

Proposed Minutes	Public Education Health Benefits Task Force	Friday, December 8, 2006
LOCATION: Truckee River Conference Room; 7801 Folsom Blvd, 2 nd Floor		

TASK FORCE MEMBERS PRESENT

Betty Soennichsen, CRTA	Beverly Carlson, CTA/NEA retired
Bob Fesler, UESF retired	Carolyn Robinson, Senator Vincent's Office
Cindy Young, CASEA	Dale Tom, CSBA
Dr. David Vaughn, Central Valley Trust	Deborah Harmon, McCallum Group
Dennis Smith, FACCC	Dolores Duran-Flores, CSEA
Ernest Kettenring	Gerry Meister, UESF Retired
Jim Scholtz, CTA	Lee Jernigan
Ken Marzion, CalPERS	Marvin, Talso
Loretta Toggenburger, UTLA	Patrick McCallum, McCallum Group
Pat Miller-Fee	Steve Henderson, CASEA
Steve DePue, CTA retired	
Suzi Rader, CSBA	

BOARD MEMBERS PRESENT

Dana Dillon, Vice Chair
 Jerilyn Harris
 Amy Cameron, representing Superintendent of Public Instruction, Jack O'Connell
 Jim Zerio, representing State Treasurer Phil Angelides

STAFF PRESENT

Ed Derman, DCEO, Plan Design and Communication
 Peggy Plett, DCEO, Benefits and Services
 Jennifer Baker, Director, Governmental Affairs and Program Analysis
 Mike Hardin, Manager of Research and Development
 Gerri Kidson, Planning and Research Analyst
 Steve Cernicky, Planning and Research Analyst
 Carmen Atkins-Wasi, Administrative Assistant

OTHERS PRESENT

Dr. Henry Simmons, President of National Coalition on Health Care

I. WELCOME & REVIEW AGENDA

Ed Derman called to order the regular meeting of the Public Education Health Benefits Task Force at 9:05 a.m. on December 8, 2006 in the Truckee River conference room.

A minor change was made on the agenda moving up the CalPERS Update on GASB and addition of an update on the Statewide Health Benefits study. Also added to the agenda was time at the end of the meeting for open discussion on next steps.

II. APPROVAL OF 2007 CALENDAR AND MINUTES OF September 29, 2006

The 2007 Calendar and minutes were approved with no edits or corrections.

III. CalPERS UPDATE ON GASB ASSISTANCE

Ken Marzion provided an update on GASB Compliance and the current status of the Statewide Health Benefits Study.

CalPERS has initiated efforts to provide assistance to employers, including school employers, participating in their statewide health benefits program, known as PEMCHA. Specifically, participating employers could use actuarial firms under contract with CalPERS to undertake the required valuations of their health benefit programs, using assumptions developed by CalPERS. In addition, employers could pre-fund their health care liabilities, similar to how pension plans are pre-funded, and CalPERS would invest the pre-funding contributions.

CalPERS is working with the administration to address the concerns that could create new healthcare benefit obligations into the future that do not exist today and hopes to get legislation enacted this year.

III. STATEWIDE HEALTH BENEFITS PROVIDER.

Currently, each school employer is responsible for providing health benefits to current employees and retired employees, if applicable. About 120 school district employers participate in the CalPERS health benefits program, but most participate in cooperative plans administered through trusts or joint powers entities.

Over the past several years, there have been efforts made to create a statewide health benefits program that all school employers would participate in, and provide

coverage to retired school employees. The largest obstacle to this is that with 1,400 different school employers making their own decisions about the level of benefits provided, creating a single health benefits program that would appeal to everyone would be very difficult to accomplish.

AB 256 (De La Torre) of 2005 required CalPERS, in consultation with CalSTRS, to examine the feasibility and cost-effectiveness of creating a single statewide health care pool that would cover all public school employees, including retired employees, of school districts, county offices of education and community colleges, if funding to conduct the study could be secured. This study would examine the specific issue that Task Force members identifies as a primary focus of their efforts, and the Task Force agreed that if this study were undertaken, then no additional work on this issue was needed at this time.

CalPERS informed the Task Force that they are having some difficulties with securing the funding needed to undertake the study. It was suggested that appropriate staff of CalSTRS and CalPERS should meet to determine how to address the funding issue. CalSTRS encouraged the Task Force members to share any thoughts they might have that will allow the study to take place.

IV. PRELIMINARY RESULTS OF CalSTRS' HEALTH BENEFITS SURVEY

Steve Cernicky, Research Analyst of Planning and Research, updated the Taskforce of the current status of the 2006 Health Benefits Employer Survey. Final results of the survey will be presented to the Teachers' Retirement Board during the Benefits and Services Committee at the February 2007 meeting.

V. NATIONAL COALITION ON HEALTH CARE PRESENTATION - Dr. HENRY SIMMONS, PRESIDENT

Dr. Henry Simmons, President of the National Coalition on Health Care, a nonpartisan organization whose members include representatives of large and small business, labor, religious organizations, primary care provider groups and large pension funds, including CalSTRS, with a goal of providing more affordable health care for all Americans provided a thorough overview of the health care crisis today and recommended steps for improvement. The health care crisis is comprised of basically three problems (1) rapidly escalating costs, (2) a huge increase in the number of Americans without any health coverage and (3) an epidemic of sub-standard and dangerous care.

Dr. Simmons offered the following thoughts and suggestions for the members of this Task Force to consider as advocates of health care reform.

First, CalSTRS has the credibility and the influence to encourage public authorities and officeholders to support health care reform -- in California and for the nation as a whole.

Second, CalSTRS could work assiduously -- through the CalSTRS website and in other ways -- to educate its own members about the health care crisis, about how it affects their interests, and about the benefits of system-wide reforms. On this, as on the other suggestions that I am advancing here, please know that the Coalition's staff stands ready to provide any background information or other technical assistance that would be helpful.

Third, CalSTRS could communicate its sense of urgency about the need for health care reform to the leaders of companies with which you have financial dealings, including not only firms that you contract with but also, selectively, firms in which CalSTRS has invested.

Fourth, CalSTRS could brief journalists in California on why and how national health care reform would help to free up resources for the betterment of public education and how it would help to promote the physical health, and financial health, of Californians.

Fifth, CalSTRS could work with other members of the Coalition to plan and implement a major media campaign, for which we are now assembling resources, to raise the visibility of health care as an issue and to inform the public and opinion leaders about problems in the health care system and about the recommendations for reform developed by our large alliance of major organizations.

VI. OPEN DISCUSSION

In closing, CalSTRS staff and Task Force members collaborated on what the Task Force should do to address the funding issues to get the health study going.

Ed Derman adjourned the meeting at 12:30 p.m.

Minutes prepared by: Carmen Atkins-Wasi

Minutes approved by: Ed Derman