



Agenda Item 6d

June 12, 2012

ITEM NAME: Approval of 2013 Association Plans Rates

PROGRAM: Health Benefits

ITEM TYPE: Action

RECOMMENDATION

Staff recommends the Pension & Health Benefits Committee (PHBC) approve the proposed 2013 rates for the California Association of Highway Patrolmen (CAHP) Health Benefits Trust, the California Correctional Peace Officers Association (CCPOA) Benefit Trust Fund, and the Peace Officers Research Association of California (PORAC) Insurance and Benefits Trust.

EXECUTIVE SUMMARY

The CalPERS PHBC annually reviews and approves the rate and benefit proposals for the three association plans offered to certain CalPERS members, in addition to CalPERS-contracted Health Maintenance Organizations (HMOs) and self-funded plans. CAHP, CCPOA, and PORAC offer these plans exclusively to the members of these associations.

BACKGROUND

Government Code Section 22850(g) gives the Board authority to approve Association Plans rates:

The board shall approve any employee association health benefit plan that was approved by the board in the 1987-88 contract year or prior, provided the plan continues to meet the minimum standards prescribed by the board.

ANALYSIS

The associations are responsible for ensuring that their proposed 2013 rate and benefit changes are appropriate and that their reserve funds are adequate for the continued operation of these health plans.

Rates are included in attachment 1. Benefit changes are detailed below.

CAHP Health Benefits Trust

The CAHP health plan is a self-insured Preferred Provider Organization (PPO) plan, administered by Anthem Blue Cross of California.

There are no benefit changes to the CAHP health plan for 2013.

CCPOA Benefit Trust Fund

The CCPOA health plan is a fully-insured HMO plan, administered by Blue Shield of California.

The following benefit modifications will be made to the CCPOA health plan for 2013:

- Behavioral health treatment – Applied Behavior Analysis (ABA)
Coverage is provided for professional services and treatment programs, including applied behavior analysis and evidence-based intervention programs that develop or restore, to the maximum extent practicable, the functioning of an individual with pervasive developmental disorder, or autism. Treatment is covered when prescribed, authorized, and rendered by designated providers.
- The Employer Group Wavier Plan (EGWP) will be adopted for the Medicare Coordinated plan.

PORAC Insurance and Benefits Trust

The PORAC health plan is a fully-insured PPO plan, administered by Anthem Blue Cross of California.

There are no benefit changes to the PORAC health plan for 2013, other than those mandated by the Center for Medicare and Medicaid Services (CMS) for its already existing Medicare Part D EGWP plan.

BENEFITS/RISKS

Staff recommend approval of the proposed Association plan 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.

ATTACHMENTS

Attachment 1 – 2013 Health Premiums

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