



Pension and Health Benefits Committee Agenda Item 5c

February 13, 2018

Item Name: Health Open Enrollment Results

Program: Health Benefits

Item Type: Information Consent

Executive Summary

This agenda item reports the movement of members into different health plans, based on the results of the 2017 Open Enrollment period. In total, 71,539 (4.93 percent) of the California Public Employees' Retirement System (CalPERS) Total Covered Lives (TCLs) changed plans. The number of members enrolled in a Health Maintenance Organization (HMO) health plan increased by 0.14 percent, members in a Preferred Provider Organization (PPO) plan increased by 0.07 percent, and members in Association plans decreased by 1.62 percent. The increase in HMO plan premiums (+3.75 percent), as well as the decrease in PPO plan premiums (-2.39 percent) greatly influenced the 2017 transfer rate. Movement into lower cost health plans will result in a net premium decrease of \$23.4 million in 2018. For members that participated in the 2017 Open Enrollment, the net premium decrease is determined by comparing the members' 2018 premium amount of their new plan with the 2018 premium amount of the plan they were previously enrolled in.

Strategic Plan

This item supports Goal A: "Improve long-term pension and health benefit sustainability," by educating employers and stakeholders to make informed decisions about retirement security and health care. This information item summarizes the impact of member plan choices during the 2017 Open Enrollment period.

Background

Every year, CalPERS reports the results of open enrollment. This year's results show a trend of decreased transfer rates compared to previous years. In 2015, the transfer rate was 7.74 percent. That rate decreased to 7.35 percent in 2016 and dropped to 4.93 percent in 2017. During the previous 2016 Open Enrollment period, 105,419 TCLs (7.35 percent) changed plans.

Analysis

CalPERS measured the impact of the 2017 Open Enrollment period by comparing the number of members changing plans effective January 1, 2018, to the December 1, 2017, enrollment counts. This comparison highlights changes due to Open Enrollment.

The following charts display the top three plans that experienced the highest net gain in enrollment and the top three plans that experienced the biggest net loss. Please note that not all transfers are shown and only the top three movements are displayed.

Plans that experienced the largest net gain:

Plan Name and Net Gain	Gained from...		
Blue Shield Access+ 13,881 TCLs	Health Net SmartCare (34%)	Anthem HMO Select (28%)	PERS Plans (10%)
PERSCare 5,132 TCLs	PERS Choice (52%)	Blue Shield Access+ (11%)	Kaiser (8%)
UnitedHealthcare 3,240 TCLs	Health Net SmartCare (40%)	Kaiser (19%)	Blue Shield Access+ (14%)

Plans that experienced the biggest net loss:

Plan Name and Net Loss	Moved to...		
HealthNet SmartCare -17,920 TCLs	Blue Shield Access+ (35%)	Western Health Advantage (23%)	UnitedHealthcare (20%)
Anthem HMO Select -6,901 TCLs	Blue Shield Access+ (57%)	Kaiser (12%)	UnitedHealthcare (12%)
PERS Choice -3,421 TCLs	PERS Care (41%)	PERS Select (17%)	Blue Shield Access+ (13%)

Western Health Advantage

The CalPERS Board of Administration approved the addition of WHA to the Basic HMO plan options effective January 1, 2018. WHA is available for members in Placer, El Dorado, Sacramento, Yolo, Colusa, Solano, Napa, Sonoma and Marin counties. During the 2017 Open Enrollment, 5,755 members enrolled in WHA, of which 77 percent of WHA members were previously enrolled in Health Net SmartCare.

Anthem EPO Monterey

Effective January 1, 2018, Anthem EPO Monterey will no longer be available to CalPERS members due to Anthem HMO Select's expansion to include Monterey county. This resulted in the movement of 1,509 members (68 percent) to PERS plans and 658 members (30 percent) to Anthem HMO Select.

The table below summarizes the net enrollment changes in each plan.

Health Plan	Net Change TCL
Anthem EPO Del Norte	37
Anthem EPO Monterey	(2,205)
Anthem HMO Select	(6,901)
Anthem HMO Traditional	(651)
BSC Access+	13,881
BSC EPO	(5)
CAHP	(16)
CCPOA North	(1,116)
CCPOA South	242
Health Net Salud y Más	1,994
Health NetSmartCare	(17,920)
Kaiser	1,418
Kaiser Out of State	62
PERS Choice	(3,421)
PERS Select	728
PERSCare	5,132
PORAC	(775)
Sharp	521
UHC	3,240
WHA	5,755

Budget and Fiscal Impact

There is no budget or fiscal impact to the State of California as a result of the 2017 Open Enrollment.

Benefits and Risks

There are no risks to CalPERS as a result of the changes members made.

Attachments

Attachment 1 – *2017 Open Enrollment All Total Covered Lives Transfers*, provides the count of member transfers in and out of health plans during the 2017 Open Enrollment.

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