

## ***HUMAN RESOURCES MEMORANDUM***

<b>SUBJECT:</b> Health Benefit Information and 2007 Open Enrollment Period	<b>NUMBER:</b> HR-023
	<b>DATE ISSUED:</b> 9/14/07
<b>DISTRIBUTION:</b> <b>PERSONNEL LIAISONS;</b> Attendance Clerks	<b>EXPIRES:</b> Until Superseded

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**Purpose for document** The purpose of the attached Circular Letter from the California Public Employees' Retirement System (CalPERS) is to provide you with detailed information regarding the annual Health Benefit Open Enrollment for 2007.

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**Open enrollment period** The open enrollment period is September 17, 2007, through October 12, 2007. The contract year for all CalPERS health plans is January 1, 2008, through December 31, 2008. The effective date of all open enrollment transactions will be January 1, 2008.

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**Important information** During open enrollment, eligible employees and annuitants may enroll in health plans, change health plans, or add family members. Employees taking action during this period must submit a correctly completed Health Benefit Document (HBD-12), see your Attendance Clerk for the form. The attached CalPERS Circular Letter provides information for plan changes and detailed instructions on correctly completing and submitting the HBD-12. Information regarding CalPERS 2007 health premium and COBRA rates are also attached.

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**Questions** If you have any questions, please contact your personnel specialist

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/s/

MARIA J. LOPEZ, Manager  
Personnel Operations  
MJL/KTS

### ATTACHMENTS

cc: Personnel Transactions  
Personnel Analysts



P.O. Box 942714  
Sacramento, CA 94229-2714  
**888 CalPERS** (or **888-225-7377**)  
TTY 800-735-2929  
[www.calpers.ca.gov](http://www.calpers.ca.gov)

Date: August 2, 2007  
Reference No.:

Circular Letter No.: 600-033-07  
Distribution: IV, VI, IIB

# **Circular Letter**

Special:

TO: STATE AND CALIFORNIA STATE UNIVERSITY HEALTH BENEFITS  
OFFICERS AND ASSISTANTS

SUBJECT: HEALTH BENEFITS INFORMATION AND THE 2007 OPEN ENROLLMENT  
PERIOD

*This letter addresses the following topics:*

## **PART I**

- Open Enrollment Period
- Approved Health Plans
- Health Plan Contract Year
- 2008 Basic Health Plan Benefit Changes
- Assisting Employees With Finding a Physician or Other Provider

## **PART II**

- The 2007 Health Plan Statements
- Returned Health Plan Statements
- The 2007 Health Plan Statement Employer Reports
- Open Enrollment Packets and Other Useful Booklets
- The Health Plan Chooser Tool
- Determining Your Employees' Health Plan Eligibility
- Retiree Health Plan Changes

## **PART III**

- Guide for Completing the Health Benefits Plan Enrollment Form (HBD-12)
- Employees on Leave of Absence (LOA)
- COBRA Enrollees
- Submitting Enrollment Transactions
- Automated Communications Exchange Users (ACES)
- Rescissions
- Premium Adjustments
- Health Plan Identification Cards
- Sequencing Transactions
- State Employer Contributions for Active Employees
- State Annuitant Contribution Formula for 2008 (100/90 formula)
- Health Plan Search by ZIP Code Web Site Tool
- Health Fairs



## PART I

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**Open  
Enrollment  
Period**

The 2007 Open Enrollment period begins **September 17th**, and ends on **October 12th, 2007**.

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**Approved  
Health Plans**

The CalPERS Board of Administration approved the health plan premiums and benefit structures for the **2008** contract year as follows:

- CalPERS approved the Blue Shield of California and Kaiser Permanente HMO contracts.
- Blue Shield of California will offer a new Blue Shield NetValue health plan **in addition** to the current Blue Shield Access+ HMO health plan. Please see page 4 for coverage areas.
- CalPERS approved a new self-funded Blue Cross PERS Select plan **in addition** to the two current PPO plans, PERSCare and PERS Choice. Please see page 6 for coverage areas.
- CalPERS approved three Association plans: Peace Officers Research Association of California (PORAC), California Association of Highway Patrolmen (CAHP), and California Correctional Peace Officers' Association (CCPOA). Members must belong to, and pay dues to PORAC, CAHP, or CCPOA in order to enroll in these plans.
- Basic HMO plan premiums overall, will increase an average of 7.39 percent, and Medicare plans will decrease an average of -1.61 percent.
- PERSCare and PERS Choice Basic premiums will increase an average of 4.15 percent and Medicare plans will increase by 6.67 percent.
- Association Basic plan premiums will increase an average of 10.81 percent and Medicare plans will decrease by -2.27 percent.

**NOTE:** See **Attachment 1** for CalPERS 2008 **State** Health Premium Rates.

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**Health Plan  
Contract Year**

The contract year for all CalPERS health plans is January 1, through December 31, 2008.

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**2008 Basic  
Health Plan  
Benefit Changes**

<b>Kaiser and Blue Shield HMOs</b>	<b>Co-Pays</b>	
	<b>Current</b>	<b>Change</b>
Office Visit	\$10	\$15
Preventive Care Visits  (Members enrolled in the basic Blue Shield or Kaiser Permanente HMO plan will have no co- payment for most preventive care services.)	\$10	<i>Free Preventive Care</i> Co-payments are waived for preventive care visits (i.e., periodic health exams, maternity care, pre/post natal care, well baby visits, immunizations, hearing evaluations, allergy testing and treatment)  <b>Note:</b> Blue Shield will have no co-pay for allergy testing, but Kaiser will still charge a \$15 co-pay for allergy testing
Emergency Room	\$50 (waived if admitted)	No change
Urgent Care Co-payment	Kaiser \$10 Blue Shield \$25	\$15 (standardized among all HMO's)
Out-of-pocket maximums	Kaiser \$1,500/\$3,000 Blue Shield currently has no out of pocket maximums	\$1,500/\$3,000 (standardized among all HMO plans)
Pharmacy co- pays	Retail: \$5 generic \$15 brand name \$45 non-formulary  Mail Order: \$10 generic \$25 brand name \$75 non-formulary  <b>Note:</b> Kaiser is \$5/\$15	No change

**Note:** These changes do not apply to the CalPERS Medicare plans or the Association plans.

**2008 Basic  
Health Plan  
Benefit  
Changes,  
Continued**

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**Blue Shield NetValue**

Blue Shield will offer a new Blue Shield NetValue HMO plan which has a smaller network of medical groups, but offers a significantly lower premium while still providing the same quality of care and comprehensive benefits to CalPERS members. The Blue Shield NetValue plan includes 50 percent of the Primary Care Physicians and 49 percent of the Specialists and OB/GYN Physicians in the current Blue Shield Access+ physician network. This new plan will be offered **in addition** to the current Blue Shield Access+ HMO plan.

Blue Shield NetValue will be available in 17 counties: El Dorado, Fresno, Kern, Kings, Los Angeles, Madera, Nevada, Orange, Placer, Riverside, Sacramento, San Bernardino, San Diego, San Joaquin, Santa Barbara, Ventura and Yolo. Some counties will have only partial access and members should contact Blue Shield Member Services at (800) 334-5847 or [www.blueshieldca.com](http://www.blueshieldca.com) to determine whether their ZIP Code is included in the NetValue service area.

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**Blue Shield Withdrawal From Four Counties**

To combat continually increasing health costs in certain rural counties, the 2008 benefit design package includes the withdrawal of Blue Shield's Access+ HMO plan from four counties (Lake, Napa, Plumas, and certain areas of El Dorado). Some members may still have another HMO option available. Where no other HMO plan is available, members will have the added choice of a new PERS Select PPO, or the current PERS Choice or PERSCare PPO plans.

State members in Lake and Plumas counties can take advantage of the Rural Health Care Equity Program (RHCEP) which could provide them with a subsidy of up to \$1,500 per year. The RHCEP is administered by the Department of Personnel Administration (DPA). For more information on the RHCEP, you can contact DPA at 916-327-1439.

CalPERS will send a letter to Blue Shield members notifying them that if they do not select a new health plan during the Open Enrollment period, they will automatically be enrolled in the PERS Choice Preferred Provider Organization (PPO) health plan. Members can refer to their 2007 Open Enrollment packet to review this plan's deductibles, co-payments and benefits.

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**2008 Basic  
Health Plan  
Benefit  
Changes,  
Continued**

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**Blue Shield's Withdrawal From Four Counties, continued**

If members do not wish to be enrolled in the PERS Choice PPO health plan, they must select a new health plan. Active employees should contact their Health Benefits Officer or Personnel Office to initiate a health plan change

Retired employees can log into the CalPERS Web site at [www.CalPERS.ca.gov](http://www.CalPERS.ca.gov), or, if they prefer, they can always call and talk to us toll free at **888 CalPERS** (or **888-225-7377**) or use our Interactive Voice Response System to make their health plan change. (See "Retiree Health Plan Changes" on page 10 of this letter for further information.)

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**Western Health Advantage (WHA)**

Western Health Advantage (WHA) will not be available as a CalPERS health plan in 2008. WHA serves Colusa, El Dorado, Placer, Sacramento, Solano, and Yolo Counties. CalPERS made a business decision to consolidate HMO plans in the greater Sacramento region and not contract with WHA for the 2008 contract year. This decision supports our pursuit of health care cost containment through better risk management and better cost controls. In addition, this will enable CalPERS to undertake a more strategic co-managed approach with our remaining health plans and ensure the best total value to the greatest number of CalPERS members.

**CalPERS will freeze new WHA enrollments on September 1, 2007.**

CalPERS' members will still have access to quality health care in these counties by enrolling in another CalPERS HMO plan, where available, or one of the PPO plans during the 2007 Open Enrollment period.

**Note:** See page 6 for PERS Select Service Area.

CalPERS will send a letter to WHA members notifying them that if they do not select a new health plan during the Open Enrollment period, they will automatically be enrolled in the PERS Choice Preferred Provider Organization (PPO) health plan. Members can refer to their 2007 Open Enrollment packet to review this plan's deductibles, co-payments and benefits.

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**2008 Basic  
Health Plan  
Benefit  
Changes,  
Continued**

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**Western Health Advantage (WHA), continued**

If members do not wish to be enrolled in the PERS Choice PPO health plan, they must select a new health plan. Active employees should contact their Health benefits Officer or Personnel Office to initiate a health plan change.

Retired employees can log into the CalPERS Web site at [www.CalPERS.ca.gov](http://www.CalPERS.ca.gov), or, if they prefer, they can always call and talk to us toll free at **888 CalPERS** (or **888-225-7377**) or use our Interactive Voice Response System to make their health plan change. (See "Retiree Health Plan Changes" on page 10 of this letter for further information.)

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**PERS Select**

CalPERS will offer a new self-funded PERS Select PPO plan administered by Blue Cross of California, **in addition** to the current statewide PERS Choice and PERSCare plans. PERS Select provides a high efficiency network of physicians and will be a lower cost option for members who value the freedom of choice offered through a PPO plan design.

PERS Select utilizes the Blue Cross Select PPO physician network which is a subset of the Blue Cross PPO network utilized by PERS Choice and PERSCare. Approximately 50 percent of the Blue Cross PPO network of physicians participates in the Select PPO network. A PERS Select member should check to see if their chosen physician is participating in the Select PPO network before seeking services. Members can contact Blue Cross Member Services at (877) 737-7776 or [www.bluecrossca.com](http://www.bluecrossca.com) to determine whether their ZIP Code is included in the PERS Select service area.

PERS Select is not available to members who live out-of-state. PERS Select is only available to members who live or work in 54 of the 58 California counties. PERS Select is not available to members in Alameda, Marin, Placer, or Solano counties.

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**Assisting  
Employees with  
Finding a  
Physician or  
other Provider**

If your employees need help finding a new Primary Care Physician (PCP) or identifying hospitals in their health plan's network, please direct them to the health plan's online physician directory or the plan's Member Services Department for assistance. Members can change their Primary Care Physician any time during the year. The effective date of the change will be the first of the following month.

- Employees who are enrolling in Blue Shield or CCPOA should indicate their choice of PCP when completing the *Health Benefits Plan Enrollment* form (HBD-12). Blue Shield offers an online *CalPERS Personal Physician Selection* form.
- Employees enrolling in Kaiser Permanente, PERS Choice, PERS Select, PERSCare, CAHP or PORAC do not need to choose a PCP.

Please encourage employees who are choosing a PCP to call the provider's office to verify they are accepting new patients. Blue Shield and CCPOA will issue new member ID cards whenever members change their PCP.

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**Note:** For specific information on service areas and benefit coverage for all of the CalPERS health benefit plans, please refer to the **Health Benefit Summary** (HBD-110).

## PART II

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### The 2007 Health Plan Statements

CalPERS will mail all enrolled members their 2007 Health Plan Statements during the month of **August 2007**. The 2007 Health Plan Statement includes the following information:

- Enrolled member's current health plan.
- Family members enrolled in this plan.
- ZIP Code (home or current work) used to determine health plan eligibility.

#### NOTE:

- Members enrolled in a CalPERS health plan after **July 1, 2007**, will not receive a Health Plan Statement.
  - New hires or members who did not receive a Health Plan Statement may obtain an Open Enrollment packet from their Health Benefits Officer or Personnel Office.
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### Returned Health Plan Statements

#### Active Employees

- Statements returned to CalPERS because of an incorrect address will be forwarded to the employee's Health Benefits Officer/Assistant to be distributed to the employee.
- CalPERS is asking Health Benefit Officers/Assistants to have these employees complete a change of address form to ensure future mailings reach the employee in a timely manner.
- Statements that cannot be distributed to the employee (e.g., member has since permanently separated and did not leave a forwarding address) must be forwarded to CalPERS to be destroyed. You may mail these undeliverable statements to:

CalPERS  
Office of Employer and Member Health Services  
Attn: Returned Health Plan Statements  
P.O. Box 942714  
Sacramento, CA 94229-2714

#### Retired Members

- Statements returned to CalPERS because of an incorrect address will be destroyed.
  - Retirees who did not receive their Health Plan Statement, may call CalPERS at **888 CalPERS** (or **888-225-7377**) to update their address and request a 2007 Health Plan Statement.
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**The 2007 Health  
Plan Statement  
Employer  
Reports**

CalPERS will mail employer reports to employers around **August 10, 2007**. The reports list all active employees who were mailed a 2007 Health Plan Statement. The reports contain the following information:

- Agency's employer code and unit code.
- Employee's first name, middle initial and last name.
- Employee's address (CalPERS records).
- Employee's current health plan and eligibility ZIP Code.

**NOTE:**

- Any address changes submitted after **July 1, 2007**, will not be reflected on this report.
- If an employee needs to update their address, have the employee complete your agency's change of address form.

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**Open  
Enrollment  
Packets and  
Other Useful  
Booklets**

**For Members**

CalPERS will mail an Open Enrollment packet to all members. The 2007 Open Enrollment packet contains the following:

- Personalized 2007 Health Plan Statement
- Premium rate sheet and return postcard
- *Open Enrollment News* publication (**see Attachment 4**)

Members **may request** other Open Enrollment-related booklets by using the prepaid postcard included with their 2007 Health Plan Statement and rate information. It will take approximately 10 to 12 business days for the requested materials to be received. Please note the prepaid postcard expires on **September 10, 2007**.

Booklets which members must individually request with the postcard are:

- *Health Program Guide* and *Health Benefits Summary*
- *Your Health Plan, Your Doctors, and You: The Prescription for Quality Health Care* (formerly the Quality Report)

**Note:** Western Health Advantage members and Blue Shield members in Lake, Napa, Plumas, and certain areas of El Dorado county will receive the *Health Program Guide, Health Benefits Summary*, and the *Your Health Plan, Your Doctors, and You: The Prescription for Quality Health Care* books along with their Open Enrollment packets.

All Open Enrollment books will also be available on the CalPERS Web site at [www.calpers.ca.gov](http://www.calpers.ca.gov) by the week of August 20, 2007.

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**Open  
Enrollment  
Packets and  
Other Useful  
Booklets,  
Continued**

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**For Employers**

CalPERS will mail a supply of Open Enrollment packets equivalent to two percent of each agency's enrolled employees. Please use these packets for the following groups:

- Employees who are eligible for health benefits and are looking to enroll this year.
- New hires
- Employees who are enrolled in health benefits but did not receive an Open Enrollment packet.

To order additional Open Enrollment materials, contact:

CalPERS Agency Request Unit  
Phone: (916) 795-1493  
FAX: (916) 795-3281  
Email address: [Public\\_Agency\\_Requests@calpers.ca.gov](mailto:Public_Agency_Requests@calpers.ca.gov)

Be sure to include your agency's:

- Name and address
- A contact name
- Telephone number
- The quantity of each item ordered

**NOTE:** Additional supplies of Open Enrollment packets will be available for you to order the last week of August 2007.

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**The Health Plan  
Chooser Tool**

CalPERS has a web-based tool, the **Health Plan Chooser**, that allows members to determine which CalPERS health plan best suits their needs. Members can access the **Health Plan Chooser** tool at [www.calpers.ca.gov](http://www.calpers.ca.gov). The tool provides members with a means to compare health plans using:

- Plan costs
  - Plan rules
  - Quality
  - Available doctors by plan
  - Covered services
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**Determining  
Your  
Employee's  
Health Plan  
Eligibility**

ZIP Codes are used to determine the health plans in which your employees are eligible to enroll. Employees and working retirees may choose either their home or current work address ZIP Code to establish their eligibility. Retirees cannot use the address of the agency they retired from to establish their eligibility. Members and employers may use the online service, **Health Plan Search by ZIP Code** Web site tool to find out which health plans are available based on ZIP Code. See page 15 of this document for more information about this online service.

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**Retiree Health  
Plan Changes**

**Retirees** do not need to call CalPERS to make a change to their health plan during Open Enrollment. From **September 17<sup>th</sup> through October 12<sup>th</sup>, 2007**, they can "self-serve" by going to the CalPERS Web site at [www.calpers.ca.gov](http://www.calpers.ca.gov) and choosing the "my|CalPERS" link. If they have registered to use our online services in the past, there is no need for them to re-register. They can use their existing User ID and Password. If they have not registered for online access yet, they will have to register at "my|CalPERS" first before using our online health benefit services. This is a simple and secure process. Once registered at my|CalPERS, retirees may change their health plan online by clicking on the "My Health Summary" link, and then selecting the "Change My Health Plan" link.

- Retirees may also call our **Interactive Voice Response System (IVR)** at **888 CalPERS** (or **888-225-7377**) or,
- Submit an **Open Enrollment Change Request Form for Retirees** (HBD-30) which is available in the *Health Program Guide* or on the CalPERS Web site. They may submit the form as follows:
  - Return by FAX (916) 795-3935, or
  - Mail directly to:

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

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### PART III

## Open Enrollment Procedures

**Guide for  
Completing the  
Health Benefits  
Plan Enrollment  
Form (HBD-12)**

Box 11	Primary Care Physician (HMO Only)	Providing this information will assist in the timely issuance of identification cards.
Box 14	<b>Reason Code</b>	
	104	New Enrollment during Open Enrollment
	206	Adding Dependent during Open Enrollment
	320	Open Enrollment Delete Dependent
	400	Changing Plans during Open Enrollment
	530	Open Enrollment Cancel Coverage
Box 15	Permitting Event Date	September 17 – October 12, 2007
Box 16	Effective Date	January 1, 2008
Box 21	Employee Sign Date	September 17 – October 12, 2007 <i>Please include employee's daytime phone number.</i>
Box 33	HBO Received Date	September 17 – October 12, 2007

**NOTE: The chart may also be used by ACES users.**

**Employees on  
Leave of  
Absence (LOA)**

Employees on a LOA during Open Enrollment may change plans and/or add dependents. Employees who do not change plans or add dependents during Open Enrollment may do so within 60 days from the date they return to regular pay status.

- LOA and paying direct:
  - You must complete a *Health Benefits Plan Enrollment* form (HBD-12) and *Direct Payment Authorization* (HBD-21) form.
  - For dependent changes with no change in plan code or party rate, use the HBD-12 form only.
- LOA not paying direct:
  - You must complete an HBD-12 form to make a plan or dependent change.

## Open Enrollment Procedures, Continued

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### COBRA Enrollees

Enrollees who are eligible for health coverage through COBRA may change health plans and/or add eligible dependents during Open Enrollment.

- Enrollment changes are completed on a Group Continuation Form (HBD-85).
  - A HBD-85 must be submitted to the Employer within 60 days of notification. Premium payments should be sent to the health plan, not to CalPERS.
  - The effective date rules for completion of the HBD-85 form are the same as those for the HBD-12 form.
  - COBRA rates are calculated at no more than 102 percent of the health plan's premium rate. Please see **Attachment 2** for 2008 COBRA Rates. (Under certain conditions, California law permits an extension of COBRA benefits up to 36 months. The Cal-COBRA extension premium cannot exceed 110 percent of the health plan premium rate.)
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### Submitting Enrollment Transactions

Submit your Open Enrollment transactions as they are completed. Early submission into the **Automated Communication Exchange Systems (ACES)** will ensure timely issuance of identification cards and that proper payroll deductions will be made. If you have any questions about ACES, contact CalPERS at **888 CalPERS** (or **888-225-7377**).

If you are not on the ACES electronic enrollment program, you may mail your Open Enrollment forms to:

<b>FOR DELIVERY BY U.S. POSTAL SERVICE</b>	<b>FOR DELIVERY BY EXPRESS SERVICE/DIRECT DELIVERY</b>
<b>CalPERS Office of Employer and Member Health Services</b> P.O. Box 942714 Sacramento, CA 94229-2714	<b>CalPERS Central Mailroom</b> 400 Q Street Sacramento, CA 95811 (916) 795-3043

**NOTE:** All forms submitted to CalPERS for Open Enrollment updates must be received before **October 19, 2007**, to ensure proper update into the system for the beginning of the 2008 health benefit year.

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## Open Enrollment Procedures, Continued

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### Automated Communications Exchange Users (ACES)

All Automated Communications Exchange Users (ACES) transactions must be keyed and submitted for update based on the Open Enrollment dates of **September 17, through October 12, 2007**. Users will have additional time after the close of the Open Enrollment period for transaction input. All Open Enrollment ACES transactions must be completed by **October 19, 2007**.

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### Rescissions

Employees may request to have an Open Enrollment change rescinded through **December 31, 2007**. However, CalPERS must receive the rescinding HBD-12 form by **December 1, 2007**, to avoid payroll deduction errors.

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### Premium Adjustments

Despite everyone's best efforts, the **January 1, 2008**, pay warrants for some members 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 a member's pay warrant **does not** reflect their 2007 Open Enrollment health plan change, the member should **not** continue to use their prior plan *after January 1, 2008*. Be sure the system reflects the appropriate enrollment, and advise the member that the payroll discrepancy will be resolved by the first of the next month.

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### Health Plan Identification Cards

Health plans will make every effort to ensure members who changed health plans receive their new identification cards prior to **January 1, 2008**. Members, who have not received identification cards for their new plan, should **not** continue to use their prior plan *after January 1, 2008*. Members should first contact the new health plan for assistance in getting new I.D. cards. If unresolved, members may then contact the CalPERS Customer Service and Education Division at **888 CalPERS** (or **888-225-7377**) for assistance.

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## Open Enrollment Procedures, Continued

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### Sequencing Transactions

If you are an ACES user, it is important to key in your transaction based on the earliest effective date.

**Example:**

You have an employee who wants to add a newborn child effective November 1, 2007, and also make an Open Enrollment change effective January 1, 2008.

1. You must key in the newborn child first, and
2. Key in the Open Enrollment transaction the following day.
3. If you key in the Open Enrollment transaction first,
4. You will not be able to add the dependent, and
5. You will need to call our ACES Hotline at **888 CalPERS** (or **888-225-7377**) for assistance.

If you are **not** an ACES user, please submit the following:

- Two HBD-12 forms to CalPERS for processing:
  - One HBD-12 form to add the newborn child, and
  - One HBD-12 form for the Open Enrollment change.

Staple both forms together, and in the “remarks section” number the forms as “1 of 2” and “2 of 2”.

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### State Employer Contributions for Active Employees

In 2007, collective bargaining unit agreements modified State employer contributions for health care. Please refer to the Department of Personnel Administration’s (DPA) Web site at [www.dpa.ca.gov](http://www.dpa.ca.gov) for specific allocations.

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### State Annuitant Contribution Formula for 2008 (100/90 formula)

The 2008 **State** contributions for annuitants shown below are calculated based on the weighted average of the premiums for an employee or annuitant enrolled for self-alone in the Basic plan offering of the four health plans with the largest state enrollment excluding family members for the previous year. For comparison, the 2007 state contributions are also shown.

	2007	2008
<b>One Party</b>	\$439	\$471
<b>Two Party</b>	\$823	\$886
<b>Family</b>	\$1,042	\$1,129

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## Open Enrollment Procedures, Continued

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### Health Plan Search by ZIP Code Web Site Tool

The service area charts located in the *Health Program Guide* and the *Health Benefit Summary* indicate each health plan's general service area by county. To be eligible to enroll in a specific health plan, the employee or annuitant must live or currently work in the health plan's service area as specified in the service area chart.

By mid-August, the **Health Plan Search by ZIP Code** Web site tool will be available at [www.calpers.ca.gov](http://www.calpers.ca.gov). Employers with Internet access will be able to assist their employees by inputting the employee's work or home address ZIP Code and retrieving a list of health plans from which the employee can choose.

Agencies that 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 or to order a hard copy of the CalPERS health plans associated ZIP Code listing.

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### Health Fairs

The online "**Open Enrollment Health Fair Reservation System**" provides employers with a web-enabled single point of service portal to schedule your employee health fairs. This registration system allows you to schedule health fairs with all available CalPERS health plans simultaneously, providing you with "one-stop-shopping" and better equips our health plans to manage their attendance at these events.

You can access this online system by clicking on a link at the CalPERS Web site at [www.calpers.ca.gov](http://www.calpers.ca.gov) or at [www.healthfairregistration.com](http://www.healthfairregistration.com). For further information, please refer to Circular Letter 600-030-07 dated June 1, 2007. You can access this Circular Letter at the CalPERS Web site at [www.calpers.ca.gov](http://www.calpers.ca.gov), and then click on Circular Letters in the left hand column of the screen.

Note: A listing for each health plan representative is provided on **Attachment 3** for agencies who do not have Internet access.

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

Sincerely,



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

Attachments

# CalPERS 2008 Health Premiums – State Only

Effective Date: 1/1/2008 – 12/31/2008

## BASIC MONTHLY RATE (B)

PLAN	If you are ⇨	Employee Only	Plan Code	Employee & 1 Dependent	Plan Code	Employee & 2+ Dependents	Plan Code
Blue Shield		\$479.47	2051	\$958.94	2052	\$1,246.62	2053
Blue Shield NetValue*		\$430.25	0421	\$860.50	0422	\$1,118.65	0423
CAHP (Subsidized)		\$439.96	2301	\$847.10	2302	\$1,105.22	2303
CCPOA (North)		\$426.30	2561	\$853.08	2562	\$1,151.29	2563
CCPOA (South)		\$351.75	2661	\$703.97	2662	\$950.78	2663
Kaiser (CA)		\$436.25	0561	\$872.50	0562	\$1,134.25	0563
Kaiser (out-of-state)		\$625.52	*1	\$1,251.04	*2	\$1,626.35	*3
PERS Choice		\$477.70	2221	\$955.40	2222	\$1,242.02	2223
PERS Select*		\$462.55	0451	\$925.10	0452	\$1,202.63	0453
PERSCare		\$742.41	2781	\$1,484.82	2782	\$1,930.27	2783
PORAC		\$452.00	2071	\$847.00	2072	\$1,076.00	2073

\*Blue Shield NetValue and PERS Select are new high performance physician network plans.

## SUPPLEMENT/MANAGED MEDICARE MONTHLY RATE (SM)

PLAN	If you are ⇨	Employee Only	Plan Code	Employee & 1 Dependent	Plan Code	Employee & 2+ Dependents	Plan Code
Blue Shield		\$341.44	2061	\$682.88	2062	\$1,024.32	2063
Blue Shield NetValue*		\$304.66	0551	\$609.32	0552	\$913.98	0553
CAHP (Subsidized)		\$354.00	2311	\$655.00	2312	\$832.00	2313
CCPOA (North)		\$293.73	2571	\$587.74	2572	\$878.48	2573
CCPOA (South)		\$293.73	2671	\$587.74	2672	\$878.48	2673
Kaiser (CA)		\$273.36	0661	\$546.72	0662	\$820.08	0663
Kaiser (out-of-state)		\$298.67	**1	\$597.34	**2	\$896.01	**3
PERS Choice		\$349.11	2231	\$698.22	2232	\$1,047.33	2233
PERS Select*		\$349.11	0461	\$698.22	0462	\$1,047.33	0463
PERSCare		\$404.60	2791	\$809.20	2792	\$1,213.80	2793
PORAC		\$308.00	2081	\$614.00	2082	\$983.00	2083

\*Blue Shield NetValue and PERS Select are new high performance physician network plans.

Kaiser Out-of-State	*Basic	**Supplemental	Kaiser Out-of-State	*Basic	**Supplemental
Colorado	252	253	Mid-Atlantic	265	261
Georgia	245	249	Northwest	219	269
Hawaii	270	214	Ohio	262	263

# CalPERS 2008 Health Premiums – State Only

Effective Date: 1/1/2008 – 12/31/2008

## COMBINATION MONTHLY RATE

PLAN	If you are ⇔	Employee in SM		Employee in SM		Employee &	
		1 Dependent in B	Plan Code	2+ Dependents in B	Plan Code	1 Dependent in SM	Plan Code
Blue Shield		\$820.91	2064	\$1,108.59	2065	\$970.56	2066
Blue Shield NetValue*		\$734.91	0554	\$993.06	0555	\$867.47	0556
CAHP (Subsidized)		\$898.50	2314	\$1,146.50	2315	\$1,015.28	2316
CCPOA (North)		\$720.51	2574	\$1,018.72	2575	\$885.95	2576
CCPOA (South)		\$645.95	2674	\$892.76	2675	\$834.55	2676
Kaiser (CA)		\$709.61	0664	\$971.36	0665	\$808.47	0666
Kaiser (out-of-state)		\$924.19	**4	\$1,299.50	**5	\$972.65	**6
PERS Choice		\$826.81	2234	\$1,113.43	2235	\$984.84	2236
PERS Select*		\$811.66	0464	\$1,089.19	0465	\$975.75	0466
PERSCare		\$1,147.01	2794	\$1,592.46	2795	\$1,254.65	2796
PORAC		\$703.00	2084	\$932.00	2085	\$843.00	2086

\*Blue Shield NetValue and PERS Select are new high performance physician network plans.

PLAN	If you are ⇔	Employee in B		Employee in B		Employee &	
		1 Dependent in SM	Plan Code	2+ Dependents in SM	Plan Code	1 Dependent in SM	Plan Code
Blue Shield		\$820.91	2067	\$1,162.35	2068	\$1,108.59	2069
Blue Shield NetValue*		\$734.91	0557	\$1,039.57	0558	\$993.06	0559
CAHP (Subsidized)		\$886.00	2317	\$1,080.71	2318	\$1,184.00	2319
CCPOA (North)		\$720.31	2577	\$1,011.05	2578	\$1,018.52	2579
CCPOA (South)		\$645.76	2677	\$936.50	2678	\$892.57	2679
Kaiser (CA)		\$709.61	0667	\$982.97	0668	\$971.36	0669
Kaiser (out-of-state)		\$924.19	**7	\$1,222.86	**8	\$1,299.50	**9
PERS Choice		\$826.81	2237	\$1,175.92	2238	\$1,113.43	2239
PERS Select*		\$811.66	0467	\$1,160.77	0468	\$1,089.19	0469
PERSCare		\$1,147.01	2797	\$1,551.61	2798	\$1,592.46	2799
PORAC		\$758.00	2087	\$1,127.00	2088	\$987.00	2089

\*Blue Shield NetValue and PERS Select are new high performance physician network plans.

	Kaiser Out-of-State		Kaiser Out-of-State	
	*Basic	**Supplemental	*Basic	**Supplemental
Colorado	252	253	Mid-Atlantic	265
Georgia	245	249	Northwest	219
Hawaii	270	214	Ohio	262

**"COBRA" - STATE  
GROUP CONTINUATION COVERAGE  
RATES FOR JANUARY 1, 2008 TO DECEMBER 31, 2008**

Rates are calculated at 102%; however not all carriers will require 102%

-- BASIC --				
PLAN CODE	PLAN NAME	1 Party	2 Party	3 Party
205	Blue Shield HMO	\$489.06	\$978.12	\$1,271.55
042	Blue Shield NetValue*	\$438.86	\$877.71	\$1,141.02
230	CA Assoc. Hwy. Patrolmen	\$614.76	\$1,193.47	\$1,560.96
256	CCPOA - North	\$434.83	\$870.14	\$1,174.32
266	CCPOA - South	\$358.79	\$718.05	\$969.80
056	Kaiser	\$444.98	\$889.95	\$1,156.94
**	Kaiser Out-of-State	\$638.03	\$1,276.06	\$1,658.88
222	PERS Choice	\$487.25	\$974.51	\$1,266.86
045	PERS Select*	\$471.80	\$943.60	\$1,226.68
278	PERSCARE	\$757.26	\$1,514.52	\$1,968.88
207	PORAC	\$461.04	\$863.94	\$1,097.52
<p>*Blue Shield NetValue and PERS Select are high performance physician network plans</p> <p>**These premiums cover all Kaiser out-of-state areas.</p>				
6/20/2007				

**Health Plan Representatives (For State Agency Use Only\*)**

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**\* PLEASE DO NOT GIVE THESE NUMBERS OUT TO YOUR EMPLOYEES**

# Open Enrollment News 2007



## Welcome to the 2007 Edition of Open Enrollment News

### During Open Enrollment

- Enroll in the CalPERS Health Program
- Change health plans
- Add eligible family members

In this newsletter, you will find all the information you need to know about Open Enrollment. You will also learn about two new, lower-cost health plan options that could save you money next year.

If you are a Basic HMO member, you will be happy to know that you will have **no co-payment** for many preventive care office visits in 2008. We hope this encourages you to take advantage of the preventive care services our health plans offer, including periodic health exams, allergy testing and treatment, and hearing evaluations.

Details on all the 2008 health benefit design changes are outlined below.

### 2008 Basic Health Plan Benefit Updates

The following changes will be in place next year for CalPERS Basic HMO health plans only: Blue Shield of California and Kaiser Permanente. These changes do **not** apply to CalPERS Medicare plans.

- Eliminate all co-pays for preventive care office visits – including periodic

health exams, maternity care, pre/post natal care, immunizations, well baby visits, hearing evaluations, allergy testing, and allergy treatment. (Blue Shield will have no co-pay for allergy testing; Kaiser will still charge a \$15 co-pay for allergy testing.)

- Increase other office visit co-pays by \$5 (from \$10 to \$15)
- Standardize co-pays for urgent care to \$15 (currently \$25 for Blue Shield, and \$10 for Kaiser)
- Create an annual out-of-pocket maximum for Blue Shield of \$1,500 for an individual and \$3,000 for a family excluding pharmacy and certain other co-payments and expenses. (These maximums have been in effect at Kaiser.)

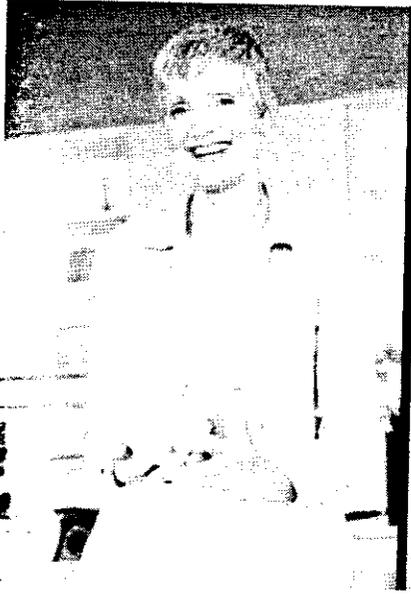
CAHP, CCPOA, and PORAC will have no benefit changes.

### New Health Plan Offerings

We will be adding new HMO and PPO high performance network (HPN) plan options next year. These HPN options will provide for the same quality of care as the existing provider

Open Enrollment begins  
September 17, 2007 and  
ends October 12, 2007





### We're Here to Help

At CalPERS, we offer many tools, resources, and publications to help you better understand your health benefits and make more informed decisions about your health care. You can use the enclosed postcard to receive a packet containing the *2008 Health Program Guide* and *2008 Health Benefit Summary*, and the *2008 Your Health Plan, Your Doctors, and You* (formerly known as the *Quality Report*). Simply indicate which booklets you would like to receive and we will mail them to your home address.

For quick and easy access to these publications, you can download them from the CalPERS Web site at [www.calpers.ca.gov](http://www.calpers.ca.gov). Just click the Find a Form or Publication button on our home page.

networks, but use a smaller panel of physicians. The benefit to you is that you can save money by choosing one of these new plans over the standard plans.

#### Blue Shield NetValue HMO:

- Offered in addition to the current Blue Shield Access+ HMO plan
- Offers a lower premium than the standard Blue Shield Access+ plan
- Provides the same level of benefits, access, and quality of care as Access+
- Offers a smaller network of selected medical groups than the standard Blue Shield Access+ network
- Available in portions of 17 counties: El Dorado, Fresno, Kern, Kings, Los Angeles, Madera, Nevada, Orange, Placer, Riverside, Sacramento, San Bernardino, San Diego, San Joaquin, Santa Barbara, Ventura, and Yolo. Some counties will only have partial access. Members should contact Blue Shield to determine whether their ZIP code is included in the NetValue service area.

#### PERS Select PPO:

- Offered in addition to the current statewide PERS Choice PPO plan

- Offers a lower premium than the standard PERS Choice plan
- Offers a statewide network of over 23,000 providers – representing more than 50 percent of the PERS Choice physician network
- Provides the same level of benefits, access, and quality of care as PERS Choice
- Available in 54 of the 58 California counties (not available in Alameda, Marin, Placer, or Solano counties, or out-of-state)

**Important:** If you wish to enroll in one of these HPN plans for 2008, you must change your existing health plan to the new HPN plan – even if your current physician is included in the HPN panel of doctors.

#### Blue Shield Service Area Changes

To combat continually increasing health costs in certain rural counties, in 2008 Blue Shield will be withdrawing its HMO plan from four counties: Lake, Napa, Plumas, and certain areas of El Dorado. Members will still have access to quality health care in those areas either by joining another CalPERS HMO plan, if available, or choosing a PPO plan.

If you are an Active member and want to change your health plan during Open Enrollment, please contact your Health Benefits Officer or Personnel Office.



State members in Lake and Plumas counties can take advantage of the Rural Health Care Equity Program (RHCEP), which could provide a subsidy of up to \$1,500 per year. For more information about the RHCEP, call the Benefits Division of the Department of Personnel Administration at (916) 327-1439 or (916) 327-1092.

#### **Western Health Advantage Not Available in 2008**

Western Health Advantage (WHA) will not be available as a CalPERS health plan option in 2008. WHA serves Colusa, El Dorado, Placer, Sacramento, Solano, and Yolo Counties.

If you are a WHA member, you will need to enroll in another health plan during Open Enrollment. Depending on the plan you choose, you might be able to keep your same doctors.

#### **Choosing the Right Health Plan**

If you need help selecting a health plan during the Open Enrollment period, check out the **Health Plan Chooser** tool on the CalPERS Web site. This handy tool lets you:

- Review information that is important to you in selecting a health plan, including benefits and services, doctor information, plan features, and member satisfaction ratings
- Rank and compare health plans side-by-side based on your personal preferences

Wondering which CalPERS health plans are available in your ZIP Code? The CalPERS On-Line **Health Plan Search by ZIP Code** locator tool gives you fast and easy answers. Just enter the ZIP Code for your home or work address, select your Member Category, and click on the Continue button to view your results.

You can easily access the **Health Plan Chooser** and the **Health Plan Search by Zip Code** tools by clicking on "2007 Health Open Enrollment" on the home page of the CalPERS Web site at [www.calpers.ca.gov](http://www.calpers.ca.gov).

#### **Understanding Health Plan Availability**

In general, active employees and working CalPERS retirees may enroll in a health plan using either their home or work ZIP Code. (The

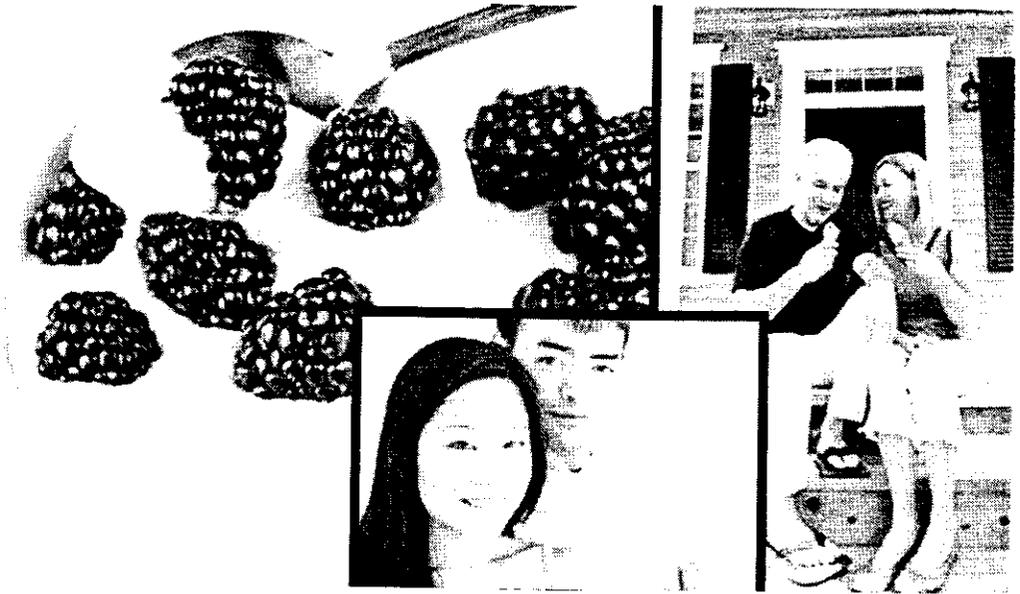
exception to this rule applies to members enrolling in Kaiser Permanente Senior Advantage, who must use only their residential ZIP Code.) If you are using your home ZIP Code, all enrolled dependents must live in the health plan's service area. If you use your work ZIP Code, all enrolled dependents must 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.

If you are a retired CalPERS member, you may select any plan in your residential ZIP Code area. Retirees cannot use the address of the employer from which they retired to establish ZIP Code eligibility unless it is a non-CalPERS covered employer.

#### **Accessing CalPERS Online Services: myCalPERS**

In June 2007, CalPERS launched myCalPERS, a new personalized and secure member Web site. myCalPERS allows you to access all CalPERS self-service tools and services in one, easy-to-use place – with just the click of a mouse.

**Tip for Medicare Members**  
If you enroll in a Medicare Part D plan outside of CalPERS, you will lose your CalPERS health coverage. For most members, your CalPERS health plan provides prescription coverage that is as good as or better than Medicare Part D.



myCalPERS is an integrated extension of CalPERS On-Line, the CalPERS Web site. myCalPERS provides access to your personal information and our online services. It's your tool for getting things done. You can access myCalPERS via CalPERS On-Line, or by going directly to <http://my.calpers.ca.gov>.

Since myCalPERS is a secure site, you must log in each time you visit in order to view and interact with your personal data. We've integrated our Log In process so you only need to register in one place. If you've registered to use our services in the past, there's no need to re-register. You can use your existing User ID and Password. If you're new to our services, registering is easy and fast.

#### **Learn About Your Health Plan Options with My Health Summary**

Once you've logged in, select **My Health Summary** for details about health plans that are available in your area. You'll also find all the forms and publications you'll need to make informed decisions about choosing a health plan during Open Enrollment.

#### **For Retirees:**

**It's Easier to Change Your Health Plan**  
myCalPERS makes it easier for retirees to change their health plan during Open Enrollment. Log in to myCalPERS at <http://my.calpers.ca.gov> to access **My Health Summary**, then select **Change My Health Plan**. If you haven't registered for online access yet, be sure to register first so you can take advantage of this self-service option.

If you prefer, you may change your health plan by calling us toll free at **888 CalPERS** (or 888-225-7377) and use our Interactive Voice Response System to make a change, or you may mail in the Open Enrollment Change Request form (HRD-30) which can be found in the *Health Program Guide*.

#### **Dental Open Enrollment**

The 2008 Open Enrollment period for State-sponsored dental plans is also from September 17 – October 12, 2007. You don't need to do anything unless you want to enroll in a dental plan, change plans, cancel coverage, or add/delete dependents on your plan. Changes and enrollments made during this period take effect January 1, 2008.

#### **Reminder for State Retirees**

Are you a State of California retiree who pays a higher Medicare Part B premium due to new Social Security rules? If so, you may be eligible to be reimbursed for some of your Part B premium costs. To apply for this additional reimbursement, submit a written request, with a copy of your complete Social Security Administration notice, to the following address:

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



P.O. Box 942714  
Sacramento, CA 94229-2714  
[www.calpers.ca.gov](http://www.calpers.ca.gov)

## What Drives Your Health Care Premiums, and What You Can Do to Help Keep Increases at Bay



### Forces Affecting Health Care Costs

Health care costs are rising at more than three times the cost of living and wages. In fact, in the past five years, private health insurance premiums have risen 73 percent nationally. There are a number of reasons that contribute to increases in the cost of health care.

Some include:

- Hospital and doctor cost increases
- An aging population
- Increasing incidence of costly chronic conditions, like diabetes, obesity, and heart disease
- Increased use of new technology and drugs to diagnose and treat disease
- Overuse of emergency rooms – the costliest form of care
- Consolidation of hospital and other care networks which may limit competition for services in certain areas
- Increasing number of uninsured, which causes hospitals and physicians to charge employer-based plans more

At CalPERS, we face all of these same health care cost challenges. Plus, we have additional cost burdens because so many of our members have chronic conditions:

- Hypertension – 11.7%
- Diabetes – 5%
- Depression – 5%
- Coronary Artery Disease – 3%
- Asthma – 3%

In addition, we have an older member population that is living longer, and requiring more care as they age. The average ages of our active and retired subscribers are 45 and 68, respectively.

*(continued on back panel)*

# What Drives Your Health Care Premiums, and What You Can Do to Help Keep Increases at Bay

(continued from inside)



## How You Can Help

Staying as healthy as possible will allow you to enjoy life to the fullest, and help keep your health care costs down. Here are a few ideas to help you take a more active role in your good health:

- Make prevention a priority. If you are a CalPERS Basic HMO member, take advantage of the many FREE preventive care visits your health plan will offer starting in January 2008.
- Look into our new high performance network plan offerings. If they are offered in your area, they are the best value because they have been designated by Blue Shield (HMO) and Blue Cross (PPO) as best in quality and cost value. Blue Shield HMO members who move to the new NetValue high performance network next year, will pay less in premiums than this year!
- Set healthy lifestyle goals, such as eating right, getting enough exercise, and breaking unhealthy habits.
- Learn about and get involved in the FREE disease management programs that all of our health plans offer. These programs target the most prevalent diseases for CalPERS members, including hypertension, diabetes, and depression. Call your health plan or check their website for details.

- Be informed when it comes to choosing your health plan and your doctors.
- Study up on how hospitals perform on patient satisfaction and quality measures. Check-out the CHART (California Hospital Assessment and Reporting taskforce) Web site at [www.calhospitalcompare.org](http://www.calhospitalcompare.org) for ratings of hospitals before you plan a medical procedure requiring a hospital stay.
- See your doctor or urgent care clinic before using the emergency room for non life-threatening events.
- Use mail order options to refill prescriptions and use generic drug alternatives. If you are unsure how to start, contact your health plan.
- Work with your doctor if you have a chronic condition to help you minimize any complications.

At CalPERS, we will continue to do everything we can to make sure that you get the best value for your health care dollar. We partner with our health plans, our physician groups, and hospitals to try to make sure you get the highest quality care at the most affordable price.