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, NOVEMBER 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 October 12, 2017

II. PUBLIC COMMENT

III. FOR INFORMATION

A. Single-Payer Healthcare Update
Barry W. Lew, Legislative Affairs Officer

B. Engagement Report for October 2017
Barry W. Lew, Legislative Affairs Officer

C. Staff Activities Report for October 2017
Cassandra Smith, Director, Retiree Healthcare

D. LACERA Claims Experience
Stephen Murphy, Segal Consulting

E. Federal Legislation
Stephen Murphy, Segal Consulting

(for discussion purposes)

IV. REPORT ON STAFF ACTION ITEMS

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 12, 2017, 12:35 P.M. – 1:10 P.M.

COMMITTEE MEMBERS

PRESENT: Vivian H. Gray, Vice Chair
Alan Bernstein
Ronald Okum
David L. Muir, Alternate

ABSENT: William de la Garza, Chair

ALSO ATTENDING:

BOARD MEMBERS AT LARGE

Marvin Adams
Anthony Bravo
Shawn R. Kehoe
Joseph Kelly
Herman B. Santos

STAFF, ADVISORS, PARTICIPANTS

Robert Hill
Leilani Ignacio
Barry Lew

Segal Consulting

Stephen Murphy

The meeting was called to order by Chair Gray at 12:35 p.m. Due to the absence of Mr. de la Garza, 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 special meeting of September 6, 2017

Mr. Okum made a motion, Ms. Gray seconded, to approve the minutes of the special meeting of September 6, 2017. The motion passed with Mr. Bernstein abstaining.

II. PUBLIC COMMENT

III. ACTION ITEMS

A. Recommendation as submitted by Barry W. Lew, Legislative Affairs Officer: That the Committee recommend the Board of Retirement provide the following directions to its voting delegate with respect to the 2018 legislative platform of the State Association of County Retirement Systems (SACRS):

1. Vote NO on SACRS sponsorship of “Providing Definition of ’Surviving Spouse’ for Eligibility for Survivor Continuances” as proposed by the Ventura County Employees’ Retirement Association (VCERA).

2. Vote NO on SACRS sponsorship of “Time Limits of Filing Application for Disability Retirement” as proposed by the Ventura County Employees’ Retirement Association (VCERA).

3. Vote NO on SACRS sponsorship of “Trustee Authority over Retirement Office Executive Staff” as proposed by the Tulare County Employees Retirement Association (TCERA).

(Memorandum dated October 3, 2017)

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

B. Recommendation as submitted by Barry W. Lew, Legislative Affairs Officer: That the Committee review and comment on the draft of the Engagement Report. (Memorandum dated October 4, 2017)

The Committee reviewed the draft Engagement Report and offered comments to staff.

IV. FOR INFORMATION

A. Assembly Bill 127 and Senate Bill 112 – Post-Retirement Employment of Elective Officers *(Barry W. Lew, Legislative Affairs Officer)*

Submitted for information only.

B. Staff Activities Report for September, 2017

The staff activities report was discussed.

C. LACERA Claims Experience

The LACERA Claims Experience reports through August 2017 were discussed.

D. Federal Legislation
(for discussion purposes)

Segal Consulting gave an update on federal legislation.

V. REPORT ON STAFF ACTION ITEMS

There was nothing to report on for staff action items.

VI. GOOD OF THE ORDER

(For information purposes only)

VII. ADJOURNMENT

The meeting adjourned at 1:10 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.**

LACERA

October 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: November 9, 2017 Insurance, Benefits and Legislative Committee Meeting

SUBJECT: **Single-Payer Healthcare Update**

This memo highlights two recent developments related to Senate Bill 562, which would enact the Healthy California Act and establish a universal single-payer health care system in California.

BACKGROUND

SB 562, which would enact the Healthy California Act, was introduced on February 17, 2017 and passed by the Senate on June 1, 2017. When the bill moved to the Assembly, Speaker Anthony Rendon indicated that there were flaws in the bill that needed to be addressed. He made the decision to have the bill remain in the Assembly Rules Committee until further notice and thus have the bill carry over into the 2018 legislative year. He later announced that during the legislative interim, the Assembly Select Committee on Health Care Delivery Systems and Universal Coverage will hold hearings to develop plans for achieving universal health care in California.

ASSEMBLY SELECT COMMITTEE ON HCDS&UC HEARINGS

On October 23 and October 24, 2017, the Select Committee held informational hearings on healthcare delivery systems in California and other countries. The speakers included representatives from the following organizations: Insure the Uninsured Project, Center on Budget and Policy Priorities, UC Berkeley Center for Labor Research and Education, and The Commonwealth Fund. Joe Ackler, LACERA's legislative advocate, and his team attended the hearings.

California's Current Healthcare System

The first day of the hearings focused on California's current healthcare system and current gaps in coverage. The current healthcare system includes coverage from public programs such as Medi-Care, Medi-Cal, and the Children's Health Insurance Program; the individual market; employment-based coverage; and safety net programs.

In California, the largest source of health care coverage is from private health insurance, which includes employment-based and privately purchased insurance. Employment-based insurance covers 43 percent of Californians. However, some segments of the population are more likely to be uninsured based on factors such as income, ethnicity, age, and immigration status. Employees of small businesses tend to have less access to affordable employer-sponsored insurance and are more likely to have larger deductibles. Those who are not enrolled in private health insurance are either enrolled in public health insurance or are uninsured.

The Affordable Care Act (ACA) reduced the number of uninsured in California from 7 million to 3 million, the largest reduction of uninsured of any state. The largest coverage increases have come from Medi-Cal (California's Medicaid program) and regulated individual coverage. Of the 3 million who still lack coverage the ACA, 59 percent are not eligible due to immigration status. Of those who are eligible for ACA coverage, concern about affordability is the main reason for being uninsured. Of the uninsured Californians who were ACA-eligible, 77 percent found it very or somewhat difficult to find an affordable plan. At the same time, limited awareness of subsidies is also a barrier to enrollment as nearly three-quarters of these Californians were either not sure of their eligibility for subsidies or wrongly believed that they were not eligible for subsidies.

The population of Californians in safety net programs include the uninsured and those enrolled in a public program who are under 300 percent of the federal poverty level. Safety net providers include community/county clinics and health centers that serve 1 out of 7 Californians. They also include 21 public hospitals (16 county-owned-and-operated systems and 5 University of California medical centers) that provide 35 percent of all hospital care to Medi-Cal beneficiaries and 34 percent of all hospital care to the uninsured. These hospitals are located in 15 counties where 80 percent of the population reside. In many rural and remote areas, private hospitals are the safety net in many communities.

In 2014, healthcare spending in California totaled $292 billion, which accounted for 12.6 percent of the state's economy. Thirty-six percent of this spending was on hospital care and 26 percent on physician services. The remainder was on prescription drugs, nursing home care, and other.

Universal Coverage Systems in Other Countries

The second day of the hearings examined universal coverage systems in other countries. In a comparison of healthcare in 11 countries[1] by The Commonwealth Fund, the United States was found to spend more on healthcare, have patients that often receive less care, and have adults with poorer health outcomes. The lack of value in

[1] United Kingdom, Australia, Netherlands, New Zealand, Norway, Switzerland, Sweden, Germany, Canada, France, and United States.

healthcare in the U.S. was attributed to higher hospital and physician costs and the lack of a stronger social safety net.

In terms of patient's experience, the U.S. does very poorly in financial barriers to care; poorly on higher emergency department use; average in securing appointments with primary care providers; and well in securing appointments with specialists, wait times for elective surgery, wellness counseling, and patient engagement in chronic care management.

In terms of doctor's experience, the U.S. does poorly on administrative burdens related to insurance issues and payment claims. However, it does well in coordinating between hospitals and primary care providers.

The Commonwealth Fund found that other healthcare systems do better than the U.S. based on universal coverage that has the following components: strong primary care systems, less administrative complexity, comprehensive basic benefit package, strong social safety net, and global budgets. At the same time, other systems learn from the U.S. with regard to innovation in the following: patient engagement, integrated delivery systems, and a focus on high-need, high-cost patients.

Countries with universal coverage can be grouped into two broad categories: publicly financed *health care* and publicly financed *health insurance*. Countries with publicly financed health care include Canada, Denmark, England, Italy, New Zealand, Norway, and Sweden. Countries with publicly financed health insurance include Australia, China, France, Germany, India, Israel, Japan, Netherlands, Singapore, Switzerland, and Taiwan.

In a country with publicly financed health care such as England, for example, all citizens are entitled to health care through the National Health Service, which is financed through general taxation and a payroll tax. There is a comprehensive list of benefits and cost-sharing with limits by income, age, and health. About 10 percent of the population has private insurance. Undocumented immigrants are covered for emergency room visits and infectious disease.

In a country with publicly financed health insurance such as the Netherlands, there is an individual mandate to buy insurance from private nonprofit insurers. The financing is from a national income-related contribution and community-rated premiums. The national government sets standard for benefits covered. The average premium is $125 per month with subsidies for lower-income citizens. Cost-sharing include deductibles of $465 and co-payments. Supplemental insurance is also available, which is carried by 84 percent of the population. Undocumented immigrants cannot buy insurance; however, they are covered for acute care, maternity, and long-term care.

Covered California, the health insurance marketplace in California provided under the ACA, has certain attributes that can be compared and contrasted with the healthcare system of the Netherlands. Both California and the Netherlands have an individual mandate. However, the Netherlands requires 100-percent participation in contrast with California. The risk pool in the Netherlands is composed of all residents; in California, the risk pool is only those who lack employer-based or public coverage. The participating insurers in Covered California are competing private insurers, whereas in the Netherlands they are competing nonprofit insurers. The premiums in Covered California are age-rated. For example, the premium of an average Silver plan for a 40-year-old is $309 per month. The premiums in the Netherlands are community-rated and average $126 per month. Deductibles under Covered California vary by income and can range from $246 to $3,065. The Netherlands' deductible is $465 and does not vary by income.

Future Hearings
The two days of hearings provided a very large amount of information related to healthcare systems. These hearings were essentially informational and educational. There will most likely be future hearings scheduled to further investigate the path toward universal healthcare coverage. Staff and LACERA's legislative advocate will continue to monitor the hearings and report back to your Committee.

CALIFORNIA HEALTHCARE ROADBLOCK REMOVAL ACT (Initiative No. 17-009)
On October 24, 2017, the California Attorney General prepared a title and summary for a citizen-initiated constitutional amendment that would create a trust fund solely for the purpose of funding healthcare-related goods and services, would allow the Legislature to pass tax increases dedicated to the trust fund by majority vote rather than a two-thirds vote, and would exempt the fund's revenues from constitutional requirements related to any appropriations limit, revenue limit, or spending formula.

The initiative was filed by Dale Fountain, who leads a Facebook group called Enact Universal Healthcare for California. SB 562 is sponsored by the California Nurses Association. According to our legislative advocate, Joe Ackler, the Facebook group is a separate organization and is not affiliated with the California Nurses Association.

When SB 562 was proceeding through the Senate, it was required to be heard in the Senate Committee on Appropriations since it was a fiscal bill that contained an appropriation of funds. The bill analysis by the Appropriations Committee discussed the fact that implementation of SB 562 would require approval by voters due to certain constitutional constraints on tax revenues. The analysis of the ballot initiative by the Legislative Analyst's Office examines these constitutional constraints that were established by various propositions over the years.

Proposition 13 (1978) required a two-thirds vote of the Legislature to pass tax increases. Proposition 4 (1979) established the “Gann Limit,” which limits overall state spending based on population growth and inflation. The current estimate is that the state has a buffer of about $6 billion before the limit is triggered. However, the Appropriations Committee estimated that additional annual tax revenues of $50 to $100 billion would be required under SB 562. An economic analysis funded by the sponsor of SB 562 estimated $106 billion in additional tax revenues. Proposition 98 (1988) required that schools and community colleges receive a minimum level of funding each year, which typically is at least 40 percent of state General Fund revenue. Proposition 2 (2014) required the state to make minimum annual debt payments and reserve deposits based on a formula that sets aside General Fund and capital gains revenues. The Healthy California Trust Fund as established by the ballot initiative would be exempt from these constitutional constraints.

Now that the title and summary of the ballot initiative has been issued, the proponents will have 180 days to gather a sufficient number of signatures to qualify for the ballot at least 131 days before the next general election in November 2018.

Reviewed and Approved:

Steven P. Rice

Steven P. Rice, Chief Counsel

cc: Robert Hill
James Brekk
JJ Popowich
Bernie Buenaflor
Steven P. Rice
Cassandra Smith
Leilani Ignacio
Joe Ackler, Ackler & Associates

INSURANCE, BENEFITS & LEGISLATIVE COMMITTEE
ENGAGEMENT REPORT
OCTOBER 2017
FOR INFORMATION ONLY

Stanford Institute for Economic Policy Research Working Paper
The SIEPR released a working paper entitled "Pension Math: Public Pension Spending and Service Crowd Out in California: 2003-2030." The project was supported in part through funding from The Laura and John Arnold Foundation. The report presents 14 case studies of various retirement systems within California and reports on each jurisdiction's costs for providing pension benefits. Each case study reports financial outcomes based on two measures: the actuarial measure as determined by the pension systems themselves (including alternative projections of 2% less than assumed) and a market measure based on the yield of 20-year United States treasury bonds. Three of the case studies included county retirement systems operating under the County Employees Retirement Law of 1937: Alameda, Los Angeles, and Marin.

The report indicated that county contributions to LACERA historically were $326 million in 2002-03, which had more than doubled to $847 million in 2008-09. In 2017-18, the county contribution will be $1.5 billion. By 2029-30, the contributions are expected to be $2.5 billion under the assumed rate of 7.25% and $3.3 billion under the alternative projection. Correspondingly, the county contributions as a percent of county operating expenditures were reported as 3.0% in 2002-03, 6.2% in 2008-09, and 8.7% in 2017-18. By 2029-30, they are estimated to be 10.2% under the assumed rate of 7.25% and 13.8% under the alternative projection.

LACERA's funded ratio was reported under two measures: market and actuarial. Under the market measure, which uses a discount rate based on the yield on 20-year US treasury bonds, the funded ratio dropped from 60% in 2008 to 38% in 2016. Under the baseline projection of this measure, the funded ratio will be 48% in 2029. Under an alternative projection of 2% less, the funded ratio will be 39% in 2029. Under the actuarial measure of an assumed rate of 7.25%, the funded ratio dropped from 95% in 2008 to 79% in 2016. Under the baseline projection, it will be 87% in 2029. Under an alternative projection of 2% less, the funded ration will be 74% in 2029.

The unfunded accrued pension liability was also reported under two measures: market and actuarial. On a market basis, the unfunded accrued liability increased from $23.2 billion in 2008 to $76.1 billion in 2016. In 2029 under the baseline projection, it is expected to reach $97.8 billion. Under the alternative projection, it is expected to be $111.7 billion. On an actuarial basis, the unfunded accrued liability increased from $2.3 billion in 2008 to $12.8 billion in 2016. Under the baseline projection, it reaches $14.8

billion in 2020 and then drops to $12.9 billion by 2029. Under the alternative projection, it grows to $26.8 by 2029.

The report observes that the percentage of county operating expenditures for pensions increased from 3.0% in 2002-03 to 8.7% in 2017-18 and concludes that almost $1 billion has been shifted from other county expenditures to pensions. The report suggests through its review of county expenditures that the reduction has come almost entirely at the expense of Public Assistance programs, for which the budget share has fallen from 37.6% in 2002-03 to 32.7% in 2015-16.

The attached section of the report on Case Study Observations collates the measures of each case study and presents the relative position of each jurisdiction. It also presents a summary of the types of services that are impacted by rising pension costs. (Source)

TIAA 2017 Lifetime Income Survey (Executive Summary)
The Teachers Insurance and Annuity Association (TIAA) released its Lifetime Income Survey for 2017. The survey of Americans who are not retired contains 18 questions relating to policy preferences and attitudes regarding retirement. Following are highlights of significant responses in the survey.

- 56% regard guaranteed money every month to cover living costs in retirement as the most important goal of a retirement plan.
- 62% prefer receiving $2,700 a month for life versus receiving $500,000 all at once.
- 41% were unsure or didn't know whether their retirement plan offered an option for lifetime monthly payments.
- 71% support legislation that would make it easier for employer-based retirement plans to include lifetime income products.
- 71% support legislation that would make it easier for employer-based retirement plans to include auto-enrollment with opt-out, and 64% support auto-escalation with opt-out.
- The top three concerns of respondents are healthcare costs, changes to Social Security, and not saving enough for retirement.
- 52% plan to supplement retirement income with part-time work.

(Source1) (Source2)

Conflicts of Interest within TIAA
The Teachers Insurance and Annuity Association (TIAA) has almost $1 trillion in assets under management. Its 5 million customers include college professors, nurses, administrators, researchers, and government employees. Recently, it has been the

subject of legal filings that contend it steers customers into products that do not add value and may not be suitable but generate higher fees. Although TIAA's financial advisers and consultant do not receive sales commissions, former employees indicate that sales personnel are rewarded with bonuses for selling more expensive in-house products and services. TIAA is a record-keeper of retirement accounts for many colleges, hospitals and nonprofit organizations. Typically, its in-house funds are only available to the clients for whom it is the record-keeper but rarely available otherwise. The potential for conflict arises since it can receive revenues from the sale of its in-house mutual funds and annuities. TIAA itself was a nonprofit company until 1997, when its nonprofit status was revoked by Congress as part of a tax reform bill. The loss of its tax-exempt status (and consequent rise in costs), the tendency of clients to transfer their funds to competitors when they retired, and the loss of money management revenues when TIAA loses record-keeping clients led to more aggressive sales practices. Private asset management services began to be offered for managed accounts with fees of 0.75 to 1.15 percent of assets under management in a bid to keep money from moving out of TIAA accounts. TIAA has paid $5 million to settle a lawsuit from its own employees that it breached its fiduciary duty by overcharging those workers in their retirement plan by offering only high-cost TIAA investment products. TIAA has also paid $19.5 million to settle a suit from the faculty of St. Michael's College that it failed to pay investment gains generated during the period between a client's request to move funds from TIAA and the actual redemption date. Currently, it is the subject of a lawsuit regarding its practices in improperly charging participants for loans from retirement accounts. (Source)

401(k)/IRA Holdings in 2016: An Update from the Survey of Consumer Finances
The Center for Retirement Research at Boston College reviewed the most recent 2016 Survey of Consumer Finances conducted by the Federal Reserve. The Center's report describes the importance of 401(k) plans and IRA's in the retirement income system; documents the trend in individual decisions on the accumulation of assets in 401(k) plans; reports on 401(k) and IRA balances; and concludes that auto-enrollment, auto-escalation, and realistic levels of contribution rates may mitigate factors that cause low account balances such as low participation rates, low contributions, high fees, and leakages (e.g., cashouts, hardship withdrawals, and loan defaults). Given that Social Security will tend to replace a smaller percentage of pre-retirement earnings going forward, employer-sponsored retirement plans will play a bigger role in ensuring retirement security. However, only about half of private sector workers are offered employer-sponsored plans, and most participate in defined contribution plans. The typical household has a median 401(k)/IRA balance that rose from $111,000 in 2013 to $135,000 in 2016. A balance of $135,000 is equivalent to a joint-and-survivor annuity of $600 per month based on average retirement ages. (Source)

Possible Reduction of 401(k) Contribution Limits

House Republicans are considering a plan to cap the annual limit for contributions to 401(k) plans at $2,400 as part of a planned tax reform. The current annual limits are $18,000 for those under age 50, $24,000 for the Age 50 and Over Catch-Up, and $36,000 for the Special Three-Year Catch-Up. The proposal was rumored as a way to offset the revenue loss from the reduction in business tax rates in the tax reform plan. This change in the 401(k) contribution limit would most likely shift savings into Roth accounts (which receive after-tax contributions) and would increase federal tax receipts in the short run. President Trump indicated, "There will be NO change to your 401(k). This has always been a great and popular middle class tax break that works, and it stays!" On the other hand, House Ways and Means Committee Chairman Kevin Brady suggested that the upcoming tax bill could force changes to 401(k) plans and other retirement accounts. (Source1) (Source2) (Source3)

Kentucky Public Pension Crisis

Governor Matt Bevin and legislative leaders released a summary of their proposed long-term solution for Kentucky's public pension crisis. Due to declining payroll, the state will use a "level dollar" funding model rather than the current percentage of payroll model to address the state's unfunded pension liabilities. Teachers and government workers will be required to contribute an additional 3 percent of salary to retiree health care. Retired teachers will forfeit cost-of-living adjustments for the next five years, and future retired teachers receive cost-of-living adjustments five years after retirement. Teachers and government employees hired after July 1, 2018 will no longer be enrolled in a defined benefit plan but will instead be enrolled in a defined contribution plan. Future teachers also will not be enrolled in Social Security, although state and local government employees will still participate in Social Security. Current and future hazardous employees (i.e., police officers and firefighters) will continue participating in the pension system.
(Source1) (Source2)

CASE STUDY OBSERVATIONS

This section contains observations from the 14 case studies. It focuses on the following key measures from 2002-03 through 2017-18 and on projected results from 2017-18 through 2029-30:

- Employer agency pension contributions in dollars, pension contributions as a share of operating expenditures, and employer contribution rates
- Funding levels
- Unfunded liabilities and unfunded liabilities per household
- Pension crowd out, or the impacts of this pension expenditures on the jurisdiction's ability to provide services that are traditionally considered part of government's core mission.

Pension Contributions in Dollars

The case studies in this report indicate that employer pension contributions have grown at a fast pace since 2002-03. Figure 40 illustrates employer pension contributions in 2002-03, 2017-18, and in 2029-30, under both baseline and alternative projections. From 2002-03 until 2017-18, contributions in our case studies increased 400% on average, i.e., contributions in nominal dollars are now five times higher.[175] (To provide some perspective, consumer inflation over this period is estimated at 35%.)[176] Pension contributions are expected to increase an additional 76% by 2029-30 in the baseline projection and an additional 117% in the alternative projection, outpacing consumer inflation and outpacing increases in government operating budgets.[177] The alternative projection suggests that, on average, 2029-30 employer pension contributions will be more than double current contributions and will be more than ten times those in 2002-03.

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[175] Unless otherwise indicated, averages include the state plus the remaining 13 case studies. Averages are unweighted.

[176] See BLS, "Consumer Price Index," https://www.bls.gov/news.release/cpi.toc.htm.

[177] Consumer inflation from 2018 until 2030, based on an extension of recent trends, will likely run at about 40% over this time period.

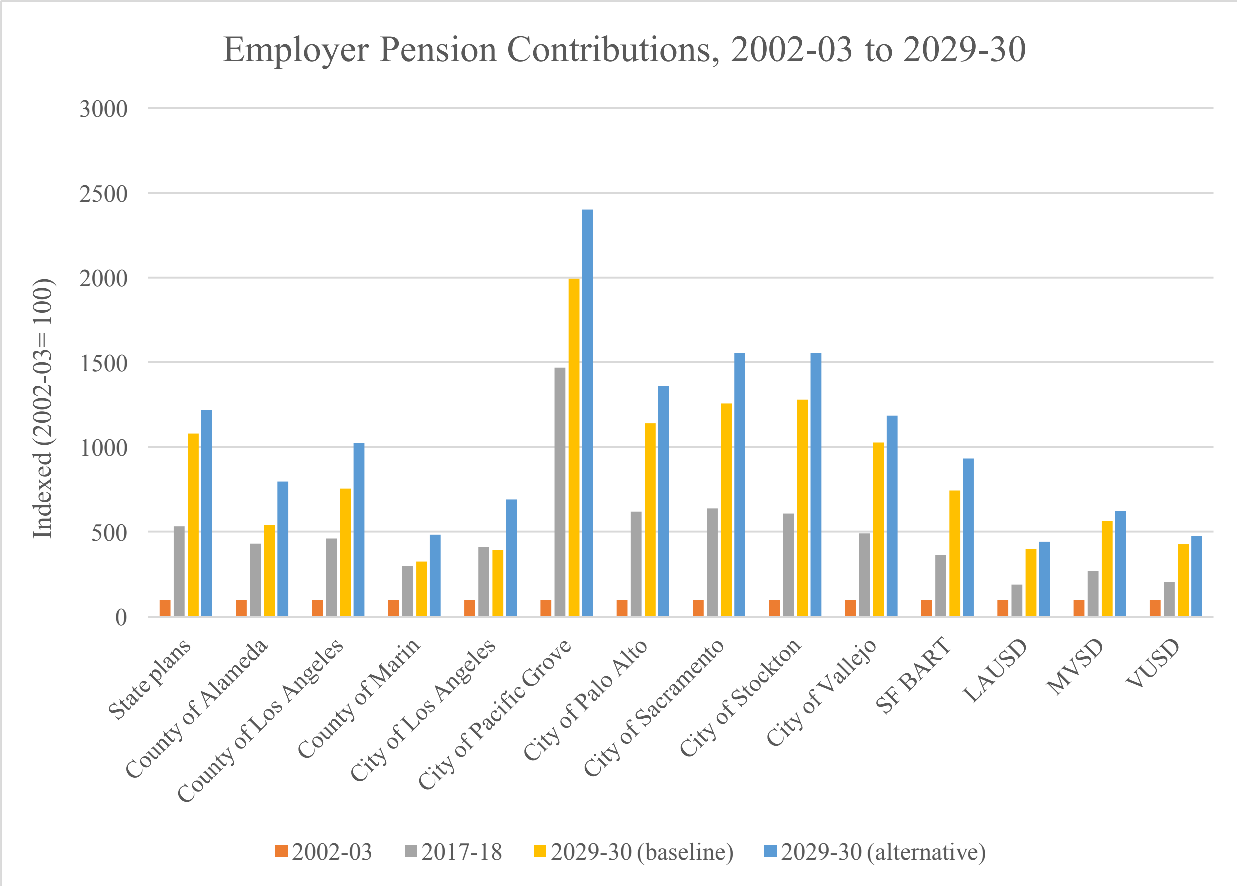

Figure 40—Employer Pension Contributions, 2002-03 to 2029-30

Pension Contributions as a Share of Operating Expenditures

Not surprisingly, employer pension contributions grew at a much faster rate than operating expenditures from 2002-03 through 2017-18 (Figure 41).[178] As noted, operating expenditures grew from a low of 0% (Vallejo)[179] to a high of 65% (County of Alameda), while employer pension contributions rose from a low of 91% (LAUSD) to a high of 1369% (Pacific Grove). On average, operating expenditures rose 46%, about one-ninth the rate of employer pension contributions.[180]

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[178] The City of Los Angeles and Vallejo reflect 2003-04 to 2017-18. MVSD figures reflect 2007-08 to 2017-18; VUSD figures reflect 2009-10 to 2017-18.

[179] Vallejo's bankruptcy filing in 2008 clearly impacted the city's operating expenditures.

[180] As noted above, reported contribution increases are lower for school districts since CalSTRS school district contribution rates increased beginning in 2014-15. In addition, reported district contribution increases are less than for other case studies because they cover a shorter time period. MVSD reflects 2007-08 to 2017-18; VUSD reflects 2009-10 to 2017-18.

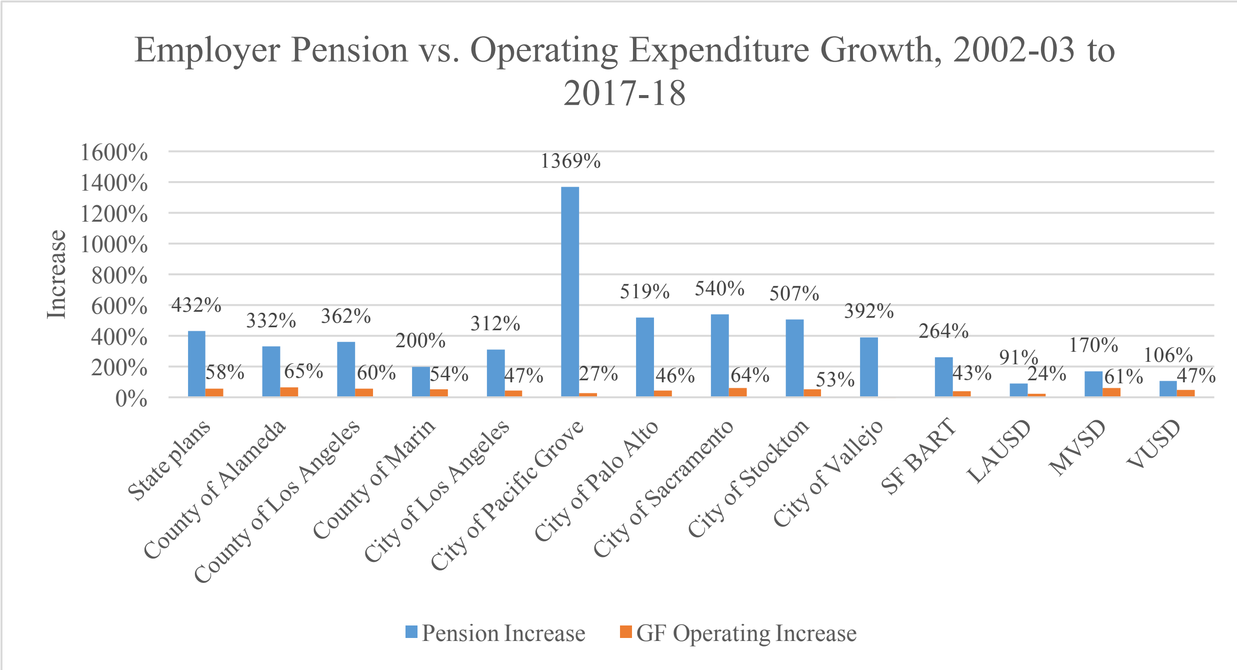


Figure 41—Pension vs. Operating Expenditure Growth, 2002-03 to 2017-18[181]

As a result of their relatively higher growth, employer pension contributions now occupy a much larger share of operating expenditures than in previous years (Figure 42). The employer pension share of operating expenditures in 2002-03 averaged 3.9%, ranging from a low of 2.0% (Pacific Grove) to a high of 7.0% (County of Marin). In 2017-18, the employer pension share of operating expenditures roughly tripled to 11.4%, ranging from a low of 7.1% (State) to a high of 22.5% (Pacific Grove).

[181] As indicated, Vallejo's operating expenditures over this period showed no change.

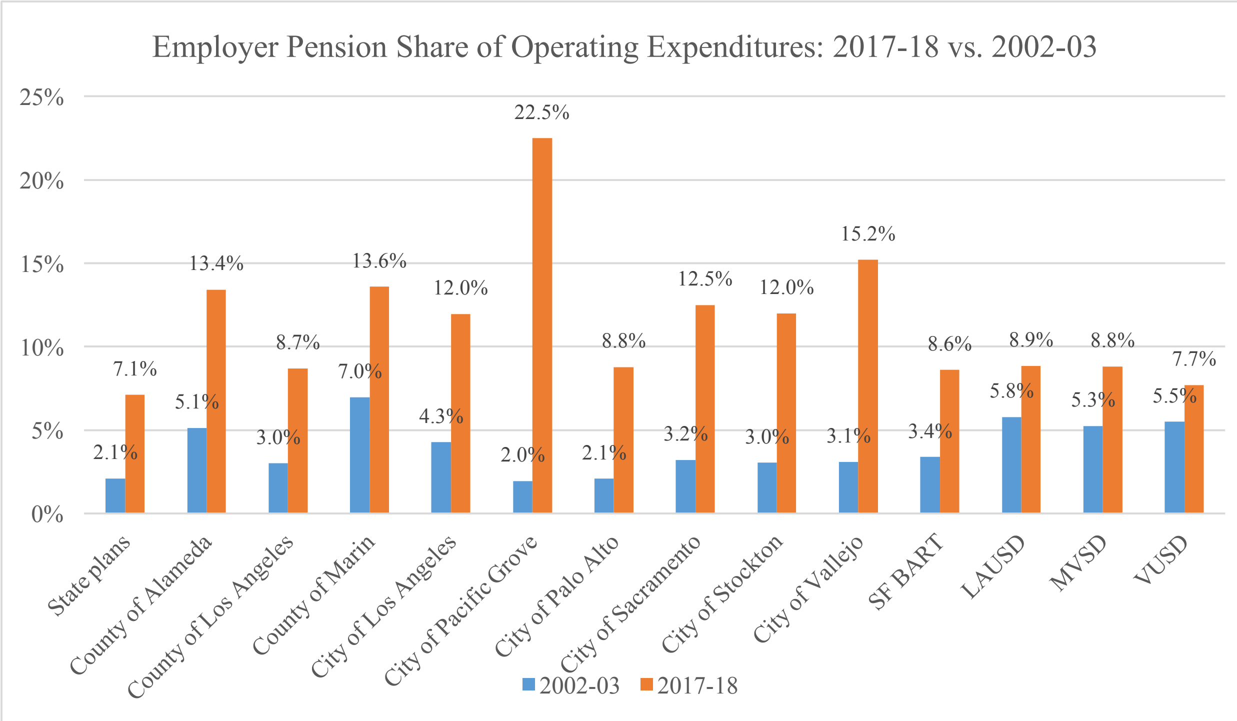


Figure 42—Pension Share of Operating Expenditures: 2017-18 vs. 2002-03[182]

In addition to these historical increases, in almost all cases, pension contributions are projected to occupy a larger share of operating expenditures through the year 2029-30. This occurs even when all assumptions are met, including in the baseline projection when current assumed investment rates of return are achieved (Figure 43). As noted earlier, the average pension contribution share of operating expenditures was 11.4% in 2017-18. This increases to 14.0% in 2029-30 in the baseline projection, from a low of 7.5% (VUSD)[183] to a high of 23.7% (Vallejo). In the alternative projection, the average pension contribution share of operating expenditures reaches 17.5%, with the lowest share at 8.3% in VUSD), and the highest at 27.9% in Pacific Grove.

[182] As noted above, due to data limitations, the cities of Los Angeles and Vallejo reflect expenditures from 2003-04 to 2017-18. MVSD Charts reflect from 2007-08 to 2017-18; VUSD reflect from 2009-10 to 2017-18.

[183] This and the subsequent relativelylow VUSD figures are driven by assumed high operating expenditure growth from 2017-18 through 2029-30. See the VUSD case study for more details.

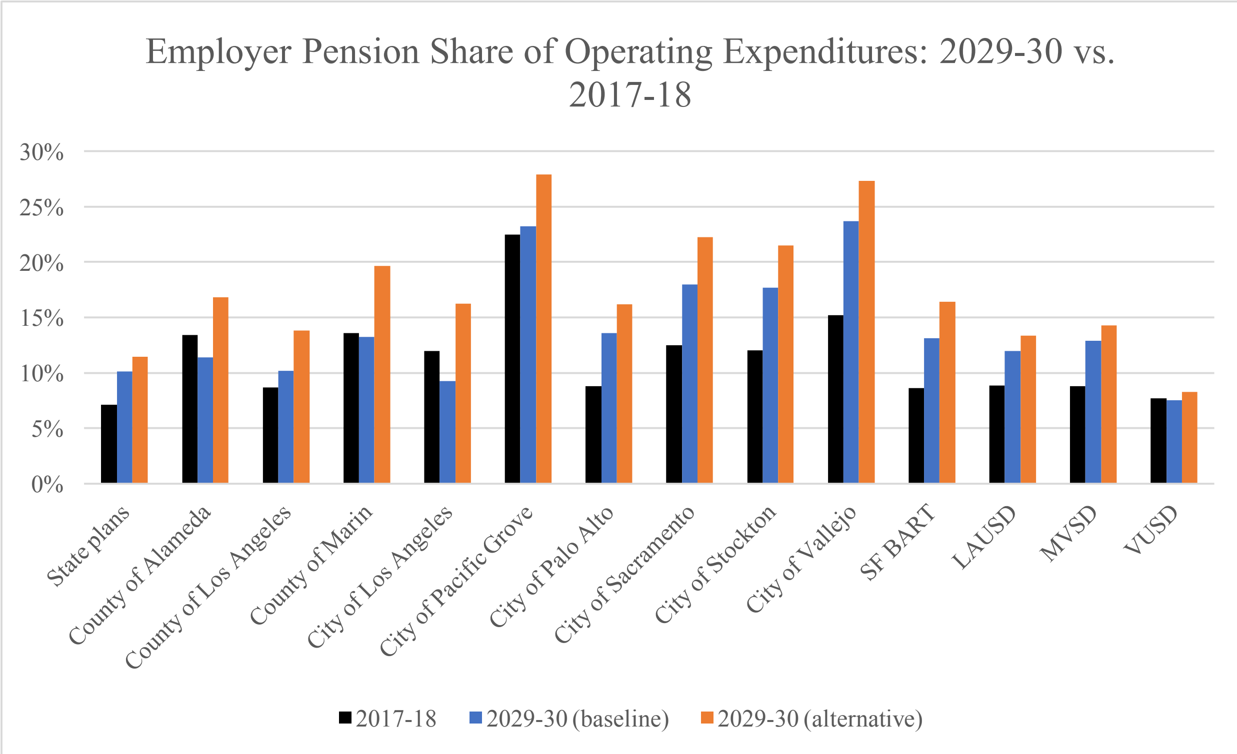


Figure 43—Pension Share of Operating Expenditures: 2029 vs. 2017-18

Contribution Rates

Employer agencies closely track contribution rates that are required to fund pension obligations. These rates, expressed as a percent of payroll, provide a useful measure to assess current and future pension obligations. For example, the average employer contribution rate for the case studies in this report in 2008-09 was 17.7%, indicating an employer payment of $177 for each $1,000 in payroll.[184]

Figure 44 illustrates 2008-09 and projected contribution rates in the baseline and alternative projections. [185] The contribution rate rose from a 17.7% average in 2008-09 to a 30.8% average in 2017-18. In 2029-30, in the baseline projection, the average contribution rate increases to 35.2%, with rates increasing in most jurisdictions.[186] Projected contribution rates in the alternative projection are higher than 2017-18 in every case, increasing to a 44.2% average.

[184] The average here includes the state, all counties and cities, one special district, CalSTRS and the CalPERS Schools Pool. It does not include individual school districts.

[185] See the Appendix for contribution rates for all case studies in all years.

[186] Contribution rates fell in the counties of Alameda and Marin, and in the cities of Los Angeles and Pacific Grove.

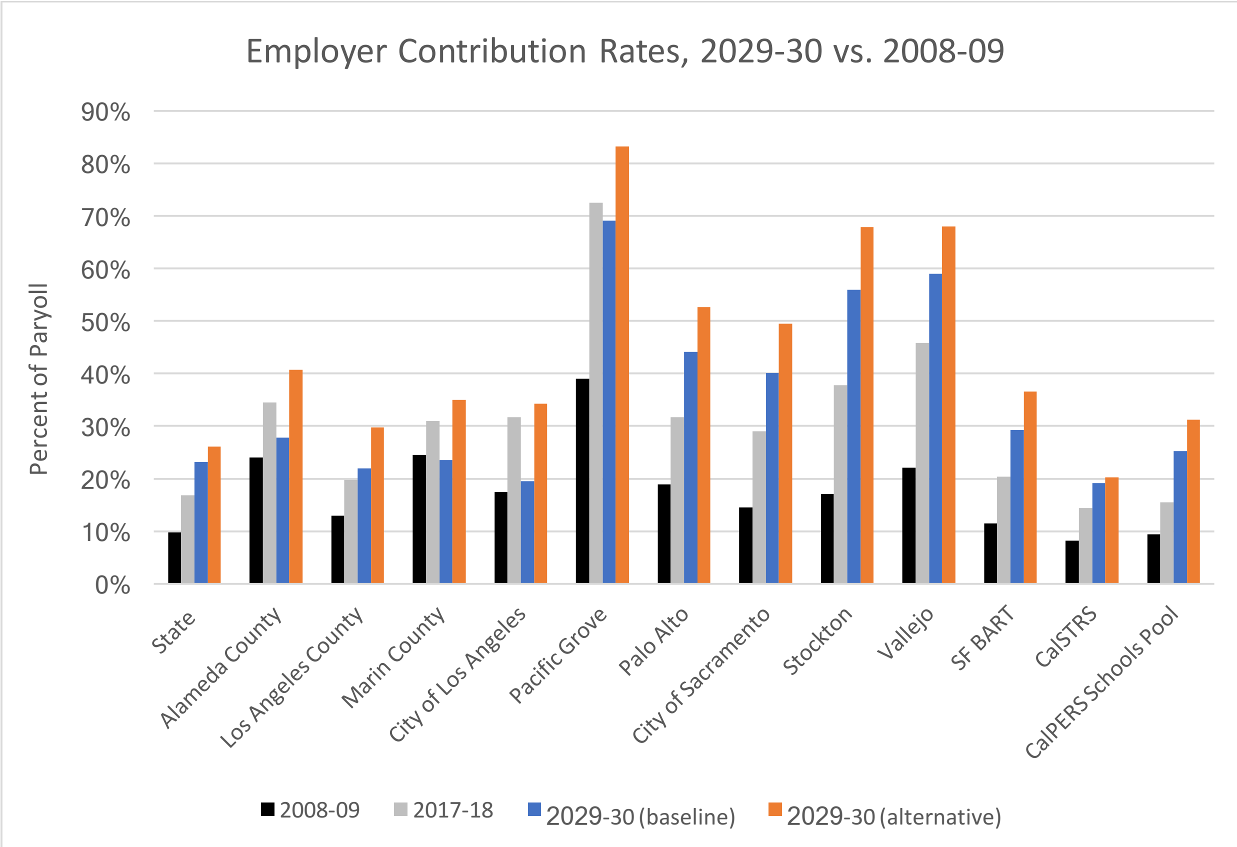


Figure 44—Employer Contribution Rates: 2029-30 vs. 2008-09

Funding Levels

Funded ratios on a market basis in 2008 averaged 58.5%, including a low of 43.0% (County of Alameda) and a high of 66.9% (BART) (Table 4).[187] In 2015,[188] funded ratios fell to an average of 43.0%. In 2029, funded ratios improve in all case studies in the baseline projection, to an average of 48.2%. Funded ratios in the alternative projection average 39.0%. Funded ratios of less than 80%, but greater than 60% are shaded in yellow; funded ratios of less than 60% are shaded in pink. Most pension systems consider 80% a minimum threshold, but typically have a long-term target or policy of reaching 100%. As noted in the Introduction, funded ratios in the private sector below these thresholds face operational restrictions.

[187] Averages for funding ratios and unfunded liabilities exclude school districts, CalSTRS, and the CalPERS Schools Pool. As noted earlier, averages are unweighted.

[188] Because funded ratios for some agencies are available only through 2015, while others are available through 2016, we use 2015 as the common ending point for comparative purposes.

Table 4—Funded Ratios: Market Basis

	2008[a]	2015	2029 (baseline)	2029 (alternative)
State	65.3%	46.7%	50.6%	46.8%
County of Alameda	43.0%	41.1%	50.7%	37.6%
County of Los Angeles	60.1%	46.5%	47.8%	38.9%
County of Marin	50.4%	47.6%	53.2%	42.7%
City of Los Angeles	58.3%	46.8%	50.9%	41.8%
City of Pacific Grove	60.2%	42.9%	43.1%	31.9%
City of Palo Alto	60.2%	38.7%	46.5%	37.3%
City of Sacramento	59.1%	40.4%	46.7%	38.5%
City of Stockton	63.7%	41.2%	45.8%	36.7%
City of Vallejo	56.6%	36.9%	43.7%	35.1%
BART	66.9%	44.9%	51.2%	41.8%
Average	58.5%	43.0%	48.2%	39.0%

Funded ratios on an actuarial basis in 2008 averaged 88.7%, ranging from a low of 78.5% (County of Alameda) to a high of 97.9% (State) (Table 5). Funded ratios on average in 2015 decreased to 76.0%. In 2029, funded ratios improve in all case studies in the baseline projection, to an average of 84.8%. In the alternative projection, funded ratios decline further, reducing the average to 69.7%. Funded ratios of less than 80% but greater than 60% are shaded in yellow; funded ratios of less than 60% are shaded in pink.

Table 5— Funded Ratios: Actuarial Basis

	2008[a]	2015	2029 (baseline)	2029 (alternative)
State	97.9%	83.4%	87.7%	81.1%
County of Alameda	78.5%	73.6%	91.0%	72.5%
County of Los Angeles	94.5%	83.3%	87.4%	73.8%
County of Marin	79.8%	81.7%	96.4%	77.4%
City of Los Angeles	93.2%	82.3%	93.1%	80.3%
City of Pacific Grove	81.8%	70.8%	71.3%	52.7%
City of Palo Alto	88.3%	68.5%	79.8%	64.1%
City of Sacramento	87.2%	74.0%	84.4%	69.6%
City of Stockton	95.0%	74.8%	80.6%	64.6%
City of Vallejo	82.7%	65.1%	74.7%	60.0%
BART	96.9%	78.1%	86.5%	70.5%
Average	88.7%	76.0%	84.8%	69.7%

Unfunded Liabilities

Market Basis

On a market basis, the aggregate unfunded liability was $184.3 billion in 2008, more than doubling to $464.4 billion in 2015 (Table 6). The average of the increase in unfunded liabilities in this period is 144.9%, i.e., unfunded liabilities more than doubled. Unfunded liabilities that are higher than in the previous time period[189] are highlighted in yellow.

[189] This compares 2015 with 2008 and 2029 (baseline) and 2019 (alternative) with 2015. The same comparisons are in Tables 7-9.

Table 6—Unfunded Liabilities: Market Basis

	2008	2015	2029 (baseline)	2029 (alternative)
State	$131,290,000,000	$341,773,000,000	$581,715,000,000	$626,543,000,000
County of Alameda	$5,307,200,000	$8,365,800,000	$11,179,800,000	$14,160,400,000
County of Los Angeles	$23,260,100,000	$56,620,800,000	$97,781,400,000	$111,702,900,000
County of Marin	$1,031,600,000	$2,260,900,000	$2,257,600,000	$2,764,000,000
City of Los Angeles	$19,965,900,000	$45,907,000,000	$73,075,800,000	$83,429,000,000
City of Pacific Grove	$62,300,000	$128,700,000	$125,500,000	$150,300,000
City of Palo Alto	$409,600,000	$1,166,700,000	$1,600,600,000	$1,873,300,000
City of Sacramento	$1,241,300,000	$3,322,600,000	$5,903,400,000	$6,811,700,000
City of Stockton	$626,200,000	$1,713,500,000	$2,444,800,000	$2,857,200,000
City of Vallejo	$346,700,000	$862,400,000	$1,141,800,000	$1,316,200,000
BART	$745,300,000	$2,253,400,000	$3,677,400,000	$4,391,200,000
Total	$184,286,200,000	$464,374,800,000	$780,903,100,000	$855,999,200,000

In the baseline projection, aggregate unfunded liabilities increase to $780.9 billion, a 68.2% increase over 2015. This result may be counterintuitive since this reflects the outcome when all assumptions are met, including assumed investment rates of return. The result is driven by our assumption that liabilities are discounted at the current 20-year United States Treasury bond rate, currently 2.6%. In short, pension system liabilities—and thus their unfunded liabilities—grow at a faster rate than system assets, even if assumed rates of return are achieved.[190]

In the alternative projection, the unfunded liability for each case study increases by an even greater amount—to a total of $856.0 billion., roughly double the 2015 amount.

Actuarial Basis

The aggregate unfunded liability on an actuarial basis was $11.8 billion in 2008, increasing more than ten-fold to $119.8 billion in 2015 (Table 7). Much of this was due to an increase in the unfunded liability for state plans, from $5.2 billion to $97.2 billion. The average of the increase in unfunded liabilities for each plan was 445%, i.e., a more than five-fold increase from 2008. Unfunded liabilities that are higher than in the previous time period are highlighted in yellow.

In the baseline projection to 2029, i.e., when all assumptions are met, the aggregate unfunded liability decreases to $105.9 billion in 2029, an 11.6% decrease from 2015. Not unexpectedly, the unfunded liability for most plans falls, but it increases for others, including the cities of Sacramento, Stockton, and Vallejo, and BART.

In the alternative projection, the unfunded liability increases in all cases to a total $180.4 billion, a 70.3% increase from 2015. Increases range from a high of 182.8% (County of Los Angeles) to a low of 31.9% (State). Unfunded liabilities that are higher than in the previous time period are highlighted in yellow.

[190] This outcome may be particularly counterintuitive since the funded status in the baseline projection increases.

Table 7—Unfunded Liabilities: Actuarial Basis

	2008	2015	2029 (baseline)	2029 (alternative)
State	$5,203,000,000	$97,229,000,000	$83,400,000,000	$128,228,000,000
County of Alameda	$1,264,100,000	$2,114,100,000	$1,131,500,000	$3,479,700,000
County of Los Angeles	$2,313,300,000	$9,490,900,000	$12,914,900,000	$26,836,400,000
County of Marin	$281,900,000	$346,800,000	$96,800,000	$603,300,000
City of Los Angeles	$2,245,200,000	$8,218,400,000	$5,623,500,000	$15,979,300,000
City of Pacific Grove	$20,900,000	$39,800,000	$38,300,000	$63,100,000
City of Palo Alto	$81,900,000	$411,800,000	$352,500,000	$625,200,000
City of Sacramento	$264,100,000	$793,200,000	$954,300,000	$1,862,600,000
City of Stockton	$57,500,000	$403,400,000	$496,500,000	$908,900,000
City of Vallejo	$94,100,000	$270,600,000	$299,800,000	$474,200,000
BART	$47,600,000	$514,800,000	$604,000,000	$1,317,800,000
Total	$11,873,600,000	$119,832,800,000	$105,912,100,000	$180,378,500,000

Unfunded Liabilities per Household

Market Basis

In 2008, the unfunded pension liability per household on a market basis ranged from $652 (BART) to $15,705 (Palo Alto) (Table 8). The unfunded liability increased substantially by 2015, rising on average 142.0%. In the baseline projection, unfunded liabilities per household increase on average 36.3% by 2029. In the alternative projection, unfunded liabilities per household jump 59.8%. Unfunded liabilities per household that are higher than in the previous time period are highlighted in yellow.

Table 8—Unfunded Liabilities Per Household: Market Basis

	2008	2015	2029 (baseline)	2029 (alternative)
State	$10,497	$26,507	$42,427	$45,697
County of Alameda	$9,776	$14,702	$17,886	$22,654
County of Los Angeles	$7,204	$22,976	$28,367	$32,406
County of Marin	$9,988	$16,525	$21,957	$26,882
City of Los Angeles	$15,236	$33,811	$50,139	$57,243
City of Pacific Grove	$8,807	$18,716	$19,311	$23,127
City of Palo Alto	$15,705	$43,304	$55,634	$65,113
City of Sacramento	$7,118	$18,824	$32,645	$37,668
City of Stockton	$6,911	$17,933	$23,013	$26,895
City of Vallejo	$8,503	$21,194	$27,142	$32,480
BART	$652	$1,903	$2,892	$3,454
Average	$9,127	$21,491	$29,220	$33,965

Actuarial Basis

The unfunded liability per household on an actuarial basis ranged from $42 (BART) to $3,140 (Palo Alto) in 2008 (Table 9), increasing on average 370.7% by 2015. In the baseline projection, unfunded liabilities per household increase for some jurisdictions, while they decrease for others.[191] On average, the unfunded liability per household in 2029 falls 7.6%. In the alternative projection, unfunded liabilities per household in 2029 roughly double from 2015, to $9,325. Unfunded liabilities per household that are higher than in the previous time period are highlighted in yellow in Table 9.

Table 9—Unfunded Liabilities Per Household: Actuarial Basis

	2008	2015	2029 (baseline)	2029 (alternative)
State	$416	$4,619	$6,083	$9,352
County of Alameda	$2,328	$3,715	$1,810	$5,567
County of Los Angeles	$716	$3,879	$3,747	$7,786
County of Marin	$2,729	$3,363	$941	$5,868
City of Los Angeles	$1,713	$6,053	$3,858	$10,964
City of Pacific Grove	$2,955	$5,788	$5,893	$9,709
City of Palo Alto	$3,140	$12,560	$12,252	$21,731
City of Sacramento	$1,514	$4,494	$5,277	$10,300
City of Stockton	$635	$4,222	$4,674	$8,556
City of Vallejo	$2,308	$6,650	$7,398	$11,702
BART	$42	$435	$475	$1,036
Average	$1,682	$5,071	$4,764	$9,325

Pension Crowd Out

Each case study in this report contains a brief discussion of past and potential impacts of rising pension costs on services that are traditionally considered part of government's core mission. Perhaps not surprisingly, specific impacts appear to depend on the government type, i.e., state, county, city, school district, and special district. Several crowd out themes (Table 10) emerge from these case studies. While California has thousands of public agencies, these case studies provide insight into how governments are responding to—and are likely to respond—to future pension cost increases.

As indicated, as employer pension expenditures have increased, governments have reduced social, welfare and educational services, as well as "softer" services, including libraries, recreation, and community services. In some cases, governments have reduced total salaries paid, which likely includes salary and personnel reductions. While these shifts in budget priorities appear relatively small in some cases, they are substantial since many state and local expenditures are mandated, protected by statute, or reflect essential services (e.g., Proposition 98, debt service, public safety, etc.), leaving limited maneuvering room to adjust in response to increased pension costs. Moreover, employer pension contributions are projected to roughly double between 2017 and 2030, resulting in the further crowd out of traditional government services.

[191] These decrease for the counties of Alameda, Los Angeles, and Marin, and for the cities of Los Angeles and Palo Alto, but increase for all others.

Table 10—Service Crowd Out, 2002-03 to Present

Government Type	Pension Expenditure Share	Service Reductions
State	+5%	Dept. of Social Services, Higher Education, various small departments[a]
Counties		
Alameda	+11.2%	Public Assistance, Public Protection, Health Care
Los Angeles	+5.7%	Public Assistance
Marin	+6.6%	Health, Welfare
Cities		
Los Angeles	+7.7%	Cultural and Recreational, Health and Sanitation, Public Works
Pacific Grove	+19.2%	Recreation, Museum, Library, Fire
Palo Alto	+6.5% [b]	Community Services, Planning & Community Environment, Public Works
Sacramento	+9.3%	Convention and cultural services, other departments[c]
Stockton	+9.0%	Public Works, Library, Parks and Recreation
Vallejo	+12.1%	Public Works, Public Safety
School Districts		
Los Angeles	+4.0%	Salaries
Mill Valley	+3.5%	Services and other operating expenditures
Visalia Unified	+2.2%	Salaries
Special District(s)		
BART	+5.2%	Uncertain[d]

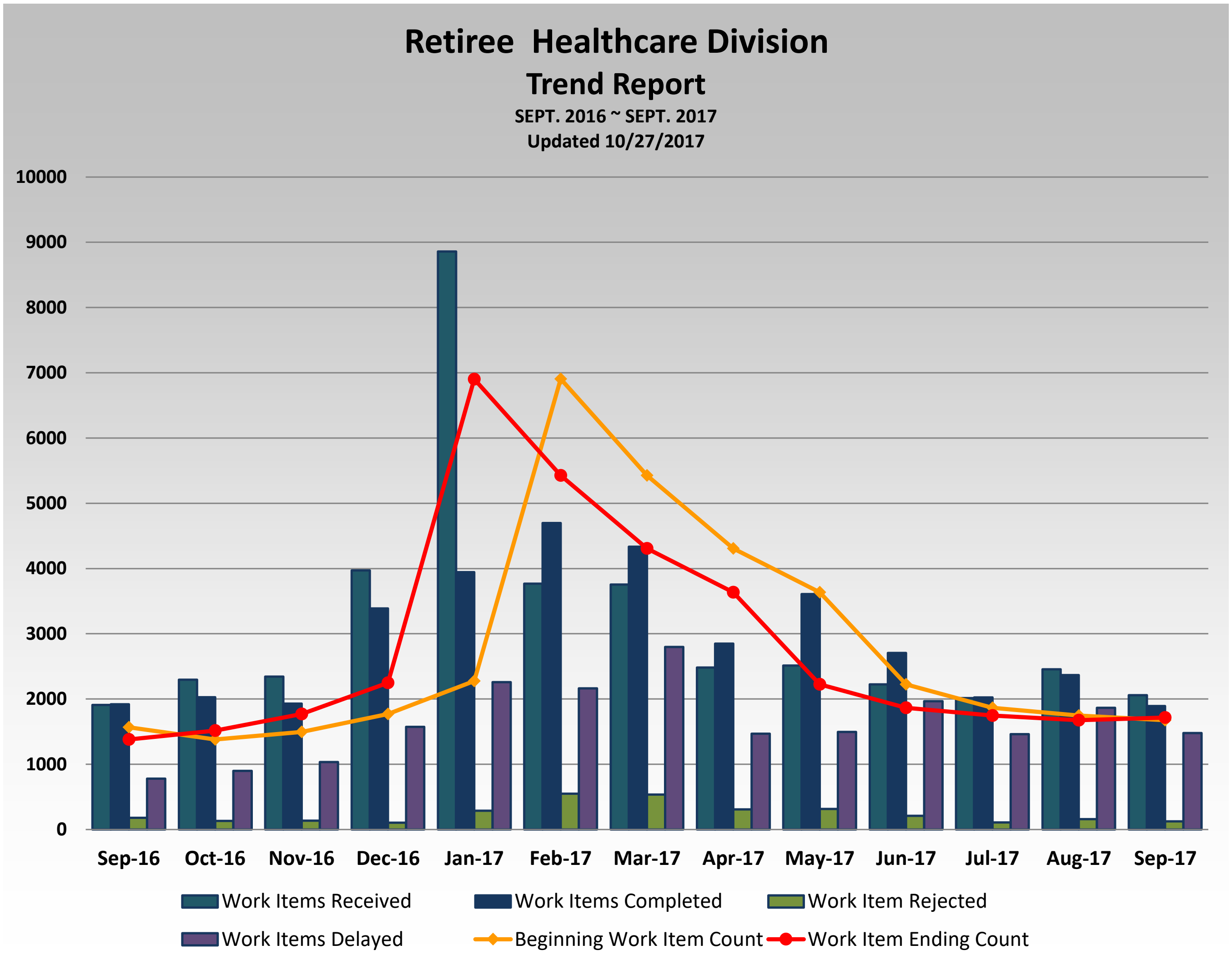
[a] Department of Justice (- 0.2%), Department of Parks and Recreation (-0.1%), and Department of Water Resources (-0.1%)
[b] Reflects average contribution rate 1999-2008.
[c] Includes parks and recreation, and transportation.
[d] As noted earlier, numerous requests to BART for budget data were not answered.

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

IFEBP Annual Conference

Staff attended the IFEBP Annual Conference held October 21-25, 2017 in Las Vegas, NV and participated in the following healthcare sessions:

- The Future of Health Care Delivery
- Health Care Reform – The Details
- A Closer Look at Your PBM Contract
- Emerging Trends in Healthcare
- How New Drugs Come to Market
- Specialty Drug Management
- Medicare and Your Retiree Health Care Plans
- Ways to Control Prescription Drug Costs

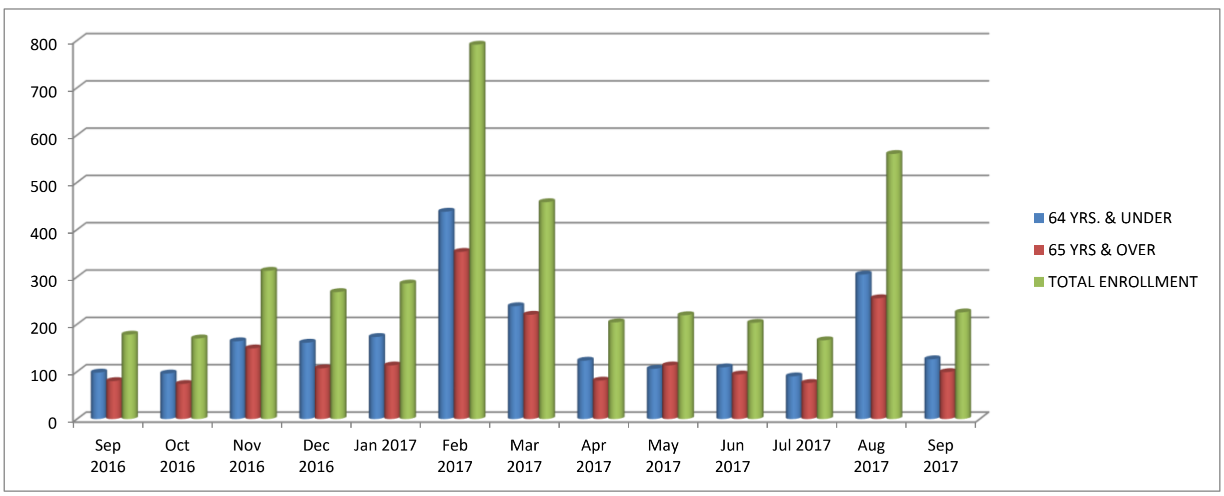


	Beginning Work Item Count	Work Items Received	Work Items Completed	Work Item Rejected	Work Items Delayed	Work Item Ending Count
Sep-16	1568	1910	1920	178	780	1380
Oct-16	1380	2295	2027	132	899	1516
Nov-16	1494	2342	1929	135	1034	1772
Dec-16	1772	3970	3387	105	1572	2250
Jan-17	2276	8859	3944	288	2260	6903
Feb-17	6906	3767	4698	549	2164	5426
Mar-17	5426	3753	4334	537	2798	4308
Apr-17	4308	2484	2848	308	1467	3636
May-17	3636	2513	3609	314	1495	2226
Jun-17	2226	2225	2706	211	1966	1864
Jul-17	1864	2016	2026	108	1460	1746
Aug-17	1746	2457	2368	160	1865	1675
Sep-17	1675	2059	1893	125	1480	1716

Retirees Monthly Age Breakdown
SEPT. 2016 ~ SEPT. 2017

Service Retirement

MONTH	64 YRS. & UNDER	65 YRS & OVER	TOTAL ENROLLMENT
Sep 2016	98	80	178
Oct 2016	96	74	170
Nov 2016	164	149	313
Dec 2016	161	107	268
Jan 2017	173	113	286
Feb 2017	438	353	791
Mar 2017	238	220	458
Apr 2017	123	81	204
May 2017	106	113	219
Jun 2017	109	94	203
Jul 2017	90	76	166
Aug 2017	305	255	560
Sep 2017	126	99	225



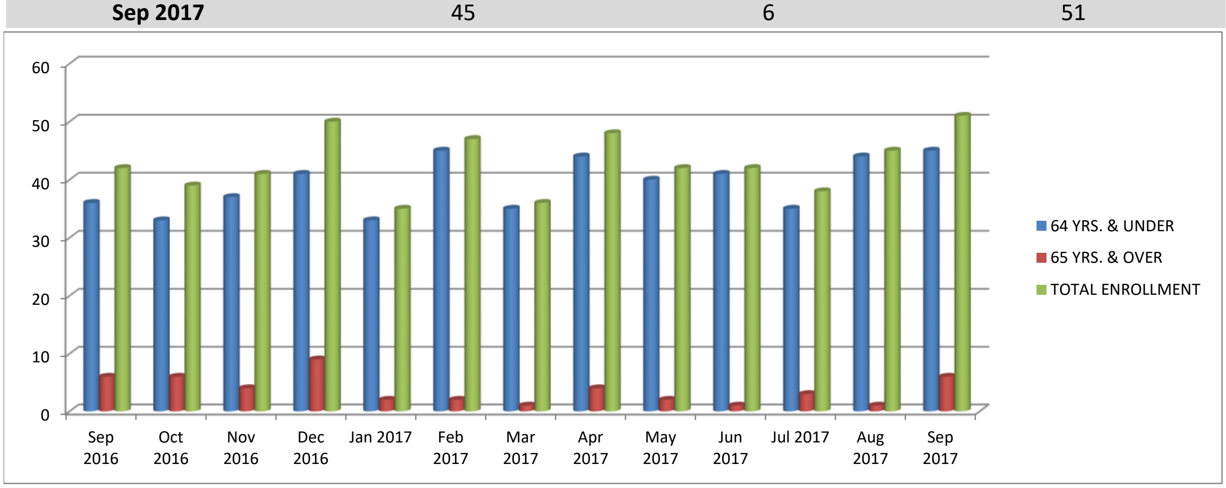
PLEASE NOTE:

- **October's data (10/2017) is not yet available as data is provided on a full month basis.**
- **Next Report will include the following dates: October 1, 2016 through October 31, 2017.**

Retirees Monthly Age Breakdown
SEPT. 2016 ~ SEPT. 2017

Disability Retirement

MONTH	64 YRS. & UNDER	65 YRS. & OVER	TOTAL ENROLLMENT
Sep 2016	36	6	42
Oct 2016	33	6	39
Nov 2016	37	4	41
Dec 2016	41	9	50
Jan 2017	33	2	35
Feb 2017	45	2	47
Mar 2017	35	1	36
Apr 2017	44	4	48
May 2017	40	2	42
Jun 2017	41	1	42
Jul 2017	35	3	38
Aug 2017	44	1	45
Sep 2017	45	6	51



PLEASE NOTE:

- **October data (10/2017) is not yet available as data is provided on a full month basis.**
- **Next Report will include the following dates: October 1, 2016 throught October 31, 2017.**

Medicare Part B Reimbursement and Penalty Report
PAY PERIOD 10/31/2017

Deduction Code	No. of Members	Reimbursement Amount	No. of Penalties	Penalty Amount
ANTHEM BC III				
221	1	($106.00)	0	$0.00
222	1	($268.00)	0	$0.00
240	6450	$712,559.90	8	$246.50
241	154	$16,703.10	0	$0.00
242	844	$97,662.80	0	$0.00
243	3733	$825,091.40	6	$473.50
244	20	$2,221.40	0	$0.00
245	48	$5,558.80	0	$0.00
246	19	$2,120.30	0	$0.00
247	102	$12,067.70	0	$0.00
248	11	$2,406.50	1	$36.50
249	44	$10,074.00	0	$0.00
250	14	$3,124.20	0	$0.00
Plan Total:	**11,441**	**$1,689,216.10**	**15**	**$756.50**
CIGNA-HEALTHSPRING PREFERRED with RX				
321	31	$3,633.60	0	$0.00
322	9	$1,032.50	0	$0.00
324	14	$2,969.70	0	$0.00
327	2	$238.90	0	$0.00
329	2	$440.70	0	$0.00
Plan Total:	**58**	**$8,315.40**	**0**	**$0.00**
KAISER SR. ADVANTAGE				
401	2	($238.90)	0	$0.00
403	10135	$1,122,159.90	7	$206.50
404	1	($104.90)	0	$0.00
413	1647	$189,906.90	0	$0.00
418	5149	$1,139,117.10	4	$217.30
419	274	$30,626.80	0	$0.00
426	207	$22,849.20	0	$0.00
427	162	$17,139.50	0	$0.00
445	2	$210.90	0	$0.00
451	32	$3,520.30	0	$0.00
455	1	$134.00	0	$0.00
457	11	$2,345.90	0	$0.00
458	1	$134.00	0	$0.00
462	52	$5,671.00	0	$0.00
465	10	$1,026.30	0	$0.00
466	28	$6,105.30	0	$0.00
467	1	$134.00	0	$0.00
472	31	$3,309.30	0	$0.00
476	5	$599.60	0	$0.00
478	12	$2,616.30	0	$0.00
482	84	$9,143.00	0	$0.00
486	10	$1,153.00	0	$0.00
488	42	$9,379.20	0	$0.00
491	2	$314.70	0	$0.00
492	1	$104.90	0	$0.00
494	1	$226.70	0	$0.00
Plan Total:	**17,903**	**$2,567,584.00**	**11**	**$423.80**

Medicare Part B Reimbursement and Penalty Report
PAY PERIOD 10/31/2017

Deduction Code	No. of Members	Reimbursement Amount	No. of Penalties	Penalty Amount
SCAN				
611	297	$33,339.80	0	$0.00
613	103	$22,400.80	0	$0.00
Plan Total:	**400**	**$55,740.60**	**0**	**$0.00**
UNITED HEALTHCARE GROUP MEDICARE ADV. HMO				
701	1580	$177,217.80	1	$36.50
702	329	$38,391.30	0	$0.00
703	889	$199,530.20	0	$0.00
704	69	$8,199.90	0	$0.00
705	28	$6,467.50	0	$0.00
Plan Total:	**2,895**	**$429,806.70**	**1**	**$36.50**
Grand Total:	**32,697**	**$4,750,662.80**	**27**	**$1,216.80**

Medicare Part B Reimbursement and Penalty Report

PAY PERIOD 10/31/2017

Deduction Code	No. of Members	Reimbursement Amount	No. of Penalties	Penalty Amount
ANTHEM BC III				
221	1	($106.00)	0	$0.00
222	1	($268.00)	0	$0.00
240	6450	$712,559.90	8	$246.50
241	154	$16,703.10	0	$0.00
242	844	$97,662.80	0	$0.00
243	3733	$825,091.40	6	$473.50
244	20	$2,221.40	0	$0.00
245	48	$5,558.80	0	$0.00
246	19	$2,120.30	0	$0.00
247	102	$12,067.70	0	$0.00
248	11	$2,406.50	1	$36.50
249	44	$10,074.00	0	$0.00
250	14	$3,124.20	0	$0.00
Plan Total:	**11,441**	**$1,689,216.10**	**15**	**$756.50**
CIGNA-HEALTHSPRING PREFERRED with RX				
321	31	$3,633.60	0	$0.00
322	9	$1,032.50	0	$0.00
324	14	$2,969.70	0	$0.00
327	2	$238.90	0	$0.00
329	2	$440.70	0	$0.00
Plan Total:	**58**	**$8,315.40**	**0**	**$0.00**
KAISER SR. ADVANTAGE				
401	2	($238.90)	0	$0.00
403	10135	$1,122,159.90	7	$206.50
404	1	($104.90)	0	$0.00
413	1647	$189,906.90	0	$0.00
418	5149	$1,139,117.10	4	$217.30
419	274	$30,626.80	0	$0.00
426	207	$22,849.20	0	$0.00
427	162	$17,139.50	0	$0.00
445	2	$210.90	0	$0.00
451	32	$3,520.30	0	$0.00
455	1	$134.00	0	$0.00
457	11	$2,345.90	0	$0.00
458	1	$134.00	0	$0.00
462	52	$5,671.00	0	$0.00
465	10	$1,026.30	0	$0.00
466	28	$6,105.30	0	$0.00
467	1	$134.00	0	$0.00
472	31	$3,309.30	0	$0.00
476	5	$599.60	0	$0.00
478	12	$2,616.30	0	$0.00
482	84	$9,143.00	0	$0.00
486	10	$1,153.00	0	$0.00
488	42	$9,379.20	0	$0.00
491	2	$314.70	0	$0.00
492	1	$104.90	0	$0.00
494	1	$226.70	0	$0.00
Plan Total:	**17,903**	**$2,567,584.00**	**11**	**$423.80**

Medicare Part B Reimbursement and Penalty Report
PAY PERIOD 10/31/2017

Deduction Code	No. of Members	Reimbursement Amount	No. of Penalties	Penalty Amount
SCAN				
611	297	$33,339.80	0	$0.00
613	103	$22,400.80	0	$0.00
Plan Total:	**400**	**$55,740.60**	**0**	**$0.00**
UNITED HEALTHCARE GROUP MEDICARE ADV. HMO				
701	1580	$177,217.80	1	$36.50
702	329	$38,391.30	0	$0.00
703	889	$199,530.20	0	$0.00
704	69	$8,199.90	0	$0.00
705	28	$6,467.50	0	$0.00
Plan Total:	**2,895**	**$429,806.70**	**1**	**$36.50**
LOCAL 1014				
804	168	$23,549.20	0	$0.00
805	173	$24,057.30	0	$0.00
806	570	$138,572.26	0	$0.00
807	31	$5,028.70	0	$0.00
808	13	$3,326.80	0	$0.00
812	221	$25,564.80	0	$0.00
Plan Total:	**1,176**	**$220,099.06**	**0**	**$0.00**
Grand Total:	**33,873**	**$4,970,761.86**	**27**	**$1,216.80**

Medical and Dental Vision Insurance Premiums

November 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	684	$592,925.40	$95,925.24	$497,000.16	$592,925.40	($1,733.70)	$591,191.70
202	378	$647,603.60	$62,442.69	$576,639.81	$639,082.50	$0.00	$639,082.50
203	97	$188,466.74	$44,385.75	$132,542.21	$176,927.96	$0.00	$176,927.96
204	33	$37,867.16	$14,879.60	$25,215.04	$40,094.64	$0.00	$40,094.64
205	1	$237.47	$19.00	$455.94	$474.94	$0.00	$474.94
SUBTOTAL	**1,193**	**$1,467,100.37**	**$217,652.28**	**$1,231,853.16**	**$1,449,505.44**	**($1,733.70)**	**$1,447,771.74**
Anthem Blue Cross I							
211	862	$944,881.44	$58,554.54	$880,852.50	$939,407.04	($3,284.64)	$936,122.40
212	306	$603,563.58	$34,754.15	$566,837.00	$601,591.15	$0.00	$601,591.15
213	52	$120,968.12	$17,493.81	$103,474.31	$120,968.12	$0.00	$120,968.12
214	19	$27,512.38	$4,807.43	$22,704.95	$27,512.38	$0.00	$27,512.38
215	4	$1,456.16	$211.14	$1,245.02	$1,456.16	$0.00	$1,456.16
SUBTOTAL	**1,243**	**$1,698,381.68**	**$115,821.07**	**$1,575,113.78**	**$1,690,934.85**	**($3,284.64)**	**$1,687,650.21**
Anthem Blue Cross II							
221	2,112	$2,313,481.44	$145,914.58	$2,178,253.85	$2,324,168.43	($1,159.06)	$2,323,009.37
222	1,872	$3,700,278.68	$94,992.12	$3,538,749.74	$3,633,741.86	$0.00	$3,633,741.86
223	606	$1,409,743.86	$56,994.47	$1,352,625.29	$1,409,619.76	$2,326.31	$1,411,946.07
224	146	$211,410.92	$19,026.97	$193,831.97	$212,858.94	$0.00	$212,858.94
225	3	$1,092.12	$182.02	$910.10	$1,092.12	$0.00	$1,092.12
SUBTOTAL	**4,739**	**$7,636,007.02**	**$317,110.16**	**$7,264,370.95**	**$7,581,481.11**	**$1,167.25**	**$7,582,648.36**

Medical and Dental Vision Insurance Premiums
November 2017

Carrier Codes	Member Count	Premium Amount	Member Amount	County Subsidy Amount	Total	Adjustments	Total Paid
Anthem Blue Cross III							
240	6,470	$2,870,691.25	$447,710.99	$2,436,152.61	$2,883,863.60	($7,046.06)	$2,876,817.54
241	153	$217,629.72	$23,967.52	$192,249.02	$216,216.54	$0.00	$216,216.54
242	849	$1,201,203.00	$86,938.88	$1,105,785.04	$1,192,723.92	$1,413.18	$1,194,137.10
243	3,741	$3,303,598.48	$382,820.65	$2,869,296.57	$3,252,117.22	($3,521.96)	$3,248,595.26
244	20	$15,846.40	$3,375.29	$12,471.11	$15,846.40	$0.00	$15,846.40
245	49	$38,823.68	$5,261.00	$33,562.68	$38,823.68	$0.00	$38,823.68
246	19	$33,478.95	$2,396.39	$31,082.56	$33,478.95	$0.00	$33,478.95
247	103	$181,491.15	$9,268.39	$172,222.76	$181,491.15	$0.00	$181,491.15
248	11	$13,522.08	$1,966.85	$11,555.23	$13,522.08	$0.00	$13,522.08
249	45	$55,317.60	$3,933.69	$64,644.47	$68,578.16	$0.00	$68,578.16
250	14	$19,283.88	$991.74	$18,292.14	$19,283.88	$0.00	$19,283.88
SUBTOTAL	**11,474**	**$7,950,886.19**	**$968,631.39**	**$6,947,314.19**	**$7,915,945.58**	**($9,154.84)**	**$7,906,790.74**
CIGNA Network Model Plan							
301	347	$492,708.77	$131,661.24	$361,047.53	$492,708.77	($2,839.82)	$489,868.95
302	148	$379,226.32	$93,066.15	$286,160.17	$379,226.32	$0.00	$379,226.32
303	17	$51,434.18	$14,443.17	$30,939.93	$45,383.10	$0.00	$45,383.10
304	24	$45,208.56	$17,348.66	$27,859.90	$45,208.56	$0.00	$45,208.56
SUBTOTAL	**536**	**$968,577.83**	**$256,519.22**	**$706,007.53**	**$962,526.75**	**($2,839.82)**	**$959,686.93**

Medical and Dental Vision Insurance Premiums

November 2017

Carrier Codes	Member Count	Premium Amount	Member Amount	County Subsidy Amount	Total	Adjustments	Total Paid
CIGNA Healthspring Pref w/ Rx - Phoenix, AZ							
321	31	$11,919.19	$1,776.35	$10,911.82	$12,688.17	$0.00	$12,688.17
322	10	$15,262.40	$488.40	$13,247.76	$13,736.16	$0.00	$13,736.16
324	14	$10,653.72	$1,293.67	$9,360.05	$10,653.72	$0.00	$10,653.72
327	2	$3,976.10	$397.61	$3,578.49	$3,976.10	$0.00	$3,976.10
329	2	$2,595.54	$0.00	$2,595.54	$2,595.54	$0.00	$2,595.54
SUBTOTAL	**59**	**$44,406.95**	**$3,956.03**	**$39,693.66**	**$43,649.69**	**$0.00**	**$43,649.69**

Medical and Dental Vision Insurance Premiums

November 2017

Carrier Codes	Member Count	Premium Amount	Member Amount	County Subsidy Amount	Total	Adjustments	Total Paid
Kaiser/Senior Advantage							
401	1,570	$1,475,829.62	$137,640.98	$1,343,721.38	$1,481,362.36	($1,849.58)	$1,479,512.78
403	10,212	$2,622,913.02	$276,909.60	$2,353,223.90	$2,630,133.50	($6,986.35)	$2,623,147.15
404	537	$557,179.70	$18,931.66	$557,521.02	$576,452.68	($4,097.67)	$572,355.01
405	940	$922,895.16	$20,007.32	$919,325.96	$939,333.28	($1,961.52)	$937,371.76
406	43	$82,019.70	$26,613.46	$39,700.34	$66,313.80	($1,745.10)	$64,568.70
411	1,793	$3,351,731.70	$176,119.46	$3,150,740.34	$3,326,859.80	$7,469.04	$3,334,328.84
413	1,657	$1,972,733.75	$90,918.83	$1,866,179.17	$1,957,098.00	($2,372.50)	$1,954,725.50
414	138	$271,208.64	$3,214.34	$294,739.77	$297,954.11	$0.00	$297,954.11
418	5,143	$2,603,501.72	$206,463.38	$2,381,441.52	$2,587,904.90	($2,021.26)	$2,585,883.64
419	274	$354,458.52	$7,140.49	$349,650.77	$356,791.26	$0.00	$356,791.26
420	130	$268,229.00	$1,485.57	$266,743.43	$268,229.00	$0.00	$268,229.00
421	10	$9,376.30	$750.11	$8,626.19	$9,376.30	$0.00	$9,376.30
422	225	$431,748.14	$1,681.16	$405,664.15	$407,345.31	$0.00	$407,345.31
423	19	$56,169.33	$4,339.89	$9,491.44	$13,831.33	$0.00	$13,831.33
426	207	$255,711.04	$3,368.53	$236,699.53	$240,068.06	$0.00	$240,068.06
427	161	$326,970.08	$3,588.72	$311,483.66	$315,072.38	$0.00	$315,072.38
428	56	$112,470.96	$1,124.70	$111,346.26	$112,470.96	$0.00	$112,470.96
429	13	$36,045.75	$5,803.72	$30,242.03	$36,045.75	$0.00	$36,045.75
430	131	$255,911.12	$3,477.25	$252,433.87	$255,911.12	$0.00	$255,911.12
431	10	$27,178.60	$3,915.50	$23,263.10	$27,178.60	$0.00	$27,178.60
432	5	$17,411.00	$5,779.45	$11,631.55	$17,411.00	$0.00	$17,411.00
SUBTOTAL	**23,274**	**$16,011,692.85**	**$999,274.12**	**$14,923,869.38**	**$15,923,143.50**	**($13,564.94)**	**$15,909,578.56**

Medical and Dental Vision Insurance Premiums

November 2017

Carrier Codes	Member Count	Premium Amount	Member Amount	County Subsidy Amount	Total	Adjustments	Total Paid
Kaiser - Colorado							
450	6	$6,029.22	$1,406.82	$4,622.40	$6,029.22	$0.00	$6,029.22
451	32	$11,731.84	$1,305.15	$10,426.69	$11,731.84	$0.00	$11,731.84
453	1	$2,221.15	$248.72	$1,972.43	$2,221.15	$0.00	$2,221.15
455	1	$1,363.49	$0.00	$1,363.49	$1,363.49	$0.00	$1,363.49
457	11	$7,977.64	$1,392.46	$6,585.18	$7,977.64	$0.00	$7,977.64
458	1	$2,302.38	$0.00	$2,302.38	$2,302.38	$0.00	$2,302.38
SUBTOTAL	**52**	**$31,625.72**	**$4,353.15**	**$27,272.57**	**$31,625.72**	**$0.00**	**$31,625.72**
Kaiser - Georgia							
441	3	$3,493.23	$208.59	$3,284.64	$3,493.23	$0.00	$3,493.23
442	4	$4,657.64	$278.12	$4,379.52	$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	13	$15,137.33	$2,104.42	$11,868.50	$13,972.92	$0.00	$13,972.92
462	54	$22,046.04	$3,029.27	$19,016.77	$22,046.04	$0.00	$22,046.04
463	3	$6,962.49	$2,031.41	$4,931.08	$6,962.49	$0.00	$6,962.49
465	10	$15,646.70	$938.80	$14,707.90	$15,646.70	$0.00	$15,646.70
466	28	$22,638.56	$1,617.04	$21,021.52	$22,638.56	$0.00	$22,638.56
467	1	$2,721.09	$394.78	$2,326.31	$2,721.09	$0.00	$2,721.09
SUBTOTAL	**118**	**$96,432.42**	**$10,602.43**	**$84,665.58**	**$95,268.01**	**$0.00**	**$95,268.01**

Medical and Dental Vision Insurance Premiums

November 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	31	$13,314.81	$2,027.26	$11,287.55	$13,314.81	$0.00	$13,314.81
473	1	$1,547.10	$452.22	$1,094.88	$1,547.10	$0.00	$1,547.10
474	3	$5,995.20	$77.91	$5,917.29	$5,995.20	$0.00	$5,995.20
476	5	$7,123.55	$3,362.31	$3,761.24	$7,123.55	$0.00	$7,123.55
478	12	$10,200.24	$374.01	$9,826.23	$10,200.24	$0.00	$10,200.24
SUBTOTAL	**59**	**$45,203.30**	**$7,417.29**	**$37,786.01**	**$45,203.30**	**$0.00**	**$45,203.30**
Kaiser - Oregon							
481	8	$8,701.04	$1,892.47	$6,808.57	$8,701.04	$0.00	$8,701.04
482	84	$31,689.00	$5,040.04	$26,648.96	$31,689.00	$0.00	$31,689.00
484	2	$4,334.54	$547.47	$3,787.07	$4,334.54	$0.00	$4,334.54
486	10	$14,568.80	$2,156.18	$12,412.62	$14,568.80	$0.00	$14,568.80
488	42	$31,353.00	$3,762.36	$27,590.64	$31,353.00	$0.00	$31,353.00
489	0	$1,010.66	$0.00	($1,010.66)	($1,010.66)	$0.00	($1,010.66)
491	1	$2,759.82	$0.00	$4,139.73	$4,139.73	$0.00	$4,139.73
492	1	$1,544.92	$308.98	$1,235.94	$1,544.92	$0.00	$1,544.92
494	1	$1,826.13	$0.00	$1,826.13	$1,826.13	$0.00	$1,826.13
495	2	$4,686.68	$741.82	$3,944.86	$4,686.68	$0.00	$4,686.68
SUBTOTAL	**151**	**$102,474.59**	**$14,449.32**	**$87,383.86**	**$101,833.18**	**$0.00**	**$101,833.18**
SCAN Health Plan							
611	298	$88,804.00	$19,024.32	$70,375.68	$89,400.00	($596.00)	$88,804.00
613	103	$60,564.00	$9,843.12	$50,720.88	$60,564.00	$0.00	$60,564.00
SUBTOTAL	**401**	**$149,368.00**	**$28,867.44**	**$121,096.56**	**$149,964.00**	**($596.00)**	**$149,368.00**

Medical and Dental Vision Insurance Premiums

November 2017

Carrier Codes	Member Count	Premium Amount	Member Amount	County Subsidy Amount	Total	Adjustments	Total Paid
UHC Medicare Adv.							
701	1,582	$537,086.88	$66,851.06	$472,609.31	$539,460.37	($1,682.37)	$537,778.00
702	332	$467,422.11	$29,645.43	$426,547.32	$456,192.75	$1,403.67	$457,596.42
703	890	$596,424.60	$62,631.29	$533,793.31	$596,424.60	($1,340.28)	$595,084.32
704	71	$112,682.68	$5,967.43	$106,715.25	$112,682.68	$0.00	$112,682.68
705	28	$23,899.40	$785.27	$23,114.13	$23,899.40	$0.00	$23,899.40
SUBTOTAL	**2,903**	**$1,737,515.67**	**$165,880.48**	**$1,562,779.32**	**$1,728,659.80**	**($1,618.98)**	**$1,727,040.82**
United Healthcare							
707	434	$466,581.00	$46,293.40	$418,142.40	$464,435.80	$3,283.46	$467,719.26
708	369	$724,256.50	$31,788.97	$694,424.98	$726,213.95	$0.00	$726,213.95
709	289	$672,974.00	$31,328.08	$630,042.92	$661,371.00	$4,641.20	$666,012.20
SUBTOTAL	**1,092**	**$1,863,811.50**	**$109,410.45**	**$1,742,610.30**	**$1,852,020.75**	**$7,924.66**	**$1,859,945.41**

Medical and Dental Vision Insurance Premiums

November 2017

Carrier Codes	Member Count	Premium Amount	Member Amount	County Subsidy Amount	Total	Adjustments	Total Paid
Local 1014 Firefighters							
801	52	$56,063.80	$1,725.03	$55,416.92	$57,141.95	$0.00	$57,141.95
802	277	$538,485.23	$12,985.88	$535,219.30	$548,205.18	$0.00	$548,205.18
803	251	$575,570.61	$20,683.80	$564,275.25	$584,959.05	$4,586.22	$589,545.27
804	169	$182,207.35	$8,991.74	$173,215.61	$182,207.35	($24,627.35)	$157,580.00
805	173	$336,310.27	$11,391.78	$324,918.49	$336,310.27	($24,057.30)	$312,252.97
806	570	$1,108,074.30	$34,330.87	$1,073,710.63	$1,108,041.50	($140,516.25)	$967,525.25
807	32	$73,379.52	$733.80	$72,645.72	$73,379.52	($5,028.70)	$68,350.82
808	13	$29,810.43	$183.45	$29,626.98	$29,810.43	($3,326.80)	$26,483.63
809	23	$24,797.45	$3,126.62	$21,670.83	$24,797.45	$0.00	$24,797.45
810	7	$13,607.93	$1,594.07	$12,013.86	$13,607.93	$0.00	$13,607.93
811	6	$13,758.66	$1,192.42	$14,492.45	$15,684.87	$0.00	$15,684.87
812	222	$239,349.30	$20,506.35	$222,077.40	$242,583.75	($26,642.95)	$215,940.80
SUBTOTAL	**1,795**	**$3,191,414.85**	**$117,445.81**	**$3,099,283.44**	**$3,216,729.25**	**($219,613.13)**	**$2,997,116.12**
Medical Plan Total	**49,089**	**$42,994,898.94**	**$3,337,390.64**	**$39,451,100.29**	**$42,788,490.93**	**($243,314.14)**	**$42,545,176.79**

Medical and Dental Vision Insurance Premiums

November 2017

Carrier Codes	Member Count	Premium Amount	Member Amount	County Subsidy Amount	Total	Adjustments	Total Paid
Dental/Vision Plan							
CIGNA Indemnity Dental/Vision							
501	23,250	$1,212,824.32	$141,595.66	$1,077,980.62	$1,219,576.28	($2,965.79)	$1,216,610.49
502	21,404	$2,326,537.80	$184,459.36	$2,135,604.59	$2,320,063.95	($1,077.14)	$2,318,986.81
503	15	$962.25	$150.11	$876.29	$1,026.40	$0.00	$1,026.40
SUBTOTAL	**44,669**	**$3,540,324.37**	**$326,205.13**	**$3,214,461.50**	**$3,540,666.63**	**($4,042.93)**	**$3,536,623.70**
CIGNA Dental HMO/Vision							
901	3,238	$149,655.60	$19,353.52	$130,671.56	$150,025.08	($415.69)	$149,609.39
902	2,286	$216,261.76	$19,397.18	$196,957.54	$216,354.72	$189.04	$216,543.76
903	4	$187.12	$5.61	$181.51	$187.12	$0.00	$187.12
SUBTOTAL	**5,528**	**$366,104.48**	**$38,756.31**	**$327,810.61**	**$366,566.92**	**($226.65)**	**$366,340.27**
Dental/Vision Plan Total	**50,197**	**$3,906,428.85**	**$364,961.44**	**$3,542,272.11**	**$3,907,233.55**	**($4,269.58)**	**$3,902,963.97**
GRAND TOTALS	**99,286**	**$46,901,327.79**	**$3,702,352.08**	**$42,993,372.40**	**$46,695,724.48**	**($247,583.72)**	**$46,448,140.76**

PREMIUMS*	CARRIER DEDUCTION CODES	DEDUCTION CODE DEFINITIONS

Anthem Blue Cross Prudent Buyer Plan

$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

Anthem Blue Cross Plan I

$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

Anthem Blue Cross Plan II

$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

Anthem Blue Cross Plan III

$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.**

PREMIUMS*	CARRIER DEDUCTION CODES	DEDUCTION CODE DEFINITIONS
CIGNA Network Model Plan		
$1,143.49	301	Retiree Only
$2,064.71	302	Retiree and Spouse/Domestic Partner
$2,438.35	303	Retiree, Spouse/Domestic Partner and Children
$1,517.57	304	Retiree and Children
$378.87	305	Survivor Children Only Rates
CIGNA Medicare Select Plus Rx (Available in the Phoenix, AZ area only)		
$328.00	321	Retiree Only with Medicare
$1,249.22	322	Retiree and Spouse/Domestic Partner/Domestic Partner - One with Medicare
$651.00	324	Retiree and Spouse/Domestic Partner -Both with Medicare
$702.09	325	Retiree and Children
$1,622.87	327	Retiree, Spouse/Domestic Partner and Children - One with Medicare
$1,025.09	329	Retiree, Spouse/Domestic Partner and Children - Two with Medicare
Kaiser		
$774.10	401	Retiree Only ("Basic")
N/A	402	Retiree Only ("Supplement")
$235.64	403	Retiree Only ("Senior Advantage")
$894.95	404	Retiree Only ("Excess I")
$795.39	405	Retiree Only - ("Excess II")
$1,408.39	406	Retiree Only ("Excess III")
$1,543.20	411	Retiree and Family (All family members are "Basic")
N/A	412	Retiree and Family (One family member is "Supplement"; others are "Basic")
$1,004.74	413	Retiree and Family (One family member is "Senior Advantage"; others are "Basic")
$1,664.05	414	Retiree and Family (One family member is "Excess I"; others are "Basic")
N/A	415	Retiree and Family (Two or more family members are "Supplement")
N/A	416	Retiree and Family (One family member is "Senior Advantage"; others are "Supplement")
N/A	417	Retiree and Family (One family member is "Excess I"; others are "Supplement")
$466.28	418	Retiree and Family (Two or more family members are "Senior Advantage")
$1,125.59	419	Retiree and Family (One family member is "Excess I"; others are "Senior Advantage"
$1,784.90	420	Retiree and Family (Two or more family members are "Excess I")
N/A	421	Survivor Children Only Rates
$1,564.49	422	Retiree and Family (One family member is "Excess II"; others are "Basic")
$2,177.49	423	Retiree and Family (One family member is "Excess III"; others are "Basic")

***Benchmark premiums are bolded.**

PREMIUMS*	CARRIER DEDUCTION CODES	DEDUCTION CODE DEFINITIONS
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.**

PREMIUMS*	CARRIER DEDUCTION CODES	DEDUCTION CODE DEFINITIONS
Kaiser Georgia (continued)		
$1,689.48	463	Retiree and Family (Two family members are "Basic")
$2,531.72	464	Retiree and Family (Three or more family members are "Basic)
$1,203.35	465	Retiree and Family (One family member is "Senior Advantage"; one is "Basic")
$717.22	466	Retiree and Family (Two family members are "Senior Advantage")
$2,045.59	467	Retiree and Family (One family member is "Senior Advantage"; two or more are "Basic")
$1,559.46	468	Retiree and Family (Two family members are "Senior Advantage"; one is "Basic")
$1,915.57	469	Retiree and Family (Three or more family members are "Senior Advantage"; one is "Basic")
$2,045.59	470	Retiree and Family (Three or more family members are "Basic"; one is "Senior Advantage"
Kaiser Hawaii		
$795.16	471	Retiree Only ("Basic" under age 65)
$346.45	472	Retiree Only ("Senior Advantage")
$1,381.42	473	Retiree Only (Over age 65 without Medicare Part A or Medicare Part B)
$1,585.31	474	Retiree and Family (Two family members are "Basic")
$2,375.47	475	Retiree and Family (Three or more family members are "Basic")
$1,136.61	476	Retiree and Family (One family member is "Senior Advantage"; one is "Basic")
$2,171.58	477	Retiree and Family (One family member is "Basic" under age 65; one is over age 65 without Medicare Part A or Medicare Part B)
$687.90	478	Retiree and Family (Two family members are "Senior Advantage"
$1,722.87	479	Retiree and Family (One family member is "Senior Advantage"; one is over age 65 without Medicare Part A or Medicare Part B)
Kaiser Oregon		
$806.67	481	Retiree Only ("Basic" under age 65)
$465.92	482	Retiree Only ("Senior Advantage")
$1,205.27	483	Retiree Only (Over age 65 without Medicare Part A or Medicare Part B)
$1,608.34	484	Retiree and Family (Two family members are "Basic")
$2,410.01	485	Retiree and Family (Three or more family members are "Basic")
$1,267.59	486	Retiree and Family (One family member is "Senior Advantage"; one is "Basic")
N/A	487	Retiree Only (Medicare Cost "Supplement" program)
$926.84	488	Retiree and Family (Two family members are "Senior Advantage")
$1,110.84	489	Retiree Only (Over age 65 with Medicare Part A only)
$1,205.27	490	Retiree Only (Over age 65 with Medicare Part B only)

***Benchmark premiums are bolded.**

PREMIUMS*	CARRIER DEDUCTION CODES	DEDUCTION CODE DEFINITIONS

Kaiser Oregon (continued)

$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.

***Benchmark premiums are bolded.**

PREMIUMS*	CARRIER DEDUCTION CODES	DEDUCTION CODE DEFINITIONS
SCAN Health Plan		
$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.)
United Healthcare Medicare Advantage (UHCMA)		
(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
United Healthcare (UHC)		
(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
Local 1014 Firefighters		
$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

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

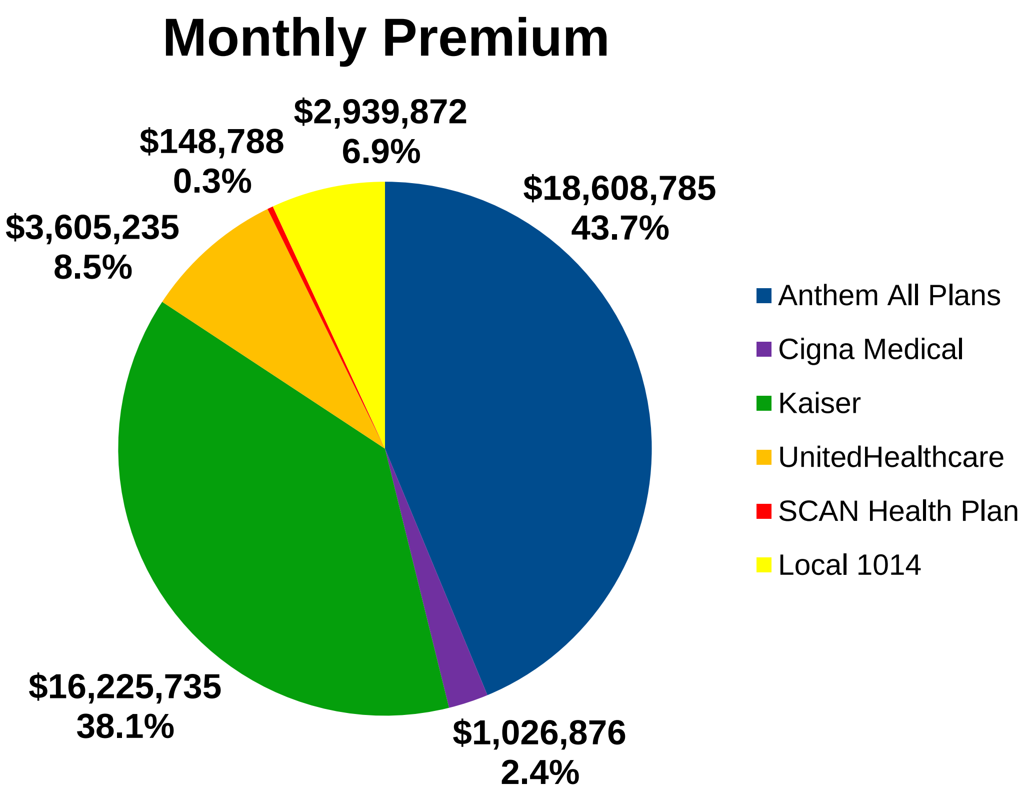
$39.02	901	Retiree Only
$81.07	902	Retiree and Dependent(s)
$39.56	903	Survivor Children Only Rates

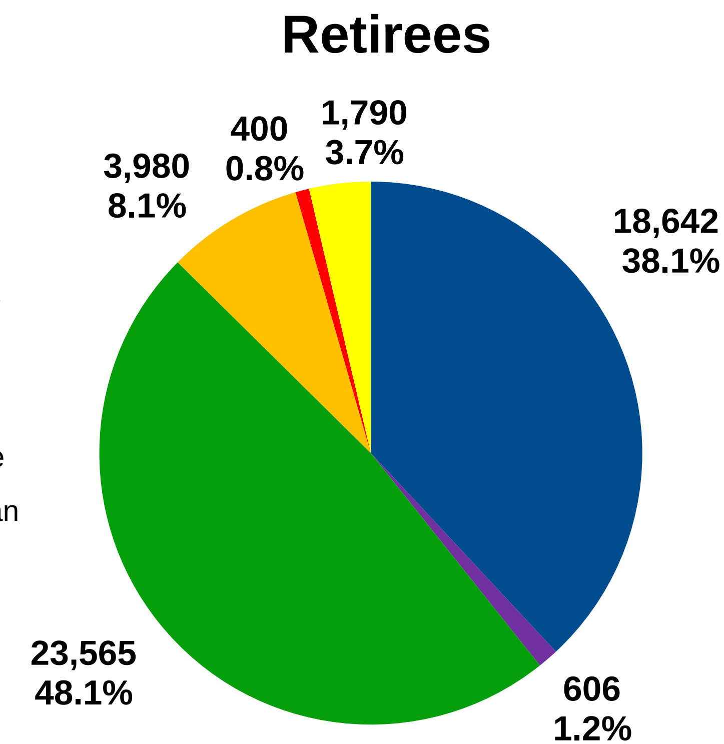
***Benchmark premiums are bolded.**

Los Angeles County Employees Retirement Association
Premium & Enrollment
Coverage Month September 2017

Carrier / Plan	Monthly Premium	Percent of Total	Retirees	Percent of Total
Anthem All Plans	$18,608,785	43.7%	18,642	38.1%
Cigna Medical	$1,026,876	2.4%	606	1.2%
Kaiser	$16,225,735	38.1%	23,565	48.1%
UnitedHealthcare	$3,605,235	8.5%	3,980	8.1%
SCAN Health Plan	$148,788	0.3%	400	0.8%
Local 1014	$2,939,872	6.9%	1,790	3.7%
Combined Medical	**$42,555,291**	**100.0%**	**48,983**	**100.0%**

Cigna Dental & Vision (PPO and HMO)	**$3,886,351**	**50,064**





Los Angeles County Employees Retirement Association

Anthem Plans I & II

Coverage Month September 2017

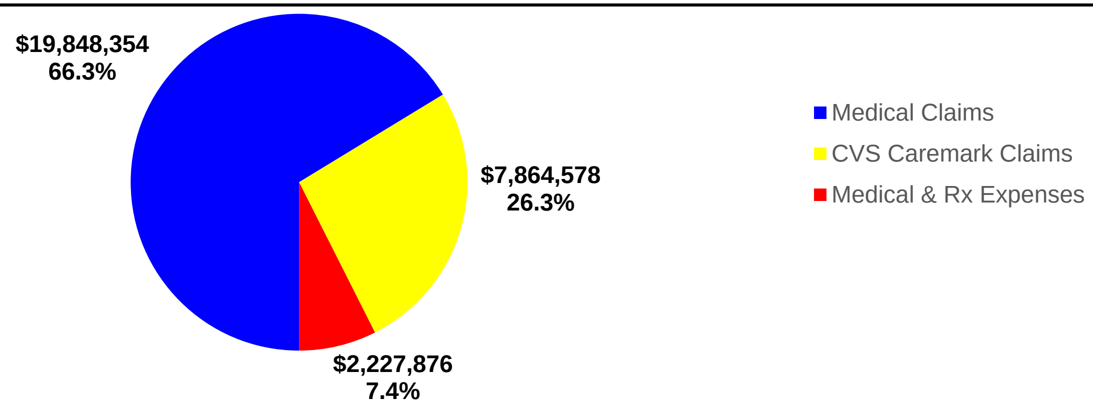
Month	Monthly Enrollment	Monthly Premium	Medical Claims	CVS Caremark Claims	Medical & Rx Claims	Claims Per Retiree Per Month	Paid Loss Ratio	Medical & Rx Expenses	Total Paid Claims & Expenses	Expense Ratio
Jul-17	6,003	$9,296,857	$5,371,906	$2,613,705	$7,985,611	$1,330.27	85.9%	$742,630	$8,728,240	93.9%
Aug-17	6,007	$9,314,660	$8,829,894	$2,744,147	$11,574,041	$1,926.76	124.3%	$743,259	$12,317,300	132.2%
Sep-17	5,994	$9,275,562	$5,646,555	$2,506,725	$8,153,280	$1,360.24	87.9%	$741,988	$8,895,268	95.9%
Oct-17										
Nov-17										
Dec-17										
Jan-18										
Feb-18										
Mar-18										
Apr-18										
May-18										
Jun-18										
YTD Plan Year	18,004	$27,887,079	$19,848,354	$7,864,578	$27,712,932	$1,539.27	99.4%	$2,227,876	$29,940,808	107.4%
12 Month Rollup	72,188	$109,361,431	$78,938,256	$29,887,691	$108,825,947	$1,507.54	99.5%	$12,842,012	$121,667,959	111.3%

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 Plan III

Coverage Month September 2017

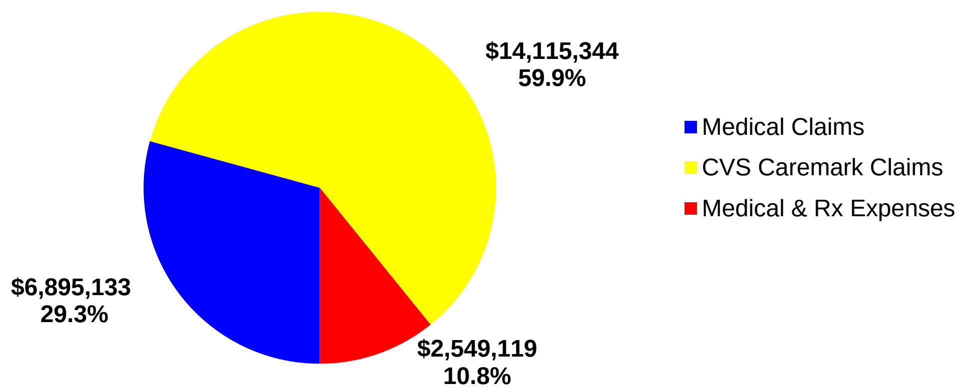
Month	Monthly Enrollment	Monthly Premium	Medical Claims	CVS Caremark Claims	Medical & Rx Claims	Claims Per Retiree Per Month	Paid Loss Ratio	Medical & Rx Expenses	Total Paid Claims & Expenses	Expense Ratio
Jul-17	11,381	$7,802,939	$1,930,103	$4,624,278	$6,554,380	$575.91	84.0%	$847,547	$7,401,927	94.9%
Aug-17	11,406	$7,865,983	$2,678,326	$4,777,074	$7,455,401	$653.64	94.8%	$849,408	$8,304,809	105.6%
Sep-17	11,443	$7,867,942	$2,286,704	$4,713,992	$7,000,696	$611.79	89.0%	$852,164	$7,852,860	99.8%
Oct-17										
Nov-17										
Dec-17										
Jan-18										
Feb-18										
Mar-18										
Apr-18										
May-18										
Jun-18										
YTD Plan Year	34,230	$23,536,865	$6,895,133	$14,115,344	$21,010,477	$613.80	89.3%	$2,549,119	$23,559,596	100.1%
12 Month Rollup	135,138	$91,072,126	$30,639,334	$54,422,284	$85,061,618	$629.44	93.4%	$10,226,199	$95,287,818	104.6%

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



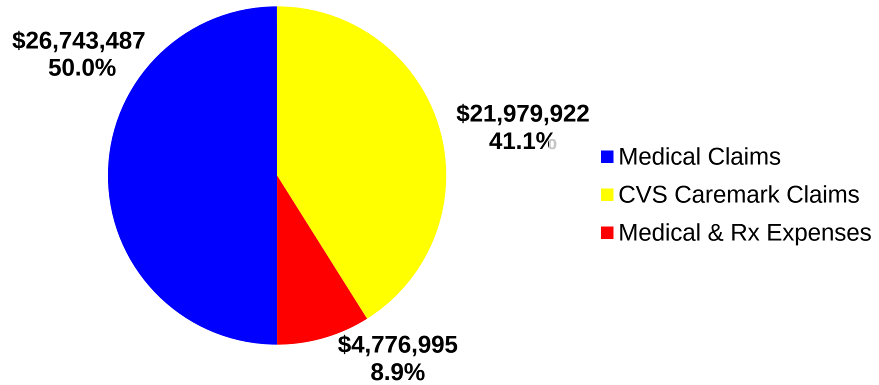
Los Angeles County Employees Retirement Association

Anthem Plans I, II, & III

Coverage Month September 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-17	17,384	$17,099,797	$7,302,008	$7,237,983	$14,539,991	$836.40	85.0%	$1,590,176	$16,130,167	94.3%
Aug-17	17,413	$17,180,643	$11,508,220	$7,521,222	$19,029,442	$1,092.83	110.8%	$1,592,667	$20,622,109	120.0%
Sep-17	17,437	$17,143,504	$7,933,258	$7,220,717	$15,153,976	$869.07	88.4%	$1,594,152	$16,748,127	97.7%
Oct-17										
Nov-17										
Dec-17										
Jan-18										
Feb-18										
Mar-18										
Apr-18										
May-18										
Jun-18										
YTD Plan Year	52,234	$51,423,944	$26,743,487	$21,979,922	$48,723,409	$932.79	94.7%	$4,776,995	$53,500,404	104.0%
12 Month Rollup	207,326	$200,433,558	$109,577,590	$84,309,975	$193,887,566	$935.18	96.7%	$23,068,211	$216,955,777	108.2%

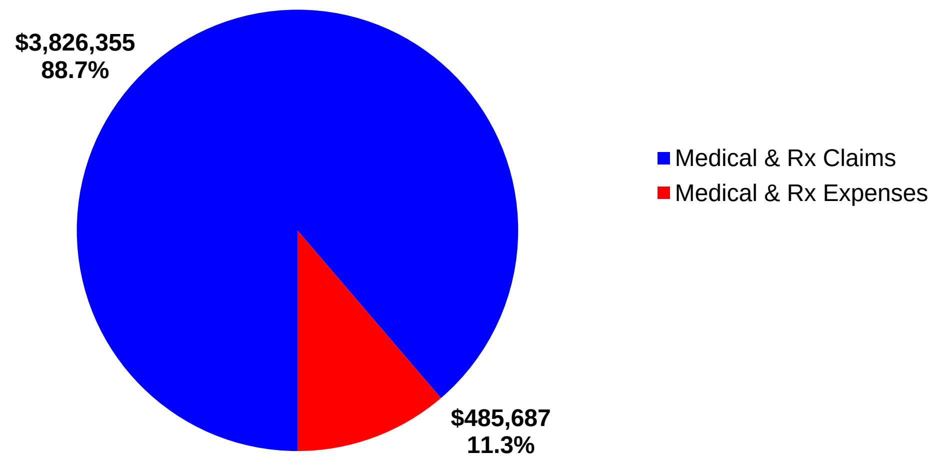
Medical Claims reported by Anthem
CVS Caremark Claims reported by CVS
Expenses: Anthem Admin, Stop Loss, and Premium Taxes
Enrollment and Premium Reported by LACERA



Los Angeles County Employees Retirement Association
Anthem Prudent Buyer
Coverage Month September 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-17	1,232	$1,492,151	$1,099,832	$892.72	73.7%	$163,756	$1,263,589	84.7%
Aug-17	1,217	$1,479,494	$1,531,310	$1,258.27	103.5%	$161,763	$1,693,072	114.4%
Sep-17	1,205	$1,465,281	$1,195,213	$991.88	81.6%	$160,168	$1,355,380	92.5%
Oct-17								
Nov-17								
Dec-17								
Jan-18								
Feb-18								
Mar-18								
Apr-18								
May-18								
Jun-18								
YTD Plan Year	3,654	$4,436,926	$3,826,355	$1,047.17	86.2%	$485,687	$4,312,041	97.2%
12 Month Rollup	15,132	$17,972,683	$15,130,580	$999.91	84.2%	$2,350,402	$17,480,982	97.3%

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

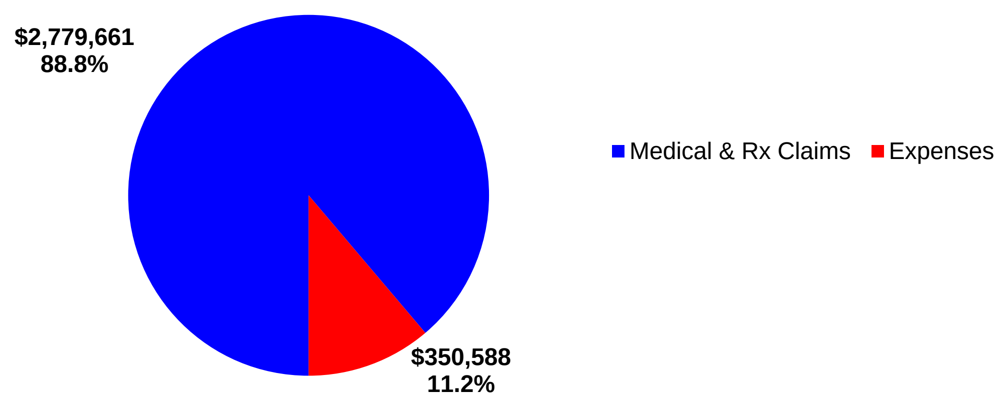
Cigna HMO [1]

Coverage Month September 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-17	553	$975,087	$966,449	$1,747.65	99.1%	$116,133	$1,082,582	111.0%
Aug-17	551	$983,796	$873,851	$1,585.94	88.8%	$117,170	$991,021	100.7%
Sep-17	549	$984,764	$939,360	$1,711.04	95.4%	$117,285	$1,056,645	107.3%
Oct-17								
Nov-17								
Dec-17								
Jan-18								
Feb-18								
Mar-18								
Apr-18								
May-18								
Jun-18								
YTD Plan Year	1,653	$2,943,647	$2,779,661	$1,681.59	94.4%	$350,588	$3,130,249	106.3%
12 Month Rollup	6,846	$11,754,002	$11,045,327	$1,613.40	94.0%	$1,406,946	$12,452,273	105.9%

[1] Excludes Cigna's HealthSpring Preferred Plan.

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

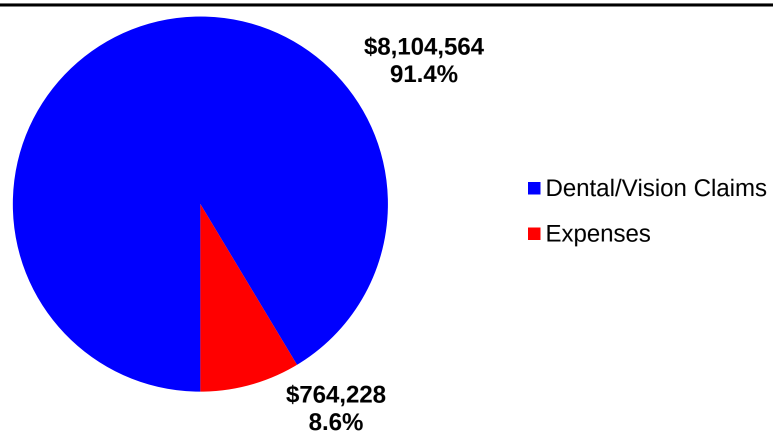
Cigna Dental PPO + Vision

Coverage Month September 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-17	44,382	$3,514,433	$2,517,042	56.8%	$56.71	71.6%	$254,699	$2,771,742	78.9%
Aug-17	44,439	$3,509,103	$2,968,943	56.5%	$66.81	84.6%	$254,313	$3,223,256	91.9%
Sep-17	44,537	$3,521,546	$2,618,579	54.8%	$58.80	74.4%	$255,215	$2,873,794	81.6%
Oct-17									
Nov-17									
Dec-17									
Jan-18									
Feb-18									
Mar-18									
Apr-18									
May-18									
Jun-18									
YTD Plan Year	133,358	$10,545,082	$8,104,564	56.1%	$60.77	76.9%	$764,228	$8,868,792	84.1%
12 Month Rollup	527,228	$41,071,636	$33,484,989	55.8%	$63.51	81.5%	$2,948,784	$36,433,773	88.7%

Expenses: Cigna Admin Costs and Premium Taxes

Enrollment and Premium Reported by LACERA



Los Angeles County Employees Retirement Association

Kaiser Utilization

Coverage Month September 2017

- Kaiser insures approximately 24,000 LACERA retirees, with the majority enrolled in Medicare Advantage plans.
- Kaiser's Periodic Utilization Report (PUR) monitors utilization patterns of LACERA's non-Medicare population in Southern California.

Category	Current Period 5/1/2016 - 4/30/2017	Prior Period 5/1/2015 - 4/30/2016	Change
Average Members	**8,747**	**8,663**	**0.97%**
Inpatient Claims PMPM	$204.87	$208.88	-1.92%
Outpatient Claims PMPM	$266.64	$246.77	8.05%
Pharmacy	$87.88	$100.50	-12.56%
Other	$109.13	$111.23	-1.89%
Total Claims PMPM	**$668.53**	**$667.37**	**0.17%**

Total Paid Claims	**$70,174,478**	**$69,379,377**	**1.15%**

Large Claims over $400,000 Pooling Point			
Number of Claims over Pooling Point	7	6	
Amount over Pooling Point	$924,463	$2,069,813	-55.34%
% of Total Paid Claims	**1.32%**	**2.98%**	

Inpatient Days / 1000	337.9	336.6	0.39%
Inpatient Admits / 1000	66.3	73.2	-9.43%
Outpatient Visits / 1000	11,982.1	12,375.8	-3.18%
Pharmacy Scripts PMPY	11.1	11.5	-3.48%