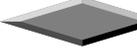


CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM

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

November 19, 2013



The Pension and Health Benefits Committee met on Tuesday, November 19, 2013, in the Lincoln Plaza North Building, 400 Q Street, Sacramento, California.

The meeting was called to order at 8:33 a.m. with the following members present:

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

Other Board Members Present:

Ron Lind
Bill Slaton

AGENDA ITEM 2 – EXECUTIVE REPORT(S)

Ann Boynton, Deputy Executive Officer, Benefit Programs Policy and Planning, provided an update on the implementation of the 2014 California Public Employees' Retirement System (CalPERS) health plans and a brief overview of current activities in the health care industry.

AGENDA ITEM 3 – CONSENT ITEMS

The Committee accepted the following Action Consent Items:

3a. Approval of the October 15, 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 December 17, 2013, Pension and Health Benefits Committee Meeting

AGENDA ITEM 5 – EXTENSION OF PHARMACY BENEFIT PROGRAM MANAGER CONTRACT

Kathy Donneson, Chief, Health Plan Administration Division, presented staff's recommendation for a two year extension to the CVS Caremark Pharmacy Benefit Manager (PBM) contract. The current contract term will expire on December 31, 2014.

On **MOTION** by George Diehr, **SECONDED** and **CARRIED**, the Committee recommended the Board approve extending the existing CVS Caremark PBM contract to December 31, 2016.

AGENDA ITEM 6 – POLICY ENGAGEMENT ON NATIONAL PENSION ISSUES

As an information item, Robert Glazier, Deputy Executive Officer, External Affairs, and Tom Lussier of Lussier, Gregor, Vienna & Associates, Inc., presented information on an engagement strategy to mitigate and address threats to CalPERS and other public retirement systems.

AGENDA ITEM 7 – CUSTOMER SERVICES AND SUPPORT PERFORMANCE UPDATE

As an information item, Donna Lum, Deputy Executive Officer, Customer Services and Support, provided an update on the status of program performance within the Customer Service and Support Group.

AGENDA ITEM 8 – LONG-TERM CARE NEW PRODUCT UPDATE

As an information item, Kathy Donneson, Chief, Health Plan Administration Division, provided an update on the pricing methodology used for the new CalPERS long-term care product (LTC4) and provided sample rates.

AGENDA ITEM 9 – LONG-TERM CARE FINANCING OPTIONS

As an information item, Kathy Donneson, Chief, Health Plan Administration Division, presented options for consideration to preserve the Long-Term Care Fund's sustainability and stabilize premium rates for current members.

At this time, Richard Costigan joined the meeting.

AGENDA ITEM 10 – LEADING PRACTICES IN MATERNITY HEALTH BENEFITS

As an information item, Doug McKeever, Chief, Health Policy and Research Division, and Dr. Soo-Hoo of Kaiser, presented an overview of early elective deliveries that are scheduled without a medical reason and potential policy approaches to reduce the frequency of such deliveries.

AGENDA ITEM 11 – PUBLIC COMMENT

There was no public comment.

The meeting was adjourned at 9:50 a.m.

The next meeting of the Pension and Health Benefits Committee is scheduled for December 17, 2013, in Sacramento, California.

ANN BOYNTON
Deputy Executive Officer
Benefit Programs Policy and Planning