



## Pension & Health Benefits Committee

# Agenda Item 6a

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**June 16, 2020**

**Item Name:** 2021 New Health Plan, Coverage Area Changes, and Benefit Design Changes

**Program:** Health Benefits

**Item Type:** Action

### **Recommendation**

Approve the addition of the Sharp Medicare Advantage plan, service area changes for Anthem Blue Cross Select Medicare Advantage and Blue Shield of California Trio, and benefit design changes for Kaiser Permanente Senior Advantage and UnitedHealthcare Group Medicare Advantage for the 2021 plan year.

### **Executive Summary**

This agenda item provides a summary of the proposed 2021 new health plans, coverage area changes, and benefit design changes. These proposals will be discussed during the June 2020 Pension and Health Benefits Committee (PHBC) meeting with recommendations for the PHBC's approval.

### **Strategic Plan**

This item supports California Public Employees' Retirement System (CalPERS) Health Care Affordability Strategic Goal: "Transform Health Care Purchasing and Delivery to Achieve Affordability."

### **Background**

CalPERS encourages our health plan partners to submit proposals for new health plans, coverage area changes, and benefit design changes that align with CalPERS Health Care Affordability Strategic Goal. CalPERS continues to consider and evaluate proposals that are focused on providing affordable, sustainable, high quality health care to our members.

### **Proposed New Health Plans, Coverage Area Changes, and Benefit Design Changes**

The CalPERS rates team is recommending the proposals below from our health plan partners. Handouts outlining the proposed new health plan, coverage area changes, and benefit design changes will be distributed just prior to the PHBC meeting on June 16, 2020.

### Anthem Health Maintenance Organization (HMO) Select (Medicare)

#### Service Area Expansion:

- Expand the Anthem Blue Cross Select Medicare Advantage service area to the current twenty-four county service area of Anthem Blue Cross Select HMO Basic.
- Currently, Anthem Blue Cross Select Medicare Advantage is offered in Monterey County only. Anthem subscribers that reside in Monterey County can enroll in a combination plan (at least one family member in a Basic plan and at least one family member in a Medicare plan) from Anthem Blue Cross Select HMO Basic and Medicare plans.
- Aligning the Anthem Blue Cross Select Medicare Advantage service area with the Anthem Blue Cross Select HMO Basic service area allows Anthem Select subscribers residing outside of Monterey County the option to enroll in a combination plan from either Anthem Select or Anthem Traditional plans.
- The proposed Anthem Blue Cross Select Medicare Advantage service area includes the following counties: Alameda, Contra Costa, El Dorado, Fresno, Imperial, Kern, Los Angeles, Merced, Monterey, Nevada, Orange, Placer, Riverside, Sacramento, San Bernardino, San Diego, San Francisco, San Joaquin, Santa Clara, Santa Cruz, Stanislaus, Tulare, Ventura, and Yolo.

### Blue Shield Trio (Basic)

#### Service Area Expansion:

- Expand Blue Shield Trio HMO Basic coverage to provide an alternative low-cost HMO option in Santa Barbara, San Luis Obispo, and Ventura County.

### Kaiser (Medicare)

#### Benefit Design Change:

- Add supplemental benefits to the Kaiser Permanente Senior Advantage plan:
  - Post-hospital discharge meal delivery
  - Post-hospital discharge transportation
  - Routine transportation

### Sharp (Medicare)

#### New Health Plan:

- Introduce Sharp Health Plan's Medicare Advantage plan to San Diego County

### UnitedHealthcare (Medicare)

#### Benefit Design Change:

- Add supplemental benefits to the UnitedHealthcare Group Medicare Advantage plan
  - Post-hospital discharge meal delivery
  - Post-hospital discharge transportation
  - Non-skilled in-home care

## **Budget and Fiscal Impacts**

If approved by the PHBC, the proposed new health plan, coverage area changes, and benefit design changes will impact premiums for the 2021 plan year.

## **Benefits and Risks**

CalPERS recognizes the need for providing affordable HMO products for our Basic members and maintaining continuity of health care coverage and care as members age.

CalPERS is meeting Stakeholder expectations by adding an additional narrow-network HMO option for our Basic members in areas where few HMO options are available, as well as adding additional Medicare Advantage benefits and expanding coverage areas where it is appropriate and cost-effective. The proposed new health plan, service area changes, and benefit design changes will provide an affordable HMO option for our Basic members, help keep our Medicare members healthy, and provide our members options to remain with the same health plan network as they or a family member transitions to a Medicare plan.

We have not identified any risks with the proposed recommendation in this Agenda Item.

## **Handouts:**

Handouts will be provided under separate cover just prior to the PHBC meeting on June 16, 2020.

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