



NYSHIP
New York State
Health Insurance Program



NYSHIP HMO Report

April 2016 • Active Employees and Retirees

New York State Health Insurance Program (NYSHIP) for Active Employees and Retirees of New York State and Participating Employers Enrolled in a NYSHIP Health Maintenance Organization (HMO) and their enrolled Dependents, COBRA Enrollees with their NYSHIP benefits and Young Adult Option Enrollees

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What's New

This *NYSHIP HMO Report* details the changes to your coverage under the New York State Health Insurance Program (NYSHIP).

This *Report* includes information about:

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NYSHIP Changes

Pre-Tax Contribution Program and Split Deductions

If you are an active employee, the Pre-Tax Contribution Program (PTCP) is a voluntary program that you can choose to participate in when you are first eligible for health insurance benefits or each year during the PTCP Election Period from November 1 through November 30.

Under the PTCP, your share of the health insurance premium is deducted from your wages before taxes are withheld, which may lower your tax liability. In exchange for this reduction in your tax liability, you agree to maintain the same pre-tax health insurance deduction for the entire plan year, unless you provide timely (within 30 days) notification of a qualifying event, which would allow you to make a change or cancel your coverage. See the *NYSHIP General Information Book* for a list of PTCP-qualifying events.

Split Deductions

Beginning in 2016, "split deductions" again will be applied for PTCP enrollees, which means your share of the health insurance premium will be split between pre-tax and post-tax deductions, if necessary. This change gives you more flexibility to make changes to your health insurance coverage throughout the plan year without a qualifying event.

For example:

- **Adding dependents when you have Individual coverage** – The split deduction change allows you to add previously eligible dependents and switch to Family coverage during the plan year without a PTCP-qualifying event. **Note:** NYSHIP late enrollment rules still apply. The individual portion of the family premium will be a pre-tax deduction and the dependent portion of the family premium will be a post-tax deduction, as required by IRS regulations. Your total premium will be a pre-tax deduction in the next tax year.
- **Adding a domestic partner** – The split deduction change also allows you to add a non-federally qualified domestic partner to your coverage and have the individual portion of the family premium deducted at pre-tax and the dependent portion of the family premium deducted at post-tax in accordance with IRS requirements for pre-tax deductions.

Pre-tax Deduction Rules Still Apply

If you're enrolled in PTCP, you cannot change your pre-tax deduction during the plan year unless you provide timely (within 30 days) notification of a qualifying event, which would allow you to make a pre-tax deduction change. The split deduction allows you to make certain changes to your health insurance coverage and pay the difference with post-tax deductions.

If you have any questions about PTCP and split deductions, see your Health Benefits Administrator (HBA).

Individual Mandate for Health Insurance Coverage

The federal Patient Protection and Affordable Care Act (PPACA) includes a mandate that requires most individuals maintain qualifying health insurance coverage for themselves and their dependents. Individuals failing to meet this requirement may face a penalty for noncompliance. This is commonly referred to as the “individual mandate.”

If you and your eligible dependents are enrolled in The Empire Plan or a NYSHIP HMO, you meet the requirements for coverage under PPACA’s individual mandate.

Verifying Your Status – Form 1095-B

Beginning this year, NYSHIP HMOs will provide enrollees with a new IRS tax form, Form 1095-B, to document their health insurance coverage status. NYSHIP HMOs will transmit these forms to the IRS as well. This information will be used by the IRS to confirm that you have the minimum essential health insurance coverage required under PPACA.

Form 1095-B includes:

- A list of individuals covered on your policy
- The period of time you and your dependents were covered on the plan for the prior year

You should have received a copy of Form 1095-B from your NYSHIP HMO by March 31, 2016. **Please note:** If you were employed by the State of New York in 2015, you may have received a similar form, Form 1095-C. You may have also received Form 1095-C if you were enrolled in The Empire Plan for all or a portion of 2015.

You **do not** need to return these forms to your HMO, the State or the IRS, but you should keep them with your tax records for reference.

Medicare-primary Enrollees and Dependents

Individuals enrolled in Medicare are deemed to have met PPACA’s individual mandate requirement. Therefore, Medicare-primary enrollees with Individual coverage and Medicare-primary enrollees with Family coverage where all covered individuals are Medicare primary will not receive Form 1095-B from their HMO. Enrollees with Family coverage with one or more covered individuals not enrolled in Medicare should have received Form 1095-B from their HMO.



Requests for Social Security or Taxpayer Identification Numbers

The State or your NYSHIP HMO may ask you to provide the Social Security or Taxpayer Identification Numbers for you and your dependents so they can complete Forms 1095-B or 1095-C on your behalf.

To protect your personal information, the State or your HMO will only make this request in writing through the mail. Do not share your personal information over the phone unless you initiated the contact and know you are speaking with a representative from the Employee Benefits Division or your HMO.

If you do not provide this information, you may receive requests from the IRS for additional documentation to verify coverage.

For more information about the individual mandate and Form 1095-B, visit the IRS web site at www.irs.gov or contact a tax professional.

Summary of Benefits and Coverage

The *Summary of Benefits and Coverage (SBC)* is a standardized comparison document required by the Patient Protection and Affordable Care Act. It is designed to improve health insurance information so you can better understand your coverage.

To view the *SBC* for a NYSHIP HMO, visit www.cs.ny.gov/sbc and choose your group. If you do not have internet access, contact the HMO directly to request a copy.

Medicare & NYSHIP



Medicare Enrollment

According to NYSHIP rules, if you or your dependent(s) become eligible for Medicare that is primary to NYSHIP (“primary” means Medicare pays health insurance claims first, before NYSHIP), you must enroll in Medicare Parts A and B and notify your Health Benefits Administrator (HBA). If you are no longer an active employee, the Employee Benefits Division (EBD) is your HBA.

When Medicare eligibility begins:

- At age 65, or
- Regardless of age, after receiving Social Security Disability Insurance (SSDI) benefits for 24 months, or
- Regardless of age, after completing Medicare’s waiting period of up to three months due to end-stage renal disease (ESRD), or
- When receiving SSDI benefits due to amyotrophic lateral sclerosis (ALS).

Medicare becomes primary to NYSHIP:

- When you are no longer covered as an **active** employee or a dependent of an **active** employee.
- For those eligible due to ESRD, when the 30-month coordination period has been satisfied, regardless of employment status of the NYSHIP enrollee.
- For a domestic partner who is 65 years of age or older, regardless of the employment status of the NYSHIP enrollee.

Medicare Eligibility Due to Disability

If you or your dependents are receiving Social Security benefits for a disability, you will automatically be enrolled in Parts A and B starting the first day of the month you become eligible for Medicare as a result of the disability.

If you or your dependents are not receiving Social Security payments for a disability, it is your responsibility to enroll in Medicare Parts A and B when Medicare is primary to NYSHIP, even if you also have coverage under an active employee contract through another employer’s group plan. Contact Social Security for enrollment information. You can apply for Medicare online at www.ssa.gov or by calling Social Security at 1-800-772-1213.

Medicare and your HMO

If you are enrolled in a NYSHIP HMO that offers a Medicare Advantage plan, upon becoming eligible for primary Medicare, you and/or your covered dependents should automatically be enrolled in that Medicare Advantage plan if Medicare Parts A and B are in effect. Check with the Medicare Advantage plan to find out if you need to sign an enrollment application. Again, be sure to notify your HBA if you are enrolled in Medicare and Medicare is primary to NYSHIP.

Delays Can Be Costly

If you fail to enroll in Medicare when Medicare is primary to NYSHIP, or are still in a waiting period for Medicare to go into effect, you will be responsible for medical expenses that Medicare would have covered if you had enrolled when first eligible. If Medicare will be your primary coverage, you and your covered dependents must have Medicare Parts A and B in effect by the first day of the month in which each of you become eligible under NYSHIP for primary Medicare benefits.

If you have questions about NYSHIP and your Medicare benefits, please contact your HBA or call the Employee Benefits Division at 518-457-5754 or 1-800-833-4344. Information is also available in EBD publications, such as the *NYSHIP General Information Book*, *Medicare & NYSHIP* and other NYSHIP documents available online at www.cs.ny.gov.

Medicare Part B Premium Reimbursement Information

NYSHIP reimburses enrollees for their standard Medicare premiums when Medicare is primary to NYSHIP coverage, unless the premium is paid by another entity or is fully reimbursed elsewhere. In 2016, there are two standard Medicare Part B premiums, \$104.90 or \$121.80. Active employees are reimbursed on a biweekly basis. Retirees are reimbursed on a monthly basis.

Medicare Part B enrollees and dependents should have received either an annual benefits statement from the Social Security Administration (SSA) or the Railroad Retirement Board (RRB) or a quarterly billing statement from the Centers for Medicare and Medicaid Services (CMS) explaining whether your standard premium is \$104.90 or \$121.80 for 2016. Please refer to these documents to determine if you are subject to the increased premium.

The following individuals may be subject to the \$121.80 Medicare Part B premium:

- Enrollees/dependents who newly enroll in Medicare Part B in 2016
- Enrollees/dependents who do not have the Medicare Part B premium withheld from their Social Security check
- Enrollees/dependents who are subject to the Income-Related Monthly Adjustment Amount (IRMAA) for Medicare Part B, and
- Enrollees/dependents who are eligible for both Medicare and Medicaid

NYSHIP will update the enrollment record and reimburse the standard Medicare Part B premium of \$121.80 for any enrollee/dependent identified as newly eligible for Medicare-primary coverage and eligible for Medicare as a result of turning 65.

NYSHIP is already reimbursing the standard Part B premium of \$104.90 for those who are not newly enrolled. If you or your covered dependent meets one of the criteria listed above other than newly enrolling in 2016 and pay the higher amount, you must apply for the \$16.90 per month difference.

If you need to apply for the Medicare Part B reimbursement difference, please call the Employee Benefits Division at 518-457-5754 or 1-800-833-4344 (9 a.m. to 4 p.m. Eastern time).

Note: NYSHIP will not reimburse any penalty charged for late enrollment in Medicare, nor will it duplicate Medicare reimbursement received from another employer.

Reimbursement of the Medicare Part B Income-Related Monthly Adjustment Amount (IRMAA)

Federal law requires some people to pay a higher premium for their Medicare Part B coverage based on their income.* If you and/or any of your enrolled dependents are Medicare primary and received a letter from the Social Security Administration (SSA) requiring the payment of an Income-Related Monthly Adjustment Amount (IRMAA) in addition to the standard Medicare Part B premium for 2015, you are eligible to be reimbursed for this additional premium by NYSHIP.

Applying for IRMAA Reimbursement

To receive IRMAA reimbursement for 2015, you must provide:

1. A completed, signed application (see the following for instructions on how to access the application), and
2. A copy of the SSA notice you and/or any of your Medicare-primary enrolled dependents received dated November 2014 (or during 2015 if newly eligible for Medicare) that states your 2015 monthly Medicare Part B premium including IRMAA, and
3. Proof of payment of the Medicare Part B premium. Acceptable proof of payment is a copy of the 2015 form SSA-1099 that you and/or your Medicare-primary enrolled dependent received from SSA, or proof of direct payments and billing statements for all premiums paid directly to CMS in 2015.

Please note: NYSHIP will not reimburse you for any IRMAA costs associated with Medicare Part D.

*The Income-Related Monthly Adjustment Amount (IRMAA) for 2015 is assessed by Social Security to individual income tax filers with a Modified Adjusted Gross Income (MAGI) of more than \$85,000 per year and married income tax filers with a MAGI of more than \$170,000 per year.

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Reminders

Dependent Eligibility Verification

Your health insurance coverage through NYSHIP is a valuable benefit, but it is also costly to provide. It becomes more costly to you and the Program when NYSHIP is asked to pay health insurance claims for individuals who are not eligible for coverage.

To help ensure that every participant who receives benefits is entitled to them, NYSHIP is conducting a Dependent Eligibility Verification Audit, similar to the audit conducted in 2009.

In November 2015, the Department of Civil Service mailed a letter to all NYSHIP enrollees with Family coverage to inform them of the audit, introduce the vendor (Health Management Systems, Inc. [HMS]) that will conduct the audit and provide an overview of what to expect.

Special Amnesty Period

In December 2015, HMS mailed an amnesty letter to all NYSHIP enrollees with Family coverage giving them an opportunity to remove any ineligible dependent(s) without incurring any liability for repayment of claims paid on their behalf. The special amnesty period ended on January 29, 2016.

Verification Phases

The audit's verification will be conducted in two phases:

- May 2 to June 17 for retirees and active employees of Participating Employers and retirees of New York State
- July 5 to August 19 for active employees of New York State

Enrollees with Family coverage will be required to provide documentation of eligibility for their dependents covered under NYSHIP. If eligibility was verified for a natural child, a stepchild or a child of a domestic partner in the 2009 audit, you will not be asked to verify their status during the current audit. However, you will be required to submit documents for other dependents, such as spouses or domestic partners, even if you have previously done so.



Not Responding Can Be Costly!

It is very important that you respond and provide copies of acceptable proofs of eligibility (such as birth certificates or a marriage certificate) in a timely manner during the verification phase. If you fail to respond, your dependents will be removed from coverage retroactively to January 1, 2016. In addition, you may be responsible for repaying all health insurance claims for ineligible dependents as early as the date the dependent became ineligible.

Please note: In accordance with CMS rules, unverified dependents that are Medicare-primary will be removed from coverage after the verification phase.

Questions

Visit the HMS secure online web portal at www.verifyOS.com for more information, including Frequently Asked Questions (FAQs). **Please note:** You will only be able to access the portal during the verification phase.

Safeguard Your Personal Health Information

Health insurance data has recently become a target for hackers because it includes valuable information such as your name, date of birth, Social Security number and mailing address. NYSHIP encourages you to take steps to safeguard your personal health information to avoid becoming a victim of medical identity theft.

Prevention Tips

Here are some simple steps you can take to protect your personal health information:

- Do not give your health insurance identification number to anyone except your physician or health care provider.
- Do not share medical or insurance information by phone or email unless you initiated the contact and know who you're dealing with.
- Report lost or stolen benefit cards.
- Monitor your Explanation of Benefits (EOB) Statements for suspicious activity.
- Shred outdated health insurance forms, prescription and physician statements, and the labels from prescription bottles before you throw them out.

Report Medical Identity Theft Immediately

If you suspect that you may be a victim of medical identity theft, you should report it immediately. When filing a complaint, provide a detailed explanation of what you suspect is wrong and why. Save all medical bills, receipts, test results, claim forms, prescription records and EOB Statements that you believe to be fraudulent, as they may be useful in the investigation of your complaint.

To report medical identity theft, please take the following steps immediately:

- **File a police report.** Filing a police report will notify law enforcement a crime may have been committed.
- **Notify NYSHIP and health care providers.** Send the police report to NYSHIP and your health care providers.
- **File a complaint with the government.** File a medical identity theft complaint with the Federal Trade Commission (FTC) by calling 1-877-IDTHEFT (438-4338) toll free.

Annual Notice of Mastectomy and Reconstructive Surgery Benefits

By law, insurers must:

- Cover inpatient hospital care for lymph node dissection, lumpectomy and mastectomy for treatment of breast cancer for as long as the physician and patient determine hospitalization is medically necessary
- Cover breast reconstruction following mastectomy, including surgery on the other breast to produce a symmetrical appearance
- Cover treatment for complications of mastectomy, including lymphedema
- Cover prostheses and mastectomy bras related to breast reconstruction
- Notify enrollees of this coverage through plan documents

Contact your HMO if you have questions about these benefits.

Sick Leave Credit

When you retire, you may be able to use the value of your unused sick leave to offset the cost of NYSHIP coverage. To estimate your monthly sick leave credit, go to NYSHIP Online at www.cs.ny.gov/employee-benefits and choose your group and plan, if prompted. From the NYSHIP Online homepage, select Planning to Retire? and then Sick Leave Credit Calculator.

Before you retire, you must contact your Health Benefits Administrator (HBA) to confirm eligibility and complete the *State Service Sick Leave Credit Preservation Form (PS-410)*.

The *NYSHIP Health Maintenance Organizations Report* is published by the Employee Benefits Division of the New York State Department of Civil Service. The Employee Benefits Division administers the New York State Health Insurance Program (NYSHIP). NYSHIP provides your health insurance benefits.



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New York State Department of Civil Service
Employee Benefits Division, Albany, New York 12239
518-457-5754 or 1-800-833-4344
(U.S., Canada, Puerto Rico, Virgin Islands)
www.cs.ny.gov

New York State
Department of Civil Service
Employee Benefits Division
P.O. Box 1068
Schenectady, New York 12301-1068
www.cs.ny.gov

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NYSHIP
New York State
Health Insurance Program

Information for the Enrollee, Enrolled Spouse/
Domestic Partner and Other Enrolled Dependents

NY/PE HMO Report – April 2016

Change Service Requested

**Please do not send mail
or correspondence to the
return address. See address
information on page 7.**

It is the policy of the New York State Department of Civil Service to provide reasonable accommodation to ensure effective communication of information in benefits publications to individuals with disabilities. These publications are also available on NYSHIP Online at www.cs.ny.gov/employee-benefits. Visit NYSHIP Online for timely information that meets universal accessibility standards adopted by New York State for NYS agency web sites. If you need an auxiliary aid or service to make benefits information available to you, please contact your Health Benefits Administrator. New York State and Participating Employer COBRA Enrollees: Contact the Employee Benefits Division at 518-457-5754 or 1-800-833-4344 (U.S., Canada, Puerto Rico, Virgin Islands).

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IRMAA Reimbursements

You can access the IRMAA reimbursement application on NYSHIP Online at www.cs.ny.gov/employee-benefits. Choose your group and plan, if prompted. From the NYSHIP Online homepage, select Notices at the bottom of the page and then choose the 2015 IRMAA Reimbursement Form.

All reimbursements for IRMAA are issued as refund checks from the New York State Office of the State Comptroller. All IRMAA reimbursement checks, including those reimbursements for eligible dependents, are issued in the name of the NYSHIP enrollee and sent to the mailing address of record on your enrollment file. Due to the volume of requests for IRMAA reimbursement, you can expect the process to be complete within 90 to 120 days from receipt and acceptance of all required IRMAA documents.

If you have any questions regarding the process of applying for IRMAA reimbursement, contact the Employee Benefits Division at 518-457-5754 or 1-800-833-4344.

New Legislation

The 2014-15 New York State budget included the Emergency Medical Services and Surprise Bills law, which provides additional protections for patients who receive services from certain non-network providers. This legislation contains some new provisions effective January 1, 2016, that may affect your benefits. Contact your HMO for more information.

New Immunization Requirements for Students in New York State

Beginning September 1, 2016, students entering seventh and 12th grades in New York State schools **must be vaccinated** against meningococcal disease, a severe bacterial infection that can lead to meningitis. The new law requires immunizations for children at ages 11 or 12 and again at 16 years of age or older.

For more information about the meningococcal vaccine, contact your NYSHIP HMO.