

## ***Benefits Administration Committee Agenda***

### **REGULAR MEETING**

**TUESDAY, MARCH 28, 2023**

**TIME: 9:00 A.M.**

### **MEETING LOCATION:**

LACERS Boardroom  
977 N. Broadway  
Los Angeles, California 90012

#### **Important Message to the Public**

An opportunity for the public to address the Committee in person from the Boardroom and provide comment on items of interest that are within the subject matter jurisdiction of the Committee or on any agenda item will be provided at the beginning of the meeting and before consideration of items on the agenda.

Members of the public who do not wish to attend the meeting in person may listen to the live meeting via one-way audio on Council Phone by calling (213) 621-CITY (Metro), (818) 904-9450 (Valley), (310) 471-CITY (Westside) or (310) 547-CITY (San Pedro Area).

#### **Disclaimer to Participants**

Please be advised that all LACERS Committee meetings are recorded.

#### **LACERS Website Address/link:**

[www.LACERS.org](http://www.LACERS.org)

In compliance with Government Code Section 54957.5, non-exempt writings that are distributed to a majority or all of the Board in advance of the meeting may be viewed by clicking on LACERS website at [www.LACERS.org](http://www.LACERS.org), at LACERS' offices, or at the scheduled meeting. In addition, if you would like a copy of a non-exempt record related to an item on the agenda, please call (213) 855-9348 or email at [lacers.board@lacers.org](mailto:lacers.board@lacers.org).

Chair: Michael R. Wilkinson

Committee Members: Annie Chao  
Thuy Huynh

Manager-Secretary: Neil M. Guglielmo

Executive Assistant: Ani Ghoukassian

Legal Counselor: City Attorney's Office  
Public Pensions General  
Counsel Division

#### **Notice to Paid Representatives**

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### **[CLICK HERE TO ACCESS BOARD REPORTS](#)**

- I. PUBLIC COMMENTS AND GENERAL PUBLIC COMMENTS ON MATTERS WITHIN THE COMMITTEE'S JURISDICTION AND COMMENTS ON ANY SPECIFIC MATTERS ON THE AGENDA
- II. [APPROVAL OF MINUTES FOR THE MEETING OF FEBRUARY 28, 2023 AND POSSIBLE COMMITTEE ACTION](#)

- III. [ANTHEM MEDICARE PREFERRED \(PPO\) PLAN MEMBER SURVEY – RECEIVE AND FILE](#)
- IV. [2024 HEALTH PLAN CONTRACT RENEWAL TIMELINE AND STRATEGY – RECEIVE AND FILE](#)
- V. OTHER BUSINESS
- VI. NEXT MEETING: The next Benefits Administration Committee meeting is not scheduled at this time and will be announced upon scheduling. Please continue to view the LACERS website for updated information on public access to Board/Committee meetings.
- VII. ADJOURNMENT



# LACERS

LA CITY EMPLOYEES'  
RETIREMENT SYSTEM



## Board of Administration Agenda

### SPECIAL MEETING

**TUESDAY, MARCH 28, 2023**

**TIME: 9:00 A.M.**

### MEETING LOCATION:

LACERS Boardroom  
977 N. Broadway  
Los Angeles, California 90012

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President:	Vacant
Vice President:	Elizabeth Lee
Commissioners:	Annie Chao Thuy Huynh Janna Sidley Sung Won Sohn Michael R. Wilkinson
Manager-Secretary:	Neil M. Guglielmo
Executive Assistant:	Ani Ghoukassian
Legal Counsel:	City Attorney's Office Public Pensions General Counsel Division

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- III. ANTHEM MEDICARE PREFERRED (PPO) PLAN MEMBER SURVEY – RECEIVE AND FILE
- IV. 2024 HEALTH PLAN CONTRACT RENEWAL TIMELINE AND STRATEGY – RECEIVE AND FILE
- V. OTHER BUSINESS
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**MINUTES OF THE SPECIAL MEETING**  
**BOARD OF ADMINISTRATION**  
**LOS ANGELES CITY EMPLOYEES' RETIREMENT SYSTEM**

In accordance with Government Code Section 54953, subsections (e)(1) and (e)(3), and in light of the State of Emergency proclaimed by the Governor on March 4, 2020 relating to COVID-19 and ongoing concerns that meeting in person would present imminent risks to the health and safety of attendees and/or that the State of Emergency continues to directly impact the ability of members to meet safely in person, the LACERS Benefits Administration February 28, 2023 meeting will be conducted via telephone and/or videoconferencing.

February 28, 2023

9:00 a.m.

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PRESENT via Videoconferencing:	Chair:	Michael R. Wilkinson
	Committee Members:	Annie Chao Thuy Huynh
	President:	Nilza R. Serrano
	Vice President:	Elizabeth Lee
	Commissioner:	Sung Won Sohn
	Executive Assistant:	Ani Ghoukassian
	Legal Counselor:	Joshua Geller
	Manager-Secretary:	Neil M. Guglielmo

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*The Items in the Minutes are numbered to correspond with the Agenda.*

President Serrano joined the meeting at 9:52 a.m, Vice President Lee joined at 9:50 a.m. and left at 9:54 a.m., and Commissioner Sohn joined the meeting at 9:56 a.m., and this was a Special Meeting of the Board of Administration. Any votes were taken by Benefits Administration Committee members only.

I

**PUBLIC COMMENTS AND GENERAL PUBLIC COMMENTS ON MATTERS WITHIN THE COMMITTEE'S JURISDICTION AND COMMENTS ON ANY SPECIFIC MATTERS ON THE AGENDA**  
**PRESS \*9 TO RAISE HAND DURING PUBLIC COMMENT PERIOD** – Chair Wilkinson asked if any persons wished to speak on matters within the Committee's jurisdiction, and there were no responses.

II

APPROVAL OF MINUTES FOR THE MEETING OF JANUARY 24, 2023 AND POSSIBLE COMMITTEE ACTION – Committee Member Chao moved approval, adopted by the following vote: Ayes, Committee Members Chao, Huynh, and Chair Wilkinson -3; Nays, None.

III

BENEFITS ADMINISTRATION RESOURCE NEEDS FOR FISCAL YEAR 2023-24 –Taneda Larios, Chief Benefits Analyst, Heather Ramirez, Senior Benefits Analyst II, Ferralyn Sneed, Chief Benefits Analyst, Delia Hernandez, Senior Benefits Analyst II, Karen Freire, Chief Benefits Analyst, and James Kawashima, Senior Benefits Analyst I, presented and discussed this item with the Committee for 55 minutes.

IV

OTHER BUSINESS –There was no other business.

V

NEXT MEETING: The next Benefits Administration Committee meeting is not scheduled at this time, and will be announced upon scheduling. Please continue to view the LACERS website for updated information on public access to Board/Committee meetings.

VI

ADJOURNMENT – There being no further business before the Committee, Chair Wilkinson adjourned the Meeting at 10:00 a.m.

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Michael R. Wilkinson  
Chair

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Neil M. Guglielmo  
Manager-Secretary



**REPORT TO BENEFITS ADMINISTRATION COMMITTEE**  
**From: Neil M. Guglielmo, General Manager**

**MEETING: MARCH 28, 2023**  
**ITEM: III**

*Neil M. Guglielmo*

**SUBJECT: ANTHEM MEDICARE PREFERRED (PPO) PLAN MEMBER SURVEY**

ACTION:  CLOSED:  CONSENT:  RECEIVE & FILE:

**Recommendation**

That the Committee receive and file this report.

**Executive Summary**

The LACERS Anthem Medicare Advantage PPO plan survey was given to our Anthem members who have Medicare Parts A and B to gauge member satisfaction with this plan. The survey was taken over a 10-week period between December 14, 2022, to February 17, 2023. Members were given 15 survey questions consisting of a multiple-choice answer format and the ability to provide comments. The survey was initiated due to the transition from our 2021 Anthem Blue Cross Medicare Supplement Plan to our Anthem Medicare Advantage PPO Plan in 2022. The main difference between the two types of plans is that for a Medicare Supplement plan, Medicare is the primary payor and the plan is the secondary payor for benefits. In a Medicare Advantage plan the benefits are paid by the plan. Both plan types are required to follow Medicare rules and provide all benefits provided by original (traditional) Medicare.

**Discussion**

In January 2022, the Los Angeles City Employees' Retirement System (LACERS) implemented the Anthem Medicare Advantage PPO plan to the Members with Medicare Parts A and B. This is a single integrated program approved by Medicare that provides all health care services covered by original Medicare to those living in the United States and its territories. This plan offers more senior support benefits, has no annual deductible, and provides more integrated care.

The current plan allows the providers to send the bill for payment to Anthem as they are the primary. Anthem pays 100% of the Medicare allowable and the Center for Medicare and Medicaid (CMS) pays Anthem a monthly capitation amount, as they do for other Medicare Advantage plans. Certain procedures require pre-authorization/pre-determination and is completed on the front-end prior to services being rendered.

In contrast, the previous Medicare Supplement Plan, the provider sent the bill directly to CMS. Medicare was the primary and paid (80%) of the Medicare allowable charge after annual deductible is met. Anthem was the secondary payer and reimbursed the remaining (20%) of the Medicare allowable. Any cost greater than the Medicare approved/authorized amount was the member's responsibility.

The Anthem Medicare Advantage PPO plan survey was communicated via email blast in December 2022 and another email blast and mailer were sent in January 2023 to 4,069 LACERS Members who are enrolled in the plan. The survey was linked to the Anthem portal via the LACERS website. Over the 10-week period, 275 responses were received. Results of the survey were compiled together and displayed in a series of graphs to show Members' satisfaction with Anthem Medicare Advantage PPO plan.

### ***Anthem Survey Responses***

Overall, the results were positive with the Members rating the Anthem Medicare Advantage PPO plan favorably.

- Over 65% of the Members were Satisfied or Very Satisfied with the plan
- Less than 22% were Unsatisfied or Very Unsatisfied
- 179 Members were likely to recommend the plan
- 47 were unlikely to recommend this plan, and
- 49 had a "maybe" response

Members were given the opportunity to provide comments of the plan and any recommendations they may have.

- 158 comments were provided, and the top responses are:
  - 35 were satisfied with the plan
  - 16 recommended the return of the Medicare Supplement plan
  - 13 recommended expanding the benefits provided, and
  - 13 described issues with the preauthorization process
- One common response is to let LACERS know of their desire to switch back to the Medicare Supplemental plan and issues with the pre-approval process. The Anthem Medicare Advantage PPO plan requires prior authorization for some types of care unlike the Medicare Supplement plan where Medicare will audit the claims later and the Member is responsible for any claims Medicare denies.

Members also expressed improvement ideas for Anthem.

- Some Members suggested improvements to Anthem's website or Sydney App to assist with locating a provider in their geographic area and providing up to date information of doctors accepting new patients with their contact information.
- Members also wanted more information to utilize the enhanced benefits.

Anthem has already begun addressing these issues through educational campaigns. Informational flyers are sent monthly letting the Members know of their benefits and the Anthem Benefits Webinars



Series are conducted to share information regarding the Anthem Medicare Advantage PPO plan benefits.

## **LACERS Survey Responses**

### **Customer Service**

LACERS used this opportunity to survey Members on their thoughts by adding questions about LACERS.

- Overall, 70% of the Members are Satisfied or Very Satisfied with their LACERS medical benefits
- More than 65% of Members were Satisfied or Very Satisfied with LACERS customer service
- Less than 14% Unsatisfied or Very Unsatisfied.

LACERS has a regularly scheduled bi-weekly meeting with Anthem to strategize member-related issues and ongoing informational campaigns to ensure members are being provided information about their benefits, as well as coordinating with Anthem with specific member-related campaigns. Anthem also monitors and provides regular reporting of the Enhanced Benefits and marketing campaigns to LACERS, to ensure that members are informed of the various benefits offerings.

Although 70% and 65% are high percentages, LACERS' customer satisfaction metric target is 97% satisfied, therefore additional resources to assist member-related issues in the Health Advocacy Unit are requested in the annual budget request. The current unit is staffed with three counselors assisting over 23,000 covered lives and has submitted a multi-year plan to address deficiencies in counseling and claims support.

### **LACERS Well Program**

Members were also surveyed about the LACERS Wellness program to provide suggestions on the types of wellness offerings they are interested in.

- The Members suggested more fitness classes including other types of exercises such as yoga or Tai Chi.
- They are also interested in additional nutritional classes and information on management of diseases like hypertension and diabetes.
- A common response was that the Member is living out of state; however, they are able to join in on the online offerings.
- LACERS Well will use these suggestions to improve the program and increase Member participation.

For the most part, the Members are satisfied with the Anthem Medicare Advantage PPO plan and LACERS will use these suggestions to continuously improve the health plan benefit offering and the wellness program. The survey results and comments will be used to help evaluate the Medical Plan Request for Proposal (RFP) responses. LACERS currently does not offer a Medicare Supplement plan. LACERS and Anthem will continue meeting bi-weekly to enhance services to Members and problem solve issues.

## **Strategic Plan Impact Statement**

The Anthem Medicare Advantage PPO plan Member survey assures that LACERS health plan benefits positively affect Members' wellbeing supporting Strategic Plan Goal #3: Improve value and minimize costs of Members' health and wellness benefits.

Prepared By: Vi Duong, Benefits Analyst, Health, Wellness and Buyback Division

NMG/DWN/KF/JK/vd

Attachment: Anthem Medicare Advantage PPO Plan Member Survey Results

BAC Meeting: 3/28/2023  
Item: III  
Attachment

Anthem<sup>®</sup>

**LACERS Member Satisfaction  
Survey  
2022 Results**

# Overview



**Audience** – The survey was distributed via internal eBlast in December. A mailer followed that was sent at the end of January to all plan members



**Dates** – The survey was live from 12/14/22 through 2/17/23



**Survey details** – 15 questions consisting of both multiple choice and paragraph answer formats



**Purpose** – Our goal was to gauge member satisfaction with their medical plan

# Results

- We had 275 unique responses to the survey over the 10 weeks it was live
- 275 responses out of the 4,069 mailers sent = 6.75% response rate
- This is 35% higher than industry standard for survey responses

# Results



We had 275 unique responses to the survey over the 10 weeks it was live

## The Numbers

**65%**

of respondents are likely to refer the PPO Advantage Plan to a colleague, friend, or family member

**66%**

of respondents are either satisfied or very satisfied with the PPO Advantage plan

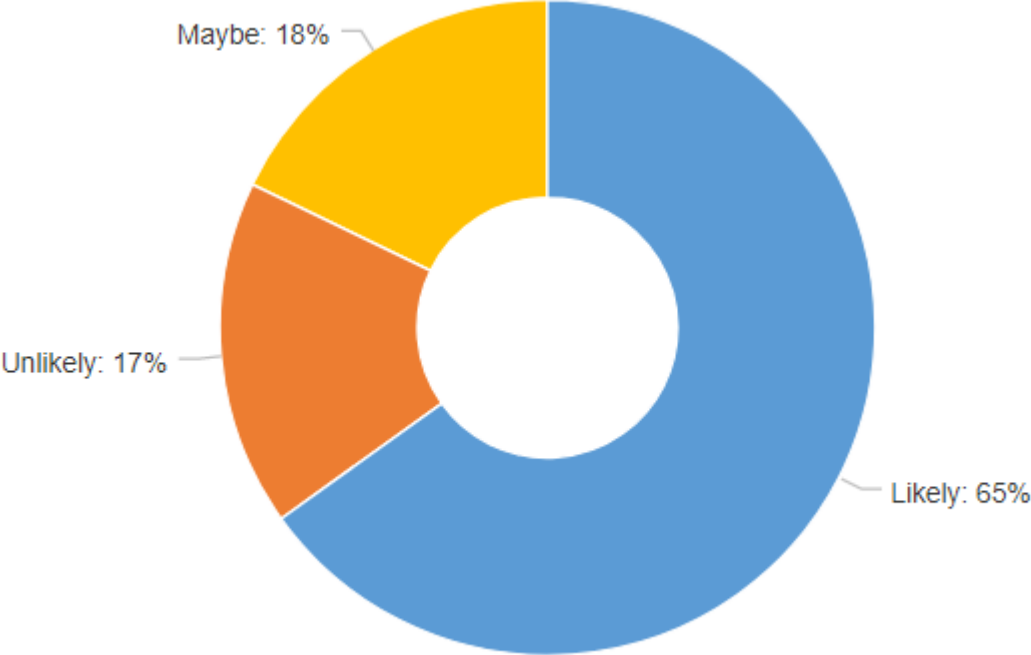
+ Group Retiree Solutions (GRS) book of business satisfaction rate is 65%

**68%**

of respondents are either satisfied or very satisfied with the medical benefits offered

\*GRS is Anthem's Medicare Advantage division

# How likely are you to recommend Anthem Blue Cross Medicare Preferred PPO Advantage Plan to a colleague, friend, or family member?



+ Group Retiree Solutions (GRS) Net Promoter Score average was 62% for 2022

\*GRS is Anthem's Medicare Advantage division

# How satisfied are you with the Anthem Medicare Preferred (PPO) Advantage plan with Senior Rx Plus plan on the following criteria?

	Count	% of responses					
Enhanced Benefits (such as transportation, home delivered meals, care giver relief, etc.) offered	173	5%	4%	25%	5%	14%	47%
Anthem Customer Service	173	8%	9%	14%	18%	35%	16%
Medical Benefits offered by the Anthem Medicare Preferred (PPO) Advantage Plan	173	6%	12%	10%	27%	44%	
Overall	173	12%	10%	11%	21%	45%	

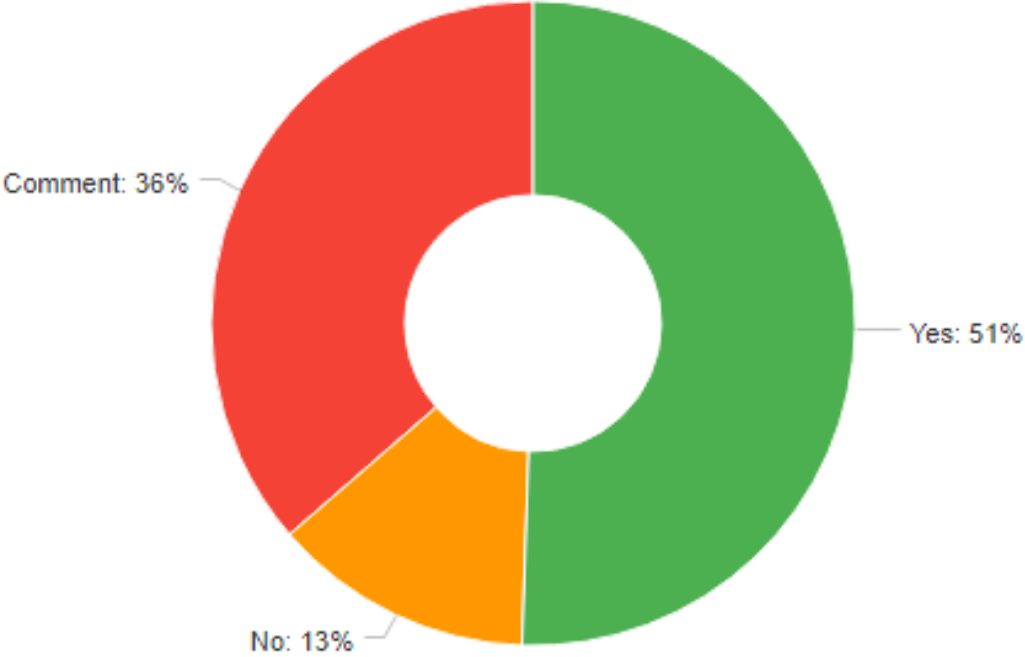
■ Very Unsatisfied  
 ■ Unsatisfied  
 ■ Neutral  
 ■ Satisfied  
 ■ Very Satisfied  
 ■ N/A

N 173

+ In the Enhanced Benefits section, we believe there is a higher “N/A” response due to members either not using or are not aware of the offerings.



# If you contacted Anthem Member Services, was your issue resolved?



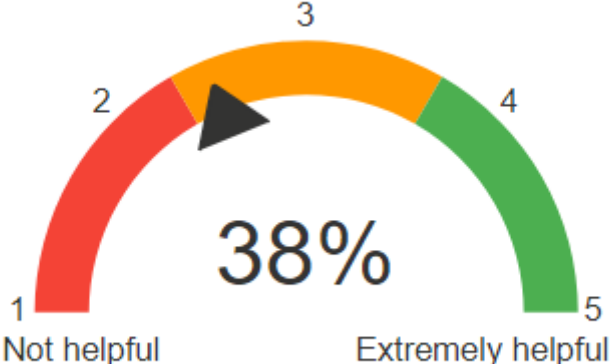
Response	Number	Percentage
Yes	140	80%
No	36	20%

- + This is a two-part question that includes a comment section. Majority of the comments state “have never contacted member services.”
- + Group Retiree Solutions (GRS) wide member services satisfaction rate was 76% for 2022

\*GRS is Anthem’s Medicare Advantage division

# Have you used the Anthem Mobile App or website?

# If you have used the Anthem Mobile app or website, how helpful do you find the Mobile App or website?



+ Group Retiree Solutions (GRS) wide average is 42% usage of the Sydney Mobile App and 59% for the website.

\*GRS is Anthem's Medicare Advantage division

# What can we do to improve the Anthem Medicare Preferred (PPO) Advantage Plan with Senior Rx Plus plan?

## Top 5 responses:

1. Satisfied with the plan
2. Go back to the Medicare Supplement plan
3. Add more benefits to the plan
4. Issues with preauthorization
5. Providers are not accepting the plan

# Anthem and LACERS Strategies for 2023

- Member education on benefit offerings
- Continuous provider education and communication
- Custom LACERS-specific member campaigns to address high cost drivers and gaps in care (in 2022, Anthem implemented 16 LACERS-specific campaigns)
- Annual Wellness communication to educate members of enhanced benefits and health program management
- Bi-weekly meeting with LACERS and Anthem to enhance services to members and problem solve issues

# LACERS 2022 Extra Covered Benefits



Additional Benefits	Description	January - December
Assistive Devices	Monetary assistance to help purchase CMS-approved assistive devices	63 Members 154 Purchases
Emergency Response System (PERS)	In-home device to notify appropriate personnel of an emergency such as a fall, includes monthly monitoring	39 Members
Health and Fitness Tracker	Wearable fitness tracker to promote active lifestyle	31 Members
Healthy Meal Deliveries	Discharge from inpatient stay/Elevated A1C/BMI	92 Members 1,299 Meals sent
Healthy Pantry/Nutritional Education	Assists retirees with chronic illnesses manage their health conditions providing nutritional guidance.	10 Members 61 Pantry Deliveries
House Calls	In home health screening	364 Visits
In Home Support	Papa Pals assist seniors who live at home alone and care for themselves; meal prep, pet care, etc.	1,209 Hours
Routine Transportation	12 one-way trips in a 60-mile radius	174 Trips

- Adult Day Center and Personal Home Helper benefits yielded zero utilization
- Data captured from 1/1/2022 – 12/31/2022

# Next Steps

1. **Analyze** responses to find areas where we can improve
2. **Build** strategies to help inform and educate members on common issues/responses
3. **Launch** new targeted marketing campaigns around common responses
  - Preauthorization
  - Usage of enhanced benefits
  - Finding care in network
4. **Re-survey** members at end of the year to gauge if we have helped improve outcomes





**REPORT TO BENEFITS ADMINISTRATION COMMITTEE**  
**From: Neil M. Guglielmo, General Manager**

**MEETING: MARCH 28, 2023**  
**ITEM: IV**

*Neil M. Guglielmo*

**SUBJECT: 2024 HEALTH PLAN CONTRACT RENEWAL TIMELINE AND STRATEGY**

ACTION:  CLOSED:  CONSENT:  RECEIVE & FILE:

**Recommendation**

That the Committee receive and file this report.

**Executive Summary**

LACERS provides health plan coverage to its Retired Members and their qualified survivors and dependents through contracts with medical, dental, and vision insurance carriers. Premiums and benefit structure are subject to change every plan year and the program requires active management and strategizing with our health and welfare consultant and carriers to minimize health insurance plan premium increases while continuing to provide benefits Members value.

**Discussion**

LACERS contracts with medical, dental, and vision insurance carriers to provide LACERS-sponsored group health plan coverage to its Retired Members and their qualified survivors and dependents.

This year the current dental and vision plans continue and the annual premium rates will be solicited through the Request for Renewal (RFR) process, while a solicitation for new/continuing medical plans and rates will be completed through an open Request for Proposal (RFP) process. The RFP for health plan contracts is conducted every 3-5 years to allow LACERS to explore options for alternative health plan designs and competitiveness of pricing. The RFP for medical plans is typically released separately from the vision and dental RFP, due to the complexity of the process that could result in multiple plan changes. This multi-layer process impacts plan design, the establishment of the annual medical premium and subsidy, and the annual open enrollment process. Plan changes also impact the overall administration of benefits, including counseling, enrollment, and accounts reconciliation.

The annual RFR for vision and dental is separately conducted. The RFR process is comprised of the following steps:

1. Release Requests for Renewal – In March, our health and welfare consultant, Keenan & Associates (Keenan), sends each carrier an RFR, asking the carrier to provide the proposed

premium for the following year and to cost additional items that could impact premiums, such as new programs, plan design modifications, or alternative pricing.

2. Evaluate Responses to the RFRs – Keenan will review premium changes and the associated costs, assumptions, and methods used to develop the premiums.
3. Negotiate Premium Rates with Each Carrier – Keenan will request the carriers to reconsider certain costs, assumptions, and/or methods, based on their review.
4. Adoption of Final Premiums – The final rates and any recommended plan design changes will be presented to the Benefits Administration Committee and then the full Board for approval.

Premiums and benefit structure are subject to change every plan year. The estimated 2023 total premium cost of LACERS health and welfare program is approximately \$167.6 million. Most of these costs are associated with medical insurance plan premium costs, which in 2023 are estimated to be approximately \$153.9 million. Dental and vision insurance plan premium costs in 2023 are estimated to be \$12.8 million and \$0.9 million respectively. The average premium cost increase for the last three years has been below the Board-adopted actuarially assumed medical cost trend rates (-0.3% vs. 6.8%). It is the program's goal to continue this trend into the future.

Being able to minimize health insurance plan premium increases requires active management and strategy. As we look ahead to the 2024 plan year and beyond, staff and Keenan are continuing a health plan strategy directed toward data-based decision-making and targeted plan design modifications that can have a long-term impact on utilization and costs. The focus over the next three years will be on:

- Scrutinizing utilization data to identify issues and cost drivers that can be utilized in improving future plan design which balances cost and quality of plans
- Increasing Member awareness of health management services to improve health outcomes
- Improving the cost-effectiveness of health care service options and benefits and optimizing premium costs over multiple years through measurable outcomes of Members' health
- Surveying the health care environment for new products, programs, and vendors that can make the administration of LACERS health plans more cost-effective
- Engaging Members in becoming their healthiest self in retirement through viable wellness campaigns
- Requiring greater transparency and accountability for carrier renewal projections

Although premiums are driven by dental and vision claims, dental and vision claims are often driven by Member behavior. Through LACERS *Well*, the LACERS' Retiree wellness program, Members are encouraged to engage in their health care. Additionally, through the health plan rewards program in the form of gift cards, Members are incentivized to utilize preventative health services for effective disease management. At the same time, LACERS will continue to take advantage of any market opportunities that can result in cost-savings to our health and welfare program.

Areas of focus for the 2024 health plan contract renewal process:

- Care management programs that result in greater participation in areas such as wellness, disease management, and health coaching that improve Members' health
- Expand Performance Guarantees

Areas of focus for the 2024 LACERS *Well*:



- Partnership with carriers in Health Management Programs, including monthly webinars, annual marketing and communication campaigns with carriers
- Enhance the Champion program to include in-person and virtual activities in more areas of interest and geographic areas, regions and possibly to other states
- Expand in-person events in more geographic areas and regions to create socialization and connections beyond the Los Angeles metro area

The 2024 dental and vision plan contract renewal timeline is as follows:

Release RFRs – March 15  
 RFR Responses Due – April 6  
 Complete Initial Negotiations – May 1  
 Preliminary Renewal to the Benefits Administration Committee (BAC) – June 13  
 Carriers Submit Final Renewals – June 20  
 Final Renewal to the BAC – June 27  
 Final Renewal to the Board – July 11

LACERS is also conducting the RFP for medical plans for 2024 to explore the health insurance marketplace, which includes seeking feedback from proposers on group plans that would cover Members outside of California, as well as the possibility of having both Medicare Supplement and Advantage offerings for our Members. The schedule for the RFP, being conducted simultaneously, is included below for reference:

Release RFP – March 10  
 RFP Responses Due – April 6  
 Preliminary Results/Finalists to the BAC – May 9  
 Final Approval from the BAC – June 27  
 Final Approval from the Board – July 11

**Strategic Plan Impact Statement**

The health plan contract renewal process assures that LACERS health plan premium changes support Strategic Plan Goal #3: Improve value and minimize costs of Members’ health and wellness benefits.

Prepared By: Ada Lok, Senior Benefits Analyst I, Health, Wellness and Buyback Division

NMG/DWN/KF/al