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www.calpers.ca.gov

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Special:

# **Circular Letter**

**TO:** CONTRACTING AGENCY HEALTH BENEFITS OFFICERS AND ASSISTANTS

**SUBJECT:** HEALTH BENEFITS INFORMATION AND THE 2008 OPEN ENROLLMENT PERIOD

*This Circular Letter addresses the following topics for the 2008 Open Enrollment Period:*

## **PART I**

- Open Enrollment Period
- Approved Health Plans
- Blue Cross Name Change
- Health Plan Contract Year
- 2009 Benefit Changes
- 2009 Premium Changes
- Assisting Employees with Finding a Physician or Other Provider

## **PART II**

- The 2008 Health Plan Statements
- Returned Health Plan Statements
- The 2008 Employer Reports
- Open Enrollment Packets and Booklets
- The Health Plan Chooser Tool
- Determining Your Employees' Health Plan Eligibility
- Retiree Health Plan Changes

## **PART III**

- Guide for Completing the Health Benefit Plan Enrollment Form (HBD-12)
- Employees on Leave of Absence (LOA)
- COBRA Enrollees
- Submitting Enrollments Transactions
- Automated Communication Exchange System (ACES) Users
- Rescissions
- Premium Adjustments
- Health Plan Identification Cards
- Sequencing Transactions
- State Annuitant Contribution Formula for 2009 (100/90 Formula)
- Health Plan Search by ZIP Code Web Site Tool
- Health Fairs

## PART I

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### Open Enrollment Period

This year the 2008 Open Enrollment period is from **September 15** through **October 10, 2008**.

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### Approved Health Plans

The CalPERS Board of Administration approved the following health plans for the **2009** contract year:

#### HMO/EPO Plans

- Blue Shield NetValue, introduced in 2008, has a smaller network of medical groups, but offers a lower premium than Blue Shield Access+ while still providing the same quality of care and comprehensive benefits to CalPERS members.

Blue Shield NetValue is available in El Dorado, Fresno, Kern, Kings, Los Angeles, Madera, Nevada, Orange, Placer, Riverside, Sacramento, San Bernardino, San Diego, San Joaquin, Santa Barbara, Ventura and Yolo Counties. Some counties will only have partial access and members should contact Blue Shield Member Services at (800) 334-5847 or [www.blueshieldca.com](http://www.blueshieldca.com) to determine whether their ZIP Code is included in the NetValue service area.

- Blue Shield Access+
- Blue Shield EPO (available in Colusa, Mendocino, and Sierra counties only)
- Kaiser Permanente

#### PPO Plans

- PERS Select, introduced in 2008, has a smaller network of medical groups, but offers a significantly lower premium than PERS Choice or PERSCare. PERS Select is a lower cost option for members who value the freedom of choice offered through a PPO plan design.

PERS Select is not available to members who live in Alameda, Marin, Placer, or Solano counties or to those who live out of state. Members should check to see if their chosen physician is participating in the Select PPO Network before seeking services. Members can contact Blue Cross Member Services at (877) 737-7776 or [www.anthem.com](http://www.anthem.com) to determine whether their ZIP Code is included in the PERS Select service area.

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**Approved  
Health Plans,  
continued**

- PERS Choice
- PERSCare

**Association Plan**

- Peace Officers Research Association of California (PORAC)  
Members must belong to, and pay dues to PORAC, in order to enroll in this plan.
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**Blue Cross of  
CA Name  
Change**

Blue Cross of California who administers the CalPERS PPO plans is now **Anthem Blue Cross**. (See **Attachment 3** for contact information.)

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**Health Plan  
Contract Year**

The contract year for all CalPERS health plans is **January 1** through **December 31, 2009**.

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**2009 Benefit  
Changes**

**HMO Plans**

Kaiser Permanente will include eye refraction (eye exam) as part of the preventive care service with a zero co-payment.

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**2009 Premium  
Changes**

Basic HMO and PPO premiums for local agencies and schools will vary depending on geographic location. (See **Attachment 1** for all the CalPERS **2009 Regional Health Premium Rates** for contracting agencies and schools.)

**Note:** Medicare rates are not regionally rated.

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**Assisting  
Employees'  
With Finding a  
Physician or  
Other Provider**

If your employees need help finding a new Primary Care Physician (PCP) or identifying hospitals in their health plan's network, please direct them to the health plan's online physician directory or the plan's Member Services Department for assistance. Members can change their Primary Care Physician any time during the year but must choose a PCP within their health plan's network. The effective date of the change will be the first of the following month.

- Employees who are enrolling in Blue Shield should indicate their choice of PCP when completing the *Health Benefits Plan Enrollment* form (HBD-12). Blue Shield offers an online *CalPERS Personal Physician Selection* form.
- Employees enrolling in Kaiser Permanente, PERS Choice, PERS Select, PERSCare, or PORAC do not need to choose a PCP.

Please encourage employees who are choosing a PCP to call the provider's office to verify that new patients are being accepted. Blue Shield will issue new member ID cards whenever members change their PCP.

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**Note:** For specific information on service areas and benefit coverage for all of the CalPERS health benefit plans, please refer to the **Health Benefit Summary** (HBD-110).

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## PART II

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### The 2008 Health Plan Statements

CalPERS will mail all enrolled subscribers their 2008 Health Plan Statements beginning on **August 18, 2008**. The 2008 Health Plan Statement includes the following information:

- The member's current health plan
- Family members enrolled in this plan
- ZIP Code (home or current work) used to determine health plan eligibility

**Note:**

- Members who enrolled in a CalPERS health plan after **June 30, 2008**, will not receive a Health Plan Statement.
  - New hires or members who did not receive a Health Plan Statement may obtain an Open Enrollment packet from their Health Benefits Officer or Personnel Office.
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### Returned Health Plan Statements

#### Active Employees

- Statements returned to CalPERS because of an incorrect address will be forwarded to the employee's Health Benefits Officer to be distributed to the employee.
- Please ensure the employee completes a change of address form so that future mailings reach the employee.
- Statements that cannot be distributed to the employee (e.g., member has since permanently separated and did not leave a forwarding address) must be forwarded to CalPERS to be destroyed. You may mail these undeliverable statements to:

CalPERS  
Office of Employer and Member Health Services  
Attn: Returned Health Plan Statements  
P.O. Box 942714  
Sacramento, CA 94229-2714

#### Retired Members

- Statements returned to CalPERS because of an incorrect address will be destroyed.
  - Retirees, who did not receive their Health Plan Statement, may call CalPERS at **888 CalPERS** (or **888-225-7377**) to update their address and to request a 2008 Health Plan Statement.
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**The 2008  
Employer  
Reports**

CalPERS will mail employer reports on **August 18, 2008**. The report lists all active employees who were mailed a 2008 Health Plan Statement. The report contains the following information:

- Agency's employer code and unit code
- Employee's first name, middle initial and last name
- Employee's address (according to CalPERS records)
- Employee's current health plan and eligibility ZIP Code

**Note:**

- Any address changes submitted after **June 30, 2008**, will not be reflected on this report.
- If an employee needs to update their address, have the employee complete your agency's change of address form.

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**Open  
Enrollment  
Packets and  
Booklets**

**For Members**

A 2008 Open Enrollment packet will be mailed to each subscriber beginning on **August 18, 2008** and contains the following:

- Personalized 2008 Health Plan Statement
- Premium Rate Sheet and return postcard
- *Open Enrollment News* publication (**see attached copy**)

Members may request Open Enrollment-related publications by using the prepaid postcard attached to the Rate Sheet. It will take approximately 10 to 12 business days for members to receive the requested materials. The pre-paid postcard expires on **September 26, 2008**.

Members can request the following publications with the postcard:

- *Health Program Guide* and *Health Benefits Summary* (*these two books are pre-packaged in one envelope*)
- *Your Health Plan, Your Doctors, and You: The Prescription for Quality Health Care* (formerly the Quality Report)
- *CalPERS Medicare Enrollment Guide* (This is a new publication that explains how Medicare works with a member's CalPERS health benefits plan.)

**Note:** All Open Enrollment books will also be available on the CalPERS Web site at [www.calpers.ca.gov](http://www.calpers.ca.gov). This will occur around the third week of August, 2008.

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**Open  
Enrollment  
Packets and  
Booklets,  
continued**

**For Employers**

The 2009 Open Enrollment publication packets containing the Health Program Guide and the Health Benefit Summary books will be mailed on **August 24, 2008**. Employers will receive an equivalent of two percent of their agency's enrolled employees. Please use these for the following groups:

- Employees who are eligible for health benefits and are looking to enroll this year
- New hires
- Employees who are enrolled in health benefits but did not receive an Open Enrollment packet

To order additional Open Enrollment materials, contact:

CalPERS Agency Request Unit  
Phone: (916) 795-1493  
FAX: (916) 795-3281  
Email address: [Public\\_Agency\\_Requests@calpers.ca.gov](mailto:Public_Agency_Requests@calpers.ca.gov)

Be sure to include your agency's:

- Name and address
- A contact name
- Telephone number
- The quantity of each item ordered

**Note:** Additional supplies of Open Enrollment publication packets will be available for you to order the last week of August 2008.

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**The Health Plan  
Chooser Tool**

CalPERS has a web-based tool, the **Health Plan Chooser**, that allows members to determine which CalPERS health plan best suits their needs. Members can access the **Health Plan Chooser** tool at [www.calpers.ca.gov](http://www.calpers.ca.gov). The tool provides members with a means to compare health plans using:

- Plan costs
  - Plan features
  - Plan performance measures
  - Available doctors by plan
  - Covered services
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**Determining  
Your  
Employee's  
Health Plan  
Eligibility**

ZIP Codes are used to determine the health plans in which your employees are eligible to enroll. Employees and working retirees may choose either their home or current work address ZIP Code to establish their eligibility. Retirees cannot use the address of the agency they retired from to establish their eligibility. Members and employers may use the online service, **Health Plan Search by ZIP Code** Web site tool to find out which health plans are available based on ZIP Code. Refer to page 13 of this document for more information about this online service.

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**Employees'  
Change of  
Address**

Employees are responsible for informing their Health Benefits Officer directly of any change that will impact their health enrollment. This includes timely notification of any change to their address or telephone number. Please remind employees to report any change of address or telephone number to you in a timely manner. In addition prior to processing an address change, employers should also verify health plan availability. If the member's current health plan is not available, the member must change health plans within 60 days.

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**Retiree Health  
Plan Changes**

Retirees can change their health plan online through the following three options during Open Enrollment from **September 15 through October 10, 2008:**

- They can access **my|CalPERS** by going to the CalPERS Web site at [www.calpers.ca.gov](http://www.calpers.ca.gov). They must register first and then log in each time they visit. Once registered, they can change their health plan by selecting the "**My Health Summary**" link, and then choosing the "**Change My Health Plan**" link.
- Retirees may also call our **Interactive Voice Response System (IVR)** at **888 CalPERS** (or **888- 225-7377**) or,
- Retirees can submit a **Health Benefits Plan Enrollment Form for Retirees** (HBD-30) which is available in the *Health Program Guide*, the *CalPERS Medicare Enrollment Guide*, or on the CalPERS Web site. They may submit the form as follows:
  - Return by FAX (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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## PART III

### Open Enrollment Procedures

**Guide for  
Completing the  
Health Benefits Plan  
Enrollment Form  
(HBD-12)**

Box 11	Primary Care Physician (HMO Only)	Providing this information will assist in the timely issuance of health plan identification cards.
Box 14	<b>Reason Code</b>	
	104	New Enrollment during Open Enrollment
	206	Adding Dependent during Open Enrollment
	320	Open Enrollment Delete Dependent
	400	Changing Plans during Open Enrollment
	530	Open Enrollment Cancel Coverage
Box 15	Permitting Event Date	September 15 – October 10, 2008
Box 16	Effective Date	January 1, 2009
Box 21	Employee Sign Date	September 15 – October 10, 2008 <i>Please include employee's daytime phone number.</i>
Box 33	HBO Received Date	September 15 – October 10, 2008

**Note: The chart can also be used by ACES users.**

**Employees on Leave of Absence (LOA)**

Employees on a LOA during Open Enrollment may change plans and/or add dependents. Employees who do not change plans or add dependents during Open Enrollment may do so within 60 days from the date they return to regular pay status.

- LOA and paying direct:
  - Employees must complete a *Health Benefits Plan Enrollment* form (HBD-12) and a *Direct Payment Authorization* (HBD-21) form.
  - For dependent changes with no change in plan code or party rate, use the HBD-12 form only.
- LOA not paying direct:
  - Employees must complete an HBD-12 form to make a plan or dependent change.

## Open Enrollment Procedures, continued

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### COBRA Enrollees

Enrollees who are eligible for health coverage through COBRA may change health plans and/or add eligible dependents during Open Enrollment.

- Enrollment changes are completed on a Group Continuation Form (HBD-85).
- An HBD-85 must be submitted to the Employer within 60 days of notification. Premium payments should be sent to the health plan, not to CalPERS.
- 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 2009 COBRA Rates. Under certain conditions, California law permits an extension of COBRA benefits up to 36 months. Members must coordinate Cal-COBRA with the health plan. (The Cal-COBRA extension premium cannot exceed 110 percent of the health plan premium rate.)

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### Submitting Enrollment Transactions

Submit your Open Enrollment transactions as they are completed. Early submission into the **Automated Communication Exchange System (ACES)** will ensure timely issuance of health plan identification cards and ensure proper payroll deductions are made. 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 Open 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 95811 (916) 795-3043

**NOTE:** All forms submitted to CalPERS for Open Enrollment updates must be received before **October 21, 2008**, to ensure proper update into the system for the beginning of the 2009 health benefit year.

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## Open Enrollment Procedures, continued

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### Automated Communications Exchange System (ACES) Users

All Automated Communications Exchange System (ACES) transactions must be keyed and submitted for update based on the Open Enrollment dates of **September 15 through October 10, 2008**. Users will have additional time after the close of the Open Enrollment period for transaction input. All Open Enrollment ACES transactions must be completed by **October 21, 2008**.

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### Rescissions

CalPERS must receive the rescinding HBD-12 form by **December 1, 2008**, to avoid payroll deduction errors. Open Enrollment rescind requests received between December 1 and December 31, 2008 will be adjusted on the February 1, 2009 payroll.

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### Premium Adjustments

Despite everyone's best efforts, the **January 1, 2009**, pay warrants for some members may not reflect the proper premium payment due to unavoidable processing delays during Open Enrollment. If this happens, the premium payment will be adjusted during a subsequent pay period.

If a member's pay warrant **does not** reflect their 2008 Open Enrollment health plan change, the member should **not** continue to use their prior plan *after January 1, 2009*. 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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### Health Plan Identification Cards

Health plans will make every effort to ensure members who changed health plans receive their new identification cards prior to **January 1, 2009**. Members, who have not received identification cards for their new plan, should **not** continue to use their prior plan *after January 1, 2009*. Members should first contact the new health plan 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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## Open Enrollment Procedures, continued

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### Sequencing Transactions

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

**Example:**

An employee wants to add a newborn child effective November 1, 2008, and also make an Open Enrollment change effective January 1, 2009.

1. You must key in the newborn child first, and
2. Key in the Open Enrollment transaction the following day.

If you key in the Open 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 Open 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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### State Annuitant Contribution Formula for 2009 (100/90 Formula)

State annuitant contributions are used by some public agencies participating in the vesting schedule. The **2009 State** contributions for annuitants shown below are calculated based on the weighted average of the premiums for an employee or annuitant enrolled for self-alone in the Basic plan offering of the four health plans with the largest State enrollment excluding family members for the previous year. For comparison, the 2008 State contributions are also shown.

	<b>2008</b>	<b>2009</b>
<b>One Party</b>	\$471	\$478
<b>Two Party</b>	\$886	\$909
<b>Family</b>	\$1,129	\$1,167

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## Open Enrollment Procedures, continued

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### Health Plan Search by ZIP Code Web site Tool

The service area charts located in the *Health Program Guide* and the *Health Benefit Summary* indicate each health plan's general service area by county. To be eligible to enroll in a specific health plan, the employee or annuitant must live or currently work in the health plan's service area as specified in the service area chart.

By mid-August, the **Health Plan Search by ZIP Code** Web site tool will be available at [www.calpers.ca.gov](http://www.calpers.ca.gov). Employers with Internet access will be able to assist their employees by inputting the employee's work or home address ZIP Code and retrieving a list of health plans from which the employee can choose.

Agencies that do not have Internet access may call CalPERS at **888 CalPERS** (or **888-225-7377**) to determine whether a particular ZIP Code is included in a plan's service area and may order a hard copy of the CalPERS health plans associated ZIP Code listing.

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### Health Fairs

CalPERS has provided an Open Enrollment Health Fair reservation link on the CalPERS Web site at [www.calpers.ca.gov](http://www.calpers.ca.gov). Employers may request a health fair with the available health plans. Once your request is submitted, the health plan will contact you to confirm your health fair.

**Note:** A listing for each health plan representative is provided on **Attachment 3** for agencies who do not have Internet access.

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### Open Enrollment Poster

CalPERS is providing employers with a brightly colored Open Enrollment poster. The poster is approximately 17" X 20" and will be included in the boxes with your 2009 Open Enrollment publication packets that will be mailed on **August 24, 2008**.

The posters can be used as a tool to assist you in reminding employees of the upcoming CalPERS Open Enrollment period. The posters include information on Open Enrollment dates as well as what members can do during the CalPERS health benefits Open Enrollment timeframe.

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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,

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

Attachments