

FINAL STATEMENT OF REASONS

Adoption of California Code of Regulations (CCR)

Title 2, § 599.518

Coverage: Member Health Appeals Process

UPDATE OF INITIAL STATEMENT OF REASONS

The Initial Statement of Reasons is still valid and relevant, and no changes have been made to the text of the proposed regulation.

SUMMARY AND RESPONSE TO COMMENTS RECEIVED DURING THE INITIAL PUBLIC NOTICE PERIOD OF MAY 9, 2014 THROUGH JUNE 23, 2014

The California Public Employees' Retirement System (CalPERS) did not receive any public comments during the public notice period.

SUMMARY AND RESPONSE TO COMMENTS RECEIVED AT PUBLIC HEARING

While CalPERS allowed interested parties to request a public hearing from May 9, 2014 to June 23, 2014, no such requests were made and therefore a hearing was not scheduled.

REASONS FOR REJECTING ANY PROPOSED ALTERNATIVES THAT WOULD LESSEN ADVERSE ECONOMIC IMPACT ON SMALL BUSINESS

The proposed regulations do not affect small businesses because the regulations would apply only to CalPERS members in local agencies, school districts, and State departments pursuant to the California Public Employees' Retirement Law (PERL). Since small businesses are not subject to the PERL, the proposed regulations would not have a significant statewide adverse economic impact of directly affecting these businesses including the ability of these small businesses in California to compete with businesses in other states.

ALTERNATIVES DETERMINATION

The Board has determined that no alternative it considered or that was otherwise identified and brought to its attention would be more effective in carrying out the purpose for which the action is proposed, would be as effective and less burdensome to affected private persons than the proposed actions, or would be more cost-effective to affected private persons and equally effective in implementing the statutory policy or other provision of law.

The Board approved these regulations at its April 15, 2014 Board Meeting and adopted these regulations at its August 19, 2014 Board Meeting. The adoption of these regulations will clarify the current CalPERS member appeals process when they are dissatisfied with any action or failure to act in connection with their or a family member's

health coverage, specifically, the rules will require members to exhaust all prior appeal opportunities prior to submitting a request to CalPERS for administrative review or hearing.

LOCAL MANDATE DETERMINATION

The proposed regulations do not impose any mandate on local agencies or school districts.