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## Circular Letter

August 8, 2016

**TO: ALL CALPERS HEALTH BENEFITS OFFICERS AND ASSISTANT HEALTH BENEFITS OFFICERS**

**SUBJECT: 2016 OPEN ENROLLMENT AND HEALTH BENEFITS INFORMATION**

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### Open Enrollment

Open Enrollment starts **September 12, 2016** and ends **October 7, 2016**.  
The effective date for all Open Enrollment transactions is **January 1, 2017**.

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### Circular Letter Summary

The information in this Circular Letter will:

- Provide you highlights of 2017 health benefit changes, approved health plans, and monthly premium rates
  - Provide instructions to access Open Enrollment information, communications, and resources for you and your employees
  - Outline your responsibilities for processing transactions and providing assistance to your employees
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### Access Health Benefits Online

A key change this year is the addition of customized online Health Plan Statements. Beginning **August 22, 2016**, all health subscribers should access their my|CalPERS account at [my.calpers.ca.gov](http://my.calpers.ca.gov) to view, download, and/or print their 2016 Health Plan Statement. This new feature will provide your employees with customized health information regarding health benefit changes that may impact them.

More information about our communication timeline and the benefits of accessing the Health Plan Statement online can be found in the [Health Plan Statements & Open Enrollment Communication](#) section of this Circular Letter.

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## 2016 Open Enrollment and Health Benefits Information

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## 2017 Health Program Highlights

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### **Health Plan & COBRA Premium Rates**

The CalPERS Board of Administration approved the 2017 health plan monthly premium rates in June 2016. Visit the [Plans & Rates](#) page of the CalPERS website at [www.calpers.ca.gov](http://www.calpers.ca.gov) to view monthly premium rates for all health plans, including the 2017 Consolidated Omnibus Budget Reconciliation Act (COBRA) premium rates.

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### **New Pharmacy Benefits Manager**

Beginning January 1, 2017, OptumRx will administer the prescription drug benefits for CalPERS members and their dependents enrolled in PERS Select, PERS Choice, and PERSCare, as well as those in Anthem Blue Cross, Health Net, Sharp, and UnitedHealthcare Health Maintenance Organization (HMO) plans. Kaiser and Blue Shield will not be impacted and will continue to administer their own prescription drug benefits.

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### **Blue Shield NetValue**

Blue Shield will not be offering their NetValue plan after December 31, 2016. If an employee or retiree enrolled in NetValue would like to be enrolled in Blue Shield Access+, no action is required. CalPERS will enroll the employee or retiree and their dependents in Blue Shield Access+, effective January 1, 2017. Most providers currently participating in Blue Shield NetValue also participate in Blue Shield Access+. If the employee or retiree would like to select a health plan other than Blue Shield Access+, they may do so during Open Enrollment.

**All new Blue Shield NetValue enrollments will be frozen on September 1, 2016.**

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## 2017 Health Program Highlights

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### Approved Health Plans

#### Health Maintenance Organization (HMO) Basic Health Plans

- Anthem Blue Cross
- Blue Shield of California
- Health Net of California
- Kaiser Permanente
- Sharp Health Plan
- UnitedHealthcare
- California Correctional Peace Officers Association (CCPOA)<sup>1</sup>

#### Preferred Provider Organization (PPO) Basic Health Plans

- PERS Select
- PERS Choice
- PERSCare
- California Association of Highway Patrolmen (CAHP)<sup>1</sup>
- Peace Officers Research Association of California (PORAC)<sup>1</sup>

#### Exclusive Provider Organization (EPO) Health Plans

- Anthem Blue Cross EPO (serves Del Norte & Monterey counties)
- Blue Shield EPO (serves Colusa, Mendocino, and Sierra counties)

<sup>1</sup>Members must belong to the specific association and pay dues in order to enroll in an association plan.

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### State Contribution 100/90 Formula

California Government Code 22871 sets the state health coverage contributions for retired employees (annuitants). The amount is equal to 100 percent of the weighted average of the premiums in the four basic health plans with the largest state enrollment for the previous benefit year. This is measured by enrollments of state active and retired members in the basic plans.

Below is a comparison chart for the 2016 and 2017 state contributions:

Party Type	2016	2017
Single	\$705	\$707
Two Party	\$1,343	\$1,349
Family	\$1,727	\$1,727

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## Health Plan Statements & Open Enrollment Communication

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### Benefits of the Online Health Plan Statement

Beginning August 22, 2016, your employees should access their my|CalPERS account at [my.calpers.ca.gov](http://my.calpers.ca.gov) to view, download, and/or print their 2016 Health Plan Statement. This new feature provides secure 24/7 access to customized health enrollment information with a variety of benefits:

- Informs employees of specific health benefit changes that may impact them in the coming year.
- Provides a list of enrolled dependents.
- Informs employees of their current 2016 monthly premium rate, their 2017 monthly premium rate if they do not change their health plan, and 2017 health plans and monthly premium rates that may be available based on their health eligibility ZIP Code.
- Provides direct access to all CalPERS Open Enrollment information:
  - 2016 and 2017 Health Benefit Summary
  - Health Plan Summary of Benefits and Coverage
  - Health Plan Evidence of Coverage
  - Health Program Guide
  - Medicare Enrollment Guide
  - Open Enrollment Newsletter
  - Health Plan Chooser
  - Health Plan Search by ZIP Code
  - Health plan websites and their provider directories

For detailed instructions on how your employees can register for a my|CalPERS account, or for employees who may have forgotten their username or password, refer them to [How to Register For / How to Access my|CalPERS](#) on our website.

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### Communication Timeline: Employees

CalPERS employed an extensive communication plan to inform all active employee and retiree health subscribers of online access to the Health Plan Statement and Open Enrollment information. Beginning in March, we launched our dedicated website page, [Online Health Plan Statements](#), and continued with the following:

- **March Letter:** “Introducing the Online 2016 Health Plan Statement” – Introduced the online Health Plan Statement and its benefits. The letter included a return postcard with the option to change their mailing preference by July 1 for a paper copy of their 2016 Health Plan Statement.
- **Spring PERSpective:** Included detailed instructions on how to register for a my|CalPERS account and how to receive Open Enrollment materials by mail.
- **April – August:** A variety of social media posts and announcements were made to ensure that subscribers were aware of the Health Plan Statement and Open Enrollment information being available online.
- **July Letter:** “Access Your Health Plan Statement Online” – Described how to access the Health Plan Statement and Open Enrollment information online with instructions to set up a my|CalPERS account.

## Health Plan Statements & Open Enrollment Communication

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### Communication

**Timeline:  
Employees  
(continued)**

Future communication includes:

- **August Email Notification:** On August 22, 2016 health plan subscribers with an existing my|CalPERS account or an email address in my|CalPERS will receive an email informing them that their Health Plan Statement and Open Enrollment information are available online. Employees without an email address in my|CalPERS should refer to the July Letter for instructions to set up an account.
  - **September Warrant Message:** Active state employees will receive a message in their September 1 pay warrant reminding them to access their Health Plan Statement online.
  - **Fall PERSpective:** Will include reminders of Open Enrollment dates, where to access the Health Plan Statement and Open Enrollment information online, and types of changes that can be made during Open Enrollment.
  - **September – October:** A series of social media posts will announce the beginning and end of Open Enrollment, direct subscribers to Open Enrollment information and resources online, and remind them to make any desired changes before Open Enrollment ends on October 7, 2016.
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### Communication

**Timeline:  
Employers**

We also provided previous communication regarding access to the Health Plan Statement and Open Enrollment information online:

- **March Circular Letter (600-009-16):** Informed you that a letter was sent to all health plan subscribers introducing the online Health Plan Statement and its benefits.
  - **June myMessage:** Instructions sent to your my|CalPERS account to remind your employees about accessing their customized Health Plan Statement and Open Enrollment information online beginning August 22, 2016.
  - **July Circular Letter (600-037-16):** Informed you that employees who did not change their mailing preference to receive their Health Plan Statement and Open Enrollment materials by mail would receive a letter in July stating that this information will be available online beginning August 22, 2016.
  - **Summer Employer News:** Included information to direct your employees to access their Health Plan Statement through my|CalPERS and that you and your employees can access Open Enrollment information and all health publications online.
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### Open Enrollment Packets

Employees who elected to receive their Health Plan Statement by mail were sent a letter confirming their mail preference. Open Enrollment packets, which will include the Health Plan Statement, will be mailed on August 22, 2016 for those who changed their mailing preference by July 1, 2016.

## Employer Roles & Responsibilities

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### Health Benefits Officer Role

As the designated Health Benefits Officer (HBO) or assistant HBO, you are the authorized point of contact to process CalPERS health transactions and provide health eligibility and enrollment information to your employees.

To ensure successful ongoing CalPERS health benefits and communication, all employees should:

- Have an account online through my|CalPERS at [my.calpers.ca.gov](http://my.calpers.ca.gov).
- Maintain a current email address, eligibility ZIP Code, and communication preference.
- Know how to access their customized Health Plan Statement online through my|CalPERS beginning August 22, 2016.
- Submit Open Enrollment changes from September 12, 2016 through October 7, 2016 with the supporting documentation needed to verify their dependents.
- Confirm their new health plan and monthly premium adjustments in their January 2017 paycheck.

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### Employer Resources

We ask you to join us in our efforts to support a green community. Instead of receiving a supply of printed Open Enrollment materials, you may obtain all the information you need online. View, download, or print Open Enrollment forms and publications, including the 2016 Open Enrollment poster, by visiting the [Employers](#) section of the CalPERS website or visit our Open Enrollment web page beginning August 22, 2016.

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### Verify and Maintain Supporting Documentation

You have a fiduciary responsibility to manage the CalPERS Health Program by ensuring that only eligible employees and their dependents are covered. Employers are responsible for obtaining and maintaining records of all supporting documentation that determines the eligibility of enrolled dependents. At the time of the enrollment—or any time thereafter—you have the right to request additional supporting documentation needed to verify a dependent's eligibility.

To find a list of eligible dependent types and for additional information, refer to the **Health Program Guide** on the [Forms & Publications](#) page of our website beginning August 22, 2016.

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## Employer Roles & Responsibilities

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### Submit Transactions

All health enrollment transactions should be submitted through my|CalPERS. Early submission will ensure timely processing of health plan identification cards and proper payroll deductions.

- All Open Enrollment requests must be received between the Open Enrollment dates of September 12, 2016 through October 7, 2016.
- The deadline for processing all Open Enrollment transactions is **5:00 p.m. (PST) on October 28, 2016.**

### COBRA

You may submit transactions for former employees or their dependents enrolled in COBRA continuation coverage who want to change health plans or add/delete eligible dependents during the Open Enrollment period.

### Employees on Leave of Absence

You may also submit transactions during Open Enrollment for employees on a leave of absence who want to change plans or add/delete dependents. Employees who do not change plans or add/delete dependents during the Open Enrollment period may do so within 60 days from the date they return to regular pay status.

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### Rescind Transactions

You can rescind health transactions when the effective date of the transaction occurs in the future. For example, before the January 1, 2017, effective date, if an employee decides they no longer want to change health plans, you can rescind the transaction in my|CalPERS.

Rescinded transactions must be updated before the December 2016 payroll cut-off date. Open Enrollment transactions rescinded after the December payroll cut-off date will be adjusted during a subsequent pay period.

### State and CSU Agencies

Visit the [Civil Service Benefits Cut-off Calendar](#) to view the State Controller's Office (SCO) payroll cut-off dates.

### Contracting Agencies and Schools

Please refer to the **2016 Health Billing Cut-Off Dates** table, attachment to Circular Letter 600-005-16, **2016 Health Billing Cut-Off Dates and How Payments Are Applied.**

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## Employer Roles & Responsibilities

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**Review Health  
Premium  
Adjustments**

If an employee's January 1, 2017 pay warrant does not reflect the proper premium payment of a health plan change, the premium payment will be adjusted during a subsequent pay period.

Advise the employee to discontinue using their prior plan after December 31, 2016. Verify that my|CalPERS reflects the appropriate enrollment, and advise the employee that the payroll discrepancy will be resolved.

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**Questions**

If you have any questions about the information provided in this Circular Letter, please call the CalPERS Customer Contact Center at **(888) CalPERS** (or **888-225-7377**).

Carene Carolan, Chief  
Member Account Management Division