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Special:

Circular Letter

**TO: ALL PEMHCA CONTRACTING AGENCY HEALTH BENEFIT OFFICERS
AND ASSISTANT HEALTH BENEFIT OFFICERS**

**SUBJECT: CALPERS CONTRACTING AGENCY ADMINISTRATIVE FEE FOR
FISCAL YEAR 2009/2010 AND RESOLUTION PROCESS**

Administrative Fee for Fiscal Year 2009/2010

Effective July 1, 2009, the CalPERS Board of Administration set the Public Employees' Medical and Hospital Care Act (PEMHCA) administrative fee to 0.43 percent. The administrative fee is calculated on total active and total retired health premiums each month.

The upcoming August 2009 Health Premium Invoice will reflect the new administrative fee and a retroactive adjustment for July 2009. Both amounts (the new administrative fee and retroactive adjustment) will be reflected in one line item under the description "Administrative Costs."

Contracting Agency Resolution Change Process

Agencies wanting to change current resolutions based on new premiums, modified Memorandum of Understanding (MOUs), or legislation need to submit approved resolution changes by **November 9, 2009, at 5:00 p.m.** This will ensure an effective date of January 1, 2010. Resolutions submitted after November 30th may not be processed in time for a January 1, 2010 effective date.

Contracting Agency Termination Process

Contracting agencies may elect to terminate their participation in PEMHCA by filing a resolution passed by a majority vote of their governing body. The resolution must be filed no later than 60 days after the CalPERS Board approves the health premiums for the 2010 contract year. The resolution electing to terminate must be filed with:

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

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The deadline **for receipt of the resolution at CalPERS is August 17, 2009, at 5:00 p.m.**, and is irrevocable after the filing of the resolution. Terminations are effective on January 1, 2010, and the re-entry period to PEMHCA is five years from the termination date.

We look forward to continuing our partnership with you in 2010. If you have any questions regarding the information provided in this Circular Letter, please call our Employer Contact Center at **888** CalPERS (or **888-225-7377**).

Sincerely,

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