



Meeting Summary

October 17, 2012

The Pension & Health Benefits Committee met on October 16, 2012.

We had a long discussion on the need to raise premium rates for our Long Term Care policy holders. I want to emphasize that the Committee understands the challenge this decision presents to and I think that staff has done a good job creating alternatives to support policy holders in the future. With that...

THE COMMITTEE RECOMMENDS AND I MOVE, the Board approve the following:

- **AGENDA ITEM 5**
Approve staff's recommendation of the adoption of the following actions for the CalPERS Long-Term Care Program:
 - a. Implement a rate increase of 85 percent for specific LTC1 and LTC2 policies to be levied over a two-year period, or, if the member chooses to do so, the rate increase can be paid all in the first year; beginning in 2015;
 - b. Offer a 10-year long-term care policy with Retained Inflation (RI);
 - c. Extend the RI option to all policies with built-in inflation protection; and
 - d. Include an Optional Daily Benefit Amount (DBA) purchase option for policyholders who dropped their built-in inflation protection or decreased their DBA after the 2010 premium increase.

Direction to staff:

Interest is strong in re-opening enrollment for the program. With that in mind, staff was directed to bring to the November Committee meeting tentative new plan design that could be offered in enrollment that we hope to initiate by December 2013.

THE COMMITTEE RECOMMENDS AND I MOVE, the Board approve the following:

- **AGENDA ITEM 6**
Approve staff's recommendation to adopt proposed regulations permitting the California Public Employees' Retirement System (CalPERS) Board of Administration to provide amnesty from retroactive cancellation and collection of an employer's paid portion of a dependent's premium, and/or claims paid fraudulently on behalf of an ineligible dependent to employees and annuitants who voluntarily terminate their ineligible dependent(s) enrollment in a CalPERS health benefits plan on or before June 30, 2013, as shown in Attachment 1.

The Committee received reports on several topics including:

- Staff presented an update on customer service delivery areas with Customer Services and Support and the supplemental efforts being made to make improvements in the customer service arena. I am pleased to note that good progress is being made across the organization.
- Staff presented the three to five year roadmap and implementation plan to execute the enterprise strategy for transforming service delivery that had been part of a 2011-12 CalPERS Business Plan objective.
- Staff presented an overview of staff efforts to review, analyze and identify program and technology impacts, identify resource needs, and develop an implementation plan for Assembly Bill (AB) 340, the California Public Employees' Pension Reform Act of 2013 (PERPA), and related Public Employees' Retirement Law (PERL) changes.

At this time I would like to share some highlights of what to expect at the November Pension & Health Benefits Committee meeting:

- The Committee will continue discussions about pension reform implementation, including actions necessary to meet the timelines; possible new Long Term Care plan design, and be updated on the metrics that will be used to measure performance in Customer Services and Support.

The next meeting of the Pension & Health Benefits Committee is scheduled for November 14, 2012, in Sacramento, California.

Attachment