



Agenda Item 8

February 17, 2016

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

PROGRAM: Health Benefits

ITEM TYPE: Information

EXECUTIVE SUMMARY

The Pension & Health Benefits Committee was last updated on February 18, 2015, regarding the California Public Employees' Retirement System (CalPERS) Health Benefits Program's recruitment and retention efforts for public agencies and schools. Public agencies and schools make up approximately 41 percent of the 1.4 million lives covered under CalPERS' Health Benefits Program, or the Public Employees' Medical and Hospital Care Act (PEMHCA) program. This agenda item provides a snapshot of our 2015 recruitment and retention efforts and results. In 2015:

- CalPERS Health Marketing Unit contracted with 23 new agencies and 9 new employee groups from 4 existing agencies resulting in a total of 16,042 Total Covered Lives (TCLs) being added to the program.
- During our annual termination period, 12 agencies terminated their health coverage, resulting in a loss of 6,122 TCLs.
- CalPERS Health Marketing Unit maintained a 99 percent retention rate.

STRATEGIC PLAN

This agenda item supports Strategic Plan Goal A to improve long-term pension and health benefit sustainability.

BACKGROUND

CalPERS is the largest purchaser of public employee health benefits in California, and the second largest public purchaser in the nation after the federal government. CalPERS' Health Benefits Program provides benefits to more than 1.4 million public employees, retirees, and their families. CalPERS Health Marketing Unit, within the Special Program and Marketing Division, is responsible for marketing CalPERS' Health Benefits program to public agencies and schools.

ANALYSIS

CalPERS Health Benefits Program remains an attractive and competitive option for public agencies and schools.

Attachment 1, CalPERS Health Benefits Program Public Agency Growth and Loss, provides a look back at the program's growth and loss between 2012 and 2016.

CalPERS Health Program 2012-2015 Average Annual Net Gains/Losses

Average Annual Gain 2012-2015	14,149 TLCs
Average Net Gain 2012-2015	9,682 TLCs
Average Annual Losses 2012-2015	4,468 TLCs
Average Net Loss 2012-2015	17,870 TLCs

Attachment 2, CalPERS Health Program (PEMHCA) Terminating Agencies, provides a look at the agencies that terminated from the CalPERS Health Program in 2015. In 2015, 12 agencies (encompassing 14 employee groups) elected to cancel their CalPERS health contracts resulting in a net loss of 6,122 TCLs.

Despite the terminations, the Health Marketing Unit maintained a 99 percent retention rate in 2015. As part of our recruitment and retention efforts, we work with those terminating agencies through exit interviews to understand what factors led to their terminating. In 2015, the departing agencies cited a variety of reasons for termination such as the desire to have a high deductible plan, inflexibility with contract, financial, and vesting provisions of the program, as well as current and future liability for increasing active and retiree health costs.

Attachment 3, CalPERS Health Program (PEMHCA) New Agencies, provides a look at those agencies that joined the CalPERS Health Program in 2015.

In 2015, the Health Marketing Unit:

- Added 23 new agencies with 9 employee groups to the program, and an additional 9 new employee groups from 4 existing agencies.
- Enrolled 16,042 TCLs (14,489 from new agencies and 1,553 TCLs from existing agencies).

In coordination with our Health Plan Partners and CalPERS Regional Offices, CalPERS Health Marketing Unit participated in a number of regional and statewide events to help promote and create awareness of CalPERS' Health Benefits Program. Some of those efforts included:

- **Conferences and Presentations:** Attended eight conferences throughout the State to promote the CalPERS Health Benefits Program with current agencies and to attract new agencies to the program. Provided marketing presentations to 103 prospective agencies.
- **Health Benefit Fairs for Open Enrollment:** Our Health Plan Partners conducted 1,013 open enrollment fairs at various employer sites throughout the State. These fairs reached an estimated 70,574 members about the CalPERS Health Benefits Program and the offerings for the 2016 contract year.
- **CalPERS Health Benefits Webinar:** In conjunction with CalPERS Public Affairs Office, the Health Marketing Unit produced the CalPERS 2016 Health

Plan Rate and Benefit Changes webinar in August 2015. The event was well received and was viewed live by 436 employer representatives, and the archived internet footage had 9,792 views. Ninety-seven percent of survey respondents stated they would like to participate in the webinar format again, with ninety-seven percent stating the webinar was informative.

- **CalPERS Educational Forum 2015:** In October, staff showcased the Health Benefits Program through the presentation “Understanding Your 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. There were 125 attendees with an average evaluation score of 49 out of 50 points.

In the first quarter 2016, CalPERS Health Marketing Unit has added 7 new agencies totaling 7,651 TCLs joining the program. The Health Marketing Unit will continue to work through our Health Plan Partners and prospective public agencies and school employers to promote and create awareness of CalPERS Health Benefits Program.

BUDGET AND FISCAL IMPACTS

Not Applicable

BENEFITS/RISKS

Not Applicable

ATTACHMENTS

Attachment 1 – CalPERS Health Benefits Program Public Agency Growth and Loss
Attachment 2 – CalPERS Health Benefits Program (PEMHCA) Terminating Agencies
Attachment 3 – CalPERS Health Benefits Program (PEMHCA) New Agencies

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