

# California Public Employees' Retirement System

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

November 14, 2018

The Pension and Health Benefits Committee (PHBC) met in Open Session on Wednesday, November 14, 2018, in the Lincoln Plaza North Building, 400 Q Street, Sacramento, California.

The meeting was called to order at 10:00 a.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:  
Ramon Rubalcava

### **Agenda Item 2 – Approval of the November 14, 2018, Pension and Health Benefits Committee Timed Agenda**

On **MOTION** by Theresa Taylor, **SECONDED** and **CARRIED**, the Committee recommended to approve the November 14, 2018, Pension and Health Benefits Committee Timed Agenda.

### **Agenda Item 3 – Executive Report(s)**

Renee Ostrander, Chief, Employer Account Management Division, provided information on the following topics: education efforts that took place at the employer educational forum; CalPERS collaborative interactions with our reciprocal system partners; and, efforts to connect with our members located in the fire-devastated regions of California.

Kathy Donneson, Chief, Health Plan Administration Division, provided information on the following: CalPERS outreach efforts in regard to the recent wildfires; member and provider communication during the 2018 open enrollment period; and, highlights of the Health Benefits Program Annual Report that is being provided as a consent item.

### **Agenda Item 4 – Consent Items**

The Committee accepted the following Action Consent Items:

4a. Approval of the September 25, 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 December 18, 2018, Pension and Health Benefits Committee Meeting

### **Agenda Item 6a – Revised Proposed Regulation for the Definition of Full-Time Employment**

Ms. Ostrander provided an overview of the recent changes made to the proposed regulation text. CalPERS amended the proposed regulation text to address the Office of Administrative Law's (OAL) concerns with the original proposed text.

On **MOTION** by Henry Jones, **SECONDED** and **CARRIED**, the Committee recommended to approve the revised proposed regulations for a 15-day comment period and recommend approval to submit the final rulemaking package to the OAL upon conclusion of the comment period, so long as no public comments are received. (Attached).

### **Agenda Item 7a – Review of Public Agency Regions/Regional Factors**

As an information item, Shari Little, Chief, Health Program Research Division, and Gary McCollum, CalPERS team member presented scenarios for health region composition and regional factor calculations. At the December 2018, PHBC meeting an action item will be presented for a decision on regions, regional nomenclature, and regional factors, to become effective in 2020.

Mark Fox, Solano County, spoke on this item.

### **Agenda Item 7b – Strategy for Prescription Drug Reference Pricing by Therapeutic Class**

As an information item, Ms. Donneson presented information on the proposed Reference Pricing Program and provided timelines for implementing a pilot with three drug classes and subclasses, as well as, a project encompassing a full program solicitation with more drug classes.

Neal Johnson, SEIU Local 1000, spoke on this item.

### **Agenda Item 7c – Summary of Committee Direction**

Ms. Donneson provided a summary of the Committee direction from the November 14, 2018, meeting. The Committee directed staff as follows:

- Age Research improving flexibility of access to care by looking into site-of-care as an addition to the live and work policy.
- For the December PHBC Evaluation of Health Regions for Public Agencies and Schools: remove Scenario E as an option; and, provide a chart by region showing the percentage of cost impact and the percentage of members affected.
- Collaborate with employers on strategies for dealing with variations in cost of care by region.
- Proceed with a Request for Information and Request for Proposal regarding the reference pricing by therapeutic drug program.

### **Agenda Item 7d – Public Comment**

Tim Behrens, California State Retirees, spoke regarding CalPERS response to the Butte County fires and regional rating

Larry Woodson, California State Retirees, spoke regarding the Health Benefits Program Annual Report.

The meeting was adjourned at 12:13 p.m.

The next meeting of the PHBC is scheduled for December 18, 2018, in Sacramento, California.

Prepared by: Jennifer Jimenez  
Committee Secretary

Attachment

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