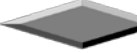



California Public Employees' Retirement System

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

May 15, 2018



The Pension and Health Benefits Committee (PHBC) met in Open Session on Tuesday, May 15, 2018, in the Lincoln Plaza North Building, 400 Q Street, Sacramento, California.

The meeting was called to order at 12:00 p.m. with the following members present:

Rob Feckner, Chair
Theresa Taylor, Vice Chair
Ruth Holton-Hodson for John Chiang
Danny Brown for 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) Benefit Education Events and the upcoming schedule. Ms. Lum also provided information on the public comment period for the proposed regulations regarding the definition of full-time employment. If no public comment is received, CalPERS team members anticipate bringing it to the Committee for approval at the June PHBC meeting.

Liana Bailey-Crimmins, Chief Health Director, Health Policy and Benefits Branch, provided information on the data warehouse solicitation and the contract award. The new contract was awarded to Truven Health Analytics who will legally become IBM Watson in August. In addition, Ms. Bailey-Crimmins provided information on the new open enrollment mobile application and highlights of the days agenda.

Agenda Item 3 – Consent Items

The Committee accepted the following Action Consent Items:

3a. Approval of the April 17, 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 June 19, 2018, Pension and Health Benefits Committee Meeting

Agenda Item 5 – Approval of the Preferred Provider Organization 2019 Benefit Design Changes

Kathy Donneson, Chief, Health Plan Administration Division, presented the proposed benefit design changes for the Preferred Provider Organization (PPO) plans effective January 1, 2019.

Theresa Taylor moved staff's recommendation to discontinue the Castlight tool for all PPO Basic health plans, effective January 1, 2019. The motion was seconded and carried.

Richard Gillihan moved staff's recommendation to approve the proposed specialist and urgent care copay changes for PERS Choice and PERSCare PPO Basic health plans, effective January 1, 2019. The motion was seconded and carried.

Agenda Item 6 – Preliminary 2019 Health Rates

As an information item, Shari Little, Chief, Health Policy Research Division, presented information on the preliminary rates submitted by health plans, which will continue to be analyzed for accuracy and affordability to prepare for the final rate approval in June.

The following people spoke on this item:

- Michelle Vollrath, UnitedHealthcare
- Tim Behrens, California State Retirees (CSR)
- Larry Woodson, CSR
- George Linn, Retired Public Employees' Association
- Neal Johnson, Service Employees' International Union (SEIU), Local 1000
- Crystal McCray, SEIU

Agenda Item 7 – CalPERS Dialysis Utilization and Cost

As an information item, Ms. Bailey-Crimmins, provided information on the utilization and cost of dialysis treatment for CalPERS' members. Ms. Bailey-Crimmins provided the Committee with data analysis that was requested by the Legislative Analyst's Office and SEIU.

The following people spoke on this item:

- David Miller, SEIU
- Thomas Hiltachk, California Dialysis Council
- Ehteshau, Hamid, Fresenius Kidney Care
- Terry Brennan, SEIU

At this time, Richard Costigan joined the meeting.

Agenda Item 8 – Summary of Committee Direction

Ms. Bailey-Crimmins provided a summary of the Committee direction from the May 15, 2018, meeting. The Committee directed staff as follows:

- Provide a survey or full analysis study on care and costs related to CalPERS members receiving dialysis.

Agenda Item 9 – Public Comment

Jerry Fountain, CSR, spoke regarding CalPERS Investment responsibilities

The meeting was adjourned at 1:24 p.m.

The next meeting of the PHBC is scheduled for June 19, 2018, in Sacramento, California.

Prepared by: Jennifer Jimenez
Committee Secretary

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