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Date: August 26, 2004
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Circular Letter

TO: All Contracting Agency Health Benefit Officers and Assistant Health Benefit Officers

SUBJECT: CalPERS Administrative Fee

The 2004/2005 California State Budget, which was approved by the Governor on July 31, 2004, changed the CalPERS administrative fee charged to Contracting Agencies participating in the CalPERS Health Program. Effective July 1, 2004, the administrative fee is to be reduced from .44% to .425% of your total premiums due for Fiscal Year 2004/2005. It is anticipated the administrative fee will be recalculated and adjusted for Fiscal Year 2005/2006.

Your October 2004 Public Agency Billing will reflect the changes to your administrative fee. All Contracting Agencies will also receive a retroactive correction of administrative fees on this billing invoice. The retroactive adjustment will cover the months of July, August and September 2004, therefore you will have a credit to your billing.

If you have any questions regarding this information, please call the CalPERS Employer Contact Center at (888) 225-7377.

Sincerely,

Curtis Howard, Chief
Office of Employer and Member Health Services