



Benefits Administration Committee Agenda

REGULAR MEETING

TUESDAY, AUGUST 23, 2022

TIME: 9:30 A.M.

MEETING LOCATION:

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 or 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 August 23, 2022 meeting will be conducted via telephone and/or videoconferencing.

Important Message to the Public

Information to call-in to listen and/or participate:

Dial: (669) 254-5252 or (669) 216-1590

Meeting ID# 161 065 1712

Instructions for call-in participants:

- 1- Dial in and enter Meeting ID
- 2- Automatically enter virtual "Waiting Room"
- 3- Automatically enter Meeting
- 4- During Public Comment, **press *9** to raise hand
- 5- Staff will call out the last 3-digits of your phone number to make your comment

Information to listen only: Live Committee Meetings can be heard at: (213) 621-CITY (Metro), (818) 904-9450 (Valley), (310) 471-CITY (Westside), and (310) 547-CITY (San Pedro Area).

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

If you are compensated to monitor, attend, or speak at this meeting, City law may require you to register as a lobbyist and report your activity. See Los Angeles Municipal Code §§ 48.01 *et seq.* More information is available at ethics.lacity.org/lobbying. For assistance, please contact the Ethics Commission at (213) 978-1960 or ethics.commission@lacity.org.

Request for services

As a covered entity under Title II of the Americans with Disabilities Act, the City of Los Angeles does not discriminate on the basis of disability and, upon request, will provide reasonable accommodation to ensure equal access to its programs, services and activities.

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Disclaimer to participants

Please be advised that all LACERS Board and Committee Meeting proceedings are audio recorded.

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- I. PUBLIC COMMENTS AND GENERAL PUBLIC COMMENTS ON MATTERS WITHIN THE COMMITTEE'S JURISDICTION AND COMMENTS ON ANY SPECIFIC MATTERS ON THE AGENDA – *THIS WILL BE THE ONLY OPPORTUNITY FOR PUBLIC COMMENT - PRESS *9 TO RAISE HAND DURING PUBLIC COMMENT PERIOD*
- II. [APPROVAL OF MINUTES FOR THE MEETING OF AUGUST 9, 2022 AND POSSIBLE COMMITTEE ACTION](#)
- III. [2023 MAXIMUM SUBSIDY AND REIMBURSEMENT AMOUNTS AND POSSIBLE COMMITTEE ACTION](#)
- IV. 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 while public health concerns relating to the novel coronavirus continue.
- VI. ADJOURNMENT



LACERS

LA CITY EMPLOYEES'
RETIREMENT SYSTEM



Board of Administration Agenda

SPECIAL MEETING

TUESDAY, AUGUST 23, 2022

TIME: 9:30 A.M.

MEETING LOCATION:

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 or 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 August 23, 2022 meeting will be conducted via telephone and/or videoconferencing.

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President: Nilza R. Serrano

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

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- II. APPROVAL OF MINUTES FOR THE MEETING OF AUGUST 9, 2022 AND POSSIBLE COMMITTEE ACTION
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- VI. ADJOURNMENT

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 August 9, 2022 meeting will be conducted via telephone and/or videoconferencing.

August 9, 2022

9:00 a.m.

PRESENT via Videoconferencing:	Chair:	Michael R. Wilkinson
	Committee Member:	Annie Chao
	Vice President:	Sung Won Sohn
	Commissioners:	Thuy Huynh Elizabeth Lee Nilza R. Serrano Janna Sidley
	Executive Assistant:	Ani Ghoukassian
	Legal Counselor:	Miguel Bahamon
	Manager-Secretary:	Neil M. Guglielmo

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

Commissioner Sidley joined the meeting at 9:00 a.m., Commissioner Huynh joined the meeting at 9:02 a.m., Vice President Sohn, joined the meeting at 9:52 a.m., Commissioner Serrano joined the meeting at 9:54 a.m., and Commissioner Lee joined the meeting at 9:57 a.m. and this was a Special Meeting of the Board of Administration. Any votes were taken by Benefits Administration Committee members only.

Chair Wilkinson introduced and welcomed the LACERS Board of Administration new Commissioners, Thuy Huynh and Janna Sidley.

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, to which there was one response from Ruth Perry, President of Retired Los Angeles City Employees, Inc. (RLACEI) and member of the public, spoke about RLACEI's support of staff's recommendation to authorize a

budgetary expenditure and direct LACERS plan actuary to conduct an actuarial cost study to explore the Medicare Part B Income-Related Monthly Adjustment Amounts (IRMAA) and the Medicare Part B (Medical) reimbursements.

II

APPROVAL OF MINUTES FOR THE MEETING OF JUNE 28, 2022 AND POSSIBLE COMMITTEE ACTION – Committee Member Chao moved approval, adopted by the following vote: Ayes, Committee Members Chao and Chair Wilkinson -2; Nays, None.

III

2023 HEALTH PLAN CONTRACT RENEWALS AND POSSIBLE COMMITTEE ACTION – Karen Freire, Chief Benefits Analyst, James Kawashima, Senior Benefits Analyst, and Bordan Darm, Vice President at Keenan and Associates, presented and discussed this item with the Committee for 20 minutes. Committee Member Chao moved approval, adopted by the following vote: Ayes, Committee Member Chao and Chair Wilkinson -2; Nays, None.

IV

ANTHEM MEDICARE ADVANTAGE PLAN TRANSITION UPDATE – Karen Freire, Chief Benefits Analyst and Jennifer Heinz, Account Manager with Anthem, Inc., presented and discussed this item with the Committee for 10 minutes.

Vice President Sohn and Commissioners Lee and Serrano joined the meeting.

V

INCOME-RELATED MONTHLY ADJUSTMENT AMOUNTS (IRMAA) AND MEDICARE PART B ONLY REIMBURSEMENT CONSIDERATION AND POSSIBLE COMMITTEE ACTION – Karen Freire, Chief Benefits Analyst, and Ada Lock, Senior Benefits Analyst, presented and discussed this item with the Committee for 20 minutes. Committee Member Chao moved approval, adopted by the following vote: Ayes, Committee Member Chao and Chair Wilkinson -2; Nays, None.

VI

OTHER BUSINESS –There was no other business.

VII

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 while responding to public health concerns relating to the novel coronavirus continue.

VIII

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

Michael R. Wilkinson
Chair

Neil M. Guglielmo
Manager-Secretary



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

MEETING: AUGUST 23, 2022
ITEM: III

Neil M. Guglielmo

SUBJECT: 2023 MAXIMUM SUBSIDY AND REIMBURSEMENT AMOUNTS AND POSSIBLE COMMITTEE ACTION

ACTION: CLOSED: CONSENT: RECEIVE & FILE:

Recommendation

That the Committee forward a recommendation to the Board to approve the following:

1. A maximum medical plan premium subsidy of \$1,962.20 per month, for Tier 1 Discretionary and Vested Retired Members under Age 65 or enrolled in Medicare Part B only;
2. A maximum reimbursement of \$1,962.20 per month, for Tier 1 Discretionary and Vested Retired members under Age 65 or with Medicare Part B only, enrolled in the Medical Premium Reimbursement Program;
3. A maximum reimbursement of \$494.67 per month, for Tier 1 Discretionary and Vested, and Tier 3 Retired Members, with Medicare Parts A and B, and enrolled in the Medical Premium Reimbursement Program;
4. A maximum dental subsidy of \$43.81 for Tier 1 and Tier 3 Retired Members; and
5. Authorize the General Manager to adjust the subsidy/reimbursement amounts per month, based on updates of information received after this report, within the parameters established in the Los Angeles Administrative Code.

Executive Summary

LACERS provides a variety of health benefits to Retired Members in the form of subsidies and reimbursements. The Los Angeles Administrative Code (LAAC) Section 4.1101 authorizes the Board to administer the health and welfare programs for LACERS Retired Members. On an annual basis, the Board sets the maximum retiree health subsidies and the Medical Premium Reimbursement Program (MPRP) reimbursement amounts, while five other subsidies are established by ordinance based on the respective LAAC provisions as shown on the following chart.

Benefit Type	Tier 1 Retired Before July 1, 2011 “Discretionary”	Tier 1 Retired After July 1, 2011, “Vested”	Tier 1 Retired After July 1, 2011, “Capped”	Tier 3
Retiree Medical Subsidy, Under 65 or Medicare Part B Only - LAAC 4.1111(b), 4.1111(c), 4.1126(b)	Board Resolution	Board Resolution	Ordinance	Ordinance
Retiree Medical Subsidy, Medicare Parts A and B – LAAC 4.1111(e), 4.1126(d)	Ordinance	Ordinance	Ordinance	Ordinance
Retiree MPRP Reimbursement, Under 65 or Medicare Part B Only – LAAC 4.1112(b), 4.1127(b)	Board Resolution	Board Resolution	Ordinance	Ordinance
Retiree MPRP Reimbursement, Medicare Parts A and B – LAAC 4.1112(d), 4.1127(d)	Board Resolution	Board Resolution	Ordinance	Board Resolution
Retiree Dental Subsidy – LAAC 4.1114(a), 4.1129(a)	Board Resolution	Board Resolution	Board Resolution	Board Resolution
Survivor Medical Subsidy, Under 65 or Medicare Part B Only – LAAC 4.1115(b)(3), 4.1115(e), 4.1129.1(b)(3)	Ordinance	Ordinance	Ordinance	Ordinance
Survivor Medical Subsidy, Medicare Parts A and B – LAAC 4.1115(c), 4.1129.1(c)	Ordinance	Ordinance	Ordinance	Ordinance
Survivor MPRP Reimbursement, Under 65 or Medicare Part B Only – LAAC 4.1112(g), 4.1127(g)	Ordinance	Ordinance	Ordinance	Ordinance
Survivor MPRP Reimbursement, Medicare Parts A and B – LAAC 4.1112(g), 4.1127(g)	Ordinance	Ordinance	Ordinance	Ordinance

The 2023 recommended maximum retiree health subsidies and MPRP meet the LAAC requirements and are detailed in the discussion below. The Board’s authority to increase the dollar amounts of the subsidies and reimbursements is limited, based on different factors, including the amount of increase to certain medical plan premiums and LACERS’ medical plan premium cost trend compared with the assumed actuarial medical trend rate (see calculation of limit on Attachment 2).

Discussion

LACERS administers two tiers of retirement and health benefits. The maximum retiree health subsidies and the Medical Premium Reimbursement Program (MPRP) reimbursement amounts differ for each tier:

- Tier 1 benefits are available to City employees who were hired prior to February 21, 2016. For Tier 1 retiree medical benefits, there are three categories of Retired Members:

1. Discretionary – Members retired on or before June 30, 2011;
 2. Vested – Members retired on or after July 1, 2011, and made additional contributions to LACERS; and,
 3. Capped – members retired on or after July 1, 2011, and did not make additional contributions to LACERS.
- Tier 3 retiree health benefits are available to retired City employees who were hired on or after February 21, 2016.

Maximum Medical Plan Premium Subsidies (LAAC 4.1111)

The recommended maximum medical plan premium subsidy amounts are as follows:

- Tier 1 Vested Retired Members Under Age 65 or Enrolled in Medicare Part B Only
- Tier 1 Discretionary Retired Members Under Age 65 or Enrolled in Medicare Part B Only

LAAC Authority: For Vested Retired Members, increases to the maximum subsidy can be no less than the increase to the Kaiser non-Medicare two-party plan premium. The Board has the option to apply the same subsidy increase to Discretionary Retired Members, pursuant to LAAC Section 4.1111(b).

Recommended Subsidy: For 2023, the Kaiser non-Medicare two-party plan premium will increase by \$77.70, from \$1,800.48 to \$1,878.18, so staff recommends that the maximum subsidy be increased from \$1,884.50 to \$1,962.20 (\$1,884.50 + \$77.70) for both groups.

Medical Premium Reimbursement Program (MPRP) Reimbursements

The MPRP is available to Retired Members and Survivors who live outside of California or within California but outside of a LACERS HMO zip code service area. In order to participate, Members enroll in an individual plan and submit proof of premium payment to LACERS. LACERS reimburses premium costs up to the Member's subsidy amount on a quarterly basis. The recommended maximum MPRP Reimbursement amounts are as follows:

- Tier 1 Discretionary and Vested Retired Members Under Age 65 or Enrolled in Medicare Part B Only

LAAC Authority: The maximum MPRP reimbursement amounts are set similar to the medical subsidies, pursuant to LAAC Section 4.1112 and 4.1127.

Recommended Subsidy: It is recommended that the same maximum be applied toward MPRP reimbursements at \$1,962.20. This will provide Members who are unable to access a LACERS HMO the same amount of subsidy dollars to apply toward non-LACERS medical coverage.

- *Tier 1 Discretionary and Vested Retired Members, and Tier 3 Members, Enrolled in Medicare Parts A and B*

LAAC Authority: Increase to the maximum reimbursement amount may not to exceed the one-party premium of LACERS' highest cost Medicare plan.

Recommended Subsidy: In 2023, the monthly premium for LACERS' highest-cost single-party Medicare Parts A and B medical plan, the Anthem Medicare Advantage Passive PPO plan, will be \$494.67. Staff recommends the maximum reimbursement for MPRP participants enrolled in Medicare Parts A and B be set at \$494.67.

Overall Member Impact

The chart below shows the average medical subsidy paid by LACERS and monthly allowance premium deduction amounts paid by Tier 1 Members in 2022 as compared to the 2023 recommendations. There are currently no Tier 3 Retired Members who are receiving a medical subsidy.

Tier 1 Member Status	Tier 1 2023 Estimated Population	Tier 1 2022 Subsidy \$1,884.50		Tier 1 2023 Subsidy \$1,962.20	
		Avg. Monthly Subsidy	Avg. Monthly Deduction	Avg. Monthly Subsidy	Avg. Monthly Deduction
Non-Medicare Retiree	5,243	\$1,213.33	\$71.06	\$1,265.75	\$103.67
Non-Medicare Survivor	236	\$760.37	\$159.93	\$793.21	\$183.27
Medicare Retiree	9,789	\$484.36	\$39.24	\$484.74	\$39.29
Medicare Survivor	1,567	\$326.99	\$13.88	\$327.36	\$13.91
All Covered Members	16,835	\$700.90	\$48.48	\$717.95	\$58.99

Dental Plan Premium Subsidy (LAAC Section 4.1114 and 4.1129)

The recommended maximum dental plan premium subsidy amount is as follows:

LAAC Authority: The Retired Member maximum dental plan premium subsidy cannot exceed the maximum dental plan premium subsidy for Active Members.

Recommended Subsidy: The maximum dental plan subsidy for Active Members of LACERS for plan year 2023 will slightly decrease to \$43.81 per month. It is recommended that the maximum dental subsidy for Tier 1 and Tier 3 Retired Members be set at \$43.81.

Conclusion

Staff recommends the Committee to forward to the Board the proposed maximum subsidies and reimbursements amounts for 2023 as authorized by the Los Angeles Administrative Code.

Occasionally, premiums and therefore subsidies are subject to change slightly after Board approval due to receipt of updated data. Staff recommends that the Board allow for any minor subsidy and

reimbursement adjustments within the parameters established in the Los Angeles Administrative Code, to be delegated to the General Manager for authorization.

Strategic Plan Impact Statement

Timely adoption of the maximum medical and dental subsidy and reimbursement amount ensures sufficient time for staff to apply subsidies and reimbursements correctly and to develop Member communications for Members to make informed health plan decisions which support the Strategic Plan Goal of providing outstanding customer service and to deliver accurate and timely Member benefits.

Prepared By: James Kawashima, Senior Benefits Analyst, Health, Wellness and Buyback Division

NMG/DWN/KF/jk

- Attachments:
1. Maximum Subsidy and Reimbursement Amounts Established by Ordinance
 2. LACERS Medical Plan Premium Subsidy for Tier 1 Discretionary Retired Members
 3. LACERS Historical Medical Subsidy Costs

Maximum Subsidy and Reimbursement Amounts Established by Ordinance

Although Los Angeles Administrative Code (LAAC) Division 4, Chapter 11, provides the Board the authority to set the maximum retiree health subsidies and the Medical Premium Reimbursement Program (MPRP) reimbursement amounts, there are certain provisions in the LAAC that were established by ordinance that does not require Board action.

- *Maximum Medical Plan Premium Subsidies and MPRP Reimbursement Amounts for Tier 1 Capped Retired Members and their Survivors*

All medical benefit amounts for these Members and their Survivors are capped at 2011 amounts. The medical subsidy that may be used toward premium costs of covering a dependent is also capped.

- *Maximum Medical Plan Premium Subsidies for Tier 1 Discretionary and Vested, and Tier 3 Retired Members, Enrolled in Medicare Parts A and B*

The maximum subsidy is based on the single-party premium of the LACERS plan in which the Retired Member is enrolled.

- *Maximum Medical Plan Premium Subsidy and MPRP Reimbursement Amount for Tier 3 Retired Members Under Age 65 or Enrolled in Medicare Part B Only*

The maximum subsidy and reimbursement amount is based on the Kaiser two-party non-Medicare plan premium.

- *Survivor Medical Plan Premium Subsidies and MPRP Reimbursement Amounts for Tier 1 and Tier 3 Retired Members*

A Survivor's subsidy amount is based on the Retired Member's years of Service Credit.

- *Survivors Under Age 65 or Enrolled in Medicare Part B Only* – The maximum Survivor subsidy is equal to the single-party premium of the lowest-cost non-Medicare plan. The lowest-cost LACERS non-Medicare plan is the Kaiser Permanente HMO.
- *Survivors Enrolled in Medicare Parts A and B* – The maximum subsidy is set to the single-party premium of the LACERS plan in which the Survivor is enrolled.

LACERS MEDICAL PLAN PREMIUM SUBSIDY FOR TIER 1 DISCRETIONARY RETIRED MEMBERS

The LACERS Board has the authority as established by the Los Angeles Administrative Code (LAAC) Section 4.1112(b) to increase the maximum medical plan premium subsidy by the amount of the increase in the Kaiser Permanente HMO (non-Medicare) two-party premium. If the three-year average increase in the subsidy is greater than the three-year average assumed actuarial medical trend rate for the same period, the increase must be approved by City Council. City Council may set the increase at any other amount.

For 2023, the Kaiser Permanente HMO (non-Medicare) two-party premium will increase by \$77.70. The 2023 maximum medical plan premium subsidy increase to \$1,962.20 (\$1,884.50 + \$77.70) does not exceed the LAAC limitation as the three-year average increase of 3.1% is lower than the three-year average assumed actuarial medical trend rate of 7.0%. The table below shows by how much the Board may increase the 2023 maximum subsidy before hitting the cap imposed by the three-year average assumed actuarial medical trend rate.

	<u>Assumed Actuarial Trend Rate*</u>	<u>% Increase</u>	<u>Max. Medical Subsidy Amt. (Cap)</u>
2023	7.50%	15.8%	\$2,182.25**
2022	6.75%	5.2%	\$1,884.50
2021	6.75%	0.0%	\$1,790.80
3-yr Average	7.00%	7.00%	

*The assumed actuarial medical trend rates for coming years may be adjusted during each valuation and may alter the information contained in these tables.

**For the 2023 plan year, the LACERS Board could approve a two-party Kaiser non-Medicare HMO premium increase of up to 15.8% without requiring City Council approval for the associated subsidy increase.

LACERS HISTORICAL TIER 1 MEDICAL SUBSIDY COSTS

BAC Meeting: 08/23/22
Item III
Attachment 3

Year	1999	2000	2001	2002	2003	2004	2005	2006	2007
Maximum Monthly Medical Subsidy	\$508.00	\$702.00	\$702.00	\$751.00	\$872.00	\$883.00	\$883.00	\$928.00	\$983.00
Dollar Increase - Maximum Subsidy		\$194.00	\$0.00	\$49.00	\$121.00	\$11.00	\$0.00	\$45.00	\$55.00
% Increase - Maximum Subsidy		38.2%	0.0%	7.0%	16.1%	1.3%	0.0%	5.1%	5.9%
Kaiser 2-Party	\$409.84	\$604.44	\$631.56	\$679.68	\$800.08	\$813.87	\$870.56	\$915.14	\$982.74
Dollar Increase - Kaiser 2-Party		\$194.60	\$27.12	\$48.12	\$120.40	\$13.79	\$56.69	\$44.58	\$67.60
% Increase - Kaiser 2-Party		47.5%	4.5%	7.6%	17.7%	1.7%	7.0%	5.1%	7.4%
Aggregate Medical Premium Increase				17.0%	16.1%	18.2%	-5.2%	-5.2%	12.5%
% Premium Cost Subsidized	88.9%	91.0%	88.4%	90.8%	93.9%	92.0%	92.4%	92.4%	91.1%

Year	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Maximum Monthly Medical Subsidy	\$1,022.00	\$1,120.00	\$1,123.00	\$1,190.00	\$1,190.00	\$1,367.00	\$1,464.00	\$1,580.08	\$1,580.08	\$1,736.88	\$1,790.80	\$1,790.80	\$1,790.80	\$1,790.80	\$1,884.50	\$1,962.20
Dollar Increase - Maximum Subsidy	\$39.00	\$98.00	\$3.00	\$67.00	\$0.00	\$177.00	\$97.00	\$116.08	\$0.00	\$156.80	\$53.92	\$0.00	\$0.00	\$0.00	\$93.70	\$77.70
% Increase - Maximum Subsidy	4.0%	9.6%	0.3%	6.0%	0.0%	14.9%	7.1%	7.9%	0.0%	9.9%	3.1%	0.0%	0.0%	0.0%	5.2%	4.1%
Kaiser 2-Party	\$1,021.54	\$1,119.58	\$1,122.74	\$1,189.22	\$1,187.24	\$1,363.44	\$1,459.66	\$1,575.74	\$1,496.06	\$1,652.86	\$1,706.78	\$1,660.88	\$1,626.28	\$1,681.07	\$1,800.48	\$1,878.18
Dollar Increase - Kaiser 2-Party	\$38.80	\$98.04	\$3.16	\$66.48	(\$1.98)	\$176.20	\$96.22	\$116.08	(\$79.68)	\$156.80	\$53.92	(\$45.90)	(\$34.60)	\$54.79	\$119.41	\$77.70
% Increase - Kaiser 2-Party	3.9%	9.6%	0.3%	5.9%	-0.2%	14.8%	7.1%	8.0%	-5.1%	10.5%	3.3%	-2.7%	-2.1%	3.4%	7.1%	4.3%
Aggregate Medical Premium Increase	5.7%	7.1%	4.5%	6.2%	0.2%	7.9%	7.4%	4.8%	-1.9%	6.5%	5.4%	-1.6%	-0.2%	0.7%	-1.5%	0.9%
% Premium Cost Subsidized	91.6%	92.5%	91.8%	91.3%	90.9%	92.7%	92.5%	94.0%	94.0%	94.3%	93.7%	94.2%	93.8%	93.4%	93.7%	92.4%

Beginning in 2019, LACERS published premiums may have two components, the Carrier premium and a 115 Trust component. This chart only reflects the Carrier premium.

LACERS HISTORICAL TIER 3 MEDICAL SUBSIDY COSTS

BAC Meeting: 08/23/22
 Item III
 Attachment 3

Year	2016	2017	2018	2019	2020	2021	2022	2023
Maximum Monthly Medical Subsidy	\$1,496.06	\$1,652.86	\$1,706.78	\$1,660.88	\$1,626.28	\$1,681.07	\$1,800.48	\$1,878.18
Dollar Increase - Maximum Subsidy		\$156.80	\$53.92	(\$45.90)	(\$34.60)	\$54.79	\$119.41	\$77.70
% Increase - Maximum Subsidy		10.5%	3.3%	-2.7%	-2.1%	3.4%	7.1%	4.3%
Kaiser 2-Party	\$1,496.06	\$1,652.86	\$1,706.78	\$1,660.88	\$1,626.28	\$1,681.07	\$1,800.48	\$1,878.18
Dollar Increase - Kaiser 2-Party		\$156.80	\$53.92	(\$45.90)	(\$34.60)	\$54.79	\$119.41	\$77.70
% Increase - Kaiser 2-Party		10.5%	3.3%	-2.7%	-2.1%	3.4%	7.1%	4.3%
Aggregate Medical Premium Increase	-1.9%	6.5%	5.4%	-1.6%	-0.2%	0.7%	-1.5%	0.9%
% Premium Cost Subsidized	94.0%	94.3%	93.7%	94.2%	93.8%	93.4%	93.7%	92.4%

Tier 3 became effective February 21, 2016. Maximum subsidy is Kaiser's premium per Ordinance. Beginning in 2019, LACERS published premiums may have two components, the Carrier premium and a 115 Trust component. This chart only reflects the Carrier premium.