



Board of Administration

# Action Item – Proposed Decisions of Administrative Law Judges Item e

---

**July 14, 2021**

**Item Name:** Proposed Decision – In the Matter of the Appeal Regarding Denial of Benefit Coverage for Services Provided by Galileo Surgery Center to Derrick A. Young by MARLA L. YOUNG, Respondent, and DERRICK A. YOUNG, Respondent.

**Program:** Strategic Health Operations Division

**Item Type:** Action

## **Parties' Positions**

Staff argues that the Board of Administration should adopt the Proposed Decision.

Respondent Marla L. Young and Derrick A. Young's (Respondents Young) position is included in Attachment C, if any.

## **Strategic Plan**

This item is not a specific product of either the Strategic or Annual Plans. The determination of administrative appeals is a power reserved to the Board of Administration.

## **Procedural Summary**

Respondents Young submitted an appeal of Anthem's denial of additional benefit coverage for services provided by Galileo Surgery Center (Galileo) to Respondent Derrick Young in January 2020. Galileo is a non-preferred provider under the terms of the PERS Select Evidence of Coverage (EOC), and the payments issued by Anthem on behalf of CalPERS were made pursuant to Galileo's status as a non-preferred provider. The matter was heard by the Office of Administrative Hearings on May 3, 2021. A Proposed Decision was issued on May 11, 2021, affirming CalPERS' determination and denying the appeal.

## **Alternatives**

A. For use if the Board decides to adopt the Proposed Decision as its own Decision:

RESOLVED, that the Board of Administration of the California Public Employees' Retirement System hereby adopts as its own Decision the Proposed Decision dated May 11, 2021, concerning the appeal of Marla L. Young and Derrick A. Young; RESOLVED FURTHER that this Board Decision shall be effective 30 days following mailing of the Decision.

- B. For use if the Board decides not to adopt the Proposed Decision, and to decide the case upon the record:

RESOLVED, that the Board of Administration of the California Public Employees' Retirement System, after consideration of the Proposed Decision dated May 11, 2021, concerning the appeal of Marla L. Young and Derrick A. Young, hereby rejects the Proposed Decision and determines to decide the matter itself, based upon the record produced before the Administrative Law Judge and such additional evidence and arguments that are presented by the parties and accepted by the Board; RESOLVED FURTHER that the Board's Decision shall be made after notice is given to all parties.

- C. For use if the Board decides to remand the matter back to the Office of Administrative Hearings for the taking of further evidence:

RESOLVED, that the Board of Administration of the California Public Employees' Retirement System, after consideration of the Proposed Decision dated May 11, 2021, concerning the appeal of Marla L. Young and Derrick A. Young, hereby rejects the Proposed Decision and refers the matter back to the Administrative Law Judge for the taking of additional evidence as specified by the Board at its meeting.

- D. Precedential Nature of Decision (two alternatives; either may be used):

1. For use if the Board wants further argument on the issue of whether to designate its Decision as precedential:

RESOLVED, that the Board of Administration of the California Public Employees' Retirement System requests the parties in the matter concerning the appeal of Marla L. Young and Derrick A. Young, as well as interested parties, to submit written argument regarding whether the Board's Decision in this matter should be designated as precedential, and that the Board will consider the issue whether to designate its Decision as precedential at a time to be determined.

2. For use if the Board decides to designate its Decision as precedential, without further argument from the parties.

RESOLVED, that the Board of Administration of the California Public Employees' Retirement System, hereby designates as precedential its Decision concerning the appeal of Marla L. Young and Derrick A. Young.

**Budget and Fiscal Impacts:** Not applicable

**Attachments**

Attachment A: Proposed Decision

Attachment B: Staff's Argument

Attachment C: Respondent(s) Argument(s)

---

Donald Moulds, Ph.D.  
Chief Health Director  
Health Policy and Benefits Branch