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Circular Letter

August 12, 2013

TO: **ALL CALPERS HEALTH BENEFITS OFFICERS AND ASSISTANT HEALTH BENEFITS OFFICERS**

SUBJECT: **2013 OPEN ENROLLMENT AND HEALTH BENEFITS INFORMATION**

Open Enrollment

The Open Enrollment period is from **September 16, 2013,** through **October 11, 2013**. The effective date of all Open Enrollment transactions is **January 1, 2014.**

Circular Letter Summary

Below is a summary of the sections provided in this 2013 Open Enrollment and Health Benefits Information Circular Letter.

Section	Description
Health Program Highlights	The Health Program Highlights section provides important details regarding Open Enrollment, 2014 health plans and rates.
Open Enrollment Communication	The Open Enrollment communication section describes the various communication released to employees.
Employer Responsibilities	The Employer Responsibilities section outlines your responsibilities. Please pay particular attention to the area that outlines the documentation that is required to add/delete a dependent. As the employer, you have a fiduciary responsibility to manage the CalPERS Health Program by ensuring that only eligible employees and their dependents are covered.

Open Enrollment Message Line

We created a Message Line for Open Enrollment this year, specifically for our Open Enrollment communication:

2014 Health Open Enrollment
More health plans…more choices.
Make the choice that's right for you.

You will see this message line threaded throughout our Open Enrollment communication material. It is intended to capture the reader's attention and encourage them to further research their health plan options.

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2013 Open Enrollment and Health Benefits Information, Continued

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Please refer to the material in this Circular Letter, to provide information to your employees about more options and choices for Open Enrollment.

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Health Program Highlights

Approved Health Plans

We expanded our list of Health Maintenance Organization (HMO) plan providers to provide more options for our members to choose from.

Health Maintenance Organization (HMO) Basic Health Plans

- Anthem Blue Cross
- Blue Shield of California
- Health Net of California
- Kaiser Permanente
- Sharp Health Plan
- UnitedHealthcare
- California Correctional Peace Officers Association (CCPOA)[1]

Exclusive Provider Organization (EPO) Health Plan

- Blue Shield EPO (serves Colusa, Mendocino, and Sierra counties)

Preferred Provider Organization (PPO) Basic Health Plans

- PERS Select
- PERS Choice
- PERSCare
- California Association of Highway Patrolmen (CAHP)[1]
- Peace Officers Research Association of California (PORAC)[1]

[1]Members must belong to the specific association and pay dues in order to enroll in any of the association plans.

2014 Health Program Highlights

The following are general health program highlights for 2014.

CalPERS PPO and HMO plans will add coverage for the related aspects of gender reassignment surgery. Our PPO health plans PERS Select, PERS Choice, PERSCare, will add:

- Dental services for cleft lips or palates
- Coverage for medically necessary Applied Behavior Analysis Therapy
- A Specialty Preferred Drug Strategy to encourage the use of certain categories of lower cost, clinically appropriate prescription drugs where feasible

The above coverage is currently included in CalPERS HMO health plans. You may refer to the health plan's Evidence of Coverage booklets for more specific health plan information.

Additional information will be available online on **August 16, 2013**. Visit CalPERS On-Line at **www.calpers.ca.gov** and select the Employers tab. Next choose Benefit Programs & Contracting Services, then Health Benefits Program, and finally 2014 Health Plan Information.

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Health Program Highlights, Continued

2014 Health Plan Names and Plan Codes

CalPERS added four HMOs to its program for 2014, expanding its list of HMO plan providers to six. With this expansion, we took the opportunity to change the existing plan names in our system, to accurately describe the type of plan. This system update will provide clarity to you and your employees.

The updated plan names for the existing plans are now viewable and available to select when processing transactions in my|CalPERS.

The 2014 health plan names and the updated existing plan names will reflect in the Open Enrollment packets mailed to enrolled employees on **August 19, 2013** and **August 26, 2013**. You can select the 2014 health plans when processing Open Enrollment transactions in my|CalPERS beginning **September 16, 2013**.

For additional information and to view the plan names and plan codes, please refer to our 2014 Health Plan Names and Codes Circular Letters:

- 600-042-13 State and CSU Agencies
- 600-048-13 Contracting Agencies and Schools

2014 Health Plan Rates

For information about the 2014 health plan rates and the 2014 Consolidated Omnibus Budget Reconciliation Act (COBRA) monthly premium rates, visit CalPERS On-Line at **www.calpers.ca.gov** and select the Employers tab. Next choose Benefit Programs & Contracting Services, then Health Benefits Program, and finally 2014 Health Plan Information. This information will be available online on **August 16, 2013**.

2014 State Annuitant Contribution 100/90 Formula

California Government Code 22871 sets the State contributions for annuitants. The amount is equal to 100 percent of the weighted average of the premiums in the four Basic health plans with the largest State enrollment for the previous benefit year. This is measured by enrollments of state active and retired members in the Basic plans.

Below is a comparison chart for the 2013 and 2014 State contributions:

Party Type	2013	2014
One Party	$622	$642
Two Party	$1,183	$1,218
Family	$1,515	$1,559

2014 State Employer Contribution

Collective bargaining unit agreements determine State employer contributions for health care. Please refer to the California Department of Human Resources website at **www.calhr.ca.gov** for specific employer contribution amounts.

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Open Enrollment Communications

Open Enrollment Packets

Open Enrollment packets will be mailed to enrolled employees on **August 19, 2013** and **August 26, 2013**. The Open Enrollment packet will include:

- **Open Enrollment News** – provides information about this year's Open Enrollment period, as well as highlights of the 2014 health benefit design changes.
- **CalPERS 2014 Health Plan Summary** – lists the health plans available by county, and provides health plan telephone numbers and website addresses.
- **Health Plan Statement** – identifies the health plan in which the employee and the employee's family members are enrolled in as of July 1, 2013.
- **Rate Sheet** – informs the employee of available health plans and rates based on their eligibility ZIP Code.
- **Postcard** – allows employees to order the *2014 Health Benefit Summary*, *Health Program Guide*, and the *CalPERS Medicare Enrollment Guide*.

Employees enrolled in a CalPERS health plan after **July 1, 2013**, will not receive an Open Enrollment packet. New employees or subscribers who did not receive an Open Enrollment packet may obtain the Open Enrollment publications from you. They can also visit CalPERS On-Line at **www.calpers.ca.gov**. This information will be available online on **August 16, 2013**. Select the Members tab. Next choose Health Benefits and finally 2013 Health Plan Information.

Publication Requests

Employees may request health publications by using the prepaid postcard included in the Open Enrollment Packet. Postcards must be postmarked no later than **September 25, 2013**. Requested materials will be mailed within two weeks. The postcard should be used to request any of the following:

- ***2014 Health Benefit Summary*** – Provides valuable information to help make an informed choice about a health plan; compares benefits, covered services, and co-payment information for all CalPERS health plans.
- ***Health Program Guide*** – Describes Basic and Medicare health plan eligibility and enrollment requirements, and explains when and how employees can make health plan change.
- ***CalPERS Medicare Enrollment Guide*** – Provides information about how Medicare works with CalPERS health benefits, including when to enroll in a CalPERS Medicare health plan.

On **August 16, 2013**, the publications will be available to view and print on CalPERS On-Line at **www.calpers.ca.gov**.

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Open Enrollment Communications, Continued

Available Online Resources

To help your employees choose a health plan, the following resources are available on CalPERS On-Line at **www.calpers.ca.gov**.

Health Plan Search by ZIP Code
The Health Plan Search by ZIP Code is an online tool that identifies which plans are available in the ZIP Code area. Enter the ZIP Code of the residential or work address, select the Member tab, and then Search to view the results.

Health Plan Chooser
The online Health Plan Chooser helps employees compare the features and estimated out-of-pocket costs for each plan, search for doctors, and compare and rank plans based on personal preferences. Complete the Chooser's five steps, and the Chooser provides a Results Summary chart highlighting the plan (s) rated as the best fit in each category.

Web Video: Presenting the 2014 CalPERS Health Plans

CalPERS offers an on-demand video that provides information from expert health plan representatives. Also included with this video are downloadable materials for the 2014 health plans. The video will be available on CalPERS On-Line at **www.calpers.ca.gov** for you and your employees in early September.

Please refer to our Web Videos: Presenting the 2014 CalPERS Health Plans Circular Letter 600-043-13 released on **July 19, 2013**, for additional information.

Employer Reports

The Employer Reports will be mailed by **August 21, 2013**. This report will provide you a listing of Open Enrollment Packets mailed to employees associated with your Employer CalPERS ID. The following employee information will be listed:

- First name, middle initial, and last name
- Address (according to CalPERS records)
- Current health plan and eligibility ZIP Code

An asterisk identifies Open Enrollment Packets returned with an undeliverable address by the United States Postal Service. Changes submitted after **July 1, 2013**, will not be reflected on this report.

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Open Enrollment Communications, Continued

Undeliverable Health Plan Statements

Health Plan Statements returned with an undeliverable address by the United States Postal Service will be forwarded to you by **September 28, 2013**. Below are instructions for processing undeliverable Health Plan Statements:

State and CSU Agencies

1. Provide the Health Plan Statement and ***Member Change of Address Form*** to the employee.
2. Receive a completed ***Member Change of Address Form*** from the employee.
3. Contact the State Controller's Office (SCO) to update the employee's new address. The SCO address is considered the address of record and is used to update CalPERS records.

Contracting Agencies and Schools

1. Provide the Health Plan Statement and ***Member Change of Address Form*** to the employee.
2. Employee submits the ***Member Change of Address Form*** to update their CalPERS address through their employer.
3. Employer updates the employee's address within my|CalPERS.

Statements that cannot be distributed (e.g., member has permanently separated and did not leave a forwarding address) should be sent for certified destruction to CalPERS at the following address:

CalPERS
Health Account Services
Attn: Undeliverable Health Plan Statements
P.O. Box 942715
Sacramento, CA 94229-2715

Retirees should contact CalPERS through my|CalPERS online at **my.calpers.ca.gov** or by calling us at **888 CalPERS** (or **888**-225-7377) to update their address or to request a 2013 Health Plan Statement.

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Open Enrollment Communications, Continued

Employer Resources

On **August 21, 2013** and **August 27, 2013**, CalPERS will mail you a supply of Open Enrollment publication packets equivalent to two percent of your agency's enrolled employees. Please use these publications to distribute to the following groups of employees:

- New hires
- Employees who are eligible for health benefits, but who are not currently enrolled in a health plan
- All health enrollments or address changes recorded after **July 1, 2013**

Open Enrollment and Health Plan Chooser posters are included with the Open Enrollment packets. Posters should be displayed in your personnel office and common work areas.

You can access additional publication packets on CalPERS On-Line at **www.calpers.ca.gov**. Select the Members tab. Next choose Health Benefits and finally 2013 Health Plan Information. This information will be available online on **August 16, 2013**.

Employer Responsibilities

Submitting Transactions

All health enrollment transactions should be submitted timely through my|CalPERS online at **my.calpers.ca.gov**. Early submission will ensure timely processing of health plan identification cards and proper payroll deductions.

- All transactions must be entered based on the Open Enrollment dates of **September 16** through **October 11, 2013**.
- The deadline for processing all Open Enrollment transactions is **November 1, 2013**.

If you have any questions, contact the CalPERS Customer Contact Center at **888 CalPERS** (or **888**-225-7377).

Supporting Documentation

As the employer, you have a fiduciary responsibility to manage the CalPERS Health Program by ensuring that only eligible employees and their dependents are covered. Employers (for active members) and CalPERS (for retired members) requests and maintains records of all supporting documentation that determines the eligibility of enrolled dependents. At the time of the enrollment or at any time thereafter, you have the right to request additional supporting documentation needed to verify a dependent's eligibility.

To find a list of eligible dependent types and for additional information, please refer to our Required Health Enrollment Documents Circular Letter 600-045-12 released on **October 18, 2012**.

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Employer Responsibilities, Continued

Completing the Health Benefits Plan Enrollment Form

Use the guide below to complete the Health Benefits Plan Enrollment form:

Box	Reason Code	Description
14	104	New Enrollment during Open Enrollment
14	206	Adding Dependent during Open Enrollment
14	320	Open Enrollment Delete Dependent
14	400	Changing Plans during Open Enrollment
14	503	Enrolled in Flex Elect – Cancel Coverage
14	530	Open Enrollment Cancel Coverage
15	Event Date	September 16 – October 11, 2013
16	Effective Date	January 1, 2014
17	Basic Plan	List all persons to be enrolled in the health plan, including dependent SSNs
21	Employee Sign Date	September 16 – October 11, 2013 (include employee's daytime phone number)
33	Employer Received Date	September 16 – October 11, 2013

Rescind Transactions

In my|CalPERS, you have the ability to rescind health transactions when the effective date of the transaction occurs in the future. For example, prior to the January 1, 2014 effective date, if an employee decides they no longer want to change health plans, you may rescind the transaction within my|CalPERS. Employees cannot select another health plan, but can rescind the Open Enrollment change and return to the original health plan.

To avoid payroll deduction errors, the rescind transaction must be updated online through my|CalPERS at **my.calpers.ca.gov** prior to the December 2013 payroll cut-off date. Open Enrollment transactions rescinded after the December payroll cut-off date will be adjusted on the February 1, 2014 warrant.

Health Premium Adjustments

Despite everyone's best efforts, the January 1, 2014, pay warrants for some employees may not reflect the proper premium payment due to unavoidable processing delays during Open Enrollment. If this happens, the premium payment will be adjusted during a subsequent pay period.

If an employee's pay warrant does **not** reflect their 2013 Open Enrollment health plan change, advise the employee to **discontinue** using their prior plan after January 1, 2014. You must verify that my|CalPERS reflects the appropriate enrollment and advise the employee that the payroll discrepancy will be resolved by the first of the following month.

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Employer Responsibilities, Continued

Employees on Leave of Absence

Employees on a leave of absence during the Open Enrollment period may change plans and add/delete dependents. Employees who do not change plans and add/delete dependents during the Open Enrollment period, may do so within 60 days from the date they return to regular pay status.

Consolidated Omnibus Budget Reconciliation Act (COBRA)

Former employees or their dependents that are eligible for COBRA continuation coverage may change health plans and add/delete eligible dependents during Open Enrollment. Former employees or their dependents enrolled in COBRA as of **July 1, 2013**, will receive an Open Enrollment Packet. You are required to:

- Provide the former employee ***a Group Continuation Coverage*** form.
- Process transaction online through my|CalPERS at **my.calpers.ca.gov**.
- Comply with the effective date rules for completion of the ***Group Continuation Coverage*** form which are the same as those for the ***Health Benefits Plan Enrollment*** form.
- Notify the former employee that premium payments must be sent directly to the health plan, not CalPERS.

Retiree Enrollment Changes

Retirees may make changes to their health plans during Open Enrollment:

- Through my|CalPERS at **my.calpers.ca.gov**
- By requesting a change in writing and mailing the request to:
  CalPERS Health Account Services
  P.O. Box 942715
  Sacramento, CA 94229–2715
- Or by calling us toll free at **888 CalPERS** (or **888**-225-7377)

Retirees of the Judges' & Legislators' Retirement Systems (JLRS) may make changes to their health plans during Open Enrollment:

- Through my|CalPERS at **my.calpers.ca.gov**
- By requesting a change in writing and mailing the request to:
  CalPERS **JLRS**
  P.O. Box 942705
  Sacramento, CA 94229-2705
- By requesting a change in writing and faxing the request to (916) 795-1500
- Or by calling us toll free at **888 CalPERS** (or **888**-225-7377)

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Employer Responsibilities, Continued

Questions If you have any questions about the information provided in this Circular Letter, please contact the CalPERS Customer Contact Center at **888 CalPERS** (or **888**-225-7377).

KAREN DeFRANK, Chief
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