consulting firms in addition to posting the RFP on LACERA's website. Staff received responses from six (6) firms.

Each responding firm was evaluated by the RFP Evaluation Committee Team resulting in staff's invitation to the two top finalist firms, Aon Consulting and Segal Consulting. Included are copies of the finalist presentations which will be presented at the December 15, 2016 committee meeting. Forty-five (45) minutes has been allocated for each firm – thirty (30) minutes for presentation and fifteen (15) minutes for question and answers.

BACKGROUND

The current Retiree Healthcare Benefits Consulting Services contract with AON Consulting is scheduled to expire effective June 30, 2017. As a result, at the August 11, 2016 IBLC meeting, the committee approved issuing an RFP seeking Retiree Healthcare Benefits Consulting Services for the next five year period of July 1, 2017 through June 30, 2022.

In response to the releasing of the RFP, the following six firms sent in responses by the given deadline:

- AON
- Buck (Xerox)
- Keenan
- Mercer
- Milliman
- Segal

EVALUATION PROCESS

The RFP responses were thoroughly reviewed by the RFP Evaluation Committee Team comprised of five LACERA staff selected from Internal Audit, Legal and Retiree Healthcare Divisions who reviewed, discussed and scored the responding firm's proposals. The Evaluation Committee concluded with the consensus that two (2) firms differentiated themselves as finalists - Aon Hewitt (our current consultant) and Segal Consulting.

Both firms satisfied the mandatory requirements stated in the RFP by displaying the necessary relevant experience, technical skills, financial stability, and support staff to provide LACERA with advice and assistance in administering our Retiree Healthcare Benefits Program.

The following discussion highlights the background of the finalists:

Aon Consulting

Aon highlighted its experience and knowledge regarding healthcare consulting including work with Congress, retiree healthcare exchanges, State governments, and local governments including the Los Angeles City, Los Angeles County, and the State of Nevada. They have partnerships with over 200 municipalities and 28 states. Aon also outlined its direct retiree healthcare experience by highlighting its relationship with approximately 100 employers providing benefits to over 1.6 million retirees.

Segal Consulting

Segal founded in 1939, has been a leading independent firm of benefit, compensation and human resources consultants. Headquartered in New York and nearly having 1,000 employees throughout the U.S. and Canada with expertise in public sector employee benefits plan design, administration, compliance, and communications.

REFERENCES AND CARRIER INTERVIEWS

Staff requested responding firms to provide current and former client references. We were able to contact some, but not all, firm provided client references.

Additionally, staff contacted LACERA's insurance carriers to gather input on their experiences with the finalist firms. The following summarizes the client reference efforts.

Aon: Reference indicated Aon was “responsive, thorough, and proactive in their work.” It was further stated that Aon's team has an excellent knowledge base and the team will go above and beyond the assignment without being asked to do so. LACERA insurance carrier references were very positive.

Segal: Reference indicated Segal "having extent knowledge, impressive history, with an outstanding and accommodating staff". Segal is physically present in all business meetings even when given a short notice advice, conference calls were used as a last resource. The firm renewed the contract with Segal as their service was proven excellent. LACERA insurance carriers commented that they were excellent partners with a wealth and depth of knowledge.

FEE COMPARISON

Each firm presented their billing procedures for a Fixed-Fee Proposal, which details a breakdown of costs by each category of services shown in the Statement of Work of the RFP and a Monthly Retainer-Fee Proposal, which includes a total, detailed, all-inclusive maximum price for the five year contract period. Our current practice utilizes a monthly retainer fee approach.

Fees listed below are totals for all work proposed. Detailed, fee breakdown for each firm are attached: Attachment I (Aon) and Attachment II (Segal).

	Aon	Segal
Fixed Fee Total Amount	\$4,557,513.00	\$3,732,000.00
Monthly Retainer Fee Total Amount	\$4,557,516.00	\$3,643,200.00

Aon

Aon's Fixed Fee proposal total amount is \$4,557,513. Aon indicated they want to discuss the following: 1) collection of carrier money to fund the bi-annual Staying Healthy Together Program Workshops, and 2) bill additional hours for projects that are multiple scopes or out of the scope of items. Aon did not provide details of the multiple scopes, nor the fees associated with these items in their presentation.

In their proposal, Aon indicated their fees include out of pocket expenses **excluding** those expenses associated with the spring and fall Staying Healthy Together Program workshops. The estimated fees are \$40,000.

Aon included print and fulfillment fees in their proposal. In addition, Aon provided a detailed breakdown of Communications fees. Their quarterly Communications Strategy includes four meetings per year.

Segal

Segal's Fixed Fee proposal total amount is \$3,732,000.00. In their proposal, Segal indicated they do not bill separately for travel time or expenses, or for secretarial services.

Segal provided a breakdown of the Communications service and indicated print and fulfillment fees are quoted based on the quantities for materials described in the RFP Questions and Answers response. In addition, Segal provided consulting fee and production estimates for "ad hoc" communications deliverables, including videos and mobile benefits application, should LACERA be interested in pursuing. These fees are for reference only and not included in their annual fee schedule.

CONCLUSION

Staff is bringing the two finalist firms to make a presentation to your committee at which time you will be able to interview each at the December 15, 2016 meeting. Each finalist presentation will take forty-five (45) minutes; with thirty (30) minutes for presentation and fifteen (15) minutes for questions and answers. The order of the presentation is Aon first and Segal presenting second.

IT IS THEREFORE RECOMMENDEND THAT the Insurance, Benefits and Legislative Committee recommend the Board of Retirement select one firm to provide the Retiree Healthcare Benefits Program Consulting Services for the five year period beginning July 1, 2017 and ending June 30, 2022.

CS:jb

Reviewed and Approved



Gregg Rademacher
Chief Executive Officer

Attachments

Fee Proposals
Bidder Presentations

ATTACHMENT I

Fee Proposal

In this section, also provide your firm's billing procedures.

1. A **FIXED-FEE PROPOSAL**, which details a breakdown of costs by each category of services shown in the Statement of Work of this RFP. Under this fee proposal, for work performed under an individual category, LACERA would pay no more than the total cost for all services in that category and would only pay for those services actually provided. For Communication services, LACERA will pay for postage costs incurred if mailed, as stated in Exhibit A Items E.1 and E.2 should be itemized separately for fee setting purposes.

Aon's fixed fee proposal for the requested services is detailed below. As Aon is the incumbent, the billing processes and procedures remain unchanged. However we would like to discuss the following two items with LACERA

- 1) The collection of carrier dollars to fund the Healthy Living Workshops due to changes in the accounting rules
- 2) Allocation of fees for projects that may encompass multiple scope items or out of scope items. Aon proposes to bill no more than the fixed retainer each month but may allocate funds across scope items.

Aon Annual Retiree Healthcare Benefits Program Consulting Services Fees for LACERA						
	7/1/17 – 6/30/18	7/1/18 – 6/30/19	7/1/19 – 6/30/20	7/1/20 – 6/30/21	7/1/21 – 6/30/22	Total
A. Strategic Planning	\$25,000	Provided in years 1, 3, & 5	\$25,000	Provided in years 1, 3, & 5	\$25,000	\$75,000
B. Annual Program Evaluation	\$25,000	\$25,000	\$25,000	\$25,500	\$26,010	\$126,510
C. Annual Medicare Part B Premium Reimbursement Program	\$10,000	\$10,000	\$10,000	\$10,200	\$10,500	\$50,700
D. Annual Renewal Process	\$125,000	\$125,000	\$125,000	\$127,500	\$130,050	\$632,550
E1. Claims Audits	\$77,000	\$77,000	\$77,000	\$78,540	\$80,111	\$389,651
E2. Operational Audit	\$15,000	Provided in year 1				\$15,000
F. Ongoing Program Administration and Maintenance	\$225,000	\$225,000	\$225,000	\$229,500	\$234,090	\$1,138,590
G1. Communications	\$290,000	\$294,100	\$298,282	\$304,248	\$310,333	\$1,496,962
G2. Communications Strategy	\$25,000	\$25,000	\$25,000	\$25,500	\$26,010	\$126,510
H. Training and Education	Included in ongoing program and maintenance fee					\$ -
I. Special Projects	\$100,000	\$100,000	\$100,000	\$102,000	\$104,040	\$506,040
Consulting Fees	\$917,000	\$881,100	\$910,282	\$902,988	\$946,143	\$4,557,513

2. A MONTHLY RETAINER-FEE PROPOSAL, which includes a total, detailed, all-inclusive maximum price for the five year contract period. The total all-inclusive maximum price to be bid must contain all direct and indirect costs, including all out-of-pocket expenses, with the following components identified:

- a total, detailed, comprehensive fee proposal by year for all services listed in - Exhibit A Section IV of the RFP

Aon Monthly Retiree Healthcare Benefits Program Consulting Services Fees for LACERA (Rounded)						
	7/1/17 – 6/30/18	7/1/18 – 6/30/19	7/1/19 – 6/30/20	7/1/20 – 6/30/21	7/1/21 – 6/30/22	Total
A. Strategic Planning	\$2,083	Provided in years 1, 3, & 5	\$2,083	Provided in years 1, 3, & 5	\$2,083	\$6,250
B. Annual Program Evaluation	\$2,083	\$2,083	\$2,083	\$2,125	\$2,168	\$10,543
C. Annual Medicare Part B Premium Reimbursement Program	\$833	\$833	\$833	\$850	\$875	\$4,225
D. Annual Renewal Process	\$10,417	\$10,417	\$10,417	\$10,625	\$10,838	\$52,713
E1. Claims Audits	\$6,417	\$6,417	\$6,417	\$6,545	\$6,676	\$32,471
E2. Operational Audit	\$1,250	Provided in year 1				\$1,250
F. Ongoing Program Administration and Maintenance	\$18,750	\$18,750	\$18,750	\$19,125	\$19,508	\$94,883
G1. Communications	\$24,167	\$24,508	\$24,857	\$25,354	\$25,861	\$124,747
G2. Communications Strategy	\$2,083	\$2,083	\$2,083	\$2,125	\$2,168	\$10,543
H. Training and Education	Included in ongoing program and maintenance fee					\$ -
I. Special Projects	\$8,333	\$8,333	\$8,333	\$8,500	\$8,670	\$42,170
Consulting Fees	\$76,417	\$73,425	\$75,857	\$75,249	\$78,845	\$379,793

- a detailed hourly professional fee rate schedule by classification of staff to be assigned, including areas of specialization to support the maximum all-inclusive maximum price

Hourly Profession Fee Rate Schedule		
Classification of Assigned Staff / Areas of Specialization	Hourly Rate	
	2017 – 2020	2021 & 2022
Senior Vice President / Account Manager / Subject Matter Expert	\$510	\$520
Vice President / Lead Consultant / Project Manager	\$450	\$460
Consultant / Financial Analyst / Specialist	\$295	\$300
Administrative Support Staff	\$130	\$132

- *a breakdown of your fee quote for each type of service listed in - Exhibit A Section IV, and specifically, a detailed breakdown of Part G of the Statement of Work – Communications*
- Please refer to the annual and monthly fee quotes above for the full scope of services. The table below reflects the fees for Part G Communications:

Component	7/1/17 – 6/30/18	7/1/18 – 6/30/19	7/1/19 – 6/30/20	7/1/20 – 6/30/21	7/1/21 – 6/30/22	Total
Quarterly communications strategy. Includes four meetings per year.	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,500	\$ 26,010	\$ 126,510
Development, production and distribution of the following items. Fees assume Aon and LACERA will meet prior to creating an initial draft to confirm the components, review the prior documents and agree on material changes. Aon will prepare two drafts and one final document for LACERA review. Please refer to the Scope of Work for additional detail	\$ 290,000	\$ 294,100	\$ 298,282	\$ 304,248	\$ 310,333	\$ 1,496,962

- *a total of all estimated out-of-pocket expenses to be reimbursed, if not included in the quoted hourly professional fee rates*

Aon fees include out of pocket expenses excluding those expenses associated with the spring and fall workshops. Estimated fees for a well-attended workshop are \$40,000.

- *a total, all-inclusive maximum price for any additional services the firm deems necessary to provide comprehensive benefit consulting services to LACERA*

At some point we believe LACERA should evaluate implementing a state of the art benefits administration system, to minimize administrative burdens such as monthly carrier eligibility reconciliation, improve accuracy, reporting capabilities, etc. Consulting fees and system costs can vary significantly based on system requirement.

- *Exhibit A Items E.1 and E.2 should be itemized separately for fee setting purposes*

Please see the tables above for annual and month fees.

Under this fee proposal, LACERA would pay the maximum fee and any or all of the services listed would be provided as requested by LACERA.

Noted: Aon also welcomes an opportunity to discussing placing a portion of core consulting fees at risk based on the terms identified in our Client Promise with LACERA

ATTACHMENT II

Section 3 – Fee Proposal

In this section, also provide your firm’s billing procedures.

- 1. A FIXED-FEE PROPOSAL, which details a breakdown of costs by each category of services shown in the Statement of Work of this RFP. Under this fee proposal, for work performed under an individual category, LACERA would pay no more than the total cost for all services in that category and would only pay for those services actually provided. For Communication services, LACERA will pay for postage costs incurred if mailed, as stated in Exhibit A Items E.1 and E.2 should be itemized separately for fee setting purposes.*

Segal’s fixed fee is all-inclusive for all of the services identified in this proposal – we do not bill separately for travel time or expenses, or for secretarial services. LACERA would only pay for the time and services actually performed by Segal, up to the maximum amount listed.

Exhibit B – Fee Schedule

For services included in the Statement of Work, Consultant will be compensated according to this schedule.

	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022
Service					
Strategic Planning	\$40,000	\$41,000	\$42,000	\$43,000	\$44,000
Annual Program Evaluation	\$98,000	\$101,000	\$104,000	\$107,000	\$110,000
Annual Medicare Part B Premium Reimbursement Program Analysis and Report	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000
Annual Renewal Process	\$40,000	\$41,000	\$42,000	\$43,000	\$44,000
Audits – Anthem/CIGNA (E1)	\$87,000	\$90,000	\$93,000	\$96,000	\$99,000
Audits – Program Development (E2)	\$22,000	N/A	N/A	N/A	N/A
Ongoing Program Administration and Maintenance	\$62,000	\$64,000	\$66,000	\$68,000	\$70,000
Communications	\$280,000	\$280,000	\$280,000	\$280,000	\$280,000
Training and Education	\$40,000	\$41,000	\$42,000	\$43,000	\$44,000
Special Projects	\$63,000	\$65,000	\$67,000	\$69,000	\$71,000
Total	\$738,000	\$729,000	\$742,000	\$755,000	\$768,000

2. *A MONTHLY RETAINER-FEE PROPOSAL, which includes a total, detailed, all-inclusive maximum price for the five year contract period. The total all-inclusive maximum price to be bid must contain all direct and indirect costs, including all out-of-pocket expenses, with the following components identified:*

- *a total detailed, comprehensive fee proposal by year for all services listed in – Exhibit A Section IV of the RFP*

The monthly retainer fees associated with all the requested services in the RFP (Section IV – Exhibit A) are as follows:

- 7/1/2017-6/30/2018 - \$60,000/month
- 7/1/2018-6/30/2019 - \$60,000/month
- 7/1/2019-6/30/2020 - \$60,000/month
- 7/1/2020-6/30/2021 - \$61,800/month
- 7/1/2021-6/30/2022 - \$61,800/month

- *a detailed hourly professional fee rate schedule by classification of staff to be assigned, including areas of specialization to support the maximum all-inclusive maximum price*

Segal’s individual billing rates are proprietary information and may not be released publicly.

Year 1 Billing Rates:

Staff	Rate
Vice President or Senior Vice President	\$450/hr
Consultant or Senior Consultant	\$375/hr
Analyst or Senior Analyst	\$300/hr

Note: Billing Rates increase 3% per year.

- *a breakdown of your fee quote for each type of service listed in – Exhibit A Section IV, and specifically, a detailed breakdown of Part G of the Statement of Work— Communications*

A breakdown of our fee quote for each type of service listed in – Exhibit A Section IV, are detailed See table on previous page (Section 2, Question #1) for overall breakdown.

Communications (Part G of Statement of Work) Breakdown:

Communications consulting fees are based on LACERA’s current scope of work, as described in the RFP and its Questions and Answers.

Print and fulfillment fees are quoted based on the quantities for materials described in the RFP Questions and Answers response. We have included a detailed breakdown of our production assumptions below. The print and fulfillment estimate is included in each year of our annual fixed fee schedule. Segal continuously works with our production vendors to secure the best

possible pricing for print and fulfillment services, which may result in lower costs. However, we also recognize that the cost for raw materials needed for print production may fluctuate over the course of this five-year contract. As such, we reserve the right to provide an updated production estimate once actual specifications are known during each year of the contract.

In addition, we have provided consulting fee and production estimates for “ad hoc” communications deliverables, including videos and a static mobile benefits application, should LACERA be interested in pursuing these new communications. These estimates are for reference—they are not included in our annual fee schedule.

Years 1 to 5 Communications Consulting Fees and Print/Fulfillment Expenses		
Service	Description	Per Year Fees
Communications Consulting	Develop communications strategy and implementation plan Consulting, designing, writing, revising, developing the materials as outlined in Section G of the Statement of Work Coordinate printing, fulfillment and distribution of the work described in Section G of the Statement of Work Manage semi-annual health fairs	\$175,000
Production	Printing, fulfillment (not postage)	\$105,000
ANNUAL TOTAL		\$280,000 (\$23,333 per month)
CONTRACT TOTAL		\$1,400,000

Our proposed fees reflect:

- Communications project management, which includes coordination with LACERA’s communications team and vendors, preparation of the project plan, regular status calls as required and day-to-day project oversight.
- Development and delivery of an original draft and up to three revisions (the second revision is final copy) of all requested materials.

Aon Risk Solutions

LACERA

Aon's Retiree Healthcare Benefits Program Consulting Services

December 15, 2016

Risk. Reinsurance. Human Resources.

AON
Empower Results®

An aerial photograph of a dense, vibrant green forest. A waterfall cascades down a rocky cliff in the upper right quadrant, falling into a dark pool. The forest is thick with various shades of green, and some trees with lighter, yellowish-green foliage are scattered throughout. The overall scene is a lush, natural landscape.

Thank You



Rivers,
LACERA, and Aon

"Ideas, like large rivers,
never have just one source."

– Willy Ley

Today's Journey

1

Welcome and
Introductions

2

What We Have
Accomplished Together

3

The Journey
Ahead

4

Q&A

About Aon's Team for LACERA

Presenters



Kirby Bosley
Lead Consultant
Los Angeles, CA



Leslie McKee
Account Executive
Los Angeles, CA



Nicole Martinez
Consultant
Los Angeles, CA



Susie Lee
Analyst
Los Angeles, CA



Helen Batsalkin
Underwriter
Los Angeles, CA



Tania Nordstrom
Communications Lead
Los Angeles, CA

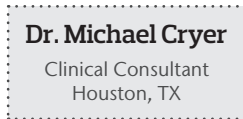
Rest of the Service Team



Laura Peck
Lead Actuary
Newport Beach, CA



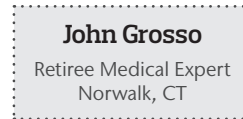
Rachel Arnedt
Compliance
Norwalk, CT



Dr. Michael Cryer
Clinical Consultant
Houston, TX



Todd Delahanty
RDS
Lincolnshire, IL



John Grosso
Retiree Medical Expert
Norwalk, CT



Cathy Weis
Claim Audits
Lincolnshire, IL

About Aon and Our Team for LACERA

70

70 years consulting
to the public sector

460

460 public sector / 165
health and benefits
clients with over 90%
client retention

25+

25+ combined years
working with LACERA

+

40+

40+ combined years of
public sector experience

+

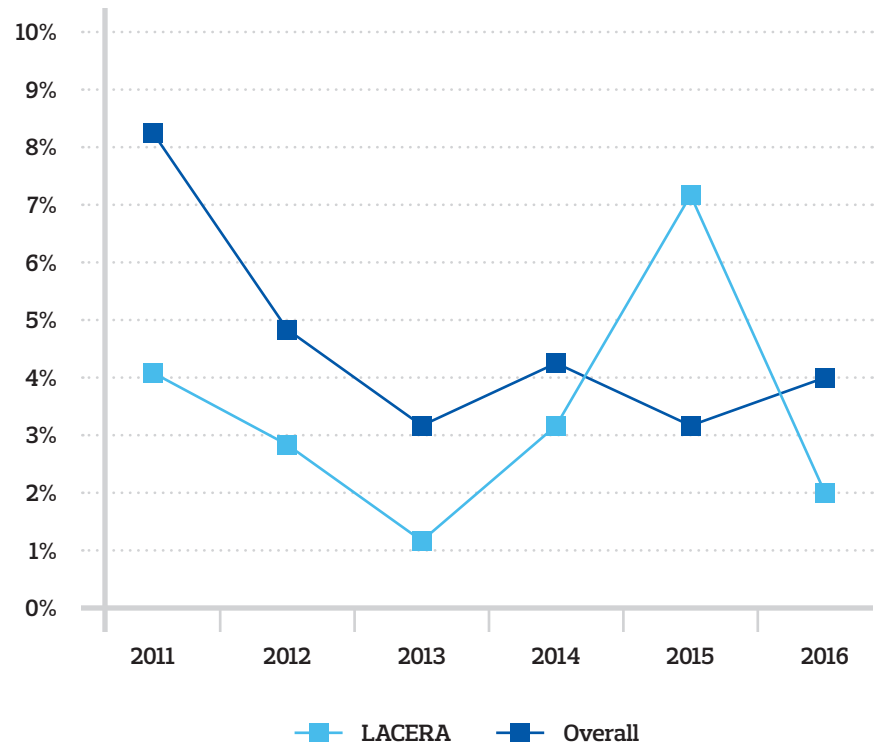
17

17 years (average)
of health and benefits
and communication
consulting experience

Fueled by **\$120M** in investments

Together we have ...

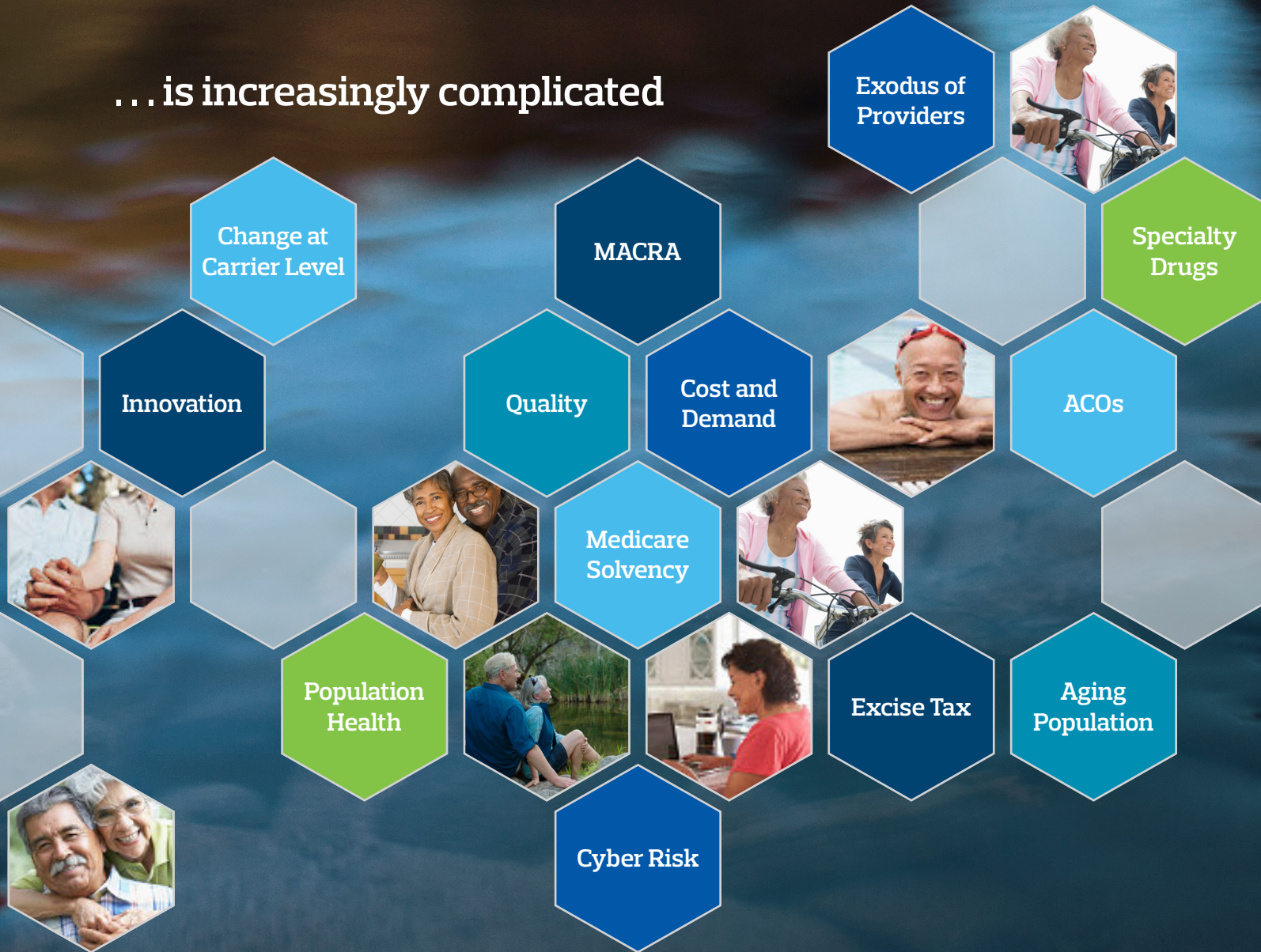
- Achieved exceptional, sustainable financial results
 - Negotiated \$5.5 million in savings for PY 2016 renewal
 - Negotiated \$4.6 million in savings for PY 2015 renewal
 - Negotiated \$3.0 million in savings for PY 2015 year end accounting
 - Over the last four years, negotiated renewals are 27% lower than the national rate of increase
- Engaged and impacted members through the population segmentation study, Staying Healthy Together workshops, written communications, and Spotlight articles
- Positively impacted LACERA's members lives through Staying Healthy Together workshops
- Educated thousands of members on their plan choices, how to stay healthy, how to enroll, what their costs are and how to take advantage of their plan



The journey ahead



... is increasingly complicated







LACERA's Point of View

- Preserve Medicare

- Discourage cost-shifting to employer-sponsored plans

- Encourage legislation to enable financially accessible health care in retirement

- Support improvement in quality of care

Produce the highest quality service to members

Protect the promised benefits

Provide the promised benefits

Premier retirement association

Our vision is our pledge

Our values guide our behaviors



Communication and Education

- Staying Healthy Together Workshops coordination
- January Offsite Content Development
- Communication Development
- Author Spotlight Articles
- Author Medicare Booklet
- Glossary of Terms Maintenance
- Annual Update of Retirement Packet
- Review of Carrier Communications
- **Quarterly Communication Strategy Review**

Financial

- Annual Renewal Negotiations
- Year End Accounting Review
- Medicare Part B Reimbursement Calculation
- Deduction Calculation
- RDS Peer Review
- Monthly Claim Reporting
- Large Claim Review
- Claims Trend Analysis

Carrier and Vendor Performance

- Review Carrier Performance
- Annual Carrier Audits
- Conduct Annual Carrier Due Diligence
- Monitor Carrier Performance against Performance Standards
- **Participate in Carrier Staff Transition Training**
- Review and Negotiate Carrier Contracts
- Vendor Summits

Compliance and Program Design

- Provide Monthly Washington Updates
- Conduct Legislative Analysis
- Designated Compliance Resource
- **Washington D.C. Advisor**
- **State Law Advisor**
- **Compliance Dashboard and Support**
- Evaluate Mandated and Optional Plan Features

Delivered through exceptional project management

Continuously Enhance How We Work Together

- In-person biweekly meetings
- Updates on open items and vendor management
- Tracking annual calendar
- Collaboration in organizing events
 - Board Offsite meetings
 - Staying Healthy Together workshops

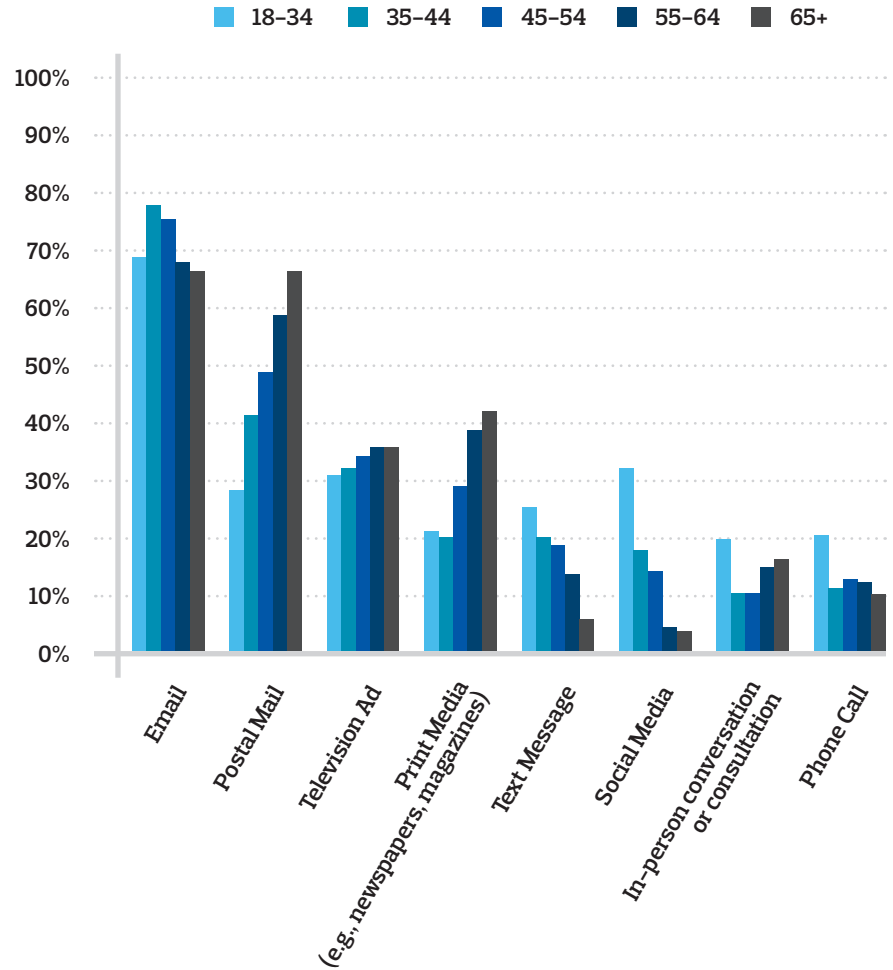


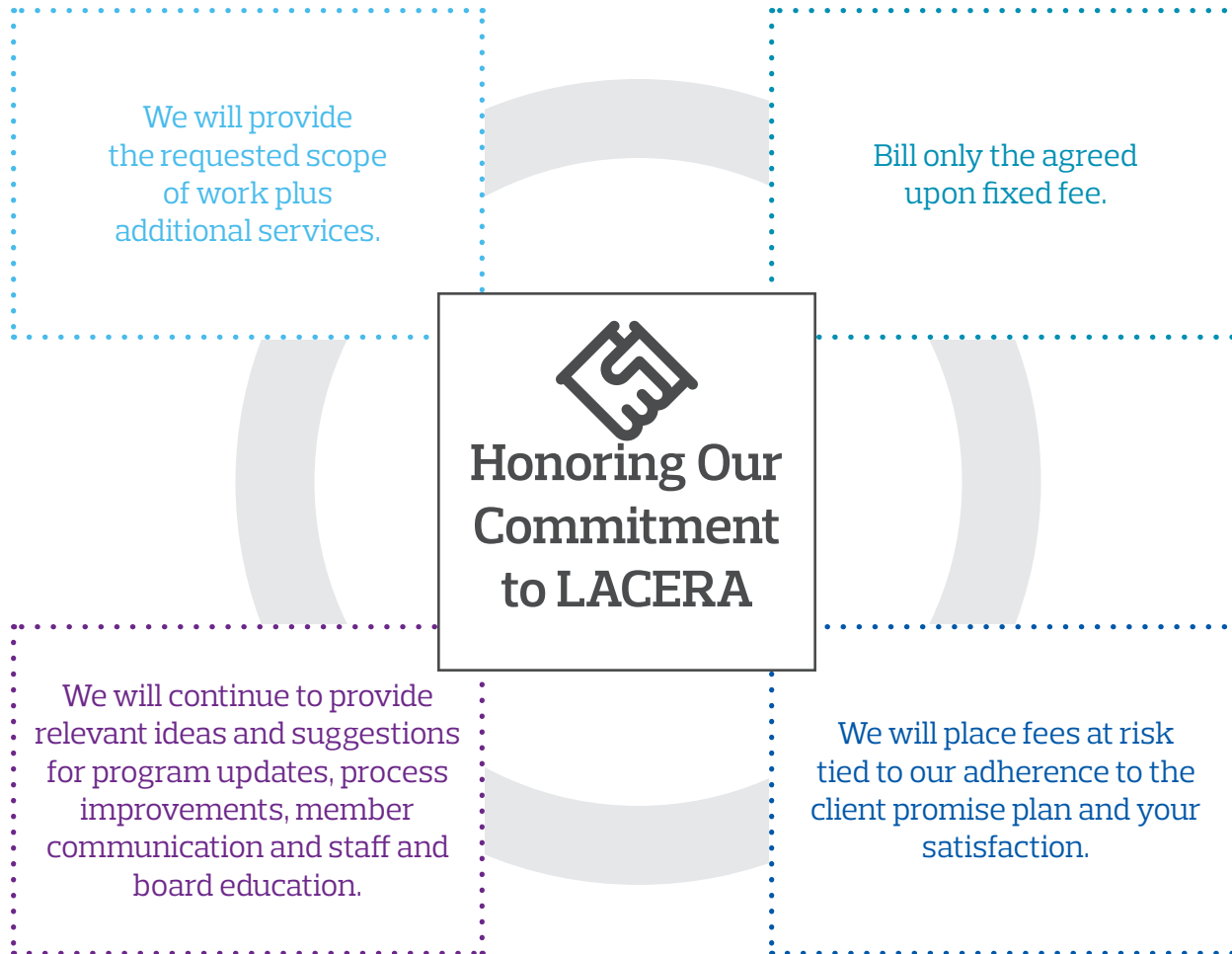
Item #	Item	Description / Goal	Start Date	Target Closed Date	Responsible Parties	Comments
Projects						
1	2015 - 2016 Anthem Plan I, II HCC	Determine rationale for increase in large cost claimants	7/20/16	Ongoing	Aon	10/19 - Dr. Cryer to join LACERA bi-weekly call on 11/15 10/18 - Possibly schedule call with Anthem after discussing results with Dr. Cryer
2	CDS (comprehensive)	Aon to provide CDS	10/10/16	10/18/16	Aon	10/18 - Aon team to send standardized confirmation email to LACERA for CDS
3	Rx claim process transfer: Anthem to CVS	CVS / Anthem / Aon / LACERA	5/20/16	10/14/16	Anthem / CVS / Aon / LACERA	10/17 - CVS team provided update that member letter is being updated and scheduled to be mailed 10/25. Mcchoice letter is being worked through. No problems with test files moving forward.
4	Renewal Evaluation Packet	Begin drafting Renewal Evaluation Packet	10/3/16	Jan 2017	Aon	10/4 - Aon team to begin working on Renewal Evaluation Packet
5	Board offsite meeting	LACERA's offsite board meeting	8/18/16	Jan 2017	Aon / LACERA	10/13 - date and location to be confirmed by LACERA 9/15 - LACERA approved the following ideas Aon: Post-election health care impact prognosis LACERA: Get to know LACERA Jeopardy game (know your LACERA benefits - various categories with prizes) - ideas on other collaborative games? (i.e. family feud). Will LACERA be organizing this portion? Carrier / External: Kaiser Gerontologist (i.e. *65 is the new 45*) Kaiser - Kevin Hart on future of healthcare Dental / Vision technologies
6	Contract review	Schedule meeting with carriers / LACERA / Aon team to review and finalize contracts	10/18/16	1/1/17	Aon / LACERA	10/20 - Aon to schedule times with Anthem to review EOC's
7	Medicare Part B	Once Medicare announcements have been made	8/15/16	Pending	Aon / LACERA	Medicare announcements to be made in October or November
8	Discount Analysis / TCC	Aon to provide analysis as part of renewal	10/4/16	Ongoing	Aon	10/18 - Aon to send Disclosure Agreement (Medicare eligibility may need to be estimated)
Renewal						
1	Renewal Kickoff	LACERA, Aon and carriers to discuss timeline for renewals	9/30/16	10/5/16	Completed	10/5 - Aon sent confirmation emails out to carriers for official approval of timeline
2	Anthem, UHC, Kaiser, SCAN, Cigna	Provide renewal by Friday, Nov 18	10/10/16	11/18/16	Aon	10/13 - Kaiser to continue presenting renewal INCLUDING deduct code 406
3	Renewal Meeting	Schedule renewal meeting	10/14/16	Jan 2017	Aon	10/14 - Aon will schedule renewal meeting once Board Offsite meeting date has been confirmed
Communications						
1	Enrollment Forms	Form 401 and 402	5/31/16	Ongoing	Aon / Kaiser	10/20 - Aon to confirm with LACERA on whether discrimination notice should be added with enrollment forms



Continuing the Momentum

	Male	Female	Total
55 to 60 years	1,474	850	2,324
60 to 65 years	2,301	2,850	5,151
65 to 70 years	4,440	5,734	10,174
70 to 75 years	4,492	5,217	9,709
75 to 80 years	3,271	3,947	7,218
80 to 85 years	2,435	3,049	5,484
85 to 90 years	1,456	2,140	3,596
90 to 95 years	584	1,202	1,786
95 to 100 years	125	296	421
100 to 105 years	10	38	48
> 105 years	-	2	2





We Will Only Succeed Together if We ...

1

Truly understand LACERA

2

Remove clutter and focus on
relevance to LACERA

3

Deliver the annual requirements
on time and accurately

4

Change what we can and
manage what can't be changed

5

Anticipate the next bend in the river,
and the one beyond that

6

Pull together and most
importantly,

7

Care

About retirees, about retiree healthcare staff,
about the Board, about achieving LACERA's mission





.....
You can count on us.

About Aon

Aon plc (NYSE:AON) is the leading global provider of risk management, insurance and reinsurance brokerage, and human resources solutions and outsourcing services. Through its more than 72,000 colleagues worldwide, Aon unites to empower results for clients in over 120 countries via innovative and effective risk and people solutions and through industry-leading global resources and technical expertise. Aon has been named repeatedly as the world's best broker, best insurance intermediary, best reinsurance intermediary, best captives manager, and best employee benefits consulting firm by multiple industry sources.

Visit aon.com for more information on Aon.

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www.aon.com

Risk. Reinsurance. Human Resources.





Helping Protect LACERA's Promise to Current and Future Retirees

Insurance, Benefits and Legislative Committee Interview

December 15, 2016

Los Angeles County Employees Retirement Association

 Segal Consulting

Introductions

Stephen Murphy, CEBS

*Vice President, Health Consultant
Client Relationship Manager*

LACERA's primary contact and
lead project manager

Richard Ward, FSA, FCA, MAAA

Senior Vice President, Actuary

West Region Health Practice Leader,
strategic resource for LACERA

Kathryn Bakich, JD

*Senior Vice President
National Health Compliance
Practice Leader*

Leads staff that disseminates health
compliance information to Segal's clients

Jennifer Schuster

*Vice President
Senior Communications Consultant*

Will lead all communications projects

MaryAnne Watson, HIA, MHP

*Vice President
National Audit Practice Leader*

Will lead all audits for LACERA

Your Segal Team



Cathie Eitelberg, *National Director, Public Sector Market*

Health and Welfare

Stephen Murphy, CEBS
Thomas Morrison, Senior Advisor
Richard Ward, FSA, FCA, MAAA
Gita Raghavan, ASA, MAAA
Paul Sadro, ASA, MAAA

Communications

Jennifer Schuster
Katherine Anttila
Susanne Antonucci

Audit

MaryAnne Watson, HIA, MHP

Compliance

Kathryn Bakich, JD
Joanne Husted, JD
Amanda Swanson, JD

Clinical/Wellness Resources

Sadhna Paraklar, MD, MPH, MBA
Nancy Hakes, RN, MSN
Daljit Johl, PharmD

What We've Learned About LACERA

Strives to provide a healthcare program of the highest quality at an affordable cost to over 40,000 retirees and dependents

Anthem[®]

Cigna[®]

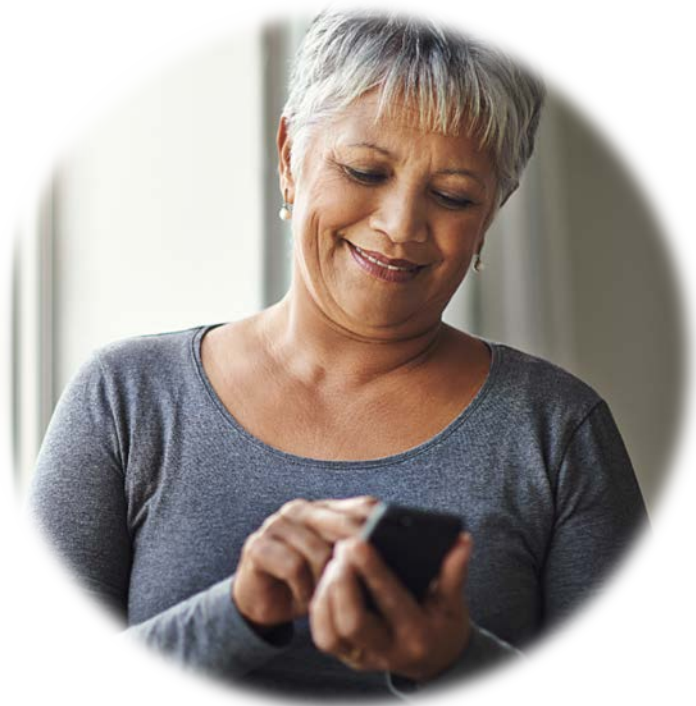
scan[®]
HEALTH PLAN[®]

KAISER PERMANENTE[®]

UnitedHealthcare

Key objectives include:

- Compliance with Medicare and the provisions of Health Care Reform applicable to the LACERA-administered healthcare program
- Leveraging technology to improve member interaction and communication



What We've Learned About LACERA



Has a fiduciary duty to protect and maintain the level of benefits available at the time the 1982 contract was signed with the County

LACERA has implemented or evaluated multiple strategies to maintain the value of the retiree healthcare program including:

Audits



**Medicare
Advantage
Plans**



**Health
Insurance
Exchanges**



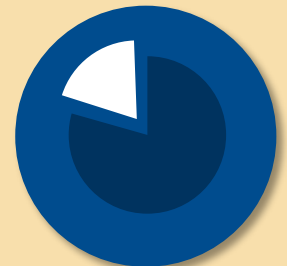
**Retiree Drug
Subsidy**



EGWP



**Pre-funding
OPEB
Liabilities**



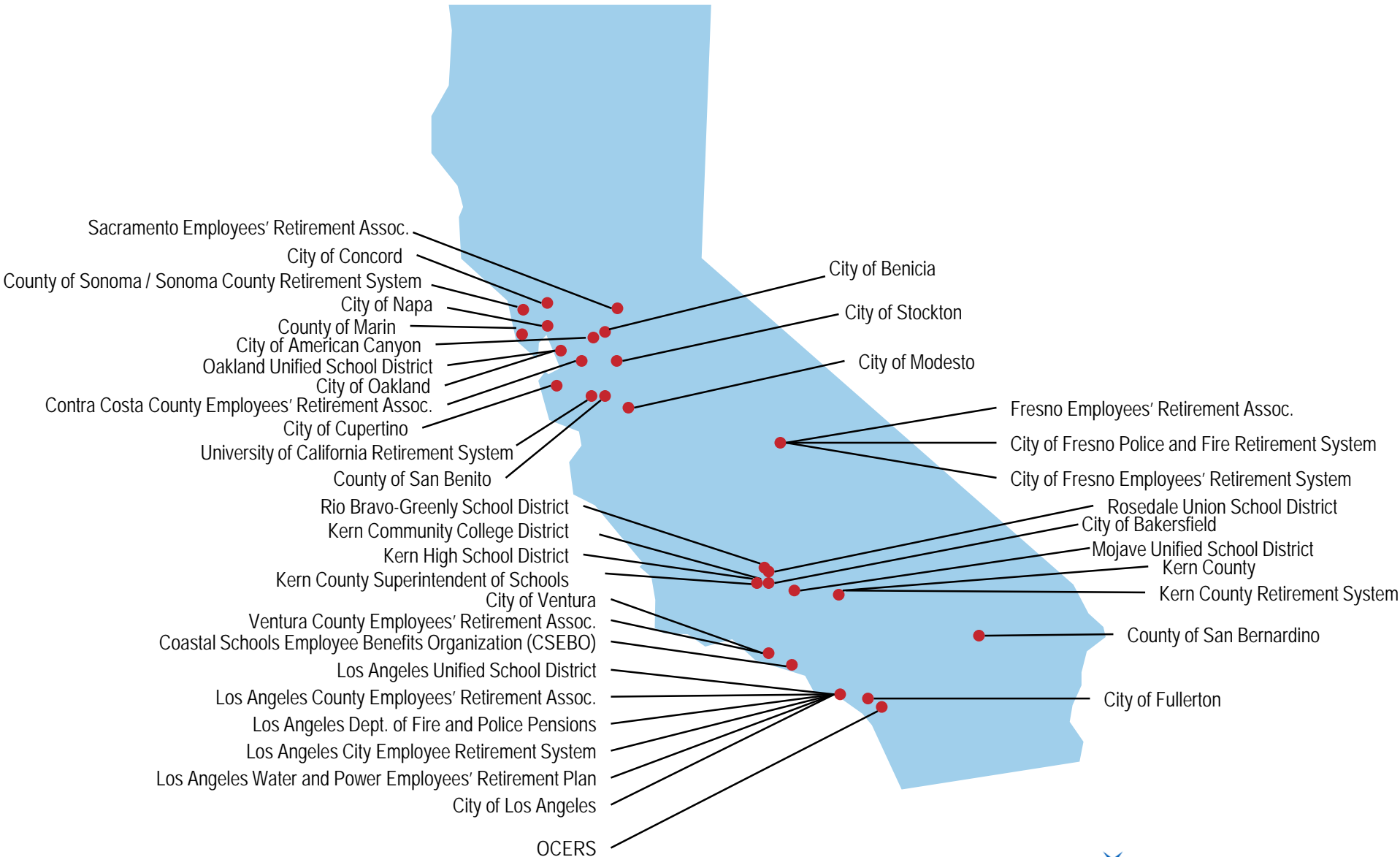
Scope of Services

- Strategic Planning and Compliance
- Program Design and Financial Evaluation
- Medicare Part-B Premium Reimbursement Program Analysis and Report
- Annual Renewal Process & Marketing
- Audits
- Program Administration and Maintenance
- Communications
- Training and Education
- Special Projects

A woman in a purple puffer jacket and a man in a blue long-sleeve shirt and grey pants are hiking on a rocky mountain trail. They are both using trekking poles and smiling. The background shows a misty mountain landscape with green vegetation and a blue sky.

Segal is uniquely qualified to provide the services required by LACERA

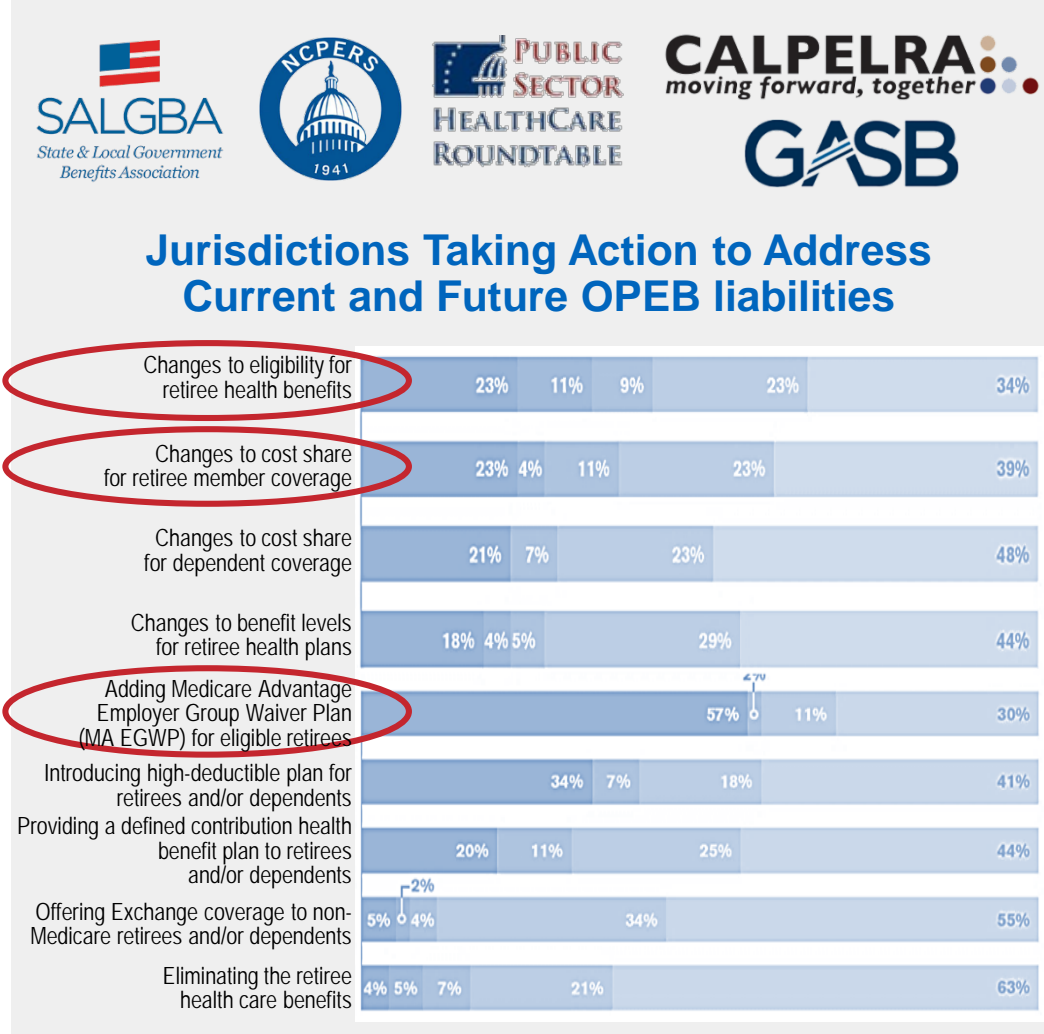
Segal and the Public Sector



Segal's Public Sector Advantage

Segal's Public Sector is a Core Business

- Focused on emerging issues affecting public sector plan sponsors and retirees
- Experience in presenting complex issues to policy making groups
- Recommendations balance the interests of all stakeholders



Segal works with Public Sector clients in virtually every State across the Country.

Delivering Results

Project Description	AK	HI	IL	MD	NC	NM	PA	WI	Atlanta	Chicago	Houston
Retiree Only Plans	X	X	X	X	X	X	X	X	X	X	X
Strategic Consulting	X	X	X	X	X	X	X	X	X	X	X
Actuarial/Financial	X	X	X	X	X	X	X	X	X	X	X
RFPs/Vendor Mgt.	X	X	X	X	X	X	X	X	X	X	X
Medical/Rx	X	X	X	X	X	X	X	X	X	X	X
Dental/Vision	X	X		X		X	X	X	X	X	X
LTC/Other	X			X			X		X		X
Medicare Advantage		X	X		X	X	X	X	X	X	X
ER Grp Waiver Plan	X	X	X	X	X	X	X	X	X	X	X
Retiree Drug Subsidy	X	X	X	X	X	X	X				X
Medicare Integration	X	X	X	X	X	X	X	X	X		X
ACA Compliance	X	X	X	X	X	X	X	X			X
Audits	X	X		X	X		X			X	X
Communications	X	X	X	X	X		X			X	X
GASB Valuation		X		X	X	X		X	X		X

Delivering Results: Health & Welfare Consulting

Project Description	AK	HI	IL	MD	NC	NM	PA	WI	Atlanta	Chicago	Houston
Retiree Only Plans	X	X	X	X	X	X	X	X	X	X	X
Strategic Consulting	X	X	X	X	X	X	X	X	X	X	X
Actuarial/Financial	X	X	X	X	X	X	X	X	X	X	X
RFPs/Vendor Mgt.	X	X	X	X	X	X	X	X	X	X	X
Medical/Rx	X	<ul style="list-style-type: none"> • Retiree only plan with 60,000 members • State statute requires “non-diminishment” of benefits • Recently renegotiated PBM contract • RDS currently, but exploring EGWP feasibility 									X
Dental/Vision	X										X
LTC/Other	X										X
Medicare Advantage		X	X		X	X	X	X	X	X	X
ER Grp Waiver Plan	X	X	X	X	X	X	X	X	X	X	X
Retiree Drug Subsidy	X	X	X	X	X	X	X				X
Medicare Integration	X	X	X	X	X	X	X	X	X		X
ACA Compliance	X	X	X	X	X	X	X	X			X
Audits	X	X		X	X		X			X	X
Communications	X	X	X	X	X		X			X	X
GASB Valuation		X		X	X	X		X	X		X

Delivering Results: Compliance

Project Description	AK	HI	IL	MD	NC	NM	PA	WI	Atlanta	Chicago	Houston
Retiree Only Plans	X	X	X	X	X	X	X	X	X	X	X
Strategic Consulting	X	X	X	X	X	X	X	X	X	X	X
Actuarial/Financial	X	X	X	X	X	X	X	X	X	X	X
RFPs/Vendor Mgt.	X	X	X							X	X
Medical/Rx	X	X	X							X	X
Dental/Vision	X	X								X	X
LTC/Other	X										X
Medicare Advantage		X	X							X	X
ER Grp Waiver Plan	X	X	X	X	X	X	X	X	X	X	X
Retiree Drug Subsidy	X	X	X	X	X	X	X				X
Medicare Integration	X	X	X	X	X	X	X	X	X		X
ACA Compliance	X	X	X	X	X	X	X	X			X
Audits	X	X		X	X		X			X	X
Communications	X	X	X	X	X		X			X	X
GASB Valuation		X		X	X	X		X	X		X

- Assisted in contracting directly with CMS to establish a PDP benefiting 90,000 retirees
- Educated stakeholders on which ACA provisions applied to retiree-only plans
- Currently assessing impact of ACA section 1557 non-discrimination rules

Delivering Results: Audits

Project Description	AK	HI	IL	MD	NC	NM	PA	WI	Atlanta	Chicago	Houston
Retiree Only Plans	X	X	X	X	X	X	X	X	X	X	X
Strategic Consulting	X	X	X	X	X	X	X	X	X	X	X
Actuarial/Financial	X	X	X	X	X	X	X	X	X	X	X
RFPs/Vendor Mgt.	X	X	X	X	X	X	X	X	X	X	X
Medical/Rx	X	X	X	X	X	X	X	X	X	X	X
Dental/Vision	X	X		X		X	X	X	X	X	X
LTC/Other	X										X
Medicare Advantage		X	X							X	X
ER Grp Waiver Plan	X	X	X							X	X
Retiree Drug Subsidy	X	X	X								X
Medicare Integration	X	X	X	X	X	X	X	X	X		X
ACA Compliance	X	X	X	X	X	X	X	X			X
Audits	X	X		X	X		X			X	X
Communications	X	X	X	X	X		X			X	X
GASB Valuation		X		X	X	X		X	X		X

- Perform annual audits to validate vendor operational and financial efficiency
- Annually target areas of emerging concern like CSR responsiveness
- Identified system limitations unknown to the TPA, that resulted in a high volume of lost calls during peak service times

Delivering Results: Communications Consulting

Project Description	AK	HI	IL	MD	NC	NM	PA	WI	Atlanta	Chicago	Houston
Retiree Only Plans	X	X	X	X	X	X	X	X	X	X	X
Strategic Consulting	X	X	X	X	X	X	X	X	X	X	X
Actuarial/Financial	X	X	X	X	X	X	X	X	X	X	X
RFPs/Vendor Mgt.	X	X	X	X	X	X	X	X	X	X	X
Medical/Rx	X	X	X	X	X	X	X	X	X	X	X
Dental/Vision	X	X							X	X	X
LTC/Other	X								X		X
Medicare Advantage		X							X	X	X
ER Grp Waiver Plan	X	X							X	X	X
Retiree Drug Subsidy	X	X	X	X	X	X	X				X
Medicare Integration	X	X	X	X	X	X	X	X	X		X
ACA Compliance	X	X	X	X	X	X	X	X			X
Audits	X	X		X	X		X			X	X
Communications	X	X	X	X	X		X			X	X
GASB Valuation		X		X	X	X		X	X		X

- Introduced new plan line-up for 75,000+ Medicare and non-Medicare eligible retirees
- MA plans offered for the first time
- Developed and maintain a dynamic mobile/online premium rate calculator
- Created and launched multimedia campaign

Compliance Support to Help Keep You Informed

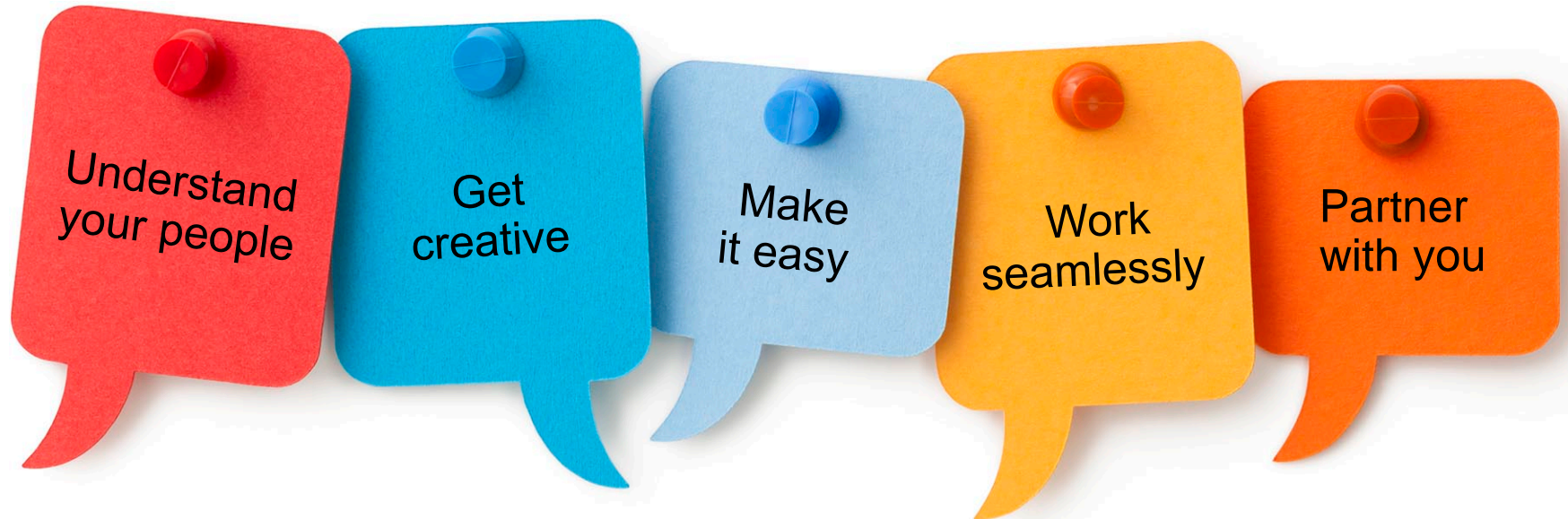
- Segal's Washington team of attorneys have relationships with decision-makers at the highest levels of the legislative and regulatory process
- You will receive one-on-one compliance and strategic consulting regarding newly enacted legislation
- You will be kept up to date on pending and issued guidance to help you understand how it affects LACERA's plan

Audit Strategy to Meet Plan Objectives

- Operational Assessments
 - Vendors
 - LACERA's internal processes
- Eligibility Analysis
- System Plan Parameters
- Statistically Valid Review of Benefit Payments
- Targeted Claims Review
- 100% Electronic Data Review



Communications Consulting Services



New Ways of Communicating the Same Things



Pennsylvania School Retiree Health Care Coverage
Sponsored by Public School Employees' Retirement System (PSERS)



Talk to a Representative

Call **1-800-773-7725** for assistance.

MEMBER SIGN IN

NEW USER REGISTRATION

About the Health Options Program

What's New

Eligibility

How to Enroll

Medical Benefit Options

Medicare Rx (Part D) Options

MetLife Dental Plan

Premium Assistance

FAQs

Forms

Resources

Contact Us

Member Area

Registration

Watch our video about Medicare and the Health Options Program.



Quick Poll

If you received a statement for the Option Selection Period or

Thank you!



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

IFEBP Annual Employee Benefits Conference

Staff and representatives from Aon attended the IFEBP Annual Conference held November 13-16, 2016, in Orlando, Florida. The key sessions for healthcare focused on the following topics:

- ACA Where are We Now
- The Role of Telemedicine in Health Care Delivery
- Best Practices in Controlling Prescription Drug Costs
- Retiree Coverage in a Post-ACA World
- Engaging Your Members Across All Generations
- Fraud in Your Health Plan
- Addressing Prescription Drugs Fraud

Retiree Healthcare Communications

Staff and Aon completed the updates of the following Retiree Healthcare communication materials:

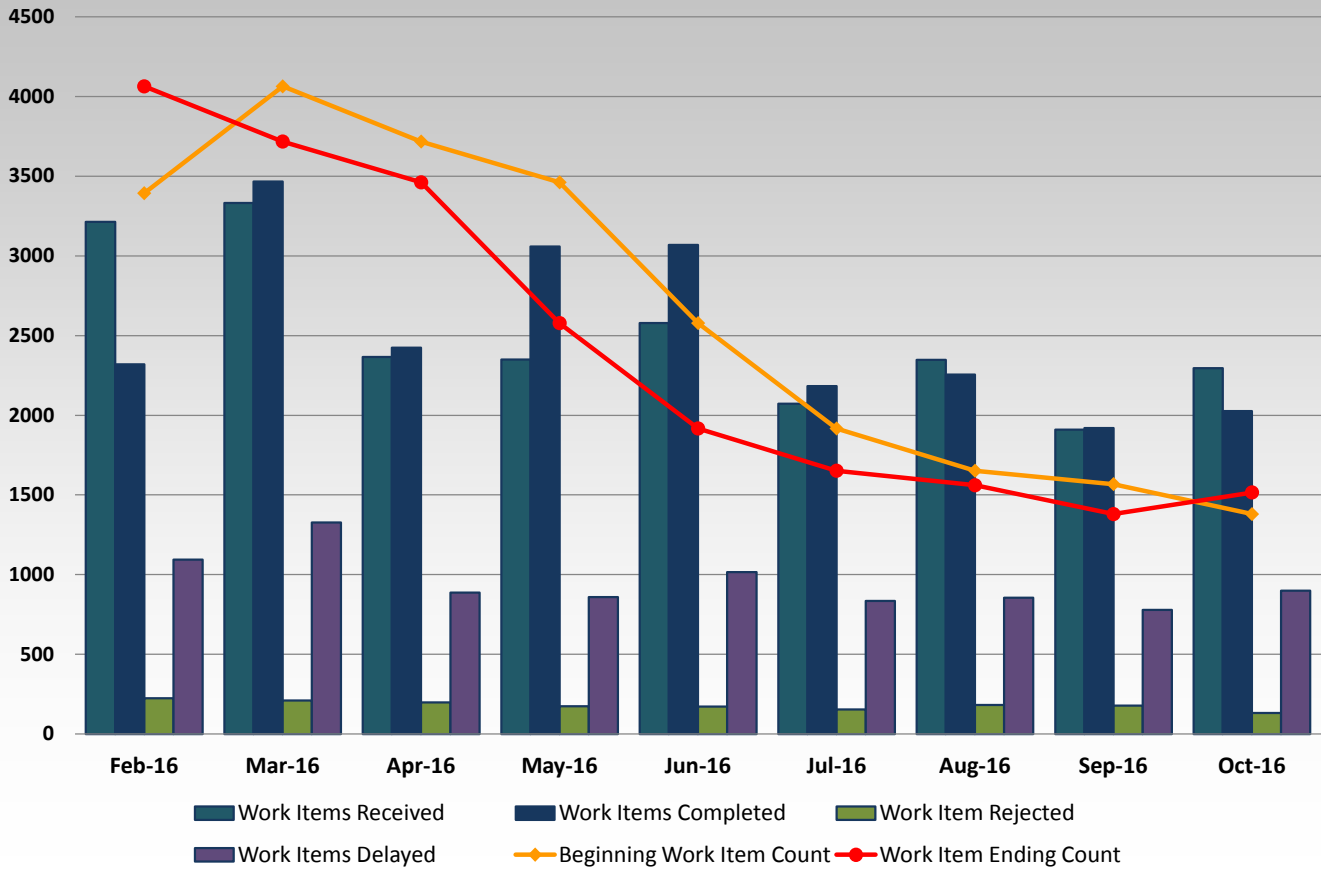
- Exploring Your Healthcare Benefits through LACERA
- 2017 Medicare Benefits Chart
- How Your Anthem Blue Cross Plans I, II, and III Coordinate with Medicare, Effective January 1, 2017

In addition to producing print copies, the materials will be available on the LACERA website.

Retiree Healthcare Division

Trend Report

February 2016-October 2016
Updated 11/30/2016

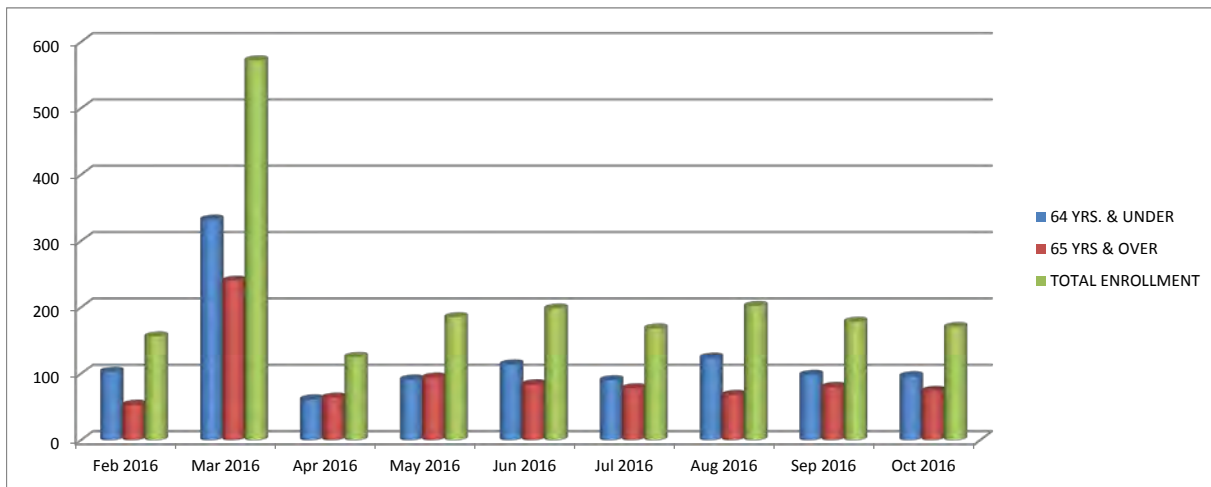


	Beginning Work Item Count	Work Items Received	Work Items Completed	Work Item Rejected	Work Items Delayed	Work Item Ending Count
Feb-16	3393	3214	2320	224	1094	4063
Mar-16	4063	3331	3467	210	1328	3717
Apr-16	3717	2365	2423	198	887	3461
May-16	3461	2350	3059	174	860	2578
Jun-16	2578	2579	3068	172	1015	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
Oct-16	1380	2295	2027	132	899	1516

Retirees Monthly Age Breakdown FEBRUARY ~ OCTOBER, 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
Oct 2016	96	74	170



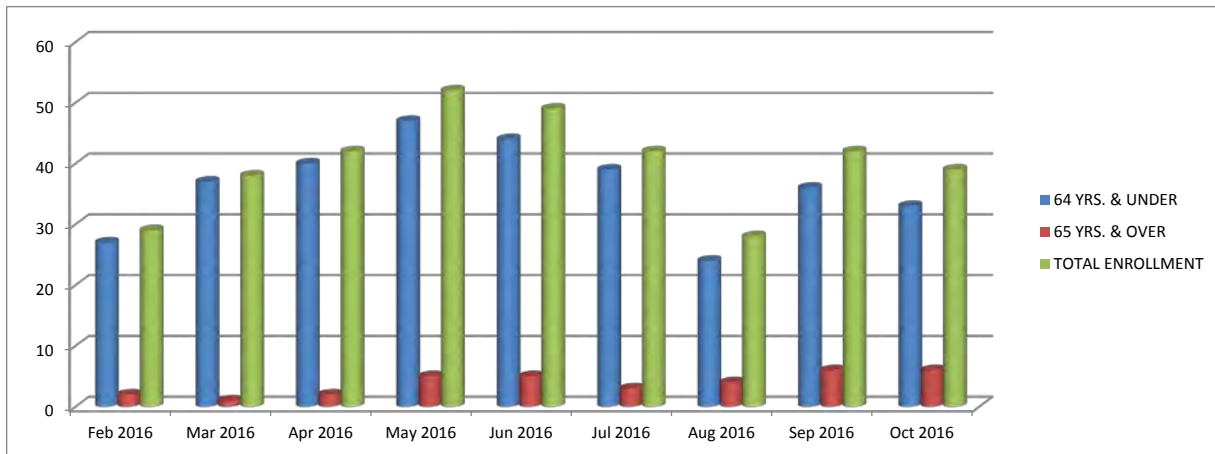
PLEASE NOTE:

- November (11/2016) data is not yet available as data is provided on a full month basis.
- Next Report will include the following dates: February 1, through November 30, 2016.

Retirees Monthly Age Breakdown FEBRUARY ~ OCTOBER, 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
Oct 2016	33	6	39



PLEASE NOTE:

- November (11/2016) data is not yet available as data is provided on a **full month basis**.
- Next Report will include the following dates: February 1, through November 30, 2016.

Medicare Part B Reimbursement and Penalty Report

PAY PERIOD 11/30/2016

Deduction Code	No. of Members	Reimbursement Amount	No. of Penalties	Penalty Amount
ANTHEM BC III				
222	1	\$243.60	0	\$0.00
240	6,285	\$674,154.80	9	\$240.70
241	171	\$18,292.80	1	\$62.90
242	841	\$90,704.00	0	(\$487.20)
243	3,601	\$759,993.40	6	\$449.10
244	15	\$1,607.30	0	\$0.00
245	52	\$5,742.10	0	\$0.00
246	19	\$2,026.90	0	\$0.00
247	89	\$9,931.10	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:	11,137	\$1,576,335.90	17	\$302.00
CIGNA-HEALTHSPRING PREFERRED with RX				
321	26	\$3,092.80	0	\$0.00
322	8	\$419.60	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:	52	\$7,112.80	0	\$0.00
KAISER SR. ADVANTAGE				
401	1	(\$104.90)	0	\$0.00
403	9,712	\$1,037,693.80	7	\$204.10
404	1	\$121.80	0	\$0.00
411	1	(\$104.90)	0	\$0.00
413	1,674	\$182,752.00	0	\$0.00
418	4,903	\$1,040,979.90	4	\$226.80
419	269	\$28,724.60	0	\$0.00
426	198	\$20,438.00	0	\$0.00
427	164	\$17,284.60	0	\$0.00
445	2	\$209.80	0	\$0.00
451	31	\$3,319.50	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	79	\$8,544.10	1	\$12.20
486	11	\$1,221.50	0	\$0.00
488	42	\$8,628.60	0	\$0.00
492	1	\$104.90	0	\$0.00
494	1	\$226.70	0	\$0.00
Plan Total:	17,241	\$2,371,101.00	12	\$443.10

Medicare Part B Reimbursement and Penalty Report

PAY PERIOD 11/30/2016

Deduction Code	No. of Members	Reimbursement Amount	No. of Penalties	Penalty Amount
SCAN				
611	267	\$28,359.70	0	\$0.00
613	99	\$20,952.60	0	\$0.00
Plan Total:	366	\$49,312.30	0	\$0.00
UNITED HEALTHCARE GROUP MEDICARE ADV. HMO				
701	1,520	\$164,836.80	1	\$36.50
702	316	\$35,183.40	0	\$0.00
703	834	\$180,019.80	1	\$10.50
704	72	\$8,059.80	0	\$0.00
705	25	\$5,447.80	0	\$0.00
Plan Total:	2,767	\$393,547.60	2	\$47.00
Grand Total:	31,563	\$4,397,409.60	31	\$792.10

Medicare Part B Reimbursement and Penalty Report

PAY PERIOD 11/30/2016

Deduction Code	No. of Members	Reimbursement Amount	No. of Penalties	Penalty Amount
ANTHEM BC III				
222	1	\$243.60	0	\$0.00
240	6,285	\$674,154.80	9	\$240.70
241	171	\$18,292.80	1	\$62.90
242	841	\$90,704.00	0	(\$487.20)
243	3,601	\$759,993.40	6	\$449.10
244	15	\$1,607.30	0	\$0.00
245	52	\$5,742.10	0	\$0.00
246	19	\$2,026.90	0	\$0.00
247	89	\$9,931.10	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:	11,137	\$1,576,335.90	17	\$302.00
CIGNA-HEALTHSPRING PREFERRED with RX				
321	26	\$3,092.80	0	\$0.00
322	8	\$419.60	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:	52	\$7,112.80	0	\$0.00
KAISER SR. ADVANTAGE				
401	1	(\$104.90)	0	\$0.00
403	9,712	\$1,037,693.80	7	\$204.10
404	1	\$121.80	0	\$0.00
411	1	(\$104.90)	0	\$0.00
413	1,674	\$182,752.00	0	\$0.00
418	4,903	\$1,040,979.90	4	\$226.80
419	269	\$28,724.60	0	\$0.00
426	198	\$20,438.00	0	\$0.00
427	164	\$17,284.60	0	\$0.00
445	2	\$209.80	0	\$0.00
451	31	\$3,319.50	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	79	\$8,544.10	1	\$12.20
486	11	\$1,221.50	0	\$0.00
488	42	\$8,628.60	0	\$0.00
492	1	\$104.90	0	\$0.00
494	1	\$226.70	0	\$0.00
Plan Total:	17,241	\$2,371,101.00	12	\$443.10

Medicare Part B Reimbursement and Penalty Report

PAY PERIOD 11/30/2016

Deduction Code	No. of Members	Reimbursement Amount	No. of Penalties	Penalty Amount
SCAN				
611	267	\$28,359.70	0	\$0.00
613	99	\$20,952.60	0	\$0.00
Plan Total:	366	\$49,312.30	0	\$0.00
UNITED HEALTHCARE GROUP MEDICARE ADV. HMO				
701	1,520	\$164,836.80	1	\$36.50
702	316	\$35,183.40	0	\$0.00
703	834	\$180,019.80	1	\$10.50
704	72	\$8,059.80	0	\$0.00
705	25	\$5,447.80	0	\$0.00
Plan Total:	2,767	\$393,547.60	2	\$47.00
LOCAL 1014				
804	163	\$20,568.60	0	\$0.00
805	179	\$22,175.70	0	\$0.00
806	555	\$126,086.60	0	\$0.00
807	33	\$4,372.90	0	\$0.00
808	10	\$2,165.60	0	\$0.00
812	218	\$24,082.10	0	\$0.00
Plan Total:	1,158	\$199,451.50	0	\$0.00
Grand Total:	32,721	\$4,596,861.10	31	\$792.10

Medical and Dental Vision Insurance Premiums

December 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	745	\$628,675.70	\$103,490.93	\$521,809.33	\$625,300.26	\$0.00	\$625,300.26
202	411	\$683,433.84	\$74,779.59	\$607,868.19	\$682,647.78	\$0.00	\$682,647.78
203	103	\$192,802.61	\$44,587.81	\$142,599.19	\$187,187.00	\$0.00	\$187,187.00
204	36	\$39,029.40	\$14,354.06	\$24,675.34	\$39,029.40	\$0.00	\$39,029.40
205	1	\$231.33	\$9.25	\$222.08	\$231.33	\$0.00	\$231.33
SUBTOTAL	1,296	\$1,544,172.88	\$237,221.64	\$1,297,174.13	\$1,534,395.77	\$0.00	\$1,534,395.77
Anthem Blue Cross I							
211	928	\$989,053.12	\$67,336.27	\$924,914.22	\$992,250.49	(\$1,065.79)	\$991,184.70
212	336	\$645,069.60	\$37,091.41	\$606,058.34	\$643,149.75	(\$3,839.70)	\$639,310.05
213	49	\$110,948.74	\$15,442.22	\$93,242.26	\$108,684.48	\$0.00	\$108,684.48
214	19	\$26,780.12	\$5,158.70	\$21,621.42	\$26,780.12	\$0.00	\$26,780.12
215	4	\$1,418.04	\$205.61	\$1,212.43	\$1,418.04	\$0.00	\$1,418.04
SUBTOTAL	1,336	\$1,773,269.62	\$125,234.21	\$1,647,048.67	\$1,772,282.88	(\$4,905.49)	\$1,767,377.39
Anthem Blue Cross II							
221	2,104	\$2,243,487.95	\$137,443.69	\$2,118,812.74	\$2,256,256.43	(\$1,065.79)	\$2,255,190.64
222	1,889	\$3,630,436.35	\$99,448.12	\$3,499,809.45	\$3,599,257.57	(\$13,429.95)	\$3,585,827.62
223	565	\$1,279,306.90	\$48,228.61	\$1,217,492.73	\$1,265,721.34	\$395.60	\$1,266,116.94
224	119	\$170,547.08	\$15,560.66	\$136,340.49	\$151,901.15	\$0.00	\$151,901.15
225	3	\$1,063.53	\$177.25	\$886.28	\$1,063.53	\$0.00	\$1,063.53
SUBTOTAL	4,680	\$7,324,841.81	\$300,858.33	\$6,973,341.69	\$7,274,200.02	(\$14,100.14)	\$7,260,099.88

Medical and Dental Vision Insurance Premiums December 2016

Carrier Codes	Member Count	Premium Amount	Member Amount	County Subsidy Amount	Total	Adjustments	Total Paid
Anthem Blue Cross III							
240	6,308	\$2,724,027.00	\$433,071.41	\$2,296,564.69	\$2,729,636.10	(\$6,907.20)	\$2,722,728.90
241	171	\$236,598.04	\$28,000.57	\$207,740.33	\$235,740.90	\$0.00	\$235,740.90
242	846	\$1,166,483.36	\$79,095.11	\$1,073,602.81	\$1,152,697.92	\$2,751.14	\$1,155,449.06
243	3,594	\$3,101,132.52	\$361,752.29	\$2,684,163.52	\$3,045,915.81	\$1,714.28	\$3,047,630.09
244	15	\$11,569.95	\$2,560.81	\$9,009.14	\$11,569.95	\$0.00	\$11,569.95
245	53	\$40,880.49	\$5,445.58	\$34,663.58	\$40,109.16	\$0.00	\$40,109.16
246	19	\$32,586.90	\$3,190.08	\$29,396.82	\$32,586.90	\$0.00	\$32,586.90
247	91	\$156,074.10	\$9,570.26	\$146,503.84	\$156,074.10	\$0.00	\$156,074.10
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	11,160	\$7,546,467.69	\$929,683.14	\$6,551,763.03	\$7,481,446.17	(\$2,441.78)	\$7,479,004.39
CIGNA Network Model Plan							
301	369	\$493,036.10	\$117,185.48	\$377,183.15	\$494,368.63	(\$5,330.12)	\$489,038.51
302	169	\$408,727.60	\$88,325.17	\$310,785.31	\$399,110.48	\$0.00	\$399,110.48
303	25	\$70,950.00	\$17,996.24	\$47,277.76	\$65,274.00	\$0.00	\$65,274.00
304	23	\$40,655.72	\$15,989.82	\$24,665.90	\$40,655.72	\$0.00	\$40,655.72
SUBTOTAL	586	\$1,013,369.42	\$239,496.71	\$759,912.12	\$999,408.83	(\$5,330.12)	\$994,078.71

Medical and Dental Vision Insurance Premiums December 2016

Carrier Codes	Member Count	Premium Amount	Member Amount	County Subsidy Amount	Total	Adjustments	Total Paid
CIGNA Healthspring Pref w/ Rx - Phoenix, AZ							
321	26	\$8,956.74	\$1,619.11	\$8,371.10	\$9,990.21	\$0.00	\$9,990.21
322	8	\$12,739.77	\$452.96	\$9,455.75	\$9,908.71	\$0.00	\$9,908.71
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	52	\$37,290.19	\$3,599.49	\$31,893.11	\$35,492.60	\$0.00	\$35,492.60

Medical and Dental Vision Insurance Premiums December 2016

Carrier Codes	Member Count	Premium Amount	Member Amount	County Subsidy Amount	Total	Adjustments	Total Paid
Kaiser/Senior Advantage							
401	1,632	\$1,490,126.30	\$137,010.95	\$1,356,775.15	\$1,493,786.10	\$3,647.80	\$1,497,433.90
403	9,783	\$2,376,994.80	\$256,649.23	\$2,120,580.05	\$2,377,229.28	(\$3,402.40)	\$2,373,826.88
404	504	\$504,276.48	\$19,501.93	\$497,663.09	\$517,165.02	\$3,962.88	\$521,127.90
405	895	\$853,359.36	\$21,067.33	\$844,611.10	\$865,678.43	\$0.00	\$865,678.43
406	47	\$83,030.50	\$29,048.96	\$42,120.04	\$71,169.00	\$0.00	\$71,169.00
411	1,789	\$3,259,540.50	\$173,418.51	\$3,042,816.31	\$3,216,234.82	\$12,711.30	\$3,228,946.12
413	1,678	\$1,939,962.60	\$90,554.29	\$1,848,215.40	\$1,938,769.69	(\$1,146.55)	\$1,937,623.14
414	137	\$265,253.80	\$5,380.87	\$298,925.58	\$304,306.45	\$0.00	\$304,306.45
418	4,887	\$2,342,574.80	\$189,363.16	\$2,122,237.64	\$2,311,600.80	(\$3,337.40)	\$2,308,263.40
419	270	\$334,512.36	\$7,057.84	\$346,169.76	\$353,227.60	\$0.00	\$353,227.60
420	126	\$248,653.44	\$1,341.95	\$247,311.49	\$248,653.44	\$5,898.36	\$254,551.80
421	9	\$8,207.55	\$1,203.79	\$7,003.76	\$8,207.55	\$0.00	\$8,207.55
422	210	\$395,404.68	\$1,633.58	\$373,029.43	\$374,663.01	\$0.00	\$374,663.01
423	21	\$64,961.25	\$4,152.44	\$19,554.67	\$23,707.11	\$0.00	\$23,707.11
426	196	\$240,963.03	\$3,394.82	\$214,228.94	\$217,623.76	\$0.00	\$217,623.76
427	166	\$333,734.30	\$2,623.58	\$292,807.02	\$295,430.60	\$1,929.10	\$297,359.70
428	51	\$98,691.63	\$1,083.68	\$120,686.03	\$121,769.71	\$0.00	\$121,769.71
429	11	\$29,449.42	\$4,995.41	\$24,454.01	\$29,449.42	(\$5,354.44)	\$24,094.98
430	132	\$254,173.88	\$3,528.08	\$261,158.43	\$264,686.51	\$0.00	\$264,686.51
431	10	\$29,028.01	\$1,638.17	\$9,060.04	\$10,698.21	\$0.00	\$10,698.21
432	9	\$30,429.00	\$10,050.66	\$20,378.34	\$30,429.00	\$0.00	\$30,429.00
SUBTOTAL	22,563	\$15,183,327.69	\$964,699.23	\$14,109,786.28	\$15,074,485.51	\$14,908.65	\$15,089,394.16

Medical and Dental Vision Insurance Premiums December 2016

Carrier Codes	Member Count	Premium Amount	Member Amount	County Subsidy Amount	Total	Adjustments	Total Paid
Kaiser - Colorado							
450	3	\$3,187.83	\$510.05	\$2,677.78	\$3,187.83	\$0.00	\$3,187.83
451	31	\$10,637.96	\$1,221.67	\$9,416.29	\$10,637.96	\$0.00	\$10,637.96
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	\$31,507.22	\$4,800.71	\$24,357.18	\$29,157.89	\$0.00	\$29,157.89
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	\$0.00	\$22,046.04
463	4	\$9,283.32	\$2,563.84	\$6,719.48	\$9,283.32	\$0.00	\$9,283.32
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	120	\$100,985.32	\$13,852.44	\$85,968.47	\$99,820.91	\$0.00	\$99,820.91

Medical and Dental Vision Insurance Premiums December 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	79	\$35,977.39	\$5,546.89	\$30,885.91	\$36,432.80	\$0.00	\$36,432.80
484	2	\$4,341.24	\$655.13	\$3,686.11	\$4,341.24	\$0.00	\$4,341.24
486	11	\$16,903.92	\$1,659.66	\$15,244.26	\$16,903.92	\$0.00	\$16,903.92
488	41	\$37,918.44	\$4,441.89	\$31,670.91	\$36,112.80	\$0.00	\$36,112.80
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	145	\$111,953.11	\$15,411.95	\$95,190.93	\$110,602.88	\$0.00	\$110,602.88
SCAN Health Plan							
611	268	\$82,583.00	\$17,277.96	\$64,998.04	\$82,276.00	(\$307.00)	\$81,969.00
613	99	\$59,994.00	\$11,150.40	\$48,843.60	\$59,994.00	(\$606.00)	\$59,388.00
SUBTOTAL	367	\$142,577.00	\$28,428.36	\$113,841.64	\$142,270.00	(\$913.00)	\$141,357.00

Medical and Dental Vision Insurance Premiums December 2016

Carrier Codes	Member Count	Premium Amount	Member Amount	County Subsidy Amount	Total	Adjustments	Total Paid
UHC Medicare Adv.							
701	1,525	\$507,849.66	\$64,095.04	\$446,415.26	\$510,510.30	(\$1,330.32)	\$509,179.98
702	317	\$423,423.36	\$28,893.96	\$393,197.88	\$422,091.84	\$0.00	\$422,091.84
703	835	\$548,728.60	\$58,224.39	\$490,504.21	\$548,728.60	\$0.00	\$548,728.60
704	74	\$111,267.88	\$5,052.13	\$103,208.51	\$108,260.64	\$0.00	\$108,260.64
705	25	\$20,731.50	\$1,144.38	\$19,587.12	\$20,731.50	\$0.00	\$20,731.50
SUBTOTAL	2,776	\$1,612,001.00	\$157,409.90	\$1,452,912.98	\$1,610,322.88	(\$1,330.32)	\$1,608,992.56
United Healthcare							
707	410	\$412,845.40	\$46,983.90	\$365,861.50	\$412,845.40	\$2,013.88	\$414,859.28
708	346	\$639,359.52	\$28,073.12	\$592,914.00	\$620,987.12	\$3,674.48	\$624,661.60
709	249	\$544,497.50	\$35,544.78	\$506,774.73	\$542,319.51	\$0.00	\$542,319.51
SUBTOTAL	1,005	\$1,596,702.42	\$110,601.80	\$1,465,550.23	\$1,576,152.03	\$5,688.36	\$1,581,840.39

Medical and Dental Vision Insurance Premiums December 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	\$41,049.80	\$42,394.00	\$1,034.00	\$43,428.00
802	259	\$482,874.42	\$11,894.76	\$470,979.66	\$482,874.42	\$0.00	\$482,874.42
803	228	\$501,417.60	\$16,494.00	\$484,923.60	\$501,417.60	\$10,996.00	\$512,413.60
804	163	\$168,542.00	\$9,409.40	\$159,132.60	\$168,542.00	(\$21,602.60)	\$146,939.40
805	179	\$333,724.02	\$11,074.43	\$322,649.59	\$333,724.02	(\$24,040.08)	\$309,683.94
806	556	\$1,036,595.28	\$34,528.37	\$990,562.51	\$1,025,090.88	(\$131,232.29)	\$893,858.59
807	33	\$72,573.60	\$703.74	\$71,869.86	\$72,573.60	(\$4,372.90)	\$68,200.70
808	10	\$21,992.00	\$175.94	\$21,816.06	\$21,992.00	(\$2,165.60)	\$19,826.40
809	21	\$21,714.00	\$2,647.04	\$19,066.96	\$21,714.00	\$0.00	\$21,714.00
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	218	\$225,412.00	\$20,204.36	\$213,231.48	\$233,435.84	(\$24,040.74)	\$209,395.10
SUBTOTAL	1,717	\$2,925,692.44	\$110,005.03	\$2,812,206.85	\$2,922,211.88	(\$195,424.21)	\$2,726,787.67
Medical Plan Total	47,915	\$40,990,241.41	\$3,249,874.76	\$37,458,459.09	\$40,708,333.85	(\$203,848.05)	\$40,504,485.80

Medical and Dental Vision Insurance Premiums

December 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	22,644	\$1,157,787.72	\$137,451.49	\$1,024,888.01	\$1,162,339.50	(\$1,231.64)	\$1,161,107.86
502	20,915	\$2,224,453.12	\$179,999.45	\$2,038,210.55	\$2,218,210.00	(\$724.24)	\$2,217,485.76
503	13	\$816.92	\$207.37	\$735.23	\$942.60	\$0.00	\$942.60
SUBTOTAL	43,572	\$3,383,057.76	\$317,658.31	\$3,063,833.79	\$3,381,492.10	(\$1,955.88)	\$3,379,536.22
CIGNA Dental HMO/Vision							
901	3,149	\$145,435.50	\$19,501.94	\$126,302.92	\$145,804.86	(\$184.68)	\$145,620.18
902	2,268	\$213,380.00	\$20,157.36	\$193,128.64	\$213,286.00	(\$94.00)	\$213,192.00
903	5	\$233.75	\$29.92	\$203.83	\$233.75	\$0.00	\$233.75
SUBTOTAL	5,422	\$359,049.25	\$39,689.22	\$319,635.39	\$359,324.61	(\$278.68)	\$359,045.93
Dental/Vision Plan Total	48,994	\$3,742,107.01	\$357,347.53	\$3,383,469.18	\$3,740,816.71	(\$2,234.56)	\$3,738,582.15
GRAND TOTALS	96,909	\$44,732,348.42	\$3,607,222.29	\$40,841,928.27	\$44,449,150.56	(\$206,082.61)	\$44,243,067.95

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
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Kaiser (continued)

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")

Kaiser Colorado

\$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")

Kaiser Georgia

\$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.

CARRIER DEDUCTION PREMIUMS*	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



FOR INFORMATION ONLY

November 22, 2016

TO: Insurance, Benefits & Legislative Committee
Les Robins, Chair
William de la Garza, Vice President
Shawn Kehoe
Vivian Grey
Ronald Okum, Alternate

FROM: Cassandra Smith, Director 
Retiree Healthcare Division

FOR: Meeting of December 15, 2016

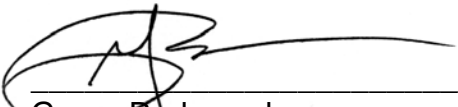
SUBJECT: **MEDICARE PART B REIMBURSEMENT PROGRAM FOR 2017**

On November 10, 2016, the Centers for Medicare & Medicaid Services (CMS) announced the Medicare Parts A & B premium and coinsurance rates for 2017. Because of the low Social Security cost-of-living adjustment (COLA) announced on October 18, 2016, a statutory “hold harmless” provision will prevent Part B premiums from increasing for about 70 percent of beneficiaries. The standard Part B premium will increase to \$109.00 for this group of beneficiaries compared to \$104.90 for the past four years.

For the remaining approximately 30 percent of beneficiaries, the standard monthly premium for Medicare Part B will be \$134.00 for 2017, a 10 percent increase from \$121.80 in 2016. Premiums for this approximately 30 percent covers most of the increase in Medicare costs for all beneficiaries.

Based on the analysis conducted by Aon Hewitt, it remains in the County’s best interest to continue subsidizing the Part B premium for LACERA members who enroll in one of the LACERA-administered Medicare Advantage or Medicare Supplement plans. At the time this memo is being prepared, the Los Angeles County Chief Executive Office’s consultant, Cheiron; is in the process of also validating it continues to be in the County’s best interest to carry on subsidizing the Medicare Part B Reimbursement Program.

REVIEWED AND APPROVED:




Gregg Rademacher
Chief Executive Officer



FOR INFORMATION ONLY

November 27, 2016

TO: Insurance, Benefits & Legislative Committee
Les Robbins, Chair
William de la Garza, Vice Chair
Shawn Kehoe
Vivian H. Gray
Ronald Okum, Alternate

FROM: Cassandra Smith, Director 
Retiree Healthcare Division

FOR: Meeting of December 15, 2016

**SUBJECT: ANTHEM BLUE CROSS PLANS I, II, AND III PRESCRIPTION BENEFIT
RETAIL AND MAINTENANCE CHOICE UPATE**

EXECUTIVE SUMMARY

The constant increasing cost of prescription drugs in the United States over the years, compounded by our plan design as arranged in 1982 has become a source of concern for everyone, particularly many of our LACERA members.

Good news! Prescription drug plan benefit updates are underway for our retirees and their eligible covered dependents enrolled in the LACERA-administered indemnity PPO Anthem Blue Cross I, II, or III (Medicare Supplement) plans, through the Pharmacy Benefit Manager, CVS Caremark (CVS).

Effective January 1, 2017, there will be two (2) updates implemented to the group prescription benefit for these plans that will add convenience for LACERA members while also ensuring the plan design continues to help mitigate pharmacy trend.

BACKGROUND

Under the LACERA group plan design, in accordance with the 1982 Agreement, members enrolled in the indemnity PPO medical plan are required to pay the full discounted prescription drug costs at point of sale; then members had to file for reimbursement less the applicable coinsurance and deductible, from Anthem.

Upon implementation of mail order benefits within the industry, in January 1994, the Board of Retirement (Board) approved adding a mail order option to the Anthem Blue Cross I, II and III medical plans as an alternate option for members. While this is a non-vested benefit not covered in the 1982 Agreement, it is a cost savings for both the retiree and county. The mail order is a heavily utilized benefit which affords members the ability to obtain a 90-day supply through the mail, for maintenance prescriptions at a \$10, \$30, or \$50 co-pay (depending on whether it generic, brand, or preferred brand) rather than paying the full discounted amount at a retail pharmacy.

In April 2015, the Board approved implementing the CVS Maintenance Choice (MC) program which provides members the option of obtaining their 90-day supply of maintenance medications at any CVS pharmacy (including those inside Target stores) in addition to the standard fulfillment through the CVS mail order service.

WHAT'S BEING UPDATED?

The plan benefit design vested in the 1982 Agreement between Los Angeles County and LACERA **is not** changing! In today's industry, there are now new options available that were not available at the time the 1982 Agreement was signed. As a benefit of our PBM relationship with CVS, they are able to extend the better mail order pricing and discounts to 90-day maintenance medication at CVS retail pharmacies. This is a great benefit which makes obtaining maintenance medications more convenient and financially manageable for our retirees and their families; and more importantly, we are fulfilling our fiduciary duty to maintain cost within the guidelines of agreement with the plan sponsor.

Retail (Non-maintenance, short term medications)

Effective January 1, 2017, when members use a CVS network retail pharmacy for non-maintenance medications, members will pay a twenty (20) percent coinsurance; the pharmacy will calculate the twenty (20) percent coinsurance amount at the time of purchase, after their deductible is met (if applicable). Members will no longer have to wait for reimbursement from Anthem Blue Cross. Members will simply need to present their Anthem Blue Cross ID card at the CVS network retail pharmacy.

Maintenance Choice (MC) (long term medication)

As previously mentioned, in April 2015, the Board approved implementing the CVS Maintenance Choice Program. Beginning January 1, 2017, under CVS Maintenance Choice, the plan will allow three (3) 30-day fills of long-term medications at any CVS network retail pharmacy including CVS pharmacies located inside Target stores.

After that, the CVS plan will cover long-term medications only if members have 90-day supplies filled through mail service or at a CVS network retail pharmacy. With CVS Maintenance Choice, members can avoid paying more for their long term prescriptions simply by using their choice of mail order or CVS pharmacy to get their 90-day supply.

Specialty Pharmacy

For high cost specialty medication, members need to use CVS Specialty pharmacies to receive coverage. The applicable plan design of \$50, \$100, or \$150 co-pay will be applied. If a CVS Specialty pharmacy is not used, the full cost of the prescription will be required as opposed to the co-pay amount.

QUESTIONS AND ANSWERS

1. What happens if a member does not use a CVS network retail pharmacy to get their long-term maintenance medication? Can they still get their medication?

Answer:

- Yes, the member can get their medication, and
- The member will need to pay the total cost and then submit a paper claim to CVS Caremark for reimbursement by Anthem Blue Cross.

2. What's the rationale for the plan only allowing three 30-day fills at CVS pharmacies?

Answer:

- We do not want the 90-day CVS mail order utilization to slip because it helps to keep LACERA's prescription medication trends and costs down due to better pricing on 90-day supplies.

3. Why is the 90-day at retail option only available through a CVS Caremark network retail pharmacy?

Answer:

- As a result of the Retiree Healthcare Benefit Program's pharmacy benefit manager, Caremark, merging with a retail pharmacy, CVS, and as a benefit of our long time partnership, CVS Caremark agreed to expand the 90-day mail order benefit to their CVS retail pharmacy network. The Retiree Healthcare Benefit Program does not have agreements with other retail pharmacy networks or individual retail pharmacies.

4. How many members are currently filling prescriptions that reside in an area where there are no CVS network retail pharmacies?

Answer:

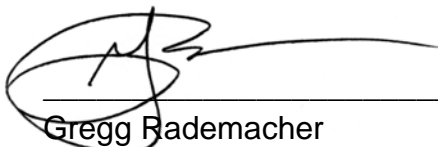
- Very few members are without CVS network retail pharmacy access. Seventy-seven (77) percent have access within five (5) miles; eighty-six (86) percent within 10 miles. Members without CVS retail network access can still use mail order for their maintenance medications.
5. How will members be informed?
- CVS Caremark mailed initial notification to enrolled Anthem Blue Cross Plans I, II and III participants' on October 25, 2016. Upon a member reaching their third 30-day fill, the attached notification will be mailed to affected members. Copies of each notification are attached for your review.

CONCLUSION

Beginning January 1, 2017, members will be able to pay their twenty percent coinsurance amount at any CVS network retail pharmacy. They will no longer be required to pay the full discounted amount up front and wait for reimbursement. In addition, after three refills, the plan will cover long-term medications only if members have 90-day supplies filled through mail service or at a CVS pharmacy.

CS:jb

Reviewed and Approved



Gregg Rademacher
Chief Executive Officer

Attachment(s)



[Date]

[Plan Member Name]

[Street Address]

[City, State Zip]

Dear [Plan Member Name]:

Great news for LACERA members enrolled in **Anthem I, II and III Plans!** LACERA has worked with CVS Caremark to simplify the payment and refill process for your prescription drugs.

There will be three updates beginning **January 1, 2017** which you will see:

1) Retail Payment:

At a retail pharmacy, you currently pay 100 percent of the discounted cost for your non-maintenance prescriptions. Then, Anthem Blue Cross later reimburses you appropriately based on your plan design.

Beginning **January 1, 2017**, when you use a network retail pharmacy for non-maintenance prescriptions, the pharmacy will calculate the 20 percent coinsurance at the time of purchase (after applying your deductible) and that is all you will need to pay. All non-network retail medications will have a 40 percent coinsurance through the use of a paper claim form.

2) Maintenance Choice[®]:

Maintenance Choice allows you to fill your 90-day maintenance* prescriptions at your local CVS Pharmacy with the applicable plan design mail copay.**

Your plan allows three 30-day fills of long-term medications at any pharmacy in our network. After that, your plan will cover long-term medications only if you have 90-day supplies filled through mail service or at CVS Pharmacy. If you continue to have 30-day supplies of long-term medications filled after three times, your plan will not pay for them.

With Maintenance Choice, you can avoid paying more for your long-term prescriptions. All you need to do is have 90-day supplies filled through mail service or at CVS Pharmacy.

3) Specialty Pharmacy:

For high-cost specialty medications, you need to use CVS Specialty™ to receive coverage. Please call **1-800-237-2767** for assistance. Your applicable plan design copay will apply.

*A maintenance medication is taken regularly for chronic conditions or long-term therapy. A few examples include medications for managing high blood pressure, asthma, diabetes or high cholesterol.

**Copayment, copay or coinsurance means the amount a member is required to pay for a prescription in accordance with a Plan, which may be a deductible, a percentage of the prescription price, a fixed amount or other charge, with the balance, if any, paid by a Plan. Your privacy is important to us. Our employees are trained regarding the appropriate way to handle your private health information.



- **Does this mean your benefits are changing?**
No, your benefits are not changing.
- **What do you need to do?**
Simply show your Anthem Blue Cross ID card at the pharmacy, and the pharmacy will do the rest.
- **Retail Pharmacy**
Use a network retail pharmacy for 30-day non-maintenance prescriptions. CVS Caremark's network includes more than 68,000 pharmacies nationwide, including chain pharmacies, 20,000 independent pharmacies and 9,600 CVS Pharmacy locations, many which are now at Target stores.

Questions? Call us at **1-800-450-3755**. We look forward to helping you better manage your health.

Sincerely,

Your Customer Care Team
CVS Caremark

*A maintenance medication is taken regularly for chronic conditions or long-term therapy. A few examples include medications for managing high blood pressure, asthma, diabetes or high cholesterol.

**Copayment, copay or coinsurance means the amount a member is required to pay for a prescription in accordance with a Plan, which may be a deductible, a percentage of the prescription price, a fixed amount or other charge, with the balance, if any, paid by a Plan. Your privacy is important to us. Our employees are trained regarding the appropriate way to handle your private health information.

106-37585A 092116

TDD: 1-800-863-5488



<Date>

**Change to 90-day refills
to avoid paying more**

<Plan Member Name>

<Address>

<City, State ZIP>

**Hi. We have an important update about the medication(s)
you take regularly¹.**

You've reached your 30-day refill limit, so it's time to change to 90-day² refills. If you choose a 30-day supply for your next fill, you'll have to pay 100 percent of the cost of your medication(s).

The good news is 90-day refills may save you money. Plus, you can choose if you'd like to have your medications delivered by mail right to your door or if you'd prefer to pick them up at any CVS Pharmacy (including those inside Target stores). It's the same cost either way.

These medications need to change to 90-day refills

<111111> <DRUG1>

<222222> <DRUG2>

<333333> <DRUG3>

<444444> <DRUG4>

<555555> <DRUG5>

<666666> <DRUG6>

Please turn this letter over for important next steps.

¹ A long-term medication is taken regularly for chronic conditions or long-term therapy. A few examples include medications for managing high blood pressure, asthma, diabetes or high cholesterol.

² Actual quantity may vary depending on your plan.

⁺ Plan members in Hawaii only may use a Longs Drugs store.

This document may contain references to brand-name prescription drugs that are trademarks or registered trademarks of pharmaceutical manufacturers not affiliated with CVS Caremark.

Your privacy is important to us. Our employees are trained regarding the appropriate way to handle your private health information.



Here's what to do next:

First, you'll need a new 90-day prescription from your doctor. We can help with that. Then, choose whether you'd like to have your 90-day supplies delivered by mail or if you'd like to pick them up at any CVS Pharmacy (including those inside Target stores). It's the same cost either way.

For delivery by mail:

- Sign in or register on Caremark.com to request a new 90-day prescription(s).
- Or give us a call at 1-888-769-9030; we're happy to help you through the process.

For pickup at CVS Pharmacy:

- Call CVS Pharmacy, and they'll help you get a new prescription from your doctor. You'll need your prescription card information.
- Or ask your doctor to send a new 90-day prescription(s) to your preferred CVS Pharmacy (including those inside Target stores).

Please take time to change to 90-day refills today. We want to help make sure you don't have to pay more.

We're here if you need us.

- Your CVS Caremark Team

Reference ID: XXXXXXXX

¹ A long-term medication is taken regularly for chronic conditions or long-term therapy. A few examples include medications for managing high blood pressure, asthma, diabetes or high cholesterol.

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Your privacy is important to us. Our employees are trained regarding the appropriate way to handle your private health information.



November 29, 2016

TO: Insurance, Benefits & Legislative Committee
Les Robbins, Chair
William de la Garza, Vice President
Shawn Kehoe
Vivian Grey
Ronald Okum, Alternate

FROM: Cassandra Smith *CS*
Retiree Healthcare Director

FOR: Meeting of December 15, 2016

SUBJECT: **Board Offsite Proposed Agenda Planning – Day 2**

Last month Gregg announced that the annual Board Offsite meeting has been scheduled for January 24 – 27, 2017. Staff is in the process of determining the agenda for the Retiree Healthcare portion of your Board’s January 25th annual offsite in downtown Los Angeles. In order to be responsive to the IBLC’s priorities, we are sharing our proposed topics for the day and asking for any feedback and/or additional topics of interest to Committee members. Please note that not all of the speakers have been secured, so the final agenda may differ.

The following is an idea list from the AON team and staff.

Retirement Benefits Day 2
1. Strategic Plan – Retiree Healthcare Benefits
2. Post Election Healthcare Impact Prognosis
3. 65 is the new 45: The Changing Expectations and Challenges in LACERA’s Population
4. Demographic Analysis Trend (in five years)

Retirement Benefits Day 2

5. Interactive “Know Your LACERA Benefits” Activity

6. Prescription Drugs: The New Frontiers and Implications to LACERA’s Health Plans

7. Kaiser and Technology

8. Healthcare Diversity: Cultural, Racial, Ethnic, Gender, and Age-Related

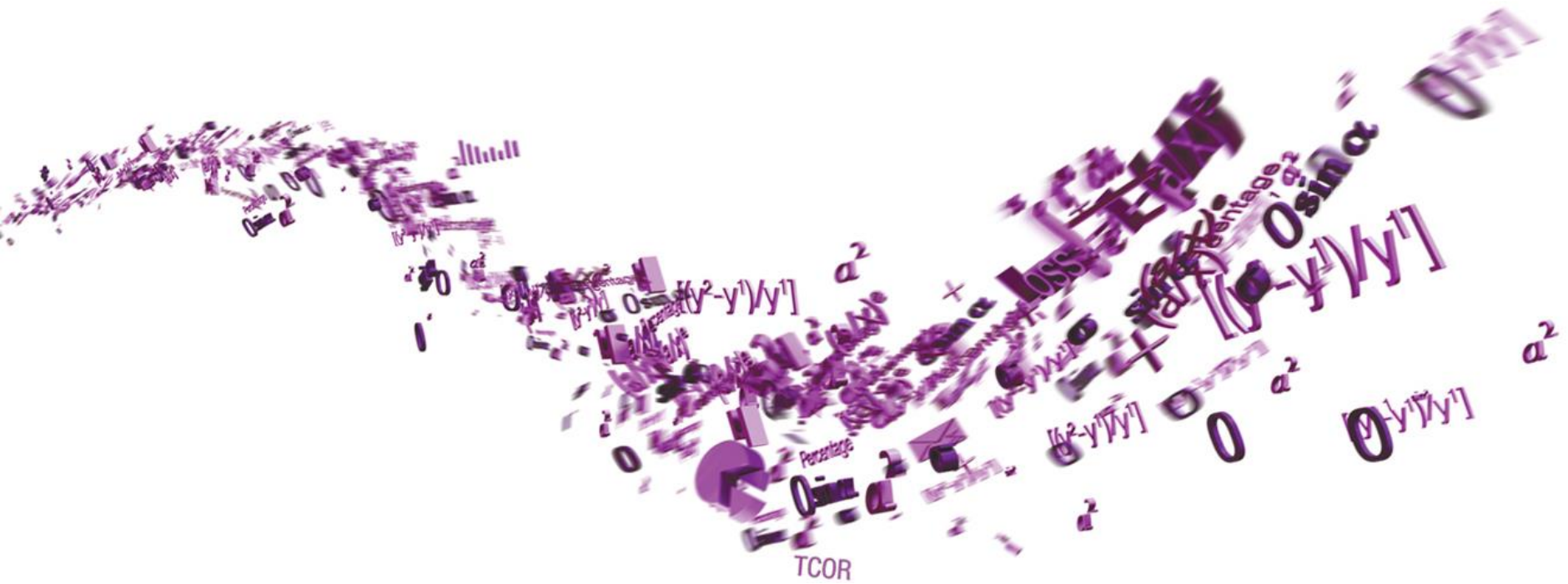
9. Wellness For Seniors: What Does It Mean?

10. High Cost Claims Management

11. Understanding the Anthem Blue Cross Plan I, II and III Pharmacy Benefit

Thank you.

CS:cs



Medicare Access and CHIP Reauthorization Act of 2015 (MACRA) Part II

December 15, 2016

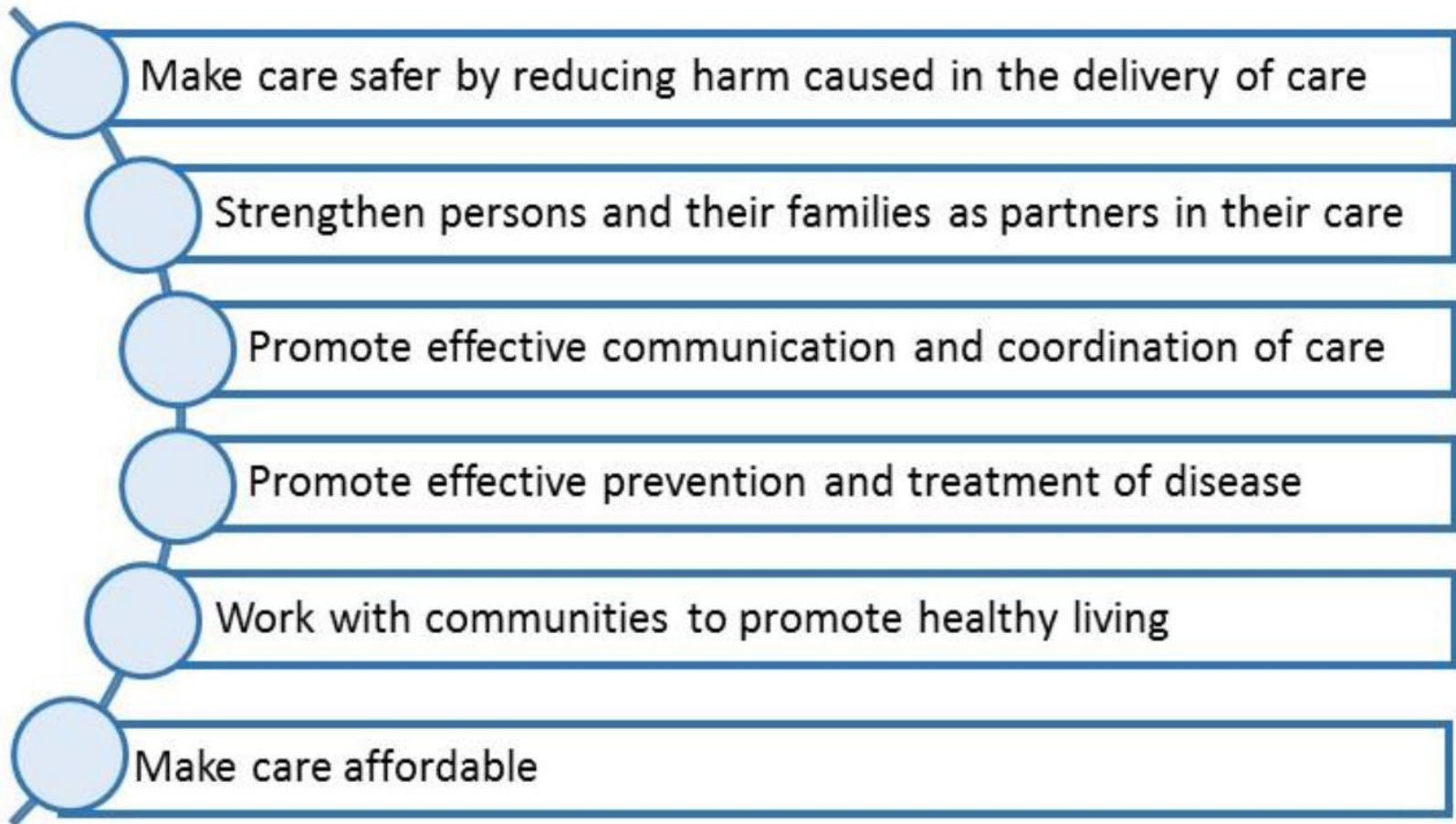
MACRA

- Three changes to how Medicare pays those who give care to Medicare patients
 - 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

Quality Metrics Are Not New

- An adaptation of the PQRS program, the quality category requires clinicians to choose six measures to report that best reflect their practice (as opposed to nine under PQRS).
- Quality measures will be selected annually through a call for quality measures process. CMS will publish a final list of quality measures in the Federal Register by November 1 of each year
- If a clinician/group does not have a sufficient sample size to report on six quality measures, there is no penalty

CMS Quality Strategy Goals



Quality Measurement Dimensions

Clinical Care

- Measures incorporating patient preferences and shared decision-making
- Cross-cutting measures that may apply to more than one specialty
- Focused measures for specialties that have clear gaps
- Outcome measures

Safety

- Measures of diagnostic accuracy
- Medication safety related to important drug classes

Care Coordination

- Assessing team-based care (e.g., timely exchange of clinical information)
- Effective use of new technologies, such as telehealth

Quality Measurement Dimensions (cont)

Patient and Caregiver Experience

- Patient-reported outcome measures (PROMs)
- Additional topics that are important to patients and families/caregivers (e.g., knowledge, skill, and confidence for self-management)

Population Health and Prevention

- Developing or adapting outcome measures at a population level, such as a community or other identified population, to assess the effectiveness of the health promotion and preventive services delivered by professionals
- IOM *Vital Signs* topics (e.g., life expectancy, well-being, addictive behavior)
- Detection or prevention of chronic disease (e.g., chronic kidney disease)

Affordable Care

Overuse measures (e.g., overuse of clinical tests/procedures)

- Primary goal of the program is to reward clinicians for quality patient outcomes, rather than paying for the volume of services provided
- Process of reporting quality measures will remain similar to what clinicians and practices are currently familiar with under PQRS

Sample Quality Metrics

PQRS#	NQF#	Reporting Method	National Quality Strategy Domain	Measure Title: Description
1	0059	Claims, Registry, EHR, GPRO (Web Interface), Measures Groups	Effective Clinical Care	Diabetes: Hemoglobin A1c (Poor Control): Percentage of patients 18-75 years of age with diabetes who had hemoglobin A1c > 9.0% during the measurement period
5	0081	Registry, EHR, Measures Groups	Effective Clinical Care	Heart Failure: Angiotensin-Converting Enzyme (ACE) Inhibitor or Angiotensin Receptor Blocker (ARB) Therapy for Left Ventricular Systolic Dysfunction (LVSD): Percentage of patients aged 18 years and older with a diagnosis of heart failure (HF) with a current or prior left ventricular ejection fraction (LVEF) < 40% who were prescribed ACE inhibitor or ARB therapy either within a 12 month period when seen in the outpatient setting or at each hospital discharge

How Might MACRA Be Affected Under the New Administration?

- Components of MACRA are embedded in ACA
 - Centers for Medicare and Medicaid Innovation. (CMMI) has oversight on changes in payment reforms for Medicare
 - The Medicare Shared Savings program is the main vehicle for alternative payment models
- MACRA had wide support from Congress when it was passed.
 - 91% of Congress supported MACRA. The House passed the bill 392-37. The Senate vote was 92-8.
 - Bi-partisan law was designed to bring about long needed value-based payment reform and repeal the flawed SGR
- MACRA data collection began in 2016, first performance measurement year is 2017, and incentive payments commence in 2019

Too soon to tell but providers are being encouraged to proceed with compliance

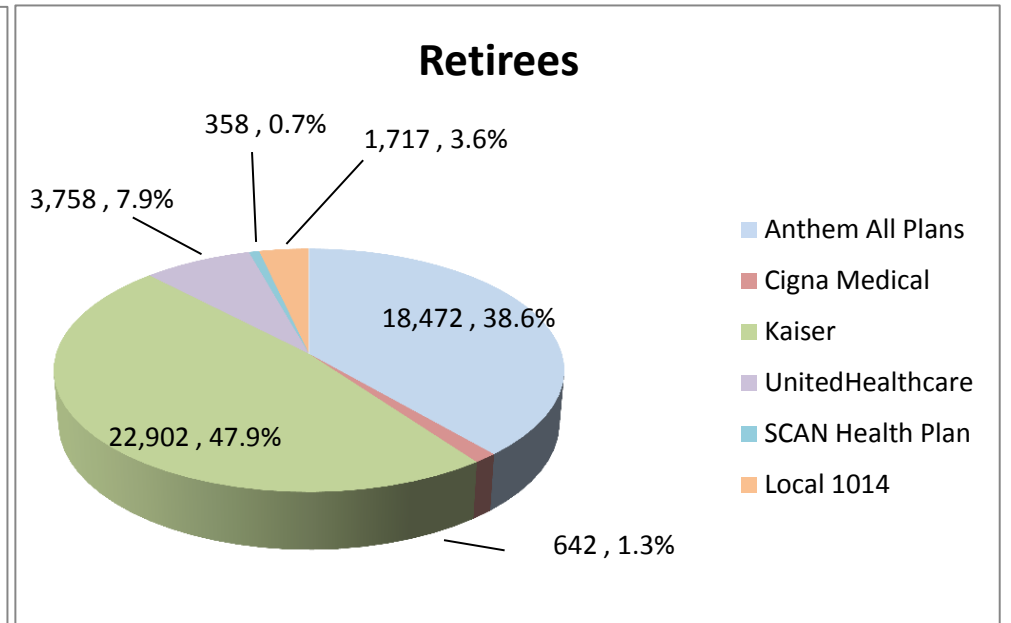
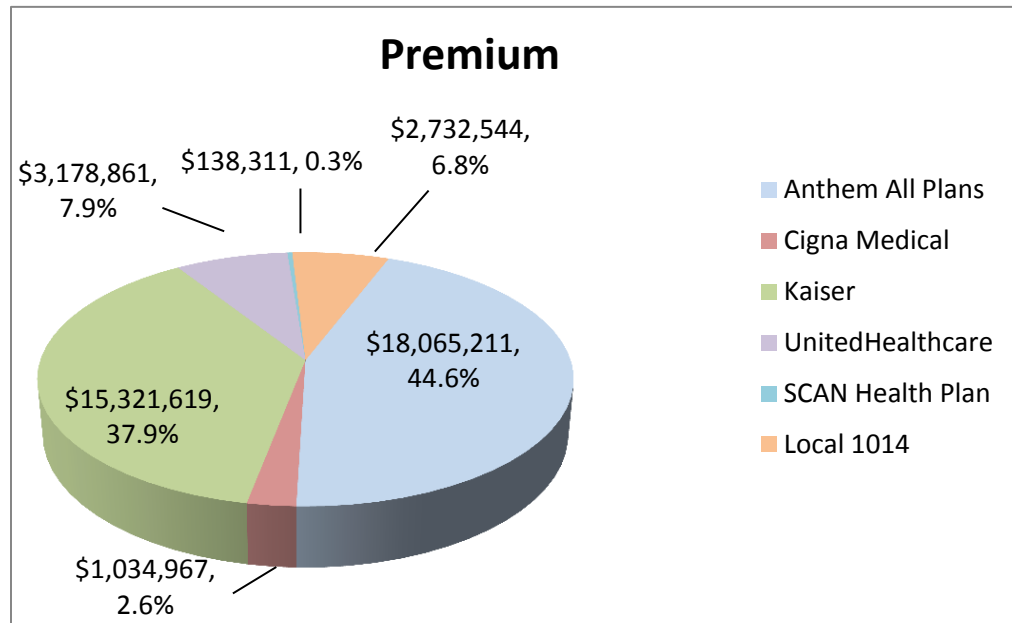
LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION

Premium and Enrollment

Coverage Month October 2016

Carrier / Plan	Monthly Premium	Percent of Total	Retirees	Percent of Total
Anthem All Plans	\$18,065,211	44.6%	18,472	38.6%
Cigna Medical	\$1,034,967	2.6%	642	1.3%
Kaiser	\$15,321,619	37.9%	22,902	47.9%
UnitedHealthcare	\$3,178,861	7.9%	3,758	7.9%
SCAN Health Plan	\$138,311	0.3%	358	0.7%
Local 1014	\$2,732,544	6.8%	1,717	3.6%
Combined Medical	\$40,471,513	100.0%	47,849	100.0%

Cigna Dental & Vision	\$3,729,412	48,882
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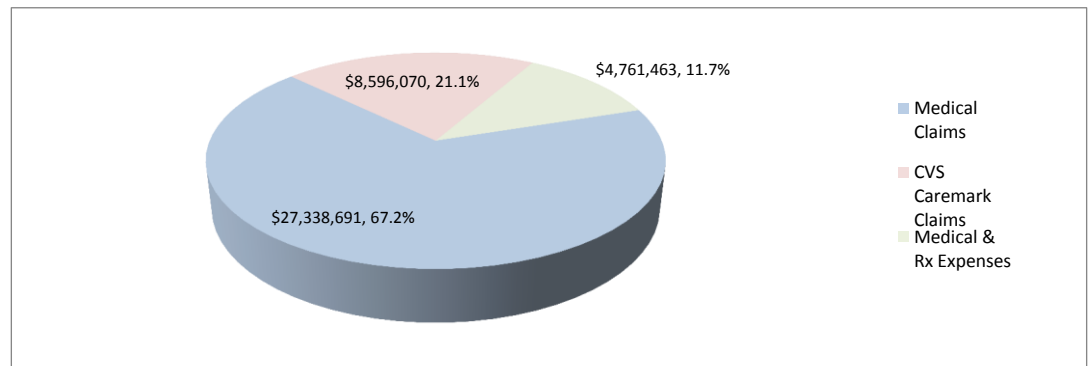
LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION

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	6,043	\$9,086,383	\$6,521,156	\$2,190,072	\$8,711,228	\$1,441.54	95.9%	\$1,182,770	\$9,893,999	108.9%
Nov-16										
Dec-16										
Jan-17										
Feb-17										
Mar-17										
Apr-17										
May-17										
Jun-17										
YTD Plan Year	24,274	\$36,454,638	\$27,338,691	\$8,596,070	\$35,934,762	\$1,480.38	98.6%	\$4,761,463	\$40,696,225	111.6%
4 Month Average	6,069	\$9,113,660	\$6,834,673	\$2,149,018	\$8,983,690	\$1,480.38	98.6%	\$1,190,366	\$10,174,056	111.6%
12 Month Rollup	73,084	\$109,330,638	\$78,280,261	\$24,519,642	\$102,799,903	\$1,406.60	94.0%	\$12,660,025	\$115,459,929	105.6%

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

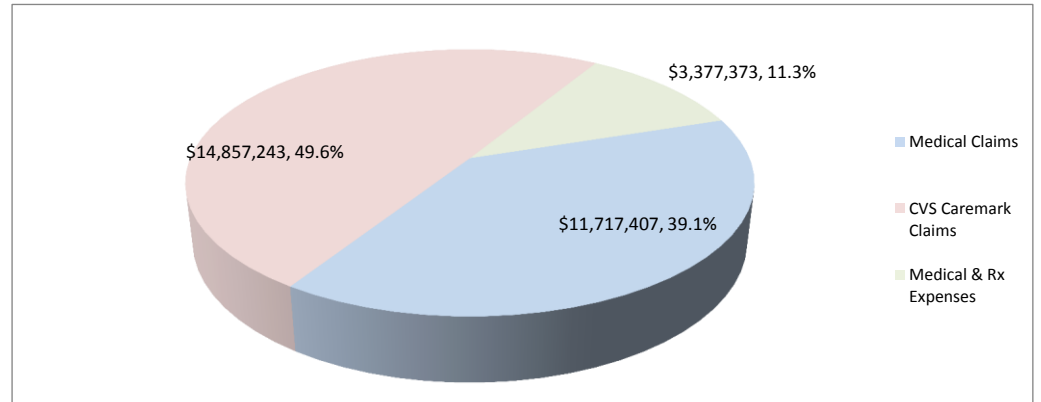
Anthem Plan III

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	11,131	\$7,449,421	\$3,010,763	\$3,770,776	\$6,781,539	\$609.25	91.0%	\$846,873	\$7,628,412	102.4%
Nov-16										
Dec-16										
Jan-17										
Feb-17										
Mar-17										
Apr-17										
May-17										
Jun-17										

YTD Plan Year	44,391	\$29,781,659	\$11,717,407	\$14,857,243	\$26,574,650	\$598.65	89.2%	\$3,377,373	\$29,952,023	100.6%
4 Month Average	11,098	\$7,445,415	\$2,929,352	\$3,714,311	\$6,643,663	\$598.65	89.2%	\$844,343	\$7,488,006	100.6%
12 Month Rollup	131,876	\$88,417,510	\$35,450,671	\$42,023,668	\$77,474,339	\$587.48	87.6%	\$9,455,806	\$86,930,145	98.3%

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

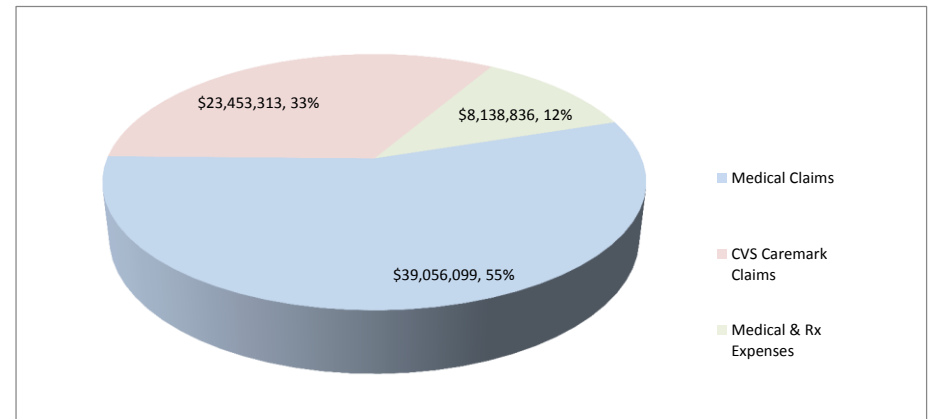
Anthem Plan I, II, and III

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	17,174	\$16,535,805	\$9,531,919	\$5,960,848	\$15,492,768	\$902.11	93.7%	\$2,029,643	\$17,522,411	106.0%
Nov-16										
Dec-16										
Jan-17										
Feb-17										
Mar-17										
Apr-17										
May-17										
Jun-17										

YTD Plan Year	68,665	\$66,236,298	\$39,056,099	\$23,453,313	\$62,509,412	\$910.35	94.4%	\$8,138,836	\$70,648,248	106.7%
4 Month Average	17,166	\$16,559,074	\$9,764,025	\$5,863,328	\$15,627,353	\$910.35	94.4%	\$2,034,709	\$17,662,062	106.7%
12 Month Rollup	204,960	\$197,748,149	\$113,730,932	\$66,543,310	\$180,274,242	\$879.56	91.2%	\$22,115,831	\$202,390,073	102.3%

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

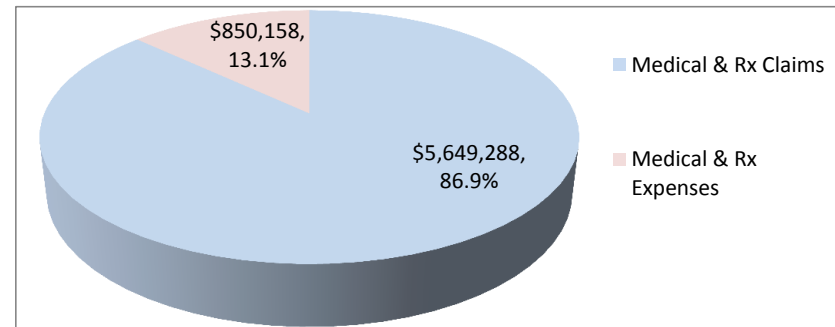
Anthem Prudent Buyer

Plan Year July 1, 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	1,298	\$1,529,406	\$1,442,196	\$1,111.09	94.3%	\$210,874	\$1,653,070	108.1%
Nov-16								
Dec-16								
Jan-17								
Feb-17								
Mar-17								
Apr-17								
May-17								
Jun-17								

YTD Plan Year	5,233	\$6,202,193	\$5,649,288	\$1,079.55	91.1%	\$850,158	\$6,499,446	104.8%
4 Month Average	1,308	\$1,550,548	\$1,412,322	\$1,079.55	91.1%	\$212,539	\$1,624,861	104.8%
12 Month Rollup	16,091	\$19,029,332	\$15,716,011	\$976.70	82.6%	\$2,312,859	\$18,028,870	94.7%

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

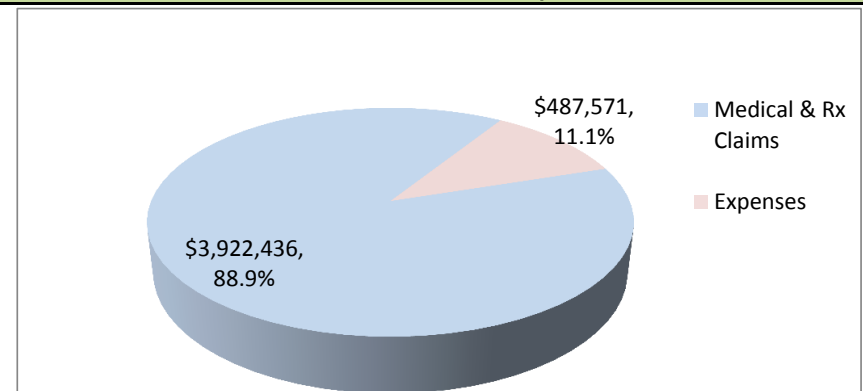
Cigna HMO

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	591	\$1,003,760	\$915,797	\$1,549.57	91.2%	\$120,351	\$1,036,147	103.2%
Nov-16								
Dec-16								
Jan-17								
Feb-17								
Mar-17								
Apr-17								
May-17								
Jun-17								

YTD Plan Year	2,383	\$4,066,480	\$3,922,436	\$1,646.01	96.5%	\$487,571	\$4,410,007	108.4%
4 Month Average	596	1,016,620	980,609	\$1,646.01	96.5%	\$121,893	\$1,102,502	108.4%
12 Month Rollup	7,313	\$12,220,062	\$12,245,777	\$1,674.52	100.2%	\$1,351,878	\$13,597,656	111.3%

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



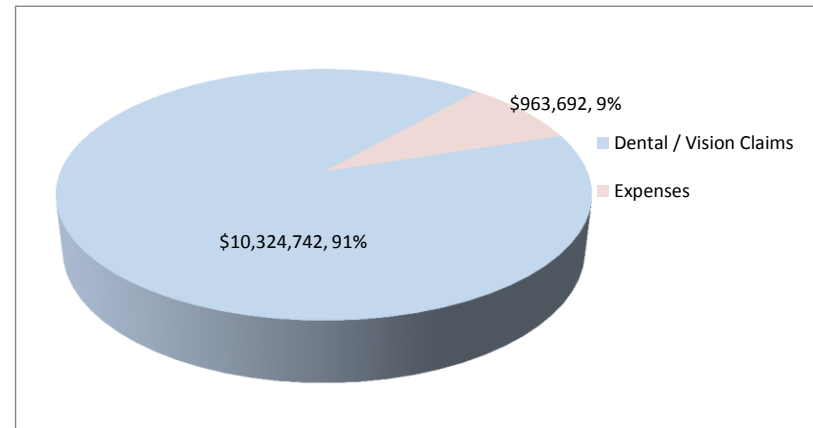
LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION

Cigna Dental PPO and Vision

Plan Year July 1, 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	43,475	\$3,370,847	\$2,457,048	58.3%	\$56.52	72.9%	\$241,226	\$2,698,274	80.0%
Nov-16									
Dec-16									
Jan-17									
Feb-17									
Mar-17									
Apr-17									
May-17									
Jun-17									
YTD Plan Year	173,521	\$13,466,462	\$10,324,742	56.8%	\$59.50	76.7%	\$963,692	\$11,288,434	83.8%
4 Month Average	43,380	\$3,366,616	\$2,581,186	56.1%	\$59.50	76.7%	\$240,923	\$2,822,109	83.8%
12 Month Rollup	515,536	\$38,356,076	\$32,925,259	56.1%	\$63.87	85.8%	\$3,106,902	\$36,032,161	93.9%

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



LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION

Kaiser Utilization

- At this committee's request, Aon has included a new report summarizing claim utilization data for Kaiser
- Of the 22,900 members enrolled in Kaiser, 17,200 or 75% are enrolled in Medicare Advantage plans.
- Kaiser does not provide utilization information for retirees enrolled in the MA plans.
- Kaiser is offered to LACERA members in five geographies. Southern California, with approx. 8700 enrolled members, is the only group currently credible from an experience monitoring perspective

Category	Current Period 8/1/15 - 7/31/16	Prior Period 8/1/14 - 7/31/15	Change
Average Members	8,714	8,517	2.31%
Inpatient Claims PMPM	\$201.39	\$231.48	-13.00%
Outpatient Claims PMPM	\$252.69	\$215.22	17.41%
Pharmacy	\$94.08	\$95.51	-1.50%
Other	\$109.95	\$111.30	-1.21%
Total Claims PMPM	\$658.11	\$653.52	0.70%
Total Paid Claims	\$68,817,246.48	\$66,792,358.08	3.03%
# of Large Claims over \$400,000 Pooling Point	5	7	
Large Claims \$ over \$400,000 Pooling Point	\$3,667,107	\$5,236,108	-29.97%
Large Claims as a % of all claims	5.33%	7.84%	
Inpatient Days / 1000	347.9	489.3	-28.90%
Inpatient Admits / 1000	73.6	80.3	-8.34%
Outpatient Visits / 1000	12,351.7	12,234.0	0.96%
Pharmacy Scripts PMPY	11.4	11.8	-3.39%



November 21, 2016

Holiday Publication Schedule

The *Washington Report* will not be published on Monday, November 28, 2016. Publication will resume on Monday, December 5, 2016. Happy Thanksgiving!

Legislative

Congress Adjourns for Thanksgiving Holiday

Congress adjourns this week for the Thanksgiving holiday and is scheduled to return to the Hill on November 28, 2016.

House Approves Bill to Overturn “Midnight Regulations”; Senate Passage Unlikely

On November 17, 2016, the House approved with a 240-179 vote the Midnight Rules Relief Act of 2016 (H.R. 5982). The bill would amend the Congressional Review Act to allow Congress to disapprove multiple regulations en bloc that had been issued in the last 60 legislative days of the final year of a president's term. As there are only a few weeks remaining in the 114th legislative session, Senate passage of H.R. 5982 is unlikely. In a White House Statement of Administration Policy, President Obama has also indicated he would veto the bill.

H.R. 5982 is available [here](#).

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

Health

IRS Extends Due Dates for Certain Affordable Care Act Reporting Requirements

On November 18, 2016, the Internal Revenue Service (IRS) published Notice 2016-70, which extends the due dates for certain information reporting requirements for 2016 imposed by the Affordable Care Act under Sections 6055 and 6056 of the Internal Revenue Code (Code). Specifically, Notice 2016-70 extends the due date for furnishing to individuals the 2016 Form 1095-B, Health Coverage, and the 2016 Form 1095-C, Employer-Provided Health Insurance Offer and Coverage, from January 31, 2017, to March 2, 2017. The Notice also provides for transitional good-faith relief from the penalties imposed by Sections 6721 and 6722 of the Code relating to the 2016 information reporting requirements under Sections 6055 and 6056.

IRS Notice 2016-70 is available [here](#).

Retirement

PBGC Releases FY 2016 Annual Report; Shows Increased Deficit in Multiemployer Insurance Program

On November 16, 2016, the Pension Benefit Guaranty Corporation (PBGC) issued its Annual Report for Fiscal Year (FY) 2016. The report notes that the deficit in its multiemployer insurance program rose to \$58.8 billion. According to the PBGC, the increase was driven by additional multiemployer plans that are expected to run out of money within the next 10 years, and by decreases in interest factors used to value PBGC's liabilities. PBGC's single-employer insurance program showed improvement; its deficit narrowed from \$24.1 billion, at the end of FY 2015, to \$20.6 billion at the end of FY 2016. This was primarily due to investment and premium income and a low level of plan terminations during the year. "The improvement in the financial condition of the single-employer program is a welcome result. However, it is clear that more reform is needed to stabilize multiemployer pension plans and to extend the solvency of PBGC's multiemployer program," stated PBGC Director Tom Reeder.

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

The PBGC FY 2016 Annual Report is available [here](#).

The Director's Message is available [here](#) .

Other HR-Related Topics

Fall 2016 Regulatory Agendas Released

On November 17, 2016, federal departments and agencies (e.g., the Department of Labor, Equal Employment Opportunity Commission, Department of the Treasury, Department of Health and Human Services, Pension Benefit Guaranty Corporation, etc.) released their Fall 2016 Regulatory Agendas. The agendas include regulatory plans and priorities for 2016 and provide a framework of activity expected during the next 12 months. However, it should be noted that due to the election, it is common for a president to direct federal agencies to halt action on pending regulations until they can be reviewed by the new administration.

The link to the Current Unified Agenda of Regulatory and Deregulatory Actions (i.e., the Fall 2016 Regulatory Agendas and Plans, searchable by department and agency) is available [here](#).

USCIS Publishes Final Rule for Certain Employment-Based Immigrant and Nonimmigrant Visa Programs

On November 17, 2016, the Department of Homeland Security (DHS) and the United States Citizenship and Immigration Services (USCIS) released a final rule amending regulations related to certain employment-based immigrant and nonimmigrant visa programs. Specifically, the final rule provides various benefits to participants in those programs, including the following: improved processes and increased certainty for U.S. employers seeking to sponsor and retain

immigrant and nonimmigrant workers; greater stability and job flexibility for those workers; and increased transparency and consistency in the application of DHS policy related to affected classifications. According to USCIS, many of these changes are “primarily aimed at improving the ability of U.S. employers to hire and retain high-skilled workers who are beneficiaries of approved employment-based immigrant visa petitions and are waiting to become lawful permanent residents, while increasing the ability of those workers to seek promotions, accept lateral positions with current employers, change employers, or pursue other employment options.” The final rule becomes effective January 17, 2017.

The final rule is available [here](#).

Aon Hewitt Publications

DOL's Final Regulations on Federal Contractor Paid Sick Leave

The Department of Labor (DOL) has issued final regulations requiring some federal contractors and subcontractors to permit employees to accrue and use paid sick leave. The regulations apply to new contracts and replacements for expiring contracts on or after January 1, 2017.

This Aon Hewitt bulletin includes information about the specific federal contractors and employees covered under the regulations, how paid sick leave accrues and can be used, employee notice requirements, employer recordkeeping requirements, how the regulations interact with other laws/ordinances and paid time off policies, and resources for more information.

The Aon Hewitt bulletin on the DOL's final regulations is available [here](#)

November 14, 2016

Legislative

Congress Returns to Hill for Lame-Duck Session

Congress returns to the Hill today to begin the lame-duck session. The House and Senate recess again next week for the Thanksgiving holiday, and return on November 28, 2016, to finish the 114th legislative session. Immediate items on the lame-duck agenda include government funding (which expires December 9) and leadership elections in the respective chambers.

Health

CMS Announces 2017 Medicare Premiums, Coinsurance, and Deductibles

The Department of Health and Human Services' Centers for Medicare and Medicaid Services (CMS) announced on November 10, 2016, the 2016 Medicare Part A and Part B premium, deductible, and coinsurance amounts to be paid by Medicare beneficiaries. As the Social Security Administration previously announced on October 18, 2016, the cost-of-living adjustment (COLA) will be 0.3% for 2017. Because of the low COLA, by law, most people with Medicare Part B will be “held harmless” from any increase in

premiums in 2017, and among this group, the average 2017 premium will be about **\$109**, compared to \$104.90 for the past four years. However, beneficiaries not subject to the hold-harmless provision will pay **\$134**, a 10% increase from the 2016 premium of \$121.80. (Medicare Part B beneficiaries not subject to the hold-harmless provision are those not collecting Social Security benefits, those who will enroll in Part B for the first time in 2017, dual eligible beneficiaries who have their premiums paid by Medicaid, and beneficiaries who pay an additional income-related premium. According to CMS, these groups account for about 30% of the population expected to be enrolled in Medicare Part B in 2017.) Higher-income beneficiaries will pay higher premiums. The Medicare Part B annual deductible for all Part B beneficiaries will be **\$183** in 2017, up from \$166 in 2016.

The 2017 Medicare Part A deductible will increase to **\$1,316** up from \$1,288 in 2016. The Part A deductible is paid by the beneficiary per "spell of illness" for covered inpatient hospital services. After the first 60 days of hospitalization, the 2017 coinsurance will be **\$329** per day for days 61 through 90 (\$322 in 2016), and **\$658** per day (\$644 in 2016) for the ninety-first and later days. The daily coinsurance for the twenty-first through 100th day in a skilled nursing facility will be **\$164.50** in 2017, up from \$161 in 2016.

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

Aon Hewitt Publications

The People Have Spoken—Now What?

Donald J. Trump will become the 45th President of the United States on January 20, 2017, bringing with him Republican control of the United States House of Representatives and the United States Senate and, for the second time in a decade, a national debate over health care reform and the role of employers in delivering health care. The full details of the Trump administration's plans for health care reform will become clear over the next few weeks and months. The Aon Hewitt bulletin, which provides a broad outline of what employers can possibly expect, is available [here](#).

Aon Hewitt Webinars

Post-U.S. Election Webinar: What Donald Trump's Presidency Could Mean for Employers' Health Care Strategies

When:

Tuesday, November 15, 2016

1:00 to 2:00 pm ET

Now that the 2016 U.S. election is over, it's time to think about how decisions made by President-elect Donald Trump and Congress will impact employers' health care strategies. Join Aon experts during our post-election webinar to discuss the key issues and considerations for benefit strategies in 2017.

Among the topics to be discussed are:

- Potential impact to health care reform and public exchanges;
- Future implications of the excise tax;
- Possible changes to the tax treatment of employer health care contributions and tax exclusion; and
- Impact on current federal paid family leave laws.

You can register for Aon Hewitt's post-U.S. election webinar [here](#).

November 7, 2016

The Washington Report

Legislative

Congress Adjourned; Returns in November

The House and Senate have adjourned. The chambers are scheduled to return to the Hill after the presidential election.

Health

IRS Releases Notice on Insured and Self-Insured Health Plans; Adjusted Applicable Dollar Amount for Fee Imposed by Sections 4375 and 4376

On November 4, 2016, the Internal Revenue Service (IRS) released Notice 2016-64, which provides that the adjusted applicable dollar amount that applies for determining the Patient-Centered Outcomes Research Institute fee for policy years and plan years ending on or after October 1, 2016, and before October 1, 2017, is equal to \$2.26. This adjusted applicable dollar amount has been determined using the percentage increase in the projected per capita amount of the National Health Expenditures published by the Department of Health and Human Services in July 2016.

IRS Notice 2016-64 is available [here](#).

Retirement

IRS Releases Guidance on Pension Equity Plans

On November 4, 2016, the Internal Revenue Service (IRS) released Notice 2016-67, which describes the applicability of the market rate of return limitation rules to a defined benefit plan that expresses a participant's accumulated benefit as the current value of an accumulated percentage of the participant's final average compensation, highest average compensation, or highest average compensation during a limited period of years (a type of plan often referred to as a pension equity plan). Notice 2016-67 addresses the application of the market rate of return limitation of Section 411(b)(5)(B)(i) and Section 1.411(b)(5)-1(d) to a pension equity plan that provides for implicit interest. Comments on the Notice are due by February 21, 2017.

IRS Notice 2016-67 is available [here](#).

Agencies Release Advance Copies of 2016 Form 5500 Annual Return/Report

On November 1, 2016, the United States Department of Labor's Employee Benefits Security Administration, the IRS, and the Pension Benefit Guaranty Corporation (the Agencies) released advance informational copies of the 2016 Form 5500 annual return/report and related instructions. The "Changes to Note" section of the 2016 instructions highlight important modifications to the Form 5500 and Form 5500-SF and their schedules and instructions. Discussed in the changes section are:

- IRS compliance questions;
- Administrative penalties; and
- Updates to Schedules H and I, and Schedule SB.

The advance copies of the 2016 Form 5500 are for informational purposes only and cannot be used to file a 2016 Form 5500 annual return/report. Pension and welfare benefit plans that are required to file an annual return/report regarding their financial conditions, investments, and operations each year, generally satisfy that requirement by filing electronically the Form 5500 or Form 5500-SF and any required attachments under the all electronic EFAST2 system for submission, receipt, and processing of the Form 5500 and Form 5500-SF.

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

Additional information, copies of the forms, schedules and instructions are available [here](#)

October 31, 2016

The Washington Report

Legislative

Congress Adjourned; Returns in November

The House and Senate have adjourned. The chambers are scheduled to return to the Hill after the presidential election.

Health

Departments Release Final Regulations on Excepted Benefits; Lifetime and Annual Limits; and Short-Term, Limited-Duration Insurance

On October 27, 2016, the Departments of Labor, Health and Human Services, and Treasury (the Departments) released final regulations regarding the definition of short-term, limited-duration insurance for purposes of the exclusion from the definition of individual health insurance coverage, and standards for travel insurance and supplemental health insurance coverage to be considered excepted benefits. The guidance also amends a reference in the final regulations relating to the prohibition on lifetime and annual dollar limits. The final regulations are effective on December 30,

2016. The final regulations apply to group health plans and health insurance issuers beginning on the first day of the first plan year (or, in the individual market, the first day of the first policy year) beginning on or after January 1, 2017.

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

FAQs Issued on Tobacco Cessation Intervention, Mental Health, and Substance Abuse Coverage Under the Affordable Care Act

On October 27, 2016, the Departments posted additional frequently asked questions (FAQs) about implementation of the market reform provisions of the Affordable Care Act and the Paul Wellstone and Pete Domenici Mental Health Parity and Addiction Equity Act of 2008, as amended by the Affordable Care Act.

These latest FAQs include guidance on:

- Plan coverage of tobacco cessation interventions, with a request for comments;
- Disclosure obligations as to nonquantitative treatment limitations, with a request for comments;
- Availability of the Parity Consumer Web Portal;
- Quantitative treatment limitations and claims data needed for analyses;
- Plan requirements for coverage of inpatient treatment for mental health conditions and substance abuse disorders;
- Plan requirements for coverage of prescription drugs used to treat opioid use disorder; and
- Plan exclusions of court-ordered treatment for substance abuse disorders.

“FAQs About Affordable Care Act Implementation Part 34 and Mental Health and Substance Use Disorder Parity Implementation” are available [here](#).

Retirement

PBGC Announces Guarantee Limits for Single-Employer Plans

On October 28, 2016, the Pension Benefit Guaranty Corporation (PBGC) announced that, as a result of the indexing rules provided in ERISA, the guarantee limits for single-employer plans that fail in 2017 will be 7.1% higher than the limits that applied for 2015 and 2016. A table showing the single-employer plan guarantee limits for various ages and payment forms is available on the PBGC's website (link below). The PBGC stated that the guarantee limits for multiemployer plans are not indexed and therefore have not changed.

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

The maximum monthly guarantee tables (for single-employer plans) are available [here](#).

IRS 2017 Official Indexed Figures for Retirement Plans and Other Employee Benefit Plans; 401(k) Contribution Limit Remains Unchanged at \$18,000 for 2017

The Internal Revenue Service (IRS) issued Information Release 2016-141 on October

27, 2016, providing the 2017 official indexed figures for retirement plans and other employee benefit plans. The IRS issued technical guidance detailing these items in Notice 2016-62. Following are the official limits of most interest to large and medium employers, as well as the official 2017 key employee pay thresholds for top-heavy plans.

- Section 402(g) annual dollar limit for pretax contributions to Section 401(k), 403(b), and 457 plans: **\$18,000**, unchanged from 2016
- Section 414(v) annual dollar limit on catch-up contributions for age 50 and over: **\$6,000**, unchanged from 2016
- Section 414(q) pay threshold for highly compensated employees: **\$120,000**, unchanged from 2016
- Section 415 limit for defined benefit plans: **\$215,000** (up from 2016 limit of \$210,000)
- Section 415 limit for defined contribution plans: **\$54,000** (up from 2016 limit of \$53,000)
- Section 401(a)(17) recognizable pay limit: **\$270,000** (up from 2016 limit of \$265,000)
- Section 416 pay threshold for key employees in a top-heavy plan: **\$175,000** (up from 2016 limit of \$170,000)

IRS Information Release 2016-141 is available [here](#).

IRS Notice 2016-62 is available [here](#).

An Aon Hewitt bulletin on the 2017 indexed figures (in pdf format) is available [here](#) and in Aon Hewitt Publications.

DOL Releases Fiduciary Rule Guidance Focusing on Conflict of Interest Exemptions

On October 27, 2016, the Department of Labor (DOL) released additional guidance on its fiduciary rule in the form of frequently asked questions (FAQs). The 34-question guidance primarily discusses conflict of interest exemptions and addresses the following areas:

- Compliance dates;
- Best interest contract exemption – general questions;
- Best interest contract exemption – level fee fiduciaries;
- Best interest contract exemption – bank networking arrangements;
- Best interest contract exemption and Prohibited Transaction Exemption (PTE) 84-24 annuities;
- Disclosures under the best interest contract exemption;
- Grandfathering in the best interest contract exemption;
- Principal transactions exemption;
- PTE 84-24; and
- Compliance.

According to the DOL, this is the first of several FAQs that will be published in the upcoming months.

The DOL guidance (Conflict of Interest Exemptions FAQs) is available [here](#).

The DOL blog posting is available [here](#).

Other HR-Related Topics

IRS Provides 2017 Inflation Adjustments and Maximum Contribution Limits for Employee Fringe Benefits; Some Tax Benefits Increase Slightly, Others Unchanged

On October 25, 2016, the Internal Revenue Service (IRS) released Revenue Procedure 2016-55, which provides annual inflation adjustments for more than 50 tax provisions, including the tax rate schedules, and other tax changes. Included in Revenue Procedure 2016-55 is the updated guidance for 2017 on the maximum contribution levels for a number of employee fringe benefits adjusted for cost-of-living expenses. These updated amounts include the following:

Adoption assistance: For taxable years beginning in 2017, the credit allowed for an adoption of a child with special needs is **\$13,570**. For taxable years beginning in 2017, the maximum credit allowed for other adoptions is the amount of qualified adoption expenses up to **\$13,570**. The available adoption credit begins to phase out for taxpayers with modified adjusted gross income in excess of **\$203,540** and is completely phased out for taxpayers with modified adjusted gross income of **\$243,540** or more. (Section 3.19 of Revenue Procedure 2016-55 details adjusted items relating to adoption assistance programs.)

Health FSA annual dollar limit: The annual dollar limit on employee contributions to employer-sponsored health care flexible spending arrangements (FSAs) for 2017 is **\$2,600** (up from the 2016 amount of \$2,550).

Personal exemption: The personal exemption for 2017 remains as it was for 2016: **\$4,050**. However, the exemption is subject to a phase-out that begins with adjusted gross incomes of **\$261,500** (\$313,800 for married couples filing jointly). It phases out completely at **\$384,000** (\$436,300 for married couples filing jointly.)

Qualified transportation expenses under Code Section 132(f): The 2017 monthly limitation regarding the aggregate fringe benefit exclusion amount for transportation in a commuter highway vehicle and any transit pass is **\$255**. The monthly limitation regarding the fringe benefit exclusion amount for qualified parking is **\$255**.

IRS Revenue Procedure 2016-55 is available [here](#).

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

An Aon Hewitt bulletin on the 2017 adjustments (in pdf format) is available [here](#) and in

Aon Hewitt Publications.

Aon Hewitt Publications

IRS 2017 Official Indexed Figures for Retirement Plans and Other Employee Benefit Plans

The Internal Revenue Service (IRS) issued Information Release 2016-141 on October 27, 2016, providing the 2017 official indexed figures for retirement plans and other employee benefit plans. The IRS issued technical guidance detailing these items in Notice 2016-62.

The Aon Hewitt bulletin, which provides the official limits of most interest to large and medium employers, as well as the official 2017 key employee pay thresholds for top-heavy plans, is available [here](#).

IRS Issues Inflation-Adjusted Limits for 2017

The IRS announced the tax year 2017 annual inflation adjustments for certain income tax provisions.

The Aon Hewitt bulletin, which details the adjusted limits, is available [here](#).

Now Available: Aon Hewitt 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 for the fourth quarter of 2016. In this issue you will find the following articles:

- New EPCRS Guidance to Assist Plan Sponsors
- Claims Brought by Verizon Plaintiffs Rejected Again
- IRS Mortality Update Postponed to 2018; Lump-Sum Window Activity Likely to Extend Into 2017
- Year-End Amendments for Tax-Qualified Plans
- Excess Fee Litigation Hits 403(b) Plans
- No Ongoing Determination Letter Program—What's Next?
- Considering a Prototype Plan Document? Come Prepared!
- Rules for Paying Partial Lump Sums Clarified
- Quarterly Roundup of Other New Developments

The fourth quarter 2016 issue of the "Retirement Legal Consulting & Compliance Quarterly Update" is available [here](#).

IRS Finalizes Instructions for 2016 Forms 1094-C and 1095-C

The IRS has finalized the forms and instructions for the 2016 Forms 1094-C and 1095-C, which employers must complete to satisfy their reporting obligations under the Affordable Care Act's employer mandate for the 2016 tax year. This Aon Hewitt bulletin discusses the changes for the 2016 final forms and instructions, including:

- Reporting conditional offers of spousal coverage;
- Section 4980H transition relief for non-calendar year plans;
- Reporting post-employment coverage;
- Reporting non-employees;
- Filing multiple Forms 1094-C;
- Reporting covered individuals;
- Full-time employee definition;
- Extension of filing deadlines; and
- Information reporting penalties.

The Aon Hewitt bulletin on the final instructions is available [here](#).

October 24, 2016

Legislative

Congress Adjourns; Returns in November

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

Health

Departments Release FAQ on Affordable Care Implementation; Student Health Plan Coverage

On October 21, 2016, the Departments of Labor, Health and Human Services and the Treasury (the Departments) released a frequently asked question (FAQ) about Affordable Care Act implementation. The guidance addresses premium reduction arrangements for student health plan coverage. Specifically, that the Departments' enforcement relief to colleges and universities for certain health care premium reduction arrangements offered in connection with student health plans will be extended.

The FAQ is available [here](#).

Retirement

PBGC Announces 2017 Premium Rates for Single-Employer and Multiemployer Plans

On October 21, 2016, the Pension Benefit Guaranty Corporation (PBGC) announced the 2017 flat-rate premiums for single-employer and multiemployer plans. For the 2017 plan year, the per-participant flat-rate premium for single-employer plans is \$69.00 (up from \$64.00 in 2016) and \$28.00 for multiemployer plans (up from \$27.00 in 2016). For additional information on variable-rate premiums, current and historical data, and scheduled increases for years after 2017, please refer to the premium rate website.

The 2017 PBGC premium rates are available [here](#).

Other HR-Related Topics

Social Security Administration Releases 2017 Indexed Figures; Announces 0.3% Benefit Increase

The Social Security Administration (SSA) released the Social Security 2017 indexed figures on October 18, 2016. **The SSA announced that there will be a 0.3% Cost-of-Living Adjustment (COLA) for 2017.** Some other changes that take effect in January of each year are based on the increase in average wages. Relevant figures are shown below.

COLA: Based on the increase in the Consumer Price Index for Urban Wage Earners and Clerical Workers, Social Security and Supplemental Security Income beneficiaries will receive a 0.3% COLA for 2017. (There was no COLA increase in 2016.)

Wage Base: The 2017 Social Security wage base is **\$127,200**. (The 2016 amount was \$118,500.)

FICA/Medicare Tax Rate: The FICA tax rate remains at **7.65%**: 6.20% for Social Security and 1.45% for Medicare combined.

Beginning in 2013, the Affordable Care Act increased the Medicare tax rate on wages by 0.9% (from 1.45% to 2.35%) for higher-income individuals. The payroll tax increase applies to wages over \$200,000 for single tax filers and \$250,000 for couples filing jointly (\$125,000 for a married individual filing separately). The tax rates above do not include the 0.9%. The IRS has provided frequently asked questions (FAQs) on the Medicare tax increase, available [here](#).

Maximum Monthly Benefit: For someone retiring at full retirement age in 2017, the maximum benefit is **\$2,687**. (The 2016 amount was \$2,639.)

Annual Earnings Test Limit: For individuals under full retirement age, the annual earnings test limit is **\$16,920**. (The 2016 amount was \$15,720.) For individuals attaining full retirement age in 2017, the annual earnings test limit for the months prior to attaining full retirement age is **\$44,880**. (The 2016 amount was \$41,880.) There is no annual earnings test for individuals who have attained full retirement age.

More information on the SSA COLA is available [here](#).

A fact sheet on the SSA's 2017 Social Security changes is available [here](#).

The October 18, 2016, media release can be accessed from the SSA Press Office page, available [here](#).

A more detailed Aon Hewitt bulletin on the 2017 SSA indexed numbers is available [here](#).

Aon Hewitt Publications

DOL Issues Final Paid Sick Leave Regulations Under Presidential Executive Order

The United States Department of Labor has issued final regulations implementing President Obama's Executive Order 13706 mandating paid sick leave for federal contractors. This Aon Hewitt bulletin highlights significant changes in the final regulations and summarizes the final regulations on paid sick leave for federal contractors.

The Aon Hewitt bulletin on the final paid sick leave regulations is available [here](#).