



Agenda Item 6c

June 18, 2013

ITEM NAME: Approval of 2014 Association Plans Rates

PROGRAM: Health Benefits

ITEM TYPE: Action

RECOMMENDATION

Staff recommends the Pension & Health Benefits Committee (PHBC) approve the proposed 2014 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 2014 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.

The following benefit modifications will be made to the CAHP health plan for 2014:

- Basis plan – limit maximum payment to \$350.00 for Outpatient non-participating ambulatory surgical centers.
- Medicare plan – there are no benefit changes.

CCPOA Benefit Trust Fund

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

There are no benefit changes to the CCPOA health plan for 2014.

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 2014.

BENEFITS/RISKS

Staff recommend approval of the proposed Association plan premiums so that work can begin on systems changes and member communications for the 2014 Open Enrollment period, and so that 2014 premiums can be communicated on a timely basis to the State's Department of Finance and our contracting public agencies.

ATTACHMENTS

Attachment 1 – 2014 Health Premiums

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