



Agenda Item 8g

December 17, 2014

ITEM NAME: Proposed Decision – In the Matter of the Appeal of the Denial of Health Benefits Coverage on Behalf of PAMELA WALCHAK by DAVID WALCHAK, Respondent.

PROGRAM: Health Plan Administration Division

ITEM TYPE: Action

PARTIES' POSITIONS

Staff argues that the Board of Administration should adopt the Proposed Decision.

Respondent David Walchak argues that the Board of Administration should decline to adopt the Proposed Decision.

STRATEGIC PLAN

This item is not a specific product of either the Strategic or Annual Plans. The determination of administrative appeals is a power reserved to the Board of Administration.

PROCEDURAL SUMMARY

Respondent David Walchak appealed the denial of health benefits coverage on behalf of Pamela Walchak, his wife. CalPERS had upheld the denial by its third party administrator, Anthem Blue Cross, of coverage for a fusion of the sacroiliac joint because the procedure was considered experimental and investigational. Respondent appealed this decision and the matter was heard by the Office of Administrative Hearings on October 7, 2014. A Proposed Decision was issued on November 5, 2014, upholding the denial of health benefits coverage.

ALTERNATIVES

- A. For use if the Board decides to adopt the Proposed Decision as its own Decision:

RESOLVED, that the Board of Administration of the California Public Employees' Retirement System hereby adopts as its own Decision the Proposed Decision dated November 5, 2014, concerning the appeal of the denial of health benefits coverage on behalf of Pamela Walchak by David

Walchak, Respondent; RESOLVED FURTHER that this Board Decision shall be effective 30 days following mailing of the Decision.

- B. For use if the Board decides not to adopt the Proposed Decision, and to decide the case upon the record:

RESOLVED, that the Board of Administration of the California Public Employees' Retirement System, after consideration of the Proposed Decision dated November 5, 2014, concerning the appeal of the denial of health benefits coverage on behalf of Pamela Walchak by David Walchak, Respondent, hereby rejects the Proposed Decision and determines to decide the matter itself, based upon the record produced before the Administrative Law Judge and such additional evidence and arguments that are presented by the parties and accepted by the Board; RESOLVED FURTHER that the Board's Decision shall be made after notice is given to all parties.

- C. For use if the Board decides to remand the matter back to the Office of Administrative Hearings for the taking of further evidence:

RESOLVED, that the Board of Administration of the California Public Employees' Retirement System, after consideration of the Proposed Decision dated November 5, 2014, concerning the appeal of the denial of health benefits coverage on behalf of Pamela Walchak by David Walchak, Respondent, hereby rejects the Proposed Decision and refers the matter back to the Administrative Law Judge for the taking of additional evidence as specified by the Board at its meeting.

- D. Precedential Nature of Decision (two alternatives; either may be used):

1. For use if the Board wants further argument on the issue of whether to designate its Decision as precedential:

RESOLVED, that the Board of Administration of the California Public Employees' Retirement System requests the parties in the matter concerning the appeal of the denial of health benefits coverage on behalf of Pamela Walchak by David Walchak, Respondent, as well as interested parties, to submit written argument regarding whether the Board's Decision in this matter should be designated as precedential, and that the Board will consider the issue whether to designate its Decision as precedential at a time to be determined.

2. For use if the Board decides to designate its Decision as precedential, without further argument from the parties.

RESOLVED, that the Board of Administration of the California Public Employees' Retirement System, hereby designates as precedential its Decision concerning the appeal of the denial of health benefits coverage on behalf of Pamela Walchak by David Walchak, Respondent.

BUDGET AND FISCAL IMPACTS: Not applicable

ATTACHMENTS

Attachment A: Proposed Decision
Attachment B: Staff's Argument
Attachment C: Respondent(s) Argument(s)

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Deputy Executive Officer
Benefit Programs Policy and Planning