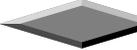



CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM

**BOARD OF ADMINISTRATION
PENSION & HEALTH BENEFITS COMMITTEE
MEETING MINUTES**

October 15, 2013



The Pension and Health Benefits Committee met on Tuesday, October 15, 2013, in the Lincoln Plaza North Building, 400 Q Street, Sacramento, California.

The meeting was called to order at 9:40 a.m. with the following members present:

Priya Mathur, Chair
George Diehr, Vice Chair
Michael Bilbrey
Ralph Cobb for Julie Chapman
Terry McGuire for John Chiang
Rob Feckner
JJ Jelincic
Henry Jones
Grant Boyken for Bill Lockyer

Other Board Members Present:
Richard Costigan
Ron Lind
Bill Slaton

At this time, the Pension and Health Benefits Committee meeting was recessed and reconvened at 10:13 a.m.

AGENDA ITEM 2 – EXECUTIVE REPORT(S)

Donna Lum, Deputy Executive Officer, Customer Services and Support, provided an update on the Supplemental Income Plans fund line-up.

Ann Boynton, Deputy Executive Officer, Benefit Programs Policy and Planning, provided an update on the Dependent Eligibility Project and the Let's Get Healthy Taskforce.

AGENDA ITEM 3 – CONSENT ITEMS

The Committee accepted the following Action Consent Items:

- 3a. Approval of the August 20, 2013, Pension and Health Benefits Committee Meeting Minutes

AGENDA ITEM 4 – CONSENT ITEMS

The Committee accepted the following Information Consent Items:

- 4a. Annual Calendar Review
- 4b. Draft Agenda for November 19, 2013, Pension and Health Benefits Committee Meeting
- 4c. California Employers' Retiree Benefit Trust Update

AGENDA ITEM 5 – LONG-TERM CARE PROGRAM ANNUAL VALUATION

David Lamoureux, Deputy Chief Actuary, Actuarial Office, presented the Long-Term Care Program annual valuation for the fiscal year ending June 30, 2013. This is the first actuarial valuation report prepared internally by CalPERS staff. The valuation reflects the Stabilization Plan that was approved by the Board of Administration in October 2012, resulting in increases for both the funded status and the margin over the last year.

On **MOTION** by JJ Jelincic, **SECONDED** and **CARRIED**, the Committee recommended the Board approve the June 30, 2013, actuarial valuation report for the Long-Term Care Program.

Tim Brehrens, California State Retirees, spoke on this item.

AGENDA ITEM 6 – TERMINATION OF PARTICIPATION IN PEMHCA: SOUTHERN INYO HEALTHCARE DISTRICT

Donna Lum, Deputy Executive Officer, Customer Services and Support, presented information pertaining to the termination of the Southern Inyo Healthcare District contract for Public Employees Medical and Hospital Care Act (PEMHCA) benefits effective October 31, 2013.

On **MOTION** by JJ Jelincic, **SECONDED** and **CARRIED**, the Committee recommended the Board approve the termination of the Southern Inyo Healthcare District contract for PEMHCA benefits effective October 31, 2013, pursuant to Government Code Section 22939.

AGENDA ITEM 7 – PRESCRIPTION DRUGS: UTILIZATION AND COST TRENDS

As an information item, Melissa Mantong, Health Plan Administration Division, presented an evaluation of the prescription drug utilization and cost trends for California Public Employees' Retirement System (CalPERS) members enrolled in Anthem Blue Cross, Blue Shield of California and Kaiser Permanente. The analysis of claims data demonstrates that costs for prescription drugs continue to rise. CalPERS staff will

continue to explore options for controlling expenditures on prescription drugs while maintaining member choice and quality of healthcare.

Ramon Castellblanch spoke on this item.

AGENDA ITEM 8 – PUBLIC COMMENT

The Committee received Public Comment from Donna Snodgrass, Retired Public Employees' Association, commending Kaiser Permanente's customer services.

The meeting was adjourned at 11:12 a.m.

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

ANN BOYNTON
Deputy Executive Officer
Benefit Programs Policy and Planning