



## Pension and Health Benefits Committee Agenda Item 4e

---

June 14, 2016

**Item Name:** 2017 Association Plan Rates

**Program:** Health Benefits

**Item Type:** Information Consent

### **Executive Summary**

The California Public Employees' Retirement System (CalPERS) Pension and Health Benefits Committee (PHBC) annually reviews 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. California Association of Highway Patrolmen (CAHP), California Correctional Peace Officers Association (CCPOA), and Peace Officers Research Association of California (PORAC) offer these plans exclusively to the members of these associations.

### **Strategic Plan**

This item supports Strategic Goal Plan A "Improve long-term pension and health benefit sustainability."

### **Background**

Government Code Section 22850(g) gives the Board of Administration authority to approve Association Plan 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 2017 rate and benefit changes are appropriate and that their reserve funds are adequate for the continued operations of these health plans. Therefore, this agenda item serves as a review of the three association plan rates for 2017.

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.

There are no benefit changes for the 2017 plan year for both the Basic plan and Medicare plan.

#### 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 2017.

#### PORAC Insurance and Benefits Trust

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

The following benefit modifications will be made to the PORAC health plan for 2017:

- **Basic:**  
PORAC is not making any Basic plan benefit changes other than updating the 2017 medical and pharmacy Maximum Out-of-Pocket (MOOP) levels. PORAC's Basic plan coverage will include 2017 separate MOOP levels of \$4,500/\$9,000 (no change from 2016) on their medical benefits and \$2,650/\$5,300 on the prescription drug benefits. These MOOP changes will be reflected in the 2017 Basic Evidence of Coverage.
- **Medicare:**  
There are no benefit changes.

#### **Budget and Fiscal Impacts**

Approval of the Association plan rates has no impact CalPERS.

#### **Benefits and Risks**

Staff recommends approval of the proposed Association plan premiums so that work can begin on system changes and member communications for the 2017 Open Enrollment period, and 2017 premiums can be communicated on a timely basis to the State's Department of Finance and our contracting public agencies.

#### **Attachments**

Attachment 1 – 2017 Association Health Plan Premiums

---

**Kathy Donneson, Chief**

Health Plan Administration Division

---

**Doug P. McKeever**

Deputy Executive Officer

Benefit Programs Policy and Planning

