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PE14-29

TO: Participating Employer Chief Executive Officers and Health Benefits Administrators

FROM: Employee Benefits Division

SUBJECT: 2015 New York State Health Insurance Program (NYSHIP) Rates

DATE: November 28, 2014

Attached are the 2015 NYSHIP Participating Employer health benefit rates that become effective January 1, 2015. Agency billing for coverage beginning January 1, 2015 will reflect the new rates.

The Empire Plan rates for Participating Employers will increase, in aggregate 4.0%. Although each Participating Employer, in accordance with its own policy, sets the employee/employer contribution rate for its active employees, we have included for your information Rate Schedules I & II which provide the employee/employer contribution rate of 90/75 percent, without HMO capping, for each option. Rate Schedules III, IV, V, VI, and VII reflect the retiree rates inclusive of the State's employer share capping formula applicable to HMOs. Collection of amounts by the Employee Benefits Division from your retirees and dependent survivors will be done using the capped rate schedule. Rate Schedules VIII and IX reflect the Gross Individual Rates for each NYSHIP option to assist in the calculation of imputed income.

The 2015 Plan Year will mark the second year of the Empire Plan's full conversion to a self-funded plan. While payments to vendors, except for the Medical Program, are based on actual claims and administrative expenses, premium equivalent rates are developed as the basis to charge payors for the projected incurred claims and administrative expenses.

The 2015 premium equivalent rates were developed by the Department based on projections from the vendors and Aon Hewitt, the Department's benefit consultant. The premium impact on any particular employer can vary based on the mix of coverage provided. After application of \$182 million in dividend for 2015, \$259 million remains on balance to offset future premium increases.

Following are the 2015 Empire Plan monthly rates:

With Drug Coverage

<u>Coverage</u>	<u>Gross Rates</u>	<u>Dividend and Interest Application</u>	<u>Net 2015 Rate</u>	<u>Net 2014 Rate</u>	<u>Percent Change</u>
Individual	\$656.23	(\$14.84)	\$641.39	\$617.51	3.87%
Family	\$1,595.52	(\$35.69)	\$1,559.83	\$1,499.61	4.02%

Without Drug Coverage

<u>Coverage</u>	<u>Gross Rates</u>	<u>Dividend and Interest Application</u>	<u>Net 2015 Rate</u>	<u>Net 2014 Rate</u>	<u>Percent Change</u>
Individual	\$493.41	(\$11.72)	\$481.69	\$464.40	3.72%
Family	\$1,257.61	(\$29.21)	\$1,228.40	\$1,179.71	4.13%

Retirees and Dependent Survivors

Retirees and Dependent Survivors of some Participating Employers have their rate liability collected by the State either by deductions from their New York State Employee Retirement System pension checks or by direct billing. The 2015 deductions and billings for Empire Plan and HMO coverage are based on the contribution amounts used in prior years as follows:

<u>Coverage</u>	<u>Individual Coverage</u>	<u>Dependent</u>
Retirees of record prior to 1/1/83	0%	25%
Retirees of record on or after 1/1/83 and prior to 1/1/2012	10%	25%
Post 4/1/79 Survivors	10%	25%

Enclosed for your information is Schedule III which presents the employee/employer contributions for pre-1/1/83 Retirees. These schedules reflect the employer contribution capping formula applicable to HMOs. Schedules V and VI present the employee/employer share breakdown for enrollees who are eligible for the Medicare Part D Low income subsidy and have chosen a “no-drug” option in NYSHIP. These schedules also reflect the employer contribution capping formula.

Health Maintenance Organizations

HMO rates have a composite rate increase of 6.8% with varying percentage changes for each HMO.

NYSHIP Medicare Part B Premium Reimbursement

The Centers for Medicare and Medicaid Services announced that the January 1, 2015 Part B premium amount will remain at \$104.90. For enrollees subject to the Income Related Monthly Adjustment Amount (IRMAA), the IRMAA amounts also will not be changing from the 2014 amounts.

Dental and Vision Rates for 2015

The following are the 2015 Dental and Vision rates for agencies that participate in the New York State offering:

Gross Rates	Dental	Vision
Individual	\$28.36	\$3.46
Family	\$74.10	\$9.12

If you have any questions about this rate change, or if your agency has a unique rate structure and needs assistance in determining the employee/employer contribution, please call the PA/PE Unit in the Employee Benefits Division at (518) 474-2780.

Attachments