


California Public Employees' Retirement System

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

September 19, 2017



The Pension and Health Benefits Committee (PHBC) met in Open Session on Tuesday, September 19, 2017, 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
Jeree Glasser-Hedrick for John Chiang
Richard Gillihan
Rob Feckner
Dana Hollinger
Henry Jones
Teresa Taylor
Alan LoFaso for Betty Yee

Other Board Members Present:
JJ Jelincic

Agenda Item 2 – Executive Report(s)

Donna Lum, Deputy Executive Officer, Customer Services and Support, provided information to the Committee regarding outreach to the California Public Employees' Retirement System (CalPERS) retirees affected by hurricanes Harvey and Irma; 2018 open enrollment; and, the CalPERS Benefit Education Events.

Liana Bailey-Crimmins, Chief Health Director, Health Policy and Benefits Branch, provided information regarding CalPERS partnership with OptumRx to support the members affected by the hurricanes; an update on the 2018 open enrollment; the new health contract solicitations; and, the employer outreach efforts scheduled for September.

Agenda Item 3 – Consent Items

The Committee accepted the following Action Consent Items:

3a. Approval of the August 15, 2017, 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 November 14, 2017, Pension and Health Benefits Committee Meeting

Agenda Item 5 – Long-Term Care Program Semi-Annual Report

As an information item, Kathy Donneson, Chief, Health Plan Administration Division, and CJ Nakayama, CalPERS team member, presented an update on the CalPERS Long-Term Care (LTC) Program. The LTC Program overview compared the calendar years 2014, 2015 and 2016. The trends provided comparative information related to program performance and sustainability efforts.

Agenda Item 6 – CalPERS PPO Plans: Working Towards Optimizing Healthcare Outcomes

As an information item, Ms. Donneson, provided historical background information on the self-funded Preferred Provider Organization (PPO) Basic plans and Value Based Insurance Design health plan approaches, and proposed that the three PPO Basic benefits be redesigned.

Agenda Item 7 – Summary of Committee Direction

Ms. Bailey-Crimmins provided a summary of the Committee direction from the September 19, 2017, meeting. The Committee directed staff as follows:

- Provide an analysis on the one and two-year Partnership policies and CalPERS three, six and ten-year policy exhaustion of benefits for the Long-Term Care Program.
- Deliver an OptumRx update at the November PHBC where their Chief Executive Officer will address CalPERS concerns including, but not limited to, the current formulary, customer service and high appeal overturn rates.

Agenda Item 8 – Public Comment

The Committee received public comment from the following people regarding concerns with OptumRx:

Tim Behrens, California State Retirees
Larry Woodson, California State Retirees
Cathy Jeppson, California Faculty Association
Donna Snodgrass, Retired Public Employees' Association

The meeting was adjourned at 9:23 a.m.

The next meeting of the PHBC is scheduled for November 14, 2017, in Sacramento, California.

Prepared by: Jennifer Jimenez
Committee Secretary

Liana Bailey-Crimmins
Chief Health Director
Health Policy and Benefits Branch