

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, FEBRUARY 9, 2017 - 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:

William de la Garza, Chair
Vivian H. Gray, Vice Chair
Alan Bernstein
Ronald Okum
David Muir, Alternate

I. APPROVAL OF THE MINUTES

- A. Approval of the minutes of the regular meeting of January 12, 2017

II. PUBLIC COMMENT

III. FOR INFORMATION

- A. Update Regarding LACERA Legislative Proposal – Correction of Errors and Omissions (*Barry W. Lew, Legislative Affairs Officer*)
- B. Senate Bill 32 (Moorlach) – California Public Employees' Pension Reform Act of 2017 (*Barry W. Lew, Legislative Affairs Officer*)
- C. Staff Activities Report for January 2017
- D. Cigna & Anthem Blue Cross Claims Experience
- E. Federal Legislation
 - Aon Hewitt Washington Report

February 9, 2017

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IV. GOOD OF THE ORDER

(For information purposes only)

V. 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, JANUARY 12, 2017, 10:15 A.M. – 10:40 A.M.

COMMITTEE MEMBERS

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

ABSENT: Ronald Okum, Alternate

ALSO ATTENDING:

BOARD MEMBERS AT LARGE

Marvin Adams
Alan Bernstein
Anthony Bravo
Yves Chery
David L. Muir

STAFF, ADVISORS, PARTICIPANTS

Cassandra Smith

Aon Hewitt

Kirby Bosley

The meeting was called to order by Chair de la Garza at 10:15 a.m.

I. APPROVAL OF THE MINUTES

A. Approval of the minutes of the regular meeting of December 15, 2016

Ms. Gray made a motion, Mr. Kehoe seconded, to approve the minutes of the regular meeting of December 15, 2016. The motion passed with Mr. Kehoe abstaining.

II. PUBLIC COMMENT

III. FOR INFORMATION

A. Staff Activities Report for December, 2016

The staff activities report was discussed.

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

MACRA requires CMS to produce and post a Quality Measure Development Plan. Aon gave a presentation to the Committee including the Quality Measurement Dimensions to be incorporated in this plan.

- Clinical Care
- Safety
- Care Coordination
- Patient and Caregiver Experience
- Population Health and Prevention
- Affordable Care

C. CIGNA & Anthem Blue Cross Claims Experience

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

D. Federal Legislation

- Aon Hewitt Washington Report

Submitted for information only.

January 12, 2017

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IV. GOOD OF THE ORDER

(For information purposes only)


V. ADJOURNMENT

The meeting adjourned at 10:40 a.m.

January 31, 2017

FOR INFORMATION ONLY

TO: Insurance, Benefits and Legislative Committee
William de la Garza, Chair
Vivian H. Gray, Vice Chair
Ronald Okum
Alan Bernstein
David Muir, Alternate

FROM: Barry W. Lew 
Legislative Affairs Officer

FOR: February 9, 2017 Insurance, Benefits and Legislative Committee Meeting

SUBJECT: **Update Regarding LACERA Legislative Proposal – Correction of Errors and Omissions**

Staff is in the process of creating a legislative proposal relating to the correction of errors and omissions. Government Code Sections 31540 and 31541 provide for the correction of errors and omissions and apply to LACERA only. However, there is ambiguity in the current language of the statutes in terms of the ability of the Board of Retirement to correct a board action resulting from a mistake of law.

Staff had submitted a list of objectives regarding the proposal to our legislative advocate to provide to the Office of Legislative Counsel for the purpose of creating nonbinding draft language on the proposal. This framework would then be used by staff to fine-tune the proposal by combining our ideas with Legislative Counsel's approach.

We were expecting draft language back in time to prepare a proposal for your review at this meeting. However, our legislative advocate informed us that Legislative Counsel is current backed up with requests, and we most likely will receive a draft after the agenda submission deadline for this Committee meeting. Staff anticipates presenting a proposal to your Committee at your meeting of March 3, 2017.

Reviewed and Approved:




Steven P. Rice, Chief Counsel

January 27, 2017

FOR INFORMATION ONLY

TO: Insurance, Benefits and Legislative Committee
William de la Garza, Chair
Vivian H. Gray, Vice Chair
Ronald Okum
Alan Bernstein
David Muir, Alternate

FROM: Barry W. Lew 
Legislative Affairs Officer

FOR: February 9, 2017 Insurance, Benefits and Legislative Committee Meeting

SUBJECT: **Senate Bill 32 (Moorlach) – California Public Employees’ Pension Reform Act of 2017**

SB 32 was introduced on December 5, 2016 and expresses the intent of the California Legislature to enact legislation to resume the pension reform that began in the California Public Employees’ Pension Reform Act of 2013 (PEPRA).

As a spot bill that was introduced to comply with legislative deadlines, SB 32 currently contains no substantive provisions. However, a fact sheet is available from the author of the bill, which explains that SB 32 is intended to reduce pension costs and limit further unfunded liabilities by continuing the pension reforms outlined in Governor Brown’s Twelve Point Pension Reform Plan.

The fact sheet provides a summary of the provisions that the author intends to include in the bill. Some of the provisions are specific to the California Public Employees’ Retirement System (CalPERS) and the California State Teachers’ Retirement System (CalSTRS), such as freezing cost-of-living adjustments until the systems are 100-percent funded and increasing funding levels by 10 percent each year until the systems are 100-percent funded. Provisions specific to CalPERS include limiting special compensation categories by significantly narrowing their list of special compensation items and reducing unfunded liabilities to 1980 levels, to be achieved by 2030.

Other provisions appear to generally apply to public retirement systems in California. These include establishing a Citizens’ Pension Oversight Committee to review pensions and report pension costs and obligations to the public, creating a hybrid pension plan with defined contribution characteristics for new employees, narrowing the classification of safety employees, and basing final compensation on the highest five years of salary.

The enactment of PEPRA in 2012 required LACERA to engage in a large-scale implementation plan, which continues to this day. Given the significance of pension reform on the operations of LACERA, staff will continue to monitor this bill and report further developments to your Committee.

Reviewed and Approved:

A handwritten signature in blue ink that reads "Steven P. Rice". The signature is written in a cursive style.

Steven P. Rice, Chief Counsel

Attachments

SB 32 (Moorlach) as introduced December 5, 2016
SB 32 Fact Sheet

Introduced by Senator Moorlach

December 5, 2016

An act relating to public employees' retirement.

LEGISLATIVE COUNSEL'S DIGEST

SB 32, as introduced, Moorlach. Public employees' retirement.

The California Public Employees' Pension Reform Act of 2013, on and after January 1, 2013, established various limits on retirement benefits generally applicable to a public employee retirement system in the state, with specified exceptions.

This bill would state the intent of the Legislature to enact legislation to resume the public employee pension reform begun in the California Public Employees' Pension Reform Act of 2013.

Vote: majority. Appropriation: no. Fiscal committee: no.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. It is the intent of the Legislature to enact
- 2 legislation to resume the public employee pension reform begun
- 3 in the California Public Employees' Pension Reform Act of 2013.

O



SENATOR

JOHN M. W. MOORLACH

THIRTY-SEVENTH SENATE DISTRICT

FACT SHEET

Senate Bill 32 – CA Public Employees' Pension Reform Act of 2017

BILL SUMMARY

Senate Bill 32 establishes the California Public Employees' Pension Reform Act of 2017 (PEPRA II) which continues substantial reform to California's broken public employee pension system began in 2012. It addresses the following:

- Establish a Citizens' Pension Oversight Committee to review pensions year by year, and report to the public on actual pension costs and obligations;
- Base final compensation for all public employees on an average of five years of highest years' salary;
- Prohibit or "freeze" the ability for cost-of-living adjustments until CalPERS and CalSTRS are 100% funded;
- Require pension boards to create a defined benefit/defined contribution hybrid pension plan for new employees who opt-into the system;
- Require that any employee who separates from the state pension system for a different job and returns after more than one year be re-classified in that pension system as a "new employee";
- Require CalPERS to limit special compensation categories by significantly narrowing their list of special compensation;
- Define pensionable pay as "the normal monthly rate of pay or base pay" for all public employees;
- Require pension boards to narrow the "safety employees" classification to include only employees who regularly perform their duties at great risk and who are in harm's way;
- Require CalSTRS and CalPERS to build/increase funding levels by 10% each year until the systems are 100% funded;
- Require CalPERS to reduce its unfunded liabilities to 1980 levels; to be achieved by 2030.

ISSUE BACKGROUND

State pensions are funded by regular deductions from public employees' paychecks and contributions made by the employer, the state. CalPERS *invests* the money to cover future benefits. The employee contribution, typically determined through collective bargaining, remains fairly constant. The employer contribution fluctuates based on CalPERS investment returns.¹

In the past, like any investments system, CalPERS experiences normal ups and downs in the market. They plan for the good years, and the bad. However, in the late 1990's, during the "dotcom era" CalPERS was briefly overfunded - which meant its assets were greater than its liabilities. At the time the legislature decided to take advantage of that surplus and pass substantive benefit increases to public employee's pension plans in Senate Bill 400. Believing the increases would never impose new costs onto the taxpayer; SB 400 easily cleared the legislature and was signed into law by Governor Gray Davis.

Within a few years of passing SB 400, the economy took a turn for the worse and the market collapsed. Due to miscalculations in assumed rate of returns by CalPERS, the gap in pension funding continued to grow and the return on investment that CalPERS assumed did not materialize. Additionally, because of the retroactive nature of the pension benefits, the overfunded system quickly became an expensive unfunded liability which continues to cost California taxpayers billions.

The California Public Employees' Pension Reform Act (PEPRA) was approved in 2012 and took effect January

¹ <http://www.latimes.com/projects/la-me-pension-crisis-davis-deal/>

1, 2013.² In 2012, the legislature's intentions were principled. Unfortunately, the state of California is only making the minimum required annual contributions into its retirement plans; and CalPERS alone has fallen behind nearly \$50 billion in the last two years on its investment returns.

The original PEPRA law had several weaknesses. Unfortunately the reform legislation has had a negligible impact to truly reduce public pension costs and limit further unfunded liabilities. SB 32 seeks to continue fixing the problem, consistent with Governor Brown's original plan.

Separately, the state pays for lifetime health insurance for retirees who worked at least 20 years.³ California has an unfunded actuarial liability of \$80 billion for retiree medical. Promises to pay for the medical costs of retired state employees will come due. California needs to make a better effort to make sure our promises to our workers.

SUPPORT

- None on file

OPPOSITION

- None on File

CONTACT

Eric Dietz, Policy Consultant
eric.dietz@sen.ca.gov, (916) 651-4037

² <https://www.calpers.ca.gov/page/employers/policies-and-procedures/pension-reform-impacts>

³ <http://www.latimes.com/projects/la-me-pension-crisis-davis-deal/>

**INSURANCE, BENEFITS & LEGISLATIVE COMMITTEE
RETIREE HEALTHCARE BENEFITS PROGRAM
STAFF ACTIVITIES REPORT
JANUARY 2017
FOR INFORMATION ONLY**

Domestic Partner Imputed Income Project

On January 25, 2017, staff completed the 1099-R manual entries for 267 members (274 in 2016) with Domestic Partner dependents for the 2016 Plan Year.

Letters were mailed on January 25, 2017, to affected members explaining that they are receiving the 1099-R due to the fact that the federal government does not recognize a domestic partner as a qualified dependent. Therefore, affected members are responsible for the federal tax portion of their County contribution (referred to as imputed income) applicable to their eligible domestic partner and their dependent(s).

Kudos to staff for their continued support with this annual project.

Retiree Healthcare Benefits Program Annual Contract Renewal Meeting – 7/1/2017 – 6/30/2018 Plan Year

On January 18, 2017, staff attended an all-day renewal discussions meeting attended by representatives from healthcare insurance carriers and Aon/Hewitt. The meeting was held at Aon/Hewitt's office in Los Angeles. Staff will present the results of the contract renewals to your Board once the renewals are finalized.

Centers for Medicare and Medicaid (CMS) Medicare Part D - Retiree Drug Subsidy Program (RDS) Applications for PY: July 1, 2017 – June 30, 2018

On January 12, 2017, staff began the RDS application process for the 2017-2018 applications for the following plans:

- Anthem Blue Cross
- CIGNA HMO
- Kaiser
- Local 1014

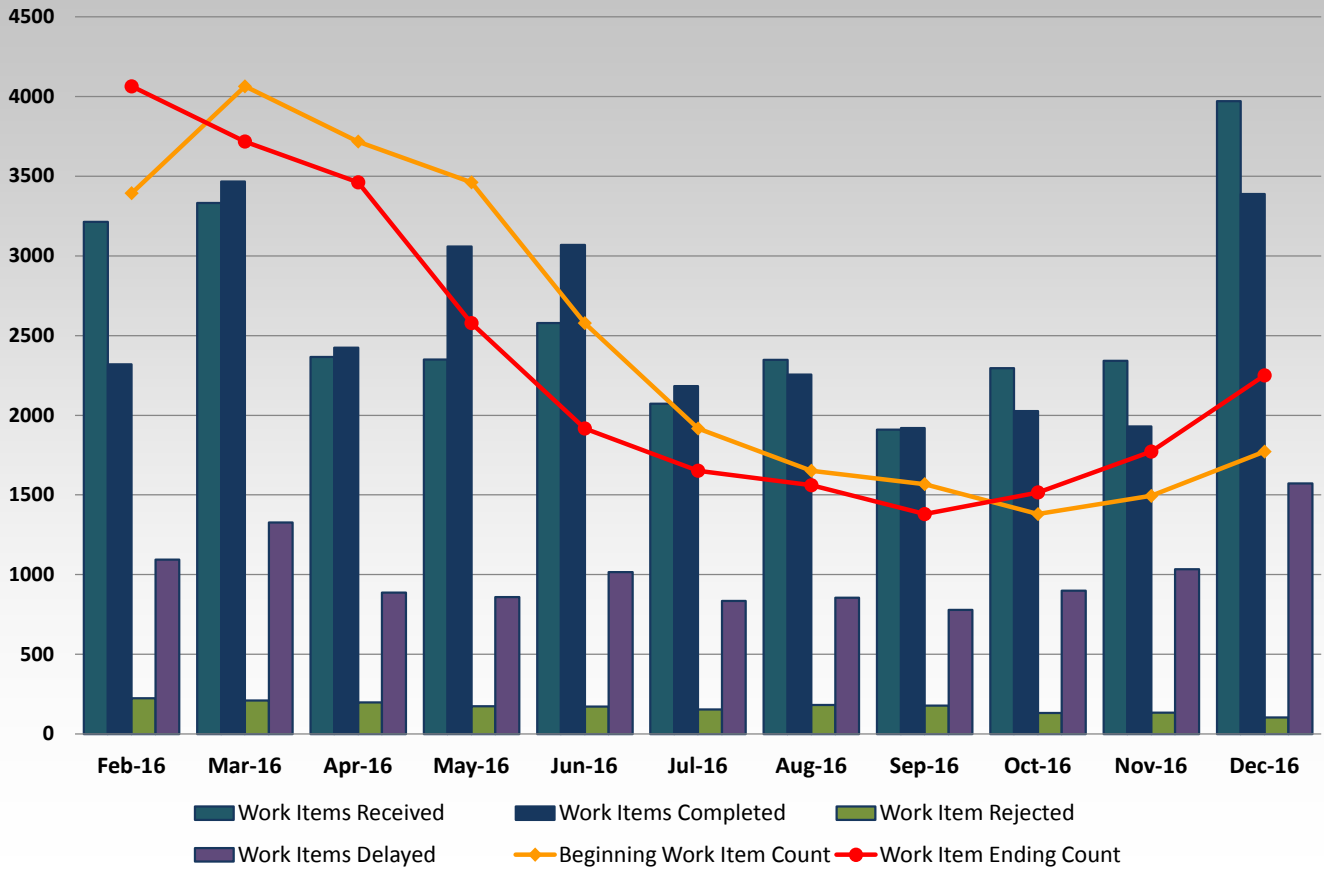
We have engaged Aon's actuary, our carriers, and Local 1014 for their support in completing the required CMS steps and submitting the initial retiree file by the CMS deadline of May 3, 2017. Each has confirmed they will provide the required information by the due date. Staff will provide updates to your Board as necessary.

Retiree Healthcare Division

Trend Report

February 2016-December 2016

Updated 1/31/2017

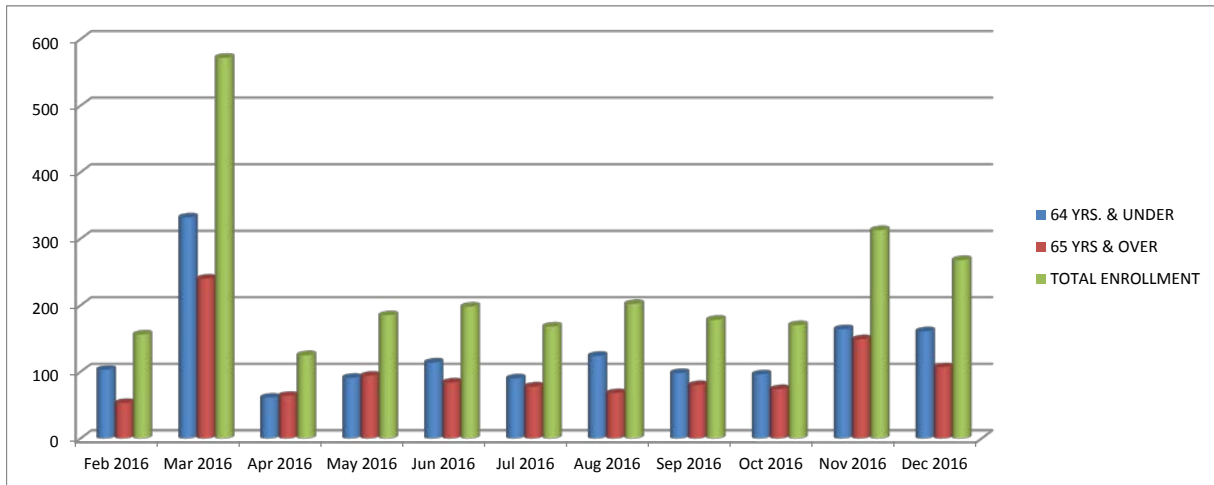


	Beginning Work Item Count	Work Items Received	Work Items Completed	Work Item Rejected	Work Items Delayed	Work Item Ending Count
Feb-16	3393	3214	2320	224	1094	4063
Mar-16	4063	3331	3467	210	1328	3717
Apr-16	3717	2365	2423	198	887	3461
May-16	3461	2350	3059	174	860	2578
Jun-16	2578	2579	3068	172	1015	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
Nov-16	1494	2342	1929	135	1034	1772
Dec-16	1772	3970	3387	105	1572	2250

Retirees Monthly Age Breakdown FEBRUARY ~ DECEMBER, 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
Nov 2016	164	149	313
Dec 2016	161	107	268



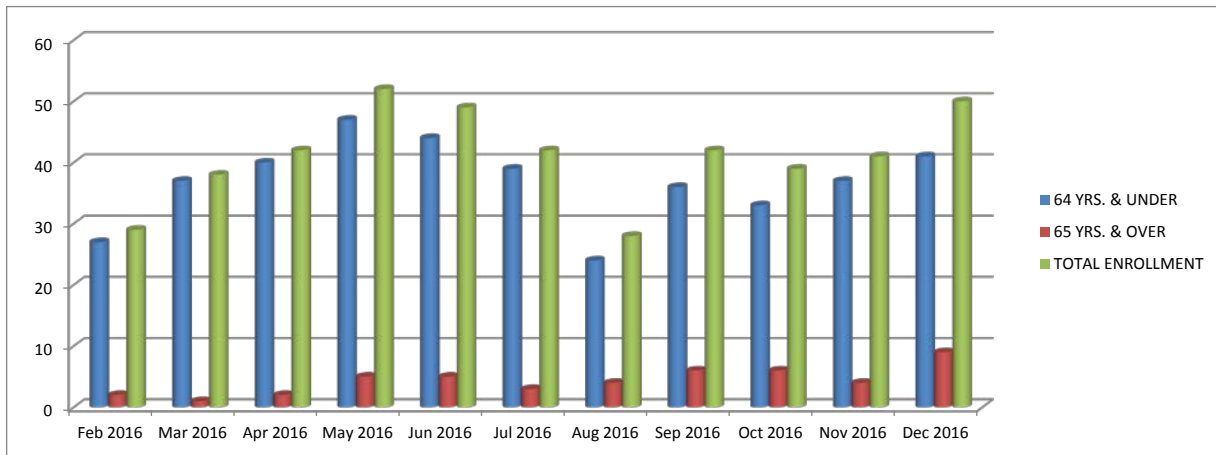
PLEASE NOTE:

- January (1/2017) data is not yet available as data is provided on a full month basis.
- Next Report will include the following dates: February 1, 2016 through January 31, 2017.

Retirees Monthly Age Breakdown FEBRUARY ~ DECEMBER, 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
Nov 2016	37	4	41
Dec 2016	41	9	50



PLEASE NOTE:

- January (1/2017) data is not yet available as data is provided on a full month basis.
- Next Report will include the following dates: February 1, 2016 through January 31, 2017.

Medicare Part B Reimbursement and Penalty Report

PAY PERIOD 1/31/2017

Deduction Code	No. of Members	Reimbursement Amount	No. of Penalties	Penalty Amount
ANTHEM BC III				
211	1	\$238.90	0	\$0.00
221	1	(\$104.90)	0	\$0.00
222	1	\$238.90	0	\$0.00
240	6,314	\$686,307.60	8	\$192.00
241	167	\$18,118.70	1	\$62.90
242	840	\$92,063.10	0	\$0.00
243	3,611	\$779,309.30	6	\$449.10
244	18	\$1,970.40	0	\$0.00
245	53	\$5,917.40	0	\$0.00
246	18	\$1,992.40	0	\$0.00
247	92	\$10,139.50	0	\$0.00
248	10	\$2,114.90	1	\$36.50
249	45	\$9,859.70	0	\$0.00
250	12	\$2,563.80	0	\$0.00
Plan Total:	11,183	\$1,610,729.70	16	\$740.50
CIGNA-HEALTHSPRING PREFERRED with RX				
321	26	\$2,778.30	0	\$0.00
322	8	\$421.80	0	\$0.00
324	13	\$2,752.70	0	\$0.00
327	2	\$268.00	0	\$0.00
329	2	\$436.50	0	\$0.00
Plan Total:	51	\$6,657.30	0	\$0.00
KAISER SR. ADVANTAGE				
403	9,765	\$1,060,623.40	6	\$191.90
413	1,663	\$185,869.30	0	\$0.00
418	4,940	\$1,066,491.80	4	\$226.80
419	272	\$28,666.30	0	\$0.00
426	202	\$21,662.40	0	\$0.00
427	169	\$17,996.40	0	\$0.00
445	2	\$209.80	0	\$0.00
451	31	\$3,359.00	0	\$0.00
457	11	\$2,333.10	0	\$0.00
462	50	\$5,278.80	0	\$0.00
465	12	\$1,275.70	0	\$0.00
466	25	\$5,312.60	0	\$0.00
472	32	\$3,398.10	0	\$0.00
476	5	\$575.20	0	\$0.00
478	11	\$2,307.80	0	\$0.00
482	79	\$8,430.70	0	\$0.00
486	10	\$1,118.80	0	\$0.00
488	42	\$9,227.20	0	\$0.00
492	1	\$104.90	0	\$0.00
494	1	\$226.70	0	\$0.00
Plan Total:	17,323	\$2,424,468.00	10	\$418.70

Medicare Part B Reimbursement and Penalty Report

PAY PERIOD 1/31/2017

Deduction Code	No. of Members	Reimbursement Amount	No. of Penalties	Penalty Amount
SCAN				
611	290	\$32,112.10	0	\$0.00
613	109	\$23,608.90	0	\$0.00
Plan Total:	399	\$55,721.00	0	\$0.00
UNITED HEALTHCARE GROUP MEDICARE ADV. HMO				
701	1,510	\$163,847.90	1	\$36.50
702	323	\$36,682.60	0	\$0.00
703	832	\$181,423.00	1	\$10.50
704	76	\$8,673.60	0	\$0.00
705	26	\$5,747.00	0	\$0.00
Plan Total:	2,767	\$396,374.10	2	\$47.00
Grand Total:	31,723	\$4,493,950.10	28	\$1,206.20

Medicare Part B Reimbursement and Penalty Report

PAY PERIOD 1/31/2017

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Medicare Part B Reimbursement and Penalty Report

PAY PERIOD 1/31/2017

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703	832	\$181,423.00	1	\$10.50
704	76	\$8,673.60	0	\$0.00
705	26	\$5,747.00	0	\$0.00
Plan Total:	2,767	\$396,374.10	2	\$47.00
LOCAL 1014				
804	160	\$21,883.00	0	\$0.00
805	168	\$22,698.90	0	\$0.00
806	558	\$132,200.56	0	\$0.00
807	34	\$4,532.80	0	\$0.00
808	10	\$2,280.00	0	\$0.00
812	219	\$25,237.50	0	\$0.00
Plan Total:	1,149	\$208,832.76	0	\$0.00
Grand Total:	32,872	\$4,702,782.86	28	\$1,206.20

Medical and Dental Vision Insurance Premiums February 2017

Carrier Codes	Member Count	Premium Amount	Member Amount	County Subsidy Amount	Total	Adjustments	Total Paid
Medical Plan							
Anthem Blue Cross Prudent Buyer Plan							
201	734	\$619,393.24	\$102,090.14	\$515,615.38	\$617,705.52	(\$2,528.58)	\$615,176.94
202	406	\$673,480.92	\$72,656.30	\$600,824.62	\$673,480.92	\$0.00	\$673,480.92
203	102	\$190,930.74	\$43,165.19	\$142,149.94	\$185,315.13	\$0.00	\$185,315.13
204	36	\$39,029.40	\$15,524.93	\$25,672.77	\$41,197.70	\$0.00	\$41,197.70
SUBTOTAL	1,278	\$1,522,834.30	\$233,436.56	\$1,284,262.71	\$1,517,699.27	(\$2,528.58)	\$1,515,170.69
Anthem Blue Cross I							
211	923	\$983,724.17	\$66,654.16	\$922,398.96	\$989,053.12	(\$1,065.79)	\$987,987.33
212	331	\$635,470.35	\$35,094.78	\$598,455.72	\$633,550.50	(\$1,065.79)	\$632,484.71
213	52	\$117,741.52	\$15,623.36	\$102,118.16	\$117,741.52	\$0.00	\$117,741.52
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	1,329	\$1,765,134.20	\$122,736.61	\$1,645,806.69	\$1,768,543.30	(\$2,131.58)	\$1,766,411.72
Anthem Blue Cross II							
221	2,101	\$2,241,356.37	\$140,982.11	\$2,093,979.52	\$2,234,961.63	\$5,386.08	\$2,240,347.71
222	1,878	\$3,613,157.70	\$99,064.13	\$3,475,696.57	\$3,574,760.70	(\$1,919.85)	\$3,572,840.85
223	570	\$1,290,628.20	\$50,583.43	\$1,224,194.95	\$1,274,778.38	\$0.00	\$1,274,778.38
224	124	\$176,185.00	\$14,827.73	\$159,947.79	\$174,775.52	\$0.00	\$174,775.52
225	3	\$1,063.53	\$177.25	\$886.28	\$1,063.53	\$0.00	\$1,063.53
SUBTOTAL	4,676	\$7,322,390.80	\$305,634.65	\$6,954,705.11	\$7,260,339.76	\$3,466.23	\$7,263,805.99

Medical and Dental Vision Insurance Premiums February 2017

Carrier Codes	Member Count	Premium Amount	Member Amount	County Subsidy Amount	Total	Adjustments	Total Paid
Anthem Blue Cross III							
240	6,334	\$2,735,682.90	\$433,599.51	\$2,312,872.89	\$2,746,472.40	(\$6,475.50)	\$2,739,996.90
241	167	\$231,095.76	\$26,762.56	\$204,851.63	\$231,614.19	\$0.00	\$231,614.19
242	838	\$1,163,732.22	\$75,986.34	\$1,064,373.39	\$1,140,359.73	\$2,751.14	\$1,143,110.87
243	3,609	\$3,107,989.64	\$362,758.75	\$2,703,662.73	\$3,066,421.48	(\$7,714.26)	\$3,058,707.22
244	18	\$13,883.94	\$3,285.86	\$10,598.08	\$13,883.94	\$0.00	\$13,883.94
245	53	\$40,880.49	\$5,445.58	\$35,434.91	\$40,880.49	\$0.00	\$40,880.49
246	18	\$30,871.80	\$2,332.53	\$28,539.27	\$30,871.80	\$0.00	\$30,871.80
247	91	\$159,504.30	\$7,649.35	\$146,709.65	\$154,359.00	\$0.00	\$154,359.00
248	10	\$11,965.90	\$1,914.54	\$10,051.36	\$11,965.90	\$0.00	\$11,965.90
249	45	\$55,043.14	\$4,331.66	\$48,318.30	\$52,649.96	\$0.00	\$52,649.96
250	12	\$16,089.24	\$750.83	\$15,338.41	\$16,089.24	\$0.00	\$16,089.24
SUBTOTAL	11,195	\$7,566,739.33	\$924,817.51	\$6,580,750.62	\$7,505,568.13	(\$11,438.62)	\$7,494,129.51
CIGNA Network Model Plan							
301	368	\$490,371.04	\$118,187.90	\$378,845.78	\$497,033.68	(\$1,332.53)	\$495,701.15
302	163	\$394,301.92	\$85,442.25	\$301,646.83	\$387,089.08	(\$2,404.28)	\$384,684.80
303	22	\$62,436.00	\$16,184.45	\$40,575.55	\$56,760.00	\$0.00	\$56,760.00
304	23	\$40,655.72	\$15,989.82	\$24,665.90	\$40,655.72	\$0.00	\$40,655.72
SUBTOTAL	576	\$987,764.68	\$235,804.42	\$745,734.06	\$981,538.48	(\$3,736.81)	\$977,801.67

Medical and Dental Vision Insurance Premiums February 2017

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	\$7,337.63	\$8,956.74	\$0.00	\$8,956.74
322	8	\$12,739.77	\$452.96	\$9,455.75	\$9,908.71	\$0.00	\$9,908.71
324	13	\$8,852.74	\$1,157.67	\$7,695.07	\$8,852.74	\$0.00	\$8,852.74
327	2	\$3,697.48	\$369.75	\$3,327.73	\$3,697.48	\$0.00	\$3,697.48
329	2	\$2,362.48	\$0.00	\$2,362.48	\$2,362.48	\$0.00	\$2,362.48
SUBTOTAL	51	\$36,609.21	\$3,599.49	\$30,178.66	\$33,778.15	\$0.00	\$33,778.15

Medical and Dental Vision Insurance Premiums

February 2017

Carrier Codes	Member Count	Premium Amount	Member Amount	County Subsidy Amount	Total	Adjustments	Total Paid
Kaiser/Senior Advantage							
401	1,620	\$1,480,094.85	\$138,159.99	\$1,343,758.79	\$1,481,918.78	\$3,647.80	\$1,485,566.58
403	9,840	\$2,389,124.80	\$256,253.64	\$2,139,576.16	\$2,395,829.80	(\$3,887.60)	\$2,391,942.20
404	511	\$507,248.64	\$18,863.40	\$498,230.04	\$517,093.44	\$0.00	\$517,093.44
405	904	\$862,883.46	\$20,991.14	\$828,883.88	\$849,875.02	(\$952.41)	\$848,922.61
406	46	\$79,641.50	\$28,878.43	\$42,290.57	\$71,169.00	\$0.00	\$71,169.00
411	1,768	\$3,215,958.90	\$177,776.66	\$3,034,643.43	\$3,212,420.09	\$5,447.70	\$3,217,867.79
413	1,667	\$1,925,057.45	\$92,251.21	\$1,805,290.14	\$1,897,541.35	\$0.00	\$1,897,541.35
414	140	\$267,148.47	\$4,244.06	\$264,799.08	\$269,043.14	\$1,894.67	\$270,937.81
418	4,924	\$2,359,754.00	\$188,866.39	\$2,158,388.65	\$2,347,255.04	(\$3,340.40)	\$2,343,914.64
419	271	\$336,963.00	\$7,400.92	\$314,858.24	\$322,259.16	\$0.00	\$322,259.16
420	126	\$250,626.88	\$1,341.95	\$272,966.21	\$274,308.16	\$0.00	\$274,308.16
421	8	\$7,295.60	\$1,203.79	\$6,091.81	\$7,295.60	\$0.00	\$7,295.60
422	211	\$391,691.96	\$1,262.31	\$390,429.65	\$391,691.96	\$0.00	\$391,691.96
423	22	\$57,165.90	\$9,073.02	\$48,092.88	\$57,165.90	(\$2,598.45)	\$54,567.45
426	201	\$239,776.02	\$3,394.82	\$239,942.23	\$243,337.05	\$0.00	\$243,337.05
427	169	\$327,947.00	\$3,703.86	\$322,314.04	\$326,017.90	(\$1,929.10)	\$324,088.80
428	53	\$102,561.89	\$1,083.68	\$87,932.30	\$89,015.98	\$0.00	\$89,015.98
429	11	\$32,126.64	(\$2,404.89)	\$20,378.34	\$17,973.45	\$0.00	\$17,973.45
430	133	\$254,173.88	\$3,528.08	\$246,852.16	\$250,380.24	\$0.00	\$250,380.24
431	9	\$23,750.19	\$3,371.85	\$20,378.34	\$23,750.19	\$0.00	\$23,750.19
432	8	\$30,429.00	\$8,933.92	\$18,114.08	\$27,048.00	\$0.00	\$27,048.00
SUBTOTAL	22,642	\$15,141,420.03	\$968,178.23	\$14,104,211.02	\$15,072,389.25	(\$1,717.79)	\$15,070,671.46

Medical and Dental Vision Insurance Premiums

February 2017

Carrier Codes	Member Count	Premium Amount	Member Amount	County Subsidy Amount	Total	Adjustments	Total Paid
Kaiser - Colorado							
450	4	\$4,250.44	\$510.05	\$3,740.39	\$4,250.44	\$0.00	\$4,250.44
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	50	\$32,569.83	\$4,800.71	\$25,419.79	\$30,220.50	\$0.00	\$30,220.50
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	52	\$21,229.52	\$3,633.50	\$17,596.02	\$21,229.52	\$0.00	\$21,229.52
463	3	\$6,962.49	\$2,162.86	\$4,799.63	\$6,962.49	\$0.00	\$6,962.49
465	12	\$18,776.04	\$938.80	\$17,837.24	\$18,776.04	\$0.00	\$18,776.04
466	25	\$20,213.00	\$1,552.36	\$18,660.64	\$20,213.00	\$0.00	\$20,213.00
SUBTOTAL	117	\$97,091.82	\$12,695.31	\$83,232.10	\$95,927.41	\$0.00	\$95,927.41

Medical and Dental Vision Insurance Premiums

February 2017

Carrier Codes	Member Count	Premium Amount	Member Amount	County Subsidy Amount	Total	Adjustments	Total Paid
Kaiser - Hawaii							
471	7	\$7,022.40	\$1,123.58	\$5,898.82	\$7,022.40	\$0.00	\$7,022.40
472	32	\$12,103.04	\$1,860.84	\$10,242.20	\$12,103.04	\$0.00	\$12,103.04
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	11	\$8,232.84	\$329.31	\$7,903.53	\$8,232.84	(\$748.44)	\$7,484.40
SUBTOTAL	61	\$45,211.70	\$8,120.52	\$37,091.18	\$45,211.70	(\$748.44)	\$44,463.26
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	\$5,364.73	\$30,612.66	\$35,977.39	\$0.00	\$35,977.39
484	2	\$4,341.24	\$655.13	\$3,686.11	\$4,341.24	\$0.00	\$4,341.24
486	10	\$15,367.20	\$1,659.66	\$13,707.54	\$15,367.20	\$0.00	\$15,367.20
488	42	\$37,918.44	\$4,803.02	\$33,115.42	\$37,918.44	\$0.00	\$37,918.44
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	\$110,416.39	\$15,590.92	\$94,825.47	\$110,416.39	\$0.00	\$110,416.39
SCAN Health Plan							
611	292	\$89,644.00	\$18,997.16	\$71,567.84	\$90,565.00	(\$307.00)	\$90,258.00
613	109	\$66,054.00	\$11,538.24	\$55,121.76	\$66,660.00	\$0.00	\$66,660.00
SUBTOTAL	401	\$155,698.00	\$30,535.40	\$126,689.60	\$157,225.00	(\$307.00)	\$156,918.00

Medical and Dental Vision Insurance Premiums February 2017

Carrier Codes	Member Count	Premium Amount	Member Amount	County Subsidy Amount	Total	Adjustments	Total Paid
UHC Medicare Adv.							
701	1,508	\$504,191.28	\$61,866.75	\$438,666.15	\$500,532.90	(\$665.16)	\$499,867.74
702	324	\$434,075.52	\$29,878.74	\$398,870.70	\$428,749.44	\$0.00	\$428,749.44
703	832	\$547,414.28	\$57,304.38	\$489,452.74	\$546,757.12	(\$657.16)	\$546,099.96
704	77	\$117,282.36	\$6,014.44	\$106,757.06	\$112,771.50	\$0.00	\$112,771.50
705	26	\$21,560.76	\$1,144.38	\$20,416.38	\$21,560.76	\$0.00	\$21,560.76
SUBTOTAL	2,767	\$1,624,524.20	\$156,208.69	\$1,454,163.03	\$1,610,371.72	(\$1,322.32)	\$1,609,049.40
United Healthcare							
707	411	\$413,852.34	\$46,178.37	\$365,660.09	\$411,838.46	\$2,013.88	\$413,852.34
708	350	\$644,871.24	\$28,697.79	\$614,336.21	\$643,034.00	\$1,837.24	\$644,871.24
709	250	\$544,497.50	\$34,107.31	\$510,390.19	\$544,497.50	\$0.00	\$544,497.50
SUBTOTAL	1,011	\$1,603,221.08	\$108,983.47	\$1,490,386.49	\$1,599,369.96	\$3,851.12	\$1,603,221.08

Medical and Dental Vision Insurance Premiums February 2017

Carrier Codes	Member Count	Premium Amount	Member Amount	County Subsidy Amount	Total	Adjustments	Total Paid
Local 1014 Firefighters							
801	44	\$45,496.00	\$1,426.92	\$45,103.08	\$46,530.00	\$0.00	\$46,530.00
802	264	\$492,196.32	\$12,752.38	\$488,264.06	\$501,016.44	\$0.00	\$501,016.44
803	233	\$512,413.60	\$15,746.27	\$510,532.17	\$526,278.44	\$4,398.40	\$530,676.84
804	162	\$167,508.00	\$8,913.08	\$154,443.02	\$163,356.10	(\$23,951.00)	\$139,405.10
805	173	\$322,537.74	\$10,142.24	\$312,395.50	\$322,537.74	(\$22,698.90)	\$299,838.84
806	558	\$1,040,324.04	\$33,931.77	\$1,006,392.27	\$1,040,324.04	(\$136,264.92)	\$904,059.12
807	35	\$76,972.00	\$703.74	\$76,268.26	\$76,972.00	(\$4,532.80)	\$72,439.20
808	10	\$21,992.00	\$175.94	\$21,816.06	\$21,992.00	(\$2,280.00)	\$19,712.00
809	22	\$22,748.00	\$3,164.04	\$20,100.96	\$23,265.00	\$0.00	\$23,265.00
810	4	\$7,457.52	\$1,528.79	\$5,928.73	\$7,457.52	\$0.00	\$7,457.52
811	6	\$13,195.20	\$791.71	\$12,403.49	\$13,195.20	\$0.00	\$13,195.20
812	221	\$228,514.00	\$20,204.36	\$209,343.64	\$229,548.00	(\$23,169.50)	\$206,378.50
SUBTOTAL	1,732	\$2,951,354.42	\$109,481.24	\$2,862,991.24	\$2,972,472.48	(\$208,498.72)	\$2,763,973.76
Medical Plan Total	48,031	\$40,962,979.99	\$3,240,623.73	\$37,520,447.77	\$40,761,071.50	(\$225,112.51)	\$40,535,958.99

Medical and Dental Vision Insurance Premiums February 2017

Carrier Codes	Member Count	Premium Amount	Member Amount	County Subsidy Amount	Total	Adjustments	Total Paid
Dental/Vision Plan							
CIGNA Indemnity Dental/Vision							
501	22,700	\$1,160,651.00	\$137,568.07	\$1,028,794.57	\$1,166,362.64	(\$1,520.34)	\$1,164,842.30
502	20,968	\$2,230,296.32	\$179,426.52	\$2,045,577.05	\$2,225,003.57	(\$2,281.97)	\$2,222,721.60
503	10	\$628.40	\$110.60	\$517.80	\$628.40	\$0.00	\$628.40
SUBTOTAL	43,678	\$3,391,575.72	\$317,105.19	\$3,074,889.42	\$3,391,994.61	(\$3,802.31)	\$3,388,192.30
CIGNA Dental HMO/Vision							
901	3,168	\$146,312.73	\$19,377.24	\$127,120.17	\$146,497.41	(\$46.17)	\$146,451.24
902	2,255	\$212,252.00	\$19,982.52	\$192,175.48	\$212,158.00	(\$564.00)	\$211,594.00
903	5	\$233.75	\$29.92	\$203.83	\$233.75	\$0.00	\$233.75
SUBTOTAL	5,428	\$358,798.48	\$39,389.68	\$319,499.48	\$358,889.16	(\$610.17)	\$358,278.99
Dental/Vision Plan Total	49,106	\$3,750,374.20	\$356,494.87	\$3,394,388.90	\$3,750,883.77	(\$4,412.48)	\$3,746,471.29
GRAND TOTALS	97,137	\$44,713,354.19	\$3,597,118.60	\$40,914,836.67	\$44,511,955.27	(\$229,524.99)	\$44,282,430.28

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
<u>Kaiser (continued)</u>		
N/A	424	Retiree and Family (One family member is "Supplement"; others are "Excess II")
N/A	425	Retiree and Family (One family member is "Supplement"; others are "Excess III")
\$1,026.03	426	Retiree and Family (One family member is "Senior Advantage"; others are "Excess II")
\$1,639.03	427	Retiree and Family (One family member is "Senior Advantage"; others are "Excess III")
\$1,685.34	428	Retiree and Family (One family member is "Excess I"; others are "Excess II")
\$2,298.34	429	Retiree and Family One family member is "Excess I"; others are "Excess III")
\$1,585.78	430	Retiree and Family (Two or more family members are "Excess II")
\$2,198.78	431	Retiree and Family (One family member is "Excess II"; others are "Excess III")
\$2,811.78	432	Retiree and Family (Two or more family members are "Excess III")
<u>Kaiser Colorado</u>		
\$793.06	450	Retiree Only ("Basic" under age 65)
\$327.27	451	Retiree Only ("Senior Advantage")
\$1,754.57	453	Retiree and Family (Two family members are "Basic")
\$2,369.25	454	Retiree and Family (Three or more family members are "Basic")
\$1,115.33	455	Retiree and Family (One family member is "Senior Advantage"; one family member is "Basic")
\$649.55	457	Retiree and Family (Two family members are "Senior Advantage")
\$1,857.56	458	Retiree and Family (One family member is "Senior Advantage"; two or more are "Basic")
\$1,437.60	459	Retiree and Family (Two family members are "Senior Advantage"; one or more are "Basic")
<u>Kaiser Georgia</u>		
\$847.24	440	Retiree Only ("Basic" over age 65 with Medicare Part B only)
\$847.24	441	Retiree Only ("Basic over age 65 with Medicare Part A only)
\$847.24	442	Retiree Only ("Basic over age 65 without Medicare Part A or Medicare Part B)
\$361.11	443	Retiree Only ("Basic" over age 65 - Medicare eligible who is classified as having renal failure)
\$1,203.35	444	Retiree and Family (One family member is "Senior Advantage"; one family member is "Basic" over age 65 with Medicare Part B only)
\$1,203.35	445	Retiree and Family (One family member is "Senior Advantage"; one family member is "Basic" over age 65 with Medicare Part A only)
\$1,203.35	446	Retiree and Family (One family member is "Senior Advantage"; one family member is "Basic" over age 65 without Medicare Part A and B)
\$847.24	461	Retiree Only ("Basic" under age 65)
\$361.11	462	Retiree Only ("Senior Advantage")

*Benchmark premiums are bolded.

CARRIER DEDUCTION PREMIUMS*	CODES	DEDUCTION CODE DEFINITIONS
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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.

PREMIUMS*	CARRIER DEDUCTION 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

LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION

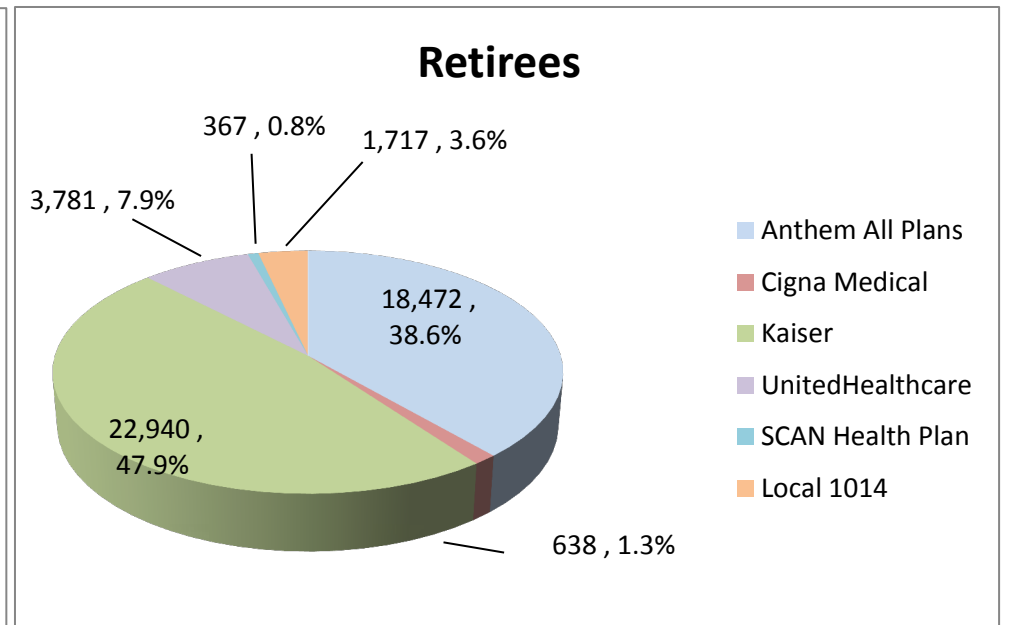
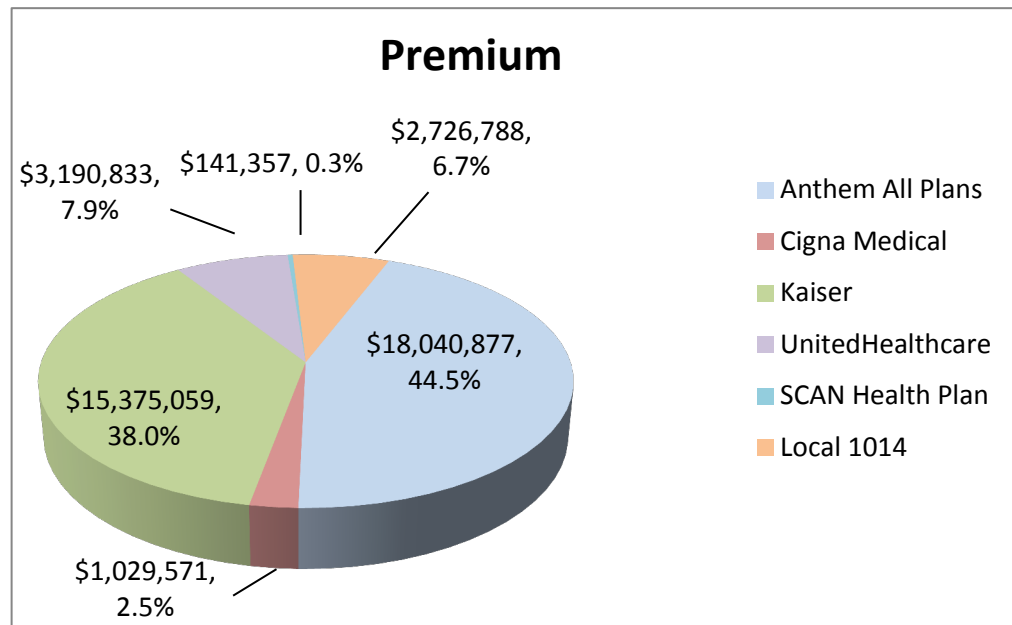


Premium and Enrollment

Coverage Month December 2016

Carrier / Plan	Monthly Premium	Percent of Total	Retirees	Percent of Total
Anthem All Plans	\$18,040,877	44.5%	18,472	38.6%
Cigna Medical	\$1,029,571	2.5%	638	1.3%
Kaiser	\$15,375,059	38.0%	22,940	47.9%
UnitedHealthcare	\$3,190,833	7.9%	3,781	7.9%
SCAN Health Plan	\$141,357	0.3%	367	0.8%
Local 1014	\$2,726,788	6.7%	1,717	3.6%
Combined Medical	\$40,504,486	100.0%	47,915	100.0%

Cigna Dental & Vision	\$3,738,582	48,994
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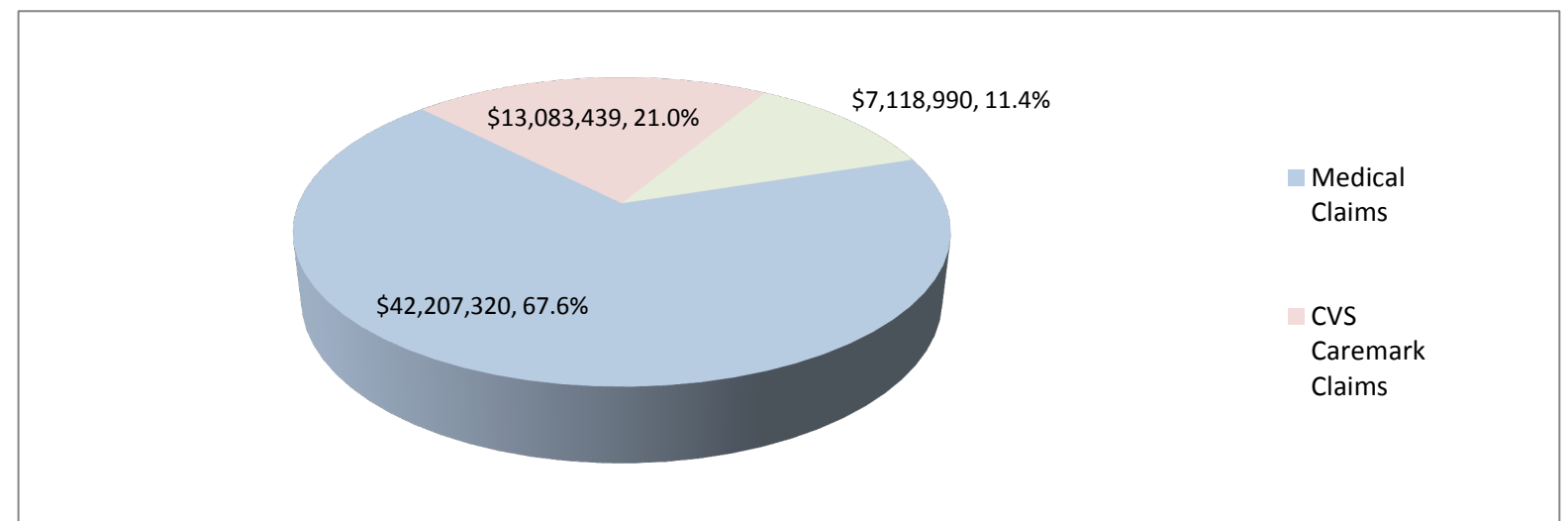
LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION

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	6,025	\$9,041,462	\$7,823,642	\$2,310,711	\$10,134,352	\$1,682.05	112.1%	\$1,179,437	\$11,313,789	125.1%
Dec-16	6,016	\$9,027,477	\$7,044,987	\$2,176,658	\$9,221,645	\$1,532.85	102.2%	\$1,178,090	\$10,399,734	115.2%
Jan-17										
Feb-17										
Mar-17										
Apr-17										
May-17										
Jun-17										
YTD Plan Year	36,315	\$54,523,578	\$42,207,320	\$13,083,439	\$55,290,758	\$1,522.53	101.4%	\$7,118,990	\$62,409,748	114.5%
6 Month Average	6,053	\$9,087,263	\$7,034,553	\$2,180,573	\$9,215,126	\$1,522.53	101.4%	\$1,186,498	\$10,401,625	114.5%
12 Month Rollup	72,902	\$109,151,521	\$81,484,979	\$25,315,845	\$106,800,825	\$1,464.99	97.8%	\$13,039,400	\$119,840,225	109.8%

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

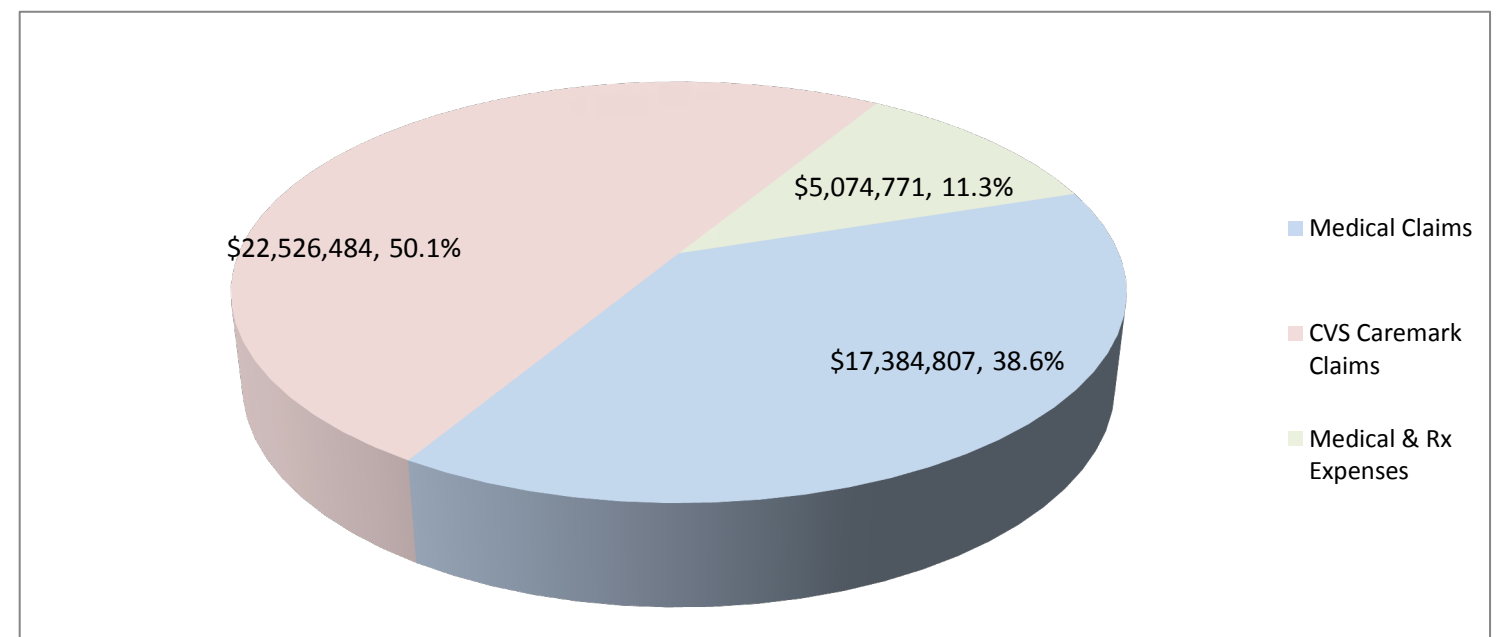
Anthem Plan III

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	11,150	\$7,412,057	\$2,933,086	\$3,773,422	\$6,706,508	\$601.48	90.5%	\$848,319	\$7,554,827	101.9%
Dec-16	11,160	\$7,479,004	\$2,734,313	\$3,895,819	\$6,630,133	\$594.10	88.6%	\$849,079	\$7,479,212	100.0%
Jan-17										
Feb-17										
Mar-17										
Apr-17										
May-17										
Jun-17										

YTD Plan Year	66,701	\$44,672,720	\$17,384,807	\$22,526,484	\$39,911,291	\$598.36	89.3%	\$5,074,771	\$44,986,062	100.7%
6 Month Average	11,117	\$7,445,453	\$2,897,468	\$3,754,414	\$6,651,882	\$598.36	89.3%	\$845,795	\$7,497,677	100.7%
12 Month Rollup	132,416	\$88,745,486	\$35,559,483	\$43,245,043	\$78,804,526	\$595.13	88.8%	\$9,640,630	\$88,445,156	99.7%

Medical Claims reported by Anthem
 CVS Caremark Claims reported by CVS
 Expenses: Anthem Admin and Premium Taxes
 Enrollment and Premium Reported by LACERA



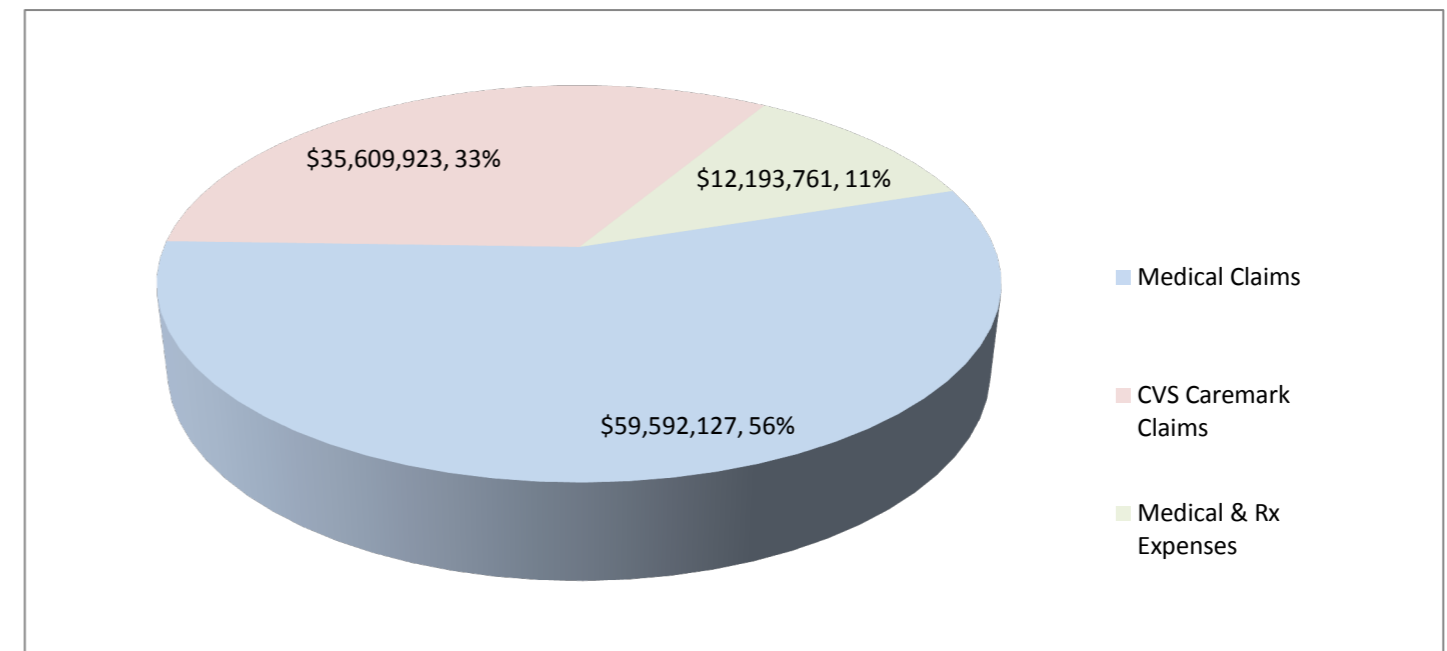
LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION

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	17,175	\$16,453,519	\$10,756,728	\$6,084,132	\$16,840,860	\$980.54	102.4%	\$2,027,756	\$18,868,616	114.7%
Dec-16	17,176	\$16,506,482	\$9,779,300	\$6,072,477	\$15,851,777	\$922.90	96.0%	\$2,027,169	\$17,878,946	108.3%
Jan-17										
Feb-17										
Mar-17										
Apr-17										
May-17										
Jun-17										
YTD Plan Year	103,016	\$99,196,298	\$59,592,127	\$35,609,923	\$95,202,050	\$924.15	96.0%	\$12,193,761	\$107,395,810	108.3%
6 Month Average	17,169	\$16,532,716	\$9,932,021	\$5,934,987	\$15,867,008	\$924.15	96.0%	\$2,032,293	\$17,899,302	108.3%
12 Month Rollup	205,318	\$197,897,007	\$117,044,462	\$68,560,888	\$185,605,350	\$903.99	93.8%	\$22,680,031	\$208,285,381	105.2%

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

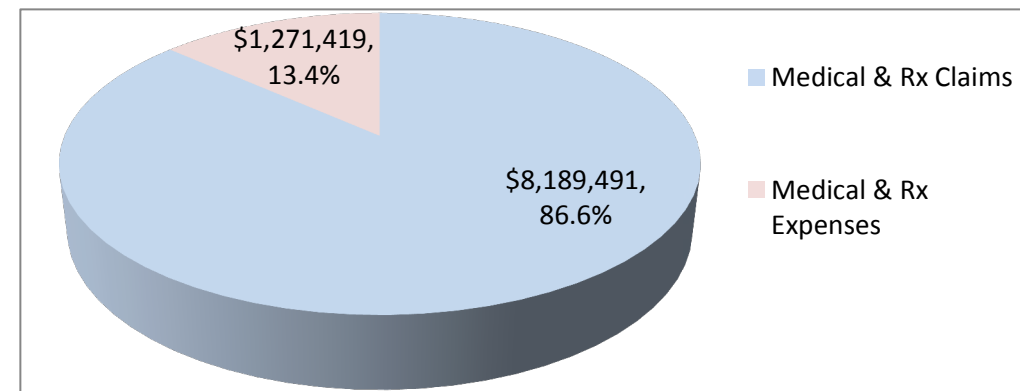
Anthem Prudent Buyer

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	1,297	\$1,519,166	\$1,313,711	\$1,012.88	86.5%	\$210,712	\$1,524,423	100.3%
Dec-16	1,296	\$1,534,396	\$1,226,492	\$946.37	79.9%	\$210,549	\$1,437,041	93.7%
Jan-17								
Feb-17								
Mar-17								
Apr-17								
May-17								
Jun-17								

YTD Plan Year	7,826	\$9,255,755	\$8,189,491	\$1,046.45	88.5%	\$1,271,419	\$9,460,910	102.2%
6 Month Average	1,304	\$1,542,626	\$1,364,915	\$1,046.45	88.5%	\$211,903	\$1,576,818	102.2%
12 Month Rollup	17,289	\$20,438,281	\$17,055,475	\$986.49	83.4%	\$2,546,197	\$19,601,672	95.9%

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

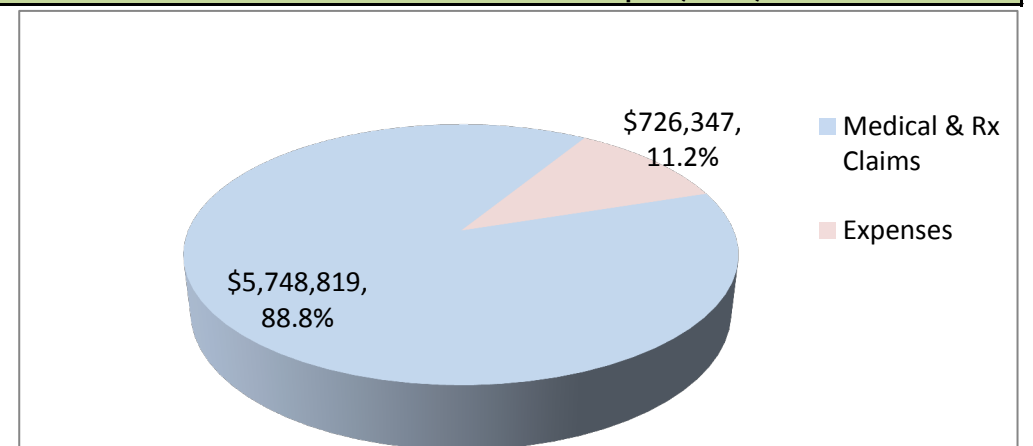
Cigna HMO

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	586	\$997,382	\$910,226	\$1,553.29	91.3%	\$119,586	\$1,029,813	103.3%
Dec-16	586	\$994,079	\$916,156	\$1,563.41	92.2%	\$119,190	\$1,035,346	104.2%
Jan-17								
Feb-17								
Mar-17								
Apr-17								
May-17								
Jun-17								

YTD Plan Year	3,555	\$6,057,941	\$5,748,819	\$1,617.11	94.9%	\$726,347	\$6,475,166	106.9%
6 Month Average	593	\$1,009,657	\$958,136	\$1,617.11	94.9%	\$121,058	\$1,079,194	106.9%
12 Month Rollup	7,222	\$12,129,883	\$11,907,383	\$1,648.77	98.2%	\$1,369,994	\$13,277,377	109.5%

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

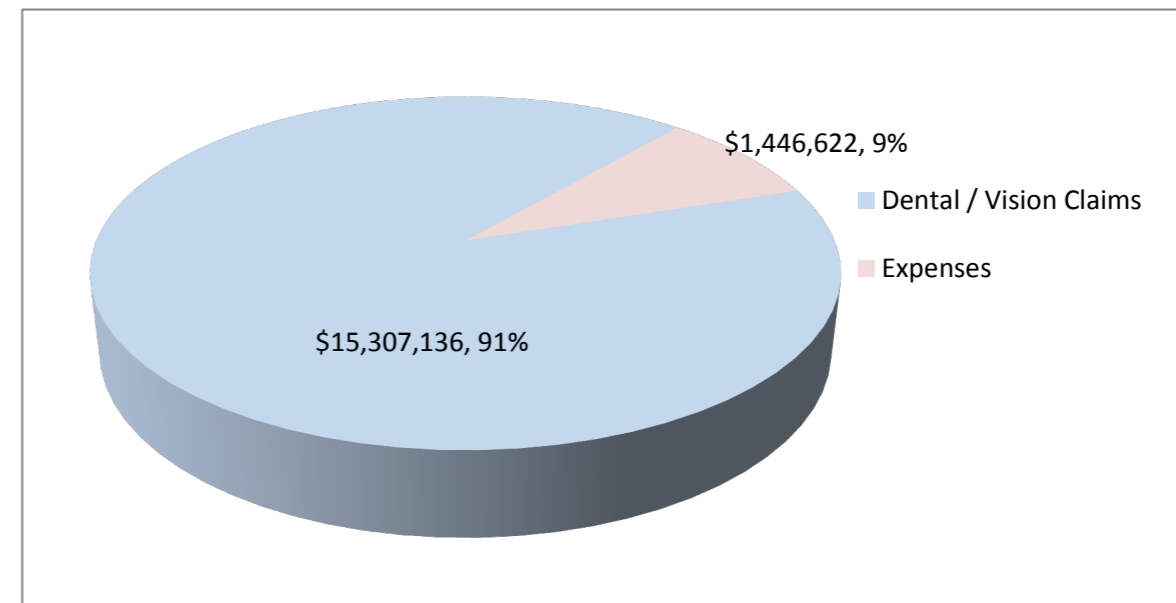
Cigna Dental PPO and Vision

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	43,509	\$3,368,847	\$2,492,934	58.3%	\$57.30	74.0%	\$241,083	\$2,734,017	81.2%
Dec-16	43,572	\$3,379,536	\$2,489,459	56.2%	\$57.13	73.7%	\$241,848	\$2,731,307	80.8%
Jan-17									
Feb-17									
Mar-17									
Apr-17									
May-17									
Jun-17									

YTD Plan Year	260,602	\$20,214,846	\$15,307,136	57.1%	\$58.74	75.7%	\$1,446,622	\$16,753,758	82.9%
6 Month Average	43,434	\$3,369,141	\$2,551,189	57.1%	\$58.74	75.7%	\$241,104	\$2,792,293	82.9%
12 Month Rollup	517,591	\$38,980,096	\$33,188,750	56.5%	\$64.12	85.1%	\$3,062,472	\$36,251,222	93.0%

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%

January 9, 2017

115th Congress Convenes; Presidential Inauguration Scheduled for January 20, 2017

The presidential inauguration takes place on January 20, 2017, when Donald Trump will be sworn in as the forty-fifth president of the United States. The 115th Congress convened for the first time on January 3, 2017, and presides through January 3, 2019.

Legislative

House-Passed Midnight Rules Bill Targets Obama Regulations for “En Bloc” Nullification

On January 4, 2017, the House passed H.R. 21, the Midnight Rules Relief Act, which would give Congress the authority to strike down multiple regulations in one joint resolution of disapproval. Under the bill, as many as 61 regulations could be considered and nullified “en bloc.” The bill would amend the Congressional Review Act to allow Congress to apply the expanded nullification procedure to regulations that were submitted for congressional review within the last 60 legislative days of a session of Congress during the final year of a president's term.

H.R. 21 is available [here](#).

House Passes Bill Requiring Congressional Approval of Major Regulations

On January 5, 2017, the House passed a bill, H.R. 26, that would require Congress to vote on and approve any major regulation before it could take effect. The Regulations From the Executive in Need of Scrutiny (REINS) bill would require Congressional approval of regulations that had economic costs of \$100 million or more. Furthermore, House consideration of a regulation would be limited to only certain days in each month. REINS has been passed by the House in prior sessions, but not by the Senate.

H.R. 26 is available [here](#).

Health

Thirty-Fifth Set of FAQs on Affordable Care Act Now Available

On December 20, 2016, the Departments of Labor, Health and Human Services, and the Treasury released the thirty-fifth set of frequently asked questions (FAQs) on implementation of the Affordable Care Act. The FAQs address:

- Special enrollment for group health plans;
- Coverage of preventive services; and
- Qualified small employer health reimbursement arrangements.

The FAQs are available [here](#).

Retirement

IRS Releases Proposed Regulations and Notice of Public Hearing on Mortality Tables for Minimum Funding Purposes

On December 28, 2016, the Internal Revenue Service (IRS) released proposed regulations prescribing mortality tables to be used by most private employer defined benefit pension plans. The tables specify the probability of survival year-by-year for an individual based on age, gender, and other factors. The information is used (together with other actuarial assumptions) to calculate the present value of expected future benefit payments for minimum funding purposes. The proposed regulations would also update the requirements that a plan sponsor must meet in order to use plan-specific mortality tables for minimum funding (instead of the generally applicable tables). The proposed regulations do not specifically address the minimum present value requirements for lump-sum distributions. However, the regulations indicate that the IRS will issue such guidance in the Internal Revenue Bulletin once the proposed regulations have been finalized, and that the mortality tables for lump-sum purposes will be based on a modified version of the tables used for minimum funding purposes. The regulations affect participants in, beneficiaries of, employers maintaining, and administrators of certain retirement plans. Comments and outlines of topics to be discussed at the public hearing scheduled for April 13, 2017, must be received by March 29, 2017.

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

PBGC Updates Early Warning Program Information

On December 21, 2016, the Pension Benefit Guaranty Corporation (PBGC) announced that in an effort to increase transparency about its single-employer Early Warning Program, the agency recently enhanced and reorganized the information available on its website. Under the program, the PBGC works with certain employers to preserve their pension plans and protect the retirement security of their workers and retirees. The updated information can be found on the PBGC's "Risk Mitigation & Early Warning Program" website. The PBGC also stated it hopes to post a new set of Early Warning Program Frequently Asked Questions (FAQs) in early 2017.

The PBGC announcement is available [here](#) .

The "Risk Mitigation & Early Warning Program" website is available [here](#).

PBGC 2017 Premium Filing Instructions Available

The Comprehensive Premium Filing Instructions for 2017 Plan Years issued by the PBGC have been approved by the Office of Management and Budget and are now available on the PBGC's website. The PBGC has added a chapter to the instructions on the impact of plan mergers and spinoffs on premium requirements.

The filing instructions are available [here](#).

Other HR-Related Topics

USCIS Reminds Employers Revised Form I-9 Now Available

On December 28, 2016, the United States Citizenship and Immigration Services (USCIS) reminded employers that the revised Form I-9 is now available online. Employers must use the revised form by January 22, 2017. The revised form may be printed or downloaded directly from the USCIS website. In its announcement, USCIS stated that employers should continue to follow existing storage and retention rules for their previously completed Form I-9.

Additional information, resources, and the revised Form I-9 are available [here](#).

IRS Provides Guidance on De Minimis Safe Harbor

On January 4, 2017, the Internal Revenue Service (IRS) released Notice 2017-09, providing guidance regarding the de minimis error safe harbor from information reporting penalties under Sections 6721 and 6722 of the Internal Revenue Code. The Notice also provides guidance on the payee election to have the safe harbor not apply. The safe harbor, established by Section 202 of the Protecting Americans From Tax Hikes Act of 2015 (PATH Act), provides that no penalty is imposed for de minimis errors on an information return or payee statement and that such return or statement does not need to be corrected. The Notice clarifies that the de minimis error safe harbor does not apply in the case of an intentional error or when a payor fails to file an information return or furnish a payee statement and requires payors to retain certain records. The de minimis safe harbor includes errors on Forms W-2 and 1099 and Affordable Care Act forms, and the Notice applies to returns and payee statements after December 31, 2016.

The IRS seeks comments by April 24, 2017.

IRS Notice 2017-09 is available [here](#).

Aon Hewitt Publications

Agencies' Thirty-Fourth Set of FAQs Address Group Market Reforms and Mental Health Parity

The Departments of the Treasury, Labor, and Health and Human Services (the Agencies) have issued frequently asked questions (FAQs) pertaining to the Affordable Care Act's group market reform on preventive care and the Mental Health Parity and Addiction Equity Act of 2008. Employers and plan sponsors should review plan designs and administrative operations to ensure compliance with these recent clarifications.

The Aon Hewitt bulletin, which provides a brief overview of the FAQs, is available [here](#).

Agencies Issue Final Regulations on Excepted Benefits (Travel Insurance and Supplemental Health Insurance) and Amend Definition of Essential Health Benefits

However, two topics addressed in the proposed regulations—hospital and other fixed indemnity insurance and expatriate health plans—were not adopted in the final regulations. The Agencies intend to address hospital and other fixed indemnity insurance and expatriate health plans in future regulations.

The Aon Hewitt bulletin, which provides a brief overview of the final regulations, is available [here](#).

Federal Judge Halts Implementation of Section 1557 Nondiscrimination Rules

A federal district judge on December 31, 2016, issued a nationwide preliminary injunction stopping implementation of key nondiscrimination provisions of the Section 1557 regulations issued last year under the Affordable Care Act.

In May of 2016, the Department of Health and Human Services (HHS) issued the Section 1557 regulations, which address nondiscrimination in health programs and activities that receive federal funds. Employers had spent the remainder of 2016 issuing notices required by the 1557 regulations and reviewing their health plans for potential discrimination issues.

The Aon Hewitt bulletin, which provides a brief overview of the preliminary injunction, is available [here](#).

January 16, 2017

Presidential Inauguration Scheduled for January 20, 2017

The presidential inauguration takes place on January 20, 2017, when Donald Trump will be sworn in as the forty-fifth president of the United States.

Legislative

Congress Passes Budget Resolution Enabling Expedited Repeal of Affordable Care Act

Congress has passed a fiscal 2017 budget resolution providing for a budget reconciliation process that will allow the Affordable Care Act to be repealed on an expedited basis with simple majority votes, if Congress so chooses. The House and Senate passed the budget resolution on January 13, 2017, and January 12, 2017, respectively. The votes were 227-198 in the House and 51-48 in the Senate.

S. Con. Res. 3 is available [here](#).

House Approves Regulatory Accountability Bill

On January 11, 2017, the House passed H.R. 5, the Regulatory Accountability Act, which would make it easier for courts to overturn regulations. The bill, passed by a vote of 238-183, includes a provision that would repeal the Chevron doctrine, which requires court deference to agency interpretations of ambiguous laws. The bill has been sent to the Senate.

H.R. 5 is available [here](#).

Health

Thirty-Seventh Set of FAQs on Affordable Care Act Now Available

On January 12, 2017, the Departments of Labor (DOL), Health and Human Services (HHS), and the Treasury released the thirty-seventh set of frequently asked questions (FAQs) on implementation of the Affordable Care Act. The FAQs address Health Reimbursement Arrangements (HRAs) and certain clinical risk-bearing entities.

The following questions are included:

- May a family HRA be integrated with a non-HRA group health plan sponsored by the employer of the employee's spouse that covers all of the individuals covered by the family HRA if that non-HRA group health plan otherwise meets the applicable integration requirements?
- May a family HRA be integrated with a combination of (1) self-only coverage of the employee by a qualifying non-HRA group health plan sponsored by the employer and (2) qualifying non-HRA group health plan coverage sponsored by the employer of the employee's spouse that covers all members of the family covered by the family HRA (other than the employee)?

The FAQs are available [here](#).

Thirty-Sixth Set of FAQs on Affordable Care Act Now Available

On January 9, 2017, the DOL, HHS, and the Treasury released the thirty-sixth set of FAQs on implementation of the Affordable Care Act. The FAQs provide guidance on the accommodation for providing coverage for contraceptive services and Supreme Court rulings on the accommodation, including the 2016 Supreme Court ruling in *Zubik v. Burwell*.

The FAQs are available [here](#).

EBSA Posts FY 2016 MHPAEA Enforcement Fact Sheet

On January 11, 2017, the Employee Benefits Security Administration (EBSA) of the DOL released its second annual Mental Health Parity and Addiction Equity Act (MHPAEA) fact sheet, which summarizes its enforcement activity in fiscal year 2016 (FY 2016). In the last fiscal year, EBSA closed 330 health investigations, 191 of which involved plans subject to MHPAEA that were reviewed for MHPAEA compliance. EBSA cited 44 violations for MHPAEA noncompliance in the 191 investigations.

The FY 2016 MHPAEA Enforcement Fact Sheet is available [here](#).

Retirement

IRS Provides March 31, 2020, as Last Day of Remedial Amendment Period for 403(b) Plans

On January 13, 2017, the Internal Revenue Service (IRS) released Revenue Procedure 2017-18, which provides that the last day of the remedial amendment period for Section 403(b) plans, for purposes of Section 21 of Revenue Procedure 2013-22, is March 31, 2020. In Revenue Procedure 2013-22, the IRS had reserved the selection of the last day of the remedial amendment period for 403(b) plans for later guidance. The remedial

amendment period begins on the later of January 1, 2010, or the plan's effective date. A plan that does not satisfy the requirements of Code Section 403(b) in form on any day during the remedial amendment period will be considered to have satisfied those requirements if, on or before March 31, 2020, all provisions that are necessary to satisfy Section 403(b) have been adopted and made effective in form and operation from the beginning of the remedial amendment period. The IRS also stated that it intends to issue guidance in the future with respect to the timing of 403(b) plan amendments made after March 31, 2020.

IRS Revenue Procedure 2017-18 is available [here](#).

PBGC's My PAA Now Ready to Accept 2017 Electronic Premium Filings

On January 9, 2017, the Pension Benefit Guaranty Corporation (PBGC) announced that its web-based application, My Plan Administration Account (My PAA), for electronic premium filings and payments is now ready to accept electronic premium filings for plan years beginning in 2017.

The PBGC announcement, with additional information on premium filings, is available [here](#).

Other HR-Related Topics

EBSA Issues Fiduciary Rule FAQs for Financial Service Providers and FAQs for Consumers

On January 13, 2017, the Employee Benefits Security Administration (EBSA) of the Department of Labor (DOL) issued two separate sets of frequently asked questions (FAQs) related to the fiduciary rule: one for financial service providers and another for consumers.

The 35 FAQs for financial advisers clarify many issues under the final rule, including when communications about retirement accounts rise to the level of a fiduciary recommendation and what constitutes the provision of non-fiduciary investment information and education. The 30 FAQs for consumers explain the consumer protections that take effect under the fiduciary rule on April 10, 2017, including which financial advisers are fiduciaries under the rule and how the best interest standard applies to financial advice. The latter set of FAQs also explain how the rule applies not only to retirement accounts in ERISA plans but also to investment recommendations related to health savings accounts.

“Conflict of Interest FAQs (Part II-Rule)” is available [here](#).

“Consumer Protections for Retirement Investors—FAQs on Your Rights and Financial Advisers” is available [here](#).

DOL Issues Annual Inflation Adjustments to Civil Penalties for 2017

On January 13, 2017, the DOL issued a final regulation with its 2017 annual adjustments for inflation to civil monetary penalties, including penalties under ERISA. The adjusted penalty amounts are effective as of January 13, 2017. Under the regulation, the penalty for failing to file or refusing to properly file the annual Form 5500 has increased to \$2,097 per day.

The final regulation is temporarily available [here](#).
(The final regulation will be published in the January 18, 2017, *Federal Register*.)

EEOC Asks for Public Comments on Proposed Enforcement Guidance on Workplace Harassment

On January 10, 2017, the Equal Employment Opportunity Commission (EEOC) released proposed enforcement guidance on unlawful harassment under federal employment discrimination laws for public input. The EEOC noted that between fiscal years 2012 and 2015, the percentage of private sector charges that included an allegation of harassment increased from approximately 25% of all charges annually to over 30% of all charges. The guidance explains the legal standards applicable to harassment claims under federal employment discrimination laws, which protect individuals from harassment based on race, color, religion, sex, national origin, disability, age, or genetic information. Comments may be submitted on the proposed guidance until February 9, 2017.

The EEOC Press Release on the request for public comments is available [here](#).

January 23, 2017

Health

President’s Order Directs Executive Branch to Halt or Delay Affordable Care Act Implementation

On January 20, 2017, President Trump issued an Executive Order that directs the heads of executive departments and agencies with responsibilities under the Affordable Care Act, including the Secretary of Health and Human Services, to use their authority

to waive, defer, or delay the implementation of a potentially broad array of provisions under the Affordable Care Act “to the maximum extent permitted by law.” Among the provisions would be any requirement imposing a “tax, penalty, or regulatory burden” on individuals, insurers, and others. The Order also directs the departments and agencies to use their authority to provide greater flexibility to states and to encourage the development of an open interstate healthcare and health insurance market. For more information, see the Aon Hewitt bulletin, *President Trump Issues Executive Order on Affordable Care Act*, in the Aon Hewitt Publications section of this newsletter.

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

Retirement

Employers Could Fund QMACs and QNECs With Plan Forfeitures Under IRS Proposed Regulations

In a change welcome to employers, the Internal Revenue Service (IRS) issued proposed regulations on January 17, 2017, that would allow employers to use money in plan forfeiture accounts to fund qualified matching contributions (QMACs) and qualified nonelective contributions (QNECs) in 401(k) plans. The regulations are proposed to be effective for taxable years beginning on or after the date on which final regulations are published. While the proposed regulations indicate that they may be relied upon before their effective date, the recent regulatory freeze issued by President Trump would suggest that reliance be delayed until such time as the scope of the regulatory freeze is clarified. (More information on the regulatory freeze appears below.)

Current regulations require QMACs and QNECs to satisfy nonforfeitability and distribution requirements at the time they are first contributed to the plan, which has effectively prevented the use of plan forfeitures to fund QMACs and QNECs. The IRS’s proposed amendments to the regulations would instead require that QMACs and QNECs satisfy nonforfeitability and distribution requirements at the time they are allocated to participants’ accounts.

Comments on the proposed regulations and requests for a public hearing are due by April 18, 2017.

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

Other HR-Related Topics

President Orders Regulatory Freeze

On January 20, 2017, President Trump ordered a regulatory freeze. As of January 20, 2017, no regulations are to be sent to the Office of the Federal Register (OFR) until they have been reviewed and approved by presidential appointees or designees. The heads of executive departments and agencies are directed to immediately withdraw for review and approval regulations that were already sent to the OFR but not yet published. The effective dates of non-critical regulations that have been already published but which have not yet taken effect are to be postponed by the executive departments and agencies for 60 days or longer.

A White House memorandum on the regulatory freeze is available [here](#).

Aon Hewitt Publications

President Trump Issues Executive Order on Affordable Care Act

On January 20, 2017, President Donald Trump signed an Executive Order directing all executive departments and agencies with authority under the Affordable Care Act to delay the Affordable Care Act's implementation and waive or grant exemptions from any "cost, fee, tax, penalty, or regulatory burden" under the Affordable Care Act. The Executive Order directs the departments and agencies to act "to the maximum extent permitted by law."

The Aon Hewitt bulletin, which summarizes the Executive Order, is available [here](#).

Now Available: Aon Hewitt Compliance Calendar - Significant Compensation and Benefit Due Dates for 2017

Aon Hewitt is pleased to present its 2017 Compliance Calendar to help plan sponsors identify significant compensation and benefit due dates for retirement and health and welfare plans. This Compliance Calendar includes relevant dates involving plan disclosures, contribution and distribution requirements, and various plan-related regulatory filings.

This Compliance Calendar assumes a plan administered on a calendar year basis by an employer with a calendar fiscal year. In general, the information for pension plans applies to single employer plans; other plans, such as multiemployer plans (e.g., Taft-Hartley plans) or government plans, may be subject to different requirements, and are not included. Additionally, certain compliance dates related to group health plan coverage or retiree prescription drug coverage have been included where applicable.

The Compliance Calendar is intended to alert the reader to some of the more significant dates for 2017 and is not intended to identify all compliance obligations or due dates. The due date column serves as an alert of a filing deadline so that plan sponsors have the opportunity to confirm their individual filing due date(s) with their advisors. Therefore, the due date column indicates the general rule; however, if the required due date falls on a weekend or legal holiday, the Compliance Calendar lists, as the due date, the business day immediately preceding the weekend or legal holiday (except when an outside limit applies to how far in advance disclosures can be provided). Further, the information contained in this Compliance Calendar is subject to change due to the ongoing release of additional or clarifying legislative or regulatory guidance by the Internal Revenue Service, Department of Labor, or other regulatory agencies throughout the year. Aon Hewitt is not a law firm, and the contents of this Compliance Calendar are not intended to replace or supersede the advice of legal counsel. This information provides only general guidance, and not all rules and requirements are reflected.

The 2017 *Aon Hewitt Compliance Calendar* is available [here](#).

Departments' Thirty-Fifth Set of FAQs Addresses Preventive Services, HIPAA Special Enrollments, and Small Employer HRAs

The Departments of the Treasury, Labor, and Health and Human Services (the Departments) issued their thirty-fifth set of frequently asked questions (FAQs), this set pertaining to preventive care under the Affordable Care Act, HIPAA special enrollments, and small employer health reimbursement arrangements (HRAs). Employers and plan sponsors should review plan designs and administrative operations to ensure compliance with these recent clarifications.

The Aon Hewitt bulletin, which provides a brief overview of the FAQs, is available [here](#).