

# CalPERS Dependent Eligibility Verification Project School Employer Advisory Committee

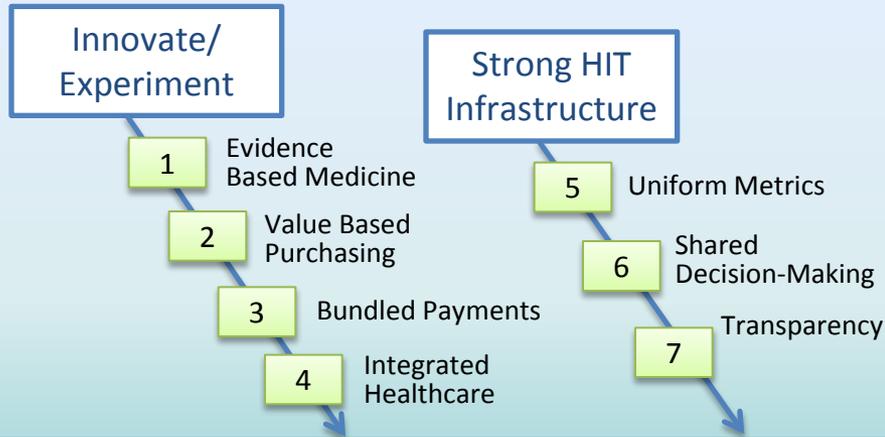
May 8, 2013

# Agenda

- Health Benefits Purchasing Review/DEV Project Background
- Milestones
- Amnesty and Verification Process
  - Roles and Responsibilities
- Reason Codes
- Employer and Member Communications
- Next Steps
- Verification Periods, Timelines, Notifications
- Questions and Answers

# Multiple strategies will engage participants across the healthcare ecosystem

## Influence Healthcare Delivery



## Improve Health Outcomes

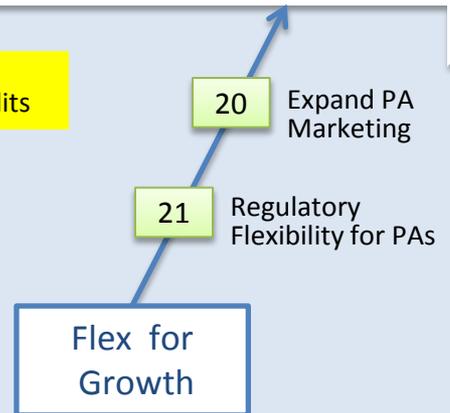
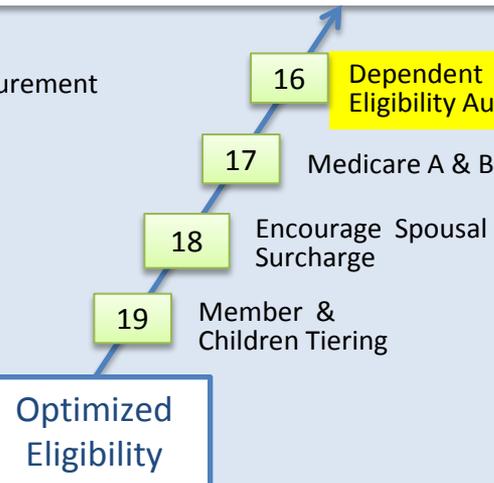


...2012...

## CalPERS Health Benefits

...2015...

## Deliver Sustainable Programs



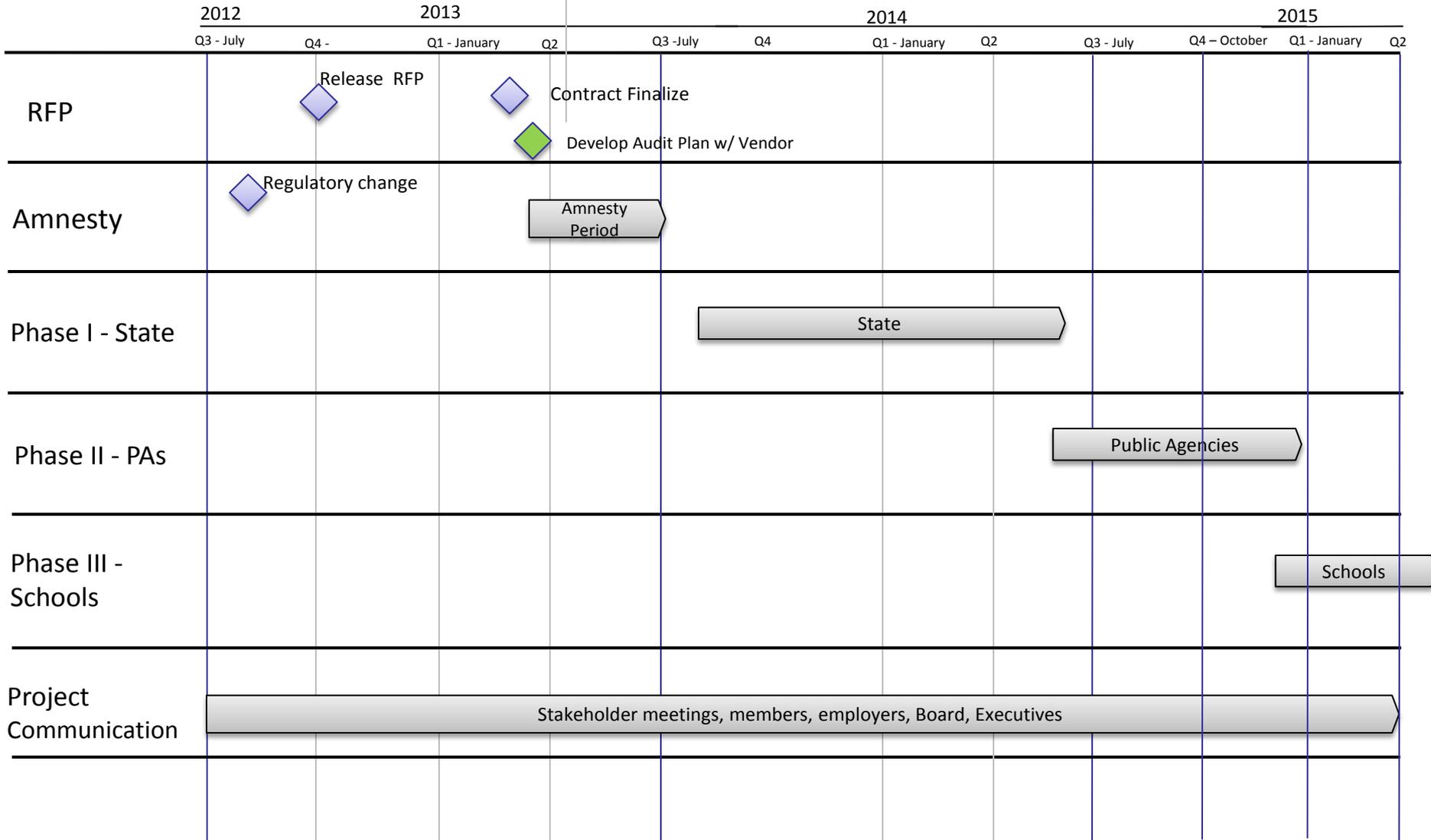
# DEV Project Planning and Background

- Over the years, many other states, universities, and businesses have conducted dependent eligibility audits
- Research shows 4% - 8% of dependents on employer-sponsored health plans may not be
- Amnesty – Best practice from other states – general experience is 1%-2% voluntary disenrollment
- Regulatory language

## Milestones Achieved to Date

- Vendor RFP and contract discussion
- Amnesty regulations (approved 2/22/13)
- DEV Project communications (late Feb 2013)
- New Reason Codes (effective March 4, 2013)
  - Prospective disenrollment and COBRA eligibility

# Project Timeline



# Amnesty and Verification Process

Responsible Party	Phase	Action	Member Group
CalPERS	Amnesty	Amnesty communication Remove ineligible dependents	Actives/Retirees Retirees
Employers	Amnesty	Amnesty communication to employees Remove ineligible dependents	Active employees
HMS	Verification	Member communication Conduct verification Web portal for employers Disenrollment data to CalPERS	All members
Employers	Verification	Obtain reports from HMS portal Remove ineligible dependents	Actives
CalPERS	Verification	Provide disenrollment data to employers (if applicable) Remove ineligible dependents	Actives Retirees

# Reason Codes

- CalPERS has developed 3 new reason codes (effective March 2)
  - 326 (Amnesty Period) Also available on myCalPERS
    - for use up till June 30<sup>th</sup> only
  - 327 (Verification Period)
    - for use July 1, 2013 through June 30, 2015
  - 173 (COBRA) Applies to amnesty and verification period
    - for use for individuals disenrolled through codes 326&327
- Reason codes are for prospective disenrollments
  - With some exceptions
    - Existing reason codes will apply for regular permitting events

# Communications

- Employers
  - Circular Letter for amnesty & verification periods, new reason codes, sample internal memo (release date 2/26/13)
- Members
  - Amnesty letter and Amnesty Disenrollment Document (released March 26, 2013)
- CalPERS On-Line
  - Member and employer specific FAQs, copies of amnesty letters, Amnesty Disenrollment Document, etc.
    - Employer landing page
    - Member landing page

# Next Steps

- April - June
  - Announce amnesty period
  - Process voluntary disenrollments
    - Actives will submit amnesty document to employers
    - Retirees will remove ineligible dependents online (myCalPERS), by mail, in person, or by calling CalPERS
  - Employer webinars – weekly in May and June

# Verification Period and Population Size

- July 2013 till early June 2014
  - State employees
    - Approximately 222,000 subscribers
      - 142,000 Active Members
      - 80,000 Retirees
    - Includes enrollment in CAHP and CCPOA health plans
- June 1, 2014 till late November 2014
  - Public Agency employees
    - Approximately 99,000 subscribers
      - 70,000 Active Members
      - 29,000 Retirees
- December 1, 2014 till late February 2015
  - School employees
    - Approximately 47,000 subscribers
      - 36,000 Active Members
      - 11,000 Retirees

# State Verification Period

## 5 Cycles

- Cycle 1: Verification letter mail out in late July 2013
- Cycle 2: Sept 2013
- Cycle 3: December 2013
- Cycle 4: February 2014
- Cycle 5: April 2014

Approximately 45,000 members in each cycle.

Timeline may be subject to change

# Public Agency Verification Period

## 3 Cycles

Cycle 1: Verification letter mail out in June 2, 2014

Cycle 2: August 1, 2014

Cycle 3: October 1, 2014

Approximately 33,000 members in each cycle

Timeline may be subject to change

# School Verification Period

## 1 Cycle

Verification letter mail out December 1, 2014

Timeline may be subject to change

# Member Notification during Verification Period

- 1<sup>st</sup> verification letter requesting supporting documents
- 2<sup>nd</sup> verification (if members do not respond to 1<sup>st</sup> letter)
- Confirmation postcard
  - For members who submitted all supporting documentation
- Custom Response letters – includes submitted and outstanding documents needed from member
- Final notice – includes final verification deadline, disenrollment actions, appeal rights
  
- After employer/CalPERS removes ineligible dependents, myCalPERS will auto generate a notice to members which informs them of COBRA

# Employer Notification During Verification Period

CalPERS will update employers via circular letters, ebulletins, and CalPERS Online (FAQs)

Webinars will be available for employers and HMS will provide further details and instructions throughout each cycle

- How to access website to view your employees information

- Generate reports for your agency

## IMPORTANT:

Please be sure to update on mycalpers your most current information for HBO contact and email addresses.

HMS will use this create your agency profile and for HBO to have access to log-in to the website to obtain your employees information.

# Questions