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TO: New York State Health Benefits Administrators

FROM: Employee Benefits Division

SUBJECT: NYSHIP Rate Changes Effective October 1, 2011 and Special Option Transfer Period for Judges, Justices, Employees represented by the Civil Service Employees Association (CSEA), and Unrepresented Employees of the Unified Court System (UCS)

DATE: September 29, 2011

The New York State Health Insurance Program (NYSHIP) premium contribution sharing arrangement is changing for certain employees of the UCS, effective October 1, 2011. A Special Option Transfer Period is being made available to judges, justices, employees represented by the CSEA, and unrepresented employees of the UCS as a result of the premium contribution changes.

Effective October 1, 2011, for the employees of UCS in the groups listed above, in positions SG-9 or lower, the State will contribute 88% of the cost of the enrollee's coverage and 73% of the cost for dependent coverage. For those employees in positions SG-10 or higher, the State will contribute 84% of the cost of the enrollee's coverage and 69% of the cost for dependent coverage. The State's contribution to the cost of HMO coverage will continue to be capped based on the dollar amount of its contribution to the cost of Empire Plan coverage.

Since premium deductions for October coverage have already been taken, the increase in the cost of NYSHIP coverage for October will be included in premium contributions for November and December; i.e., the increase for the three-month period (October through December) will be collected over a two-month period. Attached are rate charts, which reflect the NYSHIP rates for the affected employees for the November and December coverage periods. Note that the rate schedules have been separated to reflect the rate differential for employees in positions SG-9 or lower and those employees in positions SG-10 or higher. You can also find the rates on **HBA Online**, under **Easy Reference > Rates**. The attached NYSHIP rates are categorized as follows:

- Judges, justices, employees represented by the CSEA, and unrepresented employees of the UCS in positions Salary Grade 9 or Lower (or employees equated to a position Salary Grade 9 or lower)
 - Active Employee Share for Individual and Family Coverage
 - Full Share (Net Leave Without Pay) for Individual and Family Coverage
- Judges, justices, employees represented by the CSEA, and unrepresented employees of the UCS in positions Salary Grade 10 or Above (or an employee equated to a position Salary Grade 10 or above)
 - Active Employee Share for Individual and Family Coverage
 - Full Share (Net Leave Without Pay) for Individual and Family Coverage

Special Option Transfer Period (September 29 – October 31)

As a result of these changes, there will be a Special Option Transfer Period during the month of October. The annual rate change and Option Transfer Period for plan year 2012 will occur later this year, as usual.

The Special Option Transfer Period will begin on September 29 through October 31, 2011 and is available to all judges, justices, employees represented by the CSEA, and unrepresented employees of the UCS in position enrolled in NYSHIP, regardless of their participation in the Pre-Tax Contribution Program (PTCP), as permitted under PTCP rules. To assist enrollees while making a decision about changing options, please refer to their group specific NYSHIP rate flyer which shows the enrollee contribution rates that will be in effect November 1. This chart is available on **HBA Online** under **Easy References > Rates**.

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.

Enrollees who are considering changing their health insurance plan should be encouraged to carefully review the 2011 NYSHIP *Choices* booklet, the August 2011 *Empire Plan Special Report* that describes October 1 benefit changes, and the *NYSHIP Rate Changes Effective November 1, 2011* flyer. The latter two publications were mailed to enrollee homes in late September. Enrollees may request 2011 *Choices* booklets from you to assist them in the decision-making process.

Please provide the Health Insurance Transaction Form PS-404 to those enrollees requesting an option change. Forms must be completed and returned to you by October 31, 2011. **Online option changes using MyNYSHIP will NOT be available to enrollees during this Special Option Transfer Period.**

No action is required for enrollees who wish to keep their current health insurance option.

REMINDER: 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 for 2012 as usual.

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:

- October 27, 2011 for Administrative payroll employees

The PLN/CHG transaction will be available on NYBEAS between September 29 and November 3. 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.

Payroll	(Paycheck #1)	Transaction Effective Date	Keying Window	To avoid retroactivity key by
Admin Lag Exempt	10/12/2011	10/27/2011	9/29/11 – 11/3/2011	Retroactivity unavoidable
Admin Lag	10/26/2011	10/27/2011	9/29/11 – 11/3/2011	10/11/2011

Please contact your processor if you have any questions.

Attachment