



Agenda Item 8

June 16, 2015

ITEM NAME: Approval of 2016 Association Plans Rates

PROGRAM: Health Benefits

ITEM TYPE: Action

RECOMMENDATION

Staff recommends the Pension & Health Benefits Committee (PHBC) approve the proposed 2016 rates for the California Association of Highway Patrolmen (CAHP) Health Benefits Trust, the California Correctional Peace Officers Association (CCPOA) Benefit Trust Fund, and the Peace Officers Research Association of California (PORAC) Insurance and Benefits Trust.

EXECUTIVE SUMMARY

The California Public Employees' Retirement System (CalPERS) PHBC annually reviews and approves the rate and benefit proposals for the three association plans offered to certain CalPERS members, in addition to CalPERS-contracted Health Maintenance Organizations (HMOs) and self-funded plans. CAHP, CCPOA, and PORAC offer these plans exclusively to the members of these associations.

BACKGROUND

Government Code Section 22850(g) gives the Board authority to approve Association Plans rates:

The board shall approve any employee association health benefit plan that was approved by the board in the 1987-88 contract year or prior, provided the plan continues to meet the minimum standards prescribed by the board.

ANALYSIS

The associations are responsible for ensuring that their proposed 2016 rate and benefit changes are appropriate and that their reserve funds are adequate for the continued operation of these health plans.

Rates are included in Attachment 1. Benefit changes are detailed below.

CAHP Health Benefits Trust

The CAHP health plan is a self-insured Preferred Provider Organization (PPO) plan, administered by Anthem Blue Cross of California.

The following benefit modifications will be made to the CAHP health plan for 2016:

- Basic plan:
 - There are no benefit changes.
- Medicare plan:
 - Implement employer group waiver program for Medicare retiree pharmacy benefit.

CCPOA Benefit Trust Fund

The CCPOA health plan is a fully-insured HMO plan, administered by Blue Shield of California.

There are no benefit changes to the CCPOA health plan for 2016.

PORAC Insurance and Benefits Trust

The PORAC health plan is a fully-insured PPO plan, administered by Anthem Blue Cross of California.

- Basic plan:
 - A separate out-of-pocket limit has been added to the Medical and Prescription Drug benefit. The out-of-pocket maximum is \$4,500 for individual and \$9,000 for family on the medical benefits and \$2,350 for individual and \$4,700 for family on the prescription drug benefits.

BUDGET AND FISCAL IMPACTS

Approval of the Association plans rates have no impact to CalPERS.

BENEFITS/RISKS

Staff recommend approval of the proposed Association plan premiums so that work can begin on system changes and member communications for the 2016 Open Enrollment period, and 2016 premiums can be communicated on a timely basis to the State's Department of Finance and our contracting public agencies.

ATTACHMENTS

Attachment 1 – 2016 Health Premiums

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