

## Revision Date: August 2020 – State Health Benefits Guide

**Topic:** CalPERS Communications

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**Legend:** Deleted/Replaced – Added/Revised

myCalPERS SAA Resources:

[myCalPERS System Access Administrators page](#)

[myCalPERS System Access Administration \(PDF\)](#) student guide

[myCalPERS System Privileges for Business Partner Roles \(PDF\)](#) student guide

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**Topic:** Health Plan Options

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### Coverage Types

- Basic (non-Medicare): A CalPERS Basic plan provides health benefit coverage to members who are under age 65 or who are over age 65 and still working.
  - Medicare: A CalPERS Medicare health plan provides health benefit coverage to members who are over age 65, retired, and are enrolled in Medicare Parts A and B with the Social Security Administration.
  - A combination enrollment means at least one family member is enrolled in a CalPERS Medicare health plan and at least one family member is enrolled in a CalPERS Basic health plan. CalPERS requires that all covered family members are enrolled with the same health carrier.
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**Topic:** Health Eligibility Requirements

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### Employees

Enrollment must be requested within 60 days from the date of the qualifying appointment, during any future Open Enrollment, or due to a HIPAA special or late enrollment period. Enrollment due to a HIPAA late enrollment is effective the first of the month after a 90-day wait period.

### Retirees

Retirees are eligible to enroll in a CalPERS retiree health plan if:

- They retire within 120 days of separation, and
- They receive a monthly retirement warrant, and
- They are eligible for health benefits upon separation.

Enrollment must be requested within 60 days from retirement, or involuntary loss of coverage, or during any future Open Enrollment or HIPAA special or late enrollment period. The effective date is the first of the month following the date the request is received by CalPERS. Enrollment due to a HIPAA late enrollment is effective the first of the month after a 90-day wait period.

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**Topic:** Health Eligibility Requirements

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### **Notification of Deletion of 26-Year-Old Dependents**

CalPERS will notify the health plan of the pending cancellation. To view the roster of pending 26-year-old cancellations, the employer should download the Employer Health Event Transaction report in myCalPERS which will show the 26-year-old deletion transaction. Note: After downloading the report, it is common to then delete the dependent from the employee's dental and offer the deleted dependent COBRA.

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### **Medicare-Eligible Members**

If the member is actively employed and covered by an employer group health plan (EGHP), the Medicare eligible member's health coverage will be in a CalPERS basic health plan unless the disabled dependent has End Stage Renal Disease (ESRD), Amyotrophic Lateral Sclerosis (ALS), or a Social Security qualified disability.

Prior to, or soon after retirement, an employee should enroll in Medicare Parts A and B with the Social Security Administration to ensure they transfer into a CalPERS Medicare health plan without a lapse in coverage.

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### **Employer Signature, Documentation, and Processing Requirements**

- Health Benefits Officers and Human Resource Managers must sign the Affidavit of Parent-Child Relationship (HBD-40) once the employee submits it for processing.
  - In the absence of the HBO and or Human Resources manager, a formal written delegation for affidavit signatures should be on file at the employer's location.
  - Employers must maintain documentation of HR personnel authorized to sign the HBD-40.
  - Documentation of HR personnel authorized to sign the HBD-40 and all formal written delegations must be available to CalPERS upon request.
  - The Affidavit of Parent-Child Relationship (HBD-40) along with all supporting documents must be reviewed and processed within 30 days from the employer-received date.
  - The Parent-Child Relationship certification and recertification should be processed only after all required documents have been received.
  - Timely processing of forms and document may help prevent unnecessary deletions, retroactive enrollments, and setup of accounts receivables for access premiums.
  - Completed and processed HBD-40s and all supporting documents must be retained in the employee's file.
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### **Certifying a New Parent-Child Relationship**

Once you have determined based on the HBD-40 and supporting documents that the dependent is eligible for the Parent-Child Relationship benefit, process the transaction in myCalPERS as follows:

- 1) If the Affidavit and all supporting documents is received within 60 days of the event date (date of legal custody or date the dependent is acquired), then the effective date of the enrollment is the first of the month following the received date.
- 2) If the Affidavit and all supporting documents is received more than 60 days from the event date (date of legal custody or date the dependent is acquired), then the effective date of the enrollment is the first of the month following a 90-day waiting period.

### **Recertifying and Confirming a Parent-Child Relationship**

Once you have determined based on the HBD-40 and supporting documents that the dependent is eligible to continue the Parent-Child Relationship benefit, process the transaction in myCalPERS as follows:

- 1) If the Affidavit and all supporting documents is received before the deletion effective date, then the effective date of the enrollment is the first of the month following the employee's birth month.
  - o If the Parent-Child Relationship deletion is already in myCalPERS, you will have to rescind the deletion in order to recertify the dependent.
- 2) If the Affidavit and all supporting documents is received after the deletion effective date, then the effective date of the recertification is the first of the month following a 90-day waiting period.
  - o Do not rescind the Parent-Child Relationship deletion.
  - o The dependent will have a gap in coverage. Provide the member with COBRA information.

Parent-Child Relationship deletions in myCalPERS should only be rescinded if all required documents to recertify the dependent(s) are received before the deletion effective date.

If the HBD-40 and required documents are received after the deletion effective date the dependent can be reenrolled as a HIPAA late enrollment requiring a 90-day waiting period.

#### **Examples:**

HBD-40 & All Required Documents Received	Deletion Effective Date	Result
March 16th	April 1st	Rescind deletion and process recertification effective April 1st
April 15th	April 1st	Provide COBRA and process recertification with 90-day wait effective August 1st

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## **Dependent Eligibility Verification (DEV), Continued**

### **Verification Cycle**

The verification cycle is based on an employee's birth month. This three-year cycle repeats. If employee's enroll family members within six months of their birth month, their eligibility will be verified during the next cycle. Please visit our website to view a [schedule](#) of the verification process.

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**Topic:** Health Enrollment

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### **New Enrollment**

If an employee elects no coverage within the 60-day time limit, a subsequent enrollment can only be requested upon:

- HIPAAs special or late enrollment period
- Open Enrollment
- Involuntary loss of coverage
- Loss of coverage for any reason where the employee is a dependent of another CalPERS member (CCR 599.502 f (4))

### **Dependent Health Vesting**

Some bargaining units are subject to dependent health vesting where the state provides new employees a reduced health benefits contribution toward dependent vesting. Refer to [CalHR](#) for additional detailed information.

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**Topic:** Health Enrollment

**Pages:** 38-42

### **Health Benefits Plan Enrollment for Active Employees (HBD-12) – Enrolling, Changing, Adding/Deleting Dependents, Cancelling, or Declining Coverage: [Instructions \(PDF\)](#)**

The [Health Benefits Plan Enrollment Form \(PERS-HDB-12\) \(PDF\)](#):

- Is used to report enrollment transactions (or declining coverage) for active employees
- Must be submitted within 60 days of the date of a qualifying appointment/event
- Should be kept on file with the agency and a copy given to the employee
- Is used for **single transactions** with few exceptions. When multiple transactions are necessary, have employee submit as a package, stapled together.
- Includes a **Remarks** box for explanations that resulted in the submission of the document
- Forms can be signed electronically.
  - See [Circular Letter 600-010-19 \(PDF\)](#) for more information regarding electronic signatures.

HBOs are responsible for the accuracy of all enrollment documents.

### **HBD-30 Retirees and Survivors – Enrolling, Changing, Adding/Deleting Dependents, or Cancelling Coverage**

The [Health Benefits Plan Enrollment Form for Retirees/Survivors \(PERS-HBD-30\) \(PDF\)](#):

- Is used to report enrollment transactions for retirees or survivors
- Must be submitted within 60 days of the date of a qualifying event
- Provided to CalPERS by the retiree or survivor

### **HBD- 30 Retirees and Survivors – Enrolling, Changing, Adding/Deleting Dependents, or Cancelling Coverage, Continued**

If a retiree or survivor elects no coverage within the 60-day limit, a subsequent enrollment can be requested upon:

- HIPAA special or late enrollment period
- Open Enrollment
- Involuntary loss of coverage
- Loss of coverage for any reason where the annuitant is dependent of another CalPERS member (CCR 599.502 f (4))

Retirees or survivors enrolling in a CalPERS *Supplement to Medicare* or *Managed Medicare* plan must provide a copy of the Medicare card for each Medicare eligible enrollee (subscriber and/or dependent).

### **Live/Work Rule**

The availability of health plans to a subscriber is determined by their eligibility ZIP code.

- Active employees can use either their residential ZIP code or their employer's ZIP code to qualify for a health plan (upon initial enrollment, Open Enrollment, or a residential move)
- Retirees can use either their residential ZIP code or their employer's ZIP code to qualify for a health plan if they are enrolled in a non-Medicare plan. A working retiree in a Medicare plan must use their residential ZIP code to determine health plan eligibility.
- P.O. Boxes cannot be used to determine eligibility

### **Medical Identification Cards**

Enrollees should receive their medical identification cards (ID cards) within 2-3 weeks after submission of the enrollment or after the health coverage effective date. They can log in to myCalPERS to confirm enrollment.

### **Changes to health plan and/or dependents**

- Active employees need to submit the [HBD-12 \(PDF\)](#) to their HBO during Open Enrollment, HIPAA special or late enrollment, or qualifying event
- Retirees need to contact CalPERS or they can make most changes online using myCalPERS

### **Demographic changes or corrections**

- For active employee profile changes and dependent Social Security numbers (SSN): The HBO may key directly into myCalPERS.
- For a dependent child who was added without an SSN, add their SSN within 90 days after the enrollment is processed.
- For retiree and all other dependent demographic changes: Contact CalPERS at **888 CalPERS** (or **888-225-7377**)

### **Changes to primary care physicians or medical group**

- Subscribers should contact the health plan directly

### **Communication**

All mail concerning the CalPERS Health Program should be directed to the following:

Enrollment forms, related documents, and correspondence:

CalPERS Health Account Management Division  
P.O. Box 942714  
Sacramento, CA 94229-2714

For FedEx or UPS for mailing purposes:

CalPERS Health Account Management Division  
400 Q Street, Second Floor LPN  
Sacramento, CA 95811

For remittance of billing invoice payment and coupon:

California Public Employees' Retirement System  
P.O. Box 4032  
Sacramento, CA 94812-4032

### **Specific Provider Needs**

If a specific doctor, medical group, or hospital is preferred, a health plan must be selected which allows access to the specific provider. Each enrollee should contact the health plan(s) and/or provider directly to inquire about the availability of the specific provider **before** enrolling.

**IMPORTANT:** When employees enroll in a health plan, services are provided through the health plan's delivery system and the continued participation of any one doctor, hospital, or other provider **cannot be guaranteed**. The provider network may change during the plan year. Employees may be permitted to select another provider but not another plan. If the health plan is unable to offer a satisfactory Physician/Patient relationship with the enrollee for reasons such as a limited provider network in an area, an active employee must have their employer submit the request for a plan change outside of Open Enrollment to CalPERS for review. A retiree would submit the request to CalPERS directly.

## Special Medical Needs

Health plan benefit designs are not identical. Current or anticipated medical needs must be considered in choosing a plan to minimize out-of-pocket expenses and fulfill individual needs. Individual *Evidence of Coverage* booklets are available from each health plan which explain benefits, limitations, and exclusions.

## Out-of-Pocket Expenses

These vary greatly between the plans. In addition to the monthly premium (if any employee share applies), there may be deductibles and co-payments to meet. Not all plans require such deductibles and co-payments. [The Health Benefit Summary \(PDF\)](#) publication (HBD-110) provides more information on these expenses.

## Evidence of Coverage (EOC)

This provides detailed information about the benefits, limitations, and exclusions of the health plan.

EOC booklets are sent to all new enrollees and are also available:

- For download or order online at [www.calpers.ca.gov](http://www.calpers.ca.gov)
- By contacting the health plan directly

## Member Claims and Appeals

Any disputes about medical benefits, coverage, or claims should be resolved through the health plan. This includes requests for a change in primary care provider, the referral process, and clarification about co-payments. If the health plan denies a benefit that is listed in the EOC booklet, the enrollee should follow the grievance procedure outlined in the EOC. If that is not successful, the employee may then contact CalPERS Health Plan Administration Division at **888 CalPERS** (or **888-225-7377**) or in writing for assistance.

CalPERS can provide assistance if the enrollee has made every reasonable effort to resolve the dispute with the health plan **first** and is requesting a benefit that is listed in the EOC booklet. Requests for additional benefits which are not listed in the EOC booklet or requests by the enrollee for plan changes because a provider is no longer available **cannot** be resolved by the claim's assistance officer. Government Regulation Code: 599.518

## Mandatory Transactions

Mandatory transactions are additions or deletions to a health enrollment due to requirement by law. Mandatory transactions include events such as:

- Divorce or termination of domestic partnership
- Death of a family member
- Dependent who is age 26 or older
- Court Order

Although a member's divorce decree may stipulate that they must provide health benefits for the ex-spouse, the ex-spouse cannot remain enrolled in CalPERS health benefits, as they are no longer an eligible family member.

For all transactions, the effective date is the 1st day of the month following the event date.

Retroactive reimbursement of health premiums will not exceed six months prior to the date the mandatory event is reported (CCR 599.502).

### Permissive Transactions

Permissive transactions are additions or deletions to a health enrollment at the voluntary request of the enrolled member **and not required by law**. Permissive transactions include events such as:

- ~~Child reaches age 18~~
- ~~Family member enters military~~
- ~~Family member obtains another group coverage~~
- Adding a spouse due to marriage
- Adding a child due to custody or a parent-child relationship
- Adding a family member due to loss of other coverage
- Deleting a child who reaches age 18
- Deleting a family member who enters the military
- Deleting a family member who gains other coverage
- Deleting a spouse or domestic partner who vacates household
- Optional delete

For permissive transactions, the effective date is the 1st of the month after the HBO receives the enrollment form(s) and applicable supporting documentation is received.

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**Topic:** Health Enrollment

**Pages:** Various within topic

### ~~Additional Enrollment Opportunities~~

~~The Health Insurance Portability and Accountability Act (HIPAA) was enacted in 1996 by Congress to improve portability and continuity of health insurance coverage.~~

- ~~HIPAA offers two provisions, **Special Enrollment** and **Late Enrollment**, for employees and their eligible family members to enroll in a CalPERS health plan outside of the initial enrollment period and the Open Enrollment period.~~
- ~~HIPAA requires that the [HBD 12 \(PDF\)](#) form be completed whether the employee elects to enroll or decline health coverage.
  - Provides proof that the employee was given the opportunity to enroll or decline coverage for self and eligible family members.
  - Must be completed upon initial health eligibility and for most enrollment requests.~~

### **Special Enrollment**

Events that qualify for Special Enrollment include:

- ~~Loss of other non-CalPERS coverage~~

- ~~Marriage/domestic partnership~~
- ~~Birth/adoption~~
- ~~Court ordered coverage~~

~~Special Enrollment is applied as follows:~~

- ~~Enrollment must be requested within 60 calendar days of the event~~
- ~~Effective date is the first day of the month following the date the enrollment form and supporting document(s) is received by you.~~
  - ~~Exception for birth/adoption effective dates (CCR 509.503 (d)(h))~~
    - ~~The effective date of enrollment of a newborn or adopted child of an employee or annuitant enrolled for self and one or more family member is the **date of birth or the date physical custody is obtained.**~~
    - ~~The effective date of enrollment of a newborn or adopted child of an employee or annuitant enrolled for self only is the **first day of the month following the date of birth or the date physical custody is obtained.**~~

### ~~Late Enrollment~~

~~Late Enrollment allows an employee to request enrollment if they declined or cancelled enrollment for themselves or their dependents, and the Special Enrollment exceptions do not apply. Late Enrollment is applied as follows:~~

- ~~A 90-day waiting period is required~~

~~The effective date of enrollment will be the first of the month following the 90-day waiting period after you receive the [Health Benefits Plan Enrollment for Active Employees \(HBD-12\) \(PDF\)](#) form and applicable supporting documentation.~~

End Health Enrollment Updates \_\_\_\_\_

**Topic:** Retroactive Transactions

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### **Retroactive Transactions**

Retroactive transactions occur when the eligibility status for a subscriber or dependent changes due to death, marital status, changes in employment and in other circumstances, and the **change is not reported prior to SCO or billing cutoff. in a timely manner.**

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Topic: Retroactive Transactions

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### Prohibited Enrollments

The following types of enrollments are not permitted:

- ~~Enrolling in two CalPERS health plans~~
    - ~~Dual CalPERS coverage occurs when a member is enrolled in a CalPERS health plan as both a member (subscriber) and a dependent or as a dependent on two enrollments.~~
  
  - ~~Split Enrollment of dependents~~
    - ~~When two active or retired members are married to each other or in a domestic partnership and enroll in a CalPERS health plan in their own right, one parent must carry all dependents on one health plan.~~
    - ~~Parents cannot split enrollment of dependents~~
- 

Topic: Retroactive Transactions

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### Responsible Parties

Employers who do not process the transaction are entitled to retroactive benefit premiums only **up to six months** from the date the deletion or cancellation is processed and recorded. Employers who enter a permanent separation for a member who is enrolled in health must confirm that the health benefits were cancelled and provide the member with COBRA information if applicable.

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Topic: Reason Guide

Pages: 59-60

### Health Event Type: Verify Dependent

Reason	Description	Event Date	Effective Date Method
Verification of Dependent	Use this reason when all documentation has been <b>received before</b> the deletion date and the dependent(s) is/are verified. This reason can be used up to 30 days after the deletion date. The system will automatically rescind the deletion transaction.	Dependent verification end date	1

**Health Event Type: Verify Dependent, Continued**

<b>Reason</b>	<b>Description</b>	<b>Event Date</b>	<b>Effective Date Method</b>
<p>Re-Enrollment of Verified Dependent</p>	<p>Use this reason to re-enroll dependents on a prospective basis with a gap in coverage if the supporting documents are <b>received on or after</b> the deletion date.</p> <p>Also, this reason is used to re-enroll dependents without a gap in coverage if supporting documents were <b>received before</b> the deletion date, but the verification was <u>not processed</u>, and it is more than 30-days after the deletion date.</p>	<p>Dependent verification end date</p>	<p>2</p>
<p>Delete Dependent – Did Not Verify - Online</p>	<p>Use this reason to preemptively delete dependents who were not or cannot be verified during the reverification process. However, if do not process a deletion, the system will automatically process the deletion batch if a dependent is not verified.</p> <p>The Delete Dependent – Did Not Verify transaction should not be manually rescinded.</p>	<p>Dependent verification end date or an earlier date selected by the member that falls within the 120-days of the member's verification timeframe.</p>	<p>1</p>

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For assistance in processing health transactions in myCalPERS, refer to the [myCalPERS Health Enrollment \(PDF\)](#) student guide. For a full list of health event reasons, see the [myCalPERS Health Aid \(PDF\)](#).

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Topic: Reason Guide

Pages: Various within topic

### Direct Pay

Reason Code	Description	Event Date	Effective Date Method
704	LOA	Date of last day on pay status	7
705	Workers' Comp/Claim Pending	Date of claim pending	7
712	Change to deduction — return to work	Date of return to work	1(M)
713	Change to deduction other	Date of event	1(M)
714	Change to Direct Pay Other	Date of event	1(M)
715	Change to deduction — FMLA	Date of event	1(M)
716	Change to deduction — Retirement	Date of event	1(M)

### Cancel

Reason Code	Description	Event Date	Effective Date Method
501	Change in Appointment to Non-Participating Bargaining Unit	Date of change in appointment	1(M)
502	Employment status changes to non-qualifying	Date status changes	7
504	Delay in Retirement Roll Placement	Administratively determined	4
505	Voluntary Request to Cancel Coverage	Date of Request	1(P)
507	Appeal Denied	Date of Appeal Denied	1(M)
515	Cancel: Permanent Separation	Date of Permanent Separation	7
516	Layoff cancel	Date of Layoff	7
526	Subscriber Death	Date of Death	1(M)
530	Cancel coverage during Open Enrollment	First date of Open Enrollment	4
532	Survivor dependent no longer eligible	Date determined ineligible as a dependent	1(M)

<b>Reason Code</b>	<b>Description</b>	<b>Event Date</b>	<b>Effective Date Method</b>
533	Off Pay Status—Cancel Coverage	Date of Off Pay Status	7
534	Military Leave	Date of Military Leave	1(P)
535	Reinstatement (Non-PERS)	Date of Reinstatement	1(M)
536	Subscriber Request—COBRA	Date of Request	2
546	STRS decline health into retirement	Date of Permanent Separation	7

### **Coverage Change**

<b>Reason Code</b>	<b>Description</b>	<b>Event Date</b>	<b>Effective Date Method</b>
709	Insufficient Earnings	Date of Insufficient Earnings	7
710	Pending NDI	Date Participant goes on NDI	7
904	Change Medical Group	User Defined	1(M)
908	Opt in Vesting	Date of Request	2
909	Opt out Vesting	Date of Request	2

\*Processed by CalPERS

## **Health Insurance Portability & Accountability Act (HIPAA)**

### **Implementation**

In 1996, Congress enacted the Health Insurance Portability and Accountability Act (HIPAA). This section's focus of HIPAA is on the portability of health insurance. The requirements of HIPAA took effect January 1, 1998 and changed enrollment practices and policies for employees and family members eligible to enroll in a CalPERS health plan.

### **Implications**

These changes did not eliminate or alter current enrollment rules and procedures except for the elimination of the Health Statement, which was replaced with **Special Enrollment** and **Late Enrollment** periods. These enrollment periods allow employees and their dependents specific opportunities to enroll in the CalPERS Health Program.

In all instances, the employee and dependent must be eligible for enrollment in a CalPERS-sponsored health plan as defined by Part 5, The Public Employees' Medical and Hospital Care Act (PEMHCA).

### **Special Enrollment**

The employee may request **enrollment for self or self and all eligible family members**. The request must include proof of loss of other coverage and be received within 60 days after the other coverage ends. The effective date is the first of the month following the request to enroll.

### **A. Enrollment Decisions After January 1, 1998**

On or after January 1, 1998, employees who were not provided written notice by the employer of the consequences of **declining or cancelling** coverage are eligible to enroll. The effective date of enrollment is the first of the month following receipt of the request to enroll.

### **B. Loss of Other Coverage**

If an employee **declines or cancels** enrollment for self or dependents because of other coverage (employer sponsored or other insurance coverage), the employee can enroll when the other coverage is no longer available. Involuntary loss of other coverage is defined as:

- Termination of employment of the individual through whom the employee or dependent was covered
- Termination of the other plan's coverage
- COBRA continuation coverage has been exhausted
- Cessation of employer's contribution toward employee or dependent coverage, or
- Death, divorce, or legal separation of a person through whom the employee or dependent was covered

## (HIPAA), Continued

### Special Enrollment, Continued

#### C. Non-Enrolled Employee Acquiring a Dependent or Enrolled Employee's Non-Enrolled Spouse

If an employee **declines or cancels** enrollment or an **enrolled employee declines or cancels enrollment for spouse** and later acquires a dependent because of marriage, birth, adoption, or placement for adoption, the employee can enroll self or self and all newly eligible dependents. The request must be received within 60 days of acquiring the dependent. The effective date is the first of the month following the request to enroll.

For a loss of coverage qualifying event the request must include proof of loss of other coverage and be received within 60 days after the other coverage ends. The effective date is the first of the month following the request to enroll.

#### D. Court-Ordered Coverage

1. **Child of an enrolled employee:** A court has ordered coverage be provided for a child under an **enrolled** employee's health plan. If the employee's current health plan has a restricted geographical service area and is not available in the child's residential area, the employee must change to a health plan that will cover the child. If the employee refuses to change health plans, the **employer must enroll** the employee and dependent child in PERS Choice. The effective date is the first of the month following the court order date (unless the court order specifies a specific effective date of coverage).
2. **Child of a non-enrolled employee:** A court has ordered coverage be provided for a child under a **non-enrolled** employee's health plan. The employee can enroll in a health plan available in the child's residential area. If the employee refuses to enroll, the **employer must enroll** the employee and child in PERS Choice. The effective date is the first of the month following the court order date (unless the court order specifies a specific effective date of coverage).
3. **Spouse of an enrolled employee:** A court has ordered that coverage be provided for a spouse under an **enrolled** employee's health plan. If the employee's current health plan has a restricted geographical service area and the health plan is not available in the spouse's residential area, the employee must change to a health plan that will cover the spouse. The effective date is the first of the month following the court order date (unless the court order specifies a specific effective date of coverage).

## (HIPAA), Continued

### Late Enrollment

Employees who **decline or cancel** enrollment for self or dependents (including spouse) and who do not qualify for a Special Enrollment may enroll during Open Enrollment or at **any time** may request enrollment as a **Late Enrollee**. Employees who request **Late Enrollment** for self or dependents must normally wait a minimum of 90 days before they are enrolled in a CalPERS-sponsored health plan. The effective date is the first of the month following the 90-day waiting period or the Open Enrollment effective date, whichever comes first.

### Certification of Group Health Plan Coverage

HIPAA requires that employees and their dependents receive a *Certification of Group Health Plan Coverage* when health coverage terminates. Health plans contracting with CalPERS will be responsible for providing a *Certification of Group Health Plan Coverage* when enrollees or dependents who were covered under the plan lose coverage. The *Certification of Group Health Plan Coverage* will be mailed to the enrollee's last known address and will be provided when:

- Individual ceases to be covered under the plan and has a right to elect COBRA continuation coverage;
- Individual ceases to be covered under the COBRA continuation provisions; or
- A request is made by an individual not later than 24 months after the date of cessation of coverage.

## HIPAA Reasons Guide

### SPECIAL ENROLLMENT – ENROLLMENT DECISIONS AFTER 1/1/1998

The employer cannot produce an HBD-12 indicating the employee declined coverage for an eligible but non-enrolled employee or a non-enrolled dependent of an enrolled employee. **Note: Applies to employees who declined or canceled enrollment or deleted a dependent on or after January 1, 1998. THIS SECTION DOES NOT APPLY TO RETIREES.**

Description	Reason	Event Date	Time Limit of Request	Effective Date	Instructions
<b>Employee enrolling new.</b> <b>Note:</b> Employer cannot produce HBD-12 indicating the employee declined coverage for employee eligible 1/1/98 or later.	Time Base & Tenure (enrolling new)	Date employee requests enrollment	Anytime	1st of the month following receipt of HBD-12 in the employing office	Remarks: HIPAA No Doc. (HBD-12)
<b>Enrolled employee adding dependent(s).</b> <b>Note:</b> Employer cannot produce HBD-12 indicating the employee declined coverage for dependents eligible 1/1/98 or later.	Marriage (adding dependents)	Date employee requests enrollment	Anytime	1st of the month following receipt of HBD-12 in the employing office	Remarks: HIPAA No Doc. (HBD-12)

## HIPAA Reasons Guide, Continued

### SPECIAL ENROLLMENT – LOSS OF OTHER COVERAGE

An eligible *non*-enrolled employee/retiree or eligible *non*-enrolled dependent(s) of an enrolled employee/retiree may enroll when they lose other health insurance coverage. Employee/retiree provides proof of loss of other coverage and employee/retiree requests to enroll within 60 days of the date of loss of other coverage.

Description	Reason	Event Date	Time Limit of Request	Effective Date	Instructions
Eligible employee/retiree enrolling new for self or for self and all eligible dependents that lose other coverage.	Time Base & Tenure (enrolling new)	Date employee loses other coverage	60 days from the loss of coverage	1st of the month following receipt of HBD-12 in the employing office or retiree notification to CalPERS	Loss of Other Coverage
Enrolled employee/retiree adding <i>non</i> -enrolled dependent(s) that lose other coverage.	Loss of Coverage (adding dependents)	Date employee loses other coverage	60 days from the loss of coverage	1st of the month following receipt of HBD-12 in the employing office or retiree notification to CalPERS	Remarks: HIPAA Special Enrollment - Loss of Other Coverage

## HIPAA Reasons Guide, Continued

### SPECIAL ENROLLMENT – NON-ENROLLED EMPLOYEE/RETIREE ACQUIRING A DEPENDENT OR ENROLLED EMPLOYEE/RETIREE’S NON-ENROLLED SPOUSE

An eligible *non*-enrolled employee/retiree may enroll if the employee/retiree acquires a new dependent by marriage, birth, adoption or placement for adoption.

Employee/retiree can enroll self or self and all eligible dependents.

An enrolled employee/retiree may enroll a *non*-enrolled spouse when the employee/retiree acquires a dependent by birth, adoption or placement for adoption.

Employee/retiree can enroll spouse, newly acquired dependent(s), and all other eligible dependent(s).

**Time limit is 60 days from the event date to request enrollment (except for newborns or newly adopted children who are effective the 1st of the month following date of event).**

Description	Reason	Event Date	Time Limit of Request	Effective Date	Instructions
Eligible non-enrolled employee/retiree enrolling new for self only or for self and all eligible dependents(s) due to newly acquired dependents(s) by marriage, birth, adoption or placement for adoption.	Time Base & Tenure (enrolling new)	Date employee/retiree acquires dependent by marriage, birth, adoption/placement for adoption	60 days from the date employee/retiree acquires dependent	1st of the month following receipt of HBD-12 in the employing office or retiree notification to CalPERS	Remarks: HIPAA Special Enrollment Non-enrolled employee/retiree acquiring a dependent
<i>Enrolled employee/retiree adding non-enrolled eligible dependent(s) (spouse/child (ren)) due to newly acquired dependent by birth, adoption or placement for adoption.</i>	Marriage (adding spouse and/or dependents)	Date employee/retiree acquires dependent by birth, adoption, or placement for adoption	60 days from the date employee/retiree acquires dependent	1st of the month following submission of HBD-12 to employer or retiree notification to CalPERS	Remarks: HIPAA <b>Enrolled</b> employee/retiree acquiring a dependent

## HIPAA Reasons Guide, Continued

### SPECIAL ENROLLMENT – COURT ORDERED COVERAGE

#### Dependent (spouse/child) of an eligible but non-enrolled employee/retiree:

If a court orders coverage for the dependent of an eligible but non-enrolled employee/retiree, the employee/retiree must enroll in a plan that is available in the dependent's area. ***The employer or CalPERS must enroll the employee/retiree and the dependent in PERS Choice if the employee/retiree refuses enrollment.***

#### Dependent (spouse/child) of an enrolled employee/retiree:

If a court orders coverage for a dependent of an enrolled employee/retiree and the employee/retiree is enrolled in a geographically restricted plan, which is not available in the dependent's service area, the employee/retiree must change to a plan that will cover the dependent. ***The employer or CalPERS must change the employee's plan to PERS Choice if the employee/retiree refuses to change plans.***

Description	Reason	Event Date	Time Limit of Request	Effective Date	Instructions
Court orders coverage for a dependent (spouse/child) of an eligible but non-enrolled employee. <b>Employee/retiree must enroll in a plan that will cover the dependent.</b>	Time Base & Tenure (employee/retiree enrolling new)	Date the court order is received by employer or CalPERS	Anytime	1st of the month following receipt of court order in employing office or CalPERS	Remarks: Court Ordered Coverage
Court orders coverage for a dependent (spouse/child) of an enrolled employee/retiree. <b>Employee/retiree must change to a plan that is available in the dependent's area.</b>	Court Order (adding spouse or child)	Date the court order is received by employer or CalPERS	Anytime	1st of the month following receipt of court order in employing office or CalPERS	Remarks: Court Ordered Coverage

## HIPAA Reasons Guide, Continued

### SPECIAL ENROLLMENT – COURT ORDERED COVERAGE, Continued

Description	Reason	Event Date	Time Limit of Request	Effective Date	Instructions
<p>Court orders coverage for a dependent (spouse/child) of an enrolled employee/retiree. <b>Employee/retiree must change to a plan available in the spouse's or child's area.</b></p>	<p>(Special Enrollment-Change health plan</p>	<p>Date the court order is received by employer or CalPERS</p>	<p>Anytime</p>	<p>1st of the month following receipt of court order in employing office or CalPERS</p>	<p>Remarks: HIPAA Court ordered coverage <b>Note:</b> Provide dependent's ZIP code</p>

## HIPAA Reasons Guide, Continued

### LATE ENROLLMENT

An eligible employee/retiree can request **late** enrollment for self and/or his/her dependent(s) at any time if the employee/retiree or dependents do not qualify for a *Special Enrollment* or any other enrollment provided by PEMHCA. The **late enrollee** must wait 90 days from the date the request to enroll was received by the employer or by CalPERS. The effective date is the first of the month following the 90-day waiting period.

Request for late enrollment during the Open Enrollment period will be effective the first of the month following the 90-day waiting period or the Open Enrollment effective date, whichever is earliest.

Description	Reason	Event Date	Time Limit of Request	Effective Date	Instructions
<p><b>Employee/retiree, who declined or cancelled enrollment, is enrolling new.</b> Employee/retiree does not qualify for <i>Special</i> or PEMHCA enrollment</p>	Time Base & Tenure (enrolling new)	Date of employee's initial eligibility	Anytime	1st of the month following 90-day waiting period	Remarks: HIPAA Late Enrollment
<p><b>Employee/retiree, who declined or cancelled enrollment of dependents, is enrolling dependents.</b> Dependents do not qualify for <i>Special</i> or PEMHCA enrollment</p>	Marriage (adding dependents)	Date of dependents initial eligibility	Anytime	1st of the month following 90-day waiting period	Remarks: HIPAA Late Enrollment

End of updates to HIPAA topic \_\_\_\_\_

**Topic:** Direct Payment Authorization

**Pages:** 72-74

An employee who is not on regular pay status for a full pay period or longer may elect to either cancel their health benefits coverage or continue coverage by paying the premium directly to the health plan. The employee does not receive any employer contribution.

### **When an employee may be eligible**

An employee may be eligible to elect to continue their health coverage in the following situations:

- Leave of absence without pay
- Leave of absence for military duty
- On temporary disability leave and do not use leave credits for supplementation
- Pending approval of disability retirement or service retirement
- Pending approval of Non-Industrial or State Disability Insurance benefits
- Suspended from their job or they initiate legal proceedings appealing a dismissal from their job
- State Permanent Intermittent employee eligible for health benefits but in a non-pay status

Legal Reference CCR 599.504

Upon the death of an employee while in state service, the law requires the state employer (except CSU) to continue to pay contributions for all enrolled dependents' health coverage for 120 days under direct pay. The direct pay process for this benefit is included in the Survivor section.

### **When an employee elects to enroll**

~~When an employee elects to enroll in direct pay:~~

The HBO must update the employee's appointment in Personnel Information Management System (PIMS). Non-central agencies will update the employee's status in myCalPERS. You must update the employee's health enrollment to reflect enrollment in direct pay.

For the instances listed above, the employee:

- Must complete and sign the [Direct Payment Authorization \(PDF\)](#) form and submit it to the employer
- Must pay 100 percent of the premium directly to the health plan by the established due dates (see the Health Plan Resources under the Contact Information section for the health plan payee name and address). If payment is not made, health benefits will be cancelled.
- May elect to delete dependents before starting direct pay and must submit a [Health Benefits Plan Enrollment \(HBD-12\) \(PDF\)](#) form to the employer. Returning to work is not a permitting event to re-add dependents.
- May add newly acquired dependents while on direct pay

- Must contact you if they wish to discontinue their direct pay
- May elect to add dependents or make a plan change during open enrollment

### **When an employee elects to enroll, Continued**

- There is no limitation on how long the employee can be enrolled in direct pay unless it is due to a layoff. An employee who is laid off may use direct pay for up to one year.
- A new [Direct Payment Authorization \(PDF\)](#) form would need to be completed if the employee extends their leave past the original direct pay end date provided on the original form.

#### **The employer must:**

- Update the employee's appointment in Personnel Information Management System (PIMS) to reflect their leave of absence or permanent separation (for an employee retiring). Non-central agencies will update the employee's appointment status in myCalPERS.
- Complete and sign the Direct Payment Authorization form and give a copy to the employee
- Update the employee's health enrollment to reflect enrollment in direct pay
- Retain the Direct Payment Authorization form in the employee's file

### **When an employee declines to direct pay**

A [Health Benefits Plan Enrollment \(PDF\)](#) form must be completed and signed by the HBO and the employee to cancel off-pay status coverage. The HBO must process the cancellation of the employee's health enrollment with the health event reason: Off Pay Status Cancel.

### **Employee returns to work**

Upon the employee's return to work, the employer must:

- Update the employee's appointment in PIMS. Non-central agencies will update myCalPERS.
- Confirm the employee's appointment in myCalPERS

### **If the employee was on direct pay:**

- The employer must process the new health enrollment with the health event reason: Change to Deduct – Return to Work with the same dependents (unless they were deleted) and health plan
- Schedule health deductions to resume the 1st of the month following the employee's return
  - Payment must be made for the month in which the employee returns to work.

### **If the employee who declined direct pay wants their health benefits to resume:**

- Employee completes and returns the HBD-12 form
- Employer must process the new health enrollment with the health event reason: Return from Off Pay Status with the same dependents (unless they were deleted) and health plan.

- Schedule health deductions to resume the 1st of the month following the employee's return
  - Payment must be made for the month in which the employee returns to work.
- ~~Update the employee's health enrollment to reflect their return to work status~~

[Circular Letter 600-050-14 \(PDF\)](#) Off – Pay Status: Health Enrollment Procedures

## How to Complete the HBD-21

### Part A

**ITEMS 1-4:** Complete with the employee information.

### Part B

**ITEMS 5A-6a:** Enter name, address, plan code and gross premium of the carrier.

**ITEMS 6b-6c:** Enter the ALPHABETICAL month and NUMERICAL year to which the first direct pay premium is to be applied.

**ITEMS 6d-6e:** Employee must sign and date the form.

### Part C

**ITEMS 7-14:** Check reason for the direct payment authorization. If box #14 is checked, an explanation must be entered.

### Part D

**ITEMS 15A-15b:** Enter agency name and employee position information.

**ITEM 16:** Enter the NUMERICAL beginning and ending dates that must correspond with the dates reflected on the employment history database. If the ending date is not available, such as for reasons 8, 13 and 14, allow one full year for direct pay.

**Example:** Employee applies for disability retirement and is separated on 10/15/20, which is the FROM date in box 16. The employer pays the November 2020 premium out of the October 2020 pay period. The employee starts the direct pay beginning with the December 2020 premium, and it may continue through November 30, 2021 which is the TO date. The coverage may be extended after November 2021 if the disability retirement is still pending at that time.

If the direct pay dates are extended through myCalPERS, a member will remain covered unless the employer contacts CalPERS.

**ITEM 17:** Enter the ALPHABETICAL month and NUMERICAL year of the last pay period from which a payroll deduction was taken.

If the employee enters non-pay status April 10, April should be entered in Item 17, and June in Part B, Item 6b. The appropriate year must also be entered. Deductions from the April pay period pay the May premium.

**ITEMS 18-20:** HBO or Assistant must complete and sign.

End Direct Payment Authorization Updates \_\_\_\_\_

**Topic:** Consolidated Omnibus Budget Reconciliation Act (COBRA)

**Pages:** 75

### **Background**

The Consolidated Omnibus Budget Reconciliation Act (COBRA) is a federally mandated program which requires continuation of health coverage when an event occurs that normally would have terminated coverage for an employee or dependent. COBRA mandates continued coverage for a maximum of 18-36 months for qualifying events. If the original event provided less than 36 months of continued coverage, a second qualifying event during the initial period of coverage may permit an extension of coverage up to a maximum of 36 months.

In certain circumstances, if a disabled employee and non-disabled dependents are qualified Social Security Administration (SSA) beneficiaries, they are eligible for up to an 11-month extension of COBRA continuation coverage, for a total of 29 months.

There cannot be a break in coverage between the end of CalPERS coverage and the beginning of COBRA enrollment.

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**Topic:** Consolidated Omnibus Budget Reconciliation Act (COBRA)

**Pages:** 76

### **Payment**

As an employer under PEMHCA, the agency does not collect premiums from the COBRA enrollee or maintain any record keeping for the health plans. Once the COBRA form is processed through myCalPERS, the COBRA enrollee interacts **directly with the health plan carrier**, unless the enrollee has future changes, (e.g., changing plans, adding or deleting dependents, etc.).

- The health plan will then bill the employee directly on a monthly basis.
  - The employee must send payments directly to the health plan.
  - Remittance address will be provided on the bill
  - Checks payable to the health plan
  - Failure to submit the payment timely will result in cancellation and a lapse in coverage
- 

**Topic:** Employee Separations

**Pages:** 79-81

### **Reporting**

Employers must update the appointment status of their employees in PIMS. Non-central state employers will update appointments in myCalPERS.

### **Employee Separation (Not Retiring – 599.506) Effective Date**

myCalPERS will cancel an employee's health benefits the first day of the second month following the permanent separation. For State employees, If the member separates between the 1<sup>st</sup> – 10<sup>th</sup> of the month, the employee may not have earned enough to cover their portion of the health premium. The employee may voluntarily cancel their

health benefits, so they won't be billed later for their portion. health will cancel the following month. If the member separates between the 11<sup>th</sup> – 31<sup>st</sup> of the month, the health will cancel the first of the second month.

### **Separation for CalPERS Service Retirement Effective Date**

~~Termination of the health insurance coverage as an active employee is the first day of the second month following the date of separation.~~ If the member separates between the 1st – 10th of the month, and the employee has not earned enough to cover their portion of the active health premium, then the active health will cancel the following month. Otherwise, active health will cancel the first of the second month. If the member separates between the 11th – 31st of the month, the active health will cancel the first of the second month.

### **Separation for Disability Retirement Effective Date**

~~Termination of the health insurance coverage as an active employee is the first day of the second month following the date of separation.~~ If the member separates between the 1st – 10th of the month, the active health will cancel the following month. If the member separates between the 11th – 31st of the month, the active health will cancel the first of the second month.

### **Legal References**

- ~~Retroactive Reimbursement~~
  - ~~CCR 599.502(f)(2)(C)~~
  - ~~CCR 599.506(c)(1)~~

End of updates to Employee Separations topic \_\_\_\_\_

**Topic:** Medicare

**Pages:** 84-91

Medicare is a federal health insurance program for individuals age 65 and older or those under age 65 with certain Social Security-qualified disabilities. The Social Security Administration (SSA) is the federal agency responsible for Medicare eligibility determination, enrollment and premiums. The Centers for Medicare & Medicaid Services (CMS) regulates the Medicare program.

- Medicare Part A is hospital insurance that helps pay for inpatient hospital stays, skilled nursing facilities, hospice care and some home health care.
- Medicare Part B is medical insurance that helps pay for outpatient health care expenses, including doctor visits. Annually, SSA establishes the monthly Medicare Part B premium amount. The monthly Medicare Part B premium must be paid to the SSA to remain enrolled in Part B and to remain enrolled in a CalPERS Medicare health plan.

CalPERS encourages all members to read and save all mail received from the Social Security Administration (SSA) as it will contain important information regarding Medicare enrollment.

## Medicare Enrollment (Turning Age 65)

Four months before the subscriber or enrollees 65th birth month, the subscriber will receive a letter from CalPERS titled "Important Information Concerning Health Coverage at Age 65." of the requirements to continue CalPERS health coverage after turning age 65. The notice contains important information regarding the CalPERS Medicare enrollment requirements. We encourage subscribers to carefully read and save this letter for future reference.

The notification includes:

- Ineligibility of Medicare Certification form
- Medicare Plan Options

## Medicare Enrollment Periods

The SSA has three Medicare enrollment periods:

- **Initial Enrollment Period:** When a subscriber is turning 65, they have a seven-month period to sign up for Part A and/or Part B. This Initial Enrollment Period begins three months prior to the month the subscriber turns 65 and ends three months after the month they turn 65.
- **General Enrollment Period:** If not enrolled in Medicare, subscribers may sign up for Part A and/or Part B during a three-month period each year. The General Enrollment Period begins January 1 and ends March 31. Their coverage begins the following July 1.
- **Special Enrollment Period:** If a subscriber and/or their spouse are currently working and covered by an employer group health plan from that current employer, they may be eligible to sign up for Part A and/or Part B during a Special Enrollment period, an eight-month period that begins the month after the employment ends or the group health coverage ends, whichever happens first. Contact the [SSA](#) for more information.

## Avoiding Late Enrollment Penalties

If a subscriber is 65 or older and covered under an employer group health plan, either from their own or their spouse's current employment, SSA will allow them to enroll in Medicare Part B without a late-enrollment penalty if they're eligible to enroll during a Special Enrollment period. When retiring after age 65, subscribers are encouraged to immediately enroll in Medicare Part B with SSA during their Special Enrollment Period.

- While the Special Enrollment Period is eight months, the window to enroll in a CalPERS Medicare health plan is only 30-60 days post retirement, so immediate action is strongly encouraged.
- If CalPERS does not receive the subscriber's Medicare Part A and B information within 60 days, their health benefits will be cancelled.

**Note:** If a subscriber does not enroll in Part B within eight months of losing their coverage based on current employment, they may have to pay a lifetime late enrollment penalty. In addition, they will only be able to enroll during the Medicare General Enrollment Period (from January 1 to March 31 each year) and the coverage will not begin until July, potentially causing a gap in coverage.

## Medicare-eligible members (Over Age 65)

Gov. Code section 22844 and California Code of Regulations (CCR) 599.17 prohibits **retired** members and their dependents over 65 and eligible for premium free Medicare Part A from enrolling in a CalPERS basic health plan. Medicare-eligible is defined as members who are eligible **for premium-free Medicare Parts A and premium-based Medicare Part B.** ~~Members will need to provide CalPERS verification of Medicare status by submitting the [Certification of Medicare Status \(PDF\)](#) form available on the CalPERS website.~~

## Active Members

Subscribers may remain enrolled in a CalPERS Basic (non-Medicare) health benefits plan until retirement.

## Medicare Part A

While working, subscribers and enrollees may enroll in Medicare Part A by applying [online](#) with SSA, contacting SSA at 1-800-772-1213 or by visiting their local [Social Security office](#). (Call first to make an appointment.)

Refer subscribers to [Apply Online for Medicare – Even if You are Not Ready to Retire](#) and the [Medicare](#) publication for additional resources.

Medicare Part A will be premium-free if subscribers/members:

- Worked for at least 10 years (40 quarters) in Social Security/Medicare-covered employment;
- Are eligible through the work history of a current, former, or deceased spouse; and/or
- Have ESRD, ALS, or a Social Security-qualified disability and meet certain SSA requirements.

Enrolling in Part A *may* save subscribers money.

- If enrolled in Part A, the subscriber's current CalPERS Health Plan will continue to be the primary payer of insurance claims and Medicare Part A will be a secondary payer. As a secondary payer, Medicare pays up to their allowable amount of costs not covered by CalPERS health insurance, potentially reducing out-of-pocket costs.
- There are limitations: Part A covers only inpatient care in a hospital, skilled nursing care, hospice, and some home health services. Therefore, remaining in a CalPERS health plan and enrolling in Medicare Part A will help defray cost sharing for those covered services only up to the allowable amount based on the Medicare fee schedule.
- Subscribers may want to consider delaying Medicare Part A until a later date if they contribute to a Health Savings Account (HSA) or if they will have to pay a premium to enroll in Part A.

## Medicare Part B

The SSA establishes a Medicare Part B premium amount annually, which must be paid to SSA to remain enrolled in Part B.

- If a subscriber receives SSA benefits, the Medicare Part B premium will be deducted from their SSA benefits; otherwise, the SSA will bill them quarterly.

The standard Medicare Part B premium applies to everyone; however, enrollees may be assessed an additional Income Related Monthly Adjustment Amount (IRMAA) if their modified adjusted gross income reported on their IRS tax return is above a certain amount.

Subscribers may defer Medicare Part B enrollment because they are still working.

- To defer, they should communicate this to SSA by contacting them at (800) 772-1213.
- This notification will ensure that the subscriber avoids a late enrollment penalty when they decide to retire and enroll in Medicare Part B upon retirement.

If subscribers choose to enroll in a Medicare Part B while still actively working, they will remain in a CalPERS Basic (non-Medicare) health benefits plan and their CalPERS Employer Group Health Plan will be the primary payer, and Medicare becomes the secondary payer.

~~When a member is actively employed past age 65 and their health coverage is based on current employment, they will remain enrolled in a CalPERS basic health plan.~~

~~Active Medicare eligible members and/or dependents:~~

- ~~1. May defer Medicare enrollment through the SSA if they are covered under an active employer group health plan (EGHP).~~
- ~~2. Must provide CalPERS verification of Medicare status by submitting the [Certification of Medicare Status \(PDF\)](#) form available on the CalPERS website.~~

~~If a member is deferring enrollment in Medicare Part B, they must complete and submit the [Ineligibility of Medicare Certification \(PDF\)](#) form or the Certification of Medicare Status form indicating the reason for deferral:~~

- ~~• Member is still working and has active employer group health coverage~~
- ~~• Member's spouse is still working, and the member is covered under their active employer group health coverage~~

~~The member must provide supporting documentation showing proof of enrollment in an active EGHP through the current employer.~~

~~Once this information is received by CalPERS, the member may remain in a CalPERS Basic (non-Medicare) health plan until retirement or until the member loses their active coverage in the EGHP. If the member later retires or loses their employer group health coverage through active employment, they'll no longer be eligible to remain in a CalPERS Basic (non-Medicare) health plan. To continue CalPERS health coverage the member must enroll in Medicare Part A and Part B, provide documentation of enrollment to CalPERS and transition to a CalPERS Medicare health plan. The SSA will~~

allow the member to enroll in Medicare Part B without a late enrollment penalty if they're eligible to enroll during a Special Enrollment period.

### **Coordination of Benefits**

If a member has Medicare and other health coverage, each type of coverage is called a "payer". When there is more than one payer, CMS coordination of benefits rules decide which party pays first. The primary payer pays what is owed on a member's bill first and a secondary payer is sent the remainder to pay.

An active member and/or dependent may enroll in Medicare; however, the basic health plan will be the primary payer while the member is actively working and covered by an EHP and Medicare will be the secondary payer.

To learn more about CMS coordination of benefits rules, CMS publishes [Who Pays First](#), a guide to how Medicare works with other types of coverage.

### **Retired Members Enrollees**

For a smooth transition from a CalPERS Basic to a CalPERS Medicare health benefits plan, subscribers are encouraged to enroll into Medicare Parts A & B prior to or within 30 days of retirement. Timely enrollment allows CalPERS to receive notification of their enrollment electronically and automatically transition them into a CalPERS Medicare health benefits plan. Subscribers will not need to send any additional documentation to CalPERS if enrollment with SSA is completed promptly.

- If enrollment with SSA is more than 30 days from retirement, subscribers/enrollees may be required to provide supporting Medicare documentation (i.e., Medicare card or entitlement letter) to CalPERS and a [Certification of Medicare Status \(PDF\)](#) form.
  - If CalPERS does not receive the subscriber's Medicare Part A and B information within 60 days, their health benefits will be canceled.
- If a subscriber's CalPERS Basic health plan has a corresponding Medicare health plan, the subscriber will be automatically transitioned to the CalPERS Medicare plan with their carrier. If their Basic plan does not have a corresponding Medicare plan, they will be transferred into UnitedHealthcare (HMO). If UnitedHealthcare is not available where the subscriber lives, they will be transferred into PERS Choice (PPO).
- Subscribers have 60 days from the date of enrollment in a CalPERS Medicare plan to elect a different plan by contacting CalPERS at **888** CalPERS (or **888-228-7377**).
- Subscribers/enrollees are able to enroll in Medicare Parts A & B online with SSA, contacting SSA at 1-800-772-1213 or by visiting their local Social Security office. Calling first to make an appointment is recommended.

### **Medicare Part A**

Subscribers and enrollees may enroll in Medicare Part A by applying [online](#) with SSA, contacting SSA at 1-800-772-1213 or by visiting their local [Social Security office](#). Calling first to make an appointment is recommended.

Medicare Part A will be premium-free if subscribers/members:

- Worked for at least 10 years (40 quarters) in Social Security/Medicare-covered employment;
- Are eligible through the work history of a current, former, or deceased spouse; and/or
- Have ESRD, ALS, or a Social Security-qualified disability and meet certain SSA requirements.

#### **If Subscribers do not qualify for Premium-Free Medicare Part A:**

- Subscribers who do not qualify for premium-free Medicare Part A based on their Social Security/Medicare work record or the record of their current, former, or deceased spouse, may remain in a CalPERS Basic health plan. This information must be submitted to CalPERS via a [Certification of Medicare Ineligibility](#) form. If they later qualify for Medicare Part A at no cost, they must enroll in Medicare Part B and in a CalPERS Medicare health plan.
- As a secondary option, subscribers may be able to enroll in a Kaiser Permanente Medicare Advantage plan if they are enrolled in Medicare Part B only. Kaiser Permanente is the only health insurer allowed by CMS to offer this arrangement.

#### Medicare Part B

Subscribers may enroll in Medicare Part B by completing the following forms and applying directly with SSA.

- If the subscriber worked beyond age 65, they will need to have a [Request for Employment Information](#) (Form CMS-L564) completed by their HBO.
- [Application for Enrollment in Medicare Part B \(Medicare Insurance\)](#) (Form CMS-40B).
- Return completed forms to the [local Social Security office](#) by mail or fax them to (833) 914-2016.

The SSA establishes a Medicare Part B premium amount annually, which must be paid to SSA to maintain enrollment in Part B. If a subscriber receives SSA benefits, the Medicare Part B premium will be deducted from their SSA benefits; otherwise, the SSA will bill them quarterly.

The standard Medicare Part B premium applies to everyone; however, enrollees may be assessed an additional Income Related Monthly Adjustment Amount (IRMAA) if their modified adjusted gross income reported on their IRS tax return is above a certain amount.

~~When a member is retired and the member and/or dependent is over 65 and Medicare eligible they must enroll in Medicare or provide supporting documentation to CalPERS from the SSA that they are ineligible for Medicare.~~

~~This action must be taken prior to their 65<sup>th</sup> birth month or within 90 days of retirement or CalPERS health coverage will be cancelled the first of the month following the retirement date.~~

~~Retired Medicare eligible members must:~~

- ~~1. Enroll in Medicare Parts A and B with the SSA.~~

- ~~2. Provide CalPERS verification of Medicare status by submitting the [Certification of Medicare Status](#) form.~~
- ~~3. Enroll in a CalPERS Medicare health benefits plan to continue their CalPERS health enrollment. CalPERS offers several Medicare health plans and will enroll you in a CalPERS Medicare health plan of your choice.~~

~~If a member and/or their dependent(s) are not enrolled in Medicare and eligible for premium free Part A, they will need to contact SSA to enroll in Medicare Part A and Part B. After enrolling in Part A and Part B with SSA, they will need to submit documentation of their Medicare status to CalPERS.~~

### **Additional Resources**

The [Certification of Medicare Status \(PDF\)](#) form is available on the CalPERS website. This form needs to be completed and submitted to CalPERS if:

- Subscribers do not enroll in Medicare Part A and B with SSA promptly and CalPERS has not received enrollment information from SSA,
- Subscriber is ineligible for premium-free Part A, or
- Subscriber has health coverage through an active employer group health plan.

The CalPERS [Medicare Enrollment Guide](#) provides information about how Medicare works with CalPERS health benefits.

Centers for Medicare & Medicaid Services (CMS) publishes [Medicare & You](#), a handbook that provides information about Medicare.

CMS Fact Sheet – [Deciding Whether to Enroll in Medicare Part A and Part B When You Turn 65](#)

CMS publishes Medicare & Other Health Benefits: [Your Guide to Who Pays First](#)

The Social Security Administration is the administrative authority of the Medicare program. For more information, visit [www.ssa.gov](http://www.ssa.gov).

The [Health Insurance Counseling & Advocacy Program](#) offers free, one-on-one Medicare counseling.

End of updates to Medicare topic \_\_\_\_\_

**Topic:** Post-Retirement Health Vesting

**Page:** 91

### **Employer Contribution**

For State employees, “vesting” refers to the amount of time you must be employed by the State to be eligible to receive employer contributions toward the cost of the monthly health premium during retirement. Bargaining unit negotiations may affect the State’s vesting requirements. State vesting requirements do not apply to, employees of the Legislature, or those on disability retirement. The amount the State contributes toward an annuitant’s health coverage depends on whether they are vested. ~~The amount of credited “State service” required to receive a percentage of the employer contribution toward the cost of the monthly health premium during retirement.~~

- The monthly employer contribution (state’s share) is specified by California Government Code section 22871 and 22871.1 based on the employee’s first hire date and Bargaining Unit.
  - The employer contribution is adjusted annually.
  - The amount the state contributes toward a retiree’s health coverage depends on state health Vesting requirements.
  - ~~Some bargaining units are subject to dependent health vesting where the State provides new employees a reduced health benefits contribution toward dependent vesting.~~
- ~~Refer to [CalHR](#) for additional detailed information~~
- 

**Topic:** Post-Retirement Health Vesting

**Pages:** 93-94

### **Important Dates First Hired by the State based on Bargaining Unit**

Bargaining unit 5 and related employees: January 1, 2020 (Gov. Code section 22874.9)

### **CSU Vesting (Gov. Code sections 22874.6, 22874.7, and 22874.8)**

- Bargaining unit 11: July 1, 2019
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**Topic:** Survivor Benefits

**Pages:** 95-96

### **Enrollment**

Upon the death of an employee while in state service, ~~the law~~ **AB 1639 (Chapter 926, 1999)** requires the state employer to pay the total amount of the health premium for up to 120 days of coverage for all enrolled dependents covered at the time of death. The employer may elect to bill the survivor for the amount that exceeds the state contribution. **The 120-day period is to provide the family a grace period while CalPERS determines if the spouse or other family members are eligible for a survivor benefit.**

~~If this occurs,~~ **To process the 120-Day Employer Paid Survivor Health,** you must:

- Complete the [Direct Payment Authorization \(PDF\)](#) form
  - The survivor **does not** have to sign the form as it is an employer-paid benefit
- Process the direct payment enrollment in myCalPERS

- Process the health cancellation after 120 days
- Mail the premium payment with a copy of the Direct Pay Authorization form directly to the Health Plan (see the Health Plan Resources under the Contract Information section for the Health Plan payee name and address)
- Retain the original copy of the Direct Payment Authorization form in the employee's file
- Provide COBRA information to the dependents

If the employer erroneously sends the payment to CalPERS instead of the Health Plan, CalPERS Financial Reporting and Accounting Services Division Team will contact the employer to correct the payee and resend the payment to the Health Plan.

If CalPERS determines that an eligible family member is eligible for an ongoing survivor warrant and enrollment in health and dental benefits and that ~~if an eligible~~ surviving family member was not enrolled in health and dental benefits at the time of death, the survivor may request enrollment from CalPERS within 60 days from the date of death. The effective date of enrollment is the first day of the month following the date CalPERS receives the request.

End of updates to Survivor Benefits topic \_\_\_\_\_

**Topic:** Health Education and Events

**Pages:** 100-101

## Employer Education

Employer training classes will assist you with your CalPERS health-related obligations.

### **CalPERS Business Rules Instructor-Led Classes**

The **Health Business Rules** 2.5-hour class provides guidance on the laws and business rules associated with our health program. Gain knowledge about the CalPERS website, health benefits guides, health plan options, eligibility and enrollment requirements, health benefits into retirement, and health benefits officer (HBO) reporting responsibilities.

### **myCalPERS Instructor-Led Classes**

The **myCalPERS Health Enrollment** three-hour class provides a hands-on experience to learn how to view health enrollment details, search for a plan and provider by ZIP code, process health transactions, and run health reports. By request, nonPERS and CalSTRS health scenarios and billing reconciliation will be covered.

### **Online Classes**

The Online Classes for Employers (PDF) offer 24-hour access to instruction you need to navigate through myCalPERS, perform transactions, reconcile health billing, run reports, manage system accounts, and understand health business rules.

### **Registration & Resources**

Select the Education tab in myCalPERS to enroll in CalPERS health classes.

## Contact the Employer Educators

[Email](#) training questions or requests to

[CalPERS\\_Employer\\_Communications@CalPERS.ca.gov](mailto:CalPERS_Employer_Communications@CalPERS.ca.gov).

## Resources

- [Employer Education Schedule \(PDF\)](#)
- [myCalPERS Student Guides @ Resources](#)
  - [myCalPERS Health Enrollment \(PDF\)](#)
  - [myCalPERS Health Billing Reconciliation \(PDF\)](#)
  - [myCalPERS Health Aid: Health Event Types and Reasons for Employers \(PDF\)](#)
  - [myCalPERS Health Contract \(PDF\)](#)

## CalPERS Educational Forum

This annual employer event occurs every fall. The forum provides the opportunity to get the most up-to-date CalPERS information, attend classes, and talk to CalPERS Board members and team members. To be placed on our direct mailing list, please e-mail your request to [CalPERS\\_Educational\\_Forum@calpers.ca.gov](mailto:CalPERS_Educational_Forum@calpers.ca.gov).

## Member Education

[Member education](#) workshops will help your employees understand their health benefits.

## Webinars

Visit our website at [www.calpers.ca.gov](http://www.calpers.ca.gov) to see a list of our upcoming webinars. Monthly webinars are saved on our [CalPERS Videos YouTube channel](#) for future viewing. For health-specific videos, enter **health** in the search.

## CalPERS Benefits Education Events (CBEEs)

These free educational events about CalPERS benefits and programs are for all employees. The CBEEs are offered throughout California and provide informative classes, such as CalPERS Health Benefits for those early to mid-career and CalPERS Health Benefits into Retirement for those nearing retirement.

Your employees will have the opportunity to meet CalPERS representatives and partner organizations and ask questions about their benefits. They will be provided instructional steps needed for the next phase of their career.

From the CalPERS website, select "Attend Training & Events" under the "I Want To" column, then select the [CalPERS Benefits Education Events](#) link for the calendar, event classes, and tips. Registration is available approximately six weeks before each event and is encouraged to expedite event check-in, but walk-ins are also welcome.

## Member Education Bulletin

CalPERS Email Subscriptions are your direct link to the latest CalPERS news and free educational opportunities. Subscribe to the Member Education Bulletin to help you and your employees know about the next member education offerings such as, webinars, instructor-led classes, and CalPERS Benefits Education Events (CBEEs).

To receive educational event notifications in the future, your employees can subscribe to our Member Education Bulletin. To do so, visit our website at [www.calpers.ca.gov](http://www.calpers.ca.gov), **subscribe**, and follow the simple steps to complete your subscription. Subscriptions are also available for Board Meeting Notice & Agenda Alerts, Employer Bulletin and CalPERS News.

End of updates to Health Education and Events topic \_\_\_\_\_