

California Public Employees' Retirement System

Board of Administration Pension & Health Benefits Committee Draft Meeting Minutes

November 14, 2023

The Pension & Health Benefits Committee (PHBC) met in Open Session on Tuesday, November 14, 2023, in the Lincoln Plaza North Building, 400 Q Street, Sacramento, California.

The meeting was called to order at 9:00 a.m. with the following members present:

Ramon Rubalcava, Chair
Jose Luis Pacheco, Vice Chair
Regina Evans for Malia Cohen
David Miller
Eraina Ortega
Kevin Palkki
Theresa Taylor
Yvonne Walker
Mullissa Willette

Other Board Members Present:
Frank Ruffino for Fiona Ma
Lisa Middleton

Agenda Item 2 – Executive Report(s)

Kim Malm, Deputy Executive Officer, Customer Services and Support (CSS) provided updates on the final PBI breach statistics, Retiree Warrants Project, and the next CBEE.

Don Moulds, Chief Health Director, Health Policy & Benefits Branch (HPBB), gave an update on open enrollment, and brought attention to the following agenda items: CalPERS Health Benefits Program Annual Report for Plan Year 2022, Long-Term Care Request for Proposal, and Health Policy Forum.

Agenda Item 3 – Action Consent Items

On **MOTION** by Jose Luis Pacheco and **SECONDED** and **CARRIED**, the Committee voted to accept the following Action Consent Items:

- 3a. Approval of the September 19, 2023, PHBC Meeting Minutes
- 3b. Approval of the November 14, 2023 PHBC Meeting Timed Agenda

Agenda Item 4 – Information Consent Items

The Committee accepted the following Information Consent Items:

- 4a. Annual Calendar Review
- 4b. Draft Agenda for the March 19, 2024, PHBC Meeting
- 4c. CalPERS Health Benefits Program Annual Report for Plan Year 2022

Agenda Item 5a – Long-Term Care Request for Proposal

Mr. Moulds gave a presentation requesting approval to extend the current LTC contract for up to an additional 24 months. The extension would provide time for CalPERS to complete the procurement, transition to a new vendor if one is selected, and complete the required Benefit Increase Option (BIO) offer in 2025 without risk of disruption to policyholders.

On **MOTION** by Jose Luis Pacheco and **SECONDED** and **CARRIED**, the Committee voted to approve extension of the current LTC TPA contract with illumifin Corporation (“illumifin”) for up to 24 months to provide sufficient time for the TPA solicitation process.

On **MOTION** by David Miller and **SECONDED** and **CARRIED**, the Committee voted to approve the release of a Long-Term Care (LTC) Program Third-Party Administrator (TPA) solicitation.

The following person spoke on this item:

Marcy Brown, State Retiree & Long-Term Care Policyholder

Agenda Item 5b – Approval of Health Benefits Program Proposals for the 2025 Plan Year

Rob Jarzombek, Chief, Health Plan Research & Administration (HPRA), and Julia Logan, Chief Clinical Director, Clinical Policy & Programs Division (CPPD), gave an update on the Health Benefits Program proposals under consideration for the 2025 plan year. The proposals include expansions to service areas and benefit design changes. The proposal evaluations and summaries will be discussed during the November 2023 PHBC meeting with recommendations for action.

On **MOTION** by David Miller and **SECONDED** and **CARRIED**, the Committee voted to approve the following health plan service area expansions for 2025:

- 1) Blue Shield of California Trio service area expansion into 2 counties
- 2) Health Net Salud y Mas service area expansion into 1 county
- 3) Kaiser Permanente Basic service area expansion into 1 county
- 4) UnitedHealthcare SignatureValue Harmony service area expansion into 3 counties
- 5) Western Health Advantage Basic service area expansion into 3 counties

Approve the following benefit design changes for 2025:

- 1) Doula benefit for all pregnant and postpartum members
- 2) Travel benefit for medically necessary care

The following person spoke on this item:

Susanne Paradis, California State Retirees

Agenda Item 6a – Health Policy Forum

Don Moulds, Chief Health Director, HPBB, and Jared Shinabery, Chief Health Data Strategy Officer, provided the PHBC with an introduction to the California Public Employees' Retirement System (CalPERS) Health Policy Forum. The purpose of this work is to ensure that the health policy decisions are well informed, future-oriented, and aligned with CalPERS FY 2022-27 Strategic Plan.

Agenda Item 6b – Summary of Committee Direction

Ms. Malm and Mr. Moulds provided a summary of the Committee direction from the November 14, 2023, meeting. The Committee directed staff as follows:

- Provide the Board a link to instructions on the CalPERS website for retirees to get warrant information.
- For the Health Policy Forum, include other public purchaser partners where appropriate, and add the following topics for discussion:
 - Address racial disparities in health care,
 - Examine methods to address health misinformation being given to members, and
 - Research options to address market consolidation.

Agenda Item 6c – Public Comment

The Committee received Public Comment from Tim Behrens, California State Retirees, who spoke on ACO Reach; Al Darby, CalPERS member, regarding his hope for Delta Dental and the vision plan moving administration from CalHR to CalPERS; and Elnora Fretwell, California State Retirees, who expressed her appreciation for online warrants.

The meeting was adjourned at 11:15 a.m.

The next meeting of the PHBC is scheduled for March 19, 2024, in Sacramento, California.

Prepared by: Jenna Hayes
Committee Secretary

Don Moulds
Chief Health Director
Health Policy & Benefits Branch