

# 2019 Open Enrollment Overview

## LACERS Open Enrollment is October 15 – November 15

Your current LACERS healthcare coverage will continue for the upcoming 2019 plan year. If you do not want to change plans or add dependents, you do not have to take any action. However, please read all of your Open Enrollment materials to stay informed of benefit options.

Complete benefit information can be found in the 2019 Health Benefits Guide. This year, instead of an Open Enrollment statement, we have our new online interactive benefits counselor, ALEX, to help you compare options and make the best health plan decisions. You can access ALEX and view all Open Enrollment materials at [www.LACERS.org](http://www.LACERS.org).

### LACERS 2019 Maximum Health Plan Premium Subsidies and Reimbursements

#### Medical Plan Premium Subsidy

• Member under age 65 or enrolled in Medicare Part B Only	\$1,790.80
• Member age 65 and over enrolled in Medicare Parts A and B Dependent subsidy may be provided	Varies*
• Capped Member (retired on or after July 1, 2011, and did <u>not</u> make additional retirement contributions to LACERS while an active City employee)**	\$1,190.00
• Survivor under age 65 or enrolled in Medicare Part B Only	\$853.39
• Survivor enrolled in Medicare Parts A and B	Varies*

#### Medical Premium Reimbursement Program (MPRP) Reimbursement

• Member under age 65 or enrolled in Medicare Part B Only	\$1,790.80
• Survivor under age 65 or enrolled in Medicare Part B Only	\$853.39
• Member or Survivor enrolled in Medicare Parts A and B	\$542.51

#### Dental Plan Premium Subsidy

• All Members	\$44.60
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\* Maximum subsidy is equivalent to the one-party premium cost of the LACERS plan in which the Member is enrolled.

\*\* Pursuant to Los Angeles Administrative Code Section 4.1003(c), Capped Members are not entitled to receive any increase to maximum medical plan premium subsidies or the MPRP reimbursement limit.

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## LACERS' Vested Interest in Your Bottom Line

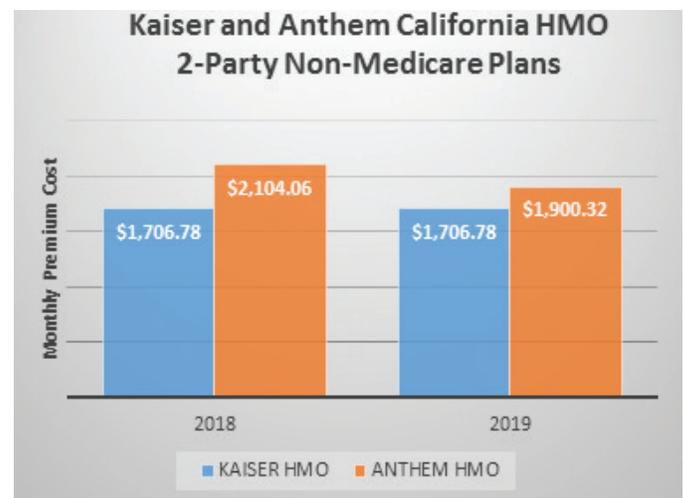
LACERS has recently completed the annual renewal of health plans. The renewal process begins early in the year when our health plan carriers provide their preliminary rates for the following year. The preliminary rates are based on trends in the healthcare industry, actuarial assumptions of the LACERS population, and how LACERS Members utilized their health plans in a preceding period.

Because of favorable market conditions, negotiations with the health plan carriers, and LACERS Members taking good preventive care of themselves, thus reducing high-cost claims, LACERS medical premium costs for next year will decrease by nearly one million dollars and overall rates will decrease by 0.8%. It is LACERS' focus on savings without impacting quality of benefits that has resulted in our medical trend rate being just over half of the actuarial assumed rate over the last 10 years.

The lower costs provide LACERS with a unique opportunity to leverage these savings toward inevitable health plan cost increases in the future. There was good news for 2019 in that there will be slight premium increases in only the Kaiser Permanente Senior Advantage, Delta Dental PPO, and DeltaCare USA HMO plans. This is partially because surplus Anthem Blue Cross premium dollars from previous years will be used to lower the 2019 Anthem HMO, Medicare Supplement, and Anthem Blue View premiums proposed by Anthem. Also, LACERS is working toward creating a trust to hold surplus premium dollars from all carriers to help manage future premium cost increases in all of our plans.

In addition to providing LACERS the opportunity to lessen the impact on future premium increases, this strategy will give LACERS Members more options as the price points between our Kaiser and Anthem Blue Cross medical plans are closer and more competitive than in recent years. For example, the following graph represents the more competitive pricing in 2019 between our Kaiser and Anthem Blue Cross California HMO plans for a Retired Member and one Dependent (2-party plan) where both are under 65 years of age.

For details regarding health plan premiums and subsidies/reimbursements in 2019, please see the enclosed Health Benefits Guide.



## Health Plan Changes

NO CHANGES TO PLAN DESIGNS OR COPAYS FOR 2019. Please review the enclosed Health Benefits Guide for details regarding the benefits each of our health plans provide.

## New LACERS Business Hours

LACERS new business hours are 7 a.m.–4 p.m., Monday – Friday (excluding holidays). Please plan accordingly when visiting the LACERS offices and when calling the Member Service Center.

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## **Gym Membership for Members in Our Anthem PPO and HMO Plans – Let’s Get Physical!**

Effective January 1, 2019, all Members and their covered spouses/domestic partners enrolled in LACERS Anthem Blue Cross PPO and HMO plans will be eligible for SilverSneakers. This fitness program provides no-cost gym membership at participating gyms and continues to be available through our Anthem Blue Cross Medicare Supplement, UnitedHealthcare, and SCAN plans. LACERS Members enrolled in LACERS Kaiser Senior Advantage plan are eligible for a similar program called Silver&Fit. For more information, please contact SilverSneakers at (888) 423-4632 (TTY: 711) or Silver&Fit at (877) 427-4788 (TTY: 711).

## **New for 2019 – LACERS’ Online ALEX System**

Need help making the best health plan choices? Debuting just in time for our Retirees’ Open Enrollment period, LACERS is launching ALEX, an interactive online tool that will help you review and select the best health benefit plan. ALEX will ask you a few questions about your healthcare needs, crunch some numbers, and point out what makes the most sense for you. Anything you tell ALEX remains private and no personal information is stored or distributed.

ALEX will ask you to estimate what type of medical care you might need this year, calculates the amount each applicable LACERS plan would cost, and comes up with some estimates. ALEX will recommend the least expensive plan for your needs.

ALEX will be available for Active and Retired Members through a link on the LACERS Homepage at [LACERS.org](https://www.lacERS.org) and is optimized for use on any mobile device you may have. ALEX is also available in Spanish!

Check out the ALEX Benefits Counselor at <https://www.myalex.com/lacers/2019>.

## **Stay Healthy, Have Fun, and Focus on Purpose with the LACERS Well Program**

In 2019, the LACERS *Well* Program will shift gears to focus on concerns prevalent for many retirees – adjusting to the change in identity from worker to retiree, and finding and maintaining a purpose in retirement. After a long City career, some Members may be struggling to figure out, “what’s next?” Through a variety of purpose workshops and other events, the LACERS *Well* Program will touch on topics such as identifying one’s purpose, the value of volunteerism, and acquiring new skills and interests.

In 2018, the *Well* Program focused on diabetes prevention and management to better support the growing number of LACERS Members being identified as either diabetic or pre-diabetic by covering the cost of completing a diabetes prevention program. These prevention and management resources will continue to be available to Members.

So, consider joining the thousands of LACERS Members already participating in the LACERS *Well* Program. The Program is sponsored by LACERS’ medical and dental plans (Kaiser Permanente, Anthem Blue Cross, UnitedHealthcare, SCAN, and Delta Dental) and our goal is to provide free resources and activities to help you stay healthy and active throughout



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your retirement. For more information on the LACERS *Well* Program and to see a calendar of upcoming events, and/or to join our Facebook group, visit our website at [www.LACERS.org/lacerswell](http://www.LACERS.org/lacerswell).

## Ensure You Have Enough Prescription Medications

If you are changing medical plans, make sure you have enough medication to cover at least the first two weeks of January 2019.

## Your Health Plan Decisions Will Be in Effect for All of 2019

The plan change decisions you make during this Open Enrollment period are effective for the entire plan year, from January 1 through December 31, 2019. Any new deductions reflecting your health plan changes will appear on your December 2018 retirement check. You may not change your health plan again until the next Open Enrollment period in October of 2019, unless you have a qualifying event, such as a family status change or new residence outside your selected plan's service area.

## Is Your Health Subsidy Taxable?

Under IRS regulations, a LACERS medical subsidy received by a Surviving Domestic Partner or a dependent who is not your tax dependent will be taxed, as it is considered "imputed income." A spouse or a child who is age 26 or younger for the entire tax year is automatically considered a tax dependent.

## Need Health Plan Enrollment Forms? Print Them Online or Call LACERS

If you wish to make health plan changes or add dependents, then you must submit the appropriate forms to LACERS by November 15, 2018. Health plan enrollment and family account change forms are now available in the Forms section of the LACERS website at [www.LACERS.org/retired/forms.html](http://www.LACERS.org/retired/forms.html), or by calling LACERS and requesting that the forms be sent to you.

## Open Enrollment Meeting Dates and Locations (10 a.m. – 1 p.m.):

### October 16

California Endowment Center  
1000 N. Alameda St.  
Los Angeles, CA 90012

### October 18

Courtyard by Marriott  
600 E. Esplanade Dr.  
Oxnard, CA 93036

### October 25

Airtel Plaza Hotel  
7277 Valjean Ave.  
Van Nuys, CA 91406

### October 30

Double Tree Hotel by Hilton  
222 N. Vineyard Ave.  
Ontario, CA 92612

### November 8

The Orleans Hotel  
4500 W. Tropicana Ave.  
Las Vegas, NV 89103

### November 14

Sycamore Plaza  
5000 Clark Ave.  
Lakewood, CA 90712

