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Dear CalPERS Health Plan of the Redwoods Member:

As you already know, Health Plan of the Redwoods (HPR) will cease operating as a health plan as of October 31, 2002. This letter provides you with information regarding your transition to a new CalPERS health plan beginning November 1, 2002.

Please carefully read this letter and follow the instructions so that you will be moved to the CalPERS plan of your choice without any lapse in coverage. This letter contains important information about:

- Your special Open Enrollment period
- Your plan choices for November/December 2002 and all of 2003
- Determining which plans are available where you live or work
- Your new health plan premiums
- Continuing with your current physician or choosing a new physician
- Your option of automatic enrollment into Blue Shield or PERS Choice
- Getting help you need making the transition to your new health plan

1. Special Open Enrollment for HPR Members

Important! CalPERS will hold a special Open Enrollment period for HPR members from September 2 through September 30, 2002. During this special Open Enrollment, you will choose a plan for you and your family not only for November and December of 2002, but also for all of 2003. Once you choose your plan during this special Open Enrollment, you do not need to participate in the regular CalPERS Open Enrollment from September 3 through October 18. The regular Open Enrollment dates do not apply to HPR members this year.

2. Your Health Plan Choices

CalPERS HPR members who live in Lake, Marin, Mendocino or Sonoma Counties may choose to be automatically enrolled into Blue Shield of California. If you want to take advantage of automatic enrollment into Blue Shield, all you need to do is determine whether your current Primary Care Physician (PCP) will be available to you through Blue Shield. (Follow the instructions in #5 below.)

Depending on where you live or work, you may choose from all or some of the following Basic and Medicare plans:

- *Blue Shield of California* – Blue Shield's Access+ HMO will be available to HPR members in Marin and Sonoma Counties. Blue Shield offers an Exclusive Provider Organization (EPO) plan in Lake and Mendocino Counties. The EPO is similar to the HMO plan, including the same benefits and a restricted panel of providers, but EPO members aren't required to choose a PCP.
- *Kaiser* – HMO; available in Marin and Sonoma Counties. (*Note: Kaiser is not available to Medicare members in Sonoma County at this time.*)
- *PERSCare and PERS Choice* – Preferred Provider Organizations (PPOs); available nationwide.
- *Association plans* – Available to members of the California Association of Highway Patrolmen (CAHP), California Correctional Peace Officers Association (CCPOA), and Peace Officers Research Association of California (PORAC). The CAHP and PORAC plans are PPOs and available nationwide. The CCPOA plan is an HMO (provided through Health Net) available in selected California counties.

Important! Please review the *Health Benefit Summary* booklet in your Open Enrollment packet for 2003 benefit information for all CalPERS health plans. You may contact the plans directly for copies of their 2003 *Evidence of Coverage* booklets. (See page four of this letter for health plan phone numbers.)

You will receive your CalPERS Open Enrollment packet mailed to your home address by the end of August. It will contain the *Health Plan Decision Guide* and *Benefit Summary* booklets referred to throughout this letter.

3. Finding the Plans Available Where You Live or Work

You can find out which CalPERS health plans are available to you a number of ways:

- Look in the *Health Plan Decision Guide* booklet contained in your CalPERS Open Enrollment packet for 2003.
- Search for health plans by ZIP code on the CalPERS Web site (www.calpers.ca.gov).
- Call individual health plans in which you are interested to find out if they are available where you live or work.
- Contact your Health Benefits Officer (active employees) for information regarding the plans available where you live or work. Retirees should call the CalPERS Customer Contact Center at 1-800-352-2238.

4. Your New Health Plan Premiums

Premiums for your new plan for November and December will be at the 2002 rates (see the last page of this letter). Depending on your plan choice, your premiums may increase as of January 1, 2003. (See pages 6-7 of the *Health Plan Decision Guide* in your Open Enrollment packet for 2003 premiums.) You may also contact your Health Benefits Officer or CalPERS (1-800-352-2238 or www.calpers.ca.gov) for premium information.

Important! If you choose to enroll in a PPO plan (PERS Choice, PERSCare, CAHP or PORAC), you will be responsible not only for your share of the monthly premium, but also for an annual deductible and coinsurance for some services. Two deductibles will apply – one for 2002 (even though you will only be enrolled in the PPO for two months) and another for 2003.

5. Continuing with Your Current Physician or Choosing a New Physician

If you want to continue with your current Primary Care Physician (PCP), you need to contact your PCP's office to find out which plans he or she contracts with. You can also find out whether your doctor contracts with a specific plan by calling Member Services for that plan.

If your current physician doesn't contract with the new plan you've chosen and that plan is an HMO, you will have to choose a new PCP for yourself and all enrolled family members. Contact the health plan for assistance with choosing a new PCP, and be sure to verify that the physician you choose is accepting new patients. *Note:* CalPERS members who enroll in the Blue Shield EPO plan (Lake or Mendocino County) or any of the four PPO plans (PERS Choice, PERSCare, CAHP or PORAC) do not have to choose a PCP.

Important!

- HPR has provided Blue Shield with PCP information for all its current CalPERS members. If you choose automatic enrollment into Blue Shield (see #6 below), you will be assigned to your current PCP *if* he or she contracts with Blue Shield.
- If your current PCP doesn't contract with Blue Shield and you want to be automatically enrolled into Blue Shield, you must contact Blue Shield Member Services at 1-800-334-5847 or www.mylifepath.com/calpers no later than September 30 to inform Blue Shield of your Personal Physician (the Blue Shield term for PCP). Blue Shield can also assist you with finding a new Personal Physician.

6. Your Option of Automatic Enrollment in Blue Shield or PERS Choice

You have the option of automatic enrollment into Blue Shield or PERS Choice depending on where you live:

- If Blue Shield's HMO or EPO is available where you live and you wish to be enrolled in Blue Shield and your current PCP contracts with Blue Shield, *you do not need to do anything during the special Open Enrollment*. CalPERS will automatically enroll you in Blue Shield unless you choose another health plan during the special Open Enrollment.

Important! If your current PCP doesn't contract with Blue Shield, you must inform Blue Shield of your choice of Personal Physician. (See #5 above.) If you don't inform Blue Shield of your new PCP choice, Blue Shield will assign a personal physician to you and your family members.

- If Blue Shield is *not* available where you live and you wish to be enrolled in PERS Choice, *you do not need to do anything during the special Open Enrollment*. CalPERS will automatically enroll you in PERS Choice unless you choose another health plan.
- If you wish to enroll in a health plan other than Blue Shield or PERS Choice, you must complete and submit the appropriate form by September 30, either through your Health Benefits Officer (active employees) or CalPERS (retirees). Active employees use the *Health Benefits Plan Enrollment Form* (HBD-12), and retirees use the *Open Enrollment Change Request Form* (HBD-30). Retirees may mail the completed form (available in the *Health Plan Decision Guide*) to CalPERS, complete the form through the CalPERS Web site at www.calpers.ca.gov or call CalPERS (1-800-352-2238) to make the change by phone.

Important!

- Members who want to enroll in a health plan based on their work address must submit the appropriate form (HBD-12 for active employees; HBD-30 for retirees) along with a completed *CalPERS Employer ZIP Code Election* form by September 30. Members cannot be automatically enrolled into Blue Shield or PERS Choice based on a work address.
- Members who want to add dependents to their CalPERS health plan coverage cannot choose to be automatically enrolled into Blue Shield or PERS Choice. Members adding dependents must submit the appropriate change request for both transactions. Please contact your Health Benefits Officer (active employees) or CalPERS (retirees) for assistance.

7. Transition Help Readily Available

Be sure to carefully review the information and instructions in this letter. If you need help with this special Open Enrollment, contact any of the following resources:

- Member Services for the plan(s) available to you
- Your employer's Health Benefits Officer
- CalPERS Customer Contact Center at 1-800-352-2238 or on-line at www.calpers.ca.gov
- CalPERS Open Enrollment packet (for information about available plans, covered services and health plan premiums), which you'll receive during the last two weeks of August.

We know that it is unsettling to have to change health plans before the end of the year. However, CalPERS is working closely with HPR and our other plans to make this transition as easy as possible for members. We hope the information in this letter is helpful to you.

Sincerely,

Original signed 8/16/02

Tom Fischer, Chief
Health Benefit Services Division

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Useful Phone Numbers

- CalPERS Customer Contact Center: 1-800-352-2238
- Blue Shield of California: 1-800-334-5847
- CAHP: 1-800-734-2247
- CCPOA: 1-800-547-2968
- Kaiser Permanente: 1-800-464-4000
- PERSCare and PERS Choice (Blue Cross): 1-877-737-7776
- PORAC: 1-800-937-6722

2002 PREMIUMS

For comparison purposes, the current (2002) premiums for Health Plan of the Redwoods are as follows:

- Basic Plan: \$206.58 (employee only), \$413.16 (employee + one dependent) and \$537.11 (employee + two or more dependents)
- Medicare Plan: \$188.86 (employee only), \$377.72 (employee + one dependent) and \$566.58 (employee + two or more dependents)

Basic Plan Premiums for 2002

<i>Plan</i>	<i>Employee Only</i>	<i>Employee + 1 Dependent</i>	<i>Employee + 2 or More Dependents</i>
Blue Shield Access+ HMO	\$216.66	\$433.32	\$ 563.22
CAHP	\$258.46	\$512.70	\$ 671.17
CCPOA	\$203.98	\$469.15	\$ 571.13
Kaiser Permanente (CA)	\$210.17	\$420.34	\$ 546.44
PERS Choice	\$249.00	\$498.00	\$ 647.00
PERSCare	\$449.00	\$898.00	\$1,167.00
PORAC	\$299.00	\$550.00	\$ 699.00

Medicare Plan Premiums for 2002

<i>Plan</i>	<i>Employee Only</i>	<i>Employee + 1 Dependent</i>	<i>Employee + 2 or More Dependents</i>
Blue Shield Access+ HMO	\$260.85	\$521.70	\$782.55
CAHP	\$249.72	\$474.61	\$608.44
CCPOA	\$181.32	\$362.64	\$543.96
Kaiser Permanente (CA)	\$133.43	\$266.86	\$400.29
PERS Choice	\$295.00	\$590.00	\$885.00
PERSCare	\$321.00	\$642.00	\$963.00
PORAC	\$274.00	\$549.00	\$820.00

Employer Contribution Amounts for 2002

# Enrolled	State Employees	State Retirees	CSU Active & Retirees	CSU Active & Retirees (BU 6 only)	Public Agency Employees & Retirees
One	Contact your union	\$216	\$216	\$221	Contact employer
Two	Contact your union	\$411	\$411	\$421	Contact employer
Three+	Contact your union	\$525	\$525	\$545	Contact employer

Note: See the *Health Plan Decision Guide* in your Open Enrollment packet for 2003 premium amounts.