


CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM

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

May 19, 2015



The Pension & Health Benefits Committee met in Open Session on Tuesday, May 19, 2015, in the Lincoln Plaza North Building, 400 Q Street, Sacramento, California.

The meeting was called to order at 1:32 p.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:

Dana Hollinger
Ron Lind
Bill Slaton

AGENDA ITEM 2 – EXECUTIVE REPORT(S)

Donna Lum, Deputy Executive Officer, Customer Services and Support, announced the appointment of Michael Bowman, the new Division Chief for Special Projects.

Ann Boynton, Deputy Executive Officer, Benefit Programs Policy and Planning, provided an update on the Affordable Care Act excise tax and the Long-Term Care Program. In addition, Ms. Boynton highlighted the discussions planned for the Pension & Health Benefits Committee meeting.

ITEM 3 – CONSENT ITEMS

The Committee accepted the following Action Consent Item:

3a. Approval of the April 14, 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 June 16, 2015, Pension & Health Benefits Committee Meeting
- 4c. Federal Health Care Policy Representatives Update
- 4d. Federal Retirement Policy Representatives Update

AGENDA ITEM 5a – HOUSE RESOLUTION 711 (BRADY-TX) – THE EQUAL TREATMENT OF PUBLIC SERVANTS ACT OF 2015

Danny Brown, Chief, Legislative Affairs Division, presented staff's recommendation to adopt a **Support** position on House Resolution (HR) 711. The **Support** recommendation is consistent with the federal priorities approved by the Board of Administration (Board) in April 2015, and with the California Public Employees' Retirement System (CalPERS) Board's Legislative and Policy Engagement Guidelines supporting the opportunity for all employees to pursue retirement security.

Henry Jones moved staff's recommendation to adopt a **Support** position on HR 711. The motion was seconded and carried.

Richard Gillihan ABSTAINED.

AGENDA ITEM 5b – ASSEMBLY BILL 533 (BONTA) – BALANCE BILLING BY INDIVIDUAL HEALTH PROFESSIONALS

Mr. Brown presented staff's recommendation to adopt a **Support** position on Assembly Bill (AB) 533 because this bill protects members from negative financial consequences when they unknowingly receive care from an out-of-network health professional at an in-network health facility.

Grant Boyken moved staff's recommendation to adopt a **Support** position on AB 533. The motion was seconded and carried.

Richard Gillihan ABSTAINED.

AGENDA ITEM 5c – SENATE BILL 671 (HILL) – PRESCRIPTION DRUGS: BIOLOGICAL PRODUCTS

Mr. Brown presented staff's recommendation to adopt an **Oppose Unless Amended** position on Senate Bill (SB) 671 because it would impose a physician notification requirement on pharmacists when dispensing biosimilars approved by the Food and Drug Administration as interchangeable with reference biological products.

JJ Jelincic moved staff's recommendation to adopt an **Oppose Unless Amended** position on SB 671. The bill should be amended to eliminate the notification requirement. The motion was seconded and carried.

Michael Bilbrey and Henry Jones voted NO.
Richard Gillihan ABSTAINED.

At this time, Richard Costigan joined the meeting.

The following people spoke on this item:

Christy Bouma, Genentech
Candie Phipps, Sandoz
Brynna Clark, Generic Pharmaceutical Association
Cheyanne Cook, Boehringer-Ingelheim
Brian Warren, CA Pharmacists Association
Bruce Lott, Mylan, Inc.
Angie Manetti, CA Retailers Association
Peter Kellison, Walgreens
Dennis Loper, Lilly
Matt Back, Amgen
Surya Singh, CVS Health
David Gonzalez, California Life Science Association
Shane Gusman, Express Scripts
Gary Collier, CalPERS Member

AGENDA ITEM 6 – CUSTOMER SERVICES AND SUPPORT PERFORMANCE

As an information item, Ms. Lum and Lori McGartland, Chief, Customer Service and Outreach Division, presented the Customer Services and Support Performance dashboard for the third quarter of Fiscal Year 2014-2015 and a status on the projects designed to enhance the customer experience.

AGENDA ITEM 7 – BOARD GOVERNANCE PROJECT – UPDATE ON STRATEGIC MEASURES

As an information item, Doug Hoffner, Deputy Executive Officer, Operations and Technology, and David Cowling, Chief, Center for Innovation, presented the Strategic Measures related to health – Quality of Healthcare, Access to Healthcare, Affordability of Health Benefits and Wellness of Membership – using the display tool to demonstrate functionalities associated with the tool.

AGENDA ITEM 8 – 2016 MEDICARE ADVANTAGE PLAN APPROACHES

As an information item, Doug McKeever, Chief, Health Policy Research Division, presented a comparison of UnitedHealthcare's proposed Medicare single carrier approach to the current Medicare plan options administered by CalPERS. The proposed single carrier Medicare plan would be offered along with Medicare

Supplement plans administered by PERSCare, PERS Choice and PERS Select, and the Kaiser Medicare Advantage plan.

The following people spoke on this item:

Stephanie Hueg, CalPERS member
Joanne Hollender, Retired Public Employees' Association
Christy Bouma, California Professional Firefighters
Gary Collier, CalPERS Member
Phyllis Johnson, California State Retirees

AGENDA ITEM 9 – PRELIMINARY 2016 HEALTH BENEFIT PLAN RATES

As an information item, Mr. McKeever, presented the preliminary health plan rates submitted by the health plans including; proposed benefit design changes, program and expansion efforts, and additional costs attributed to the Affordable Care Act. The final proposed health plan rates will be presented in June.

George Linn, Retired Public Employees' Association, spoke on this item.

AGENDA ITEM 10 – PHARMACY BENEFIT MANAGER PROCUREMENT STRATEGY

As an information item, Kathy Donneson, Chief, Health Plan Administration Division, presented information on the solicitation strategy, structure and process for the upcoming Pharmacy Benefit Manager (PBM) procurement. The expected outcomes for the solicitation include identification of top PBM proposals, agreement by proposers to contractual terms desired by CalPERS, and best and final offers for Board consideration.

AGENDA ITEM 11 – PUBLIC COMMENT

There was no public comment.

The meeting was adjourned at 3:41 p.m.

The next meeting of the Pension & Health Benefits Committee is scheduled for June 16, 2015, in Sacramento, California.

ANN BOYNTON
Deputy Executive Officer
Benefit Programs Policy and Planning