



Benefits Administration Committee Agenda

REGULAR MEETING

TUESDAY, JANUARY 28, 2020

TIME: 9:00 A.M.

MEETING LOCATION:

LACERS Ken Spiker Boardroom
202 West First Street, Suite 500
Los Angeles, California 90012-4401

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

Chair: Michael R. Wilkinson
Committee Members: Sandra Lee
Nilza R. Serrano
Manager-Secretary: Lita Payne
Executive Assistant: Ani Ghoukassian
Legal Counselor: City Attorney's Office
Public Pensions General
Counsel Division

Sign Language Interpreters, Communication Access Real-Time Transcription, Assistive Listening Devices, or other auxiliary aids and/or services may be provided upon request. To ensure availability, you are advised to make your request at least 72 hours prior to the meeting you wish to attend. Due to difficulties in securing Sign Language Interpreters, five or more business days' notice is strongly recommended. For additional information, please contact: Board of Administration Office at (213) 473-7169.

- I. PUBLIC COMMENTS ON MATTERS WITHIN THE COMMITTEE'S JURISDICTION
- II. [APPROVAL OF MINUTES FOR REGULAR MEETING OF OCTOBER 8, 2019 AND POSSIBLE COMMITTEE ACTION](#)
- III. 2021 HEALTH PLAN CONTRACT RENEWAL UPDATE – VERBAL REPORT
- IV. [RECEIVE AND FILE – LACERS WELL 2019 ANNUAL REPORT](#)
- V. [AGED DECEASED ACCOUNTS WITH UNRECOVERABLE OVERPAYMENTS AND POSSIBLE COMMITTEE ACTION](#)
- VI. OPERATIONAL UPDATE
- VII. OTHER BUSINESS
- VIII. NEXT MEETING: The next Benefits Administration Committee meeting is not scheduled at this time, and will be announced upon scheduling.
- IX. ADJOURNMENT



Board of Administration Agenda

SPECIAL MEETING

TUESDAY, JANUARY 28, 2020

TIME: 9:00 A.M.

MEETING LOCATION:

LACERS Ken Spiker Boardroom
202 West First Street, Suite 500
Los Angeles, California 90012-4401

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President: Cynthia M. Ruiz
Vice President: Michael R. Wilkinson

Commissioners: Annie Chao
Elizabeth Lee
Sandra Lee
Nilza R. Serrano
Sung Won Sohn

Manager-Secretary: Lita Payne

Executive Assistant: Ani Ghoukassian

Legal Counsel: City Attorney's Office
Public Pensions General
Counsel Division

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- I. PUBLIC COMMENTS ON MATTERS WITHIN THE COMMITTEE'S JURISDICTION
- II. APPROVAL OF MINUTES FOR REGULAR MEETING OF OCTOBER 8, 2019 AND POSSIBLE COMMITTEE ACTION
- III. 2021 HEALTH PLAN CONTRACT RENEWAL UPDATE – VERBAL REPORT
- IV. RECEIVE AND FILE - LACERS *WELL* 2019 ANNUAL REPORT
- V. AGED DECEASED ACCOUNTS WITH UNRECOVERABLE OVERPAYMENTS AND POSSIBLE COMMITTEE ACTION
- VI. OPERATIONAL UPDATE
- VII. OTHER BUSINESS
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MINUTES OF THE REGULAR MEETING
BENEFITS ADMINISTRATION COMMITTEE
LOS ANGELES CITY EMPLOYEES' RETIREMENT SYSTEM

LACERS Ken Spiker Boardroom
202 West First Street, Suite 500
Los Angeles, California

October 8, 2019

Agenda of: Jan. 28, 2020

Item No: II

9:06 a.m.

PRESENT:	Chair:	Michael R. Wilkinson
	Committee Member:	Sandra Lee Nilza R. Serrano
	Manager-Secretary:	Neil M. Guglielmo
	Executive Assistant:	Ani Ghoukassian
	Legal Counselor:	Miguel Bahamon

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

I

PUBLIC COMMENTS ON MATTERS WITHIN THE COMMITTEE'S JURISDICTION – Chair Wilkinson asked if any persons wished to speak on matters within the Committee's jurisdiction, to which there was no response and no public comment cards received.

II

APPROVAL OF MINUTES FOR SPECIAL MEETING OF AUGUST 27, 2019 AND POSSIBLE COMMITTEE ACTION – Approval of the minutes was moved by Committee Member Serrano and adopted by the following vote: Ayes, Committee Members Sandra Lee, Serrano and Chair Wilkinson – 3; Nays, None.

Item IV was taken out of order.

IV

ANTHEM ENROLLMENT ISSUES – Alex Rabrenovich, Chief Benefits Analyst, Ju Anderson, Vice President with Keenan & Associates, Michele Guilford, Account Management Executive, Shad Wilson, Membership Director, and Michael Loft, Reporting & Data Manager with Anthem presented and discussed this item with the Committee.

III

HEALTH MANAGEMENT DASHBOARDS – RECEIVE AND FILE – Alex Rabrenovich, Chief Benefits Analyst and Robin Rager, Vice President with Keenan & Associates presented this item to the Committee. The Report was received by the Committee and filed.

V

OPERATIONAL UPDATE – There was no update.

VI

OTHER BUSINESS – There was no other business.

VII

NEXT MEETING: Chair Wilkinson announced that the next Benefits Administration Committee Meeting is not scheduled at this time, and will be announced upon scheduling.

VIII

ADJOURNMENT – There being no further business before the Committee, Chair Wilkinson adjourned the Meeting at 10:00 a.m.

Michael R. Wilkinson
Chair

Neil M. Guglielmo
Manager-Secretary



REPORT TO BENEFITS ADMINISTRATION COMMITTEE

MEETING: JANUARY 28, 2020

From: Lita Payne, Executive Officer

ITEM: IV

Lita Payne

SUBJECT: LACERS Well 2019 ANNUAL REPORT

ACTION: CLOSED: CONSENT: RECEIVE & FILE:

Recommendation

That the Committee receive and file this report.

Executive Summary

This report includes statistics of the LACERS Well program for calendar year 2019. Overall, participation in the program this past year has continued to be strong.

Discussion

LACERS Well was developed as a strategic initiative to support and improve the health of LACERS Retired Members by educating them about and encouraging use of resources available through their health insurance carriers, medical groups, providers, and communities. The program also strives to establish a network of LACERS Well Champions: Retired Members who voluntarily lead various types of activities for other LACERS Members in their communities or assist at various LACERS Well events. The goal of the program is to help retired Members better manage their health so that they are able to have a more fulfilling retirement, while minimizing long-term healthcare costs.

Strategic Plan Impact Statement

This report supports Strategic Plan Goal 3: Improve value and minimize costs of Members' health and wellness benefits.

Prepared By: Heather Ramirez, Senior Management Analyst I

LP/AR:hr

- Attachments: 1. LACERS Well 2019 Annual Report
 2. LACERS Well 2020 Plan Summary



2019 Annual Report

*Prepared By: Heather Ramirez
Senior Management Analyst I*

LACERS Staff

Alex Rabrenovich
Taneda Larios
Heather Ramirez
Tiffany Obembe
Nathan Herkelrath
Brittany Cotton
Kristal Baldwin
Audrey Dymally
Veronica Flores
Darnell Washington

Keenan/Interactive Health Staff

Tara Miller
Lindsey Hartman



Sponsored by LACERS health plans (Anthem Blue Cross, Anthem Blue View Vision, Delta Dental, Kaiser Permanente, SCAN, and UnitedHealthcare), the LACERS Well program utilizes a data-dashboard which analyzes LACERS claims data from Kaiser Permanente and Anthem Blue Cross, and assists with identification of key health issues and areas of high claims costs in the LACERS retiree population. Armed with these metrics, a robust Wellness Champion network, expert medical, dental and vision carrier resources, strategic education and incentive programs, and ongoing social activities, the LACERS Well program intends to serve as a seasoned, data-driven “best practice” in retiree wellness, ultimately improving Member health and longevity.

Mission Statement:

“To enhance the quality of life and retirement for LACERS Members by providing resources and activities that promote optimal health & wellness.”

LACERS Well Program Goals:

- I. Increase Member interaction with their LACERS health care resources (primary care physician, health plan resources, online and in-person programs)
- II. Increase Member recruitment and participation in the LACERS *Well* program
- III. Increase Wellness Champion program participation and impact on retirees' health


2019 LACERS *Well* Executive Summary

Wellness Category	Program Detail	2019 Participation
Wellness Initiatives	<p><u>Feel Like a Million Online Challenge</u> Registrants (signed up for the program) Mid Point (had some activity) Million Dollar Club (earned \$1,000,000 or more virtual dollars) Teams Formed (additional team competition) Members in Teams</p> <p><u>Passport to Health Participation Incentive Program (ongoing)</u> Provides points for engaging in healthy behaviors such as attending Champion-led events and LACERS <i>Well</i> workshops, to be entered to win opportunity prizes.</p>	<p>Registrants = 227 Mid-Point = 72 Million Dollar Club = 52 Teams = 5 Total Members in Teams = 24</p> <p>873 Logged</p>
LACERS <i>Well</i> events	<p><u>6th Annual Extravaganza (Three Locations)</u></p> <p><u>5-week Purposeful Living Workshops (Three Locations)</u></p> <p><u>Technology One-on-One Assistance Events (7)</u> <u>Tech Consultations During Larger Events (10)</u></p> <p><u>Picnic and Volunteer Fair</u></p> <p><u>Financial Wellness Event</u></p> <p><u>Purposeful Living Workshop Reunion</u></p>	<p>Combined Attendance = 482</p> <p>Combined Attendance = 95</p> <p>Combined Attendance = 149 Combined Attendance = 696</p> <p>Attendance = 184</p> <p>Attendance = 139</p> <p>Attendance = 28</p>
Champion Program	<p><u>Champion-led activities</u> Includes ongoing walks, museum tours, line-dance classes, yoga, bike rides, cooking classes, and more</p> <p><u>Champion Recruitment and Development</u> 7 Regional Summits, Breakfast of Champions Recruitment</p>	<p>Total Champion leaders = 23 Total Champion-led events = 318 Attendance = 1877</p> <p>Combined Attendance = 102 Attendance = 43</p>
		6

Purposeful Living Campaign

Help Members discover, define, and enhance their purpose and provide focus on physical and mental health; volunteerism, financial wellbeing, and social engagement/connection.


1,521 Members completed the online (78%) or hardcopy (22%) LACERS Well Wellness Program Survey in March 2019.



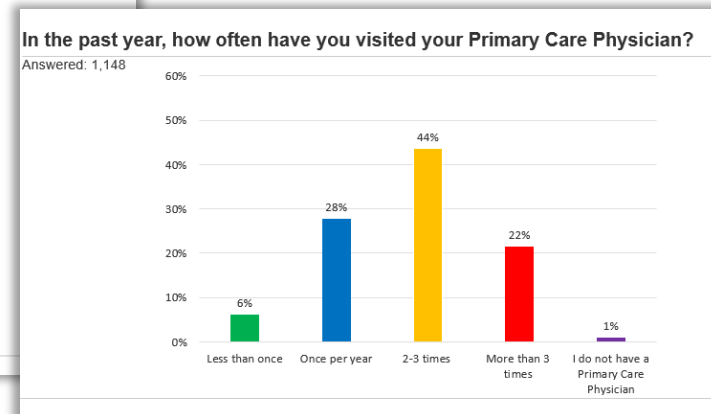
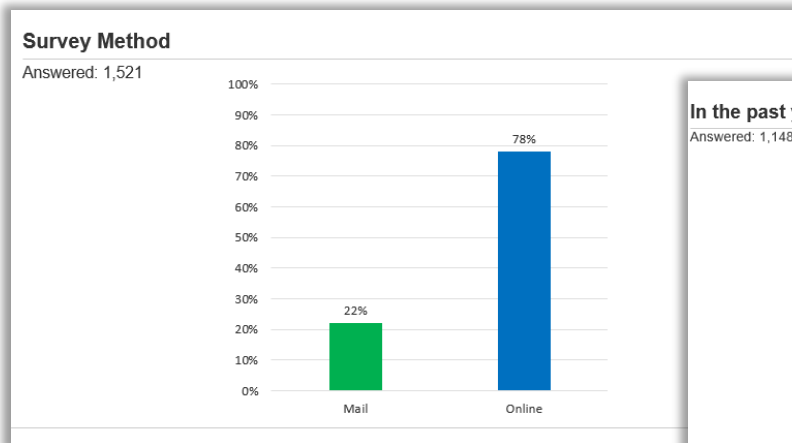
2019 LACERS Well Wellness Program Survey

LACERS values your feedback. Please take a moment to complete this brief survey of your participation and interests regarding LACERS Well, the wellness program provided especially for LACERS Members. Your answers will be anonymous and will help with planning future wellness program offerings to LACERS Members.


[CLICK HERE TO BEGIN](#)



Securing Your Tomorrow



LACERS Well Events offered Members an opportunity to learn and incorporate health-related information from trustworthy medical experts while socializing with fellow retirees. In 2019, Members enjoyed the following events:



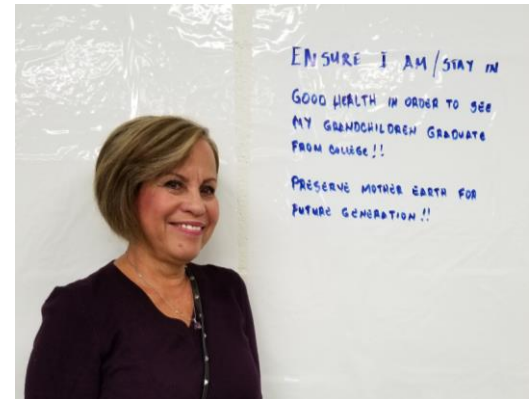
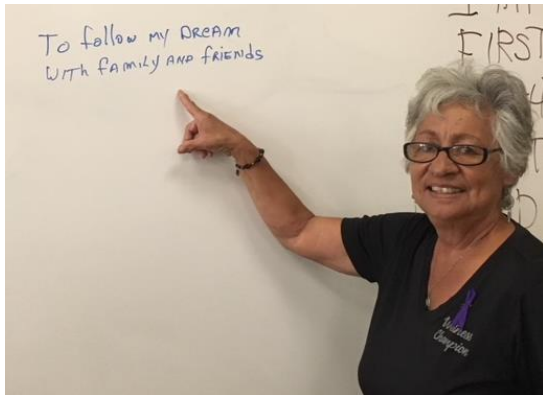
Annual LACERS Well Extravaganza – Living Life to Its Fullest

- 8:00 a.m. Registration and Continental Breakfast
- 9:00 a.m. LACERS Well 2019 Focus: Living Life to Its Fullest with Alex Rabrenovich and Tara Miller
- 9:30 a.m. Keynote Presentation: *Unlocking Purpose in Retirement* with Sean Foy, internationally renowned authority on fitness and healthy living, and NY Times #1 bestseller coauthor of "The Daniel Plan"
- 10:30 a.m. *Removing Clutter from Your Life* with Laura Smith, professional organizer and member of the National Association of Organizing and Productivity Professionals (NAPO)
- 11:30 a.m. Breakout Activities
 - Chair Yoga
 - Zumba
 - Technology Assistance from Mom's Computer
- 12:15 p.m. Lunch Break
- 1:00 p.m. *Spring Cleaning: Getting Your House, Health, and Finances in Order* with Dr. Anat Louis, former Director of Program Services at the City of Los Angeles Department of Aging, Dr. Sara Gelberg, founder of the Sinai Hospital Geriatric Assessment Center, and Janet Morris, Esq., AARP award-winner for her contributions to elder law
- 2:30 p.m. Prize Drawing and Event Adjournment

The 6th Annual Extravaganza Roadshow: Living Life to Its Fullest provided Members with field expert presentations on *Unlocking Purpose in Retirement, Removing Clutter from Your Life, and Spring Cleaning: Getting Your House, Health and Finances in Order*. Yoga, Zumba, and technology assistance from Mom's Computer were also provided. Held in three Southern CA locations (Pomona, Lakewood, and Downtown Los Angeles) **for an attendance total of 482.**



The five-week **Purposeful Living Workshops** series was offered as a deeper-dive into the five components of purposeful living: purpose, physical and mental health, financial wellbeing, volunteerism, and social engagement/connection. In April, the series was held three locations (Chino Hills, Griffith Park, and Lakewood) **for an attendance total of 95.**



A **Purposeful Living Workshops Reunion** was held in September at LACERS headquarters and served as a recap of what participants learned during the five-week workshop and how they were implementing the materials learned into their own lives. **Attendance total was 28.**

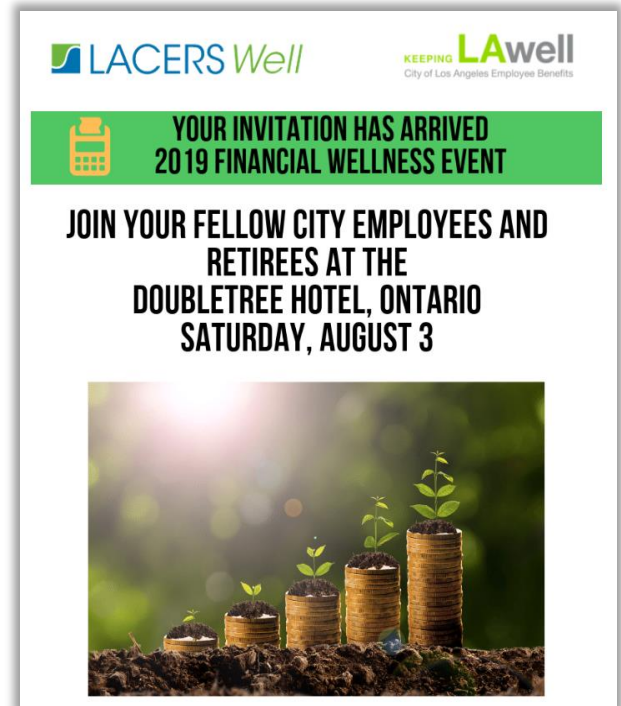


LACERS Well hosted it's first ever **Picnic and Volunteer Fair** in June at Point Fermin Park in San Pedro. The fair provided Members the opportunity to explore many volunteer opportunities from 12 different groups based in Los Angeles City and the surrounding area **for a total attendance of 184.**

Technology Assistance continued to be a Member favorite among program offerings. LACERS Well partnered with Mom's Computer this year to provide hands on learning for utilization of smart devices, apps, and online health- related assistance. **149 attended dedicated one-on-one assistance workshops and 696 sought single-topic trouble shooting assistance during Extravaganzas, Medicare Workshops, and Open Enrollment meetings.**



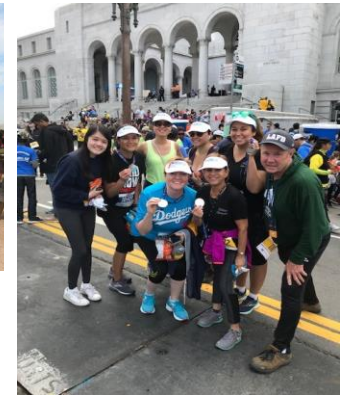
August's ***Financial Wellness Event***, marked the first time LACERS and the Personnel Department partnered to host an event for both Active and Retired Members. **Overall, 139 attended the monumental event.**





Each year the **LACERS Well Champion network** remains a key component of LACERS Well's success. With their diligence and dedication, **318 event and activity opportunities were experienced with a combined attendance total of 1,887**, which included ongoing walks, museum tours, line-dance classes, yoga, bike rides, cooking classes, and more.

Additionally, Champions engage in trainings, brainstorming sessions, and resource development throughout the year. **Approximately 23 of our LACERS Wellness Champions actively provide outings for fellow retirees.**





To strengthen program sustainability, Member ***recruitment and development*** is considered when developing marketing strategies for Member participation. In 2019 we took advantage of receiving access to Member email addresses through the new MyLACERS portal and now market to approximately 10,000 Members with every e-blast.



Utilization of Facebook was an exciting social media addition in 2018 and continued to grow in 2019. **119 LACERS Members joined the LACERS Well Facebook group in 2019 with a year end total of 429 Members in the group.**

Members were rewarded with participation opportunity prizes, early notice of upcoming events and regular health-related postings by LACERS staff.

LACERS *Well* Year-to-Year Comparison

2016 Participation		2017 Participation		2018 Participation		2019 Participation	
I. Wellness Initiatives Passport to Health participation incentive program	29	I. Wellness Initiatives Passport to Health participation incentive program	388	I. Wellness Initiatives Passport to Health participation incentive program	2176	I. Wellness Initiatives Passport to Health participation incentive program	873
<i>Move Well to Be Well</i> Mobility Screening	79	<i>Move Well to be Well</i> Mobility Screening and activity program Mobility Graduates	109 41	Diabetes Campaign Quizzes Pledges Graduates	237 62 35	Feel Like a Million Online Challenge Registrants Virtual Millionaires Teams	227 52 5
		Preventive Healthcare Verification Screening (PHS)	183	PHS Program Dental Vision	337 259	LACERS <i>Well</i> Program Survey	1521
II. LACERS <i>Well</i> Events 3 rd Annual Extravaganza: <i>Move Well to Be Well</i>	168	II. LACERS <i>Well</i> Events 4 rd Annual Extravaganza: <i>Make Your Move</i>	140	II. LACERS <i>Well</i> Events 5 rd Annual Extravaganza (Roadshow): <i>Because Your Health Matters</i>	336	II. LACERS <i>Well</i> Events 6 th Annual Extravaganza Financial Wellness Event	482 139
Empowering Seniors through Technology, sponsored by Anthem	146	Technology Workshop, offered in collaboration with AARP	34	Technology Workshops OE Tech Consultations	137 370	Technology Workshops (7) Tech Consultations during Larger Events (10)	149 696
Strength-training and Griffith Park Hike	45	Be Mentally Resilient	134	Facebook Enrollment	310	Facebook Group Enrollment End of Year Group Total	119 429
Healthier Living with Chronic Conditions 6-week workshop	15	Healthier Living with Chronic Conditions 6-week workshop (2 sessions)	11 12	SilverSneakers/Silver&Fit Open House events (4 locations)	151	Purposeful Living 5-week workshops (3 locations) Reunion(1)	95 28
		1 st Annual Gala and Awards Ceremony	109	2 nd Annual Gala and Awards Ceremony: Roaring Twenties	184	Picnic and Volunteer Fair	184

LACERS *Well* Year-to-Year Comparison cont.

2016 Participation		2017 Participation		2018 Participation		2019 Participation	
III. Champion Program		III. Champion Program		III. Champion Program		III. Champion Program	
Champion-led events	163	Champion-led events	324	Champion-led events	191	Champion-led events	318
Champion leads	15	Champion leads	17	Champion leads	20	Champion leads	23
Champion-led event *touch points	613	Champion-led event *touch points	851	Champion-led event *touch points (attendance)	719	Champion-led event *touch points (attendance)	1887
Champion Recruitment and Training Summits (10)	196	Champion Recruitment and Training Summits (6)	135	Champion Recruitment and Training Summits (8)	210	Breakfast of Champions Recruitment (1)	43
Breakfast of Champions (1)	14	Training Webinars (4)	31	Gala event volunteers	17	Training Summits (7)	102
Champions Who Care events	32	Gala event volunteers	12				
IV. Member Wellness Program Recruitment		IV. Member Wellness Program Recruitment		IV. Member Wellness Program Recruitment		All Retired Members and Beneficiaries are considered part of LACERS <i>Well</i>	N/A
Group counseling- New LW Members registered	492	Group counseling- New LW Members registered	527	Group counseling- New LW Members registered	571		
Open Enrollment sessions	924	Open Enrollment Sessions	972	Open Enrollment Sessions	1058	Open Enrollment Sessions	960
<i>*Total Program involvement</i>	2780	<i>*Total Program involvement</i>	3252	<i>*Total Program involvement</i>	4993	<i>*Total Program Involvement</i>	6626

**Total program involvement and touch points* includes all opportunities to interact with LACERS Members, face-to-face through wellness events and activities.
 Note: *Italicized* participation totals are not included in “Total Program Involvement” calculations to avoid duplicates.



2020 LACERS *Well* Program Strategic Plan

OVERVIEW

Mission: To enhance the quality of life and retirement for LACERS Members by providing resources and activities that promote optimal health and wellness.

Goals: LACERS *Well*, an innovative approach to retiree health optimization, was developed to support and improve the health of retired Los Angeles City employees (Members). Sponsored by LACERS health plans (Anthem Blue Cross, Anthem Blue View, Delta Dental, Kaiser Permanente, SCAN, and UnitedHealthcare), the program aims to avoid unnecessary health care utilization, control health care costs, and optimize the quality of life for LACERS Members throughout their retirement by focusing on the following three goals:

I. Increase Member interaction with their LACERS health care resources:

- I. Increase Member interaction with their primary care physician for early detection and medication management
- II. Increase utilization of medical carrier resources such as nurse hotlines, tele-health, and online interactive tools/education
- III. Increase participation in, and graduation from, (where relevant) health prevention/promotion and management programs

II. Increase Member recruitment and participation in the LACERS *Well* program

- I. Increase completion of the "Passport to Health" incentive program
- II. Increase membership in Facebook group and other social media platforms
- III. Increase LACERS *Well* membership through participation in group retirement planning and counseling sessions
- IV. Expand Champion-led and LACERS-sponsored activities to include more areas of interest and diverse geographic locations
- V. Collaborate with aligned municipalities (i.e. Los Angeles (L.A.) City, Actives, L.A. Department of Aging, and L.A. County) and respected, non-profit organizations (i.e. Wise and Healthy Aging, AARP, Arthritis Foundation)



III. Increase Member participation in the Wellness Champion program

- I. Increase to five regional teams of engaged Champion-Led Event Members (80) and Champion Auxiliary Support Members (30) respectively. Current regions include: Valley, Harbor, Eastern L.A., and L.A. Metro. Proposed region to be added: Orange County and/or remote teams
- II. Maintain regular monthly communications with Champions
- III. Develop and implement semi-annual training for Champions
- IV. Create a streamlined communication strategy for Champions to communicate with retirees geographically

To address these goals, LACERS *Well* utilizes an aggregate data-dashboard which reflects LACERS claims data for Kaiser Permanente and Anthem Members, and identifies key health issues and high claims costs in the LACERS retiree population. Armed with these metrics, a robust Wellness Champion network, expert health carrier resources, strategic education, and incentive programs, and ongoing social activities, the LACERS *Well* program aims to serve as a seasoned, data-driven “best practice” in retiree wellness, ultimately improving Member health and longevity.

In January 2019, LACERS *Well* embarked upon a trailblazing wellness campaign entitled “Living Purposefully.” Supported by evidence-based research, this campaign highlights and interlaces the discovery of one’s “why” or *purpose*, with the other four prominent influencers of wellbeing: financial resilience, physical health, social connectivity, and community involvement.

The 2020 campaign will build upon the five influences of wellbeing by focusing on Financial Wellness. The campaign will continue to include a purposeful living component as an overarching guide. The timeframe for the 2020 campaign year will shift from a calendar to a fiscal year in order to align with the City’s reporting and budgetary structure.



2020 LACERS WELL PLAN SUMMARY

Each of the following programmatic components support the annual theme of Financial Resilience and the overarching “Living Purposefully” campaign, or both.

Allocated budget: \$470,000

- I. FINANCIAL WELLNESS SEMINARS:** Large-scale events designed to promote campaign awareness, related tools/resources, and upcoming wellbeing opportunities.

Planned Action:

- (2) Retiree-only event (Feb. 2020)
 - February 12, 2020, Monrovia
 - February 26, 2020, Lakewood

- II. MULTI-SESSION WORKSHOPS:** Medium-scale deeper-dive sessions into campaign-related topics. Sessions will run consecutively for three weeks in length and include facilitators, group discussions, and exercises for lifelong skill-building and action plan development.

Planned Action:

- Aging Mastery Program (March 2020; 5 weeks, 10 modules)
 - Two locations: Diamond Bar and Los Angeles
- Financial Resilience Series (May 2020; 3 weeks)
 - Two locations

- III. ANNUAL WELLNESS PICNIC:** A gathering to promote social connectivity with an educational objective that aligns with Financial Resiliency.

Planned Action:

- Volunteer Fair and Picnic (June 2020)

- IV. TECHNOLOGY SUPPORT AND EDUCATION:** One-on-one tutorial sessions and/or small group trainings for technological-related services.

Planned Action:

- Technology Events at Open Enrollment Events (October – November 2020)



V. “PASSPORT TO HEALTH” PARTICIPATION INCENTIVE PROGRAM:

Incentivized participation tracking program with monthly opportunity drawings.

Planned Action:

- Integrate goals as a means to obtain Passport points (Ongoing)
- Procure an online platform for tracking submissions

VI. WELLNESS CHAMPION PROGRAM

Champion Summits: Regional Champion trainings provided by LACERS *Well* staff to support Champion-directed initiatives, such as Member outreach, events and activities, and other wellness programming.

Planned Action:

- Four (4) Summits conducted following Open Enrollment sessions (Oct-Nov 2020)

Champion-Led Events: Localized activities led by Champion team members for fellow LACERS retirees.

Planned Action:

- Monthly, weekly and/or annually activities (Ongoing)

VII. CARRIER SUMMITS: Collective think tank comprised of LACERS medical and dental carriers, Keenan (LACERS Health and Wellness Consultant), LACERS *Well* staff and other invested parties.

Planned Action:

- Semi-annual Meeting (TBD)

VIII. MARKETING: The wellness program campaign will be promoted through regular communications via two semi-annual LACERS newsletters, two semi-annual LACERS *Well* newsletters, monthly e-blasts, monthly paycheck flyers, website, social media, and special mailings.



REPORT TO BENEFITS ADMINISTRATION COMMITTEE

MEETING: JANUARY 28, 2020

From: Lita Payne, Executive Officer

ITEM: V

For [Signature]

SUBJECT: AGED DECEASED ACCOUNTS WITH UNRECOVERABLE OVERPAYMENTS AND POSSIBLE BOARD ACTION

ACTION: CLOSED: CONSENT: RECEIVE & FILE:

Recommendation

1. That the Committee recommend the Board find that the overpayment cases identified in Attachment 1, totaling \$366,454.88, are unrecoverable; and,
2. That the Committee recommend the Board delegate administrative authority to the General Manager to review and determine future unrecoverable amounts up to \$20,000.

Discussion

An overpayment occurs when a Member passes away and LACERS is unable to recover funds issued after the Member's death.

Overpayments Due to Death

LACERS benefits are distributed either in the form of a lump sum or a monthly benefit payment. Monthly benefits are paid to retirees, continuance recipients, and other employee-designated beneficiaries. Monthly payments are generally paid to a benefit recipient until LACERS is notified of the recipient's death. In most cases, the notification of death is made in a timely manner by relatives or friends of the decedent, or by a death audit service.

However, there are situations when LACERS is not notified and as a result, payments to the benefit recipient continue for months after the recipient's death, creating an overpayment. Once LACERS is notified, the Fiscal Management Division will attempt to reverse any direct deposits or place a stop payment on any outstanding checks.

In the case of direct deposit, if the funds are withdrawn prior to reversal efforts, it is extremely difficult to collect the overpayment because in most cases the individual(s) with access to the decedent's account is not known. Conversely, it is somewhat easier to identify the person who cashes the check of a decedent because the bank requires identification or disclosure of the person conducting the transaction. Regardless of the method of payment, staff will attempt to recover any overpayment.

Should recovery attempts prove unsuccessful, staff will report the overpayment amounts to the Board for determination.

Recovery Process for Overpayments Due to Death

It is rare for a death to go unreported for more than 60 days. However, in the event a death does go unreported for an extended period of time, LACERS first attempts to reverse the direct deposit or place a stop payment on the check(s). Additionally, staff will attempt to ascertain the identity of any individual(s) who possibly had access to the benefit recipient's bank account. Generally, this process entails sending three letters to those with access to the Member's account. Further, if the individual is a named beneficiary, LACERS will offset against any contribution-based benefit payable. If an offset is not possible due to the amount of the overpayment and the debtor elects to repay the overpayment through an installment plan, a promissory note is issued and the recipient is given a limited time to repay the funds. However, if the person responsible for taking the funds cannot be determined, staff's only recourse is to categorize the overpayment as an unrecoverable account.

Overpayment Due to Fraud

If staff suspects an overpayment is the result of fraud, a case file is prepared and the appropriate law enforcement authorities are notified.

Overpayment Reduction Efforts

Although the number of uncollectible overpayments is relatively negligible in comparison to the overall benefit expenditures, LACERS strives to reduce the number of overpayments and the financial impact to the Plan Sponsor, who is required to replace the uncollectible funds. Some of the procedural enhancements that have been implemented in recent years include adding a second death audit vendor for broader death record access and placing accounts on "temporary hold" when staff suspects a Member is deceased.

In addition to the aforementioned, every two to three years, LACERS conducts an Alive and Well audit. The audit serves to protect LACERS Members and the Plan by verifying the status of all Members receiving a monthly benefit who are over a designated age. This audit has proven an effective tool in identifying Members who are deceased, but whose names have not appeared on death audit reports. The audit also affords LACERS the opportunity to serve Members better by obtaining copies of conservatorships and power-of-attorney documents.

General Manager Authority

In the past, LACERS has sought to write off unrecoverable overpayments with approval from the Board. On June 14, 2016, the Board delegated to the General Manager the responsibility to develop and modify LACERS operating policies and procedures, including guidelines to facilitate the administration of retirement and retirement-related benefits, and management of Members, former Members, and non-Member accounts as provided in the Los Angeles Administrative Code. This limited delegation of authority does not include the delegation to the General Manager the authority to make any decision that the law requires the Board to make based upon findings of fact. This aforementioned delegation of authority has allowed the General Manager to make the determination that overpayment accounts

stated in this report are all unrecoverable. However, to ensure transparency, staff has brought forth this report to inform the Board of staff's collection effort for overpayments above \$5,000. LACERS staff recommends an administrative threshold be established and the General Manager be granted authority to review and determine future unrecoverable amounts up to \$20,000. This threshold amount is commensurate with the General Manager's current contract authority. Staff will report to the Board recovery efforts on overpayments in excess of \$20,000.

Overpayment Cases

Currently, there are 19 overpayment cases totaling \$366,454.88. Unrecoverable overpayment amounts are actuarially adjusted and recouped from the Plan Sponsor.

Generally, the actual number of uncollectible overpayments is very low. For this reporting period, uncollectible overpayments account for less than 0.06% of the average annual benefit payouts (\$806M/7yrs).

Fiscal Year*	No. of Cases	Total Overpayment Amount	Total Retirement Benefits Paid (from LACERS' CAFR)	Percentage
2012-13	3	\$164,220.54	\$718,411,000	0.022859%
2013-14	2	\$40,727.99	\$737,376,000	0.005523%
2014-15	3	\$52,845.59	\$760,803,000	0.006946%
2015-16	3	\$40,750.93	\$790,559,000	0.005155%
2016-17	5	\$50,807.57	\$825,043,000	0.006158%
2017-18	1	\$5,900.21	\$873,837,000	0.000675%
2018-19	2	\$11,202.05	\$938,644,000	0.001193%
Totals	19	\$366,454.88	\$5,644,673,000	0.006439% (Total overpayment percent to paid retirement benefits)

*The chart reflects overlapping fiscal years with the prior report (2014) due to data conversion technicalities.

For comparison, the following is a summary of the prior three Board-approved unrecoverable funds reports for overpayments due to death:

Coverage Period	Board Approval Date	No. of Cases	Unrecoverable Amount
1999-00	July 22, 2003	37	\$118,699.18
2000-01	August 10, 2004	10	\$15,052.31
2001-14	March 11, 2014	59	\$113,688.48

This report was prepared by James Kawashima, Management Analyst, Lady Smith, Senior Management Analyst, and Ferralyn Sneed, Senior Management Analyst II, Retirement Services Division.

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ATTACHMENT 1

The following amounts, which are \$5,000 and above, have been determined to be uncollectible.

	Last Name	First Name	Middle Initial	Payee Net Balance	Death Date	Death Reported Date	Reporting Delay (mons)	Time lapse from Reporting date until today
1	BLACK	ROSE	L	\$ 12,581.61	1/23/2016	2/7/2017	12.7	33.7
2	BROWN (DP)	ROBERT		\$ 8,540.14	12/27/2015	2/3/2016	1.3	46.1
3	CASTO	LEWIS	T	\$ 17,488.48	8/8/2014	12/3/2015	16.1	48.1
4	CHESLEY	ELIZABETH	S	\$ 19,809.72	1/28/2013	12/9/2015	34.8	47.9
5	CHU	ALLEN		\$ 9,613.48	2/13/2019	3/14/2019	1.0	8.2
6	DURAND	EVELINE		\$ 5,900.21	2/1/2017	8/22/2017	6.7	27.2
7	FRANCE	MARTIN	DEWEY	\$ 96,439.65	11/20/2012	8/16/2016	45.5	39.6
8	HANNAH	JUDITH	A	\$ 20,918.27	2/25/2015	12/7/2016	21.7	35.8
9	MAYO	GUSTAVO	P	\$ 17,751.65	11/22/2016	10/10/2017	10.7	25.6
10	MCNICHOLS	STEVE	E	\$ 45,277.92	5/19/2013	4/27/2015	23.6	55.5
11	MCQUOWN	MARY	W	\$ 15,689.34	4/25/2014	8/21/2015	16.1	51.6
12	PRESCOD	ROBERTA		\$ 11,181.48	7/27/2017	8/10/2018	12.6	15.4
13	PRICE	CORNELIUS	W	\$ 17,605.46	7/21/2016	10/12/2017	14.9	25.5
14	PRIDE	WALLACE	M	\$ 5,370.03	2/24/2016	3/17/2016	0.7	44.6
15	QUARLES	JENORA		\$ 12,479.98	6/10/2017	7/30/2018	13.8	15.8
16	ROBINSON	RUTH		\$ 9,903.46	7/12/2013	10/10/2013	3.0	74.3
17	SANCHEZ	JOYCE	A	\$ 5,832.02	7/8/2018	8/7/2018	1.0	15.5
18	SHAVER	JOHNNIE		\$ 11,569.01	10/16/2016	7/21/2017	9.3	28.3
19	WALDORF	ELDA	G	\$ 22,502.97	3/26/2015	4/20/2016	13.0	43.5
			Total	\$ 366,454.88				