



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

### **REGULAR MEETING**

**TUESDAY, SEPTEMBER 27, 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 September 27, 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#** 161 930 3684

**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](http://ethics.lacity.org/lobbying). For assistance, please contact the Ethics Commission at (213) 978-1960 or [ethics.commission@lacity.org](mailto: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 23, 2022 AND POSSIBLE COMMITTEE ACTION](#)
- III. [LACERS 2021 ANTHEM AND DELTA DENTAL YEAR-END ACCOUNTING AND POSSIBLE COMMITTEE ACTION](#)
- IV. HEALTH, WELLNESS, AND BUYBACK OPERATIONAL VERBAL UPDATE
- 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 while public health concerns relating to the novel coronavirus continue.
- VII. ADJOURNMENT



# LACERS

LA CITY EMPLOYEES'  
RETIREMENT SYSTEM



## Board of Administration Agenda

### SPECIAL MEETING

**TUESDAY, SEPTEMBER 27, 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 September 27, 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

Legal Counsel: City Attorney's Office  
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- III. LACERS 2021 ANTHEM AND DELTA DENTAL YEAR-END ACCOUNTING AND POSSIBLE COMMITTEE ACTION
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- VII. 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 23, 2022 meeting will be conducted via telephone and/or videoconferencing.

August 23, 2022

9:30 a.m.

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

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

Commissioners Sidley and Sohn joined the meeting at 9:30 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 welcomed new Committee Member Thuy Huynh to the Benefits Administration Committee.

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 AUGUST 9, 2022 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

2023 MAXIMUM SUBSIDY AND REIMBURSEMENT AMOUNTS AND POSSIBLE COMMITTEE ACTION – Karen Freire, Chief Benefits Analyst, James Kawashima, Senior Benefits Analyst, presented and discussed this item with the Committee for 13 minutes. Committee Member Chao moved approval, adopted by the following vote: Ayes, Committee Members Chao, Huynh, and Chair Wilkinson -3; Nays, None.

IV

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 9:45 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: SEPTEMBER 27, 2022**  
**ITEM: III**

*Neil M. Guglielmo*

**SUBJECT: LACERS 2021 ANTHEM AND DELTA DENTAL YEAR-END ACCOUNTING AND POSSIBLE COMMITTEE ACTION**

ACTION:  CLOSED:  CONSENT:  RECEIVE & FILE:

**Recommendation**

That the Committee approve forwarding the Anthem Blue Cross and Delta Dental 2021 Year-End Accountings to the Board for its approval.

**Executive Summary**

Each year, LACERS' Anthem Blue Cross (Anthem) plans and self-funded Delta Dental PPO plan accounting is reported, indicating whether there is a surplus or deficit when considering the total premium payments, claims costs, and administrative expenses during a plan year.

For 2021, the Anthem plans' adjusted surplus premiums amounted to \$2,271,360 and will be transferred back to LACERS.

LACERS' self-funded Delta Dental PPO plan ended 2021 with a premium surplus of \$1,807,039.

**Discussion**

*Anthem Blue Cross*

LACERS has an experience-rated refunding contract with Anthem for its HMO, PPO, and Medicare Supplement plans which requires a year-end accounting. At the end of each plan year, the review compares Anthem's actual annual costs with the annual premium<sup>1</sup> amount paid by LACERS and its Members.

<sup>1</sup> Anthem plan premiums are based on projected costs for the next plan year.

Any deficits that may be found in the year-end accounting are funded by LACERS' Claims Stabilization Fund (CSF)<sup>2</sup> held by Anthem. The required funding level is determined by Anthem at the beginning of each plan year. For 2022, Anthem required the CSF balance to be increased by \$160,072 to \$1,675,806, which was funded by \$4,540 from earned interest and a transfer of \$155,532 from the 2021 premium surplus.

LACERS' Health and Welfare Consultant, Keenan & Associates (Keenan), reviewed Anthem's year-end accounting for 2021 (attached). All year-end accounting takes place after the end of the plan year, December 31, 2021. Highlights of Keenan's findings include:

Total Premium Paid	\$65,618,714
Claims/Expenses	(\$63,191,822)
Surplus Premiums	\$2,426,892
Transfer to CSF	(\$155,532)
<b>2021 Year-End Balance</b>	<b>\$2,271,360</b>

The surplus premium funds are recommended to be transferred from the CSF to LACERS where it can potentially earn a higher rate of return. These funds are to be placed in LACERS' 401(h) account and the 115 Trust accounts in accordance with the premium reserve funding policy to maintain a minimum balance of 15% of the experience-rated refunding or self-funded health plan's projected premium cost for the coming year.

#### *Delta Dental PPO*

Delta Dental PPO has been self-funded since the 2019 plan year. The Delta Dental PPO premiums are paid by LACERS and LACERS is responsible for paying all related provider claims. When premiums exceed claims costs, LACERS retains the surplus premium dollars, however, LACERS must resolve any deficits when premiums are not sufficient to cover all claims cost. Delta Dental is paid an administration fee to process the claims and invoices LACERS the claims cost each month.

Keenan performed a year-end accounting of the self-funded Delta Dental PPO plan for 2021. The budgeted premium exceeded the total cost creating a surplus position of \$1,807,039.

The findings include:

Total Premiums Paid	\$11,538,873
Claims/Expenses	(\$9,731,835)
<b>2021 Year-End Balance</b>	<b>\$1,807,038</b>

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<sup>2</sup> The CSF is held in an interest-earning account based on the 12-month London Interbank Offered Rate (LIBOR) Index. The LIBOR Index is a benchmark interest rate at which major global banks lend to one another in the international interbank market for short-term loans

Delta Dental PPO premium surpluses are held in LACERS' 115 Trust account and will comply with the premium reserve funding policy to maintain a minimum balance of 15% of the experience-rated refunding or self-funded health plan's projected premium cost for the coming year.

### **Conclusion**

The 2021 Year-End Accountings provided by Anthem and Delta Dental PPO report any surplus or deficits using the total premium payments, claims costs, and administrative expenses during the plan year. Both plans ended 2021 with a surplus. Anthem, after a required transfer to the Claims Stabilization Fund, had a surplus of \$2,271,360. Staff recommends the Anthem surplus funds be transferred to LACERS in the amount of \$1,947,953 to the 401(h) account and \$323,407 to the 115 Trust. Delta Dental PPO had a surplus of \$1,807,039 and the premium surpluses are being held by LACERS.

### **Strategic Plan Impact Statement**

The Anthem and Delta Dental PPO Year-End Accounting process allows premium surpluses to be used toward future premium costs supporting the Strategic Plan Goal to improve value and minimize costs of Members' health and wellness benefits.

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

NMG/DWN/KF/jk

- Attachments:
1. Keenan Report - 2021 Anthem Year-End Accounting
  2. Keenan Report - 2021 Delta Dental Year-End Accounting
  3. Proposed Resolution



BAC Meeting: 09/27/2022  
Item: III  
Attachment: 1

# Los Angeles City Employees' Retirement System 2021 Anthem Year-End Accounting September 12, 2022

Respectfully Submitted by:

Ju Anderson, Vice President | Bordan Darm, Senior Consultant  
Erin Robinson, Service Consultant | Christine Hough, Consultant and Actuary

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# Executive Summary

- 2021 produced a Year-End Accounting (YEA) surplus of \$2,426,892
- From the surplus, \$155,532 was transferred to the Claims Stabilization Fund (CSF) leaving a Year-End adjusted surplus of \$2,271,360
- Anthem's CSF is now funded at \$1,675,806 as of December 31, 2021
  - from \$1,515,734 at December 31, 2020
  - for an increase of \$160,072
    - \$155,532 from 2021 YEA surplus, and
    - \$4,540 from interest (12-month LIBOR Index)
- Anthem Blue Cross is holding the YEA surplus in its CSF account
- LACERS has two options:
  - Leave the funds in the CSF
  - Request the funds be transferred to LACERS (as has been done in past years)
    - Should LACERS opt for a refund, Anthem requires a formal letter of request or email instructions
- After the 2019 YEA, accounting on the Premium Stabilization Reserve (PSR) was discontinued since all balances were transferred to LACERS (except for the CSF)

# Executive Summary (continued)

For the 2022 YEA (next year's YEA) there will be several changes:

- For 2022, the Anthem Blue View Vision coverage was changed to self-funded.
  - LACERS will receive a YEA for the vision coverage.
- For 2022, LACERS discontinued the Medicare Supplemental PPO plan and replaced it with the Passive PPO Medicare Advantage plan.
  - The Medicare Supplemental PPO plan may show on the 2022 YEA but only for adjustments prior to 2022.
  - The Passive PPO Medicare Advantage plan is not a participating contract.
    - It will not be included in the YEA.
    - It is a Medicare Part C contract which is dependent in part on Medicare funding and therefore not dividend (surplus) eligible.

# 2021 Anthem Accounting Summary

- The YEA provides LACERS with the difference between total costs incurred for the policy period and the respective premium remitted. The balance is expressed as a surplus or deficit position
- The Claims Stabilization Fund (CSF) is set and held by Anthem and funded by LACERS. It is to fund any deficit of a given policy period
- The PSR was discontinued with the 2019 YEA
  - The purpose of the Premium Stabilization Reserve (PSR) fund was to build up reserves from the surpluses of each policy period after meeting the funding requirement in the CSF, and to provide additional security should a period's deficit be greater than the CSF
  - After the 2019 YEA, the balance of the PSR was transferred to LACERS who now manages the surpluses

Policy Year	2015	2016	2017	2018	2019	2020	2021
<b>YEA</b>	\$3,455,525	\$1,017,392	\$4,140,949	\$1,114,664	\$2,366,139	\$2,255,347	\$2,426,892
<b>Surplus/(Deficit)</b>	surplus	surplus	surplus	surplus	surplus	surplus	surplus
<b>% of Premium</b>	7.60%	2.10%	8.20%	2.00%	4.23%	4.13%	3.70%
<b>Ending CSF</b>	\$1,129,400	\$1,129,400	\$1,251,114	\$1,405,423	\$1,452,172	\$1,515,734	\$1,675,806
<b>\$ Adjustment*</b>	\$0	\$0	\$121,714	\$154,309	\$46,749	\$63,562	\$160,072
<b>% Adjustment*</b>	0.00%	0.00%	10.80%	12.30%	3.22%	4.19%	9.55%
<b>PSR w/YEA</b>	\$18,386,470	\$19,671,630	\$16,334,836	\$11,956,924	\$0	\$0	\$0
<b>\$ Adjustment</b>	\$3,581,941	\$1,285,160	(\$3,336,794)	(\$4,497,714)	(\$11,956,924)	\$0	\$0

\* From Previous Year

# 2021 Claims Stabilization Fund (CSF)

CSF Accounting	2015	2016	2017	2018	2019	2020	2021
1/1 CSF Balance	\$1,129,400	\$1,129,400	\$1,129,400	\$1,251,114	\$1,405,423	\$1,452,172	\$1,515,734
Interest Earned	\$8,960	\$15,496	\$20,209	\$34,507	\$33,382	\$11,184	\$4,540
Interest Yield	0.79%	1.37%	1.79%	2.76%	2.38%	0.77%	0.30%
YEA Fund Transfer	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Surplus Transfer*	(\$8,960)	(\$15,496)	\$101,505	\$119,802	\$13,367	\$52,378	\$155,532
Required CSF	\$1,129,400	\$1,129,400	\$1,251,114	\$1,405,423	\$1,452,172	\$1,515,734	\$1,675,806

\*Previous to 2020 known as PSR Fund Transfer

- The January 1, 2021, beginning balance was \$1,515,734
- The \$4,520 Interest Yield is based on 12-month LIBOR Index
- Effective January 1, 2022, Anthem required that the CSF be increased 9.55% or \$160,072
  - From \$1,515,734, to \$1,675,806
- The \$160,072 increase was funded from:
  - \$4,540 from earned interest, and
  - the balance of \$155,532 from the 2021 YEA surplus

# 2021 Anthem Accounting Summary By Plan

## LOS ANGELES CITY EMPLOYEES RETIREMENT SYSTEM

Annual Accounting

Case No. C22357

January 1, 2021 through December 31, 2021

	HMO	PPO	Medicare Supplement	Medicare D	Total
Income Reported	\$16,500,249	\$19,371,845	\$12,282,369	\$17,512,642	\$65,667,105
CMS Revenue (Medicare D)	\$0	\$0	\$0	(\$48,391)	(\$48,391)
<b>Total Income Received</b>	<b>\$16,500,249</b>	<b>\$19,371,845</b>	<b>\$12,282,369</b>	<b>\$17,464,251</b>	<b>\$65,618,714</b>
Paid Claims	\$8,602,488	\$17,917,423	\$9,121,755	\$23,101,876	\$58,743,542
+ Ending Reserve	\$845,574	\$1,653,566	\$1,102,292	\$852,568	\$4,454,000
- Beginning Reserve	(\$670,058)	(\$1,388,411)	(\$951,179)	(\$714,080)	(\$3,723,728)
+ Large Claim Charge	\$947,034	\$1,256,084	\$0	\$0	\$2,203,118
- Large Claim Credit	(\$501,642)	(\$1,045,576)	\$0	\$0	(\$1,547,218)
Incurred Claims	\$9,223,396	\$18,393,086	\$9,272,868	\$23,240,364	\$60,129,714
Retention	\$591,346	\$789,274	\$1,678,049	\$528,927	\$3,587,596
HMC Programs	\$4,742	\$5,809	\$17,194	\$0	\$27,745
Silver Sneakers Program	\$109,633	\$109,347	\$321,805	\$0	\$540,785
Premium Tax	\$0	\$175,956	\$0	\$154,500	\$330,456
ACA Insurer Fee	\$0	\$0	\$0	\$0	\$0
Capitation Expenses	\$5,784,869	\$0	\$0	\$0	\$5,784,869
Consortium Fees	\$0	\$5,942	\$0	\$0	\$5,942
Part D Credit Final Settlement ReOpening - 2015	\$0	\$0	\$0	\$954	\$954
Part D Coverage Gap Discount True-Up - 2020	\$0	\$0	\$0	\$4,252	\$4,252
Part D Credit Final Settlement - 2020	\$0	\$0	\$0	(\$3,552,278)	(\$3,552,278)
Part D Estimated Coverage Gap Discount - 2021	\$0	\$0	\$0	(\$3,667,437)	(\$3,667,437)
Part D Credit Final Settlement ReOpening - 2016	\$0	\$0	\$0	(\$775)	(\$775)
<b>Total Expense</b>	<b>\$15,713,986</b>	<b>\$19,479,414</b>	<b>\$11,289,916</b>	<b>\$16,708,507</b>	<b>\$63,191,822</b>
Expense Ratio	95.23%	100.56%	91.92%	95.67%	96.30%
Accumulated Surplus/(Deficit) at December 31, 2021	\$786,263	(\$107,569)	\$992,453	\$755,744	\$2,426,892
Amount Allocated to Claims Stabilization Fund	(\$50,389)	\$6,894	(\$63,603)	(\$48,433)	(\$155,532)
Ending Surplus	\$735,874	(\$100,675)	\$928,850	\$707,311	\$2,271,360

# 2021 Anthem Accounting Summary - Accounting History

	2015	2016	2017	2018	2019	2020	2021
<b>Annual Amount</b>							
Total Income	\$46,617,533	\$47,725,568	\$51,421,751	\$55,132,694	\$55,927,235	\$54,664,982	\$65,618,714
Total Expenses	\$43,162,008	\$46,708,176	\$47,280,802	\$54,018,030	\$53,561,096	\$52,409,635	\$63,191,822
Surplus / (Deficit)	\$3,455,525	\$1,017,392	\$4,140,949	\$1,114,664	\$2,366,139	\$2,255,347	\$2,426,892
Expense Ratio	92.60%	97.87%	91.95%	97.98%	95.77%	95.87%	96.30%
Contracts	4,413	4,795	4,734	4,930	4,920	5,149	5,505
<b>Per Retiree Per Month Amount</b>							
Total Income	\$880.31	\$829.43	\$905.19	\$931.93	\$947.34	\$884.79	\$993.33
Total Expenses	\$815.05	\$811.75	\$832.29	\$913.08	\$907.26	\$848.29	\$956.60
Surplus / (Deficit)	\$65.25	\$17.68	\$72.89	\$18.84	\$40.08	\$36.50	\$36.74

# Acknowledgement

Keenan & Associates would like to thank Ms. Karen Freire and the LACERS Health Benefits Administration staff for providing the necessary data and engaging in this year end accounting process. Their cooperation and guidance have been extremely valuable.

## Questions and Answers



**BAC Meeting: 09/27/2022**  
**Item: III**  
**Attachment: 2**

# Los Angeles City Employees' Retirement System 2021 Delta Dental Year End Accounting September 12, 2022

**Respectfully Submitted by:**

Ju Anderson, Vice President | Bordan Darm, Senior Consultant  
Erin Robinson, Service Consultant | Christine Hough, Consultant and Actuary

# Executive Summary

- LACERS self-funded its dental plan effective January 1, 2019
- In 2019, budgeted premium exceeded total cost creating a surplus position of \$1,684,288
- For 2020, budgeted premium exceeded total cost creating a surplus position of \$2,770,856
- For 2021, budgeted premium exceeded total cost creating a surplus position of \$1,807,039
- The three-year total surplus position amounts to \$6,262,183 with loss ratio of 80.6%
- The Year-End accountings were prepared by Keenan based on information provided by Delta Dental. LACERS' auditing team may have more accurate numbers based on fluctuations in enrollment or other debits and credits.

# 2021 Delta Dental Accounting Summary

2019	Number of Claims	Paid Amount	Administration	Total Expenses	Premium	Surplus / Deficit	Total Cost Loss Ratio
<b>2019</b>	<b>39,128</b>	<b>\$7,763,759.99</b>	<b>\$735,736.20</b>	<b>\$8,499,496.19</b>	<b>\$10,183,783.72</b>	<b>\$1,684,287.53</b>	<b>83.5%</b>
2020	Number of Claims	Paid Amount	Administration	Total Expenses	Premium	Surplus / Deficit	Total Cost Loss Ratio
Jan-20	4,133	\$905,378.28	\$62,852.40	\$968,230.68	\$870,198.30	-\$98,032.38	111.3%
Feb-20	3,837	\$870,291.68	\$63,097.20	\$933,388.88	\$873,659.78	-\$59,729.10	106.8%
Mar-20	3,166	\$689,301.75	\$63,438.90	\$752,740.65	\$878,821.75	\$126,081.10	85.7%
Apr-20	910	\$221,127.06	\$63,469.50	\$284,596.56	\$879,340.23	\$594,743.67	32.4%
May-20	680	\$149,922.69	\$63,591.90	\$213,514.59	\$881,351.99	\$667,837.40	24.2%
Jun-20	2,241	\$448,055.32	\$63,515.40	\$511,570.72	\$879,800.67	\$368,229.95	58.1%
Jul-20	3,405	\$660,700.78	\$63,505.20	\$724,205.98	\$879,396.61	\$155,190.63	82.4%
Aug-20	2,720	\$552,035.73	\$63,479.70	\$615,515.43	\$878,668.99	\$263,153.56	70.1%
Sep-20	2,822	\$589,843.34	\$63,867.30	\$653,710.64	\$885,009.49	\$231,298.85	73.9%
Oct-20	3,803	\$756,616.58	\$64,229.40	\$820,845.98	\$889,295.62	\$68,449.64	92.3%
Nov-20	2,659	\$526,483.33	\$64,509.90	\$590,993.23	\$892,879.31	\$301,886.08	66.2%
Dec-20	3,249	\$680,861.67	\$64,805.70	\$745,667.37	\$897,414.43	\$151,747.06	83.1%
<b>2020</b>	<b>33,625</b>	<b>\$7,050,618.21</b>	<b>\$764,362.50</b>	<b>\$7,814,980.71</b>	<b>\$10,585,837.17</b>	<b>\$2,770,856.46</b>	<b>73.8%</b>
2021	Number of Claims	Paid Amount	Administration	Total Expenses	Premium	Surplus / Deficit	Total Cost Loss Ratio
Jan-21	2,782	\$652,126.66	\$65,815.50	\$717,942.16	\$914,371.80	\$196,429.64	78.5%
Feb-21	3,071	\$704,101.29	\$66,621.30	\$770,722.59	\$926,912.93	\$156,190.34	83.1%
Mar-21	3,472	\$740,992.26	\$67,284.30	\$808,276.56	\$936,652.52	\$128,375.96	86.3%
Apr-21	4,412	\$947,376.59	\$68,187.00	\$1,015,563.59	\$951,408.39	-\$64,155.20	106.7%
May-21	3,602	\$732,683.27	\$69,094.80	\$801,778.07	\$964,790.50	\$163,012.43	83.1%
Jun-21	3,449	\$688,654.00	\$69,615.00	\$758,269.00	\$972,472.39	\$214,203.39	78.0%
Jul-21	4,240	\$840,385.08	\$69,834.30	\$910,219.38	\$975,830.87	\$65,611.49	93.3%
Aug-21	3,403	\$676,516.46	\$70,053.60	\$746,570.06	\$978,175.49	\$231,605.43	76.3%
Sep-21	4,321	\$841,246.46	\$70,104.60	\$911,351.06	\$980,806.35	\$69,455.29	92.9%
Oct-21	3,401	\$635,531.43	\$70,155.60	\$705,687.03	\$980,207.18	\$274,520.15	72.0%
Nov-21	3,299	\$621,600.79	\$70,048.50	\$691,649.29	\$979,064.27	\$287,414.98	70.6%
Dec-21	4,165	\$823,716.61	\$70,089.30	\$893,805.91	\$978,180.64	\$84,374.73	91.4%
<b>2021</b>	<b>43,617</b>	<b>\$8,904,930.90</b>	<b>\$826,903.80</b>	<b>\$9,731,834.70</b>	<b>\$11,538,873.33</b>	<b>\$1,807,038.63</b>	<b>84.3%</b>

# 2021 Delta Dental Enrollment Summary

2019	Total Primary Enrollees	Enrollee Only	Enrollee + Sp / Dp	Enrollee + 1 Child	Enrollee + Children	Family	Total Primary Enrollees	Adult Dependents	Child Dependents	Total Members
2019	144,262	92,407	45,700	1,820	381	3,954	144,262	49,654	8,453	202,369
2020	Total Primary Enrollees	Enrollee Only	Enrollee + Sp / Dp	Enrollee + 1 Child	Enrollee + Children	Family	Total Primary Enrollees	Adult Dependents	Child Dependents	Total Members
Jan-20	12,324	7,885	3,911	163	31	334	12,324	4,245	721	17,290
Feb-20	12,372	7,913	3,931	163	32	333	12,372	4,264	725	17,361
Mar-20	12,439	7,950	3,957	162	32	338	12,439	4,295	734	17,468
Apr-20	12,445	7,950	3,961	166	32	336	12,445	4,297	733	17,475
May-20	12,469	7,962	3,968	167	32	340	12,469	4,308	739	17,516
Jun-20	12,454	7,959	3,960	167	29	339	12,454	4,299	728	17,481
Jul-20	12,452	7,963	3,954	167	30	338	12,452	4,293	736	17,481
Aug-20	12,447	7,962	3,954	169	27	335	12,447	4,289	720	17,456
Sep-20	12,523	8,000	3,978	171	28	346	12,523	4,324	747	17,594
Oct-20	12,594	8,058	3,987	175	29	345	12,594	4,332	755	17,681
Nov-20	12,649	8,095	4,005	178	29	342	12,649	4,347	755	17,751
Dec-20	12,707	8,129	4,021	178	29	350	12,707	4,371	773	17,851
2020	149,875	95,826	47,587	2,026	360	4,076	149,875	51,664	8,866	210,405
2021	Total Primary Enrollees	Enrollee Only	Enrollee + Sp / Dp	Enrollee + 1 Child	Enrollee + Children	Family	Total Primary Enrollees	Adult Dependents	Child Dependents	Total Members
Jan-21	12,923	8,241	4,105	183	29	365	12,923	4,470	810	18,203
Feb-21	13,074	8,307	4,167	194	29	377	13,074	4,544	839	18,457
Mar-21	13,196	8,372	4,212	192	28	392	13,196	4,604	856	18,656
Apr-21	13,385	8,476	4,271	200	30	408	13,385	4,679	896	18,960
May-21	13,548	8,545	4,346	212	31	414	13,548	4,760	915	19,223
Jun-21	13,651	8,609	4,373	214	31	424	13,651	4,797	930	19,378
Jul-21	13,692	8,633	4,379	216	32	432	13,692	4,811	941	19,444
Aug-21	13,722	8,646	4,397	216	31	432	13,722	4,829	940	19,491
Sep-21	13,758	8,669	4,408	215	31	435	13,758	4,843	944	19,545
Oct-21	13,757	8,678	4,402	212	31	434	13,757	4,836	939	19,532
Nov-21	13,749	8,681	4,397	210	31	430	13,749	4,827	928	19,504
Dec-21	13,750	8,697	4,383	213	30	427	13,750	4,810	921	19,481
2021	162,205	102,554	51,840	2,477	364	4,970	162,205	56,810	10,859	229,874

# Acknowledgement

Keenan & Associates would like to thank Ms. Karen Freire, and the LACERS Health Benefits Administration staff for providing the necessary data and engaging in this year-end accounting process. Their cooperation and guidance have been extremely valuable.

## Questions and Answers

**ANTHEM BLUE CROSS 2021 YEAR- END ACCOUNTING**

PROPOSED RESOLUTION

WHEREAS, the Los Angeles Administrative Code establishes that the Los Angeles City Employees' Retirement System (LACERS) provide health and welfare programs for retired employees and their eligible dependents;

WHEREAS, LACERS has participating contracts with Anthem Blue Cross (Anthem), which means that at the end of each plan year, an accounting is performed to determine total premium funds versus total claims costs and administrative expenses;

WHEREAS, if the year-end accounting results in a deficit of premium funds, LACERS must pay Anthem the shortfall; if the accounting results in a surplus, those funds may be returned to LACERS;

WHEREAS, the 2021 Anthem year-end accounting shows an adjusted premium surplus of \$2,271,360;

WHEREAS, the appropriate amount of surplus premium funds attributable to medical subsidies shall be deposited back to the account from which the subsidy dollars were originally paid, which currently is the LACERS 401(h) account, and the appropriate amount of surplus premium funds attributable to Member monthly allowance deductions shall be deposited in the 115 Trust account;

WHEREAS, on September 27, 2022, the Benefits Administration Committee approved forwarding a recommendation to transfer the premium surplus to LACERS;

WHEREAS, the 2021 premium surplus of \$2,271,360 is being held by Anthem in the Claims Stabilization Fund and will transfer \$1,947,953 to LACERS' 401(h) account and \$323,407 to LACERS' 115 Trust upon approval of the 2021 year-end accounting;

NOW, THEREFORE, BE IT RESOLVED, that the Board to approve the Anthem Blue Cross and the self-funded Delta Dental PPO 2021 Year-End Accountings and the transfer of the 2021 Anthem surplus premium funds amount of \$1,947,953 to LACERS' 401(h) account and \$323,407 to LACERS' 115 Trust; and authorize the General Manager to adjust the amounts, based on updates of information received after this report.

September 27, 2022