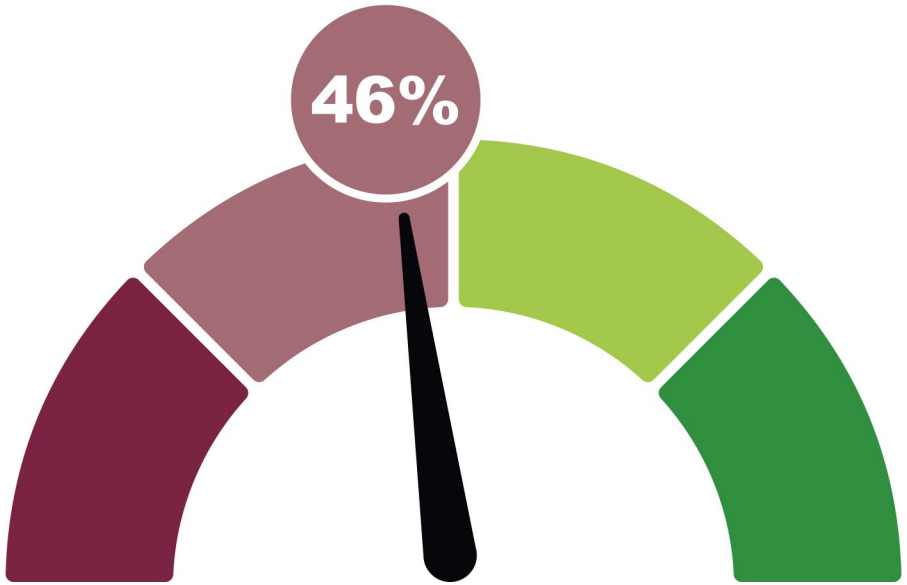
Approval of Contracting Agency Health Regions

Don Moulds, Chief Health Director
Yesenia Croft, Chief, Health Account Management Division
Emily Zhong, Supervising Health Actuary
November 17, 2026

CalPERS

Improve Alignment to Cost of Healthcare

Today – 3 Regions



2028 New Regions



Employer Feedback on Region Changes



Broad support for increasing cost of care alignment



Overall support for 7 Regions



Some advocacy for county placement in a different region



Administrative complexity matters and appreciate lead time for implementation

Employer Administrative Complexity



Programming updates to payroll and benefit administration systems



Bargaining agreement discussions or renegotiations



Health resolution changes, requiring governing body approval

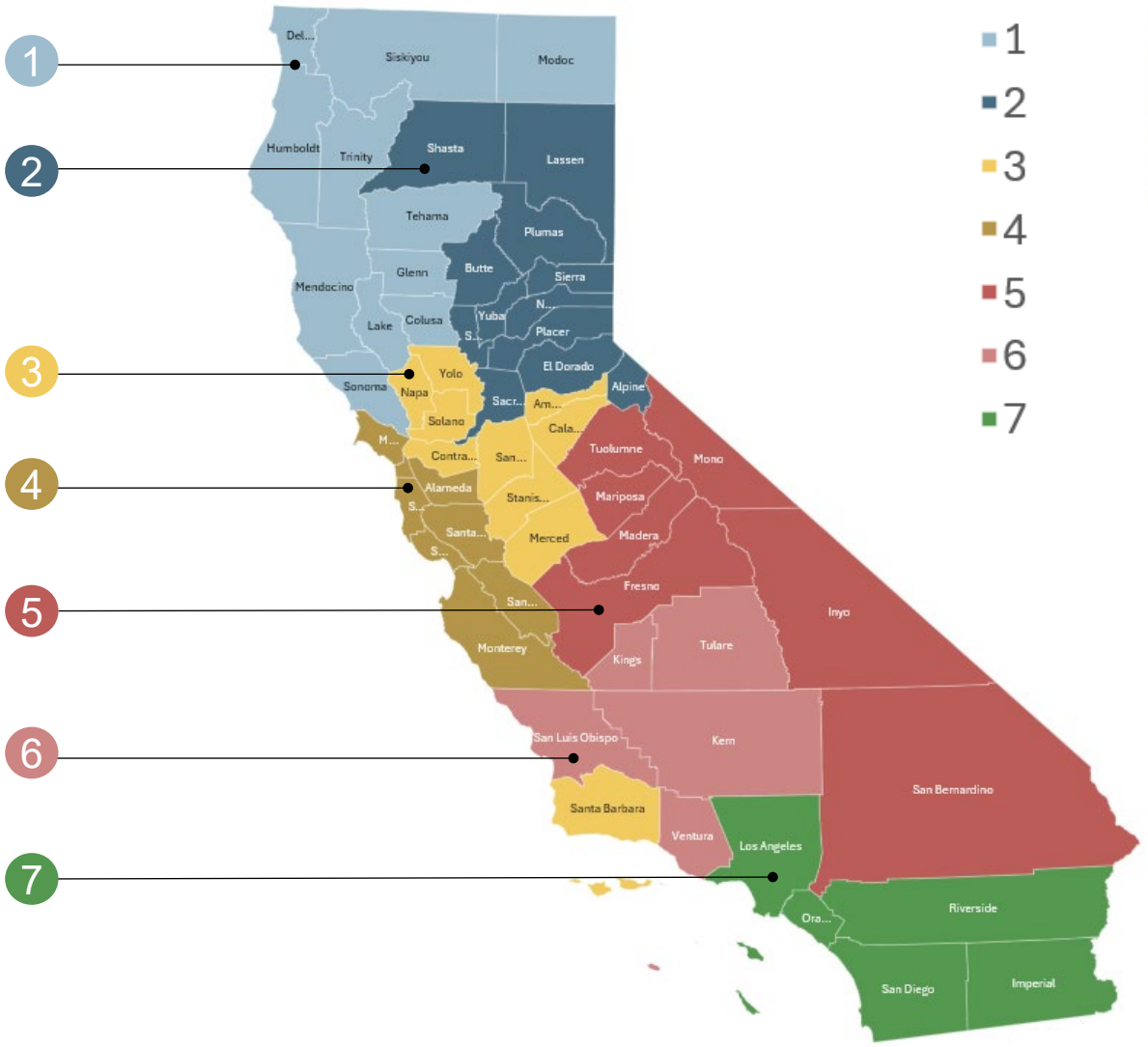


More time answering questions about regions and premiums



Additional communications for Open Enrollment

Recommendation: 7 Regions Contiguous Scenario



Alignment with actual cost of care



Percent of members with estimated premium increase	38%
Percent of members with estimated premium decrease	62%

Recommendation: Estimated Weighted Average Premium Impacts



Increase >15%
Santa Barbara

Increase 5 - 15%
Alameda, Marin, Monterey, San Benito, San Francisco, San Mateo, Santa Clara, Santa Cruz

Increase 1 - <5%
Humboldt, Sonoma

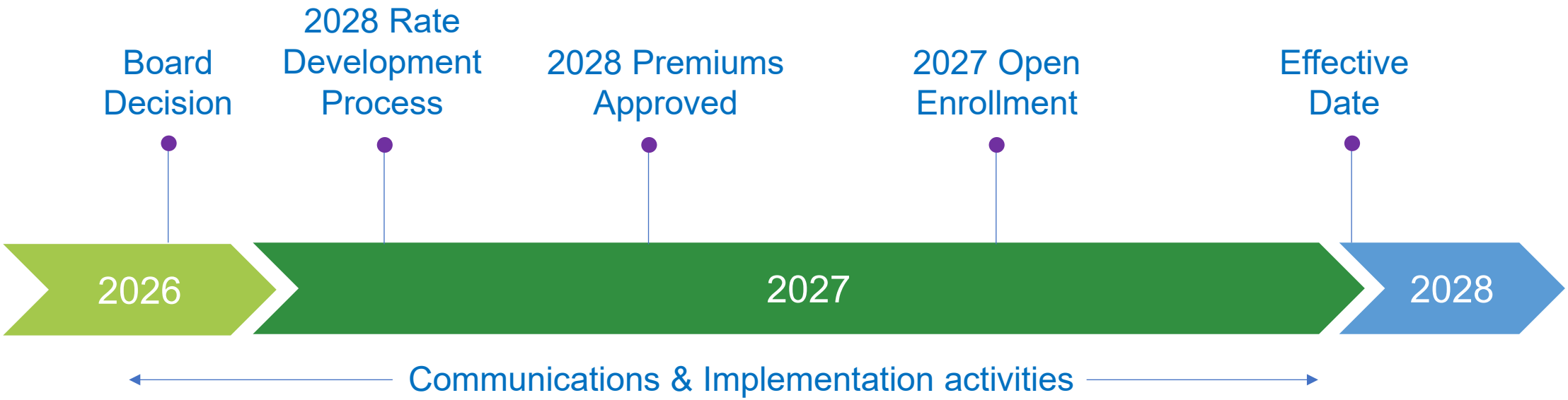
Minimal Impact
Increase up to 1%: Del Norte, Modoc, Siskiyou, Tehama, Trinity, Yolo
Decrease up to 1%: Colusa, Lake, Napa, Riverside, Solano

Decrease 1 - <5%
Amador, Calaveras, Contra Costa, Glenn, Imperial, Los Angeles, Mendocino, Merced, San Bernardino, San Diego, San Joaquin, Stanislaus

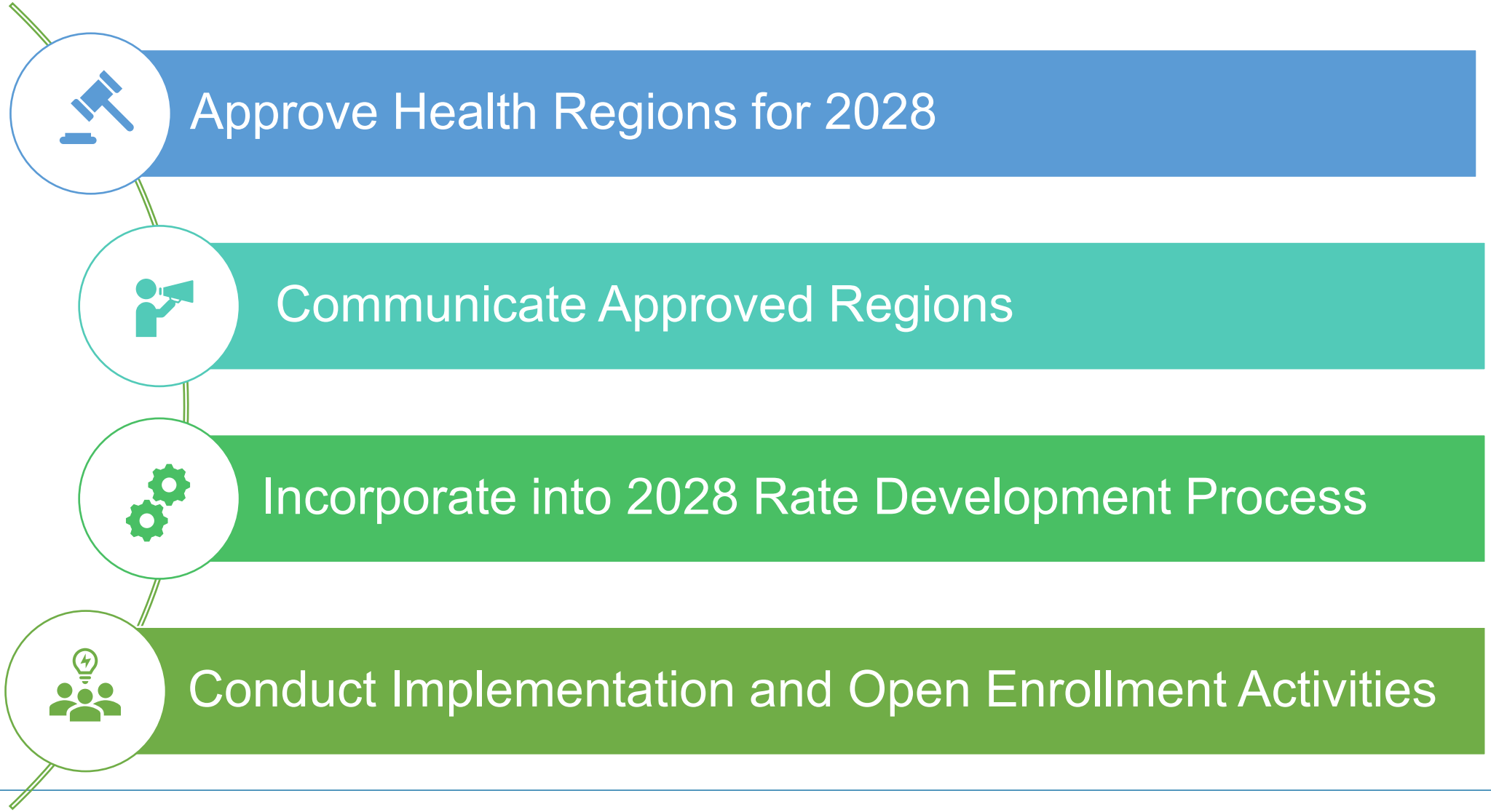
Decrease 5 - 15%
Butte, El Dorado, Fresno, Inyo, Kern, Kings, Lassen, Madera, Nevada, Orange, Placer, Plumas, Sacramento, San Luis Obispo, Shasta, Sierra, Sutter, Tulare, Ventura, Yuba

Decrease >15%
Mariposa, Mono, Tuolumne

Implementation Timeline



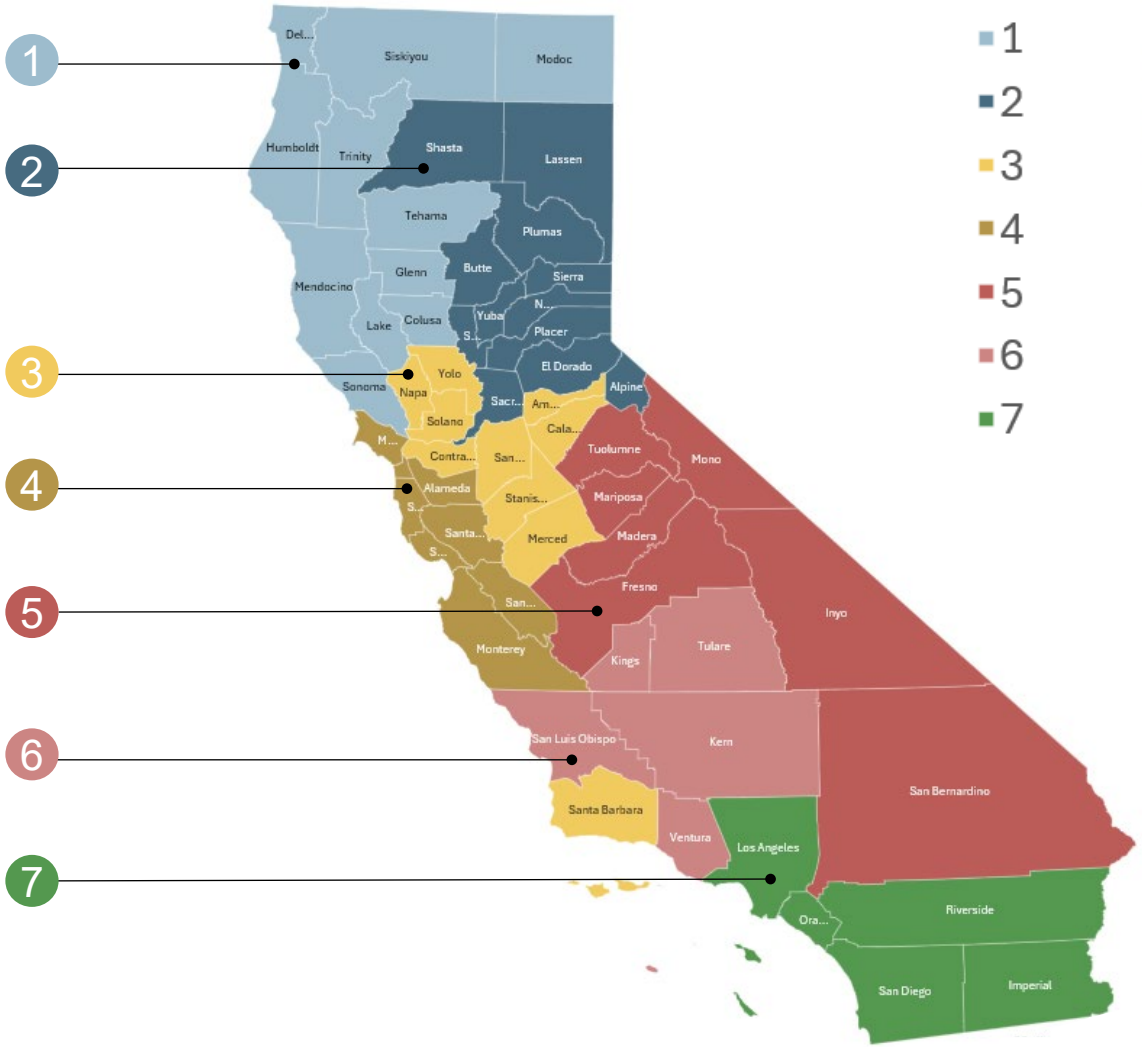
Next Steps


Approve Health Regions for 2028
Communicate Approved Regions
Incorporate into 2028 Rate Development Process
Conduct Implementation and Open Enrollment Activities

Appendix

CalPERS

Recommendation: Regions Contiguous Scenario - Counties



Region 1
Colusa, Del Norte, Glenn, Humboldt, Lake, Mendocino, Modoc, Siskiyou, Sonoma, Tehama, Trinity

Region 2
Alpine, Butte, El Dorado, Lassen, Nevada, Placer, Plumas, Sacramento, Shasta, Sierra, Sutter, Yuba

Region 3
Amador, Calaveras, Contra Costa, Merced, Napa, San Joaquin, Santa Barbara, Solano, Stanislaus, Yolo

Region 4
Alameda, Marin, Monterey, San Benito, San Francisco, San Mateo, Santa Clara, Santa Cruz

Region 5
Fresno, Inyo, Madera, Mariposa, Mono, San Bernardino, Tuolumne

Region 6
Kern, Kings, San Luis Obispo, Tulare, Ventura

Region 7
Imperial, Los Angeles, Orange, Riverside, San Diego

Statewide Healthcare Cost Variation (2023-2025)

