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Reference No.:
Circular Letter No.: 650-001-14
Distribution: IV, V, VI, X, XI, XVI
Special:

Circular Letter

January 6, 2014

TO: **ALL HEALTH BENEFIT OFFICERS AND ASSISTANT HEALTH BENEFIT OFFICERS**

SUBJECT: **NEW DEPENDENT ELIGIBILITY VERIFICATION RE-ENROLLMENT REASON CODE**

This Circular Letter is to inform you of the release of a new reason code created specifically for the Dependent Eligibility Verification (DEV) project. This new reason code in my|CalPERS will be available for Health Benefit Officers (HBOs) to re-enroll dependents who were previously disenrolled during their verification cycle due to incomplete verification but who had their documentation submitted to the subscriber's employer **after** the conclusion of that cycle.

Background
On February 26, 2013, you received Circular Letter 600-009-13 informing you of the commencement of the DEV project and providing you with instructions regarding disenrollment and new reason codes associated with the project. As mentioned, CalPERS has teamed with HMS Employer Solutions (HMS) to implement the DEV project to help manage overall health plan costs.

This project is being implemented in nine cycles. If you have not yet received an email notification from HMS, it is probably because your agency's cycle has not yet begun. You will be contacted via email when your specific verification cycle starts. Prior to that, HMS will offer training webinars to educate you on the verification process and the support that will be available to you throughout the verification period. At the end of your agency's cycle, you will be instructed to download HMS reports and disenroll identified ineligible dependents due to incomplete verification.

New Re-Enrollment Reason Code
To facilitate re-enrollments for dependents previously disenrolled under the "Dependent Eligibility Verification" reason code (RC 327), we developed a new re-enrollment reason code, "Dependent Eligibility Verification Re-Enrollment" (RC 219). This reason code will become available on January 26, 2014. If a subscriber submits appropriate documentation to verify a dependent's eligibility for health benefits **after** your cycle has

concluded, you must use this code to have the dependent(s) added back on to the health plan. *Note: Do **not** use this reason code if your cycle has not yet begun or is still in progress.*

Re-enrollments under this new reason code are processed on a prospective basis, and are available only for dependents disenrolled from your agency's **verification cycle** under the "Dependent Eligibility Verification" reason code (RC 327). Do not process re-enrollments for subscribers who have not submitted appropriate documentation to verify dependent eligibility.

Moving Forward
We recommend that as the employer, you continue to require the appropriate documentation from subscribers prior to enrolling dependents on to their health plans. For your reference, you may review the different types of supporting documentation utilized during the DEV project on CalPERS On-Line.

Other DEV Reason Codes

- Code 326 (Amnesty Disenrollment) — No longer available. HBOs used the "Amnesty Disenrollment" code when members requested ineligible dependent disenrollment. This reason code was available through June 30, 2013.

- Code 327 (Dependent Eligibility Verification) — Available to delete ineligible dependents identified during your verification cycle. This reason code is available July 1, 2013 through June 30, 2015.

- Code 173 (COBRA Dependent Eligibility Verification) — Available for members who request COBRA coverage for dependents who are disenrolled during the amnesty or verification periods.

Thank you for your assistance and cooperation. If you have any questions, please contact us at DEVProject@CalPERS.ca.gov.

For more information about the DEV project and to read FAQs, please visit the Dependent Eligibility Verification Project page of CalPERS On-Line.

Douglas P. McKeever, Chief
Health Policy Research Division

Government Code section 20128 of the California Public Employees' Retirement Law grants CalPERS the authority to require information it deems necessary to determine a member or beneficiary's entitlement to benefits.