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HR/BENEFITS 2000-16

To: Human Resources Directors
Benefits Officers

From: *Cathy Robinson*
Cathy Robinson, Senior Director
Human Resources Administration

Subject: 2001 PLAN CHANGES FOR PERSCARE AND PERS CHOICE

The California Public Employees' Retirement System (CalPERS) has announced significant changes to the PERSCare and PERS Choice Health Plans. These changes, effective February 1, 2001 affect co-payments, deductibles and monthly premium rates.

Employees currently enrolled in these plans or who selected one of these plans effective January 1, 2001, will be allowed an opportunity to disenroll as a PERSCare or PERS Choice member during a special Open Enrollment period beginning December 16, 2000 and ending January 31, 2001. Please be advised that we have requested an enrollment extension to February 16, 2001 on behalf of California State University (CSU) employees; however, this request has not yet been granted. If the extension is approved, Open Enrollment Health forms must be received by CalPERS no later than February 16, 2001; otherwise, the deadline is January 31, 2001. For ease of processing, it is requested that you submit forms on a "flow" basis. We will advise you as soon as possible whether or not the extension has been granted.

CalPERS will mail a Health Benefit Information packet to current enrollees, detailing the PERSCare and PERS Choice changes. Employees who choose a different health plan will be **enrolled with an effective date of February 1, 2001**. Highlighted below are some of the significant changes affecting plan members.

The following changes apply to the PersCare plan only:

- The 10% co-insurance payment for office visits has been replaced by a \$20 office visit co-payment. Office visit co-payments are not subject to the deductible.

(over)

All With Attachments

Distribution:

CSU Presidents
Vice Chancellor, Human Resources
Associate Vice Presidents/Deans, Faculty Affairs
Director, SOSS
Payroll Managers

- In addition to member co-payments, a Hospital Admission deductible in the amount of \$250 is now required.
- Monthly insurance premiums have been increased by an additional 5.2%. Please see the chart below for adjusted premium amounts and out-of-pocket costs.

2000-2001 Premium Chart	January 1, 2001 Monthly Rates			February 1, 2001 Monthly Rates			Change
	PERSCare	EMPL.	EE + 1	EE 2 +	EMPL.	EE + 1	
Premium Rates	343	686	892	361	722	939	5.2%
Employer Contribution (except R06)	201	382	488	201	382	488	
Employee Premium Cost	142	304	404	160	340	451	
Premium Rates	343	686	892	361	722	939	5.2%
Employer Contribution – R06 only	206	392	508	206	392	508	
Employee Premium Cost	137	294	384	155	330	431	

The following plan changes apply to PERS Choice members only:

- The \$10 co-payment per office visit has been increased to \$20.

The following plan changes apply to PERSCARE and PERS Choice members:

- The annual maximum deductibles have been doubled. The new maximum deductible is \$500/Individual and \$1,000/Family.
- In addition to member co-insurance, an Emergency Room \$50 co-payment is now required. It is waived if a member is admitted to hospital.
- The co-payments for the Prescription Drug plan, which is administered by Merck-Medco for PERSCare and PERS Choice members, have also been adjusted. In addition, a three (3) tier co-payment plan has been implemented.
 1. Co-payments for prescriptions purchased from a Retail Pharmacy for a one (1) month supply are as follows:
 - ✓ Generic: \$5 co-payment
 - ✓ Formulary brand name: \$15 co-payment
 - ✓ Non-formulary brand name: \$30 co-payment

(Continued)

2. Co-payments for prescriptions purchased from the Mail Order Program for a ninety (90) day supply are as follows:
 - ✓ Generic: \$10 co-payment
 - ✓ Formulary brand name: \$25 co-payment
 - ✓ Non-formulary brand name: \$45 co-payment

In addition, there is a \$1,000 annual co-payment maximum on prescription drugs purchased through the Mail Order Program. When the member has met the maximum, the cost for any additional prescriptions will be paid 100% by PERSCare and PERS Choice. This DOES NOT apply to prescription drugs purchased through a Retail Pharmacy.

It is important to note that formulary drugs include medications that are on a list of commonly prescribed drugs that are preferred based on their clinical effectiveness and cost. A list of formulary drugs can be obtained by contacting Merck-Medco at 1-800-316-9178 or by accessing their website at: <http://www.merckmedco.com>.

If you have any questions, please contact the systemwide Human Resources office at (562) 951-4411. This Technical Letter is also on the Human Resources Administration's web site at: <http://www.calstate.edu/tier3/HR-Adm/memos.html>.