

*Second Quarter – 2007*

**IMPORTANT UPDATE:**  
**Income-Related Medicare Part B Premium Adjustment for 2007**

As previously reported, Federal law has changed the amount charged for Medicare Part B coverage for some higher income beneficiaries. Effective January 1, 2007, some individuals are being charged an income-related adjustment in addition to the standard premium which is \$93.50 for 2007. Our original interpretation was that NYSHIP employers would not be required to reimburse any amount in excess of the standard premium. However, in light of subsequent litigation regarding reimbursement of Medicare Part B premiums, we requested that our Department Counsel review that interpretation. Based upon that review, we have been advised that Civil Service Law, Section 167-a, requires NYSHIP employers to reimburse the entire Medicare Part B premium charged to a NYSHIP enrollee. The language of this statute and its implementing regulation, Section 73.3(b)(6) of the Codes, Rules and Regulations of the State of New York (Book 4), provides that an amount "equal to" the monthly premium charge for Medicare be reimbursed to the enrollee.

The State will be reimbursing the additional Medicare B premium on an annual basis after the end of the calendar year. Affected enrollees will be required to apply for reimbursement by providing documentation of the amount they actually paid for the Medicare Part B premium for the prior year. EBD is currently developing procedures for this reimbursement and will inform PA HBAs as soon as they are completed.

**Empire Plan Prescription Drug Program Contract Award**

The Department's current contract for the Empire Plan Prescription Drug Program expires on December 31, 2007. An RFP was issued for that contract and as a result of the procurement process, the Department recently announced the selection of United HealthCare in partnership with Medco. We successfully negotiated terms of a new four year contract with United HealthCare which we anticipate will reduce plan costs by more than \$100 million. The contract is currently being reviewed by the Office of the State Comptroller and, if approved, will take effect on January 1, 2008. We are currently working with all parties to ensure a smooth transition for enrollees.

### **PA Regional Meetings**

The announcement of the 2007 PA Regional Meetings was distributed in mid-August. Please be sure to register as soon as possible using the registration form attached to the announcement. If you did not receive the announcement, please contact Debbie D'Orazio at her e-mail address - [Deborah.Dorazio@cs.state.ny.us](mailto:Deborah.Dorazio@cs.state.ny.us) or by phone at (518) 485-1771. The meeting dates are:

- Tuesday, October 2<sup>nd</sup> in Saratoga Springs
- Wednesday, October 3<sup>rd</sup> in Rockland County
- Thursday, October 4<sup>th</sup> in Long Island

We look forward to this opportunity to interact with PA representatives and hope you are planning to attend.

### **Medicare Part D Employer Subsidy Update**

To date, NYSHIP applied for and received estimated Employer Subsidies covering January through November 2006, January through March of 2007 (credited to the July bill) and, most recently, May of 2007, which was applied to the September bill issued in early August. We are currently testing data for June and July and expect to submit a request to CMS in mid-September. As indicated in the previous report, the Employer Subsidy for December 2006 has not yet been released pending the completion of the 2006 reconciliation by CMS; by including the December subsidy as a part of the final reconciliation the need to recover any subsidy overpayments will be minimized. We will continue to distribute subsidy payments as soon as possible following receipt from CMS.

### **NYSHIP Representation at Municipal Events**

During the next quarter, NYSHIP's Empire Plan will be represented at the following event:

- The **2007 Annual Fall Training School** sponsored by the NYS Conference of Mayors on September 17-20, 2007, in Saratoga Springs, NY.
- The **2007 Annual Fall Seminar** sponsored by the NYS Association of Counties on September 19-20, 2007, in Albany.
- The **2007 Annual Convention** sponsored by the NYS School Boards' Association on October 25-27, 2007, in NYC.

If you are planning to attend an event, please stop by the NYSHIP exhibit.

### **GASB 45 Census Reports**

As indicated in previous reports, NYSHIP will provide agency census reports upon request for use in complying with the provisions of GASB 45. Since the data included in these reports will be current at the time they are provided, it is important that your agency NYBEAS file is up-to-date, including correctly identifying and coding retirees before requesting census reports. To request a copy of your agency's census information, please send an e-mail to:

[Melinda.Beyer@cs.state.ny.us](mailto:Melinda.Beyer@cs.state.ny.us) and include your name, agency name & code number, mailing address, phone number and E-mail address. For additional information about GASB 45, please refer to PA Memos 06-11 and 06-18.

### **Transmission of Reports Electronically**

Many agencies receive the Empire Plan Experience Report via E-mail. If you would like to be added to our distribution list, you may contact us at the address or E-mail below.

### **CEO & HBA Name and Address Changes**

Please be sure to notify EBD of any changes in the names and/or addresses (including E-mail address) of your agency's CEO or HBA, so that we may keep our mailing lists up-to-date. This updated information should be sent to:

*Debbie D'Orazio  
NYS Department of Civil Service  
Employee Benefits Division  
Alfred E. Smith State Office Building  
Albany, New York 12239  
or E-mail: [Deborah.Dorazio@cs.state.ny.us](mailto:Deborah.Dorazio@cs.state.ny.us)*