The California State University
Office of the Chancellor
400 Golden Shore
Long Beach, CA 90802-4275
(310) 985-2689

Date: November 18, 1996

To: Personnel Directors
   Benefits Officers

From: Cathy Robinson, Senior Director
      Human Resources Administration

Subject: NEW VISION CARRIER

As the result of a competitive bid, the CSU vision plan will change carriers effective January 1, 1997. The new carrier is CPIC Life Insurance Company (a subsidiary of Blue Shield of California) with claims administration by Medical Eye Services (MES).

The CSU plan will retain the same basic and video display terminal (VDT) benefits and frequency of service provisions. Claims information is being transferred from VSP to CPIC Life/MES so that an employee will be eligible for the annual vision exam twelve months from the date of the last eye examination under VSP. Lenses and frames or contact lenses will be available after twenty-four months from the date of the last pair provided under VSP. (As before, if there has been a significant change in prescription, the employee will be eligible for new lenses after twelve months.) In addition, the CSU plan has been amended so that the benefit for cosmetic contact lenses is the same regardless of whether the employee uses a participating provider or a non-participating provider.

On approximately December 15, each campus will receive a supply of CPIC Life/MES vision certificate/booklets, claim forms and participating provider lists. Prior authorization for service is not required except for the special “low vision” benefit. To make a claim, employees and/or dependents must obtain a claim form from the campus and present it at the time of the initial appointment(s). The participating provider will verify benefits and eligibility and obtain authorization from MES. However, if service is rendered by a non-

(Over)

Distribution:
Presidents
Vice Chancellor, Human Resources and Operations
Payroll Supervisors
Employee Relations Designees
participating provider, the employee must pay the bill and submit the claim form to MES with a copy of the prescription(s) for reimbursement up to the non-participating provider allowances.

Many of the current providers for the CSU plan will be participating providers under the new CPIC Life contract. In addition, the CPIC Life/MES participating provider network includes larger numbers of ophthalmologists and over 1,000 dispensing opticians.

Covered employees may want to check to see if their current providers are CPIC Life/MES participating providers because the highest benefits are received when using a participating provider. A note regarding the change of carrier will be included on employees' January 1, 1997 pay stubs.

The CSU continues to pay the full cost of this benefit as follows:

<table>
<thead>
<tr>
<th>Deduction Code</th>
<th>Category</th>
<th>Premium</th>
</tr>
</thead>
<tbody>
<tr>
<td>450-003</td>
<td>Monthly (Regular)</td>
<td>$11.92</td>
</tr>
<tr>
<td>450-997</td>
<td>Annual Premium (FERP or Lecturers)</td>
<td>$143.04</td>
</tr>
</tbody>
</table>

The COBRA premium rate will be $12.16 per month.

If you have any questions, please contact Felice Bakre at (310) 985-2669. Thank you.

CR/pb