

---



---

**CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM**

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

**December 15, 2015**

---



---

The Pension & Health Benefits Committee met in Open Session on Tuesday, December 15, 2015, in the Lincoln Plaza North Building, 400 Q Street, Sacramento, California.

The meeting was called to order at 8:02 a.m. with the following members present:

Priya Mathur, Chair  
Michael Bilbrey, Vice Chair  
Christina Elliot for John Chiang  
Rob Feckner  
Katie Hagen for Richard Gillihan  
JJ Jelincic  
Henry Jones  
Theresa Taylor  
Alan LoFaso for Betty Yee

Other Board Members Present:

Dana Hollinger  
Bill Slaton

**AGENDA ITEM 2 – EXECUTIVE REPORT(S)**

Doug McKeever, Deputy Executive Officer (DEO), Benefit Programs Policy and Planning, provided an update on excise tax and information on proposed legislation that would require the California Public Employees' Retirement System (CalPERS) to share both the unadjusted and adjusted health plan rates.

**AGENDA ITEM 3 – CONSENT ITEMS**

The Committee accepted the following Action Consent Item:

3a. Approval of the November 17, 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 the February 17, 2016, Pension & Health Benefits Committee meeting
- 4c. Federal Health Care Policy Representatives Update
- 4d. Federal Retirement Policy Representatives Update

Agenda Item 4e – Long-Term Care Program Awareness Marketing Campaign Cost – was removed from the Consent Items.

#### **AGENDA ITEM 5 – STATE LEGISLATIVE PROPOSAL: TECHNICAL AMENDMENTS TO THE PUBLIC EMPLOYEES’ RETIREMENT LAW**

Mary Anne Ashley, Chief, Legislative Affairs Division, presented information to amend several provisions of the Public Employees’ Retirement Law identified by staff as appropriate for the maintenance and good governance of CalPERS and to ensure that its statutes are clear.

Michael Bilbrey moved staff’s recommendation to sponsor legislation to make minor clarifying technical changes to sections of the Government Code administered by CalPERS. The proposal will not include the amendment to the statute regarding the Board of Administration (Board) approval of the Association Plan rates. The motion was seconded and carried.

Katie Hagen for Richard Gillihan abstained.

At this time, Grant Boyken represented John Chiang.

#### **AGENDA ITEM 6 – CALPERS STRATEGIC MEASURES – PERCENTAGE OF BENEFIT PAYMENTS PAID TIMELY AND CUSTOMER SATISFACTION**

As an information item, Donna Lum, DEO, Customer Services and Support, and Anthony Suine, Chief, Benefit Services Division, presented the Strategic Measures that evaluate the percentage of benefit payments issued to our customers within established service levels and customer satisfaction with CalPERS’ service as measured by surveys.

At this time, Bill Slaton and Dana Hollinger joined the meeting.

## **AGENDA ITEM 7 – CALPERS STRATEGIC MEASURES – PERCENTAGE OF LEGISLATIVE BILLS ENACTED**

As an information item, Mr. McKeever and Ms. Ashley presented the Strategic Measure that evaluates the percentage of legislative bills enacted or defeated consistent with positions taken by the Board excluding neutral positions.

## **AGENDA ITEM 8 – POPULATION HEALTH MANAGEMENT INITIATIVE**

As an information item, Kathy Donneson, Chief, Health Plan Administration Division, and Dr. Richard Sun, Health Plan Administration Division, provided an update on activities performed by staff concerning a standardized approach to population health management within an integrated health management delivery system.

## **AGENDA ITEM 9 – PRESCRIPTION DRUGS: UTILIZATION AND COST TRENDS**

As an information item, Ms. Donneson and Dr. Sun, provided staff's evaluation of the prescription drug utilization and cost trends for all CalPERS health plans. Staff analyzed prescription drug utilization and cost data for basic, Medicare, and association plan members in the CalPERS Health Care Decision Support System.

Mai Tran, Orange County, spoke on this item.

## **AGENDA ITEM 10 – PROCESS FOR HEALTH CARRIERS INTERSTED IN JOINING CALPERS**

Ms. Donneson provided information on the process that CalPERS would use when considering adding new flex-funded Health Maintenance Organization health plans for CalPERS health benefit offerings. Staff recommended using the same rigorous process that was used during the 2012-13 Request for Proposal process.

## **AGENDA ITEM 11 – SUMMARY OF COMMITTEE DIRECTION**

Mr. McKeever provided a summary of the Committee direction from the December 15, 2015, meeting. The Committee directed staff as follows:

- Agenda Items 6 and 7 – Move forward with the proposed Strategic Measures, as presented, for Customer Services and Support – Measures 10 and 11, and Legislative Affairs – Measure 14.
- Agenda Item 10 – Allow additional health plans interested in joining CalPERS to undertake the same rigorous process that was used in the Request for Proposal process used in 2012-13, as well as, agree to the CalPERS contractual terms and conditions if the Board decided to include them in the annual rate setting process.

## **AGENDA ITEM 12 – PUBLIC COMMENT**

The Committee received public comment from Chris Little, Butte County, regarding high-deductible plan options and regional pricing criteria.

## **AGENDA ITEM 4e – LONG-TERM CARE PROGRAM AWARENESS MARKETING CAMPAIGN COST**

Brad Pacheco, DEO, External Affairs, provided a brief summary of the Long-Term Care Program marketing costs.

The meeting was adjourned at 9:59 a.m.

The next meeting of the Pension & Health Benefits Committee is scheduled for February 17, 2016, in Sacramento, California.

---

DOUG P. McKEEVER  
Deputy Executive Officer  
Benefit Programs Policy and Planning