

## California Public Employees' Retirement System

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

March 19, 2019

The Pension and Health Benefits Committee (PHBC) met in Open Session on Tuesday, March 19, 2019, in the Lincoln Plaza North Building, 400 Q Street, Sacramento, California.

The meeting was called to order at 9:00 a.m. with the following members present:

Rob Feckner, Chair  
Theresa Taylor, Vice Chair  
Margaret Brown  
Henry Jones  
David Miller  
Ralph Cobb for Eraina Ortega  
Mona Pasquil Rogers  
Ramon Rubalcava  
Karen Greene-Ross for Betty Yee

Other Board Members Present:

Matthew Saha for Fiona Ma  
Bill Slaton  
Jason Perez

#### **Agenda Item 2 – Election of the Pension and Health Benefits Committee Chair and Vice Chair**

Rob Feckner was re-elected Chair, and Ramon Rubalcava was elected Vice Chair, of the PHBC.

At this time, the Open Session recessed and convened Closed Session. Open Session reconvened at 10:30 a.m.

#### **Agenda Item 3 – Approval of the March 19, 2019, Pension and Health Benefits Committee Timed Agenda**

On **MOTION** by Henry Jones, **SECONDED** and **CARRIED**, the Committee recommended to approve the March 19, 2019, Pension and Health Benefits Committee Timed Agenda.

#### **Agenda Item 4 – Executive Report(s)**

Donna Lum, Deputy Executive Officer, Customer Service and Support, provided information on the following topics: the CalPERS Benefit Education Events; the Office of Administrative Law's approval of the regulation for the definition of full-time employment; and, staff's presentation at the California Association of Public Retirement Systems General Assembly.

Liana Bailey-Crimmins, Chief Health Director, provided information on the following topics: CalPERS enhancements in support of open enrollment for 2019; recent steps taken to make it easier to do business with CalPERS Health Program; and, highlights of the PHBC agenda.

### **Agenda Item 5 – Consent Items**

The Committee accepted the following Action Consent Items:

- 5a. Approval of the December 18, 2018, Pension and Health Benefits Committee Meeting Minutes
- 5b. Annual Calendar Review

Agenda Item 5c was removed from Consent to further discuss the addition of approving Budget Change Proposal submittals to Department of Finance for the Contingency Reserve Fund and the Health Care Fund. This item will be brought back for review and approval at the April 2019, PHBC meeting.

### **Agenda Item 6 – Consent Items**

The Committee accepted the following Information Consent Items:

- 6a. Draft Agenda for the April 16, 2019, Pension and Health Benefits Committee Meeting
- 6b. Health Open Enrollment Results
- 6c. Long-Term Care Program Report
- 6d. 2019 PERS Select Benefit Design Report

### **Agenda Item 7a – 2020-2024 Preferred Provider Organization (PPO) Plan Third-Party Administrator Contract Award**

Kathy Donneson, Chief, Health Plan Administration Division, presented information regarding process that CalPERS used for the PPO health plans health benefit offerings. CalPERS solicited proposals for a 5-year agreement beginning January 1, 2010 and ending December 31, 2024. The solicitation resulted in two finalists: Aetna and Anthem Blue Cross.

At this time, Dana Hollinger joined the meeting.

On **MOTION** by Henry Jones, **SECONDED** and **CARRIED**, the Committee recommended after consideration of the results, and who best demonstrated the ability to offer services in terms of provider network/coverage area, pricing, and agreement to fulfill contractual terms and conditions of CalPERS 2020-2024 PPO Contract, the Intent to Award of Solicitation No. 2019-8505, to Anthem Blue Cross.

### **Agenda Item 8a – Retired Member Cost of Living**

As an information item, Anthony Suine, Chief, Benefit Services Division, presented the cost of living increase for eligible members, effective May 1, 2019. The annual rate of inflation as measured by the percentage change in the Consumer Price Index was 2.44 percent through the 12 months ending December 2018. The application inflation rate is greater than 1 percent and an adjustment will be paid to all eligible retirees.

### **Agenda Item 8b – Summary of Committee Direction**

There was no Committee Direction.

### **Agenda Item 8c – Public Comment**

The Committee received public comment from Tim Behrens, California State Retirees, regarding CalPERS response to the Butte County fires.

The meeting was adjourned at 11:06 a.m.

The next meeting of the PHBC is scheduled for April 16, 2019, in Sacramento, California.

Prepared by: Jennifer Jimenez  
Committee Secretary

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