

# Health Care Administrative Expenses

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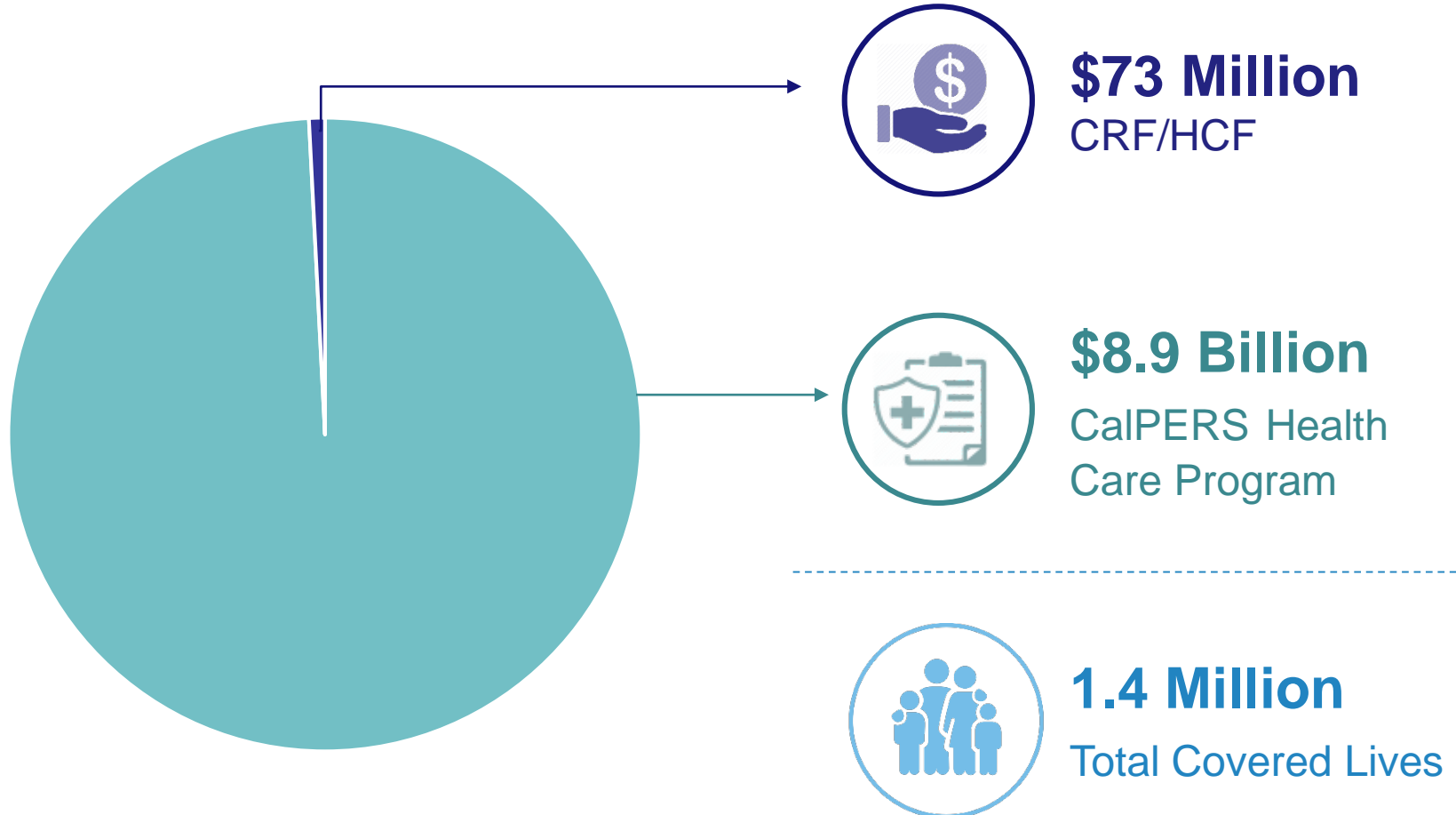
# Agenda

- Background
- Statutory Changes
- Impact Analysis
- Summary



# BACKGROUND

# Background



# Background



# STATUTORY CHANGES

# Statutory Changes

- 2016 {
- Expenditures from HCF now subject to State Budget Act
- 2017 {
- Reduced reserves to one month
  - Employer & Employee Impact Analysis

# IMPACT ANALYSIS



# Impacts to Employers



0.33 percent to 0.82 percent  
~150% increase



State of CA      ↑      \$25.5M



Public Agencies      ↑      \$18.7M



No new added value

# Impacts to CalPERS Health Program



Competitive  
Advantage



Market  
Influence



Stakeholder  
Confidence

# SUMMARY

Thank you