



## Department of Civil Service

ANDREW M. CUOMO  
Governor

**PE16-24**

**TO:** Participating Employer Chief Executive Officers and Health Benefits Administrators  
**FROM:** Employee Benefits Division  
**SUBJECT:** 2017 New York State Health Insurance Program (NYSHIP) Rates  
**DATE:** November 10, 2016

Attached are the 2017 NYSHIP Participating Employer health benefit rates that become effective January 1, 2017. The agency billing statement dated December 2, 2016, for coverage beginning January 1, 2017, will reflect the new rates.

The Empire Plan rates for Participating Employers will increase, in aggregate, 7.7%. 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 share 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. Enrollee premiums administered by the Employee Benefits Division (EBD) on your behalf, for retirees and dependent survivors will be calculated using the capped rate schedule. Rate schedules VIII and IX reflect the Gross Individual Rates for each NYSHIP option to assist in your calculation of imputed income.

The 2017 Plan Year will mark the fourth 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 2017 Premium equivalent rates were developed by the Department based on projections from the vendors and Aon Hewitt, the Department's benefit consultant. The gross premium will increase 7.2%. After the application of \$151.6 million in available dividend and accrued interest, the premium rates charged to payors will increase 7.7%.

The following are the 2017 Empire Plan monthly rates:

**With Drug Coverage**

<u>Coverage</u>	<u>Gross Rates</u>	<u>Dividend and Interest Application</u>	<u>Net 2017 Rates</u>	<u>Net 2016 Rates</u>	<u>Percent Change</u>
Individual	\$737.16	\$14.55	\$722.61	\$680.91	6.12%
Family	\$1,846.14	\$32.24	\$1,813.90	\$1,682.33	7.82%

**Without Drug Coverage**

<u>Coverage</u>	<u>Gross Rates</u>	<u>Dividend and Interest Application</u>	<u>Net 2017 Rates</u>	<u>Net 2016 Rates</u>	<u>Percent Change</u>
Individual	\$548.57	\$3.33	\$545.24	\$492.32	10.75%
Family	\$1,442.64	\$8.55	\$1,434.09	\$1,281.05	11.95%

**Retirees and Dependent Survivors**

Retirees and Dependent Survivors of some Participating Employers have their premium collection administered by the Employee Benefits Division. For these employers, the 2017 enrollee premiums for Empire Plan and HMO coverage are based on the following contribution amounts:

<u>Coverage</u>	<u>Individual Coverage</u>	<u>Dependent Coverage</u>
Retirees of record prior to 1/1/1983	0%	25%
Retirees of record on or after 1/1/1983 and prior to 1/1/2012	10%	25%
Post 4/1/1979 Survivors	10%	25%

**Health Maintenance Organizations**

HMO rates have a composite rate increase of 5.9% with varying percentage changes for each HMO.

## **NYSHIP Medicare Part B Reimbursement**

As of the issuance date of this memorandum, the 2017 Medicare Part B rates have not yet been formally announced by the Centers for Medicare and Medicaid Services (CMS). Based on the Medicare Trustees Report released in July 2016, high earner (IRMAA) Medicare enrolled individuals, new Medicare enrollees for 2017, as well as enrollees who pay CMS directly for their Medicare Part B premium may experience a 22% increase in Medicare Part B premiums. Due to a hold harmless provision under the Social Security Act, Medicare Part B premiums for all other Medicare individuals will not increase by more than the Social Security Cost of Living Allowance (COLA). The Social Security Administration recently announced a 0.3% COLA increase for 2017.

## **Dental and Vision Rates for 2017**

The following are the 2017 Dental and Vision rates for agencies that participate in the New York State offering:

<b>Gross Rates</b>	<b>Dental</b>	<b>Vision</b>
Individual	\$27.22	\$3.38
Family	\$71.82	\$8.74

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.

Attachment(s)