



LACERS
LA CITY EMPLOYEES'
RETIREMENT SYSTEM



Board of Administration Agenda

REGULAR MEETING
TUESDAY, APRIL 27, 2021
TIME: 10:00 A.M.
MEETING LOCATION:

In conformity with the Governor's Executive Order N-29-20 (March 17, 2020) and due to the concerns over COVID-19, the LACERS Board of Administration's April 27, 2021, 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) 900-6833 or (253) 215-8782
Meeting ID# 884 1259 3386

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 Board Meetings can be heard at: (213) 621-CITY (Metro), (818) 904-9450 (Valley), (310) 471-CITY (Westside), and (310) 547-CITY (San Pedro Area).

Disclaimer to Participants

Please be advised that all LACERS Board and Committee Meeting proceedings are audio recorded.

President:	Cynthia M. Ruiz
Vice President:	Sung Won Sohn
Commissioners:	Annie Chao Elizabeth Lee Sandra Lee Nilza R. Serrano Michael R. Wilkinson
Manager-Secretary:	Neil M. Guglielmo
Executive Assistant:	Ani Ghokassian
Legal Counsel:	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. For assistance, please contact the Ethics Commission at (213) 978-1960 or 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.

Sign Language Interpreters, Communication Access Real-Time Transcription, Assistive Listening Devices, Telecommunication Relay Services (TRS), 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: Board of Administration Office at **(213) 855-9348** and/or email at ani.ghokassian@lacers.org.

[**CLICK HERE TO ACCESS BOARD REPORTS**](#)

- I. PUBLIC COMMENTS AND GENERAL PUBLIC COMMENTS ON MATTERS WITHIN THE BOARD'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 REGULAR MEETING OF MARCH 23, 2021 AND POSSIBLE BOARD ACTION](#)
- III. BOARD PRESIDENT VERBAL REPORT
- IV. GENERAL MANAGER VERBAL REPORT
 - A. REPORT ON DEPARTMENT OPERATIONS
 - B. UPCOMING AGENDA ITEMS
- V. RECEIVE AND FILE ITEMS
 - A. [MONTHLY REPORT ON SEMINARS AND CONFERENCES FOR MARCH 2021](#)
 - B. [CONTRACTORS' DISCLOSURE REPORT FOR THE PERIOD AUGUST 14, 2019 TO DECEMBER 31, 2020](#)
- VI. COMMITTEE REPORT(S)
 - A. INVESTMENT COMMITTEE VERBAL REPORT FOR THE MEETING ON APRIL 13, 2021
 - B. BENEFITS ADMINISTRATION COMMITTEE VERBAL REPORT FOR THE MEETING ON APRIL 27, 2021
- VII. DISABILITY RETIREMENT APPLICATION(S)
 - A. **CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTION 54957(b) TO CONSIDER THE DISABILITY RETIREMENT APPLICATION OF JOAKIM JONSSON AND POSSIBLE BOARD ACTION (HEARING)**
- VIII. MEMBER SERVICES
 - A. ONLINE RETIREMENT APPLICATION PRESENTATION AND DEMO
- IX. BENEFITS ADMINISTRATION
 - A. [RESPONSE TO COUNCIL MOTION 20-1606 REGARDING THE LACERS HEALTH AND WELLNESS PROGRAM COSTS AND POSSIBLE BOARD ACTION](#)
- X. RETIREMENT SERVICES
 - A. [SURVIVOR BENEFITS STATISTICAL OVERVIEW 2016-2020](#)
- XI. INVESTMENTS
 - A. CHIEF INVESTMENT OFFICER VERBAL REPORT

- B. [CONTRACTS WITH NORTHERN TRUST COMPANY REGARDING MASTER CUSTODIAL SERVICES, SECURITIES LENDING, AND ANCILLARY SERVICES AND POSSIBLE BOARD ACTION](#)
- C. [RESPONSE TO COUNCIL MOTION 19-1577 REGARDING CLIMATE TRANSITION FRAMEWORK AND POSSIBLE BOARD ACTION](#)
- D. [NOTIFICATION OF COMMITMENT OF UP TO \\$40 MILLION IN GLP CAPITAL PARTNERS IV LP](#)
- E. **CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTION 54956.81 TO CONSIDER A COMMITMENT TO WOLFF CREDIT PARTNERS III, L.P. AND POSSIBLE BOARD**
- F. **CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTION 54956.81 TO CONSIDER A COMMITMENT TO KAYNE ANDERSON CORE REAL ESTATE, L.P. AND POSSIBLE BOARD ACTION**
- G. **CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTION 54956.81 TO CONSIDER A COMMITMENT TO LION INDUSTRIAL TRUST AND POSSIBLE BOARD**

XII. OTHER BUSINESS

- XIII. NEXT MEETING: The next Regular meeting of the Board is scheduled for Tuesday, May 11, 2021 at 10:00 a.m. at LACERS, 977 N. Broadway, Suite 260, Los Angeles, CA 90012, and/or via telephone and/or videoconferencing. Please continue to view the LACERS website for updated information on public access to Board meetings while response to public health concerns relating to the novel coronavirus continue.

XIV. ADJOURNMENT

MINUTES OF THE REGULAR MEETING
BOARD OF ADMINISTRATION
LOS ANGELES CITY EMPLOYEES' RETIREMENT SYSTEM

In conformity with the Governor's Executive Order N-29-20 (March 17, 2020)
and due to the concerns over COVID-19, the
LACERS Board of Administration's
March 23, 2021, meeting was conducted
via telephone and/or videoconferencing.

Agenda of: Apr. 27, 2021

Item No: II

March 23, 2021

10:01 a.m.

PRESENT via Videoconferencing:	President Vice President:	Cynthia M. Ruiz Sung Won Sohn
	Commissioners:	Annie Chao Elizabeth Lee Sandra Lee Nilza R. Serrano Michael R. Wilkinson
	Manager-Secretary:	Neil M. Guglielmo
	Legal Counselor:	James Napier
PRESENT at LACERS offices:	Executive Assistant:	Ani Ghoukassian

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

II

APPROVAL OF MINUTES FOR THE REGULAR MEETINGS OF AUGUST 11, 2020 AND FEBRUARY 23, 2021 AND POSSIBLE BOARD ACTION – Commissioner Elizabeth Lee moved approval, seconded by Commissioner Serrano, and adopted by the following vote: Ayes, Commissioners Chao, Elizabeth Lee, Sandra Lee, Serrano, Wilkinson, Vice President Sohn, and President Ruiz -7; Nays, None.

Item I taken out of order.

I

PUBLIC COMMENTS AND GENERAL PUBLIC COMMENTS ON MATTERS WITHIN THE BOARD'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** – President Ruiz asked if any persons wanted to make a general public comment to which there was no response.

III

BOARD PRESIDENT VERBAL REPORT – President Ruiz stated that she participated in the City Attorney Women’s Association virtual event with the Controller, Ron Galperin on March 15, 2021. She thanked Assistant City Attorney for sharing the information on this event.

IV

GENERAL MANAGER VERBAL REPORT

A. REPORT ON DEPARTMENT OPERATIONS – Neil M. Guglielmo, General Manager, advised the Board of the following items:

- Asset Allocation Video
- Health Plan Administration
- Dental Plan Performance Guarantees
- Open Enrollment
- Health Plan Renewals – 2022
- LACERS *Well* Events
- MSC Stats
- SIP Update
- End of the Abeyance Period and Managed Retirement Applications (MRA)
- “CAFR” Clean Up
- Change to 2021 Annual Gift Limit
- LACERS Headquarters Building

B. UPCOMING AGENDA ITEMS – Neil M. Guglielmo, General Manager, advised the Board of the following items:

- Board – Investigative Services Contract request to release RFP for April 13, 2021 Meeting
- BAC – Dashboards, both financial and Wellness, will be available for review in an April Meeting

V

RECEIVE AND FILE ITEMS

A. MONTHLY REPORT ON SEMINARS AND CONFERENCES FOR FEBRUARY 2021 – This report was received by the Board and filed.

B. COMMISSIONER RUIZ BOARD EDUCATION EVALUATION ON PENSION BRIDGE ESG SUMMIT 2021, VIRTUAL; FEBRUARY 23-25, 2021 – This report was received by the Board and filed.

C. COMMISSIONER WILKINSON EDUCATION EVALUATION ON CALAPRS GENERAL ASSEMBLY, VIRTUAL; MARCH 8-9, 2021 – This report was received by the Board and filed.

- D. SECTION 115 TRUST FINANCIAL STATEMENTS AS OF JUNE 30, 2020 – Rahoof “Wally” Oyewole, Departmental Chief Accountant IV, discussed this item and the report was received by the Board and filed.

VI

COMMITTEE REPORT(S)

- A. INVESTMENT COMMITTEE VERBAL REPORT FOR THE MEETING ON MARCH 9, 2021 – Vice President Sohn stated the Committee discussed and approved the Tactical Asset Allocation Policy and Status Report and were also presented with a Closed Session item to consider a commitment to GLP Capital Partners IV LP.

Item IX-A was taken out of order.

IX

DISABILITY RETIREMENT APPLICATION(S)

- A. CONSIDERATION OF THE DISABILITY RETIREMENT APPLICATION OF RICARDO MARTORANA AND POSSIBLE BOARD ACTION (HEARING) – Member Ricardo Martorana was virtually present and sworn in by Shelby Maaske, Court Reporter. Carol Rembert, Management Assistant, presented this item to the Board. After discussion, Commissioner Elizabeth Lee moved approval, seconded by Commissioner Serrano, and adopted by the following vote: Ayes, Commissioners Chao, Elizabeth Lee, Sandra Lee, Serrano, Wilkinson, Vice President Sohn, and President Ruiz -7; Nays, None.

VII

BOARD/DEPARTMENT ADMINISTRATION

- A. PRELIMINARY PROPOSED BUDGET, PERSONNEL, AND ANNUAL RESOLUTIONS FOR FISCAL YEAR 2021-22 AND POSSIBLE BOARD ACTION – Dale Wong-Nguyen, Chief Benefits Analyst, Neil M. Guglielmo, General Manager, and Rahoof “Wally” Oyewole, Departmental Chief Accountant IV, presented and discussed this item with the Board for 35 minutes. After the Board provided staff with input and guidance, Commissioner Elizabeth Lee moved approval, seconded by Commissioner Chao, and adopted by the following vote: Ayes, Commissioners Chao, Elizabeth Lee, Sandra Lee, Serrano, Wilkinson, Vice President Sohn, and President Ruiz -7; Nays, None.

VIII

RETIREMENT SERVICES

- A. AMENDMENT TO BOARD RULE GENERAL MANAGER AUTHORIZATIONS (GMA 1) AND POSSIBLE BOARD ACTION – Commissioner Chao moved approval of the following Resolution:

APPROVAL OF AMENDMENT TO BOARD RULE GMA 1 UNDER BENEFITS AND MEMBER ADMINISTRATION – ONE HUNDRED PERCENT CONTINUANCE TO ELIGIBLE SURVIVING

SPOUSE/DOMESTIC PARTNER WHEN MEMBER DIES PRIOR TO RECEIVING A RETIREMENT ALLOWANCE

RESOLUTION 210323-A

WHEREAS, the proposed Board Rule will aid LACERS in its' administrative practices and provide necessary guidance for effective and efficient Plan administration;

WHEREAS, the Los Angeles Charter Section 1106(f) authorizes the Board of Administration to adopt rules governing the administration of benefits for the Plan; and,

NOW, THEREFORE, BE IT RESOLVED that the Board hereby adopts the proposed Board rule effective immediately, providing the General Manager authority to approve granting an eligible surviving spouse or domestic partner a one hundred percent continuance benefit in cases where the retired member has died prior to receiving their first retirement allowance payment.

Which motion was seconded by Commissioner Serrano, and adopted by the following vote: Ayes, Commissioners, Chao, Elizabeth Lee, Sandra Lee, Serrano, Wilkinson, Vice President Sohn, and President Ruiz -7; Nays, None.

X

INVESTMENTS

- A. CHIEF INVESTMENT OFFICER VERBAL REPORT – Rod June, Chief Investment Officer, reported on the portfolio value of \$21.41 billion as of March 22, 2021. Mr. June discussed the following items:
- Future Agenda items: Total portfolio performance review for period ending December 31, 2020 and Council Motion response regarding Climate Transition and Fossil Fuels
- B. PRESENTATION BY NEPC, LLC OF THE PORTFOLIO PERFORMANCE REVIEW FOR THE QUARTER ENDING DECEMBER 31, 2020 AND POSSIBLE BOARD ACTION – This item was deferred to a future Board Meeting.
- C. PRESENTATION BY NEPC, LLC REGARDING CONTINUED DISCUSSION OF ASSET ALLOCATION AND POSSIBLE BOARD ACTION – Carolyn Smith, Partner, and Lynda Dennen Costello, Partner, with NEPC, LLC, presented and discussed this item with the Board for one hour. After providing staff and the consultants with input, the Board took no action on this item.
- D. CONTRACT WITH SLC MANAGEMENT TLF PARTNERS FUND 2, L.P. REGARDING TERM ASSET-BACK SECURITIES LOAN FACILITY INVESTMENT AND WIND DOWN – Rod June, Chief Investment Officer, discussed this item and the report was received by the Board and filed.
- E. TACTICAL ASSET ALLOCATION POLICY AND STATUS REPORT AND POSSIBLE BOARD ACTION – Commissioner Elizabeth Lee moved approval, seconded by Vice President Sohn, and adopted by the following vote: Ayes, Commissioners Chao, Elizabeth Lee, Sandra Lee, Serrano, Wilkinson, Vice President Sohn, and President Ruiz -7; Nays, None.

President Ruiz recessed the Regular Meeting at 12:32 p.m. to convene in Closed Session discussion.

F. CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTION 54956.81 TO CONSIDER A COMMITMENT TO GLP CAPITAL PARTNERS IV LP AND POSSIBLE BOARD ACTION

President Ruiz reconvened the Regular Meeting at 12:43 p.m.

XI

OTHER BUSINESS – Commissioner Elizabeth Lee expressed her condolences for the victims of the Atlanta shooting and the Colorado shooting.

XII

NEXT MEETING: The next Regular meeting of the Board is scheduled for Tuesday, April 13, 2021, at 10:00 a.m. at LACERS, 977 N. Broadway, Suite 260, Los Angeles, CA 90012, and/or via telephone and/or videoconferencing. Please continue to view the LACERS website for updated information on public access to Board meetings while response to public health concerns relating to the novel coronavirus continue.

XIII

ADJOURNMENT – There being no further business before the Board, President Ruiz adjourned the Meeting at 12:45 p.m.

Cynthia M. Ruiz
President

Neil M. Guglielmo
Manager-Secretary

Agenda of: APR, 27, 2021

Item No: V-A

**MONTHLY REPORT ON SEMINARS AND CONFERENCES
ATTENDED BY BOARD MEMBERS ON BEHALF OF LACERS
(FOR THE MONTH OF MARCH 2021)**

In accordance with Section V.H.2 of the approved Board Education and Travel Policy, Board Members are required to report to the Board, on a monthly basis at the last Board meeting of each month, seminars and conferences they attended as a LACERS representative or in the capacity of a LACERS Board Member which are either complimentary (no cost involved) or with expenses fully covered by the Board Member. This monthly report shall include all seminars and conferences attended during the 4-week period preceding the Board meeting wherein the report is to be presented.

BOARD MEMBER:

President Cynthia M. Ruiz
Vice President Sung Won Sohn

Commissioner Annie Chao
Commissioner Elizabeth Lee
Commissioner Sandra Lee
Commissioner Nilza R. Serrano
Commissioner Michael R. Wilkinson

DATE(S) OF EVENT	SEMINAR / CONFERENCE TITLE	EVENT SPONSOR (ORGANIZATION)	LOCATION (CITY, STATE)
	NOTHING TO REPORT		



LACERS
LA CITY EMPLOYEES'
RETIREMENT SYSTEM



REPORT TO BOARD OF ADMINISTRATION

From: Neil M. Guglielmo, General Manager

MEETING: APRIL 27, 2021

ITEM: V – B

SUBJECT: CONTRACTORS' DISCLOSURE REPORT FOR THE PERIOD AUGUST 14, 2019 TO DECEMBER 31, 2020.

ACTION: CLOSED: CONSENT: RECEIVE & FILE:

THIS REPORT IS PROVIDED TO THE BOARD FOR INFORMATIONAL PURPOSES.

Recommendation

That the Board receive and file the Contractors' Disclosure Report for the period August 14, 2019 to December 31, 2020.

Executive Summary

Last August 13, 2019, the Board adopted the Contractor Disclosure Policy to provide transparency in LACERS' contracting process and to help ensure that investment and procurement decisions are made solely on the merits of the goods or services proposed to be provided by Contractors to LACERS.

Section G.2.f of the Contractor Disclosure Policy reads as follows:

“LACERS internal audit staff will compile a semi-annual Board report containing the names and amount of compensation agreed to be provided to each Intermediary by each Contractor; the campaign contributions and gifts of each Contractor as reported in the Contractor Disclosures; the List of Contacts; and the List of Exclusions.”

In accordance with the above section, Internal Audit is providing the Contractors' Disclosure Report to the Board. Internal Audit Section received 52 out of 55 requests made.

Based on the review of Contractors' reports covering the period August 14, 2019 through December 31, 2020, Internal Audit did not find any anomaly or impropriety on the information disclosed by the contractors.

The following table shows the breakdown of the reports Internal Audit received for the period August 14, 2019 through December 31, 2020.

FILING TYPE	NO. REQUIRED	NO. RECEIVED
CONTRACTOR DISCLOSURE REPORT REQUESTS	55	52

Attachment 1 lists the contributions, contacts, gifts, and intermediary information, as reported by the Contractors. Attachment 2 lists the outstanding disclosures or contractors that did not submit the required disclosure reports.

Strategic Alignment

Discussion of the Contractors’ Disclosure Report is consistent with the Board’s Governance Goal to “uphold good governance practices which affirm transparency, accountability and fiduciary duty.”

Fiscal Impact Statement

None

Prepared By: Maria Melani Rejuso, Internal Auditor IV

NMG/MR

- Attachments: 1. Summary of Contractors’ Disclosure Reports
2. List of Outstanding Disclosures/Non-compliant contractors

ATTACHMENT 1

**CONTRACTOR DISCLOSURE SUMMARY
LOS ANGELES CITY EMPLOYEES' RETIREMENT SYSTEM
FOR THE PERIOD AUGUST 14, 2019 TO DECEMBER 31, 2020**

OUTSTANDING DISCLOSURES

<i>Account Number</i>	<i>Vendor / Contract Name</i>	<i>Contract Term</i>		<i>Responsible Section</i>	<i>Reason for non-disclosure</i>
		<i>Start Date</i>	<i>Exp. Date</i>		
	SEE LIST (ATTACHMENT 2)				

CAMPAIGN CONTRIBUTIONS

<i>Contract Number</i>	<i>Vendor / Contract Name</i>	<i>Contract Term</i>		<i>Campaign Contribution Information</i>
		<i>Start Date</i>	<i>Exp. Date</i>	
C-134865	Foley & Lardner LLP	12/1/2019	11/30/2022	Byron McLain, Partner contributed \$250 on 6/29/20 to Marina Torres, City Attorney candidate and \$300 on 11/30/2020 to Mark Ridley-Thomas City Council. And, Byron Mclain's wife Asia McLain contributed \$800 on 8/19/20 to Mark Ridley-Thomas, City Council.

OTHER CONTRIBUTIONS

<i>Contract Number</i>	<i>Vendor / Contract Name</i>	<i>Contract Term</i>		<i>Contribution Information</i>
		<i>Start Date</i>	<i>Exp. Date</i>	
	None			

DISCLOSED CONTACTS- 24 MONTH PERIOD PRIOR TO BOARD APPROVAL

<i>Contract Number</i>	<i>Vendor / Contract Name</i>	<i>Contact Date</i>	<i>Contact Information</i>
PE	Clearlake Capital Partners VI, LP	Executed on December 10, 2019	Contractor reported a meeting held between their Placement Agent (Credit Suisse Securities), Clearlake staff and LACERS' investment staff on October 7, 2019. The meeting was part of LACERS due diligence efforts prior to entering a new investment fund.

RE	Cerberus Institutional Real Estate Partners V, LP	Executed on September 14, 2020	Cerberus staff, Greg Gordon and Glen Abbott, discussed with LACERS staff on a number of occasions the opportunities to invest in the Cerberus Institutional Real Estate Partners V, LP. The meetings were determined to be part of LACERS due diligence efforts before investing in a new fund.
PE	CVC Capital Partners/ CVC Capital Partners VIII, effective on May 22, 2020	March 5, 2019, July 24, 2019 and October 23, 2019	Contractor reported their staff, Robert Squire and Clam Shamway, had meetings with LACERS Investment staff on CVC's new fund, CVC Capital Partners VIII . Internal Audit determined that these contacts were part of LACERS investment staff due diligence efforts prior to entering into another Fund or investment from the same issuer or Private Equity Fund.
C-134865	Foley & Lardner LLP, contract is from 12/01/2019 to 11/30/2022	Jun-20	Contractor reported a contact between their Firm and an elected official. Accordingly, in June 2020, Byron McLain, Partner was appointed by Mayor Eric Garcetti to serve as Co-Chair of the Los Angeles Police Commission's Advisory Committee on Building Trust. Internal Audit determined that the contract was already in place when this contact/appointment took place.
PE	OceanSound Partners Fund, LP, contract was effective 06/02/2020	Within the 24-month period prior to effective date of the Fund which is 06/02/2020	Contractor reported that SixPoint (their placement agent) worked with Aksia Torreycove prior to getting LACERS' investment. Specifically with Kyson Hawkins and Charles Pender. Internal Audit found this as part of the normal due diligence efforts before getting into a new investment.
Active Emerging Market	Wellington Management Company, contract was effective December 1, 2020 to November 30, 2023	August 19, 2020 and October 28, 2020	Contractor reported that on August 19, 2020, Wellington presented before the LACERS Board on Blended Opportunistic Emerging Markets Debt Strategy being a finalist in the Active Emerging Market Debt search. Also, on October 28, 2020, contractor had a phone call with the City Attorney to discuss the terms of the contract. These activities were part of the contracting process.
PE	Fortress Investment Group (Fund V), contract was effective August 31, 2020	During the past two years	Contractor reported having several interactions with LACERS' Investment Staff. Internal Audit noted that those contacts were mostly part of due diligence efforts by LACERS' staff. Also, contractor reported that their Co-Chief Investment Officer (Constantine Dakolias) recalls having several interactions with Mayor Garcetti during the past two years but does not recall discussing LACERS investing in Fortress-managed funds.

PE	KPS Special Situations Fund V and KPS Special Situations Md-Cap Fund- both contracts were effective October 10, 2019	15-Dec-20	Contractor reported that their employee Ms. Shavonne Correia (Head of Investor Relations and Marketing) had exchanged emails with a LACERS' Investment Staff on December 15, 2020. Internal Audit determined that the reported contact relates to an invitation to KPS Fund's annual virtual meeting. Also, the investment Fund was already in place prior to the reported contact by KPS.
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DISCLOSED GIFTS

Contract Number	Vendor / Contract Name	Gift Date	Gift Information
C-22357	Anthem, Blue Cross, contract is from 08/27/2019 to 12/31/2021	01/07/2020	Contractor reported sponsoring a working/networking lunch for a group of people which included three of LACERS' staff. The value of the lunch was less than the limit set by the State/City law on gifts, which is \$100 per restricted source. Also, gifts over \$50 per source has to be reported.

INTERMEDIARY INFORMATION

Contract Number	Vendor / Contract Name	Intermediary Name	Compensation	Disclosure Date	Notes
PE	Clearlake Capital Partners VI, LP	Credit Suisse Secuties (USA), LLC is Clearlake's Placement Agent	Compensation of Clearlake's Placement Agent is based on non-refundable cash retainer and aggregate commitments of certain investors to the Fund.	3/30/2021	Contractor reported that their Placement Agent's compensation excludes entities that prohibit or limit the use and/or compensation of placement agents.

PE	CVC Capital Partners/ CVC Capital Partners VIII, effective on May 22, 2020	Robert Squire and John Bryant are employed by CVC Funding which acts as distributor of CVC Capital Partners. They help manage current and prospective investors.	Investments with LACERS maybe a factor in calculating their bonuses, however this bonus is discretionary and is not charged to LACERS or the Fund.	2/18/2021	Contractor reported that they do not compensate non-CVC placement agents. Robert Squire and John Bryant are their distributor's employees and are part of CVC's Investor Relations Team.
RE	Cerberus Institutional Real Estate Partners V, LP	Greg Gordon and Glen Abbott serve as intermediary for Cerberus Capital Management, LP. They are both employees of Cerberus.	Both employees are paid an annual salary and discretionary bonus	4/20/2021	Greg Gordon and Glen Abbott help to discuss with potential clients the opportunity to invest in Cerberus' new funds.
PE	Vitruvian Investment Partnership IV, LP contract was effective 06/26/2020	Evercore Partners International, LLP and Monument Group, Inc., placement agents	Fees based in part on aggregate commitments on Fund IV	03/19/2021	Contractor reported that they did not have knowledge of any contact between LACERS' staff and placement agents prior to LACERS' investment in Fund IV nor did they know if the agents acted as intermediary to LACERS' investments.
PE	Fortress Investment Group (Fund V), contract was effective August 31, 2020	Fortress Capital Formation, LLC	Base salary and discretionary bonus.	03/25/2021	Contractor reported that it relies on its employees thru Fortress Capital Formation, LLC to sell interests in investment vehicles managed by Fortress. Fortress personnel who are dedicated to raising capital are compensated for doing so. However no payments or reimbursements are contingent upon LACERS' investing in Fortress Fund.

PE	OceanSound Partners Fund, LP, contract was effective 06/02/2020	SixPoint Partners, LLC, a Placement Agent	1% on all capital commitments and/or investments	03/05/2021	Sixpoint provides several advisory and fundraising services and is utilized with all prospective clients, except in certain limited circumstances or for entities that prohibit payment of fees to placement agents.
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ATTACHMENT 2

OUTSTANDING DISCLOSURES

NO.	CONTRACTOR'S NAME	TYPE OF CONTRACT
1	SUNSTONE PARTNERS II	PRIVATE EQUITY
2	TCV XI	PRIVATE EQUITY
3	ORRICK, HERRINGTON,SUTCLIFFE, LLP	LEGAL



LACERS
LA CITY EMPLOYEES'
RETIREMENT SYSTEM



REPORT TO BOARD OF ADMINISTRATION
From: Neil M. Guglielmo, General Manager

MEETING: APRIL 27, 2021
ITEM: IX - A

Neil M. Guglielmo

SUBJECT: RESPONSE TO COUNCIL MOTION 20-1606 REGARDING THE LACERS HEALTH AND WELLNESS PROGRAM COSTS AND POSSIBLE BOARD ACTION

ACTION: CLOSED: CONSENT: RECEIVE & FILE:

Recommendation

That the Board approve forwarding this report to the Office of the City Administrative Officer in response to the related Council motion (Council File 20-1606).

Executive Summary

Upon review of LACERS health plan benefits, service to our Members, administrative practices, premium cost, and cost trend, LACERS is better positioned to provide its retired Members comprehensive healthcare more cost-effectively than Covered California.

Discussion

On March 3, 2021, the Los Angeles City Council approved a motion to have the City Administrative Officer, in consultation with LACERS, Los Angeles Fire and Police Pensions, and the City's Personnel Department, along with labor, report to the Executive Employee Relations Committee and appropriate City Council Committees, viable options to reduce health care costs, yet still offer affordable high-quality healthcare. This report provides a brief history of the LACERS retiree healthcare group plans, cost saving measures, as well as a comparison of the LACERS group plans and Covered California.

History of LACERS Health Plans

LACERS began administering the retiree health program in 1999. Previous to that, the City's Personnel Department administered health plans for both active and retired Members. The City opted to separate the two groups and LACERS assumed the responsibility of administering the retired Member health plans.

LACERS has done an exceptional job in administering the retired Member health plans, on average staying below the assumed actuarial medical trend rate (AAMTR) while maintaining comprehensive coverage and even enhancing benefits when it is cost effective to do so. LACERS regularly tests the

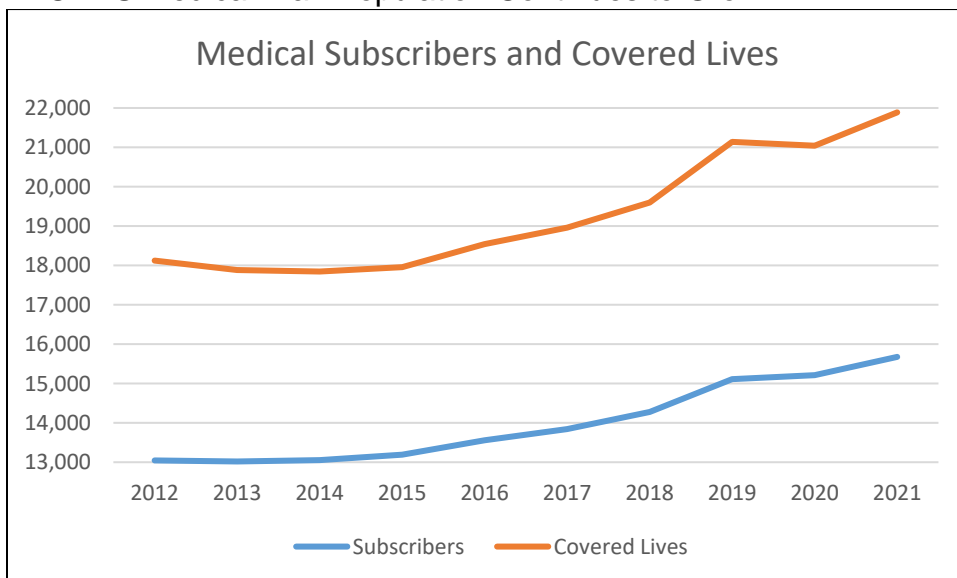
market place with Requests for Proposals and maintains a strong working relationship with each of the health insurance carriers. Additionally, LACERS enforces the Los Angeles Administrative Code’s Medicare enrollment requirement, makes gradual cost-sharing and plan design adjustments to influence more cost-effective utilization of services, and seeks creative ways and opportunities to manage and/or reduce costs.

The results have been extremely favorable:

Avg. Cost Trend	Historical (since 2000)	10-year	3-year
AAMTR	8.5%	7.7%	6.9%
LACERS	5.2%	2.9%	- 0.5%

Also noteworthy was the City’s decision to pre-fund health benefits as early as 1986, which positions LACERS significantly above many public pension plan peers across the country. Until more recently, most organizations opted for the pay-as-you go method, which became more difficult to administer and fund as healthcare costs continued to rise. The result was several organizations were severely underfunded, seeing their funded ratio near zero. Because the City had the forethought to fund the current and future health benefit costs on an annual basis, although costs have increased, LACERS health benefits program is 85.6% funded. Based on projections by our actuary, if all assumptions are met, it is anticipated that the retiree health benefit will be fully funded by 2043. Keep in mind, this is not referring to only current costs, but all future costs. The funding of this program has been further strengthened by LACERS’ continued efforts to keep premium increases below the AAMTR.

LACERS Medical Plan Population Continues to Grow

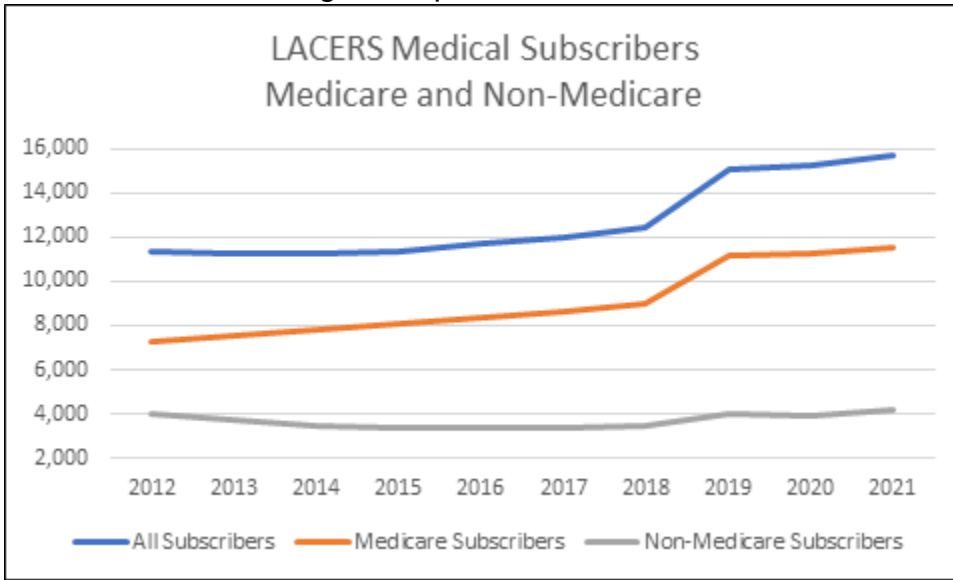


Over the last 10 years, the number of subscribers and covered lives has increased by 20.2% and 20.8%, respectively.

Subscriber: The plan’s primary subscriber, comprised of retired Members or their qualified Survivors

Covered Lives: The number of people enrolled in LACERS medical plans, comprised of subscribers and their plan dependents.

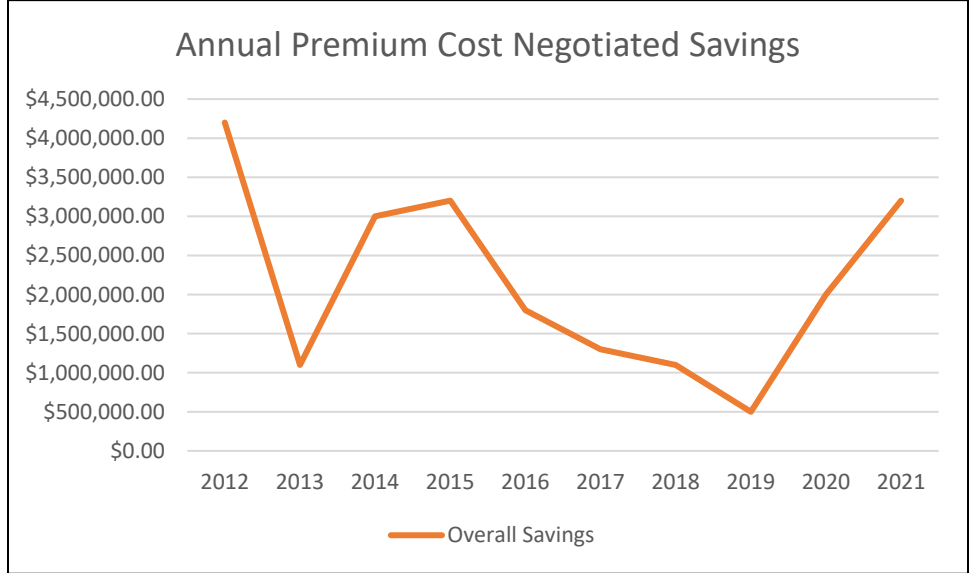
LACERS Medicare-Eligible Population Continues to Grow



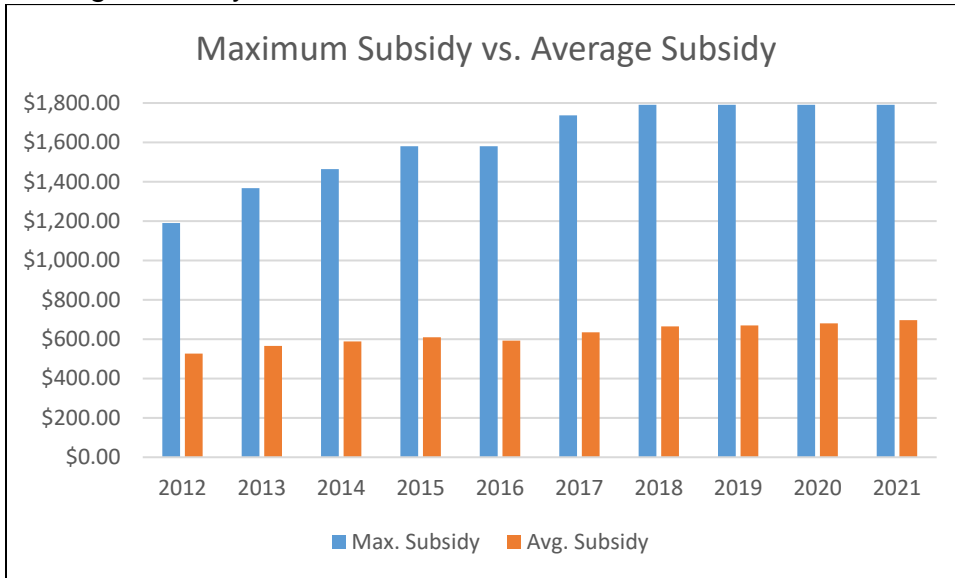
The percentage of Medicare-eligible Subscribers has steadily grown over the last 10 years to nearly 75% (and nearly 70% of Covered Lives). This is important because LACERS requires its Members and their health plan dependents to enroll in Medicare and one of LACERS' Medicare plans, which decreases the cost of coverage significantly.

LACERS Negotiates Premium Savings Every Year

During each health plan contract renewal cycle, LACERS' health and welfare consultant reviews the underwriting related to the proposed premiums for the new plan year. Assumptions, trends, methods, and costs are analyzed and negotiated with each carrier until both parties can reach agreement on the final premium rates. This has created \$21 million in savings over the last 10 years.



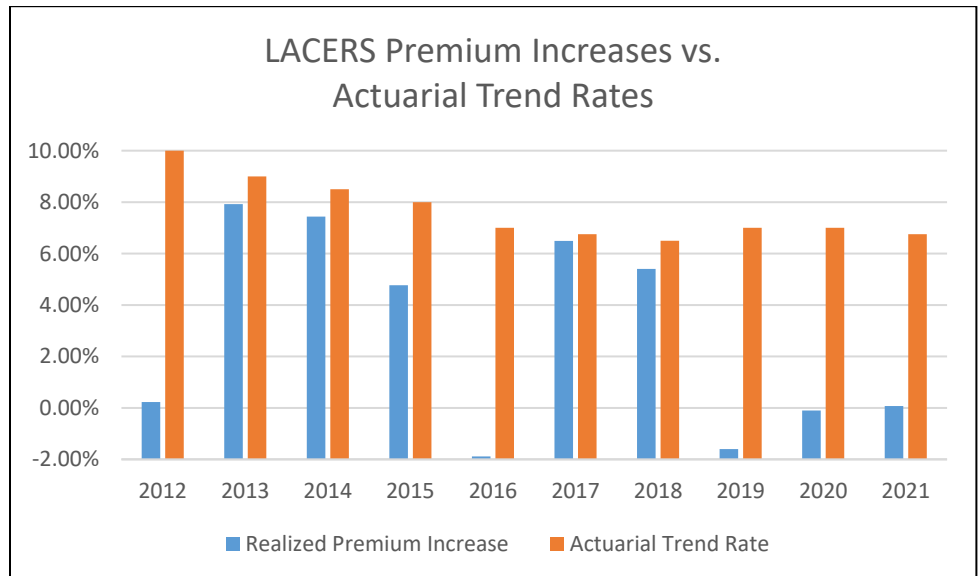
Average Subsidy Cost is Much Lower than the Maximum Available



The actual health benefit cost of the LACERS program is the medical subsidy. The maximum medical plan premium subsidy has held steady at \$1790.80 for the last four years. The amount that a Member receives depends on years of Service Credit, plan selection, number covered, and Medicare status. The average subsidy paid to Members is \$696.21, which is significantly less than the maximum, largely due to LACERS' Medicare requirement.

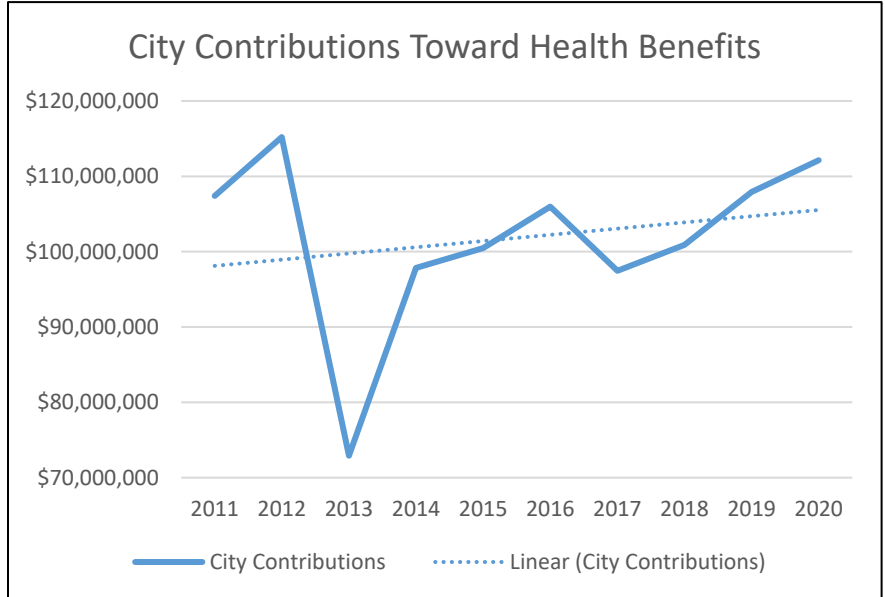
LACERS Premium Cost Trend Is Far Below Assumed Trend

The Assumed Actuarial Medical Trend Rate (AAMTR) is used to estimate the contribution the City needs to make toward LACERS medical benefits each year. LACERS consistently outperforms the AAMTR, especially during the last three years. The average increase in premium costs over the last ten years has been 2.9% versus an average AAMTR of 7.7% during the same period, resulting in reduced costs for the City.



City's Health Contributions Remained Below 2012 Amount

City contributions toward LACERS health benefits (medical and dental) have remained below the 2012 amount of \$115,209,000. When LACERS' premium cost changes are significantly below the AAMTR, this creates an experience gain for the City and can result in decreased contributions in the following year. This along with a subsidy freeze for certain members created a noticeable decrease in the 2013 contribution. Other variables that can impact the City's contribution include, but are not limited to, benefit changes, employee and retiree populations, and legislation.



LACERS Cost Saving Measures

Conducting Requests for Proposals and Annual Requests for Renewals

Approximately every five to seven years, LACERS conducts Requests for Proposals from medical insurance companies to evaluate market costs, create competition, explore program offerings, and seek plans that offer the best value for LACERS and its Members. In the years between RFPs, LACERS submits to each contracted carrier a Request for Renewal, asking the carrier to provide the coming year's premiums and the associated underwriting, as well as any cost adjustments related to potential benefit changes. At the beginning of this process, LACERS and its consultant will meet with each carrier to discuss LACERS' current fiscal situation, service issues, and expectations. Once the renewal information is received, LACERS' health and welfare consultant will review the underwriting accompanying the renewal quote and question any assumption or methodology discrepancies that they have identified. LACERS and its consultant will then meet with each carrier to discuss concerns and seek solutions. These negotiations will continue for two to three months before final premiums are delivered and presented to the Board and have resulted in an average premium savings of approximately \$2.5 million per year (including dental and vision benefits).

Maintaining Strong Working Relationships

LACERS builds its health benefits program on strong relationships with the health plan carriers. LACERS meets with them regularly to review utilization reports, identify areas of concern to inform communications strategies, discuss service issues, and address fiscal and external concerns facing the plans, the City and/or LACERS. This regular engagement and communication has developed a high level of trust and a true sense of partnership between LACERS and its carriers. LACERS becomes aware of utilization and cost trends, organizational changes (such as new medical facilities), and legislation that could impact rates. Along with our carriers and health and welfare consultant, LACERS

provides a clear strategy to minimize any cost impacts and creatively explore options prior to the renewal process.

Medicare Compliance Program

In order to be eligible for a medical subsidy, the Los Angeles Administrative Code requires that Members enroll in Medicare Part B at age 65 (or when they otherwise become eligible) and, if they are able to enroll at no cost, Medicare Part A. LACERS created a Medicare Compliance program which informs Members of the requirements three months before turning age 65, follows up with Members to ensure they enroll in Medicare timely, and assists Members in transitioning to a LACERS Medicare plan. Through the health insurance carriers, LACERS is notified whenever a Member or their dependent loses their Medicare coverage, usually for lack of premium payment to the Centers for Medicare and Medicaid Services. LACERS provides these Members/dependents with up to three months to re-establish their Medicare coverage or else their coverage will be terminated. Additionally, during the time that they are “noncompliant,” they are required to pay the full premium cost of their coverage, as they are no longer eligible for a medical subsidy. If they are able to reinstate their Medicare and LACERS medical plan coverage within this three month window, they will be reimbursed their subsidy payments for the time period they paid out of pocket back to their reinstated Medicare effective date.

This program is significant because it ensures that LACERS medical premium costs remain low. Premiums for Medicare plans are significantly lower than non-Medicare plans. For example, the 2021 non-Medicare single-party plan premiums range between \$853 and \$1,280, whereas the Medicare single-party plan premiums range between \$262 and \$565. And with approximately 70% of our Members being of Medicare age, one can see how enforcing this requirement is critical in maintaining the very reasonable costs associated with this Program.

Regular Plan Design Adjustments

Each year, when LACERS receives the following year’s renewal from the carriers, utilization and cost trends are analyzed to determine if any adjustments need to be made to copayments or coinsurance in any particular areas. Increasing cost trends might be influenced by Member behavior or external variables, such as prescription drug or treatment advertisements, or by changes in the marketplace, such as the development of very expensive specialty drugs that treat chronic or serious medical conditions. If it is determined that a change in cost-sharing can result in long-term cost savings, LACERS will administer such a change. Adjustments to copayments of one kind or another were adopted in the following years: 2002, 2004, 2005, 2007, 2011, 2016, and 2017. Although copayments/coinsurance are usually increased, at times certain copayments have been reduced to influence utilization. For example, the Anthem Blue Cross generic drug copayment was reduced from \$10 to \$5 in 2011, which ultimately resulted in greater utilization of less expensive generic drugs.

With the goal of providing affordable health care so that our Members can better manage their health, benefits are occasionally enhanced or added to the plan design. Examples include: acupuncture and chiropractic services; SilverSneakers, Silver&Fit, and Active&Fit, fitness programs which include free membership at participating gyms; and transportation services to medical appointments and pharmacies. A full listing of plan design changes since 2001 is attached for your reference.

Innovation and Fiscal Responsibility

LACERS continues to explore different means of managing its health program costs. In working with its consultants and carriers, reviewing data, and identifying cost-saving opportunities, LACERS has initiated programs that help maintain lower costs:

- Participating Contracts – LACERS has participating contracts with Anthem Blue Cross (Anthem). These contracts require Anthem to perform a year-end accounting to review the amount of premium payments made and claims costs, and administrative fees paid, and determine the balance. If the balance is negative, LACERS is required to bring the balance to zero. If there is a positive balance of excess premiums, those funds belong to LACERS. Until recently, the premium surpluses were placed in an Anthem-administered Premium Stabilization Reserve account. This had worked out to LACERS advantage, having accumulated several million dollars at various times. The LACERS Board adopted a policy to maintain a minimum balance of 15% of the following year's premium cost of the Anthem plans, and that the Board review alternatives to utilize funds when above this threshold. Traditionally, when sufficient funding existed, LACERS would utilize these funds to pay one month of Anthem premiums, thereby reducing LACERS' costs, and any out-of-pocket Member costs, for that month. In 2019, the Board made a decision to have all surplus funds returned to LACERS.
- Premium Reserves – Two years ago, because the Anthem Premium Stabilization Reserve account generated low interest, the Board decided to have the excess premium monies deposited with LACERS and have them invested alongside LACERS pension funds. At about the same time, LACERS had an unusual situation in which most of the premium changes for the coming year were reductions. It was apparent that this was a rare opportunity for cost savings, but the question was how to take advantage of this opportunity. Several ideas were discussed, but the idea that was most advantageous was to accept the reduced premium, request that the Board maintain the current premiums, and “bank” the difference in a premium reserve account to smooth out sharp increases that are likely to occur in the future and take advantage of any service enhancements. These funds would then be invested alongside LACERS funds to grow the reserve. Approved by the Board, LACERS continues the practice of maintaining premium costs when the carriers provide a premium decrease in the new plan year and depositing the difference to offset future costs. Most recently, these funds were used to add the Active&Fit benefit to our Kaiser Permanente HMO plan. Currently, the reserve balance is over \$2 million.
- Retiree-focused Wellness Program – LACERS regularly communicates with its Members through monthly paycheck flyers, quarterly newsletters, website, LACERS' YouTube channel and videos, Facebook, health workshops, seminars, and events. Much of the retiree communications and events are supported through our carrier-sponsored wellness program, LACERS *Well*. The goal is to keep Members informed on ways to stay healthy and encourage them to seek preventive and health management care, taking advantage of any program offerings, screenings, and support available through their carrier to attain optimal health. The LACERS *Well* program serves two purposes: to provide information and resources to better the health and lives of our retirees and to establish a network of retiree volunteers (our Wellness

Champions) to lead activities within their communities for other retirees in their area. The Champion network not only creates opportunities for Members to stay physically active, but also socially active. And for our champion leaders, it provides a sense of purpose. This proactive approach is also much more cost effective than having Members wait to seek treatment until after a health problem has become critical.

LACERS *Well* was developed based on long-term research by the Gallup organization and focuses on five pillars that enhance overall wellbeing: Purpose, Health, Financial Wellness, Social Engagement, and Community. It is our belief if we help our Members identify and maintain a sense of purpose in retirement, and support it through the other pillars, they will be more motivated to invest in their health. Thousands of Members have participated in our program and participation continues to grow.

Non-Medicare Plans: LACERS vs. Covered California

Recently, LACERS requested that Keenan and Associates (Keenan), LACERS' health and welfare consultant, prepare a report comparing the cost, coverage level, and premium increase trend rate of LACERS medical plans to comparable ones available through Covered California (CC), California's health care exchange. Comparisons were made to plans available in CC regions where the majority of LACERS retirees reside.

CC offers plans based on four different plan designs:

- Platinum – Plans pay 90% or more of healthcare cost
- Gold – Plans pay 80% to 90% of healthcare cost
- Silver – Plans pay 70% to 80% of healthcare cost
- Bronze – Plans pay 60% to 70% of healthcare cost

The coverage provided through LACERS medical plans fell between the amount of coverage provided by Covered California's Gold and Platinum plans, although are more closely aligned with the Platinum plans.

LACERS' Kaiser Permanente (Kaiser) HMO plan was compared to Kaiser Platinum and Gold plans and LACERS' Anthem Blue Cross (Anthem) HMO and PPO plans were compared to Anthem and Blue Shield Platinum and Gold plans.

CC provides coverage to people up to age 64. For the purpose of the report, Keenan compared premium rates for those age 55 (the earliest a LACERS Member can have a normal retirement and receive a subsidy) through 64.

The findings showed that in comparison to CC's Platinum plans, which provide slightly greater coverage than LACERS plans, LACERS' premium rates are lower with a few exceptions for premiums in the age band of 55 – 59. Regarding the Gold plans, which offer significantly less coverage than LACERS plans, LACERS' Kaiser HMO premium is generally lower (approximately two-thirds of our under age 65 covered lives are enrolled in Kaiser HMO). On the other hand, LACERS' Anthem plans are more expensive.

However, it is important to not only look at the current premiums, but also consider the annual premium increases. Overall, LACERS' annual increases are much lower than those of CC. Looking at LACERS plans versus the CC Gold plans, over the last five years, average premium increases were:

- Kaiser HMO
 - LACERS: 2.4%
 - CC Gold: 4.1%
- Anthem HMO
 - LACERS: 1.5%
 - CC Gold: 3.6%
- Anthem PPO
 - LACERS: 3.7%
 - CC Gold: 9.3%

Although some of the Gold plan premiums are currently less than LACERS premiums, based on these trend rates, those CC Gold plan premiums will eventually surpass those of LACERS.

LACERS has benefited from applying a multi-plan year cost benefit strategy. In years where carriers offered rate reductions, LACERS at times has maintained rates and held surpluses in trust. As rates fluctuated over the years, the Trust and cost benefit strategy has resulted in smoothing renewals and rates to retirees over multiple years. This strategy would be forfeited in an exchange model.

Overall, for the amount of coverage provided by LACERS medical plans, LACERS premiums are lower than those available through CC. Please see the attached report for more detailed information.

It is important to note that CC does not provide Medicare health plan options. This is a significant consideration given that about 70% of our retired Members are enrolled in Medicare and remain enrolled in a LACERS Medicare plan for the duration of their lives. Medicare exchanges do exist on the market, but whether it's CC or a Medicare Exchange, there are some administrative issues that can impact cost. It is also important to consider that LACERS retired Members live in several states where comparable healthcare exchanges to CC may not be available. Public exchanges outside of California run the risk of reducing the number of carriers and plans offered in order to control costs. So, an exchange may not be the most reliable source for medical insurance.

Administration: LACERS vs Exchanges

When people go to an exchange, they are free to select any plan within the exchange; they are not limited to just one type of plan. Subsidy dollars would be provided to the exchange on behalf of the Members at the beginning of the plan year, the monies would be placed in the Members' individual accounts, and Members would select whichever plan they want. Given that about two-thirds of our Members have single-party coverage and most do not use their entire subsidy, they may opt for more expensive plans in the exchange, which could actually increase costs. With fewer LACERS plan options available to Members, LACERS' plans offer more stability in plan enrollment and cost predictability.

Moving to an exchange would also create some administrative and cost control issues. Subsidy monies would have to be provided to the exchange at the beginning of the plan year, which can be difficult to project accurately because we can't account for who will leave or change plans, or add dependents (due to qualifying events) during the plan year. Also, plans come and go in exchanges, resulting in Members needing to change plans, which creates less predictability of costs and significant disruption for our Members.

Members are required to be enrolled in Medicare in order to receive a medical subsidy and health coverage through LACERS. If LACERS is not directly contracting with medical plan carriers, staff would not be notified by the carriers when a Member's Medicare coverage lapses. Instead, staff would have to depend on the exchange for such information, which could lead to errors and delays. Delays would mean that subsidy payments continue to be paid inappropriately and Members would need to compensate LACERS greater amounts for the inappropriate subsidy payments.

At the end of the plan year, any remaining balance in a Member's account would roll over to the next year, so overpayments are not returned to settle LACERS' budget. On the other hand, if LACERS initial payment was short, additional monies that might not have been budgeted would need to be paid to the exchange, creating a potential budget shortfall. Additionally, should an unforeseen event occur, such as the Citywide Separation Incentive Program, which creates significant increases in monthly retirements and health plan enrollments, these issues would be magnified.

Switching from group plans to an exchange would require a great deal of time for communication and education for our Members, and could potentially create significant disruption in their lives. We need to keep in mind that our retirees are a senior population, many of whom may be dealing with a variety of income and health issues. Changes are not always easily accepted and many rely on stability in their lives. Some struggle with cognitive issues and may not have assistance to help with the transition; others are in eldercare facilities and a change in medical plan could lead to discharge or increasing costs; or worse yet, if Members fail to understand how to navigate the exchange or are unaware that they need to find new coverage, they may not act and end up without coverage when they need it most. With plans coming in and out of the exchanges, there are many opportunities for Members to fall through the cracks and lose coverage. LACERS works hard on behalf of the Members to ensure their coverage is intact.

With over 20,000 covered lives enrolled in LACERS medical plans, one benefit of continuing to offer healthcare coverage through LACERS group plans is that we are able to leverage our enrolled population against the medical plan carriers to elicit the best outcomes. At an exchange, the Member signs up as an individual and does not have any influence over their health plan costs or services.

LACERS Medical Subsidy

Although medical plan premiums are a good reference to monitor costs, LACERS' cost is the amount of subsidy dollars provided to Members, which may or may not cover their premium costs. LACERS has two subsidy formulas to calculate the amount of medical premium subsidy a retired Member would receive based on age, years of Service Credit, and Medicare enrollment status. Those that are under

age 65, or age 65 and older and enrolled in only Medicare Part B, receive 4% of the maximum subsidy for each year of Service Credit (they must have a minimum of 10 years to be eligible for a subsidy). With 25 or more years of Service Credit, a Member can receive up to the current maximum subsidy of \$1,790.80/month, which can be used to cover the premium cost of the Member and a dependent. The maximum subsidy is sufficient to provide two-party coverage in our Kaiser HMO plan.

The percentage of maximum subsidy a retired Medicare-eligible Member will receive depends on their years of Service Credit:

- 10 – 14 years: 75%
- 15 – 19 years: 90%
- 20+ years: 100%

The maximum subsidy for Members who are age 65 and older and enrolled in Medicare Parts A and B is the single-party premium of their selected LACERS Medicare plan, ranging from \$250.87 - \$564.92. An additional amount may be available to apply toward the cost of a dependent, depending on years of Service Credit and plan selection.

Because the majority of Members are enrolled with single party-coverage and approximately 70% of our Members are enrolled in our lower-cost Medicare plans, the average subsidy paid is \$696.21/month. The maximum subsidy average increase over the last five years is well-below trend at 2.6%.

Over 70% of our Members are enrolled in Medicare, so they wouldn't find coverage through Covered California. They would need to use a Medicare exchange.

Los Angeles Administrative Code Requirements

The Los Angeles Administrative Code authorizes the LACERS Board of Administration to administer health plans for retired LACERS Members, and to make discretionary changes to the design of those plans so long as those changes involve cost increases of no more than one-half of one percent in total annual premium cost. The Administrative Code also establishes the amount of subsidy a retired Member may receive based on age, years of Service and Service Credit, and actual medical plan premiums in plans approved by the LACERS Board of Administration. Members may not receive a subsidy amount that is greater than the actual premiums in the health plan in which they are enrolled, and subsidies may only be paid directly towards premiums in a LACERS-approved plan. The Administrative Code authorizes the Board of Administration to make annual changes to the subsidy amount, subject to statutory limits, including the requirement that no increase exceed the Kaiser two-party non-Medicare Part A and Part B premium. The Administrative Code expressly states that Members who have made additional contributions to LACERS, beginning in 2011, have a vested right to annual subsidy increases at an amount not less than the Kaiser two-party non-Medicare Part A and Part B premium. Because LACERS medical subsidies are tied to LACERS health plan premium amounts, if LACERS were to no longer administer health plans for its retired Members, the Administrative Code would need to be amended to address the calculation of medical subsidies. And, any amendments would need to be consistent with the vested rights expressly recognized by the City Council in the Administrative Code.

Guardians of our Members

LACERS has nearly 16,000 Members and 22,000 covered lives enrolled in its medical plans. LACERS takes its responsibility to provide health care coverage for its Members very seriously. Aside from doing our best to protect LACERS health benefits from rising costs, we also strive to protect our Members from getting lost in the healthcare system.

LACERS has staff that assist Members with any claims or service issues they may be experiencing with their health plan. Often times, Members will attempt to resolve issues on their own through the regular Member Services offered by the health plan, but issues tend to be resolved more positively and efficiently when one of our health advocates are involved. LACERS is able to work directly with the carrier's account team, which can expedite solutions beyond what a Member can on their own.

LACERS offers comprehensive healthcare coverage at fair rates. LACERS ensures Members have appropriate coverage at all times and are comfortable utilizing their plan regularly. Less expensive plans are available in the marketplace, but they tend to offer less coverage and have higher out-of-pocket costs, which can dissuade people from receiving care when they need it and result in greater emergency care costs. LACERS focuses on making decisions based more on long-term costs than short-term costs.

LACERS wants to make sure its Members receive the care they deserve after providing a career of service to the City of Los Angeles.

Conclusion

Aside from premiums, there are other benefits of continuing LACERS retiree group health plans:

- LACERS can leverage its subscriber population and relationship with the health plan carriers to manage costs and plan design.
- LACERS offers support to Members who are enrolling in a plan, have service or claims issues with their plan, or require expedited service due to urgent situations.
- LACERS administers Requests for Proposals as needed to keep its plans competitive with the market and always considers Member disruption in its decision-making.
- LACERS regularly reviews utilization and chronic condition data to inform communication and plan design strategies to help reduce long-term costs.
- LACERS enforces the Los Angeles Administrative Code's Medicare requirement to ensure Members enroll and maintain their enrollment in Medicare, which decreases costs to LACERS and the City, and protects the Member's health by ensuring their coverage remains intact. If Members were enrolled in outside plans, LACERS would not be able to administer this program as efficiently and costs would likely increase.

LACERS plans are stable and costs are more predictable and well-managed. When considering healthcare costs, LACERS is already performing exceptionally well, continually staying well under the assumed actuarial medical trend rate. Looking at the last five years, LACERS' average premium cost increase has been 2.1% versus the assumed actuarial medical trend rate of 6.8%. Annual contract renewal negotiations performed by Keenan has reduced LACERS' premium costs by \$8.1 million.

When looking for affordable high-quality healthcare, considering current premiums, amount of coverage, trend rates, and service to our Members, it is difficult to imagine a better source for our Members than LACERS. There may be less expensive plans on the market, but this usually means less coverage and greater out-of-pocket costs, which could jeopardize our Members' health and lead to increasing premiums.

Prepared By: Alex Rabrenovich, Chief Benefits Analyst

NMG/LP/AR:ar

Attachments: 1. Covered California Analysis for LACERS (Keenan Report)
2. History of LACERS Medical Plan Cost Increases
3. LACERS Historical Medical Subsidy Costs
4. Annual Health Plan Renewal Negotiated Savings
5. Historical Benefit Changes
6. Council File 20-1606

December 31, 2020

BOARD Meeting: 4/27/21
Item IX-A
Attachment 1

Covered California Analysis for LACERS

LACERS requested that Keenan report on how LACERS rates compare to Covered California Rates. Keenan's study Covered California is designed for those who are not of Medicare age nor eligible, therefore the focus of the comparison will be between the LACERS health plans available for retirees age 64 and below (the Kaiser HMO plan, the Anthem HMO plan and the Anthem PPO plan).

About Covered California

- Covered California has 19 regions throughout California. Keenan evaluated the coverage available in Southern California only (regions 15-19 including Los Angeles, San Bernardino, Riverside, Orange and San Diego Counties).
- In these five regions, a variety of health plans have been offered including HMO, EPO, and PPO. Not all carriers nor health plans have been offered in every region since 2016. For this purpose, Keenan chose to focus on those carriers which most closely match and provide comparable coverage to LACERS since 2016. This includes Kaiser Permanente, Anthem Blue Cross, and Blue Shield of California. The following list of carriers represents all carriers in Regions 15-19:
 - Kaiser Permanente
 - Anthem Blue Cross
 - Blue Shield of California
 - Health Net
 - L.A. Care
 - Molina Healthcare
 - Oscar Health
 - Sharp
- Covered California provides rates based on age from 0-14 to age 64. This study focuses on Covered California rates from age 55 to age 64.
- Covered California offers many plan designs and expresses them on a metal tier platform.
 - Platinum – Plans that pay 90% or more of healthcare cost, leaving the individual to pay 10% or less of healthcare cost.
 - Gold – Plans that pay 80% to 90% of healthcare cost, leaving the individual to pay 10% to 20% of healthcare cost.
 - Silver – Plans that pay 70% to 80% of healthcare cost, leaving the individual to pay 20% to 30% of healthcare cost.
 - Bronze - Plans that pay 60% to 70% of healthcare cost, leaving the individual to pay 30% to 40% of healthcare cost.

LACERS' Health plan Comparison to Covered California Health plans

- The LACERS' plan designs would be considered either a Platinum plan or a very high Gold plan. For this purpose, Keenan only focused on comparing the Covered California carrier rates for Platinum and Gold plans.

Plan Design Comparison

Keenan prepared three plan design comparisons.

- Covered California's Kaiser Platinum 90 and Kaiser Gold 80 to LACERS' Kaiser plan.
- Covered California's Anthem Blue Cross and Blue Shield of California Platinum 90 HMO and Gold 80 HMO to LACERS' Anthem Blue Cross HMO plan.
- Covered California's Blue Shield of California Platinum 90 PPO and Gold 80 PPO to LACERS' Anthem Blue Cross PPO plan. Anthem Blue Cross does not offer PPO coverage within these regions Covered CA

The following chart provides a comparison to LACERS' Kaiser plan.

Kaiser	Platinum 90 HMO	LACERS HMO	Gold 80 HMO
Deductible			
Single	\$0	\$0	\$0
Family	\$0	\$0	\$0
Out-of-Pocket Maximum			
Single	\$4,500	\$500	\$8,200
Family	\$9,000	\$1,500	\$16,400
Lifetime Maximum	Unlimited	Unlimited	Unlimited
Physician Services (Copayments)			
Office Visit	\$15	\$20	\$35
Specialist Visit	\$30	\$20	\$65
Inpatient Surgery	No Charge	No Charge	No Charge
Outpatient Surgery	\$25	\$20	\$25
Emergency Room and Urgent Care			
Urgent Care	\$15	\$20	\$35
Emergency Room	\$150	\$100	\$350
Facility Charge			
Inpatient Hospital	\$250/day, 5 day Max.	No Charge	\$600/day, 5 day Max.
Outpatient Facility	\$125	No Charge	\$340
Prescription Drug (Retail Copayments)			
Tier 1 (CC) Generic / Generic (LACERS)	\$5	\$15	\$15
Tier 2 (CC) Preferred Brand / Brand (LACERS)	\$15	\$35	\$55
Tier 3 (CC) Non-Preferred Brand	\$15	N/A	\$55
Tier 4 (CC) Specialty Drugs	10% to \$250	N/A	20% to \$250
100 Day Supply	Tier 1-3 2x, Tier 4 N/A	Tier 1-2 2x	Tier 1-3 2x, Tier 4 N/A

In general, the LACERS' Kaiser plan is slightly less rich in design to the Platinum plan and significantly richer than the Gold plan.

LACERS' Health plan Comparison to Covered California Health plans

The following chart provides a comparison to LACERS' Anthem Blue Cross HMO plan.

HMO	Platinum 90 Anthem HMO	LACERS Anthem HMO	Gold 80 Anthem HMO
Deductible			
Single	\$0	\$0	\$0
Family	\$0	\$0	\$0
Out-of-Pocket Maximum			
Single	\$4,500	\$500	\$8,200
Family	\$9,000	\$1,500	\$16,400
Lifetime Maximum	Unlimited	Unlimited	Unlimited
Physician Services (Copayments)			
Office Visit	\$15	\$20	\$35
Specialist Visit	\$30	\$20	\$65
Inpatient Surgery	No Charge	No Charge	No Charge
Outpatient Surgery	\$25	No Charge	\$40
Emergency Room and Urgent Care			
Urgent Care	\$15	\$20	\$35
Emergency Room	\$150	\$100	\$350
Facility Charge			
Inpatient Hospital	\$250/day, 5 day Max.	No Charge	\$600/day, 5 day Max.
Outpatient Facility	\$100	No Charge	\$300
Prescription Drug (Retail Copayments)			
Tier 1 (CC) Generic / Generic (LACERS)	\$5	\$10	\$15
Tier 2 (CC) Preferred Brand / Brand (LACERS)	\$15	\$30	\$55
Tier 3 (CC) Non-Preferred Brand	\$25	\$50	\$55
Tier 4 (CC) Specialty Drugs	10% to \$250	N/A	20% to \$250
100 Day Supply	Tier 1-4 3x	Tier 1-3 2x	Tier 1-4 3x

In general, the LACERS' Anthem Blue Cross HMO plan is slightly less rich in design to the Anthem Blue Cross Platinum HMO plan and significantly richer than the Anthem Blue Cross Gold HMO plan.

The following chart provides a comparison to LACERS' Anthem Blue Cross PPO plan.

PPO	Blue Shield Platinum 90		LACERS PPO		Blue Shield Gold 80	
	In-Network	Out of Network	In-Network	Out of Network	In-Network	Out of Network
Deductible						
Single	\$0	\$5,000	\$750		\$0	\$5,000
Family	\$0	\$10,000	\$1,500		\$0	\$10,000
Out-of-Pocket Maximum						
Single	\$4,500	\$20,000	\$5,000		\$8,200	\$20,000
Family	\$9,000	\$40,000	\$5,000 per Member		\$16,400	\$40,000
Lifetime Maximum	Unlimited		Unlimited		Unlimited	
Coinsurance Benefit	90%	50%	90%	70%	80%	50%
Physician Services (Copayments / Coinsurance Benefit))						
Office Visit	\$15	50%	\$20	70%	\$35	50%
Specialist Visit	\$30	50%	\$20	70%	\$65	50%
Inpatient Surgery			90%	70%	80%	50%
Outpatient Surgery			90%	70%	80%	50%
Emergency Room and Urgent Care						
Urgent Care	\$15	50%	90% Benefit		\$35	50%
Emergency Room	\$150 copayment / visit		90% Benefit		\$350 copayment / visit	
Prescription Drug (Copayments / Coinsurance Benefit)	Retail		Retail		Retail	
Tier 1 (CC) / Generic (LACERS)	\$5	Not Covered	\$10	80%	\$15	Not Covered
Tier 2 (CC) / Brand (LACERS)	\$15	Not Covered	\$30	80%	\$55	Not Covered
Tier 3 (CC) / Non-Formulary (LACERS)	\$45	Not Covered	\$50	80%	\$80	Not Covered
Tier 4 (CC) / Not Applicable (LACERS)	10% to \$250	Not Covered	N/A	N/A	20% to \$250	Not Covered
	Mail Order		Mail Order		Mail Order	
Tier 1 (CC) / Generic (LACERS)	\$15	Not Covered	\$20	Not Covered	\$45	Not Covered
Tier 2 (CC) / Brand (LACERS)	\$45	Not Covered	\$60	Not Covered	\$165	Not Covered
Tier 3 (CC) / Non-Formulary (LACERS)	\$135	Not Covered	\$100	Not Covered	\$240	Not Covered
Tier 4 (CC) / Not Applicable (LACERS)	10% to \$750	Not Covered	N/A	Not Covered	20% to \$750	Not Covered

In general, the LACERS' Anthem Blue Cross PPO plan is comparable in design to the Anthem Blue Cross Platinum PPO plan and significantly richer than the Anthem Blue Cross Gold PPO plan.

LACERS' Health plan Comparison to Covered California Health plans

Rate Comparison

Keenan compared the LACERS rates to the Covered California Region 15-19 rates for the following coverage:

- LACERS Kaiser HMO plan to Covered California Kaiser HMO Platinum 90 and the Gold 80.
- LACERS Anthem Blue Cross HMO to Covered California Anthem Blue Cross HMO and Blue Shield of California HMO Platinum 90 and Gold 80 plans.
- LACERS Anthem Blue Cross PPO to Covered California Blue Shield of California PPO Platinum 90 and Gold 80 plans (Anthem Blue Cross does not offer PPO coverage through Anthem Blue Cross for Regions 15-19).

The results are summarized in the chart below:

Covered California Platinum Tier				
	Kaiser HMO	Anthem Blue Cross HMO	Blue Shield HMO	Blue Shield PPO
55	2.9%	1.9%	7.2%	3.5%
60	25.2%	24.0%	30.4%	26.0%
64+	38.4%	37.1%	44.2%	39.2%
Covered California Gold Tier				
	Kaiser HMO	Anthem Blue Cross HMO	Blue Shield HMO	Blue Shield PPO
55	-4.3%	-25.5%	-24.1%	-23.0%
60	16.5%	-9.3%	-7.7%	-6.3%
64+	28.8%	0.2%	2.1%	3.6%

For the Platinum plans, the LACERS rates are on average 1.9% to 7.2% lower at age 55, 24.0% to 30.4% lower at age 60, and 37.1% to 44.2% lower at age 64+. Given that the LACERS plans are comparable to slightly less rich in plan design to the Platinum plans, the rate savings realized by LACERS shows a distinct advantage to LACERS not participating in Covered California.

The Gold plans have a significantly less rich plan design to LACERS which must be taken into consideration when evaluating rates. The following provides actual Retiree Only rates used to develop the chart above. Values shown in red, denote favorable values to LACERS.

LACERS' Health plan Comparison to Covered California Health plans

HMO		2021 LACERS vs. Kaiser				
		LACERS - Kaiser HMO Retiree Only Rate				
		\$ 836.31	\$ 836.31	\$ 836.31	\$ 836.31	\$ 836.31
		Kaiser Platinum HMO				
Age		15	16	17	18	19
55		\$ 792.38	\$ 810.08	\$ 880.90	\$ 904.62	\$ 914.80
60		\$ 964.36	\$ 985.91	\$ 1,072.09	\$ 1,100.96	\$ 1,113.35
64+		\$ 1,065.99	\$ 1,089.81	\$ 1,185.06	\$ 1,216.98	\$ 1,230.66
		Platinum Rate Differential to LACERS				
55		-5.3%	-3.1%	5.3%	8.2%	9.4%
60		15.3%	17.9%	28.2%	31.6%	33.1%
64+		27.5%	30.3%	41.7%	45.5%	47.2%
		Kaiser Gold HMO				
		15	16	17	18	19
55		\$ 737.31	\$ 753.78	\$ 819.67	\$ 841.74	\$ 851.21
60		\$ 897.33	\$ 917.38	\$ 997.57	\$ 1,024.43	\$ 1,035.96
64+		\$ 991.89	\$ 1,014.06	\$ 1,102.71	\$ 1,132.38	\$ 1,145.13
		Gold Rate Differential to LACERS				
55		-11.8%	-9.9%	-2.0%	0.6%	1.8%
60		7.3%	9.7%	19.3%	22.5%	23.9%
64+		18.6%	21.3%	31.9%	35.4%	36.9%

HMO	2021 LACERS vs. Anthem Blue Cross					2021 LACERS vs. Blue Shield					
		LACERS - Anthem Blue Cross HMO Retiree Only Rate					LACERS - Anthem Blue Cross HMO Retiree Only Rate				
		\$ 1,060.44	\$ 1,060.44	\$ 1,060.44	\$ 1,060.44	\$ 1,060.44	\$ 1,060.44	\$ 1,060.44	\$ 1,060.44	\$ 1,060.44	
		Anthem Platinum HMO					Blue Shield Platinum HMO				
Age		15	16	17	18	19	15	16	17	18	19
55		\$ 1,033.52	\$ 1,065.20	\$ 1,118.52	\$ 1,104.07		\$ 971.28	\$ 1,230.84	\$ 1,042.53	\$ 1,227.45	\$ 1,210.60
60		\$ 1,257.83	\$ 1,296.40	\$ 1,361.29	\$ 1,343.70		\$ 1,182.09	\$ 1,497.98	\$ 1,268.80	\$ 1,493.85	\$ 1,473.34
64+		\$ 1,390.38	\$ 1,433.01	\$ 1,504.74	\$ 1,485.30		\$ 1,306.65	\$ 1,655.84	\$ 1,402.50	\$ 1,651.28	\$ 1,628.60
		Platinum Rate Differential to LACERS					Platinum Rate Differential to LACERS				
55		-2.5%	0.4%	5.5%	4.1%		-8.4%	16.1%	-1.7%	15.7%	14.2%
60		18.6%	22.3%	28.4%	26.7%		11.5%	41.3%	19.6%	40.9%	38.9%
64+		31.1%	35.1%	41.9%	40.1%		23.2%	56.1%	32.3%	55.7%	53.6%
		Anthem Gold HMO					Blue Shield Gold HMO				
		15	16	17	18	19	15	16	17	18	19
55		\$ 755.64	\$ 778.81	\$ 817.81	\$ 807.22		\$ 687.48	\$ 871.20	\$ 737.91	\$ 868.80	\$ 856.87
60		\$ 919.64	\$ 947.84	\$ 995.31	\$ 982.41		\$ 836.69	\$ 1,060.28	\$ 898.06	\$ 1,057.36	\$ 1,042.84
64+		\$ 1,016.55	\$ 1,047.72	\$ 1,100.19	\$ 1,085.94		\$ 924.86	\$ 1,172.02	\$ 992.70	\$ 1,168.78	\$ 1,152.74
		Gold Rate Differential to LACERS					Gold Rate Differential to LACERS				
55		-28.7%	-26.6%	-22.9%	-23.9%		-35.2%	-17.8%	-30.4%	-18.1%	-19.2%
60		-13.3%	-10.6%	-6.1%	-7.4%		-21.1%	0.0%	-15.3%	-0.3%	-1.7%
64+		-4.1%	-1.2%	3.7%	2.4%		-12.8%	10.5%	-6.4%	10.2%	8.7%

Anthem Blue Cross HMO not available in Region 19 (San Diego County) in 2021.

Renewal Action Comparison

Keenan measured the average renewals experienced by LACERS and by Covered California for the past five years by region and by coverage. The following chart illustrates the results.

LACERS' Health plan Comparison to Covered California Health plans

PPO	2021 LACERS vs. Blue Shield				
	LACERS - Anthem Blue Cross PPO Retiree Only Rate				
	\$ 1,270.65	\$ 1,270.65	\$ 1,270.65	\$ 1,270.65	\$ 1,270.65
	Blue Shield Platinum PPO				
Age	15	16	17	18	19
55	\$ 1,205.59	\$ 1,423.63	\$ 1,256.66	\$ 1,374.89	\$ 1,501.62
60	\$ 1,467.26	\$ 1,732.62	\$ 1,529.41	\$ 1,673.30	\$ 1,827.53
64+	\$ 1,621.88	\$ 1,915.20	\$ 1,690.58	\$ 1,849.63	\$ 2,020.12
	Platinum Rate Differential to LACERS				
55	-5.1%	12.0%	-1.1%	8.2%	18.2%
60	15.5%	36.4%	20.4%	31.7%	43.8%
64+	27.6%	50.7%	33.0%	45.6%	59.0%
	Blue Shield Gold PPO				
	15	16	17	18	19
55	\$ 896.97	\$ 1,059.19	\$ 934.96	\$ 1,022.93	\$ 1,117.21
60	\$ 1,091.64	\$ 1,289.07	\$ 1,137.89	\$ 1,244.94	\$ 1,359.69
64+	\$ 1,206.68	\$ 1,424.91	\$ 1,257.80	\$ 1,376.13	\$ 1,502.97
	Gold Rate Differential to LACERS				
55	-29.4%	-16.6%	-26.4%	-19.5%	-12.1%
60	-14.1%	1.4%	-10.4%	-2.0%	7.0%
64+	-5.0%	12.1%	-1.0%	8.3%	18.3%

Kaiser HMO	2017	2018	2019	2020	2021	3yr Avg	5yr Avg
LACERS	10.5%	3.3%	-2.7%	-2.1%	2.8%	-0.6%	2.4%
Covered CA							
Kaiser Platinum HMO 90	6.7%	5.4%	12.4%	3.6%	-8.3%	2.6%	4.0%
Kaiser Gold HMO 80	4.6%	6.0%	13.2%	2.7%	-6.1%	3.2%	4.1%
Anthem Blue Cross HMO	2017	2018	2019	2020	2021	3yr Avg	5yr Avg
LACERS	-2.0%	7.4%	-9.7%	9.1%	2.9%	0.8%	1.5%
Covered CA							
Anthem/BS Platinum HMO 90	4.6%	14.8%	15.1%	7.3%	-3.4%	6.3%	7.7%
Anthem/BS Gold HMO 80	2.4%	7.8%	7.1%	5.6%	-4.9%	2.6%	3.6%
Anthem Blue Cross PPO	2017	2018	2019	2020	2021	3yr Avg	5yr Avg
LACERS	10.3%	7.5%	-2.4%	0.3%	2.8%	0.2%	3.7%
Covered CA							
Blue Shield Platinum PPO 90	17.7%	20.9%	10.2%	6.9%	-2.9%	4.7%	10.6%
Blue Shield Gold PPO 80	17.2%	15.7%	10.3%	6.4%	-3.0%	4.5%	9.3%

LACERS has enjoyed more favorable renewals than Covered California on both a three-year average and five-year average for both Platinum and Gold coverage.

LACERS' Health plan Comparison to Covered California Health plans

Summary

LACERS has enjoyed offering its members robust coverage at more favorable pricing than Covered California. Additionally, LACERS has demonstrated the ability to negotiate more favorable renewals over the past five years than Covered California. Exceptions to these statements may exist for specific coverage at specific ages. Should LACERS take a more regionalized approach to offering benefits, savings may exist at the trade-off of access to providers (narrowed networks), plan design, and greater administrative costs.

We look forward to reviewing this report with LACERS.

Sincerely,



Bordan Darm
Assistant Vice President
Keenan & Associates

Covered California Rate History Comparison to LACERS' Rate History

Kaiser Platinum HMO – Region 15 and 16 (Los Angeles County)

15 Los Angeles County (northeast) - Kaiser							16 Los Angeles County (southwest) - Kaiser					
	2016	2017	2018	2019	2020	2021	2016	2017	2018	2019	2020	2021
LACERS Rate History / % YOY Change in Rate							LACERS Rate History / % Change in Rate					
	\$ 748.03	\$ 826.43	\$ 853.36	\$ 830.44	\$ 813.14	\$ 836.31	\$ 748.03	\$ 826.43	\$ 853.36	\$ 830.44	\$ 813.14	\$ 836.31
		10.5%	3.3%	-2.7%	-2.1%	2.8%		10.5%	3.3%	-2.7%	-2.1%	2.8%
Covered California Rate History Kaiser Platinum HMO							Covered California Rate History Kaiser Platinum HMO					
55	\$ 670.22	\$ 714.94	\$ 758.66	\$ 846.74	\$ 894.93	\$ 792.38	\$ 701.76	\$ 748.59	\$ 794.36	\$ 886.59	\$ 894.93	\$ 810.08
56	\$ 701.17	\$ 747.96	\$ 793.70	\$ 885.85	\$ 936.26	\$ 828.98	\$ 734.17	\$ 783.16	\$ 831.05	\$ 927.54	\$ 936.26	\$ 847.50
57	\$ 732.43	\$ 781.31	\$ 829.08	\$ 925.34	\$ 978.00	\$ 865.93	\$ 766.90	\$ 818.07	\$ 868.10	\$ 968.89	\$ 978.00	\$ 885.28
58	\$ 765.79	\$ 816.89	\$ 866.84	\$ 967.49	\$ 1,022.54	\$ 905.38	\$ 801.83	\$ 855.34	\$ 907.64	\$ 1,013.02	\$ 1,022.54	\$ 925.60
59	\$ 782.32	\$ 834.53	\$ 885.55	\$ 988.37	\$ 1,044.61	\$ 924.92	\$ 819.14	\$ 873.80	\$ 927.23	\$ 1,034.88	\$ 1,044.61	\$ 945.58
60	\$ 815.68	\$ 870.11	\$ 923.32	\$ 1,030.52	\$ 1,089.16	\$ 964.36	\$ 854.07	\$ 911.06	\$ 966.77	\$ 1,079.01	\$ 1,089.16	\$ 985.91
61	\$ 844.53	\$ 900.89	\$ 955.98	\$ 1,066.97	\$ 1,127.69	\$ 998.47	\$ 884.28	\$ 943.29	\$ 1,000.96	\$ 1,117.18	\$ 1,127.69	\$ 1,020.78
62	\$ 863.47	\$ 921.09	\$ 977.41	\$ 1,090.89	\$ 1,152.97	\$ 1,020.86	\$ 904.10	\$ 964.43	\$ 1,023.41	\$ 1,142.23	\$ 1,152.97	\$ 1,043.66
63	\$ 887.21	\$ 946.42	\$ 1,004.29	\$ 1,120.89	\$ 1,184.67	\$ 1,048.93	\$ 928.96	\$ 990.95	\$ 1,051.55	\$ 1,173.64	\$ 1,184.67	\$ 1,072.36
64+	\$ 901.65	\$ 961.80	\$ 1,020.63	\$ 1,139.10	\$ 1,203.93	\$ 1,065.99	\$ 944.07	\$ 1,007.07	\$ 1,068.63	\$ 1,192.71	\$ 1,203.93	\$ 1,089.81
% Difference in Rates Covered CA vs. LACERS							% Difference in Rates Covered CA vs. LACERS					
55	-10.4%	-13.5%	-11.1%	2.0%	10.1%	-5.3%	-6.2%	-9.4%	-6.9%	6.8%	10.1%	-3.1%
56	-6.3%	-9.5%	-7.0%	6.7%	15.1%	-0.9%	-1.9%	-5.2%	-2.6%	11.7%	15.1%	1.3%
57	-2.1%	-5.5%	-2.8%	11.4%	20.3%	3.5%	2.5%	-1.0%	1.7%	16.7%	20.3%	5.9%
58	2.4%	-1.2%	1.6%	16.5%	25.8%	8.3%	7.2%	3.5%	6.4%	22.0%	25.8%	10.7%
59	4.6%	1.0%	3.8%	19.0%	28.5%	10.6%	9.5%	5.7%	8.7%	24.6%	28.5%	13.1%
60	9.0%	5.3%	8.2%	24.1%	33.9%	15.3%	14.2%	10.2%	13.3%	29.9%	33.9%	17.9%
61	12.9%	9.0%	12.0%	28.5%	38.7%	19.4%	18.2%	14.1%	17.3%	34.5%	38.7%	22.1%
62	15.4%	11.5%	14.5%	31.4%	41.8%	22.1%	20.9%	16.7%	19.9%	37.5%	41.8%	24.8%
63	18.6%	14.5%	17.7%	35.0%	45.7%	25.4%	24.2%	19.9%	23.2%	41.3%	45.7%	28.2%
64+	20.5%	16.4%	19.6%	37.2%	48.1%	27.5%	26.2%	21.9%	25.2%	43.6%	48.1%	30.3%
% YOY Change in Rates							% YOY Change in Rates					
55		6.7%	6.1%	11.6%	5.7%	-11.5%		6.7%	6.1%	11.6%	0.9%	-9.5%
56		6.7%	6.1%	11.6%	5.7%	-11.5%		6.7%	6.1%	11.6%	0.9%	-9.5%
57		6.7%	6.1%	11.6%	5.7%	-11.5%		6.7%	6.1%	11.6%	0.9%	-9.5%
58		6.7%	6.1%	11.6%	5.7%	-11.5%		6.7%	6.1%	11.6%	0.9%	-9.5%
59		6.7%	6.1%	11.6%	5.7%	-11.5%		6.7%	6.1%	11.6%	0.9%	-9.5%
60		6.7%	6.1%	11.6%	5.7%	-11.5%		6.7%	6.1%	11.6%	0.9%	-9.5%
61		6.7%	6.1%	11.6%	5.7%	-11.5%		6.7%	6.1%	11.6%	0.9%	-9.5%
62		6.7%	6.1%	11.6%	5.7%	-11.5%		6.7%	6.1%	11.6%	0.9%	-9.5%
63		6.7%	6.1%	11.6%	5.7%	-11.5%		6.7%	6.1%	11.6%	0.9%	-9.5%
64+		6.7%	6.1%	11.6%	5.7%	-11.5%		6.7%	6.1%	11.6%	0.9%	-9.5%

LACERS' Health plan Comparison to Covered California Health plans

Kaiser Platinum HMO – Region 17 (San Bernardino and Riverside County) and 18 (Orange County)

17 San Bernardino and Riverside Counties - Kaiser							18 Orange County - Kaiser					
	2016	2017	2018	2019	2020	2021	2016	2017	2018	2019	2020	2021
LACERS Rate History / % Change in Rate							LACERS Rate History / % Change in Rate					
	\$ 748.03	\$ 826.43	\$ 853.36	\$ 830.44	\$ 813.14	\$ 836.31	\$ 748.03	\$ 826.43	\$ 853.36	\$ 830.44	\$ 813.14	\$ 836.31
		10.5%	3.3%	-2.7%	-2.1%	2.8%		10.5%	3.3%	-2.7%	-2.1%	2.8%
Covered California Rate History Kaiser Platinum HMO							Covered California Rate History Kaiser Platinum HMO					
55	\$ 708.54	\$ 755.82	\$ 802.03	\$ 895.15	\$ 894.93	\$ 880.90	\$ 765.15	\$ 816.21	\$ 829.22	\$ 966.68	\$ 1,021.69	\$ 904.62
56	\$ 741.26	\$ 790.73	\$ 839.08	\$ 936.50	\$ 936.26	\$ 921.59	\$ 800.49	\$ 853.91	\$ 866.12	\$ 1,011.33	\$ 1,068.88	\$ 946.40
57	\$ 774.31	\$ 825.98	\$ 876.48	\$ 978.25	\$ 978.00	\$ 962.67	\$ 836.17	\$ 891.97	\$ 906.12	\$ 1,056.41	\$ 1,116.52	\$ 988.59
58	\$ 809.57	\$ 863.60	\$ 916.40	\$ 1,022.80	\$ 1,022.54	\$ 1,006.52	\$ 874.26	\$ 932.60	\$ 946.51	\$ 1,104.53	\$ 1,167.38	\$ 1,033.62
59	\$ 827.05	\$ 882.24	\$ 936.19	\$ 1,044.88	\$ 1,044.61	\$ 1,028.24	\$ 893.13	\$ 952.73	\$ 989.63	\$ 1,128.37	\$ 1,192.58	\$ 1,055.93
60	\$ 862.32	\$ 919.86	\$ 976.11	\$ 1,089.44	\$ 1,089.16	\$ 1,072.09	\$ 931.22	\$ 993.36	\$ 1,010.99	\$ 1,176.49	\$ 1,243.43	\$ 1,100.96
61	\$ 892.82	\$ 952.40	\$ 1,010.63	\$ 1,127.97	\$ 1,127.69	\$ 1,110.01	\$ 964.16	\$ 1,028.50	\$ 1,054.10	\$ 1,218.10	\$ 1,287.42	\$ 1,139.90
62	\$ 912.84	\$ 973.75	\$ 1,033.29	\$ 1,153.26	\$ 1,152.97	\$ 1,134.90	\$ 985.77	\$ 1,051.56	\$ 1,091.38	\$ 1,245.41	\$ 1,316.28	\$ 1,165.45
63	\$ 937.94	\$ 1,000.53	\$ 1,061.71	\$ 1,184.98	\$ 1,184.67	\$ 1,166.10	\$ 1,012.88	\$ 1,080.47	\$ 1,115.85	\$ 1,279.66	\$ 1,352.47	\$ 1,197.50
64+	\$ 953.19	\$ 1,016.79	\$ 1,078.98	\$ 1,204.23	\$ 1,203.93	\$ 1,185.06	\$ 1,029.36	\$ 1,098.03	\$ 1,146.54	\$ 1,300.47	\$ 1,374.48	\$ 1,216.98
% Difference in Rates Covered CA vs. LACERS							% Difference in Rates Covered CA vs. LACERS					
55	-5.3%	-8.5%	-6.0%	7.8%	10.1%	5.3%	2.3%	-1.2%	-2.8%	16.4%	25.6%	8.2%
56	-0.9%	-4.3%	-1.7%	12.8%	15.1%	10.2%	7.0%	3.3%	1.5%	21.8%	31.5%	13.2%
57	3.5%	-0.1%	2.7%	17.8%	20.3%	15.1%	11.8%	7.9%	6.2%	27.2%	37.3%	18.2%
58	8.2%	4.5%	7.4%	23.2%	25.8%	20.4%	16.9%	12.8%	10.9%	33.0%	43.6%	23.6%
59	10.6%	6.8%	9.7%	25.8%	28.5%	22.9%	19.4%	15.3%	16.0%	35.9%	46.7%	26.3%
60	15.3%	11.3%	14.4%	31.2%	33.9%	28.2%	24.5%	20.2%	18.5%	41.7%	52.9%	31.6%
61	19.4%	15.2%	18.4%	35.8%	38.7%	32.7%	28.9%	24.5%	23.5%	46.7%	58.3%	36.3%
62	22.0%	17.8%	21.1%	38.9%	41.8%	35.7%	31.8%	27.2%	27.9%	50.0%	61.9%	39.4%
63	25.4%	21.1%	24.4%	42.7%	45.7%	39.4%	35.4%	30.7%	30.8%	54.1%	66.3%	43.2%
64+	27.4%	23.0%	26.4%	45.0%	48.1%	41.7%	37.6%	32.9%	34.4%	56.6%	69.0%	45.5%
% YOY Change in Rates							% YOY Change in Rates					
55		6.7%	6.1%	11.6%	0.0%	-1.6%		6.7%	1.6%	16.6%	5.7%	-11.5%
56		6.7%	6.1%	11.6%	0.0%	-1.6%		6.7%	1.4%	16.8%	5.7%	-11.5%
57		6.7%	6.1%	11.6%	0.0%	-1.6%		6.7%	1.6%	16.6%	5.7%	-11.5%
58		6.7%	6.1%	11.6%	0.0%	-1.6%		6.7%	1.5%	16.7%	5.7%	-11.5%
59		6.7%	6.1%	11.6%	0.0%	-1.6%		6.7%	3.9%	14.0%	5.7%	-11.5%
60		6.7%	6.1%	11.6%	0.0%	-1.6%		6.7%	1.8%	16.4%	5.7%	-11.5%
61		6.7%	6.1%	11.6%	0.0%	-1.6%		6.7%	2.5%	15.6%	5.7%	-11.5%
62		6.7%	6.1%	11.6%	0.0%	-1.6%		6.7%	3.8%	14.1%	5.7%	-11.5%
63		6.7%	6.1%	11.6%	0.0%	-1.6%		6.7%	3.3%	14.7%	5.7%	-11.5%
64+		6.7%	6.1%	11.6%	0.0%	-1.6%		6.7%	4.4%	13.4%	5.7%	-11.5%

LACERS' Health plan Comparison to Covered California Health plans

Kaiser Platinum HMO – Region 19 (San Diego County)

19 San Diego County - Kaiser						
	2016	2017	2018	2019	2020	2021
LACERS Rate History / % Change in Rate						
	\$ 748.03	\$ 826.43	\$ 853.36	\$ 830.44	\$ 813.14	\$ 836.31
		10.5%	3.3%	-2.7%	-2.1%	2.8%
Covered California Rate History Kaiser Platinum HMO						
55	\$ 740.66	\$ 790.09	\$ 838.40	\$ 935.74	\$ 988.99	\$ 914.80
56	\$ 774.87	\$ 826.58	\$ 877.13	\$ 978.96	\$1,034.67	\$ 957.05
57	\$ 809.42	\$ 863.43	\$ 916.23	\$1,022.60	\$1,080.80	\$ 999.71
58	\$ 846.28	\$ 902.76	\$ 957.96	\$1,069.18	\$1,130.02	\$1,045.25
59	\$ 864.55	\$ 922.24	\$ 978.64	\$1,092.26	\$1,154.42	\$1,067.81
60	\$ 901.42	\$ 961.57	\$1,020.37	\$1,138.84	\$1,203.64	\$1,113.35
61	\$ 933.30	\$ 995.58	\$1,056.46	\$1,179.12	\$1,246.22	\$1,152.73
62	\$ 954.23	\$1,017.91	\$1,080.15	\$1,205.56	\$1,274.16	\$1,178.57
63	\$ 980.47	\$1,045.90	\$1,109.85	\$1,238.71	\$1,309.19	\$1,210.98
64+	\$ 996.42	\$1,062.90	\$1,127.88	\$1,258.86	\$1,330.47	\$1,230.66
% Difference in Rates Covered CA vs. LACERS						
55	-1.0%	-4.4%	-1.8%	12.7%	21.6%	9.4%
56	3.6%	0.0%	2.8%	17.9%	27.2%	14.4%
57	8.2%	4.5%	7.4%	23.1%	32.9%	19.5%
58	13.1%	9.2%	12.3%	28.7%	39.0%	25.0%
59	15.6%	11.6%	14.7%	31.5%	42.0%	27.7%
60	20.5%	16.4%	19.6%	37.1%	48.0%	33.1%
61	24.8%	20.5%	23.8%	42.0%	53.3%	37.8%
62	27.6%	23.2%	26.6%	45.2%	56.7%	40.9%
63	31.1%	26.6%	30.1%	49.2%	61.0%	44.8%
64+	33.2%	28.6%	32.2%	51.6%	63.6%	47.2%
% YOY Change in Rates						
55		6.7%	6.1%	11.6%	5.7%	-7.5%
56		6.7%	6.1%	11.6%	5.7%	-7.5%
57		6.7%	6.1%	11.6%	5.7%	-7.5%
58		6.7%	6.1%	11.6%	5.7%	-7.5%
59		6.7%	6.1%	11.6%	5.7%	-7.5%
60		6.7%	6.1%	11.6%	5.7%	-7.5%
61		6.7%	6.1%	11.6%	5.7%	-7.5%
62		6.7%	6.1%	11.6%	5.7%	-7.5%
63		6.7%	6.1%	11.6%	5.7%	-7.5%
64+		6.7%	6.1%	11.6%	5.7%	-7.5%

LACERS' Health plan Comparison to Covered California Health plans
 KaiserGold HMO – Region 15 and 16 (Los Angeles County)

15 Los Angeles County (northeast) - Kaiser							16 Los Angeles County (southwest) - Kaiser					
	2016	2017	2018	2019	2020	2021	2016	2017	2018	2019	2020	2021
LACERS Rate History / % YOY Change in Rate							LACERS Rate History / % Change in Rate					
	\$ 748.03	\$ 826.43	\$ 853.36	\$ 830.44	\$ 813.14	\$ 836.31	\$ 748.03	\$ 826.43	\$ 853.36	\$ 830.44	\$ 813.14	\$ 836.31
		10.5%	3.3%	-2.7%	-2.1%	2.8%		10.5%	3.3%	-2.7%	-2.1%	2.8%
Covered California Rate History Kaiser Gold HMO							Covered California Rate History Kaiser Gold HMO					
55	\$ 619.19	\$ 647.77	\$ 691.15	\$ 776.91	\$ 813.67	\$ 737.31	\$ 648.33	\$ 678.25	\$ 723.68	\$ 813.47	\$ 813.67	\$ 753.78
56	\$ 647.79	\$ 677.69	\$ 723.08	\$ 812.80	\$ 851.26	\$ 771.36	\$ 678.27	\$ 709.58	\$ 757.11	\$ 851.05	\$ 851.26	\$ 788.59
57	\$ 676.66	\$ 707.90	\$ 755.31	\$ 849.03	\$ 889.20	\$ 805.75	\$ 708.51	\$ 741.21	\$ 790.86	\$ 888.98	\$ 889.20	\$ 823.75
58	\$ 707.48	\$ 740.14	\$ 789.71	\$ 887.70	\$ 929.70	\$ 842.45	\$ 740.78	\$ 774.97	\$ 826.88	\$ 929.47	\$ 929.70	\$ 861.27
59	\$ 722.76	\$ 756.12	\$ 806.76	\$ 906.86	\$ 949.77	\$ 860.63	\$ 756.77	\$ 791.70	\$ 844.73	\$ 949.54	\$ 949.77	\$ 879.86
60	\$ 753.58	\$ 788.36	\$ 841.16	\$ 945.53	\$ 990.27	\$ 897.33	\$ 789.04	\$ 825.46	\$ 880.75	\$ 990.03	\$ 990.27	\$ 917.38
61	\$ 780.23	\$ 816.25	\$ 870.92	\$ 978.98	\$ 1,025.30	\$ 929.07	\$ 816.95	\$ 854.66	\$ 911.90	\$ 1,025.05	\$ 1,025.30	\$ 949.83
62	\$ 797.72	\$ 834.55	\$ 890.44	\$ 1,000.93	\$ 1,048.29	\$ 949.90	\$ 835.26	\$ 873.82	\$ 932.35	\$ 1,048.03	\$ 1,048.29	\$ 971.12
63	\$ 819.66	\$ 857.49	\$ 914.93	\$ 1,028.45	\$ 1,077.11	\$ 976.02	\$ 858.23	\$ 897.85	\$ 957.98	\$ 1,076.85	\$ 1,077.11	\$ 997.83
64+	\$ 832.98	\$ 871.44	\$ 929.79	\$ 1,045.17	\$ 1,094.64	\$ 991.89	\$ 872.19	\$ 912.45	\$ 973.56	\$ 1,094.37	\$ 1,094.64	\$ 1,014.06
% Difference in Rates Covered CA vs. LACERS							% Difference in Rates Covered CA vs. LACERS					
55	-17.2%	-21.6%	-19.0%	-6.4%	0.1%	-11.8%	-13.3%	-17.9%	-15.2%	-2.0%	0.1%	-9.9%
56	-13.4%	-18.0%	-15.3%	-2.1%	4.7%	-7.8%	-9.3%	-14.1%	-11.3%	2.5%	4.7%	-5.7%
57	-9.5%	-14.3%	-11.5%	2.2%	9.4%	-3.7%	-5.3%	-10.3%	-7.3%	7.0%	9.4%	-1.5%
58	-5.4%	-10.4%	-7.5%	6.9%	14.3%	0.7%	-1.0%	-6.2%	-3.1%	11.9%	14.3%	3.0%
59	-3.4%	-8.5%	-5.5%	9.2%	16.8%	2.9%	1.2%	-4.2%	-1.0%	14.3%	16.8%	5.2%
60	0.7%	-4.6%	-1.4%	13.9%	21.8%	7.3%	5.5%	-0.1%	3.2%	19.2%	21.8%	9.7%
61	4.3%	-1.2%	2.1%	17.9%	26.1%	11.1%	9.2%	3.4%	6.9%	23.4%	26.1%	13.6%
62	6.6%	1.0%	4.3%	20.5%	28.9%	13.6%	11.7%	5.7%	9.3%	26.2%	28.9%	16.1%
63	9.6%	3.8%	7.2%	23.8%	32.5%	16.7%	14.7%	8.6%	12.3%	29.7%	32.5%	19.3%
64+	11.4%	5.4%	9.0%	25.9%	34.6%	18.6%	16.6%	10.4%	14.1%	31.8%	34.6%	21.3%
% YOY Change in Rates							% YOY Change in Rates					
55		4.6%	6.7%	12.4%	4.7%	-9.4%		4.6%	6.7%	12.4%	0.0%	-7.4%
56		4.6%	6.7%	12.4%	4.7%	-9.4%		4.6%	6.7%	12.4%	0.0%	-7.4%
57		4.6%	6.7%	12.4%	4.7%	-9.4%		4.6%	6.7%	12.4%	0.0%	-7.4%
58		4.6%	6.7%	12.4%	4.7%	-9.4%		4.6%	6.7%	12.4%	0.0%	-7.4%
59		4.6%	6.7%	12.4%	4.7%	-9.4%		4.6%	6.7%	12.4%	0.0%	-7.4%
60		4.6%	6.7%	12.4%	4.7%	-9.4%		4.6%	6.7%	12.4%	0.0%	-7.4%
61		4.6%	6.7%	12.4%	4.7%	-9.4%		4.6%	6.7%	12.4%	0.0%	-7.4%
62		4.6%	6.7%	12.4%	4.7%	-9.4%		4.6%	6.7%	12.4%	0.0%	-7.4%
63		4.6%	6.7%	12.4%	4.7%	-9.4%		4.6%	6.7%	12.4%	0.0%	-7.4%
64+		4.6%	6.7%	12.4%	4.7%	-9.4%		4.6%	6.7%	12.4%	0.0%	-7.4%

LACERS' Health plan Comparison to Covered California Health plans

Kaiser Gold HMO – Region 17 (San Bernardino and Riverside County) and 18 (Orange County)

	17 San Bernardino and Riverside Counties - Kaiser						18 Orange County - Kaiser					
	2016	2017	2018	2019	2020	2021	2016	2017	2018	2019	2020	2021
	LACERS Rate History / % Change in Rate						LACERS Rate History / % Change in Rate					
	\$ 748.03	\$ 826.43	\$ 853.36	\$ 830.44	\$ 813.14	\$ 836.31	\$ 748.03	\$ 826.43	\$ 853.36	\$ 830.44	\$ 813.14	\$ 836.31
		10.5%	3.3%	-2.7%	-2.1%	2.8%		10.5%	3.3%	-2.7%	-2.1%	2.8%
	Covered California Rate History Kaiser Gold HMO						Covered California Rate History Kaiser Gold HMO					
55	\$ 654.59	\$ 684.80	\$ 730.67	\$ 821.33	\$ 813.67	\$ 819.67	\$ 706.89	\$ 739.52	\$ 755.44	\$ 886.96	\$ 928.93	\$ 841.74
56	\$ 684.82	\$ 716.43	\$ 764.42	\$ 859.27	\$ 851.26	\$ 857.53	\$ 739.54	\$ 773.68	\$ 789.05	\$ 927.92	\$ 971.83	\$ 880.62
57	\$ 715.35	\$ 748.37	\$ 798.50	\$ 897.57	\$ 889.20	\$ 895.76	\$ 772.51	\$ 808.17	\$ 825.50	\$ 969.29	\$ 1,015.15	\$ 919.87
58	\$ 747.93	\$ 782.46	\$ 834.87	\$ 938.45	\$ 929.70	\$ 936.56	\$ 807.69	\$ 844.98	\$ 862.30	\$ 1,013.44	\$ 1,061.39	\$ 961.77
59	\$ 764.08	\$ 799.35	\$ 852.89	\$ 958.71	\$ 949.77	\$ 956.77	\$ 825.13	\$ 863.22	\$ 901.57	\$ 1,035.31	\$ 1,084.30	\$ 982.53
60	\$ 796.66	\$ 833.43	\$ 889.26	\$ 999.59	\$ 990.27	\$ 997.57	\$ 860.32	\$ 900.03	\$ 921.03	\$ 1,079.46	\$ 1,130.54	\$ 1,024.43
61	\$ 824.84	\$ 862.91	\$ 920.71	\$ 1,034.95	\$ 1,025.30	\$ 1,032.86	\$ 890.75	\$ 931.86	\$ 960.31	\$ 1,117.64	\$ 1,170.53	\$ 1,060.67
62	\$ 843.33	\$ 882.26	\$ 941.35	\$ 1,058.16	\$ 1,048.29	\$ 1,056.01	\$ 910.72	\$ 952.75	\$ 994.28	\$ 1,142.70	\$ 1,196.77	\$ 1,084.45
63	\$ 866.52	\$ 906.52	\$ 967.24	\$ 1,087.25	\$ 1,077.11	\$ 1,085.05	\$ 935.76	\$ 978.95	\$ 1,016.57	\$ 1,174.12	\$ 1,229.68	\$ 1,114.27
64+	\$ 880.62	\$ 921.27	\$ 982.98	\$ 1,104.93	\$ 1,094.64	\$ 1,102.71	\$ 950.97	\$ 994.86	\$ 1,044.52	\$ 1,193.22	\$ 1,249.68	\$ 1,132.38
	% Difference in Rates Covered CA vs. LACERS						% Difference in Rates Covered CA vs. LACERS					
55	-12.5%	-17.1%	-14.4%	-1.1%	0.1%	-2.0%	-5.5%	-10.5%	-11.5%	6.8%	14.2%	0.6%
56	-8.5%	-13.3%	-10.4%	3.5%	4.7%	2.5%	-1.1%	-6.4%	-7.5%	11.7%	19.5%	5.3%
57	-4.4%	-9.4%	-6.4%	8.1%	9.4%	7.1%	3.3%	-2.2%	-3.3%	16.7%	24.8%	10.0%
58	0.0%	-5.3%	-2.2%	13.0%	14.3%	12.0%	8.0%	2.2%	1.0%	22.0%	30.5%	15.0%
59	2.1%	-3.3%	-0.1%	15.4%	16.8%	14.4%	10.3%	4.5%	5.6%	24.7%	33.3%	17.5%
60	6.5%	0.8%	4.2%	20.4%	21.8%	19.3%	15.0%	8.9%	7.9%	30.0%	39.0%	22.5%
61	10.3%	4.4%	7.9%	24.6%	26.1%	23.5%	19.1%	12.8%	12.5%	34.6%	44.0%	26.8%
62	12.7%	6.8%	10.3%	27.4%	28.9%	26.3%	21.7%	15.3%	16.5%	37.6%	47.2%	29.7%
63	15.8%	9.7%	13.3%	30.9%	32.5%	29.7%	25.1%	18.5%	19.1%	41.4%	51.2%	33.2%
64+	17.7%	11.5%	15.2%	33.1%	34.6%	31.9%	27.1%	20.4%	22.4%	43.7%	53.7%	35.4%
	% YOY Change in Rates						% YOY Change in Rates					
55		4.6%	6.7%	12.4%	-0.9%	0.7%		4.6%	2.2%	17.4%	4.7%	-9.4%
56		4.6%	6.7%	12.4%	-0.9%	0.7%		4.6%	2.0%	17.6%	4.7%	-9.4%
57		4.6%	6.7%	12.4%	-0.9%	0.7%		4.6%	2.1%	17.4%	4.7%	-9.4%
58		4.6%	6.7%	12.4%	-0.9%	0.7%		4.6%	2.0%	17.5%	4.7%	-9.4%
59		4.6%	6.7%	12.4%	-0.9%	0.7%		4.6%	4.4%	14.8%	4.7%	-9.4%
60		4.6%	6.7%	12.4%	-0.9%	0.7%		4.6%	2.3%	17.2%	4.7%	-9.4%
61		4.6%	6.7%	12.4%	-0.9%	0.7%		4.6%	3.1%	16.4%	4.7%	-9.4%
62		4.6%	6.7%	12.4%	-0.9%	0.7%		4.6%	4.4%	14.9%	4.7%	-9.4%
63		4.6%	6.7%	12.4%	-0.9%	0.7%		4.6%	3.8%	15.5%	4.7%	-9.4%
64+		4.6%	6.7%	12.4%	-0.9%	0.7%		4.6%	5.0%	14.2%	4.7%	-9.4%

LACERS' Health plan Comparison to Covered California Health plans

Kaiser Gold HMO – Region 19 (San Diego County)

15 Los Angeles County (northeast) - Non-Kaiser HMO								
	2016	2017	2018	2019	2020		2021	
LACERS Rate History / % YOY Change in Rate								
	\$ 993.74	\$ 973.87	\$ 1,045.94	\$ 944.07	\$ 1,030.45	\$ 1,030.45	\$ 1,060.44	\$ 1,060.44
		-2.0%	7.4%	-9.7%	9.1%	9.1%	2.9%	2.9%
Covered California Rate History Platinum 90 HMO								
Age	Anthem	Anthem	Blue Shield	Blue Shield	Blue Shield	Anthem	Blue Shield	Anthem
55	\$ 700.40	\$ 799.32	\$ 903.20	\$ 966.32	\$ 1,040.08	\$ 1,031.98	\$ 971.28	\$ 1,033.52
56	\$ 732.75	\$ 836.24	\$ 944.92	\$ 1,010.95	\$ 1,088.12	\$ 1,079.64	\$ 1,016.14	\$ 1,081.25
57	\$ 765.41	\$ 873.52	\$ 987.04	\$ 1,056.02	\$ 1,136.63	\$ 1,127.77	\$ 1,061.44	\$ 1,129.45
58	\$ 800.28	\$ 913.31	\$ 1,032.00	\$ 1,104.12	\$ 1,188.40	\$ 1,179.14	\$ 1,109.78	\$ 1,180.90
59	\$ 817.55	\$ 933.02	\$ 1,054.27	\$ 1,127.95	\$ 1,214.05	\$ 1,204.59	\$ 1,133.74	\$ 1,206.39
60	\$ 852.41	\$ 972.81	\$ 1,099.23	\$ 1,176.05	\$ 1,265.82	\$ 1,255.96	\$ 1,182.09	\$ 1,257.83
61	\$ 882.56	\$ 1,007.22	\$ 1,138.11	\$ 1,217.65	\$ 1,310.59	\$ 1,300.38	\$ 1,223.90	\$ 1,302.32
62	\$ 902.35	\$ 1,029.80	\$ 1,163.63	\$ 1,244.95	\$ 1,339.98	\$ 1,329.54	\$ 1,251.34	\$ 1,331.52
63	\$ 927.16	\$ 1,058.11	\$ 1,195.62	\$ 1,279.18	\$ 1,376.82	\$ 1,366.10	\$ 1,285.75	\$ 1,368.13
64+	\$ 942.24	\$ 1,075.32	\$ 1,215.07	\$ 1,299.98	\$ 1,399.21	\$ 1,388.31	\$ 1,306.65	\$ 1,390.38
% Difference in Rates Covered CA vs. LACERS								
55	-29.5%	-17.9%	-13.6%	2.4%	0.9%	0.1%	-8.4%	-2.5%
56	-26.3%	-14.1%	-9.7%	7.1%	5.6%	4.8%	-4.2%	2.0%
57	-23.0%	-10.3%	-5.6%	11.9%	10.3%	9.4%	0.1%	6.5%
58	-19.5%	-6.2%	-1.3%	17.0%	15.3%	14.4%	4.7%	11.4%
59	-17.7%	-4.2%	0.8%	19.5%	17.8%	16.9%	6.9%	13.8%
60	-14.2%	-0.1%	5.1%	24.6%	22.8%	21.9%	11.5%	18.6%
61	-11.2%	3.4%	8.8%	29.0%	27.2%	26.2%	15.4%	22.8%
62	-9.2%	5.7%	11.3%	31.9%	30.0%	29.0%	18.0%	25.6%
63	-6.7%	8.7%	14.3%	35.5%	33.6%	32.6%	21.2%	29.0%
64+	-5.2%	10.4%	16.2%	37.7%	35.8%	34.7%	23.2%	31.1%
% YOY Change in Rates								
55		14.1%	13.0%	7.0%	7.6%	6.8%	-6.6%	0.1%
56		14.1%	13.0%	7.0%	7.6%	6.8%	-6.6%	0.1%
57		14.1%	13.0%	7.0%	7.6%	6.8%	-6.6%	0.1%
58		14.1%	13.0%	7.0%	7.6%	6.8%	-6.6%	0.1%
59		14.1%	13.0%	7.0%	7.6%	6.8%	-6.6%	0.1%
60		14.1%	13.0%	7.0%	7.6%	6.8%	-6.6%	0.1%
61		14.1%	13.0%	7.0%	7.6%	6.8%	-6.6%	0.1%
62		14.1%	13.0%	7.0%	7.6%	6.8%	-6.6%	0.1%
63		14.1%	13.0%	7.0%	7.6%	6.8%	-6.6%	0.1%
64+		14.1%	13.0%	7.0%	7.6%	6.8%	-6.6%	0.1%

LACERS' Health plan Comparison to Covered California Health plans
 Anthem/Blue Shield Platinum HMO – Region 15 (Northeast Los Angeles County)

16 Los Angeles County (southwest) - Non-Kaiser HMO									
	2016	2017		2018	2019	2020		2021	
LACERS Rate History / % YOY Change in Rate									
	\$ 993.74	\$ 973.87	\$ 973.87	\$ 1,045.94	\$ 944.07	\$ 1,030.45	\$ 1,030.45	\$ 1,060.44	\$ 1,060.44
		-2.0%	-2.0%	7.4%	-9.7%	9.1%	9.1%	2.9%	2.9%
Covered California Rate History Platinum 90 HMO									
Age	Anthem	Anthem	Blue Shield	Blue Shield	Blue Shield	Blue Shield	Anthem	Blue Shield	Anthem
55	\$ 712.35	\$ 776.64	\$ 936.91	\$ 1,160.34	\$ 1,241.43	\$ 1,336.19	\$ 1,106.28	\$ 1,230.84	\$ 1,065.20
56	\$ 745.25	\$ 812.51	\$ 980.18	\$ 1,213.93	\$ 1,298.76	\$ 1,397.90	\$ 1,157.38	\$ 1,287.69	\$ 1,114.40
57	\$ 778.48	\$ 848.73	\$ 1,023.87	\$ 1,268.04	\$ 1,356.66	\$ 1,460.22	\$ 1,208.97	\$ 1,345.09	\$ 1,164.08
58	\$ 813.93	\$ 887.39	\$ 1,070.51	\$ 1,325.80	\$ 1,418.45	\$ 1,526.73	\$ 1,264.04	\$ 1,406.36	\$ 1,217.10
59	\$ 831.50	\$ 906.55	\$ 1,093.62	\$ 1,354.42	\$ 1,449.07	\$ 1,559.68	\$ 1,291.32	\$ 1,436.72	\$ 1,243.38
60	\$ 866.96	\$ 945.20	\$ 1,140.25	\$ 1,412.18	\$ 1,510.86	\$ 1,626.19	\$ 1,346.39	\$ 1,497.98	\$ 1,296.40
61	\$ 897.63	\$ 978.64	\$ 1,180.59	\$ 1,462.13	\$ 1,564.31	\$ 1,683.72	\$ 1,394.01	\$ 1,550.97	\$ 1,342.25
62	\$ 917.75	\$ 1,000.58	\$ 1,207.05	\$ 1,494.91	\$ 1,599.38	\$ 1,721.46	\$ 1,425.27	\$ 1,585.74	\$ 1,372.35
63	\$ 942.99	\$ 1,028.09	\$ 1,240.25	\$ 1,536.01	\$ 1,643.36	\$ 1,768.80	\$ 1,464.46	\$ 1,629.35	\$ 1,410.08
64+	\$ 958.32	\$ 1,044.81	\$ 1,260.41	\$ 1,560.99	\$ 1,670.08	\$ 1,797.56	\$ 1,488.27	\$ 1,655.84	\$ 1,433.01
% Difference in Rates Covered CA vs. LACERS									
55	-28.3%	-20.3%	-3.8%	10.9%	31.5%	29.7%	7.4%	16.1%	0.4%
56	-25.0%	-16.6%	0.6%	16.1%	37.6%	35.7%	12.3%	21.4%	5.1%
57	-21.7%	-12.8%	5.1%	21.2%	43.7%	41.7%	17.3%	26.8%	9.8%
58	-18.1%	-8.9%	9.9%	26.8%	50.2%	48.2%	22.7%	32.6%	14.8%
59	-16.3%	-6.9%	12.3%	29.5%	53.5%	51.4%	25.3%	35.5%	17.3%
60	-12.8%	-2.9%	17.1%	35.0%	60.0%	57.8%	30.7%	41.3%	22.3%
61	-9.7%	0.5%	21.2%	39.8%	65.7%	63.4%	35.3%	46.3%	26.6%
62	-7.6%	2.7%	23.9%	42.9%	69.4%	67.1%	38.3%	49.5%	29.4%
63	-5.1%	5.6%	27.4%	46.9%	74.1%	71.7%	42.1%	53.6%	33.0%
64+	-3.6%	7.3%	29.4%	49.2%	76.9%	74.4%	44.4%	56.1%	35.1%
% YOY Change in Rates									
55		-24.9%	31.5%	23.8%	7.0%	7.6%	-10.9%	-7.9%	-3.7%
56		-24.9%	31.5%	23.8%	7.0%	7.6%	-10.9%	-7.9%	-3.7%
57		-24.9%	31.5%	23.8%	7.0%	7.6%	-10.9%	-7.9%	-3.7%
58		-24.9%	31.5%	23.8%	7.0%	7.6%	-10.9%	-7.9%	-3.7%
59		-24.9%	31.5%	23.8%	7.0%	7.6%	-10.9%	-7.9%	-3.7%
60		-24.9%	31.5%	23.8%	7.0%	7.6%	-10.9%	-7.9%	-3.7%
61		-24.9%	31.5%	23.8%	7.0%	7.6%	-10.9%	-7.9%	-3.7%
62		-24.9%	31.5%	23.8%	7.0%	7.6%	-10.9%	-7.9%	-3.7%
63		-24.9%	31.5%	23.8%	7.0%	7.6%	-10.9%	-7.9%	-3.7%
64+		-24.9%	31.5%	23.8%	7.0%	7.6%	-10.9%	-7.9%	-3.7%

LACERS' Health plan Comparison to Covered California Health plans
 Anthem/Blue Shield Platinum HMO – Region 16 (Southwest Los Angeles County)

16 Los Angeles County (southwest) - Non-Kaiser HMO									
	2016	2017		2018	2019	2020		2021	
LACERS Rate History / % YOY Change in Rate									
	\$ 993.74	\$ 973.87	\$ 973.87	\$ 1,045.94	\$ 944.07	\$ 1,030.45	\$ 1,030.45	\$ 1,060.44	\$ 1,060.44
		-2.0%	-2.0%	7.4%	-9.7%	9.1%	9.1%	2.9%	2.9%
Covered California Rate History Platinum 90 HMO									
Age	Anthem	Anthem	Blue Shield	Blue Shield	Blue Shield	Blue Shield	Anthem	Blue Shield	Anthem
55	\$ 712.35	\$ 776.64	\$ 936.91	\$ 1,160.34	\$ 1,241.43	\$ 1,336.19	\$ 1,106.28	\$ 1,230.84	\$ 1,065.20
56	\$ 745.25	\$ 812.51	\$ 980.18	\$ 1,213.93	\$ 1,298.76	\$ 1,397.90	\$ 1,157.38	\$ 1,287.69	\$ 1,114.40
57	\$ 778.48	\$ 848.73	\$ 1,023.87	\$ 1,268.04	\$ 1,356.66	\$ 1,460.22	\$ 1,208.97	\$ 1,345.09	\$ 1,164.08
58	\$ 813.93	\$ 887.39	\$ 1,070.51	\$ 1,325.80	\$ 1,418.45	\$ 1,526.73	\$ 1,264.04	\$ 1,406.36	\$ 1,217.10
59	\$ 831.50	\$ 906.55	\$ 1,093.62	\$ 1,354.42	\$ 1,449.07	\$ 1,559.68	\$ 1,291.32	\$ 1,436.72	\$ 1,243.38
60	\$ 866.96	\$ 945.20	\$ 1,140.25	\$ 1,412.18	\$ 1,510.86	\$ 1,626.19	\$ 1,346.39	\$ 1,497.98	\$ 1,296.40
61	\$ 897.63	\$ 978.64	\$ 1,180.59	\$ 1,462.13	\$ 1,564.31	\$ 1,683.72	\$ 1,394.01	\$ 1,550.97	\$ 1,342.25
62	\$ 917.75	\$ 1,000.58	\$ 1,207.05	\$ 1,494.91	\$ 1,599.38	\$ 1,721.46	\$ 1,425.27	\$ 1,585.74	\$ 1,372.35
63	\$ 942.99	\$ 1,028.09	\$ 1,240.25	\$ 1,536.01	\$ 1,643.36	\$ 1,768.80	\$ 1,464.46	\$ 1,629.35	\$ 1,410.08
64+	\$ 958.32	\$ 1,044.81	\$ 1,260.41	\$ 1,560.99	\$ 1,670.08	\$ 1,797.56	\$ 1,488.27	\$ 1,655.84	\$ 1,433.01
% Difference in Rates Covered CA vs. LACERS									
55	-28.3%	-20.3%	-3.8%	10.9%	31.5%	29.7%	7.4%	16.1%	0.4%
56	-25.0%	-16.6%	0.6%	16.1%	37.6%	35.7%	12.3%	21.4%	5.1%
57	-21.7%	-12.8%	5.1%	21.2%	43.7%	41.7%	17.3%	26.8%	9.8%
58	-18.1%	-8.9%	9.9%	26.8%	50.2%	48.2%	22.7%	32.6%	14.8%
59	-16.3%	-6.9%	12.3%	29.5%	53.5%	51.4%	25.3%	35.5%	17.3%
60	-12.8%	-2.9%	17.1%	35.0%	60.0%	57.8%	30.7%	41.3%	22.3%
61	-9.7%	0.5%	21.2%	39.8%	65.7%	63.4%	35.3%	46.3%	26.6%
62	-7.6%	2.7%	23.9%	42.9%	69.4%	67.1%	38.3%	49.5%	29.4%
63	-5.1%	5.6%	27.4%	46.9%	74.1%	71.7%	42.1%	53.6%	33.0%
64+	-3.6%	7.3%	29.4%	49.2%	76.9%	74.4%	44.4%	56.1%	35.1%
% YOY Change in Rates									
55		-24.9%	31.5%	23.8%	7.0%	7.6%	-10.9%	-7.9%	-3.7%
56		-24.9%	31.5%	23.8%	7.0%	7.6%	-10.9%	-7.9%	-3.7%
57		-24.9%	31.5%	23.8%	7.0%	7.6%	-10.9%	-7.9%	-3.7%
58		-24.9%	31.5%	23.8%	7.0%	7.6%	-10.9%	-7.9%	-3.7%
59		-24.9%	31.5%	23.8%	7.0%	7.6%	-10.9%	-7.9%	-3.7%
60		-24.9%	31.5%	23.8%	7.0%	7.6%	-10.9%	-7.9%	-3.7%
61		-24.9%	31.5%	23.8%	7.0%	7.6%	-10.9%	-7.9%	-3.7%
62		-24.9%	31.5%	23.8%	7.0%	7.6%	-10.9%	-7.9%	-3.7%
63		-24.9%	31.5%	23.8%	7.0%	7.6%	-10.9%	-7.9%	-3.7%
64+		-24.9%	31.5%	23.8%	7.0%	7.6%	-10.9%	-7.9%	-3.7%

LACERS' Health plan Comparison to Covered California Health plans
 Anthem/Blue Shield Platinum HMO – Region 17 (San Bernardino and Riverside County)

17 San Bernardino and Riverside Counties - Non-Kaiser HMO									
	2016	2017		2018	2019	2020		2021	
LACERS Rate History / % YOY Change in Rate									
	\$ 993.74	\$ 973.87	\$ 973.87	\$ 1,045.94	\$ 944.07	\$ 1,030.45	\$ 1,030.45	\$ 1,060.44	\$ 1,060.44
		-2.0%	-2.0%	7.4%	-9.7%	9.1%	9.1%	2.9%	2.9%
Covered California Rate History Platinum 90 HMO									
Age	Anthem	Anthem	Blue Shield	Blue Shield	Blue Shield	Blue Shield	Anthem	Blue Shield	Anthem
55	\$ 742.70	\$ 829.14	\$ 788.97	\$ 976.65	\$ 1,044.90	\$ 1,124.66	\$ 1,162.12	\$ 1,042.53	\$ 1,118.52
56	\$ 777.01	\$ 867.43	\$ 825.41	\$ 1,021.76	\$ 1,093.16	\$ 1,176.61	\$ 1,215.80	\$ 1,090.68	\$ 1,170.19
57	\$ 811.64	\$ 906.10	\$ 862.20	\$ 1,067.30	\$ 1,141.89	\$ 1,229.06	\$ 1,269.99	\$ 1,139.30	\$ 1,222.35
58	\$ 848.61	\$ 947.37	\$ 901.47	\$ 1,115.92	\$ 1,193.90	\$ 1,285.04	\$ 1,327.84	\$ 1,191.19	\$ 1,278.03
59	\$ 866.93	\$ 967.82	\$ 920.93	\$ 1,140.01	\$ 1,219.67	\$ 1,312.78	\$ 1,356.50	\$ 1,216.90	\$ 1,305.61
60	\$ 903.90	\$ 1,009.09	\$ 960.20	\$ 1,188.62	\$ 1,271.68	\$ 1,368.76	\$ 1,414.35	\$ 1,268.80	\$ 1,361.29
61	\$ 935.87	\$ 1,044.79	\$ 994.17	\$ 1,230.66	\$ 1,316.67	\$ 1,417.17	\$ 1,464.38	\$ 1,313.68	\$ 1,409.44
62	\$ 956.85	\$ 1,068.21	\$ 1,016.46	\$ 1,258.25	\$ 1,346.19	\$ 1,448.94	\$ 1,497.21	\$ 1,343.13	\$ 1,441.04
63	\$ 983.16	\$ 1,097.58	\$ 1,044.41	\$ 1,292.85	\$ 1,383.20	\$ 1,488.79	\$ 1,538.38	\$ 1,380.06	\$ 1,480.66
64+	\$ 999.15	\$ 1,115.43	\$ 1,061.39	\$ 1,313.88	\$ 1,405.69	\$ 1,512.99	\$ 1,563.39	\$ 1,402.50	\$ 1,504.74
% Difference in Rates Covered CA vs. LACERS									
55	-25.3%	-14.9%	-19.0%	-6.6%	10.7%	9.1%	12.8%	-1.7%	5.5%
56	-21.8%	-10.9%	-15.2%	-2.3%	15.8%	14.2%	18.0%	2.9%	10.3%
57	-18.3%	-7.0%	-11.5%	2.0%	21.0%	19.3%	23.2%	7.4%	15.3%
58	-14.6%	-2.7%	-7.4%	6.7%	26.5%	24.7%	28.9%	12.3%	20.5%
59	-12.8%	-0.6%	-5.4%	9.0%	29.2%	27.4%	31.6%	14.8%	23.1%
60	-9.0%	3.6%	-1.4%	13.6%	34.7%	32.8%	37.3%	19.6%	28.4%
61	-5.8%	7.3%	2.1%	17.7%	39.5%	37.5%	42.1%	23.9%	32.9%
62	-3.7%	9.7%	4.4%	20.3%	42.6%	40.6%	45.3%	26.7%	35.9%
63	-1.1%	12.7%	7.2%	23.6%	46.5%	44.5%	49.3%	30.1%	39.6%
64+	0.5%	14.5%	9.0%	25.6%	48.9%	46.8%	51.7%	32.3%	41.9%
% YOY Change in Rates									
55		11.6%	6.2%	23.8%	7.0%	7.6%	11.2%	-7.3%	-3.8%
56		11.6%	6.2%	23.8%	7.0%	7.6%	11.2%	-7.3%	-3.8%
57		11.6%	6.2%	23.8%	7.0%	7.6%	11.2%	-7.3%	-3.8%
58		11.6%	6.2%	23.8%	7.0%	7.6%	11.2%	-7.3%	-3.8%
59		11.6%	6.2%	23.8%	7.0%	7.6%	11.2%	-7.3%	-3.8%
60		11.6%	6.2%	23.8%	7.0%	7.6%	11.2%	-7.3%	-3.8%
61		11.6%	6.2%	23.8%	7.0%	7.6%	11.2%	-7.3%	-3.8%
62		11.6%	6.2%	23.8%	7.0%	7.6%	11.2%	-7.3%	-3.8%
63		11.6%	6.2%	23.8%	7.0%	7.6%	11.2%	-7.3%	-3.8%
64+		11.6%	6.2%	23.8%	7.0%	7.6%	11.2%	-7.3%	-3.8%

LACERS' Health plan Comparison to Covered California Health plans
 Anthem/Blue Shield Platinum HMO – Region 18 (Orange County)

18 Orange County - Non-Kaiser HMO									
	2016	2017		2018	2019	2020		2021	
LACERS Rate History / % YOY Change in Rate									
	\$ 993.74	\$ 973.87	\$ 973.87	\$ 1,045.94	\$ 944.07	\$ 1,030.45	\$ 1,030.45	\$ 1,060.44	\$ 1,060.44
		-2.0%	-2.0%	7.4%	-9.7%	9.1%	9.1%	2.9%	2.9%
Covered California Rate History Platinum 90 HMO									
Age	Anthem	Anthem	Blue Shield	Blue Shield	Blue Shield	Blue Shield	Anthem	Blue Shield	Anthem
55	\$ 826.30	\$ 888.12	\$ 904.61	\$ 1,123.35	\$ 1,201.85	\$ 1,293.59	\$ 1,162.12	\$ 1,227.45	\$ 1,104.07
56	\$ 864.47	\$ 929.14	\$ 946.39	\$ 1,175.23	\$ 1,257.36	\$ 1,353.34	\$ 1,215.80	\$ 1,284.14	\$ 1,155.07
57	\$ 903.01	\$ 970.56	\$ 988.58	\$ 1,227.62	\$ 1,313.41	\$ 1,413.67	\$ 1,269.99	\$ 1,341.39	\$ 1,206.56
58	\$ 944.14	\$ 1,014.77	\$ 1,033.60	\$ 1,283.54	\$ 1,373.24	\$ 1,478.06	\$ 1,327.84	\$ 1,402.48	\$ 1,261.51
59	\$ 964.52	\$ 1,036.67	\$ 1,055.91	\$ 1,311.24	\$ 1,402.88	\$ 1,509.96	\$ 1,356.50	\$ 1,432.76	\$ 1,288.75
60	\$ 1,005.65	\$ 1,080.88	\$ 1,100.94	\$ 1,367.16	\$ 1,462.70	\$ 1,574.35	\$ 1,414.35	\$ 1,493.85	\$ 1,343.70
61	\$ 1,041.22	\$ 1,119.11	\$ 1,139.88	\$ 1,415.52	\$ 1,514.44	\$ 1,630.04	\$ 1,464.38	\$ 1,546.69	\$ 1,391.23
62	\$ 1,064.56	\$ 1,144.20	\$ 1,165.44	\$ 1,447.25	\$ 1,548.39	\$ 1,666.59	\$ 1,497.21	\$ 1,581.37	\$ 1,422.42
63	\$ 1,093.83	\$ 1,175.66	\$ 1,197.49	\$ 1,487.05	\$ 1,590.97	\$ 1,712.41	\$ 1,538.38	\$ 1,624.85	\$ 1,461.54
64+	\$ 1,111.62	\$ 1,194.78	\$ 1,216.96	\$ 1,511.23	\$ 1,616.84	\$ 1,740.26	\$ 1,563.39	\$ 1,651.28	\$ 1,485.30
% Difference in Rates Covered CA vs. LACERS									
55	-16.8%	-8.8%	-7.1%	7.4%	27.3%	25.5%	12.8%	15.7%	4.1%
56	-13.0%	-4.6%	-2.8%	12.4%	33.2%	31.3%	18.0%	21.1%	8.9%
57	-9.1%	-0.3%	1.5%	17.4%	39.1%	37.2%	23.2%	26.5%	13.8%
58	-5.0%	4.2%	6.1%	22.7%	45.5%	43.4%	28.9%	32.3%	19.0%
59	-2.9%	6.4%	8.4%	25.4%	48.6%	46.5%	31.6%	35.1%	21.5%
60	1.2%	11.0%	13.0%	30.7%	54.9%	52.8%	37.3%	40.9%	26.7%
61	4.8%	14.9%	17.0%	35.3%	60.4%	58.2%	42.1%	45.9%	31.2%
62	7.1%	17.5%	19.7%	38.4%	64.0%	61.7%	45.3%	49.1%	34.1%
63	10.1%	20.7%	23.0%	42.2%	68.5%	66.2%	49.3%	53.2%	37.8%
64+	11.9%	22.7%	25.0%	44.5%	71.3%	68.9%	51.7%	55.7%	40.1%
% YOY Change in Rates									
55		7.5%	9.5%	24.2%	7.0%	7.6%	-3.3%	-5.1%	-5.0%
56		7.5%	9.5%	24.2%	7.0%	7.6%	-3.3%	-5.1%	-5.0%
57		7.5%	9.5%	24.2%	7.0%	7.6%	-3.3%	-5.1%	-5.0%
58		7.5%	9.5%	24.2%	7.0%	7.6%	-3.3%	-5.1%	-5.0%
59		7.5%	9.5%	24.2%	7.0%	7.6%	-3.3%	-5.1%	-5.0%
60		7.5%	9.5%	24.2%	7.0%	7.6%	-3.3%	-5.1%	-5.0%
61		7.5%	9.5%	24.2%	7.0%	7.6%	-3.3%	-5.1%	-5.0%
62		7.5%	9.5%	24.2%	7.0%	7.6%	-3.3%	-5.1%	-5.0%
63		7.5%	9.5%	24.2%	7.0%	7.6%	-3.3%	-5.1%	-5.0%
64+		7.5%	9.5%	24.2%	7.0%	7.6%	-3.3%	-5.1%	-5.0%

LACERS' Health plan Comparison to Covered California Health plans
 Anthem/Blue Shield Platinum HMO – Region 19 (San Diego County)

19 San Diego County - Non-Kaiser HMO HMO							
	2016	2017		2018	2019	2020	2021
LACERS Rate History / % YOY Change in Rate							
	\$ 993.74	\$ 973.87	\$ 973.87	\$ 1,045.94	\$ 944.07	\$ 1,030.45	\$ 1,060.44
		-2.0%	-2.0%	7.4%	-9.7%	9.1%	2.9%
Covered California Rate History Platinum 90 HMO							
Age	Anthem	Anthem	Blue Shield	Blue Shield	Blue Shield	Blue Shield	Blue Shield
55	\$ 996.05	\$ 1,141.87	\$ 1,133.37	\$ 1,094.34	\$ 1,170.82	\$ 1,260.19	\$ 1,210.60
56	\$ 1,042.06	\$ 1,194.61	\$ 1,185.72	\$ 1,144.89	\$ 1,224.90	\$ 1,318.40	\$ 1,266.51
57	\$ 1,088.51	\$ 1,247.87	\$ 1,238.58	\$ 1,195.93	\$ 1,279.50	\$ 1,377.17	\$ 1,322.97
58	\$ 1,138.09	\$ 1,304.70	\$ 1,294.99	\$ 1,250.40	\$ 1,337.78	\$ 1,439.90	\$ 1,383.23
59	\$ 1,162.66	\$ 1,332.87	\$ 1,322.94	\$ 1,277.39	\$ 1,366.66	\$ 1,470.98	\$ 1,413.09
60	\$ 1,212.24	\$ 1,389.70	\$ 1,379.36	\$ 1,331.86	\$ 1,424.93	\$ 1,533.70	\$ 1,473.34
61	\$ 1,255.11	\$ 1,438.86	\$ 1,428.15	\$ 1,378.97	\$ 1,475.34	\$ 1,587.95	\$ 1,525.46
62	\$ 1,283.25	\$ 1,471.12	\$ 1,460.17	\$ 1,409.89	\$ 1,508.41	\$ 1,623.56	\$ 1,559.66
63	\$ 1,318.54	\$ 1,511.57	\$ 1,500.32	\$ 1,448.65	\$ 1,549.89	\$ 1,668.20	\$ 1,602.55
64+	\$ 1,339.98	\$ 1,536.15	\$ 1,524.71	\$ 1,472.21	\$ 1,575.09	\$ 1,695.33	\$ 1,628.60
% Difference in Rates Covered CA vs. LACERS							
55	0.2%	17.3%	16.4%	4.6%	24.0%	22.3%	14.2%
56	4.9%	22.7%	21.8%	9.5%	29.7%	27.9%	19.4%
57	9.5%	28.1%	27.2%	14.3%	35.5%	33.6%	24.8%
58	14.5%	34.0%	33.0%	19.5%	41.7%	39.7%	30.4%
59	17.0%	36.9%	35.8%	22.1%	44.8%	42.8%	33.3%
60	22.0%	42.7%	41.6%	27.3%	50.9%	48.8%	38.9%
61	26.3%	47.7%	46.6%	31.8%	56.3%	54.1%	43.9%
62	29.1%	51.1%	49.9%	34.8%	59.8%	57.6%	47.1%
63	32.7%	55.2%	54.1%	38.5%	64.2%	61.9%	51.1%
64+	34.8%	57.7%	56.6%	40.8%	66.8%	64.5%	53.6%
% YOY Change in Rates							
55		14.6%	13.8%	-3.4%	7.0%	7.6%	-3.9%
56		14.6%	13.8%	-3.4%	7.0%	7.6%	-3.9%
57		14.6%	13.8%	-3.4%	7.0%	7.6%	-3.9%
58		14.6%	13.8%	-3.4%	7.0%	7.6%	-3.9%
59		14.6%	13.8%	-3.4%	7.0%	7.6%	-3.9%
60		14.6%	13.8%	-3.4%	7.0%	7.6%	-3.9%
61		14.6%	13.8%	-3.4%	7.0%	7.6%	-3.9%
62		14.6%	13.8%	-3.4%	7.0%	7.6%	-3.9%
63		14.6%	13.8%	-3.4%	7.0%	7.6%	-3.9%
64+		14.6%	13.8%	-3.4%	7.0%	7.6%	-3.9%

LACERS' Health plan Comparison to Covered California Health plans
 Anthem/Blue Shield Gold HMO – Region 15 (Northeast Los Angeles County)

15 Los Angeles County (northeast) - Non-Kaiser HMO								
	2016	2017	2018	2019	2020		2021	
LACERS Rate History / % YOY Change in Rate								
	\$ 993.74	\$ 973.87	\$ 1,045.94	\$ 944.07	\$ 1,030.45	\$ 1,030.45	\$ 1,060.44	\$ 1,060.44
		-2.0%	7.4%	-9.7%	9.1%	9.1%	2.9%	2.9%
Covered California Rate History Gold 80 HMO								
Age	Anthem	Anthem	Blue Shield	Blue Shield	Blue Shield	Anthem	Blue Shield	Anthem
55	\$ 603.50	\$ 632.41	\$ 671.25	\$ 708.10	\$ 750.97	\$ 731.84	\$ 687.48	\$ 755.64
56	\$ 631.38	\$ 661.62	\$ 702.25	\$ 740.81	\$ 785.65	\$ 765.64	\$ 719.23	\$ 790.54
57	\$ 659.53	\$ 691.11	\$ 733.55	\$ 773.83	\$ 820.67	\$ 799.77	\$ 751.29	\$ 825.78
58	\$ 689.57	\$ 722.59	\$ 766.97	\$ 809.08	\$ 858.05	\$ 836.20	\$ 785.51	\$ 863.39
59	\$ 704.45	\$ 738.18	\$ 783.52	\$ 826.54	\$ 876.58	\$ 854.25	\$ 802.47	\$ 882.03
60	\$ 734.49	\$ 769.66	\$ 816.93	\$ 861.79	\$ 913.96	\$ 890.68	\$ 836.69	\$ 919.64
61	\$ 760.47	\$ 796.89	\$ 845.83	\$ 892.27	\$ 946.28	\$ 922.19	\$ 866.28	\$ 952.17
62	\$ 777.52	\$ 814.75	\$ 864.79	\$ 912.27	\$ 967.50	\$ 942.86	\$ 885.71	\$ 973.52
63	\$ 798.90	\$ 837.16	\$ 888.57	\$ 937.36	\$ 994.10	\$ 968.79	\$ 910.06	\$ 1,000.29
64+	\$ 811.89	\$ 850.77	\$ 903.02	\$ 952.60	\$ 1,010.27	\$ 984.54	\$ 924.86	\$ 1,016.55
% Difference in Rates Covered CA vs. LACERS								
55	-39.3%	-35.1%	-35.8%	-25.0%	-27.1%	-29.0%	-35.2%	-28.7%
56	-36.5%	-32.1%	-32.9%	-21.5%	-23.8%	-25.7%	-32.2%	-25.5%
57	-33.6%	-29.0%	-29.9%	-18.0%	-20.4%	-22.4%	-29.2%	-22.1%
58	-30.6%	-25.8%	-26.7%	-14.3%	-16.7%	-18.9%	-25.9%	-18.6%
59	-29.1%	-24.2%	-25.1%	-12.4%	-14.9%	-17.1%	-24.3%	-16.8%
60	-26.1%	-21.0%	-21.9%	-8.7%	-11.3%	-13.6%	-21.1%	-13.3%
61	-23.5%	-18.2%	-19.1%	-5.5%	-8.2%	-10.5%	-18.3%	-10.2%
62	-21.8%	-16.3%	-17.3%	-3.4%	-6.1%	-8.5%	-16.5%	-8.2%
63	-19.6%	-14.0%	-15.0%	-0.7%	-3.5%	-6.0%	-14.2%	-5.7%
64+	-18.3%	-12.6%	-13.7%	0.9%	-2.0%	-4.5%	-12.8%	-4.1%
% YOY Change in Rates								
55		4.8%	6.1%	5.5%	6.1%	3.4%	-8.5%	3.3%
56		4.8%	6.1%	5.5%	6.1%	3.4%	-8.5%	3.3%
57		4.8%	6.1%	5.5%	6.1%	3.4%	-8.5%	3.3%
58		4.8%	6.1%	5.5%	6.1%	3.4%	-8.5%	3.3%
59		4.8%	6.1%	5.5%	6.1%	3.4%	-8.5%	3.3%
60		4.8%	6.1%	5.5%	6.1%	3.4%	-8.5%	3.3%
61		4.8%	6.1%	5.5%	6.1%	3.4%	-8.5%	3.3%
62		4.8%	6.1%	5.5%	6.1%	3.4%	-8.5%	3.3%
63		4.8%	6.1%	5.5%	6.1%	3.4%	-8.5%	3.3%
64+		4.8%	6.1%	5.5%	6.1%	3.4%	-8.5%	3.3%

LACERS' Health plan Comparison to Covered California Health plans
 Anthem/Blue Shield Gold HMO – Region 16 (Southwest Los Angeles County)

16 Los Angeles County (southwest) - Non-Kaiser HMO									
	2016	2017		2018	2019	2020		2021	
LACERS Rate History / % YOY Change in Rate									
	\$ 993.74	\$ 973.87	\$ 973.87	\$ 1,045.94	\$ 944.07	\$ 1,030.45	\$ 1,030.45	\$ 1,060.44	\$ 1,060.44
		-2.0%	-2.0%	7.4%	-9.7%	9.1%	9.1%	2.9%	2.9%
Covered California Rate History Gold 80 HMO									
Age	Anthem	Anthem	Blue Shield	Blue Shield	Blue Shield	Blue Shield	Anthem	Blue Shield	Anthem
55	\$ 613.83	\$ 644.98	\$ 758.14	\$ 862.35	\$ 909.69	\$ 964.76	\$ 784.51	\$ 871.20	\$ 778.81
56	\$ 642.18	\$ 674.77	\$ 793.15	\$ 902.18	\$ 951.71	\$ 1,009.32	\$ 820.75	\$ 911.44	\$ 814.78
57	\$ 670.81	\$ 704.85	\$ 828.51	\$ 942.39	\$ 994.14	\$ 1,054.32	\$ 857.34	\$ 952.07	\$ 851.10
58	\$ 701.36	\$ 736.96	\$ 866.25	\$ 985.32	\$ 1,039.42	\$ 1,102.34	\$ 896.39	\$ 995.43	\$ 889.86
59	\$ 716.50	\$ 752.87	\$ 884.94	\$ 1,006.59	\$ 1,061.85	\$ 1,126.13	\$ 915.74	\$ 1,016.92	\$ 909.07
60	\$ 747.06	\$ 784.97	\$ 922.68	\$ 1,049.51	\$ 1,107.13	\$ 1,174.16	\$ 954.79	\$ 1,060.28	\$ 947.84
61	\$ 773.48	\$ 812.74	\$ 955.32	\$ 1,086.63	\$ 1,146.30	\$ 1,215.69	\$ 988.56	\$ 1,097.79	\$ 981.36
62	\$ 790.82	\$ 830.96	\$ 976.74	\$ 1,111.00	\$ 1,172.00	\$ 1,242.94	\$ 1,010.72	\$ 1,122.40	\$ 1,003.37
63	\$ 812.57	\$ 853.81	\$ 1,003.59	\$ 1,141.55	\$ 1,204.22	\$ 1,277.12	\$ 1,038.51	\$ 1,153.26	\$ 1,030.96
64+	\$ 825.78	\$ 867.69	\$ 1,019.91	\$ 1,160.11	\$ 1,223.80	\$ 1,297.89	\$ 1,055.40	\$ 1,172.02	\$ 1,047.72
% Difference in Rates Covered CA vs. LACERS									
55	-38.2%	-33.8%	-22.2%	-17.6%	-3.6%	-6.4%	-23.9%	-17.8%	-26.6%
56	-35.4%	-30.7%	-18.6%	-13.7%	0.8%	-2.1%	-20.4%	-14.1%	-23.2%
57	-32.5%	-27.6%	-14.9%	-9.9%	5.3%	2.3%	-16.8%	-10.2%	-19.7%
58	-29.4%	-24.3%	-11.1%	-5.8%	10.1%	7.0%	-13.0%	-6.1%	-16.1%
59	-27.9%	-22.7%	-9.1%	-3.8%	12.5%	9.3%	-11.1%	-4.1%	-14.3%
60	-24.8%	-19.4%	-5.3%	0.3%	17.3%	13.9%	-7.3%	0.0%	-10.6%
61	-22.2%	-16.5%	-1.9%	3.9%	21.4%	18.0%	-4.1%	3.5%	-7.5%
62	-20.4%	-14.7%	0.3%	6.2%	24.1%	20.6%	-1.9%	5.8%	-5.4%
63	-18.2%	-12.3%	3.1%	9.1%	27.6%	23.9%	0.8%	8.8%	-2.8%
64+	-16.9%	-10.9%	4.7%	10.9%	29.6%	26.0%	2.4%	10.5%	-1.2%
% YOY Change in Rates									
55		-14.6%	23.5%	13.7%	5.5%	6.1%	-13.8%	-9.7%	-0.7%
56		-14.6%	23.5%	13.7%	5.5%	6.1%	-13.8%	-9.7%	-0.7%
57		-14.6%	23.5%	13.7%	5.5%	6.1%	-13.8%	-9.7%	-0.7%
58		-14.6%	23.5%	13.7%	5.5%	6.1%	-13.8%	-9.7%	-0.7%
59		-14.6%	23.5%	13.7%	5.5%	6.1%	-13.8%	-9.7%	-0.7%
60		-14.6%	23.5%	13.7%	5.5%	6.1%	-13.8%	-9.7%	-0.7%
61		-14.6%	23.5%	13.7%	5.5%	6.1%	-13.8%	-9.7%	-0.7%
62		-14.6%	23.5%	13.7%	5.5%	6.1%	-13.8%	-9.7%	-0.7%
63		-14.6%	23.5%	13.7%	5.5%	6.1%	-13.8%	-9.7%	-0.7%
64+		-14.6%	23.5%	13.7%	5.5%	6.1%	-13.8%	-9.7%	-0.7%

LACERS' Health plan Comparison to Covered California Health plans
 Anthem/Blue Shield Gold HMO – Region 17 (San Bernardino and Riverside County)

17 San Bernardino and Riverside Counties - Non-Kaiser HMO									
	2016	2017		2018	2019	2020		2021	
LACERS Rate History / % YOY Change in Rate									
	\$ 993.74	\$ 973.87	\$ 973.87	\$ 1,045.94	\$ 944.07	\$ 1,030.45	\$ 1,030.45	\$ 1,060.44	\$ 1,060.44
		-2.0%	-2.0%	7.4%	-9.7%	9.1%	9.1%	2.9%	2.9%
Covered California Rate History Gold 80 HMO									
Age	Anthem	Anthem	Blue Shield	Blue Shield	Blue Shield	Blue Shield	Anthem	Blue Shield	Anthem
55	\$ 640.01	\$ 688.53	\$ 638.42	\$ 725.83	\$ 765.68	\$ 812.03	\$ 824.12	\$ 737.91	\$ 817.81
56	\$ 669.57	\$ 720.34	\$ 667.91	\$ 759.36	\$ 801.05	\$ 849.54	\$ 862.18	\$ 771.99	\$ 855.58
57	\$ 699.42	\$ 752.45	\$ 697.68	\$ 793.21	\$ 836.76	\$ 887.41	\$ 900.62	\$ 806.40	\$ 893.72
58	\$ 731.28	\$ 786.72	\$ 729.46	\$ 829.34	\$ 874.87	\$ 927.83	\$ 941.64	\$ 843.13	\$ 934.43
59	\$ 747.06	\$ 803.70	\$ 745.21	\$ 847.24	\$ 893.76	\$ 947.86	\$ 961.96	\$ 861.33	\$ 954.60
60	\$ 778.92	\$ 837.97	\$ 776.99	\$ 883.37	\$ 931.87	\$ 988.28	\$ 1,002.99	\$ 898.06	\$ 995.31
61	\$ 806.47	\$ 867.62	\$ 804.47	\$ 914.61	\$ 964.83	\$ 1,023.24	\$ 1,038.46	\$ 929.83	\$ 1,030.51
62	\$ 824.55	\$ 887.07	\$ 822.51	\$ 935.12	\$ 986.46	\$ 1,046.18	\$ 1,061.75	\$ 950.68	\$ 1,053.62
63	\$ 847.22	\$ 911.46	\$ 845.12	\$ 960.83	\$ 1,013.59	\$ 1,074.94	\$ 1,090.94	\$ 976.82	\$ 1,082.59
64+	\$ 861.00	\$ 926.28	\$ 858.87	\$ 976.45	\$ 1,030.07	\$ 1,092.42	\$ 1,108.68	\$ 992.70	\$ 1,100.19
% Difference in Rates Covered CA vs. LACERS									
55	-35.6%	-29.3%	-34.4%	-30.6%	-18.9%	-21.2%	-20.0%	-30.4%	-22.9%
56	-32.6%	-26.0%	-31.4%	-27.4%	-15.1%	-17.6%	-16.3%	-27.2%	-19.3%
57	-29.6%	-22.7%	-28.4%	-24.2%	-11.4%	-13.9%	-12.6%	-24.0%	-15.7%
58	-26.4%	-19.2%	-25.1%	-20.7%	-7.3%	-10.0%	-8.6%	-20.5%	-11.9%
59	-24.8%	-17.5%	-23.5%	-19.0%	-5.3%	-8.0%	-6.6%	-18.8%	-10.0%
60	-21.6%	-14.0%	-20.2%	-15.5%	-1.3%	-4.1%	-2.7%	-15.3%	-6.1%
61	-18.8%	-10.9%	-17.4%	-12.6%	2.2%	-0.7%	0.8%	-12.3%	-2.8%
62	-17.0%	-8.9%	-15.5%	-10.6%	4.5%	1.5%	3.0%	-10.4%	-0.6%
63	-14.7%	-6.4%	-13.2%	-8.1%	7.4%	4.3%	5.9%	-7.9%	2.1%
64+	-13.4%	-4.9%	-11.8%	-6.6%	9.1%	6.0%	7.6%	-6.4%	3.7%
% YOY Change in Rates									
55		7.6%	-0.2%	13.7%	5.5%	6.1%	7.6%	-9.1%	-0.8%
56		7.6%	-0.2%	13.7%	5.5%	6.1%	7.6%	-9.1%	-0.8%
57		7.6%	-0.2%	13.7%	5.5%	6.1%	7.6%	-9.1%	-0.8%
58		7.6%	-0.2%	13.7%	5.5%	6.1%	7.6%	-9.1%	-0.8%
59		7.6%	-0.2%	13.7%	5.5%	6.1%	7.6%	-9.1%	-0.8%
60		7.6%	-0.2%	13.7%	5.5%	6.1%	7.6%	-9.1%	-0.8%
61		7.6%	-0.2%	13.7%	5.5%	6.1%	7.6%	-9.1%	-0.8%
62		7.6%	-0.2%	13.7%	5.5%	6.1%	7.6%	-9.1%	-0.8%
63		7.6%	-0.2%	13.7%	5.5%	6.1%	7.6%	-9.1%	-0.8%
64+		7.6%	-0.2%	13.7%	5.5%	6.1%	7.6%	-9.1%	-0.8%

LACERS' Health plan Comparison to Covered California Health plans
 Anthem/Blue Shield Gold HMO – Region 18 (Orange County)

18 Orange County - Non-Kaiser HMO									
	2016	2017		2018	2019	2020		2021	
LACERS Rate History / % YOY Change in Rate									
	\$ 993.74	\$ 973.87	\$ 973.87	\$ 1,045.94	\$ 944.07	\$ 1,030.45	\$ 1,030.45	\$ 1,060.44	\$ 1,060.44
		-2.0%	-2.0%	7.4%	-9.7%	9.1%	9.1%	2.9%	2.9%
Covered California Rate History Gold 80 HMO									
Age	Anthem	Anthem	Blue Shield	Blue Shield	Blue Shield	Blue Shield	Anthem	Blue Shield	Anthem
55	\$ 712.02	\$ 737.59	\$ 732.00	\$ 834.86	\$ 880.69	\$ 934.01	\$ 824.12	\$ 868.80	\$ 807.22
56	\$ 744.90	\$ 771.66	\$ 765.81	\$ 873.42	\$ 921.37	\$ 977.15	\$ 862.18	\$ 908.92	\$ 844.50
57	\$ 778.11	\$ 806.06	\$ 799.95	\$ 912.35	\$ 962.45	\$ 1,020.71	\$ 900.62	\$ 949.44	\$ 882.15
58	\$ 813.55	\$ 842.78	\$ 836.38	\$ 953.91	\$ 1,006.28	\$ 1,067.20	\$ 941.64	\$ 992.69	\$ 922.33
59	\$ 831.11	\$ 860.97	\$ 854.43	\$ 974.50	\$ 1,028.00	\$ 1,090.24	\$ 961.96	\$ 1,014.12	\$ 942.23
60	\$ 866.55	\$ 897.68	\$ 890.87	\$ 1,016.05	\$ 1,071.84	\$ 1,136.73	\$ 1,002.99	\$ 1,057.36	\$ 982.41
61	\$ 897.20	\$ 929.44	\$ 922.38	\$ 1,051.99	\$ 1,109.75	\$ 1,176.93	\$ 1,038.46	\$ 1,094.76	\$ 1,017.16
62	\$ 917.32	\$ 950.27	\$ 943.06	\$ 1,075.58	\$ 1,134.63	\$ 1,203.32	\$ 1,061.75	\$ 1,119.31	\$ 1,039.97
63	\$ 942.54	\$ 976.40	\$ 968.99	\$ 1,105.16	\$ 1,165.83	\$ 1,236.41	\$ 1,090.94	\$ 1,150.08	\$ 1,068.56
64+	\$ 957.87	\$ 992.28	\$ 984.75	\$ 1,123.13	\$ 1,184.79	\$ 1,256.51	\$ 1,108.68	\$ 1,168.78	\$ 1,085.94
% Difference in Rates Covered CA vs. LACERS									
55	-28.3%	-24.3%	-24.8%	-20.2%	-6.7%	-9.4%	-20.0%	-18.1%	-23.9%
56	-25.0%	-20.8%	-21.4%	-16.5%	-2.4%	-5.2%	-16.3%	-14.3%	-20.4%
57	-21.7%	-17.2%	-17.9%	-12.8%	1.9%	-0.9%	-12.6%	-10.5%	-16.8%
58	-18.1%	-13.5%	-14.1%	-8.8%	6.6%	3.6%	-8.6%	-6.4%	-13.0%
59	-16.4%	-11.6%	-12.3%	-6.8%	8.9%	5.8%	-6.6%	-4.4%	-11.1%
60	-12.8%	-7.8%	-8.5%	-2.9%	13.5%	10.3%	-2.7%	-0.3%	-7.4%
61	-9.7%	-4.6%	-5.3%	0.6%	17.5%	14.2%	0.8%	3.2%	-4.1%
62	-7.7%	-2.4%	-3.2%	2.8%	20.2%	16.8%	3.0%	5.6%	-1.9%
63	-5.2%	0.3%	-0.5%	5.7%	23.5%	20.0%	5.9%	8.5%	0.8%
64+	-3.6%	1.9%	1.1%	7.4%	25.5%	21.9%	7.6%	10.2%	2.4%
% YOY Change in Rates									
55		3.6%	2.8%	14.1%	5.5%	6.1%	-6.4%	-7.0%	-2.1%
56		3.6%	2.8%	14.1%	5.5%	6.1%	-6.4%	-7.0%	-2.1%
57		3.6%	2.8%	14.1%	5.5%	6.1%	-6.4%	-7.0%	-2.1%
58		3.6%	2.8%	14.1%	5.5%	6.1%	-6.4%	-7.0%	-2.1%
59		3.6%	2.8%	14.1%	5.5%	6.1%	-6.4%	-7.0%	-2.1%
60		3.6%	2.8%	14.1%	5.5%	6.1%	-6.4%	-7.0%	-2.1%
61		3.6%	2.8%	14.1%	5.5%	6.1%	-6.4%	-7.0%	-2.1%
62		3.6%	2.8%	14.1%	5.5%	6.1%	-6.4%	-7.0%	-2.1%
63		3.6%	2.8%	14.1%	5.5%	6.1%	-6.4%	-7.0%	-2.1%
64+		3.6%	2.8%	14.1%	5.5%	6.1%	-6.4%	-7.0%	-2.1%

LACERS' Health plan Comparison to Covered California Health plans
 Anthem/Blue Shield Gold HMO – Region 19 (San Diego County)

19 San Diego County - Non-Kaiser HMO HMO							
	2016	2017		2018	2019	2020	2021
LACERS Rate History / % YOY Change in Rate							
	\$ 993.74	\$ 973.87	\$ 973.87	\$ 1,045.94	\$ 944.07	\$ 1,030.45	\$ 1,060.44
		-2.0%	-2.0%	7.4%	-9.7%	9.1%	2.9%
Covered California Rate History Gold 80 HMO							
Age	Anthem	Anthem	Blue Shield	Blue Shield	Blue Shield	Blue Shield	Blue Shield
55	\$ 858.26	\$ 948.24	\$ 917.11	\$ 813.30	\$ 857.96	\$ 909.89	\$ 856.87
56	\$ 897.90	\$ 992.04	\$ 959.47	\$ 850.87	\$ 897.58	\$ 951.92	\$ 896.45
57	\$ 937.93	\$ 1,036.26	\$ 1,002.24	\$ 888.80	\$ 937.60	\$ 994.35	\$ 936.41
58	\$ 980.65	\$ 1,083.46	\$ 1,047.89	\$ 929.28	\$ 980.30	\$ 1,039.64	\$ 979.06
59	\$ 1,001.82	\$ 1,106.85	\$ 1,070.51	\$ 949.34	\$ 1,001.46	\$ 1,062.09	\$ 1,000.19
60	\$ 1,044.54	\$ 1,154.05	\$ 1,116.16	\$ 989.82	\$ 1,044.17	\$ 1,107.38	\$ 1,042.84
61	\$ 1,081.48	\$ 1,194.87	\$ 1,155.64	\$ 1,024.83	\$ 1,081.10	\$ 1,146.55	\$ 1,079.73
62	\$ 1,105.73	\$ 1,221.66	\$ 1,181.55	\$ 1,047.81	\$ 1,105.34	\$ 1,172.25	\$ 1,103.94
63	\$ 1,136.14	\$ 1,255.25	\$ 1,214.04	\$ 1,076.62	\$ 1,135.73	\$ 1,204.49	\$ 1,134.29
64+	\$ 1,154.61	\$ 1,275.66	\$ 1,233.78	\$ 1,094.13	\$ 1,154.20	\$ 1,224.07	\$ 1,152.74
% Difference in Rates Covered CA vs. LACERS							
55	-13.6%	-2.6%	-5.8%	-22.2%	-9.1%	-11.7%	-19.2%
56	-9.6%	1.9%	-1.5%	-18.7%	-4.9%	-7.6%	-15.5%
57	-5.6%	6.4%	2.9%	-15.0%	-0.7%	-3.5%	-11.7%
58	-1.3%	11.3%	7.6%	-11.2%	3.8%	0.9%	-7.7%
59	0.8%	13.7%	9.9%	-9.2%	6.1%	3.1%	-5.7%
60	5.1%	18.5%	14.6%	-5.4%	10.6%	7.5%	-1.7%
61	8.8%	22.7%	18.7%	-2.0%	14.5%	11.3%	1.8%
62	11.3%	25.4%	21.3%	0.2%	17.1%	13.8%	4.1%
63	14.3%	28.9%	24.7%	2.9%	20.3%	16.9%	7.0%
64+	16.2%	31.0%	26.7%	4.6%	22.3%	18.8%	8.7%
% YOY Change in Rates							
55		10.5%	6.9%	-11.3%	5.5%	6.1%	-5.8%
56		10.5%	6.9%	-11.3%	5.5%	6.1%	-5.8%
57		10.5%	6.9%	-11.3%	5.5%	6.1%	-5.8%
58		10.5%	6.9%	-11.3%	5.5%	6.1%	-5.8%
59		10.5%	6.9%	-11.3%	5.5%	6.1%	-5.8%
60		10.5%	6.9%	-11.3%	5.5%	6.1%	-5.8%
61		10.5%	6.9%	-11.3%	5.5%	6.1%	-5.8%
62		10.5%	6.9%	-11.3%	5.5%	6.1%	-5.8%
63		10.5%	6.9%	-11.3%	5.5%	6.1%	-5.8%
64+		10.5%	6.9%	-11.3%	5.5%	6.1%	-5.8%

LACERS' Health plan Comparison to Covered California Health plans

Anthem/Blue Shield Platinum PPO – Region 15 (Northeast Los Angeles County) and Region 16 (Southwest Los Angeles County)

15 Los Angeles County (northeast) - PPO							16 Los Angeles County (southwest) - PPO					
	2016	2017	2018	2019	2020	2021	2016	2017	2018	2019	2020	2021
LACERS Rate History / % YOY Change in Rate							LACERS Rate History / % Change in Rate					
	\$ 1,064.68	\$ 1,174.34	\$ 1,262.42	\$ 1,231.62	\$ 1,235.44	\$ 1,270.65	\$ 1,064.68	\$ 1,174.34	\$ 1,262.42	\$ 1,231.62	\$ 1,235.44	\$ 1,270.65
		10.3%	7.5%	-2.4%	0.3%	2.8%		10.3%	7.5%	-2.4%	0.3%	2.8%
Age	Covered California Rate History Blue Shield Platinum 90 PPO						Covered California Rate History Blue Shield Platinum 90 PPO					
55	\$ 688.44	\$ 823.41	\$ 987.22	\$ 1,130.70	\$ 1,214.84	\$ 1,205.59	\$ 894.04	\$ 1,056.80	\$ 1,347.45	\$ 1,418.64	\$ 1,478.48	\$ 1,423.63
56	\$ 720.24	\$ 861.44	\$ 1,032.82	\$ 1,182.93	\$ 1,270.95	\$ 1,261.28	\$ 935.33	\$ 1,105.61	\$ 1,409.69	\$ 1,484.16	\$ 1,546.77	\$ 1,489.39
57	\$ 752.35	\$ 899.84	\$ 1,078.86	\$ 1,235.66	\$ 1,327.61	\$ 1,317.50	\$ 977.03	\$ 1,154.89	\$ 1,472.53	\$ 1,550.32	\$ 1,615.72	\$ 1,555.78
58	\$ 786.61	\$ 940.82	\$ 1,128.00	\$ 1,291.94	\$ 1,388.08	\$ 1,377.51	\$ 1,021.53	\$ 1,207.50	\$ 1,539.60	\$ 1,620.94	\$ 1,689.31	\$ 1,626.64
59	\$ 803.59	\$ 961.13	\$ 1,152.35	\$ 1,319.83	\$ 1,418.04	\$ 1,407.25	\$ 1,043.58	\$ 1,233.56	\$ 1,572.83	\$ 1,655.92	\$ 1,725.78	\$ 1,661.75
60	\$ 837.86	\$ 1,002.12	\$ 1,201.49	\$ 1,376.11	\$ 1,478.51	\$ 1,467.26	\$ 1,088.08	\$ 1,286.16	\$ 1,639.90	\$ 1,726.54	\$ 1,799.37	\$ 1,732.62
61	\$ 867.50	\$ 1,037.57	\$ 1,243.99	\$ 1,424.78	\$ 1,530.81	\$ 1,519.16	\$ 1,126.57	\$ 1,331.66	\$ 1,697.91	\$ 1,787.61	\$ 1,863.02	\$ 1,793.90
62	\$ 886.95	\$ 1,060.83	\$ 1,271.88	\$ 1,456.73	\$ 1,565.13	\$ 1,553.22	\$ 1,151.82	\$ 1,361.51	\$ 1,735.98	\$ 1,827.69	\$ 1,904.79	\$ 1,834.12
63	\$ 911.34	\$ 1,090.00	\$ 1,306.85	\$ 1,496.78	\$ 1,608.16	\$ 1,595.93	\$ 1,183.50	\$ 1,398.95	\$ 1,783.71	\$ 1,877.94	\$ 1,957.17	\$ 1,884.56
64+	\$ 926.15	\$ 1,107.72	\$ 1,328.10	\$ 1,521.12	\$ 1,634.31	\$ 1,621.88	\$ 1,202.74	\$ 1,421.70	\$ 1,812.72	\$ 1,908.48	\$ 1,988.99	\$ 1,915.20
% Difference in Rates Covered CA vs. LACERS							% Difference in Rates Covered CA vs. LACERS					
55	-35.3%	-29.9%	-21.8%	-8.2%	-1.7%	-5.1%	-16.0%	-10.0%	6.7%	15.2%	19.7%	12.0%
56	-32.4%	-26.6%	-18.2%	-4.0%	2.9%	-0.7%	-12.1%	-5.9%	11.7%	20.5%	25.2%	17.2%
57	-29.3%	-23.4%	-14.5%	0.3%	7.5%	3.7%	-8.2%	-1.7%	16.6%	25.9%	30.8%	22.4%
58	-26.1%	-19.9%	-10.6%	4.9%	12.4%	8.4%	-4.1%	2.8%	22.0%	31.6%	36.7%	28.0%
59	-24.5%	-18.2%	-8.7%	7.2%	14.8%	10.8%	-2.0%	5.0%	24.6%	34.5%	39.7%	30.8%
60	-21.3%	-14.7%	-4.8%	11.7%	19.7%	15.5%	2.2%	9.5%	29.9%	40.2%	45.6%	36.4%
61	-18.5%	-11.6%	-1.5%	15.7%	23.9%	19.6%	5.8%	13.4%	34.5%	45.1%	50.8%	41.2%
62	-16.7%	-9.7%	0.7%	18.3%	26.7%	22.2%	8.2%	15.9%	37.5%	48.4%	54.2%	44.3%
63	-14.4%	-7.2%	3.5%	21.5%	30.2%	25.6%	11.2%	19.1%	41.3%	52.5%	58.4%	48.3%
64+	-13.0%	-5.7%	5.2%	23.5%	32.3%	27.6%	13.0%	21.1%	43.6%	55.0%	61.0%	50.7%
% YOY Change in Rates							% YOY Change in Rates					
55		19.6%	19.9%	14.5%	7.4%	-0.8%		18.2%	27.5%	5.3%	4.2%	-3.7%
56		19.6%	19.9%	14.5%	7.4%	-0.8%		18.2%	27.5%	5.3%	4.2%	-3.7%
57		19.6%	19.9%	14.5%	7.4%	-0.8%		18.2%	27.5%	5.3%	4.2%	-3.7%
58		19.6%	19.9%	14.5%	7.4%	-0.8%		18.2%	27.5%	5.3%	4.2%	-3.7%
59		19.6%	19.9%	14.5%	7.4%	-0.8%		18.2%	27.5%	5.3%	4.2%	-3.7%
60		19.6%	19.9%	14.5%	7.4%	-0.8%		18.2%	27.5%	5.3%	4.2%	-3.7%
61		19.6%	19.9%	14.5%	7.4%	-0.8%		18.2%	27.5%	5.3%	4.2%	-3.7%
62		19.6%	19.9%	14.5%	7.4%	-0.8%		18.2%	27.5%	5.3%	4.2%	-3.7%
63		19.6%	19.9%	14.5%	7.4%	-0.8%		18.2%	27.5%	5.3%	4.2%	-3.7%
64+		19.6%	19.9%	14.5%	7.4%	-0.8%		18.2%	27.5%	5.3%	4.2%	-3.7%

LACERS' Health plan Comparison to Covered California Health plans

Anthem/Blue Shield Platinum PPO – Region 17 (San Bernardino and Riverside County) and Region 18 (Orange County)

	17 San Bernardino and Riverside Counties - PPO						18 Orange County - PPO					
	2016	2017	2018	2019	2020	2021	2016	2017	2018	2019	2020	2021
	LACERS Rate History / % Change in Rate						LACERS Rate History / % Change in Rate					
	\$ 1,064.68	\$ 1,174.34	\$ 1,262.42	\$ 1,231.62	\$ 1,235.44	\$ 1,270.65	\$ 1,064.68	\$ 1,174.34	\$ 1,262.42	\$ 1,231.62	\$ 1,235.44	\$ 1,270.65
		10.3%	7.5%	-2.4%	0.3%	2.8%		10.3%	7.5%	-2.4%	0.3%	2.8%
Age	Covered California Rate History Blue Shield Platinum 90 PPO						Covered California Rate History Blue Shield Platinum 90 PPO					
55	\$ 772.70	\$ 904.27	\$ 1,097.13	\$ 1,234.52	\$ 1,317.26	\$ 1,256.66	\$ 858.46	\$ 1,001.83	\$ 1,148.59	\$ 1,302.39	\$ 1,401.90	\$ 1,374.89
56	\$ 808.39	\$ 946.03	\$ 1,147.80	\$ 1,291.54	\$ 1,378.11	\$ 1,314.71	\$ 898.11	\$ 1,048.10	\$ 1,199.70	\$ 1,362.55	\$ 1,466.66	\$ 1,438.40
57	\$ 844.43	\$ 988.21	\$ 1,198.97	\$ 1,349.11	\$ 1,439.54	\$ 1,373.31	\$ 938.15	\$ 1,094.82	\$ 1,255.11	\$ 1,423.29	\$ 1,532.04	\$ 1,502.52
58	\$ 882.89	\$ 1,033.22	\$ 1,253.58	\$ 1,410.56	\$ 1,505.11	\$ 1,435.87	\$ 980.88	\$ 1,144.69	\$ 1,311.06	\$ 1,488.12	\$ 1,601.82	\$ 1,570.96
59	\$ 901.94	\$ 1,055.52	\$ 1,280.64	\$ 1,441.01	\$ 1,537.60	\$ 1,466.86	\$ 1,002.05	\$ 1,169.40	\$ 1,370.78	\$ 1,520.24	\$ 1,636.39	\$ 1,604.87
60	\$ 940.41	\$ 1,100.53	\$ 1,335.25	\$ 1,502.46	\$ 1,603.16	\$ 1,529.41	\$ 1,044.78	\$ 1,219.26	\$ 1,400.37	\$ 1,585.07	\$ 1,706.17	\$ 1,673.30
61	\$ 973.67	\$ 1,139.46	\$ 1,382.48	\$ 1,555.60	\$ 1,659.87	\$ 1,583.51	\$ 1,081.74	\$ 1,262.39	\$ 1,460.08	\$ 1,641.13	\$ 1,766.53	\$ 1,732.49
62	\$ 995.50	\$ 1,165.00	\$ 1,413.48	\$ 1,590.48	\$ 1,697.08	\$ 1,619.01	\$ 1,105.99	\$ 1,290.70	\$ 1,511.73	\$ 1,677.93	\$ 1,806.13	\$ 1,771.33
63	\$ 1,022.87	\$ 1,197.04	\$ 1,452.34	\$ 1,634.21	\$ 1,743.75	\$ 1,663.53	\$ 1,136.40	\$ 1,326.19	\$ 1,545.62	\$ 1,724.07	\$ 1,855.79	\$ 1,820.04
64+	\$ 1,039.51	\$ 1,216.50	\$ 1,475.96	\$ 1,660.78	\$ 1,772.10	\$ 1,690.58	\$ 1,154.88	\$ 1,347.75	\$ 1,588.12	\$ 1,752.10	\$ 1,885.97	\$ 1,849.63
	% Difference in Rates Covered CA vs. LACERS						% Difference in Rates Covered CA vs. LACERS					
55	-27.4%	-23.0%	-13.1%	0.2%	6.6%	-1.1%	-19.4%	-14.7%	-9.0%	5.7%	13.5%	8.2%
56	-24.1%	-19.4%	-9.1%	4.9%	11.5%	3.5%	-15.6%	-10.7%	-5.0%	10.6%	18.7%	13.2%
57	-20.7%	-15.8%	-5.0%	9.5%	16.5%	8.1%	-11.9%	-6.8%	-0.6%	15.6%	24.0%	18.2%
58	-17.1%	-12.0%	-0.7%	14.5%	21.8%	13.0%	-7.9%	-2.5%	3.9%	20.8%	29.7%	23.6%
59	-15.3%	-10.1%	1.4%	17.0%	24.5%	15.4%	-5.9%	-0.4%	8.6%	23.4%	32.5%	26.3%
60	-11.7%	-6.3%	5.8%	22.0%	29.8%	20.4%	-1.9%	3.8%	10.9%	28.7%	38.1%	31.7%
61	-8.5%	-3.0%	9.5%	26.3%	34.4%	24.6%	1.6%	7.5%	15.7%	33.2%	43.0%	36.3%
62	-6.5%	-0.8%	12.0%	29.1%	37.4%	27.4%	3.9%	9.9%	19.7%	36.2%	46.2%	39.4%
63	-3.9%	1.9%	15.0%	32.7%	41.1%	30.9%	6.7%	12.9%	22.4%	40.0%	50.2%	43.2%
64+	-2.4%	3.6%	16.9%	34.8%	43.4%	33.0%	8.5%	14.8%	25.8%	42.3%	52.7%	45.6%
	% YOY Change in Rates						% YOY Change in Rates					
55		17.0%	21.3%	12.5%	6.7%	-4.6%		16.7%	14.6%	13.4%	7.6%	-1.9%
56		17.0%	21.3%	12.5%	6.7%	-4.6%		16.7%	14.5%	13.6%	7.6%	-1.9%
57		17.0%	21.3%	12.5%	6.7%	-4.6%		16.7%	14.6%	13.4%	7.6%	-1.9%
58		17.0%	21.3%	12.5%	6.7%	-4.6%		16.7%	14.5%	13.5%	7.6%	-1.9%
59		17.0%	21.3%	12.5%	6.7%	-4.6%		16.7%	17.2%	10.9%	7.6%	-1.9%
60		17.0%	21.3%	12.5%	6.7%	-4.6%		16.7%	14.9%	13.2%	7.6%	-1.9%
61		17.0%	21.3%	12.5%	6.7%	-4.6%		16.7%	15.7%	12.4%	7.6%	-1.9%
62		17.0%	21.3%	12.5%	6.7%	-4.6%		16.7%	17.1%	11.0%	7.6%	-1.9%
63		17.0%	21.3%	12.5%	6.7%	-4.6%		16.7%	16.5%	11.5%	7.6%	-1.9%
64+		17.0%	21.3%	12.5%	6.7%	-4.6%		16.7%	17.8%	10.3%	7.6%	-1.9%

LACERS' Health plan Comparison to Covered California Health plans
 Anthem/Blue Shield Platinum PPO – Region 19 (San Diego County)

19 San Diego County - PPO						
	2016	2017	2018	2019	2020	2021
LACERS Rate History / % Change in Rate						
	\$ 1,064.68	\$ 1,174.34	\$ 1,262.42	\$ 1,231.62	\$ 1,235.44	\$ 1,270.65
		10.3%	7.5%	-2.4%	0.3%	2.8%
Age	Covered California Rate History Blue Shield Platinum 90 PPO					
55	\$ 962.85	\$ 1,125.54	\$ 1,351.57	\$ 1,437.50	\$ 1,559.06	\$ 1,501.62
56	\$ 1,007.32	\$ 1,177.52	\$ 1,413.99	\$ 1,503.90	\$ 1,631.07	\$ 1,570.98
57	\$ 1,052.22	\$ 1,230.01	\$ 1,477.03	\$ 1,570.94	\$ 1,703.78	\$ 1,641.01
58	\$ 1,100.15	\$ 1,286.04	\$ 1,544.30	\$ 1,642.49	\$ 1,781.38	\$ 1,715.75
59	\$ 1,123.90	\$ 1,313.80	\$ 1,577.64	\$ 1,677.95	\$ 1,819.83	\$ 1,752.79
60	\$ 1,171.82	\$ 1,369.82	\$ 1,644.91	\$ 1,749.50	\$ 1,897.43	\$ 1,827.53
61	\$ 1,213.27	\$ 1,418.28	\$ 1,703.09	\$ 1,811.38	\$ 1,964.55	\$ 1,892.18
62	\$ 1,240.48	\$ 1,450.07	\$ 1,741.28	\$ 1,851.99	\$ 2,008.59	\$ 1,934.60
63	\$ 1,274.59	\$ 1,489.95	\$ 1,789.16	\$ 1,902.92	\$ 2,063.83	\$ 1,987.80
64+	\$ 1,295.31	\$ 1,514.17	\$ 1,818.25	\$ 1,933.86	\$ 2,097.38	\$ 2,020.12
% Difference in Rates Covered CA vs. LACERS						
55	-9.6%	-4.2%	7.1%	16.7%	26.2%	18.2%
56	-5.4%	0.3%	12.0%	22.1%	32.0%	23.6%
57	-1.2%	4.7%	17.0%	27.6%	37.9%	29.1%
58	3.3%	9.5%	22.3%	33.4%	44.2%	35.0%
59	5.6%	11.9%	25.0%	36.2%	47.3%	37.9%
60	10.1%	16.6%	30.3%	42.0%	53.6%	43.8%
61	14.0%	20.8%	34.9%	47.1%	59.0%	48.9%
62	16.5%	23.5%	37.9%	50.4%	62.6%	52.3%
63	19.7%	26.9%	41.7%	54.5%	67.1%	56.4%
64+	21.7%	28.9%	44.0%	57.0%	69.8%	59.0%
% YOY Change in Rates						
55		16.9%	20.1%	6.4%	8.5%	-3.7%
56		16.9%	20.1%	6.4%	8.5%	-3.7%
57		16.9%	20.1%	6.4%	8.5%	-3.7%
58		16.9%	20.1%	6.4%	8.5%	-3.7%
59		16.9%	20.1%	6.4%	8.5%	-3.7%
60		16.9%	20.1%	6.4%	8.5%	-3.7%
61		16.9%	20.1%	6.4%	8.5%	-3.7%
62		16.9%	20.1%	6.4%	8.5%	-3.7%
63		16.9%	20.1%	6.4%	8.5%	-3.7%
64+		16.9%	20.1%	6.4%	8.5%	-3.7%

LACERS' Health plan Comparison to Covered California Health plans

Anthem/Blue Shield Gold PPO – Region 15 (Northeast Los Angeles County) and Region 16 (Los Angeles County)

15 Los Angeles County (northeast) - PPO							16 Los Angeles County (southwest) - PPO					
	2016	2017	2018	2019	2020	2021	2016	2017	2018	2019	2020	2021
LACERS Rate History / % YOY Change in Rate							LACERS Rate History / % Change in Rate					
	\$ 1,064.68	\$ 1,174.34	\$ 1,262.42	\$ 1,231.62	\$ 1,235.44	\$ 1,270.65	\$ 1,064.68	\$ 1,174.34	\$ 1,262.42	\$ 1,231.62	\$ 1,235.44	\$ 1,270.65
		10.3%	7.5%	-2.4%	0.3%	2.8%		10.3%	7.5%	-2.4%	0.3%	2.8%
Age	Covered California Rate History Blue Shield Gold 80 PPO						Covered California Rate History Blue Shield Gold 80 PPO					
55	\$ 540.01	\$ 643.43	\$ 738.20	\$ 845.99	\$ 904.57	\$ 896.97	\$ 701.27	\$ 825.81	\$ 1,007.57	\$ 1,061.43	\$ 1,100.88	\$ 1,059.19
56	\$ 564.95	\$ 673.15	\$ 772.30	\$ 885.07	\$ 946.35	\$ 938.39	\$ 733.67	\$ 863.95	\$ 1,054.10	\$ 1,110.45	\$ 1,151.73	\$ 1,108.11
57	\$ 590.13	\$ 703.16	\$ 806.73	\$ 924.52	\$ 988.54	\$ 980.23	\$ 766.37	\$ 902.47	\$ 1,101.09	\$ 1,159.95	\$ 1,203.07	\$ 1,157.50
58	\$ 617.01	\$ 735.19	\$ 843.47	\$ 966.63	\$ 1,033.56	\$ 1,024.87	\$ 801.28	\$ 943.57	\$ 1,151.25	\$ 1,212.79	\$ 1,257.87	\$ 1,210.23
59	\$ 630.33	\$ 751.06	\$ 861.68	\$ 987.50	\$ 1,055.87	\$ 1,047.00	\$ 818.57	\$ 963.94	\$ 1,176.10	\$ 1,238.97	\$ 1,285.02	\$ 1,236.35
60	\$ 657.21	\$ 783.08	\$ 898.42	\$ 1,029.61	\$ 1,100.90	\$ 1,091.64	\$ 853.48	\$ 1,005.05	\$ 1,226.25	\$ 1,291.80	\$ 1,339.82	\$ 1,289.07
61	\$ 680.46	\$ 810.78	\$ 930.20	\$ 1,066.03	\$ 1,139.84	\$ 1,130.26	\$ 883.67	\$ 1,040.60	\$ 1,269.62	\$ 1,337.49	\$ 1,387.21	\$ 1,334.67
62	\$ 695.71	\$ 828.96	\$ 951.06	\$ 1,089.93	\$ 1,165.40	\$ 1,155.60	\$ 903.48	\$ 1,063.93	\$ 1,298.09	\$ 1,367.48	\$ 1,418.31	\$ 1,364.59
63	\$ 714.84	\$ 851.75	\$ 977.21	\$ 1,119.90	\$ 1,197.44	\$ 1,187.37	\$ 928.32	\$ 1,093.18	\$ 1,333.78	\$ 1,405.08	\$ 1,457.31	\$ 1,402.11
64+	\$ 726.47	\$ 865.60	\$ 993.10	\$ 1,138.11	\$ 1,216.91	\$ 1,206.68	\$ 943.42	\$ 1,110.96	\$ 1,355.47	\$ 1,427.93	\$ 1,481.01	\$ 1,424.91
% Difference in Rates Covered CA vs. LACERS							% Difference in Rates Covered CA vs. LACERS					
55	-49.3%	-45.2%	-41.5%	-31.3%	-26.8%	-29.4%	-34.1%	-29.7%	-20.2%	-13.8%	-10.9%	-16.6%
56	-46.9%	-42.7%	-38.8%	-28.1%	-23.4%	-26.1%	-31.1%	-26.4%	-16.5%	-9.8%	-6.8%	-12.8%
57	-44.6%	-40.1%	-36.1%	-24.9%	-20.0%	-22.9%	-28.0%	-23.2%	-12.8%	-5.8%	-2.6%	-8.9%
58	-42.0%	-37.4%	-33.2%	-21.5%	-16.3%	-19.3%	-24.7%	-19.7%	-8.8%	-1.5%	1.8%	-4.8%
59	-40.8%	-36.0%	-31.7%	-19.8%	-14.5%	-17.6%	-23.1%	-17.9%	-6.8%	0.6%	4.0%	-2.7%
60	-38.3%	-33.3%	-28.8%	-16.4%	-10.9%	-14.1%	-19.8%	-14.4%	-2.9%	4.9%	8.4%	1.4%
61	-36.1%	-31.0%	-26.3%	-13.4%	-7.7%	-11.0%	-17.0%	-11.4%	0.6%	8.6%	12.3%	5.0%
62	-34.7%	-29.4%	-24.7%	-11.5%	-5.7%	-9.1%	-15.1%	-9.4%	2.8%	11.0%	14.8%	7.4%
63	-32.9%	-27.5%	-22.6%	-9.1%	-3.1%	-6.6%	-12.8%	-6.9%	5.7%	14.1%	18.0%	10.3%
64+	-31.8%	-26.3%	-21.3%	-7.6%	-1.5%	-5.0%	-11.4%	-5.4%	7.4%	15.9%	19.9%	12.1%
% YOY Change in Rates							% YOY Change in Rates					
55		19.2%	14.7%	14.6%	6.9%	-0.8%		17.8%	22.0%	5.3%	3.7%	-3.8%
56		19.2%	14.7%	14.6%	6.9%	-0.8%		17.8%	22.0%	5.3%	3.7%	-3.8%
57		19.2%	14.7%	14.6%	6.9%	-0.8%		17.8%	22.0%	5.3%	3.7%	-3.8%
58		19.2%	14.7%	14.6%	6.9%	-0.8%		17.8%	22.0%	5.3%	3.7%	-3.8%
59		19.2%	14.7%	14.6%	6.9%	-0.8%		17.8%	22.0%	5.3%	3.7%	-3.8%
60		19.2%	14.7%	14.6%	6.9%	-0.8%		17.8%	22.0%	5.3%	3.7%	-3.8%
61		19.2%	14.7%	14.6%	6.9%	-0.8%		17.8%	22.0%	5.3%	3.7%	-3.8%
62		19.2%	14.7%	14.6%	6.9%	-0.8%		17.8%	22.0%	5.3%	3.7%	-3.8%
63		19.2%	14.7%	14.6%	6.9%	-0.8%		17.8%	22.0%	5.3%	3.7%	-3.8%
64+		19.2%	14.7%	14.6%	6.9%	-0.8%		17.8%	22.0%	5.3%	3.7%	-3.8%

LACERS' Health plan Comparison to Covered California Health plans

Anthem/Blue Shield Gold PPO – Region 17 (San Bernardino and Riverside County) and Region 18 (Orange County)

	17 San Bernardino and Riverside Counties - PPO						18 Orange County - PPO					
	2016	2017	2018	2019	2020	2021	2016	2017	2018	2019	2020	2021
	LACERS Rate History / % Change in Rate						LACERS Rate History / % Change in Rate					
	\$ 1,064.68	\$ 1,174.34	\$ 1,262.42	\$ 1,231.62	\$ 1,235.44	\$ 1,270.65	\$ 1,064.68	\$ 1,174.34	\$ 1,262.42	\$ 1,231.62	\$ 1,235.44	\$ 1,270.65
		10.3%	7.5%	-2.4%	0.3%	2.8%		10.3%	7.5%	-2.4%	0.3%	2.8%
Age	Covered California Rate History Blue Shield Gold 80 PPO						Covered California Rate History Blue Shield Gold 80 PPO					
55	\$ 606.10	\$ 706.62	\$ 820.38	\$ 923.67	\$ 980.84	\$ 934.96	\$ 673.37	\$ 782.86	\$ 858.87	\$ 974.45	\$ 1,043.86	\$ 1,022.93
56	\$ 634.09	\$ 739.26	\$ 858.28	\$ 966.33	\$ 1,026.14	\$ 978.15	\$ 704.47	\$ 819.02	\$ 897.08	\$ 1,019.46	\$ 1,092.08	\$ 1,070.17
57	\$ 662.36	\$ 772.21	\$ 896.54	\$ 1,009.41	\$ 1,071.88	\$ 1,021.75	\$ 735.88	\$ 855.53	\$ 938.52	\$ 1,064.91	\$ 1,140.76	\$ 1,117.88
58	\$ 692.53	\$ 807.39	\$ 937.37	\$ 1,055.38	\$ 1,120.71	\$ 1,068.29	\$ 769.39	\$ 894.49	\$ 980.35	\$ 1,113.41	\$ 1,192.72	\$ 1,168.80
59	\$ 707.48	\$ 824.81	\$ 957.61	\$ 1,078.16	\$ 1,144.90	\$ 1,091.35	\$ 786.00	\$ 913.80	\$ 1,025.01	\$ 1,137.45	\$ 1,218.46	\$ 1,194.02
60	\$ 737.65	\$ 859.99	\$ 998.44	\$ 1,124.14	\$ 1,193.72	\$ 1,137.89	\$ 819.52	\$ 952.77	\$ 1,047.13	\$ 1,185.95	\$ 1,270.42	\$ 1,244.94
61	\$ 763.74	\$ 890.41	\$ 1,033.76	\$ 1,163.90	\$ 1,235.94	\$ 1,178.14	\$ 848.51	\$ 986.47	\$ 1,091.79	\$ 1,227.90	\$ 1,315.36	\$ 1,288.98
62	\$ 780.86	\$ 910.37	\$ 1,056.93	\$ 1,190.00	\$ 1,263.65	\$ 1,204.55	\$ 867.53	\$ 1,008.59	\$ 1,130.40	\$ 1,255.43	\$ 1,344.85	\$ 1,317.88
63	\$ 802.33	\$ 935.40	\$ 1,086.00	\$ 1,222.72	\$ 1,298.40	\$ 1,237.67	\$ 891.39	\$ 1,036.32	\$ 1,155.75	\$ 1,289.95	\$ 1,381.83	\$ 1,354.11
64+	\$ 815.38	\$ 950.61	\$ 1,103.66	\$ 1,242.60	\$ 1,319.51	\$ 1,257.80	\$ 905.88	\$ 1,053.17	\$ 1,187.53	\$ 1,310.92	\$ 1,404.30	\$ 1,376.13
	% Difference in Rates Covered CA vs. LACERS						% Difference in Rates Covered CA vs. LACERS					
55	-43.1%	-39.8%	-35.0%	-25.0%	-20.6%	-26.4%	-36.8%	-33.3%	-32.0%	-20.9%	-15.5%	-19.5%
56	-40.4%	-37.0%	-32.0%	-21.5%	-16.9%	-23.0%	-33.8%	-30.3%	-28.9%	-17.2%	-11.6%	-15.8%
57	-37.8%	-34.2%	-29.0%	-18.0%	-13.2%	-19.6%	-30.9%	-27.1%	-25.7%	-13.5%	-7.7%	-12.0%
58	-35.0%	-31.2%	-25.7%	-14.3%	-9.3%	-15.9%	-27.7%	-23.8%	-22.3%	-9.6%	-3.5%	-8.0%
59	-33.5%	-29.8%	-24.1%	-12.5%	-7.3%	-14.1%	-26.2%	-22.2%	-18.8%	-7.6%	-1.4%	-6.0%
60	-30.7%	-26.8%	-20.9%	-8.7%	-3.4%	-10.4%	-23.0%	-18.9%	-17.1%	-3.7%	2.8%	-2.0%
61	-28.3%	-24.2%	-18.1%	-5.5%	0.0%	-7.3%	-20.3%	-16.0%	-13.5%	-0.3%	6.5%	1.4%
62	-26.7%	-22.5%	-16.3%	-3.4%	2.3%	-5.2%	-18.5%	-14.1%	-10.5%	1.9%	8.9%	3.7%
63	-24.6%	-20.3%	-14.0%	-0.7%	5.1%	-2.6%	-16.3%	-11.8%	-8.4%	4.7%	11.8%	6.6%
64+	-23.4%	-19.1%	-12.6%	0.9%	6.8%	-1.0%	-14.9%	-10.3%	-5.9%	6.4%	13.7%	8.3%
	% YOY Change in Rates						% YOY Change in Rates					
55		16.6%	16.1%	12.6%	6.2%	-4.7%		16.3%	9.7%	13.5%	7.1%	-2.0%
56		16.6%	16.1%	12.6%	6.2%	-4.7%		16.3%	9.5%	13.6%	7.1%	-2.0%
57		16.6%	16.1%	12.6%	6.2%	-4.7%		16.3%	9.7%	13.5%	7.1%	-2.0%
58		16.6%	16.1%	12.6%	6.2%	-4.7%		16.3%	9.6%	13.6%	7.1%	-2.0%
59		16.6%	16.1%	12.6%	6.2%	-4.7%		16.3%	12.2%	11.0%	7.1%	-2.0%
60		16.6%	16.1%	12.6%	6.2%	-4.7%		16.3%	9.9%	13.3%	7.1%	-2.0%
61		16.6%	16.1%	12.6%	6.2%	-4.7%		16.3%	10.7%	12.5%	7.1%	-2.0%
62		16.6%	16.1%	12.6%	6.2%	-4.7%		16.3%	12.1%	11.1%	7.1%	-2.0%
63		16.6%	16.1%	12.6%	6.2%	-4.7%		16.3%	11.5%	11.6%	7.1%	-2.0%
64+		16.6%	16.1%	12.6%	6.2%	-4.7%		16.3%	12.8%	10.4%	7.1%	-2.0%

LACERS' Health plan Comparison to Covered California Health plans
 Anthem/Blue Shield Gold PPO – Region 19 (San Diego County)

19 San Diego County - PPO						
	2016	2017	2018	2019	2020	2021
LACERS Rate History / % Change in Rate						
	\$ 1,064.68	\$ 1,174.34	\$ 1,262.42	\$ 1,231.62	\$ 1,235.44	\$ 1,270.65
		10.3%	7.5%	-2.4%	0.3%	2.8%
Age	Covered California Rate History Blue Shield Gold 80 PPO					
55	\$ 755.25	\$ 879.53	\$ 1,010.64	\$ 1,075.54	\$ 1,160.88	\$ 1,117.21
56	\$ 790.13	\$ 920.15	\$ 1,057.32	\$ 1,125.22	\$ 1,214.49	\$ 1,168.81
57	\$ 825.36	\$ 961.17	\$ 1,104.45	\$ 1,175.38	\$ 1,268.63	\$ 1,220.92
58	\$ 862.95	\$ 1,004.95	\$ 1,154.76	\$ 1,228.92	\$ 1,326.42	\$ 1,276.53
59	\$ 881.58	\$ 1,026.64	\$ 1,179.69	\$ 1,255.44	\$ 1,355.05	\$ 1,304.08
60	\$ 919.17	\$ 1,070.42	\$ 1,229.99	\$ 1,308.98	\$ 1,412.83	\$ 1,359.69
61	\$ 951.68	\$ 1,108.28	\$ 1,273.50	\$ 1,355.28	\$ 1,462.81	\$ 1,407.79
62	\$ 973.02	\$ 1,133.13	\$ 1,302.05	\$ 1,385.67	\$ 1,495.60	\$ 1,439.35
63	\$ 999.77	\$ 1,164.29	\$ 1,337.85	\$ 1,423.77	\$ 1,536.73	\$ 1,478.93
64+	\$ 1,016.03	\$ 1,183.22	\$ 1,359.61	\$ 1,446.92	\$ 1,561.72	\$ 1,502.97
% Difference in Rates Covered CA vs. LACERS						
55	-29.1%	-25.1%	-19.9%	-12.7%	-6.0%	-12.1%
56	-25.8%	-21.6%	-16.2%	-8.6%	-1.7%	-8.0%
57	-22.5%	-18.2%	-12.5%	-4.6%	2.7%	-3.9%
58	-18.9%	-14.4%	-8.5%	-0.2%	7.4%	0.5%
59	-17.2%	-12.6%	-6.6%	1.9%	9.7%	2.6%
60	-13.7%	-8.8%	-2.6%	6.3%	14.4%	7.0%
61	-10.6%	-5.6%	0.9%	10.0%	18.4%	10.8%
62	-8.6%	-3.5%	3.1%	12.5%	21.1%	13.3%
63	-6.1%	-0.9%	6.0%	15.6%	24.4%	16.4%
64+	-4.6%	0.8%	7.7%	17.5%	26.4%	18.3%
% YOY Change in Rates						
55		16.5%	14.9%	6.4%	7.9%	-3.8%
56		16.5%	14.9%	6.4%	7.9%	-3.8%
57		16.5%	14.9%	6.4%	7.9%	-3.8%
58		16.5%	14.9%	6.4%	7.9%	-3.8%
59		16.5%	14.9%	6.4%	7.9%	-3.8%
60		16.5%	14.9%	6.4%	7.9%	-3.8%
61		16.5%	14.9%	6.4%	7.9%	-3.8%
62		16.5%	14.9%	6.4%	7.9%	-3.8%
63		16.5%	14.9%	6.4%	7.9%	-3.8%
64+		16.5%	14.9%	6.4%	7.9%	-3.8%

LACERS HISTORICAL MEDICAL COST CHANGES THROUGH 2021

Medical Plan	1999	2000	2001	2002	2003	2004
Kaiser Senior Advantage					51.35%	59.34%
Anthem Medicare Supplement/ LPPO					0.10%	15.40%
UnitedHealthcare -CA MAPD					72.87%	7.81%
Kaiser HMO		47.48%	4.49%	7.62%	17.71%	1.72%
Anthem PPO					-12.16%	5.92%
Aggregate Medical Cost Change				17.00%	16.10%	18.20%
Assumed Actuarial Trend Rate	8.13%	7.88%	7.63%	8.13%	7.88%	7.63%

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Medical Plan	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Kaiser Senior Advantage	-20.11%	-27.61%	6.43%	6.50%	3.69%	8.71%	-0.19%	2.70%	2.47%	5.32%	4.03%	-1.90%	6.60%	4.90%
Anthem Medicare Supplement/ LPPO	5.00%	-11.20%	14.00%	11.90%	6.80%	1.30%	9.40%	-11.80%	7.10%	8.90%	6.30%	-6.90%	3.80%	7.30%
UnitedHealthcare -CA MAPD	-4.00%	-19.24%	-6.64%	3.00%	13.40%	11.75%	11.40%	10.88%	0.00%	0.00%	3.00%	3.00%	1.70%	5.00%
SCAN HMO		-2.00%	22.90%	0.00%	0.00%	-9.40%	0.00%	-0.50%	0.00%	16.30%	0.00%	0.00%	3.90%	0.00%
Kaiser HMO	6.97%	5.17%	7.34%	3.95%	9.60%	0.28%	5.92%	-0.17%	14.84%	7.06%	7.95%	-5.06%	10.50%	3.30%
Anthem HMO	0.00%	2.78%	15.88%	2.19%	6.50%	11.80%	11.81%	6.00%	3.00%	11.70%	8.40%	9.42%	-2.00%	7.40%
Anthem PPO	-10.47%	2.89%	19.98%	4.97%	6.80%	5.32%	7.91%	0.00%	7.50%	6.92%	-5.66%	0.00%	10.30%	7.50%
Aggregate Medical Premium Cost Change	-5.21%	-6.22%	12.47%	5.71%	7.08%	4.47%	6.16%	0.23%	7.92%	7.44%	4.77%	-1.89%	6.49%	5.40%
Assumed Actuarial Trend Rate	9.63%	12.00%	12.00%	12.00%	9.00%	9.00%	9.00%	10.00%	9.00%	8.50%	8.00%	7.00%	6.75%	6.50%

Medical Plan	2019	2020	2021	10-Yr Avg, Incl 2021	Historic Avg
Kaiser Senior Advantage	2.03%	-2.91%	-9.00%	1.42%	5.39%
Anthem Medicare Supplement/ LPPO	2.63%	0.31%	2.65%	2.03%	3.84%
UnitedHealthcare -CA MAPD	-5.56%	7.52%	0.54%	2.61%	6.13%
SCAN HMO	0.00%	0.00%	0.00%	1.97%	1.95%
Kaiser HMO	-2.70%	-2.08%	3.37%	3.70%	7.06%
Anthem HMO	-9.66%	9.15%	2.91%	4.63%	5.72%
Anthem PPO	-2.44%	0.31%	2.85%	2.73%	3.08%
Aggregate Medical Premium Cost Change	-1.60%	-0.10%	0.07%	2.87%	5.23%
Assumed Actuarial Trend Rate	7.00%	7.00%	6.75%	7.65%	8.54%

2005 to 2011: Anthem Medicare Supplement
2011 to 2012: Anthem LPPO Medicare Preferred PPO
2014 to Present: Anthem Medicare Supplement

LACERS HISTORICAL MEDICAL SUBSIDY COSTS

Year	1999	2000	2001	2002	2003	2004	2005	2005	2007
Maximum Monthly Medical Subsidy	\$508.00	\$702.00	\$702.00	\$751.00	\$872.00	\$883.00	\$883.00	\$883.00	\$983.00
Dollar Increase - Maximum Subsidy		\$194.00	\$0.00	\$49.00	\$121.00	\$11.00	\$0.00	\$0.00	\$100.00
% Increase - Maximum Subsidy		38.2%	0.0%	7.0%	16.1%	1.3%	0.0%	0.0%	11.3%
Kaiser 2-Party	\$409.84	\$604.44	\$631.56	\$679.68	\$800.08	\$813.87	\$870.56	\$870.56	\$982.74
Dollar Increase - Kaiser 2-Party		\$194.60	\$27.12	\$48.12	\$120.40	\$13.79	\$56.69	\$0.00	\$112.18
% Increase - Kaiser 2-Party		47.5%	4.5%	7.6%	17.7%	1.7%	7.0%	0.0%	12.9%
Aggregate Medical Premium Increase				17.0%	16.1%	18.2%	-5.2%	-5.2%	12.5%
% Premium Cost Subsidized	88.9%	91.0%	88.4%	90.8%	93.9%	92.0%	92.4%	92.4%	91.1%

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Year	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Maximum Monthly Medical Subsidy	\$1,022.00	\$1,120.00	\$1,123.00	\$1,190.00	\$1,190.00	\$1,367.00	\$1,464.00	\$1,580.08	\$1,580.08	\$1,736.88	\$1,790.80	\$1,790.80	\$1,790.80	\$1,790.80
Dollar Increase - Maximum Subsidy	\$39.00	\$98.00	\$3.00	\$67.00	\$0.00	\$177.00	\$97.00	\$116.08	\$0.00	\$156.80	\$53.92	\$0.00	\$0.00	\$0.00
% Increase - Maximum Subsidy	4.0%	9.6%	0.3%	6.0%	0.0%	14.9%	7.1%	7.9%	0.0%	9.9%	3.1%	0.0%	0.0%	0.0%
Kaiser 2-Party Premium	\$1,021.54	\$1,119.58	\$1,122.74	\$1,189.22	\$1,187.24	\$1,363.44	\$1,459.66	\$1,575.74	\$1,496.06	\$1,652.86	\$1,706.78	\$1,706.78	\$1,706.78	\$1,706.78
Dollar Increase - Kaiser 2-Party	\$38.80	\$98.04	\$3.16	\$66.48	(\$1.98)	\$176.20	\$96.22	\$116.08	(\$79.68)	\$156.80	\$53.92	(\$107.46)	\$0.00	\$0.00
% Increase - Kaiser 2-Party	3.9%	9.6%	0.3%	5.9%	-0.2%	14.8%	7.1%	8.0%	-5.1%	10.5%	3.3%	0.0%	0.0%	0.0%
Aggregate Medical Premium Increase	5.7%	7.1%	4.5%	6.2%	0.2%	7.9%	7.4%	4.8%	4.8%	6.5%	5.4%	-1.2%	1.0%	0.1%
% Premium Cost Subsidized	91.6%	92.5%	91.8%	91.3%	90.9%	92.7%	92.5%	94.0%	94.0%	94.3%	93.7%	94.2%	93.8%	93.4%

NOTE: 2019, 2020, AND 2021 KAISER PREMIUMS REFLECT THE MEMBER RATE (CARRIER RATE + PREMIUM SURPLUS)

Annual Health Plan Renewal Achieved Savings

Consultant	Year	Premium Cost Reduction	Overall Savings
Deloitte	2002	11%	\$3.5 million
	2003	3%	\$1.3 million
	2004	4%	\$1.3 million
	2005	7%	\$3.9 million
	2006	13%	\$7.3 million
	2007	9%	\$4.6 million
	2008	3%	\$1.9 million
	2009	3%	\$2.3 million
Towers Watson	2010	2%	\$1.6 million
	2011	2%	\$2.4 million
	2012	4%	\$4.2 million
Keenan	2013	1%	\$1.1 million
	2014	2%	\$3.0 million
	2015	6%	\$3.2 million
	2016	2%	\$1.8 million
	2017	1%	\$1.3 million
	2018	0.8%	\$1.1 million
	2019	1.2%	\$0.5 million
	2020	1.4%	\$2.0 million
	2021	2.5%	\$3.2 million
Total			\$51.5 million

Historical Benefit Changes 2001 through 2021

PLAN YEAR	PLAN DESIGN CHANGES	BOARD Meeting: 4/27/21 Item IX-A Attachment 5
2001	<p>Medical and Dental Bid</p> <p>CIGNA: Replaced by Blue Cross of CA</p> <p>HMO & PPO: Added chiropractic benefits</p> <p>PPO: Added routine physical</p> <p>PPO: Out-of-pocket maximum increased to \$5,000</p> <p>Dental PPO: Increased annual benefit max to \$1,500/\$1,250</p>	
2002	<p>Kaiser: Rx copay increased from \$7 to \$10</p> <p>Kaiser: Emergency room copay increased from \$10 to \$35</p> <p>Pacificare: HMO- CA: Implemented 3-tier Rx copay</p> <p>Pacificare: HMO- AZ/NV: Implemented 2-tier Rx copay</p> <p>Blue Cross PPO: Increased Rx copay</p>	
2003	<p>Blue Cross PPO: Implemented 3-tier Rx copay</p> <p>SecureHorizons CA: Implemented 3-tier Rx copay</p>	
2004	<p>Added Caregiver benefit</p> <p>Pacificare HMO: Dropped in OR, WA, CO, OK, and TX</p> <p>SecureHorizons CA changed to Standard Plan Design</p> <p>Emergency room copay increased from \$20 to \$50</p> <p>Enhanced immunization, injectible drugs, vision and audiology benefits</p>	
2005	<p>Medical and Dental Bid</p> <p>Pacificare HMO- CA: Replaced by Blue Cross of CA</p> <p>SecureHorizons: Terminated from 5 non-CA states</p> <p>Added SCAN Healthplan</p> <p>Kaiser: Office Visit Copay increased from \$5 to \$10</p>	
2006	<p>Integrating Medicare Part D into all Sr. Plans</p> <p>Wellpoint/Blue Cross PPO Dental increased annual in-network maximum from \$1,500 to \$2,000</p>	
2007	<p>Office Visit Copay increases</p> <p>Blue Cross from \$10 to \$15</p> <p>Kaiser from \$10 to \$15</p> <p>SCAN from \$5 to \$10</p> <p>Secure Horizons from \$5 to \$15</p> <p>Emergency Service Copay increases</p> <p>Blue Cross and Kaiser from \$35 to \$50</p> <p>SCAN from \$25 to \$50</p> <p>Secure Horizons had increased to \$50 in 2004</p> <p>Prescription Copays</p> <p>Blue Cross</p> <p>PPO Retail: Brand from \$15 to \$20, Non-formulary \$25 to \$45</p> <p>PPO Mail Order Brand from \$30 to \$40, Non-formulary from \$50 to \$90</p> <p>HMO Retail: Generic from \$5 to \$10, Brand from \$10 to \$20, Non-formulary \$25 to \$45</p> <p>HMO Mail Order: Generic from \$10 to \$20, Brand from \$20 to \$40, Non-formulary from \$50 to \$90</p> <p>Kaiser - retail/mail order</p> <p><65 Brand from \$10 to \$25</p> <p>Sr. Advantage from \$10 to \$15</p> <p>Secure Horizons</p> <p>Retail: Generic from \$5 to \$10, Brand from \$10 to \$20, Non-formulary from \$20 to \$50</p> <p>Mail Order: Generic from \$10 to \$20, Brand from \$20 to \$40, Non-formulary from \$40 to \$100</p> <p>SCAN</p> <p>Retail: Generic from \$5 to \$10, Brand from \$10 to \$20, Non-formulary N/A</p> <p>Mail Order: Generic from \$10 to \$20, Brand from \$20 to \$40, Non-formulary N/A</p>	
2008	No copay or benefit changes	

Historical Benefit Changes 2001 through 2021

PLAN YEAR	PLAN DESIGN CHANGES
2009	<p>Wellpoint/Blue Cross PPO Dental: Replaced by MetLife PPO Dental</p> <p>Secure Horizons: Annual Routine Physical copay from \$15 to \$0</p> <p>SCAN service area increased: AZ-Maricopa Co., CA -Now in all parts of San Diego, Riverside, San Bernardino, Ventura and Kern Counties</p> <p>MetLife Dental PPO added dental implants covered at 50% up to the annual maximum</p>
2010	<p>SCAN and SecureHorizons: Elimination of duplicate dental and vision benefits</p> <p>All LACERS Medical Plans: Will comply with the Mental Health Parity Act. LACERS was not required to comply under the Act.</p>
2011	<p>Anthem: Decreased generic Anthem Rx copay from \$10 and \$20 (mail) to \$5 and \$10 (mail), increased Rx copay for brands/non-formularies from \$20/\$45 and \$40/\$90 (mail) to \$25/\$50 (mail) and \$50/\$100 (mail) in all plans; increased deductible from \$500/\$1,000 to \$750/\$1,500 and Office Visit and Urgent Care Visit copays from \$15 to \$20 in non-Medicare PPO and HMO; increased ER visit copay from \$50 to \$100 in non-Medicare HMO.</p> <p>Kaiser non-Medicare Plan: Reduced Rx supply from 100-day to 30-day, increased Office Visit and Urgent Care Visit copay from \$15 to \$20; increased ER visit copay from \$50 to \$100.</p>
2012	<p>MetLife Dental PPO: Change to non-participating funding arrangement; Reduce capping of out-of-network UCR coverage from the 90th to the 70th percentile; Reduce out-of-network coverage of basic services from 80% to 70%; Extend crown replacement from five years to seven years</p> <p>VSP: Change from Signature Plan to Choice Plan (Member receives less discount for non-covered items)</p> <p>Anthem Blue Cross Medicare Supplement Plan: Replace the Medicare Supplement Plan with the Medicare Advantage LPPO (\$0 copays, no change in covered services, retiree support, CMS funding and oversight)</p> <p>Kaiser Permanente Senior Advantage HMO: Medicare-covered preventive services will no longer have a \$15 copay (covered 100%)</p> <p>SCAN Medicare Advantage HMO: Medicare-covered eyewear will be covered at 100% up to the Medicare Allowance (current benefit: \$75 allowance)</p> <p>Evercare Solutions for Caregivers: Elimination of Plan</p> <p>Anthem Blue Cross: modified its underwriting approach for the 2012 renewal from individual product underwriting (i.e., separate PPO and HMO underwriting) to whole case underwriting (i.e., combined PPO and HMO underwriting). This approach is intended to reduce wide annual variances in renewals of the individual plans</p>
2013	<p>No plan design changes</p> <p>Added Programs include:</p> <ul style="list-style-type: none"> • UnitedHealthcare - Hi Healthinnovations Program (discounted hearing aid products and services) • MetLife - Web-based Dental Health Manager • VSP - Smart Data Management (data sharing program with medical plans)
2014	<p>No plan design changes</p> <p>Anthem Medicare Preferred (PPO) Plan: Replaced with Medicare Supplement plan, while retaining Silver Sneakers and Disease Management Programs</p> <p>SCAN: Silver&Fit added (changed to SilverSneakers)</p>
2015	<p>VSP: Replaced with Anthem Blue View Vision for non-Kaiser Members. New progressive lens co-pay of \$30. (co-pay would have also been part of VSP if contract renewed)</p> <p>Metlife Dental PPO: Replaced with Delta Dental PPO; benefit change - 4 periodontal cleanings at no charge</p> <p>SafeGuard Dental HMO: Replaced with DeltaCare USA® HMO</p>

Historical Benefit Changes 2001 through 2021

2016	<p>UnitedHealthCare - AZ, CA, NV: Diabetic Supplies - only one approved vendor. Change only affected 4 Members</p> <p>Anthem HMO: Change Prescription Benefit copays and additional Specialty drug copay Retail: Generic from \$5 to \$10, Brand from \$25 to \$30, Non-formulary no change from \$50; 20% coinsurance for Speciality drugs up to \$100 Mail Order: Generic from \$10 to \$20, Brand from \$50 to \$60, Non-formulary no change from \$100; 20% coinsurance for Speciality drugs up to \$100</p>
2017	<p>Anthem PPO: Change Prescription Benefit copays and additional Specialty drug copay Retail: Generic from \$5 to \$10, Brand from \$25 to \$30, Non-formulary no change from \$50; 20% coinsurance for Specialty drugs up to \$100 Mail Order: Generic from \$10 to \$20, Brand from \$50 to \$60, Non-formulary no change from \$100; 20% coinsurance for Speciality drugs up to \$100</p> <p>Kaiser Non-Medicare Plan: Change Prescription Benefit copays and additional Specialty drug copay Retail: Generic from \$10 to \$15, Brand from \$25 to \$35 Mail Order: Generic from \$20 to \$30, Brand from \$50 to \$70, Speciality drugs up to \$100</p> <p>Kaiser Permanente Senior Advantage HMO: Silver & Fit program added</p>
2018	No plan design changes
2019	Anthem HMO and PPO: SilverSneakers added
2020	<p>All Plans: Accupuncture benefit added/expanded in all plans</p> <p>All Medicare Plans: Prescription Drug Catastrophic Coverage Added</p>
2021	<p>KPSA: Added transportation benefit - 24 one-way trips up to 50 miles each/year</p> <p>UHC: Added transportation benefit - 30 one-way trips up to 50 miles each/year; Added meal delivery benefit - 3 meals/day for up to four weeks post discharge from hospital; Solutions for Caregivers was dissolved by UHC.</p> <p>KP HMO: Added Active and Fit fitness program benefit</p> <p>Anthem PPO and Med Sup: Removed lifetime maximums</p>

PERSONNEL, AUDITS, AND ANIMAL WELFARE and BUDGET AND FINANCE COMMITTEES' REPORT relative to reducing City healthcare costs for current employees and retirees.

Recommendation for Council action, pursuant to Motion (Blumenfield - Krekorian - Koretz):

DIRECT the City Administrative Officer (CAO), in consultation with the Los Angeles City Employees' Retirement System, Los Angeles Fire and Police Pensions, the Personnel Department and the City's labor partners, to report to the Executive Employee Relations Committee and appropriate Council Committees with viable options and recommendations to reduce City healthcare costs for current employees and retirees, consistent with existing legal requirements, City commitments and considerations of equity.

Fiscal Impact Statement: Neither the CAO nor the Chief Legislative Analyst has completed a financial analysis of this report.

Community Impact Statement: None submitted.

Summary:

On February 3, 2021, the Personnel, Audits, and Animal Welfare (PAAW) Committee considered a Motion (Blumenfield - Krekorian - Koretz) relative to reducing City healthcare costs for current employees and retirees. According to the Motion, the City must keep its promise to its workers to meet their health care needs in retirement, while taking advantage opportunities to reduce costs to the City. The City faces a severe financial crisis, making this an urgent time to find cost savings in all Departments and consider its long-term financial obligations.

Due to the COVID-19 pandemic, the City's tax revenues have declined dramatically. The City's Fiscal Year (FY) 2020-21 Budget of \$10.5 billion is approximately \$200 million lower than the FY 2019-20 adopted budget, and the City faces a further revenue shortfall of at least \$600 million. Because the City must end the FY with a balanced budget, and the Reserve Fund was significantly depleted during FY 2019-20, the City faces the prospect of deep cuts to City services, furloughing tens of thousands of City employees, and in the worst-case scenario laying off significant numbers of employees. Looking forward to FY 2021-22, the City faces significant payouts to retirees who participated in the Separation Incentive Program and increased pension costs due to changes in assumed rate of return and actuarial assumptions. The City must explore all avenues for reducing its expenses, including health care costs for current employees and retirees, especially for those retirees who are not yet eligible for Medicare. There are many options to reduce healthcare costs, including negotiating with current health care providers. The City should also explore alternatives to the current healthcare providers, including Affordable Care Act options that could provide reasonably-priced (and often-subsidized) individual health care plans. With the newly-elected President Biden's pledge to expand affordable health care options, it is time for the City to re-examine how it provides health care benefits to current employees and retirees while ensuring that employees and retirees will continue to have access to affordable, high- quality health care.

After consideration and having provided an opportunity for public comment, the PAAW

Committee moved to recommend approval of the Motion. Subsequently, on February 22, 2021, the Budget and Finance Committee also considered this matter and after also having provided an opportunity for public comment, the Committee moved to concur with the PAAW Committee. This matter is now submitted to Council for its consideration.

Respectfully Submitted,

PERSONNEL AND ANIMAL WELFARE COMMITTEE

<u>MEMBER</u>	<u>VOTE</u>
KORETZ:	YES
HARRIS-DAWSON:	ABSENT
BONIN:	YES

BUDGET AND FINANCE COMMITTEE

<u>MEMBER</u>	<u>VOTE</u>
KREKORIAN:	YES
BLUMENFIELD:	YES
DE LEON:	YES
RODRIGUEZ:	YES
PRICE:	YES

ARL
2/24/21

-NOT OFFICIAL UNTIL COUNCIL ACTS-



LACERS
LA CITY EMPLOYEES'
RETIREMENT SYSTEM

SURVIVOR BENEFITS UNIT

STATISTICAL OVERVIEW

2016-2020

STAFFING

SURVIVOR BENEFITS UNIT (SBU)

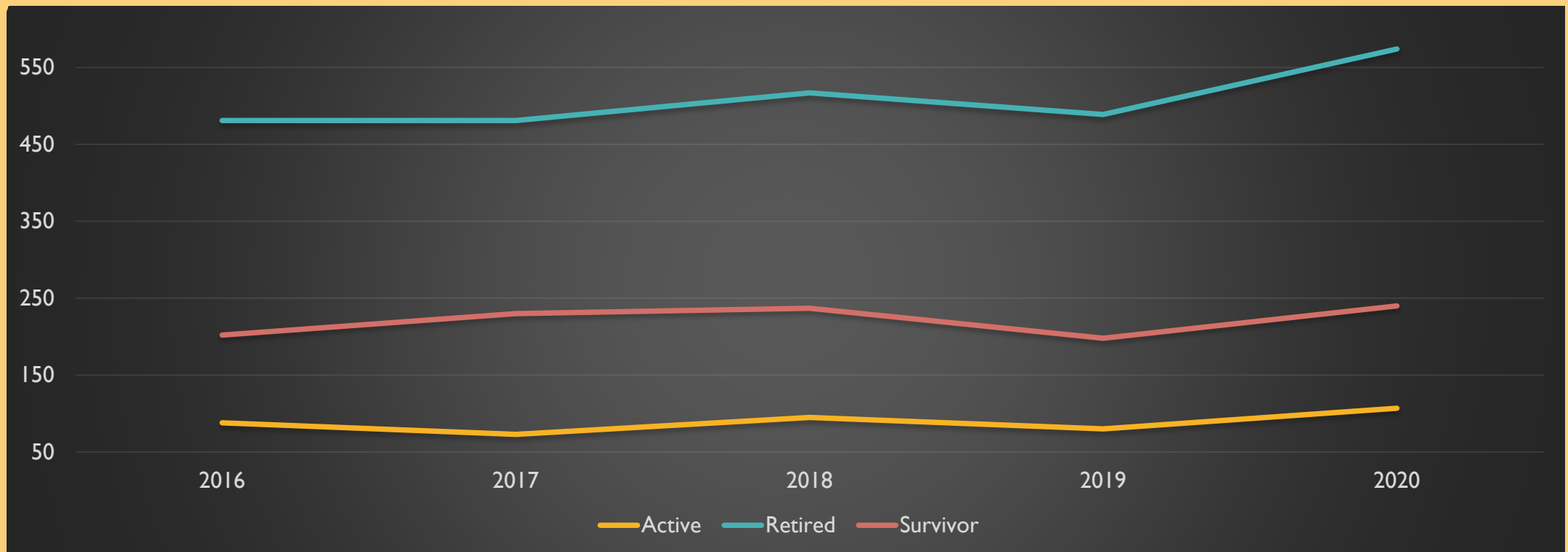
- Benefits Analyst – James Kawashima (Lead Analyst)
- Benefits Analyst – Ursula Ruiz (Emergency Appointment)
- Benefits Analyst – Marina Castaneda (Emergency Appointment)
- Benefits Specialist – Nancy Mirano
- Benefits Specialist – Lydia Collins
- Accounting Clerk – Vacant



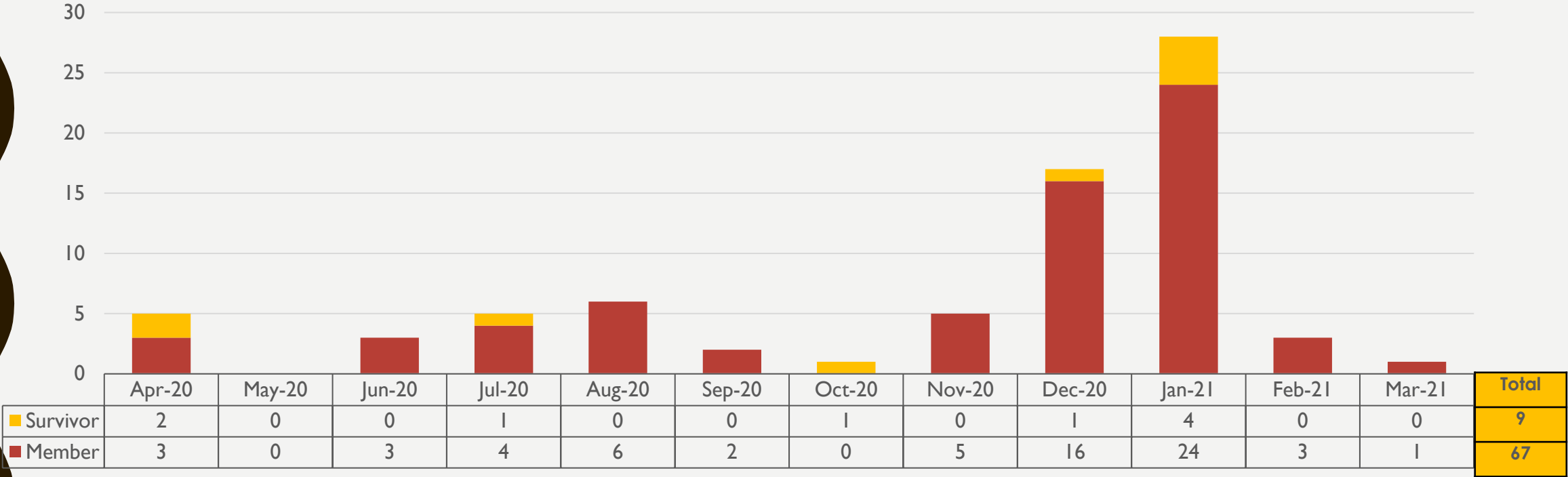
DEATHS BY CALENDAR YEAR

Year	Active	Retired	Survivor	Total Deaths	% Changes
2016	88	481	202	771	-
2017	73	481	230	784	2%
2018	95	517	237	849	8%
2019	80	489	198	767	-10%
2020	107	574	240	921	20%

DEATHS BY TYPE



COVID 19 DEATHS



* A Survivor is a Continuance Benefit Recipient



SBU WORKLOAD

- Average number of Counselors working on cases between 2016 and 2020 is three (3)
- Each Counselor averages 270 cases per year (base number)
 - 90 are Continuances/Survivorship (90×3 counselors = 270)
 - 180 are Non Continuance/Survivorships
- Average number of Beneficiaries identified per Member is three (3)
 - 180 are Non Continuance/Survivorships ($180 \times 3 = 540$ per counselor)
 - Total number of Non Continuance/Survivorships ($540 \times 3 = 1,620$)
- Average Annual Case Load per Counselor
 - 90 Continuances/Survivorships + 540 Non Continuance/Survivorships = 630
- Over 1,000 Beneficiaries are paid each year

NOTE: Non Continuance/Survivorships are also known as Lump Sum Payments



LACERS
LA CITY EMPLOYEES'
RETIREMENT SYSTEM

QUESTIONS



REPORT TO BOARD OF ADMINISTRATION

From: Investment Committee
Sung Won Sohn, Chair
Elizabeth Lee
Nilza R. Serrano

MEETING: APRIL 27, 2021
ITEM: XI – B

SUBJECT: CONTRACTS WITH NORTHERN TRUST COMPANY REGARDING MASTER CUSTODIAL SERVICES, SECURITIES LENDING, AND ANCILLARY SERVICES AND POSSIBLE BOARD ACTION

ACTION: CLOSED: CONSENT: RECEIVE & FILE:

Recommendation

That the Board:

1. Approve three-year renewals of the contracts with The Northern Trust Company for the following services: master custody, securities lending, performance reporting and risk analytics, compliance analytics, private monitor analytics, integrated disbursements, and fair value reporting.
2. Authorize the General Manager to approve and execute the necessary documents, subject to satisfactory business and legal terms.

Executive Summary

The Northern Trust Company (Northern Trust) provides LACERS with domestic and international master trust/custodial services. Staff is satisfied with Northern Trust's services and recommends three-year contract renewals with the intent of releasing a Request for Information (RFI) in year two (Fiscal Year 2022-2023) of the contract renewal period to evaluate the marketplace for custodial services. The Committee concurs with this recommendation.

Discussion

On April 13, 2021, the Committee considered the attached staff report (Attachment 1) recommending three-year renewals of the contracts with Northern Trust. Since 1991, Northern Trust has provided LACERS with domestic and international master trust/custodial services including: i) securities safekeeping, settlement, and valuation; ii) performance measurement and risk analytics; iii) foreign

exchange execution; iv) collection of income, interest and distributions and processing of benefit payments and capital calls; v) administration of the Limited Term Retirement Plan and the Securities Lending Program; and vi) access to an online management/accounting and information system.

Northern Trust participated in LACERS' 2014-2015 Master Trust/Custodial Services and Securities Lending Request for Proposal (RFP) process and was awarded three-year contracts on April 28, 2015; all contracts became effective on August 1, 2015, with the exception of the securities lending contract, which became effective on September 1, 2015. On February 27, 2018, the Board approved three-year renewals of these contracts, all of which expire on July 31, 2021.

The Committee discussed Northern Trust's organization, services, client relationship team assigned to LACERS, and fees. Staff is satisfied with the level of service provided by Northern Trust for meeting LACERS' needs. Since August 1, 2015 (contract inception date), LACERS has paid Northern Trust a total of \$9,922,316 in fees; a detailed breakdown of fees is provided in Attachment 1. Further, staff anticipates issuing an RFI to test the marketplace for custodial services in year two (Fiscal Year 2022-2023) of the proposed contract renewal period. The Committee concurs with the staff recommendation for three-year contract renewals with Northern Trust.

Strategic Alignment

Renewing the contracts for master trust/custodial services provided by Northern Trust aligns with the Strategic Plan Goal to uphold good governance practices which affirm transparency, accountability, and fiduciary duty (Goal V).

Prepared By: James Wang, Investment Officer I, Investment Division

NMG/RJ/BF/JW:jp

Attachments: 1. Investment Committee Recommendation Report dated April 13, 2021
2. Proposed Resolution



REPORT TO INVESTMENT COMMITTEE
From: Neil M. Guglielmo, General Manager

MEETING: APRIL 13, 2021
ITEM: IV

Neil M. Guglielmo

SUBJECT: CONTRACTS WITH NORTHERN TRUST COMPANY REGARDING MASTER CUSTODIAL SERVICES, SECURITIES LENDING, AND ANCILLARY SERVICES AND POSSIBLE COMMITTEE ACTION

ACTION: **CLOSED:** **CONSENT:** **RECEIVE & FILE:**

Recommendation

That the Investment Committee recommend to the Board three-year renewals of the contracts with The Northern Trust Company for the following services: master custody, securities lending, performance reporting and risk analytics, compliance analytics, private monitor analytics, integrated disbursements, and fair value reporting.

Executive Summary

The Northern Trust Company (Northern Trust) has provided LACERS with domestic and international master trust/custodial services since 1991. Staff is satisfied with Northern Trust's services and recommends three-year contract renewals with the intent of releasing a Request for Information (RFI) in year two (Fiscal Year 2022-2023) of the contract extension to evaluate the marketplace for custodial services.

Discussion

Background

Northern Trust has provided LACERS with domestic and international master trust/custodial services since 1991. These services include: i) securities safekeeping, settlement, and valuation; ii) performance reporting and risk analytics; iii) foreign exchange execution; iv) collection of income, interest and distributions and processing of benefit payments and capital calls; v) administration of the Limited Term Retirement Plan and the Securities Lending Program; and vi) access to an online management/accounting and information system.

On September 29, 2014, the Board issued a Master Trust/Custodial Services and Securities Lending Request for Proposal (RFP) to evaluate the marketplace of service providers. Northern Trust participated in this RFP and was awarded three-year contracts on April 28, 2015; all contracts became effective on August 1, 2015, with the exception of the securities lending contract, which became

effective on September 1, 2015. On February 27, 2018, the Board approved three-year renewals to these contracts, all of which expire on July 31, 2021.

Organization

Northern Trust is a subsidiary of Northern Trust Corporation, a publicly held bank (ticker: NTRS) based in Chicago. Northern Trust Corporation has more than 20 international locations and approximately 19,000 employees. As of December 31, 2020, the bank had \$11.2 trillion in assets under custody.

The primary client relationship team assigned to LACERS consists of Gary Guibert, Senior Vice President, Anton J. Britton, Senior Vice President, and Zachary Smedsrud, Senior Client Service Manager. Staff is satisfied with the level of service provided by Northern Trust for meeting LACERS' needs.

Fees

The fees for Northern Trust's services are as follows:

Fixed Fees: Performance Reporting - \$20,000 per year
Fair Value Reporting - \$3,000 per year

Variable Fees: Short Term Investment Fund (STIF) - 7 basis points of the average daily balance in STIF per year
Securities Lending - 85%-15% split between LACERS and Northern Trust, respectively, of revenue earned
Private Monitor - \$500 per fund per year (service currently not utilized)
Integrated Disbursements - \$176,377 for the calendar year ending December 31, 2020 (this fee is calculated against the actual number of retirees per month)

Since August 1, 2015, the inception date of the current contracts, LACERS has paid Northern Trust a total of \$9,922,316 in fees as detailed in the table below.

Total Fees Paid since August 1, 2015	
Performance Reporting	\$156,625
Fair Value Reporting	\$14,250
STIF	\$1,399,467
Securities Lending	\$6,976,650
Private Monitor	\$0 (service currently not utilized)
Integrated Disbursements	\$1,375,324
Total Fees Paid	\$9,922,316

Staff recommends renewing the contracts with Northern Trust. Staff anticipates issuing an RFI to test the marketplace for custodial services in year two (Fiscal Year 2022-2023) of the proposed contract renewal period.

Strategic Alignment

Renewing the contract for master trust/custodial services provided by Northern Trust aligns with the Strategic Plan Goal to uphold good governance practices which affirm transparency, accountability, and fiduciary duty (Goal V).

Prepared By: James Wang, Investment Officer I, Investment Division

NMG/RJ/BF/JW:jp

CONTRACT RENEWALS
THE NORTHERN TRUST COMPANY
MASTER TRUST CUSTODIAL SERVICES

PROPOSED RESOLUTION

WHEREAS, LACERS' current three-year contracts with The Northern Trust Company (Northern Trust) for the following services: master custody, securities lending, compliance analyst, performance reporting and risk analytics, integrated disbursements, and fair value reporting expire on July 31, 2021; and,

WHEREAS, Northern Trust has provided a satisfactory level of service in meeting LACERS' needs; and,

WHEREAS, on April 27, 2021, the Board approved the Investment Committee's recommendation for three-year contract renewals with Northern Trust; and,

NOW, THEREFORE, BE IT RESOLVED, that the General Manager is hereby authorized to approve and execute the contracts subject to satisfactory business and legal terms and consistent with the following services and terms:

<u>Company Name:</u>	The Northern Trust Company
<u>Services Provided:</u>	Master Custody Securities Lending Compliance Analyst Performance Reporting and Risk Analytics Integrated Disbursements Fair Value Reporting
<u>Effective Dates:</u>	August 1, 2021 through July 31, 2024
<u>Duration:</u>	Three years

April 27, 2021



REPORT TO BOARD OF ADMINISTRATION
From: Neil M. Guglielmo, General Manager

MEETING: APRIL 27, 2021
ITEM: XI – C

Neil M. Guglielmo

**SUBJECT: RESPONSE TO CITY COUNCIL MOTION 19-1577 REGARDING CLIMATE
TRANSITION FRAMEWORK AND POSSIBLE BOARD ACTION**

ACTION: CLOSED: CONSENT: RECEIVE & FILE:

Recommendation

That the Board:

1. Approve the LACERS ESG Risk Framework substantially as presented.
2. Authorize the General Manager to transmit the ESG Risk Framework to the City Council Budget & Finance Committee.

Executive Summary

LACERS has long recognized the importance of addressing Environmental, Social, and Governance (ESG) risk factors through policies established within the Board’s Investment Policy. LACERS continues to consider ESG risk factors as an additional lens by which to evaluate LACERS’ Investment Program at the policy and strategic levels down to portfolio holdings levels to better understand, assess, and possibly mitigate such risk factors. Accordingly, LACERS staff presents an ESG Risk Framework that provides a comprehensive oversight structure and process for addressing ESG risk factors that complies with the Board’s fiduciary responsibilities.

Discussion

Background

On December 2, 2020, the Los Angeles City Council approved a motion (C.F. 19-1577) requesting the LACERS Board to provide a report addressing certain climate risks. The motion specifically requested the following:

1. Recommendations on the feasibility for the LACERS Board to adopt a similar Climate Transition Risk Framework to San Francisco Employees’ Retirement System to identify investments in fossil fuel companies that pose an environmental and financial risk;

2. Options to create a climate-change watch list that will report the riskiest investments in fossil fuel companies and develop a strategy to engage with the respective companies to reduce their oil and gas reserves and increase their efforts to move towards renewables and address climate change;
3. A plan to divest from uncooperative fossil fuel companies and appropriately reinvest capital; and
4. A watch list to identify other LACERS investments such as in tobacco and firearm companies that contradict the City Council's official positions and goal to provide a healthy and secure future for Angelenos.

This report provides a background on LACERS' history of addressing risk factors that have been deemed harmful to LACERS' ability to manage a sustainable and performance-driven investment portfolio. It addresses the City Council request through the development of a framework, use of a fossil-fuel watch list, a plan to divest, and a watch list of other companies such as tobacco and firearms. The proposed ESG Risk Framework (Framework) comprehensively addresses various forms of ESG risks, including climate change, in a systematic manner consistent with LACERS' investment policy goals and objectives and fiduciary obligations to its members and beneficiaries.

LACERS Investment Policy

Environmental, Social, and Governance factors refer to the three broad categories of non-financial risk factors that measure the sustainability and societal impact of an investment. Incorporating such factors into the decision-making process leads to enhanced comprehensive investment analyses, better-informed investment decisions, and lasting sustainable, long-term risk-adjusted returns. Examples of ESG risk factors include climate change, respect for human rights, and corporate board diversity.

LACERS has long recognized the importance of addressing ESG risks through sub-policies established within the Board's Investment Policy. The Investment Policy guides the investment management of the System's assets and assists the Board and staff in effectively supervising and monitoring the investments of the System. As established by law and the Investment Policy, LACERS has a fiduciary duty to act in the best long-term interests of the System's beneficiaries, and to prioritize this duty over any other duty. In this fiduciary role, LACERS is sensitive to concerns that ESG risks may affect the performance of the investment portfolio and has adopted various sub-policies to address these risks including:

- Geopolitical Risk Policy – Addresses geopolitical risk factors that may impact investment performance and provides a robust process for identifying and mitigating such risks to the LACERS portfolio.
- Proxy Voting Policy – Promotes sound ESG practices at publicly held companies through LACERS' proxy voting activity in order to enhance shareholder value.
- Emerging Investment Manager Policy – Establishes a framework to identify emerging investment firms with the potential to add value to the LACERS' investment portfolio that would otherwise not be identified by the standard LACERS institutional investment manager search process.

Additionally, staff is currently developing a Responsible Investment Policy to provide guidance on integrating ESG risk factors more fully and comprehensively within the LACERS Investment Program. Staff anticipates this policy will be brought forth for the Board's consideration in Fiscal Year 2021-2022.

History of LACERS ESG Activities

LACERS has a history of pursuing various avenues to understand and mitigate ESG risks in the investment portfolio as described in further detail in the following sections.

Engagement

LACERS has directly engaged companies, investment managers, and regulatory bodies to communicate concerns about ESG-related issues, advocate change, support well-functioning investment markets, and protect shareholder value. A few examples of LACERS' past engagement activities include:

- August 2006 – Issued letters to 21 “bad actor” companies known to conduct business that supported genocide in Sudan and voiced concern over their operations.
- November 2014 – Issued letter to a private equity general partner to express concern about a labor dispute at a portfolio holding company that conducts business in the Port of Los Angeles.
- February 2020 – Issued a comment letter to the U.S. Securities Exchange Commission to oppose proposed amendments to regulate proxy voting advice and shareholder proposal thresholds that would adversely impact shareholders' ability to encourage good governance practices at public companies.

Collaboration and Information Sharing

LACERS has collaborated with like-minded institutional investors and organizations to create a more powerful, collective voice to promote change and protect investors' interest. Current and past collaboration partners include:

- Council of Institutional Investors (CII) - An international organization representing the voice of corporate governance that supports effective corporate governance practices and strong shareholder rights.
- Principles for Responsible Investment (PRI) - LACERS became a signatory to the PRI in September 2019 joining a cohort of over 3,000 institutional investors who have committed to understanding the investment implications of ESG factors and incorporating these factors into their investment decisions.
- State and local pension plans such as Los Angeles County Employees Retirement Association, San Francisco Employees' Retirement System, and Seattle City Employees' Retirement System to understand their ESG programs and initiatives for insights on developing a more robust program at LACERS.

Research and Education

To stay apprised of ESG-related matters, LACERS leverages its relationships with industry organizations such as CII, PRI, C40 Cities, investment managers (many who are themselves PRI signatories), LACERS' investment consultants (all of whom are PRI signatories), and peer pension

plans. LACERS has actively participated in a number of ESG conferences, discussions, and working groups to better understand the ESG landscape, forward looking trends, and industry best practices.

LACERS also obtains current ESG research from its investment advisory partners including NEPC, LLC (general fund consultant), The Townsend Group (real estate consultant), and Aksia TorreyCove Partners LLC (private equity consultant); and its membership organizations including the Pension Real Estate Association (PREA), the Institutional Limited Partnership Association (ILPA), and the Pacific Center for Asset Management (PCAM).

A detailed discussion of LACERS' policies and history of ESG activities is found in Attachment 1.

Proposed ESG Framework

While LACERS has a long history of addressing ESG risks, there was no comprehensive plan in place to coordinate initiatives related to ESG risk issues. The proposed Framework is designed to manage ESG risk factors.

The Framework is structured around five key focal points:

1. **Investment Policy and ESG Governance** - Expanding and improving the existing policy framework to integrate ESG more fully and comprehensively within LACERS investment management program.
2. **Integration of PRI** – To become a more responsible investor, LACERS commits to integrating the six PRI principles into its investment analysis and decision-making, engaging with other asset owners, seeking more transparent disclosure, reporting on investment program activities, and collaborating with other like-minded investors to promote ESG factors within the investment industry.
3. **ESG Risk Exposures** – LACERS is developing a process for identifying, monitoring, and mitigating ESG risks within the LACERS portfolio in order to support its position as a financially sustainable and performance-driven pension plan. Mitigation measures may include the use of watch lists, corporate engagement, and possible asset exclusion and/or transition initiatives.
4. **ESG-Focused Investing** – Identifying and assessing new investment approaches and strategies to better align the LACERS investment portfolio with the goals of responsible investing while remaining steadfast to a performance-driven investment program.
5. **ESG Risk Framework Action Plan** – Executing on feasible, time-bound initiatives that support the vision articulated in LACERS' Responsible Investment Policy.

A more detailed presentation of the Proposed ESG Risk Framework is found in Attachment 2.

Conclusion

LACERS believes a wider perspective and more inclusive approach, which this ESG Risk Framework represents, more accurately reflects the Board's understanding of its fiduciary responsibility to its members and beneficiaries by addressing a broad array of risk factors that may impact the long-term value of its Investment Program. The proposed Framework is a forward-facing, structured plan that provides staff with clear direction and works to realize the Board's vision of furthering its role as a more responsible investor. The Framework is built on existing policies and current practices that address ESG issues, but it also consolidates and coordinates ongoing ESG practices under the leadership of the LACERS management team.

The Framework is a dynamic document, subject to changes based on economic outlook, market assumptions, and the Board's sensitivity and prioritization of ESG issues. As LACERS continues to integrate and assess ESG factors through this critical risk lens, staff will continue to adopt best practices and recommend to the Board appropriate Framework adjustments to keep its Investment Program and ESG initiatives focused squarely on the best interests of LACERS members and beneficiaries.

Strategic Alignment

The proposed LACERS ESG Risk Framework aligns with the Strategic Plan goals of optimizing long-term risk adjusted investment returns (Goal IV); upholding good governance practices which affirm transparency, accountability, and fiduciary duty (Goal V); and maximizing organizational effectiveness and efficiency (Goal VI).

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Attachments: 1. LACERS' Investment Policy Overview and History of ESG Activities
2. Proposed ESG Risk Framework
3. City Council Motion (C.F. 19-1577)

LACERS Investment Policy Overview

Introduction

The ESG Risk Framework (Framework) is LACERS' management plan that reflects the approach and beliefs on how to best meet the retirement benefits of its members while helping to build a responsible investment program. The Framework must also comply with the existing, and any future amendments to, the LACERS Investment Policy, which in itself defines five key objectives regarding the management of the System's assets:

- A. The general goals of the Investment Program;
- B. The policies and procedures for the management of the investments;
- C. Specific asset allocations, rebalancing procedures, and investment guidelines;
- D. Performance objectives; and
- E. Responsible parties.

Legal and Governance Framework

The System established the Investment Policy in accordance with Section 1106 of the Charter of the City of Los Angeles and Article XVI, Section 17 of the California Constitution for the systematic administration of the City Employees' Retirement Fund. Since its creation, the Board's activities have been directed toward fulfilling the required purpose of the System, as mandated by the City Charter:

“(1) to provide benefits to system participants and their beneficiaries and to assure prompt delivery of those benefits and related services; (2) to minimize City contributions; and (3) to defray the reasonable expenses of administering the system.”¹

The Board's “duty to system participants and their beneficiaries shall take precedence over any other duty.”² In furtherance of this purpose, the Board shall have “sole and exclusive fiduciary responsibility over the assets of its system which are held in trust for the exclusive purposes of: (1) providing benefits to system participants and their beneficiaries; and (2) defraying the reasonable expenses of administering the system.”³

The System is a department of the City government and is governed by a seven member Board of Administration and assisted by a general manager. In the formation of the Investment Policy, the primary consideration of the Board has been its implementation of the stated purpose of the System. The Board's investment activities are designed and executed in a manner that will fulfill these goals.

The Investment Policy is designed to allow for sufficient flexibility in the management oversight process to allow the Investment Program to participate in appropriate

¹ L.A. Charter § 1106(a); Cal. Const. Art. XVI, §17(b).

² L.A. Charter § 1106(a); Cal. Const. Art. XVI, §17(b).

³ L.A. Charter § 1106(b); Cal. Const. Art. XVI, §17(a).

investment opportunities as they may occur, while setting forth reasonable parameters to ensure that prudence and care is taken in the execution of the Investment Program.

Investment Goals

The System's general investment goals are broad in nature. The following goals are adopted to be consistent with the above described purpose, the City Charter, the State Constitution, and applicable federal law:

- A. The overall purpose of the System's investment assets is to serve as a source of funding to provide plan participants with post-retirement benefits as set forth in the System documents. This will be accomplished through a carefully planned and executed investment program.
- B. A parallel and secondary objective is to achieve an investment return that will allow the percentage of covered payroll the City must contribute to the System to be maintained or reduced, and will provide for an increased funding of the System's liabilities.
- C. All investment actions will be for the sole benefit of the System's participants and beneficiaries and for the exclusive purpose of providing benefits to them and defraying reasonable administrative expenses associated with the System.⁴
- D. The System's assets will be managed on a total return basis. While the System recognizes the importance of the preservation of capital, it also adheres to the principle that varying degrees of investment risk are generally rewarded with commensurate returns. The Board's Investment Policy has been designed to produce a total portfolio, long-term real (greater than the rate of inflation) positive return greater than the Policy benchmark on a net-of-fee basis as referenced in the quarterly Portfolio Performance Review (PPR). Consequently, prudent risk-taking is warranted within the context of overall portfolio diversification. As a result, investment strategies are considered primarily in light of their impacts on total plan assets subject to the provisions set forth in Section 1106 of the City Charter with consideration of the Board's responsibility and authority as established by Article XVI, Section 17 of the California State Constitution.
- E. The System's Investment Program shall, at all times, comply with existing applicable local, state, and federal regulations.
- F. The System has a long-term investment horizon that employs an asset allocation approach, which encompasses a strategic, long-run perspective of capital markets. It is recognized that a strategic long-run asset allocation plan implemented in a consistent and disciplined manner will be the major determinant of the System's investment performance.

⁴ L.A. Charter § 1106(a); Cal. Const. Art. XVI, §17(b).

G. Investment actions are expected to comply with the “prudent person” standard, with all duties discharged:

“...with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims.”⁵

This standard will encompass investment and management decisions evaluated not in isolation but rather in the context of the portfolio as a whole and as part of an overall investment strategy having risk and return objectives reasonably assigned. The circumstances that the System may consider in investing and managing the investment assets include any of the following:

1. General economic conditions;
2. The possible effect of inflation or deflation;
3. The role that each investment or course of actions plays within the overall portfolio;
4. The expected total return from income and the appreciation of capital;
5. Needs for liquidity, regularity of income, and preservation or appreciation of capital;
6. A reasonable effort to verify facts relevant to the investment and management of assets.

H. The System is required to “[d]iversify the investments of the system so as to minimize the risk of loss and to maximize the rate of return, unless under the circumstances it is clearly not prudent to do so.”⁶

LACERS History with ESG

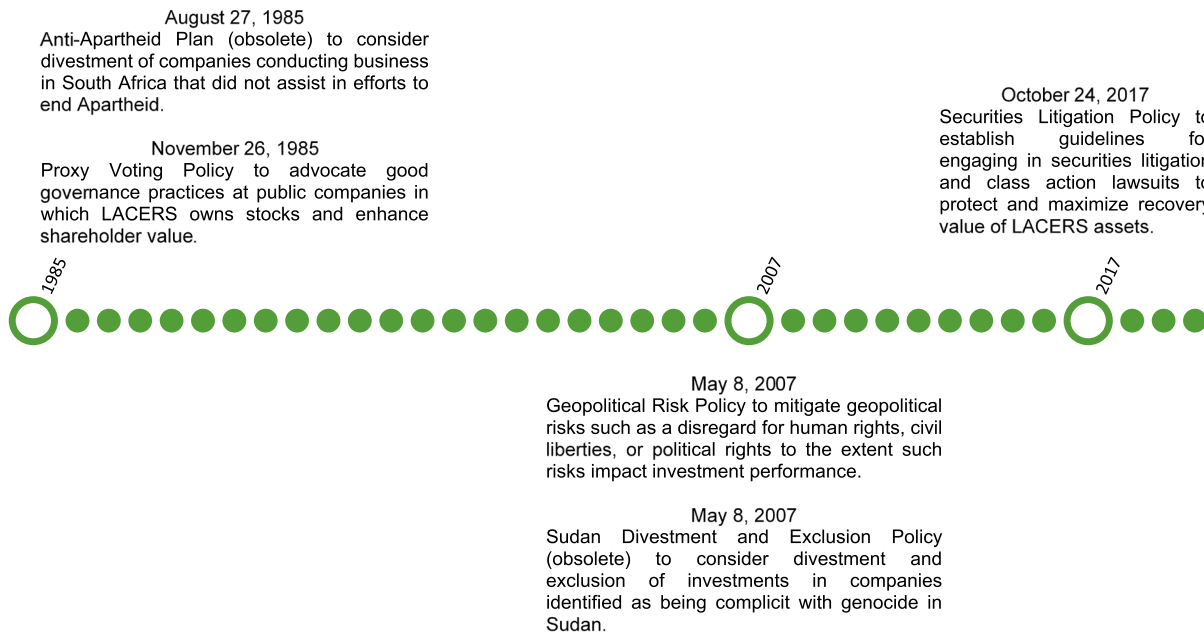
LACERS has long recognized the importance of addressing environmental, social, and governance (ESG) risks in order to protect and enhance investment returns of the portfolio. Since the mid-1980s, LACERS has adopted policies to address ESG risks; engaged with held companies, its own investment managers, regulatory bodies, and membership organizations to improve ESG-related practices; and collaborated with like-minded institutional investors to better understand and mitigate ESG risks. The following sections further detail LACERS’ history and experience with ESG.

⁵L.A. Charter § 1106(c); Cal. Const. Art. XVI, §17(c); ERISA § 404(a)(1)(B).

⁶ L.A. Charter § 1106(d); Cal. Const. Art. XVI, §17(d).

Policies Addressing ESG Risks

LACERS has a long history of addressing ESG matters through policies established within the Investment Policy. Through the years, the Board has adopted various sub-policies to address ESG risks, including its Geopolitical Risk Policy, Proxy Voting Policy, and Securities Litigation Policy, which continue to guide and help navigate LACERS through a myriad of ESG risk factors. A summary of LACERS’ ESG-related policies and adoption dates is presented in the following timeline. The Board and Staff routinely review and revise all policies to ensure they address matters relevant in the current economic, market, regulatory environment.



Principles for Responsible Investment

In 2018, the LACERS Board began exploration of becoming a signatory to the Principles for Responsible Investment (PRI). PRI is the leading global advocacy organization that promotes and encourages its signatories to become more responsible investors through greater practice of ESG within each signatory’s investment program. The PRI defines responsible investment as a strategy and practice to incorporate ESG factors in investment decisions and active ownership.

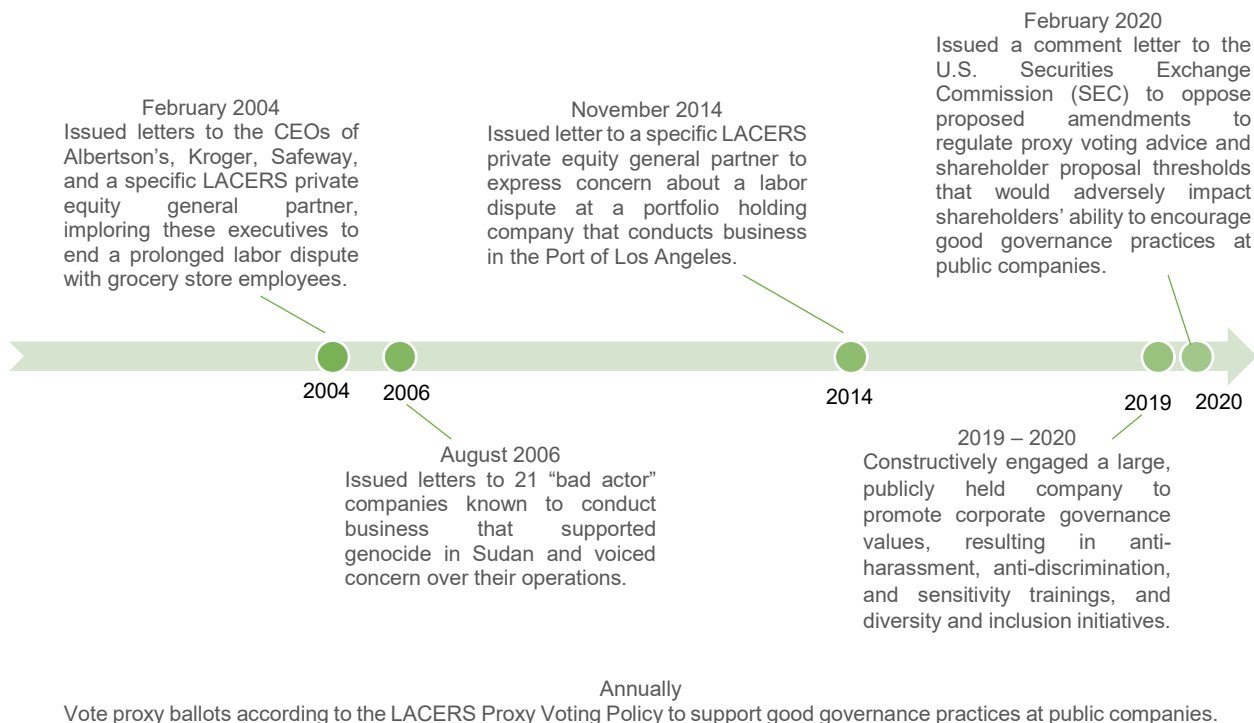
Upon the Board’s completion of an extensive educational series that included carefully procured experts and practitioners from the investment, governance, public pension, and ESG communities, plus education from the City Attorney’s Office, the Board authorized staff on April 9, 2019, to apply for PRI signatory status. Staff submitted the PRI signatory application on June 25, 2019 and LACERS was granted signatory status by PRI on September 3, 2019, thus ushering in a new era of ESG integration and responsibility for

LACERS and its Investment Program. PRI signatories make this commitment as stated in the opening statement of the official PRI Signatories' Commitment:

“As institutional investors, we have a duty to act in the best long-term interests of our beneficiaries. In this fiduciary role, we believe that environmental, social, and corporate governance (ESG) issues can affect the performance of investment portfolios (to varying degrees across companies, sectors, regions, asset classes and through time).”

Implementation of Policy

Primarily based on the Geopolitical Risk Policy, LACERS has long believed that direct engagement is an effective tool for addressing ESG risks with companies, investment managers, and regulatory bodies. Engagement allows LACERS to directly communicate concerns about ESG-related issues, advocate change, support well-functioning investment markets, and protect shareholder value. The following timeline provides examples of LACERS' past engagement activities:



To further support the spirit of the Geopolitical Risk Policy, LACERS has also collaborated with like-minded institutional investors and organizations to create a more powerful, collective voice to promote change and protect investors' interest. In 1985, LACERS became one of the 21 founding members of the Council of Institutional Investors (CII), an international organization representing the voice of corporate governance, supporting effective corporate governance practices and strong shareowner rights. Today, CII membership includes over 140 U.S. public, union and corporate employee benefit plans, endowments and foundations. In February 2020, LACERS collaborated with other CII

members to oppose the SEC's proposed amendments to regulate proxy voting advice and shareholder proposal thresholds.

LACERS also proactively collaborates with state and local pension plans to share ESG policies, initiatives, and research. For example, LACERS has worked with plans such as Los Angeles County Employees Retirement Association, San Francisco Employees' Retirement System and Seattle City Employees' Retirement System to understand their ESG programs and initiatives for insights on developing a more robust program at LACERS.

To keep further apprised of ESG-related matters, LACERS leverages its relationships with industry organizations such as CII, PRI, C40 Cities, investment managers (many who are themselves PRI signatories), investment consultants, and peer pension plans. LACERS has actively participated in a number of ESG conferences and discussions hosted or sponsored by organizations such as C40, PRI, CII, and Pension Bridge to better understand the ESG landscape, forward looking trends, and industry best practices. Additionally, LACERS has participated in working groups to research ESG issues such as diversity within the investment industry and the impact of regulatory reform on corporate governance and shareholders.

LACERS also obtains current ESG research from several of its investment advisory partners including NEPC, LLC (general investment consultant), The Townsend Group (real estate consultant), Aksia TorreyCove Partners LLC (private equity consultant); and its membership organizations including the Pension Real Estate Association (PREA), the Institutional Limited Partnership Association (ILPA), and the Pacific Center for Asset Management (PCAM).

Responsible Investment Policy Development

LACERS staff is developing a Responsible Investment Policy with the assistance of its general investment consultant. This particular policy is envisioned to be a comprehensive but well-defined policy structure that will expand its reach to all material facets of ESG and related risk factors. Once developed and approved by the Board, the Responsible Investment Policy will serve as the primary source of ESG guidance for LACERS' Investment Program. Staff estimates that the Responsible Investment Policy will be ready for Board consideration later this year.

PROPOSED ESG RISK FRAMEWORK

As an evolving and progressive responsible investor, the Los Angeles City Employees' Retirement System (LACERS), recognizes that environmental, social, and governance (ESG) risk factors can impact portfolio performance. LACERS' ESG Risk Framework is designed as a comprehensive, integrated approach to considering and addressing ESG risk factors within the LACERS Investment Program with an emphasis on guidance and implementation activities and initiatives at the operational level.

The Framework presents a methodical process and step-based approach around five key priority points:

1. Investment Policy and ESG Governance
2. Integration of the Principles for Responsible Investment
3. ESG Risk Exposures
4. ESG-Focused Investing
5. ESG Risk Framework Action Plan

Priority 1 – Investment Policy and ESG Governance¹

The Framework shall be designed and implemented according to LACERS' Investment Policy.

I. **LACERS Investment Policy**

The Investment Policy guides the investment management of plan assets. It is a living document that is regularly reviewed and updated to address emerging risks, new market opportunities, and changes to laws and regulations. The Investment Policy includes several focused sub-policies that address specific investment considerations. The four sub-policies named below are most closely linked to LACERS' ESG Risk Framework.

A. **Geopolitical Risk Policy**

The Geopolitical Risk Policy is intended to provide a framework, based on the role of nation-states in the world, to address certain ESG-related geopolitical risk factors such as climate change, discrimination, and workers' rights. This policy outlines a process for identifying and mitigating such risks within the LACERS portfolio.

B. **Proxy Voting Policy**

The Proxy Voting Policy provides LACERS' position and rationale for shareholder votes regarding ESG issues. Additionally, the System's current proxy voting agent, Institutional Shareholder Services (ISS), is a signatory to the PRI and incorporates these principles into its proxy analysis process. Therefore, when considering how

¹ Detailed information regarding the policies mentioned in Priority 1 can be found in the LACERS Board Manual located at the following link: https://www.lacers.org/sites/main/files/file-attachments/lacers_board_manual.pdf?1616608481

to vote on certain ESG proposals not specifically addressed by LACERS' Proxy Voting Policy, investment staff relies on the research expertise and voting recommendations of ISS.

C. Emerging Investment Manager Policy

The objective of the Emerging Investment Manager Policy is to identify investment firms with the potential to add value to the LACERS investment portfolio that would otherwise not be identified by the standard LACERS investment manager search process. While these managers may not have as fully formalized ESG processes, LACERS' investment with such managers along with appropriate oversight of the portfolio will assist in formalizing and improving risk management for all key risks, including ESG risk factors.

D. Responsible Investment Policy (under development)

Staff, working with its general investment consultant, is developing a comprehensive Responsible Investment Policy. Staff envisions this policy to provide program guidance on integrating ESG more fully and comprehensively within LACERS' Investment Program including (but not limited to) defining roles and responsibilities including possible committee oversight; establishing aspirational goals and measurable program objectives; integration of the Principles for Responsible Investment within the LACERS organization, investment manager selection and monitoring, and due diligence standards; ESG impact measurement; defining standards and developing processes for LACERS' investment portfolios undergoing climate transition, and reporting standards and frequency. Staff anticipates the Responsible Investment Policy to be presented to the Board for consideration in FY2021-22.

Priority 2 – Integration of Principles for Responsible Investment (PRI)

LACERS became a PRI signatory on September 3, 2019, making a commitment to incorporate ESG risk factors into its decision-making process. LACERS has a duty to act in the best long-term interests of its plan beneficiaries. To ensure that LACERS continues to progress and further evolve its ESG program, an operational PRI Action Plan (Plan) was reviewed and approved by the Board on November 12, 2019 with a revised Plan approved on August 11, 2020. The Plan outlines administrative, operational, and policy initiatives that support the six PRI principles over a rolling three-year forward calendar. Many of these initiatives have been completed or are pending completion within the Investment Program.

Implementation of ESG under the PRI structure does not end with LACERS alone; LACERS is taking a multi-faceted approach to responsible investment through coordination with its investment partners. For example, many LACERS' public market investment managers are also PRI signatories; these managers are also actively working

to improve their identification and management of ESG risks in order to enhance portfolio returns. In addition, all three of LACERS' investment consultants are PRI signatories. By leveraging its relationships with firms that are PRI signatories, LACERS is able to magnify its ESG impact more efficiently and effectively across a wider portion of its Investment Program.

Priority 3 – ESG Risk Exposures

LACERS' Investment Program is managed according to industry best-practices, which is articulated in its Investment Policy. LACERS believes that considering and managing ESG risk factors is consistent with its fiduciary duties. Exposures to certain industry sectors or portions of industry sectors may expose LACERS to risk factors that are inadequately valued or misaligned with LACERS current policies.

LACERS has identified a number of risk exposures through its Geopolitical Risk Policy and Proxy Voting Policy that can be segregated along E, S, and G categories (see expanded versions of these policies at https://www.lacers.org/sites/main/files/file-attachments/lacers_board_manual.pdf?1616608481).

Environmental Risk Factors: include quality of air and water, climate change, and land protections.

Social Risk Factors: include human rights, civil liberties, respect for political rights, discrimination, and workers' rights.

Governance Risk Factors: include (but not limited to) boards, audit, compensation, shareholder rights and takeover defenses, capital structure, corporate restructuring, social and environmental issues.

LACERS plans to review its Proxy Voting Policy in FY2021-22 to ensure that its voting positions are aligned with the goals and objectives of its pending Responsible Investment Policy.

I. Responsibilities of Managing ESG Risk Factors

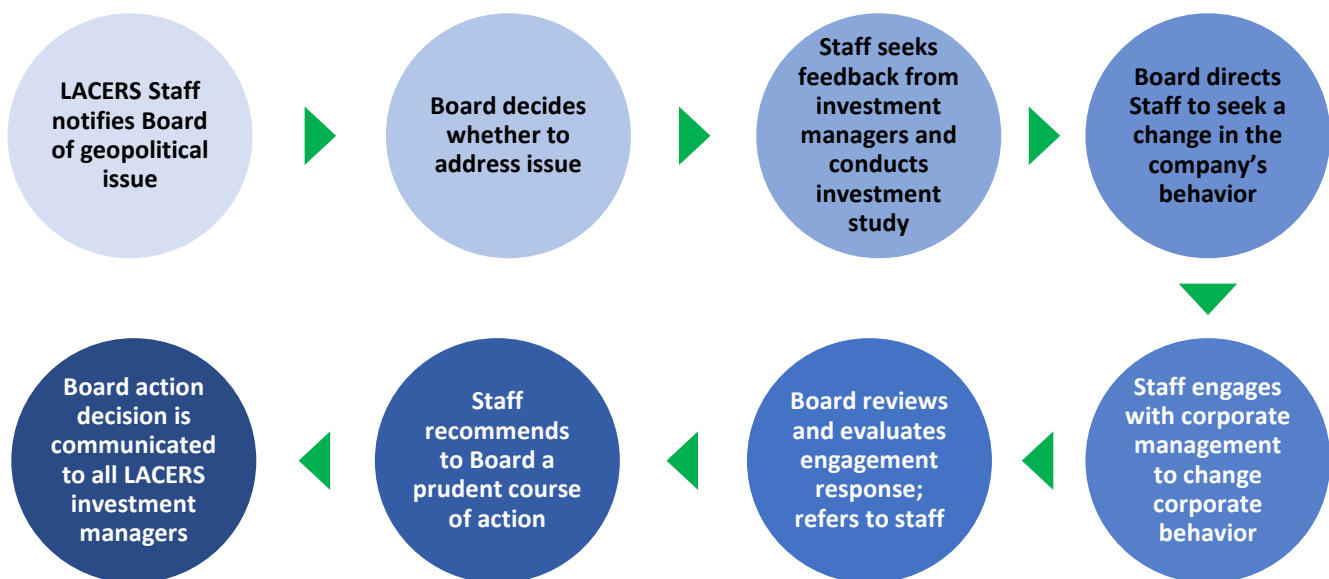
ESG risk factors must be managed continually and professionally in order to realize appropriate risk mitigation in an effective and resource-efficient manner. The following table provides for a delegation of responsibilities to support ESG risk factor management.

Board	Staff	Consultant	Bank Custodian
<p>Develop appropriate policies to ensure that ESG risk factors and investment opportunities are appropriately considered as part of the LACERS' investment processes</p> <p>Review ESG status reports and provide further direction to staff</p> <p>Consider staff-recommended actions to address ESG risk factors that cannot be mitigated through existing delegated authority</p>	<p>Integrate ESG risk factors within current and to-be-developed policy frameworks</p> <p>Continue development of a Responsible Investment Policy</p> <p>Communicate with investment consultants and investment managers regarding compliance with Responsible Investment Policy and PRI Action Plan</p> <p>Consider use of watch lists to assist with identification of high-level risk factor companies</p>	<p>Provide ESG education to the Board and staff</p> <p>Assist in the development of a Responsible Investment Policy</p> <p>Furnish research reports, customized reports, and other tools to understand current trends in ESG</p> <p>Provide methodology to rank external investment managers during a procurement solicitation</p>	<p>Place rules and parameters in place to capture and flag risky assets held in the Fund's portfolio</p> <p>Help implement a watch list and security identification for risky assets</p> <p>Provide options on reports available for ESG related alerts</p>

II. ESG Risk Mitigation Process

Some ESG risk factors can be addressed and mitigated using a variety of policy, management, and Framework tools. Other ESG risk factors may require Board intervention and guidance, especially in situations regarding heightened levels of corporate engagement or other issues that are not addressable by existing delegated authority. The diagram below summarizes an eight step process as articulated in the Geopolitical Risk Policy.

Summarized Process for Identifying and Mitigating Corporate Governance Geopolitical Risks²



² A detailed description of the process can be found on pages 197-198 of the LACERS Board Manual. https://www.lacers.org/sites/main/files/file-attachments/lacers_board_manual.pdf?1616608481

III. Previous Divestment and Engagement Actions

LACERS has previously engaged with companies and investment managers that have been identified as being misaligned with LACERS' Investment Policy according to the aforementioned geopolitical risk mitigation process. Engagement activities with companies and other misaligned organizations have primarily been realized through a combination of heightened communication with companies, collaboration with like-minded investors, or presentations to the Board.

IV. Climate Transition

LACERS recognizes that a structured and methodical approach to climate transition is an important acknowledgment to a significant risk factor that could impact long-term risk-adjusted performance returns and financial sustainability. LACERS will evaluate its climate transition decisions upon five non-mutually exclusive actions:

A. Engagement – This action focuses on specific actions requested by LACERS of individual companies related to their governance; or advocating specific actions with government agencies to develop appropriate regulatory policies that support climate transition initiatives or positions.

B. Collaboration – This action leverages the collective knowledge, experiences, clout, and asset base of like-minded investors to effectuate climate transition with specific companies or groups of similar companies. This path may be used in conjunction with engagement efforts to create a multi-pronged front of like-minded shareholders with a common climate transition cause and desired outcome.

C. Research – This action distinguishes facts from unproven beliefs, to answer questions related to the impact of ESG risk factors and climate transition, and integrates such facts and findings into discussions and deliberations that help facilitate Board investment decisions.

D. Strategic Asset Transition Initiatives - This action identifies specific investment strategies, mandates, or programs that facilitate LACERS' ability to effectuate change in its investment portfolio through asset transition based primarily on economic considerations, which may include tilts away from certain investment exposures, adding attractive opportunities that support ESG investment objectives, and/or exclusion of certain asset types from future investment.

E. Responsible Investment Oversight and Periodic Reporting – Oversight and reporting keep the Board and staff apprised of progress and challenges facing the implementation and ongoing management of LACERS' ESG integration and responsible investing actions including corporate engagement and climate transition.

V. Coal Exposure

LACERS recognizes that thermal coal is a weakening segment of the energy industry whose growth prospects are in decline. LACERS believes that its limited holdings of

thermal coal companies (defined as companies with thermal coal activities that constitute revenue dollars greater than 10% of the company’s total revenue) would be an appropriate starting point for corporate engagement as outlined in the aforementioned Climate Transition section.

A. LACERS Exposure and Historical Performance

As of December 31, 2020, the LACERS investment portfolio held 36 publicly traded companies that derive at least 10% of revenues from thermal coal activities; these holdings represented approximately \$14.3 million in total market value, or approximately 0.07% of the total investment portfolio. As detailed in the following charts, a majority of this exposure was held in actively managed equity investment strategies. Over the last five years, these holdings have been additive to LACERS total investment portfolio performance returns; this is likely attributed to the ability of active managers to identify undervalued investments and/or those with continued growth and revenue prospects.

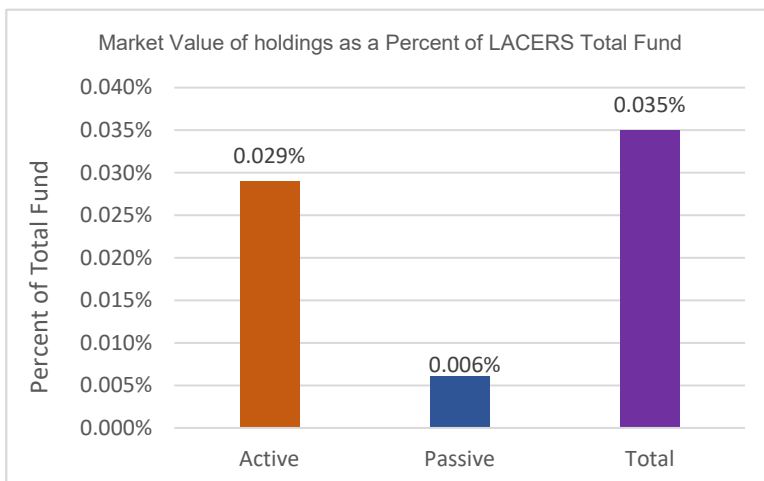
**Public Equity Coal Holdings
Contribution to LACERS Total Fund Returns
As of December 31, 2020**

	1-Year	3-Years	5-Years
Actively Managed Holdings	1/500 of 1%	-1/1000 of 1%	1/250 of 1%
Passively Managed Holdings	-1/1000 of 1%	-1/500 of 1%	0.000%
Total Contribution to LACERS Returns	1/1000 of 1%	-1/333 of 1%	1/250 of 1%

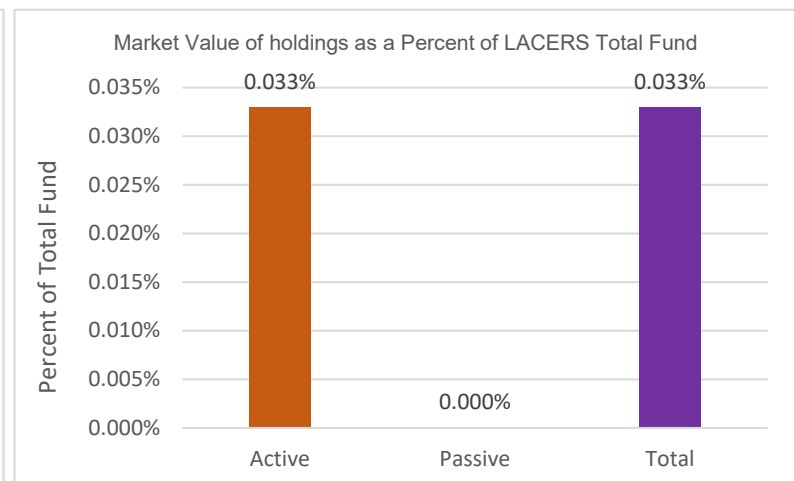
**Public Fixed Income Coal Holdings
Contribution to LACERS Total Fund Returns
As of December 31, 2020**

	1-Year	3-Years	5-Years
Actively Managed Holdings	1/333 of 1%	1/500 of 1%	1/1000 of 1%
Passively Managed Holdings	N/A	N/A	N/A
Total Contribution to LACERS Returns	1/333 of 1%	1/500 of 1%	1/1000 of 1%

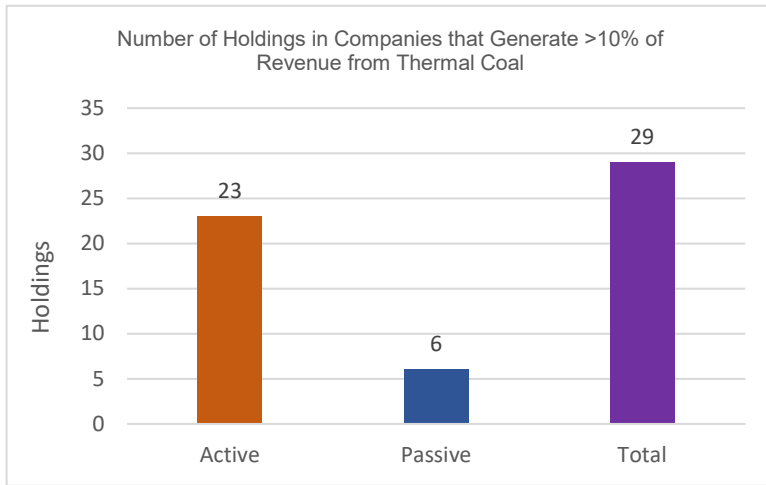
Public Equity Coal Exposure



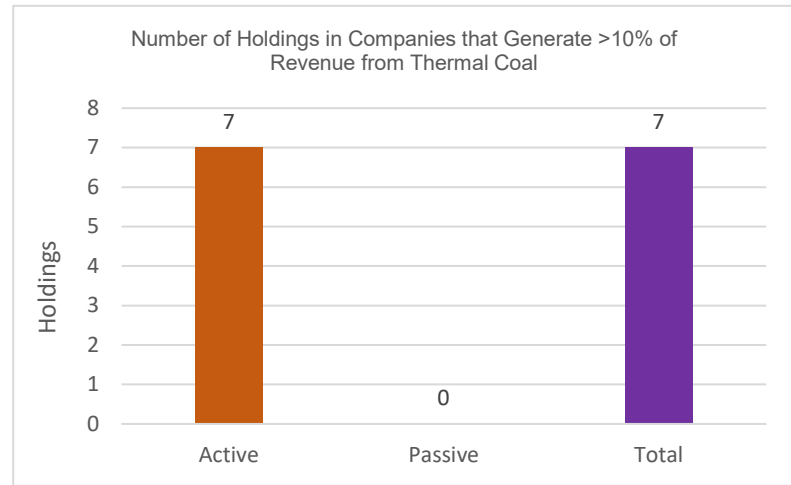
Public Fixed Income Coal Exposure



Public Equity Coal Exposure



Public Fixed Income Coal Exposure



B. Coal Exposure Assessment

Staff, working with LACERS’ investment consultant, will routinely assess on a quarterly basis the LACERS investment portfolio for holdings of publicly traded companies that generate at least 10% of revenues from thermal coal, evaluate the financial risks stemming from such investments, and then engage with such companies that pose the greatest risk to LACERS investment portfolio. LACERS will also discuss with its actively-managed investment managers what plans are in place to transition thermal coal holdings within the LACERS portfolio. Depending on the proposed actions of these investment managers, LACERS will determine an appropriate course of action based on its fiduciary responsibilities and provision of the Responsible Investment Policy.

Priority 4 – ESG-Focused Investing

LACERS believes that any consideration of a climate-based asset transition is in fact a two sided transaction – a replacement of one asset or set of assets traded for another asset or set of assets. LACERS may find it economically desirable to increase its ESG exposure to either offset questionable holdings or non ESG-related assets with one or more ESG-sensitive investment mandates or approaches, as described below.

I. Active Approaches to ESG

A key component of sustainable investing is active engagement with investee companies with the aim of encouraging and persuading companies to improve their ESG practices in order to provide better outcomes for all stakeholders. Additionally, active investment management permits the investor to establish various criteria to include (but not limited to) the number of holdings, style preferences, weightings, and capitalization parameters.

In active sustainable fixed-income investing the argument is broadly the same. While debt investors do not own shares in companies, they often provide the primary or only source

of capital to a company in the private sector, and even for certain countries. This gives active fixed income investors a better chance of effecting positive change.

II. Passive Approaches to ESG

Passive investment management is a rules-based approach that seeks to replicate the risk-return characteristics of a market index such as the S&P 500 and does not involve discretionary investment decisions. Staff recommends that full-replication passive strategies be exempt from security name exclusion due to portfolio management complexity and cost factors.

III. ESG-Focused Strategies

ESG-focused strategies refer to any investment strategy that makes ESG considerations an important factor when deciding whether or not to invest. LACERS, together with its investment consultants, will consider the appropriateness of such strategies through an economic risk lens and the financial impact on the LACERS Investment Program. Examples of such strategies may include portfolios that certify to standards such as sustainability, climate-focused, or ESG.

IV. Green Technology

LACERS has the ability to back venture capital managers who seek to place capital in carbon-reduction technologies, renewable energy, and other sustainability investment endeavors.

V. Emerging Investment Manager Program

Emerging investment managers refer to investment managers who have formed new investment management firms. Such managers are expected to meet the same rigorous investment criteria and standards such as a verifiable history of generating outsized performance, experienced senior investment team, proven and repeatable investment process, etc. LACERS will take into account other risk factors such as smaller staffing sizes, limited transaction sourcing, number of portfolio realizations, and access to capital raising networks.

VI. ESG Integration in the Interim

Forward-thinking, sophisticated investment managers already consider the impact of ESG factors as an enhancement to their investment process, and already build client investment portfolios with varying magnitudes of sustainability even when the client does not mandate it. This is a passive and interim solution that still provides a limited amount of ESG risk factor consideration until LACERS is able to realize a more fully integrated ESG risk program.

Priority 5 - ESG Risk Framework Action Plan

LACERS has initiated several actions over the past several decades that reflect sensitivity towards ESG concerns and issues. In 2019, LACERS became an official signatory to the PRI. As a result of that signatory status, LACERS has developed investment manager selection questionnaires and due diligence checklists to more fully engage with prospective investment managers and those currently under contract.

In 2021, LACERS appointed an ESG Risk Officer to spearhead ESG priorities and to ensure a coordinated implementation of ESG risk factors among LACERS investment staff, investment managers, bank custodian, and other support vendors. This undertaking requires a carefully constructed plan to navigate a myriad of significant and material initiatives and practices to help achieve full implementation of ESG. LACERS will rely on its Framework to guide and facilitate the implementation and management of ESG within its Investment Program. The ESG Risk Framework Action Plans for Fiscal Year 2021-22 and Fiscal Year 2022-23 are presented on the following pages.

LACERS Fiscal Year 2021-22 ESG Risk Framework Proposed Action Plan

Board-Level Priorities	Staff-Level Priorities		
	Policy and Programs	Operational	ESG Collaboration
<p>Review and Approve LACERS Responsible Investment Policy</p> <p>Review and Approve proposed changes to ESG Risk Framework Action Plan</p> <p>Review and approve modifications to the Proxy Voting Policy</p> <p>Support partnership with organizations and entities that are aligned with LACERS beliefs regarding responsible investment, sustainability, and ESG risk factors</p> <p>Consider engagements with companies to effectuate company-level climate transition using LACERS' influence and clout as a multi-billion dollar asset owner</p> <p>Support greater transparency and reporting around ESG corporate reporting</p> <p>Support greater corporate reporting transparency on ESG risk factors</p> <p>Support greater corporate board diversity</p>	<p>Develop LACERS Responsible Investment Policy in consultation with investment consultants and ESG experts and practitioners</p> <p>Review ESG Risk Framework Action Plan and include updates; present to Board for review and approval</p> <p>Review Proxy Voting Policy; propose modifications for Committee and Board review and approval</p> <p>Develop a policy and procedure to address companies that may be subject to proposed climate transition provisions of LACERS Responsible Investment Policy</p> <p>Update PRI Action Plan</p>	<p>Incorporate ESG Risk Factors into the investment manager selection process including RFP questionnaires, scoring of proposals, due diligence, and monitoring</p> <p>Develop specific Responsible Investment Statements for each asset class and Responsible Investment Guidelines for each LACERS investment manager, as appropriate</p> <p>Conduct study to determine effectiveness of ESG-focused investing to include (but not limited to) index strategies ex-fossil fuels and actively-managed investment strategies that pursue renewable energy sources and/or reduce reliance on thermal coal and thermal coal-related businesses</p> <p>Explore third-party watch lists of companies that are deemed by the Board to be misaligned with LACERS Responsible Investment Policy or other Board directives including exposure to thermal coal</p> <p>Track and monitor exposure to investment holdings that may be misaligned with LACERS Responsible Investment Policy</p> <p>Request investment managers to report ESG activity as provided in LACERS Responsible Investment Policy and PRI reporting requirements; encourage private markets general partners to adopt ESG decision-making frameworks</p> <p>Monitor shareholder and governance issues</p> <p>Track proxy votes in accordance with PRI reporting requirements</p> <p>Provide PRI Action Plan progress report to the Board</p>	<p>Collaborate with partner ESG organizations including PRI and Pacific Center for Asset Management at the University of California at San Diego</p> <p>Actively participate in ESG industry events</p> <p>Engage in shareholder advocacy and collaborate on specific shareholder issues and proposals as needed</p> <p>Collaborate with members of the Los Angeles Diversity & Inclusion Roundtable</p>

LACERS Fiscal Year 2022-23 ESG Risk Framework Proposed Action Plan

Board-Level Priorities	Staff-Level Priorities		
	Policy and Programs	Operational	ESG Collaboration
<p>Review and approve updates to LACERS ESG Risk Framework for FY 2022-23</p> <p>Review and approve proposed changes to LACERS Responsible Investment Policy</p> <p>Continue to support and seek new partnership with organizations and entities that are aligned with LACERS beliefs regarding responsible investment, sustainability, and ESG risk factors</p> <p>Continue to engage with companies to effectuate company-level climate transition</p> <p>Advocate for continued support of ESG investment factors and transparency around corporate ESG reporting</p>	<p>Provide ESG Risk Framework and PRI Action Plan progress reports to the Board</p> <p>Revise ESG Action Plan based on ESG Consultant and staff recommendations</p> <p>Review LACERS Responsible Investment Policy; recommend possible changes</p> <p>Present findings of internal study on the appropriateness of ESG-focused investing to include (but not limited to) index strategies ex-fossil fuels and actively-managed investment strategies that pursue renewable energy sources and/or reduced reliance on thermal coal and thermal coal-related businesses</p> <p>Consider the application of Diversity, Equity & Inclusion factors in the LACERS Investment Program</p>	<p>Continue to track and monitor exposure to investment holdings that may be misaligned with LACERS Responsible Investment Policy</p> <p>Continue to request investment managers to report ESG activity as provided in LACERS Responsible Investment Policy and PRI reporting requirements</p> <p>Distribute and collect ESG survey of current private equity and real estate holdings and new partnerships on an ongoing basis</p> <p>Incorporate ESG into investment analysis and decision making plus integration and scoring of ESG risk responses in actively managed investment mandates</p> <p>Continue to explore impact investment strategies to include (but not limited to) ESG-focused index strategies and actively-managed investment strategies that pursue renewable energy sources and/or reduce reliance on coal and coal-related businesses</p> <p>Implement provisions of the LACERS Responsible Investment Policy to address companies that may be subject to climate transition provisions</p> <p>Work with consultant to determine how to evaluate effectiveness of ESG strategies and fiscal impact</p> <p>Continue to track proxy votes in accordance with PRI reporting requirements</p> <p>Develop measurement approaches to determine ESG impact on the investment portfolio</p> <p>Prepare and submit ESG Risk Framework progress report to the Board</p>	<p>Continue to collaborate with partner ESG organizations including PRI and Pacific Center for Asset Management at the University of California at San Diego</p> <p>Continue to actively participate in ESG industry events</p> <p>Continue to engage with other PRI signatories and like-minded organizations that support ESG issues</p> <p>Collaborate with members of the Los Angeles Diversity & Inclusion Roundtable</p>

File No. [19-1577](#)

BUDGET AND FINANCE COMMITTEE REPORT relative to the feasibility of developing a Climate Transition Risk Framework and related actions.

Recommendation for Council action, as initiated by Motion (Blumenfield - Bonin - et al.):

REQUEST that the Board of the Los Angeles City Employees' Retirement System (LACERS), with the assistance of the City Administrative Officer (CAO), report in six months with the following:

- a. Recommendations on the feasibility for the LACERS Board to adopt a similar Climate Transition Risk Framework to San Francisco Employees' Retirement System to identify investments in fossil fuel companies that pose an environmental and financial risk.
- b. Options to create a climate-change watch list that will report the riskiest investments in fossil fuel companies and develop a strategy to engage with the respective companies to reduce their oil and gas reserves and increase their efforts to move towards renewables and address climate change.
- c. A plan to divest from uncooperative fossil fuel companies and appropriately reinvest capital.
- d. A watch list to identify other LACERS investments such as in tobacco and firearm companies that contradict the City Council official positions and goal to provide a healthy and secure future for Angelenos.

Fiscal Impact Statement: Neither the CAO nor the Chief Legislative Analyst has completed a financial analysis of this report.

Community Impact Statement: Yes.

For: Wilshire Center-Koreatown
Mar Vista Community Council
Eagle Rock Neighborhood Council
East Hollywood Neighborhood Council
Los Feliz Neighborhood Council

SUMMARY

At its regular meeting held on November 23, 2020, the Budget and Finance Committee considered Motion (Blumenfield - Bonin - et al.) relative to requesting that the LACERS Board, with the assistance of the CAO, report with the feasibility to develop a Climate Transition Risk Framework and other related actions.

After providing an opportunity for public comment, the Committee approved the recommendations in the Motion. This matter is now forwarded to the Council for its consideration.

Respectfully Submitted,

BUDGET AND FINANCE COMMITTEE

<u>MEMBER</u>	<u>VOTE</u>
KREKORIAN:	YES
PRICE:	YES
KORETZ:	YES
BLUMENFIELD:	YES
BONIN:	YES

MM11-23-20 Council file No. 19-1577

-NOT OFFICIAL UNTIL COUNCIL ACTS-



LACERS
LA CITY EMPLOYEES'
RETIREMENT SYSTEM



REPORT TO BOARD OF ADMINISTRATION
From: Neil M. Guglielmo, General Manager

MEETING: APRIL 27, 2021
ITEM: XI – D

Neil M. Guglielmo

SUBJECT: NOTIFICATION OF COMMITMENT OF UP TO \$40 MILLION IN GLP CAPITAL PARTNERS IV LP

ACTION: CLOSED: CONSENT: RECEIVE & FILE:

Recommendation

That the Board receive and file this notice of the commitment of up to \$40 million in GLP Capital Partners IV LP.

Discussion

On March 23, 2021, the Board, in closed session pursuant to Government Code Section 54956.81, approved a commitment of up to \$40 million in the following private real estate fund: GLP Capital Partners IV LP. The investment closed on April 16, 2021. Board vote: Ayes 7 (Commissioners Annie Chao, Elizabeth Lee, Sandra Lee, Nilza Serrano, Michael Wilkinson, Vice President Sung Won Sohn, and President Cynthia Ruiz), Recusal 0, and Nays 0.

Strategic Alignment

The commitment to GLP Capital Partners IV LP aligns with the Strategic Plan Goal to optimize long-term risk adjusted investment returns (Goal IV).

Prepared By: Eduardo Park, Investment Officer II, Investment Division

NMG/RJ/BF/WL/EP:rm