

MINUTES
OF THE
BOARD OF FIRE AND POLICE PENSION COMMISSIONERS
BOARD MEETING OF MARCH 19, 2020

The Board of Fire and Police Pension Commissioners of the City of Los Angeles met in the LAFPP Sam Diannitto Boardroom, located at the Los Angeles Fire and Police Pensions Building, 701 East 3rd Street, Suite 400, Los Angeles 90013 on Thursday, March 19, 2020.

COMMISSIONERS PRESENT: Adam Nathanson, President (participated telephonically)
Brian Pendelton, Vice President
Corinne Babcock (participated telephonically)
Ken Buzzell (participated telephonically)
Ruben Navarro
Pedram Salimpour, MD (participated telephonically)
Belinda Vega (participated telephonically)
Paul M. Weber (participated telephonically)
Garrett Zimmon

DEPARTMENT OF FIRE AND
POLICE PENSIONS: Raymond P. Ciranna, General Manager
William Raggio, Executive Officer
Tom Lopez, Chief Investment Officer
Joseph Salazar, Assistant General Manager
Rhonda Ketay, Commission Executive Assistant

CITY ATTORNEY'S OFFICE: Anya Freedman, Assistant City Attorney
James Napier, Deputy City Attorney

President Nathanson called the meeting to order at 8:36 a.m. All the above-listed Commissioners were present at the start of the meeting with the exception of Commissioners Vega and Salimpour who joined the meeting at 8:46 a.m. and 9:01 a.m. respectively. President Nathanson appointed Vice President Pendleton to chair the meeting on his behalf.

Item G was taken out of order.

G. DISABILITY CASES

DISABILITY CLAIMS – NEW CLAIM – TIER 5

Kate E. Lopez

(P)

Police Detective I

As recommended by Staff and concurred in by the applicant, a service-connected disability

pension is granted at 50% with no foreseeable purpose for review. Motion made by Commissioner Navarro, seconded by Commissioner Zimmon and approved by the following vote: ayes, Commissioners Babcock, Buzzell, Navarro, Pendleton, Weber, Zimmon, and President Nathanson – 7; nays - none; absent, Commissioners Salimpour and Vega. Detective Lopez was not present but was represented by Thomas J. Wicke, Esq. of Lewis, Marenstein, Wicke, Sherwin and Lee.

Nikki M. Abskharon

(P)

Police Officer II

As recommended by Staff and concurred in by the applicant, a service-connected disability pension is granted at 40% with no foreseeable purpose for review. Motion made by Commissioner Buzzell, seconded by Commissioner Navarro and approved by the following vote: ayes, Commissioners Babcock, Buzzell, Navarro, Pendleton, Zimmon, and President Nathanson – 6; nays - none; absent, Commissioners Salimpour, Vega, and Weber. Officer Abskharon was not present but was represented by Corina Lee of the Los Angeles Police Protective League.

Jillian K. Klee

(P)

Police Sergeant II

As recommended by Staff and concurred in by the applicant, a service-connected disability pension is granted at 60% with no foreseeable purpose for review. Motion made by Commissioner Zimmon, seconded by Commissioner Navarro and approved by the following vote: ayes, Commissioners Babcock, Buzzell, Navarro, Pendleton, Weber, Zimmon, and President Nathanson – 7; nays - none; absent, Commissioners Salimpour and Vega. Sergeant Klee was not present but was represented by Corina Lee of the Los Angeles Police Protective League.

A. REPORTS TO THE BOARD

1. USI PRESENTATION OF RATE RENEWAL ANALYSIS – LAFRA KAISER PERMANENTE HMO AND SENIOR ADVANTAGE PLANS

Commissioner Vega joined the meeting at 8:46 a.m.

Mr. Gary Delaney, CEBS and Senior Vice President from USI gave the presentation to the Board. Ms. Eunice Zordilla, Senior Management Analyst II, Medical and Dental Benefits Section and Mr. Greg Mack, Chief Benefits Analyst, Pensions Division were available for questions from the Board. Commissioner Navarro asked why the presentation didn't compare rates between LAPRA and LAFRA.

2. USI PRESENTATION OF RATE RENEWAL ANALYSIS - LAPRA KAISER PERMANENTE HMO AND KAISER SENIOR ADVANTAGE PLANS

Mr. Gary Delaney, CEBS and Senior Vice President from USI gave the presentation to the Board. Ms. Eunice Zordilla, Senior Management Analyst II, Medical and Dental Benefits Section and Mr. Greg Mack, Chief Benefits Analyst, Pensions Division were available for questions from the Board. Commissioner Pendleton asked why USI's summary included an approximate number for Kaiser's annual trend. Mr. Delaney answered that the

actual number is 4.5%.

3. APPROVAL OF THE LAFRA AND LAPRA KAISER PERMANENTE HEALTH PLANS ELIGIBLE FOR SUBSIDY AND POSSIBLE BOARD ACTION

Ms. Eunice Zordilla, Senior Management Analyst II, Medical and Dental Benefits Section and Mr. Greg Mack, Chief Benefits Analyst, Pension Division presented the report to the Board. Commissioner Navarro asked if a Kaiser representative was invited to the meeting and was answered that Kaiser politely declined the invitation.

Ms. Dawna Gray, President of Bradawn Inc. provided public comment.

Resolution 20134

Commissioner Navarro moved that the Board adopt the resolution approving the Kaiser Permanente HMO health plan administered by Los Angeles Firemen's Relief Association (LAFRA) as a suitable plan eligible for the subsidy program from July 1, 2020 through June 30, 2021;

WHEREAS, Under the Los Angeles City Charter and Administrative Code, the Board of Fire and Police Pension Commissioners (Board) has the authority to administer a health insurance program for retired members and eligible beneficiaries of the Los Angeles Fire and Police Pension plan (LAFPP). See L.A. Charter §§1330(a), (d), 1428(a), (d), 1518(a), (d), 1618(a), (d), 1718(a), (d); L.A. Admin. Code §§4.2018, 4.1150-4.1167; and

WHEREAS, consistent with these Charter and Administrative Code provisions, the Board has the legal authority to: (1) contract with health insurers, health plans or third-party administrators to make group health insurance plans available to LAFPP retirees and eligible beneficiaries; (2) approve health insurance plans to be funded with LAFPP subsidy dollars; and (3) set subsidy amounts annually; and

WHEREAS, the Board must exercise its authority over this health insurance program in a manner consistent with its fiduciary duties, including its duties of prudence and impartiality; and

WHEREAS, on October 18, 2018, the Board and the Los Angeles Firemen's Relief Association (Association) entered into a contract for health plan administration services (Contract); and

WHEREAS, the Board and the Association agreed in Article 3.2(d) of the Contract that, at least sixty (60) days prior to the beginning of each plan year, for each plan listed in Appendix C of the Contract, and for any new plans proposed during the term of the Contract, the Association shall present an annual report to the Board regarding health plan provisions, member demographic data, cost trend information, Medicare plan pricing and cost reimbursement, and general pharmaceutical benefit information, and any changes in plan design, premiums, or administrative fees related to its health plans; and

WHEREAS, the Board and the Association agreed in Article 3.3(b) of the Contract that, in conjunction with this annual report, the Board will consider each plan administered by the Association for approval by Board Resolution as a suitable plan eligible for LAFPP subsidies for the following plan year; and

WHEREAS, the health plans administered by the Association are outlined in Appendix C of the Contract and include the Firemen's Relief Association Kaiser Permanente HMO plan; and

WHEREAS, on March 5, 2020, the Association provided the Board the annual report regarding the Los Angeles Firemen's Relief Association Kaiser Permanente HMO plan, as required by Article 3.2(d) of the Contract; and

WHEREAS, the Board has independently validated the material information contained in the Association's annual report.

NOW THEREFORE, BE IT RESOLVED, that the Board has considered all material information provided by the Association regarding the Los Angeles Firemen's Relief Association Kaiser Permanente HMO plan and, consistent with its legal authority under the Charter and Administrative Code and its fiduciary duties, has determined that for the plan year commencing on July 1, 2020 through June 30, 2021, the Los Angeles Firemen's Relief Association Kaiser Permanente HMO plan is approved as a suitable plan eligible to receive LAFPP subsidies.

BE IT FURTHER RESOLVED, for the plan year commencing on July 1, 2020 through June 30, 2021, the administration fee that will be charged by Los Angeles Firemen's Relief Association is \$10.00 per member and will be included as part of the monthly premium.

BE IT FURTHER RESOLVED that subsidies will be paid on behalf of members, the dependents of retired members, and qualified surviving spouses/domestic partners who are eligible and enrolled in the Los Angeles Firemen's Relief Association Kaiser Permanente HMO plan, subject to the limits described in Board Operating Policy 8.2, and consistent with the Charter and Administrative Code and other applicable laws, which was seconded by Commissioner Zimmon and approved by the following vote: ayes, Commissioners Babcock, Buzzell, Navarro, Pendleton, Vega, Weber, Zimmon, and President Nathanson – 8; nays – none.

Resolution 20135

Commissioner Navarro moved that the Board adopt the resolution approving the Kaiser Senior Advantage health plan administered by Los Angeles Firemen's Relief Association (LAFRA) as a suitable plan eligible for the subsidy program from July 1, 2020 through June 30, 2021;

WHEREAS, Under the Los Angeles City Charter and Administrative Code, the Board of Fire and Police Pension Commissioners (Board) has the authority to administer a health insurance program for retired members and eligible beneficiaries of the Los Angeles Fire

and Police Pension plan (LAFPP). See L.A. Charter §§1330(a), (d), 1428(a), (d), 1518(a), (d), 1618(a), (d), 1718(a), (d); L.A. Admin. Code §§4.2018, 4.1150-4.1167; and

WHEREAS, consistent with these Charter and Administrative Code provisions, the Board has the legal authority to: (1) contract with health insurers, health plans or third-party administrators to make group health insurance plans available to LAFPP retirees and eligible beneficiaries; (2) approve health insurance plans to be funded with LAFPP subsidy dollars; and (3) set subsidy amounts annually; and

WHEREAS, the Board must exercise its authority over this health insurance program in a manner consistent with its fiduciary duties, including its duties of prudence and impartiality; and

WHEREAS, on October 18, 2018, the Board and the Los Angeles Firemen's Relief Association (Association) entered into a contract for health plan administration services (Contract); and

WHEREAS, the Board and the Association agreed in Article 3.2(d) of the Contract that, at least sixty (60) days prior to the beginning of each plan year, for each plan listed in Appendix C of the Contract, and for any new plans proposed during the term of the Contract, the Association shall present an annual report to the Board regarding health plan provisions, member demographic data, cost trend information, Medicare plan pricing and cost reimbursement, and general pharmaceutical benefit information, and any changes in plan design, premiums, or administrative fees related to its health plans; and

WHEREAS, the Board and the Association agreed in Article 3.3(b) of the Contract that, in conjunction with this annual report, the Board will consider each plan administered by the Association for approval by Board Resolution as a suitable plan eligible for LAFPP subsidies for the following plan year; and

WHEREAS, the health plans administered by the Association are outlined in Appendix C of the Contract and include the Firemen's Relief Association Kaiser Senior Advantage plan; and

WHEREAS, on March 5, 2020, the Association provided the Board the annual report regarding the Los Angeles Firemen's Relief Association Kaiser Senior Advantage plan, as required by Article 3.2(d) of the Contract; and

WHEREAS, the Board has independently validated the material information contained in the Association's annual report.

NOW THEREFORE, BE IT RESOLVED, that the Board has considered all material information provided by the Association regarding the Los Angeles Firemen's Relief Association Kaiser Senior Advantage plan and, consistent with its legal authority under the Charter and Administrative Code and its fiduciary duties, has determined that for the plan year commencing on July 1, 2020 through June 30, 2021, the Los Angeles Firemen's Relief Association Kaiser Senior Advantage plan is approved as a suitable plan eligible to receive

LAFPP subsidies.

BE IT FURTHER RESOLVED, for the plan year commencing on July 1, 2020 through June 30, 2021, the administration fee that will be charged by Los Angeles Firemen's Relief Association is \$10.00 per member and will be included as part of the monthly premium.

BE IT FURTHER RESOLVED that subsidies will be paid on behalf of members, the dependents of retired members, and qualified surviving spouses/domestic partners who are eligible and enrolled in the Los Angeles Firemen's Relief Association Kaiser Senior Advantage plan, subject to the limits described in Board Operating Policy 8.2, and consistent with the Charter and Administrative Code and other applicable laws, which was seconded by Commissioner Zimmon and approved by the following vote: ayes, Commissioners Babcock, Buzzell, Navarro, Pendleton, Vega, Weber, Zimmon, and President Nathanson – 8; nays – none.

Resolution 20136

Commissioner Navarro moved that the Board adopt the resolution approving the Kaiser Permanente HMO health plan administered by Los Angeles Police Relief Association (LAPRA) as a suitable plan eligible for the subsidy program from July 1, 2020 through June 30, 2021;

WHEREAS, Under the Los Angeles City Charter and Administrative Code, the Board of Fire and Police Pension Commissioners (Board) has the authority to administer a health insurance program for retired members and eligible beneficiaries of the Los Angeles Fire and Police Pension plan (LAFPP). See L.A. Charter §§1330(a), (d), 1428(a), (d), 1518(a), (d), 1618(a), (d), 1718(a), (d); L.A. Admin. Code §§4.2018, 4.1150-4.1167; and

WHEREAS, consistent with these Charter and Administrative Code provisions, the Board has the legal authority to: (1) contract with health insurers, health plans or third-party administrators to make group health insurance plans available to LAFPP retirees and eligible beneficiaries; (2) approve health insurance plans to be funded with LAFPP subsidy dollars; and (3) set subsidy amounts annually; and

WHEREAS, the Board must exercise its authority over this health insurance program in a manner consistent with its fiduciary duties, including its duties of prudence and impartiality; and

WHEREAS, on November 1, 2018, the Board and the Los Angeles Police Relief Association (Association) entered into a contract for health and dental plan administration services (Contract); and

WHEREAS, the Board and the Association agreed in Article 3.2(d) of the Contract that, at least sixty (60) days prior to the beginning of each plan year, for each plan listed in Appendix C of the Contract, and for any new plans proposed during the term of the Contract, the Association shall present an annual report to the Board regarding health plan provisions, member demographic data, cost trend information, Medicare plan pricing and cost

reimbursement, and general pharmaceutical benefit information, and any changes in plan design, premiums, or administrative fees related to its health plans; and

WHEREAS, the Board and the Association agreed in Article 3.3(b) of the Contract that, in conjunction with this annual report, the Board will consider each plan administered by the Association for approval by Board Resolution as a suitable plan eligible for LAFPP subsidies for the following plan year; and

WHEREAS, the health and dental plans administered by the Association are outlined in Appendix C of the Contract and include the Los Angeles Police Relief Association Kaiser Permanente HMO plan; and

WHEREAS, on March 5, 2020, the Association provided the Board the annual report regarding the Los Angeles Police Relief Association Kaiser Permanente HMO plan, as required by Article 3.2(d) of the Contract; and

WHEREAS, the Board has independently validated the material information contained in the Association's annual report.

NOW THEREFORE, BE IT RESOLVED, that the Board has considered all material information provided by the Association regarding the Los Angeles Police Relief Association Kaiser Permanente HMO plan and, consistent with its legal authority under the Charter and Administrative Code and its fiduciary duties, has determined that for the plan year commencing on July 1, 2020 through June 30, 2021, the Los Angeles Police Relief Association Kaiser Permanente HMO plan is approved as a suitable plan eligible to receive LAFPP subsidies.

BE IT FURTHER RESOLVED, for the plan year commencing on July 1, 2020 through June 30, 2021, the administration fee that will be charged by Los Angeles Police Relief Association is \$8.00 per member and will be included as part of the monthly premium.

BE IT FURTHER RESOLVED that subsidies will be paid on behalf of members, the dependents of retired members, and qualified surviving spouses/domestic partners who are eligible and enrolled in the Los Angeles Police Relief Association Kaiser Permanente HMO plan, subject to the limits described in Board Operating Policy 8.2, and consistent with the Charter and Administrative Code and other applicable laws, which was seconded by Commissioner Zimmon and approved by the following vote: ayes, Commissioners Babcock, Buzzell, Navarro, Pendleton, Vega, Weber, Zimmon, and President Nathanson – 8; nays – none.

Resolution 20137

Commissioner Navarro moved that the Board adopt the resolution approving the Kaiser Senior Advantage health plan administered by Los Angeles Police Relief Association (LAPRA) as a suitable plan eligible for the subsidy program from July 1, 2020 through June 30, 2021;