

<b>HUMAN RESOURCES MEMORANDUM 14-018</b>		DATE ISSUED: September 19, 2014
SUBJECT: <b>2014 Open Enrollment Period for Dental, Vision, FlexElect, and Consolidated Benefits (CoBen) Programs, 2014 Dental and Vision Plan Premiums, and 2014 CoBen Allowance</b>		REFERENCE: PML 2014-023
TO: ALL DEPARTMENT OF GENERAL SERVICES EMPLOYEES		SUPERSEDES: <i>HR Memo 13-028</i>

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

**Purpose** This memo provides important information on the 2014 Open Enrollment for the Dental, Vision, FlexElect, CoBen Programs, 2014 Dental and Vision plan premiums, and 2015 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:

<a href="#">Attachment A</a>	2015 Dental and Vision Plan Deduction Codes and Premiums
<a href="#">Attachment B</a>	COBRA Group Continuation Coverage for Dental and Vision Plan Premiums
<a href="#">Attachment C</a>	2015 CoBen Allowances/Employer Health Contributions by Bargaining Unit
<a href="#">Attachment D</a>	Memorandum to All State Employees Eligible for Dental, Vision, FlexElect and CoBen
<a href="#">Attachment E</a>	Dental and Vision Plan Premiums

**Open Enrollment** Open Enrollment for Dental, Vision, FlexElect, and CoBen is September 15 through October 10, 2014. Enrollments and changes made during this open enrollment period are effective January 1, 2015.

For dental and vision, eligible employees may enroll, cancel, or change plans, and add or 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, Dental, or Vision 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.**

**Open Enrollment (Cont'd)**

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 section 125 to cancel or change their elections until December 31, 2014. A new form STD. 701C, STD. 701R, or STD. 702 must be signed and submitted by the employee by December 31, 2014. 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 the personnel office by December 31, 2014, for employees enrolling into Cash Option in lieu of dental, personnel offices will need to submit a STD. 692 to the State Controller's Office (SCO) for dental plan disenrollment with an attached copy of the Cash Option enrollment form.

**Changes for 2015**

- Rate increases for Delta Dental PPO plus Premier, Delta Preferred Provider Option (PPO), DeltaCare, and Western Dental.
- More frequent payment dates for FlexElect Reimbursement Accounts.
- Direct deposit now available for FlexElect Reimbursement Accounts.
- Rate increase for Premier Vision Plan.
- Basic Vision Plan provider network is changing to the new Vision Service Plan (VSP) Advantage Network.

**Important Reminders**

- The maximum amount an employee can contribute into a FlexElect Medical Reimbursement Account is \$2,500 per participant per plan year.
- During this open enrollment period, employees should review, add, delete or change their dependents to ensure they meet eligibility requirements.

**Completing the Open Enrollment Forms**

Dental

Permitting Event Date	Permitting Event	Permitting Event Code	Effective Date
September 15, 2014	New Enrollment	03	January 1, 2015
September 15, 2014	Add or delete dependents	15	January 1, 2015
September 15, 2014	Change of plan	28	January 1, 2015
September 15, 2014	Change of plan and add or delete dependents*	29	January 1, 2015
September 15, 2014	Voluntary**	41	January 1, 2015

\* Permitting event code 29 may be used on one document only during open enrollment.

\*\* Use this code when canceling dental and enrolling into FlexElect or CoBen Cash Option. Submit dental cancellation form and FlexElect/CoBen Cash Option enrollment forms stapled together as a package to SCO.

**Completing  
the Open  
Enrollment  
Forms  
(Cont'd)**

FlexElect/CoBen

Permitting Event Date	Permitting Event	Permitting Event Code	Effective Date
N/A	Leave Blank	Leave Blank	January 1, 2015

\* No permitting event date is needed for FlexElect and CoBen Cash Option enrollment documents.

**Deadlines**

Last day for employees to sign and submit open enrollment forms to personnel offices.	October 10, 2014
Last day for personnel offices to receive enrollment forms from employees.	October 24, 2014
Last day for SCO to receive all open enrollment forms from personnel offices.	November 7, 2014
Last day for SCO to receive open enrollment forms previously returned to departments for correction (in order to be reflected on the January 1, 2015 pay warrant).	November 28, 2014
Last day for SCO to receive FlexElect and CoBen open enrollment forms reflecting cancellation or changes (forms signed/submitted to personnel by December 31, 2014). The effective date will be retroactive to January 1, 2015.	January 9, 2015

**Dental  
Program**

Employees who enroll in or make changes to their dental coverage during open enrollment may cancel or change their election until October 10, 2014. A new STD. 692 must be completed and signed by the employee by October 10, 2014. In the remarks section of a new STD. 692, the employee must 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.

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. **It is not an option to rescind a dental enrollment/change by submitting a copy of the original STD. 692 marked "rescind."**

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.

**Dental  
Carriers**

The California Department of Human Resources (CalHR) contracts with the following dental carriers to provide dental insurance for eligible rank and file employees, except excluded employees, retirees, and annuitants:

- Delta Dental
- DeltaCare USA
- Premier Access
- SafeGuard
- Western Dental

**Delta Dental  
Plan  
Restriction**

Except as noted below, during their first 24 months of state service, if an employee wants to enroll in dental coverage, they must enroll in a state-sponsored prepaid dental plan. At the end of this 24-month period, employees who wish to enroll in the Delta Dental PPO plus Premier or Delta 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 have 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 BUs 2, 7, 8, 16, 17, 18, and 19.
- Excluded employees.
- Employees who were previously state employees for 24 consecutive months (without a permanent break in service during the 24 months).

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**Dental  
Premiums**

Effective January 1, 2015, premiums will increase for Delta PPO plus Premier, Delta Preferred Provider Option (PPO), DeltaCare, and Western Dental plans. All other dental plan premiums will remain the same. Please review the dental premiums effective January 1, 2015 in [Attachment A](#).

Employees who are not enrolled in Consolidated Benefits (CoBen), who are enrolled in either Delta PPO plus Premier or Delta PPO, will see an increase in their out-of-pocket premium effective January 1, 2015.

Represented employees in BUs 2, 7, 8, 16, 17, 18, 19, and excluded employees are in CoBen. Employees in CoBen pay the health, dental, and vision premiums with the CoBen allowance.

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**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 form is on file to advise SCO of this status.

The CalHR 680 form is available through the CalHR website at <http://www.calhr.ca.gov/Pages/forms.aspx>. 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.

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**FlexElect**

CalHR sends personnel offices a list of employees in each department who are enrolled in a 2014 FlexElect Reimbursement Account. Please send employees a reminder that they must re-enroll during open enrollment if they want to participate in a reimbursement account in 2015.

**Changes for 2015**

Beginning January 1, 2015, reimbursement account claims will be paid twice a week. The average turnaround time between submission of a claim and the issuance of the check is two weeks. Payments for the Dependent Care Reimbursement Account claims will still require that the funds be available in the account and the service period has passed.

Also beginning January 1, 2015, employees will be able to elect to be paid for reimbursement account claims by direct deposit into their checking or savings account. Employees can enroll into direct deposit by accessing ASI's website at [www.asiflex.com](http://www.asiflex.com), (click on Forms, then select Direct Deposit/Email Notification Form). SCO will send employees a direct deposit advice notice after the check has been deposited into their checking or savings account. Use of direct deposit payment will save the mailing time needed for paper warrants.

The [FlexElect handbook](#) can be downloaded from CalHR's website.

**Reminder:**

State employees, who are dependents on their parent's state-sponsored benefits, are eligible to receive the FlexElect or CoBen Cash Option in lieu of coverage.

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**Consolidated Benefits**

All excluded employees and represented employees in BUs 2, 7, 8, 16, 17, 18, and 19 are in CoBen and some bargaining units are subject to dependent vesting. The CoBen allowances are listed in [Attachment C](#); however, the collective bargaining process is fluid and changes may be agreed to which alter these amounts and dependent vesting levels. CalHR will notify departments if there are subsequent changes to these rates.

The [CoBen handbook](#) is available for download from CalHR's website.

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**Benefits Calculator**

The [Benefits Calculator](#) on CalHR's website will help employees determine how much will be deducted from their pay warrant, or added to it, based on the health, dental, and vision plans chosen. Employees simply click on their bargaining unit and select how many dependents will be covered.

For employees in CoBen, the calculator automatically computes the total cost of the benefits selected and subtracts the amount from the CoBen Allowance.

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**Dependent Vesting Criteria**

Dependent health vesting provides new employees a reduced employer health benefits contribution toward dependent coverage during their first 12 or 24 months of service. BUs 1, 2, 3, 4, 7, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20 and 21 are subject to dependent health vesting.

New employees in BUs 1, 3, 4, 11, 12, 14, 15, 17, 19, 20, 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, new employees receive the full employer contribution for dependent health coverage.

New employees in BUs 2, 7, 10, 13, and 16 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, new employees receive the full employer contribution for dependent health coverage.

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**Dependent Vesting Exemption Criteria**

A new employee must meet all of the following criteria to be exempt from dependent 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 (University of California and California State University appointments are not state civil service).
- 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 change due to the fluid nature of collective bargaining.

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**Vision Program**

The premium paid to 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 only eligible dependents obtain services under their state-sponsored vision plan.

The Basic Vision Plan is now part of the VSP Advantage Network, which includes more provider locations to choose from, as well as a 20 percent savings on the amount over the frame allowance.

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**Premier  
Vision Plan**

All active state employees (except rank and file BU 6 employees whose 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 employee share of the premium will be deducted directly from the employee's state pay warrant. The state will contribute \$8.64, the equivalent of the Basic plan cost. Both deductions are itemized on the pay warrant stub.

If employees choose 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. Employees 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.

During open enrollment or based on an eligible permitting event, employees are able to enroll online at [www.vsp.com/go/stateofcapremier](http://www.vsp.com/go/stateofcapremier) and complete the online enrollment form, complete and mail the VSP enrollment form they will receive in the mail, or call VSP directly at 1-800-877-7195 and speak with a member service representative. Should an employee turn in the VSP form to their personnel office, please send the form directly to VSP at:

VSP Vision Care  
Attn: Client Services  
P.O. Box 997100  
Sacramento, CA 95899-9986

For personnel offices requesting verification of their employees' Premier Vision Plan enrollment, please request a copy of the enrollment form from your employee, or have your personnel eligibility call-in delegate contact VSP directly. Personnel offices may also contact CalHR at (916) 322-0300 for further assistance on this or other matters related to this plan.

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**Premier  
Vision  
Premiums**

The monthly Premier Vision Plan premiums, including employee shares will increase for 2015 and are listed in [Attachment A](#).

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**Retiree  
Vision  
Program**

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.

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**Deadline**

Submit all open enrollment forms as they are received. All submitted documents must be completed and signed by the employee by October 10, 2014 and received in OHR no later than October 24, 2014.

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**Questions**

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

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**ANGIE BOLDRINI**, Personnel Officer  
Office of Human Resources

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