



Pension and Health Benefits Committee Agenda Item 5c

June 19, 2018

Item Name: 2019 Association Plan Rates

Program: Health Benefits

Item Type: Information Consent

Executive Summary

The California Public Employees' Retirement System (CalPERS) Pension and Health Benefits Committee annually reviews and approves 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 Officer Research Association of California (PORAC) offer these plans exclusively to the members of these associations.

Strategic Plan

This item supports CalPERS Health Care Affordability Strategic Goal: "Transform health care purchasing and delivery to achieve affordability."

Background

Government Code Section 22850(g) gives the Board 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

Association plans are responsible for ensuring that their proposed rates and benefit changes are appropriate and that their reserve funds are adequate for their continued operations.

This agenda item serves as a review of the 2019 rates, for the three Association plans. The CAHP health plan is a self-insured Preferred Provider Organization (PPO) plan, administered by Anthem Blue Cross of California. The CCPOA health plan is a fully-insured HMO plan, administered by Blue Shield of California. The PORAC health plan is a fully-insured PPO plan, administered by Anthem Blue Cross of California. There are no benefit changes to all the Association health plans for 2019. Rates are included in Attachment 1.

Budget and Fiscal Impacts

Approval of the Association plan rates has no budgetary or fiscal impact to CalPERS.

Benefits and Risks

The rates team recommends approval of the proposed Association plan premiums so that work can begin on system changes and member communications for the 2019 Open Enrollment period, and 2019 premiums can be communicated on a timely basis to the State's Department of Finance and our contracting public agencies.

Attachments (Attachment will be provided under separate cover)
Attachment 1 – 2019 Association Health Plan Premiums

Shari Little, Chief
Health Policy Research Division

Liana Bailey-Crimmins
Chief Health Director
Health Policy and Benefits Branch