

BOARD OF ADMINISTRATION PENSION & HEALTH BENEFITS COMMITTEE MEETING MINUTES

March 17, 2015

The Pension & Health Benefits Committee met in Open Session on Tuesday, March 17, 2015, in the Lincoln Plaza North Building, 400 Q Street, Sacramento, California.

The meeting was called to order at 8:03 a.m. with the following members present:

Priya Mathur, Chair Michael Bilbrey, Vice Chair Grant Boyken for John Chiang Rob Feckner Richard Gillihan JJ Jelincic Henry Jones Theresa Taylor Betty Yee

Other Board Members Present: Richard Costigan Dana Hollinger 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 2015 Health Plan Member Survey and the Pharmacy Benefit Manager Request for Information.

AGENDA ITEM 3 – CONSENT ITEMS

The Committee accepted the following Action Consent Item:
3a. Approval of the February 18, 2015, Pension & 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 April 14, 2015, Pension & Health Benefits Committee Meeting

Agenda Item 4c was removed from the Consent Items.

AGENDA ITEM 5 – REVIEW OF THE PENSION & HEALTH BENEFITS COMMITTEE DELGATION

Ann Boynton, Deputy Executive Officer, Benefit Programs Policy and Planning, presented minor clarifying changes to the Pension & Health Benefits Committee Delegation.

Michael Bilbrey moved staff's recommendation to approve the Pension & Health Benefits Committee Delegation, with minor clarifying changes, for Board of Administration's (Board) consideration and approval at the April 2015 Board meeting. The motion was seconded and carried. (Attachment 1)

AGENDA ITEM 6 – LEGISLATIVE AND POLICY ENGAGEMENT GUIDELINES FOR RETIREMENT AND HEALTH

Danny Brown, Chief, Legislative Affairs Division, presented the proposed General, Retirement, and Health Legislative and Policy Engagement Guidelines. The guidelines were revised to reflect the Committee's discussion and suggested changes during its February meeting.

JJ Jelincic moved staff's recommendation to approve the General Guidelines, Retirement Guidelines, and Health Guidelines of the proposed CalPERS Legislative and Policy Engagement Guidelines with minor changes and repeal the corresponding legacy legislative guidelines. The motion was seconded and carried.

Richard Gillihan voted NO.

AGENDA ITEM 7 - SUPPLEMENTAL INCOME PLANS PROGRAM UPDATE

As an information item, Anthony Suine, Interim Chief, Customer Account Services Division, Jennifer Watson and Christine Reese, CalPERS staff, presented a status on the Supplemental Income Plans (SIP) Program. The SIP Program oversees four deferred compensation plans comprised of the CalPERS 457 Plan, Supplemental Contributions Plan, State Peace Officers' and Firefighters' Defined Contribution Plan and the Placer 401(k) Plan.

AGENDA ITEM 8 - LONG-TERM CARE PROGRAM SEMI-ANNUAL UPDATE

As an information item, Kathy Donneson, Chief, Health Plan Administration Division, and Tyrone Espinoza, CalPERS staff, provided a brief overview of the Long-Term Care Program, comparing the 2014 plan year to plan years 2013 and 2012.

AGENDA ITEM 9 – HEALTH MAINTENANCE ORGANIZATION BROAD AND NARROW NETWORKS

As an information item, Doug McKeever, Chief, Health Policy Research Division, presented information on the implications of reducing duplicative coverage by eliminating higher priced plans when lower cost health plans are available for the Los Angeles, Sacramento and Bay Area regions.

The following people spoke on this item:

Mark Fox, Solano County
Tim Behrens, California State Retirees
Neal Johnson, Service Employees' International Union, Local 1000
Terry Brennand, Service Employees' International Union
Dolores Duran-Flores, California School Employees' Association
David Balla-Hawkins, CSU Employees Union
Sara Flocks, California Labor Federation

AGENDA ITEM 10 – PUBLIC COMMENT

L.R. Roberts, California State Retirees, Chapter 2, spoke regarding problems with Kaiser Permanente's disability review process.

AGENDA ITEM 4c – CALIFORNIA EMPLOYERS' RETIREE BENEFIT TRUST UPDATE

As an information item, Donna Lum, Deputy Executive Officer, Customer Services and Support, and John Swedensky, Interim Chief, Affiliate Program Services Division, provided information on the California Employers' Retiree Benefit Trust (CERBT) program. The CERBT is a CalPERS trust plan program whose purpose is to prefund employer Other Post-Employment Benefit liabilities by delivering the highest long-term investment return consistent with a given level of investment risk and plan requirements at the lowest cost.

The meeting was adjourned at 10:22 a.m.

The next meeting of the Pension & Health Benefits Committee is scheduled for April 14, 2015, in Sacramento, California.
Attachment

ANN BOYNTON
Deputy Executive Officer
Benefit Programs Policy and Planning

- 4 -