

Approval of 2022 Health Maintenance Organization Premiums and Preferred Provider Organization Premiums

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July 13, 2021

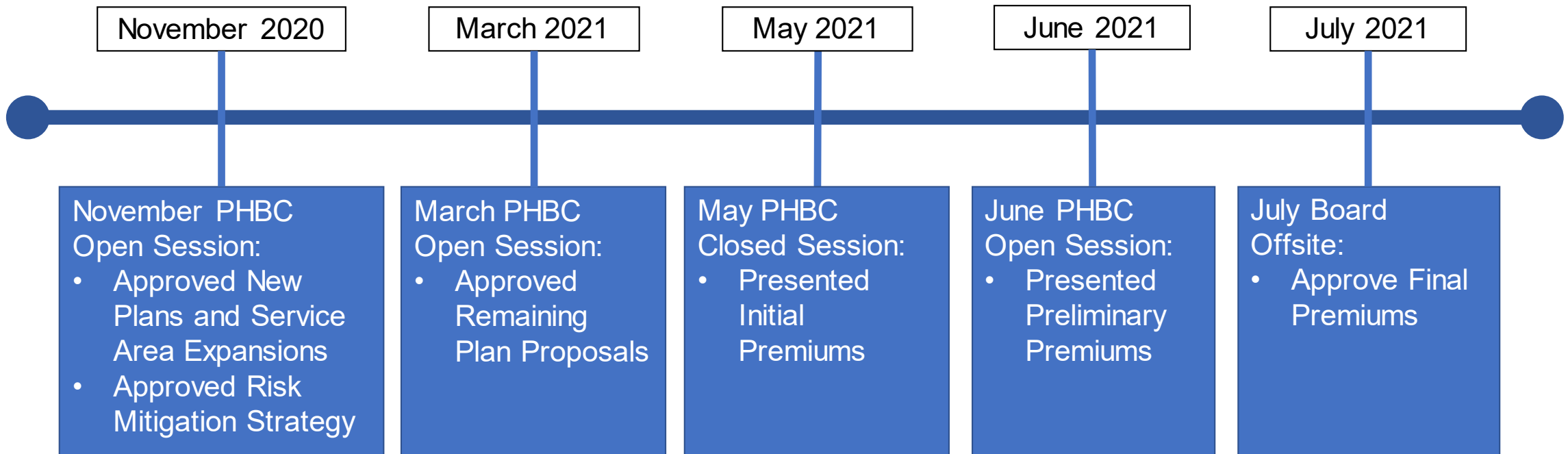
Agenda

- Timeline
- Weighted Averages
- Changes from June to July
- Basic Health Maintenance Organization (HMO) and Preferred Provider Organization (PPO) Plans
- Medicare Advantage and Medicare Supplemental Plans
- Next Steps



**High-Quality
Affordable
Health Care**

2022 Health Plan Rate Development Timeline



Final 2021-22 Statewide Weighted Average Premium Percent Change for HMO and PPO Plans

Health Coverage Type	June PHBC Percent Change Without Health Care Fund (HCF) Adjustments	June PHBC Percent Change With HCF Adjustments	July Board Offsite Percent Change Without HCF Adjustments	July Board Offsite Percent Change With HCF Adjustments
Basic HMO ¹	5.53%	4.83%	5.38%	4.69%
Basic PPO ¹	10.96%	8.31%	11.31%	8.67%
Total Basic	6.85%	5.68%	6.82%	5.65%
Medicare Advantage	-6.11%	-6.40%	-6.09%	-6.37%
Medicare Supplemental	10.07%	6.16%	9.47%	5.48%
Total Medicare	2.08%	-0.04%	1.81%	-0.36%
Overall (Total)²	6.21%	4.92%	6.16%	4.86%

1. CalPERS Basic Plan Premiums will be Portfolio Rated with two-year phase in beginning 2022 plan year.
2. The Overall weighted average premium change excludes Associations.



Basic HMO and PPO Plans

Anthem HMO Traditional (Basic)

Final Proposed Premium Change (Without HCF Adjustment)

Published 2021 PSPM	Final 2022 PSPM Before Risk Mitigation	Change in Premium (\$)	Change in Premium (%)	2021 Total Covered Lives (TCL)
\$1,220.32	\$1,373.93	\$153.61	12.59%	12,614

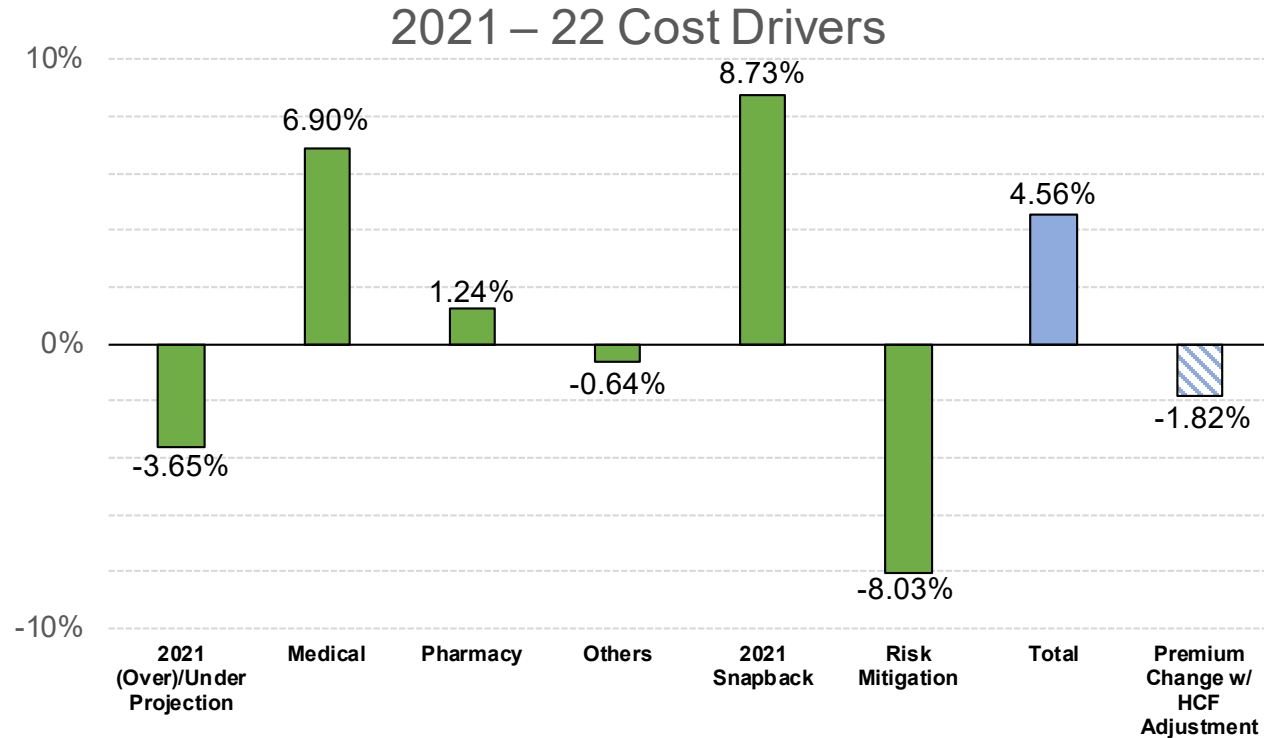
Risk Mitigation Impact

Risk Score (Normalized)	Adjusted Risk Score for 2022 ¹	Risk Mitigated Premium	Risk Mitigation Impact in Premium (%)	Change in Premium (%) ²
1.2524	1.0880	\$1,275.95	-8.03%	4.56%

1. Based on 2-year phase in, service area expansion, and credibility adjustments
 2. Change in 2021 Final to 2022 projected Risk Mitigated Premium

HCF Reserve Policy Analysis and Proposed Adjustments

HCF Estimated Surplus/Deficit as of Dec 2020 updated thru Mar 2021	Recommended Portion of HCF Applied to 2022 Premium	Total HCF Adjustment	Final 2022 PSPM with HCF Adjustment (\$)	Final 2022 PSPM Change with HCF Adjustment (%)
\$12,428,075	80%	\$9,942,460	\$1,198.07	-1.82%



Anthem HMO Select (Basic)

Final Proposed Premium Change (Without HCF Adjustment)

Published 2021 PSPM	Final 2022 PSPM Before Risk Mitigation	Change in Premium (\$)	Change in Premium (%)	2021 Total Covered Lives (TCL)
\$800.55	\$848.38	\$47.83	5.97%	49,145

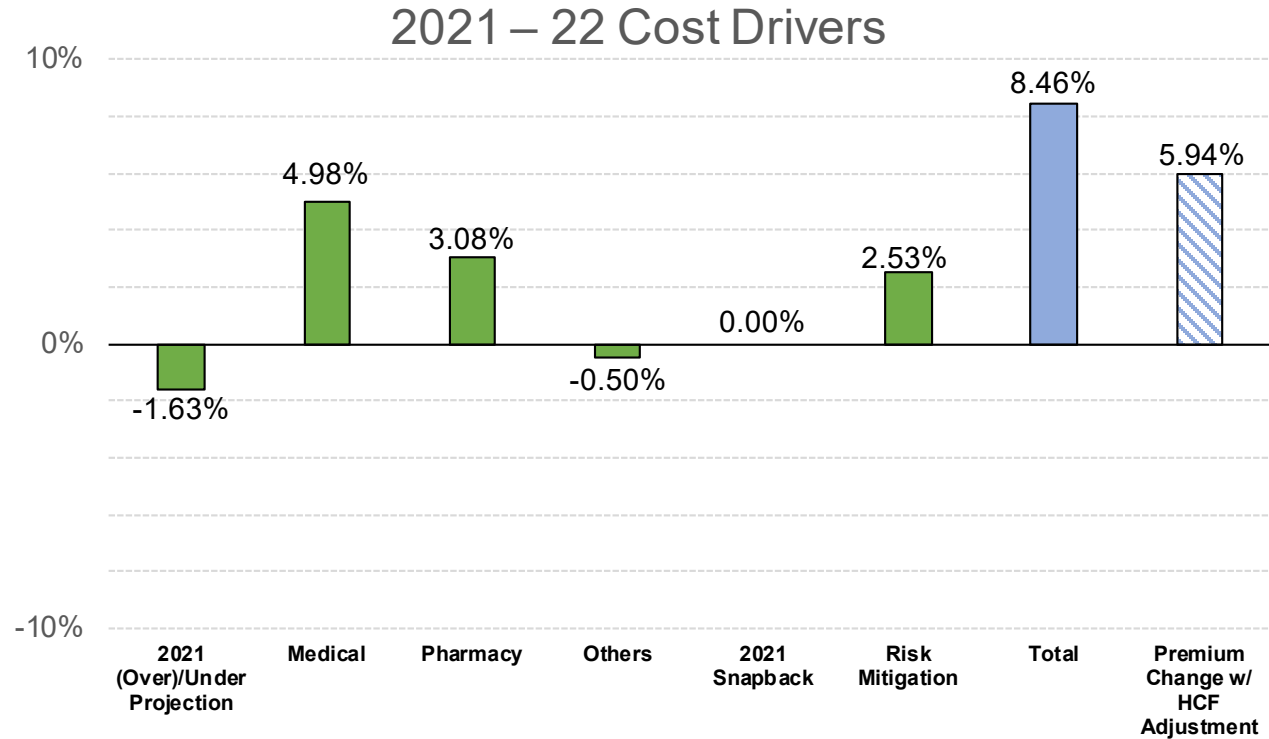
Risk Mitigation Impact

Risk Score (Normalized)	Adjusted Risk Score for 2022 ¹	Risk Mitigated Premium	Risk Mitigation Impact in Premium (%)	Change in Premium (%) ²
0.9650	0.9842	\$868.26	2.53%	8.46%

1. Based on 2-year phase in, service area expansion, and credibility adjustments
2. Change in 2021 Final to 2022 projected Risk Mitigated Premium

HCF Reserve Policy Analysis and Proposed Adjustments

HCF Estimated Surplus/Deficit as of Dec 2020 updated thru Mar 2021	Recommended Portion of HCF Applied to 2022 Premium	Total HCF Adjustment	Final 2022 PSPM with HCF Adjustment (\$)	Final 2022 PSPM Change with HCF Adjustment (%)
\$13,077,875	80%	\$10,462,300	\$848.08	5.94%



Blue Shield Access+ (Basic)

Final Proposed Premium Change (Without HCF Adjustment)

Published 2021 PSPM	Final 2022 PSPM Before Risk Mitigation	Change in Premium (\$)	Change in Premium (%)	2021 Total Covered Lives (TCL)
\$938.96	\$1,017.29	\$78.33	8.34%	80,174

Risk Mitigation Impact

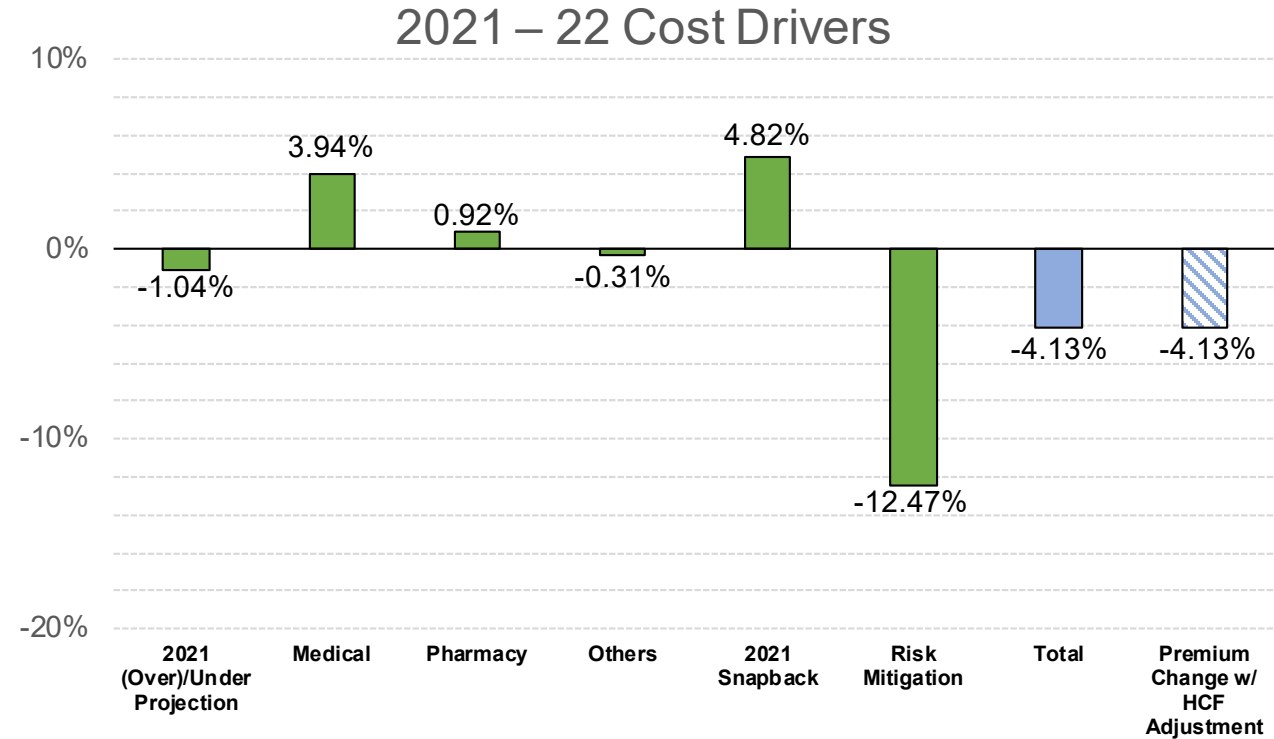
Risk Score (Normalized)	Adjusted Risk Score for 2022 ¹	Risk Mitigated Premium	Risk Mitigation Impact in Premium (%)	Change in Premium (%) ²
1.3166	1.1496	\$900.22	-12.47%	-4.13%

1. Based on 2-year phase in, service area expansion, and credibility adjustments

2. Change in 2021 Final to 2022 projected Risk Mitigated Premium

HCF Reserve Policy Analysis and Proposed Adjustments

HCF Estimated Surplus/Deficit as of Dec 2020 updated thru Mar 2021	Recommended Portion of HCF Applied to 2022 Premium	Total HCF Adjustment	Final 2022 PSPM with HCF Adjustment (\$)	Final 2022 PSPM Change with HCF Adjustment (%)
\$30,026,534	0%	\$0	\$900.22	-4.13%



Blue Shield Trio (Basic)

Final Proposed Premium Change (Without HCF Adjustment)

Published 2021 PSPM	Final 2022 PSPM Before Risk Mitigation	Change in Premium (\$)	Change in Premium (%)	2021 Total Covered Lives (TCL)
\$722.56	\$745.38	\$22.82	3.16%	12,832

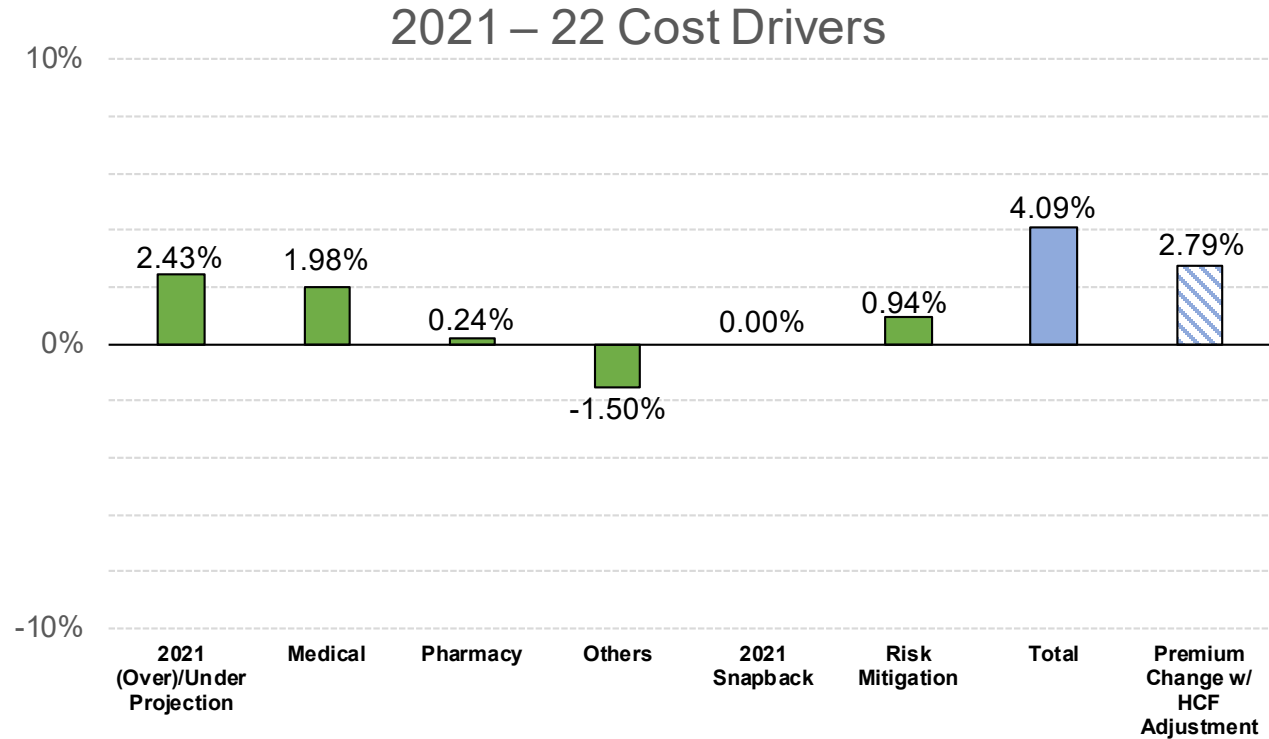
Risk Mitigation Impact

Risk Score (Normalized)	Adjusted Risk Score for 2022 ¹	Risk Mitigated Premium	Risk Mitigation Impact in Premium (%)	Change in Premium (%) ²
0.9949	0.9988	\$752.14	0.94%	4.09%

1. Based on 2-year phase in, service area expansion, and credibility adjustments
2. Change in 2021 Final to 2022 projected Risk Mitigated Premium

HCF Reserve Policy Analysis and Proposed Adjustments

HCF Estimated Surplus/Deficit as of Dec 2020 updated thru Mar 2021	Recommended Portion of HCF Applied to 2022 Premium	Total HCF Adjustment	Final 2022 PSPM with HCF Adjustment (\$)	Final 2022 PSPM Change with HCF Adjustment (%)
\$2,104,414	80%	\$1,683,532	\$742.70	2.79%



Health Net Salud y Más (Basic)

Final Proposed Premium Change (Without HCF Adjustment)

Published 2021 PSPM	Final 2022 PSPM Before Risk Mitigation	Change in Premium (\$)	Change in Premium (%)	2021 Total Covered Lives (TCL)
\$425.02	\$468.14	\$43.12	10.15%	12,013

Risk Mitigation Impact

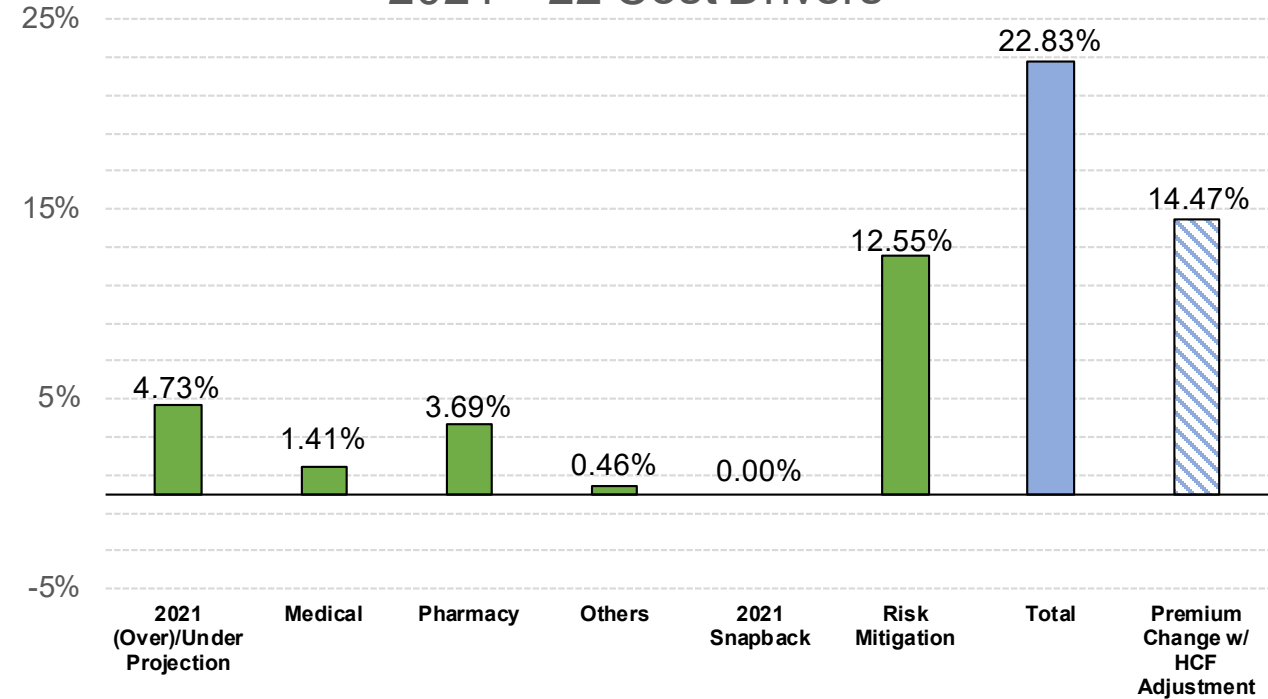
Risk Score (Normalized)	Adjusted Risk Score for 2022 ¹	Risk Mitigated Premium	Risk Mitigation Impact in Premium (%)	Change in Premium (%) ²
0.6953	0.8909	\$522.06	12.55%	22.83%

1. Based on 2-year phase in, service area expansion, and credibility adjustments
2. Change in 2021 Final to 2022 projected Risk Mitigated Premium

HCF Reserve Policy Analysis and Proposed Adjustments

HCF Estimated Surplus/Deficit as of Dec 2020 updated thru Mar 2021	Recommended Portion of HCF Applied to 2022 Premium	Total HCF Adjustment	Final 2022 PSPM with HCF Adjustment (\$)	Final 2022 PSPM Change with HCF Adjustment (%)
\$4,855,929	80%	\$3,884,743	\$486.51	14.47%

2021 – 22 Cost Drivers



Health Net SmartCare (Basic)

Final Proposed Premium Change (Without HCF Adjustment)

Published 2021 PSPM	Final 2022 PSPM Before Risk Mitigation	Change in Premium (\$)	Change in Premium (%)	2021 Total Covered Lives (TCL)
\$924.36	\$1,061.22	\$136.86	14.81%	14,563

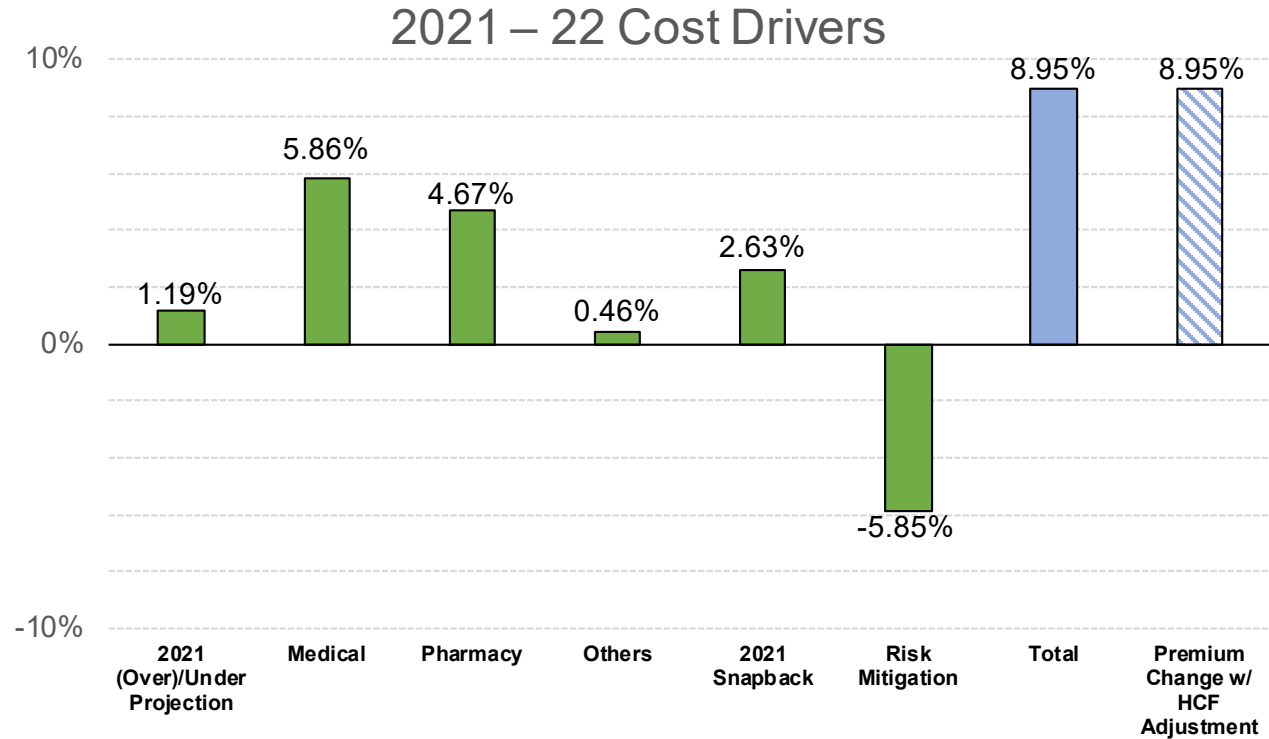
Risk Mitigation Impact

Risk Score (Normalized)	Adjusted Risk Score for 2022 ¹	Risk Mitigated Premium	Risk Mitigation Impact in Premium (%)	Change in Premium (%) ²
1.1732	1.0663	\$1,007.13	-5.85%	8.95%

1. Based on 2-year phase in, service area expansion, and credibility adjustments
2. Change in 2021 Final to 2022 projected Risk Mitigated Premium

HCF Reserve Policy Analysis and Proposed Adjustments

HCF Estimated Surplus/Deficit as of Dec 2020 updated thru Mar 2021	Recommended Portion of HCF Applied to 2022 Premium	Total HCF Adjustment	Final 2022 PSPM with HCF Adjustment (\$)	Final 2022 PSPM Change with HCF Adjustment (%)
-\$99,130	0%	\$0	\$1,007.13	8.95%



Kaiser (Basic)

Final Proposed Premium Change

Published 2021 PSPM	Final 2022 PSPM Before Risk Mitigation	Change in Premium (\$)	Change in Premium (%)	2021 Total Covered Lives (TCL)
\$761.62	\$782.03	\$20.41	2.68%	557,859

Risk Mitigation Impact

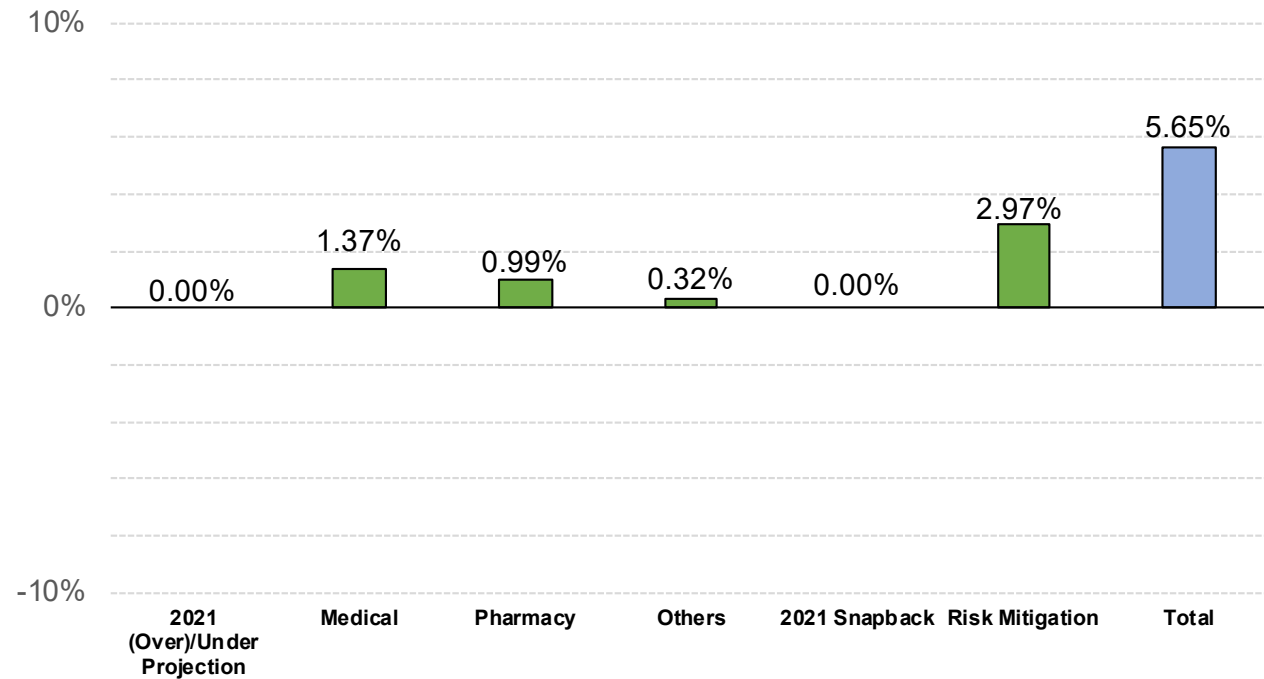
Risk Score (Normalized)	Adjusted Risk Score for 2022 ¹	Risk Mitigated Premium	Risk Mitigation Impact in Premium (%)	Change in Premium (%) ²
0.9521	0.9776	\$804.67	2.97%	5.65%

1. Based on 2-year phase in, service area expansion, and credibility adjustments
 2. Change in 2021 Final to 2022 projected Risk Mitigated Premium

HCF Reserve Policy

Kaiser Permanente is a fully insured plan, therefore there is no opportunity to accrue HCF balance.

2021 – 22 Cost Drivers



Sharp (Basic)

Final Proposed Premium Change (Without HCF Adjustment)

Published 2021 PSPM	Final 2022 PSPM Before Risk Mitigation	Change in Premium (\$)	Change in Premium (%)	2021 Total Covered Lives (TCL)
\$632.27	\$658.89	\$26.62	4.21%	14,594

Risk Mitigation Impact

Risk Score (Normalized)	Adjusted Risk Score for 2022 ¹	Risk Mitigated Premium	Risk Mitigation Impact in Premium (%)	Change in Premium (%) ²
0.8551	0.9448	\$699.21	6.43%	10.59%

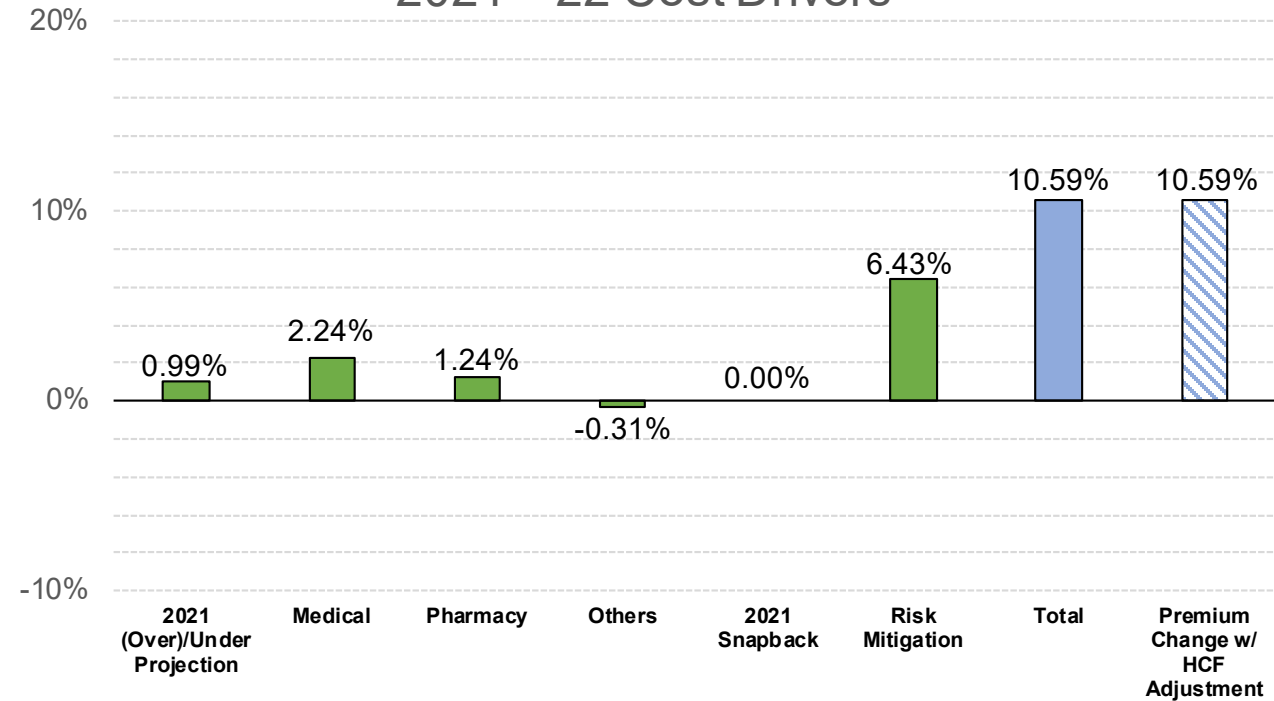
1. Based on 2-year phase in, service area expansion, and credibility adjustments

2. Change in 2021 Final to 2022 projected Risk Mitigated Premium

HCF Reserve Policy Analysis and Proposed Adjustments

HCF Estimated Surplus/Deficit as of Dec 2020 updated thru Mar 2021	Recommended Portion of HCF Applied to 2022 Premium	Total HCF Adjustment	Final 2022 PSPM with HCF Adjustment (\$)	Final 2022 PSPM Change with HCF Adjustment (%)
-\$3,948,109	0%	\$0	\$699.21	10.59%

2021 – 22 Cost Drivers



UnitedHealthcare Alliance (Basic)

Final Proposed Premium Change (Without HCF Adjustment)

Published 2021 PSPM	Final 2022 PSPM Before Risk Mitigation	Change in Premium (\$)	Change in Premium (%)	2021 Total Covered Lives (TCL)
\$755.61	\$830.40	\$74.79	9.90%	82,717

Risk Mitigation Impact

Risk Score (Normalized)	Adjusted Risk Score for 2022 ¹	Risk Mitigated Premium	Risk Mitigation Impact in Premium (%)	Change in Premium (%) ²
0.9884	0.9961	\$840.10	1.28%	11.18%

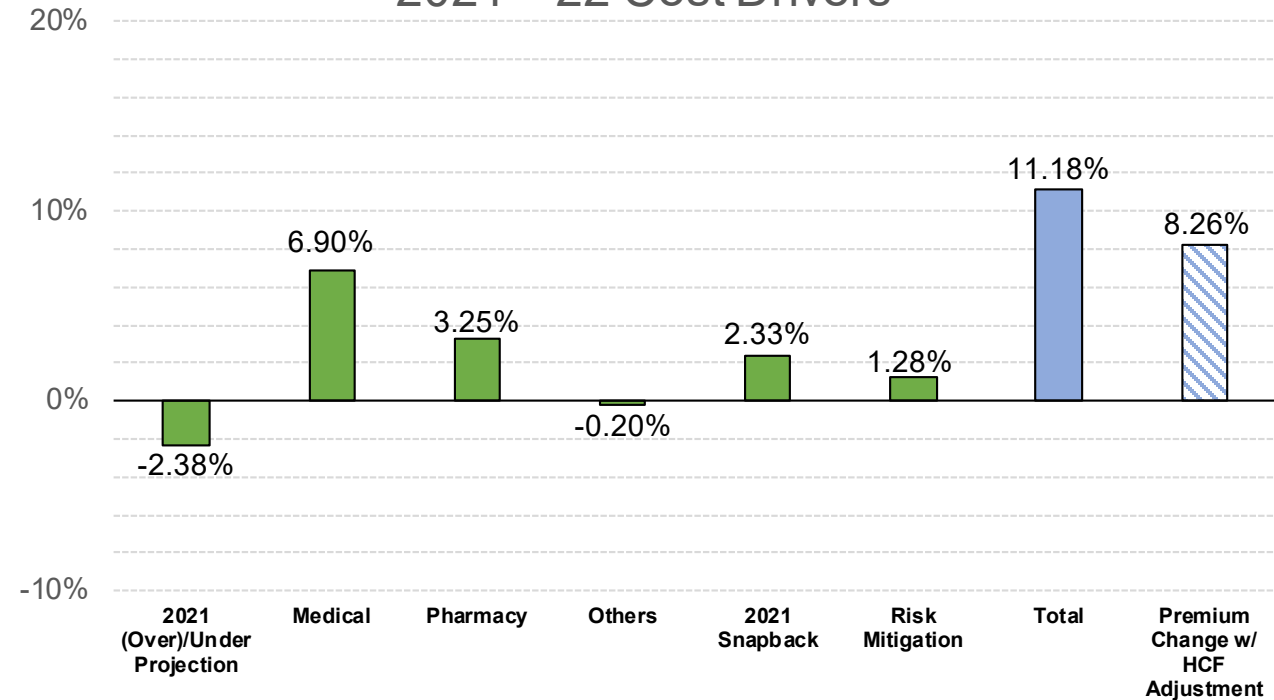
1. Based on 2-year phase in, service area expansion, and credibility adjustments

2. Change in 2021 Final to 2022 projected Risk Mitigated Premium

HCF Reserve Policy Analysis and Proposed Adjustments

HCF Estimated Surplus/Deficit as of Dec 2020 updated thru Mar 2021	Recommended Portion of HCF Applied to 2022 Premium	Total HCF Adjustment	Final 2022 PSPM with HCF Adjustment (\$)	Final 2022 PSPM Change with HCF Adjustment (%)
\$20,873,553	80%	\$16,698,843	\$818.03	8.26%

2021 – 22 Cost Drivers



UnitedHealthcare Harmony (Basic)

Final Proposed Premium (Without HCF Adjustment)

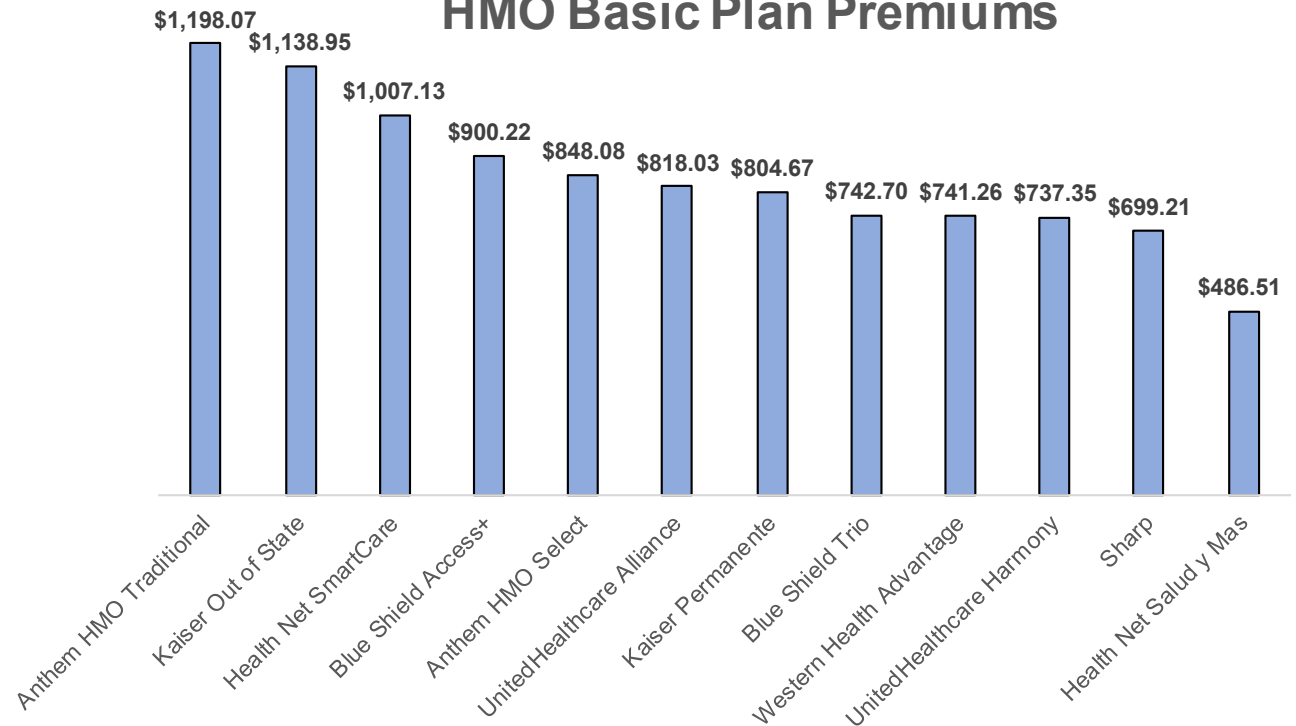
Published 2021 PSPM	Final 2022 PSPM Before Risk Mitigation	Change in Premium (\$)	Change in Premium (%)
-	\$683.65	-	-

Risk Mitigation Impact

Risk Score (Normalized)	Adjusted Risk Score for 2022 ¹	Risk Mitigated Premium	Risk Mitigation Impact in Premium (%)	Change in Premium (%) ²
0.8586	0.9284	\$737.35	7.86%	-

1. Based on 2-year phase in, service area expansion, and credibility adjustments
2. Change in 2021 Final to 2022 projected Risk Mitigated Premium

HMO Basic Plan Premiums



Western Health Advantage (Basic)

Final Premium Change (Without HCF Adjustment)

Published 2021 PSPM	Final 2022 PSPM Before Risk Mitigation	Change in Premium (\$)	Change in Premium (%)	2021 Total Covered Lives (TCL)
\$757.02	\$783.88	\$26.86	3.55%	11,329

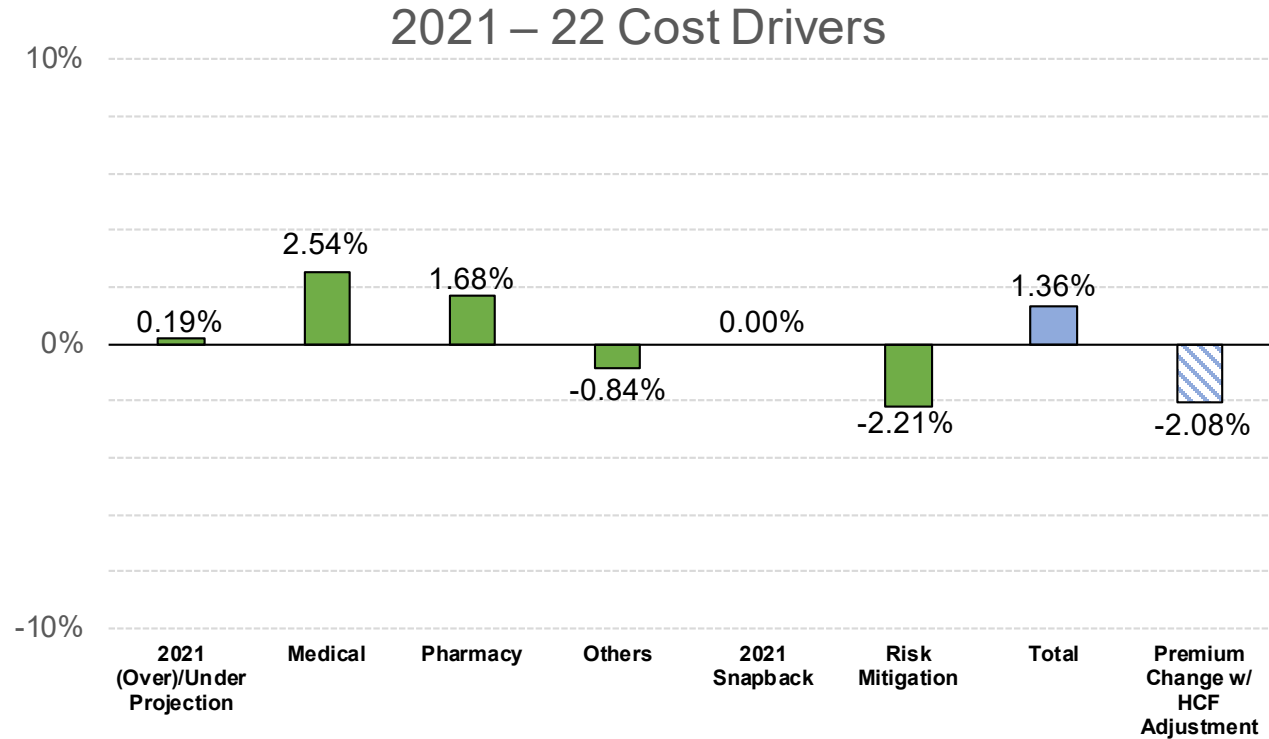
Risk Mitigation Impact

Risk Score (Normalized)	Adjusted Risk Score for 2022 ¹	Risk Mitigated Premium	Risk Mitigation Impact in Premium (%)	Change in Premium (%) ²
1.1160	1.0319	\$767.28	-2.21%	1.36%

1. Based on 2-year phase in, service area expansion, and credibility adjustments
 2. Change in 2021 Final to 2022 projected Risk Mitigated Premium

HCF Reserve Policy Analysis and Proposed Adjustments

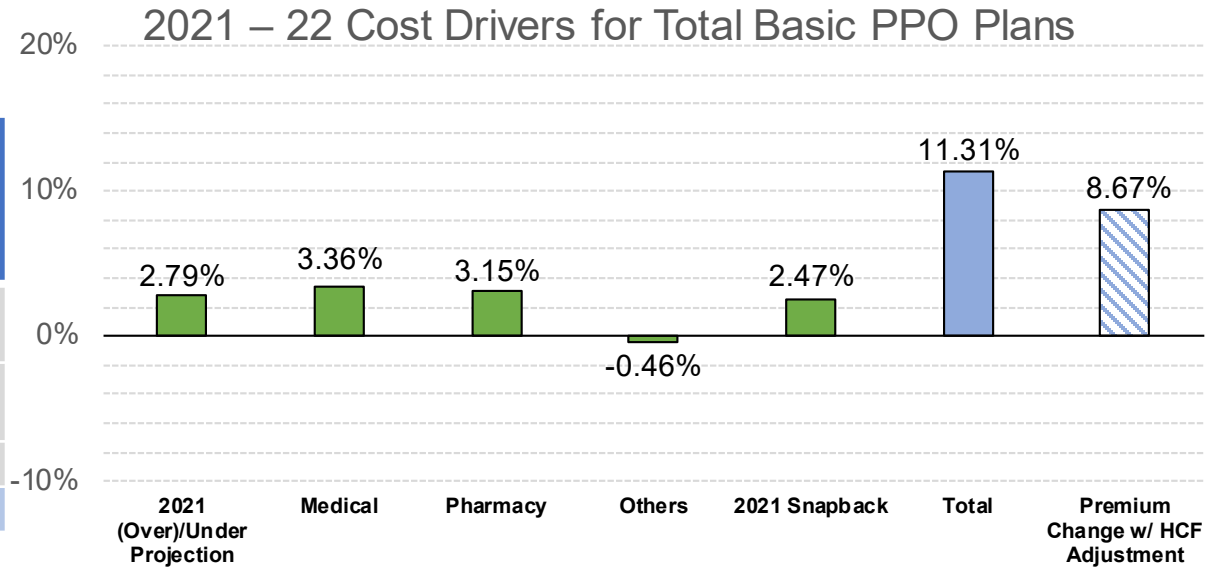
HCF Estimated Surplus/Deficit as of Dec 2020 updated thru Mar 2021	Recommended Portion of HCF Applied to 2022 Premium	Total HCF Adjustment	Final 2022 PSPM with HCF Adjustment (\$)	Final 2022 PSPM Change with HCF Adjustment (%)
\$4,345,997	80%	\$3,476,797	\$741.26	-2.08%



PPO Basic Plans: Two-Plan Model

Final Proposed Premium Change (Without HCF Adjustment)

2021 Plans	Published 2021 PSPM	2022 Plans	Final 2022 Portfolio Rated PSPM	Change in Premium (\$)	Change in Premium (%)
PERSCare	\$1,111.87	PERS Platinum	\$981.99	-\$129.88	-11.68%
PERS Choice	\$849.23	PERS Platinum	\$981.99	\$132.76	15.63%
PERS Select	\$527.39	PERS Gold	\$650.38	\$122.99	23.32%
Total Basic					11.31%

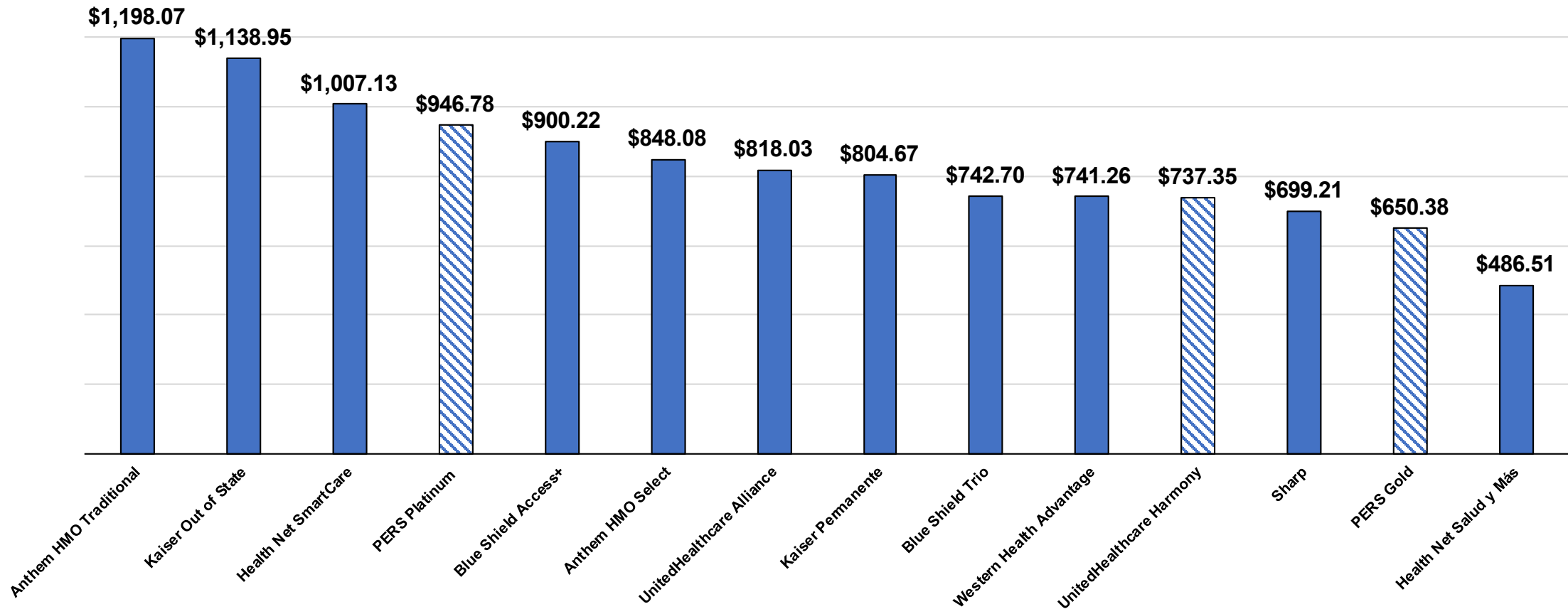


HCF Reserve Policy Analysis and Proposed Adjustments

2022 Plans	HCF Estimated Surplus/Deficit as of Dec 2020 updated thru Mar 2021	Recommended Portion of HCF Applied to 2022 Premium	Total HCF Adjustment	Final 2022 PSPM with HCF Adjustment (\$)	Final 2022 PSPM Change with HCF Adjustment (%)
PERS Platinum	\$61,959,033	80%	\$49,567,727	\$946.78	-14.85% / 11.49%
PERS Gold	-18,686,578	0%	\$0	\$650.38	23.32%
Total Basic					8.67%

2021 Plans	2021 Total Covered Lives (TCL)
PERSCare	25,126
PERS Choice	142,113
PERS Select	109,668

Portfolio 2022 Premium Levels – Basic HMO and PPO Plans



PERS Platinum (PPO), UnitedHealthcare Harmony (HMO), and PERS Gold (PPO) are new plans in 2022.



Medicare Advantage and Medicare Supplemental Plans

Anthem Medicare Preferred (Medicare)

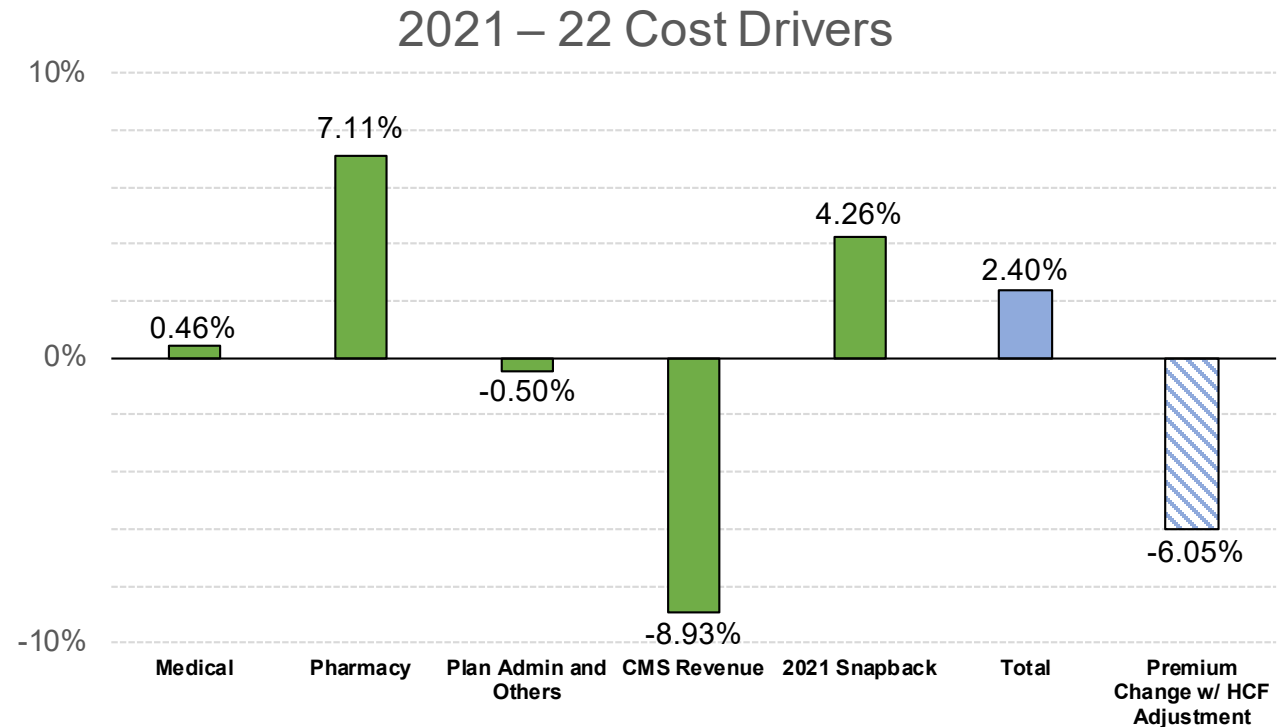
Final Premium Change (Without HCF Adjustment)

Published 2021 PSPM	Final 2022 PSPM	Change in Premium (\$)	Change in Premium (%)	2021 Total Covered Lives (TCL)
\$383.37	\$392.58	\$9.21	2.40%	4,596

HCF Reserve Policy Analysis and Proposed Adjustments

HCF Estimated Surplus/Deficit as of Dec 2020 updated thru Mar 2021	Recommended Portion of HCF Applied to 2022 Premium	Total HCF Adjustment	Final 2022 PSPM with HCF Adjustment (\$)
\$3,527,748	50%	\$1,763,874	\$360.19

Final 2022 PSPM Change with HCF Adjustment (%)
-6.05%



Kaiser Sr. Advantage (Medicare)

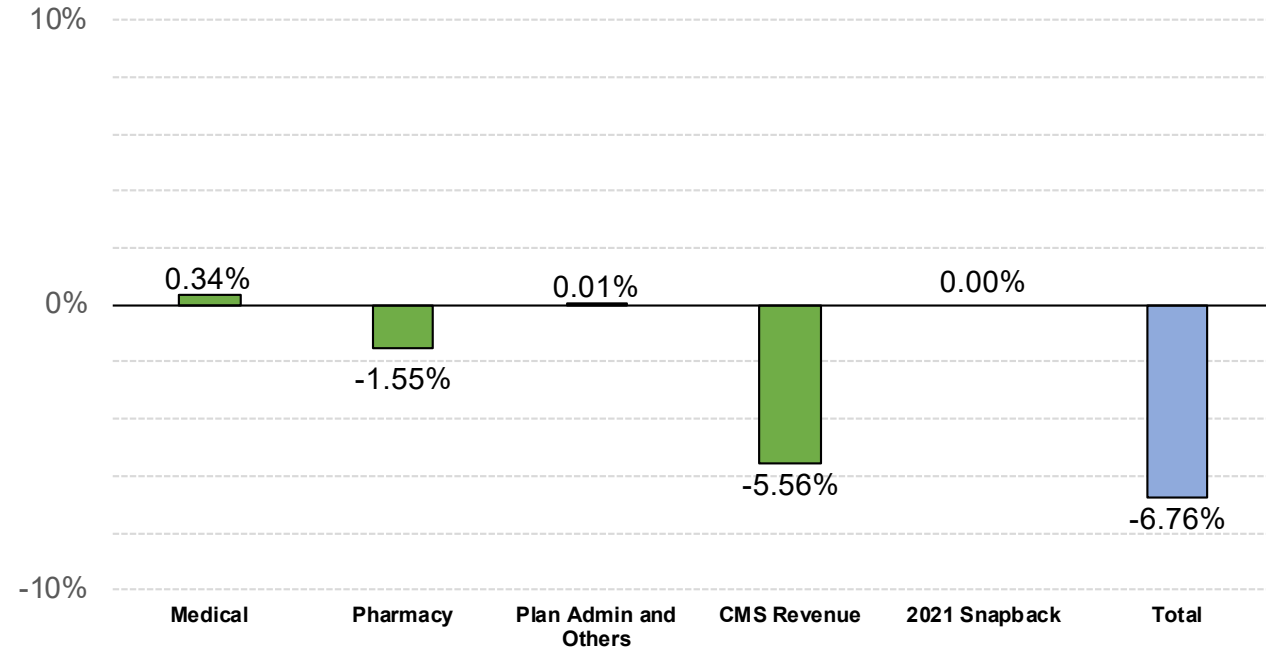
Final Premium Change

Published 2021 PSPM	Final 2022 PSPM	Change in Premium (\$)	Change in Premium (%)	2021 Total Covered Lives (TCL)
\$324.48	\$302.53	-\$21.95	-6.76%	109,016

HCF Reserve Policy

Kaiser Permanente is a fully insured plan, therefore there is no opportunity to accrue HCF balance.

2021 – 22 Cost Drivers



Sharp Direct Advantage (Medicare)

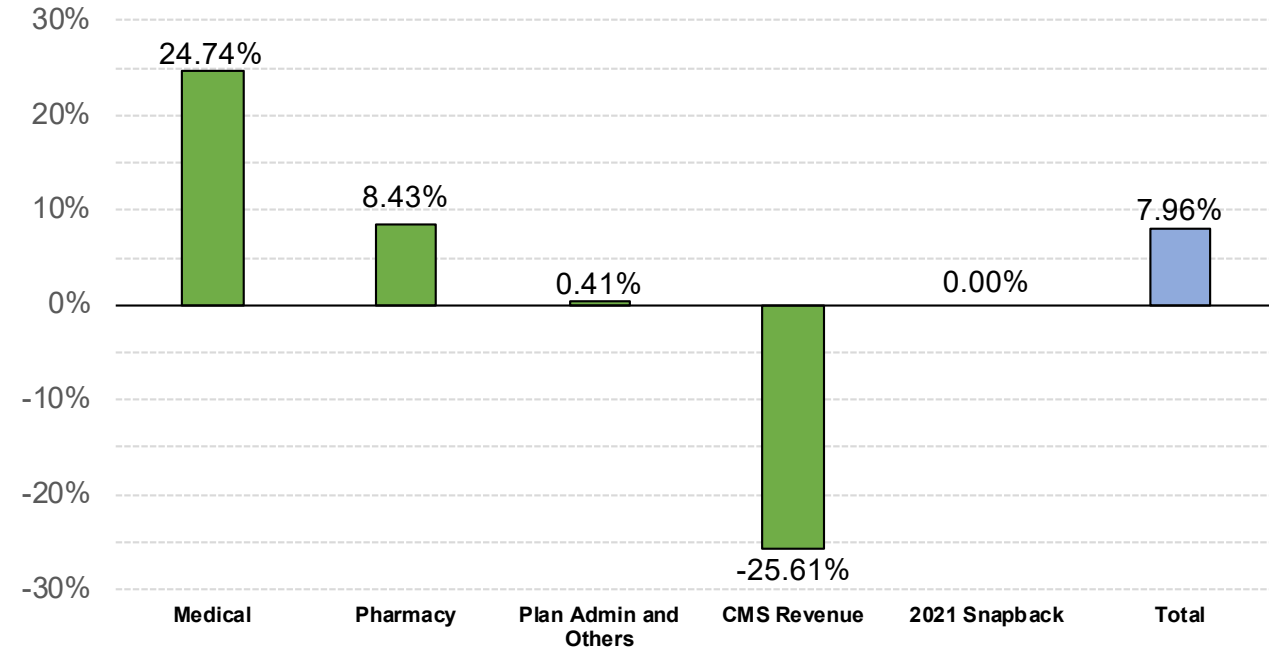
Final Premium Change

Published 2021 PSPM	Final 2022 PSPM	Change in Premium (\$)	Change in Premium (%)	2021 Total Covered Lives (TCL)
\$244.39	\$263.85	\$19.46	7.96%	68

HCF Reserve Policy

Sharp Direct Advantage is a fully insured plan, therefore there is no opportunity to accrue HCF balance.

2021 – 22 Cost Drivers



UnitedHealthcare Group MA (Medicare)

Final Premium Change (Without HCF Adjustment)

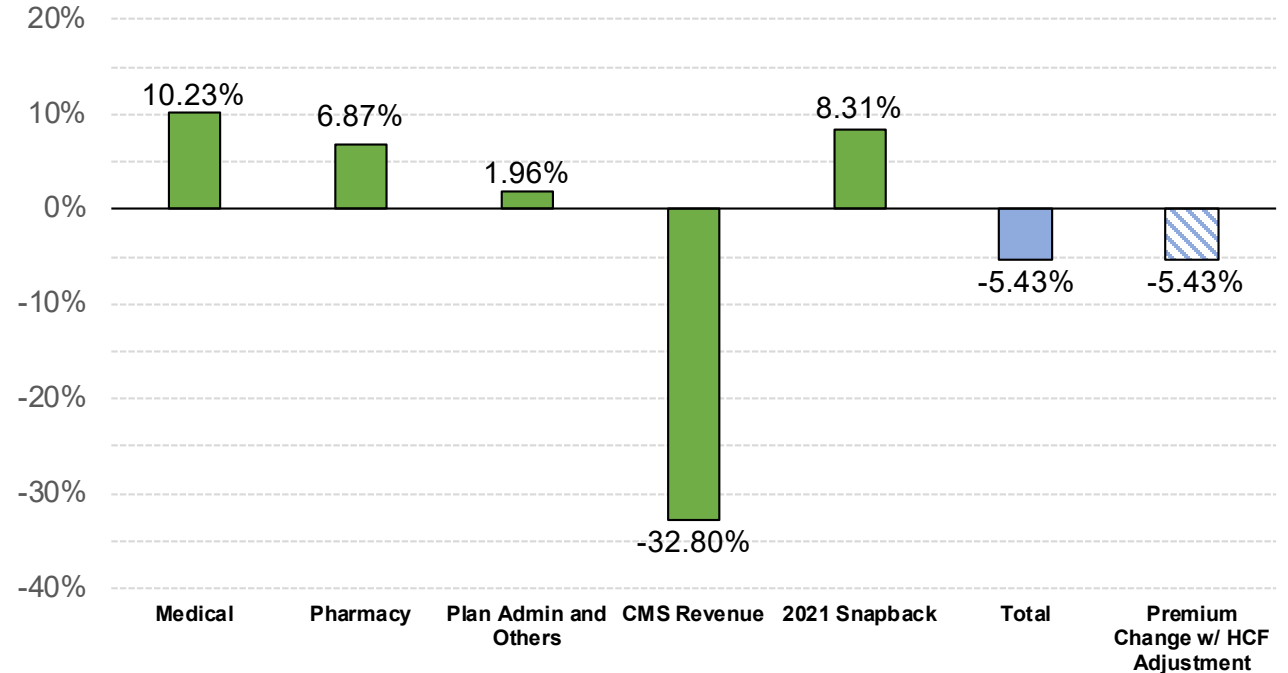
Published 2021 PSPM	Final 2022 PSPM	Change in Premium (\$)	Change in Premium (%)	2021 Total Covered Lives (TCL)
\$311.56	\$294.65	-\$16.91	-5.43%	45,462

HCF Reserve Policy Analysis and Proposed Adjustments

HCF Estimated Surplus/Deficit as of Dec 2020 updated thru Mar 2021	Recommended Portion of HCF Applied to 2022 Premium	Total HCF Adjustment	Final 2022 PSPM with HCF Adjustment (\$)
\$46,038,860	0%	\$0	\$294.65

Final 2022 PSPM Change with HCF Adjustment (%)
-5.43%

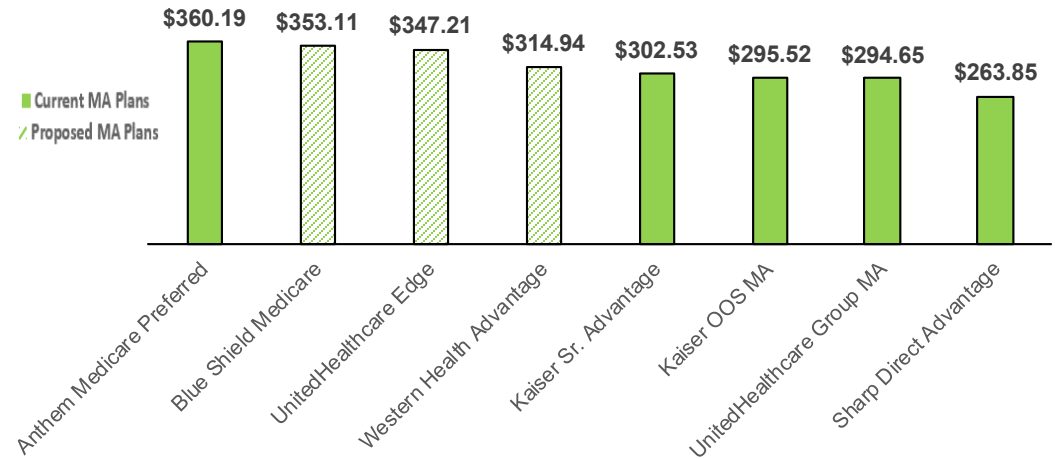
2021 – 22 Cost Drivers



New Medicare Advantage Plans for 2022

Plan Name	2022 Projected PSPM at Nov 2020 PHBC	Final Proposed 2022 PSPM
Blue Shield Medicare Advantage ¹	\$346.87	\$353.11
UnitedHealthcare Edge ²	\$346.94	\$347.21
Western Health Advantage ²	\$359.62	\$314.94

New Plan Premiums Relative to Other Medicare Advantage Plans



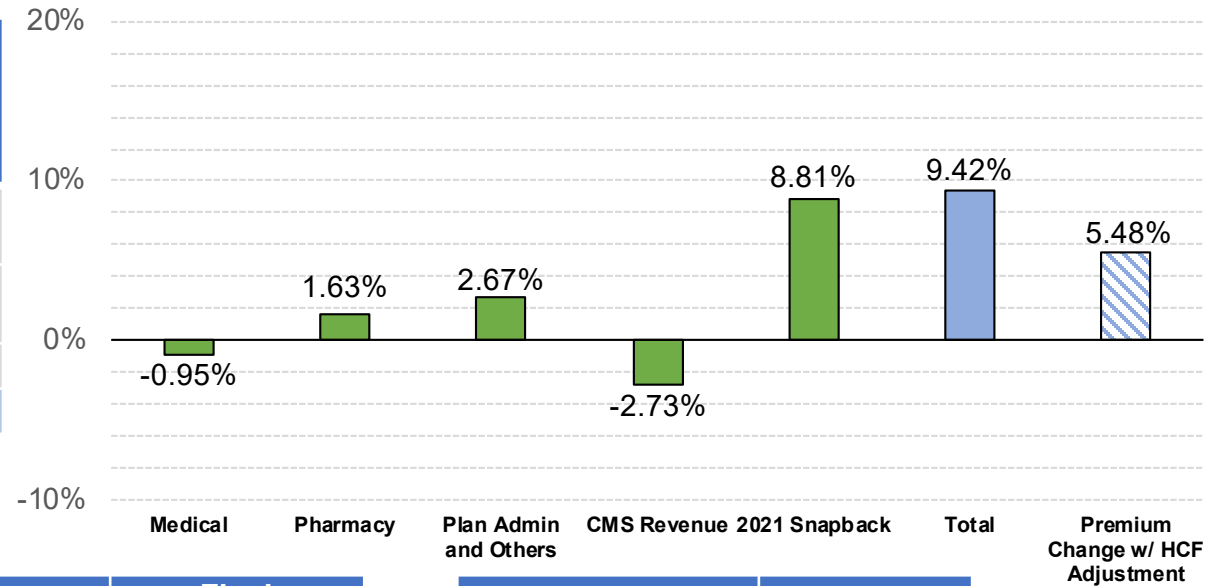
1. The Blue Shield Medicare plan is a fully insured plan with their own pharmacy benefit manager.
2. The UnitedHealthcare Edge and Western Health Advantage Medicare plans will be carved-out with CalPERS self-funded OptumRx pharmacy benefit manager.

PPO Medicare Supplemental Plans: Two-Plan

Final Proposed Premium Change (Without HCF Adjustment)

2021 Plans	Published 2021 PSPM	2022 Plans	Final 2022 Portfolio Rated PSPM	Change in Premium (\$)	Change in Premium (%)
PERSCare	\$381.25	PERS Platinum	\$400.85	\$19.60	5.14%
PERS Choice	\$349.97	PERS Platinum	\$400.85	\$50.88	14.54%
PERS Select	\$349.97	PERS Gold	\$384.87	\$34.90	9.97%
Total Medicare					9.42%

2021 – 22 Cost Drivers for Total Medicare PPO Plans

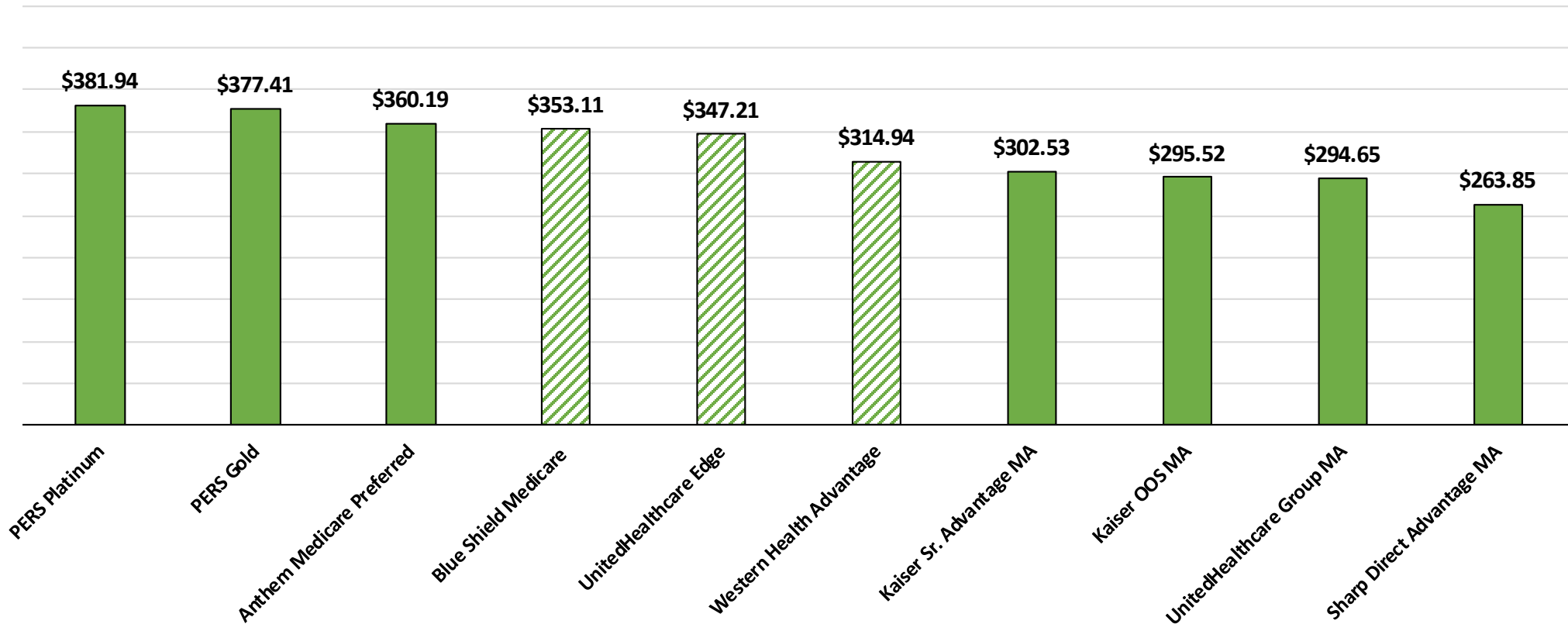


HCF Reserve Policy Analysis and Proposed Adjustments

2022 Plans	HCF Estimated Surplus/Deficit as of Dec 2020 updated thru Mar 2021	Recommended Portion of HCF Applied to 2022 Premium	Total HCF Adjustment	Final 2022 PSPM with HCF Adjustment (\$)	Final 2022 PSPM Change with HCF Adjustment (%)
PERS Platinum	\$23,796,347	100%	\$23,796,347	\$381.94	0.18% / 9.14%
PERS Gold	\$3,748,358	100%	\$3,748,358	\$377.41	7.84%
Total Medicare					5.48%

2021 Plans	2021 Total Covered Lives (TCL)
PERSCare	65,884
PERS Choice	78,748
PERS Select	3,052

Portfolio 2022 Premium Levels – Medicare Advantage and Medicare Supplemental Plans



Western Health Advantage, Blue Shield Medicare PPO, and UnitedHealthcare Edge are the New MA Plans for 2022.

Next Steps

