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www.calpers.ca.gov

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Special:

# Circular Letter

**TO: STATE, CALIFORNIA STATE UNIVERSITY (CSU), AND CONTRACTING AGENCY HEALTH BENEFITS OFFICERS AND ASSISTANTS**

**SUBJECT: SPECIAL ENROLLMENT PERIOD FOR HUMBOLDT COUNTY**

*This letter addresses the following topics:*

## **PART I**

- Blue Shield expands HMO coverage to Humboldt County
- Special enrollment period
- Blue Shield Access+ HMO available in Humboldt
- 2007 Blue Shield Access+ HMO plan contract year
- State and contracting agency rates for Humboldt Blue Shield Access+ HMO
- Why are public agency rates higher than State rates for Blue Shield Access+ HMO?

## **PART II**

- Member notification
- Special enrollment packets
- Returned special enrollment packets
- Determining your employees' health plan eligibility for Blue Shield Access+ HMO
- Rural Health Care Equity Program (for **State** employees and retirees only)
- Assisting employees with finding a physician or other provider
- Members who choose not to enroll in Blue Shield Access+ HMO
- New Hires and those not currently enrolled

## **PART III**

- Special enrollment procedures
- Guide for completing the health benefits plan enrollment form (HBD-12) for special enrollment
- Employees on Direct Pay or Leave of Absence (LOA)
- Retiree health plan changes
- 2007 State annuitant contribution formula (100/90 formula)
- 2007 contracting agency retiree contributions
- COBRA enrollees
- Submitting special enrollment transactions for active employees
- Deadline for submitting ACES transactions for special enrollment
- Sequencing transactions
- Premium adjustments
- Blue Shield Access+ HMO ID Cards

## PART I

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### **Blue Shield expands HMO coverage to Humboldt County**

- The CalPERS Board of Administration has approved a proposal to offer a Blue Shield Health Maintenance Organization (HMO) option in Humboldt County. For the past six years, CalPERS members in this area have had no HMO option.
  - CalPERS members currently enrolled in a PPO plan (PERSCare or PERS Choice) in Humboldt County will have the opportunity to select the Blue Shield HMO option during a special enrollment period.
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### **Special enrollment period**

The special enrollment period will be from **March 1, 2007 through March 30, 2007**. The effective date of enrollment will be **May 1, 2007**.

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### **Blue Shield Access+ HMO available in Humboldt**

- CalPERS Blue Shield Access+ HMO will offer the same standard benefit plan that it offers in all other Blue Shield coverage areas of the State.
- Blue Shield will provide services through the Humboldt Del Norte Independent Practice Association and local hospitals (St. Joseph, Redwood Memorial Center, Mad River Community, and Southern Humboldt Community).
- Blue Shield Access+ HMO features \$10 co-payments for office visits, no out-of-pocket costs for hospitalization, and access to valuable online health management resources. If participants agree to participate in a 15-minute online Wellness Assessment through the Healthy Lifestyle Rewards Program, they can earn \$50. Additional cash rewards are available to members who continue to participate in the program.

CalPERS will continue to offer our two PPO plans: PERSCare and PERS Choice; and one Association plan: Peace Officers Research Association of California (PORAC). Members must belong to, and pay dues to PORAC in order to enroll in the PORAC Association Plan.

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**2007 Blue  
Shield Access+  
HMO plan  
contract year**

Blue Shield's Access+ HMO contract for Humboldt County will be May 1, 2007, through December 31, 2007. Thereafter, the contract will be on a calendar year basis.

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**State and  
contracting  
agency rates for  
Humboldt  
County Blue  
Shield Access+  
HMO**

See the following attachments for Humboldt County Blue Shield Access+ HMO rates:

- **Attachment 1**—the CalPERS 2007 Health Premiums for State and Contracting Agencies in Northern California
- **Attachment 2**—the CalPERS 2007 COBRA Premiums for State and Contracting Agencies in Northern California

**Note:** Health care premiums for contracting agency active employees are based on regional pricing.

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**Why are public  
agency rates  
higher than  
State rates for  
Blue Shield  
Access+ HMO?**

The CalPERS Board of Administration adopted regional pricing for public agencies effective January 1, 2005. Regional pricing adjusts premiums to reflect the actual cost of health care in a given region. With regional pricing public agencies pay an amount aligned with what they would pay in the open market for health care within the Northern California region.

State agencies are not affected by regional pricing.

**Note:** Members who choose to enroll in the Blue Shield HMO will not have deductibles and will have lower copays for office visits. Also, Blue Shield HMO members may enroll in the Healthy Rewards program for 2007 and could earn up to \$200 for the year.

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## PART II

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### Member notification

- CalPERS will mail a letter to all members who are currently enrolled in a CalPERS PPO plan in Humboldt County.
  - Members will have the opportunity to choose the new Blue Shield Access+ HMO plan during the special enrollment period held for Humboldt County.
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### Special enrollment packets

Members currently enrolled in a PPO will be mailed a special enrollment packet in late February that will include:

- Special enrollment letter (See Attachment 3)
  - Blue Shield CalPERS Health Plan Guide
  - CalPERS 2007 Health Premiums for Northern California (See Attachment 1)
  - CalPERS 2007 COBRA Premiums for State and Public Agencies (See Attachment 2)
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### Returned special enrollment packets

#### Active Employees

- Special enrollment packets returned to CalPERS because of an incorrect address will be forwarded to the employee's Health Benefits Officer/Assistant to be distributed to the employee.
- Health Benefit Officer/Assistant is asked to have these employees complete a change of address form to ensure future mailings reach the employee in a timely manner.

#### Retired Members

- Retirees who do not receive their special enrollment packet may call CalPERS at **888** CalPERS or (**888**-225-7377) to update their address and request a packet.
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**Determining your employees' health plan eligibility for Blue Shield Access+ HMO**

ZIP codes are used to determine the health plans and regions in which your employees are eligible to enroll. Employees may choose either their home or current work address ZIP code to establish their eligibility.

*NOTE: Retirees cannot use the address of the agency they retired from to establish eligibility. State employees and retirees should read the following regarding the RHCEP.*

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**Rural Health Care Equity Program (RHCEP) for State employees and retirees ONLY**

- To qualify for the Rural Health Care Equity Program (RHCEP), State employees and retirees living in California must be enrolled in a CalPERS-approved health plan (e.g., PERSCare or PERS Choice) in an area where there is no contracted CalPERS HMO available.
- Effective **May 1, 2007**, State employees and annuitants that live in Humboldt County will no longer qualify for the RHCEP because Blue Shield Access+ HMO will now be available in Humboldt County.
- State employees who reside in Del Norte or Trinity County and who use their Humboldt work ZIP code to enroll in Blue Shield HMO will also no longer be eligible for the RHCEP.
- The RHCEP is administered by the State Department of Personnel Administration (DPA). Contact DPA at 916-327-1439 for further information.

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**Assisting employees with finding a physician or other provider**

If your employees need further help finding a new primary care physician (PCP) or identifying hospitals in the Blue Shield Access+ HMO network, please direct them to the Blue Shield HMO on-line physician directory at [www.blueshieldca.com](http://www.blueshieldca.com) or Blue Shield's Member Services Department at 1-800-334-5847 for assistance (Monday through Friday from 7 a.m. to 7 p.m.).

- Employees who are enrolling in the Blue Shield Access+ HMO should indicate their choice of PCP when completing the *Health Benefits Plan Enrollment* form (HBD-12).
- Members must choose physicians and hospitals within the CalPERS Blue Shield Access+ HMO network for Humboldt County.

- Please encourage employees who are choosing a PCP to call the provider's office to verify that the PCP is accepting new patients. All provider changes are effective **May 1, 2007**. Blue Shield will issue new member ID cards whenever members change their PCP.
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**Members who  
choose not to enroll  
in Blue Shield  
Access+ HMO**

Members who wish to remain in their current health plan do not need to do anything.

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**New Hires and those  
not currently  
enrolled**

- New hires may choose to enroll in the Blue Shield Access+ HMO within 60 days from the date of hire.
  - The effective date will be the first of the month following the date the request is received by the Health Benefits Officer, but not earlier than **May 1, 2007**.
  - Those who are eligible but are not currently enrolled may enroll in the Blue Shield Access+ HMO plan during the special open enrollment period.
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## PART III

### Special Enrollment Procedures

**Guide for  
completing the  
*Health Benefits Plan  
Enrollment* form  
(HBD-12) for special  
enrollment**

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#### Health Benefits Plan Enrollment Form (HBD-12) Completion

Box 11	Primary Care Physician (HMO Only)	Providing this information will assist in the timely issuance of identification cards.
Box 14	<b>Reason Code</b>	
	<b>129</b>	New Enrollment during Special Enrollment
	<b>213</b>	Adding Dependent during Special Enrollment
	<b>405</b>	Changing Plans during Special Enrollment
Box 15	Permitting Event Date	<b>March 1 – March 30, 2007</b>
Box 16	Effective Date	<b>May 1, 2007</b>
Box 21	Employee Sign Date	<b>March 1– March 30, 2007</b> <i>Please include employee's daytime phone number.</i>
Box 33	HBO Received Date	<b>March 30, 2007</b>

**NOTE:** The chart may also be used by Automated Communication Exchange System (ACES) users.

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**Employees on Direct Pay due to Leave of Absence (LOA)**

Employees on Direct Pay due to Leave Of Absence (LOA) during the special enrollment period may change plans and/or add dependents. Employees who do not change plans or add dependents during the special enrollment period may do so within 60 days from the date they return to regular pay status.

- LOA and paying direct:
    - You must complete a *Health Benefits Plan Enrollment* form (HBD-12) and *Direct Payment Authorization* form (HBD-21).
    - For dependent changes with no change in plan code or party rate, use the HBD-12 form only.
  - LOA not paying direct:
    - You must complete an HBD-12 form to make a plan or dependent change.
    - The request must be submitted within 60 days of return to regular pay status.
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## Special Enrollment Procedures, Continued

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### Retiree health plan changes

Retirees who qualify to enroll in the Blue Shield Access+ HMO can make this change using one of the following options:

- Call CalPERS at **888** CalPERS or (888-227-7377) to enroll by telephone
- Submit a written request to change to Blue Shield HMO. Include the following in the request:
  - Name, address, social security number, primary care physician
  - If adding a dependent, include: name, birth date, name of primary care physician, and an affidavit of eligibility (if enrolling an economically dependent child)
- FAX the written request to (916) 795-3935, or
- Mail directly to:

CalPERS  
Office of Employer and Member Health Services  
P.O. Box 942714  
Sacramento, CA 94229-2714

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### 2007 State annuitant contribution formula (100/90 formula)

The 2007 State contributions for State annuitants shown below are calculated based on the weighted average of the premiums for the four health plans with the largest State enrollment for the previous year based on Basic plan subscribers (actives and annuitants).

State Annuitant Contribution	2007
One Party	\$439
Two Party	\$823
Family	\$1,042

### 2007 contracting agency retiree contributions

The contracting agency employer contribution for retirees may vary according to the amount designated in the resolution filed with CalPERS. Contracting agency retirees should contact CalPERS at **888** CalPERS or (888-227-7377) for information on their retire health contribution.

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**COBRA enrollees**

Enrollees who are eligible for health coverage through COBRA may change to the Blue Shield Access+ HMO health plan during the special enrollment period.

- Enrollment changes are completed on a COBRA form (HBD-85).
- COBRA enrollees should contact their former personnel office to obtain instructions on how to enroll or call CalPERS at **888** CalPERS or (**888-225-7377**).
- The effective date rules for completion of the HBD-85 form are the same as those for the HBD-12 form.
- COBRA rates are calculated at no more than 102 percent of the health plan's premium rate. Please see **Attachment 2** for 2007 Blue Shield HMO COBRA Rates.

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**Submitting special enrollment transactions for active employees**

Submit your special enrollment transactions as they are completed. Early submission into **ACES** will ensure timely issuance of identification cards and proper payroll deductions. If you have any questions about ACES, contact CalPERS at **888** CalPERS or (**888-225-7377**).

If you are not on the ACES electronic enrollment program, you may mail your enrollment forms to:

<b>FOR DELIVERY BY U.S. POSTAL SERVICE</b>	<b>FOR DELIVERY BY EXPRESS SERVICE/DIRECT DELIVERY</b>
<b>CalPERS Office of Employer and Member Health Services</b> P.O. Box 942714 Sacramento, CA 94229-2714	<b>CalPERS Central Mailroom</b> 400 Q Street Sacramento, CA 95814 (916) 795-3043

**NOTE:** All forms mailed to CalPERS for special enrollment updates must be received on or before **March 30, 2007**, to ensure proper update into the system for the **May 1, 2007** effective date.

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**Deadline for submitting ACES transactions for special enrollment**

All ACES transactions must be keyed and submitted for update based on the special enrollment dates of **March 1, 2007** through **March 30, 2007**. Users will have additional time after the close of the special enrollment period for transaction input. All special enrollment ACES transactions must be completed by **April 06, 2007**.

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**Sequencing  
transactions**

If you are an ACES user, it is important to key in your Special Enrollment transaction based on the earliest effective date.

**Example:**

You have an employee who wants to add a newborn child effective **March 1, 2007**, and also make a special enrollment change effective **May 1, 2007**.

1. You must key in the newborn child first, and
2. Key in the special enrollment transaction the following day.  
If you key in the special enrollment transaction first, you will not be able to add the dependent, and you will need to call our ACES Hotline at **888 CalPERS** or **(888-225-7377)** for assistance.

If you are not an ACES user, please submit the following:

- Two HBD-12 forms to CalPERS for processing;
  - One HBD-12 form to add the newborn child, and
  - One HBD-12 form for the special enrollment change.
  
- Staple both forms together, and in the “remarks section” number the forms as “1 of 2” and “2 of 2”.

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**Premium  
adjustments**

**May 1, 2007**, pay warrants for some members may not reflect the proper premium payment due to unavoidable processing delays during the special enrollment. If this happens, the premium payment will be adjusted during a subsequent pay period. Be sure the system reflects the appropriate enrollment, and advise the member that the payroll discrepancy will be resolved by the first of the next month.

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**Blue Shield Access+  
HMO Identification  
Cards**

Blue Shield Access+ HMO will make every effort to ensure members who changed health plans receive their new identification cards prior to **May 1, 2007**. Members who have not received identification cards for their new plan should **not** continue to use their prior plan *after May 1, 2007*. Members should first contact Blue Shield Member Services at **1-800-334-5847** (Monday through Friday from 7 a.m. to 7 p.m.) for assistance in getting new I.D. cards. If unresolved, members may then contact the CalPERS Customer Service and Education Division at **888 CalPERS** or **(888-225-7377)** for assistance.

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If you have any questions about the information provided in this circular letter, please contact the CalPERS Employer Contact Center at **888 CalPERS or (888-225-7377)**.

Sincerely,

A handwritten signature in cursive script that reads "Holly A. Fong". The signature is written in black ink on a white background. To the right of the signature is a vertical line.

Holly A. Fong, Chief  
Office of Employer & Member Health Services

Attachments