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# **Circular Letter**

TO: Contracting Agency Health Benefits Officers and  
Assistant Health Benefits Officers

SUBJECT: ADMINISTRATIVE FEE FOR PUBLIC AGENCIES AND SCHOOLS;  
IMPORTANT DATES FOR RESOLUTION SUBMISSION

## **Administrative Fee for Fiscal Year 2007/2008**

Effective July 1, 2007, the CalPERS Board of Administration set the Public Employees' Medical and Hospital Care Act (PEMHCA) administrative fee at 0.29% of monthly premium. CalPERS will take immediate action to reflect this fee on current bills, and to adjust any previous bills which may be impacted.

The FY 07/08 rate of 0.29%, is a reduction from the FY 06/07 total administration rate of 0.44%, as the Board's one-time assessment for GASB 45 program support has expired.

## **Contracting Agency Resolution Change Process**

Agencies wanting to change current Resolutions based on new premiums, modified MOUs, legislation, and/or adding new employee groups, must submit approved Resolution changes by **November 15, 2007**. This will ensure an effective date of January 1, 2008. Resolutions submitted after November 15<sup>th</sup> may not be processed in time for a January 1, 2008 effective date.

## **Contracting Agency Termination Process**

Contracting agencies may elect to terminate their participation in PEMHCA by filing a resolution passed by a majority vote of their governing body. The resolution must be filed no later than 60 days after the CalPERS Board approves the health premiums for the 2008 contract year. The resolution electing to terminate must be filed with:

Office of Employer and Member Health Services  
P.O. Box 942714  
Sacramento, CA 94229-2714

The deadline **for receipt of the resolution at CalPERS is August 20, 2007**, and is irrevocable after the filing of the resolution. Terminations are effective on January 1, 2008, and the re-entry period to PEMHCA is five years from the termination date.

It has been our pleasure to provide public agencies with the highest quality health care available at the lowest administrative fees possible. In 2008, CalPERS will continue this tradition with highly competitive rates from our Health Plan Partners: Blue Shield of California and Kaiser Permanente for your HMO needs and Blue Cross of California for your PPO support. In addition, we have introduced two new High-Performance Network health plan products, Blue Shield *NetValue HMO* and *PERS Select PPO*. These new offerings, along with lower rates and zero co-pays for preventive care office visits, continue to make CalPERS Health Benefits the leader in quality, innovative public sector health care in California and the nation.

We look forward to continuing our relationship with you in 2008. If you have questions, please call our Employer Contact Center at **(888) CalPERS** (or **888-225-7377**).

Sincerely,



Holly A. Fong, Chief  
Office of Employer and Member Health Services