

MINUTES OF THE MEETING OF THE
INSURANCE, BENEFITS & LEGISLATIVE COMMITTEE
and
BOARD OF RETIREMENT*

LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION

GATEWAY PLAZA - 300 N. LAKE AVENUE, SUITE 810, PASADENA, CA 91101

THURSDAY, MAY 11, 2017, 11:35 A.M. – 12:15 P.M.

COMMITTEE MEMBERS

PRESENT: Alan Bernstein
Ronald Okum
David L. Muir, Alternate (*left at 11:50 a.m.*)

ABSENT: William de la Garza, Chair
Vivian H. Gray, Vice Chair

ALSO ATTENDING:

BOARD MEMBERS AT LARGE

Marvin Adams
Anthony Bravo
Shawn R. Kehoe
Joseph Kelly

STAFF, ADVISORS, PARTICIPANTS

Cassandra Smith
Steven Rice
Barry Lew

Aon Hewitt

Kirby Bosley Cathy Weis
Helen Batsalkin

The meeting was called to order by Acting Chair Bernstein at 11:35 a.m. Due to the absence of Mr. de la Garza and Ms. Gray, the Chair announced that Mr. Muir, 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 April 13, 2017

Mr. Okum made a motion, Mr. Bernstein seconded, to approve the minutes of the regular meeting of April 13, 2017. The motion passed unanimously.

II. PUBLIC COMMENT

III. ACTION ITEMS

A. Recommendation as submitted by Steven P. Rice, Chief Counsel: That the Committee recommend the Board of Retirement adopt the Policy on Engagement for Issues of Public Policy Relating to Plan Administration and Retirement and Health Care Benefits. (Memorandum dated May 2, 2017)

Mr. Bernstein made a motion, Mr. Okum seconded, to approve the recommendation with additions incorporated as specified by the Committee. The motion passed unanimously.

B. Recommendation as submitted by Barry W. Lew, Legislative Affairs Officer: That the Committee recommend the Board of Retirement adopt a "Watch" position on Assembly Bill 526, which provides for the Sacramento County Employees' Retirement System to become a district. (Memorandum dated April 26, 2017)

Mr. Bernstein made a motion, Mr. Muir seconded, to approve the recommendation. The motion passed unanimously.

C. Recommendation as submitted by Barry W. Lew, Legislative Affairs Officer: That the Committee recommend the Board of Retirement adopt a "Watch" position on Assembly Bill 995, which relates to the transfer of leave balances. (Memorandum dated April 21, 2017)

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

(Mr. Muir left at 11:50 a.m., following the vote)

IV. FOR INFORMATION

A. Staff Activities Report for April, 2017

The staff activities report was discussed.

B. Annual Claims Audit Reports

- Anthem Blue Cross Medical Plan
- Cigna Dental Plan

Cathy Weis of Aon presented the results of the annual Anthem Blue Cross medical and Cigna dental plan audits.

Anthem's financial accuracy decreased compared to the 2015 audit and did not meet LACERA's performance guarantee. Non-financial accuracy increased over the previous audit, exceeding LACERA's performance guarantee. However, overall accuracy and payment accuracy fell below the 2015 audit results. Turnaround time improved for the 14-calendar day period, but the 30-calendar day performance guarantee objective was not achieved.

The Cigna Dental Plan audit results reflect a decrease in the performance accuracy as compared to 2015. The timeliness of claims processing has improved, with 30-calendar day turnaround time at 100%.

Both Anthem and Cigna have agreed to the audit findings and have corrected all the affected claims.

C. CIGNA & Anthem Blue Cross Claims Experience

The CIGNA & Anthem Blue Cross Claims Experience reports through March 2017 were discussed.

D. Federal Legislation

- Aon Hewitt Washington Report

Submitted for information only.

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V. GOOD OF THE ORDER

(For information purposes only)

VI. ADJOURNMENT

The meeting adjourned at 12:15 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.**