



## Pension and Health Benefits Committee

# Agenda Item 6b

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**April 16, 2019**

**Item Name:** Proposed Revisions to the Public Employees' Medical and Hospital Care Act Regulations: Various Technical Revisions

**Program:** Health Benefits

**Item Type:** Action

### **Recommendation**

Approve staff's recommendation to pursue proposed technical and non-substantive amendments to the California Code of Regulations (CCR) § 599.501-599.516 affecting the health benefits program administered by the California Public Employees' Retirement System (CalPERS).

### **Executive Summary**

Staff seeks approval of the Board of Administration (Board) to make changes to inaccurate code section references and other technical changes to bring the regulations into alignment with current law and practices. Currently, the Public Employees' Medical and Hospital Care Act (PEMHCA) regulations mention statutes and agencies that no longer exist; references antiquated terms and outdated provisions and practices; and has cross-references that are inaccurate.

### **Strategic Plan**

This proposal supports the 2017-22 CalPERS Strategic Plan to simplify programs to improve service, streamline operations to gain efficiencies, improve productivity, and reduce complexity across the enterprise.

### **Background**

CalPERS benefit programs and administrative processes are subject to numerous regulatory requirements, several of which have been identified by team members as outdated, subject to confusion among stakeholders, or which otherwise represent an opportunity to realize efficiencies through their modification or clarification. In these cases, the recommended regulatory changes are appropriate for the continued administration and good governance of CalPERS.

## **Analysis**

All amendments are non-substantive, technical changes. Amendments are necessary to:

- Maintain accuracy by deleting references to code sections no longer in existence
- Conform language to current practices
- Improve clarity and concision
- Update and replace outdated terms
- Re-letter the remaining subdivisions and cross-references for accuracy and consistency

## **Budget and Fiscal Impacts**

None.

## **Benefits and Risks**

### Benefits

- Maintains consistency with business practice and statute
- Minimizes confusion among members, employers and CalPERS staff
- Addresses audit finding
- Streamlines and clarifies health program guidelines and operations for employers and members
- Eliminates outdated statutory requirements

### Risks

None.

## **Attachments**

Attachment 1 – Proposed Regulatory Action by CalPERS

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Health Account Management Division

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Shari Little, Chief  
Health Policy Research Division

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Liana Bailey-Crimmins  
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