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Circular Letter

July 11, 2014

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

SUBJECT: 2014 OPEN ENROLLMENT AND HEALTH BENEFITS INFORMATION

Open Enrollment

The Open Enrollment period is from **September 15, 2014**, through **October 10, 2014**. The effective date of all Open Enrollment transactions is **January 1, 2015**.

Circular Letter Summary

Below is a summary of the sections provided in this 2014 Open Enrollment and Health Benefits Information Circular Letter.

Section	Description
Health Program Highlights	The Health Program Highlights section provides important details regarding Open Enrollment, 2015 health plans and rates.
Open Enrollment Communication	The Open Enrollment communication section describes the various communications released to employees.
Employer Responsibilities	The Employer Responsibilities section outlines your responsibilities. Please pay particular attention to the area that outlines the documentation that is required to add/delete a dependent. As the employer, you have a fiduciary responsibility to manage the CalPERS Health Program by ensuring that only eligible employees and their dependents are covered.

Open Enrollment Message Line

Our 2014 Message Line for Open Enrollment Communication this year is:

Learn. Explore. Decide.
Healthy decisions start now
Open Enrollment Begins September 15

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 their health plan options.

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2014 Open Enrollment and Health Benefits Information, Continued

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Please refer to the material in this Circular Letter, to provide information to your employees about Open Enrollment.

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Health Program Highlights

Approved Health Plans

CalPERS offers the following HMOs, PPOs, and EPOs:

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

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

2015 Health Program Highlights

For 2015 Health Program Highlights please refer to the CalPERS Pension and Health Benefits Committee Agenda Items from June 17, 2014. Visit CalPERS On-Line at www.calpers.ca.gov and select the Newsroom hyperlink. Next choose Meeting Agendas under Board Meetings. Then select Pension & Health Benefits Committee. Select Action Agenda Item 5a for HMO health benefit changes. Select Action Agenda Item 5b for PPO health benefit changes.

2015 Benefit Changes will also be highlighted in the Open Enrollment Newsletter which is distributed with the Open Enrollment Packet.

Additional information will be available online on **August 18, 2014**. Visit CalPERS On-Line at www.calpers.ca.gov and select the Employers tab. Next choose Retirement Benefit Programs & Contracting Services, then Health Benefits Program, and finally 2015 Health Plan Information.

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Health Program Highlights, Continued

2015 Health Plan Rates

For information about the 2015 health plan rates and the 2015 Consolidated Omnibus Budget Reconciliation Act (COBRA) monthly premium rates, visit CalPERS On-Line at www.calpers.ca.gov and select the Employers tab. Next choose Retirement Benefit Programs & Contracting Services, then Health Benefits Program, and finally 2015 Health Plan Information.

2015 State Annuitant Contribution 100/90 Formula

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

Below is a comparison chart for the 2014 and 2015 State contributions:

Party Type	2014	2015
One Party	\$642	\$655
Two Party	\$1,218	\$1,246
Family	\$1,559	\$1,605

2015 State Employer Contribution

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

Open Enrollment Communications

Open Enrollment Packets

Open Enrollment packets will be mailed to employees enrolled in health as of July 1, 2014 on **August 19, 2014** and **August 26, 2014**. The Open Enrollment packet will include:

- **Open Enrollment News** – provides information about this year's Open Enrollment period, as well as highlights of the 2015 health benefit design changes.
 - **Health Plan Statement** – identifies the health plan in which the employee and the employee's family members are enrolled in as of July 1, 2014.
 - **Rate Sheet** – informs the employee of available health plans and rates based on their eligibility ZIP Code.
 - **Postcard** – allows employees to order the *2015 Health Benefit Summary, Health Program Guide*, and the *CalPERS Medicare Enrollment Guide*.
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Open Enrollment Communications, Continued

Open Enrollment Packets (continued)

Employees enrolled in a CalPERS health plan after **July 1, 2014**, will not receive an Open Enrollment packet. New employees or subscribers who did not receive an Open Enrollment packet may obtain the Open Enrollment publications from you.

They can also visit CalPERS On-Line at www.calpers.ca.gov. This information will be available online on **August 18, 2014**. Select the Members tab. Next choose Health Benefits and finally 2015 Health Plan Information.

Publication Requests

Employees may request health publications by using the prepaid postcard included in the Open Enrollment Packet to receive before the end of Open Enrollment. Postcards must be postmarked no later than **September 18, 2014**. Requested materials will be mailed within two weeks. The postcard should be used to request any of the following:

- **2015 Health Benefit Summary** – Provides valuable information to help make an informed choice about a health plan; compares benefits, covered services, and co-payment information for all CalPERS health plans.
- **Health Program Guide** – Describes Basic and Medicare health plan eligibility and enrollment requirements, and explains when and how employees can make 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.

The Health Program Guide and CalPERS Medicare Enrollment Guide are available now on CalPERS On-Line. The 2015 Health Benefit Summary will be available to view and print on CalPERS On-Line at www.calpers.ca.gov on **August 18, 2014**.

Available Online Resources

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

Health Plan Search by ZIP Code

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

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Open Enrollment Communications, Continued

Available Online Resources (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. 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.

Webinar and Web Video

CalPERS will host a webinar covering the 2015 CalPERS Health Plan Rate and Benefit Changes on August 7, 2014. Look for an Evite in late July or register at www.calpers.ca.gov. To register, select Watch Videos & Web Events under the Employers Online Services section. Then choose Upcoming Web Events and select 2015 CalPERS Health Plan Rate and Benefit Changes.

CalPERS offers an on-demand web video that provides information from expert health plan representatives. Also included with this video are instructions on how to schedule an onsite health fair. The video will be available on CalPERS On-Line at www.calpers.ca.gov for your employees. For more information regarding the Webinar and Web Video, refer to the Circular Letter 600-032-14 which will be released in July.

Employer Reports

The Employer Reports will be mailed by **August 19, 2014**. 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 unknown undeliverable address by the United States Postal Service. Changes submitted after **July 1, 2014**, will not be reflected on this report.

Undeliverable Health Plan Statements

Prior to the undeliverable Health Plan Statements being forwarded to you, you will receive an employer report after August 19, 2014 with the known undeliverables. Please update as many addresses as you can to reduce the amount of undeliverable Health Plan Statements that will be forwarded to you in the future.

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Open Enrollment Communications, Continued

Undeliverable Health Plan Statements (continued)

Health Plan Statements returned with an undeliverable address by the United States Postal Service will be forwarded to you by **September 26, 2014**. Below are instructions for processing undeliverable Health Plan Statements:

State and CSU Agencies

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

Contracting Agencies and Schools

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

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

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

Retirees should logon to my|CalPERS at **my.calpers.ca.gov** or call us at **888 CalPERS** (or **888-225-7377**) to update their address or to request a 2014 Health Plan Statement.

Employer Resources

Beginning on **August 21, 2014**, CalPERS will mail you a supply of Open Enrollment publication packets equivalent to two percent of your agency's enrolled employees. Please use these publications to distribute to the following groups of employees:

- New hires
- Employees who are eligible for health benefits, but who are not currently enrolled in a health plan
- All health enrollments or address changes recorded after **July 1, 2014**

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Open Enrollment Communications, Continued

Employer Resources (continued)

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

You can view publications and posters on CalPERS On-Line at www.calpers.ca.gov. Select the Members tab. Next choose Health Benefits and finally 2015 Health Plan Information. This information will be available online on **August 18, 2014**.

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

Submitting Transactions

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

- All transactions must be entered based on the Open Enrollment dates of **September 15** through **October 10, 2014**.
- The deadline for processing all Open Enrollment transactions is **November 1, 2014**.

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

Supporting Documentation

As the employer, you have a fiduciary responsibility to manage the CalPERS Health Program by ensuring that only eligible employees and their dependents are covered. Employers (for active members) and CalPERS (for retired members) 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**.

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Employer Responsibilities, Continued

Completing the Health Benefits Plan Enrollment Form

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

Box	Reason Code	Description
14	104	New Enrollment during Open Enrollment
14	206	Adding Dependent during Open Enrollment
14	320	Open Enrollment Delete Dependent
14	400	Changing Plans during Open Enrollment
14	503	Enrolled in Flex Elect – Cancel Coverage
14	530	Open Enrollment Cancel Coverage
15	Event Date	September 15 – October 10, 2014
16	Effective Date	January 1, 2015
17	Basic Plan	List all persons to be enrolled in the health plan, including dependent SSNs
20	Employee Sign Date	September 15 – October 10, 2014 (include employee's daytime phone number)
33	Employer Received Date	September 15 – October 10, 2014

Rescind Transactions

In my|CalPERS, you have the ability to rescind health transactions when the effective date of the transaction occurs in the future. For example, prior to the January 1, 2015 effective date, if an employee decides they no longer want to change health plans, you may rescind the transaction within my|CalPERS. Employees cannot select another health plan, but can rescind the Open Enrollment change and return to the original health plan.

To avoid payroll deduction errors, the rescind transaction must be updated online through my|CalPERS at my.calpers.ca.gov prior to the December 2014 payroll cut-off date. Open Enrollment transactions rescinded after the December payroll cut-off date will be adjusted on the February 1, 2015 warrant.

Health Premium Adjustments

Despite everyone's best efforts, the January 1, 2015, 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 2014 Open Enrollment health plan change, advise the employee to **discontinue** using their prior plan after January 1, 2015. You must verify that my|CalPERS reflects the appropriate enrollment and advise the employee that the payroll discrepancy will be resolved by the first of the following month.

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Employer Responsibilities, Continued

Employees on Leave of Absence

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

Consolidated Omnibus Budget Reconciliation Act (COBRA)

Former employees or their dependents that are eligible for COBRA continuation coverage may change health plans and add/delete eligible dependents during Open Enrollment. Former employees or their dependents enrolled in COBRA as of **July 1, 2014**, will receive an Open Enrollment Packet. You are required to:

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

Retiree Enrollment Changes

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

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

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

- Through my|CalPERS at **my.calpers.ca.gov**
- By requesting a change in writing and mailing the request to:
CalPERS JLRS
P.O. Box 942705
Sacramento, CA 94229-2705
- By requesting a change in writing and faxing the request to
(916) 795-1500

Or by calling us toll free at **888 CalPERS** (or **888-225-7377**)

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Employer Responsibilities, Continued

Questions

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

SUE KANE
Acting Division Chief
Customer Account Services Division