

9650 Health and Dental Benefits for Annuitants

This program provides funding for health and dental benefit services for retired state employees and their dependents.

The program began on January 1, 1962, with an employer contribution of \$5 per month toward the cost of a basic health plan. Since then, major medical plans, Medicare, and plans supplementing Medicare have been developed. Dental care was added in 1982.

The 2014-15 employer contribution for health premiums maintains the average 100/90 percent contribution formula established in Government Code Section 22871 for fully vested members. Under this formula, the state averages the premiums of the four largest health benefit plans in order to calculate the maximum amount the state contributes towards retiree health benefits. The state also contributes 90 percent of this average towards the health benefit costs of each of the retiree's dependents.

The retiree is responsible for paying all health benefit plan costs that exceed the state contribution. Premiums are determined on a calendar-year basis; therefore, the state contribution will vary during the fiscal year. The 2014 monthly contribution maximums are \$642 for a single enrollee, \$1,218 for an enrollee and one dependent, and \$1,559 for an enrollee and two or more dependents. The 2015 monthly contribution maximums are \$655 for a single enrollee, \$1,246 for an enrollee and one dependent, and \$1,605 for an enrollee and two or more dependents. Dental care premiums vary by plan and number of dependents.

Effective July 1, 2012, funding for health benefits for California State University annuitants is displayed in Organization Code 6645 under Higher Education. This funding was previously budgeted within Organization Code 9650.

3-YR EXPENDITURES AND POSITIONS

	Positions			Expenditures		
	2013-14	2014-15	2015-16	2013-14*	2014-15*	2015-16*
7750 Health and Dental Benefits for Annuitants	-	-	-	\$1,382,717	\$1,521,070	\$1,600,098
TOTALS, POSITIONS AND EXPENDITURES (All Programs)	-	-	-	\$1,382,717	\$1,521,070	\$1,600,098
FUNDING				2013-14*	2014-15*	2015-16*
0001 General Fund				\$1,378,709	\$1,515,070	\$1,595,498
0950 Public Employees Contingency Reserve Fund				4,008	6,000	4,600
TOTALS, EXPENDITURES, ALL FUNDS				\$1,382,717	\$1,521,070	\$1,600,098

LEGAL CITATIONS AND AUTHORITY

Government Code, title 2, division 5, part 5.

DETAILED BUDGET ADJUSTMENTS

	2014-15*			2015-16*		
	General Fund	Other Funds	Positions	General Fund	Other Funds	Positions
Workload Budget Adjustments						
Other Workload Budget Adjustments						
• Miscellaneous Baseline Adjustments	-\$38,266	\$-	-	\$42,162	-\$1,400	-
Totals, Other Workload Budget Adjustments	-\$38,266	\$-	-	\$42,162	-\$1,400	-
Totals, Workload Budget Adjustments	-\$38,266	\$-	-	\$42,162	-\$1,400	-
Totals, Budget Adjustments	-\$38,266	\$-	-	\$42,162	-\$1,400	-

* Dollars in thousands, except in Salary Range. Numbers may not add or match to other statements due to rounding of budget details.

† Past year appropriations are net of subsequent budget adjustments.

9650 Health and Dental Benefits for Annuitants - Continued

	Health Benefits			Cost*
	Number of Retirees			
	Basic Plans	Medicare Plans	Total	
2000-01	39,559	68,485	108,044	\$364,256
2001-02	42,228	70,079	112,307	410,444
2002-03	43,654	71,954	115,608	511,892
2003-04	45,200	73,816	119,016	641,644
2004-05	46,123	78,572	124,695	743,565
2005-06	47,333	81,838	129,171	826,552
2006-07	48,186	84,574	132,760	942,447
2007-08	48,266	88,137	136,403	1,047,436
2008-09	48,684	91,367	140,051	1,113,652
2009-10	51,090	94,808	145,898	1,106,058
2010-11	53,539	99,093	152,632	1,301,627
2011-12	52,634	104,471	157,105	1,414,994
2012-13¹	47,300	88,819	136,119	1,269,573
2013-14	50,093	94,064	144,157	1,291,241
2014-15	53,259	100,010	153,269	1,421,333
2015-16	56,426	105,956	162,382	1,501,840

¹Effective 2012-13, Organization 9650 no longer includes California State University annuitant enrollment and expenditures. Organization 6645 displays this information.

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† Past year appropriations are net of subsequent budget adjustments.

9650 Health and Dental Benefits for Annuitants - Continued

	Dental Benefits	
	<u>Number of Retirees</u>	<u>Cost*</u>
2000-01	87,570	\$44,762
2001-02	91,224	47,119
2002-03	94,245	49,026
2003-04	97,271	52,915
2004-05	101,655	57,111
2005-06	104,771	60,695
2006-07	107,630	63,791
2007-08	110,935	66,882
2008-09	114,698	69,842
2009-10	120,148	76,439
2010-11	126,244	85,212
2011-12	130,726	89,934
2012-13	135,101	95,660
2013-14	138,951	91,476
2014-15	144,659	99,737
2015-16	150,367	98,258

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9650 Health and Dental Benefits for Annuitants - Continued

DETAIL OF APPROPRIATIONS AND ADJUSTMENTS

	2013-14*†	2014-15*	2015-16*
1 STATE OPERATIONS			
0001 General Fund			
APPROPRIATIONS			
001 Budget Act appropriation	\$1,426,833	\$1,553,336	\$1,595,498
Revised expenditure authority per Provision 5	<u> -</u>	<u> -38,266</u>	<u> -</u>
Totals Available	\$1,426,833	\$1,515,070	\$1,595,498
Unexpended balance, estimated savings	<u> -48,124</u>	<u> -</u>	<u> -</u>
TOTALS, EXPENDITURES	\$1,378,709	\$1,515,070	\$1,595,498
0950 Public Employees Contingency Reserve Fund			
APPROPRIATIONS			
001 Budget Act appropriation	<u> \$4,008</u>	<u> \$6,000</u>	<u> \$4,600</u>
TOTALS, EXPENDITURES	\$4,008	\$6,000	\$4,600
Total Expenditures, All Funds, (State Operations)	\$1,382,717	\$1,521,070	\$1,600,098

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† Past year appropriations are net of subsequent budget adjustments.