



Board of Administration

Agenda Item 9a3

September 15, 2021

Item Name: Proposed Decision – In the Matter of the Appeal Regarding Denial of Benefit Coverage for Emergency Services Provided by Non-Preferred Providers by DAVID R. ALLEN, Respondent.

Program: Strategic Health Operations Division

Item Type: Action

Parties' Positions

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

Respondent David R. Allen's (Respondent Allen) 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

Respondent Allen is an active CalPERS member, enrolled at all times in PERS Choice health benefits. Respondent Allen received emergency treatment at Natividad Hospital, a PERS Choice Preferred facility. He was treated in the ICU by Dr. Boris Borazjani and Dr. Richard Moore, both of whom are non-preferred providers under the PERS Choice Evidence of Coverage (EOC). Upon review and payment of Respondent's medical bills, Anthem Blue Cross paid the doctors pursuant to its non-preferred physicians' rate. Respondent was informed that he was responsible for the remaining payment to the physicians. Respondent submitted an appeal of the denial of additional benefit coverage above the allowable amount for emergency services provided to him. The matter was heard by the Office of Administrative Hearings on May 13, 2021. A Proposed Decision was issued on June 16, 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 June 16, 2021, concerning the appeal of David R. Allen; 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 June 16, 2021, concerning the appeal of David R. Allen, 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 June 16, 2021, concerning the appeal of David R. Allen, 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 David R. Allen, 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 David R. Allen.

Budget and Fiscal Impacts: Not applicable

Attachments

Attachment A: Proposed Decision

Attachment B: Staff's Argument

Attachment C: Respondent(s) Argument(s)

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