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Circular Letter

August 11, 2015

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

SUBJECT: 2015 OPEN ENROLLMENT AND HEALTH BENEFITS INFORMATION

Open Enrollment

The Open Enrollment period is from **September 14, 2015**, through **October 9, 2015**. The effective date of all Open Enrollment transactions is **January 1, 2016**.

Circular Letter Summary

Below is a summary of this Circular Letter:

Section	Description
Health Program Highlights	Provides details regarding 2016 approved health plans and monthly premium rates.
Open Enrollment Communication	Describes the various communications and online resources available for employees.
Employer Responsibilities	Outlines your responsibilities for processing transactions and providing assistance to your employees during Open Enrollment.

Open Enrollment Message Line

Our 2015 Message Line for Open Enrollment Communication this year is:

Know Your Choices
 CalPERS Health Open Enrollment
 Annual Open Enrollment Starts September 14 and ends October 9

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

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2015 Open Enrollment and Health Benefits Information, Continued

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Health Program Highlights

Approved Health Plans

CalPERS offers the following health plans:

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

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

Exclusive Provider Organization (EPO) Health Plan

- Anthem Blue Cross EPO (Monterey, and Del Norte counties)
- Blue Shield EPO (serves Colusa, Mendocino, and Sierra counties)

¹Members must belong to the specific association and pay dues in order to enroll in an association plan.

2016 Health Program Highlights

To view the 2016 health program highlights, refer to the CalPERS Pension and Health Benefits Committee news release, dated June 16, 2015.

Information regarding the 2016 Health Benefit Changes will be available on the CalPERS website at www.calpers.ca.gov beginning **August 17, 2015**. You can access this information by selecting the Open Enrollment button on the homepage.

2016 Monthly Premium Rates

The 2016 health plan monthly premium rates and the 2016 Consolidated Omnibus Budget Reconciliation Act (COBRA) monthly premium rates are available on the CalPERS website at www.calpers.ca.gov.

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Health Program Highlights, Continued

2016 State Benefits Calculator

The California Department of Human Resources (CalHR) website provides a benefits calculator for state employees to calculate their 2016 out-of-pocket health benefit costs based on their bargaining unit and employer contribution.

Direct your employees to the CalHR website at www.calhr.ca.gov, where they can type "Benefits Calculator" in the search field to compare premiums for different plans and see how much will be deducted from or added to their paycheck based on their plan selection.

2016 State Contribution 100/90 Formula

California Government Code 22871 sets the state health coverage contributions for retired employees (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 2015 and 2016 state contributions:

Party Type	2015	2016
Single	\$655	\$705
Two Party	\$1,246	\$1,343
Family	\$1,605	\$1,727

Open Enrollment Communications

Open Enrollment Packets

Open Enrollment packets will be mailed on **August 17, 2015** and **August 24, 2015** to the following:

- Employees enrolled in health coverage as of July 1, 2015, and
- Former employees or their dependents that are eligible for COBRA continuation coverage

The Open Enrollment packet will include:

- **Open Enrollment Newsletter** – Provides information about this year's Open Enrollment period and highlights of the 2016 health benefit design changes.
 - **Annual Health Plan Statement** – Identifies the health plan in which the employee and the employee's family members are enrolled in as of July 1, 2015.
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Open Enrollment Communications, Continued

Open Enrollment Packets, continued

- **Health Plan Premium Rate Sheet** – Informs the employee of available health plans, their current 2015 monthly premium rates, and 2016 monthly premium rates if they remain in their current health plan, based on their eligibility ZIP Code.
- **Publication Request Postcard** – Allows employees to order the *2016 Health Benefit Summary*, *Health Program Guide*, and the *CalPERS Medicare Enrollment Guide*.

Employees can also obtain Open Enrollment information on the CalPERS website at www.calpers.ca.gov beginning **August 17, 2015**. Select the Open Enrollment button on the home page.

Publication Requests

Employees can view and print health publications online at www.calpers.ca.gov or may obtain health publications by returning the prepaid postcard included in the Open Enrollment Packet. In order to receive the publications prior to the end of Open Enrollment, the postcards must be postmarked no later than **September 17, 2015**. Requested materials will be mailed within two weeks.

Employees may go online or use the postcard to request the following:

- **2016 Health Benefit Summary** – An annual publication that provides valuable information to help make an informed choice about a health plan and 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 a 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.
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Available Resources on the CalPERS Website

The following resources are available on the Open Enrollment page at www.calpers.ca.gov to help your employees choose a health plan.

- **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. The employee enters the ZIP Code of the residential or work address, selects the appropriate Member Category, and then selects Search to view the results.
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Open Enrollment Communications, Continued

Available Resources on the CalPERS Website, continued

- **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. They 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.
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Webinar and Web Videos

CalPERS hosted a webinar covering the 2016 CalPERS Health Plan Rate and Benefit Changes on **July 23, 2015**. The webinar will be posted with rates, slides, and all questions and answers captured during the session on www.calpers.ca.gov in early August.

CalPERS offers the Health Plan Decision Tools Promotional Video Series that provides information on the Health Plan Chooser, rates and 2016 Health Benefit Summary. Included with these videos are instructions on how to schedule an onsite health fair. The videos will be available on the CalPERS website at www.calpers.ca.gov for your employees in September. For more information regarding the Webinar and Web Video, refer to the Web Videos: Health Plan Decision Tools Promotional Video Series Circular Letter which will be released in August.

Employer Reports

Employer Reports will be mailed by **August 24, 2015**. 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 with an undeliverable address. Address changes submitted after **July 1, 2015**, will not be reflected on this report.

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Open Enrollment Communications, Continued

Undeliverable Open Enrollment Packets

Open Enrollment packets returned with an undeliverable address by the United States Postal Service will be forwarded to you by **September 24, 2015**. Please refer to the instructions below for handling undeliverable Open Enrollment packets:

State and CSU Agencies

Step	Action
1.	Deliver the Open Enrollment packet to the employee.
2.	Obtain a current address from the employee.
3.	Contact the State Controller's Office (SCO) to update the employee's new address.

Contracting Agencies and Schools

Step	Action
1.	Deliver the Open Enrollment packet to the employee.
2.	Obtain a current address from the employee.
3.	Update the employee's address in my CalPERS.

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

CalPERS

Member Account Management Division
Attn: Undeliverable Open Enrollment packets
P.O. Box 942715
Sacramento, CA 94229-2715

Employer Resources

Beginning on **August 21, 2015** through **August 26, 2015**, CalPERS will mail you a supply of Open Enrollment packets and health publications equivalent to two percent of your agency's enrolled employees. Please distribute these publications to the following groups of employees:

- New employees enrolled in a CalPERS health plan after **July 1, 2015**
- 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, 2015**

Open Enrollment and Health Plan Chooser posters are also included with this mailing. Posters should be displayed in your personnel office and common work areas. Publications and posters can be viewed on the Open Enrollment page of the CalPERS website at www.calpers.ca.gov. This information will be available online on **August 17, 2015**.

Open Enrollment Communications, Continued

Employer Resources, continued

Note to Contracting Agencies and Schools regarding Health Program Guide: To continue our efforts to “Go Green” we are utilizing the remaining inventory of the Health Program Guide. You will receive the Health Program Guide dated August 2011 in your Open Enrollment publication packets. There have been no changes to the Health Program Guide that affect public agencies. Thank you in advance for assisting us in our “Go Green” efforts.

Employer Responsibilities

Employee Quick Reference Guide

Attached to this circular letter, is an Employee Quick Reference Guide (EQRG). Distribute the EQRG to your employees on **September 14, 2015**, via email. The guide includes CalPERS Health Open Enrollment information and resources, as well as links to access 2016 monthly premium rates, approved health plans, and available health provider networks.

The guide also reminds your employees that:

- Open Enrollment begins September 14 and ends October 9.
- Changes made during Open Enrollment take effect January 1, 2016.
- Aspects of their coverage, such as monthly premiums and plan coverage areas, may have changed.

The Quick Response (QR) code enables employees to download and access information online using their mobile device and provides hyperlinks that will connect employees directly to the CalPERS Health Open Enrollment web page.

Submitting Transactions

All health enrollment transactions should be submitted through my|CalPERS 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 14, 2015** through **October 9, 2015**.
 - The deadline for processing all Open Enrollment transactions is **November 1, 2015**.
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Employer Responsibilities, Continued

Supporting Documentation

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) request and maintain records of all supporting documentation that determines the eligibility of enrolled dependents. At the time of the enrollment or 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.

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 14 – October 9, 2015
16	Effective Date	January 1, 2016
17	Basic Plan	List all persons to be enrolled in the health plan, including dependent SSNs
20	Employee Sign Date	September 14 – October 9, 2015 (include employee's daytime phone number)
33	Employer Received Date	September 14 – October 9, 2015

Rescind Transactions

Health transactions can be rescinded when the effective date of the transaction occurs in the future. For example, prior to the January 1, 2016 effective date, if an employee decides they no longer want to change health plans, the transaction may be rescinded in my|CalPERS.

Rescind transactions must be updated prior to the December 2015 payroll cut-off date. Open Enrollment transactions rescinded after the December payroll cut-off date will be adjusted on the February 1, 2016 pay warrant.

State and CSU Agencies

View the State Controller's Office (SCO) payroll cut-off dates by visiting www.sco.ca.gov and typing in Civil Service Benefits Cut-off Calendar in the search field.

Employer Responsibilities, Continued

Rescind Transactions, continued

Contracting Agencies and Schools

Please refer to our Health Billing Cut-off Dates and How Payments are Applied Circular Letter 600-074-14, released January 8, 2015.

Health Premium Adjustments

The January 1, 2016, 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 2015 Open Enrollment health plan change, advise the employee to **discontinue** using their prior plan after January 1, 2016. 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.

Employees on Leave of Absence

Employees on 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.

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

Member Account Management Division
P.O. Box 942715
Sacramento, CA 94229-2715

- Or by calling us toll free at **888 CalPERS** (or **888-225-7377**). Retirees will see an insert this year in their Open Enrollment Packet that shows them how to make health enrollment changes online. The insert is called "A Guide to Changing Your Health Coverage".
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Employer Responsibilities, Continued

Enrollment Changes, continued

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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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**).

CARENE CAROLAN, Chief
Member Account Management Division

Attachment: Open Enrollment Quick Reference Guide