

# NYSHIP

HEALTH MAINTENANCE ORGANIZATIONS  
REPORT

DECEMBER 2003

NEW YORK STATE HEALTH INSURANCE PROGRAM (NYSHIP)  
FOR NEW YORK STATE AND PARTICIPATING EMPLOYER  
RETIREES, VESTEES, DEPENDENT SURVIVORS  
And ENROLLEES covered under PREFERRED LIST PROVISIONS  
And for their enrolled Dependents  
and for COBRA Enrollees with their NYSHIP Benefits

## Medicare: You Must Enroll

NYSHIP requires you and your covered dependents to be enrolled in Medicare Parts A and B when first eligible, even if you also have coverage through another employer's group plan.

You must be enrolled in Medicare Parts A and B and entitled to receive Medicare benefits by the first day of the month in which you reach age 65 (if your birthday is the first of the month, by the first day of the month before), or before age 65 if you are disabled or have end stage renal disease.

As soon as you become eligible for Medicare, your NYSHIP coverage will pay secondary to Medicare, even if you fail to enroll in Medicare or are in a waiting period for Medicare to go into effect. Plan benefits may change.

If you are not enrolled in Medicare Parts A and B when you are first eligible to enroll, you will be responsible for the full cost of medical services that Medicare would have covered.

*Former employees of Participating Employers: Ask your agency Health Benefits Administrator whether your agency continues NYSHIP coverage after you become eligible for Medicare at 65.*

*COBRA enrollees: See pages 6-7 of this Report for important information about Medicare and COBRA.*

## Changing Your Health Insurance Plan

You can now change your health insurance plan for any reason, at any time, once during a twelve-month period. You no longer have to wait for the thirty-day Option Transfer Period at the end of the year to change your health insurance plan. This new policy applies to State and Participating Employer retirees, vestees, dependent survivors and enrollees covered under preferred list provisions and COBRA enrollees with their benefits.

You still may change options more than once in a twelve-month period if you:

- Are enrolled in an HMO and move permanently out of your HMO's service area.
- Move to an area served by a NYSHIP HMO that did not serve your previous home area.

If you want to change your health insurance plan, you must notify the

Employee Benefits Division in writing. Please use the forms included in the *Choices* booklet you received in

December. Or, call the Employee Benefits Division at 518-457-5754 (Albany area) or 1-800-833-4344 (U.S., Canada, Puerto Rico, Virgin Islands) and ask for the required forms.



In October, we mailed NYSHIP enrollees with retiree benefits a letter about changing health insurance plans. If you did not receive this mailing, please call the Employee Benefits Division at the number(s) above.

Information about NYSHIP health insurance plans is also available on the New York State Department of Civil Service Web site, [www.cs.state.ny.us](http://www.cs.state.ny.us). Click on Employee Benefits, then on Choosing a Health Plan?

For more details about changing your option, please see pages 5-6 of this Report.

### In This Report

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# More on Medicare

## Happy 65th Birthday!

Were you born in 1939? Then 2004 is the year of your 65th birthday! Here's a reminder for you: Apply for Medicare three months ahead of your 65th birthday. NYSHIP requires you and your dependent to have Medicare Part A and Part B in effect on the first day of the month in which you or your dependent turns 65. (Or, if the birthday falls on the first of the month, Medicare must be in effect on the first day of the preceding month.) If you do not apply three months before your birthday, you will have a waiting period before Medicare becomes effective. During this waiting period, you will be responsible for Medicare's share of your bills.

*COBRA enrollees reaching age 65: See pages 6-7 of this Report for important information about Medicare and COBRA.*

## Medicare and NYSHIP

The publication, *What NYS Retirees Need to Know About Medicare and NYSHIP*, explains how Medicare enrollment affects your



NYSHIP benefits. Call the Employee Benefits Division at 518-457-5754 (Albany area) or 1-800-833-4344 (U.S., Canada, Puerto Rico, Virgin Islands) and use the automated system to request your copy. Or, check the New York State Department of Civil Service Web site, [www.cs.state.ny.us](http://www.cs.state.ny.us). Click on Employee Benefits, then on Publications & Forms.

## How to Enroll in Medicare

To enroll in Medicare, visit your local Social Security office or call Social Security at 1-800-772-1213. Information about applying for Medicare is also available on the Web at [www.ssa.gov](http://www.ssa.gov). Teletypewriter (TTY) is available for callers using a TTY device because of a hearing or speech disability: 1-800-325-0778.

If you do not enroll in Medicare when you are first eligible, you must enroll during the next General Enrollment Period between January 1 and March 31. Your coverage will begin July 1 of the same year. You will pay more for Medicare as a penalty for late enrollment.

## Medicare Part B Premium

*Former employees of Participating Employers: Ask your former employing agency how Medicare premium reimbursement is provided.*

The Medicare Part B premium for 2004 is \$66.60 per month, up \$7.90 or 13.5 percent from \$58.70 per month in 2003. The State reimburses you for the Part B premium unless you receive reimbursement from another source. The same automatic reimbursement applies to spouses who become 65 years old after January 1, 2000.

The reimbursement is not automatic for spouses who became 65 years old before January 1, 2000. The reimbursement also is not automatic for your domestic partner or for any enrollee or covered dependent who is under age 65 and eligible for Medicare due to a disability or end stage renal disease. You must notify the Employee Benefits Division and send a photocopy of the Medicare card to begin the reimbursement.

## Returning to Work

Are you a State retiree planning to return to work with New York State or a Participating Employer retiree planning to return to work with a Participating Employer? Please see your agency Health Benefits Administrator as soon as you return to work. This is especially important if you or your dependent is covered under Medicare.

Once you return to State or Participating Employer service in a benefits-eligible position, you and your dependent(s) will not have primary Medicare coverage. NYSHIP will be primary to Medicare for you and for your family. (A plan is primary when it pays first, before any other plan.) The Employee Benefits Division will stop your Medicare Part B reimbursement. You will have to repay any Medicare premium reimbursement you may have received while you were not eligible for reimbursement.

If you have enrolled a domestic partner, Medicare will still be primary for the domestic partner age 65 or over.

The publication, *When a State Retiree Enrolled in NYSHIP Returns to Work for New York State*, explains how your benefits change when you return to State service. For your copy, check the New York State Department of Civil Service Web site, [www.cs.state.ny.us](http://www.cs.state.ny.us). Click on Employee Benefits, then on Publications & Forms. Or, call the Employee Benefits Division at 518-457-5754 (Albany area) or 1-800-833-4344 (U.S., Canada, Puerto Rico, Virgin Islands) and use the automated system to order your copy.

When you leave State service again or no longer meet the health benefits eligibility requirements for active employees, Medicare will once again become your primary coverage; NYSHIP will be secondary.

# NYSHIP

## Reminders

### **“Other Children” Eligibility**

If you are caring for a child, such as your grandchild, who is not your natural child, legally adopted child or dependent stepchild, this child may be eligible for NYSHIP health insurance coverage as your dependent. To be eligible, the “other child” must be unmarried and under age 19, reside permanently in your home and be chiefly dependent on you. You must have assumed legal responsibility in place of the parent. You must also verify eligibility and provide documentation when you enroll the child and every two years thereafter.

Contact the Employee Benefits Division at 518-457-5754 (Albany area) or 1-800-833-4344 (U.S., Canada, Puerto Rico, Virgin Islands) for more information about “other children” eligibility.

### **Release of Health Information to Representatives**

The federal Health Insurance Portability and Accountability Act of 1996 (HIPAA) includes national standards to protect the privacy of personal health information. Following these standards, the Employee Benefits Division limits the use and disclosure of individual health information. Persons representing a NYSHIP enrollee may need to meet certain requirements before the Division can give personal information.

Adult children asking for information about a parent must have a health care proxy, power of attorney, a court order, proof that the enrollee is incapacitated or an authorization form signed by the parent.

Parents wanting information about adult children with COBRA coverage must have a health care proxy, power of attorney, a court order, proof that the enrollee is incapacitated or an authorization form signed by the adult child.

Separated spouses covered under NYSHIP may receive information about themselves. Former spouses may not receive information about the enrollee, but, if they are on file in the Division as the child’s personal representative, may get information about a dependent child.

If you have questions about HIPAA or need an authorization form, contact the Employee Benefits Division at 518-457-5754 (Albany area) or 1-800-833-4344 (U.S., Canada, Puerto Rico, Virgin Islands). More HIPAA details and the Division’s authorization form are also available on the New York State Department of Civil Service Web site, [www.cs.state.ny.us](http://www.cs.state.ny.us). Click on Employee Benefits. Then choose HIPAA Privacy Information.

### **For Recent Retirees**

Most retirees pay their share of their health insurance premium through deductions from their monthly pension check. However, the Employee Benefits Division must receive the Retirement Number assigned to you by the Retirement System before monthly health insurance deductions from your pension can begin. As a result, there may be a lag of several months before deductions begin. Meanwhile, you will be billed directly each month for your share of the premium. To keep your coverage in effect, you must send your monthly payment to the Division or to your former Participating Employer until deductions begin. At the time of the first deduction, any outstanding premiums due will be taken if your coverage has not been cancelled for non-payment.

### **Annual Notice of Mastectomy and Reconstructive Surgery Benefits**

By law, insurers must:

- Cover inpatient hospital care for lymph node dissection, lumpectomy and mastectomy for treatment of breast cancer for as long as the physician and patient determine hospitalization is medically necessary
- Cover breast reconstruction following mastectomy, including surgery of the other breast to produce a symmetrical appearance
- Cover treatment for complications of mastectomy, including lymphedemas
- Cover prostheses related to breast reconstruction
- Notify enrollees of this coverage through plan documents

Contact your HMO if you have questions about these benefits.

The *NYSHIP Health Maintenance Organizations Report* is published by the Employee Benefits Division of the State of New York Department of Civil Service. The Employee Benefits Division administers the New York State Health Insurance Program (NYSHIP). NYSHIP provides your health insurance benefits through a NYSHIP-approved Health Maintenance Organization.



State of New York  
Department of Civil Service  
Employee Benefits Division  
The State Campus, Albany, New York 12239  
518-457-5754 (Albany area)  
1-800-833-4344  
(U.S., Canada, Puerto Rico, Virgin Islands)  
[www.cs.state.ny.us](http://www.cs.state.ny.us)

# Visit Us On the Web

www.cs.state.ny.us

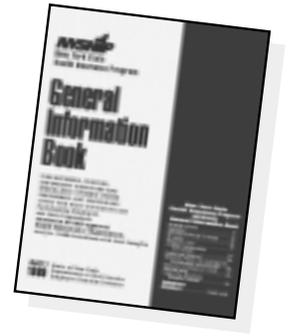
Check our New York State Department of Civil Service Employee Benefits Division Web site at www.cs.state.ny.us. Click on Employee Benefits for timely information about your NYSHIP benefits. Publications are available on our site, which meets universal accessibility standards adopted by New York State for NYS Agency Web sites.

If you don't have access to the Internet, visit your local library. Most libraries have computers linked to the Internet.

Look for your NYSHIP benefits here

Click on Retired State/PE Employees

Keep this Report with your April 1, 1999 New York State Health Insurance Program (NYSHIP) General Information Book. Where this document differs from your Book and later Changes/Clarifications included in NYSHIP Health Maintenance Organizations Reports, this is the controlling document.



December 2003

## Changes to NYSHIP General Information Book

### NEW YORK STATE HEALTH INSURANCE PROGRAM

*Substitute the following for “Annual Option Transfer Period,” “Changing options outside the Option Transfer Period” and “When may your dependents change options?” in the “Your Options Under NYSHIP” section on page 3 of your NYSHIP General Information Book.*

#### Option Transfer

You may change your health insurance option for any reason at any time during the year. However, once an option change is made, another change may not be made until twelve months later. You may change from an HMO to the Empire Plan, or from the Empire Plan to an HMO or from one HMO to another HMO in your area.

In the fall of each year, you will receive information about the health insurance options available under NYSHIP. You will also receive rate information in December of each year. Option transfer information is also available on the Internet at [www.cs.state.ny.us](http://www.cs.state.ny.us).

*Consider your options carefully. You are choosing a benefit package for yourself and your dependent(s) for a twelve-month period.*

#### Changing options more than once in a twelve-month period

You may change options more than once in a twelve-month period **only** under the following circumstances:

- You are enrolled in an HMO and you move permanently out of your HMO's service area. You **must** change options in order to keep your NYSHIP coverage. You may change to an HMO approved for participation in NYSHIP that serves your new area, or you may change to the Empire Plan.
- You move to a new permanent address and your new home area is served by an approved HMO that did not serve your previous home area. You may change to the new HMO regardless of what option you were in before you moved.
- Your dependent experiences an unforeseen change in permanent residence and is no longer in your HMO's service area. (Note: A student attending college outside your HMO's service area is not considered to have made a change in permanent residence.)
- You and your dependents will have the same option. You, as the enrollee, will determine their option. There is one exception: A spouse/domestic partner or dependent child who is eligible for health insurance coverage under the federal COBRA law may elect an option different from yours when they move permanently out of the HMO's service area. (See page 20 for information about COBRA.)

#### When may your dependents change options?

*Continued on page 6*

## Examples

Delete “Examples of option transfer requests that are turned down” and the second sentence of “Consider carefully” in the “Your Options Under NYSHIP” section on page 3 of your NYSHIP General Information Book.

Substitute the following for the second paragraph under “Two types of coverage” in the “Coverage: Individual or Family” section on page 14 of your NYSHIP General Information Book.

## Coverage

If you and your spouse are each eligible for your own coverage in NYSHIP:

- You may each have Individual coverage; or
- You may have one Family coverage; or
- You may have one Family coverage and one Individual coverage; or
- You may each have Family coverage if each of you is enrolled through a Participating Employer or a Participating Agency that permits two Family enrollments. However, if one spouse is enrolled as a State employee or retiree, you may have only one Family coverage. If the spouse who is enrolled through a Participating Employer or a Participating Agency chooses Family coverage, the spouse who is a State employee or retiree may elect Individual coverage.

Substitute the following for “COBRA: Choice of option and coverage in the “COBRA...” section on page 22 of your NYSHIP General Information Book as amended in your April 2000 NYSHIP Health Maintenance Organization Report.

## Choice of option and coverage

A spouse/domestic partner or dependent child who loses eligibility under your coverage and continues coverage under COBRA will continue in the same option in which you are enrolled. A COBRA enrollee may change to a different option once in a twelve-month period or when moving under the circumstances described on page 3. Each COBRA beneficiary may elect to change to Individual coverage in a different plan from that of the family unit, but no more than once in a twelve-month period.

Add the following after “How long you and your eligible dependents may keep COBRA coverage” in the “COBRA: Continuation of Coverage” section on page 23 of your NYSHIP General Information Book.

## Medicare and COBRA

The coverage you have first, COBRA or Medicare, affects your eligibility for coverage.

- If you are already entitled to Medicare benefits when you apply for COBRA: If you are enrolled in Medicare, you may continue NYSHIP coverage under COBRA.
- If you are already covered under COBRA when you become eligible for Medicare: If you enroll in Medicare, your NYSHIP coverage under COBRA ends as soon as your Medicare coverage becomes effective. (In this case, your covered dependents may continue COBRA coverage for up to 36 months from their original COBRA qualifying event.) If you are not enrolled in Medicare when you are first eligible, your eligibility for NYSHIP coverage under COBRA continues until your COBRA continuation period runs out or you do become covered under Medicare, but *you* will be responsible for Medicare’s share of your bills. Under New York State law, HMOs and the Empire Plan carriers do not pay for any medical expenses that would have been paid by Medicare *whether or not* you are actually enrolled in Medicare. This means that large portions of your medical expenses

may not be paid by either Medicare or your NYSHIP plan. In addition, under Medicare late enrollment rules, if you do not enroll in Parts A and B when first eligible, when you do enroll you may have a waiting period for Medicare to begin and the cost of your Medicare monthly premiums will be higher when you do enroll. If you do not join Medicare and you keep your NYSHIP coverage under COBRA, you will be reimbursed for the base cost of the Medicare Part B premium when Medicare automatically becomes primary to NYSHIP at 65.

*Add the following as the third paragraph in the “Medicare: You Must Enroll; Coordinating with NYSHIP” section on page 24 of your NYSHIP General Information Book.*

Note to COBRA enrollees: Requirements differ. Please read about “Medicare and COBRA” on page 23.



It is the policy of the State of New York Department of Civil Service to provide reasonable accommodation to ensure effective communication of information in benefits publications to individuals with disabilities. These publications are also available on the Employee Benefits Division Web site (www.cs.state.ny.us), which meets universal accessibility standards adopted by New York State for NYS Agency Web sites. If you need an auxiliary aid or service to make benefits information available to you, please contact the Employee Benefits Division at 518-457-5754 (Albany area) or 1-800-833-4344 (U.S., Canada, Puerto Rico, Virgin Islands).

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## Terms to Know

- **COBRA** – Consolidated Omnibus Budget Reconciliation Act, a federal law allowing you and your covered dependents to continue health care coverage at group rates in certain instances where coverage under the program would otherwise end.
- **Employee Benefits Division** – The Employee Benefits Division, State of New York Department of Civil Service, administers the New York State Health Insurance Program (NYSHIP).
- **Health Maintenance Organization (HMO)** – A managed care delivery system organized to provide health care services in a geographic area.
  - An HMO provides a pre-determined set of benefits through a network of selected physicians, laboratories and hospitals for a pre-paid premium.
- **Medicare** – A federal health insurance program that covers certain people who are age 65 or older, disabled persons under 65, or those who have end stage renal disease (permanent kidney failure).
- **New York State Health Insurance Program (NYSHIP)** – NYSHIP is the largest public employer health insurance program in the nation (outside the federal government). The Program provides health care benefits through the Empire Plan or a NYSHIP-approved HMO to 1.1 million public employees, retirees and their dependents.
- **Option** – A health insurance plan offered through NYSHIP.
- **Primary/Medicare-primary** – A health insurance plan is primary when it is responsible for paying health benefits before any other group health insurance. Medicare becomes primary to NYSHIP (if you are not actively employed by New York State) when you turn 65, become disabled, or have end stage renal disease.