



Pension & Health Benefits Committee

California Public Employees' Retirement System

Agenda Item 5c

June 17, 2014

ITEM NAME: Approval of 2015 Association Plans Rates

PROGRAM: Health Benefits

ITEM TYPE: Action

RECOMMENDATION

Staff recommends the Pension & Health Benefits Committee (PHBC) approve the proposed 2015 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 2015 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 2015:

- Basic plan:
 - A separate out of pocket limit has been added to the Prescription Drug benefit. The out of pocket maximum is \$4,600 for individual and \$9,200 for family. By adding this benefit to the 2015 plan benefit, it meets the ACA requirement.
- 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 2015.

PORAC Insurance and Benefits Trust

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

- Basic plan:
 - A separate out of pocket limit has been added to the Medical and Prescription Drug benefit. The out of pocket maximum is \$3,300 for individual and \$6,600 for family.
 - Coverage limitations will go into effect where body scans will be subject to a maximum \$1,000 coverage limit every 36 months.

BENEFITS/RISKS

Staff recommend approval of the proposed Association plan premiums so that work can begin on systems changes and member communications for the 2015 Open Enrollment period, and so that 2015 premiums can be communicated on a timely basis to the State's Department of Finance and our contracting public agencies.

ATTACHMENTS

Attachment 1 – 2015 Health Premiums

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CalPERS 2015 State Health Premiums Association Health Plans Only June PHBC Proposed Premiums

Basic	2014			2015			Percent Change (+/-)
	<i>Single</i>	<i>2-Party</i>	<i>Family</i>	<i>Single</i>	<i>2-Party</i>	<i>Family</i>	
CAHP	\$602.71	\$1,170.07	\$1,530.35	\$620.79	\$1,205.17	\$1,576.26	3.00%
CCPOA North	647.19	1,296.69	1,750.51	681.33	1,365.26	1,843.13	5.29%
CCPOA South	533.75	1,069.76	1,445.37	561.88	1,126.30	1,521.82	5.29%
PORAC	634.00	1,186.00	1,507.00	675.00	1,292.00	1,642.00	8.70%

Total ASN Basic Change ^{a/}	5.64%
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Medicare	2014			2015			Percent Change (+/-)
	<i>Single</i>	<i>2-Party</i>	<i>Family</i>	<i>Single</i>	<i>2-Party</i>	<i>Family</i>	
CAHP	\$372.00	\$688.00	\$874.00	\$372.00	\$688.00	\$874.00	0.00%
CCPOA	407.54	816.65	1,221.20	447.79	897.61	1,342.41	9.90%
PORAC	397.00	791.00	1,264.00	402.00	802.00	1,281.00	1.34%

Total ASN Medicare Change ^{a/}	1.43%
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a/ Percent change is a weighted average difference between 2014 & 2015 premiums with January 2014 enrollment data.