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STATE OF NEW YORK DEPARTMENT OF CIVIL SERVICE

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PA10-21 PAEX 10-17 PE 10-21

TO: Participating Agency CEOs and Participating Employer CEOs

FROM: Employee Benefits Division

SUBJECT: Dependents Re-Added after being deleted through the Dependent Eligibility

Verification Project (DEAS)

DATE: July 2, 2010

As administrator of the New York State Health Insurance Program (NYSHIP), the Department of Civil Service conducted a project to verify the eligibility of each dependent covered by NYSHIP. Dependents that were determined to be ineligible as a result of the Dependent Eligibility Verification Project (DEAS) were deleted effective 02/01/2009. Dependents were deemed ineligible if sufficient documentation was not received to establish the dependent's eligibility or if the enrollee contacted the Department of Civil Service to voluntarily remove the dependent from coverage.

A recent review of our records indicates that many dependents deemed ineligible and deleted effective 02/01/09 have subsequently been re-enrolled by your agency's Health Benefits Administrator. Although a dependent may re-establish eligibility, certain criteria are required to verify a dependent's current eligibility before the dependent can be re-enrolled for NYSHIP coverage.

Enclosed is a listing of those dependents that have been re-enrolled. As we advised HBAs in a system announcement issued on May 6, 2010, NYSHIP requires that acceptable documentation be provided to verify each dependent's current eligibility before a dependent removed as the result of the audit is re-enrolled. You should confirm with your HBA that this has been done for the dependents on the enclosed list. We have made available to Health Benefits Administrators the DEAS Disposition File which is described in HBA Memo PA10-18, PAEX10-14 and PE10-17 dated 6/15/2010. This file indicates the status of each dependent that was originally included in the Project.

The Dependent Eligibility Verification Project has been very successful and resulted in the removal of a significant number of ineligible dependents from the NYSHIP enrollment file. This has reduced NYSHIP premium costs for many participating employers and will lower overall Plan claims costs. Therefore, we want to take this opportunity to stress the importance of complying

with the administrative obligations required under Section 73.4(a) and (b) of the President's Regulations. The regulations require that a participating employer maintain up-to-date eligibility records with the required documentation for enrollees and their dependents. By doing so, you will help maintain the integrity of your agency's enrollment records. It is mandatory for Health Benefits Administrators to obtain the necessary documentation to establish a dependent's eligibility prior to adding a dependent to NYSHIP. HBAs can refer to the HBA memo PA10-15, PAEX10-11 and PE10-13 dated 6/22/2010 for a list of the acceptable documentation to establish eligibility.

Your continued compliance with NYSHIP rules and regulations in maintaining accurate enrollment records is important.