



## Pension and Health Benefits Committee

# Agenda Item 5c

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**June 18, 2019**

**Item Name:** 2020 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. 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 2020 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 benefit changes to CAHP and PORAC Association health plans for 2020. Rates are included in Attachment 1, which will be provided under separate cover.

## **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 PPO premiums so that work can begin on systems changes and member communications for the 2020 Open Enrollment period, and so that 2020 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 – 2020 Association Health Plan Premiums

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