

Jan – Feb 2022 Director Report

The CalPERS open enrollment process has been completed. CalPERS has not yet reported the movement between plans. So, it is not yet possible to report how successful CalPERS was in moving members out of low premium plans and into higher premium plans. In the long run, this will lead to higher total medical costs. Insurance companies are in the business of making money. If CalPERS will impose surcharges for controlling costs and reward companies for having higher costs, companies will be rational. Why have cost controls and lower costs if the company cannot market lower premiums?

More changes in HMO premiums will be coming this year. The expectation is to see adjustments **similar to** this year. CalPERS has also announced that there will be changes coming in the benefit structure of the PPOs. The first round of “thoughts” not “recommendations” focused on cost shifts and were soundly rejected by members.

The table below shows the regional surcharges/subsidies. (The State numbers are in the July/August newsletter.) The member pays the negotiated premium plus the surcharge or minus the subsidy. The chart is for single member accounts. If you are in a two-party code multiply by two; for a family plan multiply by 2.6.

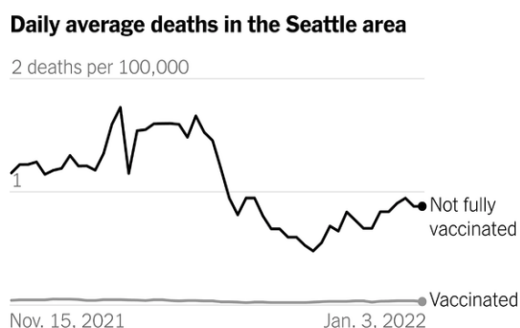
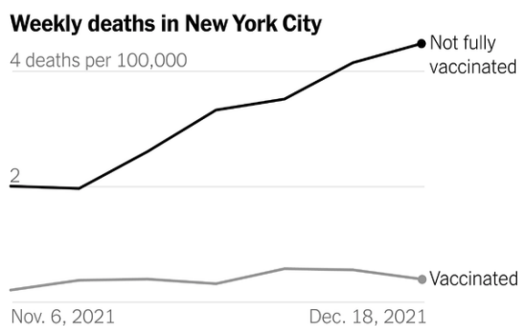
	Region 1		Region 2		Region 3	
	Surcharge	Subsidy	Surcharge	Subsidy	Surcharge	Subsidy
Basic HMO Plans						
Anthem HMO Select	\$ 23.69		\$ 16.52		\$ 15.68	
Anthem HMO Traditional		\$ 107.01		\$ 83.44		\$ 77.76
BSC Access+		\$ 147.38		\$ 117.07		\$ 100.17
BSC Trio	\$ 8.10		\$ 6.68		\$ 6.01	
Health Net Salud y Más			\$ 60.80		\$ 51.00	
Health Net SmartCare		\$ 62.53		\$ 44.74		\$ 40.08
Kaiser	\$ 24.12		\$ 19.86		\$ 20.25	
Sharp			\$ 40.32			
UnitedHealthcare Alliance	\$ 11.91		\$ 9.02		\$ 8.98	
UnitedHealthcare Harmony			\$ 57.29		\$ 51.88	
Western Health Advantage		\$ 16.81				

Employer contributions are frequently set by either an average premium or the higher of a number of plans. If Access+ was one of those plans the employer contribution has been decreased.

**COVID**

As we begin 2022 COVID-19 is still with us. The more we learn about the virus the less we know of sure. The one thing we do know is that things will change. At one point it was believed vaccination could eliminate the disease. It is now clear that we will not be able to get enough people vaccinated to achieve that goal within any reasonable time frame. Politicians have put a priority on either protecting the health of the population or protecting the economy. No one wants dead people or a bad economy. It is just a question of which is valued the most. My observation is that those who put wealth over health are under less political pressure and did a better job at sticking to their stated priorities. What does that say about our society?

The Delta variation is still with us but it is being overtaken by Omicron. Omicron seems to be less serious but more contagious than Delta. While a lower percentage of patients wind up in the hospital, a lower percentage of a larger group still creates major problems. Getting vaccinated may not prevent Omicron but it will reduce the chances of serious illness or death.



Data is age adjusted. Recent data may be incomplete. Sources: New York City Department of Health, Washington Department of Health. Charts by NY Times.

*"Our vaccine requirement is working — and saving lives. ... [Z]ero deaths and zero hospitalizations for vaccinated employees."*

— United Airlines CEO Scott Kirby in a [letter to employees](#).

## Long Term Care

As of January 12, 2022, as this is being written, CalPERS continues to provide no guidance for members on how to evaluate the proposed settlement.

From the plaintiff attorneys' website:

For Category A Settlement Class Members:

On December 13, 2021, the Settlement Administrator mailed a notification and Revised Election Form to Category A Class Members who selected Option 2 (Alternative Long Term Care Policy). The deadline to return your Revised Election Form is **January 28, 2022**.

Settlement Class Members still have the right to either receive a full refund of their net premiums, or exclude themselves from the Settlement and stay with CalPERS (Option 1 or 3 in the Revised Election Form). The deadline to return your Revised Election Form is **January 28, 2022**.

Pursuant to a Court Order, the deadline for Settlement Class Members to (i) Submit Requests for Exclusion; (ii) Return their Award Acknowledgment Form; and (iii) Submit any Written Objections to the Settlement has been extended to **January 28, 2022**. Please note, the deadline to select a Potential Replacement LTC Policy (Category A, Option 2) has NOT been extended past **September 22, 2021**.

**Important: To receive a return of all premiums, you must continue to pay premiums on your CalPERS LTC Policy until the Settlement becomes final and effective which is estimated to be the summer of 2022.**

All indications are that the brokers the plaintiff attorneys are working with have not found a replacement policy. RPEA members may want to reach out to AMBIA to examine alternatives. Their long-term care number is +1 (866) 684-5266.

## Finally

Stay safe. Get vaccinated and boosted. Mask up to protect yourself and others. Zoom call a friend. Avoid crowded indoor spaces. Stay out of the hospital. Stay alive.

RPEA Health Benefits Director J.J. Jelincic