

The Guardian

Los Angeles Police Relief Association, Inc.



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First Quarter 2016

The Growing Cost of Health Care

National health care spending costs continue to climb and are expected to grow 5.8% annually through 2024¹.

Some of the reasons health care costs are climbing include:

- **Medical inflation:** When the cost of medical services goes up, the cost of benefits goes up too.
- **New costly drugs to treat cancer and chronic illnesses:** Advances in medicine to treat diseases like cancer are more effective than ever before, but they are also more expensive.
- **Demographics:** Americans are living longer. As life expectancy goes up, health care needs requiring more specialized, more expensive treatments also go up.
- **Service Providers:** Where you seek medical services impacts costs. Not all health care providers charge the same rates for the same service, and there can be a wide variance in what you might pay.
- **Health care reform:** New requirements have made medical plans more expensive to offer. Starting in 2020, an excise tax (also referred to as the “Cadillac tax”) may be levied on health plans that exceed government-mandated thresholds. ■

How You Can Help Keep Health Care Costs in Check

Here are some ways you can help keep health care costs in check.

- **Use PPO network providers.** If you are enrolled in the Anthem Blue Cross Prudent Buyer PPO Plan, you’ll save money by using doctors, hospitals, pharmacies and labs that participate in the Anthem Blue Cross Prudent Buyer PPO network. Providers in the PPO network have agreed to provide services at pre-negotiated reduced rates. Go to www.anthem.com/ca and click on **FIND A DOCTOR** on the right side of the screen to find PPO network providers in your area.
- **Get regular preventive care and address health issues** before they become serious and require more intensive treatment. All of LAPRA’s medical plans provide 100% coverage for in-network age and gender-appropriate preventive care services with no deductible. Visit www.anthem.com/ca or www.kp.org for information on preventive care services covered at 100%.
- **Select generic drugs instead of brand-name prescription drugs.** Ask your doctor to write your prescriptions for generic drugs whenever possible. Generic drugs are often the therapeutic equivalent of their brand-name counterparts, but cost significantly less.
- **Use your doctor’s office or urgent care facilities and limit emergency room visits.** Don’t run to the emergency room for needs that are better suited to a doctor’s office or an urgent care clinic. Go to an emergency room for significant health issues that require immediate treatment such as chest pain, shortness of breath, and other symptoms of heart attack or stroke, major broken bones or significant, uncontrolled bleeding. Visit www.anthem.com/ca or www.kp.org to find urgent care clinics in your area.
- Participate in **Healthy Lifestyles**, LAPRA’s wellness program which offers members and their adult dependents enrolled in a LAPRA medical plan a free gym membership, private Well-Being Assessment, personalized phone coaching, online health trackers and more. Sign up at www.myhealthylifestyles.com or call 855-817-0647.

LAPRA

LOS ANGELES POLICE RELIEF ASSOCIATION, INC.

¹ HealthAffairs, July 2015

Financial News from Your Treasurer

By *Tim McBride*

Tired of politics yet? For sure. But here's the good part... all the bluster and bantering takes law enforcement off the front page and moves investment returns to second tier status as well. So you go Bernie, Hillary, Marco, Ted and of course "The Donald." Front page or not, no subject affects our future more than the economic health of the country and of our investments.

2015 was a difficult year for all investment types including international, emerging markets, equities and fixed income. And the beginning of 2016 isn't offering much respite, with January posting one of the worst Januaries in history. There are many axioms that come to mind, which always surface in difficult times. The Independent Advisor for Vanguard Funds quotes one of them, "as goes January, so goes the rest of the year." We experienced one of the worst Januaries with the S&P 500® Index declining 5% in one month. Kiplinger Magazine quotes, "2015 was a lousy year for stocks" indicating that in 2015 not one stock fund category finished in the black.

Jeff Gundlach, the more recently crowned Bond King who runs Double Line Capitol Total Return Fund (which finished in the top 94% of similar funds and a LAPRA holding), sees difficult times in the first 6 to 9 months of 2016. He said, "this is a capitol preservation market, not a money making environment" and he believes the government raising interest rates is not appropriate at this time.

As always whether it's politics, current law enforcement issues or investments, perspective must be maintained and cherished. The bull market days of 1982 to 1999 are long gone and now investing and achieving positive returns are more difficult, quoting the former bond king, Bill Gross now with Janus Funds, "this is a time of new normal." Indeed! Jeremy Segal, Professor from the prestigious Wharton School of Business believes this too shall pass, and sees the country in a slow growth environment. He predicts no depression or recession for America.

During difficult times, I tend to read more and recently finished

the annual newsletter from Warren Buffet – often recognized as the greatest investor of our time. Both he and Jeremy Segal advise to stay the course, take a long term view, be well diversified, buy quality companies (or in LAPRA orientation buy quality mutual funds), and expect both difficult and good times as they are part of the investment world. Buffet predicts stocks and bonds will bring disciplined investors positive returns in the years ahead. Sometimes I think we should have invested in Berkshire Hathaway rather than expend all the effort we do in finding the best mutual funds. Berkshire Hathaway Class A (BRK.A) shares returned a positive 1.61 percent in 2015 with Berkshire Hathaway Class B (BRK.B) shares returning 2.10%, not too shabby considering negative returns almost everywhere else.

In a recent interview I watched on CNBC, Buffet offered an opinion I feel is appreciated regarding the FBI and Apple controversy. He said, "he was inclined to do everything he could to help those responsible for America's safety." Don't we wish everyone felt that way? Stay safe and stay off the front page. ■

Learn About Retirement Plan Fees for DROP Rollovers

The Deferred Retirement Option Plan (DROP) is an enhancement to your Police Pension Plan to help you save for retirement. If you are getting ready to exit DROP, visit LAPRA.org to download an article comparing investment costs for DROP rollovers.

HEALTHY LIFESTYLES INCLUDES A FREE GYM MEMBERSHIP – SIGN UP TODAY!

Healthy Lifestyles

Brackets filled out? Check.
Workout done? Hmm...

Sign up at MyHealthyLifestyles.com
or call 855-817-0647.



2016 Open Enrollment Q&As

This year's open enrollment period for all medical and dental plans offered by the Los Angeles Police Relief Association (LAPRA) to its members is May 1 through May 31, 2016. This is the annual period during which members may make changes to their medical and/or dental plans, by changing plans or adding or deleting eligible dependents.

Please look for your open enrollment packet in the mail during the first week of May 2016. If you have moved and did not previously complete an address change form with LAPRA, you can download a form from the LAPRA website at www.LAPRA.org, send an email with your new address to Benefits@LAPRA.org or call LAPRA to request a form at (213) 674-3701 or (888) 252-7721.

Below are answers to some frequently asked questions about open enrollment and your LAPRA benefits.



Q: How do I add my domestic partner to my medical and/or dental plans?

A: First request an affidavit to add your domestic partner by calling:

Active Members: the City Employee Benefits Department at (213) 978-1600.

Retired Members: the Pension Department at (213) 279-3000.

Next, call LAPRA to request the necessary medical and dental enrollment forms. Please be aware that even though you may complete an affidavit, addition of your domestic partner to your medical and dental plans is not automatic. You also need to make sure that the plan enrollment forms are completed and mailed to LAPRA.

Q: Do I have to cancel my cash-in-lieu benefits if I enroll in a LAPRA medical plan?

A: Yes. If you enroll in a LAPRA medical plan, you will need to contact the City Personnel Department at (213) 978-1584 to cancel your cash-in-lieu benefits. You will not be able to get on payroll for your medical benefits until the cash-in-lieu is canceled.

Q: How will I know my dependent has been added to my coverage?

A: Once LAPRA receives your completed forms and any required documentation, you will receive a confirmation letter advising you of the name of the dependent that was added and the effective date. If you do not receive a confirmation letter, please call our office to inform a benefits representative at (213) 674-3701 or (888) 252-7721.

Q: What happens to my medical plan if I move out of state?

A: Your PPO medical plan is the same regardless of the state in which you reside. If you are covered by the Blue Cross CaliforniaCare HMO or Kaiser HMO, you will need to change to the PPO plan.

Q: Under the Blue Cross CaliforniaCare HMO plan, can I see any specialist I want?

A: No. Your primary care physician will make the decision whether to refer you to a specialist and who that specialist will be.

Q: When does my Blue Cross PPO deductible start?

A: The Blue Cross PPO plan has a calendar year deductible (January 1 through December 31). Even though you may enroll in the plan July 1, the deductible starts over again in January. Any covered expense applied to your calendar year deductible during the last quarter of the calendar year (October 1 through December 31) will also be applied toward your calendar year deductible for the next year.

Q: What if I enroll in the Anthem CaliforniaCare HMO medical plan or the Anthem HMO dental plan and don't indicate a medical group or a dental office number on the enrollment form?

A: If you do not list a medical group or dental office number on your enrollment form, Anthem will automatically assign you to one within 30 miles from your home address. If you're not satisfied with Anthem Blue Cross' selection, you should call Anthem Blue Cross Customer Service at (800) 289-2250 to request a medical group change or dental office change.

Q: Can I change my medical plan election after the open enrollment period has closed?

A: No. If your change is received by LAPRA and is postmarked after May 31, 2016 (the last day of the open enrollment period), it will not be processed and you will have to wait until the 2017 open enrollment period to make your change.

Q: If I change my Blue Cross plan from the PPO to the CaliforniaCare HMO, can I keep my same primary care doctor?

A: Only if your doctor is your primary care doctor under the medical group you select when you enroll in the HMO.

Q: I have a child who is under age 26 and not a full-time student. May I add my child to my LAPRA plans?

A: Yes. You may add your child to your LAPRA medical and dental plans provided you complete the required enrollment forms during the open enrollment period. Coverage may continue until your child turns age 26.

Q: If my spouse or domestic partner is a sworn active or retired LAPD officer, may we both enroll in the same medical and dental plans and have dual coverage?

A: No. You are eligible to enroll for coverage as either a member or as a dependent, but not both. Your children may be covered as the family members of either you or your spouse, but not both.

Q: How will I know the amount of my new retiree medical subsidy and when will I start receiving it?

A: Subsidy changes for Medicare eligible retirees are made effective January 1st of each year. Subsidy changes for non-Medicare eligible retirees are made effective July 1st of each year. You should call the Pension Department Medical and Dental Benefits section at (213) 279-3115 for the amount of your new subsidy. ■

New Location for Los Angeles Fire and Police Pensions



Los Angeles Fire and Police Pensions (LAFPP) is open for business at their new headquarters at **701 East 3rd Street, Los Angeles, CA 90013** (NE corner of East 3rd Street and Alameda Street) in the downtown Arts District.

The new headquarters building purchased by LAFPP is a 54,000 square foot four-story office building constructed in 1924. LAFPP will occupy floors 2, 3 and 4 with plans to lease out the 1st floor.

For more information on the details of the move, visit www.lafpp.com. ■

New LAFPP Telephone Numbers

All LAFPP telephone numbers, including our toll-free number, have changed.

Section	Telephone Number
Toll Free Number	(844) 88-LAFPP (52377)
LAFPP Main Line	(213) 279-3000
Active Member Services	(213) 279-3140
Communications & Special Projects	(213) 279-3155
DROP/Service Pensions	(213) 279-3100
Disability Pensions	(213) 279-3165
Medical and Dental Benefits	(213) 279-3115
Retirement Services	(213) 279-3125

LAPRAF 2016 Scholarship Program Now Accepting Applications

The Los Angeles Police Relief and Assistance Foundation (LAPRAF) is now accepting applications for the 2016 scholarship program. LAPRAF will be awarding four \$10,000

academic scholarships to graduating seniors for the 2016 fall school term. The scholarships are distributed over four years awarding \$2,500 per year. **The deadline to apply is May 16, 2016.**



Eligibility Requirements

- Students must be high school seniors at the time they apply. Applications and the student's most recently available school transcript must be submitted no later than May 16th of the calendar year the student plans on entering college.
- Students must have achieved at least a 2.5 GPA in high school.
- Students must have a parent or a legal guardian who is a member of the Los Angeles Police Relief Association.

A 2016 Scholarship Application can be completed online and accessed from the LAPRA website at www.lapra.org/lapraf.html.

If you have questions regarding the 2016 scholarship program, please contact Paul Enox at (310) 989-2456, Dana Berns at (818) 832-3712, Jules Sohn at (310) 883-8956 or Ruby Malachi at (213) 216-3973. ■

Donate to the Foundation to Help Us Take Care of Our Own

Established in 2007, the Los Angeles Police Relief and Assistance Foundation (LAPRAF) provides financial assistance and other support to active and retired officers and their families who find themselves in dire financial circumstances. Donations from our members provide care for police officers and their families including basic living expenses and

other financial assistance along with academic scholarships for the children of police officers who are LAPRA members.

Here are some ways you can make a donation:

- Contribute a small ongoing amount through charity deductions from your paycheck or pension check.

- Make a tax-deductible direct donation.
- Through estate planning, add the Foundation as a beneficiary to your trust or will. Be sure to specify **the Los Angeles Police Relief and Assistance Foundation** as the name beneficiary.

For more information on how you can make a donation, please call (213) 674-3724. ■



Los Angeles Police Relief Association, Inc.
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**Los Angeles Police Relief Association
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Medical & Dental Plans Open Enrollment Coming in May

This year's open enrollment period for the medical and dental plans offered by LAPRA is May 1 through May 31, 2016. This is the annual period when members can change medical and/or dental plans, and add or delete eligible dependents. See page 3 for questions and answers about Open Enrollment.