

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

CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM  
FECKNER AUDITORIUM  
LINCOLN PLAZA NORTH  
400 P STREET  
SACRAMENTO, CALIFORNIA

TUESDAY, NOVEMBER 14, 2023  
9:00 A.M.

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

APPEARANCES

COMMITTEE MEMBERS:

Ramón Rubalcava, Chairperson

Jose Luis Pacheco, Vice Chairperson

Malia Cohen, represented by Regina Evans

David Miller

Eraina Ortega

Kevin Palkki

Theresa Taylor

Yvonne Walker

Mullissa Willette

BOARD MEMBERS:

Fiona Ma, represented by Frank Ruffino

Lisa Middleton

STAFF:

Marcie Frost, Chief Executive Officer

Matt Jacobs, General Counsel

Kim Malm, Deputy Executive Officer

Donald Moulds, PhD, Chief Health Director

Rob Jarzombek, Chief, Health Plan Research and Administration

Julia Logan, Chief Clinical Director

APPEARANCES CONTINUED

STAFF:

Jared Shinabery, Chief Health Data Strategy Officer

ALSO:

Tim Behrens, California State Retirees

Marcy Brown

Al Darby

Elnora Fretwell, California State Retirees

Susanne Paradis, California State Retirees

INDEX

	<u>PAGE</u>
1. Call to Order and Roll Call	1
2. Executive Report - Don Moulds, Kim Malm	3
3. Action Consent Items - Don Moulds	13
a. Approval of the September 19, 2023, Pension & Health Benefits Committee Meeting Minutes	
b. Approval of the November 14, 2023, Pension & Health Benefits Committee Meeting Timed Agenda	
4. Information Consent Items - Don Moulds	14
a. Annual Calendar Review	
b. Draft Agenda for the March 19, 2024, Pension & Health Benefits Committee Meeting	
c. CalPERS Health Benefits Program Annual Report for Plan Year 2022	
5. Action Agenda Items	
a. Long-Term Care Request for Proposal - Don Moulds	15
b. Approval of Health Benefits Program Proposals for the 2025 Plan Year - Rob Jarzombek, Julia Logan	31
6. Information Agenda Items	
a. Health Policy Forum - Don Moulds, Jared Shinabery	45
b. Summary of Committee Direction - Don Moulds, Kim Malm	56
c. Public Comment	59
7. Adjournment of Meeting	63
Reporter's Certificate	64

PROCEEDINGS

1  
2 CHAIRPERSON RUBALCAVA: Good morning, everybody.  
3 Call the meeting to order of the Pension and Health  
4 Benefits Committee. And the first order of business is  
5 roll call.

6 Thank you.

7 BOARD CLERK TRAN: Ramón Rubalcava?

8 CHAIRPERSON RUBALCAVA: Present.

9 BOARD CLERK TRAN: Jose Luis

10 VICE CHAIRPERSON PACHECO: Present.

11 BOARD CLERK TRAN: Controller Malia Cohen?

12 David Miller?

13 COMMITTEE MEMBER MILLER: Here.

14 BOARD CLERK TRAN: Eraina Ortega?

15 COMMITTEE MEMBER ORTEGA: Here.

16 BOARD CLERK TRAN: Kevin Palkki?

17 COMMITTEE MEMBER PALKKI: Good morning.

18 BOARD CLERK TRAN: Theresa Taylor?

19 COMMITTEE MEMBER TAYLOR: Here.

20 BOARD CLERK TRAN: Yvonne Walker?

21 COMMITTEE MEMBER WALKER: Here.

22 BOARD CLERK TRAN: Mullissa Willette?

23 COMMITTEE MEMBER WILLETTE: Here.

24 CHAIRPERSON RUBALCAVA: Thank you.

25 And then the next order of business is we recess

1 now into closed session for items 1 through 4 from the  
2 closed session agenda. So thank you for bearing with us.

3 And for the record, we have Ms. Evans for  
4 Controller Cohen.

5 (Off record: 9:01 a.m.)

6 (Thereupon the meeting recessed  
7 into closed session.)

8 (Thereupon the meeting reconvened  
9 open session.)

10 (On record: 9:58 a.m.)

11 CHAIRPERSON RUBALCAVA: Okay. We are back in --  
12 we are back in open session and we'll continue with the  
13 remainder of the open session agenda.

14 Please call the roll.

15 BOARD CLERK TRAN: Ramón Rubalcava?

16 CHAIRPERSON RUBALCAVA: Present.

17 BOARD CLERK TRAN: Jose Luis Pacheco?

18 VICE CHAIRPERSON PACHECO: Present.

19 BOARD CLERK TRAN: Regina Evans?

20 David Miller?

21 COMMITTEE MEMBER MILLER: Here.

22 BOARD CLERK TRAN: Eraina Ortega?

23 COMMITTEE MEMBER ORTEGA: Here.

24 BOARD CLERK TRAN: Kevin Palkki?

25 COMMITTEE MEMBER PALKKI: Good morning.

1 BOARD CLERK TRAN: Theresa Taylor?

2 COMMITTEE MEMBER TAYLOR: Here.

3 BOARD CLERK TRAN: Yvonne Walker?

4 COMMITTEE MEMBER WALKER: Here.

5 BOARD CLERK TRAN: Mullissa Willette?

6 COMMITTEE MEMBER WILLETTE: Here.

7 CHAIRPERSON RUBALCAVA: Okay. Thank you.

8 Now, we'll proceed with the next agenda item,  
9 which is the Executive Report, Mr. Moulds or Kim.

10 Sorry, Kim Malm.

11 DEPUTY EXECUTIVE OFFICER MALM: I'm going to go  
12 ahead and start. Good morning. Kim Malm, CalPERS team  
13 member. I'm juts going to take a few minutes today to  
14 give you an update on our final PBI breach statistics, our  
15 Retiree Warrant Project, and our next CBEE.

16 Let me start with the PBI breach statistics. I  
17 don't know why that's a hard -- such hard word for me to  
18 say. As you're aware on September 30th, we ended the  
19 registrations for the two-year credit monitoring. These  
20 are the final numbers. Since June we answered over 16,000  
21 emails from our members in the PBI mailbox. Our CalPERS  
22 Call Center received almost 7,800 calls and also over  
23 1,500 secure ask myCalPERS questions. Our regional  
24 offices had over 400 inquiries. Experian received almost  
25 76,000 calls. And most importantly, we had over 204,000

1 members register -- sorry, retirees register for credit  
2 monitoring. That's almost 26 -- or over 26 percent, which  
3 is a fantastic number considering four to six percent is  
4 the typical average when Social Security numbers breached.

5 We've confirmed that there's been over a thousand  
6 organizations and 60 million people around the world have  
7 been impacted by this breach. And as I stated in  
8 September, I'm very thankful for all the support and  
9 assistance we have received from the entire CalPERS team  
10 and our retirees.

11 Moving on to retiree warrants. As I mentioned in  
12 September, we rolled out the interactive voice response,  
13 IVR, or phone system, which allows retirees to check their  
14 warrant amount, including details like itemized gross  
15 amounts and deductions. They do this by calling  
16 1-888-CalPERS. This became active on October 1st. So in  
17 the last one and a half months, we've had over 700 people  
18 successfully call and listen to their warrant information.  
19 There have been some that have failed to validate. Mostly  
20 these are people that have no warrants in the system as  
21 they're active, or they're inactive, or they have a paper  
22 warrant.

23 In addition to the IVR option, a link is being  
24 developed that will allow the retiree to see their warrant  
25 within myCalPERS at the click of a button. This new

1 functionality incorporates a secure authentication method  
2 that requires members to input their myCalPERS log in and  
3 password, and then they will put in a code for  
4 multi-factor authentication. This ensures the protection  
5 of their personal information. Once authenticated,  
6 members can immediately see the retirement check details  
7 and they can scroll down also for previous years'  
8 warrants -- sorry, previous months' warrants. This  
9 functionality will begin in January.

10 Previously, we believed that there would be a  
11 monthly push of information to a retiree's phone or email  
12 and with a -- but however, with additional advice from our  
13 Information Security Office, in order to prevent phishing  
14 schemes to our retirees, we'll be sending one email out to  
15 all of the retirees who we have emails on file and  
16 notifying them that this option is available. We'll also  
17 provide instructions on how to save the link on their  
18 desktop or phone and we'll follow up with an article in  
19 our PERSpective and a banner on our webpage. We believe  
20 these new options will provide greater convenience for our  
21 members in a secure environment.

22 Lastly as a reminder, our next CBEE, or CalPERS  
23 Benefit Education Event, will be December 5th and 6th, and  
24 it will be virtual. We typically have about 3,200 people  
25 participate when we have a virtual CBEE. I'd like to

1 thank Board members Mullissa and Kevin Palkki who went to  
2 the Glendale Regional Office after our last Ed Forum and  
3 they got a tour of the office, and they got to, I think,  
4 watch -- Ms. Willette got to watch a counseling session  
5 and they met the team members. And the team is always  
6 very thrilled when they have visits from the Board  
7 members. So thank you very much for taking the time to do  
8 that.

9 And with that, I'll turn it over to Don.

10 CHAIRPERSON RUBALCAVA: Thank you.

11 CHIEF HEALTH DIRECTOR MOULDS: Go ahead.

12 CHAIRPERSON RUBALCAVA: Go ahead, Don.

13 CHIEF HEALTH DIRECTOR MOULDS: Great. Thanks.

14 Good morning, Mr. Chair, members of the  
15 Committee. Don Moulds Chief Health Director. I want to  
16 begin with a couple of updates before we dive into the  
17 agenda. We completed another successful open enrollment.  
18 The final report, with detailed migration information,  
19 will be available for the March Committee meeting. We  
20 added capability to our tools so members could search for  
21 their medical group, doctors, and behavioral health  
22 providers. We strongly encourage members to shop and  
23 compare health plans through our custom letters and we saw  
24 a 47 percent increase in health open enrollment  
25 transactions compared to this time last year.

1           We continuously look for opportunities to enhance  
2 our tools, to improve our members' experience and help  
3 them make informed choices. Next year, we're adding  
4 additional functionality for retirees to manage their  
5 health benefits in myCalPERS, like making health and  
6 dental plan changes outside of open enrollment with  
7 specific qualifying events. I want to thank the folks on  
8 my team who do such a great job managing this process and  
9 assisting our members and employers during this busy time.  
10 And I also want to thank the folks on Kim's team who do an  
11 outstanding job serving our members through the Call  
12 Center.

13           Next, on the agenda today, I'd like to draw your  
14 attention to Item 4C, our Health Benefits Annual Report  
15 for the 2022 plan year. The report provides information  
16 about our Health Benefits Program, including our health  
17 plan portfolio, financial information, and other relevant  
18 data and trends. Highlights include the news that we  
19 spent \$10.6 billion providing health care for our members  
20 and that on average they paid \$309 out of pocket for  
21 medical care and prescription drugs. We hope you find the  
22 annual report a good resource. It's a big effort to  
23 prepare. And I'd like to thank our team and the many team  
24 members across the enterprise who contribute to its  
25 development and delivery annually.

1           Finally, also on the agenda, we'll ask for your  
2 action on the long-term care Request for Proposal and the  
3 Health Program proposals for the 2025 plan year. We'll  
4 also unveil plans for the health policy forum.

5           I can stop there and see if there are any  
6 questions.

7           CHAIRPERSON RUBALCAVA: Thank you. We do have a  
8 question from Trustee Willette. Ms. Willette.

9           COMMITTEE MEMBER WILLETTE: Thank you so much.  
10 Thank you. I just want to give a quick update. First, I  
11 had a phenomenal time and thoroughly enjoyed meeting the  
12 team at the Glendale office. So thank you for that. And  
13 I just want to pass on that I also recently had the  
14 privilege of talking with public works members at the City  
15 of Palo Alto. They made sure to tell me that they use the  
16 CalPERS Call Center really regularly and they're delighted  
17 and grateful for the stellar service that they get every  
18 single time. They said they know they get different  
19 people, but the lady that answers the phone, whoever she  
20 is every time, is super nice and she is super helpful. So  
21 thank you so much and that's feedback from our public  
22 works workers.

23           Thank you.

24           CHAIRPERSON RUBALCAVA: Thank you. And we also  
25 have Mr. Pacheco, followed Ms. Palkki -- Mr. Palkki.

1           VICE CHAIRPERSON PACHECO: Yes. Thank you, Don,  
2 and thank you, Ms. Malm, for your information. My  
3 question is back to the -- back to the warrant checks.  
4 You mentioned that about 700 people have already started  
5 utilizing it as of today.

6           DEPUTY EXECUTIVE OFFICER MALM: Um-hmm.

7           VICE CHAIRPERSON PACHECO: Is that from -- how  
8 many months now has it been -- has it been in effect?

9           DEPUTY EXECUTIVE OFFICER MALM: It's October 1st,  
10 so about a month and a half. There's been over 700 -- 720  
11 as of this morning.

12          VICE CHAIRPERSON PACHECO: Has there been any --  
13 I mean, just technically, has there been any problems? I  
14 mean, is it easy for the members to -- you know, the  
15 retirees to activate it and get the information.

16          DEPUTY EXECUTIVE OFFICER MALM: We have not heard  
17 any problems. We have some of our retirees in the back of  
18 the room that I know have used it and have done so  
19 successfully and have said it was easy for them to use,  
20 so --

21          VICE CHAIRPERSON PACHECO: Oh, wonderful.

22                 And the other concern I have is just making sure  
23 the -- you said there was -- there was some security  
24 parameters around the credentials, two-factor  
25 authentication. Is that the only security or will there

1 be more enhanced security, because of all these -- all the  
2 data out there?

3 DEPUTY EXECUTIVE OFFICER MALM: So on the link  
4 that's going to be provided, they're going to be basically  
5 logging in to myCalPERS. So they'll be putting in their  
6 log-in and their password to log in to myCalPERS and then  
7 they'll get a multi-factor authentication code --

8 VICE CHAIRPERSON PACHECO: Multi-factor.

9 DEPUTY EXECUTIVE OFFICER MALM: -- sent to them  
10 that they will have to put in in order to be able to go  
11 into myCalPERS and access their information.

12 VICE CHAIRPERSON PACHECO: Oh, I see.

13 DEPUTY EXECUTIVE OFFICER MALM: But the won't  
14 have to navigate through it. It will come up immediately.  
15 The paycheck information -- the warrant information will  
16 come up immediately after they do the multi-factor  
17 authentication.

18 VICE CHAIRPERSON PACHECO: And they have to do  
19 that multi-factor authentication --

20 DEPUTY EXECUTIVE OFFICER MALM: Every time.

21 VICE CHAIRPERSON PACHECO: -- every time, to --  
22 so it's -- it makes sure that it's them.

23 DEPUTY EXECUTIVE OFFICER MALM: That's correct.

24 VICE CHAIRPERSON PACHECO: It's not some bad  
25 actor, right.

1 DEPUTY EXECUTIVE OFFICER MALM: That's correct.

2 VICE CHAIRPERSON PACHECO: All right. Excellent  
3 then.

4 DEPUTY EXECUTIVE OFFICER MALM: Do you want to  
5 add something?

6 VICE CHAIRPERSON PACHECO: And I'll just -- the  
7 last question. On this information, is it -- is it out  
8 there already in our website so people can have other  
9 instructions of how to dial in and follow through all the  
10 things out there on our website?

11 DEPUTY EXECUTIVE OFFICER MALM: Yes. There's  
12 information on the website -- on how to do the phone call.

13 VICE CHAIRPERSON PACHECO: Okay. Fantastic then.  
14 That would be wonderful if -- perhaps, do we have that out  
15 there? Do we -- can we request that? Can we request that  
16 information, so that -- to make sure that we have it, so  
17 we can share it with our -- with our members.

18 DEPUTY EXECUTIVE OFFICER MALM: Absolutely. That  
19 would be awesome. Thank you so much.

20 CHAIRPERSON RUBALCAVA: Thank you, Mr. Pacheco.  
21 Kevin.

22 COMMITTEE MEMBER PALKKI: Yeah. Thank you.  
23 Yeah, I just wanted to say thank you to David and  
24 everybody at the Glendale office. It was an absolute  
25 privilege to see the passion in our staff and watching

1 them interact with our members. It's good to know that we  
2 have hired the right people for the right job. And it  
3 was -- it was just an absolute honor to watch them work  
4 and to see them excited about their work. So thank you.

5 DEPUTY EXECUTIVE OFFICER MALM: Thank you.

6 CHAIRPERSON RUBALCAVA: Thank you, Trustee  
7 Palkki. I think we have -- we now can proceed to the next  
8 item, which is the -- I'm sorry, did I miss somebody?

9 Oh, there you are. Ms. Walker. Please. I  
10 apologize here. I didn't see you.

11 COMMITTEE MEMBER WALKER: Thank you, Mr. Chair.  
12 So I just wanted to say I found it kind of ironic this --  
13 I learned this month that as part of that breach that we  
14 had here, it also impacted my health care company, and my  
15 mortgage company. So I was like, oh, three times. I'm  
16 the trifecta. I'm the winner.

17 And then I just wanted to give a shout-out for  
18 the process of being able to go in, look at -- as you're  
19 going through open enrollment and look to see how  
20 everybody is covered in everything else. I had a minor  
21 panic period thinking that one of my doctors wasn't  
22 covered and it was resolved quickly. Took the stress  
23 away. That was one of the best things that I think that  
24 we've done. So congrats to the team and everybody.

25 CHAIRPERSON RUBALCAVA: Thank you, Ms. Walker.

1           So now we proceed to Item 3, the action consent  
2 items.

3           VICE CHAIRPERSON PACHECO: I'll move it.

4           CHAIRPERSON RUBALCAVA: And it's moved by Mr.  
5 Pacheco.

6           COMMITTEE MEMBER MILLER: (Hand raised).

7           CHAIRPERSON RUBALCAVA: And second by Mr. Miller.  
8 And we'll proceed now to the -- we need a vote.

9           VICE CHAIRPERSON PACHECO: Yes.

10          CHAIRPERSON RUBALCAVA: So we should do a vote.  
11 Okay. All in favor?

12                   (Ayes.)

13          CHAIRPERSON RUBALCAVA: I think we have the votes  
14 there. Thank you.

15                   Now, we'll move on to number 4, information  
16 consent items.

17          GENERAL COUNSEL JACOBS: Excuse me, Mr.  
18 Rubalcava?

19          CHAIRPERSON RUBALCAVA: Yes.

20          GENERAL COUNSEL JACOBS: You need to just check  
21 if there are no votes and abstentions before you announce  
22 the result of the motion.

23          CHAIRPERSON RUBALCAVA: Okay. We -- so we had  
24 the yes votes.

25                   Any no votes?

1 Any abstentions?

2 This is on the action consent items.

3 And I think we only have yes votes. Thank you.

4 Now, we'll proceed to the information consent  
5 items. Nothing pulled, but we do have public comment.

6 Mr. Tim Behrens, please come to the front.

7 TIM BEHRENS: Chairman Rubalcava, members of the  
8 Committee. Back to speak about Delta Dental again.  
9 There's been a lot of outreach by other retiree groups  
10 since I talked about Delta Dental the last Board meeting  
11 and Committee meetings we had. All of them are united in  
12 being dissatisfied with Delta Dental. I would urge the  
13 CalPERS health team to explore the feasibility to provide  
14 and sell alternate dental insurance. If we can't get rid  
15 of Delta Dental or have it come back to CalPERS  
16 administratively, then it would be nice if stakeholders  
17 had an alternate ability to purchase additional dental  
18 services.

19 I met with a retired dentist the last week -- two  
20 weeks ago who was formally working in the Delta Dental  
21 family and he quit. And his reason for quitting is Delta  
22 Dental has cut their dentists to \$1,000 per patient per  
23 year reimbursement. And he said I can't even do a crown  
24 for that anymore. So the dentists continue to drop out.  
25 There continues to be very difficult to have services or

1 find them, especially in small towns like I live. So  
2 there needs to be something done about Delta Dental. I  
3 know that at least two of the bargaining units, 5 and 6 I  
4 believe, have their own dental insurance. And if it's  
5 possible for CalPERS to find out what those insurances are  
6 and why they chose to have their own insurance for their  
7 unions as opposed to the Delta Dental or in addition to  
8 the Delta Dental, then that's something that we would like  
9 to see happen for our stakeholders too in the future.

10 I think that's probably all I have to say, but I  
11 do want you to know that there is a movement starting out  
12 there of retiree groups, and actually the labor  
13 organization of the Cal Fire leadership is also going to  
14 bring this up as an issue with the active employees that  
15 they represent in Cal Fire.

16 Thank you very much.

17 CHAIRPERSON RUBALCAVA: Thank you for brining  
18 this to our attention.

19 Okay. Now, proceed to action agenda items  
20 starting with 5a, the Long-Term Care Request for Proposal.

21 Mr. Moulds.

22 CHIEF HEALTH DIRECTOR MOULDS: Great. Thank you,  
23 Mr. Chair. Before you is an action to -- item to approve  
24 and extension of the current Long-Term Care Program  
25 third-party administrator contract with illumifin,

1 formerly the Long Term Care Group, for up to 24 months.  
2 The current contract expires at the end of 2024.  
3 Twenty-four months gives us the amount of time --  
4 additional time we need to run a full solicitation for the  
5 next Long-Term Care Program administrator and, if  
6 necessary, to transition the business to a new  
7 administrator.

8           Specifically, we anticipate that it will take  
9 about a year for the solicitation and then 18 to 24 months  
10 to transition the business to a new administrator if one  
11 is selected. In the event that we don't select a new  
12 administrator, we would kick that timeline up  
13 considerably, potentially limiting it to the one -- to the  
14 one year.

15           If approved, this would be the second two-year  
16 extension for a illumifin. We moved forward with a  
17 solicitation on a very similar timeline about a year and a  
18 half ago, but pulled it back shortly after settlement in  
19 the Wedding lawsuit. As we shared with you at that time,  
20 it would have been extremely problematic to administer the  
21 settlement at the same time we transition the program to a  
22 new vendor.

23           Happy to answer any questions.

24           CHAIRPERSON RUBALCAVA: Any questions from the  
25 Committee?

1           We have Ms. Taylor. President Taylor, please  
2 proceed.

3           COMMITTEE MEMBER TAYLOR: Yes. So thank you very  
4 much, Mr. Rubalcava. So we're approving a one, plus one,  
5 plus five year extension?

6           CHIEF HEALTH DIRECTOR MOULDS: So you have -- you  
7 approved that previously.

8           COMMITTEE MEMBER TAYLOR: Okay.

9           CHIEF HEALTH DIRECTOR MOULDS: And this is an --  
10 this is an extension of the -- of the existing contract.

11          COMMITTEE MEMBER TAYLOR: It's not worded like  
12 that though. Oh, the one plus one terms would allow  
13 for -- okay.

14          CHIEF HEALTH DIRECTOR MOULDS: Yeah, the new  
15 con -- sorry, the new contract -- the new contract would  
16 be the five, plus one, plus one that we had -- that you  
17 had approved in the -- in the previous discussion, which  
18 was the year and a half ago. So this is just the 24-month  
19 extension of the existing contract.

20          COMMITTEE MEMBER TAYLOR: Got it. Okay. So  
21 we're already two years out from the five years and now we  
22 need another 24 months, is that it?

23          CHIEF HEALTH DIRECTOR MOULDS: We are -- we  
24 have -- so we are on a -- we are currently on a 24-month  
25 extension -- a year into 24 month -- more or less a year

1 into a 24-month extension. We need another 24-month  
2 extension to run the contract -- to run the procurement,  
3 which we have to start all over again. And then -- and  
4 then we need an additional 18 to 24 months to transition  
5 the business to a new vendor, if one is chosen. If we do  
6 not chose a new vendor, we would not need that additional  
7 18 to 24 months.

8 COMMITTEE MEMBER TAYLOR: Got it. So essentially  
9 we had to stop it, because the Wedding settlement, so we  
10 stopped --

11 CHIEF HEALTH DIRECTOR MOULDS: We canceled -- we  
12 canceled the solicitation, upon --

13 COMMITTEE MEMBER TAYLOR: Right. So then we were  
14 just still with illumifin.

15 CHIEF HEALTH DIRECTOR MOULDS: Exactly. Correct.

16 COMMITTEE MEMBER TAYLOR: So now we're going to  
17 try to do a solicitation and that's the two-years, 24  
18 months.

19 CHIEF HEALTH DIRECTOR MOULDS: So the  
20 solicitation takes about a year. We were -- we will be --  
21 we'll be starting that almost immediately, but then we  
22 will need the additional time on top of that for the  
23 transition.

24 COMMITTEE MEMBER TAYLOR: And what are the  
25 chances that somebody else wants to take this long-term

1 care plan up?

2 CHIEF HEALTH DIRECTOR MOULDS: I think high.

3 COMMITTEE MEMBER TAYLOR: Oh, okay.

4 CHIEF HEALTH DIRECTOR MOULDS: I think there will  
5 be -- I think that we are we likely to see competition for  
6 our business --

7 COMMITTEE MEMBER TAYLOR: Okay.

8 CHIEF HEALTH DIRECTOR MOULDS: -- particularly  
9 now that we are --

10 COMMITTEE MEMBER TAYLOR: Settled.

11 CHIEF HEALTH DIRECTOR MOULDS: -- through this  
12 lawsuit.

13 COMMITTEE MEMBER TAYLOR: Okay.

14 CHIEF HEALTH DIRECTOR MOULDS: Yeah.

15 COMMITTEE MEMBER TAYLOR: All right. Thank you.

16 CHIEF HEALTH DIRECTOR MOULDS: Yep.

17 CHAIRPERSON RUBALCAVA: Thank you.

18 And next we have Trustee Walker.

19 COMMITTEE MEMBER WALKER: Hi. Don, I'm still  
20 confused. As I'm looking at the second paragraph, right,  
21 it reads to me that we're pre-approving, once we do the  
22 24-month thing.

23 CHIEF HEALTH DIRECTOR MOULDS: So I'm not sure.  
24 Are you looking at the agenda item or --

25 COMMITTEE MEMBER WALKER: I am. I'm looking at

1 the --

2 CHIEF HEALTH DIRECTOR MOULDS: Okay.

3 COMMITTEE MEMBER WALKER: -- recommendations  
4 under the agenda item. So the second paragraph seems like  
5 it's a pre-approval thing. I'm fined with the 24 months,  
6 but that paragraph --

7 CHIEF HEALTH DIRECTOR MOULDS: Yeah.

8 COMMITTEE MEMBER WALKER: -- I'm not  
9 understanding pre --

10 CHIEF HEALTH DIRECTOR MOULDS: So I'm going to  
11 have Jared come and -- use that one.

12 CHIEF HEALTH DATA STRATEGY OFFICER SHINABERY: So  
13 there's two items here, right? So one of them is the new  
14 contract which will be awarded by the RFP by the  
15 solicitation. So that one has to have time baked into it  
16 for a transition, if it goes to a new vendor, so that's  
17 the one, plus one aspect of that.

18 So the new contract will be five years with one  
19 plus one for an additional -- which is the additional time  
20 needed for transition. But with -- we also need to have  
21 our existing vendor in place while a transition is  
22 happening, right?

23 COMMITTEE MEMBER WALKER: No, I understand that.  
24 It just seems to me that this is like a pre-approve --  
25 like assuming that we're going to get a new contractor,

1 this is a pre-approval of that new contractor without it  
2 coming back to the Board. That's what it reads to me.

3 CHIEF HEALTH DIRECTOR MOULDS: Yeah, so that --  
4 so that is -- that is not what we're asking for.

5 COMMITTEE MEMBER TAYLOR: You might want to  
6 reword it, because --

7 COMMITTEE MEMBER WALKER: That's what it reads.

8 CHIEF HEALTH DIRECTOR MOULDS: Okay.

9 COMMITTEE MEMBER WALKER: Or take that paragraph  
10 out. Let's do it straight for the two years and then do  
11 something different for the other thing.

12 CHIEF HEALTH DIRECTOR MOULDS: So all I'm asking  
13 for right now is --

14 COMMITTEE MEMBER WALKER: Is the two years?

15 CHIEF HEALTH DIRECTOR MOULDS: -- the 24-month  
16 extension, yeah.

17 COMMITTEE MEMBER WALKER: Then we should take out  
18 that second paragraph because it's confusing.

19 CHIEF HEALTH DIRECTOR MOULDS: Yeah. Okay.

20 COMMITTEE MEMBER WALKER: So I would move that we  
21 take out the second --

22 CHIEF HEALTH DIRECTOR MOULDS: But to clarify,  
23 what I am asking for right now is a 24-month extension on  
24 our existing contract --

25 COMMITTEE MEMBER WALKER: Yes.

1 CHIEF HEALTH DIRECTOR MOULDS: -- and nothing  
2 more.

3 COMMITTEE MEMBER WALKER: That's the third  
4 paragraph.

5 CHIEF HEALTH DIRECTOR MOULDS: Yeah.

6 COMMITTEE MEMBER WALKER: So I would move that we  
7 remove that second paragraph from the recommendations.

8 CHAIRPERSON RUBALCAVA: I think we do want to  
9 have clarity on our action, so -- well, if that's the way  
10 to do it go through the motion, yes, we'll do that. But  
11 before we vote, I think we have public comment though, but  
12 I just want to make sure we're okay.

13 COMMITTEE MEMBER TAYLOR: Second, by the way

14 CHAIRPERSON RUBALCAVA: Second by Ms. Taylor.  
15 Thank you.

16 So we have that. So -- but I think we need some  
17 clarification from staff though, okay?

18 Don, please.

19 CHIEF HEALTH DIRECTOR MOULDS: Can I clarify?  
20 Sorry. Apologies. This is -- so we are asking for two  
21 things. One is the 24-month extension and the other one  
22 ask for approval to go out to bid on the -- on the  
23 contract -- on the existing book of business.

24 CHAIRPERSON RUBALCAVA: Solicitation.

25 COMMITTEE MEMBER TAYLOR: That's not what it says

1    though.  Approval.

2            COMMITTEE MEMBER WALKER:  It says approval.

3            That's not what it says.

4            CHAIRPERSON RUBALCAVA:  There you go.

5            CHIEF HEALTH DATA STRATEGY OFFICER SHINABERY:  So  
6 we're asking for -- so with the ask to go out to  
7 solicitation, it's -- we're also specifying what that --  
8 the term of that contract would be.  So we're saying we're  
9 want -- we want to do a solicitation for a contract that  
10 is a one, plus one, plus five.

11           COMMITTEE MEMBER WALKER:  I understand what  
12 you're telling me.  That is not what I'm reading this to  
13 say.

14           CHIEF HEALTH DIRECTOR MOULDS:  Okay.  So we  
15 can --

16           CHAIRPERSON RUBALCAVA:  Well, we can look at --  
17 can I?  If we look at the recommendation in the front  
18 page, the cover page --

19           COMMITTEE MEMBER TAYLOR:  That's what she's  
20 looking at.

21           COMMITTEE MEMBER WALKER:  I'm looking at the  
22 recommendation.

23           CHAIRPERSON RUBALCAVA:  -- there's three  
24 approvals.

25           CHIEF HEALTH DIRECTOR MOULDS:  So I think --

1 yeah, so I -- yeah, I think what we should do here is we  
2 can just pull the approval of the one, plus one, plus  
3 five, which is the one that is causing the confusion,  
4 because what we need here is the approval to go out for  
5 bid and the approval of the 24 months. So that is what we  
6 are asking for.

7 CHAIRPERSON RUBALCAVA: Okay. So then that makes  
8 sense to accept the -- Ms. Walker's motion is to delete  
9 the second paragraph. That's correct?

10 COMMITTEE MEMBER WALKER: Um-hmm.

11 CHAIRPERSON RUBALCAVA: Which was second by Ms.  
12 Taylor. And I think we will do that.

13 COMMITTEE MEMBER TAYLOR: Well, no, because now  
14 we're being told they need that second part.

15 CHAIRPERSON RUBALCAVA: Do you need the second  
16 approval? No, you need the first and third paragraph,  
17 correct?

18 CHIEF HEALTH DIRECTOR MOULDS: The first and  
19 the -- the recommend -- under recommendations, there is  
20 approve the release of a Long-Term Care Program TPA  
21 solicitation. We are asking for that. We are not asking  
22 for the approval of a one, plus one, plus five year  
23 contract term.

24 COMMITTEE MEMBER TAYLOR: Okay. So we do want to  
25 take that out.

1 CHIEF HEALTH DIRECTOR MOULDS: Because we have --  
2 you have previously approved that model.

3 CHAIRPERSON RUBALCAVA: So we approve the third  
4 paragraph, which is the up to 24 months extension of the  
5 current contract.

6 CHIEF HEALTH DIRECTOR MOULDS: And then the third  
7 one, we are asking for the extension of two years of the  
8 existing contract.

9 CHAIRPERSON RUBALCAVA: Correct. I think we are  
10 clear here.

11 CHIEF HEALTH DIRECTOR MOULDS: Sorry for that.

12 CHAIRPERSON RUBALCAVA: Okay. So --

13 COMMITTEE MEMBER TAYLOR: So the motion is to  
14 remove the second paragraph and pass the remaining two  
15 paragraphs.

16 CHAIRPERSON RUBALCAVA: Correct.

17 CHIEF HEALTH DIRECTOR MOULDS: And I think the  
18 suggestion was that you do that as two separate -- yeah,  
19 to keep it clean just two separate actions.

20 CHAIRPERSON RUBALCAVA: Okay. So we'll -- okay.  
21 So we'll -- we're calling for the first motion right now  
22 is approve the release of a Long-Term Care Program  
23 third-party administrator solicitation. Do I have a  
24 motion?

25 COMMITTEE MEMBER TAYLOR: Wait. Wait. Wait.

1 I'm not.

2 CHAIRPERSON RUBALCAVA: We're going to break it  
3 up.

4 COMMITTEE MEMBER TAYLOR: Right. No, but hold  
5 on. The only thing we're breaking up is we're removing  
6 the middle paragraph, so that's your first motion. Your  
7 second motion you can have --

8 CHAIRPERSON RUBALCAVA: I see.

9 COMMITTEE MEMBER TAYLOR: -- you can have --  
10 approve both of the remainder --

11 COMMITTEE MEMBER WALKER: As amended.

12 COMMITTEE MEMBER TAYLOR: -- as amended.

13 CHAIRPERSON RUBALCAVA: Okay. We were going a  
14 different path, but that's fine. So we're going to first  
15 vote to remove the second paragraph, which was the motion  
16 from Ms. Walker and second from President Taylor.

17 COMMITTEE MEMBER TAYLOR: Okay.

18 CHAIRPERSON RUBALCAVA: Okay. That's the  
19 clarification.

20 COMMITTEE MEMBER TAYLOR: We're throwing this  
21 into --

22 CHAIRPERSON RUBALCAVA: Well, let's wait till  
23 staff weighs in here.

24 CHIEF EXECUTIVE OFFICER FROST: I don't think you  
25 have to pay attention to the way the agenda item is

1 currently written and say I want to remove this part of  
2 the recommendation. I think for the record is to be very  
3 specific about what you are approving. So I would do them  
4 in two separate motions. Motion one is to approve the  
5 extension. And then motion two would be to, if you're in  
6 agreement, to move forward with the solicitation itself.  
7 But I wouldn't get too hung up on the way the agenda item  
8 is actually written. I would just keep the motions very  
9 clear and we'll have it in the record.

10 COMMITTEE MEMBER TAYLOR: Okay.

11 CHAIRPERSON RUBALCAVA: Thank you.

12 CHIEF HEALTH DIRECTOR MOULDS: Can I -- can I,  
13 with apologies, add to the soup a little bit here.

14 CHIEF EXECUTIVE OFFICER FROST: No. No. Let's  
15 just move forward.

16 CHIEF HEALTH DIRECTOR MOULDS: Okay. All right.

17 CHAIRPERSON RUBALCAVA: We're going to -- so  
18 we're going to follow our CEO's guidance. First, we have  
19 a motion to extend the current Long-Term Care TPA contract  
20 for an additional up to 24 months.

21 VICE CHAIRPERSON PACHECO: I'll move that.

22 CHAIRPERSON RUBALCAVA: And Mr. Pacheco --  
23 Commissioner Pacheco makes that motion.

24 Do I have a second?

25 COMMITTEE MEMBER MILLER: (Hand raised).

1 CHAIRPERSON RUBALCAVA: Mr. Commissioner Miller  
2 makes the second.

3 Do -- can we vote on that, please?

4 Everybody say aye?

5 CHIEF EXECUTIVE OFFICER FROST: Go ahead and get  
6 public comment. So take your motion and your second.

7 CHAIRPERSON RUBALCAVA: Oh, yes.

8 CHIEF EXECUTIVE OFFICER FROST: And then ask for  
9 public comment on each.

10 CHAIRPERSON RUBALCAVA: Okay. We'll have public  
11 comment now. Thank you.

12 Ms. Marcy Brown, please.

13 MARCY BROWN: Right here?

14 CHAIRPERSON RUBALCAVA: Yes, please.

15 MARCY BROWN: My comment is not actually on the  
16 proposal, so I don't think you need to wait for it to take  
17 your vote. I did want to make a comment on the Long-Term  
18 Care --

19 CHAIRPERSON RUBALCAVA: Please.

20 MARCY BROWN: -- program generally.

21 CHAIRPERSON RUBALCAVA: Please proceed.

22 MARCY BROWN: All right. So as a State retiree  
23 and long-term care policyholder, I am grateful for  
24 CalPERS, both the Board and the staff, for all you do for  
25 managing our pensions and our health benefits, full stop.

1 But I was very disappointed to learn as part of the  
2 long-term care Wedding lawsuit of decisions that were made  
3 by this Committee, likely your predecessors, not you,  
4 about how to distribute pension increases when you do have  
5 to do them, and particularly the hit that us long-term  
6 care policyholders who paid for inflation protection took  
7 not only the hit that other people took, but took a larger  
8 hit. And that was very disconcerting and I am asking to  
9 have -- to know how we can see those decisions be made on  
10 future increases. So is that done in open committee? Is  
11 it done in closed committee? How do we know that those --  
12 how those decisions are made, so that we can weigh in if  
13 it seems like there is groups that are getting  
14 disproportionately hit, particularly after paying for  
15 decades for inflation protection and then potentially  
16 being at risk of being priced out of these programs that  
17 we're using to try to protect our families from our  
18 long-term care health costs.

19 So I'm asking to see how we can see the math  
20 before you make decisions on premium increases going  
21 forward and I'm also asking to know how we will see the  
22 distribution vetting any Wedding settlement costs  
23 distributed, because some of us like myself and others who  
24 are very concerned about having long-term care, we opted  
25 to stay in. There's a huge payment out to people who

1 left. It should not be that those of us who stayed in the  
2 program should be bearing the cost of those people who are  
3 leaving.

4 So those are my requests and my comment. Thank  
5 you for your time.

6 CHAIRPERSON RUBALCAVA: Thank you. I think staff  
7 will be able to talk to you afterwards. Thank you.

8 Okay. Now, we have the motion on the floor, so  
9 now we can vote. And the motion is for the two-year  
10 extent -- up to two -- 24 months extension for the current  
11 TPA contract. So can we take a -- do everybody vote in  
12 favor?

13 (Ayes.)

14 CHAIRPERSON RUBALCAVA: Any opposed?

15 Any abstentions?

16 The motion passes.

17 Okay. Now, I'll entertain the motion to approve  
18 the release of a long-term care TPA solicitation.

19 COMMITTEE MEMBER MILLER: So moved.

20 CHAIRPERSON RUBALCAVA: Mr. Miller app -- makes a  
21 motion.

22 COMMITTEE MEMBER PALKKI: Second.

23 CHAIRPERSON RUBALCAVA: Approve[SIC] by Kevin.

24 Thank you.

25 All those in favor, please speak?

1 (Ayes.)

2 CHAIRPERSON RUBALCAVA: All those opposed?

3 None.

4 Any abstentions?

5 The ayes have it, so we have the motion approved.

6 So now we can proceed to the next item, which is  
7 5b, approval of the Health Benefits Program proposals.

8 (Thereupon a slide presentation).

9 HEALTH PLAN RESEARCH & ADMINISTRATION CHIEF

10 JARZOMBEK: Good morning, Mr. Chair, members of the  
11 Committee. Rob Jarzombek, CalPERS team member.

12 This is Agenda Item 5b, Approval of the Health  
13 Benefit Program Proposals for the 2025 Plan Year. This is  
14 an action item.

15 As quick background, in 2020, we implemented a  
16 formalized process to review proposals outside of the rate  
17 development process, or RDP. This separate process allows  
18 us to consider a variety of changes to our program for the  
19 upcoming plan year before any rate setting begins. This  
20 was done so that everybody knows what, if anything, is  
21 changing for the next plan year before any rates are  
22 developed.

23 Potential changes include adding a new Basic or  
24 Medicare plan, incorporating a new Health Benefit Program,  
25 making a benefit design change, and lastly, adjusting a

1 current plan's service area.

2 --o0o--

3 HEALTH PLAN RESEARCH & ADMINISTRATION CHIEF

4 JARZOMBEEK: Over the next few slides, I'll cover the  
5 timeline and walk through the service area expansion  
6 proposals. Then Dr. Logan will review the proposed  
7 benefit design changes and I'll conclude with next steps.

8 --o0o--

9 HEALTH PLAN RESEARCH & ADMINISTRATION CHIEF

10 JARZOMBEEK: We solicited proposals from health plans in  
11 August and instructed them to address how their proposals  
12 support our strategic goal of exceptional health care. As  
13 a health team, we continually developed our -- we  
14 continually develop ways to further enhance our program  
15 through the benefits we offer. Our team has reviewed and  
16 analyzed the proposals and developed recommendations for  
17 you. If approved, these changes will be incorporated into  
18 the rate development process and will take effect on  
19 January 1st, 2025.

20 --o0o--

21 HEALTH PLAN RESEARCH & ADMINISTRATION CHIEF

22 JARZOMBEEK: To align with our strategic goal, we encourage  
23 plans to submit proposals to that improve health care  
24 quality, increase equity, and maintain affordability. We  
25 also specifically asked -- or asked the plans to provide

1 proposals that improve access to care for members,  
2 especially in underserved areas lacking more affordable  
3 HMO options. Through the recent HMO solicitation, we made  
4 it clear to the plans that we expect them to continue to  
5 expand access of lower cost HMOs to new areas. The plans  
6 listened and we are pleased to share that each of our four  
7 lower cost HMOs submitted proposals to expand into new  
8 areas in 2025 as did Kaiser.

9 Over the next several slides, I will talk about  
10 the preliminary financial impacts to premiums. The  
11 impacts are based on each plan's best estimate as well as  
12 our independent analysis. The final 2025 premiums could  
13 change depending on the results of the plans' provider  
14 contracting efforts and the expansion areas, as well as  
15 our continued analysis through the RDP process.

16 Now, I'll talk about each of the proposals  
17 starting with Blue Shield.

18 --o0o--

19 HEALTH PLAN RESEARCH & ADMINISTRATION CHIEF  
20 JARZOMBEK: Blue Shield Trio is proposing an expansion  
21 into Contra Costa County. This covers the entire county.  
22 Trio is not currently offered in any Bay Area counties  
23 except Napa. Trio is also proposing a partial county  
24 expansion into three contiguous zip codes into Shasta  
25 County in the Redding area. Redding is the largest city

1 in Shasta County and these three zip codes cover almost  
2 two-thirds of all CalPERS members living in the county.

3 If approved, the expansion would result in the  
4 first HMO plan available in Shasta County in recent  
5 memory. And this furthers our goal to improve access to  
6 more affordable HMO plans options in rural and low  
7 competition areas of the state. Currently, Blue Shield  
8 Access+ EPO is offered in Shasta County along with the  
9 PPOs. We anticipate these expansions to have a minimal  
10 impact on premiums.

11 The Department of Managed Health Care, or DMHC,  
12 has already approved the Contra Costa expansion and is  
13 currently reviewing the Shasta expansion. We recommend  
14 approval of this proposal.

15 Next is Health Net.

16 --o0o--

17 HEALTH PLAN RESEARCH & ADMINISTRATION CHIEF

18 JARZOMBK: Health Net is proposing to add Imperial County  
19 to the Salud y Más service area. Imperial is situated  
20 right next to San Diego County on the U.S.-Mexico border.  
21 This would increase member access beyond their current  
22 footprint of the counties listed on this slide. The HMO  
23 plans currently offered in Imperial County are Anthem  
24 Select and Traditional plans, as well as Blue Shield  
25 Access+.

1           We anticipate about a \$4 impact to premiums, or  
2 roughly a 0.6 percent increase. The expansion is pending  
3 DMHC approval. We recommend approval of this expansion.

4           Next is Kaiser.

5                           --o0o--

6           HEALTH PLAN RESEARCH & ADMINISTRATION CHIEF

7 JARZOMBK: Kaiser is proposing to cover part of Monterey  
8 County for their Basic plan. This would be in the cities  
9 of Salinas, Watsonville, and Monterey and the surrounding  
10 areas. This is all in the northern part of the county.

11           The Permanente Group doctors will provide primary  
12 care and some specialty care services and they plan to  
13 establish contracts with select community providers to  
14 round out their network. At this point, the contracting  
15 effort with community providers is in the early stages and  
16 will be ongoing for the next few months.

17           We expect minimal impact to premiums through this  
18 expansion. This expansion, of course, is also pending  
19 DMHC approval. We recommend approval of this expansion

20           Next is United Healthcare.

21                           --o0o--

22           HEALTH PLAN RESEARCH & ADMINISTRATION CHIEF

23 JARZOMBK: UHC is proposing to expand Harmony into Contra  
24 Costa, Napa, and Solano counties. This continues their  
25 Northern California expansion, which includes Santa Clara,

1 and Santa Cruz counties for 2024. As you may recall,  
2 Harmony was previously a Southern California only plan.  
3 And as part of the HMO solicitation, we pushed them to  
4 expand north. UHC agreed to a multi-year and multi-county  
5 expansion plan with us, and 2025 will be the second year  
6 of that five-year plan.

7 UHC has already received DMHC approval for this  
8 expansion. We anticipate about a \$20 impact to premiums,  
9 or just under a 5. -- a 2.5 percent increase. We  
10 recommend approval of this expansion.

11 And last is Western Health Advantage.

12 --o0o--

13 HEALTH PLAN RESEARCH & ADMINISTRATION CHIEF

14 JARZOMBK: WHA is pursuing expansions in Fresno, Kings,  
15 and Madera counties and is awaiting DMHC approval. WHA is  
16 in preliminary talks with a provider partner and cautioned  
17 that any proposed service area expansions are contingent  
18 upon successful provider contracting efforts. That said,  
19 they are hopeful to reach agreement in at least two  
20 counties, most likely Fresno and Madera, for 2025. We  
21 recommend approval of this expansion.

22 I'll now turn it over to Dr. Logan to go over the  
23 benefit design proposals.

24 --o0o--

25 CHIEF CLINICAL DIRECTOR LOGAN: Thank you, Rob.

1 Good morning, Mr. Chair and members of the Committee.  
2 Julia Logan, CalPERS team member.

3 Our team is excited to be bringing you two new  
4 benefits for 2025 that seek to improve health equity and  
5 health outcomes. We recommend these for your approval.  
6 First, we recommend implementing a new birthing doula  
7 benefit for all eligible Basic HMO and PPO plan members in  
8 2025. Doulas are non-clinical providers, meaning they're  
9 not doctors. They're not nurses. They are trained  
10 companions who support another individual through child  
11 birth, providing advice, information, and emotional  
12 support, and physical comfort.

13 Doulas provide culturally-competent care that  
14 supports the diversity of members before, during, and  
15 after child birth, including support during miscarriage,  
16 stillbirth, and abortion when our pregnant members may  
17 need this support the most. We recommend adding this  
18 benefit for several reasons.

19 First, because they help prevent complications  
20 during child birth. Doula care is associated with  
21 positive delivery outcomes, including reducing C-sections,  
22 use of epidurals, and premature deliveries, especially for  
23 members of race and -- races and ethnicities at a higher  
24 risk for pregnancy complications.

25 Second, they provide much needed emotional

1 support, which lowers stress and anxiety, and provide  
2 increase empowerment and autonomy during the labor period,  
3 and improve breast feeding success after delivery.

4 Third, they drive cost savings, include --  
5 including reducing utilization of medically unnecessary  
6 C-sections.

7 Lastly, and really important to all of us, is  
8 that doulas have been shown to decrease racial disparities  
9 in maternity care, disparities that have only grown larger  
10 as a result of the pandemic. In order to streamline the  
11 provision of the benefit, we intend to mirror the  
12 Department of Health Care Services doula benefit structure  
13 wherever possible, including definitions of doula and  
14 doula services, and doula minimum qualifications.

15 Of note, California Assembly Bill 904 was  
16 recently signed and chaptered into law and will require  
17 health plans regulated by the Department of Managed Health  
18 Care to develop a maternal and infant health equity  
19 program that addresses health -- that addresses racial  
20 health disparities in maternal and infant health outcomes  
21 through the use of doulas by January 1st, 2025. Our  
22 proposed benefit is aligned with this new law and will  
23 apply to both HMO and PPO health plans.

24 The projected premium impact of adding this new  
25 benefit for all basic members is \$0.10, or 0.01 percent.

1 Second -- and next slide please --

2 --o0o--

3 CHIEF CLINICAL DIRECTOR LOGAN: -- we will also  
4 implement a standard travel benefit for certain medically  
5 necessary services. While several of our plans currently  
6 offer a travel benefit for some surgeries, not all plans  
7 do nor is the benefit standardized across plans and  
8 services. To address this, we will standardize travel and  
9 lodging for certain medically necessary services,  
10 including, but not limited to, abortion services,  
11 gender-affirming care, complex surgeries, and cancer care  
12 that can't be accessed within 50 miles from the member's  
13 residence for all Basic and Medicare members.

14 Travel benefits encompass transportation,  
15 lodging, and meals for the member and companion up to  
16 \$5,000 per occurrence. For patients under the age of 18,  
17 we will cover travel for both parents or guardians as  
18 needed. This will support access and health equity by  
19 covering costs for members that may live far from high  
20 quality complex medical care or require specialized  
21 services unavailable locally, particularly for racial and  
22 ethnic groups that experience disparities in obtaining  
23 necessary care and are LGBTQ+ members.

24 The projected premium impact for the Basic plans  
25 is \$0.27, or 0.03 percent. For the Medicare plans, it

1 will be \$0.54, or 0.13 percent.

2 I'll now hand it back to Rob.

3 --o0o--

4 HEALTH PLAN RESEARCH & ADMINISTRATION CHIEF

5 JARZOMBK: All right. Thank you, Julia.

6 Here is a quick recap of the proposals we  
7 recommend for approval. Blue Shield Trio's expansion into  
8 Contra Costa and Shasta counties, Health Net Salud y Más  
9 expansion into Imperial County, Kaiser's expansion into  
10 Northern Monterey County, UHC's Harmony expansion into  
11 Contra Costa, Napa, and Solano counties, and lastly  
12 Western Health Advantage's expansion into Fresno, Madera,  
13 and Kings counties.

14 And for benefit design changes, first the doula  
15 benefit for pregnancies and postpartum care. And second,  
16 a standardized travel benefit for medically necessary  
17 care.

18 --o0o--

19 HEALTH PLAN RESEARCH & ADMINISTRATION CHIEF

20 JARZOMBK: Upon the Committee's approval, we'll  
21 incorporate the approved changes into the rate development  
22 process and lay out the necessary implementation  
23 activities. We will communicate the plan expansions and  
24 benefit design changes to members in advance of and during  
25 open enrollment next year. We will present the 2025

1 health premiums to the Board for final approval next July  
2 with discussions about the initial and preliminary rates  
3 in the months leading up to that.

4 This concludes our presentation and we're happy  
5 to take any questions.

6 CHAIRPERSON RUBALCAVA: Thank you, Rob. We do  
7 have questions from Mr. Pacheco.

8 VICE CHAIRPERSON PACHECO: Yes. Thank you, Dr.  
9 Logan, and thank you, Rob, for your comments here. I want  
10 to just, first of all, congratulate the team on this.  
11 This is a lot of hard work. I really appreciated that  
12 from what I can tell we are actually taking care of our  
13 folks in the more rural areas, which is really awesome,  
14 because in -- you know, from what I know, it's pretty --  
15 it's pretty incredible. It's an incredible part of our  
16 state. And I also want to appreciate the fact that you  
17 moving into Salinas, and Watsonville, and bringing in  
18 Kaiser, that is also great.

19 I'm from that area. I'm was in born Watsonville.  
20 So I can tell you I was born in Watsonville Hospital, and  
21 the only hospital in town. So now people can have, you  
22 know, other options, and I think that's great. So I  
23 wanted to do that.

24 I also wanted to just say about the doula  
25 benefits, I think that's wonderful providing that -- that

1 emotional support for the mothers or to be mothers, and  
2 also for the travel benefits. So I just wanted to make  
3 those comments and appreciate that. And that's it.

4 Thank you.

5 CHAIRPERSON RUBALCAVA: Thank you, Vice Chair  
6 Pacheco. Before I call for a motion on the approvals,  
7 we'll have public comment. Susanne Paradis, please.

8 Susanne.

9 SUSANNE PARADIS: Hi. My name is Susanne Paradis  
10 and I'm the District Director for California State  
11 Retirees. My area includes Santa Cruz, Monterey, and San  
12 Benito counties. These are rural areas, as Mr. Pacheco  
13 just mentioned. Right now, we have two ongoing situations  
14 that impact our health care there. In San Benito County,  
15 Haze Hawkins, which is the only hospital in that county is  
16 now going through some kind of bankruptcy discussions.  
17 And I haven't seen anything that says anybody is coming  
18 into save them yet and that's a concern. And then we've  
19 had the ongoing issue at Salinas Valley Medical Center in  
20 Salinas, which is their -- they've been without a contract  
21 since August. They continue negotiations, but I did  
22 notice in the paper the other day it was mentioned that  
23 the CEO is now leaving and now they have an interim CEO.

24 So that, to me, kind of shows that there is more  
25 going on there than just trying to resolve this

1 outstanding contract issue, which fortunately for many of  
2 our members does not affect Medi-Cal -- Medicare  
3 Advantage, but it does affect working families, and, you  
4 know, those -- the retirees up to age 65. So it is  
5 heartening to hear that Kaiser is moving into northern  
6 Monterey County. And to my understanding, that doesn't  
7 include Medicare Advantage for the first year, but they  
8 may try in 2026 to extend it to Medicare Advantage. So  
9 I'm -- you know, that really doesn't help our folks who  
10 live in Soledad. And because they're not included in even  
11 the first wave of Kaiser moving into Monterey County, so  
12 they -- you know that puts them out even years more.

13           So I'm hoping that something can be done to  
14 expand and protect our health care benefits, specifically  
15 in Southern Monterey and San Benito counties.

16           Thank you.

17           CHAIRPERSON RUBALCAVA: Thank you for your  
18 comments. The Committee shares -- appreciates your  
19 comments and we share your concerns.

20           SUSANNE PARADIS: Thank you.

21           CHAIRPERSON RUBALCAVA: Okay. Now is the time  
22 to -- these are some very robust recommendations we have.  
23 So I'll undertake a motion --

24           COMMITTEE MEMBER MILLER: Move approval.

25           COMMITTEE MEMBER PALKKI: (Hand raised).

1 CHAIRPERSON RUBALCAVA: -- by Mr. Miller to  
2 approve the plan -- the new plans -- the plan expansions  
3 and the new benefit changes.

4 VICE CHAIRPERSON PACHECO: I'll second.

5 CHAIRPERSON RUBALCAVA: And second Vice Chair  
6 Pacheco.

7 Can we have a call -- roll call vote, please?

8 BOARD CLERK TRAN: Jose Luis Pacheco?

9 VICE CHAIRPERSON PACHECO: Yes.

10 BOARD CLERK TRAN: Regina Evans?

11 David Miller?

12 COMMITTEE MEMBER MILLER: Aye.

13 BOARD CLERK TRAN: Eraina Ortega?

14 COMMITTEE MEMBER ORTEGA: Aye.

15 BOARD CLERK TRAN: Kevin Palkki?

16 COMMITTEE MEMBER PALKKI: Aye.

17 BOARD CLERK TRAN: Theresa Taylor?

18 COMMITTEE MEMBER TAYLOR: Aye.

19 BOARD CLERK TRAN: Yvonne Walker?

20 COMMITTEE MEMBER WALKER: Aye.

21 BOARD CLERK TRAN: Mullissa Willette?

22 COMMITTEE MEMBER WILLETTE: Yes.

23 CHAIRPERSON RUBALCAVA: Thank you, everybody. I  
24 do want to thank the staff for all the work they've done  
25 preparing for the plan year 2020 -- for the plan year

1 2025. And I also, like the Vice Chair Pacheco, I'm very  
2 happy that we were able to move these low cost and quality  
3 networks into Northern California. They will also have to  
4 changes to Southern California. So I am very pleased that  
5 Health Net Salud y Más was able to move into Imperial  
6 County. So that -- having that low cost program for  
7 another rural county is very helpful. So thank you very  
8 much. Very proud of this work.

9 Now, we move on to -- where are we? Information  
10 Agenda Item 6a, Mr. Don Moulds.

11 (Thereupon a slide presentation).

12 CHIEF HEALTH DIRECTOR MOULDS: And I'm going to  
13 turn it over to Jared Shinabery.

14 CHAIRPERSON RUBALCAVA: Jared.

15 CHIEF HEALTH DATA STRATEGY OFFICER SHINABERY:

16 Good afternoon, President Taylor and members of  
17 the Board. I'm Jared -- sorry?

18 CHAIRPERSON RUBALCAVA: That's all right. It's  
19 okay. Go ahead. Please continue.

20 CHIEF HEALTH DATA STRATEGY OFFICER SHINABERY:

21 I'm Jared Shinabery, CalPERS team member. So  
22 today, I'm excited to share our vision for the Health  
23 Policy Forum in 2024. It's a new initiative that Don has  
24 previewed in prior Board meetings. So the Health Policy  
25 Forum serves as a vehicle for CalPERS to get input from

1 and engage external experts to better understand the  
2 critical health care delivery are issues relating to  
3 critical health care delivery payment and services facing  
4 CalPERS and health care more broadly now in the future.

5         So today, we routinely seek insights from  
6 external experts on a case-by-case basis. For instance,  
7 we recently engaged with over 20 experts for input on our  
8 PPO solicitation. The Health Policy Forum is distinct in  
9 that it represents a structured formalized approach for  
10 engaging external experts, not on immediate needs, but on  
11 emerging health care issues and their potential  
12 implications for CalPERS and our members.

13         The goal is to ensure that our health policy  
14 decisions are both strategic and forward looking. And we  
15 achieve that by being proactive and agile in our ability  
16 to anticipate and respond to challenges while staying at  
17 the forefront of industry developments.

18         So the Health Policy Forum will be a quarterly  
19 meeting conducted virtually. This virtual format enables  
20 us to engage experts nationally while being cost  
21 effective. The first meeting will occur in quarter one of  
22 2024 with sessions lasting approximately 90 to 120  
23 minutes, varying based on the topic and number of  
24 speakers. To foster open discussion and engagement,  
25 sessions will not be recorded, but comprehensive summaries

1 will be shared with the Board and stakeholders.

2           The Health Policy Alignment and Strategic Support  
3 team will facilitate these forums, which includes  
4 coordinating the meetings, securing the keynote speakers,  
5 providing relevant background to attendees beforehand and  
6 summarizing key learnings and next steps after each  
7 session.

8           Each forum will feature one to three subject  
9 matter experts who will provide remarks on the selected  
10 topic, with the majority of time dedicated to open  
11 discussions. To ensure a focused meaningful dialogue, our  
12 team will align the topic with CalPERS strategic plan,  
13 frame the issue by presenting a CalPERS specific problem  
14 statement, provide relevant CalPERS statistics, and  
15 ultimately guide the conversations toward actionable  
16 insights.

17           Our forum attendees will include health senior  
18 leadership, assistant division chiefs, health subject  
19 matter expert from within the enterprise, and up to two  
20 Pension and Health Benefits Committee Board members chosen  
21 by President Taylor. The team will distribute information  
22 to attendees a week before each meeting, including details  
23 shared with the speaker and a brief article on the chosen  
24 topic.

25           As we prepare to launch this initiative, we're

1 seeking input from Board members on our initial focus  
2 areas. Our team discussed a number of topics that we  
3 think would be worthwhile to cover at some point, but  
4 there are three that we thought were particularly  
5 important and we are proposing to do these first. So the  
6 first one being pharmacy, which is, of course, one of our  
7 largest cost drivers. We spend over \$2 billion per year  
8 on pharmacy alone. The industry is notoriously opaque  
9 with many middlemen between the manufacturer and the  
10 consumer, which makes it more challenging for purchasers  
11 like CalPERS to address the root of the issue to  
12 negotiate -- and to negotiate effectively.

13 In addition, specialty pharmacy drugs are a  
14 rapidly growing share of our total drug expenditure. They  
15 are typically used to treat chronic, serious, or  
16 life-threatening conditions and they can cost many  
17 thousands per month, and there simply aren't enough low  
18 cost generics and biosimilars. So there's really a lot of  
19 different topics we could explore in the pharmacy arena  
20 and we would love to do that.

21 The next topic for consideration is artificial  
22 intelligence adoption in health care. So AI is a rapidly  
23 evolving area and we would like to devote more time to  
24 understanding the benefits, risks, and implications for  
25 CalPERS and our members. We know that our health carriers

1 and network health systems are actively working to take  
2 full advantage of AI. And we need to do, you know, what  
3 we can to get out in front of it, ensure it works in favor  
4 of CalPERS, and to the benefit of our members.

5           And our third proposed topic is assuring members  
6 get the highest quality and best value care possible. So  
7 this, of course, has been an ongoing focus for CalPERS  
8 with our application of reference based pricing and  
9 Centers of Excellence to name a couple. So we would like  
10 to continue to push the envelope and explore how we can  
11 advance our existing strategies and implement some new  
12 innovative strategies. For instance, navigation and  
13 support to help guide our members to the best possible  
14 conditions.

15           We have identified a number of additional topics  
16 that we think would be worthy at future forums, such as  
17 promotion of alternative payment models, fostering  
18 prevention, via incentivizing healthy choices, additional  
19 opportunities for alignment with other purchasers, and  
20 health equity.

21           So thank you for time. If you have comments or  
22 suggestions regarding these forum meetings or topics, we  
23 would love to hear them.

24           CHAIRPERSON RUBALCAVA: Thank you. We do have  
25 some comments from the Committee. We'll start with

1 President Taylor.

2 COMMITTEE MEMBER TAYLOR: Hi. Thank you, Jared.  
3 Sorry about that. So I'm -- I was looking at this when I  
4 was reading the Board books. And so this is us by  
5 ourselves. And I was wondering -- I know that we  
6 communicate often with Covered Cal and Medi-Cal. Have we  
7 thought about including them in this or is it just for us?

8 CHIEF HEALTH DATA STRATEGY OFFICER SHINABERY: I  
9 think we contemplated it being just for us, but I  
10 absolutely think that they could actually be probably  
11 speakers in the Forum itself.

12 COMMITTEE MEMBER TAYLOR: Okay.

13 CHIEF HEALTH DATA STRATEGY OFFICER SHINABERY: If  
14 not, you know, just participants.

15 CHIEF HEALTH DIRECTOR MOULDS: Yeah, I  
16 actually -- I think that's a terrific idea. We've -- the  
17 more we do with them, the more we come to the conclusion  
18 that we should be doing even more with them, particularly  
19 Covered and DHCS. There are topics that will be front and  
20 center for them and topics that aren't. Covered farms out  
21 the entirety of their pharmacy benefit to their insurance  
22 company, so they don't spend a lot of time over there  
23 thinking about new strategies on pharmacy, for example.  
24 So maybe not there, but certainly in other places I think  
25 that's a -- that's a great idea. And one of the things

1 that we're going to want to cue up in a future is -- as  
2 Jared alluded to, is new opportunities for collaboration.  
3 Certainly, that's good, but they have both the expertise  
4 and there's just a lot of synergy there. So thank you for  
5 that.

6 COMMITTEE MEMBER TAYLOR: Okay. Yeah. I --  
7 something that I think is really important, because I  
8 think as a purchasing power, us and Covered bare minimum,  
9 right?

10 CHIEF HEALTH DIRECTOR MOULDS: Very powerful.  
11 And when you add DHCS, it's particularly formidable.  
12 Yeah.

13 COMMITTEE MEMBER TAYLOR: Yeah. So I think  
14 that's really important. This is a great idea and I  
15 really appreciate this. Thank you.

16 CHAIRPERSON RUBALCAVA: Thank you, Ms. Taylor.  
17 Trustee Willette.

18 COMMITTEE MEMBER WILLETTE: Thank you so much. I  
19 also echo President Taylor's comment that this is a great  
20 idea and to be more inclusive and collaborative the  
21 better. You asked for a topic idea. And, of course, I  
22 had -- I would love to see a topic of understanding  
23 addressing racial disparities in health care. What's  
24 contributed to racial -- what continues to contribute to  
25 racial disparities, the history of, and, you know,

1 potentially health care disparities in the context of  
2 broader inequality, if that would be a possible topic.

3 CHIEF HEALTH DATA STRATEGY OFFICER SHINABERY:

4 Yeah, absolutely and totally agree. It's a  
5 really important area and we certainly can consider that  
6 and add that to the future agenda.

7 COMMITTEE MEMBER WILLETTE: Thank you.

8 CHAIRPERSON RUBALCAVA: Thank you.

9 Mr. Pacheco, next, please.

10 VICE CHAIRPERSON PACHECO: Yes. Thank you,  
11 Chair, for your report here. I just wanted to ask, have  
12 you decided which one will be the first one or are --

13 CHIEF HEALTH DATA STRATEGY OFFICER SHINABERY:

14 It's not decided, but, you know, we were leaning  
15 towards pharmacies as our initial focus. Really, the  
16 first three on the left there of the slide is really what  
17 we were thinking of our sort of initial focus areas.

18 VICE CHAIRPERSON PACHECO: And then you also  
19 mentioned subject matter experts. Can you elaborate on  
20 who there may be or what experts you're -- are you looking  
21 into?

22 CHIEF HEALTH DATA STRATEGY OFFICER SHINABERY:

23 Yeah. So we're not limiting ourself here. So we  
24 were thinking, you know, it could be people -- it could be  
25 academics. It could be people in health policy think

1 tanks. It could be folks from other large purchasers, so  
2 we can explore sort of, you know, what strategies that  
3 they have deployed and their lessons learned and so on.  
4 It could be other agencies, you know, like Covered  
5 California. We're really not limiting ourselves, so --  
6 because it depends on the topic.

7 VICE CHAIRPERSON PACHECO: So a diversity of  
8 academics --

9 CHIEF HEALTH DATA STRATEGY OFFICER SHINABERY:  
10 Absolutely.

11 VICE CHAIRPERSON PACHECO: -- and subject matter  
12 experts around the country and so forth to come together  
13 in this forum to provide best practices and so forth.

14 CHIEF HEALTH DATA STRATEGY OFFICER SHINABERY:  
15 Yeah, precisely.

16 CHIEF HEALTH DIRECTOR MOULDS: I'll just -- I'll  
17 add that, you know, we are going to be exploring the  
18 possibility of foundation, participation, support for  
19 discrete targeted research projects potentially that flow  
20 from some of this content and for the convening. Part of  
21 the purpose of the virtual aspect that Jared alluded to is  
22 that it's a lot easier to get the best people in the  
23 country when you don't make them fly across the country to  
24 have a two-hour conversation. So we're trying to do that  
25 as inexpensively as possible, but we do think that there

1 will be research opportunities to really probe on ideas  
2 that we want to pursue and we'll be reaching out to  
3 foundations for potential support on some of those  
4 projects that have really a broader value, not just to us  
5 but to other purchasers.

6 VICE CHAIRPERSON PACHECO: Oh, wonderful. And I  
7 just want to make a comment that on number three, I do  
8 appreciate the navigation support. I think that's an area  
9 of interest and I think that will again be another --  
10 hopefully something that will enhance the care for our  
11 members in the long run. Thank you.

12 CHAIRPERSON RUBALCAVA: Thank you.

13 Mr. Miller, please.

14 COMMITTEE MEMBER MILLER: Yeah. Thank you.  
15 Really appreciate all the information. And maybe on --  
16 beyond the scope of what you're envisioning for this  
17 Health Policy Forum, but some of the things I've really  
18 observed over many years, but this -- there's some big  
19 shifts in kind of the business models and the  
20 opportunities out there in this whole field. And some of  
21 the things that I think are interesting and have long  
22 thought potentially are food for thought for us both on --  
23 with our health care hats on, but also with our investment  
24 hats on is, you know, for example, the blinking out of  
25 community hospitals and the mad scramble of systems to

1 fill that gap primarily with community-based outpatient  
2 clinic models, as well as, you know, the buying up some of  
3 these facilities and kind of revamping them and bringing  
4 them back online. We'll see more and more private equity  
5 money chasing some of those opportunities,  
6 regionalization, things are happening different -- in  
7 different parts of the country.

8 I think -- I just look at the Central Valley here  
9 and see the success of Adventist with their approach to  
10 community-based outpatient clinics. And so whether  
11 they're really -- where is that all going and are there  
12 opportunities for us in the future with strategic partners  
13 in some of our longer term investing approaches to be  
14 aware of some of those changes. There's similar things  
15 going on in the long-term care industry, which is a huge  
16 and burgeoning need strategically that the industry is  
17 just kind of floundering around finding it's way. But I  
18 think there will be tremendous opportunities there as  
19 well.

20 And we need to, you know, I think keep abreast of  
21 both to be able to continue to provide the kind of quality  
22 care and access to care for our members, but also to, you  
23 know, be part of that change and recognize where there's  
24 opportunities for us to advance that change in the right  
25 direction and potentially benefit from it on behalf of our

1 members.

2 CHAIRPERSON RUBALCAVA: Thank you Trustee Miller.  
3 Some very interesting discussion points.

4 Kevin, please.

5 COMMITTEE MEMBER PALKKI: Thank you. I really  
6 like the topics already listed here and without  
7 reiterating what my colleagues have already said, in an  
8 era of instant access and social media, there's a lot of  
9 misinformation out there. And so I would encourage us to  
10 find the best of the best in providing this information to  
11 our members, because we want to make sure we have the  
12 professionals giving us that expertise. So thanks.

13 CHIEF HEALTH DATA STRATEGY OFFICER SHINABERY:  
14 Yep, that's a great idea.

15 CHAIRPERSON RUBALCAVA: Thank you. I don't see  
16 any more comments from -- or questions from our colleagues  
17 here. So we'll move on to Summary of Committee direction.

18 CHIEF HEALTH DIRECTOR MOULDS: Thanks, Jared.

19 DEPUTY EXECUTIVE OFFICER MALM: I took down just  
20 one item and that was to provide the Board with  
21 instruction on our website for retirees to call and get  
22 their warrant information.

23 CHAIRPERSON RUBALCAVA: And receive our -- the --  
24 yeah.

25 DEPUTY EXECUTIVE OFFICER MALM: Yeah. And

1 there's actually -- I pulled it up on my phone very  
2 quickly, if you go to the website and you click on  
3 retirees, it's the top one that comes up. And it says,  
4 "With One Simple Call," and it talks about how to do it  
5 via phone and also the upcoming link. So we'll make sure  
6 to get that website linked to you guys.

7 CHAIRPERSON RUBALCAVA: Thank you, Ms. Malm.

8 CHIEF HEALTH DIRECTOR MOULDS: And I'm not sure  
9 whether these are committee direction or just good ideas  
10 that we think are good ideas, but the first one I have is  
11 adding our other public purchase partners, Covered  
12 California and DHCS, to the Policy Forum -- Policy Forum  
13 where appropriate. Second is adding a future Policy Forum  
14 to address the issue of racial disparities. And then the  
15 third one is potential a future Policy Forum on health  
16 misinformation and consolidation. And just, I will add  
17 that that has always been one of our most important topics  
18 that we launched a bunch of initiatives that are still  
19 underway, which is why we didn't put it on the front  
20 burner, but I think putting it back on the front burner  
21 periodically is an excellent suggestion. So we'll add  
22 that to the list. Thank you.

23 CHAIRPERSON RUBALCAVA: Yeah. Please do take  
24 them as Committee direction, Mr. Moulds.

25 CHIEF HEALTH DIRECTOR MOULDS: Right. Happy too.

1 Thank you.

2 CHAIRPERSON RUBALCAVA: This Public Policy Forum  
3 promises to be very exciting for us.

4 Now, we'll go to public comment. We have --  
5 we'll start with Mr. Behrens. Oh, sorry. I apologize.  
6 Trustee Ruffino -- Frank Ruffino for Fiona Ma.

7 ACTING BOARD MEMBER RUFFINO: Thank you, Mr.  
8 Chair. I'd like to rise for a point of personal  
9 privilege, if I may, Mr. Chair?

10 CHAIRPERSON RUBALCAVA: Please.

11 ACTING BOARD MEMBER RUFFINO: Thank you, Mr.  
12 Chair. And good morning, Madam CEO, Mr. Moulds, Ms. Malm.  
13 We don't hesitate to complain when something doesn't go  
14 well. You know that very well. And we should not  
15 hesitate to commend when something is done right. And so  
16 the Treasurer's office would like to take this opportunity  
17 this morning and wants to recognize the outstanding work  
18 of Timothy Nichols, Luis Lemus -- I apologize if I  
19 butchered your name Luis, and Trevor Turner in assisting  
20 one of our constituents through a very, believe me, very  
21 complicated health care enrollment.

22 Mr. Nichols, in particular, did an outstanding  
23 job in navigating our office through this process, so  
24 thank you to the whole team and thank you, Mr. Chair, for  
25 the opportunity.

1 CHAIRPERSON RUBALCAVA: No. Good to hear it.

2 Thank you.

3 Okay. Now, we will proceed with public comment.  
4 Tim Behrens and then Al Darby.

5 TIM BEHRENS: Good morning again, Chairman  
6 Rubalcava, members of the Committee. I was happy last  
7 week at the stakeholders committee when we heard that ACO  
8 REACH is going to be actually on the agenda for the  
9 January Board meeting at long last. Thank you for putting  
10 that on there whoever did.

11 We urge the Board to support the California  
12 Legislature who sent a request to President Biden to stop  
13 this pilot program for Medicare, privatizing Medicare.  
14 Yesterday, we heard from union members, we kind of heard  
15 about the darkside of private equity. We heard from union  
16 members how they were treated by private equity firms,  
17 including the retirees and how they were treated in  
18 housing that was owned by private equity firms and getting  
19 their rate -- monthly rates raised by 200 to 300 dollars a  
20 month.

21 These same private equity groups are buying into  
22 ACO REACH as providers of Medicare. They're being  
23 promised 30 percent profit. And it doesn't take a wise  
24 person to figure out that if you're going to give somebody  
25 30 percent profit, the great service that we are used to

1 getting from the government for Medicare is going to be  
2 reduced. And in some cases, some of this darkside things  
3 that happened to these union members are going to probably  
4 happen to us retirees too.

5           We tried to contact the companies that we --  
6 names we were given, the private equity companies, that  
7 are in this pilot program. We got two responses. One,  
8 they didn't answer the phone. Two, they didn't know  
9 anything about the questions we asked about Medicare. So  
10 much for vetting private equity companies, because we sat  
11 here and listened to a conversation a year ago with two  
12 people from Washington D.C. and a Professor from  
13 California debating the ACO REACH program. And we were  
14 told by both these young ladies not to be worried, that  
15 all these companies buying into this pilot program were  
16 going to be well vetted, and you will be well protected as  
17 Medicare recipients. I'm not so sure about that.

18           So again, I'm hoping that the Board in January  
19 will consider supporting the California legislation and  
20 the message sent to President Biden to stop the ACO REACH  
21 program privatizing Medicare.

22           Thank you.

23           CHAIRPERSON RUBALCAVA: Thank you.

24           Al Darby.

25           AL DARBY: Mr. Chair, Committee members, Al Darby

1 speaking as an individual CalPERS member. I support the  
2 CSR proposal to move administration of the dental plan  
3 from CalHR to CalPERS for active and retirees of CalPERS.  
4 Due to the Delta Dental plan remaining almost static for  
5 40 years, a very serious review of the plan is dictated  
6 because of the apparent unrecognized need for updating and  
7 benefits, and the structure of payment to dentists as  
8 well. The other thing you might want to consider is  
9 moving the VSP plan over here as well. That way you put  
10 everything under one roof. Could be eliminating some  
11 duplicative effort.

12 Thank you.

13 CHAIRPERSON RUBALCAVA: Thank you.

14 Elnora, please.

15 ELNORA FRETWELL: Elnora Hunter-Fretwell with the  
16 State Retirees. I'm going to take a little thing out what  
17 Frank said, when something is done good, you should say  
18 something about that. So I want to talk about the  
19 warrants. I go to all the chapter meetings. When I go, I  
20 tell them about the warrants the new thing that we have  
21 now to check your phone. And I tell them it's one, one,  
22 three. And I tell them how awesome it is that we can do  
23 that, how you all worked on it, how we have asked, and  
24 asked, and asked, and you'll you have did progress. So  
25 It's good. So right now we have three ways. And pretty

1 soon in January, we'll have four ways. So I explained to  
2 them now that when you go to your phone, it's better than  
3 getting it in the mail, because you can stay in your bed,  
4 you can call. You can look at it. You can call. You  
5 don't have to out to the mail box no more. You can check  
6 it three, four, five times.

7           So I want you to know I do -- when something is  
8 done good with the Board, I do go out there. I do support  
9 you. I do say what's what. And some people listen say  
10 right, I say right. Just sitting in bed. You don't have  
11 to get up, put no clothes on, check you -- what's on  
12 there, see what's what as many times as you want to,  
13 otherwise you had to wait in the mail, had to wait for the  
14 mailman then deliver it or anything like that. So I told  
15 them that, but also told them that even the ones that was  
16 eight, that was getting it through the mail. Some of them  
17 said they got theirs already. So that was a plus. And I  
18 told them that in January, we'll have something that's  
19 pushed to our phone, if I'm not mistaken, and we can look  
20 at it.

21           So I told them all the progress that you have  
22 done and we got like five different ways and hopefully  
23 that will meet some our members -- you know, what they can  
24 do different. They can still call in for a warrant if  
25 they want it to be mailed to them and they can still check

1 online. So I want to say thank you for that. Appreciate  
2 you.

3 CHAIRPERSON RUBALCAVA: And thank you for your  
4 public comment.

5 That adjourns today's Committee -- meeting of the  
6 Pension and Health Benefits Committee.

7 I think we need a break for the court reporter  
8 and then we'll resume with the Risk and Audit Committee.

9 All right. Thank you, everybody.

10 (Thereupon California Public Employees'  
11 Retirement System, Pension and Health Benefits  
12 Committee open session meeting adjourned  
13 at 11:15 a.m.)

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CERTIFICATE OF REPORTER

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 27h day of November, 2023.



JAMES F. PETERS, CSR  
Certified Shorthand Reporter  
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