

**STATE OF CALIFORNIA
BOARD OF ADMINISTRATION
PUBLIC EMPLOYEES' RETIREMENT SYSTEM**

DELEGATION RESOLUTION

Subject: Pension and Health Benefits Committee Delegation No: PH-20-01

Pursuant to Government Code section 20099, the Board of Administration of the California Public Employees' Retirement System (Board) hereby authorizes the annual appointment by the Board President of a Pension & Health Benefits Committee to be comprised of not less than seven (7) members of the Board.

Except as otherwise provided within this Resolution, the Pension & Health Benefits Committee (Committee) is authorized as follows:

In reference to the Health Benefits Program:

- (1) Set and oversee health care strategy.
- (2) Approve health benefit plans, plan design, and rates.
- (3) Oversee health benefit plan contracting.
- (4) Oversee cost and quality of the health care program.
- (5) Oversee research to evaluate leading health care practices that benefit members and their families.
- (6) Oversee health administration cost effectiveness.
- (7) Oversee administration of CalPERS self-funded health plans.
- (8) Set and oversee long-term care strategy.
- (9) Approve long-term care rates.
- (10) Oversee long-term care plan contracting.
- (11) Oversee research to evaluate leading long-term care programs that benefit members and their families.
- (12) Oversee cost and quality of the long-term care program.

In reference to the Pension Benefits Program:

- (1) Approve policies that affect retirement benefit administration.
- (2) Oversee member and employer service delivery quality and efficiency.
- (3) Oversee research on pension policy and related issues developing at the state and national level.
- (4) Oversee pension administration cost effectiveness.
- (5) Oversee management of risks related to the duties delegated to this Committee.

Additionally, the Committee is authorized to:

- (1) Conduct the selection of the Long-Term Care Administrator, health benefit plans, and providers of administrative services related to the Board's self-funded health plans (including without limitation network administration, medical policy development, utilization management, and pharmacy benefit management), and recommend finalists to the Board.
- (2) Set the benchmarks and triggers for information that comes to the Committee for review, as well as, approve performance metrics to be reported to the Committee.
- (3) Approve positions on legislation affecting pension and health benefits.
- (4) Adopt regulations affecting pension and health benefits.
- (5) Approve pension and health care beliefs.

The authority granted under this Resolution is subject to the following conditions:

- (1) The Committee must discharge its duties "solely in the interest of, and for the exclusive purposes of providing benefits to, participants and their beneficiaries, minimizing employer contributions thereto, and defraying reasonable expenses of administering the system." In exercising this responsibility, the Committee shall place the interests of system members and beneficiaries above all other interests. (Cal. Const. art. XVI sec. 17(b).)
- (2) The Committee must discharge its duties with the care, skill, prudence, and diligence under the circumstances then prevailing

that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims. (Cal. Const. art. XVI, sec. 17(c).)

Notwithstanding any other provision within this Resolution, all acts of the Pension & Health Benefits Committee shall be reported to the Board, at its next regular meeting, and shall be subject to review and ratification or reversal by the Board.

This Resolution is effective immediately upon adoption, and supersedes all previous delegations of authority to this, or any predecessor committee.

* * * * *

I hereby certify that on the 18th day of March, 2020, the Board of Administration of the California Public Employees' Retirement System, made and adopted the foregoing Resolution.

HENRY JONES
President, Board of Administration
California Public Employees' Retirement System