

PROPOSED REGULATORY ACTION BY CALPERS
Amend §§ 599.500, 599.501, 599.502, 599.503, 599.506, 599.508, and 599.516
Title 2 of the California Code of Regulations (CCR)

Proposed Amendment to CCR 599.500, subdivision (p)

- (p) "Disabled child," means a child, as described in GC section 22775 and section 599.500, subdivision (n) or (o), who at the time of attaining age 26, is incapable of self-support because of a physical or mental disability which existed continuously from a date prior to attainment of age 26 and who is enrolled pursuant to section 599.501, subdivisions ~~(f)~~(d) and ~~(g)~~(e), until termination of such incapacity.

Proposed Amendments to CCR 599.501, subdivision (b)

- (b) Employees in the following groups are not eligible:
- (1) Employees serving under:
 - (A) Intermittent appointments except where employment is on a permanent basis.
 - (B) Appointments to positions for which contributions are made by the employer to health and welfare programs providing prepaid hospital and medical care in accordance with Sections 14876 and 19831 18853.5 of the GC, ~~or Section 1705.5 of the Harbors and Navigation Code~~, or other similar provisions or appointments to positions for which salary payment is made in lieu of payment to health and welfare programs providing prepaid hospital and medical care; or
 - ...
 - (4) Blind persons and other ~~physically handicapped~~ persons with disabilities employed by the California Industries for the Blind, or in opportunity centers for the blind by the Department of Education who are not civil service employees.
 - ...
 - (8) Employees of a contracting agency who are not members of the Public Employees' Retirement System or the State Teachers' Retirement System, except those employees defined in Government Code section 22772(a) (2).

Proposed Deletion of CCR 599.501, subdivision (c)

- ~~(c) Annuitant whose monthly allowance is insufficient to pay withholdings required under the lowest cost plan available is not eligible.~~

Proposed Amendment to CCR 599.501, subdivision (d)

- ~~(d)~~ (c) Annuitants whose effective date of retirement is more than 120 days after their date of separation from employment are not eligible.

Proposed Deletion of CCR 599.501, subdivision (e)

- ~~(e) Annuitants who were not enrolled at the time of separation from employment are not eligible.~~

Proposed Amendment to CCR 599.501, subdivision (f)

~~(f)~~ (d) A disabled child as described in section 599.500, subdivision (p), who is age 26 or over is to be enrolled at the time of the initial enrollment of the employee or annuitant provided that satisfactory evidence of such disability is filed with the Board within 60 days of the initial enrollment.

Proposed Amendment to CCR 599.501, subdivision (g)

~~(g)~~ (e) A disabled child, as described in section 599.500, subdivision (p), who attains age 26 is to be continued in enrollment if he or she is enrolled at the time he or she attains age 26, provided that satisfactory evidence of such disability is filed with the Board during the period commencing ~~60~~ 90 days before and ending 60 days after the child's 26th birthday.

Proposed Amendment to CCR 599.501, subdivision (h)

~~(h)~~ (f) The Board shall make determinations of the applicability of this section to specific employees or annuitants, or groups of employees or annuitants.

Proposed Deletion of CCR 599.501, subdivision (i)

~~(i) A family member who is not acceptable for enrollment under the underwriting standards of the carrier where application for enrollment is under Section 599.502(c) or (f)(1)(B) is ineligible to be enrolled except during an open enrollment period.~~

Proposed Amendment of CCR 599.502, subdivision (a)

(a) Type of Enrollment.

...

(5) A plan shall not be liable for benefits for a family member, other than as provided in Sections 599.502 ~~(f)~~(e)(1)(E) and 599.503 ~~(d)~~(c), nor shall an employee or annuitant be obligated for an increased premium or charge because of such member unless he or she has been included by name in the employee's or annuitant's enrollment.

(6) Upon discovery that a family member required to be enrolled has not been so included, except as provided in 599.502 ~~(f)~~(e)(1)(E) and 599.503 ~~(d)~~(c), the employee or annuitant shall be given notice that all coverage of family members will cease on the last day of the following month unless he or she has changed his or her enrollment to include such family members prior to the cessation of such coverage.

Proposed Deletion of CCR 599.502, subdivision (c)

~~(c) Health Statement Enrollment:~~

~~An eligible employee may enroll at any time while in an employment in which he or she was eligible to but did not enroll at the time specified in this subsection, and an eligible annuitant may enroll if at the time of enrollment he or she presents a certification from the carrier of the plan that his or her enrollment is acceptable under the underwriting standards of the carrier.~~

Proposed Amendments to CCR 599.502, subdivision (d)

~~(d)~~(c) Re-enrollment:

...

Proposed Amendments to CCR 599.502, subdivision (e)

~~(e)~~(d) The Board will, at least once every three years, provide every employee and annuitant previously enrolled or eligible to enroll or continue enrollment an opportunity for enrollment, and every enrolled employee and annuitant an opportunity for change of enrollment, on such terms and conditions as it may prescribe.

Proposed Amendments to CCR 599.502, subdivision (f)

~~(f)~~(e) Change of Enrollment.

...

(1)(D) A family member who is a child who has attained the age of 18 and who is not enrolled may not be enrolled except upon return from military service as provided in Section 599.502~~(f)~~(e)(2), or pursuant to the carrier's certification of acceptability under underwriting standards, or during an open enrollment period.

...

(9) For purposes of this subsection ~~(f)~~(e) and subsection (a) of this section, a change in custody of a child, whether or not accompanied by a change in economic dependency, at the option of the enrolled employee or employees may be considered to terminate or begin eligibility of the child as a family member of the employee or employees affected by the change in custody.

...

(13) Enrollment of any person in a supplemental plan may not be changed to enrollment in a basic plan unless there is an involuntary termination of Medicare benefits or as provided in subdivision ~~(f)~~(e)(6)(E) of this section.

Proposed Amendment to CCR 599.502, subdivision (g)

~~(g)~~(f) Multiple Enrollment.

...

Proposed Amendment to CCR 599.502, subdivision (h)

~~(h)~~(g) Late Enrollment or Change of Enrollment. Upon a determination by the Board or the Executive Officer that an employee or annuitant was unable, for cause beyond his or her control, to enroll or to change enrollment within the time limits prescribed by this subchapter, the Board shall accept his or her enrollment or change of enrollment provided he or she enrolls or changes enrollment within 31 days after he or she is first able to do so.

Proposed Amendment to CCR 599.502, subdivision (i)

~~(i)~~(h) Procedure. The employing office will afford each eligible employee and annuitant an opportunity to enroll or to register not to enroll during such times as his enrollment is authorized under these rules by supplying the necessary information relating to available plans and by assisting in the completion of a health benefits plan enrollment form. The employing office will forward all such forms properly completed to the Board's Health Benefits Division.

Proposed Deletion of CCR 599.503, subdivision (c)

~~(c) Effective Date of Enrollment by Certification of Acceptability. The effective date of enrollment, re-enrollment or change of enrollment for an employee or annuitant with respect to whom a certification of acceptability is received by his or her employing office shall be the first day of the following month subject to deferral under subdivision (b) of this section.~~

Proposed Amendment to CCR 599.503, subdivision (d)

~~(d)~~(c) Effective Date of Enrollment of a Newborn Child or Adopted Child of Employee or Annuitant Enrolled for Self and One or More Family Members. Notwithstanding the effective date of enrollment as otherwise specified in this section, and without requirement of any prior enrolling action, enrollment of a newborn child or adopted child of an employee or annuitant who has enrolled family members shall be effective on the date of birth or the date physical custody is obtained, and any increase in premium because of the addition of such family member shall be effective on the first of the following month.

Proposed Amendment to CCR 599.503, subdivision (e)

~~(e)~~(d) Effective Date of Enrollment of an Annuitant on Approval of Retirement. The effective date of enrollment of an annuitant under Section 599.502~~(d)~~(c)(3) is the first of the month following the month in which retirement is approved, but in no event earlier than the first day of the month following the effective date of retirement.

Proposed Amendment to CCR 599.503, subdivision (f)

~~(f)~~(e) Effective Date of Enrollment of an Eligible Family Member (other than an adopted or newborn child). The effective date of a change of enrollment adding an eligible family member, other than an adopted or a newborn child, shall be the first of the month following the date the Health Benefits Plan Enrollment Form is received in the employing office. Enrollment of an eligible family member may not be earlier than the first day of the month following the acquisition of the family member.

Proposed Amendment to CCR 599.503, subdivision (g)

~~(g)~~(f) Contracting Agency Employees and Annuitants. Enrollments of a contracting agency's employees and annuitants which are received in the office of the Board on or before the last day of the month immediately preceding the effective date of such agency participation.

Proposed Amendment to CCR 599.503, subdivision (h)

~~(h)~~(g) Effective Date of Enrollment of a Newborn Child or Adopted Child of an Employee or Annuitant Enrolled for Self Only. The effective date of enrollment of a newborn or adopted child of an employee or annuitant enrolled for self only shall be the first day of the month following the date of birth or the date physical custody is obtained. Any premium increase resulting from the enrollment of such child shall be due from the effective date of enrollment.

Proposed Amendment to CCR 599.503, subdivision (i)

~~(i)~~(h) Effective Date in Open Enrollment Period. The effective date of enrollment in special or limited open enrollment period shall be fixed by the Board in its action providing such open enrollment period.

Proposed Amendment to CCR 599.506, subdivision (c)

(c) The coverage of a family member under an employee's or annuitant's enrollment ceases at midnight of the earliest of the following dates, unless he or she is eligible to enroll as an employee, in which case, if he or she enrolls within 60 calendar days after said date, his or her enrollment continues under the plan in which he or she enrolls:

(1) The last day of the month in which he or she ceases to be a family member, or to be eligible for enrollment as a family member. The enrollment of an employee or annuitant shall not be changed by such termination of coverage, and his or her contribution shall continue unchanged until he or she changes enrollment in the manner and at the time provided under Section 599.502~~(f)~~(e)(2) or until an administrative document is processed. However, payment by the carrier of any difference between the premium paid between the date of termination of coverage and the effective date of the change in enrollment, and that which would have been paid had the change in enrollment been effective on the date of termination of coverage, shall not exceed those excess premiums paid for a period of up to six months prior to the date on which the action is processed and recorded, pursuant to the employee's or annuitant's request for retroactive cancellation or deletion of the ineligible family member. Payment shall be made to the employer or the enrolled employee or annuitant as their interests appear and, in such manner, as may be directed by the Executive Officer of the Board.

(2) The day the employee or annuitant ceases to be enrolled, unless the family member continues to be enrolled as a surviving annuitant under the provisions of Section 599.502~~(f)~~(e)~~(7)~~(8).

Proposed Amendment to CCR 599.516, subdivision (h)

(h) A Medicare Part B Penalty Reimbursement Program participant who fails to maintain Medicare Part B coverage, including due to a failure to timely pay the Part B premium and all penalties that are the responsibility of the participant, will not be eligible to re-enroll in a basic plan and may be required to reimburse the Part B penalties previously paid on his or her behalf. Termination of Medicare coverage for failure to pay the Part B premiums shall not constitute an involuntary termination of Medicare benefits under section 599.502~~(f)~~(e)~~(12)~~(13). In the event that the annuitant later re-enrolls in Part B, he or she will not be eligible to re-enroll in the program unless it is determined that there would be cost savings. Penalties and costs associated with lapse or cancellation of, and subsequent re-enrollment in, Part B of Medicare will not be reimbursed.