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Health Benefits

Circular Letter

June 25, 2020

Circular Letter: 600-030-20

Distribution: Special

To: All CalPERS Health Benefits Officers and Assistant Health Benefits Officers
Subject: Employer Notification Requirements on Premium Assistance Programs and Special Enrollment Opportunities

Purpose

The purpose of this Circular Letter is to inform all health benefits officers (HBO) and assistant HBOs of their responsibility to:

- Issue a notice to employees regarding premium assistance programs under their state's Medicaid and Children's Health Insurance Program (CHIP) to help certain individuals pay for their employer-sponsored health coverage
- Provide a special enrollment opportunity for those eligible for premium assistance under Medicaid or CHIP and not currently enrolled in an employer-sponsored health plan

Employer Notice

Effective immediately, employers are required to issue a notice regarding premium assistance under Medicaid and CHIP to employees who are eligible to enroll in a CalPERS health plan. The resource section below contains a link to a sample model notice. For ease of administration, we recommend use of the model notice.

The notice should be issued, along with the Health Benefits Plan Enrollment Form (CalPERS HBD-12) and *Summary of Benefits and Coverage Notice*, no later than the first day the employee is eligible to enroll in health coverage and annually thereafter, during open enrollment. The *Summary of Benefits and Coverage Notice* is updated annually and available on our website.

- The model notice provides information to individuals who are eligible for CalPERS health coverage on potential opportunities for premium assistance under Medicaid or CHIP in the state in which the employee resides. These premium assistance programs may help eligible employees pay for their CalPERS health coverage. The notice provides information on who to contact for additional information and how to apply for premium assistance.
- Employers may distribute the notice to employees by interoffice mail, first-class mail, or electronically. For electronic distribution, employees must use a computer as part of their daily, normal job function or have consented to electronic delivery in a manner that demonstrates they can effectively receive the notice via electronic delivery. Additionally, the notice must be provided to employees upon request.

Employee Responsibilities

Employees who are eligible for CalPERS health coverage, but not currently enrolled, qualify for a special enrollment opportunity when the following events occur:

- Employee or dependent becomes eligible for premium assistance under Medicaid or CHIP
- Employee or dependent, who is covered under Medicaid or CHIP, is terminated as a result of loss of eligibility for such coverage

Employees eligible for these special enrollment opportunities may enroll within 60 days of the qualifying event. The employee or annuitant may also request enrollment during open enrollment or request a 90-day late enrollment. Note the following:

- Employees must notify employer of eligibility for premium assistance under Medicaid or CHIP within 60 days of eligibility.
- Employees must notify employer of termination from premium assistance under Medicaid or CHIP as a result of loss of eligibility within 60 days of termination.
- Employees must submit a completed Health Benefits Plan Enrollment Form (CalPERS HBD-12) and all required supporting documentation.

Employer Responsibilities

Below is a list of additional HBO responsibilities to ensure documentation of eligibility is collected, validated, and retained:

- Obtain a copy of the completed Health Benefits Plan Enrollment Form (CalPERS HBD-12) and all required supporting documents.
- Obtain supporting documentation that indicates 1) the employee's Medicaid or CHIP coverage is terminated as a result of loss of eligibility for coverage, or 2) the employee

remains eligible for both Medicaid or CHIP coverage as well as enrollment in the employer plan and has qualified for premium assistance. Contact CalPERS to request enrollment once all required documentation is received.

Resources to Assist You

[Premium Assistance Under Medicaid and the Children's Health Insurance Program \(CHIP\) \(PDF\)](#)
[Health Insurance Premium Payment \(HIPP\) Program/Cost Avoidance](#)

Questions

We are committed to assisting you conduct business with the CalPERS Health Benefits Program. If you have questions, visit www.calpers.ca.gov or call the CalPERS Customer Contact Center at **888 CalPERS** (or **888-225-7377**).

Rob Jarzombek, Chief
Health Account Management Division