

## **Semi-Annual Health Plan Financial Report**

### **Attachment 1: PPO Basic and Medicare Supplemental Plans**

CalPERS has been self-funding PPO Basic and Medicare Supplemental plans since 1987. Each self-funded PPO plan is managed in a separate subaccount under the Health Care Fund (HCF) to deposit premiums, pay claims and other expenses, and maintain prudent levels of reserves.

In September 2018, CalPERS implemented a revised HCF reserve policy. This policy provides the CalPERS team with a framework with which to review the appropriateness of the PPO reserve level and with a methodology for managing surpluses or deficits in the PPO subaccounts. The policy also addresses any surpluses or deficits that may accumulate in the HMO subaccounts.

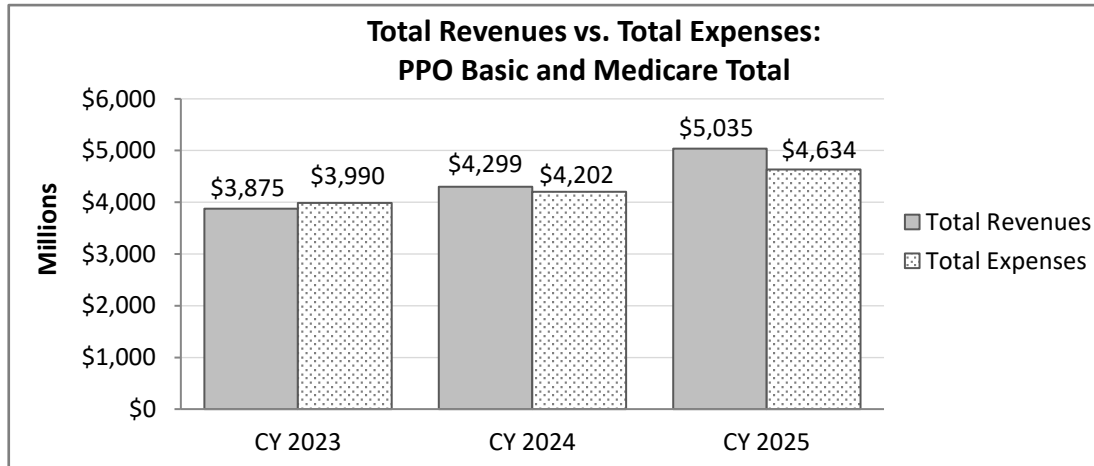
This attachment summarizes the PPO financial status for calendar years 2023, 2024 and 2025:

The “Total Revenues vs. Total Expenses” graphs illustrate the financial performance of the total PPO program and for each PPO plan subaccount by showing fund inflows and outflows. Total revenues include premiums, outpatient prescription drug rebates, Federal Employer Group Waiver Plan (EGWP) subsidies, and investment income. Total expenses include medical and pharmacy fee-for-service claims payments, third-party administrator fees, and other administrative expenses. PPO plan medical costs are paid entirely on a fee-for-service basis.

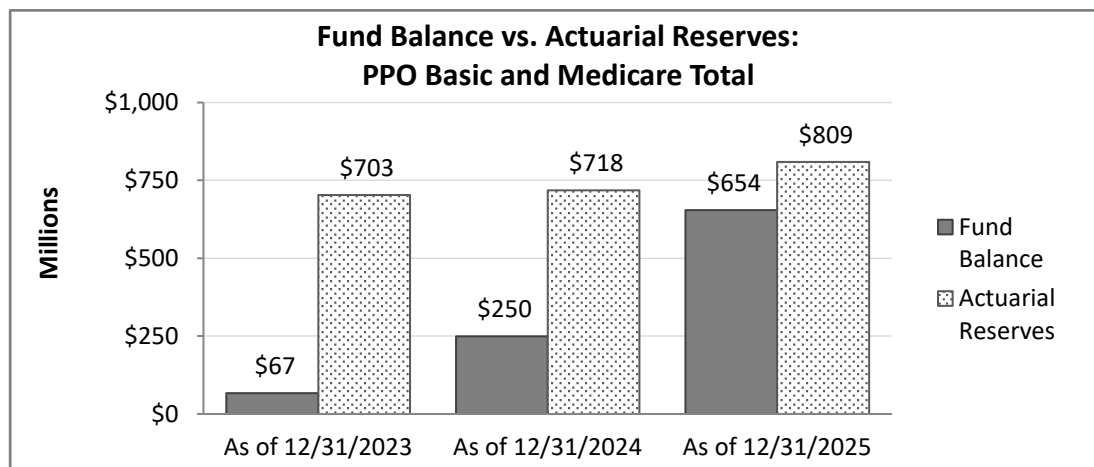
The “Fund Balance vs. Actuarial Reserves” graphs represent the subaccount balances and the actuarially prudent levels of reserves at the end of each period. The actuarial reserves for the PPO plans consist of Medical and Pharmacy Incurred-But-Not-Reported (IBNR) Claim Liability, Continuity of Care Liability, Administrative Liability, and Risk-Based Capital components.

### Health Care Fund Status As of December 31, 2025 PPO Health Plans: Basic and Medicare Total

In the graph below, total revenue and total cost are provided for each calendar year for 2023, 2024, and 2025.



In the graph below, the Health Care Fund balance compared to actuarial reserves are provided as of December 31, 2025.

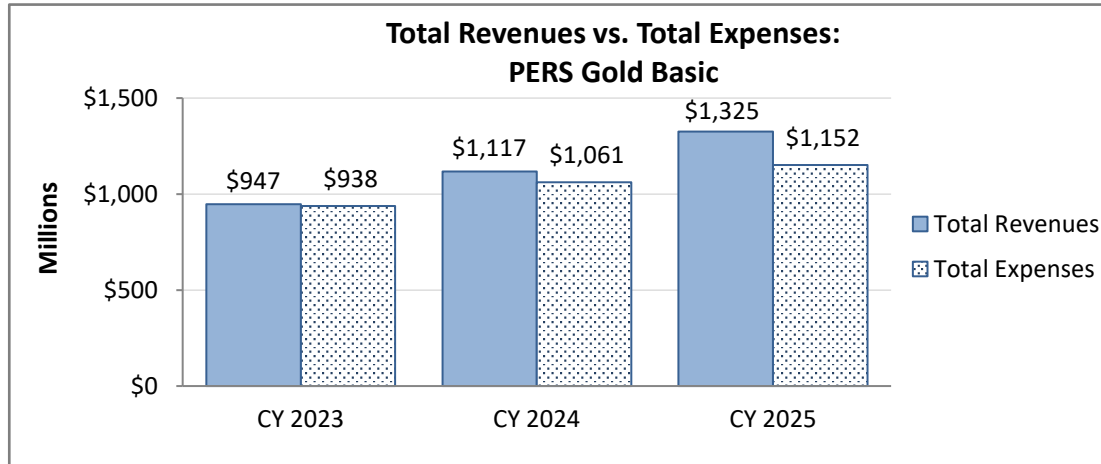


Fund Balance vs Actuarial Reserves, as of 12/31/2025: PPO Basic and Medicare Total	
Enrollment	392,386
Fund Balance *	\$654,227,676
Actuarial Reserves **	\$808,782,744
Surplus/(Deficit) ***	(\$154,555,068)
Surplus/(Deficit) PMPM	(\$32.82)

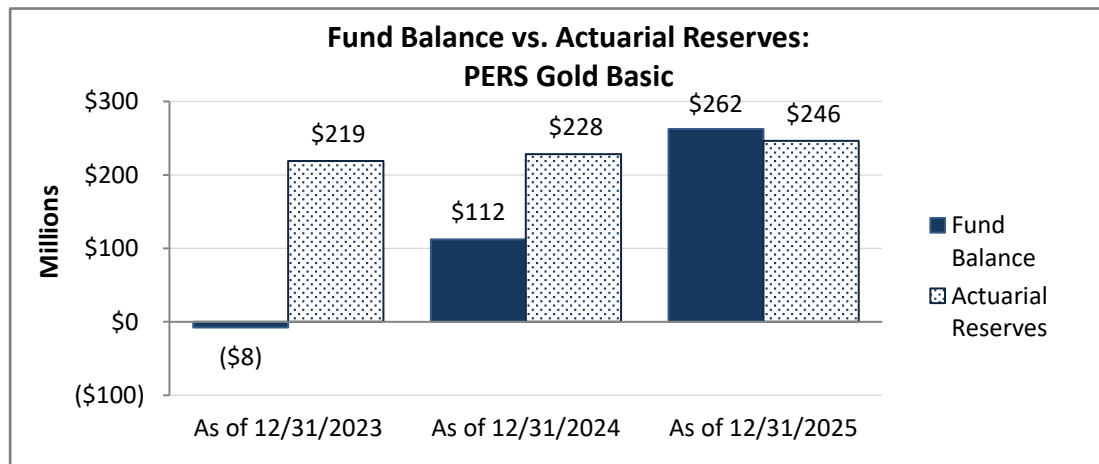
- \* Fund balance accounts for encumbered dollars and other fund allocation adjustments.
- \*\* Actuarial Reserves for PPO include medical and pharmacy incurred but not reported (IBNR) claim liability, continuity of care liability, administrative liability, and risk-based capital (RBC) components.
- \*\*\* Surplus/(Deficit) equals fund balance minus actuarial reserves.

### PPO Health Plans: PERS Gold Basic

In the graph below, total revenue and total cost are provided for each calendar year for 2023, 2024, and 2025.



In the graph below, the Health Care Fund balance compared to actuarial reserves are provided as of December 31, 2025.

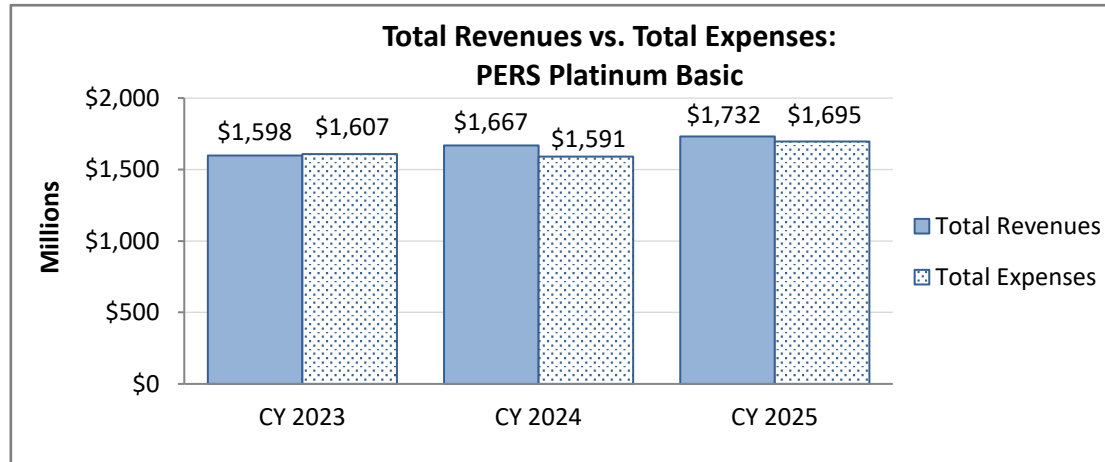


Fund Balance vs Actuarial Reserves, as of 12/31/2025: PERS Gold Basic	
Enrollment	140,481
Fund Balance *	\$262,404,677
Actuarial Reserves **	\$246,150,657
Surplus/(Deficit) ***	\$16,254,020
Surplus/(Deficit) PMPM	\$9.64

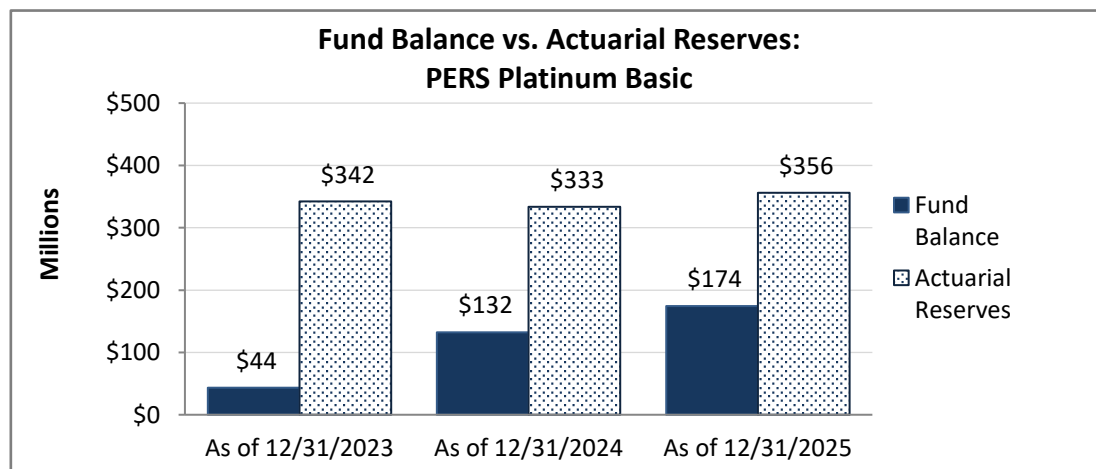
- \* Fund balance accounts for fund allocation adjustments.
- \*\* Actuarial Reserves for PPO include medical and pharmacy incurred but not reported (IBNR) claim liability, continuity of care liability, administrative liability, and risk-based capital (RBC) components.
- \*\*\* Surplus/(Deficit) equals fund balance minus actuarial reserves.

### PPO Health Plans: PERS Platinum Basic

In the graph below, total revenue and total cost are provided for each calendar year for 2023, 2024, and 2025.



In the graph below, the Health Care Fund balance compared to actuarial reserves are provided as of December 31, 2025.

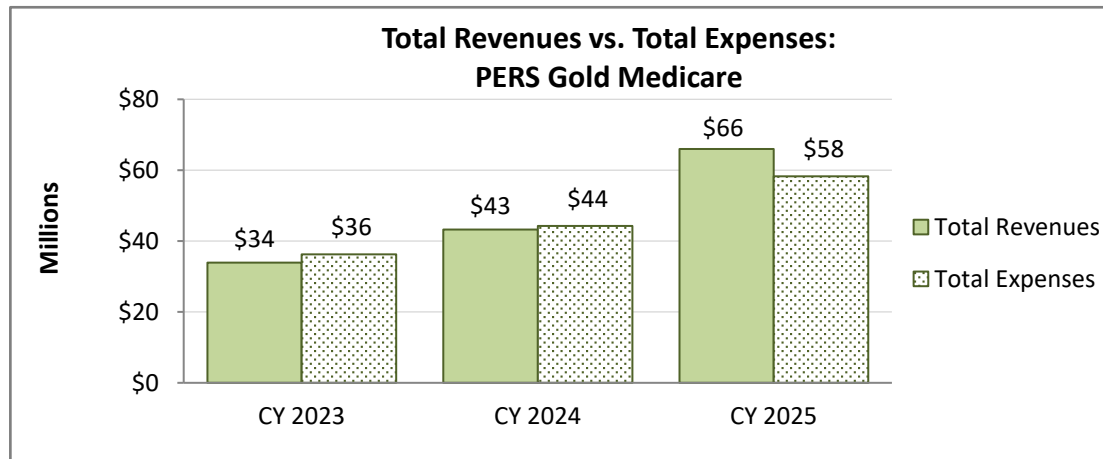


Fund Balance vs Actuarial Reserves, as of 12/31/2025: PERS Platinum Basic	
Enrollment	96,449
Fund Balance *	\$174,399,143
Actuarial Reserves **	\$356,136,131
Surplus/(Deficit) ***	(\$181,736,989)
Surplus/(Deficit) PMPM	(\$157.02)

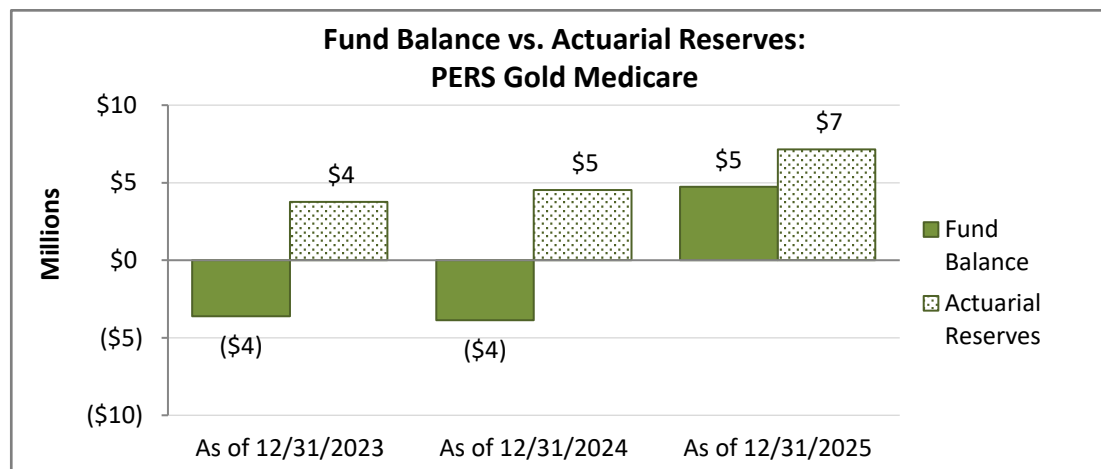
- \* Fund balance accounts for fund allocation adjustments.
- \*\* Actuarial Reserves for PPO include medical and pharmacy incurred but not reported (IBNR) claim liability, continuity of care liability, administrative liability, and risk-based capital (RBC) components.
- \*\*\* Surplus/(Deficit) equals fund balance minus actuarial reserves.

### PPO Health Plans: PERS Gold Medicare

In the graph below, total revenue and total cost are provided for each calendar year for 2023, 2024, and 2025.



In the graph below, the Health Care Fund balance compared to actuarial reserves are provided as of December 31, 2025.

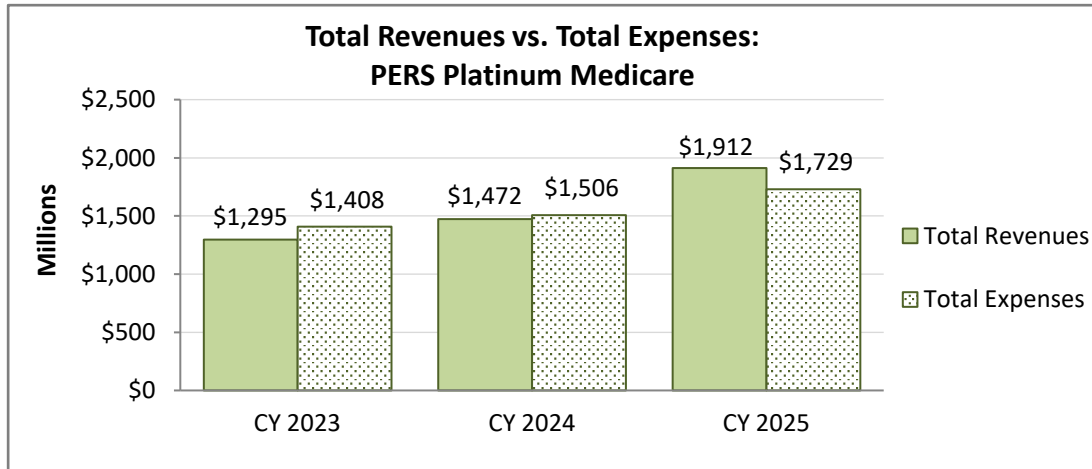


Fund Balance vs Actuarial Reserves, as of 12/31/2025: PERS Gold Medicare	
Enrollment	6,138
Fund Balance *	\$4,746,286
Actuarial Reserves **	\$7,148,855
Surplus/(Deficit) ***	(\$2,402,569)
Surplus/(Deficit) PMPM	(\$32.62)

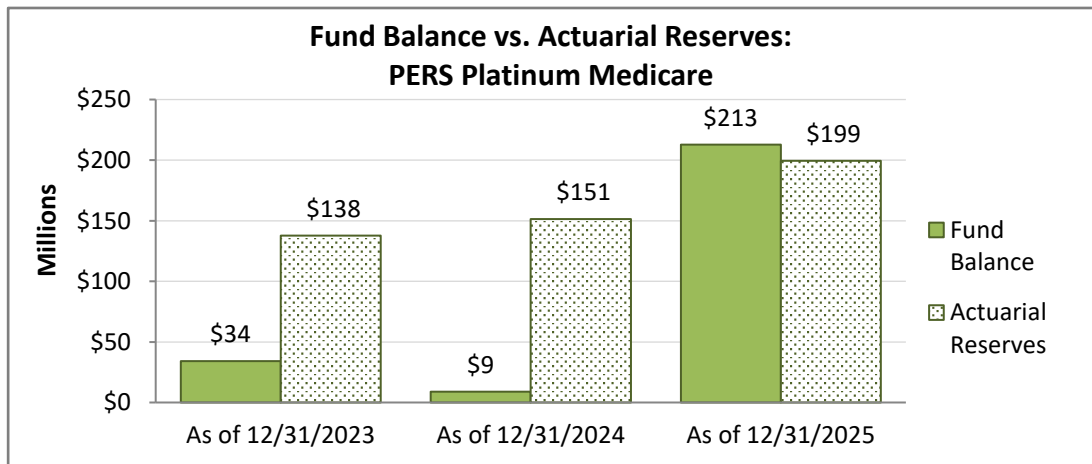
- \* Fund balance accounts for encumbered dollars and other fund allocation adjustments.
- \*\* Actuarial Reserves for PPO include medical and pharmacy incurred but not reported (IBNR) claim liability, continuity of care liability, administrative liability, and risk-based capital (RBC) components.
- \*\*\* Surplus/(Deficit) equals fund balance minus actuarial reserves.

### PPO Health Plans: PERS Platinum Medicare

In the graph below, total revenue and total cost are provided for each calendar year for 2023, 2024, and 2025.



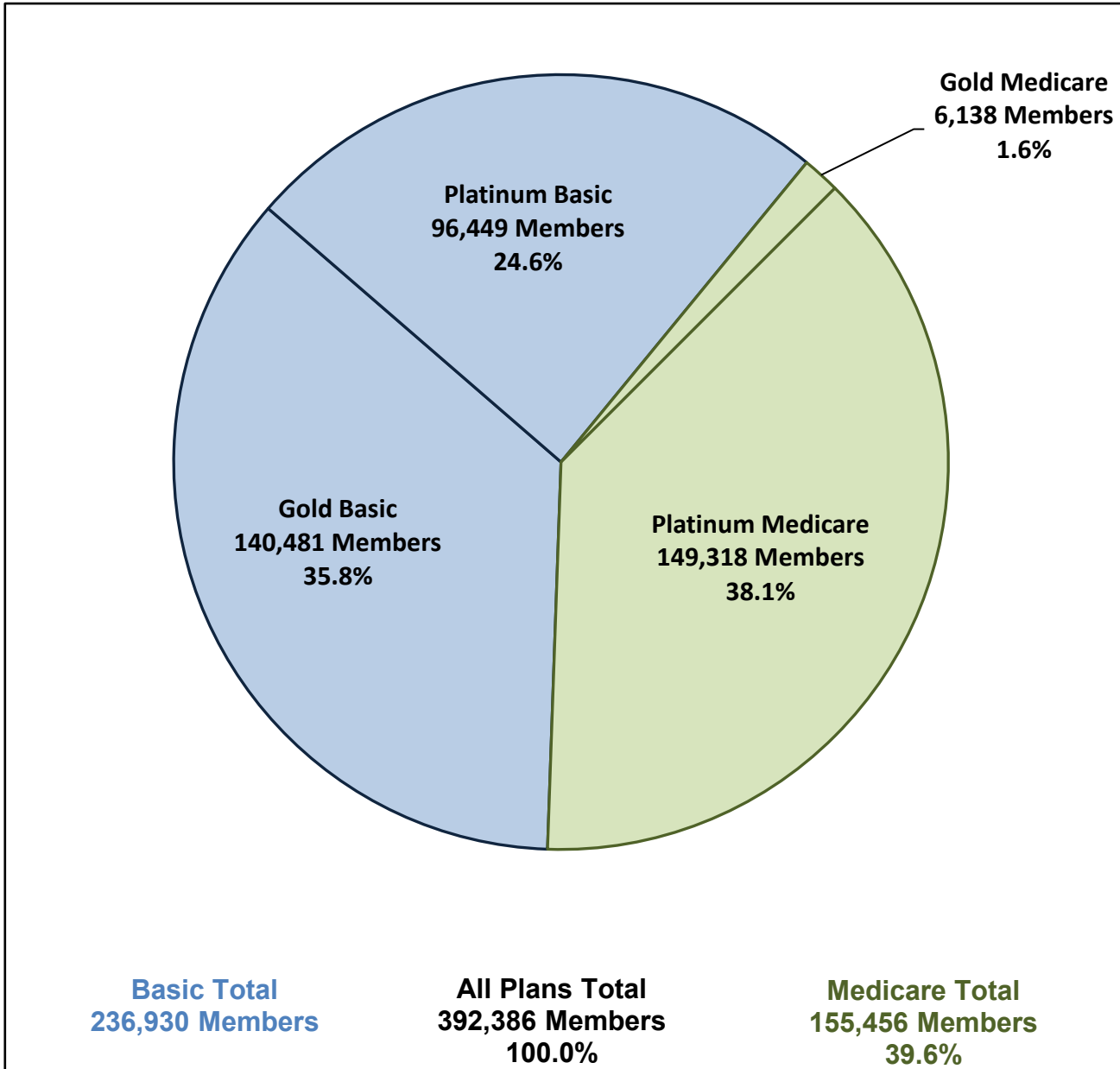
In the graph below, the Health Care Fund balance compared to actuarial reserves are provided as of December 31, 2025.



Fund Balance vs Actuarial Reserves, as of 12/31/2025: PERS Platinum Medicare	
Enrollment	149,318
Fund Balance *	\$212,677,570
Actuarial Reserves **	\$199,347,101
Surplus/(Deficit) ***	\$13,330,470
Surplus/(Deficit) PMPM	\$7.44

- \* Fund balance accounts for encumbered dollars and other fund allocation adjustments.
- \*\* Actuarial Reserves for PPO include medical and pharmacy incurred but not reported (IBNR) claim liability, continuity of care liability, administrative liability, and risk-based capital (RBC) components.
- \*\*\* Surplus/(Deficit) equals fund balance minus actuarial reserves.

**Enrollment  
As of December 31, 2025  
PPO Basic and Medicare Health Plans**



Enrollment			
Plan Name	2023	2024	2025
PERS Gold Basic	140,524	138,667	140,481
PERS Platinum Basic	124,934	107,784	96,449
PERS Gold Medicare	4,610	5,174	6,138
PERS Platinum Medicare	149,347	148,831	149,318
<b>Total Basic and Medicare</b>	<b>419,415</b>	<b>400,456</b>	<b>392,386</b>