

# Option Transfer 2020 Webinar Q & A

## November 19, 2019

Copies of the PowerPoint presentation and other relevant resources have been e-mailed to all webinar participants. Additionally, you can access a recording of the webinar and additional resources on the [E-learning page at HBA Online](#).

### **Overview of Option Transfer Period**

#### **When will you announce the dates and rates? When will the 2020 Rates and Choices be out?**

The 2020 Option Transfer Period will run from December 2, 2019 - December 31, 2019. The 2020 rates were announced on November 27<sup>th</sup>. The 2020 rates are now available in the NYSHIP Rates & Deadlines for 2020 publication on NYSHIP Online. The NYSHIP Rates & Deadlines for 2020 flyers were mailed to enrollee homes on December 6-11 and were shipped to agencies on December 5-6. Note that for 2020, there are two versions: the ratified NY flyer (NY1292) for CSEA, DC-37, M/C; Legislature, NYSCOPBA, PBA, PIA, UCS and UUP; and a version (NY1308) for the unrated groups (Council 82, PBANYS and PEF). The 2020 Choices publication is now available on NYSHIP Online and was shipped to agencies on November 20, 2019. Please distribute the Choices publications to employees who request them as this publication is not mailed to enrollee homes.

#### **If you remove a dependent child under age 26, do you need proof that the child has other coverage?**

##### **During the Option Transfer Period**

Employees can remove dependents from their NYSHIP coverage during the Option Transfer Period. It does not matter if the enrollee is in the Pre-Tax Contribution Program. It also does not matter if the request will change coverage from Family to Individual or if the coverage will remain as Family coverage. No required proofs are necessary to remove dependents during the Option Transfer Period. Changes requested during the 2020 Option Transfer Period will become effective for the start of the 2020 plan year.

##### **Outside of the Option Transfer Period**

**If the employee is enrolled in the Pre-Tax Contribution Program and the child is their only dependent**, they will need to submit proof of a PTCP Qualifying Event to remove the dependent child because the removal of the dependent will cause the employee's coverage to change from Family to Individual Coverage.

**If the employee is enrolled in the Pre-Tax Contribution Program and has other covered dependents**, then the employee would be allowed to remove the dependent without the need of a PTCP qualifying event since the change would not cause the employee's NYSHIP premium deduction to change. The employee would continue to pay the Family premium.

**If the employee is not enrolled in Pre-Tax Contribution Program**, they can request to remove their dependents at any time during the year. No proofs of other coverage are required.

**Note:** Regardless of the employee's Pre-Tax or After-Tax status or whether their requested change is during or outside of the Option Transfer Period, a dependent child covered due to a judgement, decree, or order to provide health benefits can only be removed;

- When the employee submits proof of termination of the judgement, decree, or order to provide health benefits, and
- The order requires another individual to provide coverage for the child, and
- You receive proof the child is covered by that other individual.

**If an employee has a dependent enrolled under their NYSHIP coverage and that dependent obtains their own insurance coverage, can the employee cancel their NYSHIP coverage outside of the Option Transfer Period?**

**If the employee is enrolled in Pre-Tax** and their dependent becomes newly eligible for health insurance through employment, this is a PTCP qualifying event for the employee to:

- Remove the dependent from their NYSHIP coverage. If the dependent was the only covered dependent, the employee can change their Pre-Tax premium deduction from the Family to Individual rate.  
or
- Cancel NYSHIP coverage and enroll in the dependent's other coverage. The employee can only do this if all covered dependents on the NYSHIP policy will be enrolling into the dependent's other coverage.

The employee will need to submit proof of the PTCP qualifying event no later than 30 days after the dependent becomes eligible for other employer-sponsored health insurance coverage.

**If the employee is not enrolled in Pre-Tax Contribution Program**, they can request to remove their dependents or cancel their NYSHIP coverage at any time during the year. No proofs will be required.

**Are enrollees required to reenroll their domestic partners every year during the Option Transfer Period?**

No. Coverage for domestic partners continue automatically unless the domestic partner no longer meets the NYSHIP eligibility requirements. Employees are required to notify their HBA if their domestic partner no longer meets NYSHIP's eligibility requirements.

**Is it correct that requests submitted during the Option Transfer Period take effect the following year?**

Yes, this is correct. Change requests submitted during the Option Transfer Period will take effect for the start of the 2020 plan year. Refer to HBA Memos NY 19-38 for more information on plan start dates for all payroll types.

**Do we still fax all of the PS-404's to you for employees who are enrolling in PTCP? And will you still be entering the change? For enrollees that choose to change their After-Tax contribution to Pre-Tax, should I wait until the Option Transfer Period to mail 404 forms to EBD?**

No. There has been a change this year and all HBAs will now process any PTCP election changes in NYBEAS by using the TAX/CHG transaction codes. This transaction can only be completed during the Option Transfer Period "Keying Window, which is December 2, 2019 through January 31, 2020. Please see HBA Memo 19-38 for more information. **Please do not fax or mail any PS-404 Forms to EBD to enroll employees in PTCP.**

**Is there a current list of NYSHIP Participating Agencies and Participating Employers?**

Yes. You can find them on the Department of Civil Service Website. Under Benefit Program, click on Join NYSHIP. Then click on the "FAQ" link in the gray bar at the top of the page. The lists are located in an answer to a FAQ question. Here are the links:

[Participating Agencies](#)

[Participating Employers](#)

**Opt-out Program**

**Should HBAs still fax PS-404s Opt-out Program enrollment requests to EBD?**

No. Any employee who is currently enrolled in the NYSHIP Opt-out Program will automatically continue enrollment into the Opt-out Program for the 2020 plan year, unless they lose eligibility for the program or request to disenroll from the program during the Option Transfer Period. HBAs will now process any new Opt-out Program enrollments or Opt-out Program changes.

**We have a new employee that elected to opt out of NYSHIP. Their other employer-sponsored group health insurance coverage is their spouse's health insurance as a retiree from the Postal Service. Is this employee eligible to opt out?**

Health insurance coverage through a spouse who is an employee or retiree with the Postal Service is considered other employer-sponsored group health insurance coverage. If the employee meets the other eligibility requirements then yes, this employee is eligible to opt out.

Other employer-sponsored group health insurance coverage is group health insurance through another employer. It can be:

- Health insurance coverage through the enrollee's other employment (if the other coverage is not NYSHIP coverage);
- Health insurance coverage through employment of the enrollee's spouse, domestic partner, or parent (as long as it is not NYSHIP coverage provided by New York State; NYSHIP coverage through another employer such as a PE or PA is acceptable, but the employee would only be eligible for the Individual Opt-out incentive); or
- Health insurance coverage available to the enrollee through the U.S. Dept. of Veterans Affairs.

**Regarding the Opt-out Program, you stated if an employee is enrolled in Individual Opt-out and then for example gets married, they would be able to elect to change to Family Opt-out during the following Option Transfer Period. Are they required to enroll in NYSHIP coverage and carry Family coverage from the date of marriage?**

The employee enrolled in Opt-out would need to change from the Opt-out Program to NYSHIP Family coverage covering the new spouse. The employee would need to request the change no later than 30 days after the marriage in order to qualify for the Opt-out Program in the next plan year. The employee and his covered spouse would need to continue enrollment in NYSHIP Family coverage for the remainder of the plan year and then could request to Opt-out of NYSHIP and receive the Family incentive payment during the Option Transfer Period.

**If a new employee waives their coverage at the time they become benefits-eligible, can they enroll in a NYSHIP plan option and elect Pre-Tax if the request is submitted no later than 30 days after experiencing a PTCP qualifying event?**

No. The only time an employee can enroll in PTCP is during their waiting period when they first become benefits-eligible or during the PTCP Election Period (which now runs concurrently with the annual Option Transfer Period. If they experience a qualifying event, they may enroll in a NYSHIP plan option without a late enrollment period, but they must pay their premium on an "After-Tax" basis. They may elect to enroll in the Pre-Tax Contribution Program during the next annual Option Transfer Period for the next Plan year.

### **Is a newly hired employee eligible for the Opt-out Program? How would we process this in NYBEAS?**

If the employee is under a group or negotiating unit that offers the Opt-out Program, then the employee can request to enroll in the Opt-out Program during their new hire 42 or 56 day waiting period. As the HBA, you will review the PS-404, PS-409, and proof of other employer-sponsored coverage to see if the employee meets the requirements for the Opt-out Program. If the employee does meet all the requirements, you will process the Opt-out enrollment in NYBEAS. You will use the enrollment (ENR) transaction code and choose the Opt-out Program (plan option 700).

Please refer to the following link (from the e-learning page at HBA Online) for steps to enroll employees in the Opt-out Program.

[Opt-out Enrollment](#)

### **Pre-Tax Contribution Program**

**If a Pre-Tax employee is enrolled in Individual NYSHIP coverage and their spouse loses their employer-sponsored health insurance due to losing their job, is this a PTCP qualifying event for the enrollee to change from Individual to Family coverage?**

Yes. If the spouse loses their other coverage due to losing eligibility for employer-sponsored health insurance, this would be a PTCP qualifying event to add the spouse to NYSHIP coverage. The enrollee must submit proof that their spouse lost eligibility for employer-sponsored health insurance no later than 30 days from the date the spouse lost coverage. The enrollee would be allowed to change their Pre-Tax deduction from the Individual to Family Coverage amount.

**We were told that if someone who is enrolled in PTCP with Individual coverage adds their spouse/dependent based on previous coverage terminating (PCT), if that dependent was previously eligible for NYSHIP, but chose to have their own plan, they would need to have a split-tax deduction because they had previously been eligible. Is this correct?**

The answer depends on many factors. Here are a few scenarios:

A change in a dependent's status that affects eligibility for health benefits is a PTCP qualifying event. If the previously eligible dependent experienced this PTCP qualifying event and the enrollee requested to add the previously eligible dependent to their plan no later than 30 days of the dependent losing their health insurance coverage, then the employee would be eligible for Pre-Tax Family coverage effective the date of the PTCP qualifying event.

If the previously eligible dependent experienced a PTCP qualifying event that permits the employee to change from Individual to Family coverage, but the employee does not request the change within 30 days after the dependent experiences the PTCP qualifying event, then the employee would be subject to split-tax deductions, and NYSHIP's late enrollment rules would apply.

**Note: Split-tax deduction is when the individual portion of the premium is taken on a "Pre-Tax" and the dependent portion of the premium is taken on an "After-Tax".**

If the loss of coverage was not caused by a change in eligibility, then this would not be a PTCP qualifying event. The dependent could be added to coverage, but the employee would be subject to split tax deductions.

**If an employee timely requests to change from Family to Individual coverage because their only dependent has experienced a PTCP qualifying event that affects eligibility for health benefits and is newly eligible for health insurance, would late enrollment rules apply when changing to Individual?**

No, the dependent will be removed effective the date of the PTCP qualifying event as long as the request is submitted no later than 30 days after the PTCP qualifying event.

**For PTCP qualifying events, if an employee returns from an unpaid leave and elected to drop coverage during LWOP, the employee can re-enroll in coverage when returning. When is the coverage effective? Is it a 2 pay period wait? How does the leave of absence on unpaid leave work?**

An employee may re-enroll in coverage returning from a leave without pay. If they elect to re-enroll within 30 days of their return, a 2 pay period wait will apply. If the election is made after 30 days, the 5 pay period late enrollment period will apply. The only circumstance in which employees may elect to resume coverage on the day they return to the payroll is when employees return from military leave.

Other questions about leaves of absence should be directed to the HBA Help Line at (518) 474-2780.

### **Can you clarify what HIPAA Special Enrollment Rights means in the list of PTCP Qualifying Events?**

Most of the events listed as NYSHIP's PTCP qualifying events are HIPAA Special Enrollment Rights. HIPAA Special Enrollment Rights require a group health plan to permit current employees and their dependents to enroll in the plan without regard to the plan's otherwise applicable limitations on enrollment period if:

- A benefits-eligible employee is covered under another group health plan or other health insurance coverage and has lost eligibility to continue that coverage;
- A benefits-eligible employee or that employee's dependent is covered under CHIP or a Medicaid Plan and is terminated due to loss of eligibility;
- A benefits-eligible employee or that employee's dependent becomes eligible for State Premium Assistance Subsidy; or
- An enrollee acquires a new dependent through marriage, birth, adoption, or placement of adoption.

The Department of Civil Service includes HIPAA Special Enrollment Rights in our list of PTCP Qualifying Events to ensure the Department is covering all specified situations under HIPAA Special Enrollment Rights to ensure compliance with HIPAA.

### **Can you give some other examples of the consistency rule?**

Please refer to the attachment on [Policy Memo 143](#) for a listing of changes allowed with PTCP Qualifying events and the consistency rule.

## **Productivity Enhancement Program**

### **If an employee enrolls in PEP and then gets promoted to a position that would make the employee no longer eligible, does the PEP deduction stop?**

No. Once an employee enrolls in PEP for that year, any subsequent changes in employment percentage, grade level, or bargaining unit during the program year will have no impact on the health insurance premium contribution credit. Please refer to [2020 PEP Program Overview](#) for more information.

## **Young Adult Option Open Enrollment**

### **Do Young Adult Option enrollees pay the full premium of the health insurance?**

Yes. The Young Adult enrollee or the young adult's parent would be required to pay the full share cost for YAO coverage. There is no employer contribution towards the cost of the premium.