

2026 Proposed Preliminary Health Maintenance Organization and Preferred Provider Plan Premiums

Open Session Agenda Item 6a

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June 17, 2025

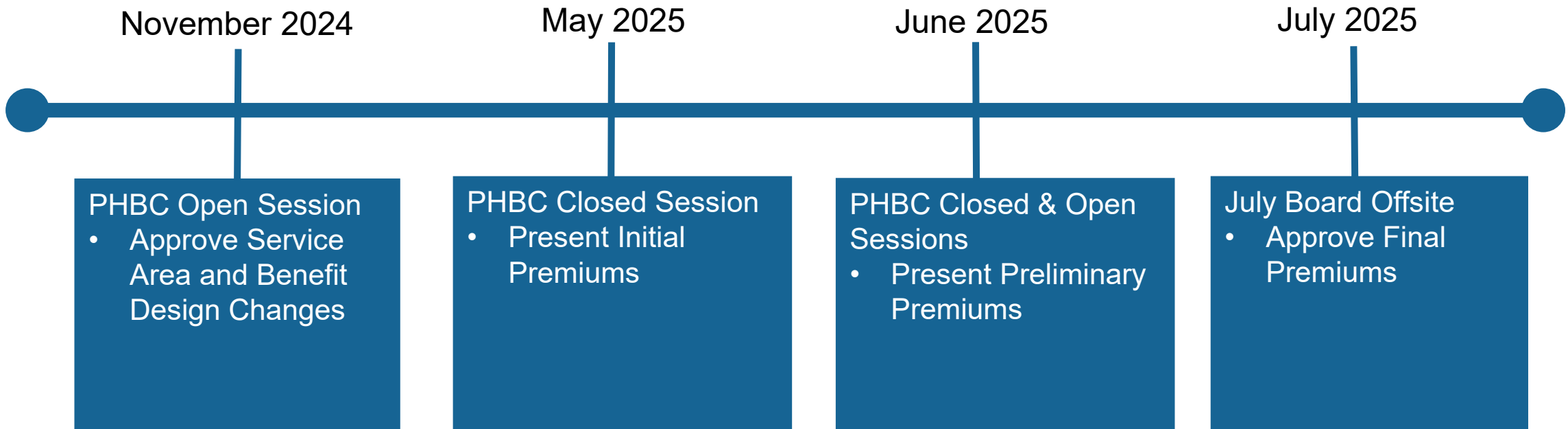
Agenda

- Timeline
- How CalPERS Sets Premiums
- Weighted Averages
- Basic Plans
- Medicare Plans
- Next Steps



**Equitable,
High-Quality,
Affordable
Health Care**

2026 Health Plan Rate Development Process (RDP) Timeline



How CalPERS Sets Premiums

Premium Components

- Medical
- Pharmacy
- Administration

Create baseline premiums and reconcile with each plan

Apply Risk Mitigation for Basic plans

Apply regional factors for Public Agencies and School premiums



Premiums and Weighted Averages

2026 Proposed Preliminary HMO and PPO Premiums

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2026 Statewide Basic Plan Premiums

Basic HMO Plan	2025 Premium	2026 Premium	Percent Change from 2025
Anthem Blue Cross Select	\$1,021.71	\$1,090.98	6.78%
Anthem Blue Cross Traditional	\$1,309.07	\$1,372.93	4.88%
Blue Shield Access+ HMO and EPO	\$965.86	\$1088.52	12.70%
Blue Shield Trio	\$909.10	\$936.58	3.02%
Health Net Salud y Más	\$753.72	\$789.13	4.70%
Kaiser Permanente	\$1,045.20	\$1,097.94	5.05%
Kaiser Permanente Out of State	\$1,422.26	\$1,398.96	-1.64%
Sharp Performance Plus	\$868.45	\$916.20	5.50%
UnitedHealthcare SignatureValue Alliance	\$961.35	\$1,048.16	9.03%
UnitedHealthcare SignatureValue Harmony	\$820.13	\$920.82	12.28%
Western Health Advantage	\$914.27	\$969.58	6.05%
Basic HMO Weighted Average Change			6.48%
Basic PPO Plan			
PERS Gold	\$943.70	\$1,043.37	10.56%
PERS Platinum	\$1,335.30	\$1,512.13	13.24%
Basic PPO Weighted Average Change			12.08%
Total Basic Weighted Average Change			7.76%

2026 Proposed Preliminary HMO and PPO Premiums

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2026 Statewide Medicare Premiums

Medicare Advantage Plan	2025 Premium	2026 Premium	Percent Change from 2025
Anthem Medicare Preferred PPO	\$487.56	\$571.70	17.26%
Blue Shield Medicare PPO	\$448.28	\$539.43	20.33%
Kaiser Permanente Senior Advantage	\$343.08	\$356.83	4.01%
Kaiser Permanente Senior Advantage Out of State	\$336.72	\$350.16	3.99%
Kaiser Permanente Senior Advantage Summit	\$408.31	\$426.31	4.41%
Kaiser Permanente Senior Advantage Summit Out of State	\$401.97	\$419.67	4.40%
Sharp Direct Advantage HMO	\$272.44	\$291.38	6.95%
UnitedHealthcare Group Medicare Advantage PPO	\$442.25	\$481.29	8.83%
Medicare Advantage Weighted Average Change			7.13%
Medicare Supplement Plan			
PERS Gold	\$546.13	\$597.57	9.42%
PERS Platinum	\$584.70	\$665.50	13.82%
Medicare Supplement Weighted Average Change			13.68%
Total Medicare Weighted Average Change			10.78%

Health Program Statewide Weighted Average Percent Changes

Health Coverage Types	2025 Premiums	2026 Premiums
Basic HMO	8.72%	6.48%
Basic PPO	9.82%	12.08%
Total Basic	9.08%	7.76%
Medicare Advantage	12.58%	7.13%
Medicare Supplement	30.59%	13.68%
Total Medicare	22.25%	10.78%
Total Overall	10.79%	8.21%

Key Decisions for Basic Plans

Blue Shield plan
in Monterey
County

UnitedHealthcare
Harmony
Expansion

Blue Shield's Basic Plan in Monterey County

Trio is designed to be a lower-cost, narrow-network

Monterey is adversely impacting Trio's annual trend and sustainability

Recommendation: Replace Trio with Access+ to promote sustainability

2026 Proposed Preliminary HMO and PPO Premiums

Blue Shield Offering in Monterey County

	Pros	Cons
Status Quo	<ul style="list-style-type: none">No disruption to 6,136 Trio members (27%) in Monterey	<ul style="list-style-type: none">Trio's premium could reach the Access+ premiumLong-term concerns about Trio's sustainabilityTrio unlikely to expand to other counties
Recommendation: Replace Trio with Access+ in Monterey County	<ul style="list-style-type: none">Remaining 42,000 Trio members will have low premium increase for 2026Monterey will no longer drive Trio costsTrio remains a sustainable low-cost option for 614,000 membersAllows Trio to expand elsewhere	<ul style="list-style-type: none">Significant premium increases for Monterey Trio membersMarginal premium impact expected for the Basic PPO plans

Premium Impact to Trio Members in Monterey for Public Agency and Schools

Enrollment: 2,755

Likely Plan Choices	2025-26 Premium Impact
Blue Shield Access+	14.7%
Kaiser*	3.0%
PERS Gold	-1.1%

**Limited service area*

UHC Harmony Expansion for 2026

Harmony is designed to be a lower-cost, narrow-network

Harmony has increased membership substantially each year, creating pricing volatility

Recommendation:
Postpone
Harmony's
expansion for 1
year



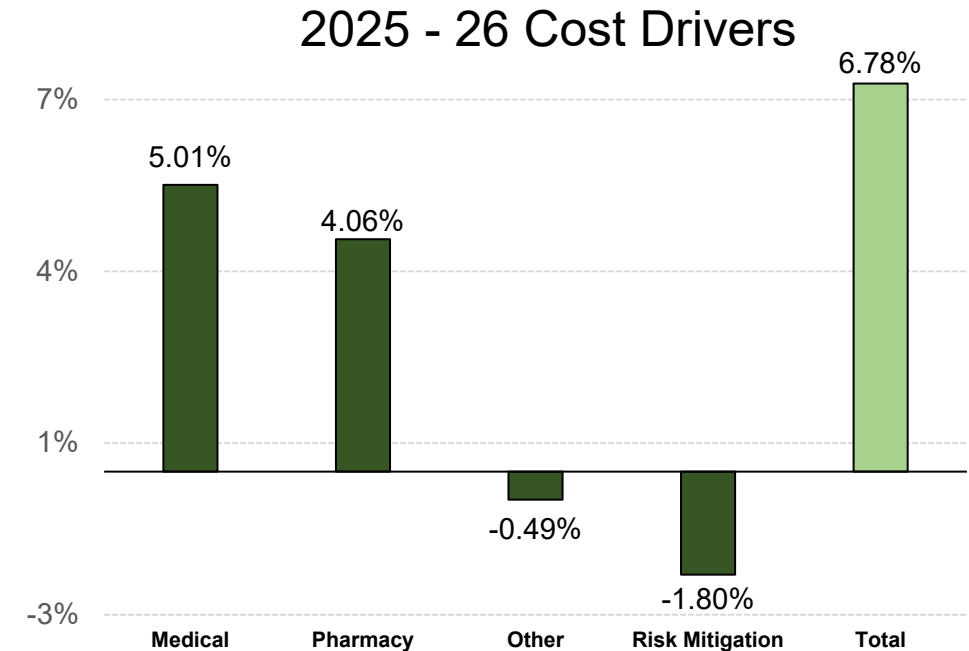
Basic HMO Plans

2026 Proposed Preliminary HMO and PPO Premiums

Anthem Blue Cross Select (Basic)

2025 Premium	2026 Premium Before Risk Mitigation	2026 Adjusted Risk Score	Risk Mitigation Impact	2026 Premium	Percent Change from 2025
\$1,021.71	\$1,022.84	0.9565	\$68.14	\$1,090.98	6.78%

2025 Total Covered Lives: 29,051



2026 Proposed Preliminary HMO and PPO Premiums

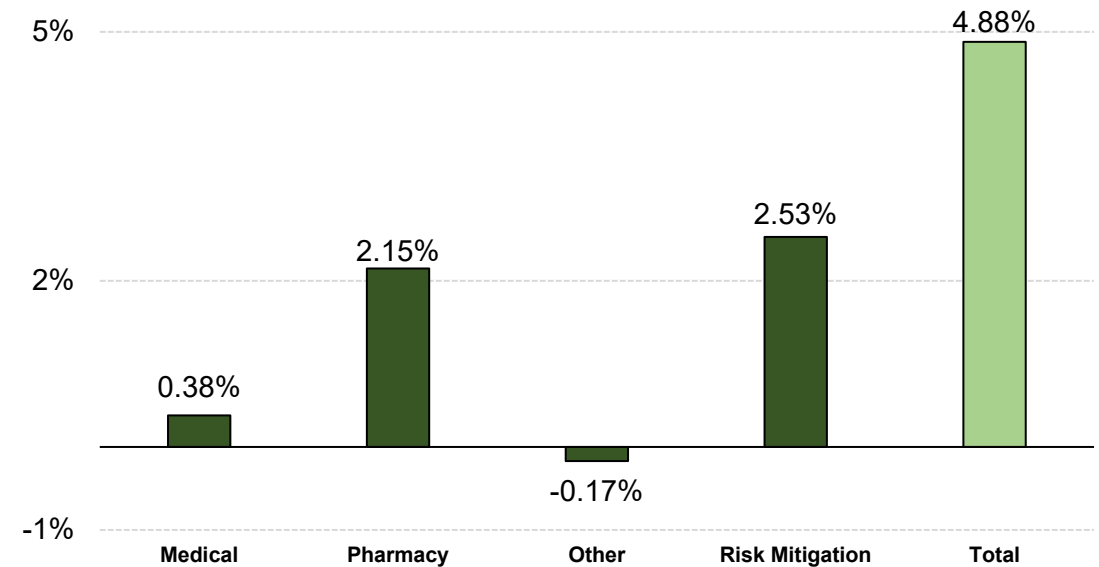
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Anthem Blue Cross Traditional (Basic)

2025 Premium	2026 Premium Before Risk Mitigation	2026 Adjusted Risk Score	Risk Mitigation Impact	2026 Premium	Percent Change from 2025
\$1,309.07	\$1,456.69	1.0874	(\$83.76)	\$1,372.93	4.88%

2025 Total Covered Lives: 11,222

2025 – 26 Cost Drivers



2026 Proposed Preliminary HMO and PPO Premiums

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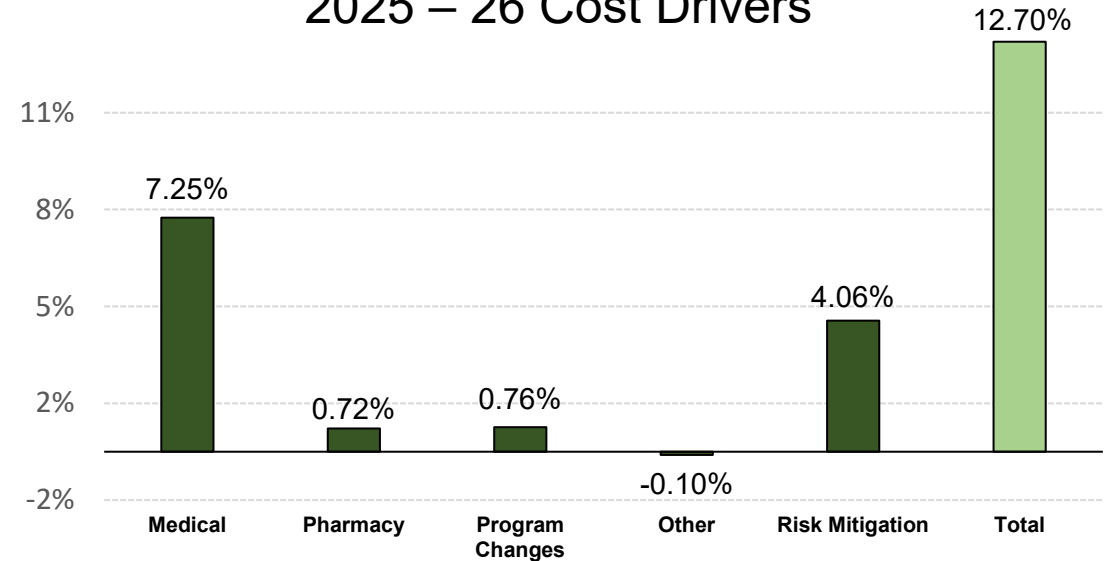
Blue Shield Access+ HMO and EPO (Basic)

2025 Premium	2026 Premium Before Risk Mitigation	2026 Adjusted Risk Score	Risk Mitigation Impact	2026 Premium Status Quo	Percent Change from 2025
\$965.86	\$1,213.24	1.1542	(\$132.07)	\$1,081.17	11.94%

2025 Premium	2026 Premium Before Risk Mitigation	2026 Adjusted Risk Score	Risk Mitigation Impact	2026 Premium Service Area Expansion into Monterey	Percent Change from 2025
\$965.86	\$1,209.03	1.1419	(\$120.51)	\$1,088.52	12.70%

2025 Total Covered Lives: 135,989

2025 – 26 Cost Drivers



2026 Proposed Preliminary HMO and PPO Premiums

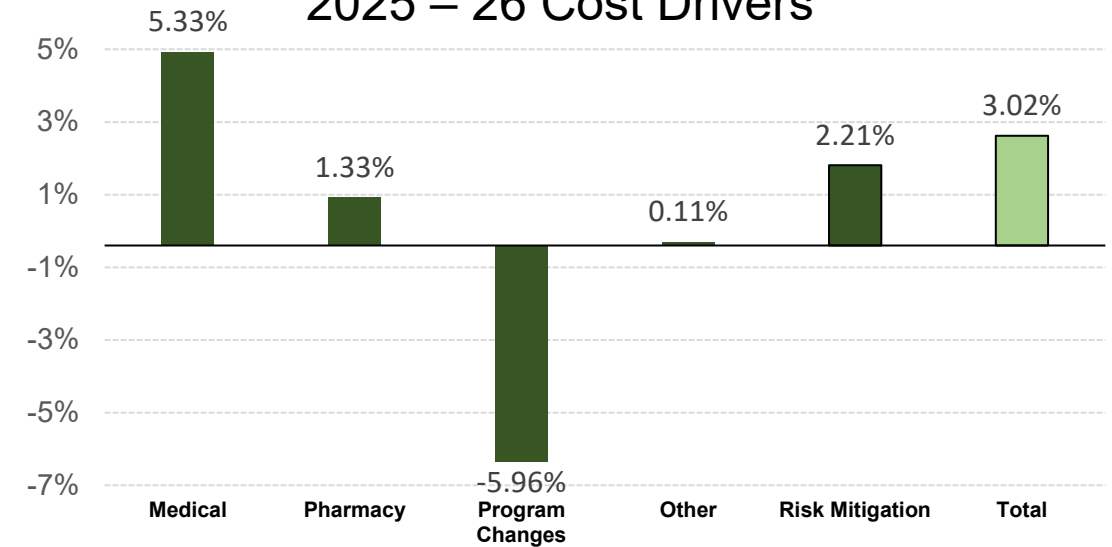
Blue Shield Trio (Basic)

2025 Premium	2026 Premium Before Risk Mitigation	2026 Adjusted Risk Score	Risk Mitigation Impact	2026 Premium Status Quo	Percent Change from 2025
\$909.10	\$813.02	0.8311	\$177.71	\$990.73	8.98%

2025 Premium	2026 Premium Before Risk Mitigation	2026 Adjusted Risk Score	Risk Mitigation Impact	2026 Premium Excluding Monterey from Service Area	Percent Change from 2025
\$909.10	\$774.38	0.8373	\$162.20	\$936.58	3.02%

2025 Total Covered Lives: 47,958

2025 – 26 Cost Drivers



2026 Proposed Preliminary HMO and PPO Premiums

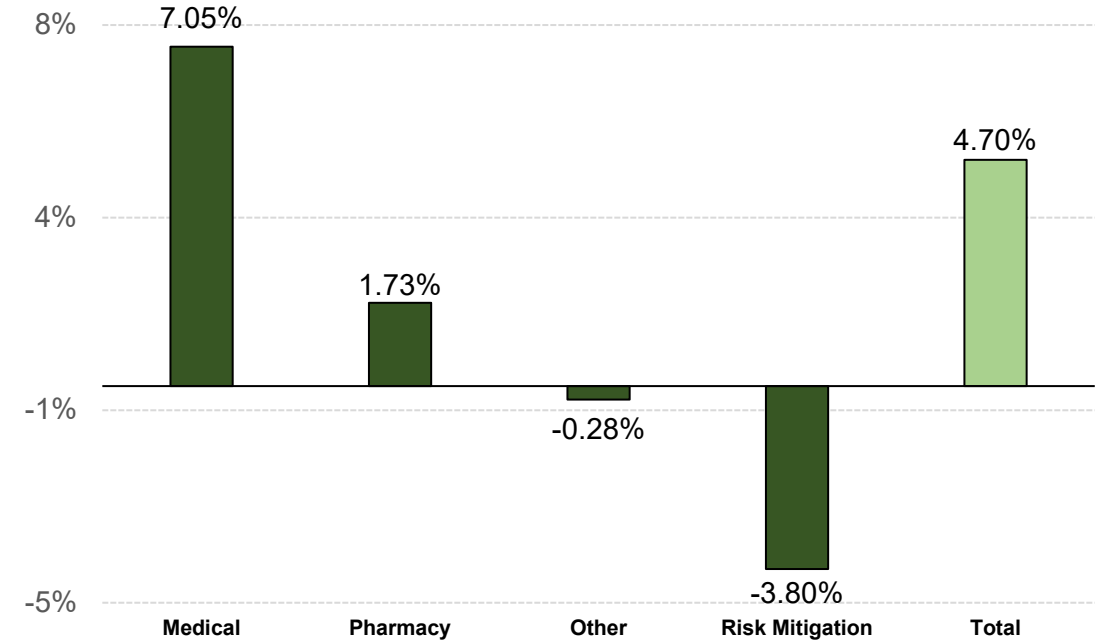
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Health Net Salud y Mas (Basic)

2025 Premium	2026 Premium Before Risk Mitigation	2026 Adjusted Risk Score	Risk Mitigation Impact	2026 Premium	Percent Change from 2025
\$753.72	\$628.34	0.7955	\$160.79	\$789.13	4.70%

2025 Total Covered Lives: 11,561

2025 – 26 Cost Drivers



2026 Proposed Preliminary HMO and PPO Premiums

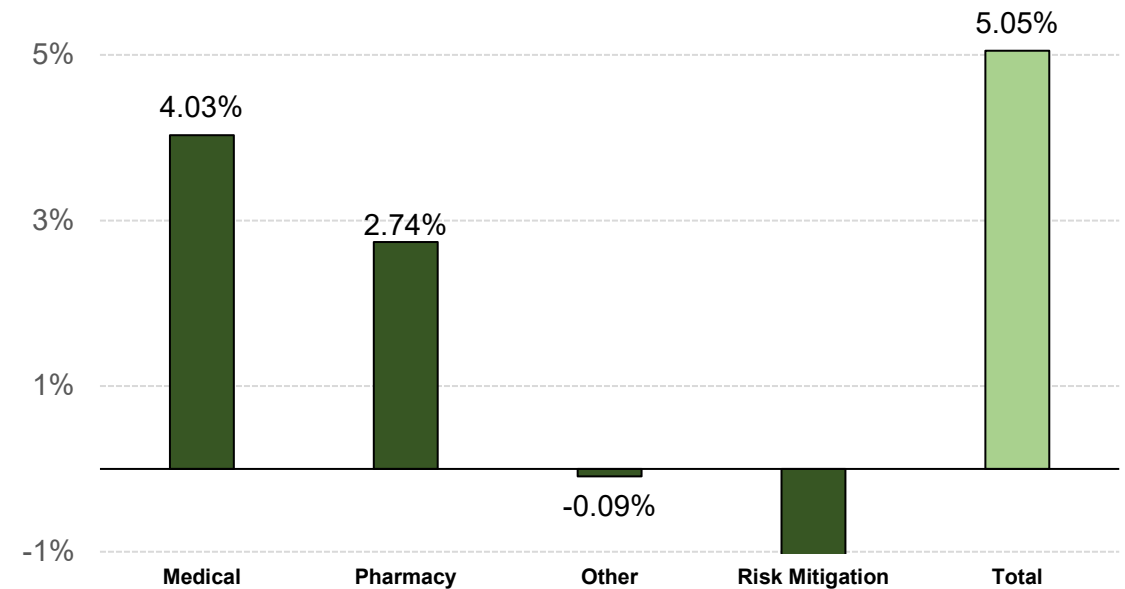
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Kaiser Permanente (Basic)

2025 Premium	2026 Premium Before Risk Mitigation	2026 Adjusted Risk Score	Risk Mitigation Impact	2026 Premium	Percent Change from 2025
\$1,045.20	\$997.74	0.9262	\$100.20	\$1,097.94	5.05%

2025 Total Covered Lives: 522,295

2025 – 26 Cost Drivers



2026 Proposed Preliminary HMO and PPO Premiums

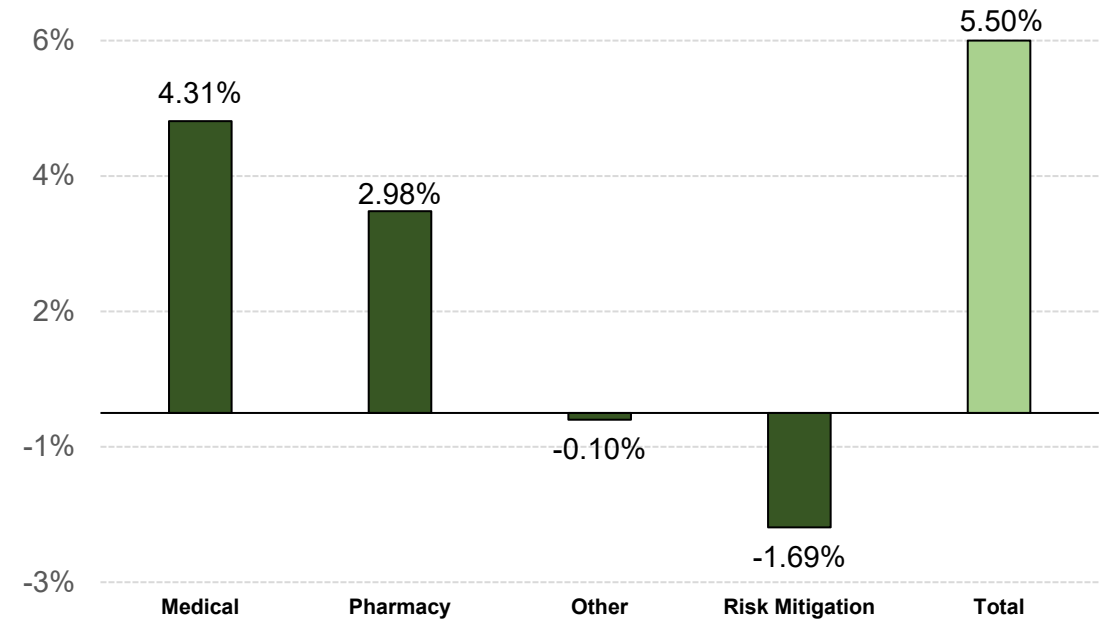
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Sharp Performance Plus (Basic)

2025 Premium	2026 Premium Before Risk Mitigation	2026 Adjusted Risk Score	Risk Mitigation Impact	2026 Premium	Percent Change from 2025
\$868.45	\$839.56	0.9314	\$76.64	\$916.20	5.50%

2025 Total Covered Lives: 14,653

2025 – 26 Cost Drivers



2026 Proposed Preliminary HMO and PPO Premiums

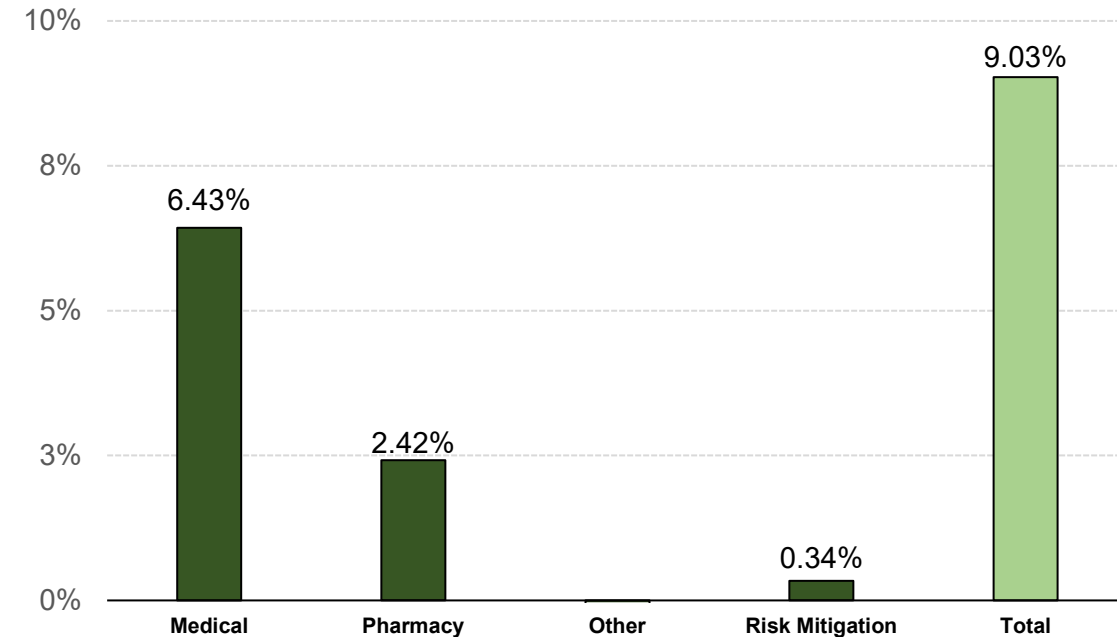
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UnitedHealthcare SignatureValue Alliance (Basic)

2025 Premium	2026 Premium Before Risk Mitigation	2026 Adjusted Risk Score	Risk Mitigation Impact	2026 Premium	Percent Change from 2025
\$961.35	\$1,068.97	1.0456	(\$20.81)	\$1,048.16	9.03%

2025 Total Covered Lives: 80,683

2025 – 26 Cost Drivers



2026 Proposed Preliminary HMO and PPO Premiums

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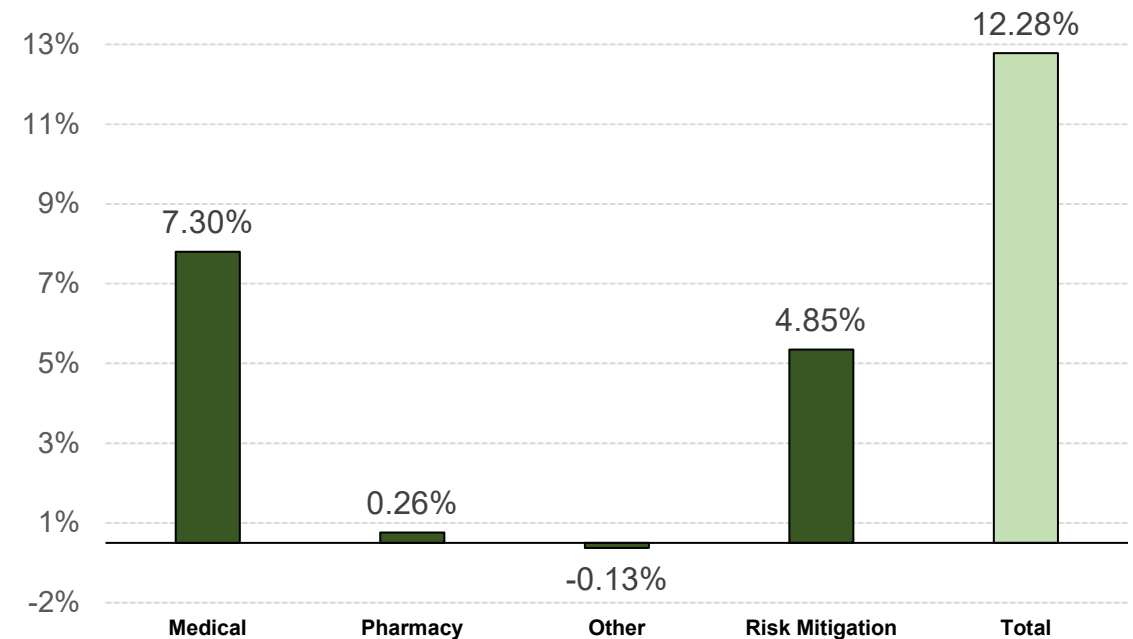
UnitedHealthcare SignatureValue Harmony (Basic)

2025 Premium	2026 Premium Before Risk Mitigation	2026 Adjusted Risk Score	Risk Mitigation Impact	2026 Premium Status Quo	Percent Change from 2025
\$820.13	\$796.98	0.8753	\$123.84	\$920.82	12.28%

2025 Premium	2026 Premium Before Risk Mitigation	2026 Adjusted Risk Score	Risk Mitigation Impact	2026 Premium Service Area Expansion	Percent Change from 2025
\$820.13	\$841.73	0.8753	\$131.35	\$973.08	18.65%

2025 Total Covered Lives: 10,588

2025 – 26 Cost Drivers



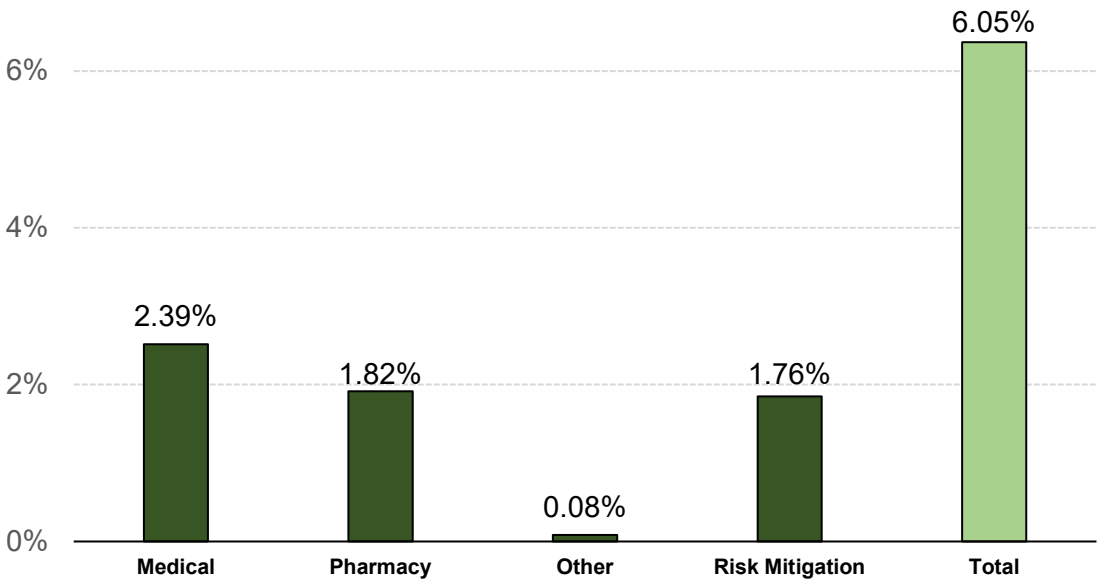
2026 Proposed Preliminary HMO and PPO Premiums

Western Health Advantage (Basic)

2025 Premium	2026 Premium Before Risk Mitigation	2026 Adjusted Risk Score	Risk Mitigation Impact	2026 Premium	Percent Change from 2025
\$914.27	\$913.55	0.9607	\$56.03	\$969.58	6.05%

2025 Total Covered Lives: 23,870

2025 – 26 Cost Drivers





Basic PPO Plans

2026 Proposed Preliminary HMO and PPO Premiums

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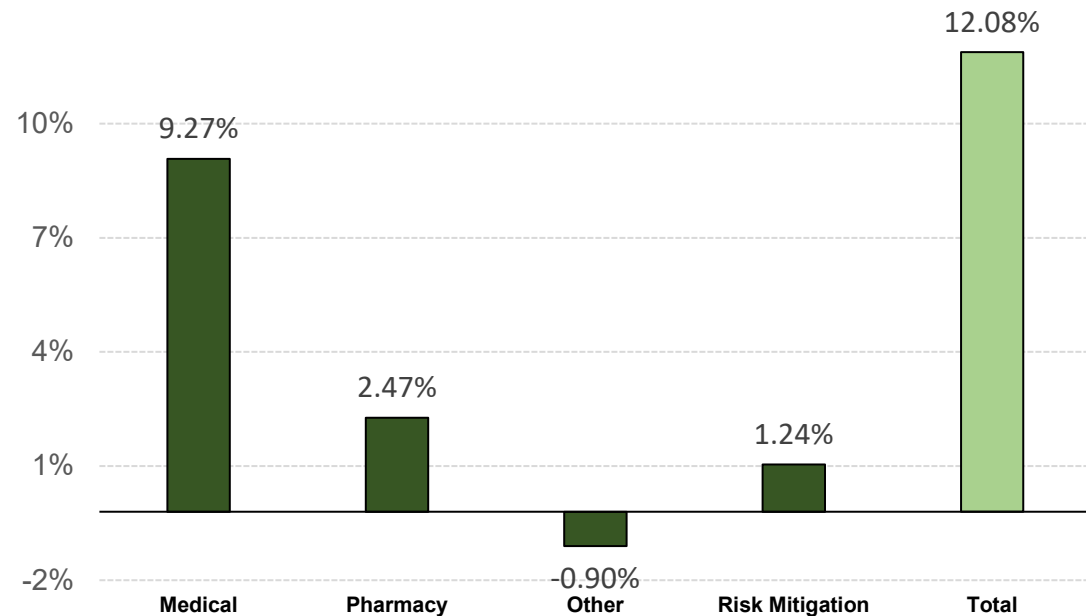
PERS Gold & Platinum (Basic)

Plan	2025 Premium	2026 Premium Before Risk Mitigation	2026 Adjusted Risk Score	Risk Mitigation Impact	2026 Premium	Percent Change from 2025
PERS Gold	\$943.70	\$1,027.53	0.8654	\$15.84	\$1,043.37	10.56%
PERS Platinum	\$1,335.30	\$1,859.20	1.4601	(\$347.07)	\$1,512.13	13.24%
Basic PPO Weighted Average Change						12.08%

2025 – 26 Cost Drivers

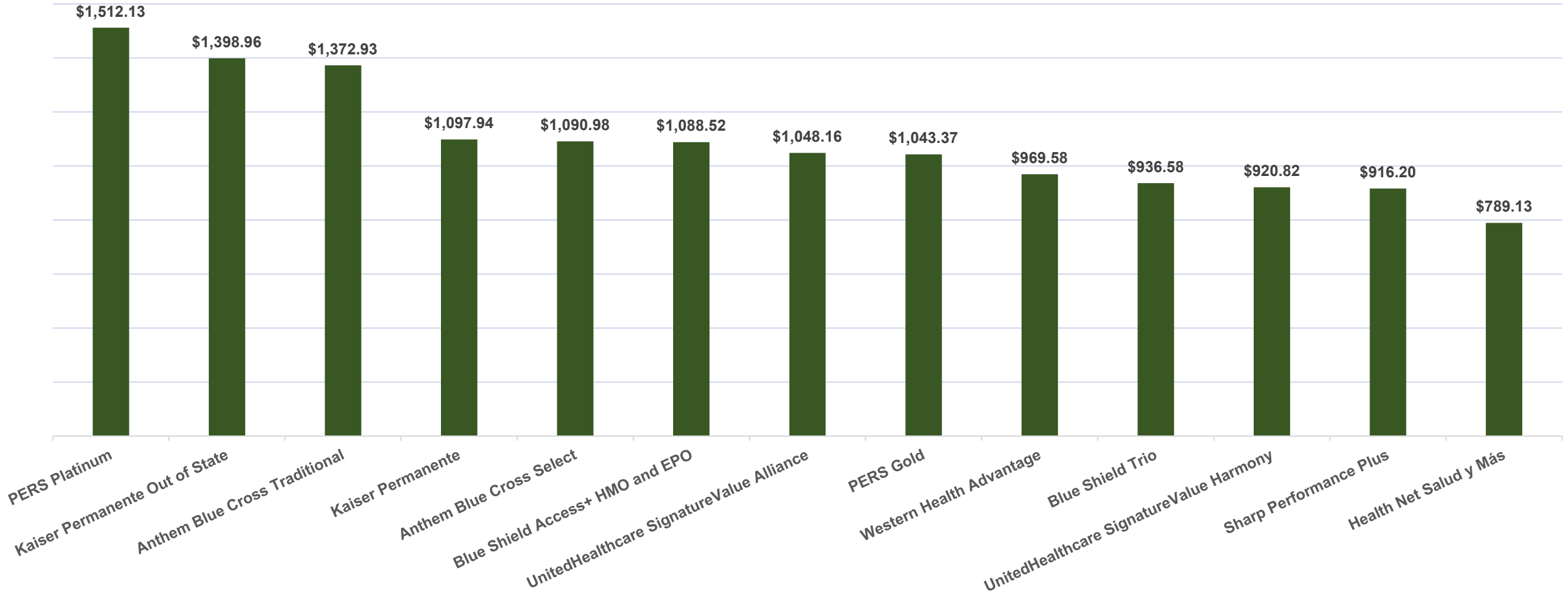
PERS Gold 2025 Total Covered Lives: 138,141

PERS Platinum 2025 Total Covered Lives: 101,036



2026 Proposed Preliminary HMO and PPO Premiums

2026 Basic Premiums





Medicare Plans

Overview of Key Issues for Medicare Plans

- Increased utilization of medical services
- Inflation Reduction Act (IRA) impacts
- Changes in CMS subsidies and payments



Medicare Advantage Plans

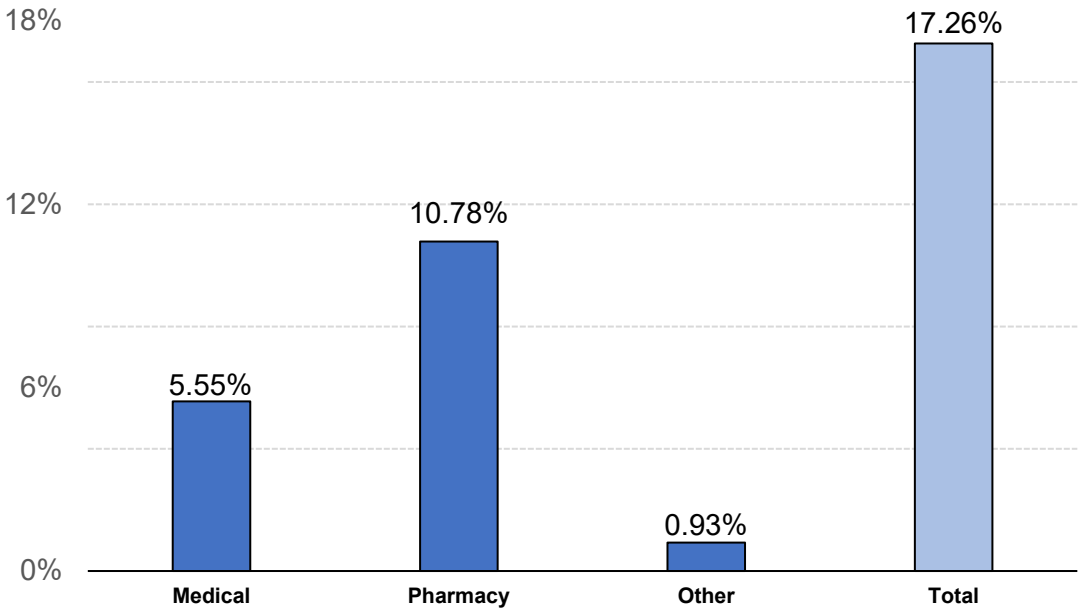
2026 Proposed Preliminary HMO and PPO Premiums

Anthem Blue Cross Medicare Preferred PPO

2025 Premium	2026 Premium	Premium Change from 2025 (\$)	Premium Change from 2025 (%)
\$487.56	\$571.70	\$84.14	17.26%

2025 Total Covered Lives: 7,139

2025 – 26 Cost Drivers

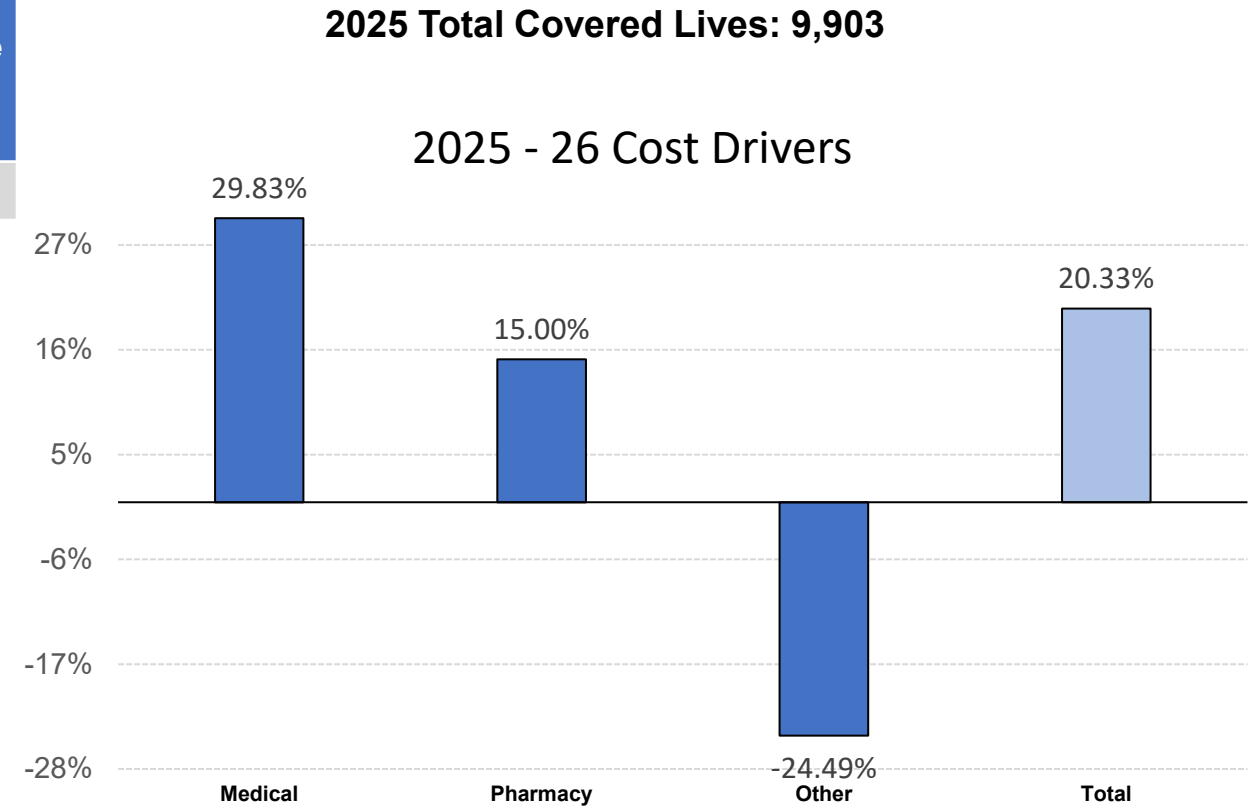


2026 Proposed Preliminary HMO and PPO Premiums

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Blue Shield Medicare PPO

2025 Premium	2026 Premium	Premium Change from 2025 (\$)	Premium Change from 2025 (%)
\$448.28	\$539.43	\$91.15	20.33%

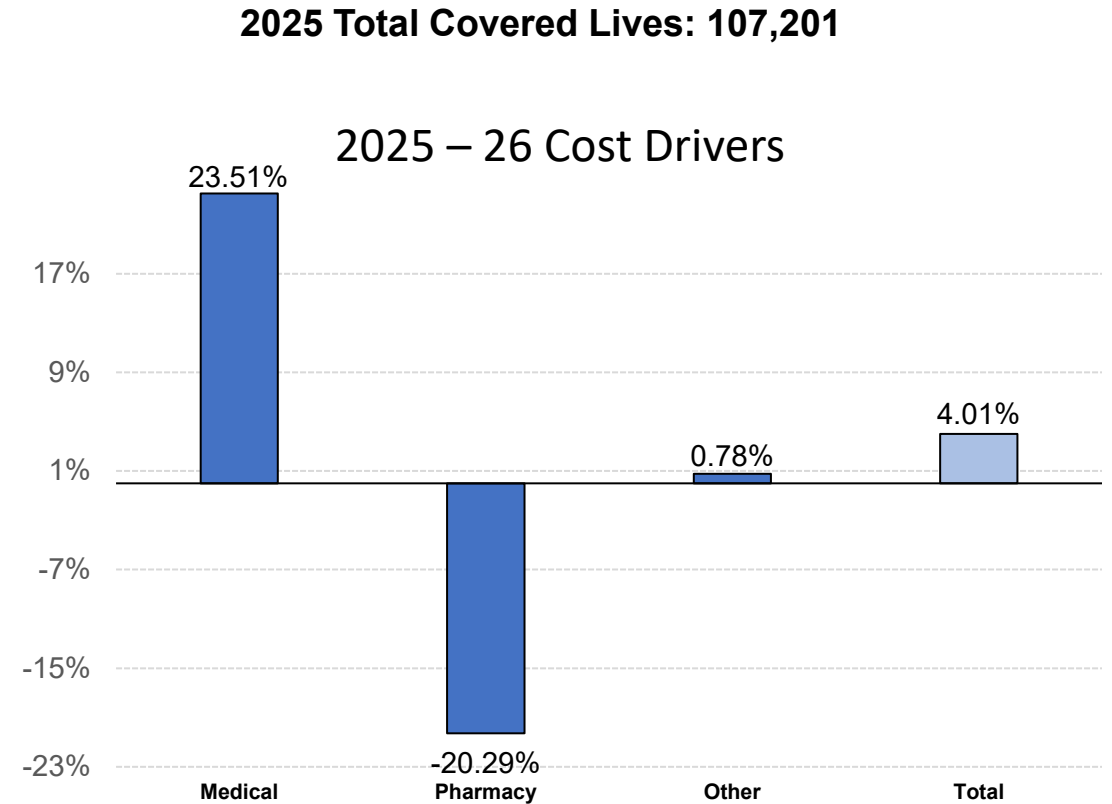


2026 Proposed Preliminary HMO and PPO Premiums

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Kaiser Permanente Senior Advantage (Medicare)

2025 Premium	2026 Premium	Premium Change from 2025 (\$)	Premium Change from 2025 (%)
\$343.08	\$356.83	\$13.75	4.01%

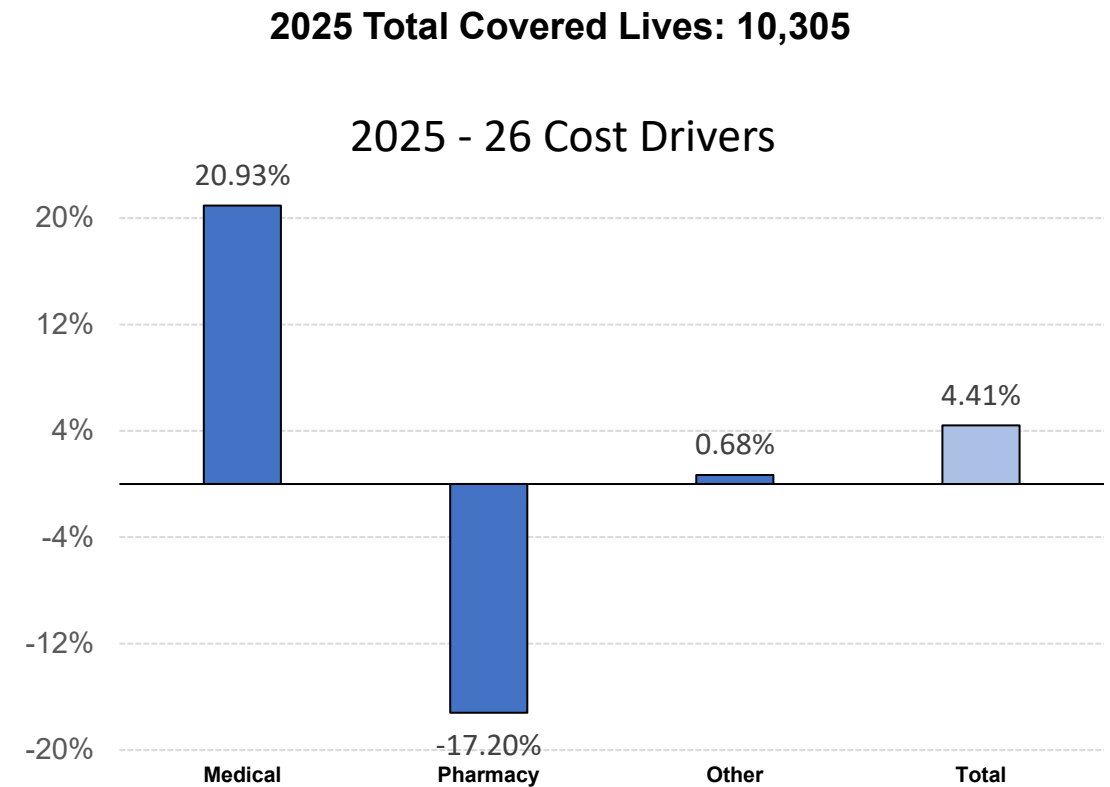


2026 Proposed Preliminary HMO and PPO Premiums

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Kaiser Permanente Senior Advantage Summit (Medicare)

2025 Premium	2026 Premium	Premium Change from 2025 (\$)	Premium Change from 2025 (%)
\$408.31	\$426.31	\$18.00	4.41%



2026 Proposed Preliminary HMO and PPO Premiums

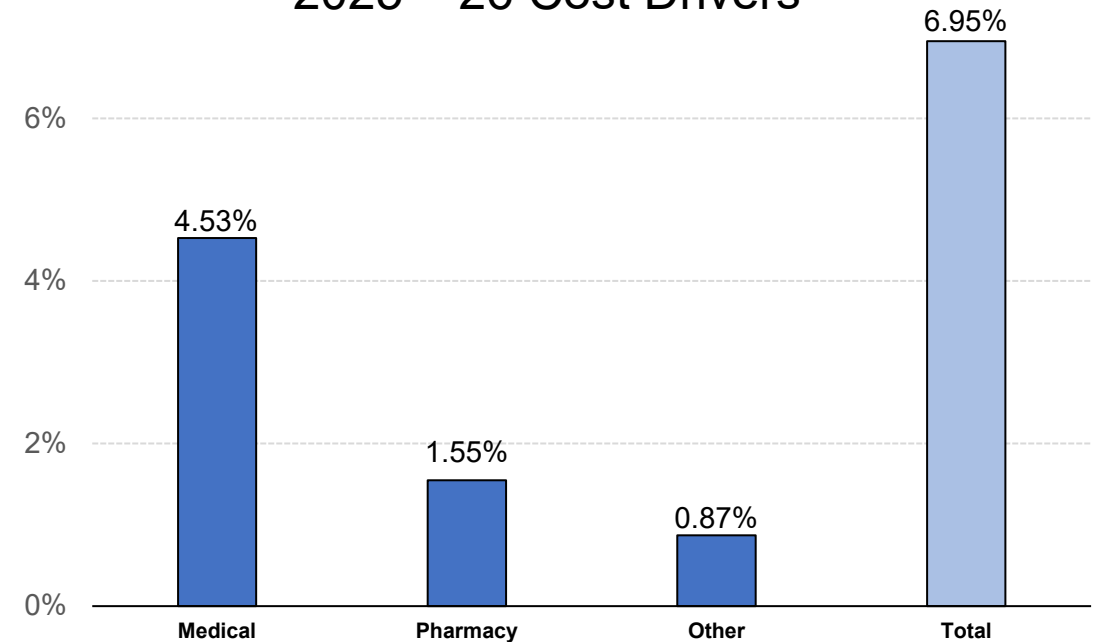
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Sharp Direct Advantage HMO (Medicare)

2025 Premium	2026 Premium	Premium Change from 2025 (\$)	Premium Change from 2025 (%)
\$272.44	\$291.38	\$18.94	6.95%

2025 Total Covered Lives: 623

2025 – 26 Cost Drivers



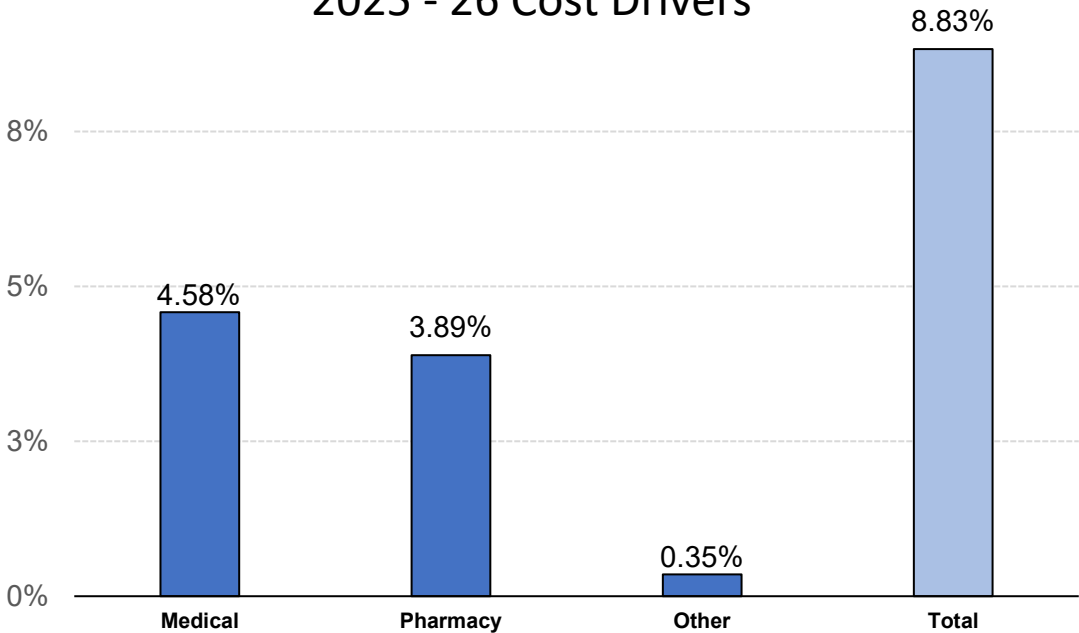
2026 Proposed Preliminary HMO and PPO Premiums

UnitedHealthcare Group Medicare Advantage PPO

2025 Premium	2026 Premium	Premium Change from 2025 (\$)	Premium Change from 2025 (%)
\$442.25	\$481.29	\$39.04	8.83%

2025 Total Covered Lives: 47,487

2025 - 26 Cost Drivers





Medicare Supplement Plans

2026 Proposed Preliminary HMO and PPO Premiums

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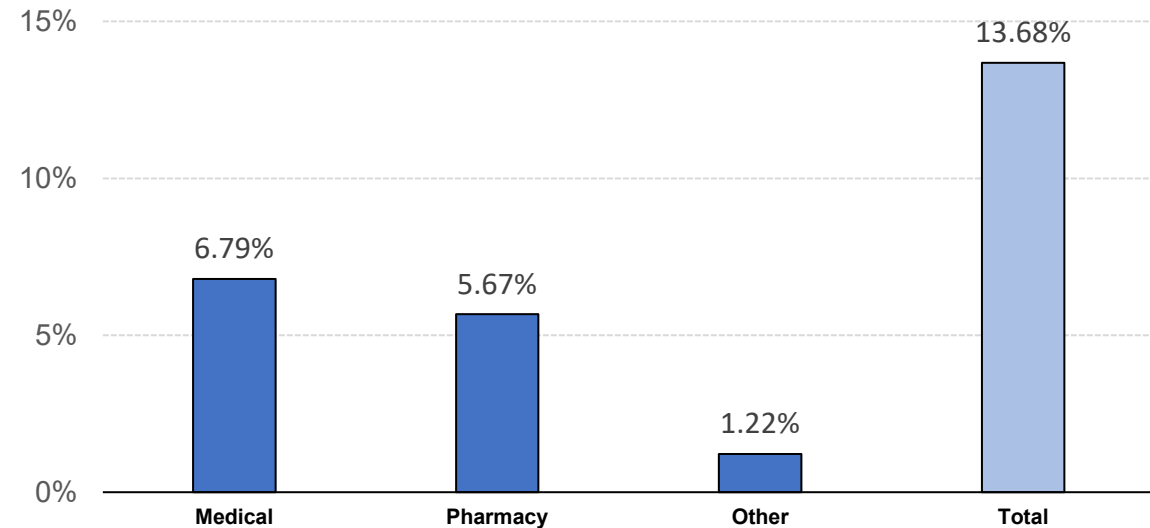
PERS Gold & Platinum Medicare Supplement

Plan	2025 Premium	2026 Premium	Premium Change from 2025 (\$)	Premium Change from 2025 (%)
PERS Gold	\$546.13	\$597.57	\$51.44	9.42%
PERS Platinum	\$584.70	\$665.50	\$80.80	13.82%
Medicare Supplement Weighted Average Change				13.68%

2025 – 26 Cost Drivers

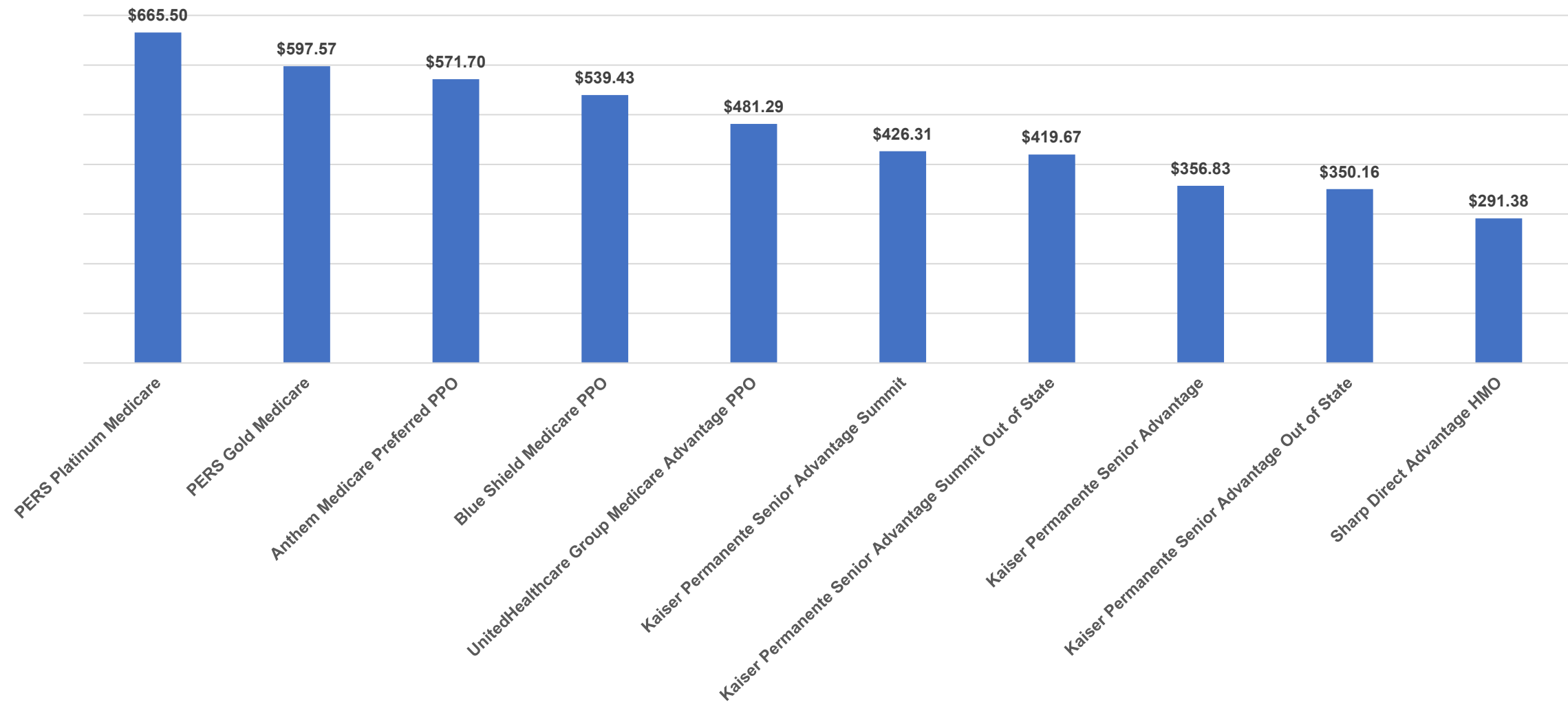
PERS Gold 2025 Total Covered Lives: 5,538

PERS Platinum 2025 Total Covered Lives: 148,692



2026 Proposed Preliminary HMO and PPO Premiums

2026 Medicare Premiums



Rate Development Process Next Steps

