

Employee Benefits Division Policy Memorandum

Number: Policy Memo 28r1

Date Issued: July 28, 2017

Subject: NYSHIP Administrative Charge

ISSUE:

Changing the participating agency administrative charge billing from an annual billing to a monthly billing.

BACKGROUND:

With NYSHIP's prior administrative annual billing process, it usually took six months after the end of the fiscal year to obtain an agency's payment of their administrative expense. This required New York State to pre-fund the agency's share of administrative expense an average of nine months. Under this previous system, agencies' payments were made by check payable to the Commissioner of Taxation and Finance.

POLICY:

Beginning with the coverage month of January 1990, the administrative billings were and continue to be made on a monthly basis and are included in the agency's monthly premium bill. Charges for the nine-month period not covered by the last annual billing, April 1989 through December 1989, are deferred unless and until the agency withdraws from the Program. Agencies that wish to make earlier payment for this nine-month period may do so.

Under the current system, agencies are instructed to make a single remittance (for their combined administration and premium liability) by check made payable to the NYS Health Insurance Pending Account. When agencies pay the administrative charges for the April 1989 through December 1989 period (either when withdrawing from the Program or at an earlier date), payments for these charges are made payable to the Department of Taxation and Finance and submitted to the Employee Benefits Division.