



California Public Employees' Retirement System
P.O. Box 942709
Sacramento, CA 94229-2709
(888) CalPERS (or **888-225-7377**)
TTY: (877) 249-7442
www.calpers.ca.gov

Circular Letter No.: 600-051-15
Distribution: Special

Circular Letter

September 17, 2015

TO: ALL HEALTH BENEFITS OFFICERS AND ASSISTANT HEALTH BENEFITS OFFICERS OF CALPERS PUBLIC AGENCIES, SCHOOLS, AND CALIFORNIA STATE UNIVERSITIES

SUBJECT: DISTRIBUTION OF 2016 SUMMARY OF BENEFITS AND COVERAGE NOTICE TO NEW EMPLOYEES

CalPERS now requires California State Universities, and Public Agencies and Schools who contract for health coverage to distribute the attached 2016 Summary of Benefits and Coverage (SBC) Notice to each new employee on the date they become eligible to enroll in a CalPERS health plan.

This requirement is consistent with section 2715 of the Affordable Care Act (ACA) and corresponding regulations.¹ The 2016 SBC Notice provides information on accessing CalPERS health plan SBCs, as well as the federal government's glossary (Glossary) of common health insurance terms. The SBC and Glossary is designed to help your employees better understand and compare their health plan options in order to make more informed choices. Please insert your school/agency's letterhead at the top of the attached notice and distribute to your new eligible employees.

Background

Under the ACA, persons who receive private health care insurance, such as CalPERS-contracted public agency, school, and California State University employees, must receive health plan SBCs and the Glossary. Accordingly, the federal government has issued regulatory guidance, FAQs, and templates relating to the matter. In the June 2015 final rule, the federal government set forth that failure to provide the SBC and Glossary could result in a \$1,000 penalty per offense.²

Each CalPERS basic health plan has developed an SBC, and during open enrollment our members are mailed a postcard with online SBC and Glossary information, as well as information on how to obtain a free paper copy of the SBC and Glossary. In addition, we also post each health plan's SBC and the Glossary on our website.

¹ CalPERS staff continues to assess laws and regulations related to ACA, which may affect contracting agencies and other employers. While we make every effort to assist employers via circular letters, these letters are informational only and general in nature with respect to the ACA. Please keep in mind, this Circular Letter does not constitute ACA-related legal advice. For legal advice regarding the ACA, please consult your organization's legal counsel. You may visit the CalPERS website for additional information related to the ACA.

² 45 CFR 147.200(e)

Distribution for Newly Eligible Employees

Your new employees not already enrolled in a CalPERS health plan must receive the 2016 SBC Notice on the date they become eligible for enrollment, which is typically, for most but not all, the first day of employment.³

As mentioned above, the 2016 SBC Notice also provides internet addresses and phone numbers for all CalPERS health plans where newly eligible employees can access SBCs and the Glossary. This will help your newly eligible employees better understand and compare their health plan options so they can make more informed choices for themselves and their families.

This [Notice](#)⁴ will be updated annually to reflect any changes. It will also be available in the [Public Agency & Schools Health Benefits Guide](#)⁵ effective November 2015. Please ensure your newly eligible employees are provided with the most recent version of the notice on the date they become eligible to enroll in a CalPERS health plan.

If you have any questions regarding the information provided in this Circular Letter, please contact our Employer Contact Center at **888 CalPERS** (or **888-225-7377**).

JAN FALZARANO, Interim Chief
Health Policy Research Division

Attachment: 2016 Summary of Benefits and Coverage Notice Template

³ See 45 CFR 147.200(a)(ii)(B)

⁴ <https://www.calpers.ca.gov/docs/circular-letters/2015/600-051-15-attach1.pdf>

⁵ <https://www.calpers.ca.gov/docs/forms-publications/pas-health-guide.pdf>