

**HUMAN RESOURCES MEMORANDUM: 11:029A**

*Expiration Date: Supersedes 11-029*

Issue Date: September 15, 2011

To: Personnel Liaisons and Attendance Clerks

Subject: **2011 OPEN ENROLLMENT PERIOD FOR HEALTH/DENTAL/FLEX BENEFITS**

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**PLEASE ENSURE THAT THIS INFORMATION IS SHARED WITH YOUR EMPLOYEES.**

**Purpose of document** This memorandum supersedes HR Memo 11-029 and provides employees with detailed information regarding the 2011 Open Enrollment period for health, dental, and flex-elect benefits.

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**Open enrollment** Open enrollment is from October 10, 2011 through November 4, 2011. The effective date of all open enrollment transactions is January 1, 2012.

During open enrollment, eligible employees may enroll, change, add or delete family members in health and dental plans and enroll or cancel their flex-elect participation.

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**Health plan options**

Health Maintenance Organization (HMO) Basic Health Plans

- Blue Shield Access+
- Blue Shield NetValue
- Kaiser Permanente

Exclusive Provider Organization (EPO) Health Plan

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

Preferred Provider Organization (PPO) Basic Health Plans

- PERS Select
- PERS Choice
- PERS Care

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## **2012 Health plan changes**

Highlights of the 2012 benefit changes are listed below. These benefit modifications are designed to focus on quality, patient safety, and engaging members in their care. While drug copayments will go up next year in some cases to encourage the use of generic and mail order drugs, they still will fall below the U.S. median for generic and preferred brand drugs, and slightly above the median for non-preferred drugs. Refer to the health plan's Evidence of Coverage (EOC) booklet for a complete explanation of the benefits covered, as well as limitations and exclusions that apply.

### **Blue Shield NetValue (Basic & Medicare)**

- Expanding service area to include Contra Costa County, and withdrawing from Santa Barbara County
- Adding providers in Los Angeles, Riverside, Orange and San Bernardino Counties

### **Blue Shield 65 Plus (Medicare)**

- Expanding service area to include Imperial, San Joaquin, San Francisco, and Nevada Counties



### **PERS Select (Basic & Medicare)**

- Expanding service areas to include Marin County

### **PERS Select/Choice/Care (Basic)**

- Expanding the Value Based Site of Care program, which establishes a payment threshold for three additional elective procedures. When members receive service at an outpatient hospital rather than an ambulatory surgery center the following thresholds apply:
  - Arthroscopy - \$6,000 limit
  - Cataract Surgery - \$2,000 limit
  - Colonoscopy - \$1,500 limit

### **General Pharmacy Benefit Highlights**

- Retail co-payments for brand name drugs will increase by \$5.
- Members may receive a 90-day supply of maintenance medication through mail order for the price of a 60-day retail supply.
- Members maintain access to brand name drugs when a Food and Drug Administration approved generic equivalent is available by paying the difference between the cost of the generic and brand name drug. A brand co-payment applies when a prior authorization for the brand name drug is obtained due to medical necessity.
- Exclude discretionary lifestyle drugs from the \$1,000 out-of-pocket maximum for mail order prescriptions.

**2012 Health plan changes (cont'd)**

**New Pharmacy Benefit Manager for CalPERS PPO Members**

CalPERS has selected CVS Caremark to administer prescription drug benefits for more than 346,000 members of CalPERS self-funded PERS Select, PERS Choice and PERSCare PPOs effective January 1, 2012. CVS Caremark will offer several new benefits:

- A Maintenance Choice Program will allow members to pick up a 90-day supply of medication directly from a CVS pharmacy at a time convenient to them. Members will pay their typical mail order co-pay for a prescription on the same day and be able to talk face-to-face with a pharmacist.
  - The Gaps in Care Plus Medical Program will use an integrated medical and pharmaceutical approach to identify potential gaps and omissions in drug and medical therapy for participating CalPERS members.
  - Members will be able to save money by choosing “best choice” medications (generics and preferred brands) and 90-day supplies, where appropriate, in the iBenefit personalized mailing program.
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**2012 Health premium changes**

In June 2011, the CalPERS Board of Administration approved a 2012 health rate package that will increase overall premiums by 4.1 percent.

**HMO Plans**

- Basic HMO plan premiums will increase an average of 5.3 percent.
- Medicare HMO plans will decrease an average of 0.9 percent.

**PPO Plans**

- Basic PPO plan premiums will increase an average of 3.0 percent.
- Medicare PPO plans will increase an average of 0.7 percent.

**Association Plans**

- Basic Association plan premiums will increase an average of 2.7 percent.
  - Medicare Association plans will increase an average of 0.9 percent.
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**2012 Health Premium Rates**

Click on the link below to access the 2012 Health Premium Rates: <http://www.calpers.ca.gov/eip-docs/member/health/2012-health-info/state-premiums.pdf>

Or, you may access the 2012 Health Premium Rates in Attachment “A” included with this memo.

**2012 Health  
Employer  
Contribution  
Amounts**

The Employer health benefit contributions are effective January 1, 2012.

<b>Bargaining Units 1, 3, 4, 10, 11, 13, 14, 15, 20, and 21 (Rank-and-File Subject to Vesting)</b>	<b>Employer Contribution without vesting</b>	<b>First 12 months 50% Vesting Rate</b>	<b>Months 13-24 75% Vesting Rate</b>
Employee only	\$452.00	\$452.00	\$452.00
Employee, plus 1 dependent	\$905.00	\$678.00	\$792.00
Employee, plus 2 or more dependents	\$1177.00	\$815.00	\$996.00

<b>Bargaining Unit 6, (Rank-and-File)</b>	<b>Employer Contribution</b>
Employee only	\$452.00
Employee, plus 1 dependent	\$905.00
Employee, plus 2 or more dependents	\$1177.00

<b>Bargaining Unit 12,(Rank-and-File Subject to Vesting)</b>	<b>Employer Contribution without vesting</b>	<b>First 12 months 50% Vesting Rate</b>	<b>Months 13-24 75% Vesting Rate</b>
Employee only	\$433.00	\$433.00	\$433.00
Employee, plus 1 dependent	\$866.00	\$649.00	\$758.00
Employee, plus 2 or more dependents	\$1129.00	\$781.00	\$955.00

<b>Bargaining Unit 18 (Rank and file CoBen Allowance Subject to Vesting)</b>	<b>Employer Contribution without vesting</b>	<b>First 12 months 50% Vesting Rate</b>	<b>Months 13-24 75% Vesting Rate</b>
Employee Only	\$482.00	\$482.00	\$482.00
Employee, plus 1 dependent	\$946.00	\$729.00	\$838.00
Employee, plus 2 or more dependents	\$1241.00	\$893.00	\$1067.00

**2012 Health Employer Contribution Amounts (cont'd)**

<b>Bargaining Unit 2, 7, 16, 17, 19 (Rank and file CoBen Allowance – Subject to Vesting)</b>	<b>Employer Contribution without vesting</b>	<b>First 12 months 50% Vesting Rate</b>	<b>Months 13-24 75% Vesting Rate</b>
Employee Only	\$501.00	\$501.00	\$501.00
Employee, plus 1 dependent	\$986.00	\$759.00	\$873.00
Employee, plus 2 or more dependents	\$1291.00	\$929.00	\$1110.00

<b>Bargaining Unit 5, 9 (Rank-and-file)</b>	<b>Employer Contribution</b>
Employee only	\$480.00
Employee, plus 1 dependent	\$933.00
Employee, plus 2 or more dependents	\$1206.00

<b>Bargaining Unit 8 (Rank-and-file - CoBen Allowance)</b>	<b>Employer Contribution without vesting</b>
Employee only	\$529.00
Employee, plus 1 dependent	\$1014.00
Employee, plus 2 or more dependents	\$1320.00

<b>Excluded Employees (CoBen)</b>	<b>Employer Contribution</b>
Employee only	\$531.00
Employee, plus 1 dependent	\$1027.00
Employee, plus 2 or more dependents	\$1,335.00

**Dental Plan Options, Premium Rates and Employer Contribution Amounts**

As of the date of this HR memo, the Department of Personnel Administration has not provided departments the 2012 dental plan options, premium rates and State contribution amounts. As soon as the information is available it will be shared with you.

**Dependents Health**

**in a Parent-Child Relationship**

To enroll or delete dependents in a parent-child relationship from your health plan you will need to complete an Affidavit of Parent-Child Relationship (HBD-40) in addition to an HBD-12, and an HBD-12a form. If you are not making any changes to dependents in a parent-child relationship on your health plan then no further action is necessary as CalPERS has determined that dependents in a parent-child relationship yearly certification forms will not be required this year.

**Dental**

To enroll or delete dependents in a parent-child relationship from your dental plan you will need to complete an Affidavit of Eligibility For Dependent Children (DPA025). Employees that already have dependents enrolled in a dental plan where the employee has assumed a parental role with respect to the child, and is the primary care parent must submit a new Affidavit of Eligibility For Dependent Children (DPA025) yearly certification during the open enrollment period.

**Vision**

Employees with dependents in a parent-child relationship are automatically covered under the employee's vision plan.

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**Health plan eligibility by ZIP Code**

Active employees or working CalPERS retirees may enroll in a health plan using either a residential or work ZIP Code. A P.O. Box cannot be used to establish eligibility, but may be used for mailing purposes. To enroll in a Medicare Advantage plan, a residential address is required.

If a residential ZIP Code is used for eligibility, all enrolled dependents must live in the health plan's service area. If a work ZIP Code is used for eligibility all enrolled dependents must receive all covered services (except emergency and urgent care) within the health plan's service area, even if they do not live in that service area.

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**Importance of timely notification of changes**

Remind employees to notify their Attendance Clerk of any status changes such as: marriages, divorces, and/or births. Maintaining enrollment of ineligible dependents, such as divorced spouses and/or married children, will hold employees financially responsible until their coverage is cancelled.

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**Permanent intermittent employees**

Newly eligible Permanent Intermittent (PI) employees may enroll in health benefits after a qualifying control period, January 1 and July 1 of each year.

However during Open Enrollment, PI(s) currently enrolled in health benefits, may add eligible dependents and/or change providers. Please contact your Attendance Clerk for assistance with determining eligibility.

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**Employees**

Employees eligible for health benefits and off payroll status (including NDI,

**off pay status**

SDI, IDL, and Temporary Disability) may change plans and/or add dependents during the Open Enrollment period, or within 60 days from the date they return to regular pay status.

Off pay status and **paying directly** to the health plan provider:

- Complete an HBD-12, HBD-12A form, and a Direct Payment Authorization HBD-21 form. For dependent changes without changes to plan or party codes, submit the HBD-12 and HBD-12A for plan or dependent changes.

Off pay status and **not paying directly** to the Health Plan provider:

- Complete an HBD-12 and HBD-12A for plan or dependent changes.

Your Attendance Clerk can assist you with the completion of the appropriate forms.

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**COBRA changes**

COBRA enrollees adding family members and/or changing carriers should submit a new Group Continuation Coverage (HBD-85) form to their Attendance Clerk.

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**Completing form HBD-12**

The table below will assist you with completing the HBD-12 forms:

Box	Item Description	Enter the following:
1	Type of Action	Mark appropriate box
2,3	SS #	Enter your SS # and that of your spouse/domestic partner if they are enrolled in your health plan.
4A	Demographic Info	Complete as requested
4B		If you use a post office box, your residence zip code is required for adding or deleting dependents or plan changes. If Box 4B is not properly completed, the enrollment form will be returned for correction.
5	Perm Intermittent	Mark only if Permanent Intermittent employee.
6,7	Gender/Married	Make a selection for each item.
8	Plan Code	Leave Blank
9	Name of Health Plan	Complete with name of health plan or if changing, with name of new health plan.
10	Gross Premium	Leave Blank
11	Primary Care Physician	Name of Physician or medical group. Providing this information will assist with delivering identifications cards timely.
12	Prior Plan Code	Leave Blank
13	Prior Health Plan	Leave Blank

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**Completing form HBD-12 (cont'd)**

14	Reason Code	Leave Blank
15	Permitting Event Date	October 10, 2011
16	Effective Date	January 1, 2012
17	Basic Plan	Include all persons enrolled in the health plan and their <b>social security numbers</b> .
18	Supplemental Plan	Only complete if applicable
19	Check One	Mark appropriate box
20, 21	Employee Sign and Date	Must be signed no earlier than October 10, 2011 and no later than November 4, 2011.
22-34	Miscellaneous	<b>Do not Complete – for Personnel use only</b>
35	Remarks	Indicate the permitting event reason per the permitting event reason chart.

**Multiple Health transactions**

Multiple transactions such as deleting dependents and changing health plans require a separate document for each transaction.

**Dependent vesting criteria**

New employees, without previous State health benefit eligibility, may be subject to dependent health vesting.

Employees in bargaining units contracted for dependent vesting are provided with 50 percent of the employer dependent contribution for the first 12 months of service, and 75 percent of the employer dependent contribution for months 13 through 24. After 24 months, these employees receive the full employer dependent contribution applicable to their bargaining unit.

Please refer to the appropriate collective bargaining agreement for specific criteria for determining if an employee is subject to dependent vesting.

**Dual coverage**

Dual coverage as an employee and as a dependent is prohibited under the CalPERS Health Benefits Program. Families are required to coordinate their enrollments to prevent double coverage situations. If both you and your spouse are eligible to enroll in your own right, the enrollments can be established as two individual enrollments, or as one family enrollment. All dependents must be covered under one parent.

**Health plan identification cards**

Health Plan providers make every attempt to ensure members changing Health Plans; receive their new identification cards before January 1, 2012. Employees changing health plans who have not received new identification cards should discontinue using the prior plan after December 31, 2011 and contact their new plan member services regarding status of cards.

**Important reminder**

Type or print legibly all HBD-12, HBD-12A and HBD-85 forms. Open enrollment transactions are IRREVOCABLE once they become effective on January 1, 2012.

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**Open enrollment packets**

CalPERS sent out Open Enrollment Packets in August. The open enrollment packets included the following:

- **Open Enrollment News** – contains information about this year’s Open Enrollment, as well as highlights of the 2011 health benefit design and co-payment changes.
- **Health Plan Statement** – identifies the health plan in which the subscriber and the subscriber’s family members are enrolled as of July 1, 2011.
- **Rate Sheet** – informs members of health benefit plans and rates available to them based on their eligibility ZIP Code on record.
- **Postcard** – allows members to order the 2012 Health Benefit Summary and Health Program Guide, or the CalPERS Medicare Enrollment Guide.

*Note: Subscribers who enrolled in a CalPERS health plan after July 1, 2011, will not receive a Health Plan Statement.*

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**Postcard publications request**

Requests for health publications using the postcard attached to the Rate Sheet must be postmarked by October 14, 2011. Publications are available on CalPERS On-Line at [www.calpers.ca.gov](http://www.calpers.ca.gov). The postcard may be used to request the following publications:

- **2012 Health Benefit Summary** – This publication provides valuable information to help choose a health plan, select doctors, and understand the differences between the different types of plans. It compares health plan benefits, covered services, and co-payment information.
- **Health Program Guide** – This publication describes Basic and Medicare eligibility, enrollment, and the types of health plan choices available.
- **CalPERS Medicare Enrollment Guide** – This publication describes the relationship between Medicare and the CalPERS Health Program; summarizes the different parts of Medicare; and explains how and when to choose your CalPERS Medicare health plan.

On August 15, 2011, the publications will also be available on CalPERS On-line at [www.calpers.ca.gov](http://www.calpers.ca.gov)

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**Online Resources****2011 Member Rating Information**

The 2011 Member Rating Information describes how members rate plans and services and provides tips such as choosing a doctor.

**Health Plan Chooser**

The online Health Plan Chooser lets employees weigh the benefits and costs for each plan, search for specific doctors, and view overall plan satisfaction and quality ratings. The Chooser is available on CalPERS On-Line at [www.calpers.ca.gov](http://www.calpers.ca.gov).

**Health Plan Search by ZIP Code**

The Health Plan Search by ZIP Code is an online tool that informs employees of plans available in their area. Employees can enter the ZIP Code for their residential or work address; select the Member Category and then “Search” to view the results. This tool is available on CalPERS On-Line and on my/CalPERS. <http://calpers2011.chooser2.pbgh.org/>

Attendance Clerks with Internet access may assist their employees by inputting the employee’s residential or work address ZIP Code and retrieving a list of health plans from which the employee can choose. Additionally, they can download a PDF file from CalPERS On-Line. Attendance Clerks who do not have Internet access may call CalPERS at (888) CalPERS (or 888-225-7377) to determine whether a particular ZIP Code is included in a plan’s service area. They may order a hard copy of the list of CalPERS health plans availability by ZIP Code or download the list online at [www.calpers.ca.gov](http://www.calpers.ca.gov).

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**2012 Health Plan Webinar**

The 2012 Webinar on Health Plan Design, Rate, and Benefit Changes will provide employees, retirees, and their dependents the opportunity to receive information from expert representatives of each of the CalPERS health plans. The webinar offers on-demand video and downloadable materials regarding the 2012 health plans, providing participants with convenient 24/7 access from home or office. You can access the 2012 Webinar at the CalPERS website at [www.calpers.ca.gov](http://www.calpers.ca.gov)

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**Employer Resources****Open Enrollment Packets**

The Department received a small supply of Open Enrollment publications. Please contact your Personnel Specialist for enrollment packets to distribute to the following groups of employees:

- New hires
- Employees eligible for health benefits and looking to enroll this year
- Employees enrolled in health benefits but did not request Open Enrollment publications and cannot access them online

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**Employer  
Resources  
(cont'd)**

Supplies are also available to order by contacting:

CalPERS Agency Request Unit

Phone: (916) 795-1493

Fax : (916) 795-3281

Email [Public\\_Agency\\_Requests@calpers.ca.gov](mailto:Public_Agency_Requests@calpers.ca.gov)

Include the following:

- Agency name and address
- Contact name
- Telephone number
- Quantity of each item ordered

Posters are available on CalPERS On-Line at [www.calpers.ca.gov](http://www.calpers.ca.gov).

**Click on the following link to CalPERS library to access all forms and publications:** <https://www.calpers.ca.gov/mss-pub/SearchController?library=action&PageId=SearchCatalog>

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**Deadline**

Submit all Open Enrollment transactions as they are received. All documents must be completed and signed by the employee by **November 4, 2011** and received in OHR **no later than November 7, 2011**.

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**Questions**

If you have any questions, please contact your Personnel Specialist.

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/s/

TERRI HAMILTON, Chief  
Office of Human Resources

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Attachments

cc: Personnel Transactions  
Personnel Analysts