

RETIREES COMMITTEE

As ACERA sends its representative to our meetings, Mike Fara, the following will be very brief.

- The Actuarial projections for the SRBR length are now 22 years for the medical and dental benefits and 19 years for the remainder, such as death benefits. This is a one year increase in each projection based upon the most recent actuarial data.
- The unfunded subsidy this year increased over the projected estimates, to \$6 million plus. This payment is credited to the County for early retirees that are still on the County Kaiser or United Health Care plans. The subsidy for Kaiser, with 81% of the early retiree population, is \$4.6 m and United Health Care, \$1.4m. This amount is based primarily upon factors related to utilization of services and member enrollment. Early projections for next year look favorable to a lower unfunded subsidy.
- Margo Allen detailed the transfers from the SRBR to the County advance reserve account to pay for the cost of medical coverage for 2016 - 2017. There are no funds actually transferred from ACERA to the County, instead the County is credited with amounts it pays for health care in the form of a reserve for its future obligations due for retirement contributions.
- One Exchange gave a detailed report via a paper slide presentation as to what has occurred last year in regard to ACERA member telephone calls, reimbursements and other processing issues. I thought it was a very good presentation and ACERA Trustees asked a number of good questions in regard to desiring to improve member experience with One Exchange.
- It was mentioned that United Health Care is opting out of providing health care in five states and this may impact ACERA retirees living in other jurisdictions than California. As One Exchange has multiple plans, 16 for Medicare, thus it should not be a problem switching to other insurers in the five states that may lose United Health Care coverage.

Respectfully submitted, Richard Karlsson, 5/4/16