

2027 Preliminary Health Maintenance Organization & Preferred Provider Organization Plan Premiums Agenda Item 6a

Don Moulds, Chief Health Director, Health Policy & Benefits Branch
Rob Jarzombek, Chief, Health Plan Research & Administration Division

June 16, 2026

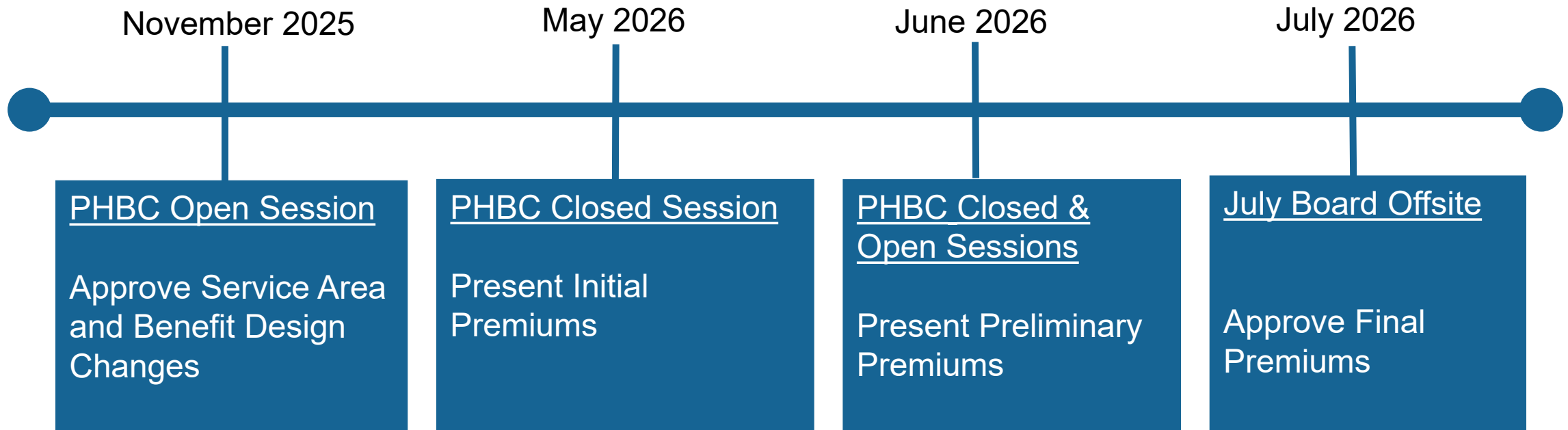
Agenda

- Timeline
- How CalPERS Sets Premiums
- Premiums & Weighted Averages
- Summary of Recommendations
- Individual Plan Slides
- Next Steps

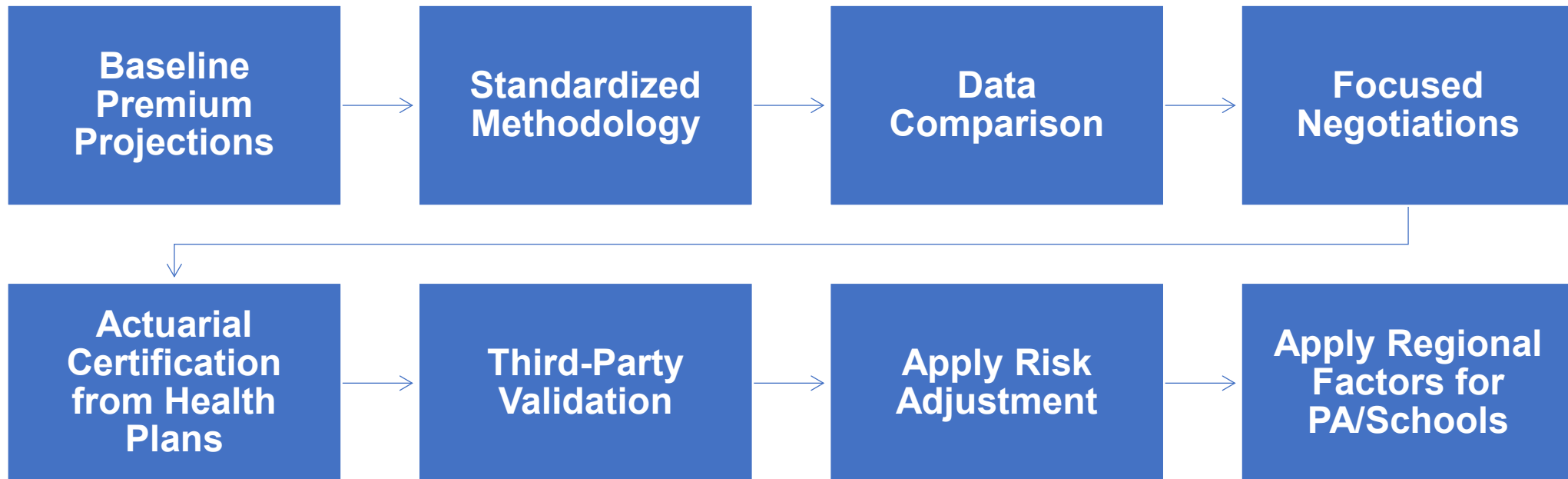


**Equitable,
High-Quality,
Affordable
Health Care**

2027 Rate Development Process (RDP) Timeline



How CalPERS Sets Premiums





Premiums and Weighted Averages

2027 Statewide Basic Plan Premiums

Basic HMO Plan	2026 Premium	2027 Preliminary Premium	Percent Change from 2026
Anthem Blue Cross Select	\$1,090.98	\$1,215.09	11.38%
Anthem Blue Cross Traditional	\$1,372.93	\$1,475.65	7.48%
Blue Shield Access+ HMO and EPO	\$1,088.52	\$1,208.97	11.07%
Blue Shield Trio	\$936.58	\$971.24	3.70%
Health Net Salud y Más	\$789.13	\$855.93	8.47%
Kaiser Permanente	\$1,097.94	\$1,125.15	2.48%
Kaiser Permanente Out-of-State	\$1,398.96	\$1,502.12	7.37%
Kaiser Permanente Nevada	N/A	\$1,347.87	N/A
Sharp Performance Plus	\$916.20	\$975.21	6.44%
Sutter Health	N/A	\$1,130.67	N/A
Western Health Advantage	\$969.58	\$1,030.80	6.31%
Basic HMO Weighted Average Change			4.52%
Basic PPO Plan			
PERS Gold	\$1,043.37	\$1,119.94	7.34%
PERS Platinum	\$1,512.13	\$1,623.10	7.34%
Basic PPO Weighted Average Change			7.34%
Total Basic Weighted Average Change			5.80%

2027 Statewide Medicare Premiums

Medicare Advantage Plan	2026 Premium	2027 Preliminary Premium	Percent Change from 2026
Anthem Medicare Preferred PPO	\$571.70	\$619.25	8.32%
Blue Shield Medicare PPO	\$539.43	\$619.36	14.82%
Kaiser Permanente Senior Advantage	\$356.83	\$333.93	-6.42%
Kaiser Permanente Senior Advantage Out-of-State	\$350.16	\$324.40	-7.36%
Kaiser Permanente Senior Advantage Summit	\$426.31	\$391.74	-8.11%
Kaiser Permanente Senior Advantage Summit Out-of-State	\$419.67	\$382.24	-8.92%
Sharp Direct Advantage HMO	\$291.38	\$320.22	9.90%
UnitedHealthcare Group Medicare Advantage PPO	\$481.29	\$534.00	10.95%
Medicare Advantage Weighted Average Change			1.18%
Medicare Supplement Plan			
PERS Gold	\$597.57	\$597.57	0.00%
PERS Platinum	\$665.50	\$665.50	0.00%
Medicare Supplement Weighted Average Change			0.00%
Total Medicare Weighted Average Change			0.51%

Statewide Weighted Average Percent Changes

Health Plan Type	2026 Premium	2027 Preliminary Premium
Basic HMO	6.48%	4.52%
Basic PPO	12.08%	7.34%
Total Basic	7.76%	5.80%
Medicare Advantage	7.13%	1.18%
Medicare Supplement	13.68%	0.00%
Total Medicare	10.78%	0.51%
Total Overall	8.21%	4.98%

Summary of Recommendations

Remove
UnitedHealthcare
(UHC) Basic plans

Add Sutter Health
Plan to CalPERS
Portfolio

Approve Product
Change for UHC's
MA Plan

Reduce PPO
Surcharge by 50%

Add Fertility
Benefits to PPOs
Effective 7/1/27

UnitedHealthcare's Proposed 2027 Basic Rates

Significantly
higher than
CalPERS rate
buildup

Unsubstantiated
discrepancies

UHC's final
submissions not
reasonable

UHC Basic Plan Profiles

Alliance

- HMO plan in 26 counties
- Significant overlap with other CalPERS HMOs except for Sutter network
- 80.5K members

Harmony

- HMO plan in 10 counties
- 100% medical group and facility overlap with other CalPERS HMOs
- 13.5K members

UHC Alliance Membership Summary

Member	Total Members	% of Alliance Members	Assigned to Sutter Health System	Not Assigned to Sutter Health System
State & CSU	64,989	81%	36,447	28,542
Public Agencies & Schools	15,545	19%	5,446	10,099
Total	80,534	100%	52%	48%

Sutter Health Plan in the CalPERS Health Program

High-Quality
Integrated
Health Plan

Service Area &
Network

Continuity for
Members

Competitive
Premium

Other
Considerations

Next Steps for UHC's Basic Plans



Criteria for Administrative Transfers

Provider Continuity

Premium Impact

Next Steps for Sutter Health Plan



Finalize Sutter
Health Plan
Contract Terms

- Recommend Board approval in July



Implementation
Activities for Sutter
Health Plan

- Member and employer communications
- myCalPERS updates
- Resources for team members

Supporting Members through Transition



July-October

Web Updates & Ads - Member Emails
PERSpective Articles - Social Media Updates



July

- Press Release on Rates
- Targeted Member Emails



August

- Targeted Member Letters



September

- Health Plan Statement
- Open Enrollment Newsletter
- Member Webinar

Employer Communications, Resources and Support



July-October

Employer Bulletins - Employer Emails
CalPERS Web Updates & Ads - Health Fairs (August-October)



July

- Circular Letter
- Open Enrollment Health Fair Announcement



August

- Open Enrollment Toolkit



September

- Employer Webinar

Other Updates and Issues

2024 QAMS
Penalties Applied to
2027 Premiums

Potential MCO Tax



Basic Plans

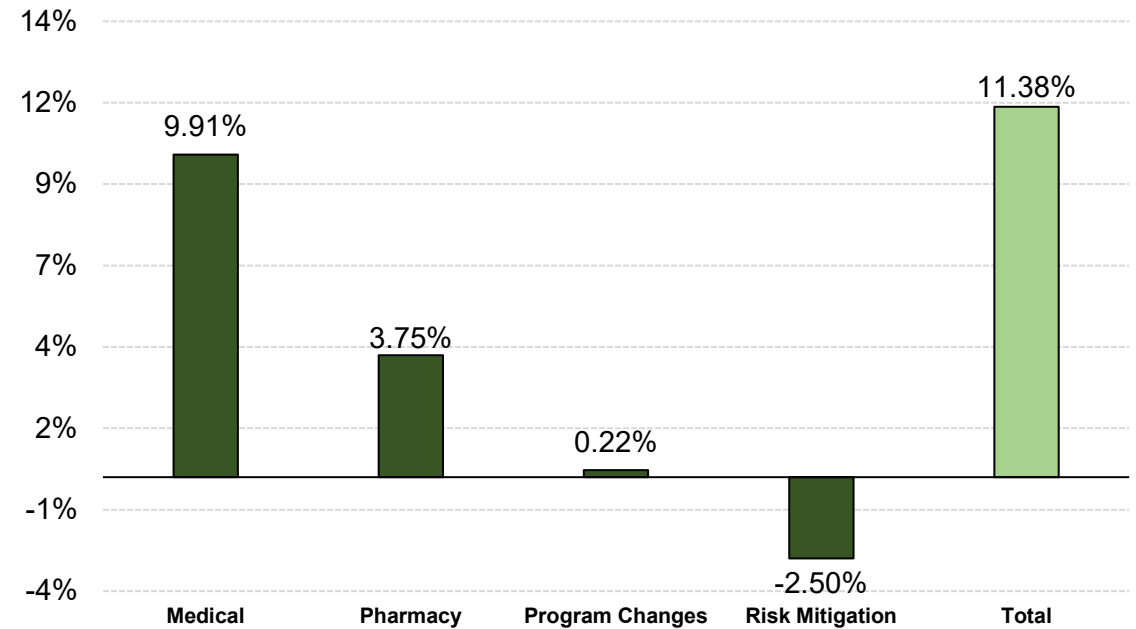
2027 Preliminary HMO and PPO Premiums

Anthem Blue Cross Select (Basic)

2026 Premium	2027 Premium Before Risk Mitigation	2027 Adjusted Risk Score	Risk Mitigation Impact	2027 Preliminary Premium	Percent Change from 2026
\$1,090.98	\$1,164.34	0.9715	\$50.75	\$1,215.09	11.38%

2026 Total Covered Lives: 28,057

2026 - 27 Cost Drivers



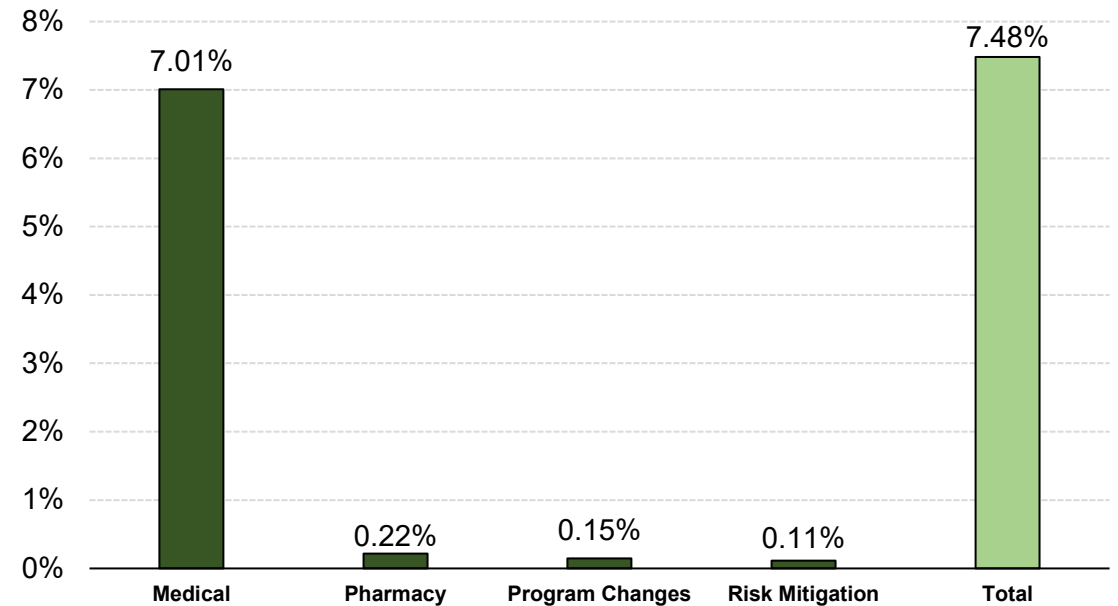
2027 Preliminary HMO and PPO Premiums

Anthem Blue Cross Traditional (Basic)

2026 Premium	2027 Premium Before Risk Mitigation	2027 Adjusted Risk Score	Risk Mitigation Impact	2027 Preliminary Premium	Percent Change from 2026
\$1,372.93	\$1,574.31	1.1053	(\$98.66)	\$1,475.65	7.48%

2026 Total Covered Lives: 11,940

2026 - 27 Cost Drivers



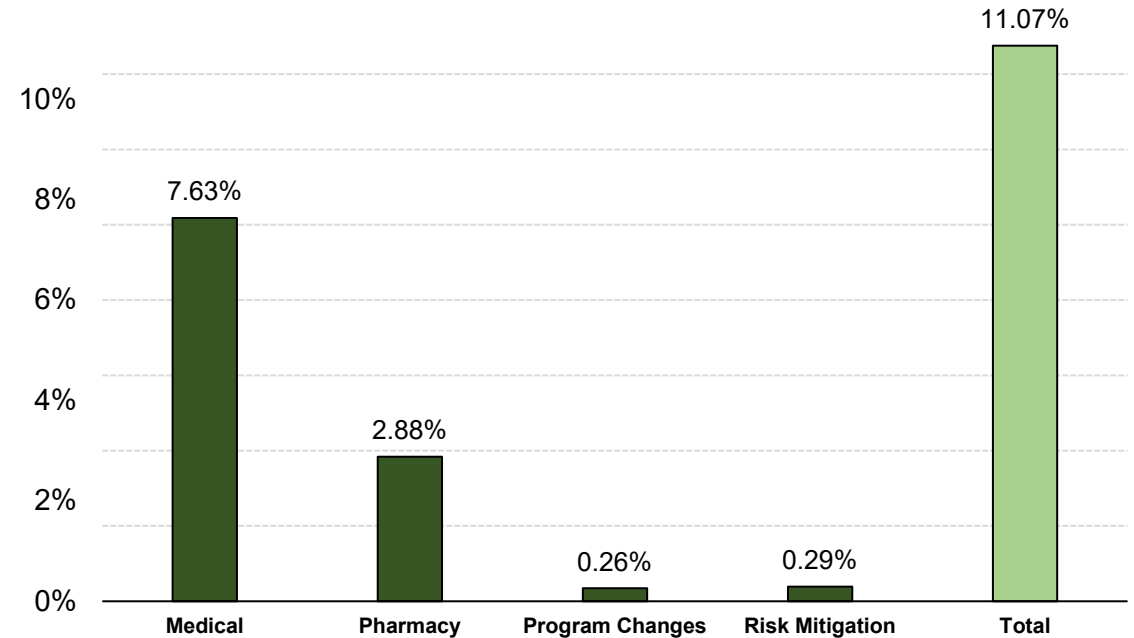
2027 Preliminary HMO and PPO Premiums

Blue Shield Access+ HMO and EPO (Basic)

2026 Premium	2027 Premium Before Risk Mitigation	2027 Adjusted Risk Score	Risk Mitigation Impact	2027 Preliminary Premium	Percent Change from 2026
\$1,088.52	\$1,339.57	1.1286	(\$130.60)	\$1,208.97	11.07%

2026 Total Covered Lives: 135,370

2026 - 27 Cost Drivers



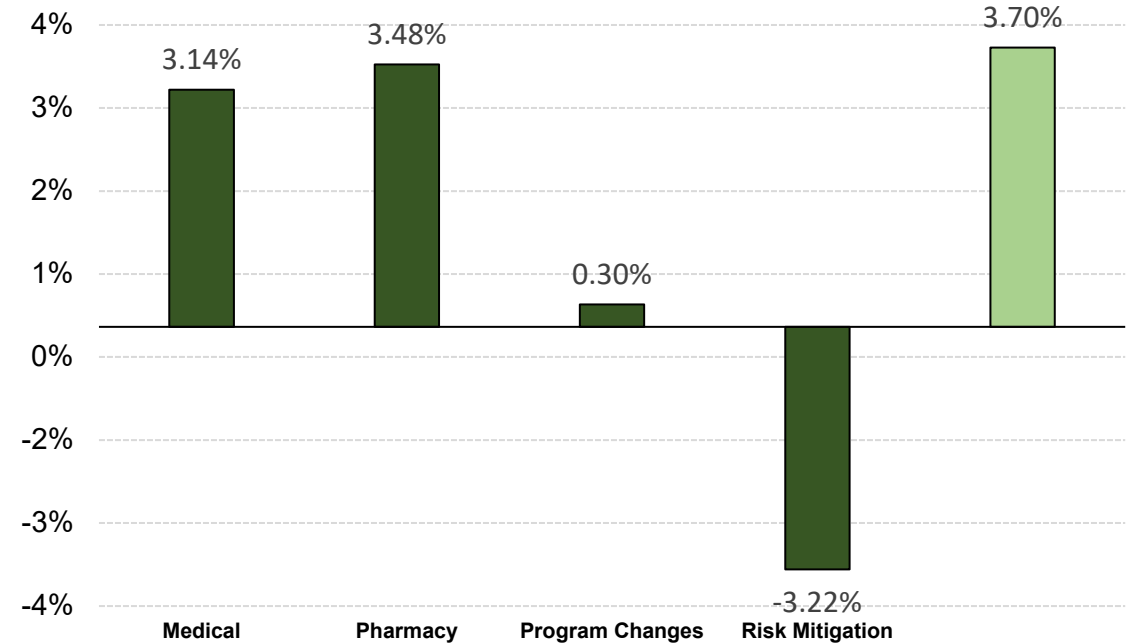
2027 Preliminary HMO and PPO Premiums

Blue Shield Trio (Basic)

2026 Premium	2027 Premium Before Risk Mitigation	2027 Adjusted Risk Score	Risk Mitigation Impact	2027 Preliminary Premium	Percent Change from 2026
\$936.58	\$828.25	0.8407	\$142.99	\$971.24	3.70%

2026 Total Covered Lives: 51,537

2026 - 27 Cost Drivers



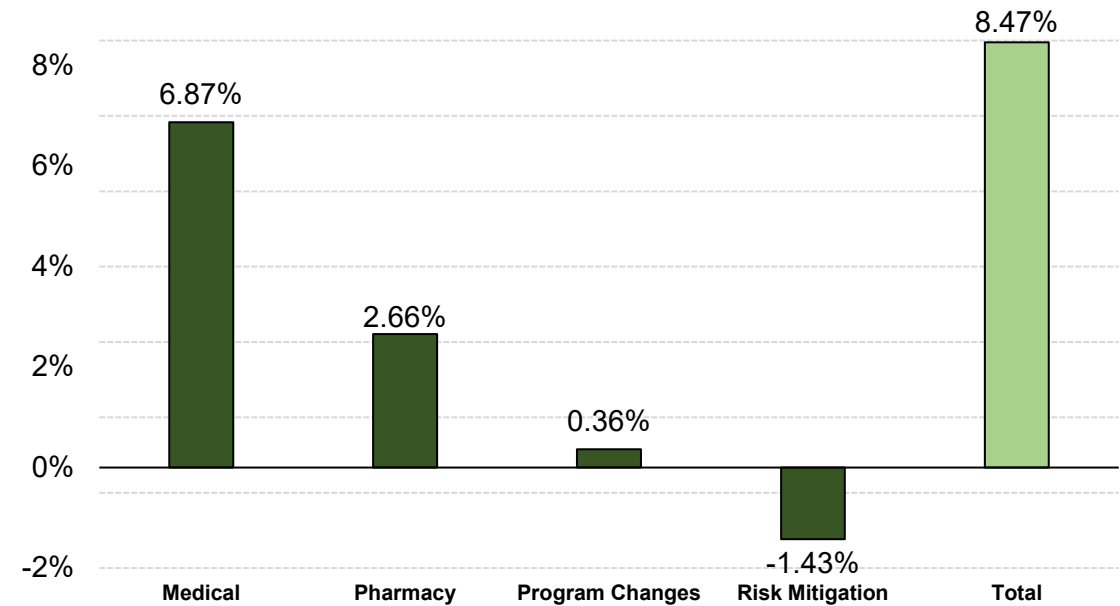
2027 Preliminary HMO and PPO Premiums

Health Net Salud y Mas (Basic)

2026 Premium	2027 Premium Before Risk Mitigation	2027 Adjusted Risk Score	Risk Mitigation Impact	2027 Preliminary Premium	Percent Change from 2026
\$789.13	\$696.74	0.7928	\$159.19	\$855.93	8.47%

2026 Total Covered Lives: 12,577

2026 - 27 Cost Drivers



2027 Preliminary HMO and PPO Premiums

Kaiser Permanente (Basic)

2026 Premium	2027 Premium Before Risk Mitigation	2027 Adjusted Risk Score	Risk Mitigation Impact	2027 Preliminary Premium	Percent Change from 2026
\$1,097.94	\$1,052.75	0.9440	\$72.40	\$1,125.15	2.48%

2026 Total Covered Lives: 526,870

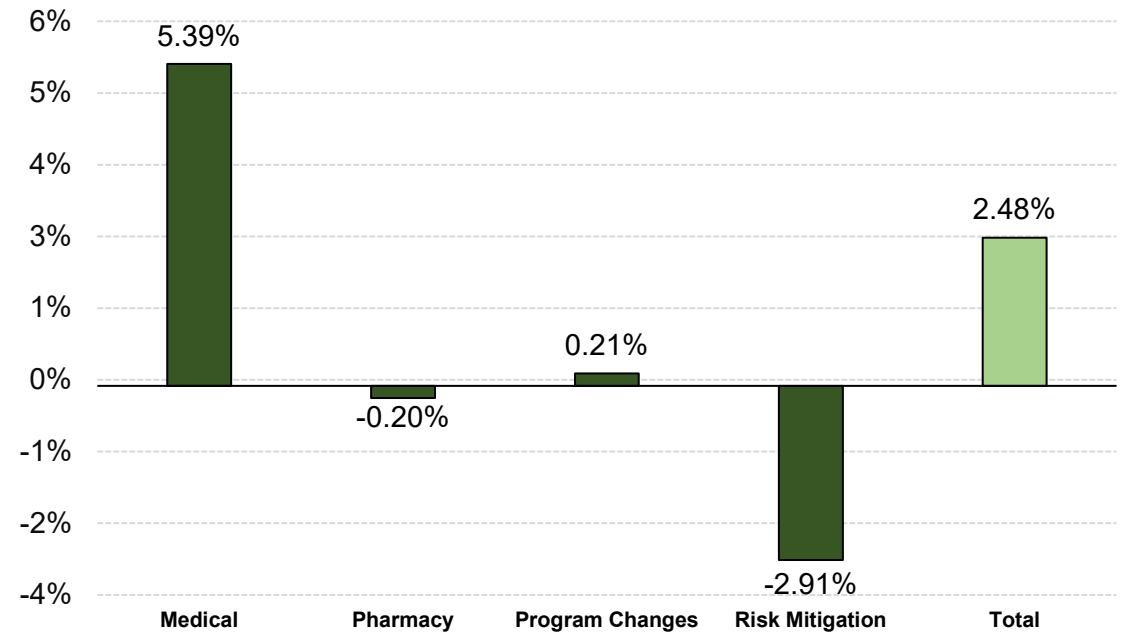
Kaiser Permanente Out-of-State (Basic)

2026 Premium	2027 Preliminary Premium	Percent Change from 2026
\$1,398.96	\$1,502.12	7.37%

Kaiser Permanente Nevada (Basic)

2026 Premium	2027 Preliminary Premium	Percent Change from 2026
N/A	\$1,347.87	N/A

2026 - 27 Cost Drivers

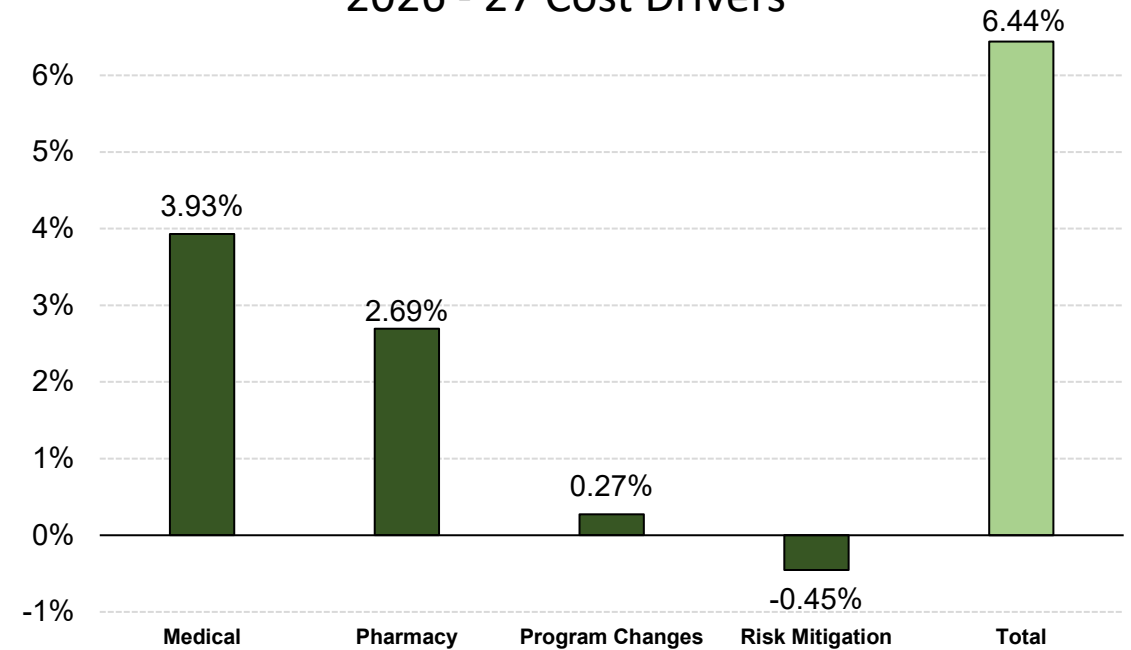


Sharp Performance Plus (Basic)

2026 Premium	2027 Premium Before Risk Mitigation	2027 Adjusted Risk Score	Risk Mitigation Impact	2027 Preliminary Premium	Percent Change from 2026
\$916.20	\$898.67	0.9156	\$76.54	\$975.21	6.44%

2026 Total Covered Lives: 15,582

2026 - 27 Cost Drivers



Sutter Health (Basic)

2026 Premium	2027 Premium Before Risk Mitigation	2027 Adjusted Risk Score	Risk Mitigation Impact	2027 Preliminary Premium	Percent Change from 2026
N/A	\$1,185.10	1.0512	(\$54.43)	\$1,130.67	N/A

Recommendation

- Add Sutter Health Plan to CalPERS Health Benefits Program

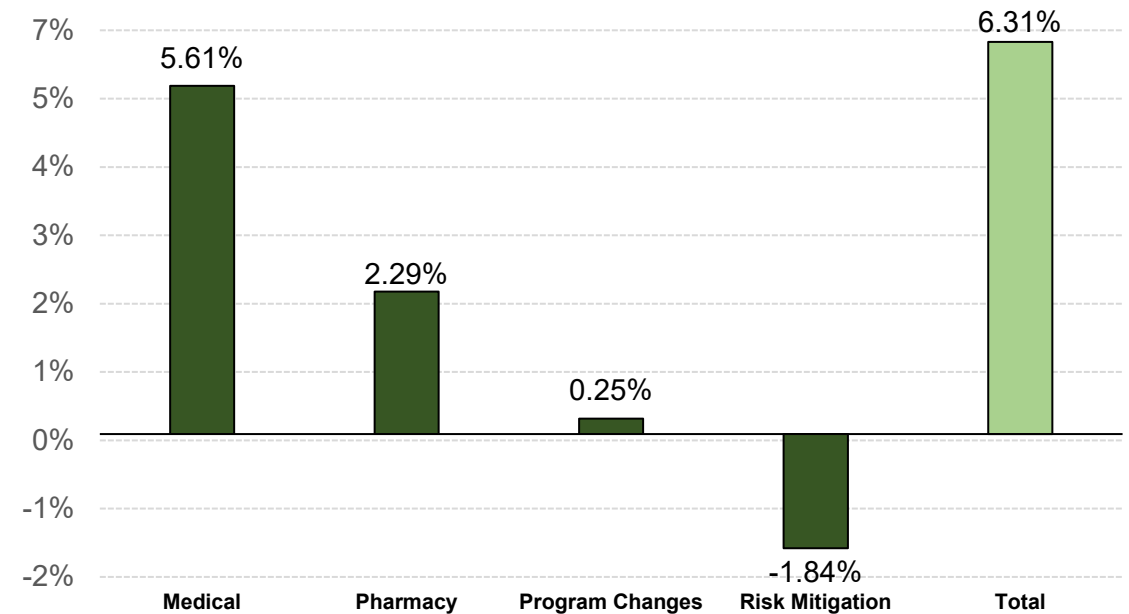
2027 Preliminary HMO and PPO Premiums

Western Health Advantage (Basic)

2026 Premium	2027 Premium Before Risk Mitigation	2027 Adjusted Risk Score	Risk Mitigation Impact	2027 Preliminary Premium	Percent Change from 2026
\$969.58	\$985.54	0.9576	\$45.26	\$1,030.80	6.31%

2026 Total Covered Lives: 25,947

2026 - 27 Cost Drivers



PERS Gold & PERS Platinum (Basic)

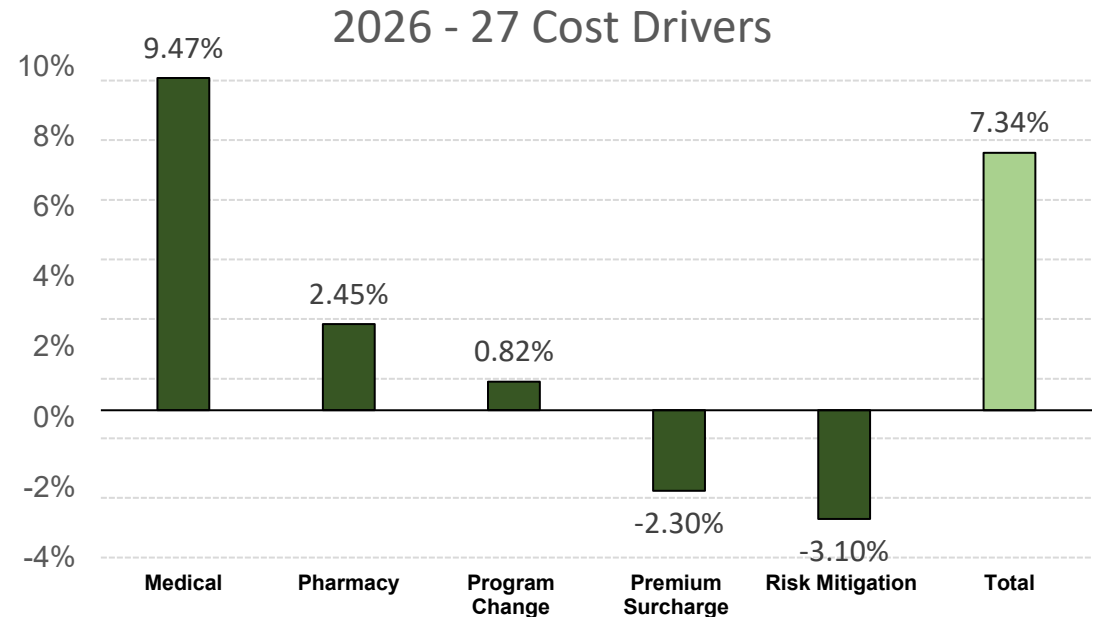
Plan	2026 Premium	2027 Premium Before Risk Mitigation	2027 Adjusted Risk Score	Risk Mitigation Impact	2027 Preliminary Premium	Percent Change from 2026
PERS Gold	\$1,043.37	\$966.09	0.8903	\$153.85	\$1,119.94	7.34%
PERS Platinum	\$1,512.13	\$2,235.37	1.4738	(\$612.27)	\$1,623.10	7.34%
Basic PPO Weighted Average Change						7.34%

PERS Gold 2026 Total Covered Lives: 136,948

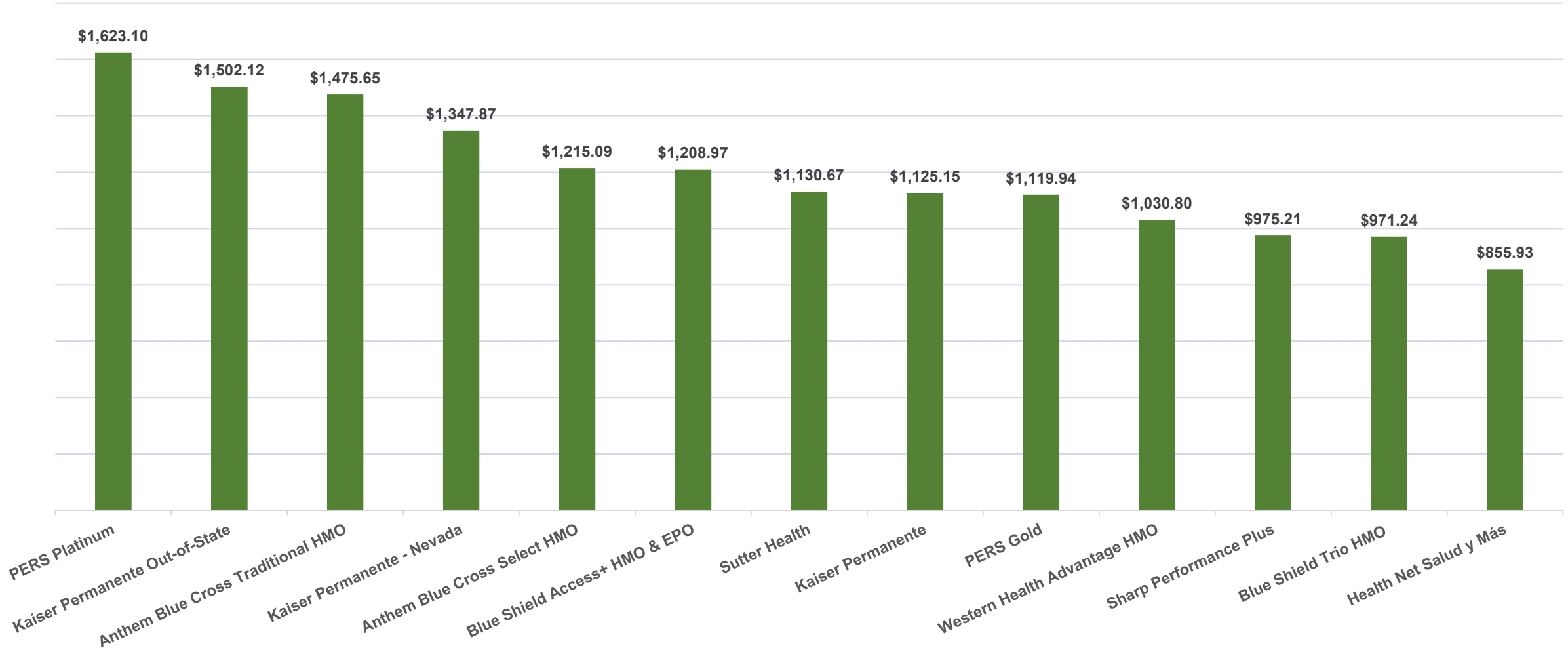
PERS Platinum 2026 Total Covered Lives: 86,862

Recommendation

- Reduce surcharge by 50% in 2027



2027 Preliminary Basic Premiums





Medicare Plans

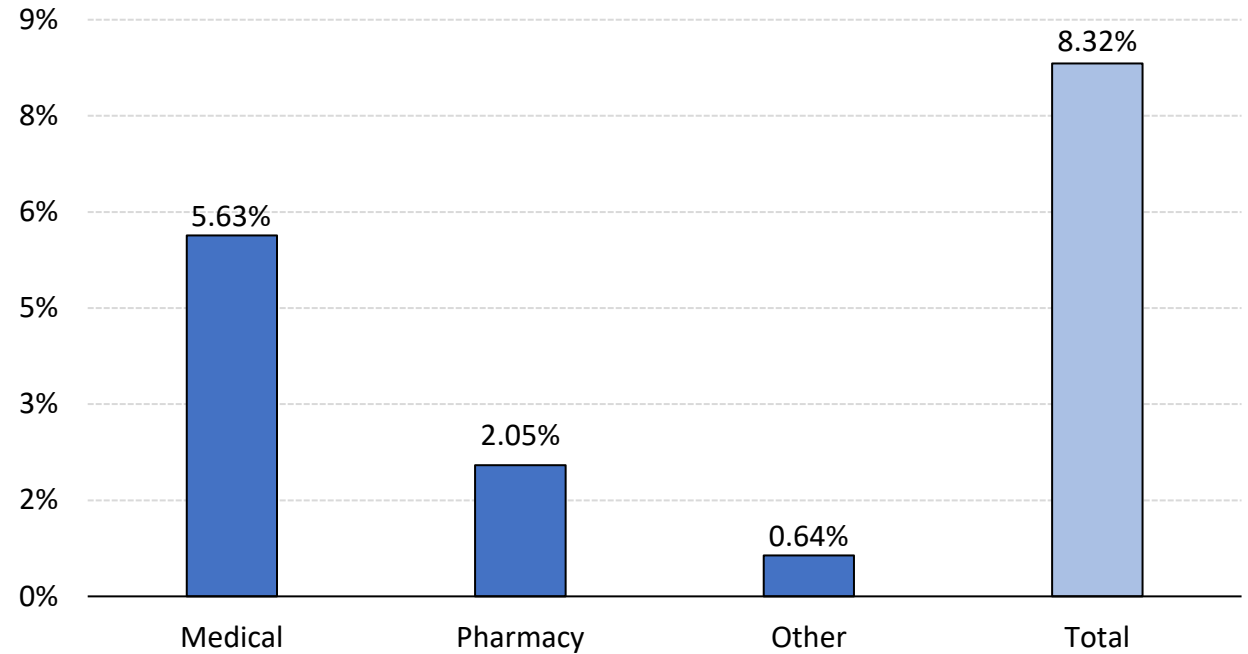
2027 Preliminary HMO and PPO Premiums

Anthem Blue Cross Medicare Preferred PPO

2026 Premium	2027 Preliminary Premium	Premium Change from 2026 (\$)	Premium Change from 2026 (%)
\$571.70	\$619.25	\$47.55	8.32%

2026 Total Covered Lives: 7,586

2026 - 27 Cost Drivers

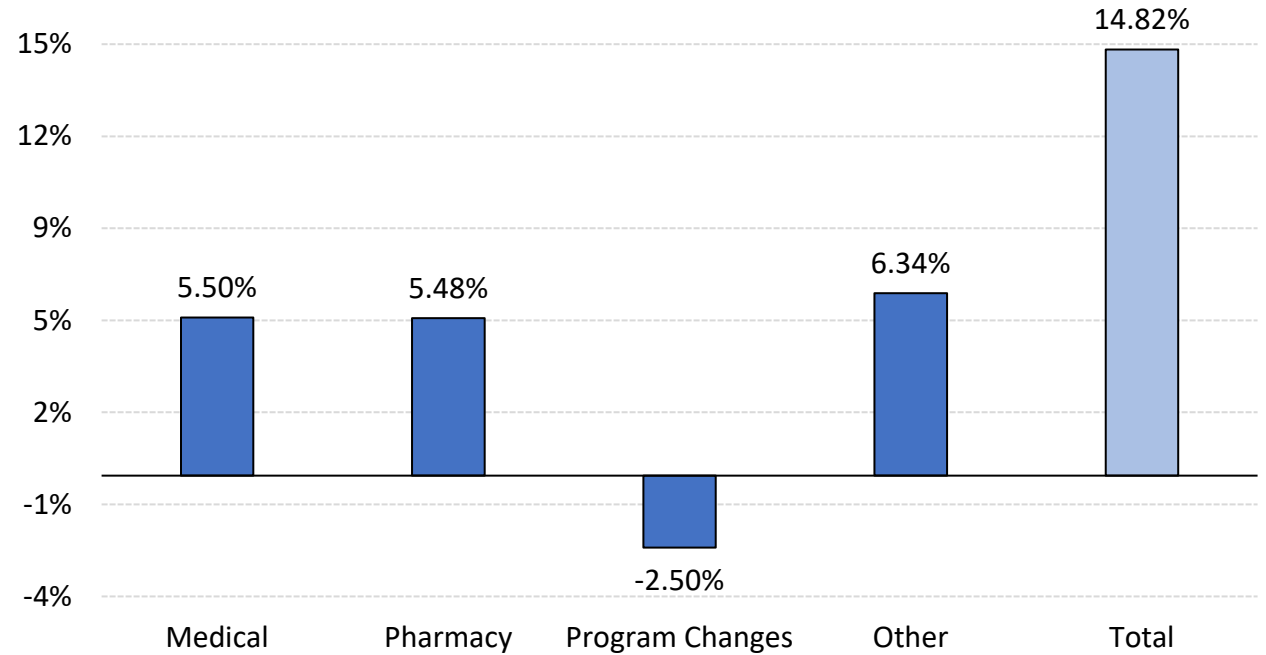


Blue Shield Medicare PPO

2026 Premium	2027 Preliminary Premium	Premium Change from 2026 (\$)	Premium Change from 2026 (%)
\$539.43	\$619.36	\$79.93	14.82%

2026 Total Covered Lives: 12,782

2026 - 27 Cost Drivers



2027 Preliminary HMO and PPO Premiums

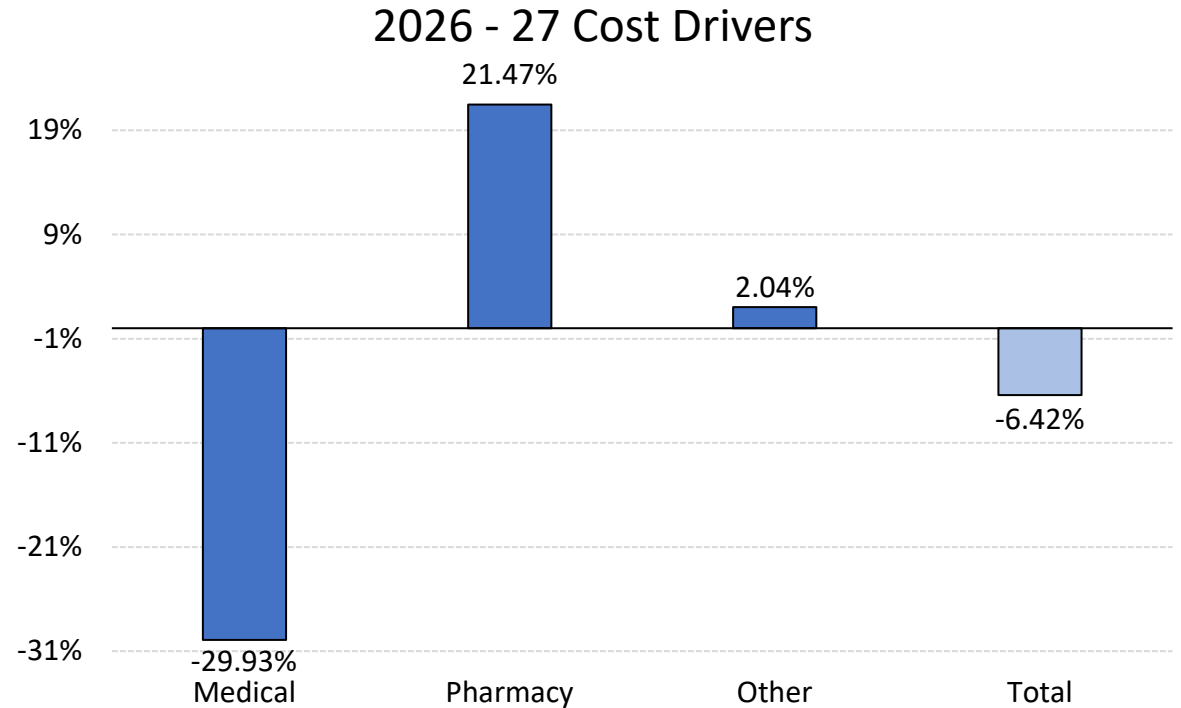
Kaiser Permanente Senior Advantage HMO (Medicare)

2026 Premium	2027 Preliminary Premium	Premium Change from 2026 (\$)	Premium Change from 2026 (%)
\$356.83	\$333.93	(\$22.90)	-6.42%

2026 Total Covered Lives: 108,380

Kaiser Permanente Senior Advantage Out-of-State HMO (Medicare)

2026 Premium	2027 Preliminary Premium	Premium Change from 2026 (\$)	Premium Change from 2026 (%)
\$350.16	\$324.40	(\$25.76)	-7.36%



2027 Preliminary HMO and PPO Premiums

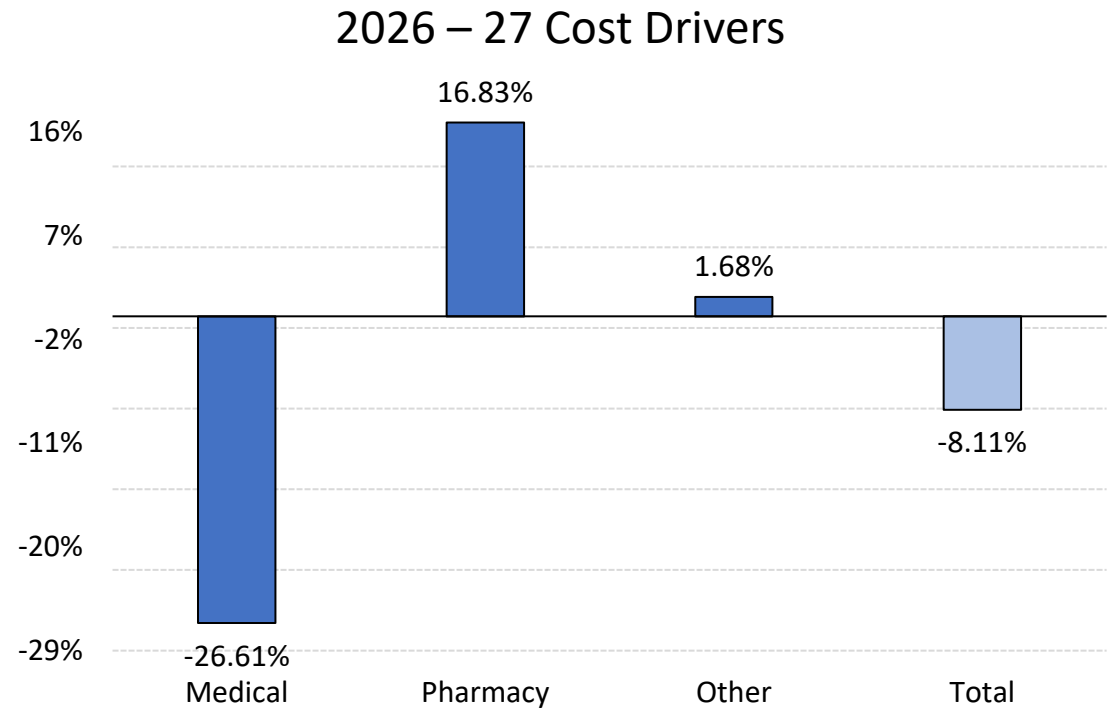
Kaiser Permanente Senior Advantage Summit HMO (Medicare)

2026 Premium	2027 Preliminary Premium	Premium Change from 2026 (\$)	Premium Change from 2026 (%)
\$426.31	\$391.74	(\$34.57)	-8.11%

2026 Total Covered Lives: 11,816

Kaiser Permanente Senior Advantage Summit Out-of-State HMO (Medicare)

2026 Premium	2027 Preliminary Premium	Premium Change from 2026 (\$)	Premium Change from 2026 (%)
\$419.67	\$382.24	(\$37.43)	-8.92%

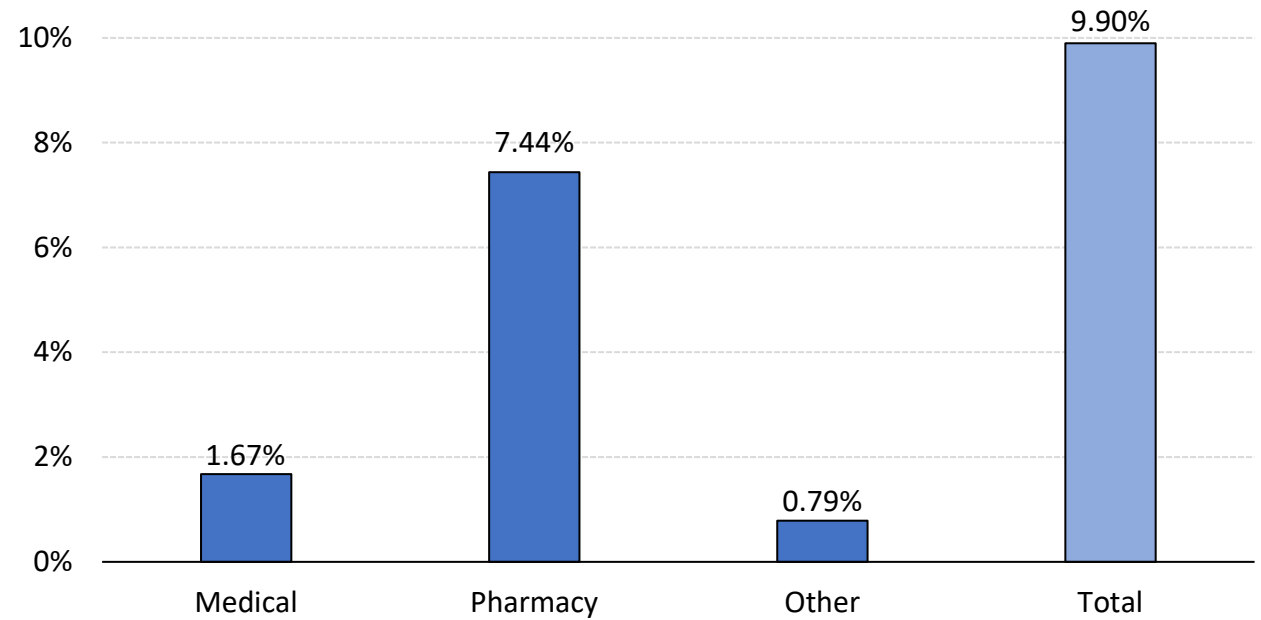


Sharp Direct Advantage HMO (Medicare)

2026 Premium	2027 Preliminary Premium	Premium Change from 2026 (\$)	Premium Change from 2026 (%)
\$291.38	\$320.22	\$28.84	9.90%

2026 Total Covered Lives: 791

2026 - 27 Cost Drivers

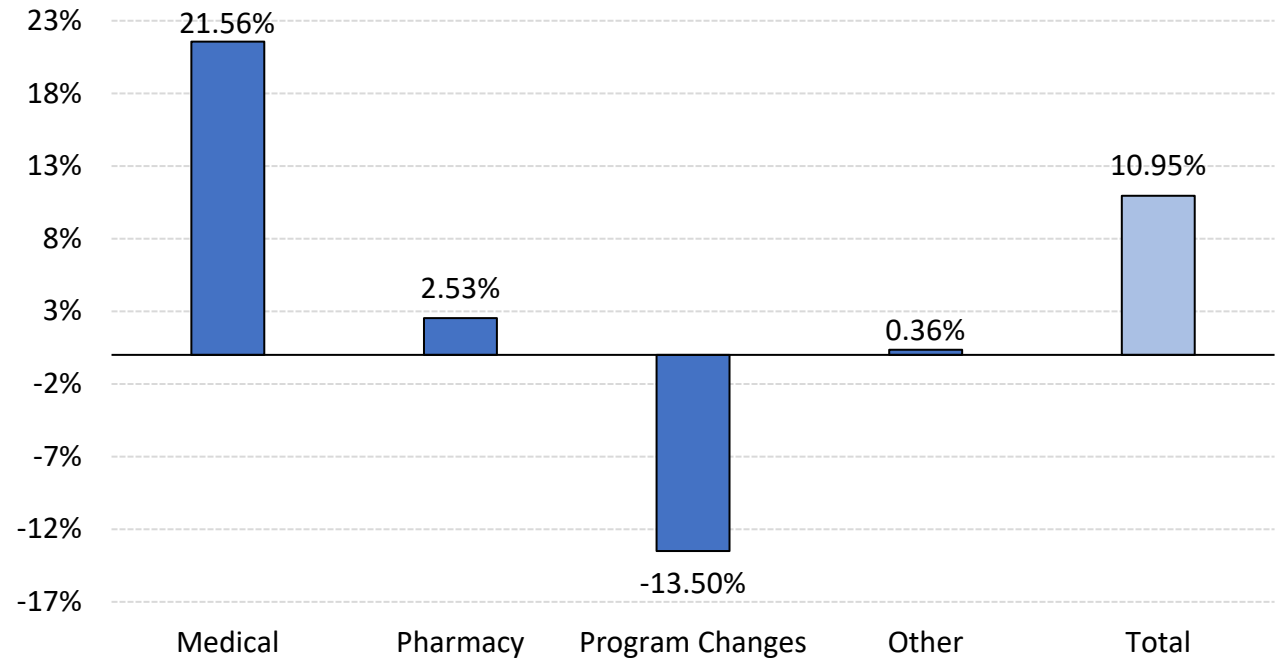


UnitedHealthcare Group Medicare Advantage PPO

2026 Premium	2027 Preliminary Premium	Premium Change from 2026 (\$)	Premium Change from 2026 (%)
\$481.29	\$534.00	\$52.71	10.95%

2026 Total Covered Lives: 47,471

2026 - 27 Cost Drivers



Recommendation

- Approve product change

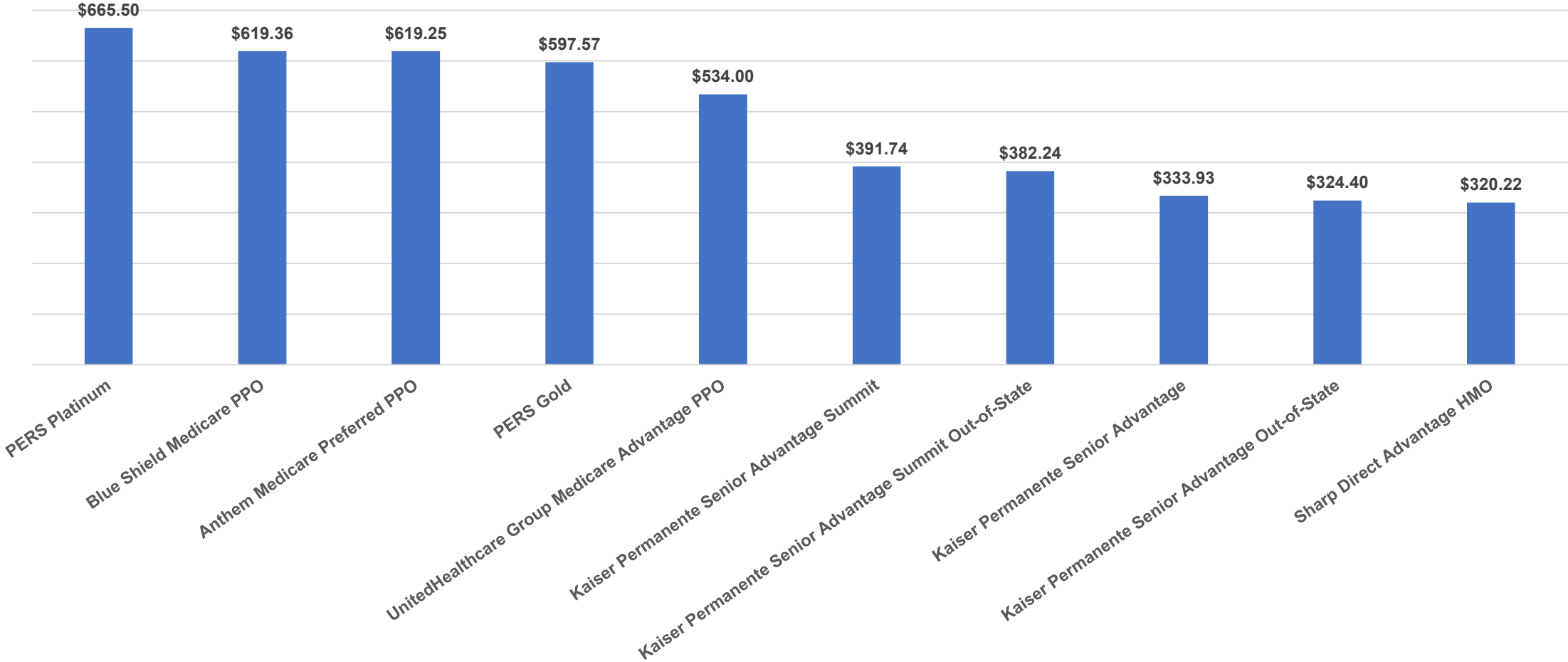
PERS Gold & Platinum Medicare Supplement

Plan	2026 Premium	2027 Preliminary Premium	Premium Change from 2026 (\$)	Premium Change from 2026 (%)
PERS Gold	\$597.57	\$597.57	(\$0.00)	0.00%
PERS Platinum	\$665.50	\$665.50	(\$0.00)	0.00%
Medicare Supplement Weighted Average Change				0.00%

PERS Gold 2026 Total Covered Lives: 6,685

PERS Platinum 2026 Total Covered Lives: 148,578

2027 Preliminary Medicare Premiums



Next Steps

