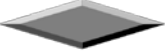



California Public Employees' Retirement System

**Board of Administration
Pension and Health Benefits Committee
Meeting Minutes**

March 15, 2016



The Pension and Health Benefits Committee met in Open Session on Tuesday, March 15, 2016, in the Lincoln Plaza North Building, 400 Q Street, Sacramento, California.

The meeting was called to order at 8:01 a.m. with the following members present:

Priya Mathur, Chair
Michael Bilbrey, Vice Chair
Grant Boyken for John Chiang
Rob Feckner
Richard Gillihan
Dana Hollinger
Henry Jones
Theresa Taylor
Alan Lofaso for Betty Yee

Other Board Members Present:

JJ Jelincic
Ron Lind

Agenda Item 2 – Executive Report(s)

Donna Lum, Deputy Executive Officer (DEO), Customer Services and Support, provided an update on the California Public Employees' Retirement System (CalPERS) Benefit Education Events and the on-line health plan statement for this year's open enrollment.

Doug McKeever, DEO, Benefit Programs Policy and Planning, provided updates on the following items: the Center for Medicare and Medicaid Services proposed Medicare Advantage changes; Long-Term Care Program member letters; CalPERS member surveys; a recently released medical group report card; and, an addition to the CalPERS Business Plan.

Agenda Item 3 – Consent Items

The Committee accepted the following Action Consent Item:

3a. Approval of the February 17, 2016, Pension and 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 April 19, 2016, Pension and Health Benefits Committee Meeting
- 4d. Supplemental Income Plans Program Update

Agenda Items 4c - California Employers' Retiree Benefit Trust Update and 4e - Update on Retiree Cost-of-Living Adjustment, were removed from Consent.

Agenda Item 5 – Review Pension and Health Benefits Committee Delegation

Mr. McKeever presented the current Pension and Health Benefits Committee Delegation. The current delegation remains appropriate and no changes were recommended at this time.

Henry Jones moved staffs recommendation to approve the Pension and Health Benefits Committee Delegation for Board approval at the April Board meeting (Attachment 1). The motion was seconded and carried.

Agenda Item 6 – Federal Health Care Policy Representative Update

As an information item, Chris Jennings, Jennings Policy Strategies, and Yvette Fontenot, Avenue Solutions, provided an update to the Committee via telephone regarding the recent developments on issues of interest to CalPERS in relation to federal health care policy.

Agenda Item 7 – Federal Retirement Policy Representative Update

As an information item, Tony Roda, Williams and Jensen and Tom Lussier, The Lussier Group, Inc., provided an update to the Committee via telephone regarding recent developments on issues of interest to CalPERS in relation to federal retirement policy.

At this time, Katie Hagen represented Richard Gillihan.

Agenda Item 8 – Pharmacy Benefit Manager Contract Evaluation Update

As an information item, Kathy Donneson, Chief, Health Plan Administration Division, presented information on the activities of the Pharmacy Benefit Manager (PBM) solicitation. The goal of the solicitation is to procure a PBM that provides clinically sound strategies to stay ahead of rapidly increasing drug costs, agrees to CalPERS contractual terms and pricing, and sustains member choice.

James Anderson, Retired Public Employees' Association, spoke on this item.

Agenda Item 9 – Long-Term Care Program Semi-Annual Update

As an information item, Ms. Donneson provided an overview of the Long-Term Care Program comparing the calendar years 2013, 2014 and 2015. The highlighted trends provided comparative information related to program performance and sustainability efforts.

Agenda Item 4c – California Employers’ Retiree Benefit Trust Update

Neal Johnson, State Employees’ International Union, Local 1000, spoke on this item.

Agenda Item 4e – Update on Retiree Cost-of-Living Adjustment

Anthony Suine, Chief, Benefit Services Division, gave a brief overview of the annual retiree cost-of-living adjustment.

Agenda Item 10 – Summary of Committee Direction

There was no direction from the Committee.

Agenda Item 11 – Public Comment

Tim Behrens, California State Retirees, spoke regarding the on-line open enrollment materials.

The meeting was adjourned at 9:12 am.

The next meeting of the Pension and Health Benefits Committee is scheduled for April 19, 2016, in Sacramento, California.

Attachment

Doug P. McKeever
Deputy Executive Officer
Benefit Programs Policy and Planning