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NY10-28

TO: New York State Agency Health Benefits Administrators

FROM: Employee Benefits Division

SUBJECT: Special Option Transfer Period for NYSHIP Rate Changes Effective October 1, 2010

DATE: July 28, 2010

Provisions of 2010-2011 Emergency Budget legislation now require that, effective April 1, 2010, the cost of Medicare Part B premium reimbursement be shared by the State and New York State Health Insurance Program (NYSHIP) enrollees. This will result in a NYSHIP rate change effective October 1. Please refer to HBA Memo # NY10-27, dated July 23, 2010, for information on the *NYSHIP Rate Changes Effective October 1, 2010* flyer being mailed to enrollee homes.

Attached are rate charts which reflect the premium rates effective October 1, 2010. These schedules differentiate the rates applicable to employees in bargaining units whose contract negotiations have remained unsettled, from those that have reached agreement with the State. **You can also refer to HBA Online, under Easy Reference > Rates, for a rate chart comparing current enrollee contribution rates and those that will be in effect on October 1.** The attached NYSHIP rates are presented as follows:

- Schedule I – Employee Share and Full Share Rates (Settled)
- Schedule II – Employee Share and Full Share Rates (Unsettled)
- Schedule III – Employee Share and Full Share Rates (CSEA and Courts)

These rates reflect the cost of reimbursing Medicare Part B premiums to State enrollees and dependents from the effective date of the legislation, April 1, through the end of 2010. Since the legislation was not passed until June 7 and the rate change required significant changes to NYBEAS, the rate change is effective October 1. This means that the nine months of Medicare Part B premium cost is spread across the last three months of the year. Also, because the State's contribution to the cost of HMOs is based on the cost of Empire Plan coverage, the increase in Empire Plan premium results in an increase in the State's contribution to HMO coverage with three exceptions (see below); therefore, in most cases the enrollee contribution for HMOs is decreasing.

Special Option Transfer Period (August 2-31, 2010)

As a result of these rate changes, there will be a Special Option Transfer Period during the month of August. The annual rate change and Option Transfer Period for 2011 will occur later this year, as usual.

The Special Option Transfer Period will begin on August 2 and run through August 31, 2010. Enrollees in the Pre-Tax Contribution Program (PTCP) may only make an option change that is consistent with PTCP rules. If their premium cost is increasing, they may change to a lower cost option. Also, regardless of the change in the cost of their current option, they may change into an option for which the premium has decreased. To assist enrollees with making a decision about changing options, please refer to the NYSHIP rate comparison chart that shows current enrollee contribution rates and those that will be in effect on October 1. This chart is available on HBA Online under Easy Reference > Rates.

Since the enrollee contribution for most options is decreasing, the option changes that are NOT permitted as the result of the October 1 rate change are limited to the following:

- Enrollees in HMOs may not change into The Empire Plan
- Enrollees in one of the three HMO option coverages for which the enrollee contribution is increasing may not change into another one of these three HMOs if the change will result in a higher enrollee contribution. Specifically:
 - Individual MVP East (060) enrollees may NOT change to CDPHP Capital (063)
 - Individual Blue Choice (066) enrollees may NOT change to either CDPHP Capital (063) or MVP East (060)
- Enrollees may not change from individual to family coverage without a qualifying event

Please contact your processor if you have any questions about whether an enrollee's requested option change is permissible, or if an enrollee has requested to make a change to individual coverage or cancel coverage due to an increase in premium.

If enrollees are considering changing their health insurance plan, they should review the 2010 NYSHIP *Choices* booklet and the rate chart included in the *NYSHIP Rate Changes Effective October 1, 2010* flyer being mailed to enrollee homes in early August. Enrollees may request *Choices* booklets from you to help them through the decision-making process. Remember there are two versions of *Choices* for active employees. One version is for settled groups (blue) and one is for unsettled groups (green).

As of the date of this memo, the following groups should receive the settled (blue) version (AL0929):

- CSEA
- Council 82 (except employees in the Agency Law Enforcement Services Unit (ALESU))
- DC-37
- Legislature
- M/C
- NYSCOPBA
- PBA-Supervisors
- PBA-Troopers
- PEF

- PIA
- Unified Court System (UCS)
- UUP (except employees in lifeguard titles)

As of the date of this memo, the following groups should receive the unsettled (green) version (AL0930):

- Council 82 (in the Agency Law Enforcement Services Unit (ALESU))
- UUP employees in lifeguard titles

Please provide the Health Insurance Transaction Form PS-404 to those enrollees requesting a permissible option change. Forms must be completed and returned to you by August 31, 2010. **Online option changes using MyNYSHIP will NOT be available to active enrollees during the Special Option Transfer Period.**

No action is required for enrollees who wish to keep their current health insurance option and still qualify for that plan.

PLEASE NOTE: The regular annual Option Transfer Period, normally held at the end of the calendar year, will still occur and enrollees will have the opportunity to review health insurance plan options and rates for 2011 as usual. You should caution enrollees who are considering changing into a lower cost option for the balance of 2010 that the relative cost of NYSHIP options may change for 2011, i.e. an option that has a lower enrollee contribution for the balance of 2010 may cost more than their current option in 2011.

NYBEAS Processing and Important Dates for Benefit Plan Changes

To process a Benefit Plan Change during this Special Option Transfer period, the PLN/CHG transaction should be used. The effective dates for Benefit Plan changes during this Special Option Transfer period are as follows:

- September 30, 2010 for Administration payroll employees
- October 7, 2010 for Institution payroll employees

The PLN/CHG transaction will be available on NYBEAS between August 2nd and September 14th. Please see the charts below for more details, and for the dates that transactions must be processed in order to avoid retroactivity in health insurance deductions.

Transaction Type During Special Option Transfer Period	Date of Request = Signature Date on PS 404	Transaction Effective Date
Benefit Plan Change Action/Reason (PLN/CHG)	8/2/10 – 8/31/10	For Administration: September 30, 2010 For Institution: October 7, 2010

Payroll	WED Adm THURS Inst (Paycheck #1)	NYBEAS Transaction Effective Date	Keying Window	To avoid retroactivity key by
Admin Lag	9/29/10	9/30/2010	8/2/10 – 9/14/10	9/14/10
Admin Lag Exempt	9/15/10	9/30/2010	8/2/10 – 9/14/10	8/31/10
Institution Lag	10/7/10	10/7/2010	8/2/10 – 9/14/10	9/21/10
Institution Lag Exempt	9/23/10	10/7/2010	8/2/10 – 9/14/10	9/7/10

How will the Special Option Transfer Period work for NYSHIP enrollees with retiree benefits?

The Special Option Transfer Period will also be available to NYSHIP enrollees with retiree benefits*. Retirees may select The Empire Plan or a NYSHIP-approved Health Maintenance Organization (HMO) serving their area. Since PTCP rules do not apply to enrollees with retiree benefits, there are no restrictions as to the option they can choose, provided they are otherwise eligible for that option.

*NYSHIP enrollees with retiree benefits include: Retirees, Vesteers, Dependent Survivors and enrollees covered under Preferred List provisions of New York State Government and COBRA enrollees with their NYSHIP benefits.

PLEASE NOTE: This Special Option Transfer Period will not be counted as an option change for the purposes of limiting retirees to one option change in any given 12-month period. In addition, health insurance rates and benefit plan information for the 2011 plan year will be available at the end of the 2010 calendar year as they normally are, and retirees will again have the opportunity to review this material and change plans at that time if they are otherwise eligible.

Please contact your processor if you have any questions.

Attachments