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NANCY G. GROENWEGEN  
COMMISSIONER

**PA 07-31**

To: Participating Agency Health Benefits Administrators

From: Employee Benefits Division

Subject: Medicare Part B premium Reimbursement

Date: December 21, 2007

Effective January 1, 2007 a new federal law changed the amount charged for Medicare Part B coverage for beneficiaries with modified adjusted gross incomes (MAGI) that exceeded \$80,000 in 2005. Effective January 1, 2007, such individuals are being charged an income-related monthly adjustment amount (IRMAA) in addition to the standard premium (\$93.50 for 2007, \$96.40 for 2008). The 2008 IRMAA will apply to beneficiaries with a 2006 MAGI that exceeds \$82,000.

Our original determination that the State and other NYSHIP employers would not be required to reimburse any amount in excess of the standard premium payment has been reviewed and we have reversed that original determination. It is now the position of the Department of Civil Service that Civil Service Law, Section 167-a, does, in fact, require NYSHIP employers to reimburse the entire premium paid for Part B by a Medicare primary NYSHIP enrollee and/or any of their Medicare primary enrolled dependents. The language of this statute and its implementing regulation, Section 73.3(b)(6) of the Regulations of the President of the Civil Service Commission (5NYCRR4), require that an amount "equal to" the monthly premium charges for Medicare be paid to the enrollee by the employer beginning when the enrollee and/or any of their Medicare primary enrolled dependents are excluded from primary benefits from NYSHIP, which is on the date of first eligibility for Medicare Part B coverage. (This is the date on which, if the individual was enrolled in Part B benefits would be paid on claims submitted.)

For your information, below is information on how the State will provide this reimbursement to State and PE retirees. PAs may, but are not required to, follow this procedure. Whatever procedure is followed, PAs must ensure that enrollees are reimbursed the full Medicare Part B premiums paid by the enrollee and/or any of their Medicare primary enrolled dependents on at least an annual basis.

For State and PE enrollees, the State will continue providing reimbursement of the standard Medicare Part B premium as an addition to the monthly Employees' or Teacher's Retirement System pension check or as a monthly credit for direct pay enrollees with any excess refunded

quarterly. We will reimburse the IRMAA in excess of the standard premium on an annual basis after the end of the calendar year in which it is paid by the enrollee and/or any of their Medicare primary enrolled dependents. To claim the additional IRMAA reimbursement, State and PE enrollees will be required to document the amount paid in excess of the standard premium by providing EBD with a copy of the IRMAA notice issued to Medicare enrollees by the Social Security Administration (SSA) prior to the start of each calendar year, and a copy of the 1099 form issued by the SSA at the end of each calendar year, as proof of the monthly Medicare Part B premiums actually paid for the year.

For your information, Medicare beneficiaries may obtain a replacement copy of their IRMAA notice from their local social security office which can be located on <http://www.socialsecurity.gov/onlineservices/>. This website can also be accessed to request a copy of the SSA-1099.

If you have any questions or concerns about this NYSHIP policy, please direct them to the EBD Policy Unit in writing.