



MEMORANDUM

DATE: 09/10/2012
TO: Personnel Management Liaisons (PML)
FROM: **Lisa Hatten, Program Administrator**
Benefits Division
(916) 445.9795; FAX (916) 322.3769

Lisa.Hatten@calhr.ca.gov

SUBJECT: 2012 Open Enrollment Period for Dental, FlexElect, and Consolidated Benefits (CoBen) Programs, 2012 Dental and Vision Plan Premiums, and 2013 CoBen Allowance

REFERENCE #: 2012-035

This memorandum should be forwarded to:

Personnel Officers
Personnel Transactions Supervisors
Personnel Transactions Staff

This memo provides important information on the 2012 Open Enrollment for the Dental, FlexElect, and CoBen Programs, 2013 Dental and Vision plan premiums, and 2013 CoBen allowance. Please make sure employees know about the open enrollment period and the information contained in this memo.

The following attachments are provided to distribute to employees:

Attachment A - Memorandum to All State Employees (Open enrollment)

Attachment B - Dental and Vision Plan Options and Benefit Cost Comparison

Attachment C - 2013 Dental and Vision Plan Premiums

Attachment D - 2013 Dental and Vision COBRA Group Continuation Coverage Premiums

OPEN ENROLLMENT

Open Enrollment for Dental, FlexElect, and CoBen is September 10 through October 5, 2012. Enrollments and changes made during this period are effective January 1, 2013. For dental, eligible employees may enroll, cancel, or change plans, and add/delete dependents. For FlexElect and CoBen, eligible employees may enroll, cancel, or change their current options. No action is necessary for currently enrolled employees who don't want to change their FlexElect Cash Option, CoBen Cash Option, and/or dental enrollment. However,

Permanent Intermittent (PI) employees must re-enroll in the FlexElect/CoBen Cash Option during open enrollment if they want to remain in the program next year. Additionally, employees who want to continue enrollment next year in a FlexElect Reimbursement Account must re-enroll during open enrollment. Please note that the yearly amount for the FlexElect reimbursement accounts has been reduced to \$2,500 per year for 2013. Please refer to the FlexElect handbook for specific details.

Employees with dependents up to the age of 26 will have an opportunity to add those dependents on their plans during this open enrollment period.

Completing the Open Enrollment Forms

Use the following information to complete open enrollment forms:

Permitting Event Date: Dental Elections – 9/10/12

Note: No permitting event date is needed for FlexElect and CoBen cash enrollment documents

Effective Date: Dental/FlexElect/CoBen Cash – 1/1/13

Permitting Event Codes:

Dental

03 – New Enrollment

15 – Add or Delete Dependents (May use one form for this type of transaction)

28 – Change of Plan

29 – Change of Plan and Add or Delete Dependents
(May use one form for this type of transaction)

FlexElect/CoBen – Leave permitting event code blank

Deadlines:

10/5/12 Last day for employees to sign and submit open enrollment forms to personnel offices.

10/19/12 Last day for personnel offices to receive enrollment forms (as shown on enrollment forms).

- 11/5/12 Last day for State Controller's Office (SCO) to receive all open enrollment forms from personnel offices.
- 11/16/12 Last day for SCO to receive open enrollment forms previously returned to departments for correction (in order to be reflected on the January 1, 2013 pay warrant).
- 1/10/13 Last day for SCO to receive FlexElect and CoBen open enrollment forms reflecting cancellation or changes (forms signed/submitted to personnel office by 12/31/12). The effective date will be retroactive to 1/1/13.

DENTAL PROGRAM

Employees who enroll in or make changes to their dental coverage during open enrollment may cancel or change their election until October 5, 2012. A new STD. 692 must be completed and signed by the employee by October 5, 2012. In the remarks section of a new STD. 692, indicate the type of action taken and attach a copy of the original form that was previously sent to SCO during the open enrollment period. Employees may not cancel or change a dental election after the end of the open enrollment period unless they experience a valid change in status. **It is not an option to rescind a dental enrollment/change by submitting a copy of the original STD 692 marked "rescind."**

Eligible employees who are off active pay status during the entire open enrollment period, may contact their personnel office during the open enrollment period to make changes in their dental enrollment or may wait and make changes within 60 days after returning to active pay status.

Dental Carriers

CalHR contracts with Delta Dental, DeltaCare USA, Premier Access, SafeGuard, and Western Dental to provide dental insurance for eligible:

- rank and file employees (except those in Bargaining Unit (BU) 6);
- excluded employees; and
- retirees/annuitants.

The California Association of Highway Patrolmen (CAHP) offers its own indemnity dental plan to BU 5 employees who are CAHP members, but its members may opt to enroll in a State-sponsored prepaid plan. The California Correctional Peace Officers Association

(CCPOA) provides dental insurance to BU 6 employees who are CCPOA dues paying members or those who are under Fair Share. Represented employees in BU 5 and 6 should be advised to contact their Benefits Trust for information regarding their union-sponsored dental plan premiums and benefits. Dental premiums for union-sponsored plans are listed on Attachment C.

Delta Dental Plan Restriction

Except as noted below, employees must enroll in a State-sponsored prepaid dental plan during their first 24 months of State service. At the end of this 24-month period, employees who wish to enroll in the Delta Dental Premier or Delta Dental Preferred Provider Option (PPO) plan have 60 days to do so. Those employees who choose not to enroll in a prepaid plan may elect a Delta Dental plan within 60 days after completing the restriction period, unless they enrolled in the FlexElect or CoBen Cash Option for dental. This enrollment is available outside of the open enrollment period.

The following employees are **not** subject to the 24-month restriction:

- represented employees in BUs 2, 7, 8, 16, 17, 18, and 19;
- excluded employees;
- employees who were previously State employees for 24 consecutive months without a permanent break in service during the 24 months.

CAHP Dental Plan Restriction

Employees in BU 5 who are restricted to a State-sponsored prepaid dental plan must complete 24 months of State service before they are allowed to enroll in the union-sponsored indemnity Blue Cross Dental Plan. At the end of this 24-month period, employees have 60 days to enroll in their union-sponsored Blue Cross Dental plan if they choose to do so. This enrollment is available outside of the open enrollment period.

CCPOA Dental Plan Restriction

Employees in Bargaining Unit 6 (BU 6) who are restricted to the union-sponsored prepaid plan, Western Dental, must complete 12 months in the prepaid plan before they are allowed to enroll in the union-sponsored indemnity dental plan, Primary Dental. At the end of this 12-month period, employees have 60 days to enroll in the union-sponsored indemnity dental plan if they choose to do so. This enrollment is available outside of the open enrollment period.

CCPOA Dental Plan Eligibility

Under agreement between the California Department of Human Resources and The CCPOA Benefits Trust, employees with the California Department of Corrections and Rehabilitation in supervisory (S06), managerial (M06), excluded (E06), or confidential (C06) classifications will now have the option to elect CCPOA Benefit Trust Fund (BTF) dental plans as well as State sponsored dental plans. With this change, rank and file employees in Bargaining Unit 6 who promote will now have the option to remain in their CCPOA plan, or change to one of the excluded classifications designated under BU 6.

Employees in these classifications wanting to change their enrollment into a CCPOA BTF dental plan may do so during the scheduled 2012 open enrollment period occurring September 10 through October 5, 2012.

Questions regarding the CCPOA dental plans, including coverage and benefits questions, must be directed to the CCPOA at 1-800-468-6486.

These provisions do not change the new BU 6 agreement recently approved by the Legislature, which requires non-dues paying BU 6 officers be placed in Fair Share. Because of this change, BU 6 officers are no longer eligible to maintain enrollment in a State-sponsored dental plan and must enroll into one of the CCPOA Benefits Trust, union-sponsored dental plans.

Delta Dental 2013 Premiums

Premiums will remain the same for the Delta Premier plan and the Delta Preferred Provider Option (PPO) dental plan effective January 1, 2013. The charts listed below and on the following pages, and in Attachments C and D show the Delta Dental premiums that remain effect January 1, 2013.

Impact on Employees Not in Consolidated Benefits

Employees not in Consolidated Benefits (CoBen), who are enrolled in the Delta Premier and Delta PPO, will see no increase in their out-of-pocket premium on their January 1, 2013 pay warrant (December 2012 pay period).

Impact on Employees in Consolidated Benefits

Represented employees in BUs 2, 7, 8, 16, 17, 18, and 19, and excluded employees are in CoBen. Employees in CoBen pay the total dental premium with their CoBen benefit allowance.

For employees in CoBen, the State's share and employee's share do not apply. Therefore, upon completing dental forms, use the total premium amount as the amount deducted from the employee's CoBen allowance.

Delta Dental Premiums effective January 1, 2013:

Delta Dental Premier Basic Plan for Represented Employees

Coverage	2013 Total Premium	State Share	2013 Employee Share	<u>Employee Share Increase</u>
Employee only	\$54.28	\$40.71	\$13.57	\$0
Employee plus one dependent	\$96.48	\$72.36	\$24.12	\$0
Employee plus two or more dependents	\$140.48	\$105.36	\$35.12	\$0

Delta Dental Premier Enhanced Plan for Excluded Employees

Coverage	2013 Total Premium
Employee only	\$56.55
Employee plus one dependent	\$113.53
Employee plus two or more dependents	\$160.40

Delta Dental Preferred Provider Option (PPO) for Excluded and Represented Employees

Coverage	2013 Total Premium	State Share	2013 Employee Share	Employee Share Increase
Employee only	\$46.09	\$34.57	\$11.52	\$0
Employee plus one dependent	\$91.39	\$68.54	\$22.85	\$0
Employee plus two or more dependents	\$ 138.46	\$ 103.85	\$34.61	\$0

Prepaid Dental Plan 2013 Premiums

Premiums for DeltaCare USA, Premier Access, SafeGuard, and Western Dental will remain the same for 2013. The State will continue to pay 100% of the premium for employees not in Consolidated Benefits (CoBen). For employees in CoBen, the State's share and employee's share do not apply. Therefore, upon completing employees' dental forms, use the total premium amount as the amount deducted from their CoBen allowance.

The following chart and Attachments C and D show the prepaid plans' dental premiums that remain in effect January 1, 2013.

Coverage	SafeGuard Standard	SafeGuard Enhanced	DeltaCare USA	Premier Access	Western Dental
Employee only	\$16.58	\$16.92	\$17.72	\$16.63	\$14.72
Employee plus one dependent	\$26.86	\$28.63	\$29.07	\$26.94	\$24.29
Employee plus two or more dependents	\$37.62	\$35.27	\$40.21	\$37.73	\$34.46

Retroactive premiums for mandatory cancellations and/or deletions to employees' dental coverage will be reimbursed for a maximum period of six months. This limitation impacts all mandatory cancellations and/or deletions to employees' State-sponsored dental coverage. Employees should check their dental coverage and ensure that only eligible dependents are enrolled.

Evidence of Coverage (EOC) Booklets, Participating Dentist Lists, and Membership Cards

It is recommended that a small supply of EOC booklets and participating dentist lists from the dental plans be requested from all of the plans to have available in personnel offices for employees. Please advise those employees in BU 5 and 6 to contact their Benefits Trust for information on claim forms, EOCs, participating dentist lists, or membership cards.

Affidavit for Domestic Partners Being Claimed As Economic Dependent (CalHR 680)

As a reminder, the Affidavit for Domestic Partners or Same-Sex Spouses being claimed as economic dependents (CalHR 680 form) must be completed and retained in the employee's personnel file for employees who enroll domestic partners or same-sex spouses as dependents on their State dental and/or health plans. Dental enrollment forms must note the CalHR 680 is on file to advise the State Controller of this status. The CalHR 680 form is available through the CalHR website. Employees adding domestic partners or same-sex spouses to their plans, when the domestic partners or same-sex spouses are not economic dependents in the employee's household (no CalHR 680 on file), will be subject to the value of the additional benefits received by a domestic partner or same-sex spouse and will be added to an employee's taxable income.

For more information regarding the purpose of the CalHR 680, please refer to the Benefits Administration Manual (BAM) Dental Section 500.

FLEXELECT

The 2013 FlexElect handbook is available and can be downloaded from CalHR's website at www.calhr.ca.gov (click on Publications). Please refer to BAM Section 700 for information regarding FlexElect and processing instructions for open enrollment forms.

When an employee wants to cancel his/her Cash Option enrollment and re-enroll in dental and/or medical coverage, the personnel office needs to ensure that a Cash Option cancellation form is attached to the dental and/or medical enrollment form for SCO processing.

CalHR mails an open enrollment notification to the homes of employees currently enrolled in a FlexElect Reimbursement Account, as a reminder that they must re-enroll during open enrollment if they want to participate in a reimbursement account in 2013. CalHR also sends personnel offices a list of employees in each department who are enrolled in a 2013 FlexElect Reimbursement Account. When possible, CalHR mails the listing to the appropriate field office. Please send employees a reminder that they must re-enroll during open enrollment if they want to participate in a reimbursement account in 2013.

Employees who enroll in or make changes to their FlexElect election during the open enrollment period and employees who are automatically reenrolled into the Cash Option, are allowed by Internal Revenue Code 125 to cancel or change their elections until

12/31/12. A new STD. 701C, STD. 701R, or STD 702 must be completed and signed by the employee by 12/31/12. Once the new plan year begins, employees may not cancel or change their FlexElect/CoBen enrollment unless they experience a valid change in status. If no cancellation of cash in-lieu of dental is received by personnel by 12/31/12, for employees enrolling into cash in-lieu of dental, personnel offices will need to submit a STD 692 to SCO for dental plan disenrollment with an attached copy of the Cash Option enrollment form.

****Reminder:***

State employees who are dependents on their parent's benefits, if their parent is a state employee, are **eligible to receive the FlexElect cash or CoBen cash in lieu of coverage.** This is a change from previous years and brought the State into compliance with the new federal health care reform requirements. Elections for CoBen Cash Option may be done during any open enrollment period.

Consolidated Benefits

All excluded employees and represented employees in BUs 2, 7, 8, 16, 17, 18, and 19 are in CoBen and may be subject to Dependent Vesting.

Dependent Vesting and Rank and File Employee CoBen Allowance Amounts

Dependent Vesting Criteria

New employees who have never had State health benefit eligibility may be subject to dependent health vesting. Employees in bargaining units that have contracted for dependent vesting are provided with 50% of the employer dependent contribution for the first 12 months, and 75% of the employer dependent contribution for months 13 through 24. After 24 months, these employees will receive the full employer dependent contribution applicable to their bargaining unit.

Bargaining Unit 2 and 7 employees who first become eligible for health benefit enrollment on or after July 1, 2006, and BU 16, 17, 18, and 19 employees who first become eligible for health benefit enrollment on or after January 1, 2007, are subject to a two-year vesting schedule for the health portion of the employer benefit allowance for dependents.

The following are the CoBen allowances, effective January 1, 2013, for employees in BUs 2, 7, 8, 16, 17, 18, and 19. However, the collective bargaining process is fluid and changes may be agreed to which alter these amounts. CalHR will notify departments if there are subsequent changes to these rates.

Units 2, 7, 16, 17, 18, 19 – CoBen Allowance

Employee:	\$544
Employee plus 1 dependent:	\$1,073
Employee plus 2 or more dependents:	\$1,402

Units 2, 7, 16, 17, 18, 19 - CoBen Allowance for Employees Subject to Dependent Health Vesting

	<u>50% Vesting</u>	<u>75% Vesting</u>
Employee, dependent contribution level	\$544	\$544
Employee plus 1 dependent, dependent contribution level	\$825	\$949
Employee plus 2 or more dependents, dependent contribution level	\$1,006	\$1,204

Unit 8 - CoBen Allowance

Employee:	\$575
Employee plus 1 dependent:	\$1,104
Employee plus 2 or more dependents:	\$1,433

Excluded Employees - CoBen Allowance

Employee:	\$577
Employee plus 1 dependent:	\$1,117
Employee plus 2 or more dependents:	\$1,448

As of the date of this PML, the following rates will be effective January 1, 2013. However, the collective bargaining process is fluid and changes may be agreed to which alter these amounts. CalHR will notify departments if there are subsequent changes to these rates.

A new employee must meet *all* of the following criteria to be exempt from dependent vesting:

- Previous appointment date prior to *January 1, 2007* for employees in Bargaining Units 1, 3, 4, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, and 21 and *July 1, 2006* for employees in Bargaining Units 2 and 7;
- Must be a State civil service appointment (UC and CSU appointments are not State civil service); and,
- Employee must have been *eligible* for State health benefits (it does not matter whether or not the employee actually enrolled in health benefits, as long as they were *eligible* to enroll).

When an employee wants to cancel his/her cash option enrollment and re-enroll in dental and/or medical coverage, the personnel office needs to ensure that a cash option cancellation form is attached to the dental and/or medical enrollment form for SCO processing.

Employees who enroll in CoBen Cash Option during the open enrollment period and employees who are automatically re-enrolled in CoBen Cash Option have until December 31, 2012 to cancel their enrollment or make changes.

The 2013 CoBen handbook is available for download from CalHR's website at www.calhr.ca.gov (click on Publications). Please refer to the Benefits Administration Manual Section 1600 for information regarding CoBen and processing instructions for open enrollment forms.

CoBen Calculator

The CoBen Calculator on CalHR's website will help employees determine how much will be deducted from their paycheck, or added to it, based on the health and dental plans chosen. Employees simply click on their health and dental plan choices, and select how many dependents will be covered.

The calculator automatically computes the total cost of the benefits selected and subtracts the amount from the CoBen allowance. The result shows whether the employee will have a monthly benefit deduction or receive extra cash. The CoBen calculator is located at www.calhr.ca.gov (click on Benefits and then click on Health).

VISION PROGRAM

The premium paid to Vision Service Plan (VSP) for basic vision benefits for active employees will remain the same at the rate of \$8.64 and will continue to be fully paid by the State. State employees' vision coverage is automatically established for employees and their eligible dependents, and no form is required to enroll, add, or delete dependents during open enrollment. Therefore, employees need to continue to ensure that only eligible dependents are provided services under their State-sponsored vision plan.

Premier Vision Plan

Effective January 1, 2013, all active State employees (with the exception of rank and file BU 6 employees, as their vision benefits are provided by their trust) are eligible to enroll in the Premier Vision Plan for a small monthly premium. The Premier Vision Plan enables State employees to pay additional premiums to get higher allowances for frames and contacts, fully covered progressive lenses, and more discounts.

The enrollment period is the same as the basic vision plan, during open enrollment or based on an eligible permitting event. Employees will be able to enroll online at www.vsp.com/go/stateofcapremier and complete the online enrollment form, or complete and mail the VSP enrollment form they will receive in the mail, or call VSP directly at 1-800-877-7195 and speak with a member service representative. If the employee chooses to upgrade to the Premier Vision Plan, any dependents they wish to cover must also be enrolled by the employee into the Premier Vision Plan coverage. **They cannot choose to enroll in both the Basic and Premier vision plan coverage at the same time, or split their enrollment leaving any dependents on the basic vision plan.** If the employee chooses the Premier Vision Plan, the additional cost will be deducted directly from their State paycheck. Should an employee turn in the VSP form to their personnel office, please send the form directly to VSP at: VSP Vision Care, attn.: Client Administrative Services, PO Box 997100, Sacramento, CA 95899.

For personnel offices wanting verification of their employees' Premier Vision Plan enrollment in this plan, please either request a copy of the enrollment form from your employee, or have your CalHR eligibility call-in delegate contact VSP. Personnel offices may also contact CalHR at (916) 322-0300 for further assistance on this or other matters related to this plan.

Premier Vision Plan Premiums

The monthly Premier Vision Plan premiums, including employer/employee shares effective January 1, 2013 are:

	Employer Share	Employee Share	Total Premiums
Employee:	\$8.64	\$6.56	\$15.20
Employee plus 1 dependent:	\$8.64	\$13.12	\$21.76
Employee plus 2 or more dependents:	\$8.64	\$21.12	\$29.76

Retiree Vision Program

VSP will notify State retirees and annuitants regarding the Retiree Vision Program Annual Open Enrollment Period, which will coincide with the open enrollment period for Health, FlexElect, CoBen, and Dental benefits. VSP will process all Retiree Vision open enrollment transactions.

PERSONNEL OFFICES

Assistance in the following areas is appreciated and will help make this open enrollment period successful:

- provide a copy of the attached open enrollment memorandum to all employees (Attachment A);

- make Dental, FlexElect, and CoBen Program material available or advise employees how to obtain such material;
- assist employees in completing enrollment/change forms, review, and submit enrollment forms by the due dates listed in this memo; and
- send completed enrollment forms and packages to SCO.

Please assist employees who have questions regarding open enrollment for the Dental, FlexElect, or CoBen Programs. If you need assistance to answer employee questions, please call Lisa Hatten, Benefits Program Manager, at (916) 445-9795.

/s/ Greg Beatty

Greg Beatty
Chief, Benefits Division

Attachment(s)



MEMORANDUM

ATTACHMENT A

DATE: September 2012

TO: State Employees Eligible for Dental, FlexElect, or Consolidated Benefits

FROM: **Lisa Hatten, Program Administrator**
Benefits Division
(916) 445.9795; FAX (916) 322.3769
Email: Lisa.Hatten@calhr.ca.gov

SUBJECT: 2012 Programs, 2013 Dental and Vision Plan Premiums, and 2013 CoBen Allowance Amounts

Open Enrollment for Dental, FlexElect, and Consolidated Benefits (CoBen) is September 10 through October 5, 2012. If you want to enroll in these benefit programs, or make a change to your current enrollment, contact your personnel office for the necessary forms.

Open enrollment forms must be signed and submitted to your personnel office no later than October 5, 2012. All open enrollment actions will be effective January 1, 2013.

You don't need to submit anything if you're not making any changes in your dental coverage or cash options. Permanent Intermittent employees who want to continue receiving the cash option must re-enroll. If you have a FlexElect reimbursement account and want to participate again next year, you need to re-enroll during open enrollment.

If you enroll in a FlexElect Reimbursement Account, FlexElect Cash Option, or CoBen Cash Option during the open enrollment period, or if you are automatically re-enrolled in the FlexElect/CoBen Cash Option, you have until December 31, 2012, to cancel your enrollment or make changes.

Dependent Coverage for Children up to the Age of 26

If you have children, they are eligible for dependent coverage with the Health, Dental, and Vision programs up to the age of 26.

Who is eligible?

Eligible children are defined as natural, adopted, step, or domestic partner's children up to the age of 26.

Who is not eligible?

The spouse of your adult children are not eligible for dependent coverage.

When can I enroll my dependent?

You can enroll your children up to the age of 26 during this Open Enrollment period. The effective date of dependent coverage will be January 1, 2013.

How do I enroll my dependent?

To enroll your child/children in dependent coverage, contact your personnel office. **Please be prepared to provide your child's birth certificate and Social Security number.**

What is the cost of coverage?

When you enroll and add a dependent (regardless of age), the party rate will change from a 1-party premium to a 2-party premium. If you are enrolled in a 2-party plan, adding one or more dependents will change your premium to a 3-party premium. The total premiums are shown in the enclosed rate sheet. Your personnel office will be able to assist you in determining your portion of the health premium. Your basic vision premium is unaffected as the premium is the same regardless of the number of people on your vision plan; however, if you choose to enroll in the Premier Plan for vision, the party rate will change. When you enroll and add a dependent (regardless of age), the party rate will change from a 1-party premium to a 2-party premium. If you are enrolled in a 2-party plan, adding one or more dependents will change your premium to a 3-party premium. The total premiums are shown in the enclosed rate sheet.

For more information

If you need further assistance, please contact your personnel office. For up-to-date information about Health Care Reform, please refer to the National Health Care Reform page at CalPERS On-Line at www.calpers.ca.gov.

DENTAL BENEFITS

Your dental plan options are listed on page 3. Contact your personnel office for a brochure, list of participating dentists, and cost comparison, or call the dental plans. You may also obtain brochures and listings of participating dentists by accessing each plan's website at the addresses listed below.

Retroactive premiums for mandatory cancellations and/or deletions to your dental coverage will be reimbursed for a maximum period of six months. This limitation impacts all mandatory cancellations and/or deletions to your State-sponsored dental coverage. You may want to check your dental coverage enrollment through your personnel office and ensure that only eligible dependents are enrolled.

Delta Dental Plans

Delta Premier and Delta Preferred Provider Option (PPO) 1-800-225-3368
www.deltadentalca.org/state

Prepaid Dental Plans

DeltaCare USA 1-800-422-4234
www.deltadentalca.org

Premier Access 1-888-534-3466
www.socdhmo.com

SafeGuard Dental Plan 1-800-880-1800
www.safeguard.net

Western Dental 1-866-859-7525
www.westerndentalbenefits.com/stateofca

The following charts show Delta's new dental premiums that go into effect January 1, 2013.

Delta Dental Premier Basic Plan for Represented Employees:

Coverage	2013 Total Premium	State Share	2013 Employee Share	<u>Employee Share Increase</u>
Employee only	\$54.28	\$40.71	\$13.57	\$0
Employee plus one dependent	\$96.48	\$72.36	\$24.12	\$0
Employee plus two or more dependents	\$140.48	\$105.36	\$35.12	\$0

Delta Dental Premier Enhanced Plan for Excluded Employees:

Coverage	2013 Total Premium
Employee only	\$56.55
Employee plus one dependent	\$113.53
Employee plus two or more dependents	\$160.40

Delta Dental Preferred Provider Option (PPO) for Excluded and Represented Employees:

Coverage	2013 Total Premium	State Share	2013 Employee Share	<u>Employee Share Increase</u>
Employee only	\$46.09	\$34.57	\$11.52	\$0
Employee plus one dependent	\$91.39	\$68.54	\$22.85	\$0
Employee plus two or more dependents	\$138.46	\$103.85	\$34.61	\$0

Prepaid Dental Plan 2013 Premiums

There will be no increase in premiums for dental benefits. The State will continue to pay 100 percent of the premium for employees not in CoBen. For employees in CoBen, the State's share and employee's share do not apply. Therefore, the total dental premium will be deducted from the monthly CoBen allowance on the January 1, 2013 pay warrant (December 2012 pay period). Prepaid dental plan premiums are reflected below.

Coverage	SafeGuard Standard	SafeGuard Enhanced	DeltaCare* USA	Premier Access	Western Dental
Employee only	\$16.58	\$16.92	\$17.72	\$16.63	\$14.72
Employee plus one dependent	\$26.86	\$28.63	\$29.07	\$26.94	\$24.29
Employee plus two or more dependents	\$37.62	\$35.27	\$40.21	\$37.73	\$34.46

Union-Sponsored Dental Plans: Bargaining Units 5 and 6

The California Association of Highway Patrolmen (CAHP) offers its own indemnity dental plan to BU 5 employees who are CAHP members; however, members may opt to enroll in a State-sponsored prepaid plan. The California Correctional Peace Officers Association (CCPOA) provides dental insurance to BU 6 employees who are CCPOA members.

Employees in BU 5 and 6 should contact their Benefit Trust for information on their union-sponsored dental plan premiums and benefits.

CONSOLIDATED BENEFITS

All excluded employees and employees represented by BUs 2, 7, 8, 16, 17, 18, and 19 are in CoBen. The State provides a benefit allowance to purchase health, dental, and vision benefits. If the total cost of the plans chosen is less than your CoBen allowance, you receive the difference as taxable income. If the total cost of the plans is more than your CoBen allowance, the difference is deducted from your pay warrant pre-taxed.

Employee CoBen Allowance Amounts and Dependent Vesting

Dependent Vesting Criteria

New employees who have never had State health benefit coverage may be subject to dependent health vesting. Employees in bargaining units that have contracted for dependent

vesting are provided with 50 percent of the employer dependent contribution the first 12 months, and 75 percent of the employer dependent contribution for months 13 through 24. After 24 months, these employees will receive the full employer dependent contribution applicable to their bargaining unit.

Bargaining Unit 2 and 7 employees who first become eligible for health benefit enrollment on or after July 1, 2006, and BUs 16, 17, 18, and 19 employees who first become eligible for health benefit enrollment on or after January 1, 2007, are subject to a two-year vesting schedule for the health portion of the employer benefit allowance for dependents.

The following are the CoBen allowance amounts effective January 1, 2013, for employees in BUs 2, 7, 8, 16, 17, 18, and 19.

Units 2, 7, 16, 17, 18, 19 – CoBen Allowance:

Employee:	\$544
Employee plus 1 dependent:	\$1,073
Employee plus 2 or more dependents:	\$1,402

Units 2, 7, 16, 17, 18, 19 - CoBen Allowance for Employees Subject to Dependent Health Vesting:

	<u>50% Vesting</u>	<u>75% Vesting</u>
Employee, dependent contribution level:	\$544	\$544
Employee plus 1 dependent, dependent contribution level:	\$825	\$949
Employee plus 2 or more dependent, dependent contribution level:	\$1,006	\$1,204

The following CoBen Unit does not have dependent vesting:

Unit 8 - CoBen Allowance:

Employee:	\$575
Employee plus 1 dependent:	\$1,104
Employee plus 2 or more dependents:	\$1,433

The CoBen allowance for Excluded employees is determined by CalHR. Effective January 1, 2013, the CoBen allowances for all excluded employees are as follows:

Excluded Employees - CoBen Allowance

Employee:	\$577
Employee plus 1 dependent:	\$1,117
Employee plus 2 or more dependents:	\$1,448

CoBen Calculator

If you are going to make a change in your benefit choices during the open enrollment period, you may want to use the CoBen Calculator on CalHR's Web site, which will help you determine how much will be deducted from your paycheck, or added to it, based on which health and dental plans you choose. You simply click on your health and dental plan choices and how many dependents will be covered.

The calculator automatically computes the total cost of the benefits you select and subtracts them from the CoBen allowance. The result shows whether you will have a monthly benefit deduction or receive extra cash. The CoBen calculator is located at www.calhr.ca.gov (click on Benefits and then click on Health).

CoBen Cash Option

As of the date of this memo, the following rates will be effective January 1, 2013. However, the collective bargaining process is fluid and changes may be agreed to which alter these amounts. CalHR will notify departments if there are subsequent changes to these rates.

If you have health and dental coverage through another source, you may enroll in the CoBen Cash Option. These amounts are \$155 a month in-lieu of health and dental coverage, and \$130 a month in-lieu of health coverage only. To enroll in a CoBen Cash Option, complete a Consolidated Benefits (CoBen) Cash Enrollment Election (STD. 702) form during open enrollment. For details, refer to the 2013 CoBen handbook that is available and can be downloaded from CalHR's website at www.calhr.ca.gov (click on Publications).

FLEXELECT

FlexElect also offers reimbursement accounts that allow you to use pre-tax salary to pay for dependent care and/or medical care that aren't covered by insurance. To enroll in a FlexElect Reimbursement Account, complete a Reimbursement Account Enrollment Authorization (STD. 701R) form during open enrollment. **Please note that the yearly amount for the FlexElect**

reimbursement accounts has been reduced to \$2,500 per year for 2013. Please refer to the FlexElect handbook for specific details which is available and can be downloaded from CalHR's website at www.calhr.ca.gov (click on Publications).

If you have health and/or dental coverage through another source, you can opt for Cash Option in-lieu of your State-sponsored benefit. The FlexElect Cash Option is \$128 a month for health and \$12 a month for dental. To enroll in FlexElect Cash Option, complete a Cash Option Enrollment Authorization (STD. 701C) form during open enrollment.

VISION PROGRAM

The premium paid to Vision Service Plan (VSP) for basic vision coverage will remain at the same rate of \$8.64 and will continue to be fully paid by the State. State employees' vision coverage is automatically established for employees and their eligible dependents and no form is required to enroll, add, or delete dependents during open enrollment. Therefore, employees need to continue to ensure that only eligible dependents are provided services under their State-sponsored vision plan.

Premier Vision Plan

Effective January 1, 2013, all active State employees (with the exception of rank and file BU 6 employees, as their vision benefits are provided by their trust) are eligible to enroll in the Premier Vision Plan for a small monthly cost share. The Premier Vision Plan enables you to get a higher allowance for frames and contacts, fully covered progressive lenses, and more discounts.

The enrollment period is the same as the basic vision plan, during open enrollment or based on an eligible permitting event. You will be able to enroll online at www.vsp.com/go/stateofcapremier and complete the online enrollment form, or complete and mail the VSP enrollment form you will receive in the mail, or call VSP directly at 1-800-877-7195 and speak with a member service representative. If you choose to upgrade to the Premier Plan, any dependents you wish to cover must also be enrolled by you into the Premier Plan coverage. **You cannot choose to enroll in both the Basic and Premier vision plan coverage at the same time, or split your enrollment leaving any dependents on the basic vision plan.** If you choose to use a paper enrollment form to enroll into this plan, please send the form directly to VSP at: VSP Vision Care, Attn: Client Administrative Services, PO Box 997100, Sacramento, CA 95899.

If you choose the Premier Vision Plan, the additional cost will be deducted directly from your State paycheck.

Premier Vision Plan Employee Share

The monthly Premier Vision Plan employee premium share effective January 1, 2013 is:

Employee	\$6.56
Employee plus 1 dependent	\$13.12
Employee plus 2 or more dependents	\$21.12

COBRA CONTINUATION COVERAGE ENROLLEES

COBRA enrollees have the same rights as active employees to make allowable changes to their coverage during the annual open enrollment period. Specific instructions will be sent to all COBRA enrollees in dental coverage by CalHR prior to the beginning of the open enrollment period.

To learn more about Dental, FlexElect, Vision and CoBen or for questions regarding the 2013 open enrollment period, please contact your personnel office. You may also visit CalHR's website at www.calhr.ca.gov (click on Employees, and then Benefits).

Your Dental and Vision Plan Options

Prepaid Plans

DeltaCare USA, SafeGuard, Premier Access and Western Dental

Prepaid plans provide services through member dentists throughout California. (These plans are not available outside of California.)

Monthly premiums are fully paid by the State. You have no monthly premiums, deductibles, or maximum annual benefit limits. Many services are provided at low or no cost to you. You may change dentists upon request and/or change plans if you move and your plan is no longer available. If you need emergency dental work and are outside of your service area (50 miles from your residence), you may go to any dentist for the relief of pain and be reimbursed up to \$400 per calendar year. For more information or a list of member dentists, contact the plans at: DeltaCare USA 1-800-422-4234, or visit www.deltadentalca.org and SafeGuard 1-800-880-1800, or visit www.safeguard.net, Premier Access 1-888-534-DHMO (1-888-534-3466) or visit www.socdhmo.com, or Western Dental 1-866-859-7525 or visit www.westerndentalbenefits.com/stateofca.

Indemnity Plan

Delta Dental Premier - Group #9949

Delta Premier features full access to specialty care and guaranteed benefits through member dentists. However, you can see any dentist worldwide and still be covered, although your out-of-pocket costs may be higher. For more information, contact Delta Dental at 1-800-225-3368 or visit www.deltadentalca.org/state.

Preferred Provider Option Plan

Delta Dental Preferred Provider Option (PPO) - Group #9946

Delta Preferred Provider Option (PPO) provides services through its network of participating dentists, although you may use non-PPO dentists worldwide. If you receive services outside of the PPO network, your out-of-pocket costs will be substantially higher. Please note that not all Delta Premier dentists are members of the PPO network; however, you can see the Delta dentist of your choice and still be covered.

The advantages of being enrolled in the PPO dental plan are that your treatment costs are based on a discounted fee agreement between Delta and the PPO provider. This fee agreement will result in lower out-of-pocket costs to you when you visit a PPO network dentist. Additionally, for rank and file employees, the maximum annual benefit available to dependents is \$2,000 when using a dentist who's a member of the PPO network, compared to a \$1,000 yearly maximum under Delta Premier. PPO offers a \$2,500 lifetime benefit for

dental implants and a third cleaning for high-risk patients. Generally, high-risk patients include pregnant women, cancer chemotherapy patients, and persons with compromising systemic diseases such as diabetes, AIDS, or endocarditis, and persons who have had organ transplants. Your present dentist may be a PPO provider so you may want to change your coverage to the PPO to take advantage of this richer benefit.

For more information, contact Delta Dental at 1-800-225-3368 or visit www.deltadentalca.org/state.

These are brief descriptions of the available dental plans. Please consult each plan's "Evidence of Coverage" brochure or call the plan for a more detailed explanation. You may also obtain brochures and listings of participating dentists by accessing each plan's website at the addresses listed above.

State-Sponsored Dental Plans Benefit Cost Comparison

The following chart provides a comparison of your costs for certain types of procedures. Please consult each dental plan's Evidence of Coverage brochure for detailed information and plan limitations.

For these procedures:	Delta Dental				SafeGuard DeltaCare USA Premier Access Western Dental	SafeGuard
	Premier Basic		Premier Enhanced	Preferred** Provider Option (PPO)	Standard	Enhanced ***
	Rank and File Employees	Dependents of Rank and File Employees	Excluded Employees and Dependents	Excluded & Rank and File Employees and Dependents	Excluded & Rank and File Employees and Dependents	Excluded Employees and Dependent s
Diagnostic and Preventive Benefits (Two cleanings per 12 month period) *	0	0	0	0	0	0
Basic Benefits (Usual, Customary, and Reasonable)	10%	20%	10%	10%	0	0
Crowns	20%	50%	20%	20%	\$50	0
Bridges, Full & Partial Dentures	50%	50%	50%	40%	\$65 and up	0
Annual Deductible	\$50*	\$50*	\$25*	\$25*	No deductible	No deductible
Maximum Deductible	\$150 per family	\$150 per family	\$100 per family	\$100 per family	N/A	N/A
Orthodontia	Delta will pay 50% up to a lifetime maximum of \$1,000 per person.	Delta will pay 50% up to a lifetime maximum of \$1,000 per person.	Delta will pay 50% up to a lifetime maximum of \$1,000 per person.	Delta will pay 50% up to a lifetime maximum of \$1,000 per adult and pay 50% up to a lifetime maximum of \$1,500 per child.	\$1,000 plus up to \$250 for start-up costs	\$1,000 plus up to \$250 for start-up costs
Annual Maximum	\$2,000	\$1,000	\$2,000	\$2,000	No Maximum	No Maximum

* Diagnostic and Preventive Benefits are exempt from the deductible.

** The level of benefits and covered services reflected in the chart are based on services provided by a PPO Network dentist. The level of benefits and covered services provided by a non-PPO dentist are lower. Additionally, the PPO includes up to a \$2,500 lifetime benefit for dental implants and a 3rd cleaning for high-risk patients. High-risk patients include: pregnant women, cancer chemotherapy patients, and persons with compromising systemic diseases such as AIDS, diabetes, endocarditis, or persons who have had organ transplants.

*** The SafeGuard enhanced coverage provides for three cleanings per 12-month calendar year service period instead of the normal two cleanings. Excluded employees and their dependents have the enhanced coverage under SafeGuard. Rank and File employees and their dependents have the standard coverage under SafeGuard.

	Delta Dental			SafeGuard DeltaCare USA Premier Access Western Dental	SafeGuard
	Premier Basic	Premier Enhanced	**Preferred Provider Option (PPO)	Standard	Enhanced* **
For these procedures:					
Implant Benefit	Not Available	Not Available	Delta will pay 50% up to a lifetime maximum of \$2,500	Premier Access and Western Dental <u>only</u> – This benefit is not available through DeltaCare or SafeGuard	Not Available

Your Basic Vision Plan Vision Benefits Summary –			
Basic Vision plan – The State of California contributes 100% of the State-sponsored Basic Vision Plan Cost**			
VSP Doctor Network: Vision Select			
VSP Members			
Every Calendar Year			
Benefit	Description	CoPay	Frequency
Your Coverage with VSP Doctors or Costco*			
WellVision Exam®	Focuses on your eye and overall wellness	\$10	Every calendar year
Prescription Classes			
Frame	\$75 allowance for wide selection of frames	\$25	Every calendar year
Lenses	Single vision, lined bifocal, and lined trifocal		Every calendar year
Covered Lens Options	Tints/photochromic lenses - Transitions	\$0	Every calendar year
Contacts (instead of glasses)	\$110 allowance for contacts and contact lens exam (fitting and evaluation) 15% off contact lens exam (fitting and evaluation)		Every calendar year
Extra Discounts and Savings	Laser Vision Correction Average 15% off regular price or 5% off promotional price; discounts only available from contracted facilities.		
Employee Monthly Contribution	\$0.00.....Employee only \$0.00.....Employee + one dependent \$0.00.....Employee + two or more dependents		
Your Coverage with Other Providers			
Prescription Glasses			
Under this State-sponsored plan, VSP guarantees service from VSP doctors only. Coverage information is subject to change. In the event of a conflict between this information and the State's contract with VSP, the terms of the contract will prevail.			

Your Premier Vision Plan Vision Benefits Summary –			
Premier Vision plan – The State of California contributes a portion of the State-sponsored Premier Vision Plan Cost**			
VSP Doctor Network: Vision Choice			
VSP Members Every Calendar Year			
Benefit	Description	CoPay	Frequency
Your Coverage with VSP Doctors or Costco*			
WellVision Exam[®]	Focuses on your eye and overall wellness	\$10	Every calendar year
Prescription Classes			
Frame	<ul style="list-style-type: none"> \$200 allowance for wide selection of frames 20% off over your allowance \$110 allowance for Costco 	\$25	Every calendar year
Lenses	Single vision, lined bifocal, and lined trifocal		Every calendar year
Covered Lens Options	Tints/photochromic lenses - Transitions	\$0	
	Polycarbonate lenses	\$0	
	Progressive lenses	\$0	
	Average 20%-25% off other lens options		
Contacts (instead of glasses)	\$200 allowance for contacts and contact lens exam (fitting and evaluation) 15% off contact lens exam (fitting and evaluation)		Every calendar year
Extra Savings and Discounts			
Glasses and Sunglasses 20% off additional glasses and sunglasses, including lens options, from any VSP doctor. See your provider for more detail.			
Laser Vision Correction Average 15% off the regular price or 5% off the promotional price, discounts only available from contracted facilities.			
Employee Monthly Contribution \$ 6.56.....Employee only \$13.12..... Employee + one dependent \$21.12.....Employee + two or more dependents			
*Coverage with Costco may be different. Coverage with Costco is available only with the Premier Vision Plan. Once your benefits is effective, visit vsp.com for details.			
**The Employee Monthly Contribution reflects your contribution to the Premier Vision plan cost. The State contributes the equivalent of the Basic Vision plan cost to cover the remainder of the Premier Vision plan Cost.			
VSP guarantees coverage from VSP doctors only. Coverage information is subject to change. In the event of a conflict between this information and the State's contract with VSP , the terms of the contract will prevail.			

**California Department of Human Resources
Benefits Division**

Dental and Vision Plan Premiums Effective January 1, 2013

<u>Carrier/Address</u>	<u>Group Number</u>	<u>Deduction Codes</u>	<u>1 Party</u>	<u>Monthly Premium 2 Party</u>	<u>3 Party</u>
<u>State-Sponsored Dental Plans</u>					
Delta Dental P.O. Box 429086 San Francisco, CA 94142 1-800-225-3368	9949-Excluded (DeltaPremier) 9949-Rank and File (DeltaPremier) 9946-Excluded and Rank and File (PPO)	351-008 351-007 351-018	\$56.55 \$54.28* \$46.09**	\$113.53 \$96.48* \$91.39**	\$160.40 \$140.48* \$138.46**
Safeguard 5 Park Plaza, Suite 1900 Irvine, CA 92614 1-800-880-1800	SOC Standard Plan SOC Enhanced Plan Parent Group. Number 156777	351-016 351-015	\$16.58 \$16.92	\$26.86 \$28.63	\$37.62 \$35.27
DeltaCare USA PO Box 1803 Alpharetta, GA 30023 1-800-632-8555	2003	351-009	\$17.72	\$29.07	\$40.21
Premier Access 8890 Cal Center Drive Sacramento, CA 95826 1-888-534-3466	12700	351-020	\$16.63	\$26.94	\$37.73
Western Dental 530 South Main Street, 6th Floor Orange, CA 92868 1-866-859-7525	2140352	351-025	\$14.72	\$24.29	\$34.46
<u>State-Sponsored Vision Plan</u>					
Vision Service Plan 3333 Quality Drive Rancho Cordova, CA 95670 1-800-877-7195	12020000	475-001-Non CoBen 475-002-CoBen 475-010-Premier Plan	\$8.64 \$8.64 \$15.20	\$8.64 \$8.64 \$21.76	\$8.64 \$8.64 \$29.76

State-sponsored Delta Dental plans – employee share

*Employee's Share: 1 party - \$13.57 / 2 party - \$24.12 / 3 family - \$35.12

**Employee's Share: 1 party - \$11.52 / 2 party - \$22.85/ 3 family - \$34.61

State-sponsored Premier Vision Plan – employee share

Employee's Share: 1 party - \$6.56 / 2 party - \$13.12 / 3 family - \$21.12

Union Sponsored Dental Plans

CAHP/Blue Cross (R05)	336817-A	351-013	\$ 52.78***	\$ 93.23***	\$136.44***
CCPOA/Primary Dental (R06)	Fee-For-Service	351-006	105.00****	105.00****	105.00****
CCPOA/Western Dental (R06)	Prepaid	351-249	105.00****	105.00****	105.00****
CCPOA/Primary Dental (S06, M06, E06, C06)	Fee-For-Service	351-246	35.00*****	75.00*****	129.00*****

*** CAHP Employee's Share: 1 party - \$11.11 / 2 party - \$19.21 / 3 or more party - \$28.68

**** CCPOA Employee's Share R06 – Western Dental - \$35.94 CCPOA Primary - \$35.94

***** CCPOA Employee's Share S06,M06,E06,C06– CCPOA Primary – Total Premium Deducted From CoBen Allowance

(RO5 Employee's share for the Delta Premier Plan is \$13.57/\$24.12/\$35.12 and to be determined for the PPO plan).

(Under CoBen the total premium is deducted from the benefit allowance).

(The dental/vision premiums above do not include the administrative fee of \$1.69/mo.)

**California Department of Human Resources
Benefits Division**

COBRA Group Continuation Coverage
Dental Plan Monthly Premiums Effective January 1, 2013

<u>Carrier/Address</u>	<u>Plan Type</u>	<u>Covered Persons</u>	<u>1 Party</u>	<u>2 Party</u>	<u>3 Party</u>
Delta Dental Mail STD. 692 to: Wolfpack Insurance Services, Inc. P.O. Box 833 Belmont, CA 94002-0833 1-800-296-0192	Enhanced	Excluded employees and their eligible dependents	\$57.68	\$115.80	\$163.60
	Basic	Rank and File employees	\$55.36	\$98.41	\$143.29
	Basic	Eligible dependents of Rank and File employees	\$47.22	\$71.72	\$94.39
	PPO	Excluded & Rank and File employees and their eligible dependents	\$47.01	\$93.22	\$141.23
SafeGuard Health Plans Attn: SOC COBRA Billing P.O. Box 13724 Philadelphia, PA 19101-3724 1-800-880-1800	Standard	Rank and File employees and their eligible dependents	\$16.91	\$27.40	\$38.37
	Enhanced	Excluded employees and their eligible dependents	\$17.26	\$29.20	\$35.98
DeltaCare USA Mail STD 692 to: Wolfpack Insurance Services, Inc. P.O. Box 833 Belmont, CA 94002-0833 1-800-296-0192	Standard	Excluded & Rank and File employees and their eligible dependents	\$18.07	\$29.65	\$41.01
Premier Access 8890 Cal Center Drive Sacramento, CA 95826 Attn: COBRA UNIT 1-888-534-3466	Standard	Excluded & Rank and File employees and their eligible dependents	\$16.96	\$27.48	\$38.48
Western Dental 530 South Main Street, 6 th Floor Orange, CA 92868 Attn: COBRA UNIT 1-866-859-7525	Standard	Excluded & Rank and File employees and their eligible dependents	\$15.01	\$24.78	\$35.15

California Department of Human Resources
Benefits Division

COBRA Group Continuation Coverage
Vision Plan Monthly Premiums Effective January 1, 2013

<u>Carrier/Address</u>	<u>Plan Type</u>	<u>Covered Persons</u>	<u>1 Party</u>	<u>2 Party</u>	<u>3 Party</u>
Vision Service Plan P.O. Box 997100 Sacramento, CA. 95899-7100 Attn: COBRA UNIT 1-800-852-7600 Ext: 4636	Basic	Excluded & Rank and File employees and their eligible dependents	\$8.81	\$8.81	\$8.81
	Premier	Excluded & Rank and File employees and their eligible dependents (with the exception of BU 6 employees; their vision benefits are provided through CCPOA Health Benefits Trust).	\$15.50	\$22.20	\$30.36

Refer to the Benefits Administration Manual (BAM) COBRA Section 400 for complete instructions on the completion and submission of COBRA documents. These premium rates are 102% of current gross premiums.