


California Public Employees' Retirement System

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

March 20, 2018



The Pension and Health Benefits Committee (PHBC) met in Open Session on Tuesday, March 20, 2018, in the Lincoln Plaza North Building, 400 Q Street, Sacramento, California.

The meeting was called to order at 9:01 a.m. with the following members present:

Rob Feckner, Chair
Theresa Taylor, Vice Chair
Matthew Saha for John Chiang
Richard Gillihan
Henry Jones
Priya Mathur
David Miller
Bill Slaton
Alan LoFaso for Betty Yee

Other Board Members Present:

Dana Hollinger
Margaret Brown
Ramon Rubalcava

Agenda Item 2 – Executive Report(s)

Donna Lum, Deputy Executive Officer, Customer Services and Support, provided information on recent phone service disruptions in the Customer Call Center, the approved regulations defining full-time employment, and the upcoming schedule of the California Public Employees' Retirement System (CalPERS) Benefit Education Events.

Liana Bailey-Crimmins, Chief Health Director, Health Policy and Benefits Branch, provided information on CalPERS 2018 Open Enrollment, automation improvements on CalPERS health benefit plan enrollment forms, and changes at the Centers of Medicare and Medicaid Services.

Agenda Item 3 – Consent Items

The Committee accepted the following Action Consent Items:

3a. Approval of the February 13, 2018, 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 17, 2018, Pension and Health Benefits Committee Meeting

- 4c. Long-Term Care Program Report
- 4d. Population Health Report
- 4e. Health Plans Trend Report for Fiscal Year 2016/2017

Agenda Item 5 – Review of the Pension and Health Benefits Committee Delegation

Ms. Bailey-Crimmins presented the current PHBC Delegation and recommended no changes at this time.

Priya Mathur moved staff's recommendation to approve the PHBC Delegation, attached, for Board of Administration (Board) consideration and approval at the April Board meeting. The motion was seconded and carried.

Agenda Item 6 – Approval of PERS Select Value Based Insurance Design

Ms. Bailey-Crimmins and Kathy Donneson, Chief, Health Plan Administration Division, presented information on the proposed self-funded Preferred Provider Organization PERS Select Basic Value Based Insurance Design. The proposed design is for Basic members only and does not impact Medicare members.

Priya Mathur moved staff's recommendation to approve the proposed Value Based Insurance Design for the PERS Select basic plan for the 2019 plan year. The motion was seconded and carried.

David Miller voted NO.

The following people spoke on this item:

- Tim Behrens, California State Retirees
- Donna Snodgrass, Retired Public Employees' Association
- Larry Woodson, California State Retirees
- Neal Johnson, Service Employees' International Union, Local 1000
- Brian Allison, American Federation of State, County and Municipal Employees

Agenda Item 7 – Retired Members Cost of Living Report

As an information item, Anthony Suine, Chief, Benefit Services Division, presented the annual cost-of-living adjustment for CalPERS retirees. The annual rate of inflation as measured by the percentage change in the Consumer Price Index was 2.13 percent through the 12 months ending December 2017. The applicable inflation rate is greater than 1 percent and an adjustment will be paid to all eligible retirees.

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

Agenda Item 8 – Health Beliefs – First Reading

As an information item, Karen Páleš, CalPERS Team Member, presented the proposed Health Belief statements for review and comment by the PHBC. Per Committee direction in February 2017, CalPERS Team Members began developing a set of health belief statements to help guide the management of the CalPERS health benefits program. The second reading of the Health Beliefs will be presented for approval in April 2018.

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

Agenda Item 9 – 2019-23 Health Maintenance Organization Plan Solicitation

As an information item, Ms. Donneson provided an update on the current activities of the 2019-2023 Health Maintenance Organization Health Plan Solicitation. Phase I and II of the Solicitation were released in September and October 2017.

Agenda Item 10 – Summary of Committee Direction

Ms. Bailey-Crimmins provided a summary of the Committee direction from the March 20, 2018, meeting. The Committee directed staff as follows:

- Investigate enhanced member capabilities that compare health plan benefits.
- Provide quarterly updates on PERS Select Value Based Insurance Design, beginning March 2019.

Agenda Item 11 – Public Comment

C.T. Weber spoke regarding CalPERS continued investments with fire arm companies.

The meeting was adjourned at 11:57 a.m.

The next meeting of the PHBC is scheduled for April 17, 2018, in Sacramento, California.

Attachment

Prepared by: Jennifer Jimenez
Committee Secretary

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