

# California Public Employees' Retirement System

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

September 17, 2024

The Pension & Health Benefits Committee (PHBC) met in Open Session on Tuesday, September 17, 2024, in the Lincoln Plaza North Building, 400 Q Street, Sacramento, California.

The meeting was called to order at 8:31 a.m. with the following members present:

Ramón Rubalcava, Chair  
Kevin Palkki, Vice Chair  
Deborah Gallegos for Malia Cohen (Remote)  
David Miller  
Nicole Griffith for Eraina Ortega  
Jose Luis Pacheco  
Theresa Taylor  
Yvonne Walker  
Mullissa Willette

Other Board Members Present:

Frank Ruffino for Fiona Ma  
Lisa Middleton (Remote)

### **Agenda Item 6a – Health Plan Spotlight: Blue Shield and Included Health**

Don Moulds, Chief Health Director, Health Policy & Benefits Branch (HPBB) provided a spotlight on Blue Shield of California and Included Health. Currently, Blue Shield administers two HMO products (Access+ and Trio) on behalf of California Public Employees' Retirement System (CalPERS). Starting in 2025, Blue Shield will administer two CalPERS Medicare Supplemental products, and Blue Shield and Included Health will administer two CalPERS Basic PPO plans. Representing Blue Shield was Paul Markovich, Chief Executive Officer and Lois Quam, President. Representing Included Health was Owen Tripp, Co-Founder and Chief Executive Officer and Dr. Ami Parekh, Chief Health Officer. Their presentations provided an overview of the plans and their key strategies, along with a discussion of how they align with our strategic goals.

At 10:58 a.m. the Committee recessed into Closed Session. The Committee reconvened into Open Session at 11:30 a.m.

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

Kim Malm, Deputy Executive Officer, Customer Services and Support (CSS) shared updates on the Benefits Verification and Death Verification Projects, the July CBEE in Sacramento, and utilization of new CalPERS tools. Ms. Malm also wished Don Martinez, Division Chief of Member Account Management Division, the best on his retirement.

Dr. Moulds provided updates regarding a recent successful trip to Washington DC to meet with Biden Administration and Congressional officials, an update on implementation of the new PPO with Blue Shield and Included Health, a productive trip to Monterey with California's Health Care Affordability Board, and an open enrollment reminder.

### **Agenda Item 3 – Action Consent Items**

On **MOTION** by Kevin Palkki and **SECONDED** and **CARRIED**, the Committee voted to accept the following Action Consent Items:

3a. Approval of the June 11, 2024, PHBC Meeting Minutes

On **MOTION** by David Miller and **SECONDED** and **CARRIED**, the Committee voted to accept the following Action Consent Items:

3b. Approval of the September 17, 2024, 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 November 19, 2024, PHBC Meeting

The following people spoke on this item:

Tim Behrens

Susanne Paradis, CSR

At this time, the Open Session recessed for a lunch break. Open Session reconvened at 12:46 p.m.

### **Agenda Item 5a – Long Term Care Program Rates**

Dr. Moulds provided a follow-up on the informational item provided to the PHBC on Prospective Long-Term Care Program Rates in June 11, 2024. This recommendation is provided within the context of promoting the Program objectives of stability and sustainability.

On **MOTION** by Theresa Taylor and **SECONDED** and **CARRIED**, the Committee voted to approve the implementation of two annual 10% rate increases for the California Public Employees' Retirement System (CalPERS) Long-Term Care (LTC Program), excluding Partnership plans. The first-rate increase would be effective in January 2025 and the second would be effective approximately one year later in 2026.

The Committee approved the implementation of three annual 6.7% rate increases for LTC Program Partnership plans beginning in 2025.

The following people spoke on this item:

Jerry Fountain

Tim Behrens, CSR

Marguerite Brown, LTC Policy Holder

### **Agenda Item 6b – Pharmacy Benefits Overview and Inflation Reduction Act (IRA) Update**

Julia Logan, Chief Clinical Director, Clinical Policy and Programs Division (CPPD), described the current pharmacy benefits landscape and provided updates on the IRA and impacts to

CalPERS, proposed federal and state legislation impacting the pharmacy market, and information on CalPERS current pharmacy benefit.

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

Dr. Moulds provided a summary of the Committee direction from the September 17, 2024, meeting. The Committee directed staff as follows:

- Upload Federal Trade Commission Report on Pharmacy Benefit Managers to the Board's shared resources.
- Make sure to have robust member communication on the Long-Term Care rate increases including policy holder buy-down options.
- Provide an update on the Aged Assured Long-Term Care program at a future Board meeting.

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

The Committee received Public Comment regarding Long-Term Care increases, Kaiser Senior Advantage for Monterey competition, stakeholder appreciation, and clarification of terminology on the CalPERS website related to provider in-network status.

The meeting was adjourned at 2:02 p.m.

The next meeting of the PHBC is scheduled for November 19, 2024, in Sacramento, California.

Prepared by: Jenna Hayes  
Committee Secretary

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Don Moulds  
Chief Health Director  
Health Policy & Benefits Branch