

MEETING
STATE OF CALIFORNIA
PUBLIC EMPLOYEES' RETIREMENT SYSTEM
BOARD OF ADMINISTRATION
PENSION & HEALTH BENEFITS COMMITTEE
OPEN SESSION

ROBERT F. CARLSON AUDITORIUM
LINCOLN PLAZA NORTH
400 P STREET
SACRAMENTO, CALIFORNIA

TUESDAY, MAY 14, 2019

11:15 A.M.

JAMES F. PETERS, CSR
CERTIFIED SHORTHAND REPORTER
LICENSE NUMBER 10063

A P P E A R A N C E S

COMMITTEE MEMBERS:

Ms. Rob Feckner, Chairperson
Mr. Ramon Rubalcava, Vice Chairperson
Ms. Margaret Brown
Mr. Henry Jones
Mr. David Miller
Ms. Eraina Ortega, represented by Mr. Ralph Cobb
Ms. Mona Pasquil Rogers
Ms. Theresa Taylor
Ms. Betty Yee, represented by Ms. Karen Greene-Ross

BOARD MEMBERS:

Mr. Jason Perez
Ms. Lisa Middleton

STAFF:

Ms. Marcie Frost, Chief Executive Officer
Ms. Liana Bailey-Crimmins, Chief Health Director
Mr. Matt Jacobs, General Counsel
Ms. Donna Lum, Deputy Executive Officer
Ms. Susanna Bishop, Committee Secretary
Dr. Kathy Donneson, Chief, Health Plan Administration
Division
Ms. Kim Malm, Interim Chief, Health Policy Research
Division

A P P E A R A N C E S C O N T I N U E D

ALSO PRESENT:

Mr. Tim Behrens, California State Retirees

Ms. Crystal McCray, Service Employees International Union,
Local 1000

Mr. Harvey Robinson, Retired Public Employees Association

Mr. Larry Woodson, California State Retirees

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1 P R O C E E D I N G S

2 CHAIRPERSON FECKNER: Good morning. We're going
3 to call the Heath Benefits Committee -- Pension and Health
4 Benefits Committee meeting to order.

5 The first order of business will be to call the
6 roll, please.

7 COMMITTEE SECRETARY BISHOP: Rob Feckner?

8 CHAIRPERSON FECKNER: Good morning.

9 COMMITTEE SECRETARY BISHOP: Ramon Rubalcava?

10 VICE CHAIRPERSON RUBALCAVA: Here.

11 COMMITTEE SECRETARY BISHOP: Margaret Brown?

12 COMMITTEE MEMBER BROWN: Here.

13 COMMITTEE SECRETARY BISHOP: Henry Jones?

14 COMMITTEE MEMBER JONES: Here.

15 COMMITTEE SECRETARY BISHOP: David Miller?

16 COMMITTEE MEMBER MILLER: Here.

17 COMMITTEE SECRETARY BISHOP: Ralph Cobb for
18 Eraina Ortega?

19 ACTING COMMITTEE MEMBER COBB: Here.

20 COMMITTEE SECRETARY BISHOP: Mona Pasquil Rogers?

21 COMMITTEE MEMBER PASQUIL ROGERS: Here.

22 COMMITTEE SECRETARY BISHOP: Theresa Taylor?

23 COMMITTEE MEMBER TAYLOR: Here.

24 COMMITTEE SECRETARY BISHOP: Karen Green-Rosss
25 for Betty Yee?

1 ACTING COMMITTEE MEMBER GREENE-ROSS: Here.

2 CHAIRPERSON FECKNER: Thank you.

3 Please note also Mr. Perez joining the Committee
4 this morning.

5 Second order of business will be approval of the
6 May 14th meeting timed agenda. What's the pleasure of the
7 Committee?

8 COMMITTEE MEMBER TAYLOR: Move it.

9 COMMITTEE MEMBER PASQUIL ROGERS: Second.

10 CHAIRPERSON FECKNER: Who moved?

11 COMMITTEE MEMBER TAYLOR: (Raised hand.)

12 CHAIRPERSON FECKNER: Moved by Taylor, second by
13 Pasquil Rogers.

14 Any discussion on the motion?

15 Seeing none.

16 All in favor say aye?

17 (Ayes.)

18 CHAIRPERSON FECKNER: Opposed, no?

19 Motion carries.

20 Before we move on, I want to take a moment of
21 personal privilege and call on Mr. Perez. If you could
22 push your button, please, sir.

23 Thank you.

24 Mr. Perez.

25 BOARD MEMBER PEREZ: Good morning. I'm in

1 uniform this morning with a mourning badge -- mourning
2 band over my badge. In 1962, President JFK made May 15th,
3 National Police Officer Memorial Day. This whole week is
4 National Policy Officer Memorial Week. Last year, the
5 United States lost 158 men and women to -- while they're
6 protecting their communities. And in California, we lost
7 10. One of the 10 was a dear friend and a CHP Officer, a
8 good Christian man. And I'm going to miss him.

9 Thank you.

10 CHAIRPERSON FECKNER: Thank you. And thank you
11 and all of the men and women of law enforcement for what
12 you do every day.

13 Thank you very much.

14 Agenda Item 3, Executive Report. Ms. Lum, Ms.
15 Bailey-Crimmins, please.

16 DEPUTY EXECUTIVE OFFICER LUM: Good morning, Mr.
17 Chair, members of the Committee. Donna Lum, CalPERS team
18 member. I've got two very brief updates to share with you
19 this morning. I know that we've got a full agenda, so
20 I'll keep my remarks brief. First and foremost, I'm very
21 happy to share with you that after 5 years at various
22 locations, including Rancho Cordova and West Sacramento,
23 our Customer Service and Outreach Division, which consists
24 of our regional -- or, excuse me, our regional offices who
25 are in their location, but our contact center, and our

1 train -- our education and a training team who has been in
2 West Sacramento have moved here to the Headquarters
3 campus.

4 Nearly, 300 team members moved from their recent
5 location in West Sacramento to both our Lincoln Plaza East
6 and Lincoln Plaza West Buildings. And the contact center
7 moved yesterday. Due to the relocation, we did modify our
8 hours of operations. However, I am pleased to share with
9 you that as of this morning, we are back to serving all of
10 our customers during our normal business hours.

11 The move was very, very smooth. We did not
12 experience any issues. A few minor things with headsets.
13 That's to be expected when you have over 200 agents, who
14 have new phones that are being placed in a new location.
15 But certainly, all the planning that took place over the
16 past year really paid off in making this transition very
17 smooth.

18 Just to note that a magnitude -- a move of this
19 magnitude does require extensive coordination and
20 collaboration. And so I do want to take a moment to thank
21 all of the team in the Customer Service and Outreach
22 Division, the Operations Support and Services Division,
23 and the Information Technology Support Branch. They have
24 been wonderful partners with us. And as I mentioned over
25 the last year, there's been a lot of planning that has

1 been underway to make this move happen.

2 We're very happy and excited to have the join --
3 the team rejoin us here at Headquarters. And as you can
4 imagine, as I mentioned earlier, we've been in multiple
5 locations. Having everyone here on campus does help to
6 promote comradery, collaboration. It does reduce the
7 cost, as we are no longer having to rent the space in West
8 Sacramento at that facility. And it -- most importantly,
9 it does strengthen the service that we provide to our
10 customers, because we have all of our team members here in
11 the front office and the back office, and it makes the
12 transactions much more seamless. So again, just welcoming
13 all of the team, and letting you know that we're all here.
14 We're all back at home.

15 Next, I'd like to turn to CBEE update, which I
16 normally do in my executive update. We do have two CBEEs
17 that are scheduled to take place in June. The first is in
18 San Ramon, and it's on June 7th and 8th. And although
19 this event is still four weeks away, I'm happy to share
20 with you that we already have 1,750 members that have
21 pre-registered.

22 Now, we do expect, as we have with our previous
23 CBEEs, to break our previous records. The last time we
24 were in the South San Francisco area was in 2017, and we
25 had 1,300 attendees. So again, we're at 1,750. We have 4

1 weeks to go, but I can assure you that our teams are very
2 well prepared for whatever size of attendees that we get
3 at this event.

4 And then the second one is scheduled for June
5 14th and 15th. And we'll be hosting that CBEE in
6 Pasadena. This CBEE is 5 weeks away. And again, we
7 already have over 1,800 members who are pre-registered.
8 The last time we were in Pasadena, we -- it was in 2017,
9 and we had 1,450. So we're nearly over -- nearly close to
10 400 pre-registered members. And again, we've got another
11 5 weeks.

12 So again, we're planning for the large size of
13 the attendees that we've been seeing. And always, if
14 you're in either of those two areas, we welcome you to
15 join us. I do know that the team members and our members
16 that are at the events do enjoy seeing you, interacting
17 with you. And as we've talked about in the past, there is
18 much to be said about the education that is occurring at
19 these events. And we are seeing a lot of positive impact.
20 We do have many members that are coming into our regional
21 offices, having mentioned that they've been to a CBEE.
22 And they appear to be much better prepared to sit down and
23 have the conversation and dialogue about their readiness
24 for retirement.

25 Mr. Chair, that does end my comments, and I'm

1 available to answer any questions you may have.

2 CHAIRPERSON FECKNER: Well, thank you. Seeing no
3 questions, I will say that maybe not the same reaction as
4 some parental units, but this body appreciates having the
5 whole Family back at home.

6 (Laughter.)

7 CHAIRPERSON FECKNER: So thank you for the
8 customer service folks for the time they spent away, but
9 we're glad to have them back here.

10 Ms. Bailey-Crimmins.

11 CHIEF HEALTH DIRECTOR BAILEY-CRIMMINS: Good
12 morning, Mr. Chair and members of the Committee. Liana
13 Bailey-Crimmins, CalPERS team member. For my opening
14 remarks, I have two highlights.

15 The first is I'm excited to share with you the
16 launch of the new CalPERS Health Plan Events and Resources
17 webpage. It's a great year-round resource for our
18 members. It gives them opportunities to participate in
19 fun and healthy community activities sponsored by the
20 CalPERS health plans.

21 And then second, I will highlight the Pension and
22 Health Benefits Committee, and what to expect from today's
23 agenda.

24 So taking the first steps towards improving
25 health and wellness often includes searching for

1 information or looking for classes. And so I'm proud that
2 CalPERS now has a unique online resource tool to make
3 finding that information much easier. This is a one-stop
4 health events experience, and it's located on our CalPERS
5 website at www.calpers.ca.gov. On that main webpage,
6 you'll see "I want to", "view health plan rates", and then
7 simply click on "Wellness and Events" link, which is
8 approximately about halfway down that page.

9 Once there, our members can click on the plans
10 they're interested in. So, for example, if people weren't
11 aware, downtown Sacramento, there are free yoga, Pilates,
12 and free "Walk to Thrive" clubs. All of these events are
13 open to the community.

14 And so regardless of which plans our members are
15 signed up with, they can attend these community events
16 with their family, and friends, and neighbors. So I hope
17 that both our members and the community gets more
18 information by encouraging them go to this new -- this
19 location on our website and find out all the new exciting
20 wellness tools, and hopefully participate in some of the
21 healthy activities listed.

22 And so for the Pension and Health Benefits
23 Committee today, we have three agenda items. The first is
24 an information consent item, which highlights the annual
25 CalPERS Health Plan Trend Report. This report is a high

1 level summary, and includes membership migration
2 statistics. It also shows eight of the most significant
3 utilized services, and the cost associated with those
4 services.

5 So, for example, the number of prescription days
6 our members were on medication went down by 3.2 percent.
7 Great number. But the overall unit price for
8 prescriptions went up 10.8 percent. And so the CalPERS
9 Health Program uses these types of indicators to meet with
10 the plans quarterly during our meeting reviews, and also
11 annually during our rate negotiations. All of this in
12 order to provide our members the best quality service at
13 the most affordable price.

14 For action today, staff will be recommending to
15 use \$44 million of our PPO excess reserves to spend down
16 the CalPERS PERSCare premium for 2020. This aligns with
17 the Board's Reserve Policy, which was adopted last year in
18 2018.

19 And so for information item, we will be
20 publishing the preliminary rates, keyword "preliminary".
21 Between now and -- May and June, we will continue to
22 negotiation with the plans to have a positive movement
23 before the final 2020 rates are approved by this Board in
24 June.

25 And lastly, I'd like to take a moment or

1 privilege, and I'd like to personally thank Ms. Kim Malm
2 for joining the CalPERS Health Program, as the Interim
3 Chief of the Health Policy Research Division. She's
4 leading the rate negotiations. As many of you know, she's
5 a tough negotiator, and will continue to provide
6 leadership and assistance to the health program as we feel
7 this vacancy permanently.

8 With that, Mr. Chair, this concludes my opening
9 remarks, and I'm available for any questions.

10 CHAIRPERSON FECKNER: Thank you.

11 Seeing no questions.

12 We'll move on to Agenda Item 4, which is the
13 approval of the April 16th Committee meeting minutes.
14 What's the pleasure of the Committee?

15 COMMITTEE MEMBER JONES: Move it.

16 COMMITTEE MEMBER TAYLOR: Second.

17 CHAIRPERSON FECKNER: Moved by Jones, seconded by
18 Taylor

19 Any discussion on the motion?

20 CHAIRPERSON FECKNER: Seeing none.

21 All in favor say aye?

22 (Ayes.)

23 CHAIRPERSON FECKNER: Opposed, no?

24 Motion carries.

25 Agenda Item 5 is the information consent items.

1 Having no request to move anything off the consent, we
2 move to Agenda Item 6a, the use of Preferred Provider
3 Organization plan reserves.

4 Ms. Donneson.

5 (Thereupon an overhead presentation was
6 presented as follows.)

7 HEALTH PLAN ADMINISTRATION DIVISION CHIEF

8 DONNESON: Thank you, Mr. Chair. Members of the
9 Committee, Kathy Donneson, CalPERS team member.

10 This is Agenda Item 6a, and it is an action item.
11 And we recommend, as a team, that the Pension and Health
12 Benefits Committee approve the 44 million proposal to
13 apply excess reserves to reduce the 2020 PERSCare basic
14 premium.

15 --o0o--

16 HEALTH PLAN ADMINISTRATION DIVISION CHIEF

17 DONNESON: In September 2018, this Board approved a
18 revised Health Care Fund Reserve Policy. The policy in
19 part updated the level of the PPO plan reserve,
20 established the criteria for reducing or increasing a PPO
21 plan's reserve when pre-determined thresholds are met, and
22 adopted a methodology for handling any surpluses or
23 deficits attributable to the PPO plans.

24 In the past, the Board has used additional
25 reserves to mitigate PPO basic and Medicare Supplement

1 Plan premium rate increases.

2 --o0o--

3 HEALTH PLAN ADMINISTRATION DIVISION CHIEF

4 DONNESON: The Health Care Fund Reserve includes the
5 pharmacy component at 116 million - and this is as of
6 December 31st, 2018 - the medical component at 386 million
7 for a total prudent reserve of 501 million.

8 But currently there is an extra, or excess, 84
9 million in the basic and Medicare PPO accounts. The three
10 basic plans, PERSCare, PERS Select, and PERS Choice, and
11 the Medicare plans, the supplements for PERSCare Medicare
12 Choice and Select.

13 The 84 million comes from the reduction of the
14 risk-base capital from 300 to 250, in accordance with the
15 Reserve Policy that was adopted. And it resides, as you
16 see, in the bar above across all of the basic and Medicare
17 PPO plans.

18 --o0o--

19 HEALTH PLAN ADMINISTRATION DIVISION CHIEF

20 DONNESON: For this month, the published premiums for May
21 have been displayed. There's a zero percent increase for
22 PERS Select, and these are approximates, 4.8 percent for
23 PERS Choice, and 23.9 percent for PERSCare. The
24 significant 2020 PERSCare basic plan premium rate increase
25 is due mostly to ending risk adjustment beginning in the

1 2019 plan year, and transitioning the plan to reflect its
2 actual cost.

3 Last year, the Board approved the use of 46
4 million to impact the 2019 PERSCare basic plan premium
5 rate caused by the elimination of risk adjustment. In
6 2019, instead of a 38 percent premium increase, the 2019
7 PERSCare basic plan premium increase was 19 percent.

8 For this 2020 PPO PERSCare rate, the Board may
9 use 44 million of the 84 million surplus reserve to
10 decrease the projected 23.9 percent increase to 9.4
11 percent increase.

12 And that is the team's recommendation. The
13 recommendation only asks you to spend the \$44 million.

14 --o0o--

15 HEALTH PLAN ADMINISTRATION DIVISION CHIEF

16 DONNESON: And we ask you to adopt this recommendation
17 today.

18 COMMITTEE MEMBER BROWN: Move approval.

19 CHAIRPERSON FECKNER: Well, we have other people
20 that want to speak first.

21 Anything else, Ms. Donneson?

22 HEALTH PLAN ADMINISTRATION DIVISION CHIEF

23 DONNESON: At your pleasure, Mr. Chair, I can either
24 finish the presentation or --

25 CHAIRPERSON FECKNER: Please do.

1 HEALTH PLAN ADMINISTRATION DIVISION CHIEF

2 DONNESON: Thank you.

3 The next steps are to finalize the 2020 premiums
4 in June and use the 44 million to reduce the PERSCare
5 premium. Now, over the next year, the team will look
6 specifically at the PPO basic and Medicare plan data,
7 including, but not limited to, member migration patterns,
8 plan design, member purchasing preferences, and focused
9 outreach to stakeholders to formulate recommendations for
10 the Board's consideration of the future of our PERSCare,
11 PERS Choice plans.

12 And this is very similar to the approach we did
13 in redesigning the PERS Select plan to become a
14 Value-Based Insurance Design, which is now yielding very
15 positive results.

16 This is an action item. And we request that the
17 Board accept the team's recommendation to spend the \$44
18 million of Health Care Fund excess reserve and apply it to
19 the PERSCare premium for 2020.

20 This concludes my presentation, and I'm happy to
21 answer any questions.

22 CHAIRPERSON FECKNER: Thank you.

23 First request. Ms. Taylor.

24 COMMITTEE MEMBER TAYLOR: Yes. Thank you, Ms.
25 Donneson for the presentation. I kind of looking at some

1 concerns from some of our members. I'm looking at a
2 letter right know now. So -- and I guess I was -- I'm a
3 little concerned that we bought down rates last year for
4 the PERSCare, and it still -- we still have some more
5 adjustments to do, because of the -- getting rid of the
6 risk adjusting.

7 And I know you're going to be looking at
8 specifics. I guess my concern is are we going to see it
9 trending down? Because it went from 38 to 23. And I'm
10 hoping this trend continues to go down, because otherwise
11 the -- it's not -- doesn't seem sustainable to have a plan
12 in our -- that's our self-funded plan that keeps going up
13 double digits, so...

14 HEALTH PLAN ADMINISTRATION DIVISION CHIEF

15 DONNESON: Thank you, Ms. Taylor. Our expectation is
16 first by June, this 23 percent that you see today will
17 most likely be lower as we get additional claims.
18 However, that may not be the case.

19 COMMITTEE MEMBER TAYLOR: Right.

20 HEALTH PLAN ADMINISTRATION DIVISION CHIEF

21 DONNESON: So this is a percentage increase as of what we
22 see today.

23 COMMITTEE MEMBER TAYLOR: Right.

24 HEALTH PLAN ADMINISTRATION DIVISION CHIEF

25 DONNESON: And so by June, it could be trending down even

1 further.

2 COMMITTEE MEMBER TAYLOR: Hopefully.

3 HEALTH PLAN ADMINISTRATION DIVISION CHIEF

4 DONNESON: Yes. And so by taking it down to -- from 23 to
5 the 9.4 percent, we believe that we will look at it again
6 next year. But remember, that we would look at the 9.4
7 percent and then look at what the trend would be for 2021,
8 in terms of getting to the 2021 rate.

9 We do believe that it is moving faster to the
10 true cost of care than perhaps what we projected, but we
11 won't know until we actually start to see the rest of this
12 year's claims experience going into next year's claim
13 experience.

14 COMMITTEE MEMBER TAYLOR: And then it should be
15 better for 2021 when we're doing the rates for 2020.

16 HEALTH PLAN ADMINISTRATION DIVISION CHIEF

17 DONNESON: I would expect that we're going to kind --
18 regress to the mean to the actual cost of care.

19 COMMITTEE MEMBER TAYLOR: Because it looks like
20 we're at cost of care for the other two plans.

21 HEALTH PLAN ADMINISTRATION DIVISION CHIEF

22 DONNESON: Correct.

23 COMMITTEE MEMBER TAYLOR: Someone's concern here
24 was that maybe we should -- they called it a dying plan.

25 (Laughter.)

1 COMMITTEE MEMBER TAYLOR: I don't necessarily
2 agree with that. But their concern was maybe we should be
3 buying down the 4 percent, rather than putting it all on
4 this. But I -- I just -- what would be your
5 recommendation there?

6 HEALTH PLAN ADMINISTRATION DIVISION CHIEF

7 DONNESON: Well, I'd like to talk about 2013 when it had
8 reached a point of when it would -- when it did look
9 like -- I don't want to call it a dying plan, but
10 certainly there was a concern for - an insurance term is -
11 death spiral.

12 At that time, we didn't really understand who was
13 buying the plan, who was in the plan, why were they
14 purchasing? It was still a much higher cost plan compared
15 to the other two.

16 This is our opportunity to say to ourselves,
17 we'll spend the next year seeing who's in the plan, what
18 is a benefit design that could be more consistent with
19 people selecting this plan, and really maybe end-query our
20 stakeholders about --

21 COMMITTEE MEMBER TAYLOR: That's a good idea.

22 HEALTH PLAN ADMINISTRATION DIVISION CHIEF

23 DONNESON: -- about whether -- why are they in the plan
24 and what do they think the future should be for the plan.

25 COMMITTEE MEMBER TAYLOR: That's a very good

1 idea. All right. Thank you very much.

2 CHAIRPERSON FECKNER: Thank you.

3 Ms. Brown.

4 COMMITTEE MEMBER BROWN: Thank you, Mr. Chair.

5 Can you tell us how many total covered lives are
6 in the PERSCare, and then how many shifted from last year
7 when we had the huge 19 percent increase?

8 HEALTH PLAN ADMINISTRATION DIVISION CHIEF

9 DONNESON: We currently, as of January 1st, in the basic
10 plan have 140 -- about 149,000 in PERS Choice. PERS
11 Select now is about 70,000. They gained about 20,000
12 members. But the interesting thing about that 20,000,
13 they came from all of our plans. They came from other
14 HMOs and even from the association plans. And then for
15 PERSCare, as of June 1, it's about 32,000.

16 For the supplement plans, PERS Choice is about
17 72,000, Select around 2,100, and again, PERSCare
18 supplement about 63,000.

19 COMMITTEE MEMBER BROWN: And do we know how many
20 we lost? How many transitioned from PERSCare last year
21 because of the increase in the rates, just approximately,
22 10 percent, 20 --

23 HEALTH PLAN ADMINISTRATION DIVISION CHIEF

24 DONNESON: I'm going to turn to some of the numbers folks.
25 8,500 approximately.

1 COMMITTEE MEMBER BROWN: Okay. Not too many
2 with -- considering what a huge increase that is. And so
3 my -- I might assume that they really want the 90/10
4 PERSCare plan. And so I do agree with staff that applying
5 the 44 million for the folks that want one time for the
6 PERSCare to help buy down that premium I think is a great
7 reason, and it gives you the year to understand what our
8 members truly need.

9 So saying that, I'd like to move approval for
10 staff recommendation.

11 COMMITTEE MEMBER TAYLOR: Second.

12 CHAIRPERSON FECKNER: It's been moved by Brown,
13 seconded by Taylor.

14 Any discussion on the motion?

15 Before we actually vote on the motion, we have --
16 pardon?

17 MR. BEHRENS: How about public comment?

18 COMMITTEE MEMBER BROWN: He's got it.

19 CHAIRPERSON FECKNER: I'm almost there. You want
20 to change seats?

21 (Laughter.)

22 CHAIRPERSON FECKNER: Before we act on the
23 motion, I have three requests to speak from the audience,
24 if you'd let me finish.

25 First, we have Mr. Robinson, Mr. Behrens, and Mr.

1 Woodson. Please come forward. Give your name and
2 affiliation for the record and you'll have up to three
3 minutes for comment.

4 MR. BEHRENS: Thank you, Chair Feckner.

5 CHAIRPERSON FECKNER: Yes, sir.

6 MR. BEHRENS: Members of the Committee, Tim
7 Behrens, President of the California State Retirees. We
8 applaud the health team's recommendation to you to
9 recommend to the Board to spend that 44 million and spend
10 down the percentage. We would like to encourage you to
11 consider putting the whole 84 million in, and you'd still
12 have 501 million in reserves. And that would even bring
13 it down farther.

14 My rationale for that is we have several
15 stakeholders that live in very remote areas, and they only
16 have one choice. So that one choice may be one of the
17 reasons that some of those people didn't migrate last
18 time, because they can only get that particular carrier in
19 their area. So I would encourage you to consider that.

20 Then I wanted to thank the CalPERS health team
21 for doing a presentation on mental health services. They
22 had all of the insurance carriers in the room at the same
23 time. And we did about a 2-hour discussion. And it was
24 very informative. And it feels like, for the first time,
25 mental health is getting a much more looked at look by the

1 insurance carriers. And, in fact, up in Paradise where
2 the fires were, I understand that the first responders are
3 getting a lot of help, as are all of the people that
4 responded in or lost their homes and all of their
5 belongings.

6 Thank you.

7 CHAIRPERSON FECKNER: Great. Thank you for
8 comments.

9 Mr. Woodson.

10 MR. WOODSON: Good morning. Larry Woodson,
11 California State Retirees. Thank you for the opportunity
12 to comment, Mr. Chair, and members of the Committee. The
13 staff recommendations to allocate the 44 million out of 84
14 million of what is called the PPO surplus to lower
15 PERSCare premium to 9.4 percent is -- well, there seems to
16 be an implication that this is really generous, and that
17 the 9.4 percent will have little impact on retirees. And
18 I ask the Board to look at the bigger picture here,
19 particularly the new Board members that weren't here in
20 December of 2017, when abandonment of risk adjustment
21 occurred, and it -- and by the way, we've brought this up
22 before, but it occurred in closed session with no notice
23 or opportunity for public comment.

24 And the rates of PERSCare premiums increased that
25 year an average of 20 percent. And by the way, I got

1 calls from people that had much higher increases than
2 that. And so the basic plan members just couldn't afford
3 those kind of increases, had to migrate to what I would
4 say are inferior plans, which only pay 80 percent instead
5 of 90, and had higher maximum caps.

6 It should also be noted that 18 counties have no
7 HMO basic plans available, so they're forced into the PPO
8 plans. Adding 9 percent premium increases to the already
9 20 percent from last year is really a hardship to members
10 on that plan. And they're on there for a reason. I'm one
11 of them.

12 There is an easy solution, as Mr. Behrens
13 commented. CSR strongly suggests including all of the
14 surplus for this purpose, which would actually result in a
15 slight decrease in PERSCare premium for last year with
16 my -- by my calculations. It is a surplus, and it should
17 be returned to the members and not have those members
18 affected by such a large cost increase.

19 There's already \$501 million left in the total
20 reserve. And that's a -- yeah, a huge percentage of the
21 total cost, if you look at the cost of the medical costs
22 and the drug costs combined. It's a huge percentage. If
23 the Governor proposed that kind of a surplus in his
24 budget, he'd be recalled.

25 So please have the staff reconsider that 44

1 million, and increasing it to the 84 million or close to
2 it to minimize the impacts and hardships on our members.

3 Thank you.

4 CHAIRPERSON FECKNER: Thank you.

5 Mr. Robinson.

6 MR. ROBINSON: Good morning. Harvey Robinson,
7 RPEA, Director of Health Benefits.

8 We would like to recommend that we reduced any
9 premium rate increase for the individual PPO plans that
10 generated them, not just PERSCare.

11 Essentially, CalPERS staff recommendation is a
12 rate adjustment paid at the expense of the other PPO plans
13 to maintain this very benefit rich CalPERS basic health
14 plan. The recommendation to continue to subsidize the
15 CalPERS basic health plan, it's at the detriment of other
16 PPO health plan members who should instead benefit from
17 the excess reserves in the former premiums later on to the
18 PPO plans. Members and employers should not be forced to
19 forgo premium reductions at the expense of one ongoing
20 ailing health plan.

21 A significant number of CalPERS health plan
22 members and retirees are from local agencies and schools,
23 who do not enjoy a full or significant portion of their
24 health and Medicare premiums paid by their employers.
25 Many of these employers have been required to scale back

1 their health plan contributions in order to pay for
2 increasing pension obligation.

3 CalPERS should consider addressing the systematic
4 and long-term program problems within the CalPERS basic
5 health plans to stop the bleeding. Perhaps a risk
6 adjustment should be made to reduce the richest of the
7 plan. Please stop forcing the members of other PPO plans,
8 including those in Medicare PPO plans, to keep subsidizing
9 the PERSCare basic plan.

10 Thank you.

11 CHAIRPERSON FECKNER: Thank you.

12 Ms. Bailey-Crimmins, Ms. Donneson, any comments?

13 CHIEF HEALTH DIRECTOR BAILEY-CRIMMINS: No.

14 CHAIRPERSON FECKNER: Okay. What would -- if we
15 were to listen to that concept, what would that do to the
16 rates next year, if we were to increase the funding?

17 CHIEF HEALTH DIRECTOR BAILEY-CRIMMINS: Mr.
18 Feckner, if we took the entire 84 million and applied it
19 into a single year, in the insurance business what we call
20 that is a snapback. Our goal is to try to smooth the rate
21 of where we get to the true cost of care for the PERSCare
22 product.

23 And so if we use the entire amount, we would
24 reduce it to the amount that we heard. But then it would
25 then take that number and then multi -- and then be added

1 to what it should be, just based on the industry and
2 claims. So you'd see even -- maybe even a higher increase
3 next year. So this allows us to smooth. It allows the
4 team to have a full year of analysis, getting stakeholder
5 input, and be able to provide the Committee and ultimately
6 the Board a recommendation on really what the next few
7 years should look like, when it comes to our PPOs.

8 CHAIRPERSON FECKNER: So, in essence, for lack of
9 a better term, it would be a false sense of security for
10 this year, and next year they could get double what they
11 have now?

12 CHIEF HEALTH DIRECTOR BAILEY-CRIMMINS: That is
13 correct.

14 CHAIRPERSON FECKNER: Thank you.

15 Ms. Brown.

16 COMMITTEE MEMBER BROWN: Thank you.

17 So, Ms. Bailey-Crimmins, I wanted to make sure
18 that people understand what your goal here is. And your
19 goal is to have no excess reserves to come up exactly
20 even, is that not correct?

21 CHIEF HEALTH DIRECTOR BAILEY-CRIMMINS: So
22 there's two things. The reserve itself is a month and a
23 half. It sounds like it's a big number when you -- but
24 when you run a \$9.3 billion, it's a month and a half
25 reserves. If there is a new pharmacy drug that comes out,

1 we have a month and a half reserves that then can cover
2 that additional cost.

3 Excess is where we collect either rebates, or --
4 and we try. I mean, it's -- we get federal subsidies, and
5 we're always trying to navigate. It would be ideal, Ms.
6 Brown, if I could get it down to the penny, but I don't
7 see that ever necessarily being the actual case, but that
8 would be the ideal.

9 HEALTH PLAN ADMINISTRATION DIVISION CHIEF

10 DONNESON: I'd like to add one more thing to that. We
11 don't know what the pharmacy space is going to look like
12 next year. We are recommending a prudent expenditure, not
13 the whole expenditure, because next year with all the
14 changes in the pharmacy market, we don't know yet what
15 that might look like. And so the 44 million is a prudent
16 estimate of what would keep us actually with the ability
17 to look at what 2021 might look like in terms of higher
18 claims or higher pharmacy costs.

19 COMMITTEE MEMBER BROWN: Thank you.

20 CHAIRPERSON FECKNER: Very good. Thank you.

21 No other requests to speak.

22 A motion being before you.

23 All in favor say aye?

24 (Ayes.)

25 CHAIRPERSON FECKNER: Opposed, no?

1 Motion carries. Thank you.

2 That brings us to information agenda items,
3 starting with 7a, preliminary health rates. Ms. Malm.

4 (Thereupon an overhead presentation was
5 Presented as follows.)

6 INTERIM HEALTH POLICY RESEARCH DIVISION CHIEF

7 MALM: Well, my speech says good afternoon, but I'm
8 pleased to say good morning --

9 (Laughter.)

10 INTERIM HEALTH POLICY RESEARCH DIVISION CHIEF

11 MALM: -- Chair and members of the Pension and Benefit --
12 or Health Benefits Committee. Kim Malm, CalPERS team
13 member.

14 Agenda Item 7a presents the preliminary health
15 premiums for 2020. The premium sheets have been provided
16 to you as a handout. They are also in the back of the
17 room, and they've also been posted to our website.

18 Here's a look at our timeline. The rate
19 development process began back in January, where we had
20 our official kick-off to the rate-setting process. May
21 now marks the release of the preliminary health premiums.

22 CalPERS rate teams will continue to analyze the
23 premiums, submitted by the health plans to ensure accuracy
24 and affordability, as we prepare final 2020 premiums for
25 approval by the Committee in June.

1 This is the first time the health plans see each
2 other's rates, which leads to some healthy negotiations.
3 It's also the first time members, employers, and
4 stakeholders see the plan premiums. Let me emphasize that
5 these are preliminary premiums and will be -- and will
6 vary from the first -- from the final premiums that will
7 be presented to this Committee again in June.

8 Open enrollment will be September 9th through
9 October 4th. And the new premiums will take effect
10 January 1st, 2020.

11 --o0o--

12 INTERIM HEALTH POLICY RESEARCH DIVISION CHIEF

13 MALM: Let me touch on a few of the key highlights.
14 First, there are no copay or benefit design changes to the
15 health plans for 2020. For plan changes, Blue Shield has
16 offered a new plan called Trio. It's a narrow network
17 that will be offered in the following 6 counties: El
18 Dorado, Los Angeles, Nevada, Placer, and Sacramento and
19 Yolo.

20 In addition, Anthem HMO Medicare Advantage is
21 expanding into Monterey County for 2020 to provide an HMO
22 coverage for our combination enrollment members.

23 --o0o--

24 INTERIM HEALTH POLICY RESEARCH DIVISION CHIEF

25 MALM: Let's go over what we're seeing as part of the May

1 preliminary rates. There's an 8.03 weighted average
2 increase to the basic HMO and PPO plans over 2019; there's
3 a 2.11 percent weighted average increase to the Medicare
4 plans; and an overall 7.24 percent increase for total plan
5 population. So why don't we turn to the HMO products
6 first. I'll go over those plans that had the largest
7 increases at this time.

8 Health Net SmartCare has the largest premium
9 increase of -- over 2019-20, compared to the other health
10 plans, of 24.4 percent. The main reason for the large
11 increase stems from Blue Shield's exit from the Bay Area.
12 This exit added 10,000 additional lives to this plan in
13 the most expensive area for health care, which is the Bay.
14 In addition, 10,000 lives that migrated to this plan may
15 be less healthy than the average CalPERS member.

16 Blue Shield Access+ has an increase of 16.1
17 percent. This plan has a high percentage of
18 fee-for-service claims in comparison to the other HMO
19 plans. We'll continue to evaluate this plan as
20 fee-for-service claims data between now and June and
21 validate that this rate is justifiable.

22 And finally, UnitedHealthcare has had an increase
23 of 11.4 percent. At this point, UC Davis seems to be
24 having a substantial impact on UHC's statewide rate. We
25 would like UHC to continue negotiating with UC Davis

1 through May to June to see if they can drop the cost
2 between the May and June final numbers.

3 For HMO Medicare plans, we're seeing the
4 following: Anthem HMO traditional, 13.7 percent increase;
5 Kaiser Medicare Advantage is a 1.3 percent -- or sorry,
6 1.2 percent increase; and UnitedHealthcare is a 13.1
7 percent increase.

8 Now, switching to the PPOs. We have a 4.8
9 percent increase in PERS Choice, a rate pass for PERS
10 Select, and a 9.4 increase for PERSCare, with the spend
11 down that Kathy just discussed.

12 The projected 2020 rate pass is partially the
13 result of improved health risk in 2019, and the
14 introduction of the value-based insurance design, or VBID.

15 For the three PPO Medicare plans, they're
16 projected to have less than a 1 percent rate increase in
17 2020. This is mainly due to the improvement in pharmacy
18 rebates and Employer Group Waiver Program subsidy
19 projections for 2020.

20 The rates team will continue to consult with
21 external and internal actuaries to provide independent
22 consultation, objective assessments of each proposal from
23 the carriers, and comparison with market trends.
24 Obviously, our goal is to get the best value for our
25 members.

1 Let me touch base for a minute on the public
2 agency and school regions. I'd like to remind the
3 Committee that in December 2018, the Board approved the
4 change -- to change the structure of the regions for
5 public agencies and schools from five regions to a
6 three-region model. This is effective for the 2020 rates.
7 Attachment 3 provides a map of both the current five
8 region and the three-region model.

9 --o0o--

10 INTERIM HEALTH POLICY RESEARCH DIVISION CHIEF

11 MALM: So for our next steps. We will -- between now and
12 June, we'll continue negotiations with the health plans.
13 We'll continue our analysis of the claims and refresh data
14 by the plans. The premiums will be validated by a
15 third-party actuarial consulting firm and our internal
16 teams. We'll bring final health plans and premiums to you
17 in June for approval. We'll then prepare again for open
18 enrollment and the implementation of these rates January
19 1st, 2020.

20 This concludes my presentation, Mr. Chair. I'm
21 happy to take any questions.

22 CHAIRPERSON FECKNER: Thank you, Ms. Malm.

23 And I going to start out by saying, sadly, we
24 seem to say this every year. But it feels like I'm back
25 in third grade at times when we're not progressing from

1 year to year. It's time for everybody to sharpen their
2 pencils. No matter which plan your with, the pencils need
3 to be more sharp. We -- our members are directly affected
4 by any increase. State employees have a formula. Most
5 schools and public agencies do not have a formula. Most
6 of them have caps on their medical. So that means any
7 increase coming from the vendors goes directly to the
8 pockets of the members, not to the employer.

9 So please keep that in mind as you think about
10 that, because our members will, at some point, start
11 shifting to the lowest cost plan they can find. And it
12 comes down to -- you know, at the end of the day, it comes
13 down to their pocket book. And they have to make
14 decisions based upon that, and they're going to. So
15 please keep that in mind as you go forward. Make the best
16 decisions you can that help our members. We want to all
17 be team players and work together with each other. But at
18 the end of the day, we're here to support our members.
19 And we hope that you're going to do the same.

20 Ms. Taylor.

21 COMMITTEE MEMBER TAYLOR: Thank you.

22 So as you know, I'm not real happy with these
23 rates either. I just wanted to also follow Mr. Feckner in
24 saying that I think we need to -- you -- and I know you
25 guys are going to. We need to go back and continue to

1 negotiate. These rates are really high to me. Even
2 though -- even the single digit rate increases are
3 relatively high compared to what we've seen before.

4 I don't -- I know what our costs -- you know, our
5 cost trends are. I understand what they are. But I also
6 think that we have room to move. So I think that our
7 health plans really need to work at bringing those rates
8 down. I spoke earlier about how this -- I represent all
9 State employees. And this does impact us directly in our
10 paycheck.

11 There is no question that when -- the very first
12 thing I hear on January 1st is, "Oh, my God. This is -- I
13 can't afford this". So it's -- we have to do better. And
14 I'm in agreement with Mr. Feckner. We do this every year.
15 I've been on this Board for 5 years. We've been trying to
16 figure out ways to do our best to curb costs, but still
17 have quality health care. And I'm asking that we also
18 direct our health plans to do the same. It can't just be
19 us trying to curb those costs, while the health plans and
20 the providers are not. So I appreciate that.

21 Thank you.

22 INTERIM HEALTH POLICY RESEARCH DIVISION CHIEF

23 MALM: Thank you.

24 CHAIRPERSON FECKNER: Thank you.

25 Mr. Jones.

1 COMMITTEE MEMBER JONES: Yeah. Thank you, Mr.
2 Chair.

3 Yeah. I echo both Mr. Feckner and Ms. Taylor's
4 comments that our members are reaching out to us and
5 saying that they want affordable health care. And the
6 voices are getting louder and louder. And we want to make
7 sure that that voice is carried through to our plan
8 sponsors. And you need to listen now, because something
9 will definitely have to happen. And if you don't act now,
10 we don't know what happen -- will happen later. So we're
11 reaching out to you now to sharpen those pencils and bring
12 us back some rates that are affordable and that our
13 members can live with.

14 CHAIRPERSON FECKNER: Thank you.

15 Ms. Greene-Ross.

16 ACTING COMMITTEE MEMBER GREENE-ROSS: And also
17 just is it possible to understand if the current federal
18 administration's decision to not pursue the Cadillac Tax
19 and the whole screwing up of the Affordable Care Act, and
20 what it really means, is that affecting this as well?

21 INTERIM HEALTH POLICY RESEARCH DIVISION CHIEF
22 MALM: At this time, it does have a per member per month
23 cost of \$5 per person. So it is impacting it, but we're
24 having those conversations still with the -- with the
25 plans. And Liana is going to add to that.

1 We did that on purpose.

2 CHIEF HEALTH DIRECTOR BAILEY-CRIMMINS: Okay.

3 There we go.

4 So it's -- specifically, the \$5 that Ms. Malm
5 just mentioned is for the HIT tax, the Health Insurance
6 Tax. The Cadillac Tax we're still looking at what's going
7 on at the federal level. So -- and then unfortunately,
8 the plans will not know if it applies to them till after
9 our rates. And so we are going back and forth with them
10 on what they should be including and charging as a part of
11 our premium for 2020.

12 ACTING COMMITTEE MEMBER GREENE-ROSS: Okay.

13 CHAIRPERSON FECKNER: Anything else, Ms.
14 Greene-Ross?

15 ACTING COMMITTEE MEMBER GREENE-ROSS: No, thank
16 you.

17 CHAIRPERSON FECKNER: All right. Seeing no other
18 requests from the Board.

19 I do have a request from the audience.

20 Mr. Woodson. Mr. Jones, is -- there he is.

21 COMMITTEE MEMBER JONES: Yeah. Thank you. Yeah.

22 Ms. Greene-Ross's comment raises a question about the
23 Cadillac Tax being known after the decision about the
24 rates are determined. So what happens then, is that a
25 retroactive benefit during the course of the year? Is it

1 just the impact is in the following year?

2 CHIEF HEALTH DIRECTOR BAILEY-CRIMMINS: So
3 Cadillac tax was delayed -- let me just confirm with Ms.
4 -- for two years, correct? So it's not apply --
5 applicable for 2020. I'm looking at my expert there. So
6 it is not -- the Cadillac tax is not applicable. For the
7 HIT tax, since they won't know until after, many of our
8 plans did not include it. Others did. And so that is
9 where we are from a negotiation point making sure.
10 Because at the end of the day, if they get the bill from
11 the IRS, the only way that they can pay it is if they've
12 collected it via the premium.

13 So we are making sure that they are able to meet
14 their obligation if the federal government does make that
15 decision, but doesn't do it at the high cost of
16 overinflating our premiums.

17 INTERIM HEALTH POLICY RESEARCH DIVISION CHIEF
18 MALM: But also ensuring that we're not giving them money
19 for a bill that they have not received.

20 COMMITTEE MEMBER JONES: Received.

21 CHAIRPERSON FECKNER: Ms. Taylor.

22 COMMITTEE MEMBER TAYLOR: So in addition to that,
23 and I know I've asked this before, because the individual
24 mandate is gone, because people don't have to buy health
25 insurance through the ACA and get penalized if they don't,

1 because of what they're trying to do to the ACA, I think I
2 agree with Ms. Greene-Ross in that as health plans are
3 having higher costs hit them over in Covered California,
4 we were -- I think what I'm wondering then, does that
5 cost - and we'll never know, I'm sure. But do you feel
6 that that cost gets passed on to private insurers?

7 CHIEF HEALTH DIRECTOR BAILEY-CRIMMINS: Well, the
8 benefit of CalPERS is in statute that our premiums must
9 truly reflect the cost of care. Not all commercial buyers
10 have that luxury. But because it's in statute -- not
11 saying that there isn't cost shifting. We know there's
12 Medicare, Medicaid, and commercial. And at some point,
13 the commercial makes -- but I do want to do a plug.

14 In July, we will have at the offsite a specialist
15 that will come out and talk to us about what's going on,
16 and how those interact, and how that cost shifting
17 happens, and what levers CalPERS has as we move forward in
18 this unknown time to make sure that we can keep those
19 rates affordable for our members.

20 COMMITTEE MEMBER TAYLOR: Thank you.

21 CHAIRPERSON FECKNER: Mr. Woodson.

22 MR. WOODSON: Good morning, again. Larry
23 Woodson, California State Retirees. You know, first of
24 all, I'd, you know, like to thank all the Board members
25 who just commented. I wanted to reiterate from a

1 stakeholder standpoint that we think many of these rate
2 increases are too high. And, you know, the sharpen the
3 pencils analogy is a good one. So we hope you're able to
4 go back and bring these down.

5 Just a kind of a -- just a request in the future.
6 Since we get these plans the day of -- these tables on
7 preliminary rates the day of, it was very helpful when Ms.
8 Malm gave the percentage increase in each one and went
9 through that in her presentation. I'm wondering in the
10 future if that could be an additional column for us, so
11 we'd have a few more minutes to look at it, and not have
12 to do math, which I did.

13 And so, you know, finally, I guess, you know, it
14 goes without saying that we have a for-profit health care
15 system in this country, and in California. And I think
16 I've said this before, I always look at the Fortune 500
17 list of revenues and profits of these companies. And
18 they're all doing pretty well. And so the rate setting is
19 always -- their profits are always figured into their rate
20 setting. And I think they can absorb a little bit lower
21 premiums on some of these plans.

22 Thank you.

23 CHAIRPERSON FECKNER: Thank you. And before I go
24 to the next commenter, I would -- just would like to
25 reiterate what I said earlier for the plan's

1 understanding. When I said employers have caps, my
2 current employer has a cap of \$350 a month max, regardless
3 if it's a single or family. So do the math. You can see
4 if it's a \$1,200 premium, those members are paying \$850 a
5 month out of pocket. So anytime there's an increase, even
6 if it's only \$10, that affects them deeply. And
7 education, as you know, is not funded correctly in this
8 State. So those employees are paying -- are a lot less
9 paid than what we would like to imagine. So understand
10 that hit with they get that rate increase each year,
11 they're making decisions based upon their pocket book.

12 Ms. McCray.

13 Please speak your name for the record and you'll
14 have up to 3 minutes.

15 MS. MCCRAY: Thank you so much. Hello, Chairman
16 Feckner and members of the CalPERS Board. My name is
17 Crystal McCray. I'm an AGPA for the California
18 Environmental Protection Agency, and I save taxpayers
19 money by running a recycle and reuse store where people
20 can come in and bring items that are gently used. I track
21 them. And over the last five years, I've been able to
22 save the State and the taxpayers over \$1.5 million.

23 I said that to say, as I move in, each year, we
24 know that CalPERS negotiates our health care premiums
25 rates for the upcoming year. But our premiums have been

1 rising much faster than the cost of living. Over the past
2 few months, we have been in conversation with our members.
3 We've heard over 600 stories from members who are
4 suffering from economic insecurity and the rising cost of
5 health care. I shared some of those stories with you and
6 the audience today.

7 We come before you today to request that you
8 continue negotiating with health care companies to find a
9 way to keep the cost increases to a minimum. And I hear
10 what you've been saying today, and I support what you're
11 saying. Ask these health care companies to do the right
12 thing and not pass these high costs onto our members.

13 The stories that I share today, I can't get them
14 out of my mind. The one that talked about a gentleman
15 who, after he pays his rents -- his rent and health care
16 costs, has nothing left. Or the women who put off mental
17 care -- mental health care therapy because she can't afford
18 copays. That's unbelievable. That's human.

19 As a strong member-led union, SEIU Local 1000,
20 we're standing up to say don't raise our rates. We join
21 all workers of California that are fighting back against
22 out of control increases in health care premiums, while
23 the CEOs are earning millions of dollars.

24 California's working families deserve to be
25 provided every opportunity to have quality, affordable

1 health care. By standing together in collaboration,
2 CalPERS and SEIU Local 1000 have the capability to have a
3 profound effect on the entire State of California, just
4 like I do by running a small recycle and reuse store, and
5 giving people the opportunity to reuse pencils.

6 We can do this. Please stand with us today and
7 help negotiate affordable health care rates. And CalPERS
8 Board, please know we support you 100 percent in your
9 efforts of trying to get our members what they need,
10 quality, affordable health care.

11 Thank you so much. We appreciate your time.

12 CHAIRPERSON FECKNER: Thank you for your
13 comments.

14 Anything else, Ms. Malm?

15 INTERIM HEALTH POLICY RESEARCH DIVISION CHIEF
16 MALM: No, sir.

17 CHAIRPERSON FECKNER: I want to -- if not, then I
18 want to personally thank the health care staff for all the
19 hard work so far. But unfortunately, there's a deep dive
20 still to come. So we thank you for your continued effort,
21 and we look forward to seeing what you come up with in
22 June.

23 Thank you.

24 INTERIM HEALTH POLICY RESEARCH DIVISION CHIEF
25 MALM: Thank you so much.

1 CHAIRPERSON FECKNER: That brings us to Agenda
2 Item 7b, Summary of Committee Direction.

3 Ms. Bailey-Crimmins.

4 CHIEF HEALTH DIRECTOR BAILEY-CRIMMINS: Mr.
5 Chair, I have no Board direction at this time.

6 CHAIRPERSON FECKNER: That's always good to hear.

7 (Laughter.)

8 CHAIRPERSON FECKNER: Item 7c is public comment.
9 I have no requests from the public to speak. Does anyone
10 that did not put in a card wish to speak to the Board at
11 this time?

12 Seeing none. This meeting is adjourned.

13 (Thereupon California Public Employees'
14 Retirement System, Pension and Health Benefits
15 Committee meeting open session adjourned
16 at 12:06 p.m.)

C E R T I F I C A T E O F R E P O R T E R

I, JAMES F. PETERS, a Certified Shorthand Reporter of the State of California, do hereby certify:

That I am a disinterested person herein; that the foregoing California Public Employees' Retirement System, Board of Administration, Pension and Health Benefits Committee open session meeting was reported in shorthand by me, James F. Peters, a Certified Shorthand Reporter of the State of California, and was thereafter transcribed, under my direction, by computer-assisted transcription;

I further certify that I am not of counsel or attorney for any of the parties to said meeting nor in any way interested in the outcome of said meeting.

IN WITNESS WHEREOF, I have hereunto set my hand this 19th day of May, 2019.

JAMES F. PETERS, CSR
Certified Shorthand Reporter
License No. 10063