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HR/Benefits 2001-19

To: Human Resources Directors
Benefits Officers

From: Cathy Robinson, Senior Director
Human Resources Administration

Subject: CalPERS Health Plan Zip Code Enrollment Policy Change

In an effort to make more health plan choices available to members who have been impacted by HMO withdrawals, the CalPERS Board has adopted a policy change to allow health plan subscribers the choice to use either their home or work address to enroll in a health plan. This change may expand the choice of health plans available to individuals in some areas. CalPERS has sent notification to all subscribers explaining this change. A summary is presented below:

1. Who Is Eligible?

All active and retired members who are currently working (i.e. rehired annuitants, FERP participants) are eligible.

2. What is the Impact?

- If a member's work ZIP code is within the service area of a particular plan, but the home address is not, the employee may use the work ZIP code to enroll in the plan.
- One plan must cover all of the family members enrolled. The same address must be used for enrollment in all plans (i.e., the home address cannot be used to enroll in one plan, and the work address used to enroll in another).
- Due to the HMO's restricted network of providers and service areas, depending upon whether the work or home ZIP code is used for enrollment, members should consider travel that may be involved in accessing non-emergency care.
- Some physicians may not be available, or willing to accept new enrollees. Employees should be advised to contact the physician or health plan prior to changing plans.
- Retirees eligible for Medicare Parts A and B cannot enroll in a basic health plan. However, they may enroll in any CalPERS Medicare Supplement plan that is available based upon their home or work address. Retirees should be directed to contact the health plan before changing enrollment to confirm that the plan is available. Health plan availability by ZIP Code can also be obtained by calling CalPERS, or accessing their web site at <http://www.calpers.ca.gov>.

3. What Health Plans are Available?

This information is contained in the CalPERS Open Enrollment Health Plan Decision Guide Book Two (pages 10 and 11), and on CalPERS' web site. Employees may also be referred to the health plan's customer service department, or CalPERS at (800) 352-2238.

Distribution:

CSU Presidents
Vice Chancellor, Human Resources
Payroll Managers
Director, SOSS

4. **What is the Process and Deadline?**

- ❑ *Open enrollment is being extended from October 31, 2001 to November 2, 2001.* Active and retired working employees may use this expanded choice to make changes to their plan selection for Calendar year 2002. *Employees have until November 2, 2001 to submit change requests. Campuses have until November 15, 2001 to submit documents to CalPERS.* However, it is strongly suggested that campuses encourage employees to *submit documents as soon as possible to ensure timely processing of change requests.* Please note, however, the deadline for rescinding normal enrollment documents is still December 31, 2001.
- ❑ Individuals who have already submitted Open Enrollment plan changes based on the old policy and wish to select another health plan based on the new policy may rescind the pending change by submitting a *new* plan change request. *The new request and rescission of the old request must be submitted to CalPERS by November 2, 2001.* Note, this pertains only to those transactions that are based on a decision to use the CalPERS' new policy, and are undertaken to change a pending Open Enrollment transaction. Benefits Officers should facilitate change requests for active employees. Retirees who are working should be referred to CalPERS' Customer Contact Center at (800) 352-2238 for over-the-phone change requests.
- ❑ Written forms may be used for plan changes. If campuses choose to use written forms, use the same enrollment documents that apply to all Open Enrollments (i.e., for active employees use the "*Health Benefits Enrollment Form*"; for working retirees use the "*Open Enrollment Change Request Form*"). The home address should still be used on the forms. The work ZIP code must be submitted using the "*Employer ZIP Code Election*" form, which was distributed as an attachment to the CalPERS Circular Letter.

5. **Can Changes be Elected in the Future?**

Health plan changes based upon home or work ZIP codes can be made during any annual Open Enrollment period. Outside of open enrollment, changes can also be made whenever an employee changes home address, or place of employment. However, changes outside of Open Enrollment must be made within 60 days of an address or employment change. These changes would become effective the first of the month following the change request.

CalPERS has emphasized that Benefits Officers should still enter a transaction for CSU employees who lose HMO coverage and only have PERS Choice and PERSCare health plans available to choose from. This will allow early notification of the plan and early issuance of enrollment cards. If this is not done, the employee will automatically be placed in PERS Choice plan on December 10th. This may delay the issuance of enrollment cards and impact the accessibility of health care for these individuals. If you have any questions, please contact Felice Bakre in Systemwide Human Resources at (562) 951-4410. This Technical Letter is also available on Human Resources Administration's web page at <http://www.calstate.edu/HRAdm/memos.shtml>.

CR/fb

Cc: John Rice, CalPERS