CalPERS Health Plans

https://www.calpers.ca.gov/page/active-members/health-benefits/plans-and-rates

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CalPERS HEALTH PLANS – Aside from other plans, CalPERS offers Kaiser and 3 PERS PPO health plans. The District is offering the middle plan, PERS CHOICE (PPO)

1) PERS CARE (PPO)

2) **PERS CHOICE (PPO) – BEING OFFERED BY DISTRICT**

   a) **(2019) PERS CHOICE BASIC PLAN**

   b) **(2019) PERS CHOICE SUPPLEMENT PLAN** (to Medicare)

3) PERS SELECT (PPO)

a. (2019) PERS CHOICE BASIC PLAN

THIS PLAN COVERS

1. **ALL FULL-TIME ACTIVE EMPLOYEES – Faculty and ASCC (Administrators, Supervisors, Classified, Confidential)**
2. **RETIREES (who do not qualify for the SUPPLEMENT PLAN)**
   a. **Under age 65**
   b. **65 or older who do not qualify for Medicare**
   c. **Any retiree enrolled in Medicare Part A only**
   d. **Any retiree living outside of the United States**

b. 2019 PERS CHOICE SUPPLEMENT PLAN

THIS PLAN IS FOR RETIREES ONLY

THIS IS A POINT OF CONTENTION REGARDING TIER I RETIREES. BY CONTRACT AND SETTLEMENT AGREEMENT, TIER I RETIREES GET THE SAME PLAN AS ACTIVE EMPLOYEES.

MUST BE 65 OR OLDER AND QUALIFY FOR MEDICARE

So if you are a retiree who qualifies for Medicare, you must enroll in Medicare

i. **Tier I – VCCCDRA IS CONTESTING FORCING TIER I RETIREES TO ENROLL IN MEDICARE.**

ii. **Tier II – required to enroll in Medicare by District/AFT/SEIU contractual agreements.**

BEGINNING THE COMPARISON OF CALPERS CHOICE PPO PLANS TO THE CURRENT ANTHEM PLANS

In both the PERS Choice BASIC Plan and the PERS Choice SUPPLEMENT Plan, the plans that the District is offering to all active employees and retirees, there is a perturbing statement titled "IMPORTANT INFORMATION" early on in each plan. There is no such statement in the Anthem plans.

IMPORTANT INFORMATION

"There is no vested right to receive any particular benefit set forth in the Plan. Plan benefits may be modified. Any modified benefit (such as the elimination of a particular benefit or an increase in the Member's Copayment) applies to services or supplies furnished on or after the effective date of the modification."

QUESTION asked on January 23 of CalPERS representatives

- **WHY IS THIS STATEMENT IN THE PLAN, AND WHAT IS ITS PURPOSE?**

ANOTHER QUESTION asked on January 23 of CalPERS representatives:

The PERS CHOICE BASIC PLAN and PERS CHOICE SUPPLEMENT PLAN being offered to active employees and retirees have this "IMPORTANT INFORMATION" statement. Yet other CalPERS PPO plans, such as the **PERS CARE BASIC PLAN** and the **PERS SELECT BASIC PLAN** do not have this statement.

- **WHY DO SOME CALPERS PPO PLANS HAVE THIS STATEMENT AND OTHERS DO NOT?**

ADDITIONAL QUESTIONS asked on January 23:

THESE QUESTIONS WERE MEANT FOR THE CHANCELLOR.

IN HIS ABSENCE, THEY WERE GIVEN TO KATY LYON, WHO RESPONDED BY EMAIL A FEW DAYS LATER.

THE QUESTIONS AND KATY'S EMAIL RESPONSES FOLLOW…

Chancellor Gillespie has indicated that, as part of the CalPERS proposal, the District would pay for the Medicare premiums of retirees. (Responses by email from Katy Lyon on 1/28/2020)

a. Does this include all Tier I and Tier II retirees and their spouses?

The estimate includes all retirees and dependents using September 2018 CMS report provided to us by Burnham.

b. Does it include all retirees and their spouses who are already currently enrolled in Medicare?

The estimate includes all retirees and dependents currently enrolled in Medicare based on the September 2018 CMS report provided to us by Burnham.

c. Does it include all retirees and their spouses who are not currently enrolled in Medicare but will be qualified to enroll when they reach the age of 65?

The estimate did not include future qualified retirees and dependents. Future Medicare eligibility depends on several individualized factors.

d. Does it include retirees and spouses who do not qualify for Medicare?

Retirees and dependents that do not qualify for Medicare will not have a Medicare premium or penalty. CalPers will continue to 'B' rate these subscribers.

e. Does it include paying the penalties of retirees and their spouses who did not enroll when they were 65 years of age?

The estimate included the penalties for retirees and dependents who did not enroll when they were 65 years of age.

f. Does it include retirees and their spouses whose income levels require them to pay more than the basic premiums? Does it include their penalties?

The estimate included the higher premiums for those retirees and dependents whose income levels require them to pay above the standard rate and penalties.