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.

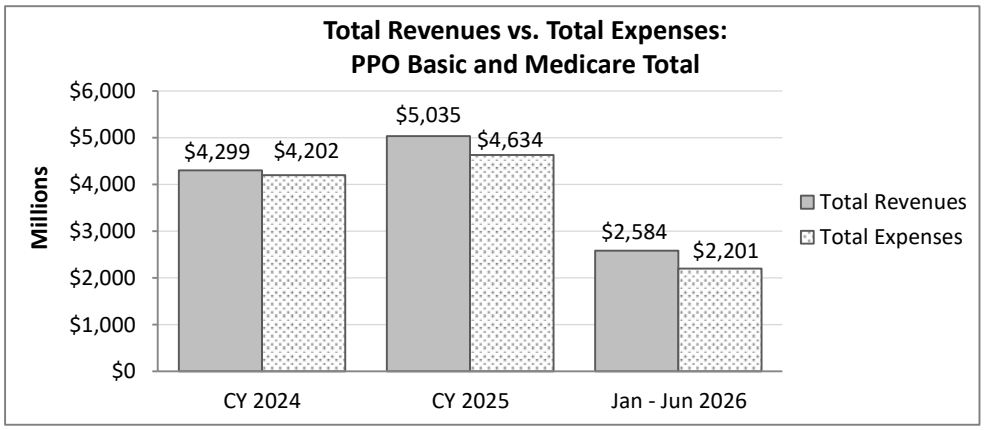
This attachment summarizes the PPO financial status for calendar years 2024, 2025 and the first six months of 2026:

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.

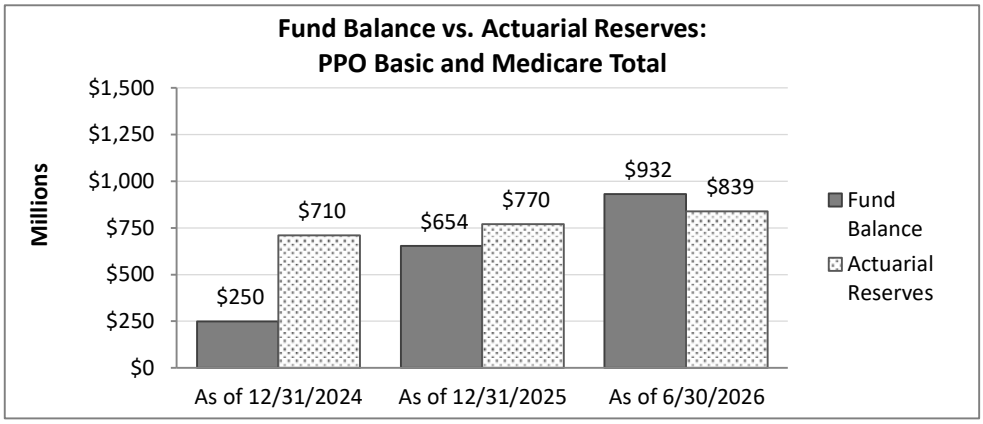
The “Fund Balance vs. Actuarial Reserves” graphs represent the subaccount balances and the actuarially prudent levels of reserves at the end of each period. The actuarial reserves for the PPO plans consist of Medical and Pharmacy Incurred-But-Not-Reported (IBNR) Claim Liability, Continuity of Care Liability,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

Health Care Fund Status
As of June 30, 2026
PPO Health Plans: Basic and Medicare Total

In the graph below, total revenues and total expenses are provided for the full calendar years for 2024 and 2025 while 2026 includes transactions for January through June 2026.



In the graph below, the Health Care Fund balance compared to actuarial reserves are provided as of June 30, 2026.



Fund Balance vs Actuarial Reserves, as of 6/30/2026: PPO Basic and Medicare Total	
Enrollment	378,687
Fund Balance *	$931,818,145
Actuarial Reserves **	$838,817,013
Surplus/(Deficit) ***	$93,001,132

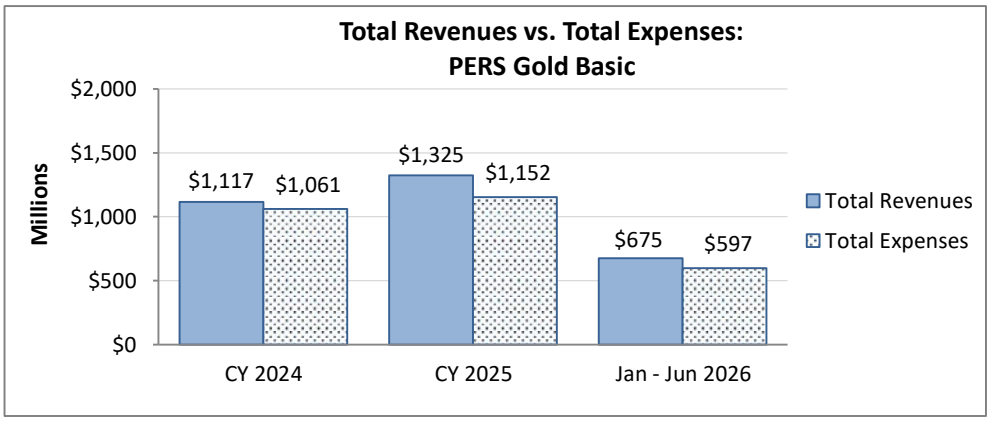
* Fund balance accounts for encumbered dollars and other fund allocation adjustments.

** 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.

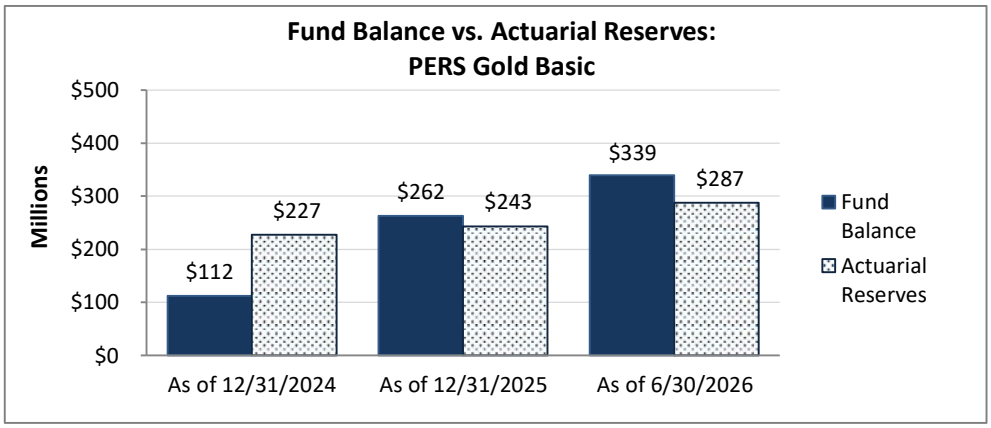
*** Surplus/(Deficit) equals fund balance minus actuarial reserves.

PPO Health Plans: PERS Gold Basic

In the graph below, total revenues and total expenses are provided for the full calendar years for 2024 and 2025 while 2026 includes transactions for January through June 2026.



In the graph below, the Health Care Fund balance compared to actuarial reserves are provided as of June 30, 2026.



Fund Balance vs Actuarial Reserves, as of 6/30/2026: PERS Gold Basic	
Enrollment	137,796
Fund Balance *	$339,341,657
Actuarial Reserves **	$287,071,006
Surplus/(Deficit) ***	$52,270,651

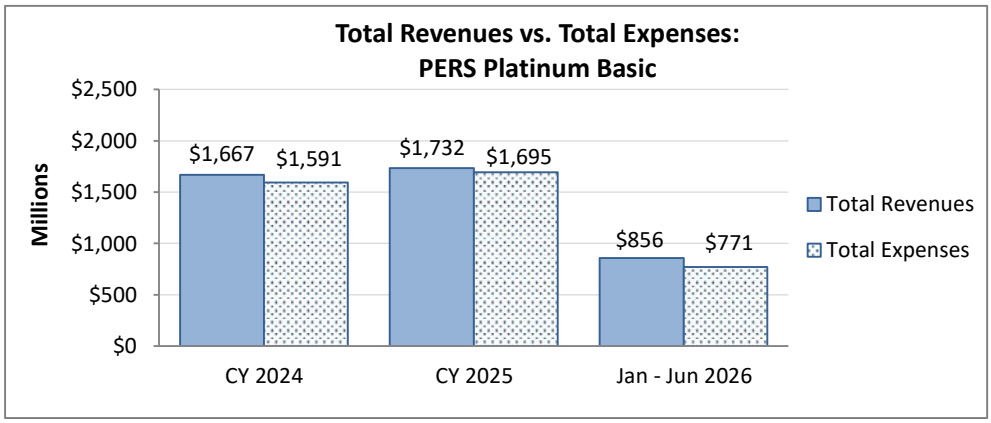
* Fund balance accounts for fund allocation adjustments.

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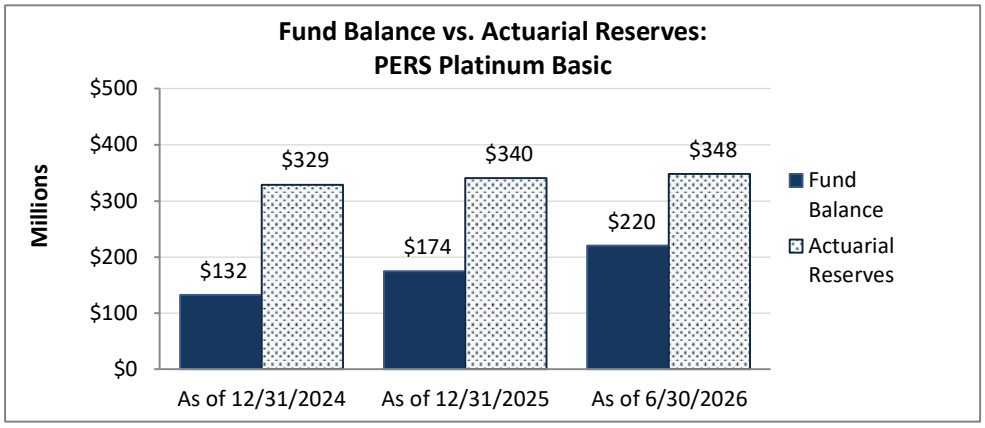
*** Surplus/(Deficit) equals fund balance minus actuarial reserves.

PPO Health Plans: PERS Platinum Basic

In the graph below, total revenues and total expenses are provided for the full calendar years for 2024 and 2025 while 2026 includes transactions for January through June 2026.



In the graph below, the Health Care Fund balance compared to actuarial reserves are provided as of June 30, 2026.



Fund Balance vs Actuarial Reserves, as of 6/30/2026: PERS Platinum Basic	
Enrollment	85,680
Fund Balance *	$220,233,989
Actuarial Reserves **	$348,051,547
Surplus/(Deficit) ***	($127,817,558)

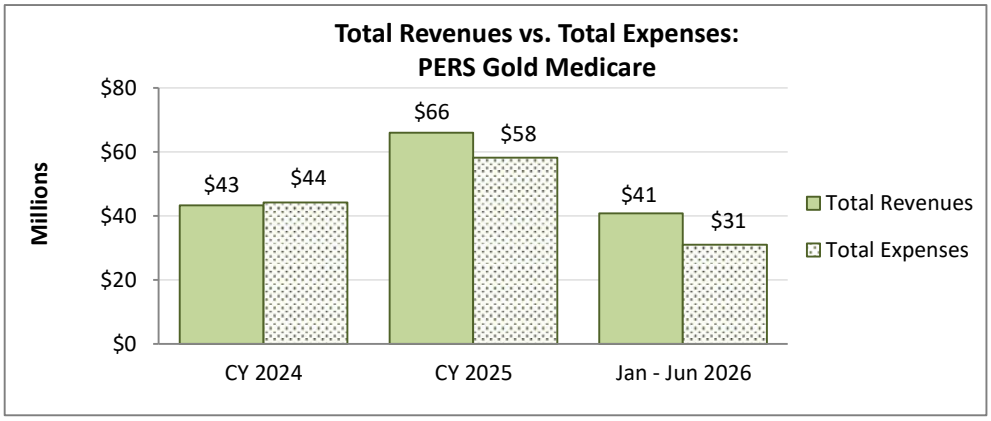
* Fund balance accounts for fund allocation adjustments.

** 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.

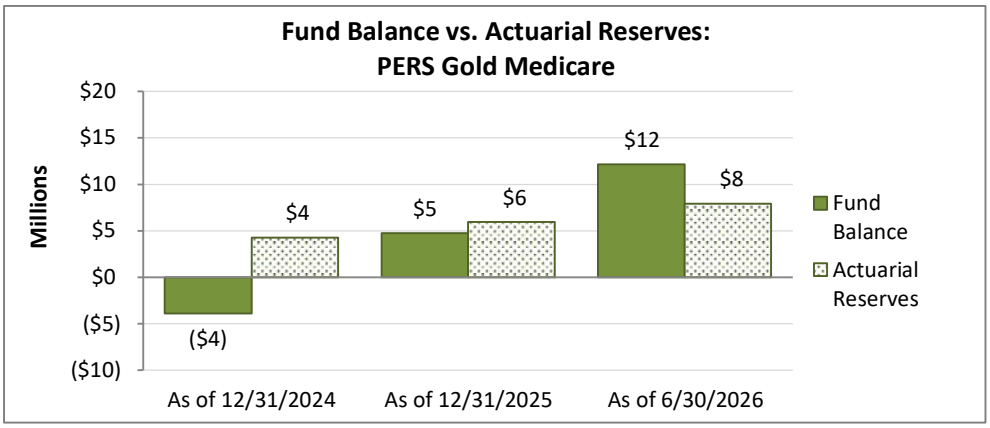
*** Surplus/(Deficit) equals fund balance minus actuarial reserves.

PPO Health Plans: PERS Gold Medicare

In the graph below, total revenues and total expenses are provided for the full calendar years for 2024 and 2025 while 2026 includes transactions for January through June 2026.



In the graph below, the Health Care Fund balance compared to actuarial reserves are provided as of June 30, 2026.



Fund Balance vs Actuarial Reserves, as of 6/30/2026: PERS Gold Medicare	
Enrollment	6,928
Fund Balance *	$12,143,472
Actuarial Reserves **	$7,913,219
Surplus/(Deficit) ***	$4,230,253

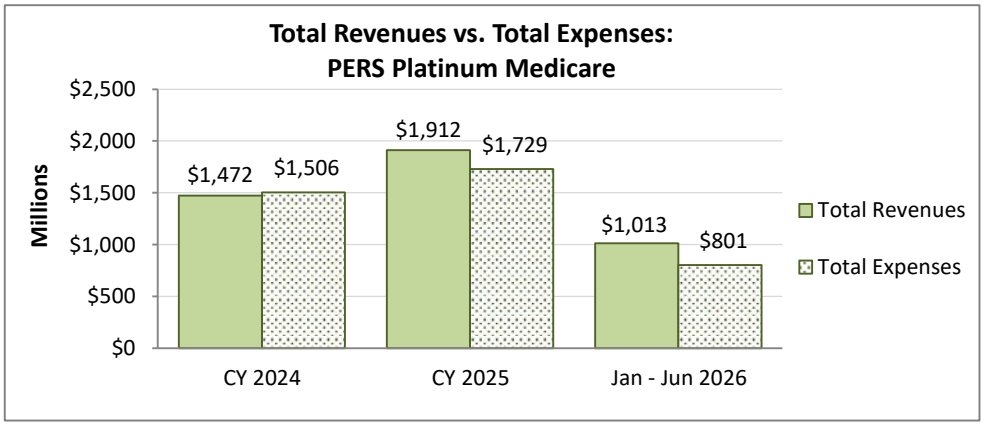
* Fund balance accounts for encumbered dollars and other fund allocation adjustments.

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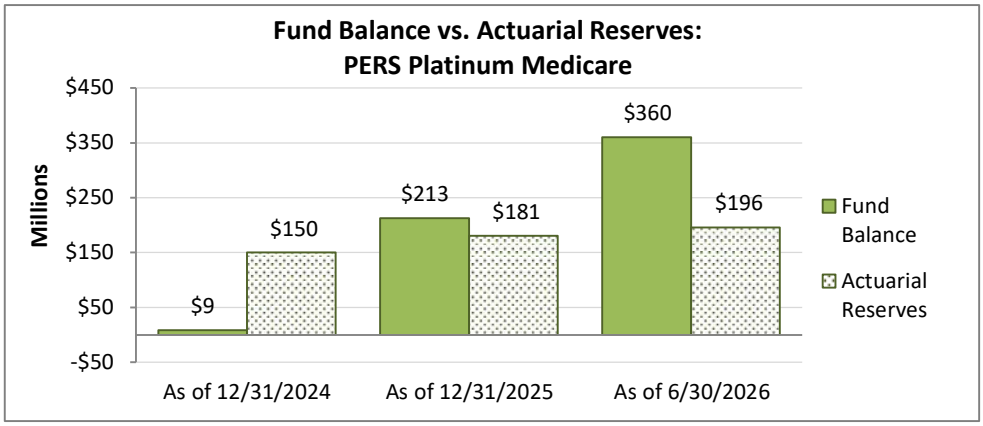
*** Surplus/(Deficit) equals fund balance minus actuarial reserves.

PPO Health Plans: PERS Platinum Medicare

In the graph below, total revenues and total expenses are provided for the full calendar years for 2024 and 2025 while 2026 includes transactions for January through June 2026.



In the graph below, the Health Care Fund balance compared to actuarial reserves are provided as of June 30, 2026.



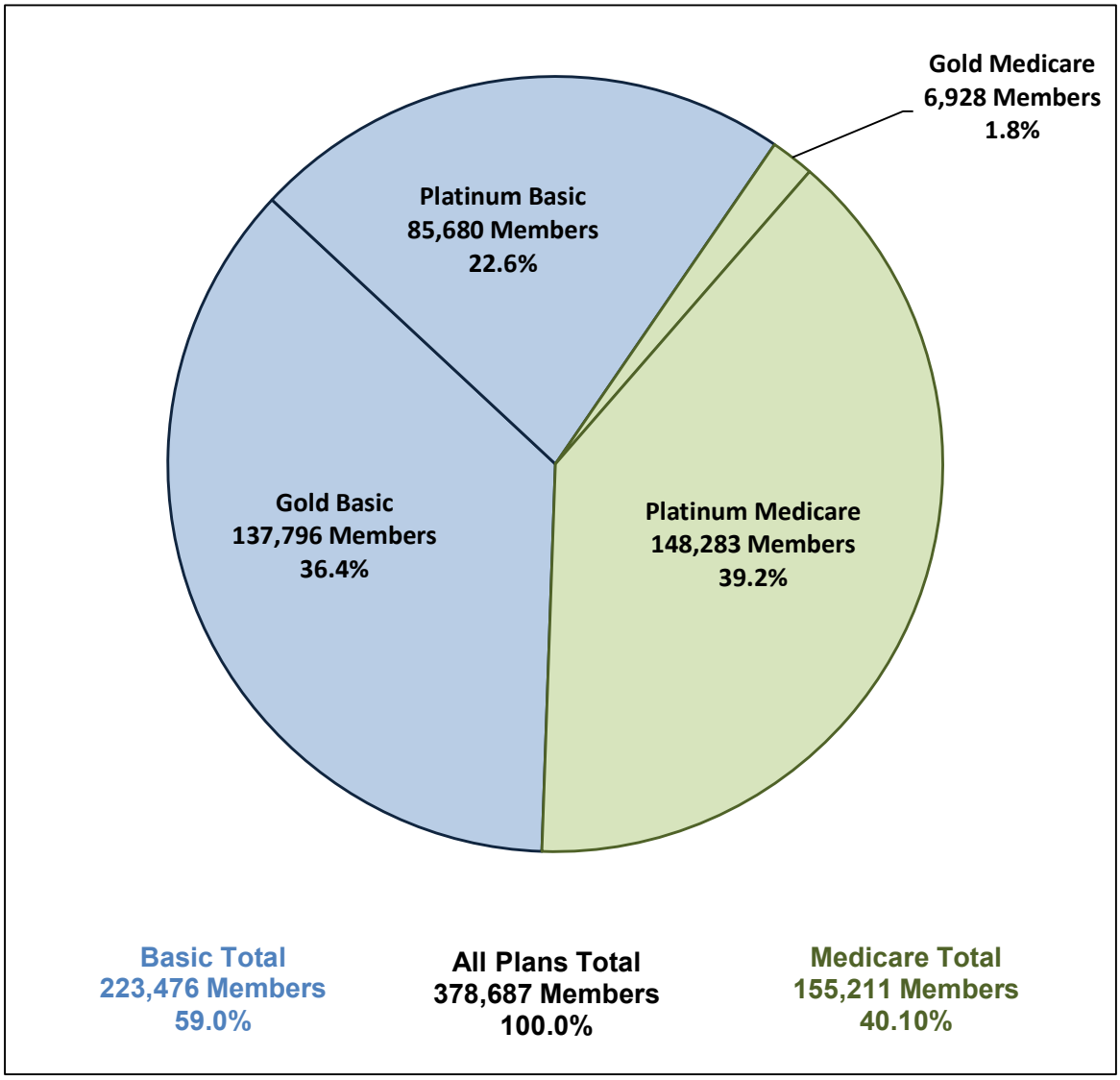
Fund Balance vs Actuarial Reserves, as of 6/30/2026: PERS Platinum Medicare	
Enrollment	148,283
Fund Balance *	$360,099,027
Actuarial Reserves **	$195,781,242
Surplus/(Deficit) ***	$164,317,785

* 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 June 30, 2026
PPO Basic and Medicare Health Plans



Enrollment			
Plan Name	**2024**	**2025**	**2026**
PERS Gold Basic	138,667	140,481	137,796
PERS Platinum Basic	107,784	96,449	85,680
PERS Gold Medicare	5,174	6,138	6,928
PERS Platinum Medicare	148,831	149,318	148,283
Total Basic and Medicare	**400,456**	**392,386**	**378,687**