



Health Benefits Circular Letter

REVISED

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Circular Letter: 600-022-17
Distribution: Special

To: All PEMHCA Contracting Agency Health Benefits Officers,
Assistant Health Benefits Officers, Health Enrollment, and
Health PA Billing Contacts

Subject: CalPERS Contracting Agency Administrative Fee for Fiscal Year
2017-18, Contribution Change Process, and Termination Process

**Administrative
Fee for Fiscal Year
2017-18**

The purpose of this circular letter is to provide an update and correction to the information regarding the 2017-2018 agency administrative fee that was presented in Circular Letter 600-022-17. Effective July 1, 2017, the CalPERS Board of Administration set the Public Employees' Medical and Hospital Care Act (PEMHCA) administrative fee at 0.33 percent (.33%). The administrative fee is calculated on total active and total retired health premiums each month.

NOTE: The new administrative fee becomes law upon passage of the State of California budget for the Fiscal Year 2017-18. If the budget is not passed until after the release of this Circular Letter, the new administrative fee will be reflected on a future health premium statement and on a prospective basis only. No retroactive adjustment will occur.

**Contribution
Change Process**

Contracting agencies that wish to revise their monthly employer health contribution must submit a *change resolution*. Change resolutions are effective the first day of the second month following receipt by CalPERS; therefore, they must be filed with CalPERS by November 30, 2017, to be effective on January 1, 2018.

Please contact our Employer Contact Center at **888 CalPERS** (or **888-225-7377**) and request a call back from our Health Contracts Unit to obtain the necessary change resolution template.

Termination Process

Contracting agencies may elect to terminate their participation in PEMHCA by filing a *termination resolution* passed by a majority vote of their governing body. Termination resolutions must be filed with CalPERS no later than 60 days after the CalPERS Board approves the health premiums for the new contract year.

Termination resolutions must be received by CalPERS no later than Monday, August 21, 2017, at 5:00 p.m., to be effective on January 1, 2018. Termination resolutions are irrevocable once filed. Terminated agencies may not re-enter PEMHCA for five years from the termination date.

Please contact our Employer Contact Center at **888 CalPERS** (or **888-225-7377**) and request a call back from our Health Contracts Unit to obtain the necessary change resolution template.

2017 Health Billing Cut-Off Dates

Attached is a copy of the Health Billing Cut-Off Dates for health coverage months July 2017 through January 2018, for contracting school districts and public agencies.

All employers must key and submit transactions by 11:59 p.m. on the cut-off date for each billing month. If a school district or public agency keys and submits a transaction after the cut-off date, the transaction will appear on the subsequent month's statement. Employers must verify all transactions within my|CalPERS to ensure they have been accurately uploaded.

How Payments Are Applied

Please follow these steps to ensure your payments are applied accurately and timely:

If ...	Then ...
Paying by check	Complete the Remittance Slip on the last page of your monthly Health Premium Statement and return with your payment.
Paying by Electronic Fund Transfer (EFT)	Log into my CalPERS at my.calpers.ca.gov and follow the prompts on the <i>Payment Summary</i> page.

**How Payments
Are Applied
(Continued)**

Underpayments:

The Total Payment Due includes the current Receivable ID, any past due Receivable ID(s), and assessed interest from any prior delinquent month(s). If you do not pay the full amount provided under Total Payment Due of your billing statement, CalPERS will apply the payment we receive to the current period only and not to any past due amounts.

If you want to have your payment applied to a prior delinquency, you must specify the Receivable ID to which your payment should apply. Unless you specify the Receivable ID to which your payment should apply, we will continue to assess interest on the delinquent receivable.

If you provide documentation that confirms a payment was received on-time and in full, the interest will be reversed.

Overpayments:

If you overpay the Total Payment Due amount when there is not a past due Receivable ID, the current Receivable ID will be paid and closed and credit will be applied to a future Receivable ID.

**Interest on Late
Payments**

Payment must be received by the 10th day of each month. If the 10th day falls on a weekend or holiday, then payment must be received by the preceding business day. Interest is assessed on the unpaid receivable balance beginning on the 11th day of the month at an annual rate of 10 percent until paid in full. Please refer to Circular Letter #600-026-15 at www.calpers.ca.gov for additional information regarding interest and delinquency.

**Key Points in
Reconciling**

Contracting school districts and public agencies are strongly encouraged to reconcile their monthly statements to ensure all enrollments are accurately reflected for active and retired members. Reconciliation ensures that employers are accurately billed, only eligible members are receiving benefits, and CalPERS has the ability to negotiate lower health care premiums. Below are helpful reminders for a successful reconciliation.

- Submit approved resolutions for contract changes in a timely manner
- Report health enrollment transactions accurately and timely to ensure transactions will be reflected on the statement (refer to Circular Letter #600-001-17 at www.calpers.ca.gov)

**Key Points in
Reconciling
(Continued)**

- Confirm health enrollment changes by utilizing the Monthly Employer Billing Roster in my|CalPERS
- Reconcile the monthly statement to the Monthly Employer Billing Roster to ensure coverage of eligible members only, and the accuracy of their retirement system and medical group enrollment
- Key permanent separation dates of members or deletion of dependents in my|CalPERS in a timely manner to receive the allowed maximum refund (six months) of health premiums (refer to Circular Letter #600-215-05 at www.calpers.ca.gov)
- Pay each statement on time and as billed, including assessed interest and penalties; any adjustments will reflect on a future statement
- There are now 2 PA Billing contacts. Ensure that there is a Health PA Billing – PERS and/or Health PA Billing – Non-PERS contact listed for your agency. If you need to add one, please select “Primary Contact” to ensure proper delivery of the monthly statement.

Questions

We look forward to continuing our relationship with you in 2018. If you have any questions regarding the information provided in this Circular Letter, please contact our Employer Contact Center at **888 CalPERS (888-225-7377)**.

Liana Bailey-Crimmins
Chief Health Director

Attachment:
2017 Health Billing Cut-Off Dates, Contracting School Districts and Public Agencies