

California Public Employees' Retirement System

Board of Administration Pension and Health Benefits Committee Meeting Minutes

September 25, 2018

The Pension and Health Benefits Committee (PHBC) met in Open Session on Tuesday, September 25, 2018, in the Lincoln Plaza North Building, 400 Q Street, Sacramento, California.

The meeting was called to order at 2:23 p.m. with the following members present:

Rob Feckner, Chair
Theresa Taylor, Vice Chair
Ruth Holton-Hodson for John Chiang
Ralph Cobb for Adria Jenkins-Jones
Henry Jones
Priya Mathur
David Miller
Bill Slaton
Alan LoFaso for Betty Yee

Other Board Members Present:
Margaret Brown

Agenda Item 2 – Approval of the September 25, 2018, Pension and Health Benefits Committee Timed Agenda

On **MOTION** by Theresa Taylor, **SECONDED** and **CARRIED**, the Committee recommended to approve the September 25, 2018, Pension and Health Benefits Committee Timed Agenda.

Agenda Item 3 – Executive Report(s)

Donna Lum, Deputy Executive Officer, Customer Services and Support, provided information on the following topics: the California Public Employees' Retirement System (CalPERS) health plan open enrollment; CalPERS Benefit Education Events (CBEE); new CBEE surveying methodology and tool; and, an update on adjustments that have been made with East San Gabriel retirees.

Liana Bailey-Crimmins, Chief Health Director, Health Policy and Benefits Branch, provided information on the following: the CalPERS health plan open enrollment efforts; employer outreach and retention; the Preferred Provider Organization (PPO) third-party administrator solicitation; and, highlights of the PHBC meeting.

Agenda Item 4 – Consent Items

The Committee accepted the following Action Consent Items:

4a. Approval of the June 19, 2018, Pension and Health Benefits Committee Meeting Minutes

Agenda Item 5 – Consent Items

The Committee accepted the following Information Consent Items:

5a. Annual Calendar Review

- 5b. Draft Agenda for the November 14, 2018, Pension and Health Benefits Committee Meeting
- 5c. Prescription Drugs Utilization and Cost Trends

Agenda Item 6a – Health Care Reserve Policy

Kathy Donneson, Chief, Health Plan Administration Division, presented the proposed Policy that would update the prudent level of the PPO plan reserves and their treatment should they exceed or fall below a certain threshold. The Policy also addresses surpluses within the Flex-Funded Health Maintenance Organization plan accounts.

On **MOTION** by Priya Mathur, **SECONDED** and **CARRIED**, the Committee recommended to approve the proposed Health Care Fund Reserve Policy.

Agenda Item 7a – Reference Pricing Pharmaceuticals by Therapeutic Class Update

As an information item, Kathy Donneson, Chief, Health Plan Administration Division, and Dr. Richard Sun, CalPERS team member, presented an update on options for administering a program of reference pricing pharmaceuticals by therapeutic class.

David Henka, ActiveRADAR, spoke on this item.

Agenda Item 7b – Evaluation of Health Regions for Public Agencies and Schools

As an information item, Shari Little, Chief, Health Policy Research Division, presented an update on the Evaluation of Health Regions for Public Agencies and Schools. The goal of the project is to evaluate the regional factor calculations and propose changes if needed, to ensure the premiums are aligned with geographic costs of health care.

Agenda Item 7c – Open Enrollment App

As an information item, Rob Jarzombek, Chief, Health Account Management Division, and Tim Taylor, Chief, Information Technology Services Branch, presented the new CalPERS mobile app for open enrollment which debuted on August 27th. The goal was to enhance access to health plan information and provide it in a way that members have requested.

Agenda Item 7d – Summary of Committee Direction

Ms. Bailey-Crimmins provided a summary of the Committee direction from the September 25, 2018, meeting. The Committee directed staff as follows:

- Come back in November with more information on a full solicitation for the reference pricing prescription drugs by therapeutic class versus continuing with a pilot.

Agenda Item 7e – Public Comment

Harvey Robinson, Retired Public Employees Association, spoke regarding the Long-Term Care Program.

Stephanie Hueg and Larry Woodson, California State Retirees, spoke regarding the discontinuation of risk-adjustment.

Al Darby, Retired Public Employees Association, spoke regarding the recalculation for retirees in San Gabriel.

The meeting was adjourned at 4:20 p.m.

The next meeting of the PHBC is scheduled for November 14, 2018, in Sacramento, California.

Prepared by: Jennifer Jimenez
Committee Secretary

Attachment

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