



Meeting Summary

February 21, 2013

The Pension & Health Benefits Committee met on February 20, 2013.

I am honored that the Committee has reelected me as Chair and pleased that George Diehr will continue to serve as Vice Chair.

The Committee heard a wide range of important issues related to implementation of pension reform, long term care and health benefits. The Committee is recommending a number of action items to the Board today.

I move the Board approve the Committee's recommendation regarding:

- **AGENDA ITEM 6b**
Approve staff's recommendation to adopt a Support position on Senate Bill (SB) 13 because it would clarify ambiguities and correct defects in recently enacted pension reform statutes and would assist the California Public Employees' Retirement System (CalPERS) staff in the implementation of pension reform and in the orderly and efficient administration of the System.

I move the Board approve the Committee's recommendation regarding:

- **AGENDA ITEM 6c**
Approve staff's recommendation to sponsor legislation to add and amend certain sections of the Government Code administered by the Board of Administration (Board) of CalPERS to clarify ambiguities and to better conform these provisions to the newly enacted pension reform statutes.

I move the Board approve the Committee's recommendation regarding:

- **AGENDA ITEM 6d**
Approve staff's recommendation to approve the proposed six regulations and the initiation of the rulemaking process to rename Article 6 to "Public Employees' Pension Reform Implementation" and add sections 579, 579.1, 579.2, 579.4, 579.5, and 579.24 to Chapter 2 of Division 1 of Title 2 of the California Code of Regulations. (Attachment 1)

I move the Board approve the Committee's recommendation regarding:

- AGENDA ITEM 7
Approve staff's recommendation to approve benefit design and pricing for the LTC4 product offering; set a continuous open application for the CalPERS Long-Term Care (LTC) Program to begin December 2013; and, sponsor legislation to extend eligibility to adult children and other qualified persons by amending the Long-Term Care Act.

I move the Board approve the Committee's recommendation regarding:

- AGENDA ITEM 8
Approve staff's recommendation to adopt the proposed Health Benefit Purchasing and Data Availability Resolution. (Attachment 2)

I move the Board approve the Committee's recommendation regarding:

- AGENDA ITEM 9b
Approve staff's recommendation to adopt proposed regulations permitting the CalPERS Board to implement risk adjustment procedures in order to adjust health plan payments in relation to risk adjustment and implement risk adjustment for 2014 rate negotiations. (Attachment 3)

I move the Board approve the Committee's recommendation regarding:

- AGENDA ITEM 10
Approve staff's recommendation to adopt proposed regulations to provide the CalPERS Board flexibility to offer Medicare supplemental health plans from the same or different carriers that provide basic coverage. (Attachment 4)

The Committee received reports on the following topics:

- Staff provided information on: performance measurement for Customer Service Areas; the implementation of IRS Proposed Draft Regulations in relation to Public Agencies; the Long-Term Care Program; the annual Health Benefit Quality Report; the Health Open Enrollment period for the 2013 plan year; and, impacts to the Health Benefits Program from the 2012 Board approved health benefit changes.

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

- The Committee will review the Pension & Health Benefits Committee Delegation and possible proposed Regulations related to pension reform implementation.
- The Committee will also discuss amortization periods and smoothing methods for Retirement Trust Funds and select a Preferred Provider Organization Third-Party Administrator.

- Staff will provide information on the Supplemental Income Plans and the self-funded health plans quarterly report.

The next meeting of the Pension & Health Benefits Committee is scheduled for March 19, 2013, in Sacramento, California.