

MINUTES
OF THE
BOARD OF FIRE AND POLICE PENSION COMMISSIONERS
SPECIAL BOARD MEETING OF APRIL 4, 2019

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, April 4, 2019.

COMMISSIONERS PRESENT: Corinne Babcock, President
Adam Nathanson, Vice President
George Aliano
Ruben Navarro
Brian Pendleton
Paul M. Weber

COMMISSIONERS ABSENT: Ken Buzzell
Pedram Salimpour, MD
Belinda Vega

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

President Babcock called the special meeting to order at 10:25 a.m. All the above-listed Commissioners were present at the start of the meeting.

1. GENERAL PUBLIC COMMENT ON MATTERS WITHIN THE BOARD'S JURISDICTION

There were no public comments.

Item 3 was taken out of order.

3. STAFF ANALYSIS OF LAPRA'S NEW MEDICARE ADVANTAGE PLAN AND POSSIBLE BOARD ACTION

General Manager Ciranna gave a brief history of the development of new Medicare Advantage Plans for the members. Upon request, President Babcock tabled the item until later in the meeting.

2. PRESENTATION OF NEW MEDICARE ADVANTAGE PLAN BY LAPRA

Ms. Diane Whisnant, Executive Director, Los Angeles Police Relief Association (LAPRA), introduced Ms. Bettina Taylor, Consultant from Bradawn Inc., who presented LAPRA's proposed Anthem Blue Cross Medicare Advantage HMO health plan to the Board.

The Board discussed with Ms. Taylor how the proposed new plan compares to current plans, the differences between HMO and PPO plans, and whether the HMO network of physicians is more limited. Mr. Greg Mack, Chief Benefits Analyst, Pensions Division discussed out of pocket costs with the Board as well as the current subsidies available for the members. Commissioner Weber discussed prescription services with Ms. Taylor.

3. STAFF ANALYSIS OF LAPRA'S NEW MEDICARE ADVANTAGE PLAN AND POSSIBLE BOARD ACTION – CONTINUED

General Manager Ciranna informed the Board that LAPRA's Board has already approved the new plan for its members.

Mr. Gary Delaney, CEBS, Senior Vice President from USI discussed their analysis of the proposed plan with the Board.

Resolution 19138

Commissioner Pendleton moved that the Board adopt the resolution approving the Los Angeles Police Relief Association (LAPRA) Anthem Blue Cross Medicare Advantage HMO health plan as a suitable plan eligible for the subsidy program for Plan Year 2019-20:

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), 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 (LAPRA or Association) entered into a contract for health and dental plan administration services (Contract); and

WHEREAS, Appendix C of the Contract lists the plans administered by LAPRA that shall require approval on an annual basis by Board Resolution; 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 as soon as feasible for any new plan proposed during the term of the Contract, the Association shall present a 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 fee 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 report, the Board will consider each health plan administered or proposed to be 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 Association requested Board approval by Resolution of a Medicare Advantage HMO plan and to add this new plan to the list of plans set forth in Appendix C of the Contract; and

WHEREAS, on April 4, 2019, the Association provided the Board a summary of the plan benefits and proposed premiums regarding the Los Angeles Police Relief Association Anthem Blue Cross Medicare Advantage HMO plan.

NOW THEREFORE, BE IT RESOLVED, that the Board has considered all material information provided by the Association regarding the Los Angeles Police Relief Association Anthem Blue Cross Medicare Advantage 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, 2019 through June 30, 2020, the Los Angeles Police Relief Association Anthem Blue Cross Medicare Advantage 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, 2019 through June 30, 2020, the administration fee that will be charged by Los Angeles Police Relief Association is \$7 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 Anthem Blue Cross Medicare Advantage 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 Navarro and approved by the following vote: ayes, Commissioners Aliano, Nathanson, Navarro, Pendleton, Weber, and President Babcock – 6; nays – none.

Resolution 19139

Commissioner Pendleton moved that the Board authorize the General Manager to execute an

amendment to the contract between LAFPP and LAPRA for health and dental plan administration services to reflect the new Anthem Blue Cross Medicare Advantage HMO health plan on Appendix C, which was seconded by Commissioner Aliano and approved by the following vote: ayes, Commissioners Aliano, Nathanson, Navarro, Pendleton, Weber, and President Babcock – 6; nays – none.

Commissioner Aliano left the boardroom for the remainder of the special meeting at 11:06 am.

4. CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTION 54956.81 TO CONSIDER THE PROPOSED PURCHASE OF ONE (1) PARTICULAR, SPECIFIC INVESTMENT AND POSSIBLE BOARD ACTION

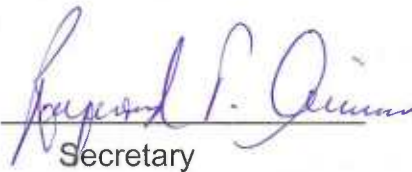
The Board met in closed session.

Upon reconvening the special meeting, President Babcock stated there was no public report.

The special meeting was adjourned at 11:37 a.m.



President



Secretary