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PA07-26

TO: Participating Agency Health Benefits Administrators
FROM: Employee Benefits Division
SUBJECT: Participating Agency Option Transfer Period for 2007
DATE: November 16, 2007

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 began on November 1, 2007 and will end on December 14, 2007. The effective date of all option changes done during this period will be January 1, 2008. Empire Plan rates for the 2008 plan year have been established and can be found in memo PA07-27 (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 NYSHIP and who wish to change to the Empire Plan may request an option change during the Option Transfer 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 3.3 of the *Manual for Participating Subdivisions*). 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 an "ENROLL". 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, 2008. The Health Insurance Transaction Code to be used is a "NEW" and should be completed as outlined in the *Manual for Participating Subdivisions*.

Retirees:

Once the “NEW” effective 01/01/08 is completed, prepare a PS-503.1 with an “RET” transaction effective 01/01/08 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 01/01/08, for each person who is eligible. Please refer to the *Manual for Participating Subdivisions* for instructions on completing the PS-503.1.

A retiree must still meet the eligibility requirements outlined in Section 3.7 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 01/01/08 to the PA Operations Unit. When completing the PS-503.1, AGENCY/EBD USE section, you need only complete the Action/Reason, Agency Code and Effective date boxes and the Authorization section. 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 the completed PS-503.1 with a “MED” transaction code, effective 01/01/08. Refer to the *Manual for Participating Subdivisions* 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 3.10 of the *Manual for Participating Subdivisions* and have had no break in coverage while in dependent survivor status. Documentation of enrollment should be provided when submitting the transaction to the PA Operations unit.

COBRA Enrollees:

Submit a PS-503.1 with a “NEW” transaction effective 01/01/08 to the PA Operations Unit along with a letter indicating the COBRA enrollee’s status (Employee or Dependent) and the original effective date of the COBRA coverage. When completing the PS-503.1, AGENCY/EBD USE section, you need only complete the Action/Reason, Agency Code and Effective date boxes and the Authorization section.

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, 2007 to insure full Empire Plan benefits on January 1, 2008. 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 2007 to be cancelled from the Empire Plan effective January 1, 2008. The code to be used is a "CAN VOL" and should be completed as outlined in the *Manual for Participating Subdivisions*. Cancellations signed during any other month will be assigned an effective date of the first day of the following month.

Instructions for agencies connected to NYBEAS:

Benefit Plan changes are directly entered, by the agency Health Benefits Administrator, into the New York 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* for transaction processing assistance. Use the enrollees original hire date in the Hire Date and use 1/1/08 as the First Eligibility Date on the Hire or Rehire Panel.

For Retirees, once the Hire or Rehire transaction and the Enrollment transactions are processed, you will need to enter a retirement transaction (RET/RET) in Administer Workforce. If appropriate, process a Medicare transaction (MED/MED) in Administer NYBEAS Updates. The effective date for each of these transactions is 1/1/08.

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 in Administer NYBEAS Updates.

Instructions for agencies not connected to NYBEAS:

Agencies that are not connected to NYBEAS must send the completed PS-503.1(s) 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:

NYS Department of Civil Service
Employee Benefits Division – PA Operations Unit
Alfred E Smith State Office Building
Albany, NY 12239

For Assistance:

Contact the PA Operations Unit at (518) 474-2780 with any questions regarding the Option Transfer Period procedures or transaction processing.