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PA01-26

TO: Participating Agency Health Benefits Administrators
FROM: Employee Benefits Division
SUBJECT: Participating Agency Option Transfer Period for 2001
DATE: November 28, 2001

The purpose of this memo is to distribute information about the annual Option Transfer Period for Participating Agencies. Participating Agencies that offer employees a choice between the Empire Plan and one or more Health Maintenance Organizations (HMOs) must conduct an annual Option Transfer Period. This year's option transfer period will begin on November 29, 2001 and end on December 28, 2001. The effective date of all option changes done during this period will be January 1, 2002. Empire Plan rates for the 2002 plan year have been established and can be found in memo PA01-27 (or if you have Internet access, at www.cs.state.ny.us).

Enrollees in the Empire Plan who wish to change to HMO coverage and HMO enrollees who are eligible for enrollment in the NYSHIP and who wish to change to the Empire Plan may request an option change during the Option Change Period by following the procedures below. Enrollees may change options between the Empire Plan and an HMO only during the Option Transfer Period (except for a change based on a permanent change of residence – see Section 205 of the Manual of Procedures). The Option Transfer Period is not an opportunity to waive late enrollment periods for an otherwise eligible employee or retiree who presently has no coverage.

Note: While all distributed plan materials refer to the "Option Transfer Period" (so as not to confuse your enrollees), the transaction processed in NYBEAS (the NYSHIP enrollment system) is a "Benefit Plan Change". All processing instructions included in this memo will use the term "Benefit Plan Change".

BENEFIT PLAN CHANGE PROCEDURES FOR PARTICIPATING AGENCIES:

Benefit plan changes from an HMO to the Empire Plan:

All enrollees who wish to change their coverage from an employer-sponsored HMO to the Empire Plan must complete and sign a Health Insurance Transaction Form (PS-503.1). The PS-503.1 must be signed within the Option Transfer Period for coverage to be effective on January 1, 2002. The Health Insurance Transaction Code to be used is a "NEW" and should be completed as outlined in the *Manual for Participating Subdivisions*, section 351.

Retirees:

Once the “NEW” effective 01/01/02 is completed, prepare a PS-503.1 with an “RET” transaction effective 01/01/02 to report the retirement status and, if appropriate, initiate a pension deduction. If the Retiree or his or her dependent(s) is Medicare eligible, you must also complete a PS-503.1 with a “MED” transaction code, effective 01/01/02, for each person who is eligible. Please refer to the *Manual for Participating Subdivisions* sections 359 and 364 respectively for instructions on completing the PS-503.1.

A retiree must still meet the eligibility requirements outlined in Section 245 of the *Manual for Participating Subdivisions*, including enrollment in the Empire Plan or an employer-sponsored HMO at the time of retirement.

Dependent Survivors:

Mail the original of the “NEW” transaction effective 01/01/02 to the PA Operations Unit. When completing the PS-503.1, section 5, you need only complete box numbers 19, 20, 21, 22 and 35. Include a note requesting that the individual be enrolled as a dependent survivor. If the survivor is Medicare eligible, include a copy of his or her Medicare Identification Card and a completed PS-503.1 with a “MED” transaction code, effective 01/01/02. Refer to the *Manual for Participating Subdivisions*, section 364, for instructions on completing the “MED” transaction. When enrolling a dependent survivor, you must provide both the social security number of the deceased enrollee and the social security number of the dependent survivor.

A dependent survivor must meet the eligibility requirements outlined in Section 252 of the *Manual for Participating Subdivisions* and have had no break in coverage while in dependent survivor status. Documentation of employment should be provided when submitting the transaction to the PA Operations unit.

COBRA Enrollees:

Submit a PS-503.1 with a “NEW” transaction effective 01/01/02 to the PA Operations Unit along with a letter indicating the COBRA enrollee’s status (i.e. Employee or Dependent) and the effective date the COBRA coverage began. When completing the PS-503.1, section 5, you need only complete box numbers 19, 20, 21, 22 and 35.

Note:

If your retired enrollees or survivors are in a Medicare + Choice HMO, they must provide the HMO with the appropriate forms to disenroll their Medicare coverage from the HMO. These forms must be submitted by the HMO’s deadline to release the Medicare from the HMO by December 31, 2001 to insure full Empire Plan benefits on January 1, 2002. Contact the HMO directly for their procedures.

Benefit plan changes from the Empire Plan to an HMO:

Enrollees who wish to change their coverage from the Empire Plan to coverage with an HMO must complete and sign a PS-503.1. The PS-503.1 must have a signature date in December 2001 to be cancelled from the Empire Plan effective January 1, 2002. The code to be used is a "CAN" and should be completed as outlined in the *Manual for Participating Subdivisions*, section 356. Cancellations signed during any other month will be assigned an effective date of the first day of the following month.

For agencies connected to NYBEAS:

Benefit Plan changes are directly entered, by the agency Health Benefits Administrator, into the New York State Benefits Eligibility and Accounting System (NYBEAS) during the Option Transfer Period.

To complete a benefit plan change into the Empire Plan for your active and retired enrollees, refer to the completed PS-503.1(s) and process a Hire/Hire or a Rehire/Rehire transaction and then an Enroll/Regular transaction for each enrollee. Refer to your *NYBEAS System User Manual*, Section N 9 pages 31 to 36 for transaction processing assistance. Use 01/01/2002 as the First Eligibility Date on the Hire or Rehire Panel.

For Retirees, once the Hire or Rehire transaction is processed, you will need to enter a retirement transaction (RET/RET), Section N 9 pages 37 and 38. If a Medicare enrollment transaction is appropriate, see Section N 9 pages 43 and 44.

For dependent survivors and COBRA enrollees, please follow the instructions noted above under the heading "**Benefit plan changes from an HMO to the Empire Plan**".

For those enrollees who wish to voluntarily cancel the Empire Plan, refer to the completed PS-503.1 and process a CAN/VOL transaction, Section N 9 pages 7 and 8.

For agencies not connected to NYBEAS:

Agencies that are not connected to NYBEAS must send the completed PS-503.1 for each transaction required to the PA Operations Unit. A copy of the transaction should be retained in the employee's file. Transaction forms to be processed by the PA Operations Unit should be mailed to: The NYS Department of Civil Service, Employee Benefits Division – PA Operations Unit, The State Office Campus, Albany, NY 12239

For Assistance:

Contact the PA Operations unit at (518) 457-5847, 485-6619, 485-6618, or 457-5766 with any questions regarding the Option Transfer Period, procedures or transaction processing.