

Per California Code of Regulations, title 2, section 548.5, the following information will be posted to CalHR's Career Executive Assignment Action Proposals website for 30 calendar days when departments propose new CEA concepts or major revisions to existing CEA concepts. Presence of the department-submitted CEA Action Proposal information on CalHR's website does not indicate CalHR support for the proposal.

A. GENERAL INFORMATION

1. Date

May 29, 2019

2. Department

California Public Employees Retirement System

3. Organizational Placement (Division/Branch/Office Name)

Health Policy and Benefits Branch

4. CEA Position Title

Chief, Health Plan Research and Administration

5. Summary of proposed position description and how it relates to the program's mission or purpose. (2-3 sentences)

CalPERS is requesting to combine the majority of functions currently assigned to two CEA positions, Division Chief of Health Plan Administration Division (HPAD) and the Division Chief of Health Policy Research Division (HPRD). The CEA position of HPRD will be repurposed based on the assessment of organizational needs. The only functions not allocated to the updated CEA concept include: The Strategic Research Services Section from HPRD and the Long-Term Care functions currently in HPAD, which will report directly to the Chief Health Director. The update will include a division name change to Health Plan Research and Administration (HPRA). The Division Chief of HPRA will continue to oversee the contract management functions and plan development for nine (9) Health Maintenance Organization (HMO) plans, three (3) Self-Funded Preferred Provider (PPO) Plans, three (3) Medicare Advantage Plans and three (3) Medicare Supplement Plans, Pharmacy Benefits Manager (PBM), and provides oversight for three (3) association plans. HPRA will absorb the HPRD functions of conducting highly technical and highly sensitive research and report its findings and recommendations related to negotiated health care premiums, health benefit design, cost containment, and assuring value for all active and retired CalPERS beneficiaries. HPRA has significant impact on the negotiations of health care benefits for 1.5 million California public employees and their families.

6. Reports to: (Class Title/Level)

Chief Health Director

7. Relationship with Department Director (Select one)

- Member of department's Executive Management Team, and has frequent contact with director on a wide range of department-wide issues.
- Not a member of department's Executive Management Team but has frequent contact with the Executive Management Team on policy issues.

(Explain):

8. Organizational Level (Select one)

- 1st
- 2nd
- 3rd
- 4th
- 5th (mega departments only - 17,001+ allocated positions)

B. SUMMARY OF REQUEST

9. What are the duties and responsibilities of the CEA position? Be specific and provide examples.

Provides strategic direction for HPRA which includes innovative health benefit designs. Analyzes trends and new developments in the health care industry to assist in data collection, analysis, and financial reporting for the HMO contract and Self-Funded health plans renewal process. Provides policy direction to care management projects and legislation analysis for Health Policy and Benefits Branch (HPBB). As chief procurement and contracts negotiator, provides leadership and program direction relating to CalPERS HMO rate negotiation strategies, PPO and PBM rate setting, contract renewal negotiations, new contract proposals, health benefit levels and designs, premium development, cost containment, financial and management information, and other issues impacting the CalPERS Health Benefits Program, which includes attendance and direct involvement in contract negotiation meetings.

Makes recommendations to Chief Health Director on rate negotiation strategies and program policy. Participates in the department's strategic planning process, developing short and long-term goals and objectives relating to management of the health care programs. Provides recommendations to the Chief Health Director regarding Health Care Fund Policy and conducts periodic investment portfolio and asset allocation reviews in accordance with policy guidelines. Consults with actuarial staff about benefit design, pricing, and potential changes to CalPERS PPO plans. Consults with the actuarial team to perform reasonability analysis on HMO plan rates.

Works closely with the Chief Health Director on the research and preparation of the most sensitive and complex Board Agenda items and the CalPERS Board of Administration (the CalPERS Board) briefing materials. Communicates research requirements to subordinates to ensure that all HPRA research addresses the needs of Health Policy and Benefits Branch management, executive team, and Board. Sets program strategy, develops and implements strategic health educational programs on a wide range of complex policy and program subjects to present before the Pension and Health Benefits Committee and the CalPERS Board. Presents health strategic planning and rate negotiations data to the CalPERS Board and executive team, translating complex research methodologies into meaningful information. Responds to inquiries from Board members. Develops division staffing plans and budget requests; ensures division's affirmative action and staff development goals are met.

Represents CalPERS and the HPRA before the public, the CalPERS Board, Legislature, State and local government administrators, and employee/retiree groups on matters pertaining to health policy and planning; acts as a technical expert in matters relating to health care, interprets policy and regulations relating to health care program development.

B. SUMMARY OF REQUEST (continued)

10. How critical is the program's mission or purpose to the department's mission as a whole? Include a description of the degree to which the program is critical to the department's mission.

- Program is directly related to department's primary mission and is critical to achieving the department's goals.
- Program is indirectly related to department's primary mission.
- Program plays a supporting role in achieving department's mission (i.e., budget, personnel, other admin functions).

Description: CalPERS is the second largest purchaser of public health services in the United States and Health Policy and Benefits Branch is nationally recognized as a strong leader and influencer in the health care industry. Our distinct position in the health care market allows us to provide superior service in the delivery of affordable, quality health care to 1.5 million members and their families.

The Division Chief will provide program and policy recommendations to the Chief Health Director, executive team and the CalPERS Board to ensure they are well-informed with actionable guidance on emerging trends in the industry, among its membership and employer base, and in regulation. These activities are essential to ensure CalPERS provides competitive health benefit programs while controlling costs and maintaining quality.

B. SUMMARY OF REQUEST (continued)

11. Describe what has changed that makes this request necessary. Explain how the change justifies the current request. Be specific and provide examples.

Due to recent vacancies in both Chief positions in HPAD and HPRD, CalPERS re-evaluated the business needs in these areas and determined the functions of these two divisions are closely aligned. In an effort to reduce handoffs between two divisions and streamline processes, these two positions should be merged into one CEA position. Specifically, this change will place all health plan and pharmacy benefit manager contract management activities together with health premium rate negotiations under one leader.

C. ROLE IN POLICY INFLUENCE

12. Provide 3-5 specific examples of policy areas over which the CEA position will be the principle policy maker. Each example should cite a policy that would have an identifiable impact. Include a description of the statewide impact of the assigned program.

The Chief of HPRA will have policy influence on a wide variety of items such as:

1. Cost Containment and Value Pricing for Health Care: As the purchaser of health benefits for 1.5 million active and retired beneficiaries of public employers in California, CalPERS has significant impact on overall health policy. Working together with Covered California, the Medi-Cal Program, health plans, health providers and patient advocates, the Chief will play a significant role in health policy not only for the CalPERS beneficiaries but for all consumers of health care in California.

2. Health Plan Laws and Regulations: Influences and provides direct input on regulations to implement the Public Employees' Hospital and Medical Care Act, which governs the CalPERS Health Program. The Chief also represents CalPERS before state and federal legislative and administrative bodies on broad health care policy such as the Public Employees' Health Care Fund and the Public Employees' Contingency Reserve Fund, as well as the Public Employees' Hospital and Medical Care Act.

3. Prescription Drug Pricing: Directly engaged with the Governor's Pharmacy Pricing Collaborative and the recent federal government proposal to amend the safe harbor regulation concerning discounts as they relate to prescription drug manufacturer rebates (Proposed Rule) which would adversely impact CalPERS beneficiaries. This one specific example of the broad policy responsibility of the Chief to impact benefits for members as well as influence broader state and national health policy.

C. ROLE IN POLICY INFLUENCE (continued)

13. What is the CEA position's scope and nature of decision-making authority?

In recent years, growing concerns about increasing health care costs have been the subject of increasing media coverage. These concerns, in addition to the views and interests of CalPERS major stakeholders (i. e., the public, legislature, administration, covered member employees and employers), are of paramount interest to and have been a top priority of the CalPERS Board. The CalPERS 2017-2022 Strategic Plan includes "Health Care Affordability" as one of our top five goals, which is designed to transform health care purchasing and delivery to achieve affordability. The Division Chief will be a key contributor and leader to achieve the various outcomes associated with this effort, including restructuring benefit design to promote high-value health care, ensuring adequate access to care for 1.5 million members, controlling annual premium cost increase to Consumer Price Index for medical care plus 3 percent, and improving the health status of our employees, members and their families, and the communities where they live.

14. Will the CEA position be developing and implementing new policy, or interpreting and implementing existing policy? How?

Both. The Division Chief will be responsible for developing and recommending policy to the Chief Health Director, Executive Office and the CalPERS Board. The Division Chief is responsible for strategic health policy such as: medical policy, formulate sound rate negotiation strategies, and develop and implement program policy.

Future medical policy endeavors to improve member health include addressing behavioral health needs as the incidence of depression and other psychoses continue to rise unabated.

Represent CalPERS and the HPRC before, the CalPERS Board, Legislature, State and Local government administrators, and employee/retiree groups on matters pertaining to health care policy and planning.