



Agenda Item 8

April 14, 2015

ITEM NAME: 2016 Medicare Advantage Plan Process Update

PROGRAM: Health Benefits

ITEM TYPE: Information

EXECUTIVE SUMMARY

This item provides an update on research related to potential options outside the current Medicare plans offered by the California Public Employees' Retirement System (CalPERS).

STRATEGIC PLAN

This agenda item supports Goal A: Improve long-term pension and health benefit sustainability by ensuring high quality, accessible and affordable health benefits.

BACKGROUND

In November 2014, Health Program staff presented an information item to the Pension & Health Benefits Committee on the overall Medicare Program, the Medicare Plans that CalPERS currently administers, and potential options the Board of Administration (Board) may consider relative to the program. At that time, the Board directed staff to review alternate approaches outside our current Medicare plan offerings, namely, contracting with a single carrier for Medicare.

ANALYSIS

As part of the 2016 Rate Development Process, staff advised CalPERS health plans that we are researching the option of a single, non-Kaiser Medicare Advantage plan to be provided by one carrier in 2016.

Staff requested feedback from plans interested in being a single carrier for Medicare for the 2016 plan year, and are currently evaluating those proposals as part of the 2016 Rate Development Process.

BUDGET AND FISCAL IMPACTS

Once staff has fully reviewed proposals from the plans, they will be in a position to provide budget and fiscal impacts.

BENEFITS/RISKS

Staff is currently reviewing the proposals along with the internal system and operational impacts of this option, as it relates to benefits and risks.

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