

## 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

WEDNESDAY, NOVEMBER 7, 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 October 11, 2018

#### II. PUBLIC COMMENT

#### III. ACTION ITEMS

A. Recommendation as submitted by Barry W. Lew, Legislative Affairs Officer:  
That the Committee review and recommend that the Board of Retirement  
adopt the revised Legislative Policy. (Memorandum dated October 30,  
2018)

#### IV. FOR INFORMATION

- A. Engagement Report for October 2018  
Barry W. Lew, Legislative Affairs Officer
- B. Staff Activities Report for October 2018  
Cassandra Smith, Director, Retiree Healthcare
- C. LACERA Claims Experience  
Stephen Murphy, Segal Consulting

IV. FOR INFORMATION (Continued)

- D. Federal Legislation  
Stephen Murphy, Segal Consulting  
*(for discussion purposes)*

V. ITEMS FOR STAFF REVIEW

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, OCTOBER 11, 2018, 11:40 A.M. – 12:05 P.M.

**COMMITTEE MEMBERS**

PRESENT: Les Robbins, Chair  
Shawn R. Kehoe, Vice Chair  
Herman B. Santos  
Gina Zapanta-Murphy

ABSENT: Thomas Walsh, Alternate

**ALSO ATTENDING:**

BOARD MEMBERS AT LARGE

Marvin Adams  
Alan Bernstein  
Vivian H. Gray  
JP Harris

STAFF, ADVISORS, PARTICIPANTS

Cassandra Smith  
Barry Lew

Segal Consulting

Stephen Murphy

The meeting was called to order by Chair Robbins at 11:40 a.m.

I. APPROVAL OF THE MINUTES

A. Approval of the minutes of the regular meeting of September 13, 2018

Mr. Santos made a motion, Mr. Kehoe seconded, to approve the minutes of the regular meeting of September 13, 2018. The motion passed unanimously.

II. PUBLIC COMMENT

III. ACTION ITEMS

A. Recommendation as submitted by Barry W. Lew, Legislative Affairs Officer: That the Committee consider SACRS sponsorship of "Compensation of Board Members" as proposed by the Orange County Employees' Retirement System and recommend the Board of Retirement provide direction to its voting delegate on this proposal for the 2019 legislative platform of the State Association of County Retirement Systems. (Memorandum dated October 2, 2018)

Mr. Kehoe made a motion, Mr. Santos seconded, to support SACRS sponsorship of "Compensation of Board Members" as proposed by the Orange County Employees' Retirement System for the 2019 SACRS legislative platform. The motion passed unanimously.

IV. FOR INFORMATION

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

The engagement report was discussed.

B. Staff Activities Report for September 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 August 2018 were discussed.

IV. FOR INFORMATION (Continued)

- D. Federal Legislation  
Stephen Murphy, Segal Consulting  
*(for discussion purposes)*

Segal Consulting gave an update on federal legislation.

V. ITEMS FOR STAFF REVIEW

The Committee directed staff to review the governing statutes and workload related to the compensation of LACERA's Board members and provide a report at the December meeting regarding possible sponsorship of legislation that would increase the current compensation rate.

VI. GOOD OF THE ORDER

(For information purposes only)

VII. ADJOURNMENT

The meeting adjourned at 12:05 p.m.

**\*The Board of Retirement has adopted a policy permitting any member of the Board to attend a standing committee meeting open to the public. In the event five or more members of the Board of Retirement (including members appointed to the Committee) are in attendance, the meeting shall constitute a joint meeting of the Committee and the Board of Retirement. Members of the Board of Retirement who are not members of the Committee may attend and participate in a meeting of a Board Committee but may not vote on any matter discussed at the meeting. The only action the Committee may take at the meeting is approval of a recommendation to take further action at a subsequent meeting of the Board.**

October 30, 2018

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

FROM: Barry W. Lew   
Legislative Affairs Officer

FOR: November 7, 2018 Insurance, Benefits and Legislative Committee Meeting

SUBJECT: **Adoption of Revised Legislative Policy**

## RECOMMENDATION

That the Insurance, Benefits and Legislative Committee review and recommend that the Board of Retirement adopt the revised Legislative Policy.

## LEGAL AUTHORITY

The Legislative Policy provides that “[it] shall be reviewed by the Board of Retirement and Board of Investments biannually at the end of each two-year legislative session and may be amended by action of both Boards at any time.” If your Committee recommends that the Board of Retirement adopt the revised Legislative Policy, staff will concurrently recommend that the Board of Investments also adopt the revised Legislative Policy.

## DISCUSSION

The Legislative Policy for the Board of Retirement and Board of Investments originally consisted of two separate documents. The separate policies were restated and redeveloped into a single-source joint policy document that was approved by the Board of Retirement on October 13, 2016 and the Board of Investments on October 12, 2018.

The Legislative Policy was most recently revised by the Board of Retirement on May 10, 2018 and the Board of Investments on May 9, 2018 to ensure that LACERA can respond efficiently and effectively to time-sensitive matters before they can be considered at the next regularly scheduled board meeting.

The current review of the Legislative Policy is being undertaken in accordance with its regularly scheduled review at the end of each two-year legislative session. Staff is

seeking approval on the proposed revision as well as feedback on any additional revisions the Committee may have.

### **SUMMARY OF PROPOSED REVISION**

Page 7: The Legislative Policy currently lists specific matters that would fall under the purview of both the Board of Retirement and Board of Investments. The proposed revision would include in general any other administrative or organizational matters that affect both Boards.

Page 15: Monthly status reports on legislation were previously included as Green Folder items. The policy regarding Green Folder items was changed in April 2018 such that the items must relate to an agenda subject matter. As such, the status reports will be included as reports on the board agendas.

**IT IS THEREFORE RECOMMENDED THAT YOUR COMMITTEE** review and recommend that the Board of Retirement adopt the revised Legislative Policy.

**Reviewed and Approved:**



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**Steven P. Rice, Chief Counsel**

#### **Attachments**

Attachment A—Legislative Policy (redlined)  
Attachment B—Legislative Policy (clean)

cc: Robert Hill  
James Brekk  
JJ Popowich  
Bernie Buenaflor  
Steven Rice  
Jonathan Grabel  
Allan Cochran  
Ricki Contreras  
Vanessa Gonzalez  
Cassandra Smith

**ATTACHMENT A**



# LACERA LEGISLATIVE POLICY

Revised:

Board of Retirement: ~~May 10, 2018~~[date]

Board of Investments: ~~May 9, 2018~~[date]

## Table of Contents

Statement of Mission and Purpose .....	3
Legislative Policy Standards .....	5
Definitions of Board Positions.....	8
Legislative Analysis Memorandum Format.....	10
Action between Board Meetings.....	12
Ballot Measures .....	14
Status Reports.....	15
Legislative Process.....	16
Change Log.....	17

## Statement of Mission and Purpose

The Los Angeles County Employees Retirement Association (LACERA) was established under the County Employees Retirement Law of 1937 (CERL) and administers retirement benefits provided by CERL and the California Public Employees' Pension Reform Act of 2013 (PEPRA). LACERA is governed by the Board of Retirement and the Board of Investments. The Boards have plenary authority and fiduciary responsibility for the system as provided by Section 17 of Article XVI of the California Constitution and in CERL. The Boards have the sole and exclusive fiduciary responsibility to administer the system in a manner that will assure prompt delivery of benefits and related services to its members and beneficiaries.

The existence of LACERA and the fiduciary responsibility of its governing Boards are embodied in the organizational mission to *produce, protect, and provide the promised benefits*.

Each element of our mission informs the foundation of this Legislative Policy:

- *Produce* the highest quality of service for our members and sponsors.
- *Protect* the promised benefits through prudent investment and conservation of plan assets.
- *Provide* the promised benefits.

LACERA's retirement plan benefits are provided by CERL, PEPRA, and other provisions under the California Government Code. As a tax-qualified defined benefit plan, LACERA is also subject to federal law under the Internal Revenue Code. The value to our members of the benefits administered by LACERA may also be affected by other provisions of state and federal law. Changes to provisions that affect LACERA are achieved through the state and federal legislative process and through forms of direct democracy by California voters, which include ballot initiatives and referenda. It is also intended that this policy cover state and federal rulemaking, although such action takes place within the Executive branch of government rather than the Legislative. These various proposals, whether submitted through the state or federal legislative process or through rulemaking, may enhance or detract from LACERA's administrative capability and mission; they may also further or infringe upon the Boards' fiduciary responsibilities, member rights and benefits, or LACERA's mission. As such, the Boards will proactively monitor such proposals and voice its position regarding proposals as described in this policy.

LACERA may identify issues that it determines to pursue through sponsorship of legislative proposals. The scope of such issues may vary in applicability to LACERA only or also to other public retirement systems. The diversity of public retirement plans within California implies a diversity of issues that may overlap with or have impact upon other public retirement systems. Consequently, the Boards may directly sponsor legislation or they may co-sponsor legislation with other public retirement systems, through the State

Association of County Retirement Systems, or with other parties that may have an alignment of interest with LACERA with respect to an issue or proposal.

The purpose of this Legislative Policy is to:

- Establish legislative policy standards to guide staff in making recommendations regarding legislative proposals to the Boards.
- Define the range of positions that the Boards may take with respect to legislative proposals.
- Establish a standard memorandum format to provide legislative analysis and recommendations to the Boards.
- Define circumstances in which the Board may need to communicate a position regarding a legislative proposal before the proposal is considered at a regularly scheduled Board meeting.
- Establish guidelines for staff and Board actions related to ballot measures.
- Provide for status reports of LACERA's legislative advocacy efforts.

The overall goal of this policy is to provide the Boards with flexibility to pursue legislative action on any and all issues that the Boards may view as affecting LACERA's mission.

This policy shall be reviewed by the Board of Retirement and Board of Investments biannually at the end of each two-year legislative session and may be amended by action of both Boards at any time.

## Legislative Policy Standards

The legislative policy standards are categorized for the Board of Retirement, the Board of Investments, and both Boards. Legislative action items of interest to the Board of Retirement are first brought before the Board of Retirement's Insurance, Benefits and Legislative Committee for consideration before being recommended to the Board of Retirement. However, items may go directly to the Board of Retirement for consideration with the agreement of both the Chair of the Board of Retirement and the Chair of the Insurance, Benefits and Legislative Committee.

Legislative action items of interest to the Board of Investments are brought directly to the Board of Investments.

Legislative action items of interest to both the Board of Retirement and Board of Investments are brought separately to both Boards. However, such items to be considered by the Board of Retirement will first be considered by the Board of Retirement's Insurance, Benefits, and Legislative Committee before being recommended to the Board of Retirement.

The legislative policy standards conceptually relate to LACERA's mission to produce, protect, and provide the promised benefits; the legislative policy standards also embody the themes of quality of service, prudent investment, conservation of plan assets, and prompt delivery of benefits and services within each element of LACERA's mission.

Legislative proposals or rulemaking that are enacted into law ultimately require implementation by LACERA. The approach staff will take in formulating positions and recommendations is to foster collaboration with divisions within LACERA and resources outside of LACERA, including other public pension systems, LACERA's legislative advocate, and others whose interests align with LACERA's or who may have relevant information, to fully assess the impact of proposals.

Although the legislative policy standards are intended to guide staff in formulating positions and recommendations to the Boards on legislative proposals or rulemaking, the Boards may in their discretion adopt any position on specific proposals. This policy is not intended to limit the flexibility of the Boards to take a position or other action on any legislative matter or rulemaking that may impact LACERA or its stakeholders, whether or not the specific subject matter is listed in this policy.

### **Board of Retirement**

- Support proposals that provide the Board of Retirement with increased flexibility in its administration of retirement plans and operations or enable more efficient and effective service to members and stakeholders.
- Support proposals that correct structural deficiencies in plan design.

- Support proposals that provide clarification, technical updates, or conforming changes to the County Employees Retirement Law of 1937, the California Public Employees' Pension Reform Act of 2013, or other applicable provisions under California law related to public retirement systems.
- Support proposals that protect vested benefits or have a positive impact upon LACERA's members.
- Support proposals that seek to prevent fraud in connection with retirement benefits and applications.
- Oppose proposals that infringe on the Board of Retirement's plenary authority or fiduciary responsibility.
- Oppose proposals that deprive members of vested benefits.
- Oppose proposals that mandate the release of confidential information of members and beneficiaries.
- Oppose proposals that jeopardize the tax-exempt status of LACERA's qualified retirement plan under the Internal Revenue Code and the California Revenue and Taxation Code or the deferred treatment of income tax on employer and employee contributions and related earnings.
- Oppose proposals that create unreasonable costs or complexity in the administration of retirement benefits.
- Oppose proposals that are contrary to or interfere with the Board of Retirement's adopted policies or decisions.

### **Board of Investments**

- Support proposals that give increased flexibility to the Board of Investments in its investment policy and administration.
- Support proposals that preserve the assets and minimize the liabilities of trust funds administered by LACERA.
- Support proposals that are consistent with the Board of Investments' Corporate Governance Principles.
- Support proposals that are consistent with the Board of Investments' Statement of Investment Beliefs.
- Support proposals that promote transparent financial reporting.

- Oppose proposals that infringe on the Board of Investments' authority over the actuarial valuation process.
- Oppose proposals that infringe on the Board of Investments' plenary authority or fiduciary responsibility, including but not limited to investment mandates or restrictions.
- Oppose proposals that create unreasonable costs or complexity in the administration of investments.
- Oppose proposals that are contrary to or interfere with the Board of Investment's adopted policies or decisions.

### **Board of Retirement & Board of Investments**

- Support proposals that harmonize the powers and functions of the Board of Retirement and Board of Investments but do not encroach on each Board's respective separate jurisdiction.
- Support proposals that enhance board member education and ethics.
- Address proposals related to the administrative budget.
- Address proposals related to the appointment of personnel.
- Address proposals related to administrative or organizational matters that affect both Boards.

## Definitions of Board Positions

### **SPONSOR OR CO-SPONSOR**

- Indicates that the proposal was initiated by the Board or that the proposal was initiated by one or more organizations with which LACERA shares sponsorship.
- Authorizes staff to engage with LACERA's legislative advocate to achieve passage of the proposal.

### **SUPPORT**

- Indicates that the Board believes the proposal should become law.
- Authorizes staff to engage with LACERA's legislative advocate to achieve passage of the proposal.

### **SUPPORT IF AMENDED**

- Indicates that the Board conditionally supports the proposal in becoming law and that amendments are necessary to facilitate implementation and administration.
- Authorizes staff to engage with LACERA's legislative advocate to communicate the Board's position and incorporate amendments into the proposal.
- If amendments requested by LACERA are adopted, authorizes staff to engage with LACERA's legislative advocate to achieve passage of the proposal without a resubmission of the proposal to the Board, unless the Board directs otherwise.
- If there are substantive<sup>1</sup> amendments to the proposal not requested by LACERA that may cause the Board not to support the proposal, staff will resubmit the proposal to the Board for consideration.

### **NEUTRAL**

- Indicates that the proposal affects LACERA and its stakeholders, but the Board neither supports nor opposes it.
- Does not require engagement with LACERA's legislative advocate to achieve passage or defeat of the proposal.

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<sup>1</sup> The term "substantive" as used in this Legislative Policy is defined as a change in the proposal that does not merely provide clarification but creates and defines rights and duties or, conversely, removes rights and duties.



## **OPPOSE**

- Indicates that the Board does not believe the proposal should become law.
- Authorizes staff to engage with LACERA's legislative advocate to communicate the Board's position and to defeat the proposal.

## **OPPOSE UNLESS AMENDED**

- Indicates that the Board conditionally opposes the proposal in becoming law and that amendments are necessary to remove the Board's opposition.
- Authorizes staff to engage with LACERA's legislative advocate to communicate the Board's position and to incorporate amendments into the proposal.
- If amendments requested by LACERA are adopted, the Board's position will be Neutral or Watch without a resubmission of the proposal to the Board, unless the Board directs otherwise.
- If there are substantive amendments to the proposal not requested by LACERA that may cause the Board not to remove its opposition, staff will resubmit the proposal to the Board for consideration.

## **WATCH**

- Indicates that the proposal does not affect LACERA and its stakeholders but would be enacted under a law that covers LACERA such as CERL or PEPRA.
- Indicates that although the proposal is not based on a law that covers LACERA such as CERL or PEPRA, the proposal may be of interest or concern to the Board and its stakeholders and that the Board in the future may take a substantive position on the matter.
- Indicates that proposal will be resubmitted to the Board for consideration if amendments cause the proposal to affect LACERA and its stakeholders.

Once the Board has acted, these positions will typically be communicated by means of a letter from the Chief Executive Officer to the appropriate legislative officers. Staff coordinates with LACERA's legislative advocate in preparing this letter and developing a communication and distribution strategy for the letter, which may include verbal communications by the legislative advocate with relevant legislators and/or legislative staff. In the rulemaking context, LACERA's positions will typically be communicated to the enacting state or federal agency by means of a comment letter where the agency has provided an opportunity for public comment on a proposed rule before it is finalized and becomes effective.

## **Legislative Analysis Memorandum Format**

The following is an outline of the format of the legislative analysis memorandum provided by staff. In general, the memorandum will follow this format but may be modified for specific cases.

Date

TO:

FROM:

FOR:

SUBJECT: **Bill Number**

*Author:*

*Sponsor:*

*Introduced:*

*Amended:*

*Status:*

*Board Position:*

*Committee Recommendation:*

*Staff Recommendation:*

*[If the memo addresses rulemaking, the Subject section will provide similar relevant information.]*

## **RECOMMENDATION**

*[This section states staff's or the Committee's recommendation to the Board.]*

## **LEGISLATIVE POLICY STANDARD**

*[This section discusses the application of LACERA's legislative policy standards to the proposal and the justification for the recommendation to the Board.]*

## **SUMMARY**

*[This section describes the provisions of the proposal and the key additions or updates the proposal makes to existing law.]*

## **ANALYSIS**

*[This section provides an analysis of the effects and implications of the proposal on LACERA.]*

## **IT IS THEREFORE RECOMMENDED THAT YOUR BOARD**

*[This section restates staff's or the Committee's recommendation and summary or concluding comments.]*

## **Attachments**

**Attachment 1—Board Positions Adopted On Related Legislation**

*[This attachment states the positions the Board has previously taken on the subject matter of the bill.]*

**Attachment 2—Support And Opposition**

*[This attachment identifies those entities that have already taken a position on the bill.]*

**Bill Text**

## Action between Board Meetings

The Board of Retirement generally meets twice a month, including a disability meeting on the first Wednesday and an administrative meeting on the Thursday following the second Wednesday; the Board of Investments meets once a month on the second Wednesday. Since the meeting schedules of the Boards do not necessarily accord with the hearing schedules and deadlines of the state Legislature and Congress. In the event a time-sensitive matter arises, action by staff may be required before the matter is considered by the Board at the next regularly scheduled Board meeting.

### I. Legislation on Which the Board Previously Adopted a Position

Staff may engage with LACERA's legislative advocate to communicate a position on amendments to a bill before formal consideration by the Board of Retirement or Board of Investments if all the following conditions are met:

1. The Board had adopted a Support or Oppose position on the bill *before* it was amended.
2. Substantive amendments that may justify a change in the Board's position to other than Neutral or Watch have occurred in the bill *after* the Board adopted a position and *before* the next regularly scheduled board meeting.
3. Consideration of the amended bill by a legislative committee or by the Assembly or Senate floor will occur *before* the amended bill can be considered at the next regularly scheduled board meeting.

Staff will take the following actions:

1. Prepare a legislative analysis of the amended bill for use in consultation.
2. Consult with the Chief Executive Officer, Chief Counsel, and legislative advocate for input regarding the amended bill to determine if the new position should be communicated to the Legislature.
3. If the new position should be communicated to the Legislature, consult with the Chair (or if not available, the Vice Chair) of the Board that has jurisdiction over the subject matter of the amended bill and obtain approval that the new position be communicated.
4. At the next regularly scheduled Board meeting, present a report to the Board regarding the position communicated in Step 3 and a summary of actions taken.

## II. Formally Affiliated Organizations

1. Staff may participate in joint written communications that are organized or requested by formal organizations to which LACERA has formally affiliated and that are consistent with the Board's legislative policy standards.
2. In the event a matter has been addressed in written communications by a formal organization to which LACERA has formally affiliated, staff may, consistent with the Board's legislative policy standards, write letters of support or opposition or engage in advocacy on the matter.

Staff will take the following actions:

1. Prepare a legislative analysis of the matter for use in consultation.
2. Consult with the Chief Executive Officer, Chief Counsel, and legislative advocate to determine whether staff should engage in the written communications described in II.1 and II.2.
3. If staff should engage in the written communications described in II.1 and II.2, consult with the Chair (or if not available, the Vice Chair) of the Board that has jurisdiction over the subject matter and obtain approval to engage in such written communications.
4. At the next regularly scheduled Board meeting, present a report to the Board of actions taken and copies of the written communications.

## Ballot Measures

California law provides for citizens to use ballot measures to initiate a state statute or a constitutional amendment or to repeal legislation through a veto referendum. The California State Legislature may also use ballot measures to offer legislatively referred state statutes or constitutional amendments.

In general, a government agency may not spend *public funds* for a partisan *campaign* advocating the passage or defeat of a ballot measure. It is, however, permissible for a government agency to engage in *informational* activities. What distinguishes *informational* activities from *campaign* activities depends on the style, tenor, and timing of the activity.

From time to time, ballot measures may be offered that are related to public retirement plans. The following guidelines are intended to provide guidance on actions that may be taken with respect to ballot measures on public retirement plans:

- Providing informational staff reports and analysis on the ballot measure's effect in a meeting open to the public.
- Providing a recommendation for the Board to take a position on the ballot measure in a meeting open to the public where all perspectives can be shared. (The Board may or may not take a position on any ballot measure. The Board may take a position when it determines it is necessary to publicly express its opinion for or against a matter on which it feels strongly with respect to its impact on LACERA.)
- Providing the Board's position and views on the ballot measure's merits and effects to interested stakeholders and organizations.
- Responding to inquiries from stakeholders and the public regarding the Board's position and views on the ballot measure.

The Fair Political Practices Commission (FPPC) was created by the Political Reform Act and requires government agencies to report expenses used to advocate or unambiguously urge the passage or defeat of a measure in an election. The FPPC also prohibits government agencies from paying for communication materials that advocate or unambiguously urge the passage or defeat of a measure in an election. LACERA must be cautious in not engaging in activities that can be characterized as *campaign* activities, which are prohibited and would be subject to campaign expenditure reporting requirements. Therefore, all activities related to ballot measures are subject to review by Chief Counsel.

## Status Reports

For bills on which the Boards have taken a position or that staff is monitoring, staff will provide a monthly status report listing each bill, its current status in the legislative process, and copies of communications used for lobbying the California State Legislature, United States Congress, the Governor of California, the President of the United States, or any regulatory agencies. The status report will be ~~included in the green folders provided to the Board of Retirement and Board of Investments before regularly scheduled board meetings~~ provided as monthly reports to the Board of Retirement and Board of Investments.

At the end of each legislative session, staff will provide a year-end report of all the bills on which the Boards had taken a position and their final disposition.

## Legislative Process

The following pages include an outline<sup>2</sup> and a flowchart<sup>3</sup> of the California legislative process through which a bill becomes law. In general, bills in the federal legislative process move through similar stages.

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<sup>2</sup> Overview of Legislative Process – Official California Legislative Information (<http://www.leginfo.ca.gov/bil2lawx.html>).

<sup>3</sup> The Life Cycle of Legislation: From Idea into Law. California Legislature: Assembly Rules Committee.



# OVERVIEW OF LEGISLATIVE PROCESS

The process of government by which bills are considered and laws enacted is commonly referred to as the Legislative Process. The California State Legislature is made up of two houses: the Senate and the Assembly. There are 40 Senators and 80 Assembly Members representing the people of the State of California. The Legislature has a legislative calendar containing important dates of activities during its two-year session.

## Idea

All legislation begins as an idea or concept. Ideas and concepts can come from a variety of sources. The process begins when a Senator or Assembly Member decides to author a bill.

## The Author

A Legislator sends the idea for the bill to the Legislative Counsel where it is drafted into the actual bill. The draft of the bill is returned to the Legislator for introduction. If the author is a Senator, the bill is introduced in the Senate. If the author is an Assembly Member, the bill is introduced in the Assembly.

## First Reading/Introduction

A bill is introduced or read the first time when the bill number, the name of the author, and the descriptive title of the bill is read on the floor of the house. The bill is then sent to the Office of State Printing. No bill may be acted upon until 30 days has passed from the date of its introduction.

## Committee Hearings

The bill then goes to the Rules Committee of the house of origin where it is assigned to the appropriate policy committee for its first hearing. Bills are assigned to policy committees according to subject area of the bill. For example, a Senate bill dealing with health care facilities would first be assigned to the Senate Health and Human Services Committee for policy review. Bills that require the expenditure of funds must also be heard in the fiscal committees: Senate Appropriations or Assembly Appropriations. Each house has a number of policy committees and a fiscal committee. Each committee is made up of a specified number of Senators or Assembly Members.

During the committee hearing the author presents the bill to the committee and testimony can be heard in support of or opposition to the bill. The committee then votes by passing the bill, passing the bill as amended, or defeating the bill. Bills can be amended several times. Letters of support or opposition are important and should be mailed to the author and committee members before the bill is scheduled to be heard in committee. It takes a majority vote of the full committee membership for a bill to be passed by the committee.

Each house maintains a schedule of legislative committee hearings. Prior to a bill's hearing, a bill analysis is prepared that explains current law, what the bill is intended to do, and some background information. Typically the analysis also lists organizations that support or oppose the bill.

## Second and Third Reading

Bills passed by committees are read a second time on the floor in the house of origin and then assigned to third reading. Bill analyses are also prepared prior to third reading. When a bill is read the third time it is explained by the author, discussed by the Members and voted on by a roll call vote. Bills that require an appropriation or that take effect immediately, generally require 27 votes in the Senate and 54 votes in the Assembly to be passed. Other bills generally require 21 votes in the Senate and 41 votes in the Assembly. If a

bill is defeated, the Member may seek reconsideration and another vote.

### **Repeat Process in other House**

Once the bill has been approved by the house of origin it proceeds to the other house where the procedure is repeated.

### **Resolution of Differences**

If a bill is amended in the second house, it must go back to the house of origin for concurrence, which is agreement on the amendments. If agreement cannot be reached, the bill is referred to a two house conference committee to resolve differences. Three members of the committee are from the Senate and three are from the Assembly. If a compromise is reached, the bill is returned to both houses for a vote.

### **Governor**

If both houses approve a bill, it then goes to the Governor. The Governor has three choices. The Governor can sign the bill into law, allow it to become law without his or her signature, or veto it. A governor's veto can be overridden by a two thirds vote in both houses. Most bills go into effect on the first day of January of the next year. Urgency measures take effect immediately after they are signed or allowed to become law without signature.

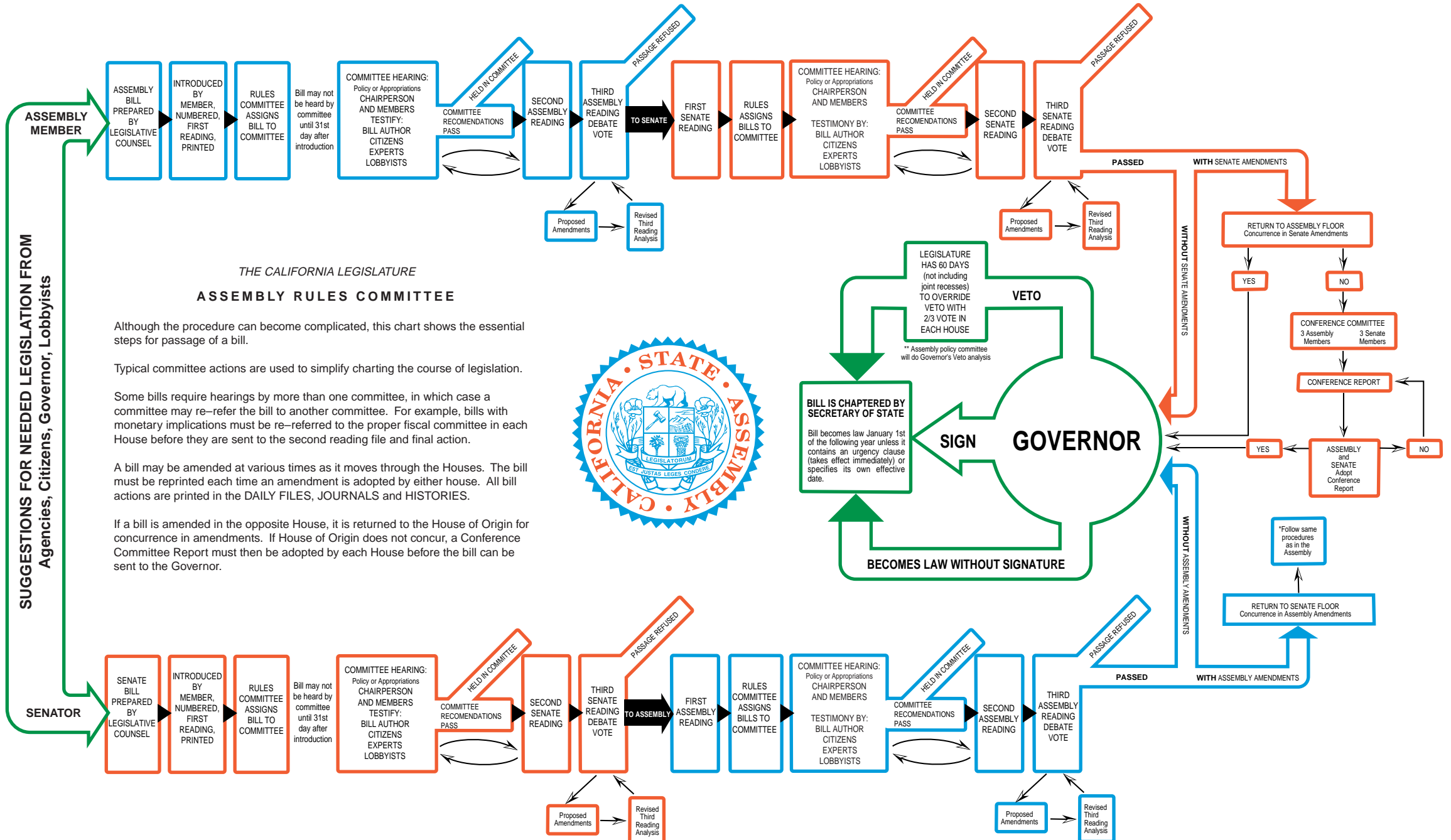
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# THE LIFE CYCLE OF LEGISLATION

*From Idea into Law*



## THE CALIFORNIA LEGISLATURE

### ASSEMBLY RULES COMMITTEE

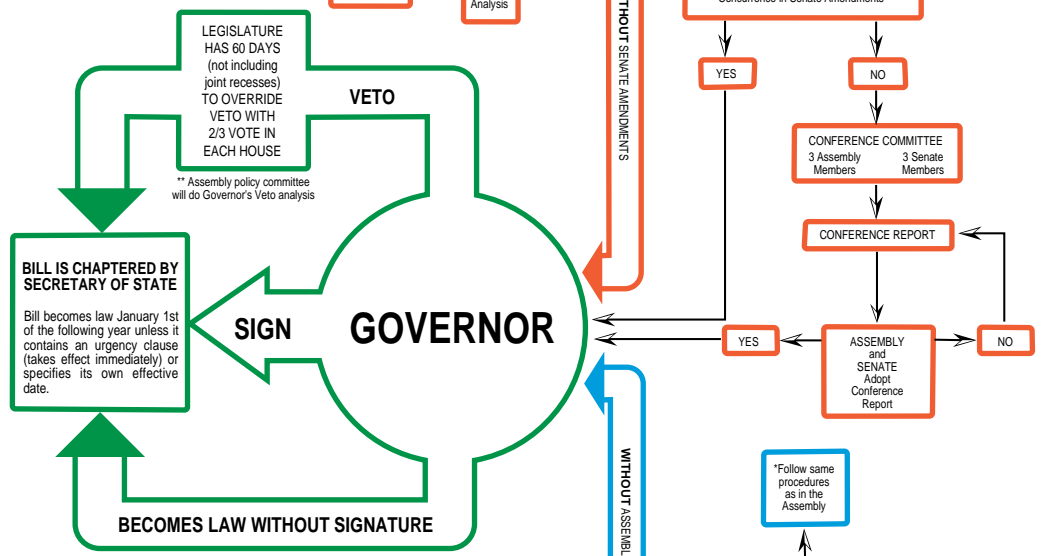
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Typical committee actions are used to simplify charting the course of legislation.

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If a bill is amended in the opposite House, it is returned to the House of Origin for concurrence in amendments. If House of Origin does not concur, a Conference Committee Report must then be adopted by each House before the bill can be sent to the Governor.



## Change Log

Restated and approved by the Board of Retirement on October 13, 2016 and the Board of Investments on October 12, 2016.

Revised by the Board of Retirement on May 10, 2018 and the Board of Investments on May 9, 2018.

**ATTACHMENT B**

# LACERA LEGISLATIVE POLICY

Revised:

Board of Retirement: [date]

Board of Investments: [date]

## Table of Contents

Statement of Mission and Purpose .....	3
Legislative Policy Standards .....	5
Definitions of Board Positions.....	8
Legislative Analysis Memorandum Format.....	10
Action between Board Meetings.....	12
Ballot Measures .....	14
Status Reports.....	15
Legislative Process.....	16
Change Log.....	17

## Statement of Mission and Purpose

The Los Angeles County Employees Retirement Association (LACERA) was established under the County Employees Retirement Law of 1937 (CERL) and administers retirement benefits provided by CERL and the California Public Employees' Pension Reform Act of 2013 (PEPRA). LACERA is governed by the Board of Retirement and the Board of Investments. The Boards have plenary authority and fiduciary responsibility for the system as provided by Section 17 of Article XVI of the California Constitution and in CERL. The Boards have the sole and exclusive fiduciary responsibility to administer the system in a manner that will assure prompt delivery of benefits and related services to its members and beneficiaries.

The existence of LACERA and the fiduciary responsibility of its governing Boards are embodied in the organizational mission to *produce, protect, and provide the promised benefits*.

Each element of our mission informs the foundation of this Legislative Policy:

- *Produce* the highest quality of service for our members and sponsors.
- *Protect* the promised benefits through prudent investment and conservation of plan assets.
- *Provide* the promised benefits.

LACERA's retirement plan benefits are provided by CERL, PEPRA, and other provisions under the California Government Code. As a tax-qualified defined benefit plan, LACERA is also subject to federal law under the Internal Revenue Code. The value to our members of the benefits administered by LACERA may also be affected by other provisions of state and federal law. Changes to provisions that affect LACERA are achieved through the state and federal legislative process and through forms of direct democracy by California voters, which include ballot initiatives and referenda. It is also intended that this policy cover state and federal rulemaking, although such action takes place within the Executive branch of government rather than the Legislative. These various proposals, whether submitted through the state or federal legislative process or through rulemaking, may enhance or detract from LACERA's administrative capability and mission; they may also further or infringe upon the Boards' fiduciary responsibilities, member rights and benefits, or LACERA's mission. As such, the Boards will proactively monitor such proposals and voice its position regarding proposals as described in this policy.

LACERA may identify issues that it determines to pursue through sponsorship of legislative proposals. The scope of such issues may vary in applicability to LACERA only or also to other public retirement systems. The diversity of public retirement plans within California implies a diversity of issues that may overlap with or have impact upon other public retirement systems. Consequently, the Boards may directly sponsor legislation or they may co-sponsor legislation with other public retirement systems, through the State



Association of County Retirement Systems, or with other parties that may have an alignment of interest with LACERA with respect to an issue or proposal.

The purpose of this Legislative Policy is to:

- Establish legislative policy standards to guide staff in making recommendations regarding legislative proposals to the Boards.
- Define the range of positions that the Boards may take with respect to legislative proposals.
- Establish a standard memorandum format to provide legislative analysis and recommendations to the Boards.
- Define circumstances in which the Board may need to communicate a position regarding a legislative proposal before the proposal is considered at a regularly scheduled Board meeting.
- Establish guidelines for staff and Board actions related to ballot measures.
- Provide for status reports of LACERA's legislative advocacy efforts.

The overall goal of this policy is to provide the Boards with flexibility to pursue legislative action on any and all issues that the Boards may view as affecting LACERA's mission.

This policy shall be reviewed by the Board of Retirement and Board of Investments biannually at the end of each two-year legislative session and may be amended by action of both Boards at any time.

## Legislative Policy Standards

The legislative policy standards are categorized for the Board of Retirement, the Board of Investments, and both Boards. Legislative action items of interest to the Board of Retirement are first brought before the Board of Retirement's Insurance, Benefits and Legislative Committee for consideration before being recommended to the Board of Retirement. However, items may go directly to the Board of Retirement for consideration with the agreement of both the Chair of the Board of Retirement and the Chair of the Insurance, Benefits and Legislative Committee.

Legislative action items of interest to the Board of Investments are brought directly to the Board of Investments.

Legislative action items of interest to both the Board of Retirement and Board of Investments are brought separately to both Boards. However, such items to be considered by the Board of Retirement will first be considered by the Board of Retirement's Insurance, Benefits, and Legislative Committee before being recommended to the Board of Retirement.

The legislative policy standards conceptually relate to LACERA's mission to produce, protect, and provide the promised benefits; the legislative policy standards also embody the themes of quality of service, prudent investment, conservation of plan assets, and prompt delivery of benefits and services within each element of LACERA's mission.

Legislative proposals or rulemaking that are enacted into law ultimately require implementation by LACERA. The approach staff will take in formulating positions and recommendations is to foster collaboration with divisions within LACERA and resources outside of LACERA, including other public pension systems, LACERA's legislative advocate, and others whose interests align with LACERA's or who may have relevant information, to fully assess the impact of proposals.

Although the legislative policy standards are intended to guide staff in formulating positions and recommendations to the Boards on legislative proposals or rulemaking, the Boards may in their discretion adopt any position on specific proposals. This policy is not intended to limit the flexibility of the Boards to take a position or other action on any legislative matter or rulemaking that may impact LACERA or its stakeholders, whether or not the specific subject matter is listed in this policy.

### **Board of Retirement**

- Support proposals that provide the Board of Retirement with increased flexibility in its administration of retirement plans and operations or enable more efficient and effective service to members and stakeholders.
- Support proposals that correct structural deficiencies in plan design.

- Support proposals that provide clarification, technical updates, or conforming changes to the County Employees Retirement Law of 1937, the California Public Employees' Pension Reform Act of 2013, or other applicable provisions under California law related to public retirement systems.
- Support proposals that protect vested benefits or have a positive impact upon LACERA's members.
- Support proposals that seek to prevent fraud in connection with retirement benefits and applications.
- Oppose proposals that infringe on the Board of Retirement's plenary authority or fiduciary responsibility.
- Oppose proposals that deprive members of vested benefits.
- Oppose proposals that mandate the release of confidential information of members and beneficiaries.
- Oppose proposals that jeopardize the tax-exempt status of LACERA's qualified retirement plan under the Internal Revenue Code and the California Revenue and Taxation Code or the deferred treatment of income tax on employer and employee contributions and related earnings.
- Oppose proposals that create unreasonable costs or complexity in the administration of retirement benefits.
- Oppose proposals that are contrary to or interfere with the Board of Retirement's adopted policies or decisions.

### **Board of Investments**

- Support proposals that give increased flexibility to the Board of Investments in its investment policy and administration.
- Support proposals that preserve the assets and minimize the liabilities of trust funds administered by LACERA.
- Support proposals that are consistent with the Board of Investments' Corporate Governance Principles.
- Support proposals that are consistent with the Board of Investments' Statement of Investment Beliefs.
- Support proposals that promote transparent financial reporting.

- Oppose proposals that infringe on the Board of Investments' authority over the actuarial valuation process.
- Oppose proposals that infringe on the Board of Investments' plenary authority or fiduciary responsibility, including but not limited to investment mandates or restrictions.
- Oppose proposals that create unreasonable costs or complexity in the administration of investments.
- Oppose proposals that are contrary to or interfere with the Board of Investment's adopted policies or decisions.

### **Board of Retirement & Board of Investments**

- Support proposals that harmonize the powers and functions of the Board of Retirement and Board of Investments but do not encroach on each Board's respective separate jurisdiction.
- Support proposals that enhance board member education and ethics.
- Address proposals related to the administrative budget.
- Address proposals related to the appointment of personnel.
- Address proposals related to administrative or organizational matters that affect both Boards.

## Definitions of Board Positions

### **SPONSOR OR CO-SPONSOR**

- Indicates that the proposal was initiated by the Board or that the proposal was initiated by one or more organizations with which LACERA shares sponsorship.
- Authorizes staff to engage with LACERA's legislative advocate to achieve passage of the proposal.

### **SUPPORT**

- Indicates that the Board believes the proposal should become law.
- Authorizes staff to engage with LACERA's legislative advocate to achieve passage of the proposal.

### **SUPPORT IF AMENDED**

- Indicates that the Board conditionally supports the proposal in becoming law and that amendments are necessary to facilitate implementation and administration.
- Authorizes staff to engage with LACERA's legislative advocate to communicate the Board's position and incorporate amendments into the proposal.
- If amendments requested by LACERA are adopted, authorizes staff to engage with LACERA's legislative advocate to achieve passage of the proposal without a resubmission of the proposal to the Board, unless the Board directs otherwise.
- If there are substantive<sup>1</sup> amendments to the proposal not requested by LACERA that may cause the Board not to support the proposal, staff will resubmit the proposal to the Board for consideration.

### **NEUTRAL**

- Indicates that the proposal affects LACERA and its stakeholders, but the Board neither supports nor opposes it.
- Does not require engagement with LACERA's legislative advocate to achieve passage or defeat of the proposal.

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<sup>1</sup> The term "substantive" as used in this Legislative Policy is defined as a change in the proposal that does not merely provide clarification but creates and defines rights and duties or, conversely, removes rights and duties.

## **OPPOSE**

- Indicates that the Board does not believe the proposal should become law.
- Authorizes staff to engage with LACERA's legislative advocate to communicate the Board's position and to defeat the proposal.

## **OPPOSE UNLESS AMENDED**

- Indicates that the Board conditionally opposes the proposal in becoming law and that amendments are necessary to remove the Board's opposition.
- Authorizes staff to engage with LACERA's legislative advocate to communicate the Board's position and to incorporate amendments into the proposal.
- If amendments requested by LACERA are adopted, the Board's position will be Neutral or Watch without a resubmission of the proposal to the Board, unless the Board directs otherwise.
- If there are substantive amendments to the proposal not requested by LACERA that may cause the Board not to remove its opposition, staff will resubmit the proposal to the Board for consideration.

## **WATCH**

- Indicates that the proposal does not affect LACERA and its stakeholders but would be enacted under a law that covers LACERA such as CERL or PEPRA.
- Indicates that although the proposal is not based on a law that covers LACERA such as CERL or PEPRA, the proposal may be of interest or concern to the Board and its stakeholders and that the Board in the future may take a substantive position on the matter.
- Indicates that proposal will be resubmitted to the Board for consideration if amendments cause the proposal to affect LACERA and its stakeholders.

Once the Board has acted, these positions will typically be communicated by means of a letter from the Chief Executive Officer to the appropriate legislative officers. Staff coordinates with LACERA's legislative advocate in preparing this letter and developing a communication and distribution strategy for the letter, which may include verbal communications by the legislative advocate with relevant legislators and/or legislative staff. In the rulemaking context, LACERA's positions will typically be communicated to the enacting state or federal agency by means of a comment letter where the agency has provided an opportunity for public comment on a proposed rule before it is finalized and becomes effective.

## **Legislative Analysis Memorandum Format**

The following is an outline of the format of the legislative analysis memorandum provided by staff. In general, the memorandum will follow this format but may be modified for specific cases.

Date

TO:

FROM:

FOR:

SUBJECT: **Bill Number**

*Author:*

*Sponsor:*

*Introduced:*

*Amended:*

*Status:*

*Board Position:*

*Committee Recommendation:*

*Staff Recommendation:*

*[If the memo addresses rulemaking, the Subject section will provide similar relevant information.]*

## **RECOMMENDATION**

*[This section states staff's or the Committee's recommendation to the Board.]*

## **LEGISLATIVE POLICY STANDARD**

*[This section discusses the application of LACERA's legislative policy standards to the proposal and the justification for the recommendation to the Board.]*

## **SUMMARY**

*[This section describes the provisions of the proposal and the key additions or updates the proposal makes to existing law.]*

## **ANALYSIS**

*[This section provides an analysis of the effects and implications of the proposal on LACERA.]*

## **IT IS THEREFORE RECOMMENDED THAT YOUR BOARD**

*[This section restates staff's or the Committee's recommendation and summary or concluding comments.]*

## **Attachments**

**Attachment 1—Board Positions Adopted On Related Legislation**

*[This attachment states the positions the Board has previously taken on the subject matter of the bill.]*

**Attachment 2—Support And Opposition**

*[This attachment identifies those entities that have already taken a position on the bill.]*

**Bill Text**



## Action between Board Meetings

The Board of Retirement generally meets twice a month, including a disability meeting on the first Wednesday and an administrative meeting on the Thursday following the second Wednesday; the Board of Investments meets once a month on the second Wednesday. Since the meeting schedules of the Boards do not necessarily accord with the hearing schedules and deadlines of the state Legislature and Congress. In the event a time-sensitive matter arises, action by staff may be required before the matter is considered by the Board at the next regularly scheduled Board meeting.

### I. Legislation on Which the Board Previously Adopted a Position

Staff may engage with LACERA's legislative advocate to communicate a position on amendments to a bill before formal consideration by the Board of Retirement or Board of Investments if all the following conditions are met:

1. The Board had adopted a Support or Oppose position on the bill *before* it was amended.
2. Substantive amendments that may justify a change in the Board's position to other than Neutral or Watch have occurred in the bill *after* the Board adopted a position and *before* the next regularly scheduled board meeting.
3. Consideration of the amended bill by a legislative committee or by the Assembly or Senate floor will occur *before* the amended bill can be considered at the next regularly scheduled board meeting.

Staff will take the following actions:

1. Prepare a legislative analysis of the amended bill for use in consultation.
2. Consult with the Chief Executive Officer, Chief Counsel, and legislative advocate for input regarding the amended bill to determine if the new position should be communicated to the Legislature.
3. If the new position should be communicated to the Legislature, consult with the Chair (or if not available, the Vice Chair) of the Board that has jurisdiction over the subject matter of the amended bill and obtain approval that the new position be communicated.
4. At the next regularly scheduled Board meeting, present a report to the Board regarding the position communicated in Step 3 and a summary of actions taken.

## II. Formally Affiliated Organizations

1. Staff may participate in joint written communications that are organized or requested by formal organizations to which LACERA has formally affiliated and that are consistent with the Board's legislative policy standards.
2. In the event a matter has been addressed in written communications by a formal organization to which LACERA has formally affiliated, staff may, consistent with the Board's legislative policy standards, write letters of support or opposition or engage in advocacy on the matter.

Staff will take the following actions:

1. Prepare a legislative analysis of the matter for use in consultation.
2. Consult with the Chief Executive Officer, Chief Counsel, and legislative advocate to determine whether staff should engage in the written communications described in II.1 and II.2.
3. If staff should engage in the written communications described in II.1 and II.2, consult with the Chair (or if not available, the Vice Chair) of the Board that has jurisdiction over the subject matter and obtain approval to engage in such written communications.
4. At the next regularly scheduled Board meeting, present a report to the Board of actions taken and copies of the written communications.

## Ballot Measures

California law provides for citizens to use ballot measures to initiate a state statute or a constitutional amendment or to repeal legislation through a veto referendum. The California State Legislature may also use ballot measures to offer legislatively referred state statutes or constitutional amendments.

In general, a government agency may not spend *public funds* for a partisan *campaign* advocating the passage or defeat of a ballot measure. It is, however, permissible for a government agency to engage in *informational* activities. What distinguishes *informational* activities from *campaign* activities depends on the style, tenor, and timing of the activity.

From time to time, ballot measures may be offered that are related to public retirement plans. The following guidelines are intended to provide guidance on actions that may be taken with respect to ballot measures on public retirement plans:

- Providing informational staff reports and analysis on the ballot measure's effect in a meeting open to the public.
- Providing a recommendation for the Board to take a position on the ballot measure in a meeting open to the public where all perspectives can be shared. (The Board may or may not take a position on any ballot measure. The Board may take a position when it determines it is necessary to publicly express its opinion for or against a matter on which it feels strongly with respect to its impact on LACERA.)
- Providing the Board's position and views on the ballot measure's merits and effects to interested stakeholders and organizations.
- Responding to inquiries from stakeholders and the public regarding the Board's position and views on the ballot measure.

The Fair Political Practices Commission (FPPC) was created by the Political Reform Act and requires government agencies to report expenses used to advocate or unambiguously urge the passage or defeat of a measure in an election. The FPPC also prohibits government agencies from paying for communication materials that advocate or unambiguously urge the passage or defeat of a measure in an election. LACERA must be cautious in not engaging in activities that can be characterized as *campaign* activities, which are prohibited and would be subject to campaign expenditure reporting requirements. Therefore, all activities related to ballot measures are subject to review by Chief Counsel.

## Status Reports

For bills on which the Boards have taken a position or that staff is monitoring, staff will provide a monthly status report listing each bill, its current status in the legislative process, and copies of communications used for lobbying the California State Legislature, United States Congress, the Governor of California, the President of the United States, or any regulatory agencies. The status report will be provided as monthly reports to the Board of Retirement and Board of Investments.

At the end of each legislative session, staff will provide a year-end report of all the bills on which the Boards had taken a position and their final disposition.

## Legislative Process

The following pages include an outline<sup>2</sup> and a flowchart<sup>3</sup> of the California legislative process through which a bill becomes law. In general, bills in the federal legislative process move through similar stages.

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<sup>2</sup> Overview of Legislative Process – Official California Legislative Information (<http://www.leginfo.ca.gov/bil2lawx.html>).

<sup>3</sup> The Life Cycle of Legislation: From Idea into Law. California Legislature: Assembly Rules Committee.

# OVERVIEW OF LEGISLATIVE PROCESS

The process of government by which bills are considered and laws enacted is commonly referred to as the Legislative Process. The California State Legislature is made up of two houses: the Senate and the Assembly. There are 40 Senators and 80 Assembly Members representing the people of the State of California. The Legislature has a legislative calendar containing important dates of activities during its two-year session.

## Idea

All legislation begins as an idea or concept. Ideas and concepts can come from a variety of sources. The process begins when a Senator or Assembly Member decides to author a bill.

## The Author

A Legislator sends the idea for the bill to the Legislative Counsel where it is drafted into the actual bill. The draft of the bill is returned to the Legislator for introduction. If the author is a Senator, the bill is introduced in the Senate. If the author is an Assembly Member, the bill is introduced in the Assembly.

## First Reading/Introduction

A bill is introduced or read the first time when the bill number, the name of the author, and the descriptive title of the bill is read on the floor of the house. The bill is then sent to the Office of State Printing. No bill may be acted upon until 30 days has passed from the date of its introduction.

## Committee Hearings

The bill then goes to the Rules Committee of the house of origin where it is assigned to the appropriate policy committee for its first hearing. Bills are assigned to policy committees according to subject area of the bill. For example, a Senate bill dealing with health care facilities would first be assigned to the Senate Health and Human Services Committee for policy review. Bills that require the expenditure of funds must also be heard in the fiscal committees: Senate Appropriations or Assembly Appropriations. Each house has a number of policy committees and a fiscal committee. Each committee is made up of a specified number of Senators or Assembly Members.

During the committee hearing the author presents the bill to the committee and testimony can be heard in support of or opposition to the bill. The committee then votes by passing the bill, passing the bill as amended, or defeating the bill. Bills can be amended several times. Letters of support or opposition are important and should be mailed to the author and committee members before the bill is scheduled to be heard in committee. It takes a majority vote of the full committee membership for a bill to be passed by the committee.

Each house maintains a schedule of legislative committee hearings. Prior to a bill's hearing, a bill analysis is prepared that explains current law, what the bill is intended to do, and some background information. Typically the analysis also lists organizations that support or oppose the bill.

## Second and Third Reading

Bills passed by committees are read a second time on the floor in the house of origin and then assigned to third reading. Bill analyses are also prepared prior to third reading. When a bill is read the third time it is explained by the author, discussed by the Members and voted on by a roll call vote. Bills that require an appropriation or that take effect immediately, generally require 27 votes in the Senate and 54 votes in the Assembly to be passed. Other bills generally require 21 votes in the Senate and 41 votes in the Assembly. If a

bill is defeated, the Member may seek reconsideration and another vote.

### **Repeat Process in other House**

Once the bill has been approved by the house of origin it proceeds to the other house where the procedure is repeated.

### **Resolution of Differences**

If a bill is amended in the second house, it must go back to the house of origin for concurrence, which is agreement on the amendments. If agreement cannot be reached, the bill is referred to a two house conference committee to resolve differences. Three members of the committee are from the Senate and three are from the Assembly. If a compromise is reached, the bill is returned to both houses for a vote.

### **Governor**

If both houses approve a bill, it then goes to the Governor. The Governor has three choices. The Governor can sign the bill into law, allow it to become law without his or her signature, or veto it. A governor's veto can be overridden by a two thirds vote in both houses. Most bills go into effect on the first day of January of the next year. Urgency measures take effect immediately after they are signed or allowed to become law without signature.

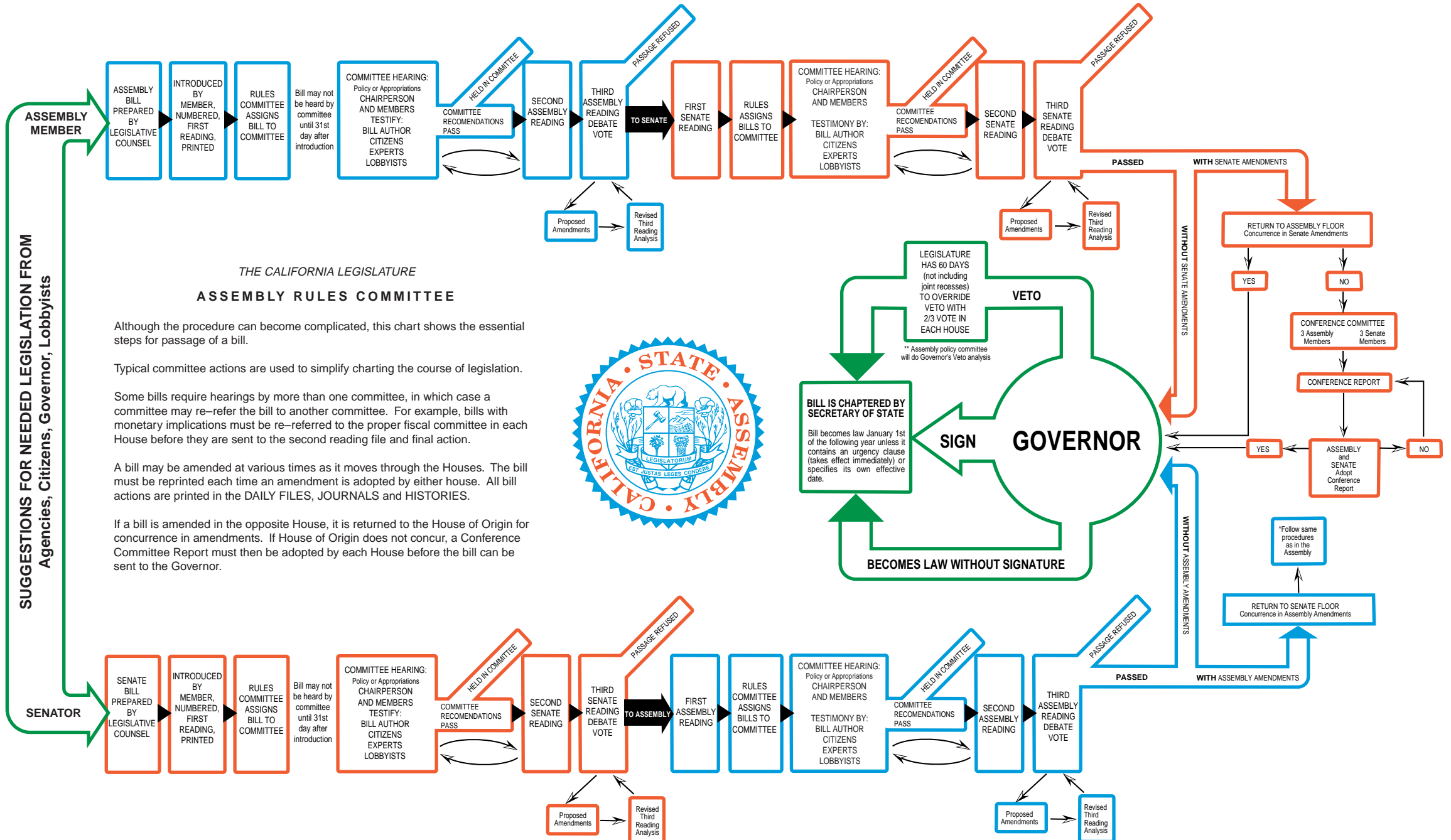
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## THE CALIFORNIA LEGISLATURE

### ASSEMBLY RULES COMMITTEE

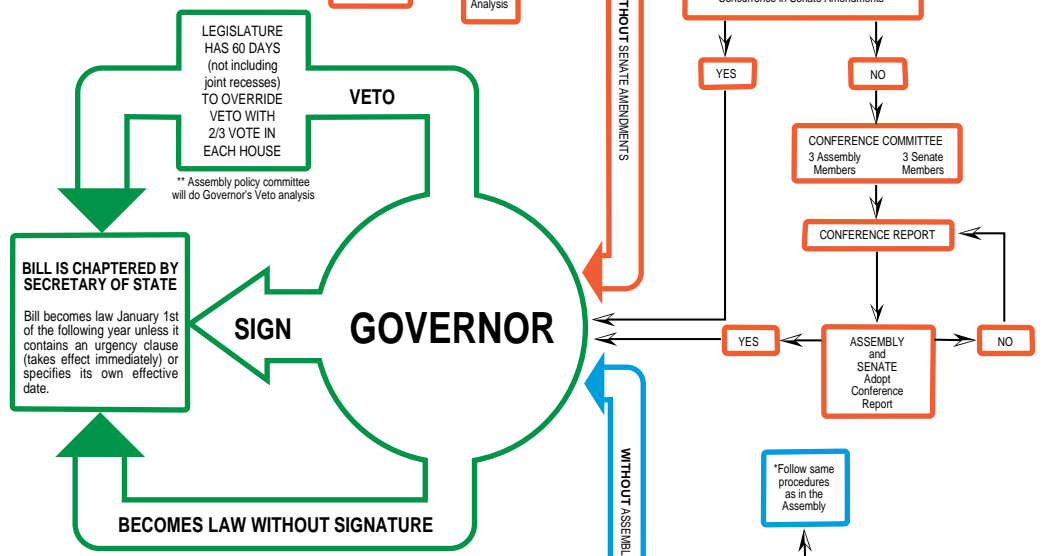
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If a bill is amended in the opposite House, it is returned to the House of Origin for concurrence in amendments. If House of Origin does not concur, a Conference Committee Report must then be adopted by each House before the bill can be sent to the Governor.



**SUGGESTIONS FOR NEEDED LEGISLATION FROM**  
 Agencies, Citizens, Governor, Lobbyists  
**ASSEMBLY MEMBER**  
**SENATOR**



## Change Log

Restated and approved by the Board of Retirement on October 13, 2016 and the Board of Investments on October 12, 2016.

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

**Frontline: The Pension Gamble**

Frontline presented a documentary called “The Pension Gamble” that focused on the Kentucky Retirement Systems (KRS), which cover teachers, police, firefighters, and other public employees. Underfunding was a dominant theme that emerged from the documentary that led to the growth of unfunded liabilities as state budgets were used for schools and roads that were not otherwise being funded. The documentary also examined a lawsuit brought by public employees against KRS regarding the risks, excessive fees, and lack of transparency in its hedge fund investments as well as the role of placement agents in those investments. Finally, the documentary examined the contentious passage of a pension reform bill in the midst of protests by Kentucky’s teachers. ([Source](#)) ([Source](#))

Staff Note: Attached is a response from the National Conference on Public Employee Retirement Systems to the documentary, which highlights the role that underfunding has played in funding gaps.

**Connecticut’s Underfunded Public Pensions**

Connecticut’s pension liabilities are the second-highest, per capita, in the U.S. It consumes nearly 16 percent of the state’s two-year \$40 billion budget. Of the average state resident’s income tax bill of \$4,885 in 2018, \$767 covered pension contributions. Since the 1980’s, the state pension systems have been underfunded in terms of meeting the annual required contributions. In 2010, Governor Dannel P. Malloy ensured full funding each year; however, the accumulated obligations had grown significantly due to underfunding in prior years. Governor Malloy is not seeking reelection in 2018, and proposals by the three leading candidates for governor on the pension issue include negotiating concessions with labor unions, nullifying labor contracts to force givebacks of benefits, and postponing annual required contributions.

One solution the state is currently exploring to close the funding gap is the donation of the state’s real assets as an in-kind contribution to its pension funds. The Connecticut General Assembly created the Connecticut Pension Sustainability Commission to analyze the issue and make recommendations. ([Source](#)) ([Source](#))

Staff Note: As noted in the December 2017 Engagement Report, the State of Oregon convened a PERS UAL Task Force to identify opportunities to pay an additional \$5 billion of the state’s unfunded liabilities. The Oregon Task Force’s

mandate was more open-ended in identifying opportunities compared to Connecticut's, which is focused on real assets.

### **Center for State & Local Government Excellence: Issue Brief on Pension Funding**

The authors of the brief analyzed 180 state and local plans in the Public Plans Database. In fiscal year 2017, the aggregate funded ratio for the plans was 72 percent, which remain largely unchanged for the past several years. The authors divided the plans into three cohorts consisting of the top, middle, and bottom third in terms of funded status. The top group had aggregate funded ratios of 90 percent, the middle had 73 percent, and the bottom had 55 percent. In terms of paying required contributions, the percentages were 95 percent, 80 percent, and 74 percent, respectively. With one exception in the early 2000s, between 2001-2017, plans that were more well-funded had a larger portion of their required contributions paid.

Beginning in 2001, the average funded ratios of the plans in the sample began to diverge. The study looked at three factors that may explain the divergence: benefit levels, funding discipline, and investment returns. Benefit levels were assessed through average normal cost. The study found that normal costs for the three cohorts were relatively similar and that the worst-funded plans generally had the lowest normal cost; the results suggested that benefit levels were not driving the widening gap. With regard to funding discipline, there was a positive correlation between funded status and percentage of required contributions paid. With regard to investment returns, all groups underperformed the assumed return, but the worst-funded plans fell short by more than the best-funded plans. [\(Source\)](#) [\(Source\)](#)

### **Social Security**

The Social Security Administration announced a cost-of-living adjustment of 2.8 percent for benefits payable in 2019. Thus, the estimated average monthly Social Security benefit increased from \$1,422 in 2018 to \$1,461 in 2019. The maximum benefit payable for a worker retiring at full retirement age increased from \$2,788 per month to \$2,861 per month. The taxable wage base increased from \$128,400 to \$132,900.

[\(Source\)](#) [\(Source\)](#)

Staff Note: As noted in the September 2018 Engagement Report, the National Institute on Retirement Security cited estimates that retirees generally need to replace 85 percent of pre-retirement income and that Social Security benefits replace about 35 percent.

The 2013 taxable wage base of \$113,700 was used to establish the PEPRA compensation limit, which in 2018 is \$121,388 for those whose service is

included in the federal system and \$145,666 for those whose service is not included in the federal system. The California Actuarial Advisory Panel will update the limits for 2019.

### **Association Retirement Plans**

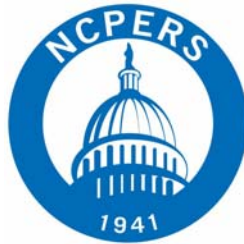
The U.S. Department of Labor announced a Notice of Proposed Rulemaking that would make it easier for small businesses to provide retirement savings plans to workers through Association Retirement Plans. These plans would enable small businesses that would otherwise be discouraged by the cost and complexity of sponsoring a retirement plan to band together through an association to offer a retirement plan. The associations may be organized on the basis of geography or industry. In addition to associations, plans may also be sponsored through Professional Employer Organizations, which are human resource companies that contractually assume certain employment functions for client employers. ([Source](#)) ([Source](#))

Staff Note: As detailed in the August 2018 Engagement Report, allowing businesses to form Association Retirement Plans is one of three initiatives that President Trump by executive order directed the Departments of Labor and the Treasury to develop. The Association Retirement Plans bear similarities to Taft-Hartley Plans in that they are multiemployer plans within a related industry except that they are not collectively bargained. The plans also provide an alternative to the Secure Choice-type retirement plans that are established by some states.

## Barry Lew

---

**From:** Hank Kim, NCPERS - The Voice of Public Pensions <cassandra@ncpers.ccsend.com>  
on behalf of Hank Kim, NCPERS - The Voice of Public Pensions <hank@ncpers.org>  
**Sent:** Thursday, October 25, 2018 6:02 AM  
**To:** Barry Lew  
**Subject:** NCPERS Responds to Frontline Documentary on Kentucky Pension Crisis



## NCPERS

October 25, 2018

As many NCPERS members are aware, Frontline, the PBS documentary series, last night aired an in-depth report on the causes and impact of the underfunding of Kentucky's public pension system. Kentucky Retirement Systems cooperated with the production, and as a result several important messages came through. We were gratified to see that the voices and concerns of teachers, firefighters, police officers and other public servants were well represented.

The Frontline team illuminated how highly partisan political maneuvering by the Republican majority in the Kentucky legislature and exploitation by Wall Street firms made a difficult situation far worse.

As Frontline correctly observed, the problems in Kentucky began when the state failed to meet its commitment to provide regular funding to the public pension system. The state used the public pension system as its personal piggybank to get through a period of budget shortfalls.

Through malice and neglect, they allowed a pension system that was fully funded 20 years ago to fall on hard times.

We appreciate the focus given to the role of public pension plan trustees, particularly lay trustees who serve on boards in order to represent the concerns of participants and beneficiaries. The lay trustees interviewed in the program embodied the seriousness with which they

approach their fiduciary responsibility. As one lay trustee noted, training is essential, and these trustees participated in extensive professional training.

Several recent news reports have taken aim at the role of lay trustees. We continue to point out that lay trustees play a valuable role in the boards of many state and local pension systems. As fiduciaries, they have a duty to protect the plan and its participants, and to discharge their duties solely in the interests of participants and beneficiaries. Their ability to make significant contributions via corporate governance should not be underestimated. NCPERS supports these efforts through training programs, including the NCPERS Accredited Fiduciary Program.

We caution against extrapolating from the situation in Kentucky to make assumptions about public pensions nationwide.

Kentucky represents one extreme in terms of the funding levels of public pension plans. The majority of public pension systems are well funded and are meeting their obligations, with an average aggregate funded level of 71.3 percent, according to the 2017 NCPERS Public Retirement Systems Study. The same study also noted that only 74 percent of pension funds are receiving the full contribution from the states and localities that sponsor them.

Where gaps exist in public pension funding levels, the onus is on the state and local governments that withheld required payments, sometimes for years at a time, to make good on their obligations. Unlike their employers, the public servants who participate in pension plans consistently paid in their fair share. It is time for the states to step up and acknowledge that the funding gaps that exist are to a great extent a problem of their own making.

Sincerely,



*Hank Kim, Esq.*  
*Executive Director & Counsel*  
*National Conference on Public Employee Retirement Systems*  
*444 North Capitol Street, Suite 630*

**Washington, DC 20001**  
**202-624-1458 (Direct)**  
**202-631-4788 (Cell)**

NCPERS, 444 North Capitol Street NW, Suite 630, Washington, DC 20001

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

**Centers for Medicare and Medicaid Services (CMS) Medicare Part D  
Retiree Drug Subsidy (RDS) Applications Plan Year 7/1/2016 –  
6/30/2017 – Subsidy Payment**

We are pleased to inform your Board that staff and carriers completed the subsidy payment requests to CMS/RDS for the following carriers: Anthem Blue Cross, Cigna, Kaiser, and Local 1014. CMS approved LACERA's payment requests in the total amount of \$11.5 Mil.

As a background, the Retiree Drug Subsidy (RDS) Program was enacted in December 2003 to reimburse Plan Sponsors for a portion of their Qualifying Covered Retirees' costs for prescription drugs otherwise covered by Medicare Part D. To qualify for the subsidy, a Plan Sponsor must show that its coverage is "actuarially equivalent" to, or at least as generous as, the defined standard Medicare Part D coverage. Subsidy payments equal 28 percent of each qualifying retiree's allowable prescription drug costs between the applicable cost threshold and cost limit

**LACERA Retiree Wellness Program called Staying Healthy Together –  
Fall 2018 Workshop**

The Fall 2018 Staying Healthy Together Program half-day workshop held on October 23, 2018, at the Pickwick Gardens in Burbank, CA was well received by our members. There we approximately 220 members that attended this event.



Members especially enjoyed the engaging presentation presented by Dr. Doris of Kaiser, cooking demonstration, and interactive activities such as chair massage, photo booth, pin ball machine and spin the wheel.

Here's what some of the attendees had to say:

- “Thank you for holding this workshop. After completing this event, I became conscious of the food to eat and the importance of exercise. It was simple but very informative. Also, I was not expecting for the lunch box but greatly appreciate it.”
- “The presentation was very informative, the wording on the screen was big enough for the audience to read. The contents were excellent.”
- “Pickwick has lots of room so the carriers can spread out—not as crowded in other location. Refreshments were good. The extras like photo booth + massage chairs were really appreciated. Thank you!”
- “Very nice Wellness Fair. I really enjoyed it & reunited with a few friends & co-workers.”

Kudos to the Retiree Healthcare team, Segal team and our carriers (Anthem Blue Cross, Cigna, CVS Caremark, Kaiser Permanente, SCAN Health Plan, and UnitedHealthcare) for their continued support and assistance!

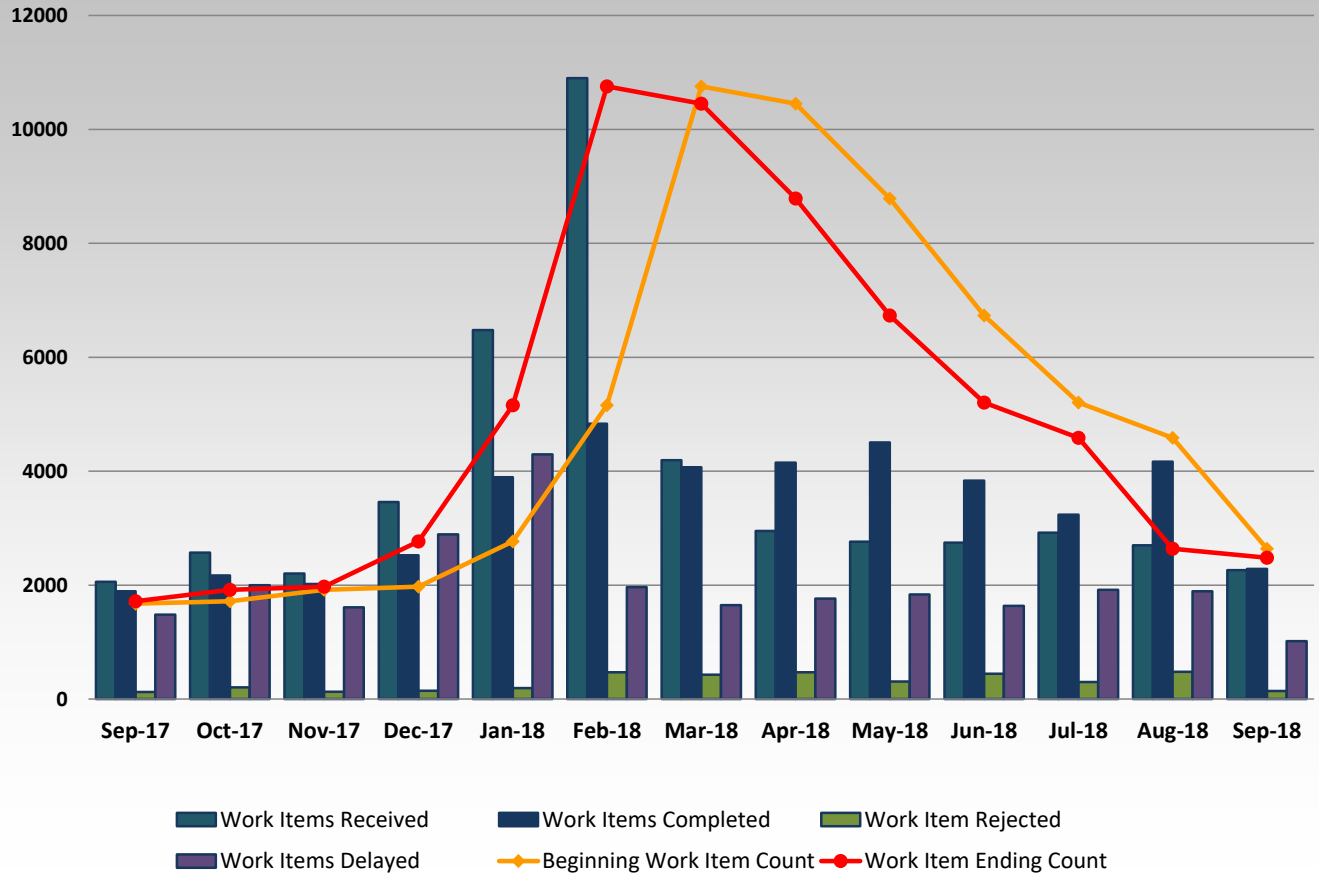
### **Carrier Summit Meeting**

On October 2, 2018, staff, representatives from Segal and carriers met for the Carrier Summit Meeting held offsite at the Segal office. The following topics were discussed:

- 2019-20 Renewal Project Plan
- LACERA/Vendor Due Diligence Visits (Fall 2018 and Spring 2019)
- 2019 Board Offsite Retreat Topic Considerations (Tentatively scheduled for 1/23/2019)

# Retiree Healthcare Division Trend Report

SEPTEMBER 2017 ~ SEPTEMBER 2018  
Updated 10/29/2018

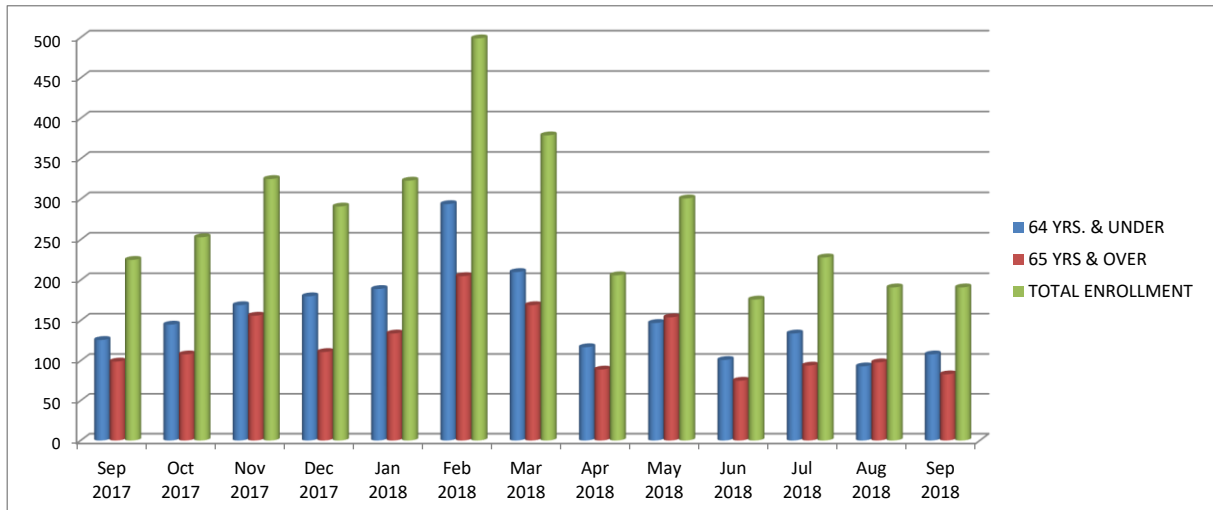


	Beginning Work Item Count	Work Items Received	Work Items Completed	Work Item Rejected	Work Items Delayed	Work Item Ending Count
Sep-17	1675	2059	1893	125	1480	1716
Oct-17	1716	2571	2167	205	1999	1915
Nov-17	1915	2202	2018	126	1611	1973
Dec-17	1973	3457	2521	143	2892	2766
Jan-18	2766	6478	3895	190	4293	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
Jun-18	6733	2746	3834	442	1635	5203
Jul-18	5203	2920	3236	300	1918	4587
Aug-18	4587	2699	4168	478	1891	2640
Sep-18	2640	2264	2285	139	1018	2480

## Retirees Monthly Age Breakdown SEPTEMBER 2017 ~ SEPTEMBER 2018

### Service Retirement

MONTH	64 YRS. & UNDER	65 YRS & OVER	TOTAL ENROLLMENT
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
Jun 2018	101	75	176
Jul 2018	134	94	228
Aug 2018	93	98	191
Sep 2018	108	83	191



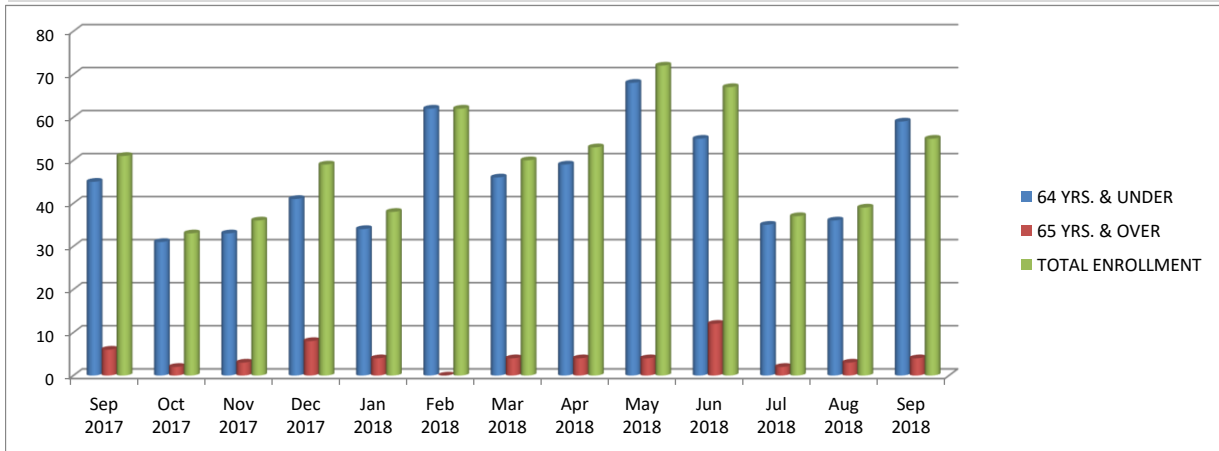
**PLEASE NOTE:**

- **October's data (10/2018) is not yet available as data is provided on a full month basis.**
- **Next Report will include the following dates: October 1, 2017 through October 31, 2018.**

## Retirees Monthly Age Breakdown SEPTEMBER 2017 ~ SEPTEMBER 2018

### Disability Retirement

MONTH	64 YRS. & UNDER	65 YRS. & OVER	TOTAL ENROLLMENT
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
Jun 2018	55	12	67
Jul 2018	35	2	37
Aug 2018	36	3	39
Sep 2018	59	4	55



**PLEASE NOTE:**

- October's data (10/2018) is not yet available as data is provided on a full month basis.
- Next Report will include the following dates: October 1, 2017 through October 31, 2018.

**Medicare Part B Reimbursement and Penalty Report**  
**PAY PERIOD 10/31/2018**

Deduction Code	No. of Members	Reimbursement Amount	NO	Penalty Amount
<b>ANTHEM BC III</b>				
240	6646	\$771,964.50	7	\$290.00
241	153	\$17,861.70	0	\$0.00
242	874	\$106,231.60	0	\$0.00
243	3859	\$907,009.20	5	\$197.60
244	20	\$2,390.00	0	\$0.00
245	52	\$6,161.10	0	\$0.00
246	18	\$2,106.90	0	\$0.00
247	111	\$13,353.90	0	\$0.00
248	13	\$3,415.40	1	\$36.50
249	49	\$12,018.10	0	\$0.00
250	17	\$3,981.10	0	\$0.00
<b>Plan Total:</b>	<b>11,812</b>	<b>\$1,846,493.50</b>	<b>13</b>	<b>\$524.10</b>
<b>CIGNA-HEALTHSPRING PREFERRED with RX</b>				
321	31	\$3,526.40	0	\$0.00
322	8	\$927.60	0	\$0.00
324	14	\$3,168.50	0	\$0.00
327	2	\$238.90	0	\$0.00
329	1	\$226.70	0	\$0.00
<b>Plan Total:</b>	<b>56</b>	<b>\$8,088.10</b>	<b>0</b>	<b>\$0.00</b>
<b>KAISER SR. ADVANTAGE</b>				
401	1	(\$104.90)	0	\$0.00
403	10476	\$1,214,114.90	7	\$159.20
413	1607	\$195,287.90	0	\$0.00
418	5402	\$1,270,973.90	2	\$104.00
419	272	\$30,627.20	0	\$0.00
426	212	\$24,432.50	0	\$0.00
427	170	\$19,145.30	0	\$0.00
445	3	\$344.90	0	\$0.00
446	1	\$106.00	0	\$0.00
451	33	\$3,817.10	0	\$0.00
455	1	\$134.00	0	\$0.00
457	7	\$1,491.90	0	\$0.00
458	1	\$134.00	0	\$0.00
462	57	\$6,539.70	0	\$0.00
465	5	\$582.70	0	\$0.00
466	31	\$7,126.40	0	\$0.00
467	2	\$268.00	0	\$0.00
472	31	\$3,489.50	0	\$0.00
476	4	\$494.70	0	\$0.00
478	13	\$3,140.10	0	\$0.00
482	77	\$8,871.10	0	\$0.00
486	9	\$1,116.40	0	\$0.00
488	47	\$10,644.80	0	\$0.00
491	1	\$104.90	0	\$0.00
492	1	\$104.90	0	\$0.00
<b>Plan Total:</b>	<b>18,464</b>	<b>\$2,802,987.90</b>	<b>9</b>	<b>\$263.20</b>

**Medicare Part B Reimbursement and Penalty Report**

**PAY PERIOD 10/31/2018**

<b>Deduction Code</b>	<b>No. of Members</b>	<b>Reimbursement Amount</b>	<b>NO</b>	<b>Penalty Amount</b>
<b>SCAN</b>				
611	303	\$35,546.00	0	\$0.00
613	106	\$24,778.30	0	\$0.00
<b>Plan Total:</b>	<b>409</b>	<b>\$60,324.30</b>	<b>0</b>	<b>\$0.00</b>
<b>UNITED HEALTHCARE GROUP MEDICARE ADV. HMO</b>				
701	1665	\$195,085.60	1	\$36.50
702	313	\$38,164.70	0	\$0.00
703	972	\$231,469.20	0	\$0.00
704	78	\$9,440.30	0	\$0.00
705	26	\$5,981.10	0	\$0.00
<b>Plan Total:</b>	<b>3,054</b>	<b>\$480,140.90</b>	<b>1</b>	<b>\$36.50</b>
<b>Grand Total:</b>	<b>33,795</b>	<b>\$5,198,034.70</b>	<b>23</b>	<b>\$823.80</b>

**Medicare Part B Reimbursement and Penalty Report**

**PAY PERIOD 10/31/2018**

Deduction Code	No. of Members	Reimbursement Amount	No. of Penalties	Penalty Amount
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<b>CIGNA-HEALTHSPRING PREFERRED with RX</b>				
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324	14	\$3,168.50	0	\$0.00
327	2	\$238.90	0	\$0.00
329	1	\$226.70	0	\$0.00
<b>Plan Total:</b>	<b>56</b>	<b>\$8,088.10</b>	<b>0</b>	<b>\$0.00</b>
<b>KAISER SR. ADVANTAGE</b>				
401	1	(\$104.90)	0	\$0.00
403	10476	\$1,214,114.90	7	\$159.20
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418	5402	\$1,270,973.90	2	\$104.00
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458	1	\$134.00	0	\$0.00
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465	5	\$582.70	0	\$0.00
466	31	\$7,126.40	0	\$0.00
467	2	\$268.00	0	\$0.00
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486	9	\$1,116.40	0	\$0.00
488	47	\$10,644.80	0	\$0.00
491	1	\$104.90	0	\$0.00
492	1	\$104.90	0	\$0.00
<b>Plan Total:</b>	<b>18,464</b>	<b>\$2,802,987.90</b>	<b>9</b>	<b>\$263.20</b>

**Medicare Part B Reimbursement and Penalty Report**

**PAY PERIOD 10/31/2018**

<b>Deduction Code</b>	<b>No. of Members</b>	<b>Reimbursement Amount</b>	<b>No. of Penalties</b>	<b>Penalty Amount</b>
<b>SCAN</b>				
611	303	\$35,546.00	0	\$0.00
613	106	\$24,778.30	0	\$0.00
<b>Plan Total:</b>	<b>409</b>	<b>\$60,324.30</b>	<b>0</b>	<b>\$0.00</b>
<b>UNITED HEALTHCARE GROUP MEDICARE ADV. HMO</b>				
701	1665	\$195,085.60	1	\$36.50
702	313	\$38,164.70	0	\$0.00
703	972	\$231,469.20	0	\$0.00
704	78	\$9,440.30	0	\$0.00
705	26	\$5,981.10	0	\$0.00
<b>Plan Total:</b>	<b>3,054</b>	<b>\$480,140.90</b>	<b>1</b>	<b>\$36.50</b>
<b>LOCAL 1014</b>				
804	170	\$27,476.90	0	\$0.00
805	175	\$25,331.90	0	\$0.00
806	586	\$167,695.50	0	\$0.00
807	35	\$5,520.00	0	\$0.00
808	13	\$4,022.50	0	\$0.00
812	223	\$31,175.20	0	\$0.00
813	1	\$134.00	0	\$0.00
<b>Plan Total:</b>	<b>1,203</b>	<b>\$261,356.00</b>	<b>0</b>	<b>\$0.00</b>
<b>Grand Total:</b>	<b>34,998</b>	<b>\$5,459,390.70</b>	<b>23</b>	<b>\$823.80</b>



## Medical and Dental Vision Insurance Premiums November 2018

Carrier Codes	Member Count	Premium Amount	Member Amount	County Subsidy Amount	Total	Adjustments	Total Paid
<b>Medical Plan</b>							
<b>Anthem Blue Cross Prudent Buyer Plan</b>							
201	646	\$586,839.32	\$93,694.22	\$490,419.84	\$584,114.06	(\$7,225.79)	\$576,888.27
202	328	\$589,488.90	\$50,910.30	\$527,860.62	\$578,770.92	(\$597.00)	\$578,173.92
203	92	\$185,457.28	\$41,566.66	\$165,323.18	\$206,889.84	\$0.00	\$206,889.84
204	35	\$42,021.36	\$15,711.28	\$11,563.86	\$27,275.14	\$0.00	\$27,275.14
205	1	\$248.58	\$19.88	\$477.28	\$497.16	\$0.00	\$497.16
<b>SUBTOTAL</b>	<b>1,102</b>	<b>\$1,404,055.44</b>	<b>\$201,902.34</b>	<b>\$1,195,644.78</b>	<b>\$1,397,547.12</b>	<b>(\$7,822.79)</b>	<b>\$1,389,724.33</b>
<b>Anthem Blue Cross I</b>							
211	780	\$897,337.18	\$62,030.39	\$848,655.79	\$910,686.18	(\$7,979.82)	\$902,706.36
212	282	\$587,175.68	\$28,496.57	\$528,427.03	\$556,923.60	(\$4,135.04)	\$552,788.56
213	59	\$143,873.27	\$17,654.90	\$123,779.84	\$141,434.74	\$0.00	\$141,434.74
214	20	\$30,354.60	\$5,342.39	\$25,012.21	\$30,354.60	\$0.00	\$30,354.60
215	3	\$1,166.46	\$31.10	\$1,135.36	\$1,166.46	\$0.00	\$1,166.46
<b>SUBTOTAL</b>	<b>1,144</b>	<b>\$1,659,907.19</b>	<b>\$113,555.35</b>	<b>\$1,527,010.23</b>	<b>\$1,640,565.58</b>	<b>(\$12,114.86)</b>	<b>\$1,628,450.72</b>
<b>Anthem Blue Cross II</b>							
221	2,147	\$2,468,250.99	\$147,934.91	\$2,317,915.88	\$2,465,850.79	(\$4,589.96)	\$2,461,260.83
222	1,883	\$3,903,477.76	\$98,248.28	\$3,770,176.73	\$3,868,425.01	\$4,135.04	\$3,872,560.05
223	643	\$1,572,851.85	\$65,401.25	\$1,454,588.48	\$1,519,989.73	\$2,438.53	\$1,522,428.26
224	167	\$253,460.91	\$25,619.23	\$244,118.45	\$269,737.68	\$0.00	\$269,737.68
225	2	\$777.64	\$194.41	\$583.23	\$777.64	\$0.00	\$777.64
<b>SUBTOTAL</b>	<b>4,842</b>	<b>\$8,198,819.15</b>	<b>\$337,398.08</b>	<b>\$7,787,382.77</b>	<b>\$8,124,780.85</b>	<b>\$1,983.61</b>	<b>\$8,126,764.46</b>

## Medical and Dental Vision Insurance Premiums November 2018

Carrier Codes	Member Count	Premium Amount	Member Amount	County Subsidy Amount	Total	Adjustments	Total Paid
<b>Anthem Blue Cross III</b>							
240	6,670	\$3,123,094.10	\$477,106.74	\$2,660,025.96	\$3,137,132.70	(\$9,958.19)	\$3,127,174.51
241	152	\$229,999.00	\$26,195.99	\$202,309.51	\$228,505.50	\$0.00	\$228,505.50
242	880	\$1,318,760.50	\$90,565.84	\$1,208,779.16	\$1,299,345.00	\$0.00	\$1,299,345.00
243	3,867	\$3,607,936.08	\$410,568.33	\$3,155,850.64	\$3,566,418.97	(\$8,372.94)	\$3,558,046.03
244	20	\$16,743.00	\$2,846.30	\$13,896.70	\$16,743.00	\$0.00	\$16,743.00
245	52	\$43,531.80	\$4,688.04	\$38,843.76	\$43,531.80	\$0.00	\$43,531.80
246	18	\$33,521.58	\$3,016.94	\$30,504.64	\$33,521.58	\$0.00	\$33,521.58
247	113	\$212,303.34	\$11,583.57	\$195,132.84	\$206,716.41	\$0.00	\$206,716.41
248	13	\$16,888.17	\$1,299.09	\$15,589.08	\$16,888.17	\$0.00	\$16,888.17
249	50	\$64,954.50	\$5,560.11	\$58,095.30	\$63,655.41	\$0.00	\$63,655.41
250	17	\$24,746.90	\$1,048.10	\$23,698.80	\$24,746.90	\$0.00	\$24,746.90
<b>SUBTOTAL</b>	<b>11,852</b>	<b>\$8,692,478.97</b>	<b>\$1,034,479.05</b>	<b>\$7,602,726.39</b>	<b>\$8,637,205.44</b>	<b>(\$18,331.13)</b>	<b>\$8,618,874.31</b>
<b>CIGNA Network Model Plan</b>							
301	320	\$481,465.60	\$132,733.36	\$350,236.82	\$482,970.18	\$0.00	\$482,970.18
302	133	\$363,879.68	\$89,684.62	\$266,048.50	\$355,733.12	\$0.00	\$355,733.12
303	17	\$54,509.31	\$15,663.99	\$32,432.46	\$48,096.45	\$0.00	\$48,096.45
304	18	\$35,930.16	\$14,681.91	\$21,248.25	\$35,930.16	\$0.00	\$35,930.16
<b>SUBTOTAL</b>	<b>488</b>	<b>\$935,784.75</b>	<b>\$252,763.88</b>	<b>\$669,966.03</b>	<b>\$922,729.91</b>	<b>\$0.00</b>	<b>\$922,729.91</b>

## Medical and Dental Vision Insurance Premiums November 2018

Carrier Codes	Member Count	Premium Amount	Member Amount	County Subsidy Amount	Total	Adjustments	Total Paid
<b>CIGNA Healthspring Pref w/ Rx - Phoenix, AZ</b>							
321	30	\$11,919.19	\$1,922.47	\$10,381.21	\$12,303.68	\$0.00	\$12,303.68
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
<b>SUBTOTAL</b>	<b>56</b>	<b>\$42,429.13</b>	<b>\$4,526.98</b>	<b>\$36,691.21</b>	<b>\$41,218.19</b>	<b>\$0.00</b>	<b>\$41,218.19</b>

## Medical and Dental Vision Insurance Premiums November 2018

Carrier Codes	Member Count	Premium Amount	Member Amount	County Subsidy Amount	Total	Adjustments	Total Paid
<b>Kaiser/Senior Advantage</b>							
401	1,532	\$1,543,463.10	\$136,579.29	\$1,405,554.56	\$1,542,133.85	(\$1,002.90)	\$1,541,130.95
403	10,538	\$2,892,198.34	\$293,918.17	\$2,605,533.09	\$2,899,451.26	(\$5,396.40)	\$2,894,054.86
404	571	\$648,305.28	\$20,519.68	\$631,299.04	\$651,818.72	(\$1,125.53)	\$650,693.19
405	998	\$1,050,298.65	\$22,604.01	\$1,028,745.99	\$1,051,350.00	\$0.00	\$1,051,350.00
406	44	\$85,868.20	\$24,461.91	\$31,131.59	\$55,593.50	(\$1,745.10)	\$53,848.40
411	1,809	\$3,635,996.00	\$185,076.13	\$3,397,240.35	\$3,582,316.48	(\$1,997.80)	\$3,580,318.68
413	1,610	\$2,054,705.28	\$102,645.99	\$1,938,953.74	\$2,041,599.73	\$0.00	\$2,041,599.73
414	130	\$277,776.33	\$3,435.09	\$267,979.95	\$271,415.04	\$0.00	\$271,415.04
418	5,388	\$2,922,159.08	\$226,261.99	\$2,685,123.49	\$2,911,385.48	(\$4,323.52)	\$2,907,061.96
419	274	\$382,731.25	\$5,622.67	\$375,716.83	\$381,339.50	\$0.00	\$381,339.50
420	135	\$302,813.10	\$1,794.44	\$301,018.66	\$302,813.10	\$0.00	\$302,813.10
421	9	\$9,026.10	\$1,002.91	\$8,023.19	\$9,026.10	\$0.00	\$9,026.10
422	226	\$462,452.50	\$2,373.65	\$466,217.60	\$468,591.25	\$0.00	\$468,591.25
423	16	\$51,508.80	\$7,938.45	\$29,262.35	\$37,200.80	\$0.00	\$37,200.80
426	211	\$279,324.84	\$3,293.92	\$273,395.78	\$276,689.70	\$0.00	\$276,689.70
427	171	\$366,862.24	\$3,839.26	\$340,535.26	\$344,374.52	(\$2,132.92)	\$342,241.60
428	56	\$121,457.28	\$1,388.09	\$120,069.19	\$121,457.28	\$0.00	\$121,457.28
429	11	\$35,810.76	\$4,365.60	\$19,508.24	\$23,873.84	\$0.00	\$23,873.84
430	145	\$303,731.50	\$3,812.35	\$299,919.15	\$303,731.50	\$0.00	\$303,731.50
431	13	\$37,830.65	\$6,129.76	\$31,700.89	\$37,830.65	\$0.00	\$37,830.65
432	4	\$14,901.60	\$5,147.48	\$9,754.12	\$14,901.60	\$0.00	\$14,901.60
<b>SUBTOTAL</b>	<b>23,891</b>	<b>\$17,479,220.88</b>	<b>\$1,062,210.84</b>	<b>\$16,266,683.06</b>	<b>\$17,328,893.90</b>	<b>(\$17,724.17)</b>	<b>\$17,311,169.73</b>

## Medical and Dental Vision Insurance Premiums November 2018

Carrier Codes	Member Count	Premium Amount	Member Amount	County Subsidy Amount	Total	Adjustments	Total Paid
<b>Kaiser - Colorado</b>							
450	5	\$4,848.35	\$853.31	\$4,964.71	\$5,818.02	\$0.00	\$5,818.02
451	33	\$11,987.91	\$1,235.10	\$10,752.81	\$11,987.91	\$0.00	\$11,987.91
453	1	\$2,143.00	\$75.48	\$2,067.52	\$2,143.00	\$0.00	\$2,143.00
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
<b>SUBTOTAL</b>	<b>49</b>	<b>\$30,414.70</b>	<b>\$3,865.67</b>	<b>\$27,518.70</b>	<b>\$31,384.37</b>	<b>\$0.00</b>	<b>\$31,384.37</b>
<b>Kaiser - Georgia</b>							
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
446	1	\$1,579.88	\$0.00	\$1,579.88	\$1,579.88	\$0.00	\$1,579.88
461	13	\$15,137.33	\$2,469.04	\$12,668.29	\$15,137.33	\$0.00	\$15,137.33
462	59	\$24,984.73	\$3,853.57	\$21,131.16	\$24,984.73	\$0.00	\$24,984.73
463	4	\$9,283.28	\$2,046.96	\$7,236.32	\$9,283.28	\$0.00	\$9,283.28
465	5	\$7,899.40	\$947.93	\$6,951.47	\$7,899.40	\$0.00	\$7,899.40
466	31	\$26,007.14	\$604.04	\$25,403.10	\$26,007.14	\$0.00	\$26,007.14
467	2	\$5,472.58	\$595.52	\$4,877.06	\$5,472.58	\$0.00	\$5,472.58
<b>SUBTOTAL</b>	<b>125</b>	<b>\$103,254.85</b>	<b>\$10,635.50</b>	<b>\$92,619.35</b>	<b>\$103,254.85</b>	<b>\$0.00</b>	<b>\$103,254.85</b>

## Medical and Dental Vision Insurance Premiums November 2018

Carrier Codes	Member Count	Premium Amount	Member Amount	County Subsidy Amount	Total	Adjustments	Total Paid
<b>Kaiser - Hawaii</b>							
471	6	\$6,019.20	\$561.79	\$5,457.41	\$6,019.20	\$0.00	\$6,019.20
472	31	\$13,517.24	\$2,092.99	\$11,424.25	\$13,517.24	\$0.00	\$13,517.24
473	1	\$1,646.39	\$498.90	\$1,147.49	\$1,646.39	\$0.00	\$1,646.39
474	4	\$7,993.60	\$0.00	\$7,993.60	\$7,993.60	\$0.00	\$7,993.60
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
<b>SUBTOTAL</b>	<b>59</b>	<b>\$46,134.43</b>	<b>\$6,639.37</b>	<b>\$39,495.06</b>	<b>\$46,134.43</b>	<b>\$0.00</b>	<b>\$46,134.43</b>
<b>Kaiser - Oregon</b>							
481	7	\$8,288.42	\$1,839.52	\$6,448.90	\$8,288.42	\$0.00	\$8,288.42
482	77	\$33,313.28	\$5,208.98	\$28,104.30	\$33,313.28	\$0.00	\$33,313.28
484	4	\$9,440.44	\$1,418.46	\$8,021.98	\$9,440.44	\$0.00	\$9,440.44
486	9	\$14,478.30	\$1,866.09	\$12,612.21	\$14,478.30	\$0.00	\$14,478.30
488	46	\$40,292.16	\$5,177.95	\$33,399.65	\$38,577.60	\$0.00	\$38,577.60
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
<b>SUBTOTAL</b>	<b>148</b>	<b>\$115,136.60</b>	<b>\$16,778.89</b>	<b>\$96,643.15</b>	<b>\$113,422.04</b>	<b>\$0.00</b>	<b>\$113,422.04</b>
<b>SCAN Health Plan</b>							
611	305	\$94,245.00	\$20,183.88	\$74,370.12	\$94,554.00	(\$927.00)	\$93,627.00
613	106	\$64,660.00	\$10,894.60	\$53,765.40	\$64,660.00	\$0.00	\$64,660.00
<b>SUBTOTAL</b>	<b>411</b>	<b>\$158,905.00</b>	<b>\$31,078.48</b>	<b>\$128,135.52</b>	<b>\$159,214.00</b>	<b>(\$927.00)</b>	<b>\$158,287.00</b>

## Medical and Dental Vision Insurance Premiums November 2018

Carrier Codes	Member Count	Premium Amount	Member Amount	County Subsidy Amount	Total	Adjustments	Total Paid
<b>UHC Medicare Adv.</b>							
701	1,663	\$595,075.68	\$72,576.97	\$522,266.96	\$594,843.93	(\$1,783.80)	\$593,060.13
702	312	\$473,552.82	\$28,624.39	\$435,879.65	\$464,504.04	\$0.00	\$464,504.04
703	972	\$686,470.96	\$71,511.41	\$614,254.03	\$685,765.44	(\$705.52)	\$685,059.92
704	80	\$138,225.69	\$9,965.94	\$119,727.30	\$129,693.24	\$0.00	\$129,693.24
705	26	\$23,500.88	\$976.21	\$22,524.67	\$23,500.88	\$0.00	\$23,500.88
706	1	\$332.14	\$13.29	\$318.85	\$332.14	\$0.00	\$332.14
<b>SUBTOTAL</b>	<b>3,054</b>	<b>\$1,917,158.17</b>	<b>\$183,668.21</b>	<b>\$1,714,971.46</b>	<b>\$1,898,639.67</b>	<b>(\$2,489.32)</b>	<b>\$1,896,150.35</b>
<b>United Healthcare</b>							
707	458	\$534,469.57	\$55,516.76	\$473,155.96	\$528,672.72	(\$1,159.37)	\$527,513.35
708	408	\$869,819.85	\$61,017.46	\$804,569.69	\$865,587.15	\$0.00	\$865,587.15
709	322	\$810,439.30	\$59,893.40	\$745,339.20	\$805,232.60	\$0.00	\$805,232.60
<b>SUBTOTAL</b>	<b>1,188</b>	<b>\$2,214,728.72</b>	<b>\$176,427.62</b>	<b>\$2,023,064.85</b>	<b>\$2,199,492.47</b>	<b>(\$1,159.37)</b>	<b>\$2,198,333.10</b>

## Medical and Dental Vision Insurance Premiums November 2018

Carrier Codes	Member Count	Premium Amount	Member Amount	County Subsidy Amount	Total	Adjustments	Total Paid
<b>Local 1014 Firefighters</b>							
801	61	\$68,490.19	\$1,661.71	\$64,118.73	\$65,780.44	\$0.00	\$65,780.44
802	283	\$572,925.01	\$14,292.76	\$562,317.61	\$576,610.37	\$2,024.47	\$578,634.84
803	283	\$675,818.15	\$24,978.96	\$672,790.71	\$697,769.67	\$0.00	\$697,769.67
804	170	\$190,874.30	\$8,825.12	\$182,049.18	\$190,874.30	(\$28,599.69)	\$162,274.61
805	175	\$354,282.25	\$11,418.00	\$342,864.25	\$354,282.25	(\$25,331.90)	\$328,950.35
806	586	\$1,186,339.42	\$32,796.39	\$1,153,179.45	\$1,185,975.84	(\$167,695.50)	\$1,018,280.34
807	35	\$83,581.75	\$1,719.40	\$81,862.35	\$83,581.75	(\$5,520.00)	\$78,061.75
808	13	\$31,044.65	\$191.04	\$30,853.61	\$31,044.65	(\$4,022.50)	\$27,022.15
809	25	\$28,069.75	\$3,256.07	\$24,813.68	\$28,069.75	\$0.00	\$28,069.75
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	\$20,996.00	\$231,070.36	\$252,066.36	(\$31,175.20)	\$220,891.16
813	1	\$2,024.47	\$0.00	\$4,048.94	\$4,048.94	(\$134.00)	\$3,914.94
<b>SUBTOTAL</b>	<b>1,867</b>	<b>\$3,469,943.65</b>	<b>\$122,979.13</b>	<b>\$3,373,236.73</b>	<b>\$3,496,215.86</b>	<b>(\$260,454.32)</b>	<b>\$3,235,761.54</b>
<b>Medical Plan Total</b>	<b>50,276</b>	<b>\$46,468,371.63</b>	<b>\$3,558,909.39</b>	<b>\$42,581,789.29</b>	<b>\$46,140,698.68</b>	<b>(\$319,039.35)</b>	<b>\$45,821,659.33</b>



## Medical and Dental Vision Insurance Premiums November 2018

Carrier Codes	Member Count	Premium Amount	Member Amount	County Subsidy Amount	Total	Adjustments	Total Paid
<b>Dental/Vision Plan</b>							
<b>CIGNA Indemnity Dental/Vision</b>							
501	23,799	\$1,241,460.16	\$141,727.66	\$1,107,400.74	\$1,249,128.40	(\$3,147.57)	\$1,245,980.83
502	22,066	\$2,399,408.40	\$187,417.48	\$2,201,673.92	\$2,389,091.40	(\$2,606.30)	\$2,386,485.10
503	12	\$769.80	\$75.71	\$758.24	\$833.95	\$0.00	\$833.95
<b>SUBTOTAL</b>	<b>45,877</b>	<b>\$3,641,638.36</b>	<b>\$329,220.85</b>	<b>\$3,309,832.90</b>	<b>\$3,639,053.75</b>	<b>(\$5,753.87)</b>	<b>\$3,633,299.88</b>
<b>CIGNA Dental HMO/Vision</b>							
901	3,307	\$152,935.09	\$19,683.40	\$133,944.55	\$153,627.95	(\$415.71)	\$153,212.24
902	2,304	\$218,152.16	\$19,971.80	\$198,369.40	\$218,341.20	\$0.00	\$218,341.20
903	4	\$187.12	\$24.32	\$162.80	\$187.12	\$0.00	\$187.12
<b>SUBTOTAL</b>	<b>5,615</b>	<b>\$371,274.37</b>	<b>\$39,679.52</b>	<b>\$332,476.75</b>	<b>\$372,156.27</b>	<b>(\$415.71)</b>	<b>\$371,740.56</b>
<b>Dental/Vision Plan Total</b>	<b>51,492</b>	<b>\$4,012,912.73</b>	<b>\$368,900.37</b>	<b>\$3,642,309.65</b>	<b>\$4,011,210.02</b>	<b>(\$6,169.58)</b>	<b>\$4,005,040.44</b>
<b>GRAND TOTALS</b>	<b>101,768</b>	<b>\$50,481,284.36</b>	<b>\$3,927,809.76</b>	<b>\$46,224,098.94</b>	<b>\$50,151,908.70</b>	<b>(\$325,208.93)</b>	<b>\$49,826,699.77</b>

CARRIER DEDUCTION PREMIUMS*	CODES	DEDUCTION CODE DEFINITIONS
<b><u>Anthem Blue Cross Prudent Buyer Plan</u></b>		
\$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
<b><u>Anthem Blue Cross Plan I</u></b>		
<b>\$904.25</b>	211	Retiree Only
<b>\$1,630.31</b>	212	Retiree and Spouse/Domestic Partner
<b>\$1,923.10</b>	213	Retiree, Spouse/Domestic Partner and Children
<b>\$1,196.44</b>	214	Retiree and Children
\$299.58	215	Survivor Children Only Rates
<b><u>Anthem Blue Cross Plan II</u></b>		
<b>\$904.25</b>	221	Retiree Only
<b>\$1,630.31</b>	222	Retiree and Spouse/Domestic Partner
<b>\$1,923.10</b>	223	Retiree, Spouse/Domestic Partner and Children
<b>\$1,196.44</b>	224	Retiree and Children
\$299.58	225	Survivor Children Only Rates
<b><u>Anthem Blue Cross Plan III</u></b>		
\$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
<b><u>Kaiser (continued)</u></b>		
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")
<b><u>Kaiser Colorado</u></b>		
\$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")
<b><u>Kaiser Georgia</u></b>		
\$847.24	440	Retiree Only ("Basic" over age 65 with Medicare Part B only)
\$847.24	441	Retiree Only ("Basic over age 65 with Medicare Part A only)
\$847.24	442	Retiree Only ("Basic over age 65 without Medicare Part A or Medicare Part B)
\$361.11	443	Retiree Only ("Basic" over age 65 - Medicare eligible who is classified as having renal failure)
\$1,203.35	444	Retiree and Family (One family member is "Senior Advantage"; one family member is "Basic" over age 65 with Medicare Part B only)
\$1,203.35	445	Retiree and Family (One family member is "Senior Advantage"; one family member is "Basic" over age 65 with Medicare Part A only)
\$1,203.35	446	Retiree and Family (One family member is "Senior Advantage"; one family member is "Basic" over age 65 without Medicare Part A and B)
\$847.24	461	Retiree Only ("Basic" under age 65)
\$361.11	462	Retiree Only ("Senior Advantage")

\*Benchmark premiums are bolded.

CARRIER DEDUCTION PREMIUMS*	CODES	DEDUCTION CODE DEFINITIONS
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**Kaiser Georgia (continued)**

\$1,689.48	463	Retiree and Family (Two family members are "Basic")
\$2,531.72	464	Retiree and Family (Three or more family members are "Basic")
\$1,203.35	465	Retiree and Family (One family member is "Senior Advantage"; one is "Basic")
\$717.22	466	Retiree and Family (Two family members are "Senior Advantage")
\$2,045.59	467	Retiree and Family ( One family member is "Senior Advantage"; two or more are "Basic")
\$1,559.46	468	Retiree and Family (Two family members are "Senior Advantage"; one is "Basic")
\$1,915.57	469	Retiree and Family (Three or more family members are "Senior Advantage"; one is "Basic")
\$2,045.59	470	Retiree and Family (Three or more family members are "Basic"; one is "Senior Advantage")

**Kaiser Hawaii**

\$795.16	471	Retiree Only ("Basic" under age 65)
\$346.45	472	Retiree Only ("Senior Advantage")
\$1,381.42	473	Retiree Only (Over age 65 without Medicare Part A or Medicare Part B)
\$1,585.31	474	Retiree and Family (Two family members are "Basic")
\$2,375.47	475	Retiree and Family (Three or more family members are "Basic")
\$1,136.61	476	Retiree and Family (One family member is "Senior Advantage"; one is "Basic")
\$2,171.58	477	Retiree and Family (One family member is "Basic" under age 65; one is over age 65 without Medicare Part A or Medicare Part B)
\$687.90	478	Retiree and Family (Two family members are "Senior Advantage")
\$1,722.87	479	Retiree and Family (One family member is "Senior Advantage"; one is over age 65 without Medicare Part A or Medicare Part B)

**Kaiser Oregon**

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

\*Benchmark premiums are bolded.

PREMIUMS*	CARRIER DEDUCTION CODES	DEDUCTION CODE DEFINITIONS
<b><u>Kaiser Oregon (continued)</u></b>		
\$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
<b><u>SCAN Health Plan</u></b>		
\$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.)
<b><u>United Healthcare Medicare Advantage (UHCMA)</u></b>		
(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
<b><u>United Healthcare (UHC)</u></b>		
(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
<b><u>Local 1014 Firefighters</u></b>		
\$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**

<b>\$46.55</b>	501	Retiree Only
<b>\$99.61</b>	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

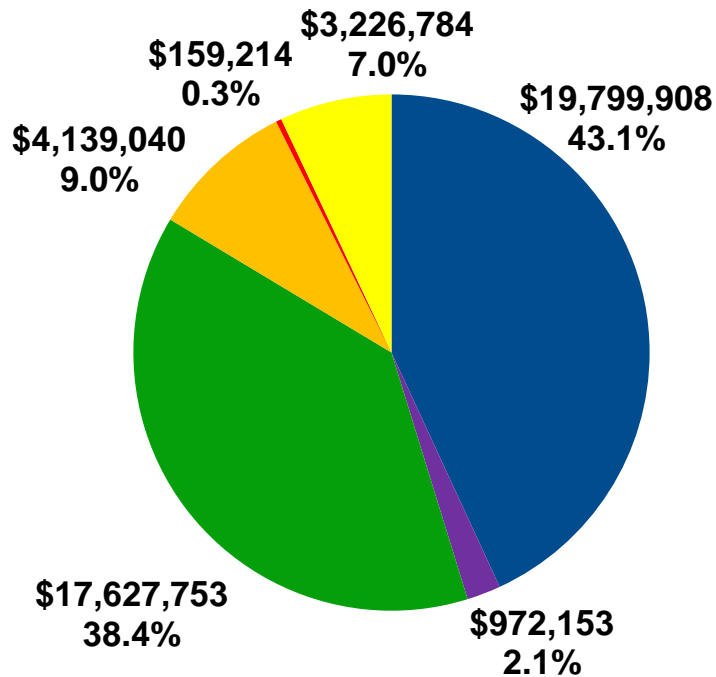


**Los Angeles County Employees Retirement Association**  
 Premium & Enrollment  
 Coverage Month September 2018

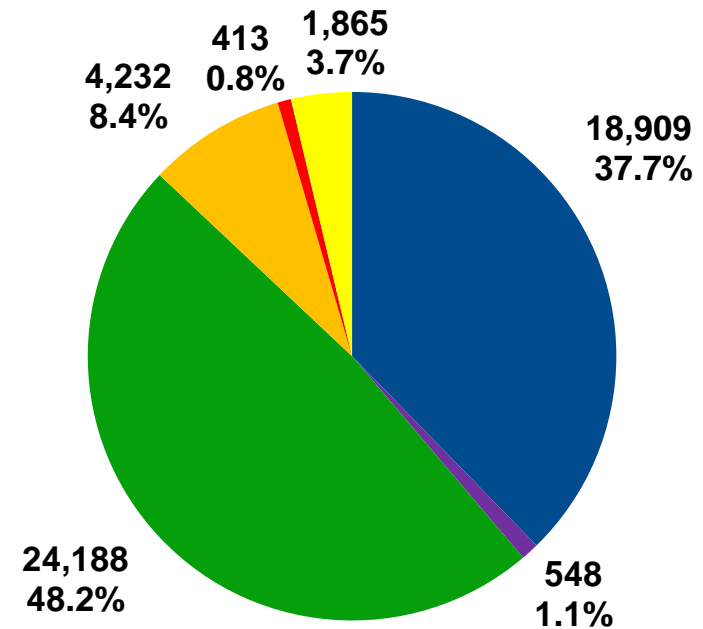
Carrier / Plan	Monthly Premium	Percent of Total	Retirees	Percent of Total
Anthem All Plans	\$19,799,908	43.1%	18,909	37.7%
Cigna Medical	\$972,153	2.1%	548	1.1%
Kaiser	\$17,627,753	38.4%	24,188	48.2%
UnitedHealthcare	\$4,139,040	9.0%	4,232	8.4%
SCAN Health Plan	\$159,214	0.3%	413	0.8%
Local 1014	\$3,226,784	7.0%	1,865	3.7%
<b>Combined Medical</b>	<b>\$45,924,852</b>	<b>100.0%</b>	<b>50,155</b>	<b>100.0%</b>

<b>Cigna Dental &amp; Vision (PPO and HMO)</b>	<b>\$4,003,176</b>	<b>51,356</b>
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**Monthly Premium**



**Retirees**



- Anthem All Plans
- Cigna Medical
- Kaiser
- UnitedHealthcare
- SCAN Health Plan
- Local 1014

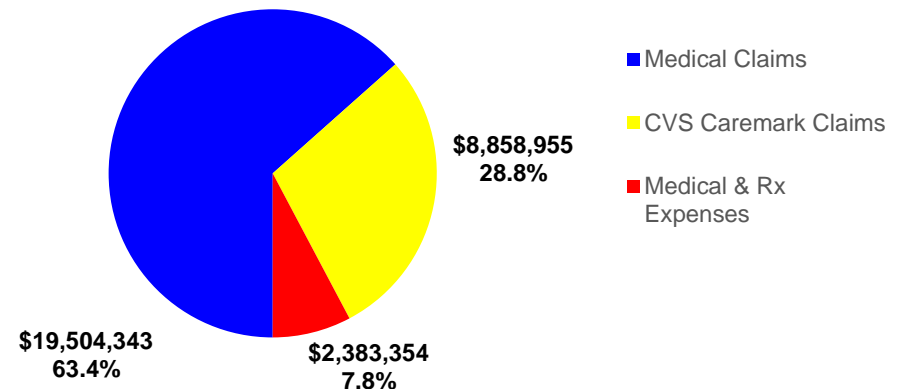
# Los Angeles County Employees Retirement Association

## Anthem Plans I & II

### Coverage Month September 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-18	6,003	\$9,790,841	\$6,299,972	\$2,952,253	\$9,252,225	\$1,541.27	94.5%	\$795,141	\$10,047,365	102.6%
Aug-18	5,991	\$9,761,051	\$7,134,674	\$2,995,750	\$10,130,424	\$1,690.94	103.8%	\$793,878	\$10,924,302	111.9%
Sep-18	5,994	\$9,808,413	\$6,069,698	\$2,910,952	\$8,980,650	\$1,498.27	91.6%	\$794,335	\$9,774,985	99.7%
Oct-18										
Nov-18										
Dec-18										
Jan-19										
Feb-19										
Mar-19										
Apr-19										
May-19										
Jun-19										
<b>YTD Plan Year</b>	17,988	\$29,360,305	\$19,504,343	\$8,858,955	\$28,363,298	\$1,576.79	96.6%	\$2,383,354	\$30,746,652	104.7%
<b>12 Month Rollup</b>	71,791	\$112,912,937	\$79,814,273	\$33,311,114	\$113,125,387	\$1,575.76	100.2%	\$9,048,388	\$122,173,775	108.2%

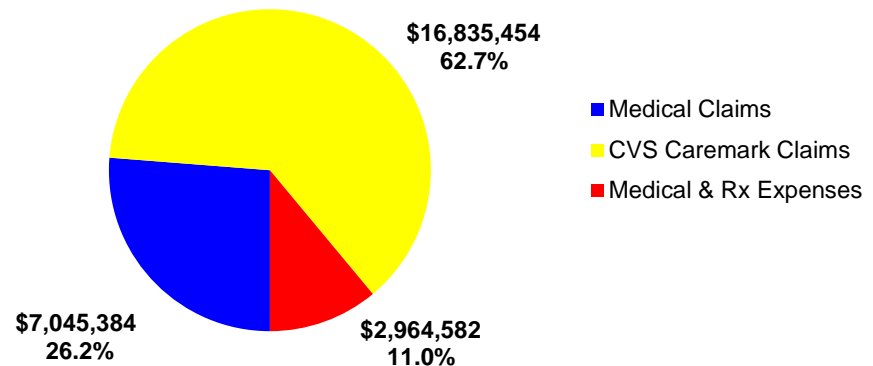
Medical Claims reported by Anthem  
 CVS Caremark Claims reported by CVS  
 Expenses: Anthem Admin, Stop Loss, and Premium Taxes  
 Enrollment and Premium Reported by LACERA  
 Post May 2018 Medical Claims are adjusted higher by 0.95%  
 due to transition in Anthem reports.



**Los Angeles County Employees Retirement Association**  
**Anthem Plan III**  
*Coverage Month September 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-18	11,726	\$8,520,749	\$2,251,965	\$5,794,931	\$8,046,897	\$686.24	94.4%	\$985,309	\$9,032,206	106.0%
Aug-18	11,753	\$8,542,776	\$2,626,233	\$5,549,602	\$8,175,835	\$695.64	95.7%	\$987,578	\$9,163,413	107.3%
Sep-18	11,802	\$8,596,380	\$2,167,185	\$5,490,921	\$7,658,106	\$648.88	89.1%	\$991,695	\$8,649,801	100.6%
Oct-18										
Nov-18										
Dec-18										
Jan-19										
Feb-19										
Mar-19										
Apr-19										
May-19										
Jun-19										
<b>YTD Plan Year</b>	35,281	\$25,659,905	\$7,045,384	\$16,835,454	\$23,880,838	\$676.88	93.1%	\$2,964,582	\$26,845,420	104.6%
<b>12 Month Rollup</b>	139,142	\$97,221,552	\$30,010,069	\$63,187,395	\$93,197,464	\$669.80	95.9%	\$10,699,143	\$103,896,608	106.9%

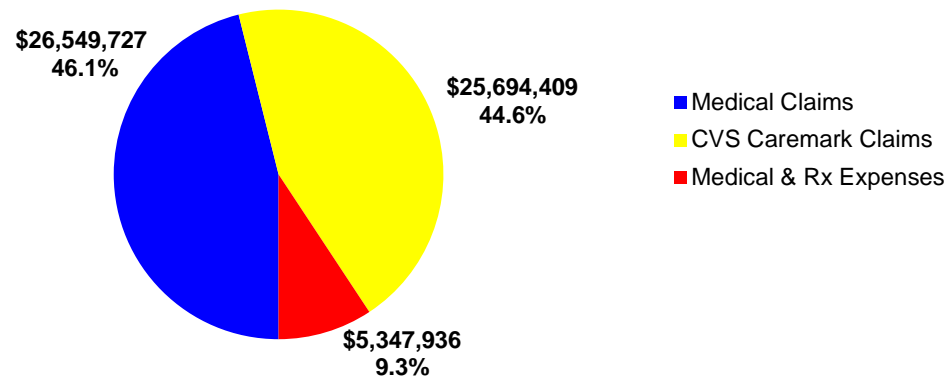
Medical Claims reported by Anthem  
 CVS Caremark Claims reported by CVS  
 Expenses: Anthem Admin, Stop Loss, and Premium Taxes  
 Enrollment and Premium Reported by LACERA  
 Post May 2018 Medical Claims are adjusted higher by 0.95% due to transition in Anthem reports.



**Los Angeles County Employees Retirement Association**  
**Anthem Plans I, II, & III**  
*Coverage Month September 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-18	17,729	\$18,311,591	\$8,551,937	\$8,747,184	\$17,299,121	\$975.75	94.5%	\$1,780,450	\$19,079,571	104.2%
Aug-18	17,744	\$18,303,827	\$9,760,907	\$8,545,352	\$18,306,259	\$1,031.69	100.0%	\$1,781,456	\$20,087,715	109.7%
Sep-18	17,796	\$18,404,793	\$8,236,883	\$8,401,873	\$16,638,756	\$934.97	90.4%	\$1,786,031	\$18,424,786	100.1%
Oct-18										
Nov-18										
Dec-18										
Jan-19										
Feb-19										
Mar-19										
Apr-19										
May-19										
Jun-19										
<b>YTD Plan Year</b>	53,269	\$55,020,210	\$26,549,727	\$25,694,409	\$52,244,136	\$980.76	95.0%	\$5,347,936	\$57,592,072	104.7%
<b>12 Month Rollup</b>	210,933	\$210,134,489	\$109,824,342	\$96,498,510	\$206,322,851	\$978.14	98.2%	\$19,747,532	\$226,070,383	107.6%

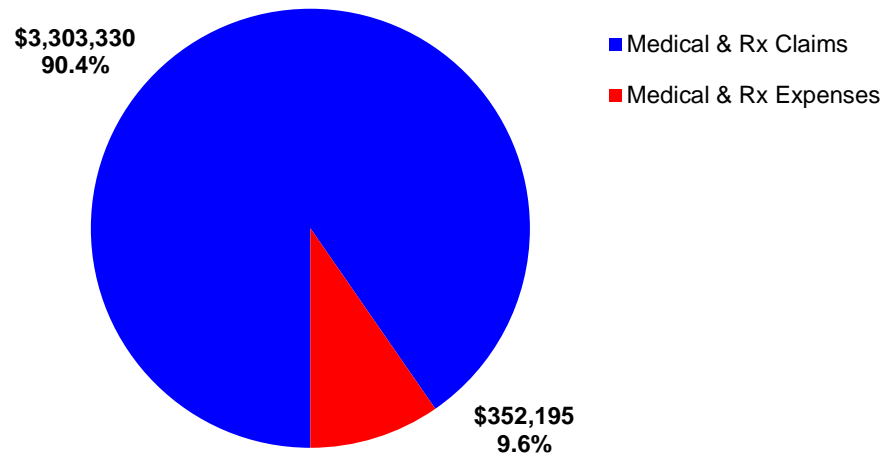
Medical Claims reported by Anthem  
 CVS Caremark Claims reported by CVS  
 Expenses: Anthem Admin, Stop Loss, and Premium Taxes  
 Enrollment and Premium Reported by LACERA  
 Post May 2018 Medical Claims are adjusted higher by 0.95%  
 due to transition in Anthem reports.



**Los Angeles County Employees Retirement Association**  
**Anthem Prudent Buyer**  
*Coverage Month September 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-18	1,130	\$1,422,807	\$1,158,284	\$1,025.03	81.4%	\$118,411	\$1,276,696	89.7%
Aug-18	1,118	\$1,384,769	\$1,254,475	\$1,122.07	90.6%	\$117,154	\$1,371,629	99.1%
Sep-18	1,113	\$1,395,115	\$890,571	\$800.15	63.8%	\$116,630	\$1,007,201	72.2%
Oct-18								
Nov-18								
Dec-18								
Jan-19								
Feb-19								
Mar-19								
Apr-19								
May-19								
Jun-19								
<b>YTD Plan Year</b>	3,361	\$4,202,692	\$3,303,330	\$982.84	78.6%	\$352,195	\$3,655,526	87.0%
<b>12 Month Rollup</b>	13,853	\$16,899,014	\$15,744,634	\$1,136.55	93.2%	\$1,746,783	\$17,491,417	103.5%

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



# Los Angeles County Employees Retirement Association



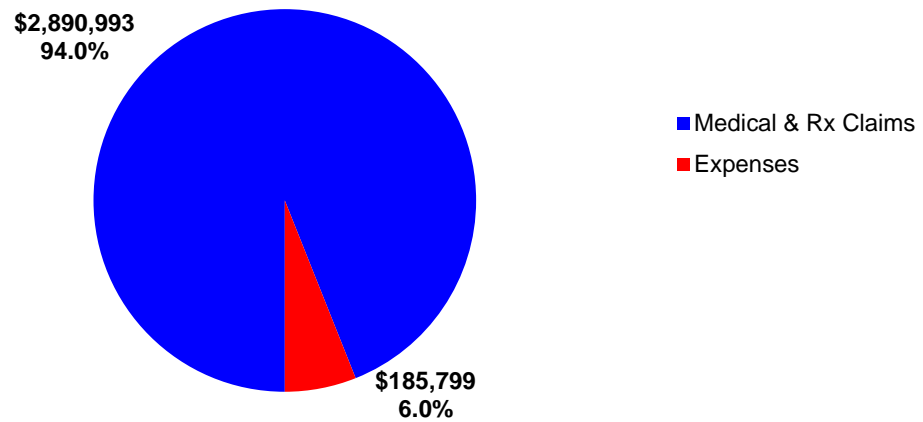
Cigna HMO <sup>(1)</sup>

Coverage Month September 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-18	508	\$959,148	\$1,043,402	\$2,053.94	108.8%	\$62,792	\$1,106,194	115.3%
Aug-18	502	\$946,828	\$1,068,793	\$2,129.07	112.9%	\$61,986	\$1,130,779	119.4%
Sep-18	493	\$932,088	\$778,798	\$1,579.71	83.6%	\$61,021	\$839,819	90.1%
Oct-18								
Nov-18								
Dec-18								
Jan-19								
Feb-19								
Mar-19								
Apr-19								
May-19								
Jun-19								
<b>YTD Plan Year</b>	1,503	\$2,838,064	\$2,890,993	\$1,923.48	101.9%	\$185,799	\$3,076,792	108.4%
<b>12 Month Rollup</b>	6,225	\$11,291,252	\$11,419,048	\$1,834.39	101.1%	\$1,192,574	\$12,611,622	111.7%

<sup>(1)</sup> Excludes Cigna's HealthSpring Preferred Plan.

Monthly Enrollment and Premium Data as reported by LACERA  
 Medical Claims reported by Cigna  
 Expenses: Cigna Admin Costs and Premium Taxes  
 Enrollment and Premium Reported by LACERA



# Los Angeles County Employees Retirement Association

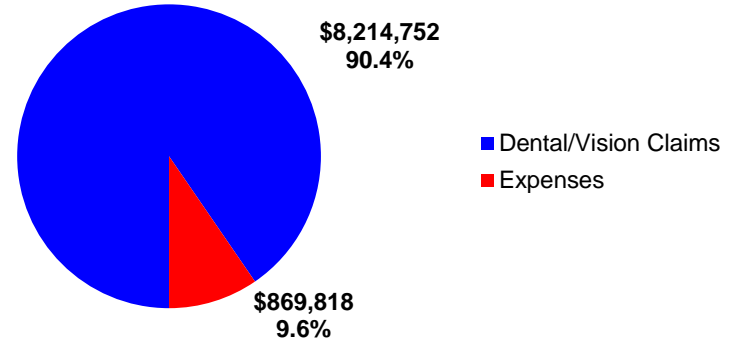
Cigna Dental PPO + Vision

Coverage Month September 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-18	45,630	\$3,615,753	\$2,805,276	56.1%	\$61.48	77.6%	\$289,477	\$3,094,753	85.6%
Aug-18	45,661	\$3,615,280	\$2,825,832	57.8%	\$61.89	78.2%	\$289,439	\$3,115,272	86.2%
Sep-18	45,757	\$3,633,545	\$2,583,643	55.8%	\$56.46	71.1%	\$290,902	\$2,874,545	79.1%
Oct-18									
Nov-18									
Dec-18									
Jan-19									
Feb-19									
Mar-19									
Apr-19									
May-19									
Jun-19									
<b>YTD Plan Year</b>	137,048	\$10,864,577	\$8,214,752	56.6%	\$59.94	75.6%	\$869,818	\$9,084,570	83.6%
<b>12 Month Rollup</b>	541,039	\$42,896,357	\$35,080,188	56.2%	\$64.84	81.8%	\$3,191,239	\$38,271,427	89.2%

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



# Los Angeles County Employees Retirement Association



## Kaiser Utilization

### Coverage Month September 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 5/1/2017 - 4/30/2018	Prior Period 5/1/2016 - 4/30/2017	Change
<b>Average Contract Size</b>	<b>2.34</b>	<b>2.27</b>	<b>3.08%</b>
<b>Average Members</b>	<b>8,735</b>	<b>8,748</b>	<b>-0.15%</b>
Inpatient Claims PMPM	\$175.56	\$204.86	-14.30%
Outpatient Claims PMPM	\$277.21	\$266.63	3.97%
Pharmacy Claims PMPM	\$100.27	\$87.87	14.11%
Other Claims PMPM	\$105.54	\$109.12	-3.28%
<b>Total Claims PMPM</b>	<b>\$658.58</b>	<b>\$668.48</b>	<b>-1.48%</b>

<b>Total Paid Claims</b>	<b>\$69,028,657</b>	<b>\$70,174,478</b>	<b>-1.63%</b>
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<b>Large Claims over \$400,000 Pooling Point</b>			
Number of Claims over Pooling Point	7	7	
Amount over Pooling Point	\$1,811,885	\$924,463	95.99%
% of Total Paid Claims	<b>2.62%</b>	<b>1.32%</b>	

Inpatient Days / 1000	260.5	337.9	-22.91%
Inpatient Admits / 1000	53.1	66.3	-19.91%
Outpatient Visits / 1000	11,717.9	11,981.3	-2.20%
Pharmacy Scripts PMPY	10.7	11.1	-3.60%