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To: New York State and Participating Employer Health Benefit Administrators

From: The Employee Benefits Division

Subject: New York State Health Insurance Program (NYSHIP) Benefit Changes

Date: January 8, 2009

This is a summary of Empire Plan benefit changes with effective dates of October 1, 2008, through January 1, 2011, for NYSHIP enrollees and their dependents in the groups listed below:

- Executive Branch employees represented by CSEA, DC-37, PEF and UUP;
- All Judicial Branch employees; and
- The “unrepresented cohorts” composed of the following groups:
 - Executive Branch M/C Employees
 - Legislative Employees
 - NYS Retirees
 - PE Active Employees and Retirees
 - Vestees, Dependent Survivors, Preferred List Enrollees and other Miscellaneous Direct Pay Enrollees

Please note this summary information is not intended to provide a complete description of each change. Enrollees should have received information about a voluntary Prescription Drug Program and January 1, 2009, changes in their *Empire Plan At A Glance* publication that was mailed recently along with a new card-sized copayment schedule (Copayment Codes A & B). This publication was referenced in NY HBA memo #08-35 and PE HBA memo #08-27 and is also available online. Detailed information about the 2009 changes will be provided in *The Empire Plan Report* and certificate amendments that will be mailed separately. If enrollees have any questions about the benefit changes, they should contact the appropriate Empire Plan program administrator by calling 1-877-7-NYSHIP (1-877-769-7447). If you have any questions about any of the information in this memo, please contact your agency processor for assistance.

In addition, the State has reached contract agreements with PBA and PIA. A separate summary of the resulting Empire Plan benefit changes for enrollees represented by PBA and PIA with effective dates of October 1, 2008, through January 1, 2011, will be sent to HBAs separately.

At this time, there will be no change to the Empire Plan benefits for Council 82, (Supervisors and ALES), NYSCOPBA and GSEU enrollees or their covered dependents since a contract agreement has not been reached at this time.

VOLUNTARY PROGRAM AVAILABLE OCTOBER 1, 2008

Empire Plan Prescription Drug Program

Half Tablet Program: This optional program is designed to help enrollees save money on their prescription drug copays. Eligible Empire Plan enrollees should have received an informational letter about the voluntary Half Tablet Program if they have recently filled a prescription for a medication included in the Half Tablet Program. UHC will send Half Tablet Program letters to additional eligible enrollees on a monthly basis.

CHANGES EFFECTIVE JANUARY 1, 2009

Empire Plan Medical Benefit (UHC) Changes

Basic Medical Deductible Increase: The annual deductible will increase annually based on the CPI-W index for UUP, DC-37, and PEF represented employees as well as enrollees that receive benefits as a member of the “unrepresented cohorts”. The chart below lists the 2009 annual deductible that will apply to employees represented by each union.

Union	Enrollee Deductible	Spouse or Domestic Partner Deductible	Covered Dependent Deductible
CSEA & Judicial Branch	\$225	\$225	\$225
DC-37	\$281	\$281	\$281
PEF, UUP & Unrepresented Cohorts	\$363	\$363	\$363

Out-of-Pocket Maximum (OOPMAX) Calculation: The annual maximum coinsurance out-of-pocket expense under the Basic Medical component will be modified from a single amount for the enrollee and all covered dependents to an amount that will be applied separately to the enrollee, to the spouse or domestic partner, and to all dependent children combined. See the chart below for the maximum that will apply to employees represented by each union.

Union	Enrollee OOPMAX	Spouse or Domestic Partner OOPMAX	Covered Dependent OOPMAX
CSEA & Judicial Branch	\$500	\$500	\$500
DC-37	\$600	\$600	\$600
PEF, UUP & Unrepresented Cohorts	\$1,000	\$1,000	\$1,000

Reduced Out-of-Pocket Maximum (ROOPMAX): The annual maximum coinsurance reduced out-of-pocket expense under the Basic Medical component for CSEA and DC-37 represented employees and Judicial Branch employees at a salary grade 6 (or equated to JG6) and below will be modified from a single amount for the enrollee and all covered dependents to \$300 per enrollee, \$300 per spouse or domestic partner, and \$300 for all dependent children combined.

Non-Network Hospital Charge Reimbursement Reduction: The maximum reimbursement under the Basic Medical Program for coinsurance paid as the result of using a non-network hospital, skilled nursing facility or hospice under the Hospital Program will be reduced from \$1,000 to \$500.

Complementary & Alternative Medicine Program: The Complementary & Alternative Medicine Program (CAM) ended effective December 31, 2008.

Empire Plan Prescription Drug Program Change (Does not apply to CSEA and Judicial Branch Employees)

Flexible Formulary: Employees represented by DC-37, PEF, UUP, and enrollees that receive benefits as a member of the “unrepresented cohorts” will be provided coverage in accordance with the 2009 Empire Plan Flexible Formulary. As a result of the change to the Flexible Formulary, enrollees will see some differences in coverage and/or preferred status of drugs. Additionally, some prescription drugs will be excluded from coverage. The goal of the Flexible Formulary is to provide enrollees and the Plan with the best value in prescription drug spending. The 2009 Flexible Formulary is included in *The Empire Plan At A Glance* and includes a list of excluded drugs. It also is currently available on NYSHIP Online.

All enrollees who are taking prescription drugs that have become non-preferred or excluded from coverage effective January 1, 2009 have received a letter notifying them of the change and providing them with potential preferred drug alternatives to discuss with their physician.

Empire Plan Mental Health and Substance Abuse (MHSA) Benefits Changes

Annual Deductible Non-Network Mental Health Practitioner Services: The annual deductible will increase annually based on the CPI-W index for UUP, DC-37 and PEF represented enrollees. The chart below lists the 2009 annual deductible that will apply to enrollees represented by each union.

Union	Enrollee Deductible	Spouse or Domestic Partner Deductible	Covered Dependent Deductible
CSEA & Judicial Branch	\$225	\$225	\$225
DC-37	\$281	\$281	\$281
PEF, UUP & Unrepresented Cohorts	\$363	\$363	\$363

Out-of-Pocket Maximum (OOPMAX) Non-Network Mental Health Practitioner Services: The maximum coinsurance out-of-pocket expense for non-network mental health practitioner services will be reduced from a single amount for the enrollee and all covered dependents to an amount that will be applied separately to the enrollee, to the spouse or domestic partner, and to all dependent children combined.

See the chart below for the maximum that will apply to employees represented by each union.

Union	Enrollee OOPMAX	Spouse or Domestic Partner OOPMAX	Covered Dependent OOPMAX
CSEA & Judicial Branch	\$500	\$500	\$500
DC-37	\$600	\$600	\$600
PEF, UUP & Unrepresented Cohorts	\$1,000	\$1,000	\$1,000

Reduced Out-of-Pocket Maximum (ROOPMAX) Non-Network Mental Health Practitioner

Services: The annual maximum coinsurance reduced out-of-pocket expense for non-network mental health practitioner services for CSEA and DC-37 represented employees and Judicial Branch employees at a salary grade 6 (or equated to JG6) and below will be modified from a single amount for the enrollee and all covered dependents to \$300 per enrollee, \$300 per spouse or domestic partner, and \$300 for all dependent children combined.

Coinsurance Maximum for Non-Network Mental Health Facility Services: The enrollee is responsible for 10% of billed charges for covered services up to a maximum of \$1,500. Coinsurance amounts between \$500 and \$1,000 will be refunded upon the facility's or enrollee's submission of a claim that qualifies for this reimbursement. The coinsurance maximum is calculated on an annual basis and applies separately to the enrollee, spouse or domestic partner, and all dependent children combined.

Empire Plan MHSA Insurer/Administrator Change

As the result of a competitive procurement, United Healthcare in partnership with OptumHealth has been selected to insure and administer the Empire Plan MHSA Program effective January 1, 2009. Benefits will not change as the result of this change. However, there may be changes in the network status of providers. Enrollees and dependents who have received MHSA benefits on or after July 1, 2008, will receive information from OptumHealth regarding the transition benefit that will be available to them.

Those in outpatient treatment with a ValueOptions network provider will be eligible to continue to receive network level benefits for services received through March 31, 2009, regardless of whether the provider joins the OptumHealth network. OptumHealth customer service and clinical staff are available through the Empire Plan toll-free line (1-877-769-NYSHIP) to answer questions from enrollees who have questions regarding their MHSA benefits in 2009.

New York State Dental Program Benefits

Annual Benefit Maximum: The annual benefit maximum will increase from \$1,800 to \$2,000 per individual for Executive and Legislative Branch M/C employees and PE employees.

Lifetime Orthodontia Maximum: The annual benefit maximum will increase from \$1,800 to \$2,000 per covered dependent child under age 19 for Executive and Legislative Branch M/C employees and PE employees.

New York State Vision Plan Changes

Standard and Occupational Vision Plan Benefits: There will be benefit changes to the New York State Vision Plan for Public Employee Federation (PEF) represented New York State Employees, their eligible enrolled dependents and to COBRA enrollees and their families with vision care benefits resulting from coverage as a PEF represented employee. EyeMed Vision Care mailed each affected enrollee an updated booklet that reflects these benefit changes. The booklet has also been modified to more clearly communicate existing benefits. Enrollees should have received the booklets in their home by January 1, 2009. Enrollees can also download and print a copy of the updated benefit booklet at www.cs.state.ny.us, choose Benefit Programs, choose NYSHIP Online, follow links and click on the link to EyeMed Vision Care.

Eyewear Purchase Period: All eligible PEF represented employees, PE employees and Executive and Legislative branch M/C employees will have 90 days from the date of the vision exam to purchase eyewear from a participating provider under the Occupational Program. The 90-day eyewear purchase period will also be available to PEF represented eligible employees, PE employees, and Executive and Legislative branch M/C employees and their eligible enrolled dependents under the Medical Exception Program. The 90 day eyewear purchase period under the medical exception program will also apply to COBRA enrollees and their families with vision care benefits resulting from coverage as a PEF represented employee, PE or M/C employee.

Medical Exception Program Annual Examination: The annual examination for all eligible PEF represented employees, PE employees and Executive and Legislative branch M/C employees will be covered for eligible employees and dependents with a medical condition that may impact their vision refraction and who are referred by a qualified medical provider caring for that condition, regardless of whether the medical condition has caused a vision loss that requires a new prescription. Please refer to your vision booklet for more information. This provision will also apply to COBRA enrollees and their families with vision care benefits resulting from coverage as a PEF represented employee, PE or M/C employee.

CHANGES EFFECTIVE JULY 1, 2009**Empire Plan Medical Benefit (UHC) Change**

Participating Provider Copayment Increase: The copayment will increase to \$20 for office visits and other services subject to a copayment, including surgical procedures performed during an office visit, radiology services, diagnostic laboratory services, physical therapy and chiropractic services for employees represented by DC-37, UUP, PEF, and enrollees that receive benefits as a member of the “unrepresented cohorts”. The copayment for CSEA represented employees and Judicial Branch employees will increase to \$15.

Empire Plan Hospital Program Benefits (Empire Blue Cross) Change

Network Hospital or Hospital Owned Extension Clinic Physical Therapy Copayment Increase: The copayment for physical therapy services received at a network facility will increase to \$20 for employees represented by DC-37, UUP, PEF, and enrollees that receive benefits as a member of the “unrepresented cohorts”. The copayment for CSEA represented employees and Judicial Branch employees will increase to \$15.

Empire Plan Mental Health and Substance Abuse (MHSA) Benefits Changes

Mental Health Copayment Increase: The copayment for each visit to a network practitioner for outpatient mental health care will increase to \$20 for employees represented by DC-37, UUP, PEF, and enrollees that receive benefits as a member of the “unrepresented cohorts”. The copayment for CSEA represented employees and Judicial Branch employees will increase to \$15.

Substance Abuse Copayment Increase: The copayment for each visit for outpatient substance abuse care including alcoholism will increase to \$20 for employees represented by DC-37, UUP, PEF, and enrollees that receive benefits as a member of the “unrepresented cohorts”. The copayment for CSEA represented employees and Judicial Branch employees will increase to \$15.

CHANGES EFFECTIVE JANUARY 1, 2010**Empire Plan Medical Benefit (UHC) Changes**

Basic Medical Deductible Increase: The 2010 annual deductible for enrollees represented by CSEA and Judicial Branch employees will increase from \$225 to \$250 for the enrollee, \$250 for the covered spouse or domestic partner, and \$250 for all dependent children combined. The deductible for DC-37, UUP, PEF and enrollees that receive benefits as a member of the “unrepresented cohorts” will continue to increase based on the CPI-W index.

Out-of-Pocket Maximum Calculation (OOPMAX): The maximum enrollee coinsurance out-of-pocket expense under the Basic Medical component will increase annually based on the CPI-W index for employees represented by DC-37, UUP, PEF and enrollees that receive benefits as a member of the “unrepresented cohorts”. The OOPMAX for CSEA represented employees and Judicial Branch employees will remain at \$500. For all groups, the OOPMAX will continue to apply separately for the enrollee, for the covered spouse or domestic partner, and for all dependent children combined.

Empire Plan Hospital Program Benefits (Blue Cross) Changes

Emergency Room Services Copayment Increase: The hospital or hospital owned extension clinic copayment will increase from \$60 to \$70 for emergency room services for employees represented by DC-37, UUP, PEF, and enrollees that receive benefits as a member of the “unrepresented cohorts”. The copayment for CSEA represented employees and Judicial Branch employees will increase to \$60.

Diagnostic Outpatient Service Copayment Increase: The hospital or hospital-owned extension clinic copayment for all groups will increase from \$35 to \$40 for services including diagnostic radiology, mammography screening, diagnostic laboratory tests, bone mineral density screening, and administration of Desferal for Cooley’s anemia.

Outpatient Surgery Copayment Increase: The outpatient surgery copayment will increase from \$35 to \$60 for employees represented by DC-37, UUP, PEF, and enrollees that receive benefits as a member of the “unrepresented cohorts”. The copayment for CSEA represented employees and Judicial Branch employees will increase to \$40.

Empire Plan Mental Health and Substance Abuse (MHSA) Benefits Changes

Emergency room Copayment Increase: The Emergency room copayment will increase from \$60 to \$70 for Managed Mental health and substance abuse emergency room services for employees represented by DC-37, UUP, PEF, and enrollees that receive benefits as a member of the “unrepresented cohorts”. The copayment for CSEA represented employees and Judicial Branch employees will increase to \$60.

Out-of-Pocket Maximum (OOPMAX) for Non-Network Mental Health Practitioner Services:

The CPI escalator will be applied annually to the previous years' coinsurance maximum for employees represented by DC-37, UUP, PEF, and enrollees that receive benefits as a member of the "unrepresented cohorts". The OOPMAX for CSEA and Judicial Branch employees will remain at \$500.

CHANGES EFFECTIVE JANUARY 1, 2011**Empire Plan Medical Benefit (UHC) Changes**

Out-of-Pocket Maximum (OOPMAX) Calculation: The maximum enrollee coinsurance out-of-pocket expense under the Basic Medical component will continue to increase annually based on the CPI-W index for employees represented by DC-37, UUP, PEF and enrollees that receive benefits as a member of the "unrepresented cohorts". The OOPMAX for CSEA represented employees and Judicial Branch employees will increase from \$500 to \$515. For all groups, the OOPMAX will continue to apply separately for the enrollee, for the covered spouse or domestic partner, and for all dependent children combined.

Reduced Out-of-Pocket Maximum (ROOPMAX): The annual maximum coinsurance reduced out-of-pocket expense under the Basic Medical component for CSEA and DC-37 represented employees and Judicial Branch employees at a salary grade 6 (or equated to JG6) and below will be applied as indicated in the chart below.

Union	Enrollee ROOPMAX	Spouse or Domestic Partner ROOPMAX	Covered Dependent ROOPMAX
CSEA & Judicial Branch	\$309	\$309	\$309
DC-37	\$300	\$300	\$300

Non-Network Hospital Charge Reimbursement: Reimbursement under the Basic Medical Program of up to \$500 for non-network hospital coinsurance will be **eliminated**.

Basic Medical Provider Discount Program: The Basic Medical Provider Discount Program will sunset on December 31, 2011, unless continued by mutual agreement between the State and the unions.

Empire Plan Mental Health and Substance Abuse (MHSA) Benefit Changes**Out-of-Pocket Maximum (OOPMAX) for Non-Network Mental Health Practitioner Services:**

The CPI escalator will be applied annually to the previous years' coinsurance maximum for employees represented by DC-37, UUP, PEF, and enrollees that receive benefits as a member of the "unrepresented cohorts". The OOPMAX for CSEA represented employees and Judicial Branch employees will increase from \$500 to \$515. For all groups, the OOPMAX will continue to apply separately for the enrollee, for the covered spouse or domestic partner, and for all dependent children combined.

Reduced Out-of-Pocket Maximum (ROOPMAX) Non-Network Mental Health Practitioner Services: The annual maximum coinsurance reduced out-of-pocket expense for CSEA and DC-37 represented employees and Judicial Branch employees at a salary grade 6 (or equated to JG6) and below for non-network mental health practitioner services will be applied as indicated in the chart below.

Union	Enrollee ROOPMAX	Spouse or Domestic Partner ROOPMAX	Covered Dependent ROOPMAX
CSEA & Judicial Branch	\$309	\$309	\$309
DC-37	\$300	\$300	\$300

Coinsurance Maximum for Non-Network Mental Health Facility Services: The enrollee is responsible for coinsurance amounts of up to \$1,500 annually.