

**Minutes of the Meeting of the Board of Directors
Retired Employees of Alameda County
Monday July 11, 2022, 9:30 A.M.**

Zoom Video Conferencing Board Meeting

Alicia Baptista, President of the Board, called the meeting to order at 9:30 A.M.

Roll Call: Alicia Baptista, Renaye Johnson, Paul Reeves, Suman Sharma, Connie Land, and Linda Slater were present. Mike Fara, ACERA Representative, Nancy Reilly, REAC Member and ACERA Retiree Alternate, Charo Panesi-Guerra, REAC Member and Administrative Assistant, Pete Albert, ACRE Board President, and Dawn Stevenson REAC member, were also present.

Minutes: Minutes of the June 13, 2022 REAC Board meeting were reviewed. Connie moved that the June 13, 2022 REAC Board Minutes be approved as submitted. Paul seconded the motion and the motion was approved with one abstention.

Announcements & Communications: Linda reported that she met a REAC member who expressed interest in joining the REAC Board of Directors. She will send him an email informing him of the process, invite him to attend the next Board meeting, and Charo will send him the invitation.

Treasurer's Report: Suman presented the June 2022 Treasurer's Report. Receipts totaled \$8,244.10 and Disbursements totaled \$5,935.00. Stipends increased to \$850.00 and the Red Arrow Newsletter printing costs were \$1,794.54. The Red Arrow printing costs for the special post cards was \$659.71. The beginning check book balance was \$87,416.75 and the ending check book balance was \$89,725.85. Total assets were \$220,192.68.

Suman presented the April-June 2022 Treasurer's 2nd Quarterly Report. Receipts for the 1st Quarter and 2nd Quarter totaled \$49,334.14 and Disbursements for both Quarters totaled \$31,193.50. Red Arrow Newsletter printing costs were \$9,273.05, Newsletter postage costs were \$3,894.29, and Creative Circle Newsletter layout costs were \$2,175.00. CRCEA dues were \$2,129.05, D&O Stipends were \$4,500.00, Membership and Clerical Support costs were \$6,720.60, and Mileage Reimbursement costs were \$391.46. Paul moved that the Treasurer's Report for June 2022, and the April-June 2022 Treasurer's 2nd Quarterly Report, be approved as submitted. Connie seconded the motion and the motion was approved.

ACERA: Mike reported on the July 6, 2022 Retirees Committee Meeting. There were 3 Action Items and 3 Information Items. The first Action Item was a discussion and possible motion to adopt the Monthly Medical Allowance (MMA) paid to eligible retirees in group plans for Plan Year 2023. The Group Plan MMA is stated as a monthly dollar amount which varies by years of service credit and can only be used to pay for ACERA-sponsored health plan premiums. Staff recommends that the Retirees Committee recommend to the Board of Retirement (Board) a motion to increase the 2023 Group Plan Monthly Medical Allowance (MMA) by 3.25% for eligible retirees in the group plans, in accordance with the substantive plan definition adopted under GASB 43 equal to 50% of the rate of health care inflation assumptions provided by ACERA's actuary, which would result in a MMA maximum of \$616.12 for the Plan Year 2023. The MMA contributions are a non-vested benefit subject to possible reduction or elimination if Board policies change or funds are unavailable. This benefit is funded by contributions from

ACERA employers to the 401(h) account. After contributions are made, in accordance with the County Employees Retirement Law (CERL), ACERA treats an equal amount of Supplemental Retiree Benefits Reserve (SRBR) assets as employer contributions for pensions.

The Retirees Committee opted to not make a decision on the increase to the MMA. The Committee wanted to wait until they had more information regarding what the Plan Year 2023 costs might be. Connie asked what sort of problems might be created by the delay in making a decision. With Open Enrollment taking place in November 2022, and the material for the 2023 Open Enrollment would have to be sent to the printers in September, would the delay adversely impact those sorts of timelines? Mike reported that they did have sufficient time so long as the decision was made at the September meeting. Connie also wanted to know if Mike knew why they delayed their decision. Nancy reported that the Committee did not want to make a decision until they knew precisely what the medical premiums would be before making a decision to increase the MMA.

The second Action Item was a discussion and possible motion to recommend that the Board of Retirement adopt a Monthly Medical Allowance (MMA), which will be provided to qualified early (Non-Medicare eligible) retirees enrolled in Individual Plans through the Health Exchange for the 2023 Plan Year. Staff recommends that the Retirees Committee recommend to the Board of Retirement (Board) a motion to increase the 2023 Individual Plan Monthly Medical Allowance (MMA) by 3.25% for eligible qualified early (non-Medicare) retirees enrolled in individual plans through the Health Exchange, in accordance with the substantive plan definition adopted under GASB 43 equal to 50% of the rate of health care inflation assumptions provided by ACERA's actuary, which results in a MMA maximum of \$616.12 for Plan Year 2023. The Retirees Committee also opted to not make a decision on the increase to the MMA for this Action Item.

The third Action Item was a discussion and possible motion to recommend that the Board of Retirement adopt a Monthly Medical Allowance (MMA), which will be provided to qualified Medicare eligible retirees enrolled in Individual Plans through the Medicare Exchange for the 2023 Plan Year. The Retirees Committee also opted to not make a decision on the increase to the MMA for this Action Item.

The first Information Item was a report on Dental and Vision Plans Experience and Utilization. Delta Dental PPO enrollment has steadily increased during the past three periods. Total enrollment for the period February 2020 thru January 2021 was 8,541, total enrollment for the period February 2021 thru January 2022 was 8,694, and total enrollment for the period February 2022 thru May 2022 was 8,800.

One of the most interesting statistics included the Annual Maximum by Network. Looking first at PPO (\$1,300 Annual Maximum) Total Utilizers (Members) from February 2020 thru January 2021 were 4,101. Of that number, 691 members reached their annual maximum, and for the period February 2021 thru January 2022, total utilizers were 4,642 and of that number, 878 members reached their annual maximum.

Looking at Premier (\$1,000 Annual Maximum) Total Utilizers (Members) from February 2020 thru January 2021 were 3,623. Of that number 602 members reached their annual maximum, and for the period February 2021 thru January 2022, total utilizers were 3,883 and of that number, 733 members reached their annual maximum.

Total utilizers increased by 11.1% for 2021-22 and total members reaching their annual maximum increased to 18.4% for the same period. During the most recent period, total procedure counts increased by 2.0%, as COVID-19 restrictions were relaxed. 57.1% of members had four or more dental procedures and 30.4% of members had no utilization.

The next report focused on VSP Plan Experience. For the period February 2020 thru January 2021, 7,351 members were enrolled in the Standard Plan, during the period February 2021 thru January 2022, 7,398 members were enrolled in the Standard Plan and during the period February 2022 thru April 2022, and 7,387 members were enrolled in the Standard Plan. During the period February 2020 thru January 2021, 1,456 members were enrolled in the Buy-Up Plan, during the period February 2021 thru January 2022, 1,583 members were enrolled in the Buy-Up Plan and during the period February 2022 thru April 2022 1,668 members were enrolled in the Buy-Up Plan. ACERA's Buy-Up plan now represents 18% of total enrollment.

Segal, ACERA's Benefits Consultant, will review both the Dental and the Vision Plans for possible enhancement options. For the Dental Plans, ACERA has a three year premium rate guarantee for the period February 1, 2021 thru January 31, 2024. Delta Dental PPO is \$44.15 and DeltaCare USA is \$22.18. For the Vision Plan, ACERA has a five year premium rate guarantee for the period February 1, 2021 thru January 31, 2026. The base plan rate is \$3.97.

During the Retiree Committee meeting, it was pointed out that during the benefits survey ACERA conducted during the spring time; ACERA did not ask any questions related to increasing the benefits of the dental plan. However, the questionnaire did have a question which allowed for an open ended response. A large number of retirees, who completed the survey, used that open ended question to request an increase in the dental plan benefit levels.

As a result of that interest, ACERA requested that Segal ask the carriers to provide them with a number of different enhancements related to increasing the dental plan benefit levels. Some of the options suggested by ACERA included: Waiving Diagnostic and Preventative (D&P) from being applied to the Annual Benefit Maximum (ABM). Currently, D&P is provided at no charge, but their costs reduce the ABM by as much as \$350.00 annually. Waiving D&P services would encourage routine dental visits, promote oral health, and increase the value of the current ABM from \$1,300 to \$1,600. Another enhancement would be to just increase the ABM by a number of increasing increments. Another enhancement would be to replicate Alameda County's Active Dental PPO Plan. Segal provided the Committee cost figures for a number of those enhancements. Segal will provide additional enhancement options and their costs for the Committee to consider during their August meeting.

The Committee also looked at a number of possible enhancements to the VSP Plan. Those enhancements included: Lens enhancements (i.e. UV Coating; Polycarbonate material), Frames and Lens allowance increases, and consolidated coverage under the Buy-Up Vision Plan.

Paul asked if it was possible to determine the number of Kaiser Members who have had cataract surgery. Since the baby boomers are a large group, there should be an increase in the number of retirees who need that service, and therefore, an increase in cost to Kaiser. Mike will research and report back.

The remaining Information Item was a report on how to add gyms to the Silver & Fit program and contact numbers which members could use to have a Silver&Fit representative contact a nonparticipating gym. The report also provided an update on ACERA's financial bank transition from Wells Fargo to J.P. Morgan.

CRCEA (California Retired County Employees Association): Connie began by reporting that there were no new updates on the CRCEA Fall Conference which will be held October 9, 2022 thru October 12, 2022 in Sacramento. The host county is the Sacramento County Retired Employees Association (SCREA). The conference registration, agenda, outside activities, speakers, and other information are not yet available. The conference will be held live.

Connie provided an update on the CalPERS Lawsuit. There were no new updates to their website: <https://calpersclassactionlawsuit.com>. Policy holders are encouraged to check the website frequently to stay updated or they can contact the Settlement Administration at 1 (866) 217-8056. Even though there is no update to the website, CRCEA's Long Term Care Insurance Committee reported the following. The attorneys for the class members and CalPERS have continued negotiations, hoping to reach a new settlement.

Meanwhile, steps to bring the case to trial continue. The Court held a trial setting conference on June 15, 2022. The Court established a pre-trial/trial schedule with a variety of actions needing to occur from September 2022 thru March 2023. The trial is scheduled for May 15, 2023 and is scheduled to last 25 court days. Although the matter is now re-set for trial, the parties are still engaged in mediation hoping to agree on a restructure proposed settlement for the court's consideration.

While there are still arbitration discussions being held, the likelihood of another settlement offer seems bleak. However, it is absolutely imperative that policy holders continue to maintain premiums if they hope to be part of any future settlement.

SACRS (State Association of County Retirement Systems): Nancy reported that she attended the SACRS Annual Spring Conference which took place from May 10-12, 2022. She reported that Ms. Keisha Lance Bottoms, a CNN Political Commentator and former Mayor of Atlanta, was one of the guest speakers and she talked about "Leadership in the Toughest of Times." In addition, Retired General David Petraeus was another guest speaker and he talked about the influence of China and Russia on current events. There were a number of breakout sessions, one of which included a discussion on Bit Coins and Cryptocurrency.

Paul reported that the SACRS Fall Conference will take place from November 8-11, 2022 at the Hyatt Regency Long Beach, in Long Beach, California. Registration for this conference opens this summer. At this point, no information regarding potential speakers, breakout sessions, or topics of discussion, were available. The SACRS Conference room rate was \$249 per night. There will be a discounted room block available, and it should also be available this summer.

Paul also reported that he recently received the billing statement for the SACRS Membership dues for 2022/2023. The amount due for Non-Profit Membership is \$250.00 and is due by July 31, 2022. He already forwarded a copy to Suman.

Retirement Board: There was no additional information to report.

Investment Committee: There was no additional information to report.

Health Care (Centers for Disease Control and Prevention): Renaye reported that the CDC website now includes a special warning regarding high temperatures. According to the CDC, high temperatures kill hundreds of people every year. Heat-related deaths and illness are preventable, yet more than 700 people die from extreme heat every year in the United States. The individuals who are at the highest risk include people 65 and older, children younger than two, and people with chronic diseases or mental illness. The website also includes several suggestions regarding various ways of protecting yourself from heat related challenges.

Renaye also reported that the CDC now lists Alameda County as one of the counties in the high category for COVID-19. CDC developed COVID-19 Community Levels as a new tool to help communities decide what prevention steps to take based on the latest data. Levels can be low, medium, or high and are determined by looking at hospital beds being used, hospital admissions, and the total number of new COVID-19 cases in an area. Since Alameda County is in the high category, they recommend that you should continue to wear masks indoors in public, stay up to date with COVID-19 vaccines, and to get tested if you have any symptoms.

Connie asked if the CDC had any information on their website which addressed the increase in the number of Monkeypox cases in the Bay Area. Renaye mentioned that she did not see anything specific regard Monkeypox on their website, but she would research the issue and will email the Board with what she finds out.

Renaye also stressed the importance of our Kaiser members using the Silver&Fit program. Renaye reminded the Board that the ACERA Health Fair will be a virtual Health Fair and that it will take place on October 27, 2022 at 10:00AM.

Activities: There was a continued discussion regarding the possibility of having a REAC Fall luncheon. The Board decided to host the luncheon if, the Board could guarantee a specific number of attendees. With that in mind, Alicia will contact the Metropolitan Fairview event facility to determine what specific number would they require, and when would they have to know. She will then add that information to her Presidents Comments portion of the REAC Newsletter.

Membership and Recruitment: Charo reported that as of June 30, 2022, membership stood at 3,870 members, which was a slight increase over last month's numbers.

Paul reminded the Board that Dawn Stevenson, who was present at today's Board meeting, and the June 13, 2022 Board meeting, had expressed interest in joining the REAC Board of Directors. Paul asked if she was still interested, and if so, the Board would vote on her request. Dawn said she was still interested and would be delighted to serve on the Board. Paul nominated Dawn as the next REAC Board member, Connie seconded the nomination, and the nomination was approved.

REAC News: The REAC Newsletter will have information concerning Dawn's appointment to the Board, the discussions regarding the Dental and Vision plans, and the potential of a REAC Fall Luncheon.

Other Reports: There was no other information to report.

Old Business: The Board finalized their discussion regarding the use of a more environmentally friendly paper for the REAC Newsletter. There was very little response from the REAC members regarding which type of paper to use although those who responded all preferred the switch to non-glossy paper. . With that

in mind, Paul moved that the Board switch to the more environmentally friendly paper for the REAC Newsletter. Renaye seconded the motion, and the motion was approved.

New Business: There was no information to report.

For the Good of the Order: There was nothing new to report.

Meeting adjourned at 11:50am

Respectfully submitted by Paul Reeves, Board Secretary

Next Board Meeting: Monday, August 15, 2022, 9:30 am
Zoom Video Conferencing Board Meeting