

**PUBLIC EMPLOYEES' RETIREMENT SYSTEM
BOARD OF ADMINISTRATION
2015 Legislative Year**

Status as of February 4, 2015

B – Other Bills

Bill Number/Author

AB 103 (Weber) Introduced: 1/9/2015

2014-15 Budget Act. Would make appropriations for support of state government for the 2015-16 fiscal year. The bill adds a Medicare Supplement policy report detailing efforts to convert age 65 retirees from Basic plans to Medicare plans and related costs and benefits of improving those conversions. The bill also modifies an existing report to include a more detailed reconciliation of premium changes when the Board of Administration adopts new health rates. As a budget bill, it takes effect immediately.

Location: 1/26/2015-Assembly Budget Committee

SB 26 (Hernandez) Introduced: 12/1/2014

Statewide Health Care Cost and Quality Database. Among other things, this bill would create the California Health Care Cost and Quality Database (CQDB) to receive and report information from all types of health care entities to facilitate comparisons of cost, quality, and satisfaction across payers, provider organizations, and other suppliers of health care services. The bill would also require the Secretary of California Health and Human Services Agency to contract with one or more independent, nonprofit organizations to administer the CQDB. It would require health plans and insurers, suppliers, and providers to provide utilization data and pricing information to the CQDB, which would then post the information on a publicly available web-based, searchable database.

Location: 1/15/2015-Senate Health Committee

SB 69 (Leno) Introduced: 1/9/2015

2014-15 Budget Act. Would make appropriations for support of state government for the 2015-16 fiscal year. The bill adds a Medicare Supplement policy report detailing efforts to convert age 65 retirees from Basic plans to Medicare plans and related costs and benefits of improving those conversions. The bill also modifies an existing report to include a more detailed reconciliation of premium changes when the Board of Administration adopts new health rates. As a budget bill, it takes effect immediately.

Location: 1/9/2015-Senate Budget and Fiscal Review

Bill Number/Author

Trailer Bill Language

RN 1503170: Health Benefit Administration

Among other things, the bill would:

- Require the Board of Administration (Board) to add one or more high deductible health plan options, provide a low-cost Medicare supplemental health plan, and exempt these plans from risk adjustment.
- Require CalPERS to verify dependent eligibility for state annuitants before enrolling a dependent into a health plan, maintain the verifying documentation on file, and substantiate eligibility at least every three years. State agencies would be required to verify the dependent eligibility for active employees.
- Prohibit the Board from granting any further exemptions after January 1, 2015 to the rule against enrolling employees, annuitants, and their family members who are eligible for Medicare in a basic health benefit plan.
- Add the Department of Finance as an entity allowed to receive hospital claims data.
- Delete an existing reporting provision and instead, require the Board to report to the Legislature each April 1st, more detailed information regarding its health benefit plans.
- Eliminate the requirement that contracting agency contribute to the Public Employees' Contingency Reserve Fund for each of its employees and annuitants the same amount as the state.
- Prohibit the use of funds in the Annuitant Health Care Coverage Fund for the payment of benefits for state annuitants and dependents until the earlier of: (1) the date the funded ratio of a designated subaccount reaches at least 100 percent as determined in that employer's postemployment benefits actuarial valuation and then only for the purpose of paying benefits for state annuitants and dependents associated with that subaccount; (2) July 1, 2046.
- Declare equal sharing of normal cost between public employers and public employees to be the standard for prefunding postemployment health care benefits and specify that the state intends to pursue this standard through collective bargaining with its employee bargaining units.

Trailer Bill Language

RN 1503173: Retiree Health Care

Among other things, this bill would, for all state employees, annuitants, and officers first hired, appointed, or elected on or after January 1, 2016:

- Limit the annual employer contribution for annuitants to an unspecified percentage of the average of the premiums paid by the employer during the annuitants last three years of active employment.
 - Provide an employer contribution towards annuitant health benefits and specify that an individual credited with at least 15 years of state service at the time of retirement will receive half of the full employer contribution and will receive five percent of the full contribution for each additional year of service.
 - Prohibit reimbursement for the cost of Medicare Part B premiums for themselves or their enrolled family members, as specified.
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