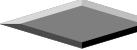


CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM

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

April 15, 2014



The Pension and Health Benefits Committee met on Tuesday, April 15, 2014, in the Lincoln Plaza North Building, 400 Q Street, Sacramento, California.

The meeting was called to order at 10:08 a.m. with the following members present:

Priya Mathur, Chair
George Diehr, Vice Chair
Michael Bilbrey
Ruth Holton-Hodson for John Chiang
Rob Feckner
Richard Gillihan
JJ Jelincic
Steve Coony for Bill Lockyer

AGENDA ITEM 2 – EXECUTIVE REPORT(S)

Ann Boynton, Deputy Executive Officer, Benefit Programs Policy and Planning, provided an update on the following items: items related to the Affordable Care Act and how the health plans are directly impacted by the three fee requirements and the federal maximum out of pocket limit; federal reporting to support individual and employer shared responsibility mandates; and, two white papers authored by staff that look at PEPRA member's ability to plan for retirement.

AGENDA ITEM 3 – CONSENT ITEMS

The Committee accepted the following Action Consent Items:

3a. Approval of the March 18, 2014, 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 May 20, 2014, Pension and Health Benefits Committee Meeting

AGENDA ITEM 5 – INITIATE PUBLIC COMMENT PERIOD ON DRAFT REGULATIONS FOR REPORTABLE COMPENSATION UNDER PEPR

Donna Lum, Deputy Executive Officer, Customer Services and Support and Danny Brown, Chief, Office of Governmental Affairs, presented staff's recommendation of draft regulations defining pensionable compensation for publication and the initiation of the rule making process of Chapter 2 of Division 1 of Title 2 of the California Code of Regulations (CCR), Section 571.1.

On **MOTION** by Richard Gillihan, **SECONDED** and **CARRIED**, the Committee recommended the Board approve draft regulation defining pensionable compensation for publication and the initiation of the rulemaking process, with the exception of removing Temporary Upgrade Pay compensation item and rearrange the items under Premium Pay to be alphabetized into one group, as reflected in the revised document. (Attachment 1)

AGENDA ITEM 6 – SENATE BILL 1340 (HERNANDEZ) – HEALTH CARE PROVIDER CONTRACTS: TRANSPARENCY

Ann Boynton, Deputy Executive Officer, Benefit Programs Policy and Planning; stated that this item would be deferred a month so that staff could have a better opportunity for more hearings and support and oppose positions to come in.

AGENDA ITEM 7 – PROPOSED REGULATIONS – COVERAGE: MEMBER HEALTH APPEALS PROCESS

Kathy Donneson, Chief, Health Plan Administration Division, presented staff's recommendation to pursue proposed regulations to clarify the current California Public Employees' Retirement System member appeals process when they are dissatisfied with any action or failure to act in connection with their or a family member's health coverage.

On **MOTION** by JJ Jelincic, **SECONDED** and **CARRIED**, the Committee recommended the Board approve draft regulations to clarify the current California Public Employees' Retirement System member appeals process for publication and initiation of the rulemaking process. (Attachment 2)

AGENDA ITEM 8 – HEALTH PLAN REGIONS FOR CONTRACTING AGENCIES EFFECTIVE 2015

Doug McKeever, Chief, Health Policy Research Division, presented staff's analysis of five different county region assignments; three in which were presented in March and two that were brought forward for April.

On **MOTION** by Steve Cooney, **SECONDED** and **CARRIED**, the Committee recommended the Board approve alternative #2; move six counties (Amador, Nevada, San Joaquin, Sutter, Yolo, and Yuba) in the current Bay Area region to the current Sacramento region. **Motion fails.**

On **MOTION** by Michael Bilbrey, **SECONDED** and **CARRIED**, the Committee recommended the Board approve alternative #5; make no changes to the current region county composition.

The following people spoke on this item:

Terry Brennand, Service Employees International Union
Philip Wright, City of West Sacramento
Jim Hilliard, City of Woodland
Gina Rowland, County of Yolo
Eric Zane, Woodland Professional FireFighters Local 4029
Paul Navazio, City of Woodland
Paul Hensleigh, Yolo Solano Air Quality Management
Suzanne Mason, Napa County
John Donlevy, City of Winters
Stacey Peterson, City of Rancho Cordova
Dr. Swin, Professor at Sacramento State

AGENDA ITEM 9 – POTENTIAL PRESCRIPTION DRUG PLAN CHANGES FOR 2015

As an information item, Kathy Donneson, Chief, Health Plan Administration Division, provided information on possible prescription drug plan changes for 2015.

The following people spoke on this item:

Harvey Robinson, RPEA
Eve Bukowski, California Healthcare Institute
Joanne Hollender, RPEA

AGENDA ITEM 10 – PUBLIC COMMENT

There was no public comment.

The Committee reconvened at 1:00pm in Room 1140 where the Draft Pension Beliefs discussion took place.

The meeting was adjourned at 11:56 am.

The next meeting of the Pension and Health Benefits Committee is scheduled for May 20, 2014, in Sacramento, California.

ANN BOYNTON
Deputy Executive Officer
Benefit Programs Policy and Planning