



Pension and Health Benefits Committee Agenda Item 8

March 20, 2018

Item Name: Health Beliefs – First Reading

Program: Health Benefits

Item Type: Information

Executive Summary

This agenda item includes proposed Health Belief statements (first reading) for review and comment by the Pension and Health Benefits Committee (PHBC). The second reading of the Health Beliefs will be presented for approval in April 2018.

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 California Public Employees’ Retirement System (CalPERS) Board of Administration (Board) adopted a set of belief statements 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 PHBC meeting, the Committee directed the Health Policy Research Division (HPRD) to begin developing a set of health belief statements to help guide the management of the CalPERS health benefits program. In April and May of 2017, the HPRD team conducted stakeholder outreach and sought executive input, including meetings with employers and retiree group representatives. At the July 2017 Board Offsite, draft belief statements were presented to the Board for reaction and feedback, and the Board feedback was used at the August 2017 CalPERS Executive Team workshop to further refine the health belief themes and statements.

At the January 2018 Board Offsite, health team members from HPRD hosted a workshop seeking additional input on the refined health belief statements. This workshop continued the collaborative discussion and development process the HPRD team has been having with stakeholders, the Board, and our Executive Team. The set of belief statements presented today represents the culmination of this process.

Analysis

Generally speaking, health beliefs are statements about various considerations that inform benefit design development and decision-making. It is important that CalPERS clearly state these

beliefs to allow our stakeholders to better understand the health benefit decisions CalPERS makes.

CalPERS' Health Beliefs should:

- 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 to assess new health benefits strategies and to help avoid making changes on an ad-hoc basis; and,
- Provide a clearly-stated stance for engaging on legislative, regulatory, and policy issues.

The outreach and discussion the HPRD team has had with stakeholders, the Board, and our Executive Team over the past year has resulted in a nearly-final set of belief statements (see Attachment 1). This set of belief statements includes the feedback gathered at the January 2018 Board Offsite workshop. During the process of reviewing the workshop comments and notes, the HPRD team found that there was far more agreement than disagreement surrounding the basic framework of the beliefs, and that the draft statements required further refinement to address grammatical issues and consistency of tone. The belief statements presented today better represent the thoughts and desired changes communicated by the majority of workshop participants.

Budget and Fiscal Impacts

Not Applicable.

Benefits and Risks

Not Applicable.

Attachments

Attachment 1 – Health Belief Statements

Attachment 2 – Health Beliefs Presentation

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