

# Public Agency & Schools Health Benefits Guide

---

April 2022

California Public Employees' Retirement System



## Table of Contents

<b>Topic</b>	<b>Page</b>
<a href="#"><u>Introduction</u></a>	3
<a href="#"><u>Contact Information</u></a>	4
<a href="#"><u>Summary of Health Benefit Forms &amp; Publications</u></a>	11
<a href="#"><u>Health Benefits Officer (HBO) — Roles and Responsibilities</u></a>	13
<a href="#"><u>CalPERS Communication</u></a>	15
<a href="#"><u>Health Plan Options</u></a>	17
<a href="#"><u>Health Eligibility Requirements</u></a>	20
<a href="#"><u>School Employers 10 – Month Work Schedule</u></a>	31
<a href="#"><u>Summary of Benefits and Coverage &amp; Uniform Glossary</u></a>	32
<a href="#"><u>Health Enrollment</u></a>	33
<a href="#"><u>Retroactive Refund</u></a>	45
<a href="#"><u>Health Event Reasons</u></a>	47
<a href="#"><u>Health Insurance Portability &amp; Accountability Act (HIPAA)</u></a>	56
<a href="#"><u>Direct Payment Authorization</u></a>	65
<a href="#"><u>Consolidated Omnibus Budget Reconciliation Act (COBRA)</u></a>	71
<a href="#"><u>Employee Separations</u></a>	75
<a href="#"><u>Health Benefits Into Retirement</u></a>	78
<a href="#"><u>Medicare</u></a>	82
<a href="#"><u>Survivor Benefits (Special Legislation)</u></a>	88
<a href="#"><u>Billing Instructions</u></a>	92
<a href="#"><u>Resources</u></a>	95
<a href="#"><u>Health Education and Events</u></a>	96

## Introduction

The **Public Agency & Schools Health Benefits Guide (Guide)** is designed to assist you and your agency in conducting business on behalf of the CalPERS Health Benefits Program which is subject to the Public Employees' Medical & Hospital Care Act (PEMHCA).

You have a fiduciary responsibility to manage the program by ensuring that eligible employees and their dependents are covered.

This guide aims to increase your knowledge of the health benefits business rules to ensure compliance with federal and state laws and provide you information to assist employees in making informed decisions.

**Note:** This guide is administrative in nature. In the event of unintentional conflict between the guide and PEMHCA regulations, PEMCHA and the regulations will prevail.

## Contact Information (for Employers)

### CalPERS General

Contact the CalPERS Customer Contact Center at **888 CalPERS** (or **888-225-7377**) for assistance relating to:

- Resolutions & Compliance
- Enrollment & Eligibility
- Member Appeals
- Billing & Reconciliation
- System Access & Processing
- Other inquiries outside of health, including but not limited to:
  - Service & Disability Retirement
  - Retirement Processing
  - Retirement Checks
  - Survivors & Beneficiaries

Information is also available on the [CalPERS](#) website.

### Circular Letters/Forms & Publications

Go to the CalPERS website, select the Employers tab, then go to:

- [Circular Letters](#) under Resources
- [Forms & Publications](#)

Circular Letters are emailed within CalPERS Employer Bulletins if you are a subscriber. They are also archived on the CalPERS website. Most forms and publications are available for download or online order.

### Remitting Payment

#### Check by Mail

California Public Employees' Retirement System – FRAS

Attn: Cashiers

P.O. Box 4032

Sacramento, CA 95812-4032

#### Check by Overnight Mail

California Public Employees' Retirement System – FRAS

Attn: Cashiers

400 Q Street

Sacramento, CA 95811-6201

### By Electronic Funds Transfer (EFT)

For more information on EFT, refer to the [myCalPERS Electronic Funds Transfer \(PDF\)](#) student guide or contact CalPERS **888 CalPERS** (or **888-225-7377**).

## Contact Information (for Members & Employers)

### Health Plan Resources

Contact the individual health plans for the following items, questions, or requests:

- Evidence of Coverage Booklets
- Identification Cards
- Verification of Provider Participation
- Benefits, Deductibles, Limitation & Exclusions
- Change in Primary Care Provider
- Service Area Boundaries
- Individual Conversion Policy
- Direct Pay or COBRA

### Anthem Blue Cross

Customer Service 1-855-839-4524 (HMO)  
1-877-737-7776 (PPO)  
1-855-251-8825 (Medicare)

Website <https://www.anthem.com/ca/calpers>

Direct Pay Payee\*Anthem Blue Cross

Mailing Address Anthem California  
P.O. Box 511300  
Los Angeles, CA 90051-7855

\*Use this Direct Pay information for all Anthem PPO and HMO plans

### Blue Shield of California

Customer Service 1-800-334-5847

Website [www.blueshieldca.com/calpers](http://www.blueshieldca.com/calpers)

Pharmacy [Blue Shield Pharmacy Benefits](#)

Direct Pay Payee Blue Shield of California

Mailing Address Blue Shield of California  
Attn: Cash Receiving  
P.O. Box 51827  
Los Angeles, CA 90051-6127

### OptumRx

Customer Service 1-855-505-8110 (Basic)  
1-855-505-8106 (Medicare)

Website [www.optumrx.com/oe\\_calpers/landing](http://www.optumrx.com/oe_calpers/landing)

### Health Net

Customer Service 1-888-926-4921

Website [www.healthnet.com/calpers](http://www.healthnet.com/calpers)

Direct Pay Payee Health Net of California

Mailing Address Health Net of California  
P.O. Box 894702  
Los Angeles, CA 90189-4702

## Contact Information (for Members & Employers), Continued

### Kaiser Permanente

Customer Service 1-800-464-4000 (Basic)  
1-800-443-0815 (Medicare)  
1-800-777-1370 (TTY for the hearing/speech impaired)  
1-800-788-0616 (Spanish)  
1-800-757-7585 (Chinese dialects)

Website <https://my.kp.org/calpers/>

Direct Pay Payee Kaiser Permanente

Mailing Address Kaiser Foundation Health Plan  
P.O. Box 7141  
Pasadena, CA 91109-7141

### Peace Officers Research Association of California (PORAC)

Customer Service 1-800-288-6928  
PORAC Basic Rx 1-800-700-2541 (or TTY/TDD: 1-800-905-9821)  
PORAC Anthem Blue Cross MedicareRx (PDP): 1-866-470-6265 (TTY: 711)  
Website <https://ibtofporac.org>

### Sharp Health Plan

Customer Service 1-855-995-5004 (Basic)  
1-833-499-8239 (Medicare)

Website <https://sharphealthplan.com/calpers/>

Direct Pay Payee Sharp Health Plan

Mailing Address Sharp Health Plan  
P.O. Box 57248  
Los Angeles, CA 90074-7248

### UnitedHealthcare

Customer Service 1-877-359-3714 (Basic)  
1-888-867-5581 (Medicare)

Basic Website [www.uhc.com/calpers](http://www.uhc.com/calpers)

Medicare Website [www.uhcretiree.com/calpers](http://www.uhcretiree.com/calpers)

Direct Pay Payee UnitedHealthcare

Mailing Address UnitedHealthcare  
P.O. Box 740221 Atlanta, GA 30374-0221

### Western Health Advantage

Customer Service 1-888-WHA-PERS (1-888-942-7377)

Website [www.westernhealth.com/CalPERS](http://www.westernhealth.com/CalPERS)

Direct Pay Payee Western Health Advantage

Mailing Address Western Health Advantage  
Dept. 34668  
P.O. Box 39000 San Francisco, CA 94139

## Contact Information (for Employers Only)

### Health Plan Account Management

Below are the CalPERS Account Management Teams for each of our Health Plan Partners. ***This information is strictly for employers only.***

#### **Anthem Blue Cross**

Wendy Franco  
Senior Managing Consultant

(916) 638-9588 Office  
(916) 202-1510 Cell  
(916) 858-8254 Fax  
[wendy.franco@anthem.com](mailto:wendy.franco@anthem.com)

Angelica K. Roldan  
Account Manager

(818) 461-1467 Office  
(916) 858-8254 Fax  
[angelica.roldan@elevancehealth.com](mailto:angelica.roldan@elevancehealth.com)

#### **Blue Shield**

Carlos Parra  
Account Manager – Northern California  
Escalated Service Issues and Inquiries Meetings,  
Wellness Strategy, New Agencies, Health Fairs

(916) 329-4457 Office  
(916) 474-0906 Cell  
[carlos.parra@blueshieldca.com](mailto:carlos.parra@blueshieldca.com)

Carla Anglada  
Manager, Account Management  
Escalated Service Issues and Inquiries Meetings,  
Wellness Strategy, New Agencies, Health Fairs

(916) 329-4400 Office  
(916) 591-7309 Cell  
[carla.anglada@blueshieldca.com](mailto:carla.anglada@blueshieldca.com)

Alejandro (Alex) Garcia  
Account Manager – Southern California  
Escalated Service Issues and Inquiries Meetings,  
Wellness Strategy, New Agencies, Health Fairs

(818) 577-6117 Cell  
[alex.garcia@blueshieldca.com](mailto:alex.garcia@blueshieldca.com)

#### **OptumRx**

Christina Fountain

(612) 642-7680  
[christina.fountain@optum.com](mailto:christina.fountain@optum.com)

## Contact Information (for Employers Only), Continued

### Health Net

Kevin King  
Senior Account Manager  
New Agencies, Member Issues

(510) 891-6765 Office  
(916) 935-4401 Fax  
[kevin.c.king@healthnet.com](mailto:kevin.c.king@healthnet.com)

Tammy Madsen  
Major Account Management  
Plan Design Inquiries, Member Issues,  
Enrollment Fairs

(916) 935-1325 Office  
(916) 235-0527 Cell  
(916) 935-4429 Fax  
[tammy.l.madsen@healthnet.com](mailto:tammy.l.madsen@healthnet.com)

Eddie Hashemi  
Major Account Management  
Plan Design Inquires, Member Issues,  
Enrollment Fairs

(818) 676-8229 Office  
(818) 536-1503 Cell  
[eddie.x.hashemi@healthnet.com](mailto:eddie.x.hashemi@healthnet.com)

### Kaiser Permanente

Kristen Honer  
Account Manager

[kristen.w.honer@kp.org](mailto:kristen.w.honer@kp.org)

Courtney Tran  
Service Manager

[courtney.tran@kp.org](mailto:courtney.tran@kp.org)

Cris Christensen  
Territory Manager, NorCal, Sacramento  
Marin, Sonoma, Vacaville, Santa Cruz

(916) 790-7250  
[cris.c.christensen@kp.org](mailto:cris.c.christensen@kp.org)

Leticia Aguilar  
Territory Manager, NorCal, Sacramento  
Central Valley, and Fresno

(209) 259-9945  
[leticia.l.aguilar@kp.org](mailto:leticia.l.aguilar@kp.org)

Paulo Santos  
Territory Manager, NorCal, Bay Area

(408) 642-8932  
[paulo.santos@kp.org](mailto:paulo.santos@kp.org)

Sunny Smith  
Territory Manager, SoCal, Los Angeles,  
South Bay and Kern County

(818) 319-0467  
[sunny.smith@kp.org](mailto:sunny.smith@kp.org)



## Contact Information (for Employers Only), Continued

### Kaiser Permanente, Continued

Carmen Conover  
Territory Manager, SoCal, Inland Empire  
(Riverside and San Bernardino)

(909) 371-9914  
[carmen.x.conover@kp.org](mailto:carmen.x.conover@kp.org)

Dalia Guillen  
Territory Manager, SoCal, Los Angeles,  
Orange County and San Diego

(562) 833-1832  
[dalia.v.guillen@kp.org](mailto:dalia.v.guillen@kp.org)

### Sharp Health Plan

Stephen Chin  
Manager  
Account Management & Community Relations  
Strategic Planning and Oversight, New Agencies

(858) 499-8239 Office  
[stephen.chin@sharp.com](mailto:stephen.chin@sharp.com)

Liberty Palanca  
Senior Account Executive, Key Accounts

(858) 499-8308 Office  
[liberty.palanca@sharp.com](mailto:liberty.palanca@sharp.com)

### United Healthcare

Rosalyn McMullen  
Director, Account Management  
Renewal and Planning

(916) 403-0679 Office  
(877) 256-0082 Fax  
[rosalyn.mcmullen@uhc.com](mailto:rosalyn.mcmullen@uhc.com)

Kelly Ferber  
Strategic Account Executive  
Service and Operations

(925) 308-7189 Office  
(877) 802-7875 Fax  
[kelly.ferber@uhc.com](mailto:kelly.ferber@uhc.com)

Leticia Sanchez  
Service Manager  
Escalated Service Issues

(916) 403-0631 Office  
(855) 427-6758 Fax  
[leticia.sanchez@uhc.com](mailto:leticia.sanchez@uhc.com)

Michelle Kulton  
Field Account Manager, NorCal  
New Agencies, Health Fairs

(916) 331-1801 Office  
[michelle.kulton@uhc.com](mailto:michelle.kulton@uhc.com)

Sandy Cisneros  
Field Account Manager, Kern, Los Angeles,  
San Luis Obispo & Ventura counties

(714) 226-4485 Office  
[sandy.cisneros@uhc.com](mailto:sandy.cisneros@uhc.com)

Lisa Ramirez  
Field Account Manager, Orange, Riverside,  
San Bernardino & San Diego counties

(760) 804-2270 Office  
[lisa.m.ramirez@uhc.com](mailto:lisa.m.ramirez@uhc.com)

## Contact Information (for Employers Only), Continued

### United Healthcare, Continued

Aaron Love  
Client Service Manager,  
Medicare Service and Operations

(763) 361-0325 Office  
[aaron.love@uhc.com](mailto:aaron.love@uhc.com)

Lynn Groff  
Senior Strategic Account Executive,  
Medicare Renewal and Planning

(952) 406-3119 Office  
[lynn.groff@uhc.com](mailto:lynn.groff@uhc.com)

Valorie Guerra  
Service Account Manager,  
Escalated Service Issues

(916) 288-2551 Office  
[valorie.guerra@uhc.com](mailto:valorie.guerra@uhc.com)

### Western Health Advantage

Michele Lehuta  
Public Sector Director

(916) 614-6032 Office  
(916) 568-1338 Fax  
[m.lehuta@westernhealth.com](mailto:m.lehuta@westernhealth.com)

Chandra Lau  
CalPERS Account Representative

(916) 563-2282 Office  
(916) 568-1338 Fax  
[c.lau@westernhealth.com](mailto:c.lau@westernhealth.com)

## Summary of Health Benefit Forms & Publications

Form	CalPERS Form Name	Description
HBD-12	<a href="#">Health Benefits Plan Enrollment for Active Employees (PDF)</a>	For active employees, to enroll, change, or cancel enrollment in a CalPERS health plan.
HBD-30	<a href="#">Health Benefits Plan Enrollment for Retirees/Survivors (PDF)</a>	For retirees or survivors, to enroll, change, or cancel enrollment in a CalPERS health plan.
HBD-34	<a href="#">Disabled Dependent Member Questionnaire and Medical Report (PDF)</a>	For enrollment or continuation of a disabled child over age 26. This form provides medical information to CalPERS and is to be completed and submitted to CalPERS by a medical doctor.
HBD-40	<a href="#">Affidavit of Parent-Child Relationship (PDF)</a>	To establish eligibility for dependents of a parent-child relationship.
PERS-HBD-85	<a href="#">COBRA Election (PDF)</a>	To continue coverage under COBRA provisions and authorize direct payment for enrollment in a group continuation plan.
PERS-HBD-21	<a href="#">Direct Payment Authorization (PDF)</a>	To apply for continuation of enrollment while employee is on "off-pay" status.
PERS-HBD-1965	<a href="#">Affidavit of Marriage/Domestic Partnership</a>	A subscriber is unable to produce a government-issued marriage certificate or domestic partnership registration due to extenuating circumstances, a member may execute and submit a signed and notarized affidavit.
	<a href="#">Health Plan's Evidence of Coverage</a>	A detailed guide describing the benefits of a specific health plan. Also provides the employee with a certificate of coverage. This publication is mailed to new members by the health plan and is also available online through the specific health plan website.

## Summary of Health Benefit Forms & Publications, Continued

Form	CalPERS Publication	Description
HBD-120	<a href="#">Health Program Guide (PDF)</a>	Provides an overview of the CalPERS Health Program.
HBD-110	<a href="#">Health Benefit Summary (PDF)</a>	A comprehensive summary of all CalPERS health plans.
HBD-65	<a href="#">CalPERS Medicare Enrollment Guide (PDF)</a>	A practical guide to understanding how CalPERS and Medicare work together.
	<a href="#">Summary of Benefits and Coverage (SBC) Notice (PDF)</a>	Provides information to help individuals better understand and compare available health plan options. Employers must provide this notice to newly eligible employees no later than the date they become eligible for health benefits. The SBCs are also available by directly contacting the health plans.

### Obtaining Forms

To request forms and/or publications, you can:

- Go online to [Forms & Publications](#). All forms and publications are available for download or online order.
- Contact CalPERS at **888 CalPERS** (or 888-225-7377).

### Other Forms for CalPERS Members

#### Personnel Transactions for CalPERS Members

Many of the transactions listed below may be completed online via myCalPERS for members & retirees. Otherwise, report the following types of personnel transactions on the specified form indicated. The forms listed below pertain to CalPERS members only.

Form	Transaction	Division
PERS-BSD-194	<a href="#">Report of Separation and Advance Payroll (PDF)</a>	Disability & Survivor Benefits
PERS-BSD-369-S	<a href="#">Service Retirement Election Application (PDF)</a>	Retirement Benefits
PERS-BSD-369-D	<a href="#">Disability Retirement Election Application (PDF)</a>	Disability & Survivor Benefits
myCalPERS 0697	<a href="#">Report of Separation for Death – Request for Payroll Information (PDF)</a>	Disability & Survivor Benefits
PERS-OSS-138	<a href="#">Special Power of Attorney (PDF)</a>	Retirement Benefits

# Health Benefits Officer (HBO) — Roles and Responsibilities

## Introduction

Your agency is required to designate a Health Benefits Officer (HBO) and one or more assistant HBOs to be an authorized point of contact for employees' health benefits.

Qualified and trained HBOs or assistant HBOs are authorized to sign required enrollment forms on behalf of your agency. Active employees must go through the designated HBO for all their eligibility and enrollment requests.

An HBO is also considered a Personnel Specialist who processes health transactions and provides health eligibility and enrollment information to employees.

## Roles and Responsibilities

The HBO has the following roles and responsibilities:

### Education:

- Educate all newly eligible and existing employees with relevant information regarding eligibility and enrollment
- Inform employees about disabled dependent certification requirements upon an employee's initial enrollment in CalPERS health benefits
- Provide all required disabled dependent certification forms to their employee if they request CalPERS disabled dependent benefit information when their child is nearing age 26 or nearing their disabled dependent recertification end date
- Inform employees that a review of eligibility can occur at any time
- Inform employees of their obligation to advise you if they have a change of address, if incorrect health premiums are being deducted from their paycheck, or if dependents lose eligibility (e.g., divorce)
- Stay up to date on communications from us regarding changes in law or policies
- Be familiar with California Public Employees' Retirement Law (PERL), PEMHCA provisions, California Government Codes (Gov. Code), and California Code of Regulations (CCR)
- Have knowledge of available resources

## Health Benefits Officer (HBO) — Roles and Responsibilities, Continued

### Eligibility Determination and Enrollment Processing:

- Ensure only eligible employees and family members are enrolled in the CalPERS Health Benefits Program
- Obtain required supporting documentation as proof of eligibility prior to enrollment
- Ensure eligible employees and family members are enrolled to comply with all provisions of PEMHCA
- Confirm enrollment forms are complete, free of errors, and signed by the HBO and the employee electronically or physically
- Retain enrollment forms and supporting documentation in employees' official personnel files
- Approve enrollments for employees and/or their dependents
- Process health transactions timely and accurately once all required documentation is received

### Maintenance and Monitoring:

- Verify that employees are enrolled in the correct health plan based on their residential or work ZIP code
- Maintain complete and accurate demographic records for all employees including:
  - Current addresses and phone numbers
  - Social Security numbers for all employees and their eligible family members
  - Government-issued marriage certificates
  - Divorce decrees
  - Birth certificates
  - Declaration of Domestic Partnership
- Monitor ongoing eligibility and enrollment opportunities for employees and their eligible family members
  - Including tenure and time base, direct pay, and COBRA requirements
- Maintain HBO contact information in myCalPERS

It is against the law to continue enrollment of any ineligible family member. If this occurs, the employee will be liable for all costs incurred during the ineligibility period.

### Dependent Demographic Changes or Corrections

You may add or correct dependent Social Security numbers (SSN) in myCalPERS. For a dependent child who was added without an SSN, add their SSN within 90 days after the enrollment is processed. For retiree and all other dependent demographics changes, contact CalPERS at **888 CalPERS** (or **888-225-7377**).

# CalPERS Communication

## Introduction

We communicate to business partners through several channels including:

- CalPERS website
- Circular Letters
- CalPERS Employer Bulletins
- myCalPERS
- CalPERS Employer News

## CalPERS Website

This is a key source of information for you regarding the CalPERS Health Program, such as eligibility rules, covered services, available health plans, and premium rates.

For additional information about the [CalPERS Health Program](#), go to the CalPERS website.

## Circular Letters

These are issued to keep you informed of changes in health policies and procedures. These letters provide documentation for reference to administer CalPERS benefit programs. Circular Letters are emailed within Employer Bulletins to those who subscribe.

**Note:** The [Circular Letters](#) page located on the CalPERS website can help you find specific topics of interest.

## CalPERS Employer Bulletins

These emails tailored to employers provide the latest news and information regarding Circular Letters, Board of Administration information, and other communications. Agency personnel (i.e., accounting and payroll staff, health benefits officers, city managers, administrators, etc.) and other interested parties can benefit from this service by receiving CalPERS news as soon as it is released. Each CalPERS Employer Bulletin contains direct links to employer information on the CalPERS website.

Stay informed by signing up for the [CalPERS Employer Bulletin](#) on the CalPERS website.

## CalPERS Employer News

CalPERS produces Employer News monthly. This digital publication provides important information and a calendar of upcoming events for employers doing business with CalPERS. CalPERS Employer News will be sent directly to your inbox. Make sure you receive your monthly edition by keeping your contact information up to date in your myCalPERS account.

Search for Employer News on the CalPERS website on the [Forms & Publications](#) page.

## CalPERS Communication, Continued

### myCalPERS

[myCalPERS](#) is a secure internet application which provides access to your agency's information and online services. It is the tool for viewing, processing, and generating reports. Employers who participate in **PEMHCA** can access billing rosters, view current and past employer health contributions, contract details, and more.

### Accessing myCalPERS

The **CalPERS employer ID** is a 10-digit ID that is assigned to each employer that contracts with CalPERS for benefits.

An organization's myCalPERS [System Access Administrator \(SAA\)](#) is the key point of contact. For existing organizations, this individual will be accountable for providing myCalPERS access to any additional contacts (users). This involves utilizing system administrator pages in myCalPERS to associate predefined access roles to each contact and assign the user a unique username and password. In addition, this individual will have the responsibility to reset a user's password, lock a user's access rights to the system, and change a user's system access role(s).

myCalPERS SAA Resources:

- [myCalPERS System Access Administrators](#) page
- [myCalPERS System Access Administration \(PDF\)](#) student guide
- [myCalPERS System Privileges for Business Partner Roles \(PDF\)](#) student guide



# Health Plan Options

## Coverage Types

- Basic (non-Medicare): A CalPERS Basic plan that provides health benefit coverage to members who are under age 65 or who are over age 65 and still working.
- Medicare: A CalPERS Medicare health plan that provides health benefit coverage to members who are over age 65, retired, and are enrolled in Medicare Parts A and B with the Social Security Administration.
- Medicare under age 65: A CalPERS Medicare health plan that provides health benefit coverage to member or dependents who are under age 65 with qualifying conditions as determined by the Social Security Administration.
- A combination enrollment means at least one family member is enrolled in a CalPERS Medicare health plan and at least one family member is enrolled in a CalPERS Basic health plan. CalPERS requires that all covered family members are enrolled with the same health carrier.

## Medicare-Eligible Members

If the member is actively employed and covered by an employer group health plan (EGHP), the Medicare eligible member's health coverage will be in a CalPERS basic health plan unless the disabled dependent has End Stage Renal Disease (ESRD), Amyotrophic Lateral Sclerosis (ALS), or a Social Security-qualified disability.

Prior to or soon after retirement, an employee 65 or over should enroll in Medicare Parts A and B with the Social Security Administration to ensure they transfer into a CalPERS Medicare health plan without a lapse in coverage.

## Health Plan Availability

- Employees are eligible to enroll in a health plan using either their residential or work ZIP code. The eligibility ZIP code can be added during the initial enrollment and can only be changed during Open Enrollment or with a qualifying event, such as a residential move. If a member moves the plan an active member is enrolled in isn't available where the member moves to, they may use the employer ZIP code if the health plan is available in that service area.
- A P.O. box may be used for mailing purposes but cannot be used to establish eligibility.
- If a residential ZIP code is used, all enrolled family members must reside in the health plan's service area.
  - When an enrolled dependent resides separately from your employee, the enrolled dependent's residential ZIP code must also be included in the health plan's service area.
  - Your employee or enrolled dependent should always contact the health plan to ensure the dependent is assigned to a provider or clinic within the respective health plan's service area.
  - When an employee retires and is no longer working, they must use their residential address for eligibility. Note: If a retired member is working after retirement for a CalPERS or non-CalPERS covered employer, they may use the employer ZIP code for eligibility until they become eligible for Medicare.

## Health Plan Options, Continued

**Example:** Your employee lives in Northern California and is enrolled in Kaiser and their dependent lives in Southern California. They can each seek services if both residential ZIP codes qualify for enrollment.

- If a work ZIP code is used, all enrolled family members must receive all covered services (except emergency and urgent care) within the health plan's service area, even if they do not reside in that service area.
- A subscriber may choose to use the employer ZIP code
  - Upon initial enrollment
  - During the annual Open Enrollment period
  - Upon a move
- Working retirees may use the ZIP code of their current employer for basic health plan eligibility. If enrolled in a CalPERS Medicare health plan, the member's residential address must be used.

Enrolled employees can log into myCalPERS and use the Premium Search Tool to view the plans in their ZIP code area, view premiums, compare benefits, and verify if a provider is associated with the health plans.

### **CalPERS Health Maintenance Option (HMO) Basic Health Plans**

Depending on where your employee resides or works, one or more basic health plan types and plan choices may be available.

HMO plan features include:

- A range of health benefits including preventive health services
- A monthly fee (premium) with no calendar year deductible
- A set co-payment for the care provided
- A primary care physician (PCP) who coordinates the patient's care including referrals to specialists

The [California Department of Managed Health Care](#) regulates all HMOs in California. Title 28 section 1300.51(H) (i) of the California Code of Regulations, defines health plan requirements for the geographic area in which the health plan provides coverage under an HMO.

## Health Plan Options, Continued

### CalPERS HMO Basic Health Plans

HMO plans include:

- Anthem Blue Cross
- Blue Shield of California
- Health Net of California
- Kaiser Permanente
- Sharp Health Plan
- UnitedHealthcare
- Western Health Advantage
- California Correctional Peace Officers Association (CCPOA)
  - Must be a dues-paying member of the association

HMOs are available in designated California service areas except for Kaiser which is available in parts of other states.

### CalPERS Preferred Provider Organization (PPO) Basic Health Plans

PPO plan features include:

- Access to a network of health care providers known as preferred providers
- Choice of specialists without a referral
- Option to obtain services from non-preferred providers

A calendar year deductible applies to PPO plans.

### PPO Basic Health Plans

PPO plans include:

- PERS Platinum
- PERS Gold
- California Association of Highway Patrolmen (CAHP)\*
- Peace Officers Research Association of California (PORAC)\*

\*Must be a dues-paying member of the association

Our PPO plans are administered by Anthem Blue Cross and available throughout California. PERS Platinum and PORAC are available in California and throughout the world.

### CalPERS Exclusive Provider Organization (EPO) Basic Health Plans

- Blue Shield EPO serves Colusa, Mendocino, and Sierra counties
- Anthem Blue Cross EPO serves Del Norte County

EPO plans offer the same covered services as an HMO. Services must be obtained from the statewide EPO network of preferred providers.

Evidence of Coverage Booklets can be viewed and/or printed from the applicable health plan website.

## Health Eligibility Requirements

### Employees

Active employees may enroll themselves only or themselves and all eligible family members. Eligibility is based on tenure and time base of a qualifying appointment.

Employees are eligible if they meet the following requirements:

- Have a permanent appointment or a limited-term appointment with a duration of more than six months
- Work at least half time

If your agency has adopted the "less than half time" resolution, then the time base above does not apply and the employee that works less than half-time can enroll. Less than half-time employees receive the same employer contribution as their full-time counterparts. Prior to enrollment, the employee must still meet the criteria of tenure (six months and one day or more).

Enrollment must be requested within 60 days from the date of the qualifying appointment, during any future Open Enrollment, or due to a HIPAA special or late enrollment period. Enrollment due to a HIPAA late enrollment is effective the first of the month after a 90-day wait period.

The Affordable Care Act may impact eligibility requirements for CalPERS employers. Refer to [Circular Letter 600-061-14 \(PDF\)](#) (Attachment: [Employer Designation Model Template \(PDF\)](#)) and the [IRS](#) for additional information on the issued final regulations titled, "Shared Responsibility for Employers Regarding Health Coverage."

### Retirees

Retirees are eligible to enroll in a CalPERS retiree health plan if they meet the following requirements:

- Retire within 120 days of separation
- Receive a monthly retirement warrant
- Are eligible for health benefits upon separation
- Former employer still contracts with CalPERS for health benefits for their specific bargaining unit

Enrollment must be requested within 60 days from retirement, involuntary loss of coverage, during any future open enrollment period, or HIPAA special or late enrollment period. The effective date is the first of the month following the date the request is received by CalPERS. Enrollment due to a HIPAA late enrollment is effective the first of the month after a 90-day wait period.

## Health Eligibility Requirements, Continued

### Family Members/Dependents

Eligible employees may enroll themselves or themselves and all eligible family members. Below is a list of eligible dependents and the supporting documentation required for enrollment:

#### Spouse

- Can be added to the health plan during initial health enrollment, within 60 days after the date of marriage or during any Open Enrollment period, involuntary loss of coverage, or HIPAA special or late enrollment period

Required:

- Copy of the government-issued marriage certificate and spouse's SSN
  - If an employee is unable to locate their government-issued marriage certificate, they must request a duplicate copy from the county clerk's office where the marriage was performed.
  - If the marriage certificate is in a foreign language and the Human Resources office is unable to interpret it, the employee will need to obtain a certified translated copy of the marriage certificate and provide it to their HBO.
  - If the HBO determines the employee is unable to produce a government-issued marriage certificate or domestic partnership registration due to extenuating circumstances, the employee may execute and submit a signed and notarized [Affidavit of Marriage/Domestic Partnership \(PERS-HBSD-1965\) \(PDF\)](#).
  - If a spouse is pending an SSN, the spouse can still be added by contacting CalPERS.
- Copy of the *Divorce Decree* to delete a spouse due to divorce

#### Registered Domestic Partner

The following are eligible for domestic partnership and must register with the Secretary of State:

- Same-sex domestic partnerships between persons who are both at least 18 years of age
- Opposite-sex domestic partnerships between persons who are both at least 18 years of age
- Two people who meet all the criteria of a domestic partnership, as defined by the governing board of a contracting agency, if the contracting agency adopted that definition prior to January 1, 2000
- Domestic partnerships validly formed in another jurisdiction that are substantially equivalent to registered domestic partnerships in California

A domestic partner can be added to the health plan within 60 days of the registration of domestic partnership or during any Open Enrollment period, involuntary loss of coverage, or HIPAA special or late enrollment period.

Required:

- Copy of the *Declaration of Domestic Partnership* registered with the California Secretary of State or a comparable agency in another jurisdiction and the domestic partner's SSN. If no SSN is available for the domestic partner, contact CalPERS.
- Copy of the *Termination of Domestic Partnership* form to delete a domestic partner due to dissolution of partnership.

## Health Eligibility Requirements, Continued

### Registered Domestic Partner, Continued

Domestic Partnership Law prohibits a person who has filed a Declaration of Domestic Partnership from filing a new declaration until at least six months has elapsed from the date that a Notice Termination of Domestic Partnership was filed with the Secretary of State. This relates to the termination of the most recent domestic partnership except where the previous domestic partnership ended because one of the partners died or married.

### Children Under Age 26

The employee's natural-born or adopted children, domestic partner's children, and stepchildren who are under age 26 may be added as outlined below:

- Newborn children should be added within 60 days of birth. Coverage is effective from the date of birth.
- Newly adopted children should be added within 60 days of physical custody. Coverage is effective from the date physical custody is obtained.
- Stepchildren or a domestic partner's children under age 26 can be added within 60 days after the date of employee's marriage or registration of domestic partnership
- During a future Open Enrollment, involuntary loss of coverage, or HIPAA special or late enrollment

The coverage will become effective the first day of the month following the date the HBO receives the completed [Health Benefits Plan Enrollment for Active Employees \(HBD-12\) \(PDF\)](#) form.

Eligible children can be enrolled regardless of their marital, student, or employment status up until the month of their 26th birthday.

### Notification of Deletion of 26-Year-Old Dependents

Twelve months prior to the 26th birthday of a dependent child enrolled in CalPERS health benefits, CalPERS will mail a disabled dependent informational letter to the employee notifying them of the disabled dependent eligibility and enrollment process.

Three months prior to the dependent's 26th birthday, CalPERS will mail a notice to the employee advising that the child dependent is reaching age 26. A similar notice will also be mailed out one month prior to the dependent's 26th birthday. The notices provide:

- Current enrollment data
- Dependent deletion information
- Disabled dependent eligibility and enrollment process

## Health Eligibility Requirements, Continued

CalPERS will notify the health plan of the pending deletion during the month the dependent reaches age 26. COBRA notification and forms will also be mailed during this month. To view a roster of pending 26-year-old deletions, download the Employer Health Event Transaction report in myCalPERS which will show the 26-year-old deletion transaction. Note: It is required to offer COBRA to deleted dependents.

If you have a new employee who adds a 25-year-old child, the automatic deletion system and the disabled dependent notification may not work if the enrollment is not in our system prior to the three-month lead time. Contact CalPERS at **888 CalPERS** (or **888-225-7377**) if you are in doubt about the deletion system time frame.

Report address changes immediately. This will ensure notifications about coverage and COBRA are sent timely and to the correct location.

### Effective Date

Health coverage will **terminate on the last day of the month** in which the dependent reaches age 26.

### Continuation of Coverage of Certified Disabled Dependent

The deletion of a 26-year-old dependent is mandatory unless incapable of self-support because of a physical or mental disability. If the 26-year-old qualifies as a Certified Disabled Dependent, the dependent may be eligible for continued coverage. Refer to the "[Certification of Disabled Dependent Age 26 and Over](#)" section of this guide for further information.

### Continuation of Benefits

Dependent's age 26 and over are eligible to continue their coverage through the federal COBRA provision. Your agency is responsible for offering COBRA continuation coverage under federal guidelines. Refer to the "[Consolidated Omnibus Budget Reconciliation Act \(COBRA\)](#)" section of this guide for further information.

### Circular Letter 600-043-10

For more information, refer to [Extension of Dependent Coverage Up to The Age of 26 \(PDF\)](#)

Attachment A: [Active Subscriber \(PDF\)](#)

Attachment B: [Retiree Subscriber \(PDF\)](#)

Attachment C: [Age Outs \(PDF\)](#)

Attachment D: [COBRA Subscriber \(PDF\)](#)

### Certification of Disabled Dependent Age 26 and Over

A child age 26 and over who is incapable of self-support because of a mental or physical condition may be eligible for enrollment. The disability must have existed prior to reaching age 26 and continuously since age 26, as certified by a licensed physician.

## Health Eligibility Requirements, Continued

Employees are required to complete their portion of the [Disabled Dependent Member Questionnaire and Medical Report \(HBD-34\) \(PDF\)](#) and the Authorization to Disclose Protected Health Information form and submit both forms to the dependent's physician.

### **CalPERS Approval of a Certified Disabled Dependent Enrollment**

The physician must complete and submit the [Disabled Dependent Member Questionnaire and Medical Report \(HBD-34\) \(PDF\)](#) directly to CalPERS for approval. The initial certification of the disabled dependent must occur during one of the following two eligibility periods (whichever applies):

- Within 90 days before and ending 60 days after the child's 26th birthday (employee and dependent currently enrolled)
- Within 60 days of a newly eligible employee's initial enrollment in the CalPERS Health Program

If the initial certification of the disabled dependent is upon the newly eligible employee's initial enrollment in the CalPERS Health Program, complete an HBD-12 and include the employee and any other eligible family members.

In the **REMARKS** box, indicate *"Coverage of disabled dependent (name) is contingent upon approval by CalPERS."*

Upon approval of eligibility by CalPERS, the disabled dependent's health enrollment will continue without a gap in coverage and a notification stating the certification period will be mailed to the employee and employer. If the HBD-34 is not received by CalPERS within specified timeframes, the dependent will be deleted and will not be eligible for future reinstatement.

### **Recertification of a Disabled Dependent Age 26 and Over**

Upon certification of eligibility, the dependent's CalPERS health coverage must be continuous and without lapse. For a dependent already enrolled as a disabled dependent, CalPERS will mail recertification reminder notices along with the HBD-34 and Authorization to Disclose Protected Health Information form to the employee 90 and 60 days prior to the recertification end date. The completed HBD-34 must be submitted to CalPERS by the dependent's physician and received no earlier than 90 days prior to the expiration date, and no later than the expiration date. It is the employee's responsibility to ensure timeframes are met.

A dependent enrolled as a parent-child relationship (PCR) is eligible to enroll as a disabled dependent, but they must be recertified as a PCR annually. If a PCR disabled dependent is not recertified as a PCR, they will no longer be eligible for CalPERS health benefits even if their disabled dependent certification is still current.



## Health Eligibility Requirements, Continued

### Exclusions

The following disabled children are **excluded** from coverage:

- Dependent children whose disability occurred after age 26
- Dependents who initially continued coverage as disabled dependents beyond age 26 under the PEMHCA program and who were later deleted from the enrollment
- Dependents who are capable of self-support
- Disabled dependents whose coverage (extension) was not requested in a timely manner
- Dependent children whose CalPERS health coverage was not continuous

### Circular Letter 600-016-22

For more information, refer to [Eligibility Criteria and Updated Disabled Dependent Benefit Certification Forms \(PDF\)](#).

## Health Eligibility Requirements, Continued

### Certified Parent-Child Relationship (PCR) Eligibility & Supporting Documentation

An employee or annuitant may enroll as a PCR a child under age 26 other than an adopted, step, or recognized natural child, if the employee or annuitant:

- Has assumed a parental role
- Is considered the primary care "parent"
- Submits a signed [Affidavit of Parent-Child Relationship \(HBD-40\) \(PDF\)](#)
- Submits specific documents that substantiate their parental role within that PCR

Qualified and trained HBOs or assistant HBOs are authorized to sign required enrollment forms on behalf of your agency along with signature from the personnel manager.

### The following groups are not eligible to enroll in the CalPERS health program:

- Foster children
- Spouses of adopted, step, and recognized natural children

Upon enrollment, and annually thereafter on the member's birth month, the employee must:

- Sign the [Affidavit of Parent-Child Relationship \(HBD-40\) \(PDF\)](#) under penalty of perjury, that the information they are providing is true and correct
- Acknowledge that it is unlawful to make false representation or to present false information
- Provide required supporting documentation

Employees are required to fully complete the HBD-40 form and submit required supporting documents for new and recertification requests. All subscribers recertifying a PCR dependent under age 19 must submit a copy of the first page of their federal or state income tax return form, such as IRS Form 1040 from the previous tax year listing the child as a tax dependent. **No exceptions will be allowed.**

A dependent enrolled as a PCR is eligible to enroll as a disabled dependent, however, they must be recertified as a PCR annually. If a PCR disabled dependent is not recertified as a PCR, they will no longer be eligible for CalPERS health benefits even if their disabled dependent certification is still current.

## Health Eligibility Requirements, Continued

### Required Supporting Documentation for a PCR Dependent Under Age 19

- Copy of the first page of the subscriber's federal or state income tax return, such as IRS Form 1040 from the previous tax year listing the child as a tax dependent
- In lieu of a tax return, for a time not to exceed one tax filing year during the child's initial enrollment as a PCR dependent, subscribers may submit other documents that substantiate the child's financial dependency upon them, including the following (collectively referred to as "Other Suitable PCR Documentation"):
  - Current legal judgments or court documents showing the subscriber's legal parental status or guardianship over the child
  - Bank, credit card, tuition or insurance statements or payments
  - School records
  - Bills or mail indicating common residency with the child

### Required Supporting Documentation for a PCR Dependent From Age 19 Up to Age 26 (one of the following):

- Copy of the first page of the subscriber's income tax return form, such as IRS Form 1040 from the previous tax year listing the child as a tax dependent
- Another suitable PCR documentation, that substantiates that the child is financially dependent upon the subscriber can be submitted, provided that the child:
  - Either lives with the subscriber for more than 50% of the time, or is a full-time student, and
  - Is dependent upon the subscriber for more than 50% of the child's support

Requirement Type	Supporting Documentation Age 19-26
Residency (more than 50% of the time)	<ul style="list-style-type: none"> <li>• School records indicating full-time status, bills, or mail in the child's name <b>listing the same address</b> as the subscriber, such as:               <ul style="list-style-type: none"> <li>- School correspondence</li> <li>- Employment correspondence</li> <li>- Bank statements or correspondence</li> <li>- Vehicle registration or insurance bills/statements</li> <li>- Credit card bills/statements</li> <li>- Rental/lease agreements</li> </ul> </li> </ul>
Financial dependence (more than 50% of child's support)	<ul style="list-style-type: none"> <li>• Recurring bills or statements of account, identified as Other Suitable PCR Documentation, paid by the subscriber on behalf of the child, such as:               <ul style="list-style-type: none"> <li>- Tuition payments</li> <li>- Cell phone bill payments</li> <li>- Auto loan payments</li> <li>- Auto insurance payments</li> <li>- Credit card payments</li> <li>- Bank statement, custodian account, cancelled checks, or other evidence of financial dependence</li> </ul> </li> </ul>

## Health Eligibility Requirements, Continued

### Employer Signature, Documentation &, Processing Requirements

- HBOs and HR managers must sign the Affidavit of Parent-Child Relationship (HBD-40) once the employee submits it for processing.
- In the absence of the HBO and/or HR manager, a formal written delegation for affidavit signatures should be on file at the employer's location.
- Employers must maintain documentation of HR personnel authorized to sign the HBD-40.
- Documentation of HR personnel authorized to sign the HBD-40 and all formal written delegations must be available to CalPERS upon request.
- The HBD-40 along with all supporting documents must be reviewed and processed within 30 calendar days from the employer-received date.
- The PCR certification and recertification should be processed only after all required documents have been received.
- Timely processing of forms and document may help prevent unnecessary deletions, retroactive enrollments, and setup of accounts receivables for access premiums.
- Completed and processed HBD-40s and all supporting documents must be retained in the employee's file.

### Certifying a New Parent-Child Relationship

Once you have determined based on the HBD-40 and supporting documents that the dependent is eligible for the PCR benefit, process the transaction in myCalPERS as follows:

- 1) If the affidavit and all supporting documents are received within 60 days of the event date (date of legal custody or date the dependent is acquired), then the effective date of the enrollment is the first of the month following the received date.
- 2) If the affidavit and all supporting documents are received more than 60 days from the event date (date of legal custody or date the dependent is acquired), then the effective date of the enrollment is the first of the month following a 90-day waiting period.

### Recertifying and Confirming a Parent-Child Relationship

Once you have determined based on the HBD-40 and supporting documents that the dependent is eligible to continue the PCR benefit, process the transaction in myCalPERS as follows:

- 1) If the affidavit and all supporting documents are received before the deletion effective date, then the effective date of the enrollment is the first of the month following the employee's birth month.
  - If the PCR deletion is already in myCalPERS, you will have to rescind the deletion in order to recertify the dependent.
- 2) If the affidavit and all supporting documents are received after the deletion effective date, then the effective date of the recertification is the first of the month following a 90-day waiting period.
  - Do not rescind the PCR deletion.
  - The dependent will have a gap in coverage. Provide the member with COBRA information.

## Health Eligibility Requirements, Continued

### Recertifying and Confirming a Parent-Child Relationship, Continued

PCR deletions in myCalPERS should only be rescinded if all required documents to recertify the dependent(s) are received before the deletion effective date. If the HBD-40 and required documents are received after the deletion effective date, the dependent can be re-enrolled as a HIPAA late enrollment, which requires a 90-day waiting period.

Examples:

HBD-40 & All Required Documents Received	Deletion Effective Date	Action
March 16	April 1	Rescind deletion and process recertification effective April 1
April 15	April 1	Provide COBRA and process recertification with 90-day wait period effective August 1

### Circular Letter 600-008-15

For more information, refer to [Eligibility Criteria for Dependents in a Parent-Child Relationship \(PDF\)](#).

Attachment 1: [PCR Regulatory Language \(PDF\)](#)

Attachment 2: [Affidavit of Parent-Child Relationship \(PDF\)](#)

Attachment 3: [PCR Subscriber Letter \(PDF\)](#)

Attachment 4: [Employer FAQs \(PDF\)](#)

### Restrictions

The CalPERS Health Program does not permit:

- **Dual Coverage:** Subscribers cannot be enrolled in a CalPERS health plan in their own right ("self") **and** as a dependent of another member enrolled in a CalPERS health plan. Upon discovery, dual enrollments are cancelled on a retroactive basis, and the health plans will bill the employee for services provided on behalf of ineligible family members.
- **Split Enrollments:** If two parents are enrolled in a CalPERS health plan, all dependents must be enrolled on a single CalPERS health plan. You cannot split these dependents among two different CalPERS health plans.

### Exclusions

Family member exclusions are allowed on a voluntary basis when a family member is one of the following:

- Covered under another group health plan
- A spouse not living in the employee's household
- A child over 18
- In the military service

These family members may be added later during the Open Enrollment period, HIPAA special or late enrollment, or loss of coverage.

## Health Eligibility Requirements, Continued

### Ineligible

- Children age 26 and over
- Children's spouses
- Disabled children over age 26, who were never enrolled or were deleted from coverage
- Former spouses/former domestic partners
  - Former spouses/former domestic partners cannot be enrolled as a dependent on the employee's state health coverage under any circumstance. If an employee is court-ordered to provide coverage, it is the employee's obligation to provide **private** health coverage outside of CalPERS health coverage.
- Stepchildren of former spouses or domestic partners\*
- Parents
- Grandparents
- Parent in-laws
- Other relatives\*
- Foster children

\*The child may be enrolled as a dependent in a PCR if such relationship exists and can be substantiated.

Dependents should be enrolled with their SSNs. If the SSN is unavailable for children, it is your responsibility to establish a follow-up process to obtain the SSN and update myCalPERS no later than 90 days after the enrollment is processed.

**It is against the law to continue enrollment of an ineligible family member. If this occurs, the member is liable for all costs incurred during the ineligibility period.**

## School Employers: 10-Month Work Schedule

### 10-Month Work Schedule

Schools may have employees who work 10 months a year but are entitled to 12 months of health coverage. CalPERS will continue to bill monthly for 12 months in a calendar year. The school employer should collect an extra portion of the premium each month for 10 months, so they have the amount needed to pay for the premium during the two months the employee is not receiving a check.

### Termination

If the employee terminates employment, **coverage will end the first of the second month following the last day on payroll.**

If the employer has collected premiums for the additional two months, the premiums can be **refunded** to the member or the employer can work with the member to **pay for their first two months of COBRA** premiums.

### Separation

When a member separates to retire, **coverage will end the first of the second month following the last day on payroll.** Once the member's retirement date is confirmed, in many cases, coverage is reinstated automatically. In the cases where it is not, coverage may be able to be reinstated manually. Contact CalPERS at **888 CalPERS** (or **888-225-7377**) for assistance.

The employee will be moved from active billing to retired billing the first of the second month following the last day on payroll.

If premiums were collected for the additional two months, the employer should **refund** the premiums so the member can pay their share of the premiums as a retiree. The billing system will recognize the retirement and charge only the employer share on the monthly invoice. The balance will be taken from the member's retirement warrant.

## **Summary of Benefits and Coverage & Uniform Glossary**

### **Purpose**

The Affordable Care Act (ACA) requires health plans and other responsible parties to make available a Summary of Benefits and Coverage (SBC) and a uniform glossary of common health insurance terms. Together these documents provide information to help individuals better understand their health benefit coverage and easily compare health plan options.

### **Newly Eligible Employees**

The SBC regulations require responsible parties to provide a SBC and glossary information to newly eligible employees no later than the first date on which they are eligible to enroll in coverage.

To meet the SBC and glossary notification requirements, employers must insert their school/agency letterhead at the top of the [Summary of Benefits and Coverage Notice \(PDF\)](#) (or create their own) and include it in their hiring or benefits package.

### **Current Subscribers**

CalPERS and its health plans currently notify existing subscribers how to access and obtain copies of these documents during Open Enrollment.

### **Penalties**

Failure to provide SBC and uniform glossary information, as described in the regulations, could yield penalties of up to \$1,000 for each failure.

### **Additional Information**

Refer to [Circular Letter 600-054-21 \(PDF\)](#) titled, Distribution of 2022 Summary of Benefits and Coverage Notice to New Employees.



## Health Enrollment

### New Enrollment

New employees have 60 calendar days from the date of their initial qualifying appointment to enroll themselves and eligible family members in a health plan.

The effective date of the enrollment is the first of the month following the date the employer receives the [Health Benefits Plan Enrollment for Active Employees \(HBD-12\) \(PDF\)](#) form.

If an employee elects no coverage within the 60-day time limit, a subsequent enrollment can only be requested upon:

- HIPAA special or late enrollment period
- Open Enrollment
- Involuntary loss of coverage
- Loss of coverage for any reason where the employee is a dependent of another CalPERS member (CCR section 599.502 (f) (4))

### CalPERS Health Open Enrollment

Employers are responsible for educating employees on CalPERS Health Open Enrollment. Each year, prior to Open Enrollment, our website is updated with information regarding:

- Open Enrollment for Employers webpage
- Types of Open Enrollment event options (e.g., enroll, change health plans, etc.)
- Key dates (Open Enrollment period and deadline for processing)
- Open Enrollment Flyer for Employers

The CalPERS Health Open Enrollment period is traditionally held annually in the fall and allows eligible employees to:

- Enroll
- Change health plans
- Add/delete eligible dependents
- Cancel coverage

All transactions become effective January 1 following the Open Enrollment period.

Learn more about Open Enrollment by viewing [FAQs - Open Enrollment](#) on the CalPERS website.

## Health Enrollment, Continued

### Health Benefits Plan Enrollment for Active Employees (HBD-12) – Enrolling, Changing, Adding/Deleting Dependents, Cancelling, or Declining Coverage

The [Health Benefits Plan Enrollment for Active Employees \(HBD-12\) \(PDF\)](#)

- Is used to report enrollment transactions (or declining coverage) for active employees
- Must be submitted within 60 days of the date of a qualifying appointment/event
- Should be kept on file with the agency and a copy given to the employee
- Is used for **single transactions** with few exceptions. When multiple transactions are necessary, have the employee submit as a package, stapled together.
- Includes a **Remarks** box for explanations that resulted in the submission of the form

Forms can be signed electronically. See [Circular Letter 600-010-19 \(PDF\)](#) for more information regarding electronic signatures.

HBOs are responsible for the accuracy of all enrollment documents. View [HBD-12 Instructions \(PDF\)](#).

### Required Health Enrollment Documents

The following table below lists the necessary forms and supporting documentation required for various demographic changes.

Enrollment Type	CalPERS Forms	Copies of Supporting Documentation
Birthdate validation	Health Benefits Plan Enrollment	<ul style="list-style-type: none"> <li>• Birth certificate/Delayed birth certificate</li> <li>• Border crossing card with I-94</li> <li>• Driver's license or identification card</li> <li>• Foreign passport with I-94</li> <li>• Naturalization or U.S. passport</li> <li>• Social Security certification</li> </ul>
Gender change validation	Health Benefits Plan Enrollment	<ul style="list-style-type: none"> <li>• Driver's license or identification card</li> <li>• Birth certificate</li> <li>• Court order to change gender</li> <li>• U.S. passport or U.S. passport card</li> </ul>
Name change validation	Health Benefits Plan Enrollment	<ul style="list-style-type: none"> <li>• Corrected Social Security card</li> </ul>
Social Security number validation	Health Benefits Plan Enrollment	<ul style="list-style-type: none"> <li>• Revised Social Security card</li> </ul>

### Health Benefits Plan Enrollment for Retirees and Survivors (HBD-30) – Electing, Changing, Adding/Deleting Dependents, or Cancelling Coverage

The [Health Benefits Plan Enrollment for Retirees/Survivors \(HBD-30\) \(PDF\)](#):

- Is used to report enrollment transactions for retirees or survivors
- Must be submitted within 60 days of the date of a qualifying event
- Is provided to CalPERS by the retiree or survivor

## Health Enrollment, Continued

### Health Benefits Plan Enrollment for Retirees/Survivors (HBD-30) – Electing, Changing, Adding/Deleting Dependents, or Cancelling Coverage, Continued

If a retiree or survivor elects no coverage within the 60-day limit, a subsequent enrollment can only be requested upon:

- HIPAA special or late enrollment period
- Open Enrollment
- Involuntary loss of coverage
- Loss of coverage for any reason where the annuitant is dependent of another CalPERS member (CCR 599.502 (f) (4))

Retirees or survivors enrolling in a CalPERS *Supplement to Medicare* or *Managed Medicare* plan must provide a copy of the Medicare card for each Medicare eligible enrollee (subscriber and/or dependent).

#### Live/Work Rule

The availability of health plans to a member is determined by their eligibility ZIP code.

- Active employees can use either their residential ZIP code or their employer's ZIP code to qualify for a health plan (upon initial enrollment, Open Enrollment, or a residential move).
- Retirees can use either their residential ZIP code or their employer's ZIP code to qualify for a health plan if they are enrolled in a non-Medicare plan. A "working" retiree in a Medicare plan must use their residential ZIP code to determine health plan eligibility.
- P.O. boxes cannot be used to determine eligibility.

#### Medical Identification Cards

Enrollees should receive their medical identification cards (ID cards) within two to three weeks after submission of the enrollment or after the health coverage effective date. ID cards are sent out by the health plan and not by CalPERS. Active employees can log in to their myCalPERS to confirm enrollment. If not, the HBO should confirm the transaction. If the transaction is confirmed, the employee should contact the health plan directly to inquire about their ID card(s).

#### Changes to Health Plan and/or Dependents

- Active employees need to submit the [Health Benefits Plan Enrollment for Active Employees \(PERS-HDB-12\) \(PDF\)](#) to their HBO during Open Enrollment, HIPAA special or late enrollment, or a qualifying event.
- Retirees can make most changes online using myCalPERS or they can contact CalPERS at **888 CalPERS** (or 888 225-7377).

## Health Enrollment, Continued

### Demographic Changes or Corrections

- HBOs can key active employee profile changes and corrections, and dependent SSNs directly into myCalPERS.
- For a dependent child who was added without an SSN, add their SSN within 90 days after the enrollment is processed.
- For retiree and all other dependent demographics changes, contact CalPERS at **888 CalPERS** (or **888-225-7377**).

### Changes to Primary Care Physicians or Medical Group

- Members should contact the health plan directly.

### Communication

All mail concerning the CalPERS Health Program should be directed to the following:

Enrollment forms, related documents, and correspondence:

CalPERS Health Account Management Division  
P.O. Box 942715  
Sacramento, CA 94229-2715

FedEx or UPS for mailing purposes:

CalPERS Health Account Management Division  
400 Q Street, Second Floor LPN  
Sacramento, CA 95811

Remittance of billing invoice payment and coupon:

California Public Employees' Retirement System  
P.O. Box 4032  
Sacramento, CA 94812-4032

### Specific Provider Needs

If a specific doctor, medical group, or hospital is preferred, a health plan must be selected which allows access to the specific provider. Each enrollee should contact the health plan(s) and/or provider directly to inquire about the availability of the specific provider **before** enrolling.

**IMPORTANT:** When employees enroll in a health plan, services are provided through the health plan's delivery system and the continued participation of any one doctor, hospital, or other provider **cannot be guaranteed**. The provider network may change during the plan year. Employees may be permitted to select another provider but not another plan. If the health plan is unable to offer a satisfactory physician/patient relationship with the enrollee for reasons such as a limited provider network in an area, an active employee must have their employer submit the request for a plan change outside of Open Enrollment to CalPERS for review. A retiree would submit the request to CalPERS directly.

## Health Enrollment, Continued

### Special Medical Needs

Health plan benefit designs are not identical. Current or anticipated medical needs must be considered in choosing a plan to minimize out-of-pocket expenses and fulfill individual needs. Individual *Evidence of Coverage* booklets are available from each health plan, which explain benefits, limitations, and exclusions.

### Out-of-Pocket Expenses

These vary greatly between the plans. In addition to the monthly premium (if any employee share applies), there may be deductibles and co-payments to meet. Not all plans require deductibles and co-payments. The [Health Benefit Summary \(HBD-110\) \(PDF\)](#) publication provides more information on these expenses.

### Evidence of Coverage (EOC)

This provides detailed information about the benefits, limitations, and exclusions of the health plan.

EOC booklets are sent to all new enrollees and are also available:

- For download or order online at the [CalPERS](#) website
- By contacting the health plan directly

### Member Claims and Appeals

Any disputes about medical benefits, coverage, or claims should be resolved through the health plan. This includes requests for a change in primary care provider, the referral process, and clarification about co-payments. If the health plan denies a benefit that is listed in the EOC booklet, the enrollee should follow the grievance procedure outlined in the EOC. If that is not successful, the employee may contact CalPERS at **888 CalPERS** (or **888-225-7377**) or in writing for assistance.

CalPERS can assist if the enrollee has made every reasonable effort to resolve the dispute with the health plan **first** and is requesting a benefit that is listed in the EOC booklet. Requests for additional benefits which are not listed in the EOC booklet or requests by the enrollee for plan changes because a provider is no longer available **cannot** be resolved by the claim's assistance officer (CCR section 599.518).

### Mandatory Transactions

Mandatory transactions are additions or deletions to a health enrollment required by law. Mandatory transactions include events such as:

- Divorce or termination of domestic partnership
- Death of a family member
- Dependent reaches age 26
- Court order

## Health Enrollment, Continued

Although a member's divorce decree may stipulate that they must provide health benefits for the ex-spouse, the ex-spouse cannot remain enrolled in CalPERS health benefits, as they are no longer an eligible family member.

For all mandatory transactions, the effective date is the 1st day of the month following the event date.

Retroactive reimbursement of health premiums will not exceed six months prior to the date the mandatory event is reported (CCR section 599.502).

### Permissive Transactions

Permissive transactions are additions or deletions to a health enrollment at the voluntary request of the enrolled member and not required by law. Permissive transactions include events such as:

- Adding a spouse due to marriage
- Adding a child due to custody or a parent-child relationship
- Adding a family member due to loss of other coverage
- Deleting a child who reaches age 18
- Deleting a family member who enters the military
- Deleting a family member who gains other coverage
- Deleting a spouse or domestic partner who vacates the household
- Optional delete

For permissive transactions, the effective date is the 1st of the month after the HBO receives the enrollment form(s) and applicable supporting documentation. Permissive transactions for adding a dependent must be submitted within 60 days of the qualifying event. HIPAA late enrollment requiring a 90-day waiting period would apply for enrollments submitted after the 60-day period.

### Changing Health Plans

Health plans may be changed at the following times:

- CalPERS Open Enrollment period
- Within 60 days of the following events:
  - Change in residence or employment
  - Retirement
  - Becoming a survivor
  - Court order
  - When a dependent moves out of the service area
  - COBRA enrollment
- Enrollment in Medicare by a subscriber or their dependent due to Amyotrophic Lateral Sclerosis (ALS) or End Stage Renal Disease (ESRD)

Note: Financial hardship is not a qualifying event to change health plans.

## Health Enrollment, Continued

### Life Changes

The employee is responsible for ensuring that their health enrollment information is accurate. Information that must be reported in a timely manner includes:

- Marriage/domestic partnership if adding as a dependent
  - Employee must notify the HBO
- Divorce/termination of domestic partnership
  - A former spouse or registered domestic partner is no longer eligible to receive health benefits under the employee's coverage.
  - Employee must notify the HBO
- Death of an employee
  - The employer, surviving spouse, registered domestic partner or a family member must contact CalPERS to report the death.
  - After CalPERS processes the death report, the health coverage for the employee and all enrolled dependents will automatically cancel the 1st of the month following the date of death.
- Death of a family member enrolled in CalPERS health benefits
  - Employee must notify the HBO.
- A parent-child relationship dependent is no longer financially dependent on the employee
  - Employee must notify the HBO.
- Change of residential address
  - An employee must contact the HBO when they move to ensure the correct ZIP code is used to establish eligibility in a health plan.
- Medicare eligibility
  - Once an employee or their dependent becomes eligible for Medicare due to age, a disability, ESRD, or ALS, the employee should notify CalPERS immediately to receive further guidance.
- Court order
  - When a court order is received, the employer or CalPERS must verify eligibility and enroll or add an eligible dependent according to the court order date.
  - Upon receipt of a court order advising that the employee is no longer required to enroll the dependent(s), the employer or CalPERS can delete the dependent according to the court order.

Failure to maintain current and accurate health enrollment information can result in liability to reimburse health premiums or health care services during the entire ineligibility period.

## Health Enrollment, Continued

### Required Health Enrollment Documents

The tables below list the necessary forms and supporting documentation required for the various types of enrollments or changes to enrollment. For more information, refer to the "[Health Eligibility Requirements](#)" section of this guide.

SSNs are required for all dependents upon initial enrollment or upon change of enrollment.

If the SSN is unavailable for children, it is the employer's responsibility to establish a follow-up process to obtain the SSN and update myCalPERS no later than 90 days after the enrollment is processed.

If a spouse or domestic partner does not have an SSN, contact CalPERS for assistance with their enrollment.

Enrollment Type	CalPERS Forms	Copies of Supporting Documentation
Active employee – new enrollment	<ul style="list-style-type: none"> <li>• Health Benefits Plan Enrollment*</li> </ul>	<ul style="list-style-type: none"> <li>• N/A</li> </ul>
Adding a registered domestic partner	<ul style="list-style-type: none"> <li>• Health Benefits Plan Enrollment*</li> </ul>	<ul style="list-style-type: none"> <li>• Declaration of Domestic Partnership from the California Secretary of State's Office</li> <li>• Medicare card (if applicable)</li> </ul>
Adding a spouse	<ul style="list-style-type: none"> <li>• Health Benefits Plan Enrollment*</li> </ul>	<ul style="list-style-type: none"> <li>• Government-issued marriage certificate</li> <li>• Medicare card (if applicable)</li> </ul>
Adding/deleting a dependent child	<ul style="list-style-type: none"> <li>• Health Benefits Plan Enrollment*</li> </ul>	<ul style="list-style-type: none"> <li>• Birth certificate</li> <li>• Medicare card (if applicable)</li> <li>• Reason for add/delete</li> </ul>

\* Used to enroll, change, cancel, or decline health plan enrollment



## Health Enrollment, Continued

### Required Health Enrollment Documents, Continued

Enrollment Type	CalPERS Forms	Copies of Supporting Documentation
Adding a dependent who is in a parent-child relationship	<ul style="list-style-type: none"> <li>• Affidavit of Parent-Child Relationship</li> <li>• Health Benefits Plan Enrollment*</li> </ul>	<p>Required supporting documentation for a PCR dependent under age 19 includes:</p> <ul style="list-style-type: none"> <li>• A copy of the first page of the subscriber's income tax return form, such as IRS Form 1040 from the previous tax year listing the child as a tax dependent</li> <li>• <b>In lieu of a tax return, for a time not to exceed one tax filing year</b> only during the child's initial enrollment as a PCR dependent, subscribers may submit other documents that substantiate the child's financial dependency upon them, including the following (collectively referred to as "Other Suitable PCR Documentation"):               <ul style="list-style-type: none"> <li>- Current legal judgments or court documents showing the subscriber's legal parental status or duties/guardianship over the child</li> <li>- Bank, credit card, tuition, or insurance statements or payments</li> <li>- School records</li> <li>- Bills or mail indicating common residency with the child</li> </ul> </li> </ul>

\* Used to enroll, change, cancel, or decline health plan enrollment

## Health Enrollment, Continued

### Required Health Enrollment Documents, Continued

Enrollment Type	CalPERS Forms	Copies of Supporting Documentation
Adding a dependent who is in a parent-child relationship, (continued)	<ul style="list-style-type: none"> <li>• Affidavit of Parent-Child Relationship</li> <li>• Health Benefits Plan Enrollment*</li> </ul>	<p>Required supporting documentation for a PCR dependent from age 19 up to age 26 includes:</p> <ul style="list-style-type: none"> <li>• A copy of the first page of the subscriber's federal or state income tax return, such as IRS Form 1040 from the previous tax year listing the child as a tax dependent, <b>OR</b></li> <li>• Another suitable PCR documentation, that substantiates that the child is financially dependent upon the subscriber provided that the child:               <ul style="list-style-type: none"> <li>- Either lives with the subscriber for more than 50% of the time, or is a full-time student <b>AND</b></li> <li>- Is dependent upon the subscriber for more than 50% of the child's support</li> </ul> </li> </ul>
Birthdate Validation	<ul style="list-style-type: none"> <li>• Health Benefits Plan Enrollment*</li> </ul>	<ul style="list-style-type: none"> <li>• Birth certificate/Delayed birth certificate</li> <li>• Border crossing card with I-94</li> <li>• Driver's license or identification card</li> <li>• Foreign passport with I-94</li> <li>• Naturalization of U.S. passport</li> <li>• Social Security certification</li> </ul>

\* Used to enroll, change, cancel, or decline health plan enrollment.

## Health Enrollment, Continued

### Required Health Enrollment Documents, Continued

Enrollment Type	CalPERS Forms	Copies of Supporting Documentation
Deleting a spouse due to divorce	<ul style="list-style-type: none"> <li>• Health Benefits Plan Enrollment*</li> </ul>	<ul style="list-style-type: none"> <li>• Divorce decree</li> </ul>
Deleting a registered domestic partner due to termination of partnership	<ul style="list-style-type: none"> <li>• Health Benefits Plan Enrollment*</li> </ul>	<ul style="list-style-type: none"> <li>• Termination of Domestic Partnership submitted to the California Secretary of State's Office</li> </ul>
Enrolling self or dependents due to loss of other health coverage	<ul style="list-style-type: none"> <li>• Health Benefits Plan Enrollment*</li> </ul>	<ul style="list-style-type: none"> <li>• Proof of loss of coverage</li> <li>• Government-issued marriage certificate (spouse)</li> <li>• Declaration of Domestic Partnership (domestic partner)</li> <li>• Birth certificate (child)</li> <li>• Medicare card (if applicable)</li> </ul>
Disabled child over age 26 – certification	<ul style="list-style-type: none"> <li>• Disabled Dependent Member Questionnaire and Medical Report</li> </ul>	<ul style="list-style-type: none"> <li>• N/A</li> </ul>
Death of employee, retiree, or family member	<ul style="list-style-type: none"> <li>• Health Benefits Plan Enrollment*</li> </ul>	<ul style="list-style-type: none"> <li>• Death certificate</li> </ul>
Gender change validation	<ul style="list-style-type: none"> <li>• Health Benefits Plan Enrollment*</li> </ul>	<ul style="list-style-type: none"> <li>• Driver license or identification card</li> <li>• Birth certificate</li> <li>• Court order to change gender</li> <li>• U.S. passport card</li> </ul>
Change plans due to address change	<ul style="list-style-type: none"> <li>• Health Benefits Plan Enrollment*</li> </ul>	<ul style="list-style-type: none"> <li>• Include both old and new addresses</li> </ul>

\* Used to enroll, change, cancel or decline health plan enrollment

The birth certificate for newborns is due at the time of enrollment or within 60 days of the effective date. Until the birth certificate is available, the employee must provide an official hospital birth record of the child.

## Health Enrollment, Continued

### Required Health Enrollment Documents, Continued

Enrollment Type	CalPERS Forms	Copies of Supporting Documentation
Name change validation	<ul style="list-style-type: none"> <li>• Health Benefits Plan Enrollment*</li> </ul>	<ul style="list-style-type: none"> <li>• Corrected Social Security card</li> </ul>
Off-pay status – continue coverage	<ul style="list-style-type: none"> <li>• Direct Payment Authorization</li> </ul>	<ul style="list-style-type: none"> <li>• N/A</li> </ul>
Off-pay status – cancel coverage	<ul style="list-style-type: none"> <li>• Health Benefits Plan Enrollment*</li> </ul>	<ul style="list-style-type: none"> <li>• N/A</li> </ul>
COBRA	<ul style="list-style-type: none"> <li>• Group Continuation Coverage (COBRA election)</li> </ul>	<ul style="list-style-type: none"> <li>• N/A</li> </ul>
Social Security number validation	<ul style="list-style-type: none"> <li>• Health Benefits Plan Enrollment*</li> </ul>	<ul style="list-style-type: none"> <li>• Revised Social Security card</li> </ul>

\*Used to enroll, change, cancel or decline health plan enrollment

Search CalPERS Health Program forms on the [Forms & Publications](#) page. These forms are revised periodically.

### Legal References

Retroactive Transactions: CCR sections 599.502(f)(3)(C) and 599.506 (c)(1)

## Retroactive Refund

### Retroactive Transactions

Retroactive transactions occur when the eligibility status of an employee or dependent changes due to death, marital status, changes in employment, or other circumstances and the **change is not reported prior to billing cutoff or to CalPERS in a timely manner.**

These transactions often result in a difference between the premiums *paid* and the premiums that *should have been paid* if the transaction had been reported timely. Underpaid premiums are required to be collected.

### Retroactive Refund

Refunds to subscribers and employers are limited to the amount of excess health premiums paid for a period of **up to six months** prior to the date on which the transaction is processed and recorded, pursuant to the employee's request for retroactive cancellation or deletion of the ineligible family member.

If the enrollment is updated on a prospective basis, **there will not be any refunds of health premiums.**

When dual CalPERS coverage or a split enrollment is discovered, the enrollment that caused the dual coverage or split enrollment must be retroactively cancelled. The employee is responsible for all costs incurred from the date the dual coverage or split enrollment began.

### Responsible Parties

Timely notification requires a collaborative effort between employers, subscribers, and CalPERS. When enrolling in the CalPERS Health Program, subscribers certify that all dependents are eligible family members. Employers are responsible for accurately reporting changes for subscribers to CalPERS, as well as advising CalPERS of employment changes to covered employees. CalPERS is responsible for confirming updated information so that health plans are providing services to eligible enrollees.

Subscribers who fail to report an enrollment change could be liable for retroactive payment to their employer of premiums in **excess of six months** prior to the date on which the action is processed.

Employers who do not process the transaction timely are entitled to a refund of retroactive benefit premiums **up to six months** from the date the deletion or cancellation is processed and recorded. Employers who enter a permanent separation for a subscriber who is enrolled in health plan must confirm that the benefits were cancelled and provide the subscriber with COBRA information, if applicable. Employers are responsible for reconciling the Health Billing Roster on a monthly basis to ensure only eligible subscribers and dependents remain enrolled.

## Retroactive Refund, Continued

### Example 1

The following is an example of a retroactive reimbursement claim caused by failure of a subscriber to appropriately report a mandatory deletion or cancellation:

An employee gets a divorce, on December 12, 2018; however, the employee does not report the divorce until December 6, 2021. This is a *mandatory* deletion with an effective date of January 1, 2019. If the employee had reported the divorce in a timely manner, the former spouse's coverage would have been cancelled, and they would have received COBRA group continuation information.

Because the member reported the event late, a retroactive health benefit premium overpayment for 36 months (January 2016–December 2018) is created. The reimbursement of excess premiums is calculated for the last six months (July 2018–December 2018), and the health plan may bill the member for any claims submitted for the former spouse subsequent to January 1, 2019.

### Example 2

The following is an example of a retroactive reimbursement claim caused by failure of an employer to appropriately report a mandatory deletion or cancellation:

An employee separates from employment on January 5, 2019; however, the employer does not report the separation until December 6, 2021. This is a *mandatory* cancellation with an effective date of March 1, 2019. If the employer had reported the separation in a timely manner, the former employee's coverage would have been cancelled, and they would have received COBRA group continuation information.

Because the employer reported the event late, a retroactive health benefit premium overpayment was created for 34 months (March 2019–December 2021). The reimbursement of excess premiums is calculated for the last six months (July 2021–December 2021), and the health plan may bill the subscriber for any claims submitted subsequent to March 1, 2019.

### Circular Letter 600-215-05

For more information, refer to [Limiting Retroactive Reimbursement Liability for Health Premiums \(PDF\)](#) and Attachment: [FAQs for Employers \(PDF\)](#)

## Health Event Reasons

### Reason Guide

Use the following guide as a tool when preparing an HBD-12 enrollment form or entering a transaction in myCalPERS. The most common health event reasons are listed in the Reason Guide table. See the [myCalPERS Health Aid \(PDF\)](#) for the full list. The guide should be referenced on a consistent basis to ensure that the appropriate reason and effective date are applied.

Select the type of action in box 11 and the permitting event in box 12 of the Health Benefits Plan Enrollment for Active Employees (HBD-12) form.

### Using the Reason Guide

When processing health transactions, the health event reasons are grouped within health event types such as New Enrollment, Add Dependent, Delete Dependent, Change Health Plan, Cancel Coverage, and Open Enrollment.

When adding or deleting dependents, make note if the event is *mandatory* or *permissive*. This will affect effective dates and COBRA rights. The Reason Guide has an Effective Date Method column for each transaction. Refer to the Effective Date Key for an explanation of the effective date method.

### Mandatory Transactions (M)

These are additions to or deletions from health enrollments **due to a requirement by law**. Events such as divorce, death of a dependent, 26th birthday of a dependent child, and birth of a newborn are all mandatory transactions. **The effective date is the first of the month following the event date.**

Although an employee's divorce decree may stipulate that they must provide health benefits for the former spouse, the former spouse cannot remain enrolled in CalPERS health benefits, as they are no longer an eligible family member.

### Permissive Transactions (P)

These are additions to or deletions from health enrollments **due to voluntary request** of the member and not required by law. Events such as a dependent who moves out of the household, obtains other non-CalPERS health coverage, or enters military service, as well as a change in child custody or addition of a new spouse or stepchild, are all permissive transactions. **The effective date is the first of the month following the HBO received date.**

## Health Event Reasons Reason Guide

### Health Event Type: New Enrollment

Reason	Description	Event Date	Effective Date Method
Time base & tenure	New qualifying appointment	Date of appointment	2
Late or loss of coverage (employee)	Involuntarily loss of other health coverage	Date other coverage ends	2
Enroll own right employees	Enrolling an employee in their own CalPERS health plan after deletion as a dependent from a CalPERS health plan	Date dependent coverage terminates	2
Enroll < half time employee	Enrolling an employee who has a less than half-time appointment	Date of appointment	2
Return from off-pay status	Enrolling an employee who was on a leave of absence	Date of return to pay status	1(M)
Retirement	Continuing non-PERS health benefits into retirement	Date of retirement	7
Pending retirement	Enrolling a permanently separated employee in direct pay due to a delay in their retirement	Date of separation	7



## Reason Guide, Continued

### Health Event Types for New Contracting Agencies for COBRA Enrollments (See COBRA New Enrollment): New Enrollment

Reason	Description	Event Date	Effective Date Method
New contracting employee	New enrollment for <b>employee</b> of newly contracting public agency	Date of contract	8
New contracting LOA	New enrollment for <b>leave of absence (LOA)</b> of newly contracting public agency	Date of contract	8
NC EE enroll<half time employee	New enrollment for <b>less than half-time employee</b> of newly contracting public agency	Date of contract	8

### Health Event Type: Add Dependent

Reason	Description	Event Date	Effective Date Method
Birth/placement	Adding newborn or newly adopted child	Date of birth, date of adoption or placement for adoption	1(M)
Marriage	Adding new spouse or step-children due to marriage	Date of marriage	2
Custody	Adding child due to change in custody	Date dependent is acquired	2
Parent-child relationship	Adding child who lives in parent-child relationship with employee	Date dependent is acquired	2
Loss of coverage	Adding dependent due to loss of non-CalPERS health coverage	Date other coverage terminates	2
Return from military leave – dependent	Adding dependent due to return from military leave	Date of return from military leave	2
Court order	Adding dependent due to court order	Date of court order	1(M)

## Reason Guide, Continued

### Health Event Type: Delete Dependent

Reason	Description	Event Date	Effective Date Method
Death of dependent	Deleting dependent due to death	Date of death	1(M)
Divorce	Deleting dependent(s) due to divorce	Date of divorce	1(M)
Enroll own right dependent	Deleting dependent who is enrolling in their own CalPERS health plan	The day before the effective date	1(M)
Gains other coverage	Deleting dependent who obtains other coverage	Date other coverage begins	1(P)
Legal separation	Deleting dependent due to legal separation	Date of legal separation	1(P)
Military – delete dependent	Deleting dependent who goes on military leave	Date of military leave	1(P)
Optional delete	Deleting dependent(s)	Date of request	1(P)
Change of custody	Deleting dependent due to change in custody	Date custody changes	1(P)
Vacates household	Deleting dependent who moves out of household	Date of move	1(P)
Domestic partnership terminates	Deleting domestic partner	Date domestic partnership terminates	1(M)
Domestic partnership child terminates	Deleting domestic partner's children	Date domestic partnership terminates	1(M)

## Reason Guide, Continued

### Health Event Type: Change Health Plan

Reason	Description	Event Date	Effective Date Method
Move	Change in physical address (move)	Date of move	1(P)
Off-pay during Open Enrollment	Changing health plans upon return from off-pay status during Open Enrollment	Date of return to pay status	6
Association membership	Gain association membership	Date of membership	1(P)
Out of association Plan	Lose association membership	Date loses membership	1(M)
Change plan due to eligibility ZIP code change	Changing health plans due to health carrier no longer providing services in the eligibility ZIP code	Date of request	1(P)

### Health Event Type: Cancel Coverage

Reason	Description	Event Date	Effective Date Method
Subscriber request	Voluntary request to cancel coverage	Date of request	1(P)
Time base/Tenure change	Loss of eligibility due to an ineligible time base appointment	Date of appointment status change	1(M)
Change in appointment outside bargaining unit	Change in appointment to non-participating bargaining unit	Date of change in appointment	1(M)
Appeal denied	Denial of appeal of employment termination	Date appeal is denied	1(M)

## Reason Guide, Continued

### Health Event Type: Change Premium Payment Method

Reason	Description	Event Date	Effective Date Method
LOA	Direct pay for employee on a temporary leave	Date of last day on pay status	7
Workers' comp/claim pending	Direct pay for employee pending a claim	Date of claim pending	7
Change to deduct – return to work	If myCalPERS didn't automatically change employee from direct pay to standard deduction, manually use this reason	Date of return to work	1(M)
Suspension	Direct pay for employee who was suspended	Last day on pay status	7
Insufficient earnings	Direct pay for employee who didn't work enough to cover their portion of the premium	Date of insufficient earnings	7
Pending NDI	Direct pay for employee who is waiting for approval of NDI	Date NDI begins	7

## Reason Guide, Continued

### Health Event Type: COBRA New Enrollment

Reason	Description	Event Date	Effective Date Method
COBRA loss of employment	Employee enrolling due to a permanent separation	Date of when employment terminates	7
COBRA reduction in hours	Employee enrolling after health was cancelled due to an appointment change to an ineligible time base	Effective date of appointment changed to reduced hours	7
COBRA subscriber loss of employment - dependent	Dependent enrolling due to the employee's permanent separation	Date of when employment terminates	7
COBRA divorce/separation/move from household	Dependent enrolling due to divorce, separation of marriage, or move out of household	Date of divorce, separation, or move from household	1(M)
COBRA loss of dependent status	Dependent enrolling due to losing eligibility	Date dependent loses dependent status	1(M)
COBRA new contract agency subscriber	Employee or former employee continuing COBRA due to agency's new contract	Date of new contract	1(M)
COBRA new contract agency - subscriber loss of employment - dependent	Former employee's dependent continuing COBRA due to agency's new contract	Date of new contract	1(M)
COBRA new contract agency dependent	Former or current employee's dependent continuing COBRA due to agency's new contract	Date of new contract	1(M)

## Reason Guide, Continued

### Health Event Type: Open Enrollment

Reason	Description	Event Date	Effective Date Method
Open Enrollment employee's new enrollment	Employee enrolling during the Open Enrollment period	Date within the Open Enrollment period	4
Open Enrollment add dependent	Employee adding a dependent during the Open Enrollment period	Date within the Open Enrollment period	4
Open Enrollment change health plan	Employee changing plans during the Open Enrollment period	Date within the Open Enrollment period	4
Agency that contracts for less than half-time eligibility	Public agency/school that contracts for less than half-time eligibility enrolling during the Open Enrollment period	Date within the Open Enrollment period	4
Open Enrollment delete dependent	Employee deleting a dependent during the Open Enrollment period	Date within the Open Enrollment period	4
Open Enrollment cancel coverage	Employee cancelling coverage during the Open Enrollment period	Date within the Open Enrollment period	4

### Health Event Type: Update Enrollment

Reason	Description	Event Date	Effective Date Method
Change medical group	Changing to a different medical group	User defined	1(M)
Change eligibility ZIP	Changing eligibility ZIP code	Date of request	3
Cancel eligibility ZIP	Terminating eligibility ZIP code	Date of request	3

## Reason Guide, Continued

### Health Event Type: Recertify Dependent

Reason	Description	Event Date	Effective Date Method
Recertification of parent-child relationship	Recertifying a dependent in a parent-child relationship to remain covered	First day of the month following the employee's birth date	1

### Health Event Type: Dependent Address Change

Reason	Description	Event Date	Effective Date Method
Address update	Adding or changing a dependent's address	Day before the effective date	1

### Effective Date Key

Effective Date Method	Effective Date Description
1	1st day of the month following the event date (mandatory event), or HBO received date (permissive)
2	1st day of the month following the HBO received date if within 60 days of the event date. If HBO received date is beyond the 60th day, the effective date is the 1st day of the month following a 90-day waiting period from the HBO received date (permissive event).
3	Administratively determined
4	Open Enrollment effective date (January 1 of contract year)
5	Special Open Enrollment effective date determined by CalPERS. The HBO received date must be within special enrollment dates established by CalPERS.
6	1st day of the month following HBO received date or most recent Open Enrollment effective date, whichever is latest
7	1st day of the 2nd month following the event date
8	1st day of the month following HBO received date if within 60 days of the contract date.  If HBO received date is beyond the 60th day, the effective date is the 1st day of the month following a 90-day waiting period from the HBO received date (permissive event).

For assistance in processing health transactions in myCalPERS, refer to the [myCalPERS Health Enrollment \(PDF\)](#) student guide. For a full list of health event reasons, see the [myCalPERS Health Aid \(PDF\)](#).

# Health Insurance Portability & Accountability Act (HIPAA)

## Implementation

In 1996, Congress enacted the Health Insurance Portability and Accountability Act (HIPAA). This section's focus of HIPAA is on the portability of health insurance. The requirements of HIPAA took effect January 1, 1998 and changed enrollment practices and policies for employees and family members eligible to enroll in a CalPERS health plan.

## Implications

These changes did not eliminate or alter current enrollment rules and procedures except for the elimination of the Health Statement, which was replaced with **special enrollment** and **late enrollment** periods. These enrollment periods allow employees and their dependents specific opportunities to enroll in the CalPERS Health Program.

In all instances, the employee and dependent must be eligible for enrollment in a CalPERS-sponsored health plan as defined by Part 5, the Public Employees' Medical and Hospital Care Act (PEMHCA).

## Special Enrollment

The employee may request **enrollment for self or self and all eligible family members**. The request must include proof of loss of other coverage and be received within 60 days after the other coverage ends. The effective date is the first of the month following the request to enroll.

### A. Enrollment Decisions After January 1, 1998

On or after January 1, 1998, employees who were not provided written notice by the employer of the consequences of **declining or cancelling** coverage are eligible to enroll. The effective date of enrollment is the first of the month following receipt of the request to enroll.

### B. Loss of Other Coverage

If an employee **declines or cancels** enrollment for self or dependents because of other coverage (employer-sponsored or other insurance coverage), the employee can enroll when the other coverage is no longer available. Involuntary loss of other coverage is defined as:

- Termination of employment of the individual through whom the employee or dependent was covered
- Termination of the other plan's coverage
- COBRA continuation coverage has been exhausted
- Termination of employer's contribution toward employee or dependent coverage
- Death, divorce, or legal separation of a person through whom the employee or dependent was covered



## HIPAA, Continued

### Special Enrollment, Continued

#### C. Non-Enrolled or Enrolled Employee Acquiring a Dependent

If an **enrolled employee declines or cancels enrollment for their spouse** and later acquires a dependent through marriage, birth, adoption, or placement for adoption (parent-child relationship), the employee can enroll for self, spouse, and all eligible dependents(s).

The request must be received within 60 days of acquiring the dependent. The effective date is the first of the month following the request to enroll.

For a loss of coverage qualifying event, the request must include proof of loss of other coverage and be received within 60 days after the other coverage ends. The effective date is the first of the month following the request to enroll.

#### D. Court-Ordered Coverage

1. **Child of an enrolled employee:** A court has ordered coverage be provided for a child under an **enrolled** employee's health plan. If the employee's current health plan has a restricted geographical service area and is not available in the child's residential area, the employee must change to a health plan that will cover the child. If the employee refuses to change health plans, the **employer must** enroll the employee and dependent child in PERS Choice/PERS Platinum. The effective date is the first of the month following the court order date (unless the court order specifies a specific effective date of coverage).
2. **Child of a non-enrolled employee:** A court has ordered coverage be provided for a child under a **non-enrolled** employee's health plan. The employee can enroll in a health plan available in the child's residential area. If the employee refuses to enroll, the **employer must enroll** the employee and child in PERS Choice/PERS Platinum. The effective date is the first of the month following the court order date (unless the court order specifies a specific effective date of coverage).
3. **Spouse of an enrolled employee:** A court has ordered that coverage be provided for a spouse under an **enrolled** employee's health plan. If the employee's current health plan has a restricted geographical service area and the health plan is not available in the spouse's residential area, the employee must change to a health plan that will cover the spouse. The effective date is the first of the month following the court order date (unless the court order specifies a specific effective date of coverage). This does not apply to a former spouse.

## HIPAA, Continued

### Late Enrollment

Employees who **decline or cancel** enrollment for self or dependents (including spouse) and who do not qualify for a special enrollment may enroll during Open Enrollment or at **any time** may request enrollment as a **Late Enrollee**. Employees who request **Late Enrollment** for self or dependents must normally wait a minimum of 90 days before they are enrolled in a CalPERS-sponsored health plan. The effective date is the first of the month following the 90-day waiting period or the Open Enrollment effective date, whichever comes first.

### Certification of Group Health Plan Coverage

HIPAA requires that employees and their dependents receive a *Certification of Group Health Plan Coverage* notice when health coverage terminates. Health plans contracting with CalPERS will be responsible for providing a *Certification of Group Health Plan Coverage* when enrollees or dependents who were covered under the plan lose coverage. The *Certification of Group Health Plan Coverage* will be mailed to the enrollee's last known address and will be provided when one of the following occurs:

- Individual ceases to be covered under the plan and has a right to elect COBRA continuation coverage
- Individual ceases to be covered under the COBRA continuation provisions
- A request is made by an individual not later than 24 months after the date of termination of coverage

# HIPAA Reasons Guide

## Special Enrollment – Enrollment Decisions After January 1, 1998

The employer cannot produce an HBD-12 indicating the employee declined coverage for an eligible but non-enrolled employee or a non-enrolled dependent of an enrolled employee. **Note: Applies to employees who declined or canceled enrollment or deleted a dependent on or after January 1, 1998. THIS SECTION DOES NOT APPLY TO RETIREES.**

Description	Reason	Event Date	Time Limit of Request	Effective Date	Instructions
<b>Employee enrolling new</b> <b>Note:</b> Employer cannot produce HBD-12 indicating the employee declined coverage for employee eligible 1/1/98 or later	Time base & tenure (enrolling new)	Date employee requests enrollment	Anytime	1st of the month following receipt of HBD-12 in the employing office	Remarks: HIPAA no doc. (HBD-12)
<b>Enrolled employee adding dependent(s)</b> <b>Note:</b> Employer cannot produce HBD-12 indicating the employee declined coverage for dependents eligible 1/1/98 or later	Marriage (adding dependents)	Date employee requests enrollment	Anytime	1st of the month following receipt of HBD-12 in the employing office	Remarks: HIPAA no doc. (HBD-12)

## HIPAA Reasons Guide, Continued

### Special Enrollment – Loss of Other Coverage

An eligible *non*-enrolled employee/retiree or eligible *non*-enrolled dependent(s) of an enrolled employee/retiree may enroll when they lose other health insurance coverage. An employee/retiree provides proof of loss of other coverage and employee/retiree requests to enroll within 60 days of the date of loss of other coverage.

Description	Reason	Event Date	Time Limit of Request	Effective Date	Instructions
<b>Eligible employee/retiree enrolling new for self or for self and all eligible dependents that lose other coverage</b>	Late or loss of coverage (employee)	Date employee loses other coverage	60 days from the loss of coverage	1st of the month following receipt of HBD-12 in the employing office or retiree notification to CalPERS	New enrollment due to loss of other coverage
<b>Enrolled employee/retiree adding <i>non</i>-enrolled dependent(s) that lose other coverage</b>	Loss of coverage (adding dependents)	Date employee loses other coverage	60 days from the loss of coverage	1st of the month following receipt of HBD-12 in the employing office or retiree notification to CalPERS	Remarks: HIPAA special enrollment - loss of other coverage

## HIPAA Reasons Guide, Continued

### Special Enrollment – Non-Enrolled Employee/Retiree Acquiring A Dependent or Enrolled Employee/Retiree's Non-Enrolled Spouse

An eligible *non*-enrolled employee/retiree may enroll if the employee/retiree acquires a new dependent by marriage, birth, adoption, or placement for adoption (parent-child relationship). An employee/retiree can enroll self or self and all eligible dependents.

An enrolled employee/retiree may enroll a *non*-enrolled spouse when the employee/retiree acquires a dependent by birth, adoption, or placement for adoption (parent-child relationship). An employee/retiree can enroll a spouse, newly acquired dependent(s), and all other eligible dependent(s).

**The time limit is 60 days from the event date to request enrollment (except for newborns or newly adopted children who are effective the 1st of the month following date of event).**

Description	Reason	Event Date	Time Limit of Request	Effective Date	Instructions
<b>Eligible non-enrolled employee/retiree enrolling new for self only or for self and all eligible dependents(s) due to newly acquired dependents(s) by marriage, birth, adoption or placement for adoption</b>	Time base & tenure (enrolling new)	Date employee/retiree acquires dependent by marriage, birth, adoption, or placement for adoption	60 days from the date employee/retiree acquires dependent	1st of the month following receipt of HBD-12 in the employing office or retiree notification to CalPERS	Remarks: HIPAA special enrollment non-enrolled employee/retiree acquiring a dependent
<b>Enrolled employee/retiree adding non-enrolled eligible dependent(s) (spouse/children) due to newly acquired dependent by birth, adoption, or placement for adoption</b>	Marriage (adding spouse and/or dependents)	Date employee/retiree acquires dependent by birth, adoption, or placement for adoption	60 days from the date employee/retiree acquires dependent	1st of the month following submission of HBD-12 to employer or retiree notification to CalPERS	Remarks: HIPAA <b>enrolled</b> employee/retiree acquiring a dependent

## HIPAA Reasons Guide, Continued

### Special Enrollment – Court Ordered Coverage

#### **Dependent (spouse/child) of an eligible but non-enrolled employee/retiree:**

If a court orders coverage for a dependent of an eligible but non-enrolled employee/retiree, the employee/retiree must enroll in a plan that is available in the dependent's area. **The employer or CalPERS must enroll the employee/retiree and the dependent in PERS Choice/PERS Platinum if the employee/retiree refuses enrollment.**

#### **Dependent (spouse/child) of an enrolled employee/retiree:**

If a court orders coverage for a dependent of an enrolled employee/retiree and the employee/retiree is enrolled in a geographically restricted plan, which is not available in the dependent's service area, the employee/retiree must change to a plan that will cover the dependent. **The employer or CalPERS must change the employee's plan to PERS Choice/PERS Platinum if the employee/retiree refuses to change plans.**

Description	Reason	Event Date	Time Limit of Request	Effective Date	Instructions
Court ordered coverage for a dependent (spouse/child) of an eligible but <i>non-enrolled</i> employee. <b>Employee/retiree must enroll in a plan that will cover the dependent</b>	Time base & tenure (employee/retiree enrolling new)	Date the court order is received by employer or CalPERS	Anytime	1st of the month following receipt of court order in employing office or CalPERS	Remarks: court ordered coverage
Court ordered coverage for a dependent (spouse/child) of an enrolled employee/retiree. <b>Employee/retiree must change to a plan that is available in the dependent's area</b>	Court order (adding spouse or child)	Date the court order is received by employer or CalPERS	Anytime	1st of the month following receipt of court order in employing office or CalPERS	Remarks: court ordered coverage

# HIPAA Reasons Guide, Continued

## Special Enrollment – Court Ordered Coverage, Continued

Description	Reason	Event Date	Time Limit of Request	Effective Date	Instructions
Court orders coverage for a dependent (spouse/child) of an enrolled employee/retiree <b>Employee/retiree must change to a plan available in the spouse's or child's area</b>	Special enrollment-change health plan	Date the court order is received by employer or CalPERS	Anytime	1st of the month following receipt of court order in employing office or CalPERS	Remarks: HIPAA court ordered coverage  <b>Note:</b> Provide dependent's ZIP code

## HIPAA Reasons Guide, Continued

### LATE ENROLLMENT

An eligible employee/retiree can request **late** enrollment for themselves and/or their dependent(s) at any time if the employee/retiree or dependents do not qualify for a special enrollment or any other enrollment provided by PEMHCA. The **late enrollee** must wait 90 days from the date the request to enroll was received by the employer or by CalPERS. The effective date is the first of the month following the 90-day waiting period.

Request for late enrollment during the Open Enrollment period will be effective the first of the month following the 90-day waiting period or the Open Enrollment effective date, whichever is earliest.

Description	Reason	Event Date	Time Limit of Request	Effective Date	Instructions
<b>Employee/retiree, who declined or cancelled enrollment, is enrolling new</b> Employee/retiree does not qualify for <i>Special</i> or PEMHCA enrollment	Time base & tenure (enrolling new)	Date of employee's initial eligibility	Anytime	1st of the month following 90-day waiting period	Remarks: HIPAA late enrollment
<b>Employee/retiree, who declined or cancelled enrollment of dependents, is enrolling dependents.</b> Dependents do not qualify for special or PEMHCA enrollment	Marriage (adding dependents)	Date of dependent's initial eligibility	Anytime	1st of the month following 90-day waiting period	Remarks: HIPAA late enrollment



## Direct Payment Authorization

### Direct Payment

An employee who is not on regular pay status for a full pay period or longer may elect to either cancel their health benefits coverage or **continue coverage** by paying the full monthly premium directly to the health plan. The employee does not receive any employer contribution.

### When an Employee May be Eligible

An employee may be eligible to elect to continue their health coverage in the following situations:

- Leave of absence without pay
- Leave of absence for military duty
- Temporary disability leave and does not use leave credits for supplementation
- Pending approval of disability retirement or service retirement
- Pending approval of Non-Industrial or State Disability Insurance benefits
- Suspension from their job or they initiate legal proceedings appealing a dismissal from their job

Legal Reference: CCR section 599.504

### When an Employee Elects to Enroll

The HBO must update the employee's appointment status in myCalPERS and update the employee's health enrollment to reflect enrollment in direct pay.

For the instances listed above, the employee:

- Must complete and sign the Direct Payment Authorization (PERS-HBD-21) form and submit it to the employer
- Must pay 100% of the premium payment directly to the health plan by the established due dates (see Health Plan Resources under the "[Contact Information](#)" section for the health plan payee name and address). If payment is not made, health benefits will be cancelled.
- May elect to delete dependents before starting direct pay and must submit a Health Benefits Plan Enrollment for Active Employees (HBD-12) form to the employer. Returning to work is not a permitting event to re-add deleted dependents. Deleted dependent(s) can be re-added due to a qualifying event or during Open Enrollment.
- May add newly acquired dependents while on direct pay
- Must contact the HBO if they wish to discontinue their direct pay
- May elect to add dependents and/or change plans during Open Enrollment. If the employee is on an off-pay status during Open Enrollment, the employee may defer making changes until they return to regular pay status. The deferred Open Enrollment changes must be requested within 60 calendar days upon return to pay status.
- Must complete a new PERS-HBD-21 form if the employee extends their leave past the original direct pay end date provided on the original form
- May use direct pay for up to one year. There is no limitation on how long the employee can be enrolled in direct pay unless it is due to a layoff.

## Direct Payment Authorization, Continued

The employer must:

- Update the employee's appointment in myCalPERS to reflect the leave of absence or permanent separation (for an employee retiring)
- Complete and sign the Direct Pay Authorization (PERS-HBD-21) form and give a copy to the employee
- Update the employee's health enrollment to reflect enrollment in direct pay
- Retain the PERS-HBD-21 form in the employee's file

### PERS-HBD-21

To elect direct payment, an employee must complete a Direct Payment Authorization (PERS-HBD-21) form within 30 days of their last day on pay status.

1. The employer must update the employee's appointment status in myCalPERS.
2. If health benefits are automatically cancelled due to any type of leave other than Family and Medical Leave Act (FMLA) or maternity/paternity leave, rescind the cancellation if employee elected for direct payment.
3. The employer must process the PERS-HBD-21 information in myCalPERS: update the health enrollment to reflect enrollment in direct pay, cancellation due to off-pay status, **and** return to work status.
4. The health plan will then bill the employee directly on a monthly basis.
5. The employee must send payments directly to the health plan.
  - The remittance address will be provided on the bill.
  - Checks are payable to the health plan.

Failure to submit the payment timely will result in cancellation and a lapse in coverage.

## How to Complete the PERS-HBD-21

### Part A

**ITEMS 1-4:** Complete with employee information.

### Part B

**ITEMS 5a-6a:** Enter name, address, plan code, and gross premium of the carrier.

**ITEMS 6b-6c:** Enter the ALPHABETICAL month and NUMERICAL year to which the first direct pay premium is to be applied.

**ITEMS 6d-6e:** Employee must sign and date the form.

### Part C

**ITEMS 7-14:** Check reason for the direct payment authorization. If box 14 is checked, an explanation must be entered.

## Direct Payment Authorization, Continued

### Part D

**ITEMS 15a-15b:** Enter agency name and employee position information.

**ITEM 16:** Enter the NUMERICAL beginning and ending dates that must correspond with the dates reflected on the employment history database. If the ending date is not available, such as for reasons 8, 13 and 14, allow one full year for direct pay.

**Example:** Employee applies for disability retirement and is separated on October 15, 2020, which is the FROM date in box 16. The employer pays the November 2020 premium out of the October 2020 pay period. The employee starts the direct pay beginning with the December 2020 premium, and it may continue through November 30, 2021, which is the TO date. The coverage may be extended after November 2021 if the disability retirement is still pending at that time.

If the direct pay dates are extended through myCalPERS, a member will remain covered unless the employer contacts CalPERS.

**ITEM 17:** Enter the ALPHABETICAL month and NUMERICAL year of the last pay period from which a payroll deduction was taken.

If the employee enters non-pay status on April 10, April should be entered in Item 17, and June in Part B, Item 6b. The appropriate year must also be entered. Deductions from the April pay period pay the May premium.

**ITEMS 18-20:** HBO or assistant HBO must complete and sign.

### When an Employee Declines to Direct Pay

A [Health Benefits Plan Enrollment for Active Employees \(HBD-12\) \(PDF\)](#) form must be completed and signed by you and the employee to cancel off-pay status coverage. The HBO must update the appointment and process the cancellation of the employee's health enrollment with the health event reason: Off-Pay Status Cancel.

### Example of Change in Pay Status (Leave of Absence)

1. The employee will go on unpaid leave on March 15. The employee submits to the employer the HBD-12 electing to cancel coverage before they go on leave.
2. The employer adds an appointment event (begin leave) in myCalPERS to reflect the employee's leave of absence. A leave type of any leave other than FMLA or maternity/paternity leave will automatically cancel the employee's health benefits. *March pay period pays the April premium; therefore, April is the last month of coverage.*

## **Direct Payment Authorization, Continued**

### **How to Complete the PERS-HBD-21 Due to Off-Pay Status Voluntary Cancellation of Coverage**

ITEMS 1-4: Employee must complete with appropriate information.

ITEM 11: Select the checkbox for Cancel All Coverage.

ITEM 13: Enter last paid date for employee.

ITEMS 18-19: Employee must sign and date the form.

ITEMS 20-32: Enter agency specific information.

ITEM 28: Enter second month following the event date.

ITEM 33: Enter "EE elects to cancel coverage while off-pay status."

The HBO or assistant HBO must sign the PERS-HBD-21 and retain it in the employee's file.

### **When an Employee Returns to Work**

Upon the employee's return to work, the employer must update the employee's appointment in myCalPERS.

### **If the Employee Was on Direct Pay**

- Process the new health enrollment with the health event reason: Change to Deduct – Return to Work with the same dependents that were enrolled in direct pay (unless they were deleted) and the same health plan. Dependents deleted before or during enrollment in direct pay can only be re-added due to a qualifying event or during Open Enrollment.
- Schedule health deductions to resume the 1st of the month following the employee's return
  - Payment must be made for the month in which the employee returns to work.

### **If the Employee Who Declined or Later Declines Direct Pay Wants Their Health Benefits to Resume**

- The employee completes and returns the HBD-12 form.
- Process the new health enrollment with the health event reason: Return from Off-Pay Status with the same dependents who were enrolled up until the employee's off-pay status cancellation (unless the dependents were deleted before or during enrollment in direct pay) and the same health plan
- Schedule health deductions to resume the 1st of the month following the employee's return. Payment must be made for the month in which the employee returns to work.

## Direct Payment Authorization, Continued

### **"Off-Pay" Pending Disability Retirement or a Delay in Warrants**

Direct payment may be made by any enrolled employee when the employee is on an "off-pay" status and is awaiting approval for a disability retirement. If a retiring employee knows there will be a delay in their retirement warrants, the employee may elect to direct pay until on retirement roll.

Any enrollee in this situation is in a state of limbo: separated but not yet a retiree. The member's situation may remain unresolved for a lengthy period of time. To ensure continuation of services and prompt payment of claims while a disability retirement is pending, prepare a PERS-HBD-21 for the employee's signature within 30 days of their last day on pay status.

### **If Disability Retirement Is Approved**

The member is placed on the retirement roll and CalPERS will verify payments made to the health plan by the member. If payments were made, the agency will be billed for the employer share of the premiums paid by the member. The health plan will then refund the member.

### **If Disability Retirement Is Denied**

The member who has been paying directly to the health plan will be entitled to group coverage until the last day of the month in which the denial is issued. If the member becomes ineligible because of a denial for disability retirement, the member will be entitled to COBRA.

### **Off-Pay Other Reason**

Direct payment may be made by any enrolled employee when the employee is on an "off-pay" status for more than 30 days, such as a leave of absence, pending a workers' compensation claim, suspension, FMLA, or termination due to lay off.

An employee who is laid off may elect to use direct payment for up to one year or continue coverage for up to 36 months under the provisions of COBRA. If the employee elect's direct payment, they may forfeit their COBRA rights, as COBRA must be elected within 60 days of COBRA notification. Refer to the "[Consolidated Omnibus Budget Reconciliation Act \(COBRA\)](#)" section of this guide for further information.

### **Adding or Deleting Dependents and Changing Health Plan**

While on direct pay, the employee may add newly acquired dependent(s) or delete dependents. They may also request a plan change due to a move. When a dependent is deleted before or during enrollment in direct pay, they cannot be re-added when the employee returns to regular pay status. Deleted dependent(s) can only be re-added due to a qualifying event or during the annual Open Enrollment period. Health plan changes can also be made during Open Enrollment. If the employee is on an "off-pay" status during the Open Enrollment period, the employee may defer changing their health plan and/or adding dependent(s) until they return to regular pay status. Deferred Open Enrollment requests must be made within 60 calendar days of returning to regular pay status.

## **Direct Payment Authorization, Continued**

Timely completion of the cancellation, and resumption of coverage are necessary to avoid premium discrepancies and retroactive adjustments. If the employee does not elect to resume coverage upon return to active pay status, a request for re-enrollment will be allowed during the Open Enrollment period or HIPAA special or late enrollment.

When an employee who was on direct pay returns to work, updating an end leave on their appointment will change their premium payment method from direct pay to a standard deduction (employer billing).

# Consolidated Omnibus Budget Reconciliation Act (COBRA)

## Background

The Consolidated Omnibus Budget Reconciliation Act (COBRA) is a federally mandated program that requires continuation of health coverage when an event occurs that normally would have terminated coverage for an employee or dependent. COBRA mandates continued coverage for a maximum of 18-36 months for qualifying events. If the original event provided less than 36 months of continued coverage, a second qualifying event during the initial period of coverage may permit an extension of coverage up to a maximum of 36 months.

In certain circumstances, if a disabled employee and non-disabled dependents are qualified Social Security Administration (SSA) beneficiaries, they are eligible for up to an 11-month extension of COBRA continuation coverage, for a total of 29 months.

There cannot be a break in coverage between the end of CalPERS coverage and the beginning of COBRA enrollment.

CalPERS will mail COBRA notification and form when a deletion or cancellation is processed in myCalPERS.

The employer must also provide employees with COBRA rights within 45 days of separation from employment, or for dependents losing coverage, within 45 days of notification of dependent's ineligibility for coverage. This section is intended to provide basic information regarding COBRA. It is general in nature and not designed to provide legal advice.

## Forms

[COBRA Election Group Continuation Coverage \(PERS-HBD-85\) \(PDF\)](#)

[COBRA Election – Retirees Only \(PERS-HBD-85R\) \(PDF\)](#)

## COBRA

The employer is responsible for:

- Providing COBRA information to the employee and/or their eligible dependents
- Informing the employee that up to 102% of the health premium is to be paid by them directly to the health plan for the coverage period
- Collecting completed [Group Continuation Coverage \(PERS-HBD-85\) \(PDF\)](#) (COBRA Election) form within 60 days of the qualifying event if they elect to continue coverage
- Updating myCalPERS to reflect COBRA enrollment and/or changes

## COBRA, Continued

### COBRA Qualifying Events

The following table lists COBRA qualifying events and their coverage period.

Qualifying Events	Coverage Period
Separation from employment	18 months
Reduction in work hours (including layoff)	18 months
Social Security Administration disability beneficiaries	29 months
Divorce or domestic partnership termination	36 months
Legal separation	36 months
Child that ceases to be dependent	36 months
Death of an employee or annuitant (unless dependent qualifies for continued coverage as a survivor)	36 months

### Applicability

COBRA allows the employee or dependent to continue identical health coverage, regardless of pre-existing conditions. COBRA is mandated by the federal government for employers with 20 or more employees.

### Benefits & Rates

COBRA enrollees' coverage (medical benefits, deductibles, and co-payments) is **identical** to regular coverage under the Public Employees' Medical and Hospital Care Act (PEMHCA). COBRA enrollees retain all benefits under their previous coverage, including Open Enrollment plan changes, addition of family members, etc.

Enrolling in COBRA is a qualifying event to change health plans.

### Payment

As an employer under PEMHCA, the agency does not collect premiums from the COBRA enrollee or maintain any record keeping for the health plans. Once the COBRA form is processed through myCalPERS, the COBRA enrollee interacts **directly with the health plan carrier**, unless the enrollee has future changes (e.g., changing plans, adding or deleting dependents, etc.).

- The health plan will then bill the employee directly on a monthly basis.
- The employee must send payments directly to the health plan.
- The remittance address will be provided on the bill.
- Checks are payable to the health plan.
- Failure to submit the payment timely will result in cancellation and a lapse in coverage.

Coverage is continuous, so **payment for premiums must be made from the date group coverage is lost**. Therefore, timely distribution of COBRA election materials is critical.



## COBRA, Continued

### Secondary Events

An extension of the 18-month continuation period can occur, if during the 18 months of continuation coverage, a second event takes place.

Secondary events include:

- Divorce
- Legal separation
- Death
- Medicare coverage
- Dependent child ceasing to be a dependent

The original 18 months of continuation would be extended to 36 months from the date of the original qualifying event for the qualified beneficiary spouse and/or children. Since this "second event" is mandated by COBRA, the additional 18 months will be at **102%** of the health plan premium. It is the responsibility of the qualified beneficiaries to notify the employer or CalPERS of the second event within 60 days of the event. Coverage cannot extend beyond 36 months from the original COBRA event.

### Disabled Enrollees

The determination of a disabled individual (employee or dependent) must be made by the SSA. The plan administrator (former employer) must be informed within 60 days following the determination but prior to the end of the original 18-month enrollment.

Individuals who become disabled within the first 60 days of COBRA may qualify for an **additional 11 months** of COBRA coverage up to a total of 29 months. The premium is **150%** of the applicable group rate for the additional 11 months (months 19-29). Generally, Medicare begins in the 30th month and COBRA will end. If coverage needs to be extended further, California COBRA (Cal-COBRA) (see the next page for Cal-COBRA information) provides **seven additional months** of coverage for a total of 36 months.

### Termination of COBRA Coverage

The following events will **terminate** COBRA coverage:

- Termination of employer contracted health benefits coverage
- Failure to pay the premium in a timely manner
- Eligibility for Medicare coverage; but coverage for dependents may continue
- Coverage as an employee under another group health plan, except if the other plan excludes a pre-existing condition which the COBRA coverage does not
- Expiration of the applicable coverage period

Upon involuntary expiration of the COBRA coverage, the enrollee may apply for a conversion policy.

## **COBRA, Continued**

### **California COBRA (Cal-COBRA)**

Under certain conditions, California law permits an extension of COBRA continuation coverage known as Cal-COBRA:

- If the employee exhausts federal COBRA coverage and had less than 36 months of coverage, COBRA coverage may extend the benefit up to a total of 36 months but cannot exceed 36 months.
- Employee must have been continuously enrolled and paid premiums for the original 18 or 29 months of coverage.
- Employee must request an extension through the health plan.
- Employee must pay premiums directly to the health plan.
- Health premiums may not exceed 150%.

Cal-COBRA is directly handled by health carriers.

### **Individual Conversion Policy**

An individual conversion policy is an alternative to COBRA, or it can follow COBRA coverage. If an employee loses their CalPERS health benefits or COBRA coverage, they can request an individual conversion policy through their prior health plan, which is then underwritten by the plan. Individuals must request this new policy within 30 days of losing coverage. All CalPERS health plans offer this individual conversion policy option. The cost and benefits will differ from the cost of your previous coverage.

### **Legal References**

- 1985 Consolidated Omnibus Budget Reconciliation Act (COBRA)
- Assembly Bill 1401, (Chapter 794, 2002)
- Individual Conversion Policy, CCR section 599.507 and CCR section 599.508

## Employee Separations

### Reporting

Employers must update the appointment status of their employees in myCalPERS.

### Report the Separation Date

Accurate reporting of employee separations will ensure correct billing on a monthly basis. Permanent separations cancel the subscriber's enrollment with the health plan and update the billing as well. During these appointment changes, timely and accurate information will ensure a smooth transition for your employee and their dependents. The agency's responsibility in each type of separation is listed below.

### Employee Separation (Not Retiring – CCR Section 599.506)

#### Effective Date

Termination of the health insurance coverage as an active employee is the first day of the second month following the last day on payroll. Since this is prepaid health coverage and payroll deductions are taken the month preceding the coverage month, the employee is entitled to coverage for the month following the dismissal or resignation date.

myCalPERS will cancel an employee's health benefits the first day of the second month following the permanent separation. If the member separates between the 1st – 10th of the month, the employee may not have earned enough to cover their portion of the health premium. The employee may in this instance voluntarily cancel their health benefits, so they won't be billed later for their portion.

**Amendments to the CCR sections 599.502(f) (2) and 599.506(c) (1) limit the liability of health plans to refund of premiums to six months. See the ["Retroactive Refund"](#) section of this guide for more information.**

### COBRA

Provide employee with COBRA election forms. See the "[Consolidated Omnibus Budget Reconciliation Act \(COBRA\)](#)" section of this guide for more information.

### Cancelling Coverage

If the employee does not want coverage for the month following their separation, the employee must sign an HBD-12 electronically or physically electing to voluntarily cancel their coverage. If the employee cancels coverage, they will NOT be eligible for group continuation benefits (COBRA).

## Employee Separations, Continued

### Temporary Leave of Absence

#### Continuing or Cancelling Coverage While on Leave of Absence

An employee who is not on regular pay status for a full pay period or more may elect to either cancel their health benefits coverage or continue coverage by paying the premium directly to the health plan (direct payment). The effective date is the first day of the second month following the Begin Leave date. Refer to "Direct Payment Authorization" section of this guide for more information.

### Death of Employee Reporting

Employers must report the death of an employee in myCalPERS or contact the CalPERS Customer Contact Center at **888 CalPERS** (or **888-225-7377**).

### Effective Date

The effective date of the termination of the health insurance coverage is the first day of the month following the date of death. Provide dependents with COBRA election forms. See the "[Consolidated Omnibus Budget Reconciliation Act \(COBRA\)](#)" section of this guide for more information.

### Eligible Survivors of Deceased Active Employees

If your agency has filed a resolution electing participation under Gov. Code section 22819, complete the HBD-12 to enroll eligible surviving family members.

### Special Provision for Survivors of Police and Firefighters

If the employee died because of injury or disease resulting from their official duties, eligible survivors may be eligible for CalPERS health benefits pursuant to Gov. Code section 22820. Contact CalPERS at **888 CalPERS** (or **888-225-7377**) for more information.

### Separation for CalPERS Service Retirement Reporting

- Employees must apply for Service Retirement from their respective retirement systems.
  - CalPERS members must file a [Service Retirement Election Application \(PERS-BSD-369-S\) \(PDF\)](#), which can be done online through the member's myCalPERS account. If possible, the employee should submit this form to CalPERS not more than 120 days prior to their selected retirement date.
- Employers must update the appointment status with a permanent separation for their employees in myCalPERS.
- See the "[Health Benefits Into Retirement](#)" section in this guide for more information.

## Employee Separations, Continued

### Effective Date

Termination of the health insurance coverage as an active employee is the first day of the second month following the last day on payroll. After a permanent separation is entered, the system will use the previous day to derive the effective date for health into retirement. CalPERS will continue billing as an active employee until then.

### Direct Pay

While it is not necessary to submit a [Direct Payment Authorization \(PERS-HBD-21\) \(PDF\)](#) form when an application for service retirement is being processed, it may be done if a delay in receiving retirement benefits is anticipated. Refer to the "Direct Payment Authorization" section in this guide for a more information.

### Separation for Disability Retirement Reporting

- Employees must apply for disability retirement from their respective retirement systems.
  - CalPERS members must file a [Disability Retirement Election Application \(PERS-BSD-369-D\) \(PDF\)](#).
- Employers must update the appointment status for their employees in myCalPERS.
- For CalPERS members, employers also submit a [Report of Separation and Advance Payroll Information \(PERS-BSD-194\) \(PDF\)](#).

### Effective Date

Termination of the health insurance coverage as an active employee is the first day of the second month following the last day on payroll. CalPERS will continue billing as an active employee until then.

### Continuing Coverage (Direct Pay)

Applications for disability retirement may take months to process, resulting in a delay of retirement benefits. It is strongly recommended that employees submit a [Direct Payment Authorization \(PERS-HBD-21\) \(PDF\)](#) form when a disability retirement is pending. Otherwise, the member will **not be covered** until the retirement account is established. If the member requires health services during this time, they will be denied. Refer to the "Direct Payment Authorization" section of this guide for more information.

## Health Benefits Into Retirement

### Retiree Eligibility

An employee must meet all the following requirements to be eligible to enroll or continue CalPERS health benefits as a retiree:

- Separate and retire within 120 days
- Receive a monthly retirement allowance from CalPERS, CalSTRS, or other retirement system (**Note:** Retirees who elect a lump sum payment are not eligible for health benefits.)
- Be eligible for health benefits at separation
- Agency remains contracted with CalPERS for health benefits for their specific bargaining unit

If an employee separates, with no intent to retire, health coverage will be terminated the first of the second month following the date of separation.

### Health into Retirement CalSTRS

The employer must change the employee's appointment status to **Permanent Separation** in myCalPERS. The permanent separation will cancel the health. The employer must verify the permanent separation is updated.

For STRS employees who do not want to continue health into retirement, employers may select the checkbox in the Appointment Event Details panel labeled:

- STRS member wishes to decline continuation of CalPERS health coverage into retirement.

For STRS employees, employers can update the appointment in myCalPERS or via file upload, depending on how the agency submits enrollment changes.

Do **not** process a *New Enrollment – Retirement* transaction unless they are part of a non-CalPERS retirement system.

### Complimentary Annuitant Premium Program (CAPP)

CAPP provides annuitants the option to remain enrolled in a CalPERS-sponsored health plan when their retirement warrant does not cover the full health premium.

CAPP is a prepaid program which requires a monthly health premium payment.

The annuitant must elect to enroll in CAPP by checking the Continue Health Coverage box on the mailed CAPP Election form, and then sign and return it to CalPERS along with the payment required on the election form. If CAPP is not elected, health coverage will be cancelled. The annuitant will not be allowed to re-enroll until the next Open Enrollment period, HIPAA special enrollment, or a qualifying event.

## Health Benefits Into Retirement, Continued

To determine the effective date of a new retiree enrollment, refer to the table below.

If separation and retirement dates are...	and...	then health coverage...	Note
within 30 days of each other	the employee is enrolled in a CalPERS health plan at the time of separation	will continue automatically into retirement without a break.	If the employee does not want to continue health benefits into retirement, they must cancel health coverage through the employer.
between 31 and 120 days of each other	the employee is enrolled in a CalPERS health plan at the time of separation	will not automatically continue. The employee may request to re-enroll with CalPERS as follows: <ul style="list-style-type: none"> <li>• Within 60 days of the retirement date</li> <li>• During Open Enrollment</li> <li>• Due to the 90-day HIPAA late enrollment</li> </ul>	When the health coverage lapses, they may be eligible for COBRA.
more than 120 days apart	regardless of whether they are enrolled in a CalPERS health plan at the time of separation	cannot be reinstated. The employee is no longer eligible for CalPERS health benefits.	There are some exceptions to the rule. For more information regarding exceptions, contact CalPERS.

If the person is not enrolled in health benefits as an active employee but wants health benefits in retirement, they must contact CalPERS to enroll as a retiree.

## Health Benefits Into Retirement, Continued

### Health into Retirement Non-CalPERS

The employer must change the employee’s appointment status to **Permanent Separation** in myCalPERS. If the subscriber does not want health benefits to continue into retirement, process a **Cancel Coverage** health event type, **Subscriber request** health event reason prior to processing the permanent separation. This makes it clear that the retiree does not want their health benefits to continue.

### What will happen?

<p>If the person retires within 120 days of separation...</p>	<p>They are eligible to participate in CalPERS health benefits as a retiree.</p> <p><b>There is no automatic continuation into health.</b> Employers can set up the retiree health by processing a New Enrollment – Retirement transaction in myCalPERS.</p> <ul style="list-style-type: none"> <li>• Health Event Type: New Enrollment</li> <li>• Health Event Reason: Retirement</li> <li>• Health Event Date: The month prior to the effective date</li> </ul>
<p>If the person retires after 120 days of separation...</p>	<p>They are <b>no longer eligible</b> to participate in CalPERS health benefits.</p>

### Billing of Retiree Share

- For PERS members, CalPERS will set up warrant deductions for the retiree share of the health premium
- For STRS members, CalPERS will contact STRS to set up warrant deductions for the retiree share of the health premium
- For Other Non-PERS members, CalPERS will continue to bill the employer for the full premium. Employers must set up a payment system between the Non-PERS retiree and the agency for the retiree’s share.

### CalPERS as HBO

CalPERS becomes the HBO for retirees. Retirees should be directed to CalPERS at **888 CalPERS** (or **888-225-7377**) for any health and benefits questions.

### Circular Letters

For more information on permanent separation dates, refer to Circular Letters [200-070-11 \(PDF\)](#), [200-002-13 \(PDF\)](#) and [200-015-16 \(PDF\)](#).



## Health Benefits Into Retirement, Continued

### Options Upon Retirement After Reinstatement

Gov. Code section 22838 allows a retiree who reinstates and retires a second time to receive health benefits from the employer from which the retiree first retired, provided the retiree was eligible for post-retirement health coverage with the first employer and has separated and retired within 120 days from the second employer. The Government Code applies to retirees who, after reinstatement subsequently retire on or after January 1, 2014, if all the following criteria are met.

- Retiree was eligible for retiree health coverage prior to reinstatement from retirement
- Employee then retires a second time within 120 days of separation
- Post-retirement employer contribution of the first employer is higher than the second employer
- Request is sent to CalPERS by the retiree

A retiree meeting these eligibility requirements may elect to enroll in health benefits under the former employer during any of the following times:

- Within 60 days of the annuitant's re-retirement date
- During an Open Enrollment period where no prior election has been made

# Medicare

## Medicare

Medicare is a federal health insurance program for individuals age 65 and older or those under age 65 with certain Social Security-qualified disabilities. The Social Security Administration (SSA) is the federal agency responsible for Medicare eligibility determination, enrollment, and premiums. The Centers for Medicare & Medicaid Services (CMS) regulates the Medicare program.

- Medicare Part A is hospital insurance that helps pay for inpatient hospital stays, skilled nursing facilities, hospice care, and some home health care.
- Medicare Part B is medical insurance that helps pay for outpatient health care expenses, including doctor visits. Annually, SSA establishes the monthly Medicare Part B premium amount. The monthly Medicare Part B premium must be paid to SSA to remain enrolled in Part B and to remain enrolled in a CalPERS Medicare health plan.

CalPERS encourages all members to read and save all mail received from the SSA as it will contain important information regarding Medicare enrollment.

## Medicare Enrollment (Turning Age 65)

Four months before the subscriber or enrollee's 65th birth month the subscriber will receive a letter from CalPERS titled "Important Information Concerning Health Coverage at Age 65." This notice contains important information regarding CalPERS Medicare enrollment requirements. We encourage subscribers to carefully read and save this letter for future reference.

The notification includes:

- Ineligibility of Medicare Certification form
- Medicare plan options

## Medicare Enrollment Periods

SSA has three Medicare enrollment periods:

- **Initial Enrollment Period:** When a subscriber is turning 65, they have a seven-month period to sign up for Part A and/or Part B. This Initial Enrollment period begins three months prior to the month the subscriber turns 65 and ends three months after the month they turn 65.
- **General Enrollment Period:** If not enrolled in Medicare, subscribers may sign up for Part A and/or Part B during a three-month period each year. The General Enrollment period begins January 1 and ends March 31. Their coverage begins the following July 1.
- **Special Enrollment Period:** If a subscriber and/or their spouse are currently working and covered by an employer group health plan from that current employer, they may be eligible to sign up for Part A and/or Part B during a special enrollment period, an eight-month period that begins the month after the employment ends or the group health coverage ends, whichever happens first. Contact [SSA](#) for more information.

## Medicare, Continued

### Avoiding Late Enrollment Penalties

If a subscriber is 65 or older and covered under an employer group health plan, either from their own or their spouse's current employment, SSA will allow them to enroll in Medicare Part B without a late-enrollment penalty if they're eligible to enroll during a special enrollment period. When retiring after age 65, subscribers are encouraged to immediately enroll in Medicare Part B with SSA during their Special Enrollment period.

- While the Special Enrollment Period is eight months, the window to enroll in a CalPERS Medicare health plan is only 30–60 days post retirement, so immediate action is strongly encouraged.
- If CalPERS does not receive the subscriber's Medicare Part A and B information within 60 days, their health benefits will be cancelled.

If a subscriber does not enroll in Part B within eight months of losing their coverage based on current employment, they may have to pay a lifetime late enrollment penalty. In addition, they will only be able to enroll during the Medicare General Enrollment period (from January 1 to March 31 each year) and the coverage will not begin until July, potentially causing a gap in coverage.

### Medicare-Eligible Members (Over Age 65)

Gov. Code section 22844 and CCR section 599.17 prohibit retired members and their dependents over 65 who are eligible for premium-free Medicare Part A from enrolling in a CalPERS basic health plan. Medicare-eligible is defined as members who are eligible for premium-free Medicare Part A and premium-based Medicare Part B.

## Medicare, Continued

### Active Members

For active subscribers and their dependents, federal law limits enrollment into a CalPERS Medicare health plan to those diagnosed with Amyotrophic Lateral Sclerosis (ALS) or End-Stage Renal Disease (ESRD) who have completed any applicable coordination periods. Contact CalPERS for assistance if you have an employee that meets these criteria.

### Medicare Part A

While working, subscribers and enrollees may enroll in Medicare Part A by applying [online](#) with SSA, contacting SSA at 1-800-772-1213, or by visiting their local [Social Security office](#). Calling first to make an appointment is recommended.

Refer subscribers to [Apply Online for Medicare – Even if You Are Not Ready to Retire \(PDF\)](#) and the [Medicare \(PDF\)](#) publications for additional resources.

Medicare Part A will be premium-free if subscribers/members:

- Worked for at least 10 years (40 quarters) in Social Security/Medicare-covered employment.
- Are eligible through the work history of a current, former, or deceased spouse; and/or
- Have ESRD, ALS, or a Social Security-qualified disability and meet certain SSA requirements

Enrolling in Part A *may* save subscribers money.

- If enrolled in Part A, the subscriber's current CalPERS health plan will continue to be the primary payer of insurance claims and Medicare Part A will be a secondary payer. As a secondary payer, Medicare pays up to their allowable amount of costs not covered by CalPERS health insurance, potentially reducing out-of-pocket costs.
- There are limitations. Part A covers only inpatient care in a hospital, skilled nursing care, hospice, and some home health services. Therefore, remaining in a CalPERS health plan and enrolling in Medicare Part A will help defray cost sharing for those covered services only up to the allowable amount based on the Medicare fee schedule.
- Subscribers may want to consider delaying Medicare Part A until a later date if they contribute to a Health Savings Account (HSA) or if they will have to pay a premium to enroll in Part A.

### Medicare Part B

SSA establishes a Medicare Part B premium amount annually, which must be paid to SSA to remain enrolled in Part B. If a subscriber receives SSA benefits, the Medicare Part B premium will be deducted from their SSA benefits; otherwise, SSA will bill them quarterly.

The standard Medicare Part B premium applies to everyone; however, enrollees may be assessed an additional Income Related Monthly Adjustment Amount (IRMAA) if their modified adjusted gross income reported on their IRS tax return is above a certain amount.

## Medicare, Continued

Subscribers may defer Medicare Part B enrollment because they are still working.

- To defer, they should contact SSA at (800) 772-1213.
- This notification will ensure that the subscriber avoids a late enrollment penalty when they decide to retire and enroll in Medicare Part B upon retirement.

If subscribers choose to enroll in a Medicare Part B while still actively working, they will remain in a CalPERS Basic (non-Medicare) health plan and their CalPERS Employer Group Health Plan will be the primary payer, and Medicare becomes the secondary payer.

### Retired Enrollees

For a smooth transition from a CalPERS Basic to a CalPERS Medicare health plan, subscribers are encouraged to enroll into Medicare Parts A and B prior to or within 30 days of retirement. Timely enrollment allows CalPERS to receive notification of their enrollment electronically and automatically transition them into a CalPERS Medicare health plan. Subscribers will not need to send any additional documentation to CalPERS if enrollment with SSA is completed promptly.

- If enrollment with SSA is more than 30 days from retirement, subscribers/enrollees may be required to provide supporting Medicare documentation (i.e., Medicare card or entitlement letter) to CalPERS and a [Certification of Medicare Status \(PDF\)](#) form.
  - If CalPERS does not receive the subscriber's Medicare Parts A and B information within 60 days, their health benefits will be canceled.
- If a subscriber's CalPERS Basic health plan has a corresponding Medicare health plan, the subscriber will be automatically transitioned to the CalPERS Medicare plan with their carrier. If their Basic plan does not have a corresponding Medicare plan, they will be transferred into UnitedHealthcare (HMO). If UnitedHealthcare is not available where the subscriber lives, they will be transferred into PERS Choice/PERS Platinum (PPO).
- Subscribers have 60 days from the date of enrollment in a CalPERS Medicare plan to elect a different plan by contacting CalPERS at **888** CalPERS (or **888-228-7377**).
- Subscribers/enrollees are able to enroll in Medicare Parts A & B [online](#) with SSA, contacting SSA at 1-800-772-1213, or by visiting their local [Social Security office](#). (Calling first to make an appointment is recommended.)

### Medicare Part A

Subscribers and enrollees may enroll in Medicare Part A by applying [online](#) with SSA, contacting SSA at 1-800-772-1213, or by visiting their local [Social Security office](#). (Calling first to make an appointment is recommended.)

Medicare Part A will be premium-free if subscribers/members:

- Worked for at least 10 years (40 quarters) in Social Security/Medicare-covered employment.
- Are eligible through the work history of a current, former, or deceased spouse; and/or
- Have ESRD, ALS, or a Social Security-qualified disability and meet certain SSA requirements

## Medicare, Continued

### **If Subscribers Do Not Qualify for Premium-Free Medicare Part A:**

- Subscribers who do not qualify for premium-free Medicare Part A based on their Social Security/Medicare work record or the record of their current, former, or deceased spouse, may remain in a CalPERS Basic health plan. This information must be submitted to CalPERS via an [Ineligibility of Medicare Certification \(PDF\)](#) form. If they later qualify for Medicare Part A at no cost, they must enroll in Medicare Part B and in a CalPERS Medicare health plan.
- As a secondary option, subscribers may enroll in a Kaiser Permanente Medicare Advantage plan if they are enrolled in Medicare Part B only. Kaiser Permanente is the only health insurer allowed by CMS to offer this arrangement.

### **Medicare Part B**

Subscribers may enroll in Medicare Part B by completing the following forms and applying directly with SSA.

- If the subscriber worked beyond age 65, they will need to have a [Request for Employment Information \(Form CMS-L564/R297\)](#) completed by their HBO.
- [Application for Enrollment in Medicare Part B \(Medicare Insurance\) \(CMS-40B\)](#)
- Return completed forms to the local [Social Security office](#) by mail or fax them to (833) 914-2016

SSA establishes a Medicare Part B premium amount annually, which must be paid to SSA to maintain enrollment in Part B. If a subscriber receives SSA benefits, the Medicare Part B premium will be deducted from their SSA benefits; otherwise, SSA will bill them quarterly.

The standard Medicare Part B premium applies to everyone; however, enrollees may be assessed an additional IRMAA if their modified adjusted gross income reported on their IRS tax return is above a certain amount.

### **Medicare Enrollment (Under Age 65)**

If a member is under the age of 65 and Medicare eligible, they may provide their Medicare Part A and Part B information to CalPERS by submitting a copy of their Medicare card and electing to transfer to a CalPERS Medicare health plan. Enrollment into a CalPERS Medicare Advantage health plan will be processed and effective upon approval by CMS.

If a subscriber or a dependent is enrolled in Medicare Parts A and B, then they or their dependent(s) may be eligible to enroll in a CalPERS Medicare health plan. For active employees and their dependents, federal law limits enrollment in a CalPERS Medicare health plan to those diagnosed with ALS or ESRD that have completed any applicable coordination periods.

## Medicare, Continued

### Additional Resources

The [Certification of Medicare Status \(PDF\)](#) form is available on the CalPERS website. This form needs to be completed and submitted to CalPERS if:

- Subscribers do not enroll in Medicare Parts A and B with SSA promptly and CalPERS has not received enrollment information from SSA
- Subscriber is ineligible for premium-free Part A
- Subscriber has health coverage through an active employer group health plan

The CalPERS [Medicare Enrollment Guide \(PDF\)](#) provides information about how Medicare works with CalPERS health benefits.

Centers for Medicare & Medicaid Services (CMS) publishes:

- [Medicare & You](#), a handbook that provides information about Medicare
- [Deciding Whether to Enroll in Medicare Part A and Part B When You Turn 65 \(PDF\)](#), a fact sheet
- [Medicare & Other Health Benefits: Your Guide to Who Pays First \(PDF\)](#), a booklet about how Medicare works with other types of coverage

SSA is the administrative authority of the Medicare program. For more information, visit the [SSA](#) website.

The [Health Insurance Counseling & Advocacy Program \(HICAP\)](#) offers free, one-on-one Medicare counseling.

## Survivor Benefits (Special Legislation)

### Eligibility

A survivor of a deceased active employee may be eligible for health coverage if both criteria below are met:

- Enrolled or eligible to enroll as dependent at the time of death
- Qualify for a monthly survivor retirement benefit

Surviving family members who do not meet the above requirements may be eligible for continuation coverage (COBRA) once the employer paid direct pay benefit is exhausted.

Possible survivors include:

- Spouse or domestic partner
- Employee's natural or adopted child up to age 26
- Disabled child age 26 or older\*
- Stepchild or domestic partner's child up to age 26\*
- Child in an established parent-child relationship up to age 26\*

\* These eligible surviving children must have been enrolled prior to the employee's death.

If CalPERS determines that an eligible family member is eligible for an ongoing survivor warrant and enrollment in health benefits and that surviving family member was not enrolled in health benefits at the time of death, the survivor may request enrollment from CalPERS within 60 days from the date of death. The effective date of enrollment is the first day of the month following the date CalPERS receives the request.

Eligible survivors have the same rights and responsibilities as active members such as:

- Requesting to change plans due to a move or during Open Enrollment
- Deleting dependents
- Informing CalPERS of their Medicare eligibility

Surviving dependent children will be automatically deleted at age 18, 22, or 26, depending on the monthly survivor benefit. A certified disabled child may continue past the age of 26 if they are entitled to a lifetime monthly survivor retirement benefit.

### Ineligible Dependents

An eligible survivor can enroll dependents who were eligible for health benefits at the time of the active employee's death.

The following individuals are **not** eligible for CalPERS health benefits:

- Subsequent spouse or domestic partner
- Subsequent stepchild, domestic partner child, or newly adopted child
- Subsequent child born to the survivor who was not the deceased employee's child
- Child in a newly established parent-child relationship



## Survivor Benefits (Special Legislation), Continued

### Legal Reference

Gov. Code section 22831

### CalSTRS Survivors Without an Allowance

Effective January 1, 2001, Assembly Bill 2383 established an annuitant category for survivors of CalSTRS retirees left without an allowance. Refer to Gov. Code section 22760(i), which states the conditions for such survivors to be eligible for CalPERS health coverage.

- (1) A family member of a deceased retired member of CalSTRS, if the deceased member meets the following conditions:*
  - (a) Retired within 120 days of separation from employment: and*
  - (b) Retired before the member's school employer elected to contract for health benefit coverage under PEMHCA, and*
  - (c) Prior to death received a retiree allowance from STRS but did not provide for a survivor allowance to family members.*
- (2) The family member shall elect coverage as an annuitant within one calendar year from the date that the deceased member's school employer elected to contract for health benefit coverage under this part.*

In the instance of a school employer that newly elects coverage under PEMHCA, the family member must elect coverage as an annuitant within one calendar year from the date that the school employer elected health benefit coverage through PEMHCA.

These survivors are deemed annuitants and have a mandatory right to enroll by law. Survivors are entitled to the employer contribution the employer provides other retirees of the same bargaining group.

### Survivors of Active Employees

Gov. Code section 22819 allows survivors of active employees to be eligible for CalPERS health coverage. The survivors of the active employee would be made an eligible annuitant on the date of the active employee's death.

### Employers must file a separate resolution electing this provision.

- (a) A family member of a deceased employee of a contracting agency who is validly enrolled or is eligible for enrollment hereunder on the date of the employee's death is deemed to be an annuitant under Section 22760, pursuant to regulations prescribed by the board.*

## **Survivor Benefits (Special Legislation), Continued**

- (b) A contracting agency shall remit the amounts required under Section 22901 as well as the total amount of the premium required from the employer and enrollees hereunder in accordance with regulations of the board. Enrollment of the annuitant and eligible family members shall be continuous following the death of the employee, or the effective date of enrollment, so long as the surviving family members meet the eligibility requirements of Section 22775 and regulations pertinent thereto. Failure to timely pay the required premiums and costs or the cancellation of coverage by the annuitant shall terminate coverage without the option to reenroll. The contracting agency may elect to require the family members to pay all or any part of the employer premium for enrollment.*
- (c) This section shall apply to a contracting agency only upon the filing with the board of a resolution of its governing board electing to be subject to this section.*

### **Survivors of Other Annuitants Without an Allowance**

Effective January 1, 2011, Gov. Code section 22819.1 allows for other survivors without an allowance to be eligible for CalPERS health coverage.

### **Employers must file a separate resolution electing this provision.**

- (a) A family member of a deceased annuitant who retired from a contracting agency prior to the effective date of the agency's contract to provide health coverage under this part, and who was validly enrolled in the agency's health plan on the day prior to the effective date of the contract under this part, but who does not receive an allowance in place of the annuitant, is deemed to be an annuitant for purposes of Section 22760, pursuant to regulations prescribed by the board.*
- (b) A contracting agency shall remit the amounts required under Section 22901 as well as the total amount of the premium required from the employer and enrollees in accordance with regulations of the board. Enrollment of the eligible family members shall be continuous following the death of the annuitant, or the effective date of enrollment, as applicable, so long as the surviving family members meet the eligibility requirements of Section 22775 and any regulations promulgated with respect to that section. Either a failure to timely pay the required premiums and associated costs of the coverage or the cancellation of coverage shall terminate the coverage without the option to reenroll. The contracting agency may elect to require the family members to pay all or any part of the employer premium for enrollment.*
- (c) This section shall apply to a contracting agency only upon the filing with the board of a resolution of its governing board electing to be subject to this section.*

## **Survivor Benefits (Special Legislation), Continued**

### **Billing**

CalPERS will charge the employer for the survivor's full premium. This will appear on the retired portion of the Health Premium Statement.

### **Employer Responsibility**

It will be the responsibility of the employer to collect from the survivor any premium due in excess of the contracted employer share.

The employer can submit a request to CalPERS to cancel a survivor's health benefits if the survivor fails to make any payments or stops making payments. The employer must do the following before requesting a cancellation:

- 1) Send a minimum of two certified letters to the survivor clearly stating that their benefits will be cancelled for non-payment if they do not submit payment. At least one of these letters must include a return receipt.
- 2) Provide the survivor ample time to respond between each notice.
- 3) Submit a copy of the letters sent to the survivor and return receipt(s) to CalPERS by mail or fax requesting a cancellation due to non-payment.
- 4) CalPERS will process a health cancellation effective the 1st of the month following the date the employer submits the cancellation request with all required documents to CalPERS.

## Billing Instructions

### What You Are Billed

Employers are billed on a monthly basis for the following:

Billed	For	Note
Full premium	Active employees	Member share of premium is collected by employer
Employer contribution	Retirees/Survivors (CalPERS or CalSTRS)	Member share of premium is deducted from member's monthly warrant
Full premium	Retirees/Survivors (Other Non-PERS)	Member share of premium is collected by employer
Full premium	Survivors without an allowance	Member share of premium is collected by employer
Administrative fee	All subscribers, including active employees and retirees/survivors	Administrative fee is calculated on Total Active and Retired Premium

### myCalPERS Transaction Cutoff Dates

For public agencies and school employers, cutoff dates change each month. The cutoff dates are published annually in a Circular Letter. Circular Letters are emailed within Employer Bulletins to those who subscribe.

Transactions processed after the cutoff dates will be reflected on a subsequent Health Premium Statement.

### Health Premium Statement

Health Premium Statements are available in myCalPERS on or about the 15th of each month. For employers who have selected "Mail" as the Preferred Communication, a copy of the statement will also be mailed on or about the 15th. **Payment is due in full by the 10th of the following month.** If the 10th falls on a holiday or weekend, payment is due on the last business day prior to the 10th. Interest will be assessed on late payments (California Code of Regulations section 599.515).

## Billing Instructions, Continued

### Delinquency

Payment is to be paid as billed and on time or the agency will be placed in **delinquent status** and subject to interest, penalties, premium deposits, and/or termination.

CalPERS has the authority to impose interest penalties pursuant to Gov. Code section 22899:

*(c) If a contracting agency fails to remit the contributions when due, the agency may be assessed interest at an annual rate of 10% and the costs of collection, including reasonable legal fees, when necessary to collect the amounts due. In the case of repeated delinquencies, the contracting agency may be assessed a penalty of 10% of the delinquent amount. That penalty may be assessed once during each 30-day period that the amount remains unpaid. Additionally, the contracting agency may be required to deposit one-month's premium as a condition of continued participation in the program.*

CalPERS also has the authority to terminate an agency's health resolution pursuant to Gov. Code section 22939: *The board may terminate the participation of a contracting agency if it fails for three months after a demand to perform any act required by this part or by board rules or regulations.*

### Reconcile Your Statement

The Monthly Employer Billing Roster is located within the Billing and Payment Summary section in myCalPERS and provides a detailed listing of health premiums billed, including adjustments, for both active and retired subscribers. Ensure that eligible members are enrolled in coverage and that their enrollment information, such as retirement system and medical group, is accurate.

Once you download your Monthly Billing Roster in the HTML format, you can format it into PDF, XML, or Excel. In the upper left side, select the **Run as** icon (right-facing arrow in a circle), then choose the format from the drop-down list.

**Any discrepancies or errors will be adjusted on a future statement. You must pay the total amount billed to avoid interest and penalties.**

If you have any questions with reconciling your health statement, refer to the [Health Billing Reconciliation \(PDF\)](#) student guide or contact CalPERS at **888 CalPERS** (or **888-225-7377**).

## Billing Instructions, Continued

### Remitting Payment by Electronic Funds Transfer (EFT)

Effective 1/1/2018, all payments must be made via EFT.

- Establish an EFT account in myCalPERS
- Notify your bank that the CalPERS ACH ID number (**1946207465**) is assigned as an approved payee
- If the EFT payment is submitted before 5 p.m., allow two banking days prior to the due date for payments to be received by CalPERS on time

### Multiple Accounts

When submitting your remittance through EFT, you must complete separate transfers for each account.

### Resources

If you have any questions or need assistance setting up your EFT account in myCalPERS, refer to the [myCalPERS Electronic Funds Transfer \(PDF\)](#) student guide or contact CalPERS at **888 CalPERS** (or **888-225-7377**).

## Resources

### General Resources

- Obtain information on the [CalPERS](#) website
  - View and download single health forms/publications, current/archived Circular Letters, and Health Plan Evidence of Coverage
  - Sign up for CalPERS Employer Bulletins through the [Email Subscriptions](#) page
  - [Open Enrollment for Employers](#) and [Open Enrollment for Active Members](#) information
  - View health plan premium rates, eligibility, and enrollment information
  - Use the Health Plan Search by ZIP code
  - Find a Medical Plan
  - View the Video and Web Event Center
  - [myCalPERS Student Guides & Resources](#)
    - [myCalPERS Health Enrollment](#)
    - [myCalPERS Health Dependent Eligibility Verification](#)
  
- Contact the CalPERS Customer Contact Center at **888 CalPERS** (or **888-225-7377**) for assistance with:
  - Completion of the enrollment form
  - Health-related questions
  
- Receive a bulk order of CalPERS health forms and publications by sending a request by [email](#).

# Health Education and Events

## Employer Education

[Business Rules & myCalPERS Classes](#) will assist you with your CalPERS health-related obligations.

### CalPERS Business Rules Instructor-Led Classes

The **Health Business Rules** class provides guidance on the laws and business rules associated with our health program. Gain knowledge about the CalPERS health benefits guides, health plan options, eligibility and enrollment requirements, health benefits into retirement, HBO reporting responsibilities, and resources on our website.

### myCalPERS Instructor-Led Classes

The **myCalPERS Health Enrollment** class provides a hands-on experience to learn how to view health enrollment details, search for a plan and provider by ZIP code, process health transactions, and run health reports. By request, non-PERS and CalSTRS health scenarios and billing reconciliation will be covered.

### Registration & Resources

Select the Education tab in [myCalPERS](#) to enroll in CalPERS health classes. Visit our [Employer Education](#) webpage for more information.

### Contact the Employer Educators

Email training questions or requests to [CalPERS employer education](#) mailbox.

### Resources

- [myCalPERS Student Guides & Resources](#)
  - [myCalPERS Health Enrollment \(PDF\)](#)
  - [myCalPERS Health Billing Reconciliation \(PDF\)](#)
  - [myCalPERS Health Aid: Health Event Types and Reasons for Employers \(PDF\)](#)
  - [myCalPERS Health Contract \(PDF\)](#)

### CalPERS Educational Forum

This annual employer event occurs every fall. The forum provides the opportunity to get the most up-to-date CalPERS information, attend classes, and talk to CalPERS Board members and team members. To be placed on our direct mailing list, please email your request to [Educational Forum](#) mailbox.

### Member Education

[Member education](#) workshops will help your employees understand their health benefits.



## Health Education and Events, Continued

### Webcasts

Visit our website at [www.calpers.ca.gov](http://www.calpers.ca.gov) to see a list of our upcoming webcasts. Monthly webcasts are saved on our [CalPERS Videos YouTube channel](#) for future viewing. For health-specific videos, enter **health** in the search.

### CalPERS Benefits Education Events (CBEEs)

These free educational events about CalPERS benefits and programs are for all employees. CBEEs provide informative classes, such as CalPERS health benefits for those early to mid-career and CalPERS health benefits into retirement for those nearing retirement.

Your employees will have the opportunity to speak with CalPERS representatives and partner organizations and ask questions about their benefits. They will be provided instructional steps needed for the next phase of their career.

Visit [CalPERS Benefits Education Events](#) for more information. Registration is available approximately four to six weeks before each event.

### Member Education Bulletin

CalPERS email subscriptions are your direct link to the latest CalPERS news and free educational opportunities. Subscribe to the Member Education Bulletin to help you and your employees know about the next member education offerings such as, webcasts, instructor-led classes, and CBEEs.

To receive educational event notifications in the future, your employees can subscribe to our Member Education Bulletin. To do so, visit our [website](#) and scroll down to the **Subscribe** section and follow the simple steps to complete your subscription. Subscriptions are also available for Board Meeting Notice & Agenda Alerts, Employer Bulletin, and CalPERS News.

**This Page Intentionally Left Blank**