



PE18-20

TO: Participating Employer Chief Executive Officers and Health Benefits Administrators
FROM: Employee Benefits Division
SUBJECT: 2019 New York State Health Insurance Program (NYSHIP) Rates
DATE: December 10, 2018

Attached are the 2019 NYSHIP Participating Employer health benefit rates that become effective January 1, 2019. Agency billing for coverage beginning January 1, 2019 will reflect the new rates.

The Empire Plan rates for Participating Employers will increase, in aggregate, 0.9%. Although each Participating Employer, in accordance with its own policy, sets the employee/employer contribution rates for its active employees, we have included for your information Rate Schedules I & II which provide the employee/employer share contribution rates 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 schedules. Rate schedules VIII and IX reflect the Gross Individual Rates for each NYSHIP option to assist in your calculation of imputed income.

The Empire Plan has been a fully self-funded plan since 2014. 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 2019 Empire Plan 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 1.8%. After the application of \$166.8 million in available dividend and accrued interest, the premium rates charged to payors will increase 0.9%. The 2019 Empire Plan rates are considerably lower than the plan's historical average increase due primarily to improved prescription drug pricing from the re-procurement of the Empire Plan Prescription Drug Program, and the implementation

of collectively bargained benefit changes for certain bargaining units and other unrepresented enrollees, including enrollees of Participating Employers.

The following are the 2019 Empire Plan monthly rates:

With Drug Coverage

<u>Coverage</u>	<u>2019 Gross Rates</u>	<u>2019 Dividend and Interest Application</u>	<u>Net 2019 Rates</u>	<u>Net 2018 Rates</u>	<u>Percent Change</u>
Individual	\$797.30	\$15.49	\$781.81	\$778.51	0.42%
Family	\$1,999.47	\$35.03	\$1,964.44	\$1,948.61	0.81%

Without Drug Coverage

<u>Coverage</u>	<u>2019 Gross Rates</u>	<u>2019 Dividend and Interest Application</u>	<u>Net 2019 Rates</u>	<u>Net 2018 Rates</u>	<u>Percent Change</u>
Individual	\$615.93	\$4.05	\$611.88	\$584.56	4.67%
Family	\$1,606.04	\$10.56	\$1,595.48	\$1,529.83	4.29%

Health Maintenance Organizations

HMO rates have a composite rate increase of 2.6% with varying percentage changes for each HMO.

NYSHIP Medicare Part B Reimbursement

The standard 2019 Medicare Part B monthly rate will increase 1.1% from the current 2018 monthly standard rate of \$134.00 to \$135.50 per month. In addition, for 2019 CMS will add a new income bracket for determining the Medicare Part B Income Related Monthly Adjustment Amount (IRMAA) surcharges for higher income Medicare beneficiaries. This new “highest” income bracket is for individuals earning over \$500,000 annually and married filing jointly beneficiaries earning over \$750,000 annually.

Dental and Vision Rates for 2019

The following are the 2019 Dental and Vision rates for agencies that participate in the New York State offering:

Net Rates	Dental	Vision
Individual	\$22.95	\$3.10
Family	\$63.06	\$7.99

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)