


CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM

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

June 16, 2015



The Pension & Health Benefits Committee met in Open Session on Tuesday, June 16, 2015, in the Lincoln Plaza North Building, 400 Q Street, Sacramento, California.

The meeting was called to order at 1:30 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:

Richard Costigan
Dana Hollinger
Ron Lind
Bill Slaton

AGENDA ITEM 2 – EXECUTIVE REPORT(S)

Ann Boynton, Deputy Executive Officer, Benefit Programs Policy and Planning, highlighted the discussions planned for the Pension & Health Benefits Committee meeting and the California Public Employees' Retirement System (CalPERS) commitment to reducing health care costs.

ITEM 3 – CONSENT ITEMS

The Committee accepted the following Action Consent Item:

3a. Approval of the May 19, 2015, Pension & Health Benefits Committee Meeting Minutes, with minor edits.

AGENDA ITEM 4 – CONSENT ITEMS

The Committee accepted the following Information Consent Items:

- 4a. Annual Calendar Review
- 4b. Draft Agenda for August 18, 2015, Pension & Health Benefits Committee meeting
- 4c. Federal Health Care Policy Representatives Update
- 4d. Federal Retirement Policy Representatives Update

AGENDA ITEM 5a – SENATE BILL 546 (LENO) – LARGE GROUP HEALTH PLAN DATA DISCLOSURE AND RATE REVIEW

Danny Brown, Chief, Legislative Affairs Division, presented staff's recommendation to adopt a **Support, if Amended** position on Senate Bill (SB) 546. The bill should be amended to exempt CalPERS from the rate review process.

Henry Jones moved staff's recommendation to adopt a **Support, if Amended** position on SB 546. The motion was seconded and carried.

Richard Gillihan ABSTAINED.

Sara Flocks, California Labor Federation, spoke on this item.

AGENDA ITEM 5b – SENATE BILL 275 (HERNANDEZ) – HEALTH FACILITY DATA

Mr. Brown presented staff's recommendation to adopt a **Support** position on SB 275. SB 275 would allow consumers and purchasers of health care services to compare health care outcomes among service providers, so they can make more informed decisions.

JJ Jelincic moved staff's recommendation to adopt a **Support** position on SB 275. The motion was seconded and carried.

Richard Gillihan ABSTAINED.

Neal Johnson, Service Employees' International Union, local 1000, spoke on this item.

AGENDA ITEM 6 – APPROVAL OF THE 2016 HEALTH MAINTENANCE ORGANIZATION PLANS BENEFITS AND RATES

Doug McKeever, Chief, Health Plan Research Division, presented the proposed 2016 benefits and rates for the CalPERS Health Maintenance Organization (HMO) plans with the inclusion of UnitedHealthcare as the single carrier for Medicare.

Michael Billbrey moved staff's recommendation to approve the proposed 2016 HMO risk adjusted premium rates for Anthem Blue Cross, Blue Shield of California, Health Net, Kaiser Permanente, Sharp, and UnitedHealthcare, inclusive of UnitedHealthcare as the single Medicare carrier as reflected in Attachment 1 and with the addition of an optional

dental and vision rider available to contracting agency Medicare Retirees. The rider is a retiree direct pay option and has a cost of \$26.32 per member per month. The motion was seconded and carried.

AGENDA ITEM 7 – APPROVAL OF THE 2016 PREFERRED PROVIDER ORGANIZATION PLANS BENEFITS AND RATES

Mr. McKeever presented the proposed 2016 benefits and rates for the CalPERS Preferred Provider Organization (PPO) plans.

Teresa Taylor moved staff's recommendation to approve the proposed 2016 PPO rates for Anthem Exclusive Provider Organization, PERS Select, PERSCare, and PERS Choice as shown in Attachment 2. The motion was seconded and carried.

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

AGENDA ITEM 8 – APPROVAL OF THE 2016 ASSOCIATION PLANS RATES

Mr. McKeever presented the proposed 2016 rates for the three association plans offered to certain CalPERS members.

Henry Jones moved staff's recommendation to approve the proposed 2016 rates for the California Association of Highway Patrolmen Health Benefits Trust, the California Correctional Peace Officers Association Benefit Trust Fund, and the Peace Officers Research Association of California Insurance and Benefits Trust, as shown in Attachment 3. The motion was seconded and carried.

AGENDA ITEM 9 – STATE ANNUITANT CONTRIBUTION FORMULA

As an information item, Mr. McKeever presented the State Annuitant Contribution amounts, based on the proposed 2016 rates. The contribution amounts are shown in Attachment 4.

AGENDA ITEM 10 – PUBLIC COMMENT

There was no public comment.

The meeting was adjourned at 2:15 p.m.

The next meeting of the Pension & Health Benefits Committee is scheduled for August 18, 2015, in Sacramento, California.

Attachments

ANN BOYNTON
Deputy Executive Officer
Benefit Programs Policy and Planning