

NOTICE OF MEETING AND AGENDA

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

LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION

**300 NORTH LAKE AVENUE, SUITE 810
PASADENA, CA 91101**

TUESDAY, JULY 17, 2018 - 9:00 A.M.**

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

COMMITTEE MEMBERS:

Les Robbins, Chair
Shawn R. Kehoe, Vice Chair
Herman B. Santos
Gina Zapanta-Murphy
Thomas Walsh, Alternate

I. APPROVAL OF THE MINUTES

A. Approval of the minutes of the regular meeting of May 10, 2018

II. PUBLIC COMMENT

III. ACTION ITEMS

A. Recommendation as submitted by Jill P. Rawal, Staff Counsel: That the Insurance, Benefits, and Legislative Committee ("IBLC") recommend that the Board of Retirement ("Board") approve the following Policies created by LACERA on behalf of the Retiree Healthcare Program:

1. Los Angeles County Retiree Healthcare Program HIPAA Privacy Policy
2. Los Angeles County Retiree Healthcare Program HIPAA Security Policy
3. Los Angeles County Retiree Healthcare Program HIPAA Privacy and Security Breach Notification Policy
4. Los Angeles County Retiree Healthcare Program Business Associate Policy
5. Los Angeles County Retiree Healthcare Program Notice of Privacy Practices
6. Los Angeles County Retiree Healthcare Program Policy on Sanctions for Violation of the HIPAA Privacy and Security Rules

(Memorandum dated July 6, 2018)

IV. FOR INFORMATION

- A. Engagement Report for June 2018
Barry W. Lew, Legislative Affairs Officer
- B. Staff Activities Report for June 2018
Cassandra Smith, Director, Retiree Healthcare
- C. LACERA Claims Experience
Stephen Murphy, Segal Consulting
- D. Federal Legislation
Stephen Murphy, Segal Consulting
(for discussion purposes)

V. REPORT ON STAFF ACTION ITEMS

VI. GOOD OF THE ORDER

(For information purposes only)

VII. 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, MAY 10, 2018, 11:52 A.M. – 11:55 A.M.

COMMITTEE MEMBERS

PRESENT: Shawn R. Kehoe, Vice Chair
Herman B. Santos
Gina Zapanta-Murphy
Thomas Walsh, Alternate

ABSENT: Les Robbins, Chair

ALSO ATTENDING:

BOARD MEMBERS AT LARGE

Marvin Adams
Alan Bernstein
Vivian H. Gray
William Pryor

STAFF, ADVISORS, PARTICIPANTS

Cassandra Smith Barry Lew

Segal Consulting

Stephen Murphy

The meeting was called to order by Chair Kehoe at 11:52 a.m.

I. APPROVAL OF THE MINUTES

A. Approval of the minutes of the regular meeting of April 12, 2018

Mr. Santos made a motion, Mr. Kehoe seconded, to approve the minutes of the regular meeting of April 12, 2018. The motion passed unanimously.

II. PUBLIC COMMENT

III. FOR INFORMATION

A. Engagement Report for April 2018
Barry W. Lew, Legislative Affairs Officer

The engagement report was discussed.

B. Staff Activities Report for April 2018
Cassandra Smith, Director, Retiree Healthcare

The staff activities report was discussed.

C. LACERA Claims Experience
Stephen Murphy, Segal Consulting

The LACERA Claims Experience reports through March 2018 were discussed.

D. Federal Legislation
Stephen Murphy, Segal Consulting

(for discussion purposes)

Segal Consulting gave an update on federal legislation.

IV. REPORT ON STAFF ACTION ITEMS

There was nothing to report on for staff action items.

V. GOOD OF THE ORDER

(For information purposes only)

VI. ADJOURNMENT

The meeting adjourned at 11:55 a.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.**

July 6, 2018

To: Insurance, Benefits, and Legislative Committee
Les Robbins, Chair
Shawn R. Kehoe, Vice Chair
Herman B. Santos
Gina Zapanta-Murphy
Thomas Walsh, Alternate

From: Jill P. Rawal,
Staff Counsel



For: July 17, 2018 Insurance, Benefits, and Legislative Committee Meeting

Subject: **HIPAA Privacy and Security Rule Policies for the Retiree Healthcare Program**

RECOMMENDATION

That the Insurance, Benefits, and Legislative Committee ("IBLC") recommend that the Board of Retirement ("Board") approve the following Policies created by LACERA on behalf of the Retiree Healthcare Program:

1. Los Angeles County Retiree Healthcare Program HIPAA Privacy Policy
2. Los Angeles County Retiree Healthcare Program HIPAA Security Policy
3. Los Angeles County Retiree Healthcare Program HIPAA Privacy and Security Breach Notification Policy
4. Los Angeles County Retiree Healthcare Program Business Associate Policy
5. Los Angeles County Retiree Healthcare Program Notice of Privacy Practices
6. Los Angeles County Retiree Healthcare Program Policy on Sanctions for Violation of the HIPAA Privacy and Security Rules

LEGAL AUTHORITY

As part of their plenary authority and fiduciary responsibility for administration of the system under Article XVI, Section 17 of the California Constitution, the Board has discretion to adopt such amendments to the plan documents as it deems prudent. Additionally, LACERA administers the Retiree Healthcare Program ("Plan") on behalf of the County pursuant to the 1982 Agreement, the 1994 Agreement, the 2014 Agreement, and all subsequent modifications to each agreement (collectively, "the Agreements"); the Board has authority under the Agreements to take such actions, including amendment of the plan documents, as are reasonably necessary in furtherance of the administration of the Plan. The proposed amendment to the Retiree Healthcare plan documents is reasonably within the scope of the Boards' discretion and authority under the Constitution and the Agreements as a means of establishing a formal structure to ensure the Plan's compliance with HIPAA Privacy Rules.

In LACERA's Board of Retirement Standing Committee Charters approved April 13, 2017 ("Charters"), under Section H of the Insurance, Benefits, and Legislative Committee ("IBLC") Charter, IBLC supports the Board with its oversight responsibilities with respect to the Retiree Healthcare Program ("Plan"). Since these Policies are Plan Policies, only created by LACERA in its capacity as Plan Administrator, and not LACERA administrative policies, they are therefore a proper subject for discussion and recommendation by the IBLC to the Board.

DISCUSSION

A. Background

In 2016, the Alston & Bird ("Alston") Privacy Audit ("Audit") concluded that the Plan is likely a covered health plan under the Health Insurance Portability and Accountability Act ("HIPAA"), as it meets the definition of a program established or maintained by an employer or employee organization to provide health care benefits for its participants and their beneficiaries. The Audit drew a distinction between LACERA (including its RHC Division) and the Plan as established by the County of Los Angeles.

As such, the Audit recommended that LACERA, acting in its capacity as Plan Administrator, should on behalf of the Plan, create certain policies to comply with HIPAA Privacy and Security Rules. The Plan has long been acting in compliance with HIPAA as a practical matter, but the Audit pointed out that actual documentation of compliance, though certain policies, is also required under HIPAA. Thus, these Policies do not represent a major structural shift for the Plan, but rather documentation of existing practices.

HIPAA, through its Privacy Rule and Security Rule, regulates the use and dissemination of Protected Health Information ("PHI") held by covered entities and their business associates. PHI includes any health information relating to a person's treatment or diagnosis, as well as individually identifiable health information that is created or received by a covered entity or business associate. The Privacy Rule establishes national standards for the use and disclosure of PHI by covered entities and their business associates. The Security Rule establishes a national set of security standards for protecting PHI that is held or transferred in electronic form.

B. Summary of the Policies

1. HIPAA Privacy Policy [Attachment 1]

This Policy sets forth the ways in which the Plan complies with the Privacy Rule. The Policy covers administrative requirements, use and disclosure of PHI, and rights of Plan participants.

2. HIPAA Security Policy [Attachment 2]

This Policy sets forth the ways in which the Plan complies with the Security Rule requirements by providing administrative, physical and technical safeguards to ensure the confidentiality, integrity, and security of electronic protected health information.

3. HIPAA Privacy and Security Breach Notification Policy [Attachment 3]

Both the HIPAA Privacy Rule and Security Rule require the Plan to have a Policy to deal with actual or potential breaches. A breach means any acquisition, access, use, or disclosure of PHI in a manner not permitted under HIPAA, which compromises the security or privacy of the PHI. The Policy sets forth certain requirements for the discovery and investigation of actual or potential breaches, as well the requirements for notification to the affected parties. Additionally, the Policy sets forth certain administrative requirements, such as maintenance of breach information and the handling of complaints.

4. Business Associate Policy [Attachment 4]

A Business Associate is any entity or person who performs a function involving the use or disclosure of PHI on behalf of the Plan (such as claims processing, case management, utilization review, quality assurance, billing) or provides services for a covered entity that require the disclosure of PHI (such as legal, actuarial, accounting, accreditation). This Policy sets forth the terms in which the Plan may disclose PHI to the Business Associate, as well as the Business Associate's obligations to safeguard any such PHI. Perhaps the most important clause in this Policy requires the execution of a Business Associate Agreement prior to any such disclosures. The Agreement would require all of the Plan's vendors that may have access to PHI to certify that they are aware of and will abide by the requirements of the HIPAA Privacy Rule and the Security Rule.

5. Notice of Privacy Practices [Attachment 5]

This Notice is required by the Privacy Rule and is intended to be a user-friendly document directed towards members to inform them of the Plan's Privacy Policies as well their rights under HIPAA. The sample provided to your Committee today is complete in terms of the required language, however we will be working with Communications for the final design.

6. Policy on Sanctions for Violation of the HIPAA Privacy and Security Rules [Attachment 6]

Both the HIPAA Privacy Rule and Security Rule require the Plan to impose sanctions on any members of the Plan's workforce that violates the Rules. Given LACERA's unique relationship with the County, this Policy tracks Countywide Disciplinary Guidelines as well as LACERA's Human Resources policies. Prior to the IBLC meeting, this Policy will be submitted to the SEIU Local 721 for informational purposes.

IT IS THEREFORE RECOMMENDED THAT YOUR COMMITTEE:

That the Insurance, Benefits, and Legislative Committee ("IBLC") recommend that the Board of Retirement ("Board") approve the following Policies created by LACERA on behalf of the Retiree Healthcare Program:

1. Los Angeles County Retiree Healthcare Program HIPAA Privacy Policy
2. Los Angeles County Retiree Healthcare Program HIPAA Security Policy
3. Los Angeles County Retiree Healthcare Program HIPAA Privacy and Security Breach Notification Policy
4. Los Angeles County Retiree Healthcare Program Business Associate Policy
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Reviewed and Approved



Steven P. Rice
Chief Counsel

Attachments (6)

c: Robert Hill
James Brekk
Bernie Buenaflor

JJ Popowich
Cassandra Smith
Leilani Ignacio

Steven P. Rice
Richard Bendall
Quoc Nguyen

Los Angeles County Retiree Healthcare Program HIPAA Privacy Policy

The County of Los Angeles sponsors the Retiree Healthcare Program (the "Plan"). The Retiree Healthcare Program is a group health plan under HIPAA Rules, and therefore a covered entity under HIPAA. Pursuant to agreements with the County and other participating agencies, the Plan is administered by the Los Angeles County Employees Retirement Association ("LACERA"), and certain LACERA staff are authorized to act on behalf of the Plan for administration purposes. LACERA has certified to the Plan that it has taken the necessary steps to avail itself of the Plan Sponsor Exception to the HIPAA Business Associate Rules, and as such, LACERA is not a Business Associate of the Plan.

The Health Insurance Portability and Accountability Act of 1996 ("HIPAA"), as amended from time to time, and its implementing regulations (collectively, the "HIPAA Rules"), govern the Use and Disclosure of Protected Health Information ("PHI") and Electronic PHI.

Specifically, the HIPAA Rules as set forth in 45 C.F.R. 164.500 *et seq.* set forth privacy requirements for individually identifiable health information transmitted or maintain in any form or medium by a covered entity. When such information is created or received by the covered entity, it becomes PHI.

This policy sets forth the framework for the Plan's compliance with the HIPAA Privacy Rule. This policy is limited to the HIPAA Privacy Rule. Other aspects of law, including, but not limited to the HIPAA Security Rule and the HIPAA Breach Notification Rule, are addressed in other Plan policies. The Plan recognizes that adequate and appropriate security is necessary for the HIPAA Rules to apply and operate as intended.

I. DEFINITIONS. As used in this document, the following capitalized terms shall have the respective meaning given below:

A. Business Associate. An entity or person who performs a function involving the Use or Disclosure of PHI on behalf of a covered entity (such as claims processing, case management, utilization review, quality assurance, billing) or provides services for a covered entity that require the disclosure of PHI (such as legal, actuarial, accounting, accreditation).

B. Disclosure and Disclosed. For information that is PHI, Disclosure and Disclosed means any release, transfer, provision of access to, or divulging in any other manner of individually identifiable health information to persons not employed by or working within the Human Resources Department of the Employer, or not a Business Associate (defined below) of the Plan.

C. Electronic Protected Health Information ("Electronic PHI"). Electronic PHI means PHI that is transmitted by, or maintained in, electronic media.

D. Individual. Individual means the person who is the subject of the health information created, received, maintained, or transmitted by or on behalf of the Plan (or by a Health Insurance Issuer in connection with coverage provided under the Plan).

E. Plan Administration Functions. Plan Administration Functions means administration functions performed by LACERA on behalf of the Plan, generally comprised of activities relating to "payment," as that term is defined in the HIPAA Rules, such as quality assurance, auditing, monitoring, and Plan management (including financial and administrative oversight and HIPAA compliance). Plan Administration Functions subject to this document do not include enrollment functions performed by LACERA in connection with the Plan, or functions performed by LACERA in connection with any other benefit provided by LACERA (such as the pension plan, disability, or life insurance) or any employment-related actions or decisions.

F. Protected Health Information ("PHI"). PHI means information that is created or received by the Plan (or by a Health Insurance Issuer in connection with coverage provided under the Plan) and relates to the past, present, or future physical or mental health or condition of an individual; the provision of health care to an individual; or the past, present or future payment for the provision of health care to an individual; and that identifies the individual or for which there is a reasonable basis to believe that the information can be used to identify the individual. PHI includes information of persons who are living or who have been deceased for less than 50 years. PHI does not include health information about an employee that is held in LACERA's employment records in its role as an employer, or LACERA's member records in its role as retirement plan administrator. PHI includes Electronic PHI.

G. Summary Health Information. Summary Health Information means information (1) that summarizes the claims history, claims expenses, or type of claims experienced by individuals for whom LACERA has provided health benefits under the Plan, and (2) from which the information described at 45 C.F.R. 164.514(b)(2)(i) has been deleted, except that the geographic information described in 45 C.F.R. 164.514(b)(2)(i)(B) need only be aggregated to the level of a five-digit zip code.

H. Use. The sharing, employment, application, utilization, examination, or analysis of PHI by any person working for or within the benefits department of the Employer, or by a Business Associate of the Plan.

II. ADMINISTRATIVE REQUIREMENTS

A. Privacy and Security Official. The Plan hereby designates, as required by 45 C.F.R. 164.530(a)(1), the following Privacy and Security Official who is responsible for the development and implementation of the policies and

procedures required by HIPAA for the Plan and its Business Associates:

Cassandra Smith
Director, Retiree Healthcare
Los Angeles County Employees Association (LACERA)

The Privacy and Security Official is responsible for receiving complaints under Section II.D. of this Policy. The Privacy and Security Official will also be responsible to provide further information about matters covered by the Privacy Notice as required by 45 C.F.R. 164.520.

B. Workforce Training. It is the Plan's policy to train all members of its workforce on its privacy policies and procedures, in accordance with 45 C.F.R. 164.530(b)(1). The Privacy and Security Official is charged with developing training schedules and programs so that all workforce members receive the training necessary and appropriate to permit them to carry out their functions within the Plan in compliance with HIPAA. Such training may be facilitated through LACERA's Privacy and Security Training Program.

C. Privacy Notice. The Privacy and Security Official is responsible for developing and maintaining a notice of the Plan's privacy practices in accordance to 45 C.F.R. 164.520. The Plan will also provide notice of availability of the privacy notice (or a copy of the privacy notice) at least once every three years in compliance with the HIPAA Privacy Rule.

D. Complaints. The Privacy and Security Official will be the Plan's contact person for receiving complaints in accordance with 45 C.F.R. 164.530(d)(1). If the Privacy and Security Official is unable to resolve the complaint, the complaining party may appeal to LACERA's Board of Retirement in accordance with the LACERA Administrative Appeals Procedure, bypassing Level 1 and going directly to a Level 2 appeal. A copy of the procedure shall be provided to any participant upon request.

E. Sanctions. Pursuant to 45 C.F.R. 164.530(e)(1), sanctions for using or disclosing PHI in violation of HIPAA or this HIPAA Privacy Policy will be imposed in accordance with the Plan's Policy on Sanctions for Violation of the HIPAA Privacy and Security Rules.

F. Mitigation of Inadvertent Disclosures of PHI. The Plan shall mitigate, to the extent possible, any potentially harmful effects that become known to it of a Use or Disclosure of an individual's PHI in violation of HIPAA or this Policy, as required by 45 C.F.R. 164.530(f). As a result, if an employee becomes aware of a Disclosure of PHI, either by an employee or a Business Associate the employee or the Business Associate, that is not in compliance with this policy or HIPAA, the employee should immediately contact the Privacy and Security Official so that the appropriate steps to mitigate any potential harm to the participant can be taken.

G. No Intimidating or Retaliatory Acts; No Waiver of HIPAA Privacy. A covered entity or Business Associate may not threaten, intimidate, coerce, harass, discriminate against, or take any other retaliatory action against any individual for exercising their rights their rights under HIPAA, including, but not limited to, filing a complaint, participating in an investigation, or opposing any improper practice.

H. Waiver of Rights. A covered entity may not require Individuals to waive their rights to file a complaint with the Secretary of Health and Human Services as provided by 45 C.F.R 160.306 as a condition of the provision of treatment, payment, enrollment in a health plan, or eligibility for benefits. 45 C.F.R. 164.530(h).

I. Documentation. The Plan shall maintain this Policy and any other policies and procedures implemented to comply with this Policy in written (which may be electronic) form and if an action, activity or assessment is required by this Policy to be documented, maintain a written (which may be electronic) record of the action, activity, or assessment, in accordance with 45 C.F.R 164.530(i);(j).

1. **Time Limit.** The Plan shall retain the documentation for 6 years from the date of its creation or the date when it last was in effect, whichever is later, in accordance with 45 C.F.R 164.530(j)(i)(2).

2. **Availability.** The Plan shall make documentation available to those persons responsible for implementing the procedures to which the documentation pertains.

3. **Updates.** The Plan shall review documentation periodically, and update as needed, in response to environmental or operational changes affecting the privacy of the PHI, in accordance with 45 C.F.R 164.530(i)(2 – 5).

III. USE AND DISCLOSURE OF PHI

A. Workforce Must Comply with Plan's Policy and Procedures. All employees who have access to Plan PHI must comply with this Policy.

B. Permitted and Required Uses and Disclosures of PHI for Plan Administration Purposes. Unless otherwise permitted by law, the Plan (or a Business Associate or health insurance issuer on behalf of the Plan) may Disclose PHI to LACERA, and LACERA may receive such information, provided that LACERA shall Use or Disclose PHI only for Plan Administration Functions. Such PHI shall be handled in accordance with the Plan Document HIPAA Privacy and Security Rule Requirements for Disclosure of PHI to LACERA Retiree Healthcare Program.

C. Permitted Uses and Disclosures: Payment and Health Care Operations. The Plan may Disclose PHI to the Plan Sponsor for the Plan's own payment and health care operations purposes, and PHI may be Disclosed to another covered entity for the payment purposes of that covered entity in accordance with 45 C.F.R. 164.506.

D. No Disclosure of PHI for Non-Health Plan Purposes. PHI may not be Used or Disclosed for the payment or operations of LACERA's "non-health" benefits (e.g., disability, workers' compensation, life insurance, etc.), unless the participant has provided an authorization for such Use or Disclosure (as discussed in "Disclosures Pursuant to an Authorization") or such Use or Disclosure is required by applicable state law and particular requirements under HIPAA are met.

E. Permitted Disclosures of PHI. The Plan may Use or Disclose PHI without the written authorization of the Individual in certain narrowly tailored situations as set forth in 45 C.F.R. 164.512. Prior to any unauthorized Disclosure, Plan employees must consult with the Privacy and Security Official and the Legal Division to ensure such Disclosure meets the requirements of that 45 C.F.R. 164.512.

F. Disclosures of PHI Pursuant to an Authorization. PHI may be Disclosed for any purpose if an authorization that satisfies all of the requirements for a valid authorization is provided by the participant in accordance with 45 C.F.R. 164.508. All Uses and Disclosures made pursuant to a signed authorization must be consistent with the terms and conditions of the authorization.

G. Minimum Necessary When Disclosing or Requesting PHI. When Using or Disclosing PHI or when requesting PHI from another covered entity or Business Associate, the Plan or its Business Associate must make reasonable efforts to limit Use or Disclosure of PHI to the minimum necessary to accomplish the intended purpose of the Use, Disclosure, or request in accordance with 45 C.F.R. 164.502(b)(1). The Plan shall comply with the requirements of 45 C.F.R. 164.514(d)(1) in order to meet the minimum necessary standard.

H. Disclosures of PHI to Business Associates. Pursuant to 45 C.F.R. 164.502(e), the Plan may Disclose PHI to a Business Associate and may allow a Business Associate to create, receive, maintain, or transmit PHI on its behalf, if the covered entity obtains satisfactory assurance that the Business Associate will appropriately safeguard the information. Such assurance shall be through a written contract or other written agreement or arrangement with the Business Associate that meets the applicable requirements of 45 C.F.R. 164.504(e).

1. A Business Associate may Disclose PHI to a Business Associate that is a subcontractor and may allow the subcontractor to create, receive, maintain, or transmit PHI on its behalf, if the Business Associate obtains satisfactory assurances, in accordance with 45 C.F.R. 164.502(e)(1)(i), that

the subcontractor will appropriately safeguard the information. Business Associate will obtain written permission from the Plan prior to any such Disclosure.

I. Disclosures of De-Identified Information. The Plan may Use PHI to create information that is not Individually identifiable health information or Disclose PHI only to a Business Associate for such purpose, whether or not the de-identified information is to be used by the covered entity, pursuant to 45 C.F.R. 164.502(d). Such PHI must be de-identified in accordance with 45 C.F.R. 164.514 (a) and (b).

J. Physical Access Controls/Guidelines to Guard PHI. The Plan will maintain strict physical access controls to its information systems at all times and under all conditions. This includes the physical security of electronic and paper data. The Employer will terminate access to information systems and other sources of PHI, including access to rooms or buildings where PHI is located, when an employee, agent or contractor ends his/her employment or engagement. The Employer will terminate access to specific types of PHI when the status of any member of the workforce no longer requires access to those types of information.

IV. RIGHTS OF PLAN PARTICIPANTS

A. Access to PHI and Requests for Amendment. Right of access to PHI. Subject to certain limitations, Plan Participants have a right has a right of access to inspect and obtain a copy of PHI about the Individual in a designated record set, for as long as the PHI is maintained in the designated record set. The Plan shall create procedures for handling and documenting such record requests in accordance with 45 C.F.R. 164.524.

1. **Right to Amend.** Plan Participants have a right to have a covered entity amend PHI or a record about the Individual in a designated record set for as long as the PHI is maintained in the designated record set. The Plan shall create procedures for handling and documenting such record requests in accordance with 45 C.F.R. 164.526.

B. Accounting. Plan Participants have a right to receive an accounting of Disclosures of PHI made by a covered entity in the six years prior to the date on which the accounting is requested. The Plan shall create procedures for handling and documenting such record requests in accordance with 45 C.F.R. 164.528. The following Disclosures are not subject to accounting:

1. To carry out payment and health care operations as provided in 45 C.F.R. 164.506;

2. To Individuals of PHI about them as provided in 45 C.F.R. 164.502;

3. Incident to a Use or Disclosure otherwise permitted or required by this subpart, as provided in 45 C.F.R. 164.502;
4. Pursuant to an authorization as provided in 45 C.F.R. 164.508;
5. For the facility's directory or to persons involved in the Individual's care or other notification purposes as provided in 45 C.F.R. 164.510;
6. For national security or intelligence purposes as provided in 45 C.F.R. 164.512(k)(2);
7. To correctional institutions or law enforcement officials as provided in 45 C.F.R. 164.512(k)(5);
8. As part of a limited data set in accordance with 45 C.F.R. 164.514(e);
9. That occurred prior to the compliance date for the covered entity.

C. Deceased Individuals. The Plan must comply with the requirements of this subpart with respect to the PHI of a deceased Individual for a period of 50 years following the death of the Individual, in accordance with 45 C.F.R. 164.502(f).

D. Personal Representatives. The Plan shall treat a personal representative as the Individual for purposes of this subchapter, in accordance with 45 C.F.R. 164.502(g). Any person acting as an Attorney-in-Fact under authority of a legally valid Power of Attorney shall be a personal representative under this Section. Additionally:

1. Competent adults and emancipated minors are their own personal representatives.
2. For unemancipated minors, a parent, guardian, or other person with court-ordered or statutory legal authority, has authority to act as personal representative on behalf of the child.
3. For incapacitated or incompetent adults, a guardian or conservator, has authority to act as the personal representative.
4. For deceased individuals, an executor, administrator, or other person has legal authority to act on behalf of a deceased individual or of the individual's estate, has authority to act as personal representative on behalf of the deceased individual.
5. Notwithstanding a State law or any requirement of this paragraph to the contrary, the Plan may elect not to treat a person as the personal representative of an individual if the Plan has a reasonable belief that the

individual has been or may be subjected to domestic violence, abuse, or neglect by such person, or treating such person as the personal representative could endanger the individual. The Plan, in the exercise of professional judgment, decides that it is not in the best interest of the individual to treat the person as the individual's personal representative.

E. Right of an Individual to Request Restriction of Uses and Disclosures.

Plan Participants have a right to request that the Plan restrict Uses or Disclosures of PHI about the Individual to carry out payment, or health care operations, in accordance with 45 C.F.R. 164.522(a)(1).

F. Confidential Communications Requirements.

The Plan must permit Individuals to request and must accommodate reasonable requests by Individuals to receive communications of PHI from the health plan by alternative means or at alternative locations, if the Individual clearly states that the Disclosure of all or part of that information could endanger the Individual, in accordance with 45 C.F.R. 164.522(b)(1)(ii).

APPROVED BY THE BOARD OF RETIREMENT: _____

Los Angeles County Retiree Healthcare Program HIPAA Security Policy

The County of Los Angeles sponsors the Retiree Healthcare Program (the "Plan"). The Retiree Healthcare Program is a group health plan under HIPAA Rules, and therefore a covered entity under HIPAA. Pursuant to agreements with the County and other participating agencies, the Plan is administered by the Los Angeles County Employees Retirement Association ("LACERA"), and certain LACERA staff are authorized to act on behalf of the Plan for administration purposes. LACERA has certified to the Plan that it has taken the necessary steps to avail itself of the Plan Sponsor Exception to the HIPAA Business Associate Rules, and as such, LACERA is not a Business Associate of the Plan.

The Health Insurance Portability and Accountability Act of 1996 ("HIPAA"), as amended from time to time, and its implementing regulations (collectively, the "HIPAA Rules"), govern the use and disclosure of Protected Health Information ("PHI") and Electronic PHI.

Specifically, the HIPAA Security Rule as set forth in 45 C.F.R. 164.302 *et seq.* establishes national standards to protect individuals' electronic personal health information that is created, received, used, or maintained by a covered entity. The Security Rule requires appropriate administrative, physical and technical safeguards to ensure the confidentiality, integrity, and security of electronic protected health information.

This Policy sets forth the framework for the Plan's compliance with the HIPAA Security Rule. This policy is limited to the final HIPAA Security Rule. Other aspects of law, including, but not limited to the HIPAA Privacy Rule or the HIPAA Breach Notification Rule, are addressed in other Plan policies. The Plan recognizes that adequate and appropriate security is necessary for HIPAA's privacy rules to work as intended.

I. DEFINITIONS. As used in this document, the following capitalized terms shall have the respective meaning given below:

A. Business Associate. An entity or person who performs a function involving the Use or Disclosure of PHI on behalf of a covered entity (such as claims processing, case management, utilization review, quality assurance, billing) or provides services for a covered entity that require the disclosure of PHI (such as legal, actuarial, accounting, accreditation).

B. Electronic Protected Health Information ("Electronic PHI"). Electronic PHI means PHI that is transmitted by, or maintained in, electronic media.

C. Protected Health Information ("PHI"). PHI means information that is created or received by the Plan (or by a Health Insurance Issuer in connection with coverage provided under the Plan) and relates to the past, present, or future physical or mental health or condition of an individual; the provision of health care to an individual; or the past, present or future payment for the provision of health care to an individual; and that identifies the individual or for which there is a

reasonable basis to believe that the information can be used to identify the individual. PHI includes information of persons who are living or who have been deceased for less than 50 years. PHI does not include health information about an employee that is held in LACERA's employment records in its role as an employer, or LACERA's member records in its role as retirement plan administrator. PHI includes Electronic PHI.

II. ADMINISTRATIVE SAFEGUARDS. The plan shall promulgate administrative actions and procedures, to manage the selection, development, implementation, and maintenance of security measures to protect Electronic PHI and to manage the conduct of the Plan or its Business Associate's workforce in relation to the protection of that information as set forth in this Section.

A. Security Management Process. The Plan shall implement policies and procedures to prevent, detect, contain, and correct security violations, in accordance with 45 C.F.R. 164.308(a)(1)(i).

1. **Risk Analysis.** Conduct an accurate and thorough assessment of the potential risks and vulnerabilities to the confidentiality, integrity, and availability of Electronic PHI held by the Plan or its Business Associates.

2. **Risk Management.** Implement security measures sufficient to reduce risks and vulnerabilities to a reasonable and appropriate level to comply with 45 C.F.R. 164.306(a).

3. **Sanctions Policy.** Pursuant to 45 C.F.R. 308(a)(1), Sanctions for using or disclosing PHI in violation of HIPAA or this HIPAA Security Policy will be imposed in accordance with the Plan's Policy on Sanctions for Violation of the HIPAA Privacy and Security Rules.

4. **Information System Activity Review.** Implement procedures to regularly review records of information system activity, such as audit logs, access reports, and security incident tracking reports.

B. Privacy and Security Official. The Plan hereby designates, as required by 45 C.F.R. 164.308(a)(2), the following Privacy and Security Official who is responsible for the development and implementation of the policies and procedures required by HIPAA for the Plan and its Business Associates:

Cassandra Smith
Director, Retiree Healthcare
Los Angeles County Employees Association (LACERA)

C. Workforce Security. The Plan shall implement procedures to ensure that all members of its workforce have appropriate access to electronic protected health information, as provided under Section II.D. of this Policy, and to prevent those

workforce members who do not have access under Section II.D. of this Policy from obtaining access to Electronic PHI, in accordance with 45 C.F.R. 164.308(a)(3)(i).

D. Information Access Management. The Plan shall implement procedures for authorizing access to Electronic PHI that are consistent with the applicable requirements of the Privacy Rule, in accordance with 45 C.F.R. 164.308(a)(4)(i).

E. Workforce Training. The Plan shall implement a security awareness and training program for all members of its workforce (including management), in accordance with 45 C.F.R. 164.308(a)(5)(i). The Security Official is charged with developing training schedules and programs so that all workforce members receive the training necessary and appropriate to permit them to carry out their functions within the Plan in compliance with HIPAA. Such training may be facilitated through LACERA's Privacy and Security Training Program.

F. Security Incident Procedures. The Plan shall implement procedures to address security incidents, in accordance with 45 C.F.R. 164.308(a)(6)(i). Additionally, the Privacy and Security Official shall report any such incidents to the LACERA Incident Response Team (LIRT). The Privacy and Security Official shall work jointly with LIRT to investigate the incident.

1. **Response and Reporting.** The Plan shall Identify and respond to suspected or known security incidents; mitigate, to the extent practicable, harmful effects of security incidents that are known to the covered entity or Business Associate; and document security incidents and their outcomes.

G. Contingency Plan. The Plan shall establish procedures for responding to an emergency or other occurrence (for example, fire, vandalism, system failure, and natural disaster) that damages systems that contain Electronic PHI, in accordance with 45 C.F.R. 164.308(a)(7)(i).

1. **Data Backup Plan.** The Plan shall establish and implement procedures to create and maintain retrievable exact copies of electronic protected health information.

2. **Disaster Recovery Plan.** The Plan shall establish (and implement as needed) procedures to restore any loss of data.

3. **Emergency Mode Operation Plan.** The Plan shall establish (and implement as needed) procedures to enable continuation of critical business processes for protection of the security of Electronic PHI while operating in emergency mode.

H. Evaluation. The Plan shall, as required by 45 C.F.R. 164.308(a)(8), perform a periodic technical and nontechnical evaluation, based initially upon the standards implemented under this rule and, subsequently, in response to

environmental or operational changes affecting the security of Electronic PHI, that establishes the extent to which the Plan or its Business Associate's security policies and procedures meet the requirements of the HIPAA Security Rule.

III. PHYSICAL SAFEGUARDS. The plan shall institute physical measures and procedures to protect the Plan or its Business Associate's electronic information systems and related buildings and equipment, from natural and environmental hazards, and unauthorized intrusion as set forth in this Section.

A. Facility Access Controls. The Plan shall implement procedures to limit physical access to its electronic information systems and the facility or facilities in which they are housed, while ensuring that properly authorized access is allowed, in accordance with 45 C.F.R. 164.310(a)(1).

B. Workstation Use. The Plan shall implement procedures that specify the proper functions to be performed, the manner in which those functions are to be performed, and the physical attributes of the surroundings of a specific workstation or class of workstation that can access Electronic PHI, in accordance with 45 C.F.R.164.310(b).

C. Workstation Security. The Plan shall implement physical safeguards for all workstations that access Electronic PHI, to restrict access to authorized users, in accordance with 45 C.F.R. 164.310(c).

D. Device and Media Controls. The Plan shall implement procedures that govern the receipt and removal of hardware and electronic media that contain Electronic PHI into and out of a facility, and the movement of these items within the facility, in accordance with 45 C.F.R. 164.310(d)(1).

1. **Disposal.** The Plan shall implement procedures to address the final disposition of Electronic PHI, and/or the hardware or electronic media on which it is stored.

2. **Media Re-use.** The Plan shall implement procedures for removal of electronic protected health information from electronic media before the media are made available for re-use.

IV. TECHNICAL SAFEGUARDS. The Plan shall institute technical safeguards and procedures for its use that protect electronic PHI and control access to it.

A. Access Control. The Plan shall implement technical procedures for electronic information systems that maintain Electronic PHI to allow access only to those persons or software programs that have been granted access rights as specified in Section II.D. of this Policy, in accordance with 45 C.F.R. 164.312(a)(1).

1. **Unique User Identification.** The Plan shall assign a unique name

and/or number for identifying and tracking user identity.

2. **Emergency Access Procedure.** The Plan shall establish (and implement as needed) procedures for obtaining necessary Electronic PHI during an emergency.

B. Audit Controls. The Plan shall implement hardware, software, and/or procedural mechanisms that record and examine activity in information systems that contain or use Electronic PHI, in accordance with 45 C.F.R. 164.312(b).

C. Integrity. The Plan shall implement procedures to protect Electronic PHI from improper alteration or destruction, in accordance with 45 C.F.R. 164.312(c)(1).

D. Person or Entity Authentication. The Plan shall implement procedures to verify that a person or entity seeking access to Electronic PHI is the one claimed, in accordance with 45 C.F.R. 164.312(d)(1).

E. Transmission Security. The Plan shall implement technical security measures to guard against unauthorized access to Electronic PHI that is being transmitted over an electronic communications network, in accordance with 45 C.F.R. 164.312(e)(1).

V. Documentation. The Plan shall maintain the policies and procedures implemented to comply with this Policy in written (which may be electronic) form and if an action, activity or assessment is required by this Policy to be documented, maintain a written (which may be electronic) record of the action, activity, or assessment, in accordance with 45 C.F.R. 164.316(b)(1)(i); (ii).

A. Time Limit. The Plan shall retain the documentation for 6 years from the date of its creation or the date when it last was in effect, whichever is later, in accordance with 45 C.F.R. 164.316(b)(2)(i).

B. Availability. The Plan shall make documentation available to those persons responsible for implementing the procedures to which the documentation pertains, in accordance with 45 C.F.R. 164.316(b)(2)(ii).

C. Updates. The Plan shall review documentation periodically, and update as needed, in response to environmental or operational changes affecting the security of the electronic protected health information, in accordance with 45 C.F.R. 164.316(b)(2)(iii).

APPROVED BY THE BOARD OF RETIREMENT: _____

Los Angeles County Retiree Healthcare Program HIPAA Privacy and Security Breach Notification Policy

The County of Los Angeles sponsors the Retiree Healthcare Program (the "Plan"). The Retiree Healthcare Program is a group health plan under HIPAA Rules, and therefore a covered entity under HIPAA. Pursuant to agreements with the County and other participating agencies, the Plan is administered by the Los Angeles County Employees Retirement Association ("LACERA"), and certain LACERA staff are authorized to act on behalf of the Plan for administration purposes. LACERA has certified to the Plan that it has taken the necessary steps to avail itself of the Plan Sponsor Exception to the HIPAA Business Associate Rules, and as such, LACERA is not a Business Associate of the Plan.

This Policy sets forth a framework to deal with actual or potential Breaches as required under the Health Insurance Portability and Accountability Act of 1996 ("HIPAA") and its implementing rules and regulations, and the Health Information Technology for Economic and Clinical Health Act ("HITECH Act") of the American Recovery and Reinvestment Act of 2009 ("ARRA") and its implementing rules and regulations, each as may be amended from time to time, including those regulatory amendments of the Department of Health and Human Services published at 78 Fed. Reg. 5566 (Jan. 25, 2013) ("HIPAA Final Omnibus Rule").

I. DEFINITIONS

A. Breach. Breach means the acquisition, access, use, or disclosure of PHI in a manner not permitted under HIPAA, which compromises the security or privacy of the PHI. Breach excludes:

1. Any unintentional acquisition, access, or use of PHI by a workforce member or person acting under the authority of the Plan or its Business Associate if such acquisition, access, or use was made in good faith and within the scope of authority and does not result in further use or disclosure in a manner not permitted under HIPAA.
2. Any inadvertent disclosure by a person who is authorized to access protection health information at the Plan or its Business Associate to another person authorized to access PHI at the same the Plan or its Business Associate, or organized health care arrangement in which the covered entity participates, and the information received as a result of such disclosure is not further used or disclosed in a manner not permitted under HIPAA.
3. A disclosure of PHI where the Plan or its Business Associate has a good faith belief that an unauthorized person to whom the disclosure was made would not reasonably have been able to retain such information.

B. Unsecured Protected Health Information ("Unsecured PHI"). Unsecured PHI means any PHI which is not unusable, unreadable, or indecipherable to unauthorized persons through the use of technology or methodology, such as encryption or destruction, as specified by the HSS Secretary.

C. Privacy Policy Definitions. Any and all definitions established in the Los Angeles County Retiree Healthcare Program Privacy Policy are hereby incorporated into this Policy insofar as such terms are used in this Policy.

D. Security Policy Definitions. Any and all definitions established in the Los Angeles County Retiree Healthcare Program Security Policy are hereby incorporated into this Policy insofar as such terms are used in this Policy.

II. DISCOVERY AND INVESTIGATION

A. Discovery of Breach. A Breach shall be treated as discovered as of the first day on which such Breach is known to the Plan or, by exercising reasonable diligence, would have been known to the Plan or any person, other than the person committing the Breach, who is a workforce member or agent of the Plan.

Workforce members who believe that Plan Participant information has been used or disclosed in any way that compromises the security or privacy of that information shall immediately notify the Plan's Privacy and Security Official.

Following the discovery of a potential Breach, the Plan shall begin an investigation, conduct a risk assessment, and, based on the results of the risk assessment, begin the process of notifying each individual whose PHI has been, or is reasonably believed by the Plan to have been, accessed, acquired, used, or disclosed as a result of the Breach. The Plan shall also begin the process of determining what notifications are required or should be made, if any, to the Secretary of the Department of Health and Human Services ("HHS"), media outlets, or law enforcement officials.

B. Breach Investigation. The Plan's Privacy and Security Official shall be responsible for the investigation of any Breaches under this Policy. The Privacy and Security Official shall report any such incidents to the LACERA Incident Response Team (LIRT). The Privacy and Security Official shall work jointly with LIRT to investigate the incident. The Plan's entire workforce is expected to assist management in this investigation as requested. The investigator shall be the key facilitator for all Breach notification processes.

C. Risk Assessment. For Breach response and notification purposes, a Breach is presumed to have occurred unless the Plan can demonstrate that there is a low probability that the PHI has been compromised based on, at minimum, the following risk factors:

1. The nature and extent of the PHI involved, including the types of identifiers and the likelihood of re-identification.
2. The unauthorized person who used the PHI or to whom the disclosure was made.
3. Whether the PHI was actually acquired or viewed.
4. The extent to which the risk to the PHI has been mitigated.

D. Documentation. The investigator must document the risk assessment and the outcome of the risk assessment process. All documentation related to the Breach investigation, including the risk assessment, must be retained for a minimum of six years.

III. NOTIFICATION

A. Individuals Affected. If it is determined that Breach notification must be sent to affected individuals, the Plan's standard Breach notification letter (as modified for the specific Breach) will be sent out to all affected individuals. The Plan also has the discretion to provide notification following an impermissible use or disclosure of PHI without performing a risk assessment, if the Plan so chooses.

B. Contents of Notification Letter. Notice to affected individuals shall be written in plain language and must contain the following information, which elements are included in the Plan's standard Breach notification letter:

1. A brief description of what happened, including the date of the Breach and the date of the discovery of the Breach, if known.
2. A description of the types of unsecured PHI that were involved in the Breach (such as whether full name, social security number, date of birth, home address, account number, diagnosis, disability code, or other types of information were involved).
3. Any steps the individuals should take to protect themselves from potential harm resulting from the Breach.
4. A brief description of what the Plan is doing to investigate the Breach, to mitigate harm to individuals, and to protect against further Breaches.
5. Contact procedures for individuals to ask questions or learn additional information, which includes a toll-free telephone number, email address, website, or postal address.

C. Service of Notice. This letter will be sent by first-class mail to the individual at the last known address of the individual or, if the individual agrees to electronic notice and such agreement has not been withdrawn, by electronic mail. The notification shall be provided in one or more mailings as information is available. If the Plan knows that the individual is deceased and has the address of the next of kin or personal representative of the individual, written notification by first-class mail to the next of kin or person representative shall be carried out.

D. Substitute Notice. If there is insufficient or out-of-date contact information that precludes direct written or electronic notification, a substitute form of notice reasonably calculated to reach the individual shall be provided. If there is insufficient or out-of-date contact information for fewer than 10 individuals, then the substitute notice may be provided by an alternative form of written notice, by telephone, or by other means. If there is insufficient or out-of-date contact information for 10 or more individuals, then the substitute notice shall be in the form of either a conspicuous posting for a period of 90 days on the home page of the Plan's website, or a conspicuous notice in major print or broadcast media in the Plan's geographic areas where the individuals affected by the Breach likely reside. The notice shall include a toll-free number that remains active for at least 90 days where an individual can learn whether his or her PHI may be included in the Breach.

E. Time for Notice. Notice to affected individuals shall be made without unreasonable delay and in no case later than 60 calendar days after the discovery of the Breach. If the Plan determines that notification requires urgency because of possible imminent misuse of unsecured PHI, notification may be provided by telephone or other means, as appropriate, in addition to the methods noted above. It is the responsibility of the Plan to demonstrate that all notifications were made as required, including evidence demonstrating the necessity of any delay.

F. Notification to HHS. In the event a Breach of unsecured PHI affects 500 or more of the Plan's participants, HHS will be notified at the same time notice is made to the affected individuals, in the matter specified on the HHS website. If fewer than 500 of the Plan's participants are affected, the Plan will maintain a log of the Breaches to be submitted annually to the Secretary of HHS no later than 60 days after the end of each calendar year, in the manner specific on the HHS website. The submission shall include all Breaches discovered during the preceding calendar year.

G. Notification to Media. In the event the Breach affects more than 500 residents of a state, prominent media outlets serving the state and regional area will be notified without unreasonable delay and in no case later than 60 calendar days after the discovery of the Breach. The notice shall be provided in the form of a press release.

H. Delay of Notification Authorized for Law Enforcement Purposes. If a law enforcement official states to the Plan or a Business Associate that a notification, notice, or posting would impede a criminal investigation or cause damage to national security, the Plan shall:

1. If the statement is in writing and specifies the time for which a delay is required, delay such notification, notice, or posting for the time period specified by the official; or
2. If the statement is made orally, document the statement, including the identify of the official making the statement, and delay the notification, notice, or posting temporarily and no longer than 30 days from the date of the oral statement, unless a written statement as described above is submitted during that time.

IV. ADMINISTRATIVE REQUIREMENTS

A. Maintenance of Breach Information. The Plan shall maintain a process to record or log all Breaches of unsecured PHI, regardless of the number of participants affected. The following information should be collected for each Breach:

1. A description of what happened, including the date of the Breach, the date of the discovery of the Breach, and the number of participants affected, if known.
2. A description of the types of unsecured PHI that were involved in the Breach (such as full name, social security number, date of birth, home address, account number, other).
3. A description of the action taken with regard to notification of participants regarding the Breach.
4. Steps taken to mitigate the Breach and prevent future occurrences.

B. Business Associate Responsibilities. The Plan's Business Associates shall, without unreasonable delay and in no case later than 60 calendar days after discovery of a Breach of unsecured PHI, notify the Plan of such Breach. Such notice shall include the identification of each individual whose unsecured PHI has been, or is reasonably believed by the Business Associate to have been, accessed, acquired, used, or disclosed during the Breach. The Business Associate shall provide the Plan with any other available information that the Plan is required to include in notification to the individual at the time of the notification or promptly thereafter as information becomes available. Upon notification by the Business Associate of discovery of a Breach, the Plan will be responsible for notifying

affected individuals, unless otherwise agreed upon by the Business Associate to notify the affected individuals.

C. Workforce Training. The Plan shall train all members of its workforce on the Plan's policies and procedures with respect to PHI as necessary and appropriate for the members to carry out their job responsibilities. Workforce members shall also be trained as to how to identify and report Breaches within the Plan. The Privacy and Security Official is charged with developing training schedules and programs so that all workforce members receive the training necessary and appropriate to permit them to carry out their functions within the Plan in compliance with HIPAA. Such training may be facilitated through LACERA's Security and Privacy Training Program.

D. Complaints. The Plan provides a process for individuals to make complaints concerning the Plan's patient privacy policies and procedures or its compliance with such policies and procedures. Individuals also have the right to complain about the Plan's Breach notification processes. Any complaints regarding violation of this Policy or the Plan's HIPAA Security Policy, or any HIPAA Rules generally, shall be addressed through the LACERA Administrative Appeals Procedure. A copy of the procedure shall be provided to any participant upon request.

E. Sanctions. Sanctions for using or disclosing PHI in violation of this Policy will be imposed in accordance with the Plan's Policy on Sanctions for Violation of the HIPAA Privacy and Security Rules.

F. No Intimidating or Retaliatory Acts; No Waiver of HIPAA Rights. The Plan may not intimidate, threaten, coerce, discriminate against, or take other retaliatory action against any individual for exercising his or her rights under this Policy. Individuals shall not be required to waive their privacy rights as a condition of the provision of payment, enrollment in a health plan, or eligibility for benefits.

APPROVED BY THE BOARD OF RETIREMENT: _____

Los Angeles County Retiree Healthcare Program Notice of Privacy Practices

This notice describes how medical information about you may be used and disclosed and how you can get access to this information. **Please review it carefully.**

YOUR RIGHTS

When it comes to your health information, you have certain rights. This section explains your rights and some of our responsibilities to help you.

Get a copy of your health and claims records You can ask to see or get a copy of your health and claims records and other health information we have about you. Ask us how to do this.

We will provide a copy or a summary of your health and claims records, usually within 30 days of your request. We may charge a reasonable, cost-based fee.

Ask us to correct health and claims records You can ask us to correct your health and claims records if you think they are incorrect or incomplete. Ask us how to do this.

We may say "no" to your request, but we'll tell you why in writing within 60 days.

Request confidential communications You can ask us to contact you in a specific way (for example, home or office phone) or to send mail to a different address.

We will consider all reasonable requests, and must say "yes" if you tell us you would be in danger if we do not.

Ask us to limit what we use or share You can ask us not to use or share certain health information for treatment, payment, or our operations.

We are not required to agree to your request, and we may say "no" if it would affect your care.

Get a list of those with whom we've shared information

You can ask for a list (accounting) of the times we've shared your health information for six years prior to the date you ask, who we shared it with, and why.

We will include all the disclosures except for those about treatment, payment, and health care operations, and certain other disclosures (such as any you asked us to make). We'll provide one accounting a year for free but will charge a reasonable, cost-based fee if you ask for another one within 12 months.

Get a copy of this privacy notice

You can ask for a paper copy of this notice at any time, even if you have agreed to receive the notice electronically. We will provide you with a paper copy promptly.

Choose someone to act for you

If you have given someone medical power of attorney or if someone is your legal guardian, that person can exercise your rights and make choices about your health information.

We will make sure the person has this authority and can act for you before we take any action.

File a complaint if you feel your rights are violated

You can complain if you feel we have violated your rights by contacting us using the information on page 5.

- You can file a complaint with the U.S. Department of Health and Human Services Office for Civil Rights by sending a letter to 200 Independence Avenue, S.W., Washington, D.C. 20201 or calling 1-877-696-6775. You may also visit: www.hhs.gov/ocr/privacy/hipaa/complaints.

We will not retaliate against you for filing a complaint.

YOUR CHOICES

For certain health information, you can tell us your choices about what we share. If you have a clear preference for how we share your information in the situations described below, talk to us. Tell us what you want us to do, and we will follow your instructions.

In these cases, you have both the right and choice to tell us to:

- Share information with your family, close friends, or others involved in payment for your care

- Share information in a disaster relief situation

- Contact you for fundraising efforts

If you are not able to tell us your preference, for example if you are unconscious, we may go ahead and share your information if we believe it is in your best interest. We may also share your information when needed to lessen a serious and imminent threat to health or safety.

In these cases we *never* share your information unless you give us written permission:

- Marketing purposes

- Sale of your information

OUR USES AND DISCLOSURES

How do we typically use or share your health information? We typically use or share your health information in the following ways.

Run our organization

- We can use and disclose your information to run our organization and contact you when necessary.

Example: *We use health information about you to develop better services for you.*

- We are not allowed to use genetic information to decide whether we will give you coverage and the price of that coverage.

Administer your plan

- We may disclose your health information to your health plan sponsor for plan administration. *Example: Your company contracts with us to provide a health plan, and we provide your company with certain statistics to explain the premiums we charge.*

How else can we use or share your health information? We are allowed or required to share your information in other ways – usually in ways that contribute to the public good, such as public health and research. We have to meet many conditions in the law before we can share your information for these purposes.

For more information see:

www.hhs.gov/ocr/privacy/hipaa/understanding/consumers/index.html.

Help with public health and safety issues

We can share health information about you for certain situations such as:

- Preventing disease
- Helping with product recalls
- Reporting adverse reactions to medications
- Reporting suspected abuse, neglect, or domestic violence
- Preventing or reducing a serious threat to anyone’s health or safety

Do research

We can use or share your information for health research.

Comply with the law

We will share information about you if state or federal laws require it, including with the Department of Health and Human Services if it wants to see that we’re

complying with federal privacy law, including Plan policies.

Respond to organ and tissue donation requests and work with a medical examiner or funeral director

We can share health information about you with organ procurement organizations.

We can share health information with a coroner, medical examiner, or funeral director when an individual dies.

Address workers' compensation, law enforcement, and other government requests

We can use or share health information about you:

- For workers' compensation claims
- For law enforcement purposes or with a law enforcement official
- With health oversight agencies for activities authorized by law
- For special government functions such as military, national security, and presidential protective services

Contact Information

Should you have any questions about this Privacy Notice, or any other privacy related questions or concerns, please don't hesitate to contact us.

Cassandra Smith
Director, Retiree Healthcare
Privacy and Security Official
P.O. Box 7060
Pasadena, CA 91109
(800) 786-6464, press 1
www.lacera.com

Effective Date

August 9, 2018

Los Angeles County Retiree Healthcare Program Business Associate Policy

The County of Los Angeles sponsors the Retiree Healthcare Program (the "Plan"). The Retiree Healthcare Program is a group health plan under HIPAA Rules, and therefore a covered entity under HIPAA. Pursuant to agreements with the County and other participating agencies, the Plan is administered by the Los Angeles County Employees Retirement Association ("LACERA"), and certain LACERA staff are authorized to act on behalf of the Plan for administration purposes. LACERA has certified to the Plan that it has taken the necessary steps to avail itself of the Plan Sponsor Exception to the HIPAA Business Associate Rules, and as such, LACERA is not a Business Associate of the Plan.

This Policy sets forth the process to be undertaken by the Plan prior to disclosing any PHI to a Business Associate. The Privacy Rule, the Security Rule, and the Health Information Technology for Economic and Clinical Health ("HITECH") Act require the Plan to execute agreements with vendors identified as Business Associates that include specific provisions, and require the Plan to take action when it becomes aware of a Business Associate's material breach of the Business Associate provisions.

I. DEFINITIONS

A. Privacy Policy Definitions. Any and all definitions established in the Los Angeles County Retiree Healthcare Program Privacy Policy are hereby incorporated into this Policy insofar as such terms are used in this Policy.

B. Security Policy Definitions. Any and all definitions established in the Los Angeles County Retiree Healthcare Program Security Policy are hereby incorporated into this Policy insofar as such terms are used in this Policy.

II. ADMINISTRATIVE REQUIREMENTS

A. Business Associate Determination. All proposed arrangements with vendors must be evaluated by the Privacy and Security Officer in order to determine whether a specific vendor is considered to be a Business Associate prior to disclosing PHI to the vendor.

B. Business Associate Agreement. The Plan shall enter into a Business Associate Agreement with individuals or entities meeting the definition of a Business Associate. The agreement must include certain protections for the use and disclosure of PHI as outlined further in this policy.

C. Minimum Necessary Requirement. The information disclosed to the Business Associate must be restricted to the minimum amount necessary to enable the Business Associate to perform the function with which it is assisting the Plan.

D. Breach by Business Associate. If the Plan becomes aware of a pattern of activity or practice of the Business Associate that constituted a material breach or violation of the Business Associate's obligation under the Business Associate Agreement or other arrangement, the Plan must take reasonable steps to cure the breach or end the violation, as applicable, and, if such steps were unsuccessful, terminated the contract or arrangement, if feasible.

E. Breach by Subcontractor. If the Plan becomes aware of a pattern of activity or practice of a subcontractor that constituted a material breach or violation of the subcontractor's obligation under the Business Associate Agreement or other arrangement, the Business Associate must take reasonable steps to cure the breach or end the violation, as applicable, and, if such steps were unsuccessful, terminated the contract or arrangement, if feasible.

III. BUSINESS ASSOCIATE AGREEMENTS

A. Business Associate Provisions. Prior to disclosing any PHI to a Business Associate, the Plan will obtain satisfactory assurances from a Business Associate that it will appropriately safeguard the PHI it receives or creates on behalf of the Plan, in the form of a written agreement that includes the following provisions that provide that the Business Associate shall:

1. Not use or disclose PHI other than as permitted or required by the agreement with the Plan or as required by law;
2. Use appropriate safeguards to prevent use or disclosure of the PHI other than as provided by the agreement with the Plan and use administrative, physical and technical safeguards that reasonably and appropriately protect the confidentiality, integrity and availability of electronic PHI; and comply with Subpart C of Part 164 of the HIPAA Security Rule.
3. Report to the Plan any access, use or disclosure of the information not provided for by its contract and any security incident of which it becomes aware; and following the discovery of any Breach of Unsecured PHI, notify the Plan in writing of such breach without unreasonable delay and in no case later than 60 calendar days after discovery.
4. In accordance with 45 C.F.R. Section 164.502(e)(1)(ii), ensure that any subcontractors that create, receive, maintain, or transmit PHI on behalf of the Business Associate agree in writing to the same restrictions and conditions that apply to the Business Associate with respect to such information and implement reasonable and appropriate safeguards to protect the PHI. Business Associate will obtain written permission from the Plan prior to any such Disclosure;

5. Make available to the Plan the information necessary for the Plan to comply with an individual's right to access to PHI in accordance with 45 CFR Section 164.524; and if BA maintains an electronic health record, provide such information in electronic format to enable CE to fulfill its obligations under the HITECH Act;
6. Make available PHI for amendment and amend the Business Associates records as necessary in accordance with 45 CFR Section 164.526;
7. Make available the information required to provide an accounting of disclosures in accordance with 45 CFR Section 164.528;
8. Make its internal practices, books and records relating to the use and disclosure of PHI available to the Secretary of HHS for purposes of determining compliance with the Privacy Rule;
9. At termination of the contract, if feasible, return or destroy all PHI that the Business Associate still maintains in any form and retain no copies of such information, or, if such return or destruction is not feasible, extend the protections of the contract to the information and limit further uses and disclosures to those purposes that make the return or destruction of the information infeasible.
10. To the extent the Business Associate is to carry out the Plan's obligations under the HIPAA Privacy Rule, comply with the requirements of the HIPAA Privacy Rule that apply to the covered entity in the performance of such obligations.
11. Business Associate shall not use or disclose PHI for fundraising or marketing purposes, except as provided under the Contract and consistent with the requirements of 42 U.S.C. 17936 and 45 C.F.R. Sections 164.501, 164.508(a)(3), and 164.514(f); BA shall not disclose PHI to a health plan for payment or health care operations purposes if the patient has requested this special restriction, and has paid out of pocket in full for the health care item or service to which the PHI solely relates, 42 U.S.C. Section 17935(a) and 45 C.F.R. Section 164.522(a); BA shall not directly or indirectly receive remuneration in exchange for PHI, except with the prior written consent of the Plan and as permitted by the HITECH Act, 42 U.S.C. Section 17935(d)(2) and 45 C.F.R. Section 164.502(a)(5)(ii); however, this prohibition shall not affect payment by the Plan to BA for services provided pursuant to the Contract.
12. Business Associate (and its agents or subcontractors) shall request, use and disclose only the minimum amount of PHI necessary to accomplish

the purpose of the request, use or disclosure. The Business Associate Agreement is attached as Exhibit A to this policy.

B. Other Uses and Disclosures. The agreement cannot authorize the Business Associate to use or further disclose PHI that is broader than the Plan could make internally, or for purposes for which the Plan could not use or disclose the information itself. If the Plan must use an individual's authorization to use an individual's information for its own purposes (i.e.; marketing products of third parties), then this same authorization would be required in order for the Plan to disclose the information to the Business Associate for the same purpose. The contract may permit the Business Associate to use and disclose PHI for the proper management and administration of the Business Associate and to provide data aggregation services relating to the health care operations of the Plan.

C. Non-Compliance with Business Associate Provisions. In the event that an employee or other person at the Plan becomes aware of a pattern of activity or practice of the Business Associate that constitutes a material breach or violation of the Business Associate's obligation under the agreement with the Plan, the person should notify the Privacy Officer. The Plan will take reasonable steps to cure the breach or end the violation, as applicable. If such steps are unsuccessful and the Business Associate cannot or will not remedy the practice or pattern, the Plan will terminate the contract, if feasible, or if termination is not feasible, contact the Privacy Officer, who will consult with the Plan's Legal Counsel regarding reporting the problem to the Secretary of HHS.

APPROVED BY THE BOARD OF RETIREMENT: _____

**Los Angeles County Retiree Healthcare Program
Policy on Sanctions for Violation of the HIPAA Privacy and Security Policies**

The County of Los Angeles sponsors the Retiree Healthcare Program (the "Plan"). The Retiree Healthcare Program is a group health plan under HIPAA Rules, and therefore a covered entity under HIPAA. Pursuant to agreements with the County and other participating agencies, the Plan is administered by the Los Angeles County Employees Retirement Association ("LACERA"), and certain LACERA staff are authorized to act on behalf of the Plan for administration purposes. LACERA has certified to the Plan that it has taken the necessary steps to avail itself of the Plan Sponsor Exception to the HIPAA Business Associate Rules, and as such, LACERA is not a Business Associate of the Plan.

The purpose of this policy (the "Policy") is to establish appropriate sanctions for workforce members who fail to comply with HIPAA Privacy and Security Rules as set forth in the Plan's HIPAA Privacy and Security Policies. The Plan will ensure all workforce members comply with the Plan's Policies as well as state and federal regulations such as HIPAA by applying sanction and disciplinary actions appropriate to the breach of this Policy. This Policy applies to all Plan workforce members including, but not limited to full-time employees, part-time employees, trainees, volunteers, contractors, and temporary workers.

I. DEFINITIONS

A. Privacy Policy Definitions. Any and all definitions established in the Los Angeles County Retiree Healthcare Program Privacy Policy are hereby incorporated into this Policy insofar as such terms are used in this Policy.

B. Security Policy Definitions. Any and all definitions established in the Los Angeles County Retiree Healthcare Program Security Policy are hereby incorporated into this Policy insofar as such terms are used in this Policy.

II. RESPONSIBILITIES

A. Duty to Discipline. The Plan will appropriately discipline employees and other workforce members for any violation of Privacy or Security Policies or procedures to a degree appropriate for the gravity of the violation, in accordance with LACERA's employee policies, Civil Service Rules, and any applicable provision under a Memoranda of Understanding (MOU) with represented employees.

1. The Plan shall maintain a log of all disciplinary actions taken under this Policy and, if appropriate, shall record such disciplinary actions in the employment personnel records of the employee in accordance with LACERA's employee policies, Civil Service Rules, and MOU.

B. Duty to Investigate. The Plan will investigate all privacy or security incidents or violations and mitigate to the extent possible any negative effects that the incident may have had in a timely manner.

C. Retention Period. A copy of this Policy and any all records created pursuant to it shall be retained for a minimum period of six (6) years from the date it was created or, if revised, for a minimum period of six (6) years from the date it was last in effect.

D. Responsible Party. The Plan's Privacy and Security Officer is responsible for reviewing and investigating reported privacy incidents and violations of Privacy and Security Policies.

E. Compliance. Failure to comply with this or any other privacy or security policy will result in disciplinary actions as described in this Policy. Legal actions also may be taken for violations of applicable regulations and laws such as HIPAA.

F. Duty to Report. Any workforce member who observes or becomes aware of or suspects a wrongful use or disclosure of Protected Health Information (PHI) maintained by the Plan is required to report his or her suspicion or the wrongful use or disclosure as soon as possible to his/her supervisor/manager or the Privacy and Security Officer. Workforce members who become aware of security breaches must immediately notify the Security Officer of the breach.

1. A workforce member who fails to report either a suspected or actual violation will have violated this Policy, and may be subject to disciplinary action, up to and including termination.

G. No Retaliation for Good Faith Reports. The Plan will not retaliate against a member of its workforce who acts in good faith believing the practice he or she reports is unlawful or violates Plan policy. Any employee who believes that he or she has been subject to retaliation should immediately notify Human Resources.

III. CATEGORIES OF BREACHES

A. Level 1 Breach. Failure to demonstrate appropriate care in handling confidential information that results in accidental access, incidental access, or inappropriate access due to lack of awareness and/or education. Examples include but are not limited to:

1. Failing to sign off a computer terminal when leaving the work area for an extended period of time; leaving confidential information unattended in a non-secure area;
2. Disclosing identifiable information by careless telephone use, or discussions in hallways, elevators, or other public areas;

3. Leaving confidential information displayed on computer screens, desks, or work stations where others can view it;
4. Accessing personal demographic information, such as dates of birth, addresses, or telephone numbers when these are not required to do your job;
5. Purposeful disregard of policy related to the appropriate handling of confidential information, or continued demonstration of behaviors listed above. Examples include but are not limited to:
 - a) Sharing User ID & passwords with co-workers or encouraging them to share;
 - b) Failure to follow appropriate guidelines for the use of fax, email, or computer transmission of PHI;
 - c) Using aggregate data sets, such as mailing lists or enrollment logs, without appropriate approval.

B. Level 2 Breach. Unauthorized access to PHI or repeated violations of previous breaches. Examples include but are not limited to:

1. Accessing protected health information of an individual for whom you have no job-related responsibility, including, without limitation, friends and family members;
2. Providing ID or password to unauthorized individuals.

C. Level 3 Breach. Major disregard of policies or repeated demonstrations of behaviors listed above. Examples include but are not limited to:

1. Using another workforce member's user-ID and password without their knowledge;
2. Releasing data for personal gain, such as information on prominent persons, celebrities;
3. Wrongful disclosure or tampering with data;
4. Destroying data without authorization or altering data intentionally;
5. Releasing data with intent to harm the reputation of an individual or the organization;

6. Accessing sensitive records, HIV test results, drug and alcohol test results or treatment records, records of sexually assaulted or domestic violence victims, or any other records having special protection under federal and/or state laws and regulations when the information is not needed to perform your job.

IV. DISCIPLINARY ACTION THAT MAY BE TAKEN

A. Countywide Discipline Guidelines. The Plan will consider the County of Los Angeles Department of Human Resources Countywide Discipline Guidelines for Employees. For any violation of this Policy, management shall look at the totality of the circumstance surrounding the offense, or set of offenses, in order to determine the appropriate administrative response in accordance with the Guidelines. The Guidelines approach discipline progressively; however, management reserves the right to impose discipline on the totality of the circumstances, up to termination of service.

B. Available Sanctions. Sanctions that may be imposed include, but are not limited to:

1. Verbal Counseling by the employee's immediate supervisor;
2. Written Notice of Verbal Counseling by the employee's immediate supervisor;
3. A Written Warning letter to the employee's personnel file;
4. A Written Reprimand letter to the employee's personnel file;
5. Suspension (1-30 calendar days without pay);
6. Termination of employment.

Lower forms of sanctions are not appropriate if the employee's actions justify a more severe response.

C. Violations of State or Federal Confidentiality Laws and Regulations. Workforce members who knowingly and willfully violate state or federal law for improper use or disclosure of an individual's information are subject to criminal investigation and prosecution or civil monetary penalties.

APPROVED BY THE BOARD OF RETIREMENT: _____

**INSURANCE, BENEFITS & LEGISLATIVE COMMITTEE
ENGAGEMENT REPORT
JUNE 2018
FOR INFORMATION ONLY**

Sacramento County Struggles Sending Checks on Time

Retirees of Sacramento County have been experiencing delays in receiving their first retirement checks. One retiree had not received her first payment after 72 days had passed. The Sacramento County Employees' Retirement System (SCERS) has a service level of 45 days for the first monthly check after paperwork is submitted. However, a recent SCERS board meeting show the average wait time in 2017 was 80 days. SCERS, like other retirement systems, has seen a dramatic increase in the number of retirements over the last 10 years. SCERS' CEO attributes one reason for the delays to bureaucratic delays and an archaic processing system that involves manually processed applications, although a robust automated system is still a few years away. ([Source](#))

Kentucky Pension Reform Ruled Unconstitutional

In April 2018, Kentucky Governor Matt Bevin signed a controversial pension reform bill into law hours before a midnight deadline. The pension reform law was recently struck down as being unconstitutional by the Franklin Circuit Court. The judge noted that the bill was passed six hours after language was inserted into an unrelated bill and violated safeguards to ensure transparency. The constitutional grounds included the fact that the bill did not receive three readings as required by the Kentucky Constitution. The Constitution also required a majority of all 100 House members and 38 senators to pass the bill since it was considered an appropriations bill. Although the bill passed in the Senate 22-15, it passed in the House 49-46 and was ruled two votes short. The judge's order only pertained to the constitutional grounds and did not decide whether the pension changes violated the contractual rights of public employees or retirees.

([Source](#))

Pension Forfeitures in Massachusetts and the Eighth Amendment

Three Massachusetts State Troopers were recently arrested on federal embezzlement charges. Two of the troopers retired in March and had their retirement applications processed. One trooper is eligible for a pension of \$105,000 per year, and another is eligible for \$80,000. If convicted on the federal charges, they face not only up to 10 years in prison and a \$250,000 fine but also the potential loss of their pensions. The Massachusetts State Retirement Board halt pension payments for employees convicted of crimes related to their employment and force the repayment of benefits. The board also has discretion to allow retirees to keep their pensions if they repay any

misappropriated money. Some retirees have kept their pensions by arguing their crimes were not job-related. Notably, legal experts observed that in a prior pension forfeiture case, a retired police lieutenant successfully argued that the forfeiture of his pension violated his Eighth Amendment rights against excessive fines by being too harsh of a penalty. However, this is considered a fairly new argument in the world of pension forfeitures. ([Source](#))

Staff Note: It appears that Massachusetts requires the forfeiture of the entire pension if the retiree is convicted of a job-related felony. In contrast, California's pension forfeiture law requires forfeiture of the pension that is attributable to the period between the first commission of the felony and the conviction date.

A Record Number of Folks Age 85 and Older Are Working

About 255,000 American 85 years old or older were working the past twelve months, compared to slightly less than 100,000 in 2005. The jobs include crossing guards, farmers and ranchers, and truckers. There are between 1,000 and 3,000 truckers age 85 or older. These numbers have increased since the Great Recession. The prevalence of the aging workforce can be attributed to longer life expectancies, shrinking retirement plans, higher education levels, and less physically demanding labor. The most common industries for 85+ workers are in management and sales compared to more physically demanding ones such as manufacturing or construction. The most likely jobs for this age group in terms of a share of each occupation's work force are crossing guards, product promoters, funeral directors, and farmers/ranchers. However, in terms of all workers in an age group of each occupation, 85+ farmers and ranchers as managers (distinct from farm laborers) comprise the largest percentage of workers. Generational shifts drive much of the split. When today's oldest workers were entering the labor force, farmers and ranchers had far more options than computer scientists did, and that's shaped their professional choices today, seven decades down the line. ([Source](#))

Congressional Research Service Reports on Social Security

The Congressional Research Service provides policy and legal analysis to committees and members of the House and Senate, regardless of party affiliation. The first report is on the policy, legislative history, and cost of repealing the Government Pension Offset (GPO). The second report is on survivor benefits under Social Security. The third report is on the conflict between federal laws that would occur if the Social Security trust funds become depleted.

Government Pension Offset

The GPO reduces spousal or widow(er)'s benefits by an amount equal to two-thirds of that person's federal, state, or local government pension. Supporters of the GPO argue

that it is the best method currently available to preserve the spousal benefit's original intent of supporting financially dependent spouses and eliminates an unfair advantage for spouses working in non-Social Security-covered employment. Opponents of the GPO contend that the two-thirds offset is an imprecise proxy for Social Security benefits and that the provision hurts lower- and middle-income workers such as teachers and in some circumstances throw them into poverty. In 2007, the Social Security Administration estimated the 10-year cost of repealing the GPO at about \$42 billion.

Survivor Benefits

The report describes how a worker becomes covered by Survivors Insurance under the Old-Age, Survivors, and Disability Insurance (OASDI) program, popularly known as Social Security. As December 2017, there are almost 62 million recipients of OASDI benefits with an average benefit of \$1,288. There are almost 6 million recipients of survivor benefits with an average benefit of \$1,151. In addition to monthly survivor benefits, a deceased worker's family may be eligible for a one-time death benefit of \$255.

Social Security Trust Funds

The OASDI program is accounted for under two federal trust funds: the Federal Old-Age and Survivors Insurance (OASI) Trust Fund and the Federal Disability Insurance (DI) Trust Fund. The Social Security trustees project the DI trust fund will become *depleted* (i.e., investment holdings in U.S. Treasury securities fall to zero) by 2032 and the OASI trust fund will become depleted by 2034. Considered in combination, the trust funds will become depleted by 2034. At that point, the trust funds would become *insolvent* since they are unable to cover 100% of expenditures with incoming tax revenues. Although insolvent, the trust funds are projected to have enough tax revenues to pay about 79% of scheduled benefits, which will decline to 74% by the end of the 75-year projection period to 2092. Thus, insolvency does not mean that the program is "completely broke" and unable to pay any benefits.

The depletion of the trust funds and consequent insufficiency of current receipts to cover current expenditures would trigger a conflict between two federal laws. The Social Security Act provides that beneficiaries would still be legally entitled to their full scheduled benefits. However, the Antideficiency Act prohibits government spending in excess of available funds, and the Social Security Administration would not have the authority to pay full Social Security benefits on time. The report discusses various policy options that the Social Security Administration and Congress can take if the trust funds become insolvent. [\(Source\)](#) [\(Source\)](#) [\(Source\)](#)

**INSURANCE, BENEFITS & LEGISLATIVE COMMITTEE
RETIREE HEALTHCARE BENEFITS PROGRAM
STAFF ACTIVITIES REPORT
JUNE 2018
FOR INFORMATION ONLY**

2018 Rate Booklet (Out-of-State) Mass Mailing

On June 25, 2018, staff completed the mass mailing of the 2018 Out-of-State Rate Booklet and Comparison Chart to 400+ members.

The mailing included the new rate booklet for the out-of-state medical plans, namely: Kaiser – Colorado, Kaiser Georgia, Kaiser Hawaii, Kaiser Oregon, and Cigna HealthSpring Preferred Rx (available in Maricopa County and Apache Junction, Pinal County, AZ only).

AHIP Conference

On June 20-22, 2018, staff attended the AHIP Conference held in San Diego, CA. The following topics were discussed:

- Advancing APMs and Value-Based Care Strategies
- Transforming Complex Care Delivery
- Navigating Uncertainty, Health Reform and Market Transition
- Health Care CX Strategy and Execution
- Technology, Trends and Business Insight
- Data, Analytics and Actionable Intelligence
- Prevention, Well-Being and Population Health Improvement

IFEBC Public Employee Benefits Conference

On June 25, 2018, staff attended the IFEBC Public Employee Benefits Conference in Las Vegas, Nevada. The following topics were discussed:

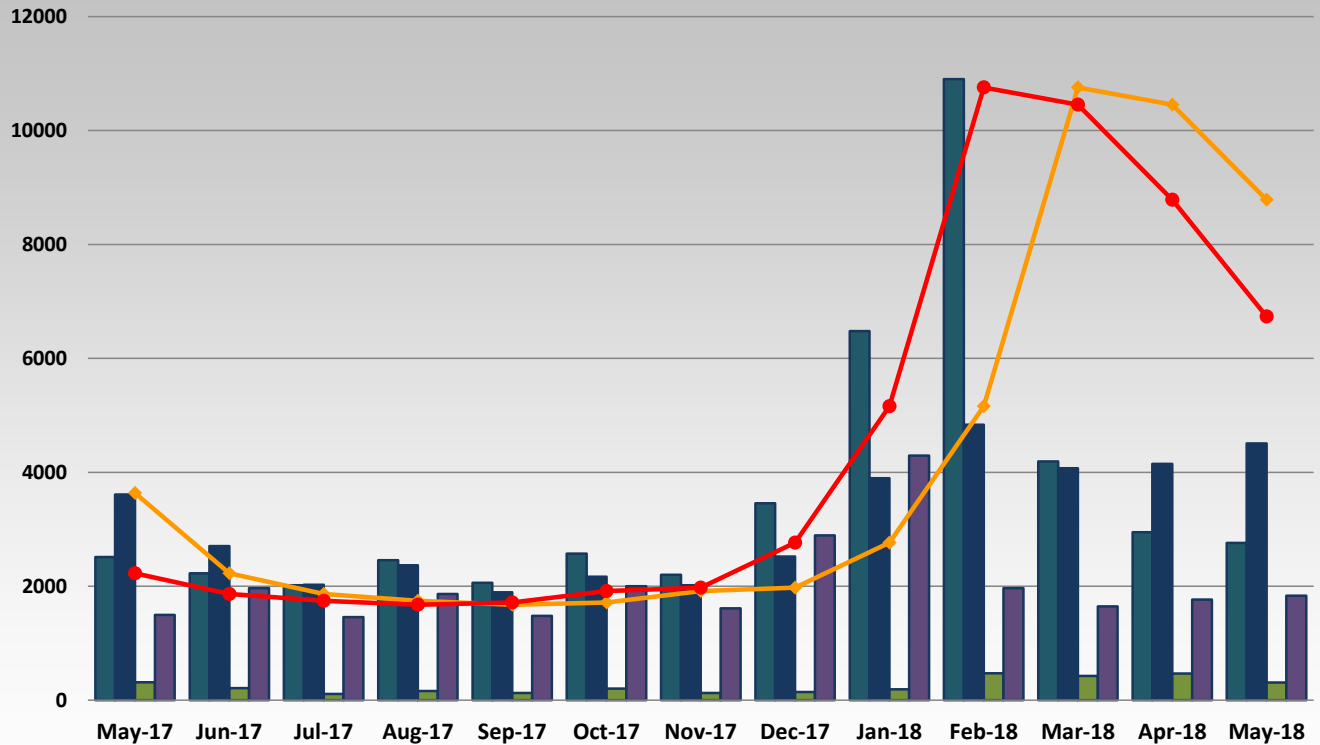
- ACA: Where are we going?
- Healthcare Trend and Strategies
- What's Happening in Rx and Rx Management?
- Retiree Medical Options
- The Opioid Crisis
- Using Technology to Communicate with Plan Participants
- Generational Issues in the Workplace

Retiree Healthcare Division

Trend Report

MAY 2017 ~ MAY 2018

Updated 6/29/2018



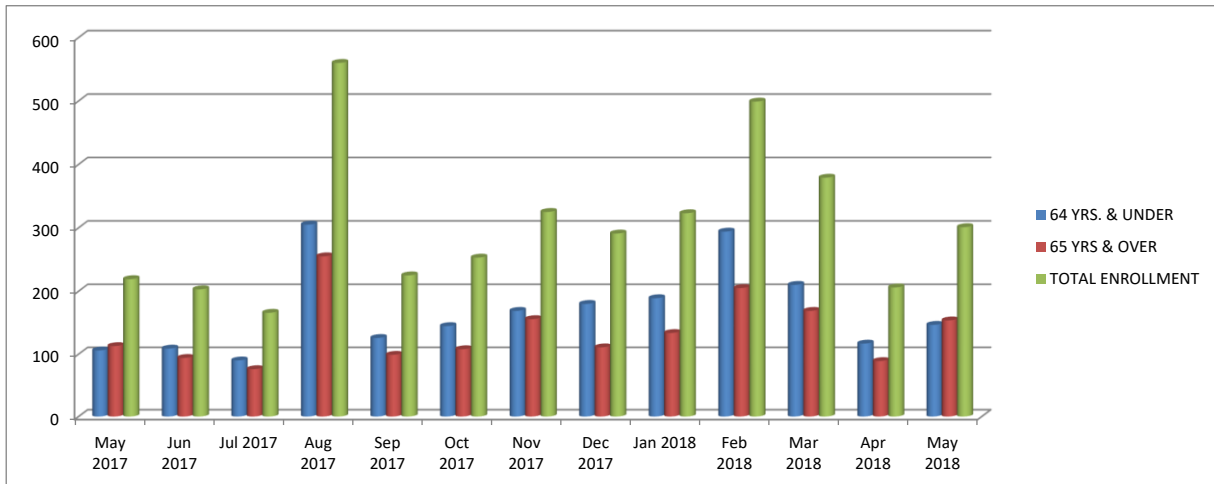
■ Work Items Received
 ■ Work Items Completed
 ■ Work Item Rejected
■ Work Items Delayed
 ◆ Beginning Work Item Count
● Work Item Ending Count

	Beginning Work Item Count	Work Items Received	Work Items Completed	Work Item Rejected	Work Items Delayed	Work Item Ending Count
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
Oct-17	1716	2571	2167	205	1999	1915
Nov-17	1915	2202	2018	126	1611	1973
Dec-17	1973	3457	2521	143	2892	2766
Jan-18	2766	6478	3895	190	4293	5159
Feb-18	5159	10900	4834	470	1965	10755
Mar-18	10755	4192	4069	425	1648	10453
Apr-18	10453	2949	4148	468	1764	8786
May-18	8786	2762	4506	309	1835	6733

Retirees Monthly Age Breakdown MAY 2017 ~ MAY 2018

Service Retirement

MONTH	64 YRS. & UNDER	65 YRS & OVER	TOTAL ENROLLMENT
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
Oct 2017	145	108	253
Nov 2017	169	156	325
Dec 2017	180	111	291
Jan 2018	189	134	323
Feb 2018	294	205	499
Mar 2018	210	169	379
Apr 2018	117	89	206
May 2018	147	154	301



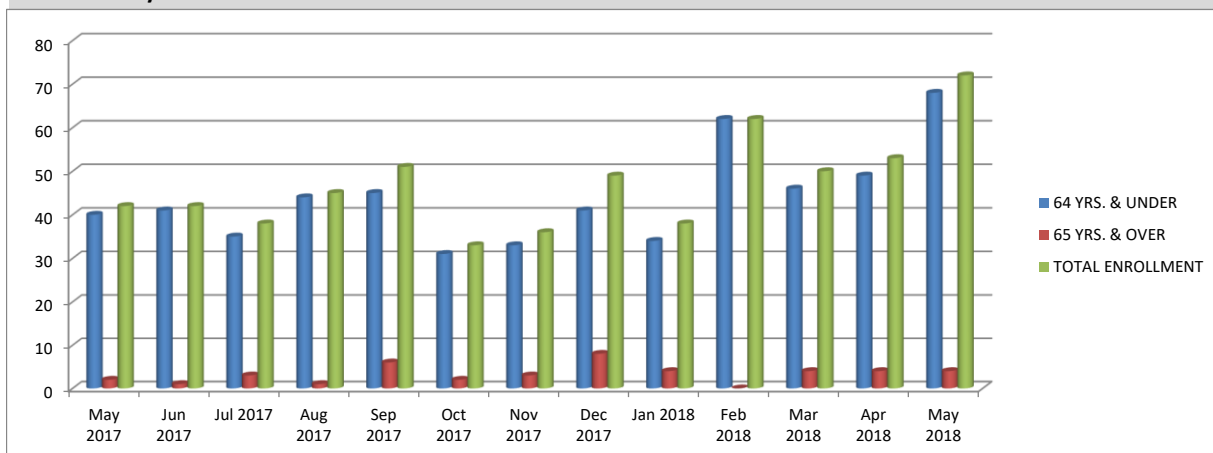
PLEASE NOTE:

- June's data (6/2018) is not yet available as data is provided on a **full month basis**.
- Next Report will include the following dates: **June 1, 2017 through June 30, 2018.**

Retirees Monthly Age Breakdown MAY 2017 ~ MAY 2018

Disability Retirement

MONTH	64 YRS. & UNDER	65 YRS. & OVER	TOTAL ENROLLMENT
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
Oct 2017	31	2	33
Nov 2017	33	3	36
Dec 2017	41	8	49
Jan 2018	34	4	38
Feb 2018	62	0	62
Mar 2018	46	4	50
Apr 2018	49	4	53
May 2018	68	4	72



PLEASE NOTE:

- June's data (6/2018) is not yet available as data is provided on a full month basis.
- Next Report will include the following dates: June 1, 2017 through June 30, 2018.

Medicare Part B Reimbursement and Penalty Report
PAY PERIOD 6/30/2018

Deduction Code	No. of Members	Reimbursement Amount	No. of Penalties	Penalty Amount
ANTHEM BC III				
201	1	-\$268.00	0	\$0.00
202	1	-\$804.00	0	\$0.00
221	2	-\$419.60	0	\$0.00
240	6566	\$789,434.66	6	\$170.20
241	155	\$18,599.20	0	\$0.00
242	890	\$109,981.60	0	\$0.00
243	3817	\$920,940.30	5	\$404.80
244	21	\$2,604.30	0	\$0.00
245	54	\$6,500.10	0	\$0.00
246	15	\$1,734.00	0	\$0.00
247	107	\$13,186.70	0	\$0.00
248	12	\$2,854.10	1	\$36.50
249	47	\$12,094.70	0	\$0.00
250	17	\$3,942.90	0	\$0.00
Plan Total:	11,705	\$1,880,380.96	12	\$611.50
CIGNA-HEALTHSPRING PREFERRED with RX				
321	30	\$3,265.50	0	\$0.00
322	8	\$927.60	0	\$0.00
324	14	\$3,105.20	0	\$0.00
327	2	\$238.90	0	\$0.00
329	1	\$226.70	0	\$0.00
Plan Total:	55	\$7,763.90	0	\$0.00
KAISER SR. ADVANTAGE				
401	1	-\$104.90	0	\$0.00
403	10371	\$1,223,983.20	7	\$159.20
404	1	-\$104.90	0	\$0.00
413	1625	\$200,942.20	0	\$0.00
418	5325	\$1,275,744.50	2	\$100.60
419	277	\$30,868.30	0	\$0.00
426	208	\$24,415.10	0	\$0.00
427	167	\$18,557.10	0	\$0.00
445	3	\$315.80	0	\$0.00
451	30	\$3,447.00	0	\$0.00
455	1	\$134.00	0	\$0.00
457	7	\$1,472.90	0	\$0.00
458	1	\$134.00	0	\$0.00
462	58	\$6,743.10	0	\$0.00
465	8	\$898.50	0	\$0.00
466	29	\$7,177.00	0	\$0.00
467	1	\$134.00	0	\$0.00
472	32	\$3,767.40	0	\$0.00
476	4	\$465.60	0	\$0.00
478	13	\$2,942.50	0	\$0.00
482	77	\$8,922.40	0	\$0.00
486	10	\$1,238.20	0	\$0.00
488	46	\$11,554.30	0	\$0.00
491	1	\$104.90	0	\$0.00
492	1	\$104.90	0	\$0.00
Plan Total:	18,297	\$2,823,857.10	9	\$259.80

Medicare Part B Reimbursement and Penalty Report
PAY PERIOD 6/30/2018

Deduction Code	No. of Members	Reimbursement Amount	No. of Penalties	Penalty Amount
SCAN				
611	299	\$35,520.40	0	\$0.00
613	106	\$25,710.80	0	\$0.00
Plan Total:	405	\$61,231.20	0	\$0.00
UNITED HEALTHCARE GROUP MEDICARE ADV. HMO				
701	1647	\$196,412.60	1	\$36.50
702	330	\$40,448.00	0	\$0.00
703	941	\$229,342.70	0	\$0.00
704	75	\$9,114.90	0	\$0.00
705	29	\$6,854.80	0	\$0.00
Plan Total:	3,022	\$482,173.00	1	\$36.50
Grand Total:	33,484	\$5,255,406.16	22	\$907.80

Medicare Part B Reimbursement and Penalty Report

PAY PERIOD 6/30/2018

Deduction Code	No. of Members	Reimbursement Amount	No. of Penalties	Penalty Amount
ANTHEM BC III				
201	1	-\$268.00	0	\$0.00
202	1	-\$804.00	0	\$0.00
221	2	-\$419.60	0	\$0.00
240	6566	\$789,434.66	6	\$170.20
241	155	\$18,599.20	0	\$0.00
242	890	\$109,981.60	0	\$0.00
243	3817	\$920,940.30	5	\$404.80
244	21	\$2,604.30	0	\$0.00
245	54	\$6,500.10	0	\$0.00
246	15	\$1,734.00	0	\$0.00
247	107	\$13,186.70	0	\$0.00
248	12	\$2,854.10	1	\$36.50
249	47	\$12,094.70	0	\$0.00
250	17	\$3,942.90	0	\$0.00
Plan Total:	11,705	\$1,880,380.96	12	\$611.50
CIGNA-HEALTHSPRING PREFERRED with RX				
321	30	\$3,265.50	0	\$0.00
322	8	\$927.60	0	\$0.00
324	14	\$3,105.20	0	\$0.00
327	2	\$238.90	0	\$0.00
329	1	\$226.70	0	\$0.00
Plan Total:	55	\$7,763.90	0	\$0.00
KAISER SR. ADVANTAGE				
401	1	-\$104.90	0	\$0.00
403	10371	\$1,223,983.20	7	\$159.20
404	1	-\$104.90	0	\$0.00
413	1625	\$200,942.20	0	\$0.00
418	5325	\$1,275,744.50	2	\$100.60
419	277	\$30,868.30	0	\$0.00
426	208	\$24,415.10	0	\$0.00
427	167	\$18,557.10	0	\$0.00
445	3	\$315.80	0	\$0.00
451	30	\$3,447.00	0	\$0.00
455	1	\$134.00	0	\$0.00
457	7	\$1,472.90	0	\$0.00
458	1	\$134.00	0	\$0.00
462	58	\$6,743.10	0	\$0.00
465	8	\$898.50	0	\$0.00
466	29	\$7,177.00	0	\$0.00
467	1	\$134.00	0	\$0.00
472	32	\$3,767.40	0	\$0.00
476	4	\$465.60	0	\$0.00
478	13	\$2,942.50	0	\$0.00
482	77	\$8,922.40	0	\$0.00
486	10	\$1,238.20	0	\$0.00
488	46	\$11,554.30	0	\$0.00
491	1	\$104.90	0	\$0.00
492	1	\$104.90	0	\$0.00
Plan Total:	18,297	\$2,823,857.10	9	\$259.80

Medicare Part B Reimbursement and Penalty Report
PAY PERIOD 6/30/2018

Deduction Code	No. of Members	Reimbursement Amount	No. of Penalties	Penalty Amount
SCAN				
611	299	\$35,520.40	0	\$0.00
613	106	\$25,710.80	0	\$0.00
Plan Total:	405	\$61,231.20	0	\$0.00
UNITED HEALTHCARE GROUP MEDICARE ADV. HMO				
701	1647	\$196,412.60	1	\$36.50
702	330	\$40,448.00	0	\$0.00
703	941	\$229,342.70	0	\$0.00
704	75	\$9,114.90	0	\$0.00
705	29	\$6,854.80	0	\$0.00
Plan Total:	3,022	\$482,173.00	1	\$36.50
LOCAL 1014				
804	170	\$27,476.90	0	\$0.00
805	175	\$25,680.10	0	\$0.00
806	579	\$164,831.40	0	\$0.00
807	36	\$5,439.90	0	\$0.00
808	14	\$4,558.30	0	\$0.00
812	223	\$31,182.20	0	\$0.00
Plan Total:	1,197	\$259,168.80	0	\$0.00
Grand Total:	34,681	\$5,514,574.96	22	\$907.80

Medical and Dental Vision Insurance Premiums July 2018

Carrier Codes	Member Count	Premium Amount	Member Amount	County Subsidy Amount	Total	Adjustments	Total Paid
Medical Plan							
Anthem Blue Cross Prudent Buyer Plan							
201	658	\$598,648.78	\$98,519.24	\$508,590.19	\$607,109.43	(\$866.85)	\$606,242.58
202	345	\$621,642.84	\$53,660.34	\$540,468.65	\$594,128.99	\$0.00	\$594,128.99
203	91	\$183,441.44	\$43,461.54	\$137,871.35	\$181,332.89	\$0.00	\$181,332.89
204	35	\$40,854.10	\$16,038.11	\$24,815.99	\$40,854.10	\$0.00	\$40,854.10
205	1	\$248.58	\$9.94	\$238.64	\$248.58	\$0.00	\$248.58
SUBTOTAL	1,130	\$1,444,835.74	\$211,689.17	\$1,211,984.82	\$1,423,673.99	(\$866.85)	\$1,422,807.14
Anthem Blue Cross I							
211	798	\$917,992.00	\$58,901.73	\$872,071.00	\$930,972.73	(\$2,189.76)	\$928,782.97
212	290	\$603,715.84	\$34,020.37	\$537,851.32	\$571,871.69	(\$1,972.43)	\$569,899.26
213	56	\$138,996.21	\$15,231.04	\$116,674.02	\$131,905.06	\$0.00	\$131,905.06
214	20	\$30,354.60	\$5,038.84	\$25,315.76	\$30,354.60	\$0.00	\$30,354.60
215	4	\$1,555.28	\$225.51	\$1,329.77	\$1,555.28	\$0.00	\$1,555.28
SUBTOTAL	1,168	\$1,692,613.93	\$113,417.49	\$1,553,241.87	\$1,666,659.36	(\$4,162.19)	\$1,662,497.17
Anthem Blue Cross II							
221	2,144	\$2,465,956.01	\$149,254.38	\$2,323,769.23	\$2,473,023.61	(\$6,568.98)	\$2,466,454.63
222	1,880	\$3,899,342.72	\$95,566.75	\$3,739,041.68	\$3,834,608.43	\$0.00	\$3,834,608.43
223	654	\$1,597,237.15	\$64,216.09	\$1,525,032.15	\$1,589,248.24	\$2,326.31	\$1,591,574.55
224	156	\$238,283.61	\$21,916.00	\$213,401.86	\$235,317.86	\$0.00	\$235,317.86
225	1	\$388.82	\$0.00	\$388.82	\$388.82	\$0.00	\$388.82
SUBTOTAL	4,835	\$8,201,208.31	\$330,953.22	\$7,801,633.74	\$8,132,586.96	(\$4,242.67)	\$8,128,344.29

Medical and Dental Vision Insurance Premiums July 2018

Carrier Codes	Member Count	Premium Amount	Member Amount	County Subsidy Amount	Total	Adjustments	Total Paid
Anthem Blue Cross III							
240	6,589	\$3,086,103.93	\$473,767.54	\$2,631,420.84	\$3,105,188.38	(\$9,310.95)	\$3,095,877.43
241	155	\$232,986.00	\$26,020.94	\$206,804.42	\$232,825.36	\$0.00	\$232,825.36
242	890	\$1,344,150.00	\$99,069.70	\$1,213,797.12	\$1,312,866.82	\$0.00	\$1,312,866.82
243	3,816	\$3,570,721.68	\$398,847.07	\$3,093,627.00	\$3,492,474.07	(\$4,402.45)	\$3,488,071.62
244	21	\$17,580.15	\$3,264.87	\$15,107.60	\$18,372.47	\$0.00	\$18,372.47
245	54	\$45,206.10	\$4,838.72	\$40,367.38	\$45,206.10	\$0.00	\$45,206.10
246	15	\$27,934.65	\$1,862.31	\$26,072.34	\$27,934.65	\$0.00	\$27,934.65
247	109	\$204,854.10	\$8,008.47	\$187,734.60	\$195,743.07	\$0.00	\$195,743.07
248	12	\$15,589.08	\$1,299.09	\$14,289.99	\$15,589.08	\$0.00	\$15,589.08
249	48	\$62,356.32	\$5,092.44	\$58,423.35	\$63,515.79	\$0.00	\$63,515.79
250	17	\$24,746.90	\$1,048.10	\$23,698.80	\$24,746.90	\$0.00	\$24,746.90
SUBTOTAL	11,726	\$8,632,228.91	\$1,023,119.25	\$7,511,343.44	\$8,534,462.69	(\$13,713.40)	\$8,520,749.29
CIGNA Network Model Plan							
301	330	\$498,015.98	\$136,058.18	\$359,033.31	\$495,091.49	(\$1,419.91)	\$493,671.58
302	141	\$382,888.32	\$95,943.73	\$281,513.55	\$377,457.28	\$0.00	\$377,457.28
303	17	\$54,509.31	\$15,663.99	\$32,432.46	\$48,096.45	\$0.00	\$48,096.45
304	20	\$39,922.40	\$16,306.49	\$23,615.91	\$39,922.40	\$0.00	\$39,922.40
SUBTOTAL	508	\$975,336.01	\$263,972.39	\$696,595.23	\$960,567.62	(\$1,419.91)	\$959,147.71

Medical and Dental Vision Insurance Premiums July 2018

Carrier Codes	Member Count	Premium Amount	Member Amount	County Subsidy Amount	Total	Adjustments	Total Paid
CIGNA Healthspring Pref w/ Rx - Phoenix, AZ							
321	29	\$11,534.70	\$1,476.45	\$9,673.76	\$11,150.21	(\$384.49)	\$10,765.72
322	9	\$14,358.87	\$893.44	\$11,870.00	\$12,763.44	\$0.00	\$12,763.44
324	14	\$10,653.72	\$1,293.67	\$9,360.05	\$10,653.72	\$0.00	\$10,653.72
327	2	\$4,174.04	\$417.40	\$3,756.64	\$4,174.04	\$0.00	\$4,174.04
329	1	\$1,323.31	\$0.00	\$1,323.31	\$1,323.31	\$0.00	\$1,323.31
SUBTOTAL	55	\$42,044.64	\$4,080.96	\$35,983.76	\$40,064.72	(\$384.49)	\$39,680.23

Medical and Dental Vision Insurance Premiums July 2018

Carrier Codes	Member Count	Premium Amount	Member Amount	County Subsidy Amount	Total	Adjustments	Total Paid
Kaiser/Senior Advantage							
401	1,558	\$1,571,544.30	\$141,676.64	\$1,449,255.39	\$1,590,932.03	(\$937.63)	\$1,589,994.40
403	10,438	\$2,865,873.22	\$295,868.70	\$2,599,536.36	\$2,895,405.06	(\$4,547.31)	\$2,890,857.75
404	567	\$644,928.69	\$21,234.57	\$617,780.55	\$639,015.12	\$0.00	\$639,015.12
405	974	\$1,025,066.25	\$22,477.85	\$1,009,383.13	\$1,031,860.98	(\$1,961.52)	\$1,029,899.46
406	43	\$84,001.50	\$27,598.40	\$36,842.20	\$64,440.60	(\$1,745.10)	\$62,695.50
411	1,862	\$3,755,864.00	\$187,814.05	\$3,447,188.77	\$3,635,002.82	(\$1,867.26)	\$3,633,135.56
413	1,624	\$2,092,778.88	\$99,481.99	\$1,908,710.83	\$2,008,192.82	(\$1,186.25)	\$2,007,006.57
414	137	\$294,739.77	\$4,792.17	\$273,915.06	\$278,707.23	\$0.00	\$278,707.23
418	5,314	\$2,880,004.76	\$225,438.71	\$2,651,911.49	\$2,877,350.20	(\$2,526.20)	\$2,874,824.00
419	274	\$391,081.75	\$6,736.07	\$351,486.57	\$358,222.64	\$0.00	\$358,222.64
420	133	\$298,326.98	\$1,614.99	\$298,775.29	\$300,390.28	\$0.00	\$300,390.28
421	9	\$9,026.10	\$802.33	\$8,223.77	\$9,026.10	\$0.00	\$9,026.10
422	219	\$452,221.25	\$2,373.65	\$445,755.10	\$448,128.75	\$0.00	\$448,128.75
423	20	\$65,816.80	\$8,753.62	\$29,755.27	\$38,508.89	\$0.00	\$38,508.89
426	208	\$274,054.56	\$3,662.84	\$270,479.02	\$274,141.86	\$1,229.38	\$275,371.24
427	167	\$366,862.24	\$3,121.51	\$327,157.77	\$330,279.28	\$0.00	\$330,279.28
428	58	\$127,963.92	\$1,388.09	\$122,398.54	\$123,786.63	\$0.00	\$123,786.63
429	11	\$32,826.53	\$6,295.32	\$26,531.21	\$32,826.53	\$0.00	\$32,826.53
430	140	\$293,258.00	\$3,728.56	\$299,297.04	\$303,025.60	\$0.00	\$303,025.60
431	11	\$37,830.65	\$1,662.77	\$5,887.04	\$7,549.81	\$0.00	\$7,549.81
432	5	\$18,627.00	\$6,434.35	\$12,192.65	\$18,627.00	\$0.00	\$18,627.00
SUBTOTAL	23,772	\$17,582,697.15	\$1,072,957.18	\$16,192,463.05	\$17,265,420.23	(\$13,541.89)	\$17,251,878.34

Medical and Dental Vision Insurance Premiums July 2018

Carrier Codes	Member Count	Premium Amount	Member Amount	County Subsidy Amount	Total	Adjustments	Total Paid
Kaiser - Colorado							
450	5	\$4,848.35	\$853.31	\$3,995.04	\$4,848.35	\$0.00	\$4,848.35
451	30	\$10,898.10	\$1,235.11	\$9,662.99	\$10,898.10	\$0.00	\$10,898.10
453	2	\$4,286.00	\$316.36	\$3,969.64	\$4,286.00	\$0.00	\$4,286.00
454	1	\$2,893.11	\$552.12	\$2,340.99	\$2,893.11	\$0.00	\$2,893.11
455	1	\$1,310.30	\$0.00	\$1,310.30	\$1,310.30	\$0.00	\$1,310.30
457	7	\$5,029.78	\$1,149.66	\$3,880.12	\$5,029.78	\$0.00	\$5,029.78
458	1	\$2,202.25	\$0.00	\$2,202.25	\$2,202.25	\$0.00	\$2,202.25
SUBTOTAL	47	\$31,467.89	\$4,106.56	\$27,361.33	\$31,467.89	\$0.00	\$31,467.89
Kaiser - Georgia							
441	3	\$3,493.23	\$50.76	\$3,442.47	\$3,493.23	\$0.00	\$3,493.23
442	4	\$4,657.64	\$67.68	\$4,589.96	\$4,657.64	\$0.00	\$4,657.64
445	3	\$4,739.64	\$0.00	\$4,739.64	\$4,739.64	\$0.00	\$4,739.64
461	11	\$12,808.51	\$1,517.20	\$11,291.31	\$12,808.51	\$0.00	\$12,808.51
462	60	\$25,408.20	\$3,853.57	\$21,615.23	\$25,468.80	\$0.00	\$25,468.80
463	3	\$6,962.46	\$1,793.66	\$5,168.80	\$6,962.46	\$0.00	\$6,962.46
465	8	\$12,639.04	\$947.93	\$11,691.11	\$12,639.04	\$0.00	\$12,639.04
466	29	\$24,329.26	\$604.04	\$23,725.22	\$24,329.26	\$0.00	\$24,329.26
467	1	\$2,736.29	\$297.76	\$2,438.53	\$2,736.29	\$0.00	\$2,736.29
SUBTOTAL	122	\$97,774.27	\$9,132.60	\$88,702.27	\$97,834.87	\$0.00	\$97,834.87

Medical and Dental Vision Insurance Premiums July 2018

Carrier Codes	Member Count	Premium Amount	Member Amount	County Subsidy Amount	Total	Adjustments	Total Paid
Kaiser - Hawaii							
471	6	\$6,019.20	\$561.79	\$5,457.41	\$6,019.20	\$0.00	\$6,019.20
472	32	\$13,953.28	\$2,197.64	\$11,755.64	\$13,953.28	\$0.00	\$13,953.28
473	1	\$1,646.39	\$498.90	\$1,147.49	\$1,646.39	\$0.00	\$1,646.39
474	3	\$5,995.20	\$0.00	\$5,995.20	\$5,995.20	\$0.00	\$5,995.20
476	4	\$5,724.96	\$2,690.74	\$3,034.22	\$5,724.96	\$0.00	\$5,724.96
478	13	\$11,233.04	\$794.95	\$10,438.09	\$11,233.04	\$0.00	\$11,233.04
SUBTOTAL	59	\$44,572.07	\$6,744.02	\$37,828.05	\$44,572.07	\$0.00	\$44,572.07
Kaiser - Oregon							
481	7	\$8,288.42	\$1,839.52	\$6,448.90	\$8,288.42	\$0.00	\$8,288.42
482	77	\$33,313.28	\$5,347.42	\$27,965.86	\$33,313.28	\$377.25	\$33,690.53
484	2	\$4,720.22	\$750.58	\$3,969.64	\$4,720.22	\$0.00	\$4,720.22
486	10	\$16,087.00	\$2,380.87	\$13,706.13	\$16,087.00	\$0.00	\$16,087.00
488	46	\$39,434.88	\$4,629.29	\$34,805.59	\$39,434.88	\$0.00	\$39,434.88
489	1	\$1,070.36	\$0.00	\$1,070.36	\$1,070.36	\$0.00	\$1,070.36
491	1	\$1,495.00	\$0.00	\$1,495.00	\$1,495.00	\$0.00	\$1,495.00
492	1	\$1,694.64	\$338.93	\$1,355.71	\$1,694.64	\$0.00	\$1,694.64
495	2	\$5,064.00	\$928.96	\$4,135.04	\$5,064.00	\$0.00	\$5,064.00
SUBTOTAL	147	\$111,167.80	\$16,215.57	\$94,952.23	\$111,167.80	\$377.25	\$111,545.05
SCAN Health Plan							
611	300	\$93,009.00	\$19,650.64	\$73,645.36	\$93,296.00	\$0.00	\$93,296.00
613	105	\$64,660.00	\$10,943.40	\$51,930.60	\$62,874.00	\$0.00	\$62,874.00
SUBTOTAL	405	\$157,669.00	\$30,594.04	\$125,575.96	\$156,170.00	\$0.00	\$156,170.00

Medical and Dental Vision Insurance Premiums July 2018

Carrier Codes	Member Count	Premium Amount	Member Amount	County Subsidy Amount	Total	Adjustments	Total Paid
UHC Medicare Adv.							
701	1,647	\$588,654.00	\$72,186.71	\$517,770.50	\$589,957.21	(\$339.07)	\$589,618.14
702	329	\$500,699.16	\$33,458.25	\$459,700.26	\$493,158.51	\$0.00	\$493,158.51
703	942	\$664,599.84	\$68,689.33	\$598,555.69	\$667,245.02	(\$670.14)	\$666,574.88
704	77	\$133,106.22	\$9,624.64	\$118,362.11	\$127,986.75	\$1,587.08	\$129,573.83
705	29	\$26,212.52	\$1,446.23	\$24,766.29	\$26,212.52	\$0.00	\$26,212.52
706	1	\$332.14	\$13.29	\$318.85	\$332.14	\$0.00	\$332.14
SUBTOTAL	3,025	\$1,913,603.88	\$185,418.45	\$1,719,473.70	\$1,904,892.15	\$577.87	\$1,905,470.02
United Healthcare							
707	459	\$537,947.68	\$55,451.16	\$472,961.25	\$528,412.41	\$1,072.60	\$529,485.01
708	404	\$857,121.75	\$57,217.18	\$793,555.52	\$850,772.70	\$1,957.45	\$852,730.15
709	334	\$838,039.40	\$65,588.98	\$774,394.02	\$839,983.00	\$4,641.20	\$844,624.20
SUBTOTAL	1,197	\$2,233,108.83	\$178,257.32	\$2,040,910.79	\$2,219,168.11	\$7,671.25	\$2,226,839.36

Medical and Dental Vision Insurance Premiums July 2018

Carrier Codes	Member Count	Premium Amount	Member Amount	County Subsidy Amount	Total	Adjustments	Total Paid
Local 1014 Firefighters							
801	57	\$63,999.03	\$1,796.44	\$75,140.39	\$76,936.83	\$0.00	\$76,936.83
802	286	\$578,998.42	\$15,669.40	\$592,722.16	\$608,391.56	\$0.00	\$608,391.56
803	281	\$671,042.05	\$21,826.73	\$784,413.89	\$806,240.62	\$0.00	\$806,240.62
804	170	\$190,874.30	\$8,825.12	\$182,049.18	\$190,874.30	(\$27,476.90)	\$163,397.40
805	175	\$354,282.25	\$9,798.42	\$348,371.81	\$358,170.23	(\$25,680.10)	\$332,490.13
806	580	\$1,174,192.60	\$33,808.62	\$1,137,493.67	\$1,171,302.29	(\$164,831.40)	\$1,006,470.89
807	36	\$85,969.80	\$1,719.40	\$84,250.40	\$85,969.80	(\$5,439.90)	\$80,529.90
808	14	\$33,432.70	\$191.04	\$33,241.66	\$33,432.70	(\$4,558.30)	\$28,874.40
809	26	\$29,192.54	\$3,256.07	\$25,936.47	\$29,192.54	\$0.00	\$29,192.54
810	7	\$14,171.29	\$1,983.98	\$12,187.31	\$14,171.29	\$0.00	\$14,171.29
811	5	\$11,940.25	\$859.70	\$11,080.55	\$11,940.25	\$0.00	\$11,940.25
812	223	\$250,382.17	\$21,400.20	\$228,981.97	\$250,382.17	(\$31,182.20)	\$219,199.97
SUBTOTAL	1,860	\$3,458,477.40	\$121,135.12	\$3,515,869.46	\$3,637,004.58	(\$259,168.80)	\$3,377,835.78
Medical Plan Total	50,056	\$46,618,805.83	\$3,571,793.34	\$42,653,919.70	\$46,225,713.04	(\$288,873.83)	\$45,936,839.21

Medical and Dental Vision Insurance Premiums July 2018

Carrier Codes	Member Count	Premium Amount	Member Amount	County Subsidy Amount	Total	Adjustments	Total Paid
Dental/Vision Plan							
CIGNA Indemnity Dental/Vision							
501	23,612	\$1,232,019.20	\$141,936.19	\$1,099,570.77	\$1,241,506.96	(\$1,933.63)	\$1,239,573.33
502	22,006	\$2,394,304.20	\$186,949.07	\$2,189,546.33	\$2,376,495.40	(\$1,085.89)	\$2,375,409.51
503	12	\$769.80	\$85.97	\$683.83	\$769.80	\$0.00	\$769.80
SUBTOTAL	45,630	\$3,627,093.20	\$328,971.23	\$3,289,800.93	\$3,618,772.16	(\$3,019.52)	\$3,615,752.64
CIGNA Dental HMO/Vision							
901	3,280	\$151,549.39	\$19,842.21	\$133,554.78	\$153,396.99	(\$138.57)	\$153,258.42
902	2,314	\$219,380.92	\$19,194.86	\$197,350.46	\$216,545.32	\$0.00	\$216,545.32
903	4	\$187.12	\$5.61	\$181.51	\$187.12	\$0.00	\$187.12
SUBTOTAL	5,598	\$371,117.43	\$39,042.68	\$331,086.75	\$370,129.43	(\$138.57)	\$369,990.86
Dental/Vision Plan Total	51,228	\$3,998,210.63	\$368,013.91	\$3,620,887.68	\$3,988,901.59	(\$3,158.09)	\$3,985,743.50
GRAND TOTALS	101,284	\$50,617,016.46	\$3,939,807.25	\$46,274,807.38	\$50,214,614.63	(\$292,031.92)	\$49,922,582.71

CARRIER DEDUCTION PREMIUMS*	CODES	DEDUCTION CODE DEFINITIONS
<u>Anthem Blue Cross Prudent Buyer Plan</u>		
\$630.26	201	Retiree Only
\$1,239.88	202	Retiree and Spouse/Domestic Partner
\$1,399.26	203	Retiree, Spouse/Domestic Partner and Children
\$810.01	204	Retiree and Children
\$172.06	205	Survivor Children Only Rates
<u>Anthem Blue Cross Plan I</u>		
\$904.25	211	Retiree Only
\$1,630.31	212	Retiree and Spouse/Domestic Partner
\$1,923.10	213	Retiree, Spouse/Domestic Partner and Children
\$1,196.44	214	Retiree and Children
\$299.58	215	Survivor Children Only Rates
<u>Anthem Blue Cross Plan II</u>		
\$904.25	221	Retiree Only
\$1,630.31	222	Retiree and Spouse/Domestic Partner
\$1,923.10	223	Retiree, Spouse/Domestic Partner and Children
\$1,196.44	224	Retiree and Children
\$299.58	225	Survivor Children Only Rates
<u>Anthem Blue Cross Plan III</u>		
\$365.20	240	Retiree Only with Medicare
\$1,167.61	241	Retiree and Spouse/Domestic Partner - One with Medicare (Non-Medicare has Anthem Blue Cross I)
\$1,167.61	242	Retiree and Spouse/Domestic Partner - One with Medicare (Non-Medicare has Anthem Blue Cross II)
\$726.87	243	Retiree and Spouse/Domestic Partner - Both with Medicare
\$653.93	244	Retiree and Children (Retiree has Medicare; Children have Anthem Blue Cross I)
\$653.93	245	Retiree and Children (Retiree has Medicare; Children have Anthem Blue Cross II)
\$1,456.25	246	Retiree, Spouse/Domestic Partner and Children - One with Medicare (Non-Medicare has Anthem Blue Cross I)
\$1,456.25	247	Retiree, Spouse/Domestic Partner and Children - One with Medicare (Non-Medicare has Anthem Blue Cross II)
\$1,015.45	248	Retiree, Spouse/Domestic Partner and Children - Two with Medicare (Children have Anthem Blue Cross I)
\$1,015.45	249	Retiree, Spouse/Domestic Partner and Children - Two with Medicare (Children have Anthem Blue Cross II)
\$1,138.02	250	Member, Spouse/Domestic Partner, Child (3 with Medicare)

*Benchmark premiums are bolded.

CARRIER DEDUCTION PREMIUMS*	CODES	DEDUCTION CODE DEFINITIONS
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CIGNA Network Model Plan

\$1,143.49	301	Retiree Only
\$2,064.71	302	Retiree and Spouse/Domestic Partner
\$2,438.35	303	Retiree, Spouse/Domestic Partner and Children
\$1,517.57	304	Retiree and Children
\$378.87	305	Survivor Children Only Rates

CIGNA Medicare Select Plus Rx (Available in the Phoenix, AZ area only)

\$328.00	321	Retiree Only with Medicare
\$1,249.22	322	Retiree and Spouse/Domestic Partner/Domestic Partner - One with Medicare
\$651.00	324	Retiree and Spouse/Domestic Partner -Both with Medicare
\$702.09	325	Retiree and Children
\$1,622.87	327	Retiree, Spouse/Domestic Partner and Children - One with Medicare
\$1,025.09	329	Retiree, Spouse/Domestic Partner and Children - Two with Medicare

Kaiser

\$774.10	401	Retiree Only ("Basic")
N/A	402	Retiree Only ("Supplement")
\$235.64	403	Retiree Only ("Senior Advantage")
\$894.95	404	Retiree Only ("Excess I")
\$795.39	405	Retiree Only - ("Excess II")
\$1,408.39	406	Retiree Only ("Excess III")
\$1,543.20	411	Retiree and Family (All family members are "Basic")
N/A	412	Retiree and Family (One family member is "Supplement"; others are "Basic")
\$1,004.74	413	Retiree and Family (One family member is "Senior Advantage"; others are "Basic")
\$1,664.05	414	Retiree and Family (One family member is "Excess I"; others are "Basic")
N/A	415	Retiree and Family (Two or more family members are "Supplement")
N/A	416	Retiree and Family (One family member is "Senior Advantage"; others are "Supplement")
N/A	417	Retiree and Family (One family member is "Excess I"; others are "Supplement")
\$466.28	418	Retiree and Family (Two or more family members are "Senior Advantage")
\$1,125.59	419	Retiree and Family (One family member is "Excess I"; others are "Senior Advantage")
\$1,784.90	420	Retiree and Family (Two or more family members are "Excess I")
N/A	421	Survivor Children Only Rates
\$1,564.49	422	Retiree and Family (One family member is "Excess II"; others are "Basic")
\$2,177.49	423	Retiree and Family (One family member is "Excess III"; others are "Basic")

*Benchmark premiums are bolded.

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

*Benchmark premiums are bolded.

CARRIER DEDUCTION PREMIUMS*	CODES	DEDUCTION CODE DEFINITIONS
<u>Kaiser Georgia (continued)</u>		
\$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")
<u>Kaiser Hawaii</u>		
\$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)
<u>Kaiser Oregon</u>		
\$806.67	481	Retiree Only ("Basic" under age 65)
\$465.92	482	Retiree Only ("Senior Advantage")
\$1,205.27	483	Retiree Only (Over age 65 without Medicare Part A or Medicare Part B)
\$1,608.34	484	Retiree and Family (Two family members are "Basic")
\$2,410.01	485	Retiree and Family (Three or more family members are "Basic")
\$1,267.59	486	Retiree and Family (One family member is "Senior Advantage"; one is "Basic")
N/A	487	Retiree Only (Medicare Cost "Supplement" program)
\$926.84	488	Retiree and Family (Two family members are "Senior Advantage")
\$1,110.84	489	Retiree Only (Over age 65 with Medicare Part A only)
\$1,205.27	490	Retiree Only (Over age 65 with Medicare Part B only)

*Benchmark premiums are bolded.

PREMIUMS*	CARRIER DEDUCTION CODES	DEDUCTION CODE DEFINITIONS
<u>Kaiser Oregon (continued)</u>		
\$1,571.76	491	Retiree and Family (One family member is "Senior Advantage"; one is over age 65 with Medicare Par A only)
\$1,666.19	492	Retiree and Family (One family member is "Senior Advantage"; one is over age 65 without Medicare Part A or Medicare Part B)
\$2,069.26	493	Retiree and Family (One family member is "Senior Advantage"; two or more are "Basic")
\$1,728.51	494	Retiree and Family (Two family members are "Senior Advantage"; one is "Basic")
\$2,405.54	495	Retiree and Family (Two family members are over age 65 without Medicare Part A or Medicare Part B)
\$2,216.68	496	Retiree and Family (Two family members are over age 65 with Medicare Part A only)
\$2,216.68	497	Retiree and Family (One family member is "Basic"; one is over age 65 with Medicare Part A only)
\$2,006.94	498	Retiree and Family (One family member is "Basic"; one is over age 65 without Medicare Part A or Medicare Part B)

Kaiser Rate Category Definitions

"Basic" - includes those who are under age 65

Medicare Cost ("Supplement")

- Includes people who have both Part A and Part B of Medicare, who were enrolled in Kaiser's Medicare supplement ("M" coverage) before July 1, 1987, and who chose to stay in that Kaiser arrangement.
- It is not open to new enrollments.
- People who have left it cannot return to it.

"Senior Advantage"

- Includes participants who are age 65 or older and who have assigned both Medicare Part A and Part B to Kaiser.

"Excess I"

- Is for participants who have Medicare Part A only.

"Excess II"

- Is for participants in the Excess Plan who either have Medicare Part B only or are not eligible for Medicare.

"Excess III"

- Is for participants in the Excess Plan who either have Medicare Parts A and B and have not assigned their Medicare benefits to Kaiser or have not provided their Medicare status to LACERA. Premium is above the Anthem Blue Cross I and II Benchmark rate. and II Benchmark.

PREMIUMS*	CARRIER DEDUCTION CODES	DEDUCTION CODE DEFINITIONS
<u>SCAN Health Plan</u>		
\$304.00	611	Retiree Only with SCAN
\$603.00	613	Retiree and 1 Dependent - Both with SCAN (Retiree and 1 Dependent = Retiree and Spouse/Domestic Partner OR Retiree and 1 Child. Both Retiree and Dependent must have Medicare.)
<u>United Healthcare Medicare Advantage (UHCMA)</u>		
(For both members and dependents who are enrolled in UHCMA, or a family combination of UHCMA/UHC)		
\$293.62	701	Retiree Only with Secure Horizons
\$1,203.81	702	Retiree and 1 Dependent - One with Secure Horizons (Retiree and 1 Dependent = Retiree and Spouse/Domestic Partner OR Retiree and 1 Child)
\$582.24	703	Retiree and 1 Dependent - Both with Secure Horizons (Retiree and 1 Dependent = Retiree and Spouse/Domestic Partner OR Retiree and 1 Child)
\$1,360.59	704	Retiree and 2 or More Dependents - One with Secure Horizons (Retiree and 2 or More Dependents = Retiree, Spouse/Domestic Partner and 1 or More Children OR Retiree and 2 or More Children)
\$739.02	705	Retiree and 2 or More Dependents - Two with Secure Horizons (Retiree and 2 or More Dependents = Retiree, Spouse/Domestic Partner and 1 or More Children OR Retiree and 2 or More Children)
\$261.24	706	Survivor Children Only Rates
<u>United Healthcare (UHC)</u>		
(For members and dependents under age 65 [no Medicare])		
\$915.18	707	Retiree Only
\$1,671.68	708	Retiree and 1 Dependent
\$1,982.16	709	Retiree and 2 Or More Dependents
<u>Local 1014 Firefighters</u>		
\$914.03	801	Member Under 65
\$1,648.06	802	Member + 1 Under 65
\$1,944.04	803	Member + 2 Under 65
\$914.03	804	Member with Medicare
\$1,648.06	805	Member + 1; 1 Medicare
\$1,648.06	806	Member + 1; 2 Medicare
\$1,944.04	807	Member + 2; 1 Medicare
\$1,944.04	808	Member + 2; 2 Medicare

*Benchmark premiums are bolded.

CARRIER DEDUCTION PREMIUMS*	CODES	DEDUCTION CODE DEFINITIONS
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Local 1014 Firefighters (continued)

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

CIGNA Indemnity - Dental/Vision

\$46.55	501	Retiree Only
\$99.61	502	Retiree and Dependent(s)
\$57.81	503	Survivor Children Only Rates

CIGNA HMO - Dental/Vision

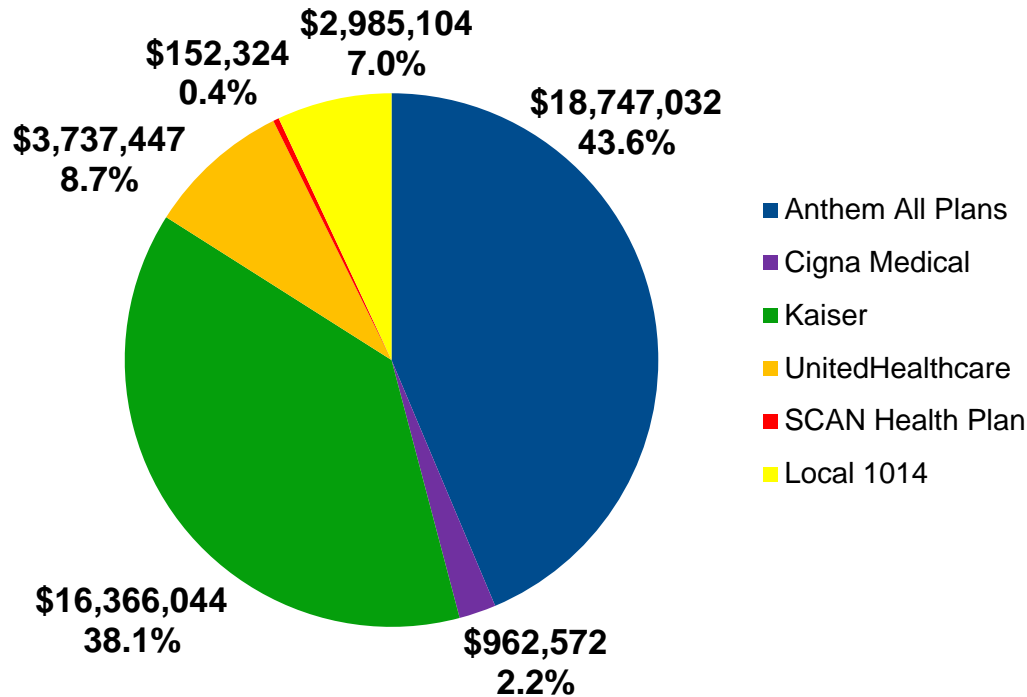
\$39.02	901	Retiree Only
\$81.07	902	Retiree and Dependent(s)
\$39.56	903	Survivor Children Only Rates

Los Angeles County Employees Retirement Association
 Premium & Enrollment
 Coverage Month May 2018

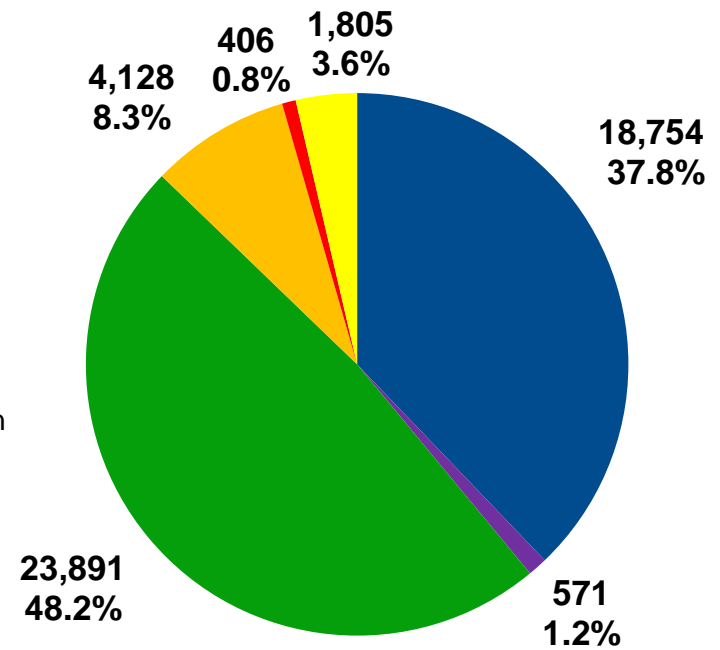
Carrier / Plan	Monthly Premium	Percent of Total	Retirees	Percent of Total
Anthem All Plans	\$18,747,032	43.6%	18,754	37.8%
Cigna Medical	\$962,572	2.2%	571	1.2%
Kaiser	\$16,366,044	38.1%	23,891	48.2%
UnitedHealthcare	\$3,737,447	8.7%	4,128	8.3%
SCAN Health Plan	\$152,324	0.4%	406	0.8%
Local 1014	\$2,985,104	7.0%	1,805	3.6%
Combined Medical	\$42,950,524	100.0%	49,555	100.0%

Cigna Dental & Vision (PPO and HMO)	\$3,954,946	50,722
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Monthly Premium



Retirees



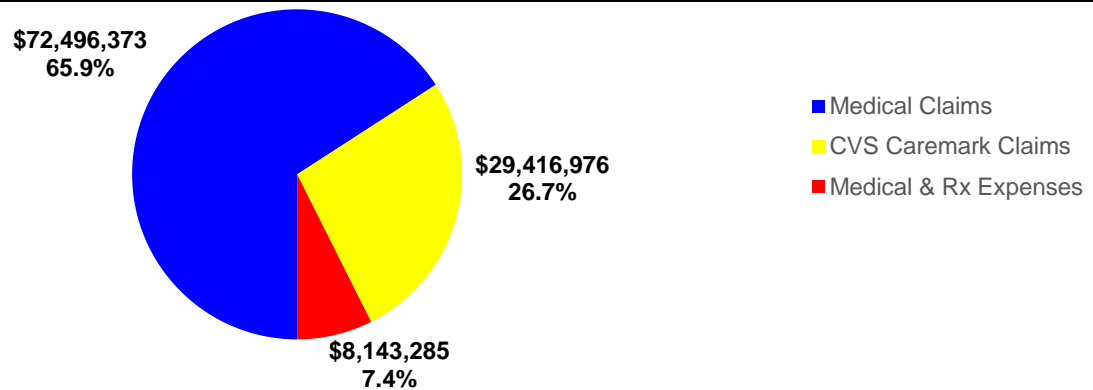
Los Angeles County Employees Retirement Association

Anthem Plans I & II

Coverage Month May 2018

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	5,984	\$9,267,345	\$6,588,991	\$2,773,387	\$9,362,378	\$1,564.57	101.0%	\$740,846	\$10,103,224	109.0%
Nov-17	5,982	\$9,270,299	\$5,962,491	\$2,579,978	\$8,542,469	\$1,428.03	92.1%	\$740,610	\$9,283,079	100.1%
Dec-17	5,975	\$9,260,918	\$6,208,427	\$2,761,049	\$8,969,476	\$1,501.17	96.9%	\$739,774	\$9,709,250	104.8%
Jan-18	5,970	\$9,214,875	\$7,074,142	\$2,593,312	\$9,667,454	\$1,619.34	104.9%	\$739,291	\$10,406,746	112.9%
Feb-18	5,964	\$9,211,920	\$4,674,133	\$2,409,438	\$7,083,571	\$1,187.72	76.9%	\$738,622	\$7,822,193	84.9%
Mar-18	5,952	\$9,206,871	\$7,349,591	\$2,880,206	\$10,229,797	\$1,718.72	111.1%	\$737,303	\$10,967,100	119.1%
Apr-18	5,939	\$9,181,956	\$6,796,190	\$2,675,987	\$9,472,177	\$1,594.91	103.2%	\$735,895	\$10,208,072	111.2%
May-18	5,994	\$9,359,983	\$7,994,054	\$2,879,041	\$10,873,095	\$1,814.00	116.2%	\$743,066	\$11,616,161	124.1%
Jun-18										
YTD Plan Year	65,764	\$101,861,246	\$72,496,373	\$29,416,976	\$101,913,349	\$1,549.68	100.1%	\$8,143,285	\$110,056,633	108.0%
12 Month Rollup	71,804	\$111,056,234	\$79,165,838	\$31,917,752	\$111,083,589	\$1,547.04	100.0%	\$9,327,697	\$120,411,286	108.4%

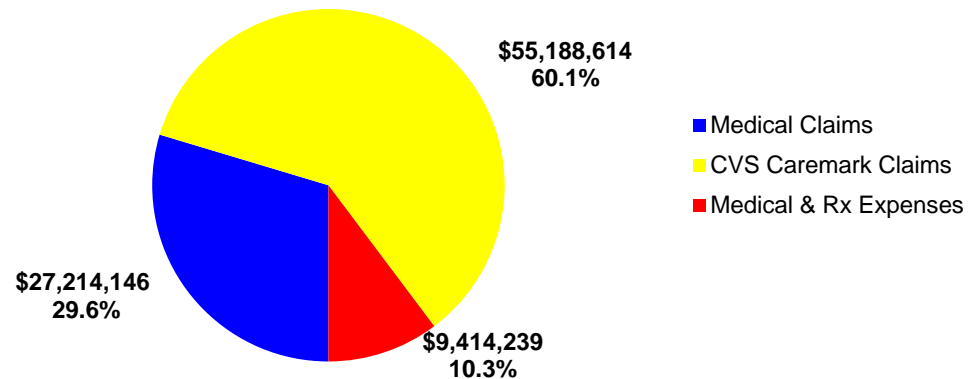
Medical Claims reported by Anthem
 CVS Caremark Claims reported by CVS
 Expenses: Anthem Admin, Stop Loss, and Premium Taxes
 Enrollment and Premium Reported by LACERA



Los Angeles County Employees Retirement Association
Anthem Plan III
Coverage Month May 2018

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	11,460	\$7,880,228	\$2,253,007	\$5,010,897	\$7,263,904	\$633.85	92.2%	\$853,430	\$8,117,334	103.0%
Nov-17	11,474	\$7,906,791	\$2,307,058	\$5,014,847	\$7,321,905	\$638.13	92.6%	\$854,472	\$8,176,378	103.4%
Dec-17	11,490	\$7,900,212	\$2,102,584	\$4,741,118	\$6,843,702	\$595.62	86.6%	\$855,664	\$7,699,366	97.5%
Jan-18	11,518	\$7,923,794	\$2,673,352	\$5,471,633	\$8,144,985	\$707.15	102.8%	\$857,749	\$9,002,734	113.6%
Feb-18	11,518	\$7,918,153	\$2,858,770	\$4,762,860	\$7,621,629	\$661.71	96.3%	\$857,749	\$8,479,378	107.1%
Mar-18	11,540	\$7,963,655	\$2,971,371	\$5,095,874	\$8,067,245	\$699.07	101.3%	\$859,387	\$8,926,632	112.1%
Apr-18	11,571	\$7,992,577	\$2,287,339	\$5,345,412	\$7,632,751	\$659.64	95.5%	\$861,696	\$8,494,447	106.3%
May-18	11,615	\$8,008,089	\$2,865,533	\$5,630,628	\$8,496,162	\$731.48	106.1%	\$864,973	\$9,361,134	116.9%
Jun-18										
YTD Plan Year	126,416	\$87,030,364	\$27,214,146	\$55,188,614	\$82,402,760	\$651.84	94.7%	\$9,414,239	\$91,816,999	105.5%
12 Month Rollup	137,764	\$94,674,739	\$29,578,580	\$59,921,366	\$89,499,946	\$649.66	94.5%	\$10,277,595	\$99,777,541	105.4%

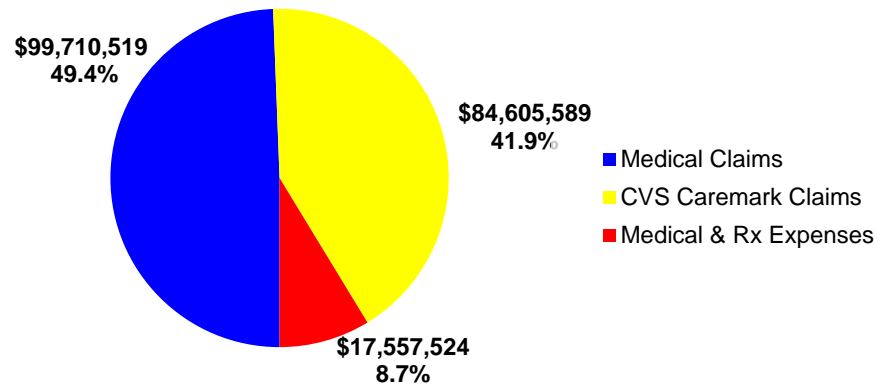
Medical Claims reported by Anthem
 CVS Caremark Claims reported by CVS
 Expenses: Anthem Admin, Stop Loss, and Premium Taxes
 Enrollment and Premium Reported by LACERA



Los Angeles County Employees Retirement Association
 Anthem Plans I, II, & III
 Coverage Month May 2018

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	17,444	\$17,147,574	\$8,841,997	\$7,784,284	\$16,626,282	\$953.12	97.0%	\$1,594,276	\$18,220,558	106.3%
Nov-17	17,456	\$17,177,089	\$8,269,549	\$7,594,825	\$15,864,374	\$908.82	92.4%	\$1,595,083	\$17,459,457	101.6%
Dec-17	17,465	\$17,161,130	\$8,311,011	\$7,502,167	\$15,813,178	\$905.42	92.1%	\$1,595,438	\$17,408,616	101.4%
Jan-18	17,488	\$17,138,669	\$9,747,494	\$8,064,945	\$17,812,439	\$1,018.55	103.9%	\$1,597,040	\$19,409,479	113.2%
Feb-18	17,482	\$17,130,074	\$7,532,902	\$7,172,298	\$14,705,200	\$841.16	85.8%	\$1,596,371	\$16,301,571	95.2%
Mar-18	17,492	\$17,170,526	\$10,320,962	\$7,976,080	\$18,297,042	\$1,046.02	106.6%	\$1,596,690	\$19,893,732	115.9%
Apr-18	17,510	\$17,174,532	\$9,083,529	\$8,021,399	\$17,104,928	\$976.87	99.6%	\$1,597,591	\$18,702,519	108.9%
May-18	17,609	\$17,368,072	\$10,859,588	\$8,509,669	\$19,369,257	\$1,099.96	111.5%	\$1,608,039	\$20,977,296	120.8%
Jun-18										
YTD Plan Year	192,180	\$188,891,609	\$99,710,519	\$84,605,589	\$184,316,108	\$959.08	97.6%	\$17,557,524	\$201,873,632	106.9%
12 Month Rollup	209,568	\$205,730,973	\$108,744,418	\$91,839,117	\$200,583,535	\$957.13	97.5%	\$19,605,292	\$220,188,827	107.0%

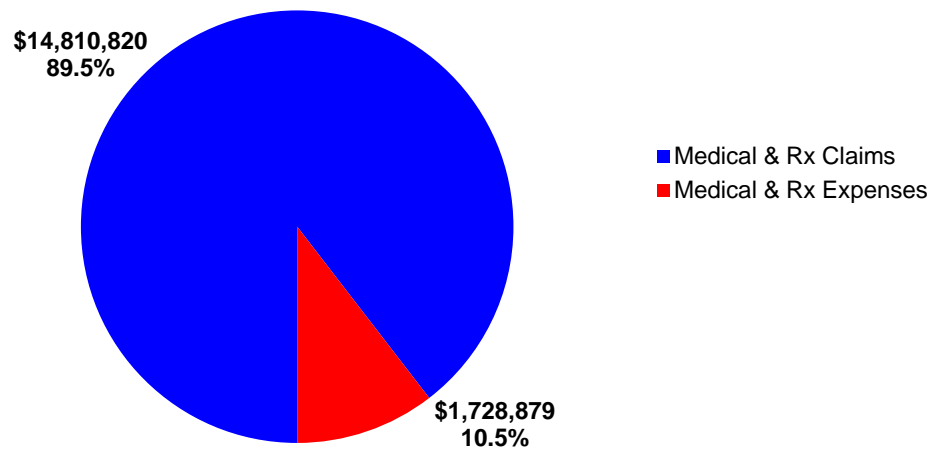
Medical Claims reported by Anthem
 CVS Caremark Claims reported by CVS
 Expenses: Anthem Admin, Stop Loss, and Premium Taxes
 Enrollment and Premium Reported by LACERA



Los Angeles County Employees Retirement Association
Anthem Prudent Buyer
Coverage Month May 2018

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	1,197	\$1,455,738	\$1,697,487	\$1,418.12	116.6%	\$159,104	\$1,856,591	127.5%
Nov-17	1,193	\$1,447,772	\$1,321,479	\$1,107.69	91.3%	\$158,573	\$1,480,051	102.2%
Dec-17	1,183	\$1,435,833	\$1,535,133	\$1,297.66	106.9%	\$157,243	\$1,692,377	117.9%
Jan-18	1,172	\$1,398,044	\$1,347,782	\$1,149.98	96.4%	\$155,781	\$1,503,563	107.5%
Feb-18	1,161	\$1,409,523	\$1,052,384	\$906.45	74.7%	\$154,319	\$1,206,703	85.6%
Mar-18	1,153	\$1,397,695	\$1,330,735	\$1,154.15	95.2%	\$153,256	\$1,483,991	106.2%
Apr-18	1,149	\$1,391,123	\$1,152,257	\$1,002.83	82.8%	\$152,724	\$1,304,981	93.8%
May-18	1,145	\$1,378,961	\$1,547,208	\$1,351.27	112.2%	\$152,192	\$1,699,400	123.2%
Jun-18								
YTD Plan Year	13,007	\$15,751,616	\$14,810,820	\$1,138.68	94.0%	\$1,728,879	\$16,539,699	105.0%
12 Month Rollup	14,253	\$17,231,119	\$15,921,046	\$1,117.03	92.4%	\$1,931,304	\$17,852,351	103.6%

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

Cigna HMO ⁽¹⁾

Coverage Month May 2018

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	539	\$960,763	\$1,273,588	\$2,362.87	132.6%	\$114,427	\$1,388,015	144.5%
Nov-17	536	\$959,687	\$948,237	\$1,769.10	98.8%	\$114,299	\$1,062,535	110.7%
Dec-17	531	\$943,758	\$715,705	\$1,347.84	75.8%	\$112,402	\$828,107	87.7%
Jan-18	528	\$947,463	\$876,131	\$1,659.34	92.5%	\$112,843	\$988,974	104.4%
Feb-18	524	\$938,078	\$929,128	\$1,773.14	99.0%	\$111,725	\$1,040,853	111.0%
Mar-18	521	\$934,096	\$821,189	\$1,576.18	87.9%	\$111,251	\$932,440	99.8%
Apr-18	517	\$930,237	\$983,002	\$1,901.36	105.7%	\$110,791	\$1,093,793	117.6%
May-18	514	\$920,232	\$943,917	\$1,836.41	102.6%	\$109,600	\$1,053,516	114.5%
Jun-18								
YTD Plan Year	5,863	\$10,477,961	\$10,270,557	\$1,751.76	98.0%	\$1,247,925	\$11,518,482	109.9%
12 Month Rollup	6,424	\$11,437,196	\$11,159,422	\$1,737.15	97.6%	\$1,362,937	\$12,522,359	109.5%

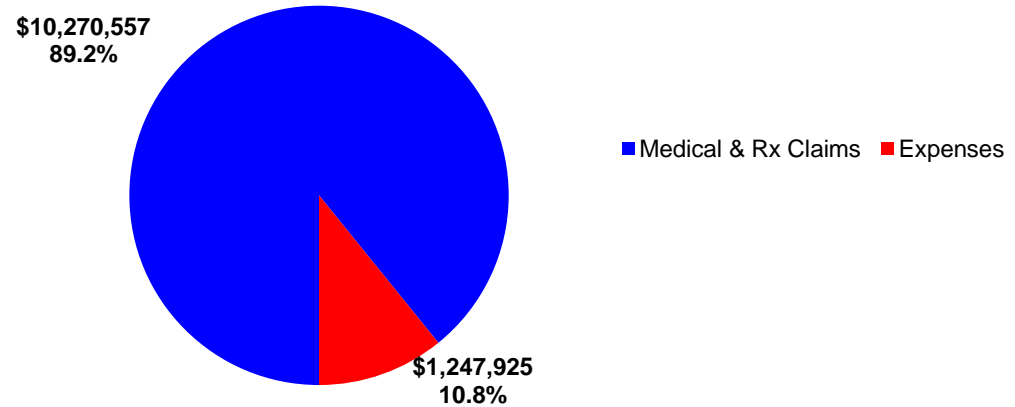
⁽¹⁾ Excludes Cigna's HealthSpring Preferred Plan.

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

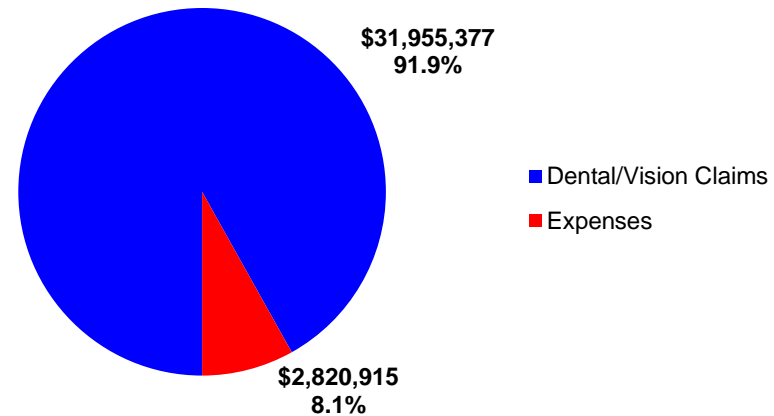


Los Angeles County Employees Retirement Association

Cigna Dental PPO + Vision
Coverage Month May 2018

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	44,600	\$3,524,019	\$2,729,264	57.1%	\$61.19	77.4%	\$255,394	\$2,984,659	84.7%
Nov-17	44,669	\$3,536,624	\$2,444,360	57.3%	\$54.72	69.1%	\$256,308	\$2,700,668	76.4%
Dec-17	44,709	\$3,539,802	\$2,482,447	58.1%	\$55.52	70.1%	\$256,538	\$2,738,985	77.4%
Jan-18	44,776	\$3,542,724	\$2,858,043	53.5%	\$63.83	80.7%	\$256,750	\$3,114,793	87.9%
Feb-18	44,803	\$3,544,236	\$3,487,067	54.4%	\$77.83	98.4%	\$256,859	\$3,743,926	105.6%
Mar-18	44,811	\$3,543,640	\$3,587,229	54.6%	\$80.05	101.2%	\$256,816	\$3,844,045	108.5%
Apr-18	44,903	\$3,562,292	\$3,168,315	55.0%	\$70.56	88.9%	\$258,168	\$3,426,483	96.2%
May-18	45,160	\$3,585,559	\$3,094,087	57.0%	\$68.51	86.3%	\$259,854	\$3,353,942	93.5%
Jun-18									
YTD Plan Year	491,789	\$38,923,979	\$31,955,377	55.8%	\$64.98	82.1%	\$2,820,915	\$34,776,293	89.3%
12 Month Rollup	536,118	\$42,389,778	\$34,883,119	55.8%	\$65.07	82.3%	\$3,068,936	\$37,952,055	89.5%

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



Los Angeles County Employees Retirement Association

Kaiser Utilization

Coverage Month May 2018

- 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 11/1/2016 - 10/31/2017	Prior Period 11/1/2015 - 10/31/2016	Change
Average Contract Size	2.35	2.31	1.73%
Average Members	8,745	8,738	0.08%
Inpatient Claims PMPM	\$188.88	\$209.50	-9.84%
Outpatient Claims PMPM	\$275.73	\$257.21	7.20%
Pharmacy	\$93.32	\$94.17	-0.90%
Other	\$106.21	\$110.27	-3.68%
Total Claims PMPM	\$664.14	\$671.15	-1.04%

Total Paid Claims	\$69,698,162	\$70,371,008	-0.96%
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Large Claims over \$400,000 Pooling Point			
Number of Claims over Pooling Point	4	10	
Amount over Pooling Point	\$871,694	\$1,834,991	-52.50%
% of Total Paid Claims	1.25%	2.61%	

Inpatient Days / 1000	233.6	385.7	-39.43%
Inpatient Admits / 1000	53.3	72.6	-26.58%
Outpatient Visits / 1000	11,868.5	12,218.7	-2.87%
Pharmacy Scripts PMPY	10.9	11.4	-4.39%