



Pension and Health Benefits Committee Meeting Summary

June 20, 2018

This is intended as a guide for the Committee Chair. Other than the motions, this need not be read verbatim. The Chair may add context/comment as appropriate.

The Pension and Health Benefits Committee (PHBC) met on June 19, 2018.

THE COMMITTEE RECOMMENDS AND I MOVE, the Board approve the following:

- **AGENDA ITEM 6**
Approve the final proposed regulation defining Full-Time Employment (Attachment 1). With Board of Administration approval, team members will submit the final rulemaking package to the Office of Administrative Law (OAL) for adoption.
- **AGENDA ITEM 7**
Approve the Reference Pricing Pharmaceuticals by Therapeutic Class (Reference Pricing) program for Basic health plans serviced by a vendor or vendors chosen by staff, beginning plan year 2019.
- **AGENDA ITEM 8a**
Approve the proposed 2019 Health Maintenance Organization premium rates for Anthem Blue Cross, Blue Shield of California, Health Net of California, Kaiser Permanente, Sharp Health Plan, UnitedHealthcare, and Western Health Advantage; and the Medicare Advantage rates for Anthem Blue Cross, Kaiser Permanente and UnitedHealthcare, as shown in Attachment 2.
- **AGENDA ITEM 8b**
Approve the use of \$35-50 million of excess reserves to buy-down the proposed PERSCare Basic plan premium for 2019 (Option 2).

Approve the proposed 2019 Preferred Provider Organization (PPO) rates for Anthem Exclusive Provider Organization, PERS Choice, PERS Select, and PERSCare, as shown in Attachment 3.

The Committee received reports on the following topics:

- The Committee accepted the 2019 Association Plan rates (Attachment 4), and reviewed the State Annuitant Contribution Formulas (Attachment 5).

The Chair directed staff to:

- Continue to research and implement ways of providing more transparency to our Stakeholders on important decisions made by the PHBC.
- Provide an analysis regarding the increase in health plan contracts and how that impacts competition and CalPERS members.

At this time, I would like to share some highlights of what to expect at the September PHBC meeting:

- The Committee will review the PPO reserve policy; and, receive information on prescription drug utilization and cost trends, regional factors and OptumRx.

The next meeting of the PHBC is scheduled for September 25, 2018, in Sacramento, California.

Attachments