



Board of Administration Offsite

2021 Association Plan Rates

July 14, 2020

Item Name: 2021 Association Plan Rates

Program: Health Benefits

Item Type: Information

Executive Summary

The California Public Employees' Retirement System (CalPERS) Board of Administration (Board) annually reviews and adopts the premium 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 plans exclusively to members of these associations.

This agenda item provides the Board the 2021 Association plan premiums.

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)(1) gives the Board authority to adopt Association plan premiums:

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. The trustees of an employee association health benefit plan are responsible for providing health benefit plan administration and services to its enrollees.

The Association health plans are responsible for ensuring that their premiums and benefit changes are appropriate and that their reserve funds are adequate for their continued operations.

The CAHP health plan is a self-insured Preferred Provider Organization (PPO) plan, administered by Anthem Blue Cross. The CCPOA health plan is a fully-insured Health

Maintenance Organization (HMO) plan, administered by Blue Shield of California. The PORAC health plan is a fully-insured PPO plan, administered by Anthem Blue Cross.

Budget and Fiscal Impacts

In general, the aggregate increase to premiums would result in moderate increases to costs for members and employers. Specific increases and decreases to individual members are dependent upon the member's plan selection and employer contribution levels.

The Association plan premiums have no budgetary or fiscal impact to CalPERS since CalPERS does not administer the Association plans.

Benefits and Risks

The presentation of the 2021 Association plan premiums allows CalPERS to provide the State's Department of Finance and our contracting public agencies the 2021 health premiums in a timely manner and work can begin on systems updates and member communication for the 2021 Open Enrollment period.

Handouts:

Handouts will be provided under separate cover just prior to the Board Offsite meeting on July 14, 2020.

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