



RETIRED PUBLIC EMPLOYEES' ASSOCIATION OF CALIFORNIA

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November 4, 2009

Mr. Rob Feckner, President
CalPERS Board of Administration
P. O. Box 942701
Sacramento, CA 94229-2701

Dear Mr. Feckner:

At the last Board meeting of the Retired Public Employees' Association, I was directed to prepare a letter to the CalPERS Board regarding the potential rate increase for the Long Term Care (LTC) Program.

Many of our members signed up for this program when it was first implemented and have continued to pay monthly premiums. With the proposed new premiums, some of our members will not have enough retirement allowance to cover the premiums. Something is wrong with this.

When the LTC program was implemented in 1995, one of the conditions that the CalPERS Board placed on staff was that a Long Term Care Advisory Committee (LTCAC) be established. The purpose of this group was to work with staff in evaluating enrollment statistics, actuarial reports and comparisons of the plan with other plans. The members of the LTCAC were representatives from active and retired employee organizations, a representative from the Department of Aging and a representative from the Department of Health Services, plus an independent consultant who was involved in the development of the LTC program.

Until 2006, this Committee met with staff on a regular basis each quarter and discussed the various features of the program. The Chair of the LTCAC spoke before the Health Benefits Committee and the Board either in support of or in opposition to staff recommendations. This process worked very well, and when there was a rate increase in 2003 the representatives of the LTCAC helped the members understand why a premium increase was needed.

Since the last rate increase in 2007 there have been no meetings with the LTCAC. All discussions regarding the program have been held in closed session until October of this year.

RPEA requests that the decision on a rate increase be delayed for two months; and during that time, staff meet with the LTCAC for a briefing. This may or may not change the end result; but, by giving this group the opportunity to discuss the problems with the program, it will help them better communicate with our members.

Thank you for your consideration on this very important issue.

Sincerely,

Ann L. McWherter, President