



Consent

Agenda Item 5d

February 19, 2014

ITEM NAME: Public Agency Recruitment and Retention for the Health Benefit Program

PROGRAM: Health Benefits

ITEM TYPE: Information Consent

EXECUTIVE SUMMARY

The Pension and Health Benefits Committee was last updated on February 20, 2013, regarding our marketing and retention strategies for public agencies. Public agencies and schools make up approximately 41 percent of the 1.35 million lives covered under the Public Employees' Medical and Hospital Care Act (PEMHCA) program. This agenda item states that this year we contracted with 11 new agencies for health coverage and 15 new employee groups from existing contracting agencies, adding over 1,340 new Total Covered Lives (TCLs). This past August, only 13 agencies with 24 employee groups (totaling 2,992 TCLs), terminated their coverage with us. This equates to a 99 percent retention rate.

STRATEGIC PLAN

This agenda item supports Strategic Plan Goal A to improve long-term pension and health benefit sustainability. The Customer Account Services Division (CASD) health and marketing team offers high quality, accessible and affordable health benefits to our employers. CASD educates employers and other stakeholders to help them make informed decisions about their healthcare options.

BACKGROUND

This item is an annual update from CASD providing the status of recruitment and retention efforts of public agencies and schools in the health benefits program.

ANALYSIS

Our health benefits program remains attractive to public agencies and schools. The CASD participated in multiple events to support our marketing efforts to grow the program. In Attachment 1, Public Agency and Schools Program Growth and Loss chart displays the growth and loss TCL between 2010 and 2014.

The following summarizes the results:

- The CASD added 11 new agencies with 14 employee groups to the program, and an additional 15 new employee groups from 9 currently contracting agencies.
- The program enrolled over 1,340 new TCLs in 2013 (1,164 TCLs from new agencies and 176 TCLs from existing agencies).
- Agency retention was 99 percent. Thirteen agencies encompassing 24 employee groups from current contracting agencies, elected to terminate their California Public Employees' Retirement System (CalPERS) health contracts as of January 1, 2014, resulting in a loss of 2,992 TCLs.

The departing agencies cited a variety of financial reasons for terminating such as retiree costs, flexibility with contract vesting and future liability. As previously discussed with the Committee, staff is undertaking a project to improve our understanding of contracting agencies' needs and desires related to the PEMHCA program. Attachment 2 lists the agencies that terminated from our program effective January 1, 2014. The Attachment also lists Southern Inyo Healthcare District which was terminated effective November 1, 2013. In Attachment 3, we provide a list of the agencies that joined PEMHCA in 2013 with their associated TCL counts. The Board of Administration's 2014 health program has been successful as we have almost 10,000 TCLs joining PEMHCA in the first two months of 2014.

In coordination with our health plan partners and CalPERS Regional Offices, CASD participated in numerous events, which contributed to the success of our marketing efforts in 2013. Those efforts included the following:

- **Conferences and Presentations:** Marketing staff attended 9 conferences throughout the state in order to promote the CalPERS Health Benefits Program with current agencies as well as attract new agencies to the program. Marketing staff further provided marketing presentations to 91 prospective agencies.
- **Retirement Planning Fairs:** Staff attended all CalPERS retirement fairs held in 2013. These fairs served as opportunities to educate both members and employers about the CalPERS Health Benefits Program. Staff also provided opportunities to provide information to prospective agencies interested in learning about the health program rates and plan benefit designs.

- **Health Benefit Fairs for Open Enrollment 2014:** The health plan partners conducted 875 open enrollment health fairs at various employer sites throughout the state. These health fairs educated an estimated 56,000 members about the CalPERS Health Benefits Program and the offerings for the 2014 contract rate year.
- **Health Benefits Webinar:** CASD produced the successful “CalPERS 2014 Health Plan Rate and Benefit Changes” webinar via the internet on July 25, 2013. This was the fourth educational Health Plan Rate and Benefit Changes webinar effort by CASD. The event was well received and was viewed live by 633 employer representatives, and the archived Internet footage had over 1,400 views. Conducting the rate and benefit change webinar rather than seminars throughout the state has helped both CalPERS and employers reduce our respective carbon footprint, reduced travel cost, and resulted in increased agency participation by 63 percent from our debut in 2010. Agency representatives were able to view the presentation slides, hear the speakers, and submit text questions in a live questions and answers segment. The 2014 changes and benefit updates were provided from each of our health plan partners: Anthem Blue Cross, CVS Caremark, Blue Shield of California, Sharp, UnitedHealthcare, Health Net and Kaiser Permanente. Nearly 98 percent of survey respondents stated they would like to participate using the webinar format again and 96 percent stated the webinar was informative.
- **Open Enrollment Videos:** A segmented video, “Presenting the 2014 CalPERS Health Plans” was produced as an alternative to on-site Open Enrollment Health Fairs. Anthem Blue Cross, CVS Caremark, Blue Shield of California, Sharp, UnitedHealthcare, Health Net and Kaiser Permanente representatives presented information regarding their plans. Members could view the video in its entirety, or could select and view only a specific plan of interest. This successful online video has been used by employers as an alternative to on-site health fairs and segments have been viewed over 4,900 times to date, a 13 percent increase since its debut in 2012.
- **CalPERS Educational Forum 2013:** This past October, staff showcased the CalPERS Health Benefits Program through the presentation “Managing PEMHCA Contributions.” This presentation was offered in a workshop that provided education for current and prospective agencies on the CalPERS Health Benefits Program, specifically related to health contract and billing activities. Our health plan partners provided the interactive and very popular “Healthy Lifestyle Resource Center” with stations for chair massages, Body Mass Index, blood pressure screening, and flu shots, as well as, staffing resource tables for each of the health plans. Staff represented our services to agencies that visited the “CalPERS Health Benefits Program” resource booth.

We also provided customized consultations to public agency and school employers as an additional service.

The CASD is pleased with the addition of the new agencies to PEMHCA and its successful online outreach efforts. In support of our strategic goals for health benefit sustainability, we will continue to offer a high quality, accessible, and affordable program to our employers and members.

BUDGET AND FISCAL IMPACTS

Not Applicable.

ATTACHMENTS

- Attachment 1 – CalPERS Health Benefits Program Public Agency Growth and Loss
- Attachment 2 – Calendar Year 2014 PEMHCA Terminating Total Covered Lives
- Attachment 3 – Calendar Year 2013 PEMHCA New Total Covered Lives

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