



DAVID A. PATERSON
GOVERNOR

STATE OF NEW YORK
DEPARTMENT OF CIVIL SERVICE
ALFRED E. SMITH STATE OFFICE BUILDING
ALBANY, NEW YORK 12239
www.cs.state.ny.us

NANCY G. GROENWEGEN
COMMISSIONER

July 2, 2010

Dear Chief Executive Officer:

Enclosed is a copy of Policy Memo #140 which establishes a six-month limit on refunds from the New York State Health Insurance Program (NYSHIP) that result from retroactive enrollment transactions by Participating Agencies. As the Dependent Eligibility Verification Project is concluding, the Employee Benefits Division has been reviewing its policies and procedures to identify changes that will help to keep NYSHIP enrollment records accurate and up-to-date. The six-month limit is consistent with our current procedure which permits Participating Agency HBAs to enter transactions into NYBEAS (the NYSHIP enrollment and accounting system) with retroactive dates up to six months. However, except as noted below, we are ending the practice of considering for approval requests for retroactive refunds up to one year.

As noted in the policy memo, there are two circumstances when retroactive refunds will be allowed for up to the three year limit that is established under State Finance Law and applies to NYSHIP:

1. There is a documented retroactive determination of eligibility by a state or federal entity and such determination is reported to the Employee Benefits Division within 60 days of such determination, with the most common examples being retroactive disability retirement determinations by a State retirement system and retroactive determinations of Medicare eligibility by CMS; **or**
2. The death of an enrollee or covered dependent, in which case there would be no claims exposure to NYSHIP.

This policy takes effect September 1, 2010, which will provide your agency Health Benefits Administrator with sufficient time to carefully review the agency's monthly billing statement and the July 2010 quarterly reconciliation listing. Any discrepancies must be reported in writing to the Division prior to September 1, for consideration of a refund of up to one year. Going forward, it will be critical for your HBA to routinely reconcile the bills with the quarterly reconciliation listing to ensure that any retroactive changes are made within the six-month window.

Given the budgetary challenges that State and local governments are facing, it is particularly important that we focus on ensuring that NYSHIP costs are controlled in every way possible. Enrollment transactions with retroactive effective dates compromise the NYSHIP carriers' ability to stop or recover improper payments. As a result, unnecessary costs are borne by the Plan and reflected in all payors' premium. Therefore, we believe that it is prudent to have a more rigorous limit on retroactivity resulting from failure to keep NYSHIP enrollment records up-to-date. Since the Division sends each agency a quarterly reconciliation listing we have determined that a six-month limit is reasonable. We recognize that your enrollees may not always provide you with timely notification of changes in their status, or that of their covered dependents. I urge you to stress the importance of doing so to all of your employees and retirees. Additionally, your agency may want to consider adopting a policy that, if an enrollee fails to notify you of a change on a timely basis, such as a divorce or eligibility for Medicare, the agency would seek recovery of any excess premium paid on the enrollee/dependent's behalf.

Sincerely,

A handwritten signature in black ink, appearing to read "Robert W. DuBois", with a stylized flourish at the end.

Robert W. DuBois
Director
Division of Employee Benefits

cc: Agency Health Benefits Administrator