



STATE OF NEW YORK  
DEPARTMENT OF CIVIL SERVICE  
THE STATE CAMPUS  
ALBANY, NEW YORK 12239

GEORGE C. SINNOTT  
COMMISSIONER

DANIEL E. WALL  
EXECUTIVE  
DEPUTY COMMISSIONER

PA 99-17

December 1, 1999

Dear Participating Agency Health Benefits Insurance Administrator:

Attached are the Plan Year 2000 rates for the New York State Health Insurance Program (NYSHIP). Schedule I represents the full share rates, the COBRA rates and the NYS Continuity of coverage rates. Schedule II represents the Employee/Employer Variable Contribution Rate Table (PS-508). Your bill for January, 2000 coverage will reflect the new rates.

The net Five-Tier Mediprime rates for the Core plus all enhancement option have, in the aggregate, increased 12.9%. There are two overriding factors driving this rate action:

First and foremost is the explosion in Prescription Drug costs. The exceptionally high increase in costs is a national phenomenon that has affected virtually every program in the country offering prescription drug coverage. The drug premium is increasing 33.7% and is responsible for approximately 62% of the total increase in Empire Plan costs. This increase in drug costs is driven by direct consumer advertising, increases in the number of scripts per enrollee, increases in the days supply per script, drug industry consolidation, and FDA regulatory changes that accelerate the rate at which new, higher cost drugs are entering the market.

The 33.7% increase in the 2000 drug premium comprises a 22% trend factor (up from the 15% trend factor used in setting the 1999 rates), a 4.7% margin load, and an increase in the claims base to account for the projected 1999 deficit (7.1% of drug premium). The 4.7% margin is necessary to reduce the potential for another deficit occurring in the year 2000.

Second, there is less dividend and interest available this year to temper the impact of the increase. For rate year 2000, \$23.1 million in interest and dividend were factored into calculating PA premium rates. This is only 40% of the amount applied against the 1999 rate. This reduced dividend and interest amount accounts for 35% of the total premium increases.

The remaining Empire Plan rating components (Hospital, Medical, Mental Health) make up the remainder of the premium increases for 2000.

### **Medicare Premium**

The Health Care Financing Administration has announced that there will be no change in the monthly Medicare Part B premium. Accordingly, the calendar year 2000 premium will remain at \$45.50 per month.

## Retiree Deductions

Retiree pension deductions for health insurance will change in the checks issued by the retirement systems at the end of December, 1999. As we previously advised you, with the implementation of the New York Benefits and Eligibility and Accounting System (NYBEAS), we are able to reduce by one month the lead time needed to take a deduction. Therefore, because the December, 1999 deduction will now pay for January, 2000 coverage, there was no deduction taken from the checks of your pension deduction retirees in November.

## Participating Agency Administrative Charge

The 2000 annual administrative per enrollee charge will decrease 5% from \$17.157 to \$16.241. The lower charge is the direct result of an increase in the number of PA enrollees, which means we can spread costs over a larger base. The annual agency fee will increase 18% from \$234 to \$276. In 2000, most PA's will pay lower administrative charges than they did in 1999. Any difference between the actual and estimated costs will be factored into the 2001 administrative fees. We are proud that our administrative expense charge to PA's represents less than 0.4% of premium and are dedicated to continuing our efforts to keep program costs as low as possible.

The monthly agency and enrollee administrative charges will not be reflected in your bill for January coverage. Additional programming is needed to incorporate these charges into the bills produced by NYBEAS. Your February bill will include charges for both January and February.

The administrative cost charge will be shown separately on your premium bill. Send one check each month for the combined amount made payable to the "New York State Employees' Health Insurance Pending Account." Please note that the administrative charge must be borne entirely by the agency and may not be passed on to active employees, retirees or other enrollees.

If you have any questions about this rate change, please contact our Operations Unit at (518) 485-6619.

Sincerely,



Robert W. DuBois, CEBS  
Director  
Employee Benefits Division

Attachments  
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NEW YORK STATE DEPARTMENT OF CIVIL SERVICE  
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NEW YORK STATE EMPLOYEES HEALTH INSURANCE PROGRAM  
 EMPLOYEE-EMPLOYER VARIABLE CONTRIBUTION RATE TABLE  
 Monthly Rates Effective January 1, 2000  
 Participating Agencies

	Opt	Cov	Med	Net Full Share	Gross			Continuity of Coverage No Drug Coverage
					PA Billing Rate	COBRA 2% Charge	Employee Cost	
<b>Plan Prime - Core Only</b>								
Individual	8	1	0	256.64	261.99	5.24	267.23	202.10
Family	8	2	0	529.89	540.83	10.82	551.65	419.39
<b>MediPrime - Core Only</b>								
Individual -1	8	1	1	206.55	209.65	4.19	213.84	Continuity Not Applicable
Family -1	8	2	1	480.46	489.15	9.78	498.93	Continuity Not Applicable
Family -2	8	2	2	429.63	436.06	8.72	444.78	Continuity Not Applicable
<b>Plan Prime - Core Plus All Enhancements</b>								
Individual	7	1	0	286.53	294.94	5.90	300.84	235.05
Family	7	2	0	590.16	607.33	12.15	619.48	485.89
<b>MediPrime - Core Plus All Enhancements</b>								
Individual -1	7	1	1	214.25	217.94	4.36	222.30	Continuity Not Applicable
Family -1	7	2	1	518.52	530.97	10.62	541.59	Continuity Not Applicable
Family -2	7	2	2	445.51	453.22	9.06	462.28	Continuity Not Applicable
<b>Plan Prime - Core Plus Medical Enhancements</b>								
Individual	6	1	0	284.97	293.01	5.86	298.87	233.12
Family	6	2	0	586.46	602.75	12.06	614.81	481.31
<b>MediPrime - Core Plus Medical Enhancements</b>								
Individual -1	6	1	1	214.16	217.84	4.36	222.20	Continuity Not Applicable
Family -1	6	2	1	516.30	528.23	10.56	538.79	Continuity Not Applicable
Family -2	6	2	2	444.75	452.31	9.05	461.36	Continuity Not Applicable

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EMPLOYEE-EMPLOYER VARIABLE CONTRIBUTION RATE TABLE  
Monthly Rates Effective January 1, 2000  
Participating Agencies

If Employer Pays - Contributions Are:	Ind / Dep Rate:			50%	35%	50%	50%	60%	60%	65%	45%	75%	35%	75%	50%
	Opt	Cov	Med	EE	ER										
<b>Plan Prime - Core Only</b>															
Individual	8	1	0	128.32	128.32	128.32	128.32	102.66	153.98	89.82	166.82	64.16	192.48	64.16	192.48
Family	8	2	0	305.93	223.96	264.94	264.95	211.96	317.93	240.11	289.78	241.77	288.12	200.78	329.11
<b>MediPrime - Core Only</b>															
Individual -1	8	1	1	103.27	103.28	103.27	103.28	82.62	123.93	72.29	134.26	51.64	154.91	51.64	154.91
Family -1	8	2	1	281.31	199.15	240.22	240.24	192.18	288.28	222.94	257.52	229.68	250.78	188.59	291.87
Family -2	8	2	2	248.27	181.36	214.81	214.82	171.85	257.78	194.98	234.65	196.64	232.99	163.18	266.45
<b>Plan Prime - Core Plus All Enhancements</b>															
Individual	7	1	0	143.26	143.27	143.26	143.27	114.61	171.92	100.29	186.24	71.63	214.90	71.63	214.90
Family	7	2	0	340.62	249.54	295.07	295.09	236.06	354.10	267.29	322.87	268.99	321.17	223.44	366.72
<b>MediPrime - Core Plus All Enhancements</b>															
Individual -1	7	1	1	107.12	107.13	107.12	107.13	85.70	128.55	74.99	139.26	53.56	160.69	53.56	160.69
Family -1	7	2	1	304.90	213.62	259.25	259.27	207.41	311.11	242.34	276.18	251.34	267.18	205.69	312.83
Family -2	7	2	2	257.44	188.07	222.75	222.76	178.20	267.31	202.18	243.33	203.88	241.63	169.19	276.32
<b>Plan Prime - Core Plus Medical Enhancements</b>															
Individual	6	1	0	142.48	142.49	142.48	142.49	113.99	170.98	99.74	185.23	71.24	213.73	71.24	213.73
Family	6	2	0	338.45	248.01	293.22	293.24	234.59	351.87	265.56	320.90	267.21	319.25	221.98	364.48
<b>MediPrime - Core Plus Medical Enhancements</b>															
Individual -1	6	1	1	107.08	107.08	107.08	107.08	85.66	128.50	74.96	139.20	53.54	160.62	53.54	160.62
Family -1	6	2	1	303.47	212.83	258.15	258.15	206.52	309.78	241.14	275.16	249.93	266.37	204.61	311.69
Family -2	6	2	2	256.96	187.79	222.37	222.38	177.90	266.85	201.78	242.97	203.42	241.33	168.83	275.92

2000 Medicare: \$45.50

12/1/99

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If Employer Pays - Contributions Are:	Ind / Dep Rate:			75%	75%	85%	50%	85%	75%	85%	85%	90%	50%	90%	75%
	Opt	Cov	Med	EE	ER	EE	ER	EE	ER	EE	ER	EE	ER	EE	ER
<b>Plan Prime - Core Only</b>															
Individual	8	1	0	64.16	192.48	38.50	218.14	38.50	218.14	38.50	218.14	25.66	230.98	25.66	230.98
Family	8	2	0	132.47	397.42	175.12	354.77	106.81	423.08	79.49	450.40	162.28	367.61	93.97	435.92
<b>MediPrime - Core Only</b>															
Individual -1	8	1	1	51.64	154.91	30.98	175.57	30.98	175.57	30.98	175.57	20.65	185.90	20.65	185.90
Family -1	8	2	1	120.12	360.34	167.93	312.53	99.46	381.00	72.07	408.39	157.60	322.86	89.13	391.33
Family -2	8	2	2	107.41	322.22	142.52	287.11	86.75	342.88	64.44	365.19	132.19	297.44	76.42	353.21
<b>Plan Prime - Core Plus All Enhancements</b>															
Individual	7	1	0	71.63	214.90	42.98	243.55	42.98	243.55	42.98	243.55	28.65	257.88	28.65	257.88
Family	7	2	0	147.54	442.62	194.79	395.37	118.89	471.27	88.52	501.64	180.46	409.70	104.56	485.60
<b>MediPrime - Core Plus All Enhancements</b>															
Individual -1	7	1	1	53.56	160.69	32.14	182.11	32.14	182.11	32.14	182.11	21.42	192.83	21.42	192.83
Family -1	7	2	1	129.63	388.89	184.27	334.25	108.21	410.31	77.78	440.74	173.55	344.97	97.49	421.03
Family -2	7	2	2	111.37	334.14	147.77	297.74	89.95	355.56	66.83	378.68	137.05	308.46	79.23	366.28
<b>Plan Prime - Core Plus Medical Enhancements</b>															
Individual	6	1	0	71.24	213.73	42.75	242.22	42.75	242.22	42.75	242.22	28.50	256.47	28.50	256.47
Family	6	2	0	146.61	439.85	193.49	392.97	118.12	468.34	87.97	498.49	179.24	407.22	103.87	482.59
<b>MediPrime - Core Plus Medical Enhancements</b>															
Individual -1	6	1	1	53.54	160.62	32.12	182.04	32.12	182.04	32.12	182.04	21.42	192.74	21.42	192.74
Family -1	6	2	1	129.07	387.23	183.19	333.11	107.65	408.65	77.44	438.86	172.49	343.81	96.95	419.35
Family -2	6	2	2	111.19	333.56	147.41	297.34	89.77	354.98	66.71	378.04	136.71	308.04	79.07	355.68

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If Employer Pays - Contributions Are:	Ind / Dep Rate:			90%	85%	90%	90%	95%	85%	95%	95%	100%	35%	100%	50%
	Opt	Cov	Med	EE	ER	EE	ER	EE	ER	EE	ER	EE	ER	EE	ER
<b>Plan Prime - Core Only</b>															
Individual	8	1	0	25.66	230.98	25.66	230.98	12.83	243.81	12.83	243.81	0.00	256.64	0.00	256.64
Family	8	2	0	66.65	463.24	52.98	476.91	53.82	476.07	26.49	503.40	177.61	352.28	136.62	393.27
<b>MediPrime - Core Only</b>															
Individual -1	8	1	1	20.65	185.90	20.65	185.90	10.33	196.22	10.33	196.22	0.00	206.55	0.00	206.55
Family -1	8	2	1	61.74	418.72	48.04	432.42	51.42	429.04	24.03	456.43	178.04	302.42	136.95	343.51
Family -2	8	2	2	54.11	375.52	42.96	386.67	43.79	385.84	21.48	408.15	145.00	284.63	111.54	318.09
<b>Plan Prime - Core Plus All Enhancements</b>															
Individual	7	1	0	28.65	257.88	28.65	257.88	14.33	272.20	14.33	272.20	0.00	286.53	0.00	286.53
Family	7	2	0	74.19	515.97	59.01	531.15	59.87	530.29	29.51	560.65	197.36	392.80	151.81	438.35
<b>MediPrime - Core Plus All Enhancements</b>															
Individual -1	7	1	1	21.42	192.83	21.42	192.83	10.71	203.54	10.71	203.54	0.00	214.25	0.00	214.25
Family -1	7	2	1	67.06	451.46	51.85	466.67	56.35	462.17	25.92	492.60	197.78	320.74	152.13	366.39
Family -2	7	2	2	56.11	389.40	44.55	400.96	45.40	400.11	22.27	423.24	150.32	295.19	115.63	329.88
<b>Plan Prime - Core Plus Medical Enhancements</b>															
Individual	6	1	0	28.50	256.47	28.50	256.47	14.25	270.72	14.25	270.72	0.00	284.97	0.00	284.97
Family	6	2	0	73.72	512.74	58.65	527.81	59.47	526.99	29.32	557.14	195.97	390.49	150.74	435.72
<b>MediPrime - Core Plus Medical Enhancements</b>															
Individual -1	6	1	1	21.42	192.74	21.42	192.74	10.71	203.45	10.71	203.45	0.00	214.16	0.00	214.16
Family -1	6	2	1	66.74	449.56	51.63	464.67	56.03	460.27	25.82	490.48	196.39	319.91	151.07	365.23
Family -2	6	2	2	56.01	388.74	44.48	400.27	45.30	399.45	22.24	422.51	149.88	294.87	115.29	329.46

2000 Medicare: \$45.50

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If Employer Pays - Ind / Dep Rate: Opt Cov Med	100%	65%	100%	75%	100%	80%	100%	90%	100%	95%	100%	100%
	EE	ER	EE	ER	EE	ER	EE	ER	EE	ER	EE	ER
<b>Contributions Are:</b>												
<b>Plan Prime - Core Only</b>												
Individual 8 1 0	0.00	256.64	0.00	256.64	0.00	256.64	0.00	256.64	0.00	256.64	0.00	256.64
Family 8 2 0	95.64	434.25	68.31	461.58	54.65	475.24	27.32	502.57	13.66	516.23	0.00	529.89
<b>MediPrime - Core Only</b>												
Individual -1 8 1 1	0.00	206.55	0.00	206.55	0.00	206.55	0.00	206.55	0.00	206.55	0.00	206.55
Family -1 8 2 1	95.87	384.59	68.48	411.98	54.78	425.68	27.39	453.07	13.70	466.76	0.00	480.46
Family -2 8 2 2	78.08	351.55	55.77	373.86	44.62	385.01	22.31	407.32	11.15	418.48	0.00	429.63
<b>Plan Prime - Core Plus All Enhancements</b>												
Individual 7 1 0	0.00	286.53	0.00	286.53	0.00	286.53	0.00	286.53	0.00	286.53	0.00	286.53
Family 7 2 0	106.27	483.89	75.91	514.25	60.73	529.43	30.36	559.80	15.18	574.98	0.00	590.16
<b>MediPrime - Core Plus All Enhancements</b>												
Individual -1 7 1 1	0.00	214.25	0.00	214.25	0.00	214.25	0.00	214.25	0.00	214.25	0.00	214.25
Family -1 7 2 1	106.49	412.03	76.07	442.45	60.85	457.67	30.43	488.09	15.21	503.31	0.00	518.52
Family -2 7 2 2	80.94	364.57	57.81	387.70	46.25	399.26	23.13	422.38	11.56	433.95	0.00	445.51
<b>Plan Prime - Core Plus Medical Enhancements</b>												
Individual 6 1 0	0.00	284.97	0.00	284.97	0.00	284.97	0.00	284.97	0.00	284.97	0.00	284.97
Family 6 2 0	105.52	480.94	75.37	511.09	60.30	526.16	30.15	556.31	15.07	571.39	0.00	586.46
<b>MediPrime - Core Plus Medical Enhancements</b>												
Individual -1 6 1 1	0.00	214.16	0.00	214.16	0.00	214.16	0.00	214.16	0.00	214.16	0.00	214.16
Family -1 6 2 1	105.75	410.55	75.53	440.77	60.43	455.87	30.21	486.09	15.11	501.19	0.00	516.30
Family -2 6 2 2	80.71	364.04	57.65	387.10	46.12	398.63	23.06	421.69	11.53	433.22	0.00	444.75

2000 Medicare: \$45.50

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