

# CalPERS Health Insurance Initial Exploration 2025

Presented to the Board of Supervisors on August 19, 2025





# History

2023,  
Discussions  
about CalPERS  
Health, deemed  
not a cost  
savings at the  
time

Winter 2025,  
Budget Ad Hoc  
direction to  
conduct initial  
analysis

Winter & Spring  
2025, Staff  
reached out to  
CalPERS

Summer 2025,  
staff returned to  
Budget Ad Hoc  
with initial  
analysis

Today, Full  
Board  
discussion  
before any  
additional staff  
time is spent  
exploring this  
option



# Public Employees' Medical & Hospital Care Act (PEMCHA)

CalPERS Health is prescribed by Government Code 22750-22948

PART 5. THE PUBLIC EMPLOYEES' MEDICAL AND HOSPITAL CARE ACT.....	22750-22948
CHAPTER 1. Public Employees' Health Benefits.....	22750-22944.6
ARTICLE 1. General Provisions.....	22750-22755
ARTICLE 2. Definitions.....	22760-22787
ARTICLE 3. The Board of Administration.....	22790-22797
ARTICLE 4. Eligibility.....	22800-22826
ARTICLE 5. Enrollment and Coverage.....	22830-22849
ARTICLE 6. Health Benefit Plans and Contracts.....	22850-22869
ARTICLE 7. State Contributions.....	22870-22889
ARTICLE 8. Contracting Agency Contributions.....	22890-22905
ARTICLE 9. Maintenance of Funds.....	22910-22915
ARTICLE 10. Contracting with Public Agencies.....	22920-22939
ARTICLE 11. Prefunding Plan for Health Care Coverage for Annuitants.....	22940-22944.6
CHAPTER 2. Recovery of Medical Costs.....	22945-22948

# Process for Changing Health Plans

- Bargain all associated changes with all nine represented bargaining units
- Determine the impacts on current retirees
- Determine the administrative impacts
- Develop an implementation plan and timeline





# Benefit of CalPERS Health

Based upon 2026 rates for two largest employee utilized plans, could save \$1.6 million in total annual premiums for active employees (employee and employer share).





# Concerns about CalPERS Health

- Only provides Health Insurance.
- Expands Retiree Health Program by requiring a County contribution to retiree health for employees and retirees who are not currently eligible.
  - Retiree Health was discontinued for employees hired after 2011 (phased out 2009-2011).
  - Could cost the County between \$0.25 million and \$2.7 million in the first year.

More information and analysis about CalPERS Health and potential savings and costs included in Attachment E.