


California Public Employees' Retirement System

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

April 17, 2018



The Pension and Health Benefits Committee (PHBC) met in Open Session on Tuesday, April 17, 2018, in the Lincoln Plaza North Building, 400 Q Street, Sacramento, California.

The meeting was called to order at 12:31 p.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 the California Public Employees' Retirement System (CalPERS) efforts to increase engagement with employers using the Employer Response Team and recently implemented Employer Response Dialogue events. In addition, Ms. Lum provided an update on CalPERS Benefit Education Events.

Liana Bailey-Crimmins, Chief Health Director, Health Policy and Benefits Branch, provided information on the current activities of the Dependent Eligibility Verification process; potential expansion of Kaiser Permanente's Senior Advantage plan; and, highlights of today's agenda.

Agenda Item 3 – Consent Items

The Committee accepted the following Action Consent Items:

3a. Approval of the March 20, 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 May 15, 2018, Pension and Health Benefits Committee Meeting

Agenda Item 5 – Health Beliefs – Second Reading

Karen Páleš presented the revised Health Beliefs for approval. At the February 2017 PHBC meeting, the Committee directed staff to begin developing a set of Health Belief statements to help guide the management of the CalPERS health benefits program.

Priya Mathur moved staff's recommendation to approve the revised Health Beliefs, as shown in Attachment 1 (Option 1) of the agenda item, which contained suggested Committee member changes provided at the March 2018 PHBC Meeting. The motion was seconded and carried.

Agenda Item 6 – Strategy for Reference Pricing Pharmaceuticals by Therapeutic Class (Pilot)

As an information item, Kathy Donneson, Chief, Health Plan Administration Division, presented information on a potential reference pricing pilot for medications covered under the Pharmacy Benefits for Basic health plans serviced by OptumRx. The proposed pilot is intended for plan year 2019 and beyond to address rising prescription drug costs while maintaining quality and choice for members.

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

Agenda Item 7 – Preferred Provider Organization (PPO) 2018 Benefit Design Update and Benefit Proposals for 2019

As an information item, Ms. Donneson provided an update concerning benefit design changes implemented in January 2018 for the self-funded PPO health plans, additional programs currently under consideration for 2018, and benefit proposals for 2019.

Larry Woodson, California State Retirees, spoke on this item.

Agenda Item 8 – Summary of Committee Direction

Ms. Bailey-Crimmins provided a summary of the Committee direction from the April 17, 2018, meeting. The Committee directed staff as follows:

- Bring an analysis back to the Committee regarding statistics on therapeutic class outcomes.
- Share with the Board how CalPERS is addressing the Ambulatory Surgeries Center concerns highlighted during public comment.

Agenda Item 9 – Public Comment

Larry Woodson, California State Retirees, spoke regarding potential increase in cost to PPO members, particularly in the PERSCare plan.

The meeting was adjourned at 2:07 p.m.

The next meeting of the PHBC is scheduled for May 15, 2018, in Sacramento, California.

Prepared by: Jennifer Jimenez
Committee Secretary

Liana Bailey-Crimmins

Chief Health Director

Health Policy and Benefits Branch