

VIDEOCONFERENCE 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, APRIL 21, 2020

8:00 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

Ms. Theresa Taylor

Ms. Shawnda Westly

Ms. Betty Yee, represented by Ms. Karen Greene-Ross

BOARD MEMBERS:

Ms. Fiona Ma, represented by Mr. Frank Ruffino

Ms. Lisa Middleton

Ms. Stacie Olivares

Mr. Jason Perez

STAFF:

Ms. Marcie Frost, Chief Executive Officer

Mr. Matt Jacobs, General Counsel

Dr. Donald Moulds, Chief Health Director

Mr. Anthony Suine, Deputy Executive Officer

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

STAFF:

Ms. Marta Green, Chief, Health Plan Research and  
Administration Division

Ms. Pam Hopper, Committee Secretary

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

CHAIRPERSON FECKNER: It's the time we call our Pension and Health Committee meeting to order. The first order of business will be to call the roll.

Ms. Hopper, please

COMMITTEE SECRETARY HOPPER: Good morning.

CHAIRPERSON FECKNER: Good morning.

COMMITTEE SECRETARY HOPPER: Rob Feckner?

CHAIRPERSON FECKNER: Good morning

COMMITTEE SECRETARY HOPPER: Margaret Brown?

COMMITTEE MEMBER BROWN: Present.

COMMITTEE SECRETARY HOPPER: Henry Jones?

COMMITTEE MEMBER JONES: Here.

COMMITTEE SECRETARY HOPPER: David Miller?

COMMITTEE MEMBER MILLER: Here.

COMMITTEE SECRETARY HOPPER: Eraina Ortega?

COMMITTEE MEMBER ORTEGA: Here.

COMMITTEE SECRETARY HOPPER: Ramon Rubalcava?

VICE CHAIRPERSON RUBALCAVA: Present. Here.

COMMITTEE SECRETARY HOPPER: Theresa Taylor?

COMMITTEE MEMBER TAYLOR: Here.

COMMITTEE SECRETARY HOPPER: Shawnda Westly?

COMMITTEE MEMBER WESTLY: Present.

COMMITTEE SECRETARY HOPPER: And do I have Karen Greene-Ross?

1           Chair, we're waiting for Karen Greene-Ross to  
2 come on board.

3           CHAIRPERSON FECKNER: All right. We'll give her  
4 another couple of minutes before we move forward.

5           COMMITTEE SECRETARY HOPPER: Thank you.  
6 Good morning, everyone.

7           CHAIRPERSON FECKNER: Good morning, Pam.

8           COMMITTEE MEMBER JONES: Good morning.

9           COMMITTEE SECRETARY HOPPER: Mr. Chair, Karen  
10 Greene-Ross is trying to log in, so it should only be a  
11 couple more minutes.

12          CHAIRPERSON FECKNER: Very good. Thank you.

13          Well, since we only have one item on open before  
14 we go into closed, let's just continue on, and Ms.  
15 Greene-Ross can catch up with us.

16          So again, good morning, Board members --  
17 Committee members. I do want to remind everyone that if  
18 you're not speaking, please make sure you mute your  
19 device. That will help with the background noise and any  
20 possible distortion we may have. We learned a few things  
21 yesterday as we went through the process.

22          So the next order of business is Agenda Item 2,  
23 the election of the Pension and Health Committee Chair and  
24 Vice Chair. For the election of Chair, I'm going to turn  
25 the microphone over to Mr. Rubalcava.

1           VICE CHAIRPERSON RUBALCAVA: Thank you, Rob. I  
2 will now entertain nominations for Committee -- Committee  
3 Chair for the Pension and Health Benefits Committee.

4           Anybody? Oh, I guess I have to read the chat,  
5 right, or something is going to say something.

6           COMMITTEE MEMBER TAYLOR: Hi. This is Theresa  
7 Taylor.

8           VICE CHAIRPERSON RUBALCAVA: Good morning,  
9 Theresa.

10          COMMITTEE MEMBER TAYLOR: I'd like to nominate  
11 Rob Feckner for Chair of Pension and Health Committee.

12          VICE CHAIRPERSON RUBALCAVA: We have a nomination  
13 for Rob Feckner as Chair of the Committee. Do I hear  
14 another nomination?

15          Do I hear another nomination?

16          Rob Feckner for Chair.

17          Rob Feckner for chair.

18          Another nomination?

19          I guess nominations are closed. Do I have a  
20 motion to elect Rob Feckner as Chair of the Pension and  
21 Health Benefits Committee?

22          COMMITTEE MEMBER TAYLOR: I make the motion.

23          VICE CHAIRPERSON RUBALCAVA: The motion has been  
24 made.

25          COMMITTEE MEMBER MILLER: I'll second.

1           VICE CHAIRPERSON RUBALCAVA: I hear a second from  
2 David Miller.

3           I guess we nominate -- I guess the nominations  
4 are closed and that means Mr. Rob Feckner, you're elected,  
5 and congratulations.

6           COMMITTEE MEMBER TAYLOR: I think we have to  
7 vote, don't we?

8           CHAIRPERSON FECKNER: I think we have to have Ms.  
9 Hopper call out the names.

10          VICE CHAIRPERSON RUBALCAVA: Okay.

11          COMMITTEE MEMBER TAYLOR: Pam.

12          CHAIRPERSON FECKNER: Ms. Hopper?

13          COMMITTEE MEMBER TAYLOR: Pam.

14          COMMITTEE SECRETARY HOPPER: Margaret Brown, what  
15 is your vote?

16          COMMITTEE MEMBER TAYLOR: The vote is on Rob  
17 Feckner as Chair of the Committee.

18          VICE CHAIRPERSON RUBALCAVA: It was the only  
19 Nomination.

20          COMMITTEE SECRETARY HOPPER: I'll proceed with  
21 the vote and come back to Margaret.

22          Henry Jones?

23          COMMITTEE MEMBER JONES: Yes.

24          COMMITTEE SECRETARY HOPPER: David Miller?

25          COMMITTEE MEMBER MILLER: Aye.



1 COMMITTEE SECRETARY HOPPER: Eraina Ortega?

2 COMMITTEE MEMBER ORTEGA: Aye.

3 COMMITTEE SECRETARY HOPPER: Ramon Rubalcava?

4 VICE CHAIRPERSON RUBALCAVA: Yes.

5 COMMITTEE SECRETARY HOPPER: Theresa Taylor?

6 COMMITTEE MEMBER TAYLOR: Yes.

7 COMMITTEE SECRETARY HOPPER: Shawnda Westly?

8 COMMITTEE MEMBER WESTLY: Aye.

9 COMMITTEE SECRETARY HOPPER: Karen Greene-Ross?

10 ACTING COMMITTEE MEMBER GREENE-ROSS: Aye.

11 COMMITTEE SECRETARY HOPPER: And Margaret Brown?

12 Mr. Chair, we are not getting response from

13 Margaret.

14 COMMITTEE MEMBER BROWN: I believe I said aye.

15 Sorry.

16 COMMITTEE SECRETARY HOPPER: Okay. Thank you.

17 VICE CHAIRPERSON RUBALCAVA: Thank you.

18 So I think that's it. So, Mr. Rob Feckner,

19 congratulations, you can have the chair back.

20 CHAIRPERSON FECKNER: Thank you, Mr. Rubalcava.

21 And thank you, fellow Committee members, I appreciate the

22 vote of confidence. We're going to move on with the

23 election of Vice Chair.

24 So I now open the nominations for Vice Chair of

25 the Pension and Health Committee.

1 COMMITTEE MEMBER TAYLOR: Mr. Feckner?

2 CHAIRPERSON FECKNER: Ms. Taylor.

3 COMMITTEE MEMBER TAYLOR: I'd like to nominate  
4 Mr. Rubalcava for Vice Chair.

5 CHAIRPERSON FECKNER: Thank you.

6 Any further nominations for the office of Vice  
7 Chair?

8 Any further nomination for the office of Vice  
9 Chair?

10 Third and final time, any further nominations for  
11 the office of Vice Chair?

12 Seeing none. I will entertain a motion to elect  
13 Mr. Rubalcava as Vice Chair of the Pension and Health  
14 Committee.

15 COMMITTEE MEMBER MILLER: So moved.

16 COMMITTEE MEMBER TAYLOR: Second.

17 CHAIRPERSON FECKNER: It's been moved and  
18 seconded.

19 Ms. Hopper, please call the roll.

20 COMMITTEE SECRETARY HOPPER: Margaret Brown?

21 COMMITTEE MEMBER BROWN: Aye. Can you hear me?

22 COMMITTEE SECRETARY HOPPER: Yes.

23 COMMITTEE MEMBER BROWN: Thank you.

24 COMMITTEE SECRETARY HOPPER: Henry Jones?

25 COMMITTEE MEMBER JONES: Aye.

1 COMMITTEE SECRETARY HOPPER: David Miller?

2 COMMITTEE MEMBER MILLER: Aye.

3 COMMITTEE SECRETARY HOPPER: Eraina Ortega?

4 COMMITTEE MEMBER ORTEGA: Aye.

5 COMMITTEE SECRETARY HOPPER: Ramon Rubalcava?

6 VICE CHAIRPERSON RUBALCAVA: Yes.

7 COMMITTEE SECRETARY HOPPER: Theresa Taylor?

8 COMMITTEE MEMBER TAYLOR: Yes.

9 COMMITTEE SECRETARY HOPPER: Shawnda Westly?

10 COMMITTEE MEMBER WESTLY: Aye.

11 COMMITTEE SECRETARY HOPPER: Karen Greene-Ross  
12 for Betty Yee?

13 ACTING COMMITTEE MEMBER GREENE-ROSS: Aye.

14 COMMITTEE SECRETARY HOPPER: Thank you.

15 CHAIRPERSON FECKNER: Thank you.

16 Congratulations, Mr. Rubalcava. You're now Vice Chair of  
17 the Pension and Health Committee.

18 VICE CHAIRPERSON RUBALCAVA: Thank you and thank  
19 everybody for your confidence.

20 Okay. At this point, we are going to recess the  
21 open session and move into closed session. Since we have  
22 to change certain procedures here and moving into this  
23 closed session, I first want to say that if anybody is on  
24 the line, any of the stakeholders, et cetera that are  
25 waiting for the next open session, if you're looking for

1 Item 5b, the delegated authority, since the Investment  
2 Committee delegated authority is coming back in June, we  
3 went through that yesterday, we're also going to pull Item  
4 5b, the Pension and Health Committee delegated authority  
5 and bring that back at the same time in June. So we're  
6 taking 5b off the agenda for this month.

7 With that, we are going to go to closed session.  
8 Sometime it takes a little longer for others to get on, so  
9 let's be patient until everybody is signed on.

10 We are not leaving the open session. See you all  
11 on the other side.

12 (Off record: 8:11 a.m.)

13 (Thereupon the meeting recessed  
14 into closed session.)

15 (Thereupon the meeting reconvened  
16 open session.)

17 (On record: 1:00 p.m.)

18 CHAIRPERSON FECKNER: Good afternoon, everyone.  
19 It's 1:00 o'clock, our bewitching hour. We welcome  
20 everyone back from the closed session and for our  
21 audience, we welcome you as well. We're going to continue  
22 on with our open session.

23 The first order of business will be Item 3,  
24 approval of the April 21st Pension and Health Committee  
25 meeting timed agenda.

1 COMMITTEE MEMBER BROWN: Move approval.

2 CHAIRPERSON FECKNER: Who moved that. Wave,  
3 please.

4 COMMITTEE MEMBER BROWN: Brown.

5 COMMITTEE MEMBER MILLER: Second.

6 CHAIRPERSON FECKNER: Ms. Brown.

7 Motion made by Ms. Brown, seconded by Mr. Miller.

8 If you're not going to be talking, please mute  
9 your microphone, so we can avoid the feedback.

10 So we're ready for a roll call vote, Ms. Hopper.

11 COMMITTEE SECRETARY HOPPER: Mr. Chair -- Mr.  
12 Chair, this is Pam.

13 CHAIRPERSON FECKNER: Yes, ma'am.

14 COMMITTEE SECRETARY HOPPER: We'll need to do a  
15 roll call for the timed agenda.

16 CHAIRPERSON FECKNER: Correct. I'm waiting for  
17 you to call the roll.

18 COMMITTEE SECRETARY HOPPER: Margaret Brown?

19 COMMITTEE MEMBER BROWN: Aye.

20 COMMITTEE SECRETARY HOPPER: Henry Jones?

21 CHAIRPERSON FECKNER: You're muted.

22 COMMITTEE MEMBER JONES: Aye.

23 COMMITTEE SECRETARY HOPPER: David Miller?

24 COMMITTEE MEMBER MILLER: Aye.

25 COMMITTEE SECRETARY HOPPER: Eraina Ortega?

1 COMMITTEE MEMBER ORTEGA: Aye.

2 COMMITTEE SECRETARY HOPPER: Ramon Rubalcava?

3 VICE CHAIRPERSON RUBALCAVA: Aye.

4 COMMITTEE SECRETARY HOPPER: Theresa Taylor?

5 COMMITTEE MEMBER TAYLOR: Aye.

6 COMMITTEE SECRETARY HOPPER: Shawnda Westly?

7 COMMITTEE MEMBER WESTLY: Aye.

8 COMMITTEE SECRETARY HOPPER: Karen Greene-Ross  
9 for Betty Yee?

10 ACTING COMMITTEE MEMBER GREENE-ROSS: Aye.

11 COMMITTEE SECRETARY HOPPER: Thank you, Mr.  
12 Chair.

13 CHAIRPERSON FECKNER: Did we get Ms. Taylor?

14 Very good. Okay. Moving on to Agenda Item 4,  
15 the executive report, Mr. Moulds, Mr. Suine. Who's first?

16 CHIEF HEALTH DIRECTOR MOULDS: Sorry. Am I --  
17 I'm unmuted. Sorry about that one.

18 Why don't I go ahead and start. Good morning,  
19 Mr. Chair, members of the Committee. Don Moulds, Chief  
20 Health Director. I'd like to congratulate Mr. Feckner and  
21 Ms. Rubalcava on being selected as Chair and Vice Chair of  
22 the Committee. Our teams look forward to working with  
23 both of you again this year.

24 Before I begin, I think it's important to  
25 recognize the crisis that we find ourselves in. Over the

1 weekend, California crossed a distressing threshold with  
2 COVID-19, over a thousand Californian lives have been lost  
3 to COVID and more than 30,000 cases have been confirmed.

4           The hopeful news is that in California, as you  
5 know, we're doing an incredible job collectively of  
6 flattening the curve. And so far, we've escaped the kind  
7 of devastation that's happening right now in places like  
8 New York. Social distancing and staying-at-home orders  
9 are working to ensure that our health care system is not  
10 overwhelmed and can continue to provide high quality care  
11 for those who need it.

12           I have several updates for the committee. I want  
13 to begin by assuring you and our members that under our  
14 current virtual work environment, we've been able to  
15 maintain constant communication with our health plans to  
16 help ensure that our members have access to the care they  
17 need.

18           As you know, some non-emergent procedures are  
19 currently being delayed, elective surgeries are a prime  
20 example. All of our plans had telehealth in place before  
21 COVID-19. And through their expanded telemedicine  
22 services, our members are able to have appointments and  
23 stay in touch with their providers through phone calls,  
24 emails, and video visit.

25           If there's one thing -- good thing that's come

1 out of this crisis, it's that we're learning a lot about  
2 delivery and telehealth. We've also been monitoring the  
3 availability of needed pharmaceuticals, working in  
4 particular with our pharmacy benefit manager, OptumRx, to  
5 ensure the availability of needed prescription drugs, as  
6 well as the transition to more mail order drugs, the  
7 safest way to receive them right now.

8           The prescription drug pipeline has been a bit of  
9 a mine field, but we aren't seeing the kind of disruption  
10 we are worried about. As I mentioned, we've been  
11 communicating with our plans daily and they have been  
12 providing us regular updates on these and other issues.  
13 In turn, we have provided regular updates to our members  
14 on the CalPERS' website, and each of the plans are  
15 regularly communicating with its members providing  
16 updates, resources, and information.

17           I'm proud of how our entire health team has  
18 adapted and evolved during this difficult time, with over  
19 95 percent of our health team teleworking, taking care of  
20 themselves and their families, so they are working hard on  
21 behalf of our members.

22           I want to say a little bit about 2021 rates and  
23 about how COVID affects them. This year's rate process  
24 has been enhanced because of some very good work by Marta  
25 Green and her team. We have better data, including



1 comparisons based on the claims and financial data from  
2 our own data warehouse. This improves transparency and  
3 further strengthens -- strengthens our rate negotiations.

4           Were this a normal year, I'm confident that I  
5 would have been reporting that rates were looking very  
6 good and that the process was on target. However, the  
7 COVID-19 pandemic has created a lot of uncertainty,  
8 particularly with the timing for our health rates. Let me  
9 touch on that.

10           One question we're asking is how COVID-19 will  
11 impact the rates currently in negotiations. The short  
12 answer is we don't know yet, no one does, but we're  
13 working hard to figure it out. Covered California  
14 recently published modeling regarding potential impact to  
15 2021 health plan premiums due to COVID.

16           For the commercial market, they projected  
17 one-year costs ranging from 34 billion to 251 billion or  
18 more for testing, treatment, and care specifically related  
19 to COVID-19. They also modeled that premiums in the  
20 employer market could increase from 4 to 40 percent,  
21 because of COVID and that it will depend on things that we  
22 don't yet know, such as the number of people infected, how  
23 many will require hospitalization, the impacted delay to  
24 elective procedures, and the timeline for better treatment  
25 for a vaccine.

1           We're currently reviewing other models that speak  
2 to answer some of these questions, and we're doing our own  
3 modeling to better understand the implications for  
4 CalPERS' members and our contracts with the plans. Our  
5 hope is to know enough to be able to bring rates forward  
6 in June when they historically have become public and  
7 finalized.

8           However, it may be necessary for us to alter our  
9 rate-setting timeline and communication. We're having  
10 conversations with the Department of Finance and others to  
11 explore options to ensure that our rates reflect the most  
12 up-to-date information available.

13           Like I said, as of now, we're planning to bring  
14 the 2021 premiums to you in June for approval. We'll keep  
15 you, our members, employers, and stakeholders apprised of  
16 any changes.

17           Currently, the 2020 open enrollment period is set  
18 for September 14th through October 9th. We're not  
19 planning for delays, but are also prepared in case final  
20 rates are pushed out. In that instance, we don't expect  
21 the current timeline to move significantly. Our objective  
22 remains to provide members with all of the information and  
23 time they're used to in order to make a decision, while  
24 ensuring that employers have time they need to process  
25 transactions.

1           During open enrollment, members can make changes  
2 to their health plan. We will continue to provide them  
3 with tools, such as their health plan statement, where  
4 they can see their premiums for 2011 based on their  
5 current health plan. Members will also be able to access  
6 their myCalPERS account and compare health premiums across  
7 the plans available to them and look up their doctors to  
8 see which plans they participate in.

9           I want to update the Committee on our two  
10 pharmaceutical initiatives, referenced-based pricing, and  
11 biosimilars first. Both were scheduled to launch on July  
12 1st of this year. The success of these two initiatives  
13 was predicated on our ability, and the ability of our two  
14 health plan partners, to run communication campaigns aimed  
15 at -- aimed at providers and members informing them of  
16 changes to our prescription drug plans.

17           The disruption of COVID-19 and the health care --  
18 on the health care system, and the disruption it causes  
19 our members, is too great to move forward as planned. So  
20 we are postponing both initiatives until January 1st,  
21 2021. We'll reassess in the fall, and if the health care  
22 system is still experiencing signif -- experiencing  
23 significant disruption, we may push the date out further.

24           I want to mention our health competition  
25 initiative. This was on the agenda for March Committee

1 meeting and the materials were made available on the  
2 website. We moved that agenda item to the July off-site,  
3 when we will be discussing that with you either in person  
4 or virtually. By way of reminder, we'll also be  
5 discussing the important topic of risk mitigation at the  
6 July off-site.

7           A few other issues. First, I'd like to move  
8 forward with a proposal for CalPERS to cover the cost of  
9 copays and deductibles for our members in our PPO plans  
10 through at least the end of May. This is a step our plans  
11 have already taken on the HMO side. And we think it's the  
12 right thing to do for Choice, Care, and Select as well.

13           Second, I want to say a little bit about surprise  
14 medical bills during this time. California has some of  
15 the most protective surprise billing laws in the country,  
16 but they only apply to HMO care. By way of reminder, our  
17 PPO products are self-insured, so they aren't subject to  
18 State laws. And this kind of all-hands-on-deck  
19 environment, one where retired providers are nobly  
20 returning to work and out-of-state providers have special  
21 authority to provide care in California, we are concerned  
22 about the possibility of surprise bills.

23           We are heartened that the federal stimulus  
24 package containing language from HHS that discourages  
25 surprise bills, but we think legislation is still needed

1 and have been working with our federal partners to convey  
2 our support. We're also working with Anthem, the  
3 third-party administrator for our PPO.

4 Anthem is monitoring its networks for  
5 arrangements that could lend themselves to surprise bills.  
6 For members, it is imperative that they continue to seek  
7 care within their network, and that they contact Anthem or  
8 CalPERS if they think they have received an inappropriate  
9 bill.

10 Lastly, today in closed session, the Committee  
11 discussed competitive strategy for the Long-Term Care  
12 Program. Much of that discussion was about the potential  
13 need to reduce the discount rate for the Long-Term Care  
14 Fund in light of recent returns of fixed income  
15 investments, the Long-Term Care Fund's primary holding.

16 Such a reduction would unfortunately require  
17 significant premium increases. Management is continuing  
18 to evaluate this and related issues and will come back in  
19 open session in June with a full presentation.

20 It is important to note that the LTC Fund and its  
21 discount rate are totally separate from the CalPERS'  
22 pension fund.

23 That concludes my opening remarks. I'm happy to  
24 take questions either now or I can wait until after  
25 Anthony has done his presentation.

1 Thank you.

2 CHAIRPERSON FECKNER: All right. Than you, Mr.  
3 Moulds. In my opinion, I think it's under our delegated  
4 authority, but the part about your copays moving forward  
5 covering that through May, I think that will just be  
6 without objection, the direction of the Chair. It gives  
7 you the benefit to move on with that. So thank you very  
8 much for bringing that forward.

9 Before we move to Mr. Suine, I do have a point of  
10 personal privilege for Mr. Rubalcava. Mr. Rubalcava, you  
11 wanted to speak, please.

12 VICE CHAIRPERSON RUBALCAVA: Yes. Thank you.  
13 And first, let me congratulate Mr. -- the Chair, Mr. Rob  
14 Feckner for his reelection. And more importantly, thank  
15 you for expressing the will of Committee by moving forward  
16 that there should be no copays and cost of treatment for  
17 treatment in this crisis. So thank you for that.

18 Yes. Thank you for allowing me to speak. I  
19 wanted to thank Mr. Don Moulds and all his staff, Anthony,  
20 Robert, and everybody else, for their help in ensuring  
21 that there was a smooth transition in the open enrollment  
22 for the County of Riverside into CalPERS. So it took a  
23 lot of effort. It was a tight -- very tight schedule and  
24 I appreciate the support of CalPERS' staff.

25 Thank you.

1           CHAIRPERSON FECKNER: Thank you, Mr. Rubalcava.  
2 And thank you, Mr. Moulds and your team.

3           Mr. Suine, you look like a pilot. You're up,  
4 sir.

5           (Laughter.)

6           DEPUTY EXECUTIVE OFFICER SUINE: Yeah. Forgive  
7 me for the headset. I just didn't want anything to go  
8 wrong. So --

9           CHAIRPERSON FECKNER: We appreciate that.

10          DEPUTY EXECUTIVE OFFICER SUINE: I'm deferring to  
11 the headset to ensure that. So good afternoon, Mr. Chair,  
12 and members of the Committee. Anthony Suine, CalPERS'  
13 team member. And I'd also like to congratulate Mr.  
14 Feckner and Mr. Rubalcava on their appointments and look  
15 forward to our continued relationship going forward.

16          I'd like to begin my remarks by acknowledging  
17 this is the first time I'm able to meet with you since  
18 assuming my role as Customer Services and Support Team's  
19 Deputy Executive Officer. And I'm extremely honored to be  
20 the successor to Donna Lum and the great foundation she  
21 built with this amazing team and outstanding service to  
22 our customers.

23          I'm also excited to move forward and build upon  
24 those successes and am proud to serve this great  
25 organization in this capacity, and grateful to Marcie and

1 the Board for this opportunity and your continued support.

2           It's been a few months since we've met, so it  
3 seems like ancient history, but I wanted to give a recap  
4 of the CalPERS' Benefit Education Events that we have held  
5 this year. We successfully kicked off our 2020 schedule  
6 with two well-attended events one in Rohnert Park in  
7 January and another in San Luis Obispo in February.

8           These events included some new resources we had  
9 rolled out to our attendees to make them even better. We  
10 had new learning guides that alleviated the members from  
11 having extensive note taking. We implemented QR codes  
12 that attendees could easily access electronic resources,  
13 and we had a pre-attendance checklist to help our  
14 attendees make the most of events -- of the events by  
15 highlighting things that they would need when they were at  
16 the events.

17           So we continue to have high satisfaction ratings  
18 for these events of 96 percent. And they've been a huge  
19 success and are highly valued by our members. And I'd  
20 like to thank both Board Member Perez and Board Member  
21 Feckner for making the time to connect with the attendees  
22 at these events, in January and February. And the  
23 feedback from our members s they really appreciate the  
24 face-time with our Board members.

25           With that said, in March, we started talking



1 about the implications of COVID-19 situation on our  
2 customer services and made the difficult decision to  
3 postpone our CBEEs through the end of June. So we'll  
4 continue to evaluate the situation and those scheduled for  
5 the remainder of the year.

6           So with that, I'd like to move a little bit to an  
7 update on recent events as they pertain to services and  
8 support we provide to our members and employers. When  
9 March began, a hundred percent of the nearly 900 team  
10 members in CSS worked on premise in an office setting.  
11 And as the COVID-19 situation emerged, we met diligently  
12 with team members and leaders for options to transition to  
13 more remote services.

14           We quickly, yet thoughtfully, made decisions on a  
15 variety of customer services, ranging from office  
16 closures, cancellation of in-person customer education,  
17 and began transitioning to phone and video appointments  
18 and web-based training efforts, wherever possible.

19           This significant effort included workload  
20 management activities to ensure all mission-critical  
21 functions were effectively planned and organized with as  
22 minimal impact as possible to members and employers, while  
23 at the same time leading and supporting our team members  
24 living and working throughout the state.

25           I'm amazed and proud at how quickly we were able

1 to transition most of our team to telework, maximizing  
2 their safety, and also those that remained at the office.  
3 Additionally, I am happy to report our most critical  
4 business processes, including benefit payments, are  
5 performing at an extremely high service level.

6 I attribute this to having a high performing,  
7 deeply committed, and fully engaged team that adapts well  
8 to new circumstances and technology.

9 As a result, we've achieved more than I ever  
10 thought possible. Currently, more than 80 percent of our  
11 CSS team, including the contact center, is working  
12 remotely from home. It's been an incredible effort and  
13 I'd like to thank our partners across the organization for  
14 enabling successful continuity of service during such a  
15 trying time.

16 And this concludes my report, and I'm happy to  
17 take any questions.

18 CHAIRPERSON FECKNER: Well. Thank you, Mr.  
19 Suine. And I do want to, on behalf of the Committee, just  
20 reach out to all of our staff, starting with Ms. Frost,  
21 all the way down, for the magnificent job you guys have  
22 all done in transitioning during this terrible, terrible  
23 time we're going through. The IT staff was clearly ahead  
24 of the curve. They were prepared in case something were  
25 to happen. We certainly didn't anticipate it being this,

1 but I think the staff has done an incredible job making  
2 sure that business is as usual.

3 As hard as it is to say that, you all have  
4 continued to do your jobs, and done them well, and it  
5 certainly is showing. I'm hearing from members out there  
6 that geez, I sent my application in and I'm actually being  
7 retired anyway. Even though I can't go have a meeting,  
8 we're able to do this either online or by mail. And staff  
9 has really stepped up and made this happen. So I want to  
10 thank all of our staff from the bottom of my heart. Thank  
11 you.

12 DEPUTY EXECUTIVE OFFICER SUINE: Thank you, Mr.  
13 Feckner.

14 CHAIRPERSON FECKNER: Seeing no other questions,  
15 I believe we are moving on to item 5, the consent  
16 calendar. Remember, I spoke earlier, we're removing 5b,  
17 the delegation. We're going to move that to the June  
18 agenda when we bring that back at the same time we bring  
19 back the Investment Committee delegation.

20 So what we have is on the action consent  
21 calendar, Item A, the approval of the December 17th  
22 Committee meeting minutes. What's the pleasure of the  
23 Committee?

24 COMMITTEE MEMBER TAYLOR: So move.

25 CHAIRPERSON FECKNER: I believe that was Ms.

1 Taylor.

2 COMMITTEE MEMBER MILLER: Second.

3 COMMITTEE MEMBER TAYLOR: Yes.

4 All right. We have moved by Ms. Taylor, seconded  
5 by Mr. Miller.

6 Ms. Hopper, can you please call the roll.

7 COMMITTEE SECRETARY HOPPER: Yes, Mr. Chair.

8 Margaret Brown?

9 CHAIRPERSON FECKNER: She -- her thumb is up, so  
10 I think that's a yes.

11 COMMITTEE SECRETARY HOPPER: Okay. Henry Jones?

12 COMMITTEE MEMBER JONES: Aye.

13 COMMITTEE SECRETARY HOPPER: David Miller?

14 COMMITTEE MEMBER MILLER: Aye.

15 COMMITTEE SECRETARY HOPPER: Eraina Ortega?

16 COMMITTEE MEMBER ORTEGA: Aye.

17 COMMITTEE SECRETARY HOPPER: Ramon Rubalcava?

18 VICE CHAIRPERSON RUBALCAVA: Aye.

19 COMMITTEE SECRETARY HOPPER: Theresa Taylor?

20 COMMITTEE MEMBER TAYLOR: Aye.

21 COMMITTEE SECRETARY HOPPER: Shawnda Westly?

22 COMMITTEE MEMBER WESTLY: Aye.

23 COMMITTEE SECRETARY HOPPER: Karen Greene-Ross  
24 for Betty Yee?

25 ACTING COMMITTEE MEMBER GREENE-ROSS: Aye.

1 COMMITTEE SECRETARY HOPPER: Thank you.

2 CHAIRPERSON FECKNER: Very good. Thank you.

3 Moving on to Agenda Item 6, the information  
4 consent items. I have had no request to remove anything  
5 from that item, so we'll move on to Item 7, information  
6 agenda items. 7a, the PPO Health Plan Assessment.

7 Ms. Marta Green, please.

8 HEALTH PLAN RESEARCH & ADMINISTRATION DIVISION

9 CHIEF GREEN: Good afternoon, Mr. Chair and members of the  
10 Committee. Marta Green, CalPERS' team member.

11 I'm here to discuss the PPO Health Plan  
12 Assessment Project. The purpose of the project is to  
13 achieve long-term sustainability of the PPO basic program.  
14 As a reminder, staff and Board members discussed the  
15 issues related to the high premiums in PERSCare PPO basic  
16 plan during the April 2019 closed and May 2019 open and  
17 closed sessions.

18 In the May 2019 PHBC open session, the discussion  
19 was held pertaining to Agenda Item 6a, which was an action  
20 item titled, "Use of Preferred Provider Organization Plan  
21 Reserves to Reduce PERSCare Premiums".

22 The Committee approved the item and directed  
23 CalPERS' staff to perform an assessment of the PPO basic  
24 portfolio and to make recommendations to the Board's  
25 consideration to improve the stability of the portfolio.

1           This project is the result of that direction.  
2 Today, I'll discuss the recent history of the PPO basic  
3 program, describe the project design and timeline, and the  
4 key findings from the first phase of the project.

5           So by way background, in 2014, CalPERS began risk  
6 adjusting health premiums within the PPO basic program.  
7 When risk adjustment was removed at the beginning of the  
8 2019 plan year, PPO basic premiums were significantly  
9 impacted. The PERSCare basic premium experienced a 38  
10 percent rate increase and the PERS Select basic plan  
11 premium decreased by 26 percent.

12           The PERS Choice basic premium increased by a more  
13 modest six percent. However, the premium buydown I  
14 mentioned earlier mitigated the sharp premium increase in  
15 PERSCare basic for 2019 and 2020 plan years. The buydown  
16 used a total of 90 million using excess PPO reserve fund,  
17 which reduced the premium increase to 20 percent in 2019  
18 and reduced what would have been a 21 percent increase in  
19 2020 to six percent.

20           These significant year-over-year premium  
21 increases in the PERSCare basic are a result of adverse  
22 selection, when unhealthy lives concentrate in a plan  
23 driving up premiums and driving out healthy lives. There  
24 are many reasons a plan may experience adverse selection.  
25 It may be due to benefit design, service area, provider

1 network, or a combination of all of those factors.

2 CalPERS launched PPO Assessment Project to  
3 understand the cause of adverse selection in the PPO basic  
4 program. The goal of the project is to achieve long-term  
5 sustainability of the PPO basic health plans, reduce  
6 year-over-year premium volatility, stabilize the plan  
7 populations while minimizing member disruption.

8 The project consist of four phases: Phase 1, Data  
9 Analysis; Phase 2, Stakeholder Outreach; Phase 3, Benefit  
10 Design Modeling; and Phase 4, Implementation.

11 So the first phase, data analysis of the project  
12 was conducted by CalPERS health actuarial team. The team  
13 looked at historical premiums, enrollment, member  
14 migration patterns, health care cost trends, and benefit  
15 and network differences among the three basic plans. The  
16 member migration enrollment analyses affirmed that members  
17 with higher medical needs have historically migrated out  
18 of PERS Choice basic and PERS Select basic, and into  
19 PERSCare basic. And members with lower medical needs  
20 historically migrated out of PERSCare and PERS Choice to  
21 PERS Select. In other words, members who don't need a lot  
22 of care migrate or stay within a plan with the least rich  
23 benefit design and narrower network through Select and  
24 members who consider -- who need considerably more care  
25 migrate to or stay within the plan with the richest

1 benefit design and network, PERSCare.

2 That members are choosing their plan based on  
3 network and benefit design in correlation with our health  
4 status affirms that the PPO basic premiums are being  
5 impacted by adverse selection.

6 The increased concentration of high utilization  
7 members in PERSCare basic necessitates large annual  
8 premium increases to accommodate the higher medical and  
9 pharmacy costs for the plan. Likewise, the increased  
10 concentration of low utilization members in PERS Select  
11 causes the annual premium to be lower than the value of  
12 the plan, based on the benefits and network offered to its  
13 members.

14 So to put this into perspective, if members risks  
15 did not influence plan premiums, the 2020 single-party  
16 premium in PERSCare basic would be \$788. Instead, without  
17 premium spend down, the PERSCare premium is \$1,123 for a  
18 single subscriber. The additional \$335 in premium is the  
19 result of high-risk members grouping into PERSCare basic.

20 Likewise, if members' risk did not influence plan  
21 premiums, the 2020 single-party premium of the PERS Select  
22 basic plan would be \$677. Instead, the 2020 PERS Select  
23 single-party premium is \$492. Because low-risk members  
24 group into this plan, they pay \$185 less than the plan is  
25 worth, based on its benefit structure and available



1 network.

2           With continued adverse selection, the team  
3 anticipates that PERSCare basic plan premium will continue  
4 to experience high annual premium increases, while the  
5 PERS Select basic plan premium will be priced much lower  
6 than the actual benefit design and network value.

7           The PPO Medicare supplemental plans do not  
8 experience the effects of adverse selection, largely  
9 because the federal government funds the majority of the  
10 cost of the care through the Medicare program.

11           So the second phase, stakeholder outreach, began  
12 with a stakeholder engagement forum that was held in  
13 January of this year. The project team discussed  
14 preliminary findings from the analysis phase with the  
15 stakeholders and asked stakeholder leaders to encourage  
16 their members to respond to the coming survey.

17           This survey was designed to learn from basic  
18 members what factors they consider when they select a new  
19 health plan during open enrollment or why they choose to  
20 remain in their current plan. Patterns that emerge from  
21 basic members responses will be used during phase three of  
22 the project when the project team will consider potential  
23 plan redesigns for the PPO basic program.

24           In February, the survey was distributed to a  
25 randomly selected pool of 3,000 members in each of the

1 three PPO basic plans. The responses were collected  
2 through the online survey platform SurveyMonkey, the links  
3 to which were delivered to the selected members via email  
4 as well as postal mail.

5 The CalPERS' team is currently analyzing the  
6 responses to the survey and intend to have results by the  
7 end of this month. In addition to the survey, the teams  
8 is conducting a literature review to understand how large  
9 group plan purchasers in this market have addressed the  
10 adverse selection in their programs.

11 So the next phase will be phase three, where we  
12 will take the findings from phase 1 and phase 2 and use  
13 them to design and model alternative designs for the PPO  
14 health plans. The team will model a variety of options,  
15 including maintaining the status quo, implementing risk  
16 mitigation strategies for the PPO basic products,  
17 combining Choice basic and Care basic or some combination  
18 of all of these as potential solutions. Alternative  
19 design options will be presented to the Board in September  
20 of 2020, with final designs presented to the Board in  
21 November of 2020 for approval.

22 Phase four implementation will be the final phase  
23 of the project. And any approved changes will be  
24 reflected in the 2022 rate development process.

25 That concludes my presentation and I'm happy to

1 answer any questions you may have.

2 CHAIRPERSON FECKNER: Very good. Thank you for  
3 the presentation. I see no requests yet. Anybody still  
4 coming in with a request for a question?

5 Seeing none. Thank you very much, Ms. Green.

6 HEALTH PLAN RESEARCH & ADMINISTRATION DIVISION  
7 CHIEF GREEN: Thank you.

8 CHAIRPERSON FECKNER: That brings us to Agenda  
9 Item 7b, Retired Members Cost of Living Report. Mr.  
10 Suine.

11 DEPUTY EXECUTIVE OFFICER SUINE: All right.  
12 Thank you. Again, good afternoon, Mr. Chair, members of  
13 the Committee. Anthony Suine, CalPERS team member. So  
14 Agenda Item 7b is our annual informational item update on  
15 the retiree cost of living adjustments, more routinely  
16 referred to as COLA.

17 And our retirement law provides for the payment  
18 of an annual COLA each May to all eligible retirees based  
19 on the rate of inflation as measured by the CPIU, which is  
20 the consumer-based price index for all urban consumers.

21 A retiree becomes eligible for COLA in the second  
22 calendar year of retirement. Therefore, members who  
23 retired last year will not yet be eligible for a COLA.

24 For the year-ending 2019 the rate of inflation,  
25 as measured by the CPIU, was 1.81 percent. Approximately,

1 95 percent of our retirees are contracted for a two  
2 percent COLA. So those eligible will receive at least a  
3 1.81 percent adjustment on this May 1 retirement check.

4 Because of lower inflation in some previous  
5 years, members who retired in certain years will receive  
6 the full two percent. We also have less than five percent  
7 of retirees who are part of employers who have contracted  
8 for a three, four, or five percent COLA. And they will  
9 receive at least 1.81 percent as well, up to their  
10 contracted amount.

11 The agenda item provides a helpful chart for  
12 retirees to determine what they should expect for a COLA  
13 increase, based on their retirement date. This  
14 information has been shared with our stakeholders and is  
15 available in our newsletter and on our website for our  
16 members.

17 With that, that concludes my comments. I'm happy  
18 to take any questions.

19 CHAIRPERSON FECKNER: Thank you, Mr. Suine. I'm  
20 sure that's very good news for a lot of our retirees.

21 A questions from Mr. Jones.

22 DEPUTY EXECUTIVE OFFICER SUINE: Sure.

23 CHAIRPERSON FECKNER: You're muted Henry.

24 Henry, you're muted.

25 COMMITTEE MEMBER JONES: Okay. Thank you. I

1 guess the Chair did that for me. Thank you, Mr. Chair,  
2 and thank you, Mr. Suine, for the report. And as usual,  
3 could you just comment briefly on the PPP, the Purchasing  
4 Power Protection Act, because I do know that we have some  
5 of our members that retired years ago and just explain  
6 that they may get an additional bump if this data suggests  
7 so.

8 DEPUTY EXECUTIVE OFFICER SUINE: Yeah, that's  
9 correct, Mr. Jones. The PPPA is also -- it works in  
10 conjunction with the cost of living adjustment. So if the  
11 cost of living adjustments don't keep up with inflation,  
12 typically over 25, 30 years, then that purchasing power  
13 protection kicks in and helps our members who have retired  
14 many, many, many years ago to retain a purchasing power in  
15 alignment with what their employer contracts for.

16 So there's about 12,000 people -- 1,200 of our  
17 retirees who have a PPPA amount, as well as their cost of  
18 living adjustment. So those help make the member whole.  
19 And those have kind of fluctuated around 12 to 13 thousand  
20 retirees over the last few years.

21 COMMITTEE MEMBER JONES: Thank you very much.

22 DEPUTY EXECUTIVE OFFICER SUINE: Sure thing.

23 CHAIRPERSON FECKNER: Very good. Seeing no other  
24 questions, thank you, Mr. Suine.

25 DEPUTY EXECUTIVE OFFICER SUINE: Thank you.

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

3 Mr. Moulds.

4 CHIEF HEALTH DIRECTOR MOULDS: Yeah. Other than  
5 informal approval of the -- of our -- our intent to move  
6 forward with the -- to pay for the cost sharing related to  
7 COVID-19, there were no -- no directions that I recorded.

8 CHAIRPERSON FECKNER: All right. Very good.

9 That bring us to Agenda Item 7d, which is public  
10 comment. We do realize we had a few public comments for  
11 Item 5b, but that was the item we pulled and postponed  
12 until June. So we move those comments now down to public  
13 comment.

14 So, Mr. Fox, are you prepared to read the public  
15 comment into the record?

16 STAKEHOLDER RELATIONS CHIEF FOX: Yes, sir, Mr.  
17 Chairman.

18 So first we have from Tim Behrens. And the  
19 subject PHBC 5d, attachment 2. Tim Behrens, President  
20 California State Retirees.

21 "CSR finds that there are three proposed changes  
22 in delegation of authority oppose. Due to the nature of  
23 these proposed changes we do not feel this item is  
24 appropriately classified as a consent item and needs full  
25 Committee review and discussion.

1            "In the section with 12 listed authorities of the  
2 PHBC, proposed language: Strikes out in number one  
3 'CalPers leadership in health care'. Clearly, the Board  
4 and the PHBV should be overseeing..." -- or excuse me,  
5 PHBC. Typo -- "...should be overseeing healthcare  
6 leadership.

7            "Strikeout in number two, PHBC approval of  
8 'providers, managers, administrators', and adds plan  
9 design. Approving providers is an essential responsibility  
10 of the Board.

11           "Strikeout in number 10 removes PHBC authority to  
12 oversee 'providers, administrators plans and rates' of LTC  
13 plan contracting.

14           "Given current LTC lawsuits, we again feel PHBC  
15 needs full authority over all aspects of this important  
16 program. The other changes recommended appear in line  
17 with the original intent to simplify and clarify the  
18 document.

19           "I urge the Committee to send this document back  
20 as you did in yesterday's meeting".

21           End email.

22           From Larry Woodson. Subject, public comments on  
23 Consent Item 5b.

24           "I am commenting on Consent Item 5b, Review of  
25 PHBC Delegation. First, this should not be a consent item

1 for the same reason changes in delegation authority for  
2 the Investment Committee should not have been. There are  
3 substantive changes which should be discussed by PHBC  
4 members.

5 "I have concerns with the same three proposed  
6 changes Mr. Behrens identified in his comments: changes to  
7 the ten listed authorities of the Committee starting with  
8 one, removing authority to set and oversee CalPERS  
9 leadership in health care.

10 "Secondly, removing authority to approve health  
11 plan providers, managers, and administrators.

12 "Lastly, removing authority to approve long-term  
13 care plan providers, administrators, plans and rates.

14 "These are necessary and important authorities  
15 that the PHBC members should retain and carry out.

16 "Thank you".

17 End message.

18 In addition, after Mr. Moulds spoke, Larry  
19 Woodson sent a quick email and wanted to mention, "Don  
20 Moulds indicated June PHBC is still the goal for approval  
21 of final rates. But in stakeholders briefing last  
22 Thursday, he and Marta Green announced that there would be  
23 a release of preliminary rates for stakeholder review  
24 prior to the PHBC meeting. The latest calendar, gives no  
25 PHBC meeting in May. Will there be a special meeting



1 called in May for release? When will we see them? Thank  
2 you".

3 End email.

4 CHAIRPERSON FECKNER: Can you address that?

5 CHIEF HEALTH DIRECTOR MOULDS: Do you -- Mr.  
6 Chair, would you like me to address the last part of that  
7 question?

8 CHAIRPERSON FECKNER: Yes, please.

9 CHIEF HEALTH DIRECTOR MOULDS: So we don't intend  
10 to have a meeting between now and June. If we bring back  
11 rates in June for final approval, they would be for  
12 consideration, and discussion publicly, and action. If  
13 there was a miscommunication on our part during the  
14 stakeholder briefing about -- about the sequencing of the  
15 subsequent meetings, our apologies.

16 CHAIRPERSON FECKNER: I just -- I also want to  
17 add on that Mr. Woodson I -- we understand your concern.  
18 Rest assured that you will get the information enough time  
19 ahead of time in order to digest that before we make any  
20 decisions. It may be that we don't even do the rate total  
21 in June, but you will have the information ahead of time  
22 no matter what the Committee moves on to do. So I just  
23 want to make sure that we alleviate your concerns or  
24 fears.

25 That being said, that ends public comment. That

1 ends today's meeting of the --

2 MS. HOPPER: No. Mr. Chair?

3 CHAIRPERSON FECKNER: We still have two more  
4 comments for public comment?

5 CHAIRPERSON FECKNER: Oh, I'm sorry. I did not  
6 know that. Please continue, Mr. Fox.

7 STAKEHOLDER RELATIONS CHIEF FOX: Yes, Mr. Chair.

8 So these are unrelated to any of the specific  
9 agenda items. These email comments come from Paul Cseh.  
10 And I'll try to get them both done within two minutes --  
11 or excuse me, three minutes.

12 Questions to be read at the Board meeting  
13 respectfully from Paul Cseh.

14 "Why does CalPERS continue to use pharmacy  
15 service OptumRx that does not do direct deposits of claims  
16 payments and has a nationwide filing of complaints with  
17 State agencies? The days of Caremark were better. Don't  
18 we all deserve better?

19 "The same question with Delta Dental also -- who  
20 also refuses to utilize direct deposit and also has a  
21 nationwide poor record with both State and federal  
22 regulatory agencies. Isn't there something better that  
23 retirees and employees can use?

24 "Thank you for reading my questions".

25 Second. Paul Cseh. Questions to be read at the

1 Board meeting.

2 "Why does CalPERS allow penalties by Delta Dental  
3 for going to non-participating providers when none exist  
4 in the area of the home of retirees, both in U.S. as well  
5 as those living outside of the United States? This policy  
6 being in contradiction of other providers that are part of  
7 the CalPERS network where no penalties exist.

8 "The attached grievance shamefully documents the  
9 problem and requires executive action to correct this  
10 injustice for all, and correction of my underpayment by  
11 health benefits. Thank you. Paul Cseh".

12 And that concludes the public comments, Mr.  
13 Chairman

14 CHAIRPERSON FECKNER: Thank you, Mr. Fox. Sorry  
15 for cutting you off early.

16 I do want to say that, Mr. Cseh, someone from  
17 staff will respond to you via email and hopefully  
18 alleviate some of your questions and concerns.

19 That being said, that brings us to the end of our  
20 agenda. I want to thank my fellow Committee members for a  
21 job well done. I think we had a very smooth and seamless  
22 meeting today. Thank our staff for all of their hard  
23 work, especially behind the scenes when we can't see one  
24 another. It went off very well.

25 So the next committee ill begin at 2:00 o'clock,

1 in order to give time to bring on the next set of  
2 participants and to load the PowerPoints et cetera for the  
3 next committee.

4           So this meeting of the Pension and Health Benefits  
5 Committee is adjourned. We hope everyone stays safe. Be  
6 well.

7           (Thereupon California Public Employees'  
8 Retirement System, Pension and Health Benefits  
9 Committee open session meeting adjourned  
10 at 1:41 p.m.)

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## 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 28th day of April, 2020.



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