

California Public Employees' Retirement System

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

June 16, 2020

The Pension and Health Benefits Committee (PHBC) met in Open Session via teleconference on June 16, 2020.

The meeting was called to order at 8:05 a.m. with the following members present:

Rob Feckner, Chair
Ramon Rubalcava, Vice Chair
Margaret Brown
Henry Jones
David Miller
Michelle Mitchell for Eraina Ortega
Theresa Taylor
Shawnda Westly
Karen Greene-Ross for Betty Yee

Other Board Members Present:

Frank Ruffino for Fiona Ma
Lisa Middleton
Stacie Olivares
Jason Perez

At this time, the Open Session recessed and convened Closed Session. Open Session reconvened at 10:46 a.m.

Agenda Item 2 – Approval of the June 16, 2020, Pension and Health Benefits Committee Timed Agenda

On **MOTION** by Theresa Taylor and **SECONDED**, the Committee recommended to approve the June 16, 2020, PHBC Timed Agenda. A roll call vote was taken.

| Name | Yes | No | Abstain |
|-------------------------------------|-----|----|---------|
| Rob Feckner, Chair | | | |
| Ramon Rubalcava, Vice Chair | X | | |
| Margaret Brown | X | | |
| Henry Jones | X | | |
| David Miller | X | | |
| Michelle Mitchell for Eraina Ortega | X | | |
| Theresa Taylor | X | | |
| Shawnda Westly | X | | |
| Karen Greene-Ross for Betty Yee | X | | |

The final vote was 8 yes, 0 no. The motion **CARRIED**.

Agenda Item 3 – Executive Report(s)

Anthony Suine, Deputy Executive Officer, Customer Services and Support, shared good news about his team’s progress in telework and providing customer services, and in member and employer education offerings.

Robert Feckner took a moment to express how proud he is and appreciates all the work that all the CalPERS team members put forth during the horrific times we are going through.

Don Moulds, Chief Health Director, Health Policy and Benefits Branch (HPBB), provided five brief updates on the following: pharmaceutical cost reduction strategies, COVID-19 testing, COVID-19 treatment cost sharing, steps CalPERS is taking to identify and address disparities in health care services provided to our members, and a grant CalPERS recently received from the California Health Care Foundation.

Agenda Item 4 – Action Consent Items

On **MOTION** by Henry Jones and **SECONDED**, the Committee voted to accept the following Action Consent Items:

- 4a. Approval of the April 21, 2020, PHBC Meeting Minutes

A roll call vote was taken.

| Name | Yes | No | Abstain |
|-------------------------------------|-----|----|---------|
| Rob Feckner, Chair | | | |
| Ramon Rubalcava, Vice Chair | X | | |
| Margaret Brown | X | | |
| Henry Jones | X | | |
| David Miller | X | | |
| Michelle Mitchell for Eraina Ortega | X | | |
| Theresa Taylor | X | | |
| Shawnda Westly | X | | |
| Karen Greene-Ross for Betty Yee | X | | |

The final vote was 8 yes, 0 no. The motion **CARRIED**.

Agenda Item 5 – Information Consent Items

The Committee accepted the following Information Consent Items:

- 5a. Annual Calendar Review
- 5b. Draft Agenda for the September 15, 2020, PHBC Meeting
- 5c. Preferred Provider Organization Health Plan Assessment Update

Agenda Item 6a – Approval of the 2021 Health Plan Benefit Design Changes

Marta Green, Chief, Health Plan Research & Administration Division (HPRA), presented a summary of the proposed 2021 new health plans, coverage area changes, and benefit design changes.

On **MOTION** by Henry Jones and **SECONDED**, the Committee voted to approve the addition of the Sharp Medicare Advantage plan, service area changes for Anthem Blue Cross Select

Medicare Advantage and Blue Shield of California Trio, and benefit design changes for Kaiser Permanente Senior Advantage and UnitedHealthcare Group Medicare Advantage for the 2021 plan year.

| Name | Yes | No | Abstain |
|-------------------------------------|-----|----|---------|
| Rob Feckner, Chair | | | |
| Ramon Rubalcava, Vice Chair | X | | |
| Margaret Brown | X | | |
| Henry Jones | X | | |
| David Miller | X | | |
| Michelle Mitchell for Eraina Ortega | X | | |
| Theresa Taylor | X | | |
| Shawnda Westly | X | | |
| Karen Greene-Ross for Betty Yee | X | | |

The final vote was 8 yes, 0 no. The motion **CARRIED**.

The following person spoke on this item:

Larry Woodson, California State Retirees

Agenda Item 7a – Preliminary 2021 Health Maintenance Organization and Preferred Provider Organization Plan Rates

As an information item, Ms. Green, Chief, HPRA, provided an update to the Rate Development Process (RDP) timeline and the preliminary 2021 premiums with COVID-19 impact for CalPERS health plans.

The following people spoke on this item:

Tim Behrens, California State Retirees

Larry Woodson, California State Retirees

Agenda Item 7b – Long-Term Care Program Competitive Strategy

As an information item, Mr. Moulds, Chief Health Director, (HPBB), provided an oral report updating the Committee on two challenges facing the CalPERS Long-Term Care Program: the sustainability of our Long-Term Care Program, and COVID-19. Mr. Moulds also asked the Chair's direction for his recommendation to suspend the Long-Term Care Program to new enrollees temporarily.

The following people spoke on this item:

Michael Bidart, Shernoff, Bidart, and Echeverria Law Firm

Holly Wedding, Class Representative

Eileen Lodyga, Class Representative

Andrea Kune-Clark, Long-Term Care Member

Pat Pringle, Class Representative

Steve Kawai, Class Representative

Judge Ernest Goldsmith, Long-Term Care Member

Paula Zinnamin, Long-Term Care Member

Kimberly Granger, Daughter of Class Representative

Larry Woodson, California State Retirees

Agenda Item 7c – Summary of Committee Direction

Mr. Moulds provided a summary of the Committee direction from the June 16, 2020, meeting. The Committee directed staff as follows:

- Temporarily suspend new Long-Term Care policies.
- Extend Covid-19 cost sharing through December 2020.

Agenda Item 7d – Public Comment

The Committee received Public Comment from Al Darby, President of Retired Public Employees Association regarding preliminary rates, as well as Jerry Fountain, California State Retirees.

The meeting was adjourned at 12:49 p.m.

The next meeting of the PHBC is scheduled for September 15, 2020, in Sacramento, California.

Prepared by: Jenna Hayes
Committee Secretary

Don Moulds
Chief Health Director
Health Policy & Benefits Branch