Approved by the CalPERS' Board of Administration on March 14, 2007 Revised March 18, 2009

2009-10 Health Policy Priorities for State Legislation Pursuant to Strategic Plan

Incorporation of Federal Health Priorities

<u>The Board of Administration Federal Health Policy Priorities for 2009-10 are</u> incorporated by reference into these State priorities.

Quality/Value/Access

Goal: Reduce rate of cost increases.

- Support legislation that will reduce large numbers of uninsured individuals, including universal coverage proposals that do not have a significant adverse impact on PEMHCA or on CaIPERS members.
- Support legislation that will reduce the cost of prescription drugs for CalPERS and/or its members while also maintaining appropriate quality and access.
- Support legislation that will reduce cost-shifting to CalPERS, including costshifting from under-funded governmental programs.
- Support Medicare benefit changes that will reduce the cost of CalPERS supplemental benefits, including a meaningful expansion of prescription drug coverage.
- <u>Support legislation providing for Health Information Technology (HIT), balancing</u> <u>the value of electronic medical records to provide safe, high-quality care delivery</u> <u>and HIT's value to medical research activities, with the need to provide</u> <u>appropriate protections for individual privacy and consent concerns.</u>
- <u>Oppose legislation which would reduce size of the risk pool thereby adversely</u> <u>impacting the ability to negotiate favorable rates for a larger group.</u>

Goal: Focus on contributing causes.

- Support legislation that will create greater transparency in, and disclosure of, the cost of health care goods and services.
- Support transparency in the operations of health care service plans and other providers to the fullest extent possible without impairing patient-provider confidentiality.
- Support legislation that will enhance provider competition.
- Support legislation that will permit CalPERS members to obtain meaningful information about quality of care and cost of health services.

Relative burden of premium cost is largely a management-labor issue.

• Take no position on legislation pertaining to employer and employee cost sharing that is a result of collective bargaining and does not have a negative impact on current annuitants.

Goal: Reimbursements/purchasing based on quality and outcomes.

- Support legislation that will enhance evidence-based research and disclosure, including evidence-based prescription drug comparisons.
- Oppose mandated benefits when the efficacy of the proposed benefit is not supported by scientific, evidence-based research.
- Oppose legislation that would limit a health plan's ability to include in a provider contract reimbursement arrangements aligned with outcome or quality measures.

Stability

Goal: Stability of plan choice and provider networks.

- Support legislation that will provide continuity of care during network disruptions.
- Support legislation that seeks to protect patients from undue pressures during provider-plan contract negotiations or network disruptions.
- Support legislation that would seek to assure the financial viability of risk-bearing provider groups.

Goal: Stability in the CalPERS risk pool.

- Support legislation to stabilize and enhance <u>state and public agency participation</u> in the CalPERS health program.
- Oppose legislation that mandates a specific benefit design or other proposals that would limit CalPERS Board discretion in responding to market conditions.
- <u>Oppose legislation that destabilizes the risk pool.</u>

Choice

Goal: Allow participants to consciously select providers based on competencies, quality, and outcomes.

- Support legislation that will enhance decision-support tools, including the increased availability of provider cost and quality information.
- Support legislation to enhance affordable provider access in rural areas.
- Support legislation to standardize provider reporting of quality and financial information.
- Support legislation that promotes the ability of members and employers to make informed decisions resulting in improved lifestyle choices and health outcomes.