

# California Public Employees' Retirement System

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

November 15, 2022

The Pension & Health Benefits Committee (PHBC) met in Open Session on Tuesday, November 15, 2022, in the Lincoln Plaza North Building, 400 Q Street, Sacramento, California.

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

Rob Feckner, Chair  
Ramon Rubalcava, Vice Chair  
Lisa Middleton  
David Miller  
Eraina Ortega  
Jose Luis Pacheco  
Theresa Taylor  
Mullissa Willette  
Karen Greene Ross for Betty Yee

Other Board Members Present:  
Frank Ruffino for Fiona Ma

### Agenda Item 2 – Executive Report(s)

Anthony Suine, Deputy Executive Officer, Customer Services and Support (CSS), shared his appreciation for Rob Feckner, Controller Betty Yee, and Karen Greene Ross as this was their last Board week, he also provided an update on the Contact Center's performance during open enrollment, which received one percent more calls than 2021, averaged an under eight-minute wait, and received 93% satisfaction rating from customer surveys, as well as an appreciate for all the work the team put into the Educational Forum.

Don Moulds, Chief Health Director, Health Policy & Benefits Branch (HPBB), also shared his appreciation for Rob Feckner, Controller Betty Yee, and Karen Greene Ross. Mr. Moulds gave an update on the completed health demographic profiles by our members, which have now surpassed 150,000, and after adding a technology for active employees to make changes to their health care during open enrollment, we saw a 219% increase in transactions.

### Agenda Item 3 – Action Consent Items

On **MOTION** by Jose Luis Pacheco and **SECONDED** and **CARRIED**, the Committee voted to accept the following Action Consent Items:

- 3a. Approval of the September 21, 2022, PHBC Meeting Minutes
- 3b. Approval of the November 15, 2022, PHBC Meeting Timed Agenda

### Agenda Item 4 – Information Consent Items

The Committee accepted the following Information Consent Items:

- 4a. Annual Calendar Review
- 4b. Draft Agenda for the March 14, 2023, PHBC Meeting
- 4c. CalPERS Health Benefits Program Annual Report for Plan Year 2021

### **Agenda Item 5a – Proposed Regulation for the Definition of Limited Duration Employment**

Renee Ostrander, Division Chief, Employer Account Management Division (EAMD), presented the proposed regulation to explicitly define limited duration to allow retired persons to provide services using the skills and experience they earned over their active career, while balancing the CalPERS-covered public employers' (hereinafter referred to as employers) need for flexibility in managing their budgets and workload by utilizing those resources best suited to fit the role and the public's need for transparency and oversight to ensure post-retirement appointments that extend beyond the definition are reviewed, justified, and necessary. CalPERS also drafted this proposed regulation to explicitly define limited duration for active classic members serving in upgraded positions/classifications.

On **MOTION** by Lisa Middleton and **SECONDED** and **CARRIED**, the Committee voted to approve the revised proposed regulation to define limited duration employment with a 15-day public comment period, followed by submission of the final rulemaking package to the Office of Administrative Law (OAL) upon conclusion of the comment period, if no public comments are received.

The following people spoke on this item:

- Patrick Whalen, CASE Union
- Johnnie Pina, League of California Cities

### **Agenda Item 5b – Health Benefits Program Proposals for the 2024 Plan Year**

Rob Jarzombek, Division Chief, Health Plan Research & Administration (HPRA), and Julia Logan, Chief Clinical Director, Clinical Policy & Programs Division (CPPD), presented a summary of select proposed 2024 benefit design changes proposals, PPO program recommendations and future directions. The benefit design change proposals will be discussed during the November 2022 committee meeting with recommendations for action, with more coming in spring of 2023.

On **MOTION** by Ramon Rubalcava and **SECONDED** and **CARRIED**, the Committee voted to approve the following proposals in our Preferred Provider Organization (PPO) and Health Maintenance Organization (HMO) programs for the 2024 plan year:

- 1) Site of Care Member Incentive Program for Labs (PPO Basic Plans)
- 2) Pharmacy Mail-Order Opt-Out Program (HMO's using OptumRx Pharmacy Benefit and PPO Basic Plans)

The following person spoke on this item:

- Larry Woodson, California State Retirees

### **Agenda Item 6a – Internal Revenue Code Section 415(b) Overview**

Mr. Suine provided an overview of the Internal Revenue Code (IRC) section 415(b) requirements, the RBP, and impacts to members.

The following person spoke on this item:

David De Alba, Retired Superior Court Judge

### **Agenda Item 6b – Summary of Committee Direction**

Mr. Suine provided a summary of the Committee direction from the November 15, 2022, meeting. The Committee directed staff as follows:

- Research the possibility to charge employers a rate for employing retired annuitants into the future.
- Continue efforts to address the IRC issues for the judges through various means.

### **Agenda Item 6c – Public Comment**

The Committee received Public Comment from Rob Feckner, Chair, PHBC, regarding health plans building relationships with Board members; Larry Woodson, California State Retirees, Tim Behrens, California State Retirees, and Al Darby, Retired Public Employees Association who all spoke on ACO Reach; William Stewart, retired member, about health insurance options for retirees; and lastly from Frank Ruffino, on behalf of Treasurer Fiona Ma, who shared an appreciation from the Treasurer's office.

The meeting was adjourned at 12:02 p.m.

The next meeting of the PHBC is scheduled for March 14, 2023, in Sacramento, California.

Prepared by: Jenna Hayes  
Committee Secretary

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Don Moulds  
Chief Health Director  
Health Policy & Benefits Branch