

## **FINAL STATEMENT OF REASONS**

### **Proposed Amendment to Revise Section 599.518 under Article 1 of Subchapter 3, Chapter 2 of Division 1 of Title 2 of the California Code of Regulations (CCR).**

#### UPDATE OF INITIAL STATEMENT OF REASONS

There have been no changes in the applicable laws or facts, or to the effect of the proposed regulations, from those described in the Initial Statement of Reasons.

#### SUMMARY AND RESPONSE TO COMMENTS RECEIVED DURING THE INITIAL PUBLIC NOTICE PERIOD OF JUNE 28, 2019, THROUGH AUGUST 12, 2019.

The California Public Employees' Retirement System (CalPERS) did not receive any public comments during the public notice period.

#### SUMMARY AND RESPONSE TO COMMENTS RECEIVED AT PUBLIC HEARING

While CalPERS allowed interested parties to request a public hearing from June 28, 2019, to August 12, 2019, no such requests were made, and therefore a hearing was not scheduled.

#### REASONS FOR REJECTING ANY PROPOSED ALTERNATIVES THAT WOULD LESSEN ADVERSE ECONOMIC IMPACT ON SMALL BUSINESS

The proposed regulation has no cost impact on either small businesses or on persons in the private sector and no significant, statewide adverse economic impacts that directly affect business. The proposed regulatory amendment applies only to CalPERS, a state government agency, in the administration of its health benefits program. Any cost impact this proposed regulation will have will be on CalPERS and will be absorbed within existing CalPERS resources.

#### ALTERNATIVES DETERMINATION

There are no alternatives that CalPERS considered which would be more effective in carrying out the purpose for which the regulation is proposed, would be as effective and less burdensome to affected private persons than the adopted regulation, or would be more cost effective to affected private persons and equally effective in implementing the statutory policy or other provision of law.

No public comments were received during the public notice period. Therefore, no other alternatives were considered, identified, or brought to the Board's attention that would be more effective in carrying out the purpose for which the action is proposed

The Board approved this regulation at its April 2019 Board Meeting and adopted these regulations at its November 2019 Board Meeting. The adoption of this regulation is necessary to clarify the timeframe for members to appeal to CalPERS and to provide consistency with the Administrative Review and Administrative Hearing process.

#### LOCAL MANDATE DETERMINATION

The proposed regulation does not impose any mandate on local or state agencies.