



Agenda Item 6c

June 12, 2012

ITEM NAME: Approval of 2013 Preferred Provider Organization Plans Rates

PROGRAM: Health Benefits

ITEM TYPE: Action

RECOMMENDATION

Staff recommends the Pension & Health Benefits Committee (PHBC) approve the proposed 2013 rates for the Preferred Provider Organization (PPO) Health Plans, with the benefit change described in agenda item 6a.

EXECUTIVE SUMMARY

Proposed PPO premium rates for 2013 are provided in attachment 1. PERS Select's service area will expand to cover every county in California.

BACKGROUND

CalPERS staff worked with actuaries from Mercer Human Resource Consulting, and actuarial and underwriting staff from Anthem Blue Cross, and CVS Caremark to develop the 2013 PPO health plan rates. The review examined current utilization and cost trends and the need to maintain appropriate reserves under the Risk Based Capital methodology.

ANALYSIS

PERS Select's service area will expand to include Solano, Placer and Alameda counties for the 2013 calendar year. With this expansion, PERS Select will cover every county in California.

BENEFITS/RISKS

Staff recommend approval of the proposed PPO premiums so that work can begin on systems changes and member communications for the 2013 Open Enrollment period, and so that 2013 premiums can be communicated on a timely basis to the State's Department of Finance and our contracting public agencies.

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ATTACHMENTS

Attachment 1a – State 2013 Health Premiums

Attachment 1b – Contracting Agencies 2013 Health Premiums

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