



Consent

Agenda Item 5d

February 18, 2015

ITEM NAME: Public Agency Recruitment and Retention for the Health Benefit Program

PROGRAM: Health Benefits

ITEM TYPE: Information Consent

EXECUTIVE SUMMARY

The Pension and Health Benefits Committee was last updated on February 19, 2014, regarding our marketing and retention strategies for public agencies. As you know, public agencies and schools make up approximately 41 percent of the 1.35 million lives covered under the Public Employees' Medical and Hospital Care Act (PEMHCA) program. This agenda item states that this year we contracted with 16 new agencies for health coverage and 29 new employee groups from 10 existing contracting agencies, adding over 25,608 new Total Covered Lives (TCLs). In our annual termination period in August, 12 agencies with 31 employee groups (totaling 6,829 TCLs), terminated their coverage with us. This equates to a 99 percent retention rate.

STRATEGIC PLAN

This agenda item supports Strategic Plan Goal A to improve long-term pension and health benefit sustainability. The Customer Account Services Division (CASD) health and marketing team offers high quality, accessible and affordable health benefits to our public agency and school employers. CASD educates employers and other stakeholders to help them make informed decisions about their healthcare options.

BACKGROUND

This item is an annual update from CASD providing the status of recruitment and retention efforts of public agencies and schools in the health program.

ANALYSIS

Our health benefits program remains attractive and competitive to public agencies and schools. CASD participated in multiple events to support our marketing efforts to grow the program. In Attachment 1, Public Agency and Schools Program Growth and Loss displays the growth and loss total of TCLs between 2011 and 2015. The following summarizes the results:

- CASD added 16 new agencies with 46 employee groups to the program, and an additional 29 new employee groups from 10 currently contracting agencies.
- The program enrolled over 25,608 new TCLs in 2014 (8,253 TCLs from new agencies and 17,355 TCLs from existing agencies).
- Agency retention was 99 percent. Twelve agencies encompassing 31 employee groups from current contracting agencies elected to cancel their CalPERS health contracts as of January 1, 2015, resulting in a gain of 18,756 TCLs.

The departing agencies cited a variety of reasons for termination such as the desire to have a high deductible plan; inflexibility with contracting, financial, and vesting provisions; as well as, current and future liability for active and retiree health costs. Attachment 2 lists the agencies that terminated from our program effective January 1, 2015. The program experienced an increase in the number of newly contracting agencies in 2014 as compared to 2013. In Attachment 3, we provide a list of the agencies that joined PEMHCA in 2014 with their associated TCL counts. The Board of Administration's 2015 health program continues to be successful as we have thus far 11,238 TCLs joining PEMHCA in the first quarter of 2015.

In coordination with our health plan partners and CalPERS Regional Offices, CASD participated in numerous events, which contributed to the success of our marketing efforts. Those efforts included the following:

- **Conferences and Presentations:** Marketing staff attended eight conferences throughout the state to promote the CalPERS Health Benefits Program with current agencies and attract new agencies to the program. Marketing staff further provided marketing presentations to 89 prospective agencies.
- **CalPERS Benefits Education Events:** Marketing staff attended all CalPERS Benefits Education Events held in 2014. These served as opportunities to educate both members and employers about the CalPERS Health Benefits Program. Staff also provided educational opportunities to deliver information to prospective agencies and members groups interested in learning about the program rates and plan benefit designs.
- **Health Benefit Fairs for Open Enrollment 2015:** The health plan partners conducted 799 open enrollment health fairs at various employer sites throughout the state. These health fairs educated an estimated 26,122 members about the CalPERS health benefits program and the offerings for the 2015 contract rate year.

- **CalPERS Health Benefits Webinar:** In conjunction with CalPERS Public Affairs, CASD produced the successful “CalPERS 2015 Health Plan Rate and Benefit Changes” webinar via the internet on August 7, 2014. This was the fifth educational Health Plan Rate and Benefit Changes webinar effort by CASD. The event was well received and was viewed live by 1,333 employer representatives, and the archived Internet footage had over 3,209 views. Conducting the rate and benefit changes webinar rather than seminars throughout the state has helped both CalPERS and employers reduce our respective carbon footprint, reduced travel cost, and resulted in increased agency participation by 31 percent from 2013. Agency representative were able to view the presentation slides, hear the speakers, and submit text questions during the webinar. The 2015 changes and benefit updates were provided from each of our Health Plan Partners: Anthem Blue Cross, CVS Caremark, Blue Shield of California, Sharp, United Healthcare, Health Net and Kaiser Permanente. Ninety two percent of survey respondents stated they would like to participate using the webinar format again and 92 percent stated the webinar was informative.
- **Open Enrollment Videos:** In conjunction with CalPERS Public Affairs, CASD produced a segmented video “Presenting the 2015 CalPERS Health Plans” as an alternative to onsite Open Enrollment Health Fairs. Kaiser Permanente, Blue Shield, Anthem Blue Cross, Sharp, United Healthcare, Health Net and CVS Caremark representatives presented information regarding their plans. Members could view the video in its entirety, or could view only a plan of interest to them. This successful online video has been used by employers as an alternative to onsite health fairs and segments have been viewed over 6,199 times to date, a 26.5 percent increase from 2013, and a 54.9 percent increase since 2012.
- **CalPERS Educational Forum 2014:** This past October, staff showcased the Health Benefits Program through the presentation “Understanding the PEMHCA Health Program”. This presentation was offered in a workshop that provided education for current and prospective agencies on the CalPERS Health Benefits program, specifically related to health contract and billing activities. Analysis of session feedback showed a 73 percent increase in attendance from the previous year. Evaluations were also more favorable than last year’s with nearly all session speaker categories receiving “excellent” or “good” on their survey cards. Our health plan partners provided the interactive and very popular “Healthy Lifestyle Resource Center” with stations for chair massages, Body Mass Index, bone density screening, flu shots, as well as staffing resource tables for each of the health plans. Staff represented our services to agencies that visited the “CalPERS Health Benefits Program” resource booth.

We also provided customized consultations to public agency and school employers as an additional service.

CASD is pleased with the addition of the new agencies to PEMHCA and its successful on-line outreach efforts. In support of our strategic goals for health benefit sustainability, we will continue to offer a high quality, accessible, and affordable program to our employers and members.

BUDGET AND FISCAL IMPACTS

Not Applicable

BENEFITS/RISK

Not Applicable

ATTACHMENTS

- Attachment 1 – CalPERS Health Benefits Program Public Agency Growth and Loss
- Attachment 2 – Calendar Year 2015 PEMHCA Terminating Total Covered Lives
- Attachment 3 – Calendar Year 2014 PEMHCA New Total Covered Lives

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