

**LEGISLATIVE HIGHLIGHTS
PUBLIC EMPLOYEES' RETIREMENT SYSTEM
BOARD OF ADMINISTRATION
April 6, 2016**

Bill Number/Author	Status
AB 1878 (Jones-Sawyer) Amended: 3/28/2016	Recently Amended
<p>Retired School Member Death Benefits. Current law requires a \$2,000 death benefit be paid to the designated beneficiary of a retired school member, with the additional employer contributions required to fund this benefit to be computed as a level percentage of member compensation. This bill would increase that payment to not less than \$5,000 for the designated beneficiary of a retired school member, and authorizes the CalPERS Board of Administration to adjust the death benefit amount based on changes in the All Urban California Consumer Price Index.</p>	
AB 1977 (Wood) Amended: 3/30/2016	Recently Amended
<p>Health Care Coverage: Abuse-Deterrent Opioid Analgesics. Requires health plan contracts and disability insurance policies issued, amended, or renewed on or after January 1, that provide coverage for an opioid analgesic drug product to provide coverage on its drug formulary for at least one abuse-deterrent opioid analgesic drug product for each opioid analgesic active ingredient. The bill also limits the total amount of enrollee copayment and coinsurance for abuse-deterrent opioid analgesic drug products to the lowest cost-sharing level applied to brand name and generic drugs for that plan or policy. In addition, it prohibits health plans and insurers from requiring an enrollee to first use a non-abuse-deterrent opioid analgesic drug before covering an abuse-deterrent opioid analgesic drug product. Lastly, the bill prohibits a physician and surgeon, when prescribing an opioid analgesic drug product to a patient for the first time, from prescribing more than a five-day supply, as specified, and requires a pharmacist to inform a patient receiving an opioid analgesic drug product for the first time on proper storage and disposal of the drug.</p>	
AB 2283 (Calderon) Amended: 3/28/2016	Recently Amended
<p>Public Retirement System Investments in Real Estate. Requires the CalPERS Board of Administration and the Teachers' Retirement Board, prior to entering into new investments or renewing existing investments in securitized single-family home rental properties in California, to evaluate and ensure their compliance with fair housing laws and lawful eviction guidelines, the conduct of adequate property maintenance and application of specified controls on future rent increases. It also requires each retirement board to appoint an independent ombudsman to oversee and enforce these requirements.</p>	
AB 2404 (Cooley) Amended: 3/15/2016	Recently Amended
<p>CalPERS Retirement Options Simplification. Existing law allows a retiring CalPERS member to receive a lifetime benefit paid to the member alone, or elect one of twelve optional settlements that reduce his or her lifetime benefit in order to provide a lump sum payment or continuing allowance to a designated beneficiary upon their death. This bill eliminates several of the optional retirement benefit settlements available to members of CalPERS that retire on or after January 1, 2018.</p>	

Bill Number/Author	Status
AB 2456 (Cooley) Amended: 3/17/2016	Recently Amended
Public Employee Retirement Benefits: Prefunding. Requires CalPERS to develop, establish, and administer the California Employers' Pension Prefunding Trust Program in order to encourage state and local employers that provide a defined benefit pension plan to their employees to effectively manage their payments toward their annually required pension contributions. CalPERS is no longer moving forward with this bill.	
AB 2490 (Gatto) Amended: 3/17/2016	Gut and Amended
Pension Fund Equity Investment Disclosure. Expressed legislative intent to enact legislation requiring equity firms contracting for investment services with CalPERS and other pension systems to provide a clear accounting of clawbacks owed to the systems, and would have required pension systems to track their clawbacks. This bill now deals with another subject matter and no longer affects CalPERS.	
AB 2628 (Levine) Amended: 4/6/2016	Recently Amended
Public Official Employment Restrictions and Economic Disclosures. Prohibits an elected or appointed officer of a state or local agency, while holding office and for one year after leaving office from maintaining employment with, or becoming a compensated consultant of the agency, or assisting an entity for compensation, with a permit, regulatory, or enforcement action pending before the agency. It would also require state and local agencies to post on their websites, the Statement of Economic Interests filed by elected and appointed officials, as well as those who manage public investments.	
AB 2650 (Nazarian) Amended: 3/17/2016	Recently Amended
Public Employees' Retirement: Investments: Turkish Investment Vehicles. Prohibits CalPERS and CalSTRS from investing retirement funds in any investment vehicle owned, controlled, managed, or issued by the government of Turkey, as defined. Specifically, it requires the governing Board of each respective System to liquidate any portfolio assets subject to divestment by July 1, 2018, after engaging with the Government of Turkey, and report to the Legislature regarding its actions by January 1, 2019.	
AB 2833 (Cooley) Amended: 3/28/2016	Recently Amended
Public Retirement Alternative Investments Disclosure. Requires all public retirement systems to require each alternative investment vehicle in which it invests to make specified disclosures regarding fees and expenses, and to disclose that information at least once annually at a meeting open to the public.	
SB 999 (Pavley) Amended: 3/29/2016	Recently Amended
Health Care Coverage: Annual Supply of Contraceptives. Requires health plan contracts and health insurance policies issued, amended, or renewed on or after January 1, 2017, to cover a 12-month supply of FDA-approved, self-administered hormonal contraceptives, to be dispensed at one time by a prescriber, pharmacy, or onsite at a location licensed or authorized to dispense drugs or supplies. It also permits a pharmacist to dispense a 12-month supply of prescribed hormonal contraceptives at the patient's request, unless the prescriber specifically indicates no change in quantity.	

Bill Number/Author	Status
SB 1010 (Hernandez) Amended: 3/30/2016	Recently Amended
<p>Prescription Drug Cost Transparency. Among other things, requires health plans and health insurers that file specified rate information with the Department of Managed Health Care (DMHC) or the California Department of Insurance (CDI) to report the 25 most frequently prescribed medications, the 25 most costly drugs by total plan spending, and the 25 drugs with the highest year over year increase in net cost. It also requires the DMHC and CDI to compile this information into a consumer-friendly report that is available on their respective websites. The bill also requires large group health plans and insurers to file specified aggregate data on prescription drug costs, including: the proportion of the premium dollar spent on prescription drugs based on net cost; the year-over-year increase in net cost as a dollar figure and percentage; the year-over-year increase in drug costs on a per member per month basis compared to other components of the health care premium; and the specialty tier formulary list. It also requires drug manufacturers to provide 60-day prior notice to state purchasers (including CalPERS, Medi-Cal, Corrections, and General Services), health plans, health insurers, and the chairs of specified legislative committees, of an increase in the wholesale acquisition cost of a prescription drug that exceeds ten percent for brand name drugs and 25 percent for generics, during any twelve month period.</p>	
SB 1159 (Hernandez) Amended: 3/28/2016	Recently Amended
<p>California Health Care Cost and Quality Database. Among other things, SB 1159 creates the California Health Care Cost and Quality Database to receive and report information from all types of health care entities, and to facilitate comparisons of cost, quality, and satisfaction across payers, provider organizations, and other suppliers of health care services. The bill requires health plans and insurers, suppliers, and providers to provide utilization data, pricing information, and information to determine the social determinants of health to the Secretary of the California Health and Human Services (Secretary). It also requires the Secretary to convene an advisory committee to develop the parameters for the establishment, implementation, and on-going administration of the database, and to submit an annual report to the Legislature and Governor on specified issues, including, containing the cost of health care services and coverage.</p>	
SB 1162 (Berryhill) Amended: 3/30/2016	Recently Amended
<p>Transfer of Employer Assets: Mammoth Lakes Fire District. Requires CalPERS to transfer specified available excess assets in the employer account of the Mammoth Lakes Fire District (MLFD) miscellaneous retirement plan, upon request, to the MLFD safety plan.</p>	
SB 1203 (Hertzberg) Amended: 3/28/2016	Recently Amended
<p>PEPRA: Joint Powers Authorities. Requires a joint powers authority (JPA) formed on or after January 1, 2013 and where at least one member agency provided benefits on or before December 31, 2012, to provide individuals who were employed by a member agency prior to the effective date of the Public Employees' Pension Reform Act of 2013 (PEPRA) and later become employed by the JPA within 180 days of the exercise of a common power by the JPA, the same defined benefit retirement plan or formula they received while employed by the member agency, provided the individual is not otherwise considered a "new member" under the PEPRA.</p>	

Bill Number/Author

Status

SB 1353 (Pan) Amended: 3/28/2016

Recently Amended

Fiduciary Determinations for Sudan and Thermal Coal Divestment. Requires the CalPERS Board of Administration and the Teachers' Retirement Board to conduct a recorded rollcall vote of the full board when making a determination that an action described under existing statutory prohibitions on investments in Sudan and in thermal coal companies would fail to satisfy its fiduciary responsibilities. The bill also requires the vote to follow a presentation and discussion of the findings in a properly noticed open hearing; that the proposed findings be made public 72 hours prior to board consideration; and that the findings and any public comments regarding the adopted findings and determinations be included in the board's mandated report to the Legislature.

**PUBLIC EMPLOYEES' RETIREMENT SYSTEM
BOARD OF ADMINISTRATION
2016 Legislative Year
Legislative Program Update**

Status as of April 6, 2016

A – CalPERS-Sponsored Bills

Bill Number/Author

**AB 2375 (Committee on Public Employees,
Retirement, and Soc)** Introduced: 2/18/2016

Board Position: Sponsor

CalPERS 2016 Omnibus Bill. Makes minor policy and technical changes to the Public Employees' Retirement Law (PERL).

Location: 3/8/2016 – Scheduled to be heard in Assembly Public Employees, Retirement and Social Security Committee on April 20, 2016

AB 2404 (Cooley) Amended: 3/15/2016

Board Position: Sponsor

CalPERS Retirement Options Simplification. Existing law allows a retiring CalPERS member to receive a lifetime benefit paid to the member alone, or elect one of thirteen optional settlements that reduce his or her lifetime benefit in order to provide a lump sum payment or continuing allowance to a designated beneficiary upon their death. This bill eliminates several of the optional retirement benefit settlements available to members of CalPERS that retire on or after January 1, 2018.

Location: 3/16/2016 – Scheduled to be heard in Assembly Public Employees, Retirement and Social Security Committee on April 20, 2016

**PUBLIC EMPLOYEES' RETIREMENT SYSTEM
BOARD OF ADMINISTRATION
2016 Legislative Year**

Status as of April 6, 2016

B – Other Bills

Bill Number/Author

AB 241 (Gordon) Amended: 4/29/2015

Municipal Bankruptcy: Retiree Names and Addresses. Requires a local public entity that has either initiated a neutral evaluation process or declared a fiscal emergency as required by state law prior to filing for municipal bankruptcy, or has filed for municipal bankruptcy, to provide the names and mailing addresses of its retired employees and their beneficiaries to any non-profit organization established for the purpose of representing the retired employees of that local public entity, upon request. It limits an organization's use of that information to the purpose of representing the retired employees and their beneficiaries as a member of the organization as an interested party in these proceedings, includes a \$25,000 civil penalty for a violation of this limitation, and allows retirees to opt-out of having their names and addresses provided to any organization under this bill.

Location: 2/4/2016 - Senate Governance and Finance Committee

AB 533 (Bonta) Amended: 9/4/2015

Board Position: Support

Balance Billing by Individual Health Professionals. Among other things, requires health plan contracts and insurance policies issued, amended, or renewed on or after July 1, 2016, to provide that patients only owe in-network cost-sharing when they receive covered services from a non-contracting health professional at an in-network health facility for non-emergency services and care. It also requires in-network cost-sharing amounts paid to a non-contracting health professional to count toward annual deductibles and out-of-pocket limits and allows a patient to voluntarily consent to use an out-of-network health professional and pay any amounts beyond the in-network rate, as specified. In addition, the bill establishes reimbursement standards for health plan and insurer payments to a non-contracting health professional for non-emergency services and care. It also requires the Department of Managed Health Care (DMHC) and the Department of Insurance (CDI) to establish an independent dispute resolution processes (IDRP) to settle any claim disputes between the parties.

Location: 1/1/2016 – Assembly Unfinished Business

AB 1052 (Cooley) Amended: 8/17/2015

Pension System Investment Contracting Procedures. Permits CalPERS and CalSTRS to enter into investment-related contracts without following the provisions of state contracting law. Specifically, it allows the CalPERS Board of Administration to enter into contracts for investment custodian services and trade order management services through a competitive process under terms and conditions it deems necessary and consistent with its fiduciary duties. It also allows the Teachers' Retirement Board to enter into contracts related to the investment of fund assets, or contract with investment managers, utilizing any process it deems necessary and consistent with its fiduciary duties.

Location: 9/10/2015 – Senate Desk

Bill Number/Author

AB 1551 (Allen, Travis) Introduced: 1/4/2016

California Israel Commerce Protection Act. Prohibits CalPERS and CalSTRS from investing in business firms and financial institutions that participate in the boycott of Israel, as identified in the most recent federal report on politically motivated acts of boycott, divestment from, and sanctions against Israel.

Location: 1/4/2016 – Assembly Print

AB 1598 (Weber) Introduced: 1/7/2016

2016-17 Budget Act. Makes appropriations for support of state government for the 2016-17 fiscal year. Among other things, it requires CalPERS, in conjunction with the Department of Finance, to conduct a zero-base budgeting exercise of the administrative expenses of the CalPERS Health Benefits Program. It also requires CalPERS to produce a one-time report detailing the administration of the Program's health care premium risk adjustment procedures for premium years 2014 thru 2017, as well as an evaluation of the effectiveness and justification for the continuation of the Program's risk adjustment procedures. As a budget bill, it takes effect immediately.

Location: 2/1/2016 – Assembly Budget Committee

AB 1640 (Stone, Mark) Introduced: 1/7/2016

PEPRA Exceptions: Transit Employees. Exempts California transit employees protected by federal transit labor laws that were members of a public retirement system prior to December 30, 2014, from all the provisions of the Public Employees' Pension Reform Act of 2013 (PEPRA).

Location: 4/6/2016 – Assembly Appropriations Committee

AB 1812 (Wagner) Introduced: 2/8/2016

Public Employees' Retirement Benefit Limits. Prohibits a member of any state or local public retirement system subject to the Public Employees' Pension Reform Act of 2013 (PEPRA), first hired by a public employer on or after January 1, 2017, from receiving a retirement benefit in excess of \$80,000 per year for those whose service is coordinated with Social Security, and \$100,000 per year for those who do not contribute to Social Security for their public service. It specifies the benefit limits would not supersede any memorandum of understanding (MOU) in effect on January 1, 2017, but would apply after the MOU expires, and requires the limits to be adjusted annually to reflect changes in inflation as measured by the Consumer Price Index for All Urban Consumers.

Location: 2/25/2016 – Assembly Public Employees, Retirement and Social Security Committee

Bill Number/Author

AB 1878 (Jones-Sawyer) Amended: 3/28/2016

Retired School Member Death Benefits. Current law requires a \$2,000 death benefit be paid to the designated beneficiary of a retired school member, with the additional employer contributions required to fund this benefit to be computed as a level percentage of member compensation. This bill would increase that payment to not less than \$5,000 for the designated beneficiary of a retired school member, and authorizes the CalPERS Board of Administration to adjust the death benefit amount based on changes in the All Urban California Consumer Price Index.

Location: 3/29/2016 – Scheduled to be heard in Assembly Public Employees, Retirement and Social Security Committee on April 20, 2016

AB 1954 (Burke) Introduced: 2/12/2016

Direct Access to Reproductive Health Care Act. Requires health plan contracts and health insurance policies issued, amended, or renewed on or after January 1, 2017, to cover specified reproductive and sexual health care services provided by an out-of-network provider if an appropriate in-network provider is not: 1) available in the enrollee's service region within 10 days after the enrollee's initial request, or sooner if an appointment is medically necessary; or 2) located within a reasonable distance of the enrollee's work or home address, as defined by the Department of Managed Health Care or Department of Insurance. The bill also prohibits health plans from requiring an enrollee to obtain a referral before receiving specified reproductive and sexual health care services.

Location: 2/25/2016 – Scheduled to be heard in the Assembly Health Committee on April 19, 2016

AB 1977 (Wood) Amended: 3/30/2016

Health Care Coverage: Abuse-Deterrent Opioid Analgesics. Requires health plan contracts and disability insurance policies issued, amended, or renewed on or after January 1, that provide coverage for an opioid analgesic drug product to provide coverage on its drug formulary for at least one abuse-deterrent opioid analgesic drug product for each opioid analgesic active ingredient. The bill also limits the total amount of enrollee copayment and coinsurance for abuse-deterrent opioid analgesic drug products to the lowest cost-sharing level applied to brand name and generic drugs for that plan or policy. In addition, it prohibits health plans and insurers from requiring an enrollee to first use a non-abuse-deterrent opioid analgesic drug before covering an abuse-deterrent opioid analgesic drug product. Lastly, the bill prohibits a physician and surgeon, when prescribing an opioid analgesic drug product to a patient for the first time, from prescribing more than a five-day supply, as specified, and requires a pharmacist to inform a patient receiving an opioid analgesic drug product for the first time on proper storage and disposal of the drug.

Location: 3/31/2016 – Scheduled to be heard in the Assembly Health Committee on April 12, 2016

Bill Number/Author

AB 2028 (Cooper) Introduced: 2/16/2016

Restoration of Credit for Service and Compensation Earnable. Requires credit for service and compensation earnable for a wrongfully terminated school member or local safety member, to include the amount of service that would have been credited and the compensation earnable reported as though the member had not been wrongfully terminated. The bill also requires employers to notify CalPERS within five days of the date of a final decision ordering that an employee be reinstated after he or she had been wrongfully terminated.

Location: 4/6/2016 – Assembly Appropriations Committee

AB 2283 (Calderon) Amended: 3/28/2016

Public Retirement System Investments in Real Estate. Requires the CalPERS Board of Administration and the Teachers' Retirement Board, prior to entering into new investments or renewing existing investments in securitized single-family home rental properties in California, to evaluate and ensure their compliance with fair housing laws and lawful eviction guidelines, the conduct of adequate property maintenance and application of specified controls on future rent increases. It also requires each retirement board to appoint an independent ombudsman to oversee and enforce these requirements.

Location: 3/29/2016 – Scheduled to be heard in Assembly Public Employees, Retirement and Social Security Committee on April 20, 2016

AB 2348 (Levine) Introduced: 2/18/2016

Investment Return Guarantees for Public Retirement System Investments in Infrastructure Projects. Authorizes the Department of Finance to identify infrastructure projects in California for which the Department will guarantee a rate of return for investments made by CalPERS, CalSTRS, or a 1937 Act County Retirement System, subject to the availability of special fund moneys deposited into a newly-established Reinvesting in California Special Fund.

Location: 3/3/2016 – Scheduled to be heard in Assembly Public Employees, Retirement and Social Security Committee on April 20, 2016

AB 2456 (Cooley) Amended: 3/17/2016

Public Employee Retirement Benefits: Prefunding. Requires CalPERS to develop, establish, and administer the California Employers' Pension Prefunding Trust Program in order to encourage state and local employers that provide a defined benefit pension plan to their employees to effectively manage their payments toward their annually required pension contributions.

Location: 3/28/2016 - Assembly Public Employees, Retirement and Social Security Committee

Bill Number/Author

AB 2468 (Hadley) Introduced: 2/19/2016

CalPERS Contracting Agencies: Optional Two Percent at Age 65 Miscellaneous Retirement Formula.

Authorizes CalPERS contracting agencies to adopt a two percent at age 65 defined benefit pension formula for all non-safety employees hired after January 1, 2017, if the employer has agreement with a representative employee organization for the benefit formula and has adopted it through a memorandum of understanding (MOU) and an ordinance. The new benefit formula would provide a member that has earned at least five years of service credit at the time of retirement with an annual benefit equal to one percent of final compensation for each year of credited service at age 55, and increasing to a maximum benefit equal to two and one-half percent of final compensation for each year of credited service at age 70. The bill also contains a specific exemption to the Public Employees' Pension Reform Act of 2013 (PEPRA) to allow the adoption of this benefit formula for new members, as defined in the PEPRA.

Location: 3/8/2016 – Scheduled to be heard in Assembly Public Employees, Retirement and Social Security Committee on April 20, 2016

AB 2490 (Gatto) Amended: 3/17/2016

Pension Fund Equity Investment Disclosure. Expressed legislative intent to enact legislation requiring equity firms contracting for investment services with CalPERS and other pension systems to provide a clear accounting of clawbacks owed to the systems, and would have required pension systems to track their clawbacks. This bill now deals with another subject matter.

Per March 17, 2016 amendment, this bill no longer affects CalPERS

AB 2628 (Levine) Amended: 4/6/2016

Public Official Employment Restrictions and Economic Disclosures. Prohibits an elected or appointed officer of a state or local agency, while holding office and for one year after leaving office from maintaining employment with, or becoming a compensated consultant of the agency, or assisting an entity for compensation, with a permit, regulatory, or enforcement action pending before the agency. It would also require state and local agencies to post on their websites, the Statement of Economic Interests filed by elected and appointed officials, as well as those who manage public investments.

Location: 4/7/16 – Assembly Elections and Redistricting Committee

Bill Number/Author

AB 2650 (Nazarian) Amended: 3/17/2016

Public Employees' Retirement: Investments: Turkish Investment Vehicles. Prohibits CalPERS and CalSTRS from investing retirement funds in any investment vehicle owned, controlled, managed, or issued by the government of Turkey, as defined. Specifically, it requires the governing Board of each respective System to liquidate any portfolio assets subject to divestment by July 1, 2018, after engaging with the Government of Turkey, and report to the Legislature regarding its actions by January 1, 2019.

Location: 3/28/2016 – Scheduled to be heard in Assembly Public Employees, Retirement and Social Security Committee on April 20, 2016

AB 2833 (Cooley) Amended: 3/28/2016

Public Retirement Alternative Investments Disclosure. Requires all public retirement systems to require each alternative investment vehicle in which it invests to make specified disclosures regarding fees and expenses, and to disclose that information at least once annually at a meeting open to the public.

Location: 3/29/2016 – Scheduled to be heard in Assembly Public Employees, Retirement and Social Security Committee on April 20, 2016

ACA 3 (Gallagher) Introduced: 2/26/2015

Constitutional Prohibition on Retroactive Benefit Increases. Prohibits retroactive retirement formula increases for public employees in the California Constitution. This amendment is substantively identical to the statutory prohibition in Government Code section 7522.44, which was enacted as part of the Public Employees' Pension Reform Act of 2013 (PEPRA).

Location: 4/6/2015 – Assembly Public Employees, Retirement and Social Security Committee

SB 24 (Hill) Amended: 1/5/2016

PEPRA: Joint Powers Authorities. Allows a joint powers authority (JPA) formed by the Cities of Belmont, Foster City, and San Mateo, on or after January 1, 2013, to provide individuals who were employed by one of the cities, prior to the formation of the JPA, and not otherwise considered "new members" under the Public Employees' Pension Reform Act of 2013 (PEPRA), the same defined benefit plan those employees received when employed by one of the cities. Specifically, it would allow individuals employed by one of the JPA's member cities in a position whose function is transferred to the JPA, and who subsequently become employed by the JPA within 180 days of the transfer, to retain their defined benefit plan or formula.

Location: 1/26/2016 – Assembly Desk

Bill Number/Author

SB 275 (Hernandez) Introduced: 2/19/2015

Board Position: Support

Health Facility Data. Existing law requires hospitals and surgical clinics to file various reports with the Office of Statewide Health Planning and Development (OSHPD), including reports on hospital discharges, emergency care, and surgery. These reports include patient demographic and encounter data, but do not include physician identifiers. This bill would require OSHPD to adopt a regulation adding physician identifiers to these reports.

Location: 7/17/2015 – Assembly Health Committee

SB 294 (Pan) Amended: 1/4/2016

Retirement Service Credit for Active Duty Military Service. Requires CalPERS to create and use a separate form to be used by CalPERS members requesting retirement service credit for active duty military service while on leave from CalPERS-covered employment, rather than the existing form which is used for the multiple types of service credit purchases for military service. Also, the bill requires CalPERS employers to notify their employees, within 30 days of an employee's return to employment, of his or her right to receive CalPERS retirement service credit for active duty military service.

Location: 1/26/2016 – Assembly Desk

SB 825 (Leno) Introduced: 1/7/2016

2016-17 Budget Act. Makes appropriations for support of state government for the 2016-17 fiscal year. Among other things, it requires CalPERS, in conjunction with the Department of Finance, to conduct a zero-base budgeting exercise of the administrative expenses of the CalPERS Health Benefits Program. It also requires CalPERS to produce a one-time report detailing the administration of the Program's health care premium risk adjustment procedures for premium years 2014 thru 2017, as well as an evaluation of the effectiveness and justification for the continuation of the Program's risk adjustment procedures. As a budget bill, it takes effect immediately.

Location: 1/7/2016 – Senate Budget and Fiscal Review Committee

SB 999 (Pavley) Amended: 3/29/2016

Health Care Coverage: Annual Supply of Contraceptives. Requires health plan contracts and health insurance policies issued, amended, or renewed on or after January 1, 2017, to cover a 12-month supply of FDA-approved, self-administered hormonal contraceptives, to be dispensed at one time by a prescriber, pharmacy, or onsite at a location licensed or authorized to dispense drugs or supplies. It also permits a pharmacist to dispense a 12-month supply of prescribed hormonal contraceptives at the patient's request, unless the prescriber specifically indicates no change in quantity.

Location: 3/29/2016 – Scheduled to be heard in the Senate Health Committee on April 13, 2016

Bill Number/Author

SB 1010 (Hernandez) Amended: 3/30/2016

Prescription Drug Cost Transparency. Among other things, requires health plans and health insurers that file specified rate information with the Department of Managed Health Care (DMHC) or the California Department of Insurance (CDI) to report the 25 most frequently prescribed medications, the 25 most costly drugs by total plan spending, and the 25 drugs with the highest year over year increase in net cost. It also requires the DMHC and CDI to compile this information into a consumer-friendly report that is available on their respective websites. The bill also requires large group health plans and insurers to file specified aggregate data on prescription drug costs, including: the proportion of the premium dollar spent on prescription drugs based on net cost; the year-over-year increase in net cost as a dollar figure and percentage; the year-over-year increase in drug costs on a per member per month basis compared to other components of the health care premium; and the specialty tier formulary list. It also requires drug manufacturers to provide 60-day prior notice to state purchasers (including CalPERS, Medi-Cal, Corrections, and General Services), health plans, health insurers, and the chairs of specified legislative committees, of an increase in the wholesale acquisition cost of a prescription drug that exceeds ten percent for brand name drugs and 25 percent for generics, during any twelve month period.

Location: 3/30/2016 – Scheduled to be heard in the Senate Health Committee on April 13, 2016

SB 1159 (Hernandez) Amended: 3/28/2016

California Health Care Cost and Quality Database. Among other things, SB 1159 creates the California Health Care Cost and Quality Database to receive and report information from all types of health care entities, and to facilitate comparisons of cost, quality, and satisfaction across payers, provider organizations, and other suppliers of health care services. The bill requires health plans and insurers, suppliers, and providers to provide utilization data, pricing information, and information to determine the social determinants of health to the Secretary of the California Health and Human Services (Secretary). It also requires the Secretary to convene an advisory committee to develop the parameters for the establishment, implementation, and on-going administration of the database, and to submit an annual report to the Legislature and Governor on specified issues, including, containing the cost of health care services and coverage.

Location: 3/3/2016 – Senate Health Committee

SB 1162 (Berryhill) Amended: 3/30/2016

Transfer of Employer Assets: Mammoth Lakes Fire District. Requires CalPERS to transfer specified available excess assets in the employer account of the Mammoth Lakes Fire District (MLFD) miscellaneous retirement plan, upon request, to the MLFD safety plan.

Location: 3/30/2016 – Scheduled to be heard in the Senate Public Employment and Retirement Committee on April 11, 2016

Bill Number/Author

SB 1203 (Hertzberg) Amended: 3/28/2016

PEPRA: Joint Powers Authorities. Requires a joint powers authority (JPA) formed on or after January 1, 2013 and where at least one member agency provided benefits on or before December 31, 2012, to provide individuals who were employed by a member agency prior to the effective date of the Public Employees' Pension Reform Act of 2013 (PEPRA) and later become employed by the JPA within 180 days of the exercise of a common power by the JPA, the same defined benefit retirement plan or formula they received while employed by the member agency, provided the individual is not otherwise considered a "new member" under the PEPRA.

Location: 3/28/2016 – Scheduled to be heard in the Senate Public Employment and Retirement Committee on April 11, 2016

SB 1297 (Pan) Introduced: 2/19/2016

Supplemental Public Employee Retirement Plans: Automatic Enrollment and Contribution Escalation.

Allows, but does not require, a public employer participating in specified employee retirement plans to automatically enroll employees in such plans, and establish automatic paycheck deductions on their behalf. The bill allows employees to opt-out of the plan enrollment and change the amount automatically deducted from their paychecks. It also specifies that a participating employer is not liable for any investment decisions made by the employer with regard to default investments if specified employee notification requirements are met.

Location: 3/3/2016 – Scheduled to be heard in the Senate Public Employment and Retirement Committee on April 11, 2016

SB 1353 (Pan) Amended: 3/28/2016

Fiduciary Determinations for Sudan and Thermal Coal Divestment. Requires the CalPERS Board of Administration and the Teachers' Retirement Board to conduct a recorded rollcall vote of the full board when making a determination that an action described under existing statutory prohibitions on investments in Sudan and in thermal coal companies would fail to satisfy its fiduciary responsibilities. The bill also requires the vote to follow a presentation and discussion of the findings in a properly noticed open hearing; that the proposed findings be made public 72 hours prior to board consideration; and that the findings and any public comments regarding the adopted findings and determinations be included in the board's mandated report to the Legislature.

Location: 3/31/2016 – Senate Public Employment and Retirement Committee
