

HUMAN RESOURCES MEMORANDUM 13-019		DATE ISSUED: September 12, 2013
SUBJECT: 2013 Open Enrollment Period for Dental, Vision, FlexElect, and Consolidated Benefits (CoBen) Programs, 2014 Dental and Vision Plan Premiums, and 2014 CoBen Allowance		REFERENCE: PML 2013-028
TO: ALL DEPARTMENT OF GENERAL SERVICES EMPLOYEES		SUPERSEDES: <i>HR Memo 12-008</i>

PLEASE ENSURE THAT THIS INFORMATION IS SHARED WITH YOUR EMPLOYEES

Purpose This memo provides important information on the 2013 Open Enrollment for the Dental, Vision, FlexElect, CoBen Programs, 2014 Dental and Vision plan premiums, and 2014 CoBen Allowance.

Links to the following attachments are provided to distribute to employees. Please provide hard copies of this HR Memo and the attachments to all employees without computer access:

- [Attachment A](#) – Memorandum to All State Employees (Open Enrollment)
- [Attachment B](#) – Dental and Vision Plan Options & Benefit Cost Comparison
- [Attachment C](#) – 2014 Dental and Vision Plan Premiums
- [Attachment D](#) – 2014 COBRA Group Continuation Coverage for Dental and Vision Plan Premiums

Open Enrollment Open Enrollment for Dental, Vision, FlexElect, and CoBen is September 16 through October 11, 2013. Enrollments and changes made during this period are effective January 1, 2014.

For dental and vision, eligible employees may enroll, cancel, or change plans, and add/delete dependents. For FlexElect and CoBen, eligible employees may enroll, cancel, or change their current options. No action is necessary for currently enrolled employees who don't want to change their FlexElect Cash Option, CoBen Cash Option, and/or dental enrollment.

Permanent Intermittent (PI) employees must re-enroll in the FlexElect/CoBen Cash Option during open enrollment if they want to remain in the program next year. Additionally, employees who want to continue enrollment next year in a FlexElect Reimbursement Account must re-enroll during open enrollment.

Please note, the yearly amount for the FlexElect medical reimbursement accounts continues to be \$2,500 per participant for 2014. The FlexElect handbook will be available by Open Enrollment for further details.

Dental Program; Rescinding Open Enrollment Requests

Employees who enroll in or make changes to their dental coverage during open enrollment may cancel or change their election until October 11, 2013. A new STD. 692 must be completed and signed by the employee by October 11, 2013. In the remarks section of a new STD. 692, indicate the type of action taken and attach a copy of the original form that was previously sent to SCO during the open enrollment period. **It is not an option to rescind a dental enrollment/change by submitting a copy of the original STD 692 marked "rescind."**

Employees may not cancel or change a dental election after the end of the open enrollment period unless they experience a valid change in status.

Eligible employees, who are off active pay status during the entire open enrollment period, may contact their personnel office during the open enrollment period to make changes to their dental enrollment or may wait and make changes within 60 days after returning to active pay status.

Retroactive premiums for mandatory cancellations and/or deletions to employee dental coverage will be reimbursed for a maximum period of six months. This limitation impacts all mandatory cancellations and/or deletions to employee State-sponsored dental coverage. Employees should check their dental coverage and ensure that only eligible dependents are enrolled.

Dental Carriers

The Department of California Human Resources (CalHR) contracts with Delta Dental, DeltaCare USA, Premier Access, SafeGuard, and Western Dental to provide dental insurance for eligible rank and file employees (except those in Bargaining Unit (BU) 6); excluded employees; and retirees/annuitants.

Dental Plan Restriction

Except as noted below, if an employee wants to enroll in dental coverage, they must enroll in a State-sponsored prepaid dental plan during their first 24 months of State service. At the end of this 24-month period, employees who wish to enroll in the Delta Dental Premier or Delta Dental Preferred Provider Option (PPO) plan have 60 days to do so. Those employees who choose not to enroll in a prepaid plan may elect a Delta Dental plan within 60 days after completing the 24-month restriction period, unless they enrolled in the FlexElect or CoBen Cash Option for dental. This enrollment is available outside of the open enrollment period.

The following employees are **not** subject to the 24-month restriction:

- represented employees in BU's 2, 7, 16, and 19;
- excluded employees
- employees who were previously State employees for 24 consecutive months (without a permanent break in service during the 24 months).

Dental Premiums

Premiums will decrease for the Delta Premier and the Delta Preferred Provider Option (PPO) dental plan effective January 1, 2014. All other dental plan rates will remain the same. [Attachment C](#) reflects the dental premiums that are effective January 1, 2014.

Impact on Employees Not in Consolidated Benefits

Employees not in CoBen, who are enrolled in either Delta Premier or Delta PPO, will see a reduction in their out-of-pocket premium on their January 1, 2014, pay warrant (December 2013 pay period).

Impact on Employees in Consolidated Benefits

Represented employees in BUs 2, 7, 16, and 19, and excluded employees are in CoBen. Employees in CoBen pay the total dental premium with their CoBen benefit allowance.

For employees in CoBen, the State's share and employee's share do not apply. Therefore, upon completing dental forms, use the total premium amount as the amount deducted from the employee's CoBen allowance.

Affidavit for Domestic Partners

As a reminder, the affidavit for domestic partners being claimed as economic dependents (CalHR 680 form) must be completed and retained in the employee's personnel file for employees who enroll domestic partners as dependents on their State dental plans. Dental enrollment forms must note the CalHR 680 is on file to advise the State Controller of this status.

The [CalHR 680](#) form is available through the CalHR website. Employees adding domestic partners to their plans, when the domestic partners are not economic dependents in the employee's household (no CalHR 680 on file), will be subject to the value of the additional benefits received by a domestic partner and will be added to an employee's taxable income.

Dependents in a Parent-Child Relationship

Another person's child under age 26 may be eligible for coverage if a parent-child relationship exists. This would include a child living in a parent-child relationship who is economically dependent upon the employee, or economically dependent child where economic dependency is created through a change of custody or through a court order. The following forms are required to adding a dependent in a Parent-Child relationship:

- STD. 692; Dental Plan Enrollment Authorization form
- [CalHR 025; Affidavit for Economic Dependent Children](#)

CalHR's dental/vision programs reserve the right to request supporting documentation when there is a questionable enrollment of a dependent child.

Dental Plan Permitting Events

You must complete a Dental Plan Enrollment Authorization form (STD. 692) if enrolling, changing, or discontinuing your dental coverage. Select one of the permitting event reasons below and enter it in box #18 of the STD. 692:

- New Enrollment
- *Addition/Deletion of dependent(s)
- Change of dental plan
- *Change of plan and addition/deletion of dependent(s)

*May use one (1) STD. 692 form.

STD. 692 Completion

The table below will assist you with completing the STD.692 form:

Box	Item Description	Enter the following:
Section A		
1	Type of Action	Mark appropriate box
2	Demographic Info	Complete as requested
3	Permanent Intermittent	Mark if applicable
4	Marital Status	Mark appropriate box
5	Sex	Mark appropriate box
6	SS #	Complete as requested
7	Spouse SS #	Complete if applicable
Section B		
1	Name of dental plan	Complete with new plan name if changing; with same plan name if no change
2	Provider/Facility #	Leave Blank
3	Persons on plan	Complete with information for all persons to be included on the plan
Section C		
1	Prior plan name	Complete for plan changes if different than B1 and cancellations only
Section D		
1	Action requested	Mark appropriate box
2	Signature	Original signature required
3	Date Signed	Date document signed
Section E		
1 - 17	Personnel Use Only	Leave Blank
18	Remarks	Complete with permitting event reason per chart above
19 - 22	Personnel Use Only	Leave Blank

FlexElect

Changes for 2014

- Recent Federal court decisions now allow same-sex marriage within California to be legally recognized. This will change the current restrictions on payment of reimbursement claims for same-sex partners. You may now be reimbursed for medical and/or dependent care claims for a same-sex partner.
- The Administrative Fee for the FlexElect Program (Reimbursement Accounts and Flex Cash) has been reduced from \$2.50 per month to \$1.00 per month.

CalHR mails an open enrollment notification to the homes of employees currently enrolled in a FlexElect Reimbursement Account, as a reminder that they must re-enroll during open enrollment if they want to participate in a reimbursement account in 2014.

When an employee wants to cancel his/her Cash Option enrollment and re-enroll in dental and/or medical coverage, the personnel office needs to ensure that a Cash Option cancellation form is attached to the dental and/or medical enrollment form for SCO processing.

Employees who enroll in or make changes to their FlexElect election during the open enrollment period and employees, who are automatically re-enrolled into the Cash Option, are allowed by Internal Revenue Code 125 to cancel or change their elections until December 31, 2013. A new STD. 701C, STD. 701R, or STD. 702 must be signed and submitted by the employee by December 31, 2013. Once the new plan year begins, employees may not cancel or change their FlexElect/CoBen enrollment unless they experience a valid change in status.

If no cancellation of dental benefits is received by personnel by December 31, 2013, for employees enrolling into cash in-lieu of dental, personnel offices will need to submit a STD. 692 to SCO for dental plan disenrollment with an attached copy of the Cash Option enrollment form.

The 2014 FlexElect handbook will be available by Open Enrollment and can be downloaded from CalHR's website at www.calhr.ca.gov. Please refer to BAM Section 700 for information regarding FlexElect and processing instructions for open enrollment forms.

Reminder:

State employees, who are dependents on their parent's benefits, if their parent is a State employee, **are eligible to enroll in the FlexElect Cash Option or CoBen Cash Option in lieu of coverage.**

Consolidated Benefits

All excluded employees and represented employees in BUs 2, 7, 16, and 19 are in CoBen. Some bargaining units are subject to dependent health vesting. Employees in CoBen pay the total dental premium with their CoBen allowance. The CoBen allowances are listed on [Attachment A](#). However, the collective bargaining process is fluid and changes may be agreed to which could alter these amounts and dependent health vesting levels. CalHR will notify departments if there are subsequent changes to these rates.

Employees who enroll in CoBen Cash Option during the open enrollment period and employees who are automatically re-enrolled in CoBen Cash Option have until December 31, 2013, to cancel their enrollment or make changes.

The 2014 CoBen handbook is available for download from CalHR's website at www.calhr.ca.gov.

Dependent Health Vesting

Dependent health vesting provides employees a reduced employer health benefits contribution toward dependent coverage during their first 12 or 24 months of service.

Employees in BUs 1, 4, 11, 14, 15, and 21 not previously eligible for health benefits under State civil service, receive:

- 75 percent of the employer contribution for dependent health coverage during the first 12 months of service.
- After completing 12 months of service, employees receive the full employer contribution for dependent health coverage.

Employees in BUs 2, 7, 10, 12*, 13, 16, and 19* not previously eligible for health benefits under State civil service, receive:

- 50 percent of the employer contribution for dependent health coverage during the first 12 months of service.
- 75 percent of the employer contribution for dependent health coverage during months 13 through 24.
- After completing 24 months of service, employees receive the full employer contribution for dependent health coverage.

*Effective July 1, 2014, employees represented by BU 12 or 19 who first become eligible for health benefits enrollment or are receiving 50 percent of the employer contribution for dependent health coverage shall be subject to a 12-month dependent health vesting schedule. Employees will receive 75 percent of the employer contribution for dependent health coverage during the first 12 months of service, and the full contribution after completing 12 months of service.

Implementation of the 12-month dependent health vesting schedule for BU 12 is subject to the economic trigger provision described in section 2.2 Salaries of their MOU.

Dependent Health Vesting Exemption Criteria

An employee must meet all of the following criteria to be exempt from dependent health vesting:

- Previous appointment date prior to January 1, 2007, for employees in BUs 1, 3, 4, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, and 21, and July 1, 2006, for employees in BUs 2 and 7;
- Must be a State civil service appointment (UC and CSU appointments are not State civil service); and
- Employee must have been eligible for State health benefits (it does not matter whether or not the employee actually enrolled in health benefits, as long as they were eligible to enroll).

Please note that information in this section is subject to changes due to the fluid nature of collective bargaining.

CoBen Benefits Calculator

The CoBen Benefits Calculator on CalHR's website will help employees in the Consolidated Benefits program determine how much will be deducted from their pay warrant, or added to it, based on the health and dental plans chosen. Employees simply click on their health and dental plan choices, and select how many dependents will be covered.

The calculator automatically computes the total cost of the benefits selected and subtracts the amount from the CoBen allowance. The results show whether the employee will have a monthly benefit deduction or receive extra cash. The Benefits Calculator is located at www.calhr.ca.gov (click on Employees, Benefits, and then Health).

Vision Program

The premium paid to Vision Service Plan (VSP) for basic vision benefits for active employees will remain the same at the rate of \$8.64 and will continue to be fully paid by the State. State employee vision coverage is automatically established for eligible employees and their eligible dependents, and no form is required to enroll, add, or delete dependents during open enrollment. Employees need to continue to ensure that only eligible dependents obtain services under their State-sponsored vision plan.

Premier Vision Plan

All active State employees (with the exception of rank and file BU 6 employees, as their vision benefits are provided by their trust) are eligible to enroll in the Premier Vision Plan for a small monthly premium. The Premier Vision Plan enables State employees to pay additional premiums to get higher allowances for frames and contacts, fully covered progressive lenses, and more discounts.

If employees enroll into the Premier Vision Plan, the additional cost of the premium will be deducted directly from the employee's State pay warrant. The State contributes \$8.64 (or it is part of the CoBen allowance), the

Continued on the Next Page

**Premier
Vision Plan
(Continued)**

equivalent of the Basic Plan cost. Both deductions are itemized on the pay warrant stub.

The enrollment period is the same as the Basic Vision Plan, during open enrollment or based on an eligible permitting event. Employees are able to enroll online at www.vsp.com/go/stateofcapremier by completing the online enrollment form, or by completing and mailing the VSP enrollment form they will receive in the mail, or by calling VSP directly at 1-800-877-7195 and speaking with a member service representative. If the employee chooses to upgrade to the Premier Vision Plan, any dependents they wish to cover must also be enrolled by the employee into the Premier Vision Plan coverage. **They cannot choose to enroll in both the Basic and Premier Vision Plan coverage at the same time, or split their enrollment leaving any dependents on the Basic Vision Plan.** Employees enrolling in the Premier Vision Plan should forward the form directly to VSP at:

VSP Vision Care
Attn: Client Administrative Services
PO Box 997100
Sacramento, CA 95899

**Premier
Vision Plan
Premiums**

[Attachment C](#) lists the monthly Premier Vision Plan premiums, including employer/employee shares that remain in effect as of January 1, 2014.

**Retiree
Vision Plan**

VSP will notify State retirees and annuitants regarding the Retiree Vision Program annual Open Enrollment Period, which will coincide with the open enrollment period for Health, FlexElect, CoBen, and Dental benefits. VSP will process all Retiree Vision open enrollment transactions.

Deadline

Submit all open enrollment transactions as they are received. All submitted documents must be completed and signed by the employee by **October 11, 2013** and received in OHR no later than **October 25, 2013**.

Questions

Questions regarding Open Enrollment for the Dental, Vision, FlexElect, or CoBen Programs can be directed to your OHR Personnel Specialist.

ANGIE BOLDRINI, Personnel Officer
Office of Human Resources

AB:tbw