

How Do Your Health Benefits Stack Up ? Discover the CalPERS Advantage



Rod Wilkinson, CalPERS

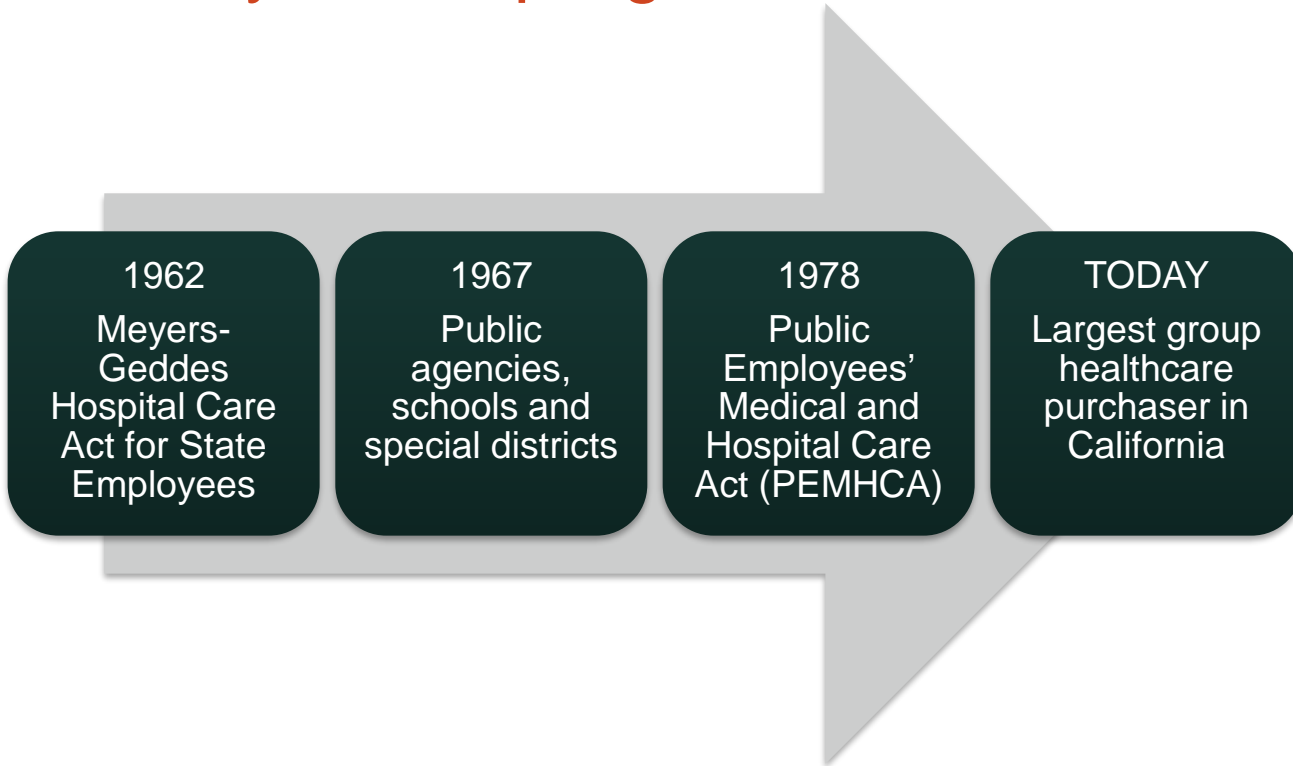


Today's discussion

- History of our program
- 2019 health plans
- Additional resources
- How to join
- Changes you can make
- Value more than a premium
- True and false

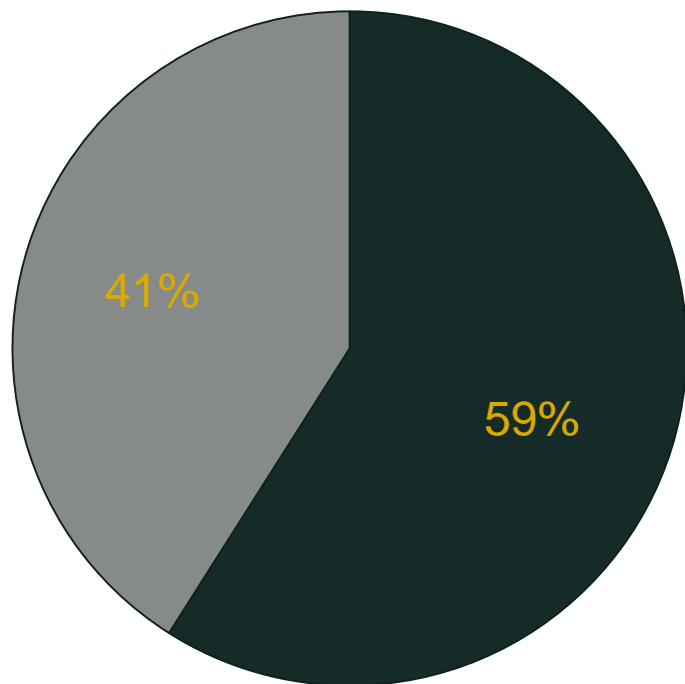


History of our program





CalPERS Health Program



- State of California
- Public Agencies/Schools/Special Districts



Advantages to the employer

Zero broker
fees and
commissions

Low Admin
fee
(0.23%)

100%
participation not
required

California's
largest risk pool

Annual rate and
benefit changes
announced in
June



Advantages to the employee

Access
protection

Live/Work rule

Employer
contribution

Coverage on
the 1st of the
month

Worldwide
coverage



Health Plan and Benefit Designs

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CalPERS' Health Insurers

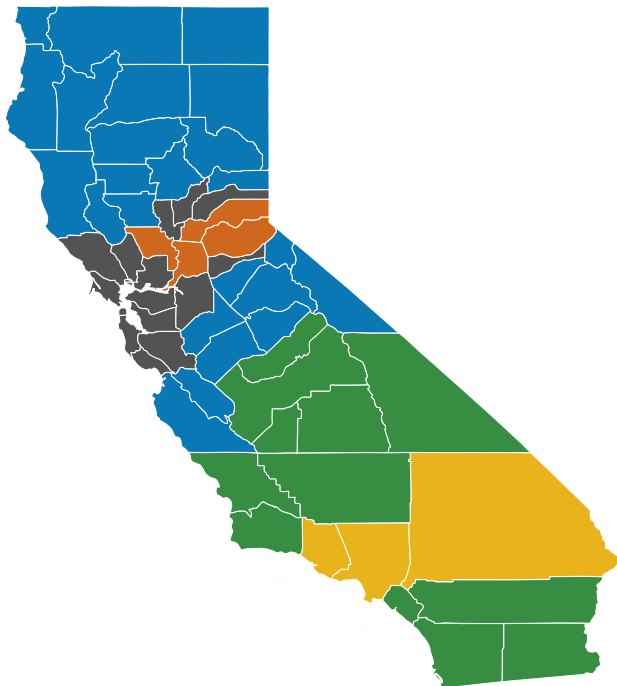


Western
Health
Advantage





CalPERS Regional County map



Northern Region

Alpine, Butte, Calaveras, Colusa, Del Norte, Glenn, Humboldt, Lake, Lassen, Mariposa, Medocino, Merced, Modoc, Mono, Monterey, Plumas, San Benito, Shasta, Sierra, Siskiyou, Stanislaus, Tehama, Tuolumne, Trinity

Bay Region

Alameda, Amador, Contra Costa, Marin, Napa, Nevada, San Francisco, San Joaquin, San Mateo, Santa Clara, Santa Cruz, Solano, Sonoma, Sutter, Yuba

Sacramento Region

El Dorado, Placer, Sacramento, Yolo

Southern Region

Fresno, Imperial, Inyo, Kern, Kings, Madera, Orange, Riverside, San Diego, San Luis Obispo, Santa Barbara, Tulare

Los Angeles

Los Angeles, San Bernardino, Ventura



HMO Basic Plan features

Live/Work rule

- Use work or home ZIP to determine plan availability

Provider Network

- Choose a Primary Care Physician from the carrier's In-Network Medical Group

You pay

- Co-pays for office visit and prescription
- No deductible or coinsurance



CalPERS Health Plans

Basic HMO Plans	Basic PPO Plans	Medicare Plans
Anthem Select	PERS Select	Anthem Traditional Medicare Advantage
Anthem Traditional	PERS Choice	Kaiser Permanente Senior Advantage
Blue Shield Access+	PERSCare	PERSCare Medicare Supplement PPO
HealthNet Salud y Mas	PORAC (Peace Officers Research Association of California)	PERS Choice Medicare Supplement PPO
HealthNet SmartCare		PERS Select Medicare Supplement PPO
Kaiser Permanente		UnitedHealthcare Group Medicare Advantage PPO
Sharp Health Plan		
UnitedHealthcare SignatureValue Alliance		
Western Health Advantage		



All CaIPERS HMO Basic Plan features

	Co-pay
Office visit	\$15
Specialist	\$15
Urgent Care	\$15
Emergency room	\$50
Prescriptions	\$5 retail

CalPERS PPO Basic Plan features (2018)



	PERS Select California only	PERS Choice	PERSCare
Office visit co-pay	\$10/\$35	\$20	\$20
Deductible Individual Family	\$500/\$1,000 \$1,000/\$2,000	\$500 \$1,000	\$500 \$1,000
Co-Insurance	20%	20%	20%
Max co-insurance individual Family	\$3,000 \$6,000	\$3,000 \$6,000	\$2,000 \$4,000
Prescriptions	\$5	\$5	\$5



2019 Health Plans

- **Blue Shield Access+** Exit eight Bay Area counties in 2019: Alameda, Contra Costa, Marin, San Francisco, San Mateo, Santa Clara, Solano, and Sonoma
- **HealthNet SmartCare_** Exit from Sacramento County
- **UnitedHealthcare_** Withdrawing from Bay Area Region and Other Northern Region



2019 Health Plan and benefit changes (continued)

- **PERS Select Basic PPO**
 - Value Based Insurance Design (VBID)

- **Reference Pricing Pharmaceuticals**
 - Improve transparency in drug pricing



PERS Select Value Based Insurance Design

- Work with a personal doctor to guide and coordinate care
- Award credits to reduce annual deductible
- Available in all 58 counties
- Lowest monthly premium by \$100 across most plans



PERS Select

Value Based Insurance Design (continued)

- Use your personal doctor and receive credits that reduce your deductible:
 - Get a biometric screening
 - Receive a flu shot
 - Non-smoking certificate
 - Virtual second opinion
 - Condition care certification



PERS Select

Value Based Insurance Design (continued)

	PERS Select (Value Based Insurance Design for 2019)
Office visit co-pay	\$20 reduced to \$10 when if using Personal Doctor, otherwise \$35
Deductible Individual Family	\$500 to \$1,000 \$1,000 to \$2,000
Co-insurance	20%
Max co-insurance Individual Family	\$3,000 \$6,000
Prescriptions	\$5, for 30 day supply; \$10 for 90 day supply

CalPERS PPO plans



PPO Basic 2019	PERS Choice	PERSCare
Office visit co-pay	\$20	\$20
Urgent Care/Specialist	\$35	\$35
Deductible Individual Family	\$500 \$1,000	\$500 \$1,000
Co-insurance	20%	10%
Max co-insurance Individual Family	\$3,000 \$6,000	\$2,000 \$4,000
Prescriptions	\$5	\$5



Additional Resources

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CalPERS Health Benefit Summary HBD-110

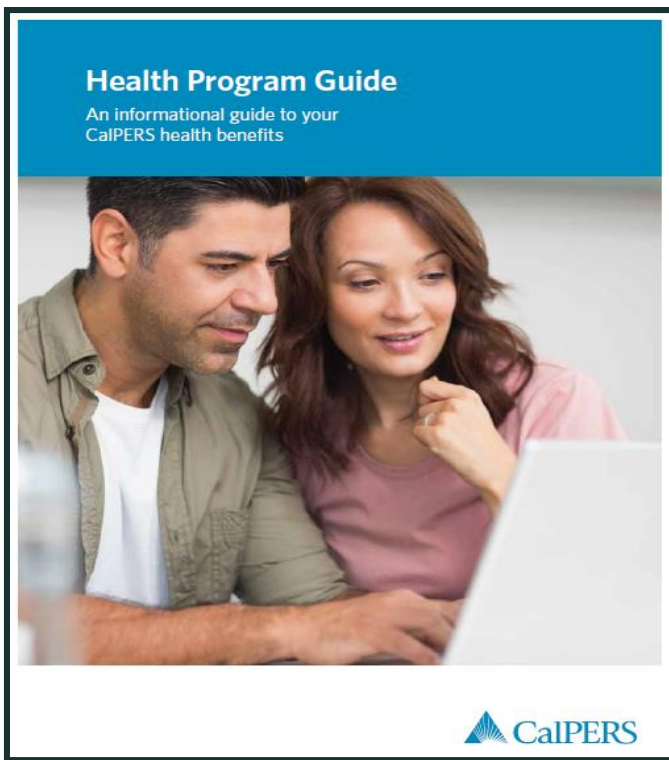


Explains:

- Understanding HMO & PPO
- Health Plan availability by County
- Health Plan Directory
- Plan comparisons



CalPERS Health Program Guide (HBD-120)



Explains:

- Eligibility and enrollment
- Life changes
- Open Enrollment
- Health plan types
- Supporting documents
- Health into retirement



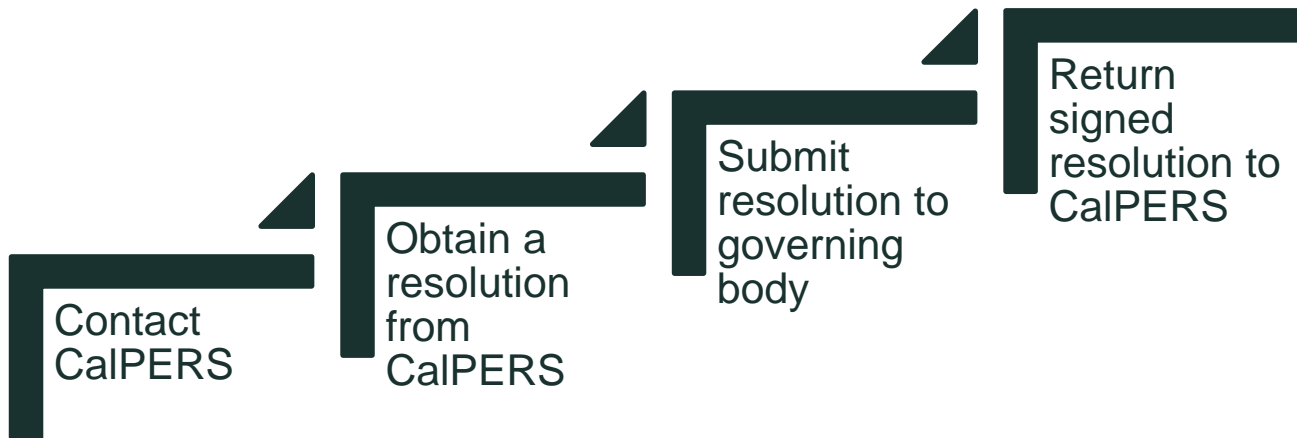
How to Join

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Resolution process





PEMHCA Resolution components

- Retirement System
- Resolution Type
- Employer Contribution amount
- Contribution Method

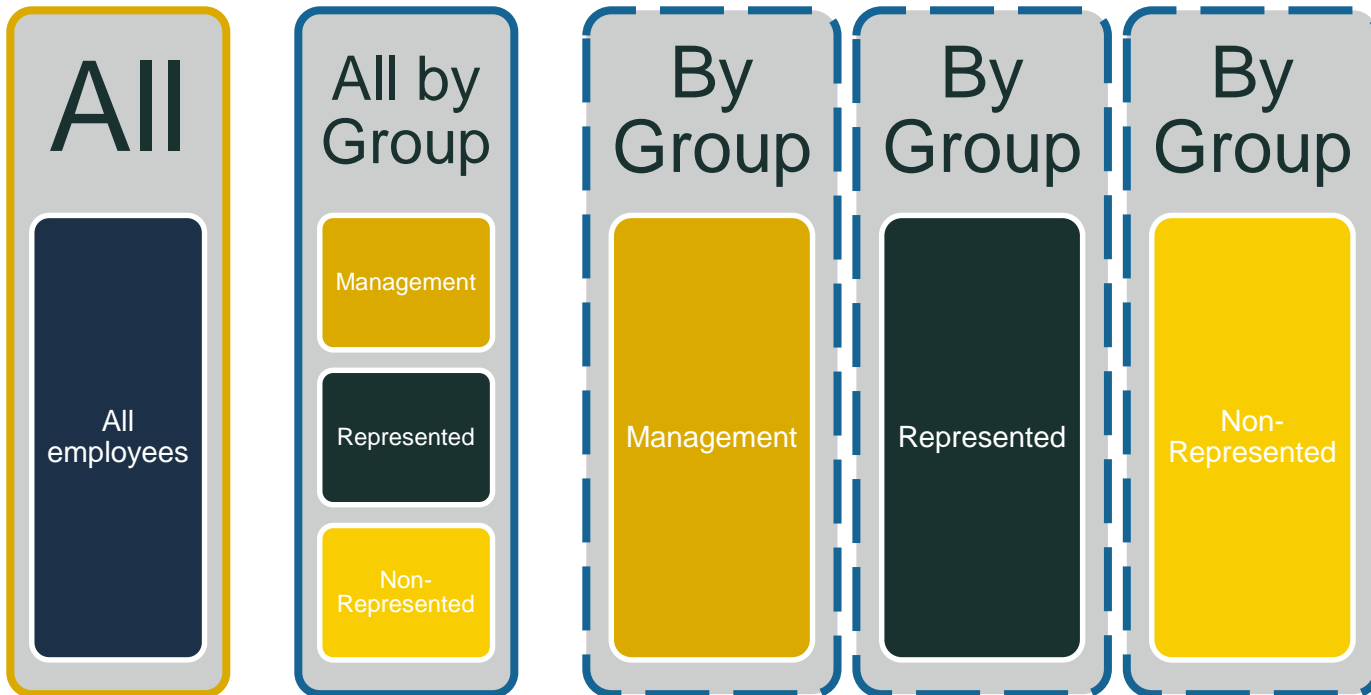


Retirement system

- CalPERS
- CalSTRS
- Other



Resolution type





Contribution methods

- Defines the amount of the employer contribution

Employer Contribution	Example
Fixed Amount	Up to \$500 per month
Plan Based	Up to Self-only, Kaiser Basic, Bay Area
PEMHCA Minimum	\$136 per month in 2019 (adjusted annually)



Recent history of PEMHCA Minimum

Year	Minimum employer contribution
2011	\$108
2012	\$112
2013	\$115
2014	\$119
2015	\$122
2016	\$125
2017	\$128
2018	\$133
2019	\$136



Contribution types

- Equal
 - Contributions are the same for active employees and annuitants
- Unequal
 - Contribution starts at a lower amount for annuitants
 - Contribution for annuitants increases annually by formula



Changes You Can Make

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Changes You Can Make

- Change Employer Contribution
- Extend survivor eligibility
- Offer less than half-time enrollment
- Elect a vesting schedule



Health Vesting



Public Agency

- Gov. Code 22893

School Employer

- Gov. Code 22895



Public Agency Vesting

- Gov. Code 22893
 - Must follow State 20 year vesting schedule
 - Applies to employees *hired on or after* effective date and employees that *opt-in*
 - Employee must have at least 5 years of credited service (if pension is CalPERS or CalSTRS, other pensions may vary)
 - Must contribute at least the annual State contribution amounts

Party type	2018 State vesting contribution	2019 State vesting contribution
Single	\$725	\$735
2- Party	\$1,377	\$1,398
Family	\$1,766	\$1,788



School Employer Vesting

Gov. Code 22895

- Allows for more flexibility
- Custom vesting requirements
- Requires Memorandum of Understanding
- Different for every District; consult with a CalPERS analyst



Value More Than A Premium





California Cemetery District

- 30 people employed
- 3 families are participating in dual coverage



Doug and Phyllis Graves both work for California Cemetery District

- Doug Graves enrolls himself, wife Phyllis and son Rob
- The total family premium is \$1,701.00 each month
- Phyllis Graves enrolls herself, her husband Doug and son Rob
- The total family premium is now \$3,402.00 each month



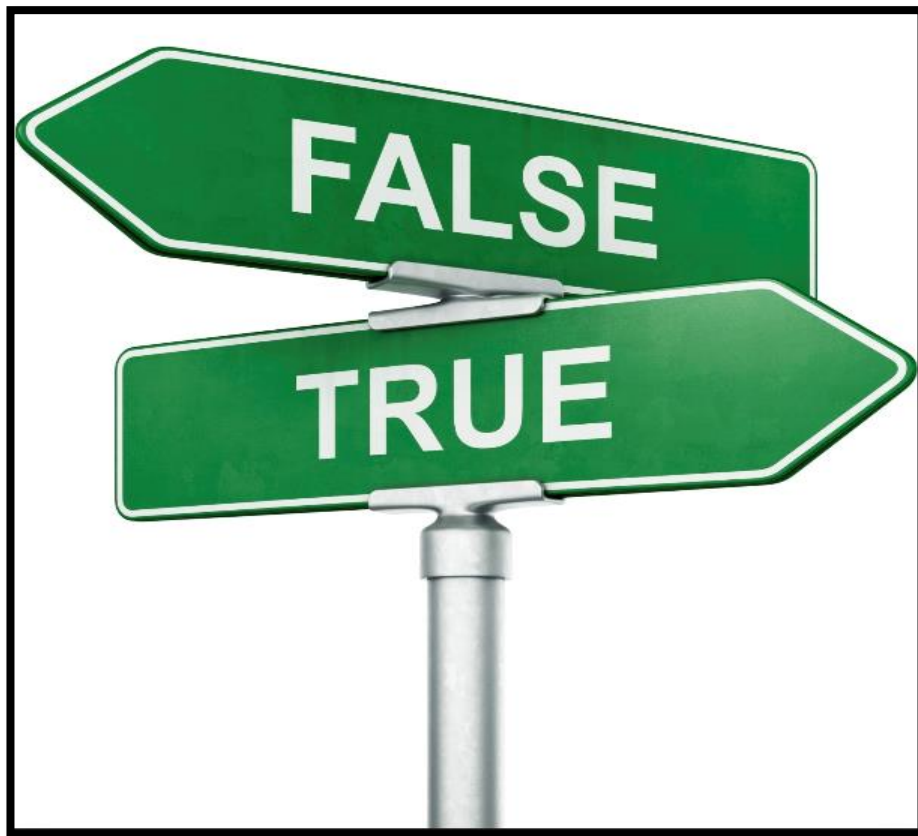
How much is dual coverage costing your agency ?

- \$1,701.00 additional premium billed to the employer per family ($\$1,701.00 \times 3$ families) = \$5,103.00 every month
- This employer was paying an extra \$61,236.00 every year and there were only 3 families doing this
- Large agencies could be paying hundreds of thousands because of this



Split Enrollment

- Doug Graves and son Rob Graves = \$1,309.00 each month
- Phyllis Graves and daughter Summer Graves = \$1,309.00 each month
- Total monthly premium = \$2,618.00 each month
- Without splitting this enrollment the family rate is only \$1,701.70 each month





True or False ?

- CalPERS has 1,400,000 people enrolled in their health plans. In June, our 2019 rates were announced and 63% of all these subscribers will pay less premiums than they did in 2018.



True or False ?

- The more employees an agency has the less their premium rates will be.



True or False ?

- For an employee to be eligible to enroll in a CalPERS health plan, there are some requirements. One of these would be, the employer must make monthly contributions into a retirement plan on the employees' behalf. Does Social Security count as a retirement plan for this requirement ?



True or False ?

- Some schools have 50 year vesting schedules for health. Can a retiree from one of these school districts enroll with CalPERS if they only have 10 years of service credit ?