



Pension & Health Benefits Committee

Agenda Item 6c

March 15, 2022

Item Name: Health Open Enrollment Results

Program: Health Benefits

Item Type: Information Consent

Executive Summary

This agenda item reports California Public Employees' Retirement System (CalPERS) member migration between health plans, based on the 2021 Health Benefits Program Open Enrollment period results. In total, 80,508 or 5.3% of CalPERS' Total Covered Lives (TCLs) changed health plans during Open Enrollment.

Background

CalPERS annually reports results of the Health Benefits Program Open Enrollment. CalPERS Open Enrollment occurs during fall of each calendar year, offering health plan subscribers the opportunity to make prospective enrollment changes. All 2021 Open Enrollment changes were effective January 1, 2022. This year's results showed increased transfer rates compared to the year prior. The transfer rate for the 2021 Open Enrollment period was 5.3%, an increase from 3.1% in 2020. The transfer rate was 6.5% for members in a basic plan, and 0.6% for members in a Medicare plan.

Analysis

CalPERS measured the impact of the 2021 Open Enrollment period by comparing the number of members changing plans effective January 1, 2022, to the December 1, 2021 enrollment counts. This comparison highlights changes due to Open Enrollment.

The CalPERS PPO plans had significant changes due to the transition from three plans to two. PERS Select, PERS Choice, and PERSCare transitioned to PERS Gold and PERS Platinum. PPO members had the option to move to any plan during Open Enrollment. Any PERS Select member that did not elect a change during Open Enrollment was automatically enrolled into PERS Gold. PERS Choice and PERSCare members that didn't elect a change were auto enrolled into PERS Platinum. The following chart shows the movement among the PPO plans by members electing a change during Open Enrollment. This does not include the auto enrollment.

| PPO Transfers | Total Covered Lives as of December 1, 2021 | To PERS Gold | To PERS Platinum | To all other plans |
|---|--|--------------|------------------|--------------------|
| From PERS Select | 115,244 | 12,210 | 1,946 | 4,203 |
| From PERS Choice | 221,156 | 11,247 | 10,123 | 4,559 |
| From PERSCare | 90,811 | 356 | 2,613 | 573 |
| Total Covered Lives as of January 1, 2022 | 427,211 | 126,947 | 299,887 | |

The following charts display the top three plans that experienced the highest net gain or net loss in enrollment during the 2021 Open Enrollment period. Please note that the PERS Select, PERS Choice, and PERSCare plans have been omitted from this analysis due to the changes in those plans explained above. Complete details of member migration between plans as a result of 2021 Open Enrollment are displayed in Attachment 1 – 2021 Open Enrollment Health Plan Transfers.

Plans that experienced the largest net gain:

| Plan Name and Net Gain | Largest Gain Source | Second Largest Gain Source | Third Largest Gain Source | All Other Sources |
|--|---------------------------------|------------------------------|-----------------------------------|----------------------------|
| BSC Trio 3,731 TCLs | Anthem HMO Select (28.7%) | United Healthcare (19.9%) | Kaiser (15.9%) | All Other Plans (35.5%) |
| BSC Access + 2,929 TCLs | Health Net Smartcare (24.4%) | Kaiser (18.2%) | Anthem HMO Traditional (13.9%) | All Other Plans (43.5%) |
| Western Health Advantage 1,808 TCLs | Kaiser (27.1%) | United Healthcare (26.7%) | PERS Select (17.1%) | All Other Plans (29.1%) |

Plans that experienced the largest net loss:

| Plan Name and Net Loss | Largest Recipient | Second Largest Recipient | Third Largest Recipient | All Other Recipients |
|-------------------------------------|--------------------------------------|------------------------------|-------------------------|----------------------------|
| United Healthcare* -4,436 TCLs | United Healthcare Harmony (26.5%) | Kaiser (13.0%) | BSC Trio (12.6%) | All Other Plans (47.9%) |
| Health Net Smartcare -2,947 TCLs | BSC Access + (48.0%) | Anthem HMO Select (14.0%) | Kaiser (8.3%) | All Other Plans (29.7%) |
| Kaiser -2,490 TCLs | PERS Gold (18.1%) | PERS Platinum (17.4%) | BSC Access + (12.9%) | All Other Plans (51.6%) |

*Note: United Healthcare added a new plan in 2022, UHC Harmony. Of the net loss of 4,436 UnitedHealthcare members, 1,870 transferred to the new UHC Harmony plan.

Budget and Fiscal Impacts

There is no budget or fiscal impact from the 2021 Open Enrollment reporting.

Benefits and Risks

There are no risks to CalPERS as a result of the changes members made.

Attachments

Attachment 1 – 2021 Open Enrollment Health Plan Transfers Basic and Medicare

Kim Malm, Acting Chief
Health Plan Research & Administration

Don Moulds
Chief Health Director
Health Policy & Benefits Branch