



Pension and Health Benefits Committee Agenda Item 7

April 18, 2017

Item Name: Health Care Beliefs - Planning

Program: Health Benefits

Item Type: Information

Executive Summary

This agenda item is to provide a framework regarding Health Policy Research Division's (HPRD) path forward for developing the California Public Employees' Retirement System (CalPERS) Health Beliefs and timeline.

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

Over the past few years, the CalPERS Board of Administration (Board) has adopted a set of both Investment and Pension beliefs that established a framework for making disciplined investment and pension decisions. These Beliefs have guided decision making, provided a context for CalPERS' actions, and established a framework to improve, enhance, and reinforce the management of the Investment and Pension programs.

At the February 2017 Pension & Health Benefits Committee (PHBC) meeting, the Board directed HPRD to develop a framework and timeline to help guide the management of the CalPERS health benefits program.

Analysis

Health Beliefs are statements about aspects of health benefits purchaser behavior that inform benefit design strategies and decisions. It is important to clarify and make explicit these beliefs to allow our stakeholders to understand all decisions and behaviors through the right lens.

CalPERS' Health Beliefs through the lens of a health benefits purchaser will:

- Provide a basis for strategic management of the health benefits program to achieve long term objectives;
- Serve as a tool for benefit design decision making;
- Provide a framework for assessing new health benefits strategies and help avoid making changes on an ad-hoc basis; and,
- Provide a consistent framework to engage on legislative, regulatory, and policy issues.

Over the next few months HPRD will engage stakeholders and Executives to gather input on key areas and considerations for CalPERS' Health Beliefs. HPRD will then present an initial set of draft belief statements for discussion. Based upon input and ratings by the Board and the

Health team, HPRD will develop a final set of Health Beliefs for approval at a future Board meeting.

Budget and Fiscal Impacts

Not Applicable

Benefits and Risks

Not Applicable

Attachments

Attachment 1 – Health Beliefs – Planning Presentation Slides

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