



## Board of Administration Offsite 2022 Association Plan Premiums

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**July 13, 2021**

**Item Name:** 2022 Association Plan Premiums

**Program:** Health Benefits

**Item Type:** Information

### **Executive Summary**

The California Public Employees' Retirement System (CalPERS) Board of Administration (Board) annually reviews and approves 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 2022 Association plan premiums.

### **Strategic Plan**

This item supports the CalPERS 2017-2022 Strategic Goal "High-Quality Affordable Health Care."

### **Background**

Government Code Section 22850(g)(1) gives the Board authority to approve 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 self-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 approval of the 2022 Association plan premiums allows CalPERS to provide the State's Department of Finance and our contracting public agencies the 2022 health premiums in a timely manner and work can begin on systems updates and member communication for the 2021 Open Enrollment period.

## **Materials:**

Materials will be provided under separate cover just prior to the Board Offsite meeting on July 13, 2021.

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