

BENEFITS COMMITTEE

AGENDA

Board of Fire and Police Pension Commissioners

George Aliano, Chair
Pedram Salimpour, Vice Chair
Carl Cade
Sam Diannitto

March 5, 2015
8:30 a.m.

Los Angeles Times Building
202 W. First Street, Suite 500
Los Angeles, CA 90012

Commissioner Diannitto will participate telephonically from
4612 El Reposo Drive, Los Angeles, CA 90065

An opportunity for the public to address the Board or Committee about any item on today's agenda for which there has been no previous opportunity for public comment will be provided before or during consideration of the item. Members of the public who wish to speak on any item on today's agenda are requested to complete a speaker card for each item they wish to address, and present the completed card(s) to the commission executive assistant. Speaker cards are available at the commission executive assistant's desk.

In compliance with Government Code Section 54957.5, non-exempt writings that are distributed to a majority or all of the Board or applicable Committee of the Board in advance of their meetings may be viewed at the office of the Los Angeles Fire and Police Pension System (LAFPP), located at 360 East 2nd Street, 4th Floor, Los Angeles, California 90012, or by clicking on LAFPP's website at www.lafpp.com, or at the scheduled meeting. Non-exempt writings that are distributed to the Board or Committee at a scheduled meeting may be viewed at that meeting. In addition, if you would like a copy of any record related to an item on the agenda, please contact the commission executive assistant, at (213) 978-4555 or by e-mail at barbara.nobregas@lafpp.com.

Sign language interpreters, communication access real-time transcription, assistive listening devices, or other auxiliary aids and/or services may be provided upon request. To ensure availability, you are advised to make your request at least 72 hours prior to the meeting you wish to attend. Due to difficulties in securing sign language interpreters, five or more business days notice is strongly recommended. For additional information, please contact the Department of Fire and Police Pensions, (213) 978-4545 voice or (213) 978-4455 TDD.

1. [OPERATIONS AGREEMENT WITH LOS ANGELES POLICE RELIEF ASSOCIATION AND POSSIBLE COMMITTEE ACTION](#)
2. [LAFPP AND LACERS AGREEMENT CONCERNING HEALTH AND DENTAL PLAN SUBGROUPS AND POSSIBLE COMMITTEE ACTION](#)
3. GENERAL PUBLIC COMMENT ON MATTERS WITHIN THE COMMITTEE'S JURISDICTION

SPECIAL MEETING

AGENDA

Board of Fire and Police Pension Commissioners

March 5, 2015

8:30 a.m.

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202 W. First Street, Suite 500
Los Angeles, CA 90012**

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DEPARTMENT OF FIRE AND POLICE PENSIONS

360 East Second Street, Suite 400
Los Angeles, CA 90012
(213) 978-4545

REPORT TO THE BENEFITS COMMITTEE

DATE: MARCH 5, 2015 **ITEM:** 1

FROM: Raymond P. Ciranna, General Manager

SUBJECT: OPERATIONS AGREEMENT WITH LOS ANGELES POLICE RELIEF ASSOCIATION AND POSSIBLE COMMITTEE ACTION

RECOMMENDATION

That the Benefits Committee (Committee) recommend to the Board the approval of the Operations Agreement with the Los Angeles Police Relief Association (LAPRA).

BACKGROUND

When the health subsidy program began in the mid-1970s, the Board adopted a resolution that allowed the Los Angeles Firemen's Relief Association (LAFRA), Los Angeles Police Relief Association (LAPRA) and United Firefighters of Los Angeles City (UFLAC) to continue administering LAFPP-subsidized medical and dental insurance plans. The Board adopted an updated resolution in 2011 that included dental plans administered by the Los Angeles Police Protective League (LAPPL). Over the years, administrative practices were developed for the exchange of information and funds, but a formal agreement to document these practices was not created.

A 2001 audit performed by the Controller's Office recommended that the City draft agreements with LAPRA and LAFRA detailing the working relationships between the two parties. The audit stated that, at minimum, performance expectations and mandatory periodic reporting of financial and management results should be included in the agreements.

In 2006, LAFPP entered into Memorandum of Understanding (MOU) agreements with LAPRA, LAFRA, LAPPL and UFLAC ("Associations"). The MOUs detailed the roles and responsibilities of each party regarding the administration of retiree medical and/or dental insurance plans and subsidies.

In August of 2011, LAFPP and LAPRA entered into a new Operations Agreement. (The agreement was renamed from "MOU" to "Operations Agreement" to better reflect the nature of the agreement between LAFPP and LAPRA.)

DISCUSSION

Staff met with LAPRA in September of 2014 to update the new Operations Agreement (Attachment) that will run through July 31, 2017. LAFPP staff and LAPRA continued working through February of this year to finalize the agreement.

Notable updates to the Operations Agreement include:

- Addition of definitions for the terms used in the Agreement (Article 1.4);
- Addition of a termination provision (Article 2.2);
- LAPRA will notify LAFPP when domestic partners or children of domestic partners are added to pensioners' health plans as covered dependents so that LAFPP may calculate any imputed income resulting from subsidies paid on behalf of these dependents (Article 3.2.f);
- Addition of Article 3.2.h whereby LAPRA will notify the Board of plan design changes at least two months prior to their taking effect (LAPRA's delivery of its open enrollment materials to LAFPP as stated in Article 3.2.a will serve as the required notification);
- LAFPP's agreement to share divorce decrees with LAPRA for those members who are enrolled in LAPRA's two-party or family medical and/or dental plans (Article 3.3.l);
- Documenting LAPRA's efforts to verify dependent eligibility (Article 3.2.n);
- LAFPP and LAPRA will cooperate on examining dependent records in cases where LAFPP's database indicates a pensioner may be carrying a former domestic partner or former spouse on his/her medical or dental plan (Article 3.2.o);
- Creation of a quarterly process to clear outstanding subsidy and deduction credits and debits between LAFPP and LAPRA (Articles 3.3.n – 3.3.q);
- Updates recommended by Internal Audit Section (Recommendations 3, 4, and 5, Subsidy Program Audit – Medical Plans Administered by the Los Angeles Firemen's Relief Association, IAS No 11-01A) regarding removal of provisions applicable only to other parties, removal of outdated references to the Controller's Office and sending of data, as well as removal of references to regulations that do not apply to LAFPP.

This agreement has been reviewed and approved by the City Attorney's Office.

BUDGET

No impact on the Fiscal Year 2014 – 2015 budget.

POLICY

No policy changes as recommended.

This report was prepared by:

Anthony R. Torres, Manager
Medical & Dental Benefits Section

RPC:JS:ART

Attachment 1A: Operations Agreement Regarding the Administration of Retiree Medical and/or Dental Plans and Retiree Medical and/or Dental Plan Subsidies (Los Angeles Police Relief Association) – Redline Version

Attachment 1B: Operations Agreement Regarding the Administration of Retiree Medical and/or Dental Plans and Retiree Medical and/or Dental Plan Subsidies (Los Angeles Police Relief Association)



DEPARTMENT OF FIRE AND POLICE PENSIONS

360 East Second Street, Suite 400
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REPORT TO THE BENEFITS COMMITTEE

DATE: MARCH 5, 2015 **ITEM:** 2

FROM: RAYMOND P. CIRANNA, GENERAL MANAGER

SUBJECT: LAFPP AND LACERS AGREEMENT CONCERNING HEALTH AND DENTAL PLAN SUBGROUPS AND POSSIBLE COMMITTEE ACTION

RECOMMENDATION

That the Benefits Committee recommend to the Board to authorize the General Manager to sign the attached three-year agreement between Los Angeles Fire and Police Pensions (LAFPP) and the Los Angeles City Employees' Retirement System (LACERS) regarding LAFPP administration of LACERS health and dental plans.

DISCUSSION

The vast majority of retired sworn members are enrolled in a health and/or dental plan administered by Los Angeles Firemen's Relief Association (LAFRA), Los Angeles Police Relief Association (LAPRA), or United Firefighters of Los Angeles City (UFLAC).

However, as of the January 31, 2015 pension roll, there are 66 pensioners enrolled in medical plans and 22 pensioners enrolled in dental plans administered by LAFPP. These plans are subgroups of LACERS plans in which LACERS retains responsibility for plan rates, benefits, and contract negotiations and in which LAFPP retains responsibility for plan administration and member communication.

Prior to 1999, LAFPP pensioners were allowed to enroll in plans offered by the City's Personnel Department. Beginning in 1999, LACERS took over administration of retiree health plans previously offered by the Personnel Department. LACERS and LAFPP came to an informal agreement under which LAFPP would administer enrollment and health insurance premium payments for its members enrolled in LACERS health plans. The original members of this subgroup of the LACERS plans included retired police officers and firefighters, as well as their qualified surviving spouses or domestic partners.

In addition to the original enrollees in the LAFPP subgroup, there are two other groups of LAFPP retirees who are eligible to enroll in the LAFPP subgroup of the LACERS plans:

- Retired firefighters and their qualified surviving spouses/domestic partners who are not eligible to enroll in a plan offered by LAFRA or UFLAC, and
- Retired Port Police and their qualified surviving spouses/domestic partners.

In 2007, LAFPP and LACERS first entered into an agreement to formalize administration of the LAFPP subgroup. The latest agreement was signed in 2011 and expired on August 1, 2014.

LAFPP staff has discussed the existing language with LACERS and made only one substantial change by striking Section 8 of the agreement. Section 8 of the agreement dealt with the program “Evercare: Solutions for Caregivers.” As of the start of the last agreement, this program was provided by UnitedHealthcare (UHC) and offered to all LACERS medical plan enrollees. However, LACERS ceased offering this plan to its non-UHC medical plan enrollees in 2012. With this change in plan offerings, LAFPP no longer needs to provide LACERS with the file as specified in Section 8 of the previous agreement.

The updated agreement will remain in effect until August 1, 2017.

BUDGET

No impact to the budget as recommended.

POLICY

No policy changes as recommended.

This report was prepared by:

Anthony R. Torres, Manager
Medical & Dental Benefits Section

RPC:JS:ART

Attachment 1A: Terms and Conditions of Agreement Regarding the LACERS Medical and Dental Plan Subgroups 2014 – 2017 (Redline Version)

Attachment 1B: Terms and Conditions of Agreement Regarding the LACERS Medical and Dental Plan Subgroups 2014 – 2017