

## **California Public Employees' Retirement System**

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

**March 18, 2025**

The Pension & Health Benefits Committee (PHBC) met in Open Session on Tuesday, March 18, 2025, in the Lincoln Plaza North Building, 400 Q Street, Sacramento, California.

The meeting was called to order at 9:01 a.m. with the following members present:

Ramón Rubalcava, Chair  
Kevin Palkki, Vice Chair  
Malia Cohen, also represented by Deborah Gallegos  
David Miller  
Eraina Ortega  
Jose Luis Pacheco  
Theresa Taylor  
Yvonne Walker  
Mullissa Willette

Other Board Members Present:

Michael Detoy  
Frank Ruffino for Fiona Ma

#### **Agenda Item 2a – Election of the PHBC Chair and Vice Chair**

On **MOTION** by Kevin Palkki and **SECONDED** and **CARRIED**, the Committee elected Ramon Rubalcava as Chair of the PHBC.

On **MOTION** by Jose Luis Pacheco and **SECONDED** and **CARRIED**, the Committee elected Kevin Palkki as the Vice Chair of the PHBC.

At 9:04 a.m. the Committee recessed into Closed Session. The Committee reconvened into Open Session at 11:09 a.m.

#### **Agenda Item 3 – Executive Report(s)**

Kim Malm, Deputy Executive Officer, Customer Services and Support (CSS) shared updates on the Benefits Verification and Death Verification Projects, overpayments, and the upcoming CBEEs.

Don Moulds, Chief Health Director, Health Policy & Benefits Branch (HPBB) gave updates on the latest and next Health Policy Roundtables, the first Joint Clinical Leaders Retreat in partnership with Covered California, and this year's open enrollment dates.

#### **Agenda Item 4 – Action Consent Items**

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

- 4a. Approval of the November 19, 2024, PHBC Meeting Minutes
- 4b. Approval of the March 18, 2025, PHBC Meeting Timed Agenda

### **Agenda Item 5 – Information Consent Items**

The Committee accepted the following Information Consent Items:

- 5a. Annual Calendar Review
- 5b. Draft Agenda for the May 19, 2025, PHBC Meeting

### **Agenda Item 6a – Health Benefits Program Proposals for 2026**

Rob Jarzombek, Chief, Health Plan Research & Administration (HPRA), and Julia Logan, Chief Clinical Director, Clinical Policy and Programs Division (CPPD), provided an update on the Health Benefits Program proposed modifications to the Value-Based Insurance Design (VBID) program in the PERS Gold Basic Plan for the 2026 plan year, as well as impacts of adding an additional Basic PPO plan for members residing outside of California.

On **MOTION** by Jose Luis Pacheco and **SECONDED** and **CARRIED**, the Committee voted to approve modifications to the 2026 Value-Based Insurance Design program in the PERS Gold Basic Plan, and not add an out-of-state PERS Gold Plan at this time.

The following people spoke on this item:

Matthew Leimann  
Mary McClean  
Jacqueline Mayo-Beene  
Delonne Johnson  
Carrie Duty  
Candace Steinbeck  
David Aguinaldo  
Yuderkis Espinal-Sanchez  
Johnathan Rudnick  
Tenille Hardy  
Terra Jones  
Shelley Owasnoye  
Newton Kasonso  
Steve Nelson  
Dennis Bartsch  
Elizabeth Edwards  
Alba Sanchez  
Sterlen Johnson  
Johanna Martinez  
Fred Simpsons  
Braden Grams  
Oswaldo Osorio  
Nicole Casey  
Megan Knapp  
Danayou Milton  
Visente Lopez  
Leila Kosut  
Shannon Lynch

Anica Alls  
Jackie Kopala  
Joseph Carbone  
Kathy Jamal  
Wen Zheng  
Soren Kishan  
Brianna Johnson  
Vanessa Clark

At 1:37 p.m. the Committee recessed for lunch. The Committee reconvened into Open Session at 2:18 p.m.

#### **Agenda Item 7a – Health Open Enrollment Results**

Mr. Jarzombek, Chief, HPRA, shared CalPERS member migration reports between health plans during the 2024 Health Benefits Program Open Enrollment period. In total, 60,928 or 3.9% of CalPERS' members elected to change health plans during Open Enrollment.

The following person spoke on this item:  
J.J. Jelincic

#### **Agenda Item 7b – Preferred Provider Organization Transition Update**

Mr. Jarzombek, Chief, HPRA, provided the PHBC with an update on the PPO transition to a new Third-Party Administrator (TPA), Blue Shield of California, and CalPERS' first population health management vendor, Included Health, effective January 1, 2025.

#### **Agenda Item 7c – Retiree Cost-of-Living Adjustment 2025**

Kimberlee Pulido, Division Chief, Retirement Benefit Services Division (RBSD), provided the annual rate of inflation as measured by the percentage change in the CPI-U was 4.12%. The impact of the 4.12% inflation for the Cost-of-Living-Adjustment (COLA) is reflected in provided charts by COLA provision and year of retirement.

#### **Agenda Item 7d – Summary of Committee Direction**

Mr. Moulds provided a summary of the Committee direction from the March 19, 2025, meeting. The Committee directed staff as follows:

- Continue looking for more affordable out-of-state options including but not limited to changes in statute and continued conversations with CalHR and report back to the Board in June.
- Report back at the June board meeting or when appropriate with clinical quality metrics for PPO members who transitioned to Blue Shield and Included Health.

#### **Agenda Item 7e – Public Comment**

The Committee received Public Comment regarding risk adjustment.

The meeting was adjourned at 2:55 p.m.

The next meeting of the PHBC is scheduled for May 19, 2025, in Sacramento, California.

Prepared by: Jenna Hayes  
Committee Secretary

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Don Moulds  
Chief Health Director  
Health Policy & Benefits Branch