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Health Benefits

Circular Letter

June 30, 2022

Circular Letter: 600-040-22

Distribution: Special

To: Contracting Agency Health Benefits Officers and Assistant Health Benefits Officers

Subject: 2022-23 Contracting Agency Administrative Fee, Contribution Change and Termination Processes, and Health Billing Dates

Purpose

The purpose of this Circular Letter is to inform you of the contracting agency administrative fee for fiscal year 2022-23, and the contribution change and termination processes. Additionally, this letter provides health billing cutoff dates and other information about your health bill.

Administrative Fee

The CalPERS Board of Administration has increased the Public Employees' Medical and Hospital Care Act (PEMHCA) administrative fee from 0.25% to 0.33% for fiscal year 2022-23, starting on July 1. The administrative fee is calculated on the total active and retired gross health premiums and billed to contracting agencies monthly. The new administrative fee becomes law upon passage of the State of California budget for the fiscal year 2022-23.

Contribution Change Process

Contracting agencies have the option to revise their monthly employer health contribution. To do so, agencies must submit a change resolution, which becomes effective the first day of the second month following receipt by CalPERS. Change resolutions must be filed with CalPERS by November 30, 2022 to become effective on January 1, 2023.

Termination Process

Contracting agencies may elect to terminate their participation in the CalPERS Health Program 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 September 12, 2022 at 5:00 p.m. to be effective on January 1, 2023. Termination resolutions are irrevocable once filed. PEMHCA disallows terminated agencies from re-entering the CalPERS Health Program for five years from the termination date.

Contact the CalPERS Customer Contact Center at **888 CalPERS** (or **888-225-7377**) to request a change or termination resolution template from our Health Resolutions and Compliance Unit.

2022 Health Billing Cutoff Dates

The current billing cutoff dates for the remainder of calendar year 2022 are provided below. A full year of billing cutoff dates are provided to contracted agencies every January.

You must key and submit transactions by 11:59 p.m. on the cutoff date for each billing month. If you key and submit a transaction after the cutoff date, the transaction will appear on the subsequent month's statement. You must verify all transactions in myCalPERS to ensure they have been accurately uploaded.

Coverage Month	State Teachers' Retirement System Employees and Annuitants	Public Employees' Retirement System (PERS) and OTHER (Non-PERS) Employees and Annuitants	Statement Available	Payment Due
07/2022	06/07/2022	06/08/2022	06/15/2022	07/08/2022
08/2022	07/05/2022	07/06/2022	07/15/2022	08/10/2022
09/2022	08/09/2022	08/10/2022	08/16/2022	09/09/2022
10/2022	09/06/2022	09/07/2022	09/15/2022	10/10/2022
11/2022	10/04/2022	10/05/2022	10/17/2022	11/10/2022
12/2022	11/01/2022	11/08/2022	11/15/2022	12/09/2022
01/2023	12/06/2022	12/07/2022	12/15/2022	01/10/2023

How Payments Are Applied

All payments are mandated to electronic funds transfer (EFT) only. Submit your EFT payment by logging in to [myCalPERS](#) and following the prompts on the Payment Summary page.

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 each 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. The 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 [state holiday](#), 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% until paid in full. Refer to [Circular Letter #600-026-15 \(PDF\)](#) for additional information regarding interest and delinquency.

Key Points in Reconciling

We strongly encourage contracting agencies to reconcile their monthly statements to ensure all enrollments are accurately reflected for active and retired members. Reconciliation ensures that employers are accurately billed, and only eligible members are receiving benefits. 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 #600-002-18 \(PDF\)](#)).

- Confirm health enrollment changes by utilizing the Monthly Employer Billing Roster in myCalPERS.
- 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 myCalPERS in a timely manner to receive the allowed maximum refund (six months) of health premiums (refer to [Circular Letter #600-215-05 \(PDF\)](#)).
- Pay each statement on time and as billed, including assessed interest and penalties; any adjustments will be reflected on a future statement.
- There are two Public Agency (PA) Billing contacts. Ensure 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, select **Primary Contact** to ensure proper delivery of the monthly statement.

Questions

We are committed to assisting you conduct business with the CalPERS Health Benefits Program. If you have questions, visit the [CalPERS website](#) or call our CalPERS Customer Contact Center at **888 CalPERS** (or **888-225-7377**).

Rob Jarzombek, Chief
Health Account Management Division