

Public Agency Health Benefit Design Needs Assessment

*Assessing the important needs of our public agency
and school employers*

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As the second largest public purchaser of health care benefits in the nation, CalPERS is committed to finding innovative solutions to reduce the costs of care for our employers and members while maintaining quality and efficiency. In 2011, we embarked on a review of how we purchase and administer health care to learn how CalPERS can better serve the health benefit needs of our members and local employer partners.

Key Objectives of our work:

- Engage CalPERS employers and member organizations in evaluating current health benefit design and legislative requirements, and determine how those align with employer and member needs
- Identify specific areas of need and/or concern pertaining to CalPERS health program and benefit design
- Review health plan regions for contracting agencies, and gather input regarding development of statewide wellness platform
- Compile and present findings to the CalPERS Board of Administration.

Health Program Overview:

- Covers nearly 1.4 million active and retired State, local government, and school employees and their families
- Purchases health benefits for more than 1,200 public agency and school employers
- Spends more than \$8 billion annually to purchase health benefits.

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| March 2011 CalPERS conducts a comprehensive analysis of the health care marketplace looking at cost drivers, Affordable Care Act provisions, best practices, market trends, and legal constraints. | July—September 2011 CalPERS staff present market scan highlights at the CalPERS Board Offsite. CalPERS collaborates with McKinsey & Company to survey members and employers to better understand health care priorities and preferences. | September—October 2011 CalPERS staff meet with key stakeholders such as labor, retiree, and employer groups, and health plan and provider groups from the California Health Benefit Exchange. | December 2011 Industry experts present to Pension & Health Benefits Committee on market trends, risk adjustment, evidence-based medicine, and wellness. | January 2012 CalPERS staff present 21 initiatives at the Board Offsite to improve health care delivery, health outcomes, and sustainable programs, including the review of benefits offered to contracting agency members and employers. | January—February 2014 CalPERS staff survey more than 1,000 Public Employees’ Medical and Hospital Care Act (PEMHCA) employers, 600 pension-only employers, and 20 member organizations to gather feedback on health benefit design, legislative requirements, and wellness. | March—May 2014 CalPERS hosts one member organization and three PEMHCA employer focus groups in Glendale, Walnut Creek, and Sacramento. CalPERS participates in stakeholder meetings and conferences with: <ul style="list-style-type: none">• Service Employees International Union• League of California Cities• California Professional Firefighters• Los Angeles Countywide City Managers. | July—August 2014 CalPERS hosts one member organization and four PEMHCA employer focus groups in Orange, San Bernardino, and San Diego. CalPERS participates in additional stakeholder meetings and conferences with: <ul style="list-style-type: none">• League of Cities, Bay Area/South Bay HR Directors• California School Employees Association (CSEA)• Council Chambers, City of Norwalk. | September—November 2014 CalPERS hosts one member organization and two PEMHCA employer focus groups in Sacramento and Walnut Creek, and an employer workshop at the CalPERS Educational Forum in Riverside. CalPERS participates in additional stakeholder meetings and conferences with: <ul style="list-style-type: none">• California Special District Chapter, Livermore• City of Thousand Oaks• California County HR Managers, Lodi• CSEA, Senior Labor Staff. | December 2014 CalPERS staff present findings from Public Agency Health Benefit Design Needs Assessment project to the CalPERS Pension & Health Benefits Committee. |
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