NYSHIP
HEALTH MAINTENANCE ORGANIZATIONS
REPORT
JANUARY 2010

NEW YORK STATE HEALTH INSURANCE PROGRAM (NYSHIP)
FOR NEW YORK STATE POLICE SUPERVISORS
REPRESENTED BY PBA
And for their enrolled Dependents,
COBRA Enrollees with their NYSHIP Benefits and Young Adult Option Enrollees

Young Adult Option Coverage

As the result of a change in NYS Insurance Law, effective January 1, 2010, unmarried Young Adults through age 29 are eligible for NYSHIP health insurance coverage under the "Young Adult Option."

The Young Adult Option does not change NYSHIP's maximum age criteria for dependent coverage available to enrollees, but allows the adult child of an enrollee who meets the established criteria to purchase individual health insurance coverage through NYSHIP when the Young Adult does not otherwise qualify as a NYSHIP dependent. Either the Young Adult or his/her parent may enroll the Young Adult in the Young Adult Option, and either may elect to be billed for the NYSHIP premium. The cost of the Young Adult Option is the Full Share Individual premium. Refer to the Amendment on page 2 for eligibility criteria and other additional details.

A Young Adult is entitled to the same health insurance coverage as his/her parent provided the Young Adult lives, works or resides in New York State or the insurer's service area. Additionally, NYSHIP will permit a Young Adult to enroll in any other NYSHIP option for which the Young Adult otherwise qualifies for enrollment under NYSHIP rules. This means that a Young Adult may:

- Enroll in The Empire Plan regardless of the parent's option;
- Enroll in the same HMO as the parent if the Young Adult lives, works or resides in the HMO's service area or in New York State; or
- Enroll in a NYSHIP HMO that the parent is not enrolled in if the Young Adult lives or works within the HMO service area.

There is an initial open enrollment period for the Young Adult Option throughout 2010. Beginning in 2011 there will be a 30-day annual open enrollment period. Additionally, a Young Adult may enroll when NYSHIP eligibility is lost due to age or when a Young Adult is newly eligible because of a change in circumstances, such as loss of employer-sponsored health benefits.

The Young Adult Option application, rates and FAQs are available on the Department's web site at: https://www.cs.state.ny.us/youngadultoptionnype/index.cfm. Or you may contact the Employee Benefits Division at 518-457-5754 (Albany area) or 1-800-833-4344 for additional information and to enroll.

New York State: Supplemental Continuation of Coverage

Effective January 1, 2010, The Empire Plan adopted New York State legislation to allow enrollees who have exhausted their federal Consolidated Omnibus Budget Reconciliation Act (COBRA) coverage to extend NYSHIP coverage for an additional 18 months under the state's continuation of coverage law.

Under the new legislation, if you lose COBRA coverage because you have reached the end of your 18 or 29 month continuation period, you may request additional coverage under the New York State Insurance Law that will extend coverage until the earlier of:

- 36 months (combined length of COBRA and New York State coverage);
- The end of the period in which premiums were last paid;
- The date the enrollee becomes entitled to Medicare benefits; or
- The date New York State no longer provides group health care coverage to any of its enrollees.

Enrollees will have 60 days from the later of the end of their COBRA continuation period or receipt of notice of eligibility to apply in writing for the New York State Continuation of Coverage. The cost of coverage continuation will be the full premium cost for individual coverage plus a two percent administrative fee.

Important Information about the Pre-Tax Contribution Program (PTCP) For Enrollees with Domestic Partners

Effective January 1, 2010, NYSHIP enrollees who are eligible for the PTCP and who cover a domestic partner will be able to have their full premium contribution for the cost of family health insurance coverage deducted from their employee wages before taxes are withheld. If you cover a domestic partner who is not a federally qualified dependent, you continue to be responsible for reporting the value of the coverage provided to the domestic partner on your income tax return. The Department of Civil Service sends you form 1099-MISC showing this amount after the end of each tax year. Please consult your tax advisor for additional information or guidance.

Continued on page 7

Keep this Report with your April 1, 2003 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.

January 2010

Changes to NYSHIP General Information Book

NEW YORK STATE HEALTH INSURANCE PROGRAM (NYSHIP)

Add the following as the second paragraph of "Your Spouse" under "Your Dependents" in the "Who is Eligible" section on page 4 of your NYSHIP General Information Book.

Your Spouse

In addition, persons who are party to a same sex marriage validly entered into in a Jurisdiction where same sex marriage is permitted are eligible for spousal benefits.

Substitute the following for the paragraph entitled "Note on Tax Implications:" under "Or your domestic partner" in the "Who is Eligible" section on page 4 of your NYSHIP General Information Book.

Domestic Partner

Note on Tax Implications: Under the Internal Revenue Service (IRS) rules, the fair market value of health insurance benefits is treated as income for tax purposes. Ask your tax consultant how enrolling your domestic partner will affect your taxes.

Substitute the following for "Medical leave for students age 21 or over (or 19 if enrolled in an HMO)" under "3. Your child age 21 years or over (or 19 if enrolled in an HMO) who is a full-time student" in the "Who is Eligible" section on page 6 of your NYSHIP General Information Book.

Medical leave for students age 19 or over

If your dependent child is granted a medical leave by the school or changes from full-time to part-time status due to serious injury or illness, health insurance coverage will continue for a maximum of one year from the month in which the student status changes, plus any time before the start of the next regular semester. You must provide written documentation from the school and/or doctor.

Substitute the following for the first sentence of the first paragraph of "5. Disabled dependents" under "Your dependents" on page 7 of your NYSHIP General Information Book.

Disabled Dependents

Your unmarried dependent children age 21 or over (or 19 if enrolled in an HMO) who are incapable of self sustaining employment because of mental illness, developmental disability, mental retardation as defined in the mental hygiene law or physical handicap who became incapacitated before the age at which dependent coverage would otherwise be terminated are eligible.

Add the following immediately after "Proof of eligibility" on page 7 of your NYSHIP General Information Book.

Young Adult Option

The Young Adult Option allows the Young Adult child of a NYSHIP enrollee to purchase individual health insurance coverage through NYSHIP when the Young Adult does not otherwise qualify as a dependent under NYSHIP.

Cost

The Young Adult or his/her parent must pay a separate premium for the Young Adult Option. There will be no employer contribution by the State toward the cost of the Young Adult Option. The Young Adult or his/her parent are required to pay the full cost of premium for individual coverage for the NYSHIP option selected for coverage.

Eligibility

In order for a Young Adult to be eligible to enroll in NYSHIP under the Young Adult Option, the Young Adult must:

1. be a child, adopted child, or step-child of a NYSHIP enrollee (including those enrolled under COBRA);
2. be age 29 or younger;
3. be unmarried;
4. not be insured by or eligible for coverage through the Young Adult's own employer-sponsored health plan, whether insured or self-funded, provided that the health plan includes both hospital and medical benefits;
5. live, work or reside in New York State or the insurer's service area; and
6. not be covered under Medicare.

Eligibility for NYSHIP enrollment under the Young Adult Option ends when one of the following occurs:

1. the Young Adult voluntarily terminates coverage;
2. the Young Adult's parent is no longer enrolled in NYSHIP;
3. the Young Adult no longer meets the eligibility requirements for the Young Adult Option as outlined above;
4. the NYSHIP premium for the Young Adult is not paid in full within the 30-day grace period.

Termination of coverage under the Young Adult Option does not cause a "qualifying event;" therefore, the Young Adult has no right to federal COBRA coverage or State continuation coverage when the Young Adult coverage ends.

Available Coverage

A Young Adult is entitled to the same health insurance coverage as his/her parent provided the Young Adult lives, works or resides in New York State or the insurer's service area. Additionally, NYSHIP will permit a Young Adult to enroll in any other NYSHIP option for which the Young Adult otherwise qualifies for enrollment under NYSHIP rules. A Young Adult may:

1. Enroll in The Empire Plan regardless of the parent's option;
2. Enroll in the same HMO as the parent if the Young Adult lives, works or resides in the HMO's service area or in New York State; or
3. Enroll in a NYSHIP HMO that the parent is not enrolled in if the Young Adult lives, works or resides within the HMO service area.

Enrollment Rules

Either the Young Adult or his/her parent may enroll the Young Adult in the Young Adult Option, and either may elect to be billed for the Young Adult's NYSHIP premium.

A Young Adult has the following opportunities to be enrolled in the Young Adult Option:

1. **When the Young Adult Would Otherwise Lose Coverage Due to Age**

   Coverage may be elected within 60 days of the date that the Young Adult otherwise would lose eligibility for coverage, as his/her parent's dependent, due to age. Coverage is retroactive to the date that the Young Adult lost coverage due to age. This is the only circumstance in which the Young Adult Option will be effective on a retroactive basis.

2. **During the Young Adult Option Open Enrollment Period**

   Coverage may be elected by an eligible Young Adult at any time during calendar year 2010. Beginning in 2011 coverage may be elected during the Young Adult Option annual 30-day open enrollment period. Coverage will be effective no later than 30 days after NYSHIP receives written notice of the election and payment of the first month premium.

3. **When the Young Adult is Newly Qualified Due to a Change in Circumstances**

   Coverage may be elected within 60 days of the date that the Young Adult newly meets the eligibility requirements for the Young Adult Option, such as loses coverage through his/her employer; moves his/her residence into New York State; or gets divorced. It is possible for a Young Adult to elect coverage under this option on multiple occasions due to changes in the Young Adult's eligibility over time. Coverage will be effective prospectively, no later than 30 days after NYSHIP receives written notice of the election and payment of the first monthly premium.

Add the following after "Exceptions for new dependents" in the "Coverage: Individual or Family" section on page 10 of your NYSHIP General Information Book.

Exception: CHIP and Medicaid

Exception for Children's Health Insurance Program (CHIP) and Medicaid

If you or your dependent(s) are otherwise eligible to enroll in NYSHIP and you lose Eligibility under CHIP or Medicaid or you become eligible for premium assistance from the State under its CHIP or Medicaid program, you have special rights to enroll in NYSHIP. If you request enrollment for yourself and/or your dependent(s) within 60 days after the loss of eligibility under CHIP or Medicaid or the date you are determined to be eligible for premium assistance, you are not subject to a waiting period and your NYSHIP coverage may begin on the effective date of that event.

Substitute the following for the sixth and eighth bullets under "Changes permitted only after certain events" in the "Costs, Pre-Tax Program and What Your Paycheck Stub Shows" section on page 13 of your NYSHIP General Information Book.

PTCP Changes

- Your spouse/domestic partner has a change in employment status which results in either acquiring or losing eligibility for health insurance coverage.
- There is a significant change in your or your spouse's/domestic partner's health coverage which is attributable to your spouse's/domestic partner's employment.

Substitute the following for "Another money-saving program" in the "Costs, Pre-Tax Program and What Your Paycheck Stub Shows section on page 14 of your NYSHIP General Information Book.

Health Care Spending Account

Ask your agency Health Benefits Administrator for information on the **Health Care Spending Account**, a flex spending benefit that allows you to set aside pre-tax dollars to pay for medically necessary health related expenses that are not reimbursed by your health insurance or any other benefit plan. For more information and annual enrollment deadlines you can go to www.flexspend.state.ny.us.

Substitute the following for the first sentence of "1. Complete the minimum service period" under "Eligibility for retiree coverage" in the "Continuing Coverage When You Retire" section on page 18 of your NYSHIP General Information Book.

Retiree Eligibility

First, you must have completed a minimum service period which is determined by the date on which you last entered State service and you must have served a minimum of one year with the employer from whose service you retired.

Add the following to the end of the "COBRA: Continuation of Coverage" section on page 29 of your NYSHIP General Information Book.

New York State: Extended continuation of coverage

Effective July 1, 2009. If you lose COBRA coverage because you have reached the end of your 18 or 29 month continuation period, you are eligible for a supplemental continuation of coverage from the State of New York. This extended coverage will continue until the earlier of 36 months (combined length of COBRA and New York State continuation coverage) or until you no longer qualify for COBRA coverage (other than 18 or 29 month limits) as stated in the "*When you no longer qualify for COBRA coverage*" section under "*COBRA: Continuation of Coverage*" on page 29 of your *NYSHIP General Information Book*.

The enrollee will pay the full premium cost plus a 2 percent administrative fee for this coverage continuation.

Substitute the following for "Medicare premium reimbursement" and "Reimbursement for dependents not automatic" in the "Medicare: When you must enroll and coordinating with NYSHIP" section on page 33 of your NYSHIP General Information Book.

Medicare Reimbursement

Medicare premium reimbursement

If you or your dependent is Medicare primary, the State will reimburse you for the usual (base) cost of "original" Medicare Part B monthly premiums unless you are receiving reimbursement from another source.

The Medicare Income-Related Monthly Adjustment Amount (IRMAA) is a federal law that requires some people to pay a higher premium for their Medicare Part B coverage based on their income. If you are required to pay an income-related monthly adjustment amount in addition to the standard Medicare Part B premium, you are eligible to be reimbursed for this additional premium by NYSHIP.

Retirees, vestees, dependent survivors, enrollees covered under Preferred List provisions, COBRA enrollees and covered spouses/domestic partners who become Medicare primary at age 65 are automatically reimbursed for the prevailing standard Medicare Part B premium. Enrollees and covered dependents who become Medicare primary before age 65 because of disability or end-stage renal disease must apply for reimbursement. You must take a photocopy of your dependent's Medicare identification card to your agency Health Benefits Administrator. Be sure to include your name and identification number on the photocopy. If you are not an active employee, contact the Employee Benefits Division at 518-457-5754 (Albany area) or 1-800-833-4344.

To claim the IRMAA reimbursement, above the standard Medicare Part B premium, eligible enrollees are required to apply for and document the amount paid in excess of the standard Medicare Part B premium.

For information on how to apply, a list of documents required or questions on IRMAA, you may call the Employee Benefits Division at 457-5754 (if you are located in the 518 area code) or 1-800-833-4344 between the hours of 9:00 a.m. and 3:00 p.m.

Reminders

Dependent Verification

In the November 2008 NYSHIP Health Maintenance Report and through information you received from Budco Health Service Solutions (Budco), we notified enrollees with family coverage that they were required to submit documentation of eligibility for each of their dependents (covered under NYSHIP) to Budco, the vendor contracted to perform the Dependent Eligibility Verification Project. If you received a letter from Budco stating that your dependent is ineligible because you did not respond to their request for documentation, or because you submitted incomplete documentation, your dependent was removed from coverage retroactively to February 1, 2009.

To reinstate coverage for any eligible dependents removed from coverage, you must provide proof of eligibility directly to the Department of Civil Service. If you have questions, please visit the Department of Civil Service web site at www.cs.state.ny.us/nyshipeligibilityproject/ or call 1-800-409-9059 Monday through Friday 8:00 a.m. to 5:00 p.m. Eastern Time. The toll free telephone number will be available through June 30, 2010.

Medicare Part B Premium Reimbursement

For most enrollees eligible for Medicare, the base cost for the Medicare Part B premium is $96.40 per month the same as it was in 2009. However, if you and/or your covered dependent are new to Medicare in 2010 or if your Part B premium is not deducted from your Social Security check(s) the standard Part B premium for 2010 will be $110.50 per month.

If you or your dependent is Medicare primary, NYSHIP automatically reimburses you for the base cost of the Part B premium unless you receive reimbursement from another source. Due to programming constraints, NYSHIP cannot automatically reimburse you for a premium amount other than the standard premium of $96.40. Therefore, if you or your dependent pays a higher premium, you will need to apply for reimbursement of any amount over $96.40. (Note: NYSHIP will not reimburse any penalty charged for late enrollment in Medicare, nor will it duplicate Medicare reimbursement received from another employer.) If your Medicare B premium is $110.50 per month, send a copy of the letter you received from the Social Security Administration or a copy of your Medicare Premium Payment bill to the Department of Civil Service and you will receive a quarterly reimbursement check for $42.30.

Reimbursement of the Medicare Part B Income-Related Monthly Adjustment Amount (IRMAA) for Medicare-Primary Enrollees

Medicare Law requires some people to pay a higher premium for their Medicare Part B coverage based on their income. If you and/or any of your enrolled dependents are Medicare-primary and received a letter from the Social Security Administration (SSA) requiring the payment of an income-related monthly adjustment amount (IRMAA) in addition to the standard Medicare Part B premium ($96.40) for 2009, you are eligible to be reimbursed for this additional premium by NYSHIP. **Note: If your 2007 adjusted gross income was less than or equal to $85,000 ($170,000 if you filed taxes as married filing jointly) you are NOT eligible for any additional reimbursement this year.**

To claim the additional IRMAA reimbursement, eligible enrollees are required to apply for and document the amount paid in excess of the standard premium. For information on how to apply, a list of the documents required or questions on IRMAA, check the Department of Civil Service web site at https://www.cs.state.ny.us. Choose Benefit Programs on the home page, then NYSHIP Online and select your group, if prompted. The IRMAA letter was mailed to Medicare Part B reimbursement-eligible enrollees in January 2010 and will be available under What's New on the NYSHIP Online home page. Or call the Employee Benefits Division at 518-457-5754 (if you are located in the 518 area code) or 1-800-833-4344 between the hours of 9:00 a.m. and 3:00 p.m.

Medicare General Enrollment

If you or your dependent is eligible for primary Medicare coverage because of end-stage renal disease or domestic partner status and did not enroll in Medicare when first eligible, you must sign up during the Medicare general enrollment period, January 1 to March 31, 2010. Contact your local Social Security office or call 1-800-772-1213 to enroll. NYSHIP requires you and your covered dependents to be enrolled in Medicare Parts A and B when first eligible for Medicare coverage that pays primary to NYSHIP.

Pre-Retirement Seminars

The Governor's Office of Employee Relations (GOER) in partnership with the Office of the State Comptroller presents Pre-Retirement Seminars. As part of the seminars, a representative from the Employee Benefits Division will explain the New York State Health Insurance Program (NYSHIP) and your choices before you leave the payroll.

Call your personnel office to learn if there is a seminar available in your area and to reserve your place. Be sure to bring your personal confirmation letter from GOER when you attend. The New York State Department of Civil Service web site, https://www.cs.state.ny.us, also has the seminar schedule. Click on Benefit Programs, select your group and benefit plan if prompted, and then on Calendar.

Continued on next page

Reminders, continued

Since demand is greater than available seating at the seminars, you can also access helpful online pre-retirement resources at www.worklife.state.ny.us/preretirement/index.html or www.osc.state.ny.us/retire.

There is also a helpful 25-minute DVD, *Planning for Retirement*, and a companion booklet that can be ordered online at https://www.cs.state.ny.us. Click on Benefit Programs, then NYSHIP Online and select Planning to Retire? for more information.

The 2010 Census

The census is a count of everyone living in the United States. This includes people of all ages, races, ethnic groups, both citizens and non-citizens. Census questionnaires will be mailed in March 2010.

It's Easy - The questionnaire contains only a few simple questions and takes just a few minutes to answer and return, postage free, by mail.

Safe - The Census Bureau protects information that identifies respondents and their households for 72 years.

And Important - It determines the annual distribution of $300 billion of government funding for critical community services and generates thousands of jobs across the country. Participation ensures New Yorkers get their fair share of government funding, census jobs and Congressional seats.

PTCP, continued from front cover

If you cover a domestic partner, your payroll deduction for NYSHIP family coverage will automatically be taken on a pre-tax basis unless you have filed form PS-404 with your agency Health Benefits Administrator indicating that you want to opt out of the PTCP. We are in the process of implementing this change and anticipate that the tax status changes needed for PTCP payroll deductions will be completed during the first quarter of the year with an effective date of January 1, 2010.

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.

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

State of New York
Department of Civil Service
Employee Benefits Division
P.O. Box 1068
Schenectady, New York 12301-1068
https://www.cs.state.ny.us

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Please do not send mail or correspondence to the return address. See page 7 for address information.

SAVE THIS DOCUMENT

Information for the Enrollee, Enrolled Spouse/
Domestic Partner and Other Enrolled Dependents

PBA-S HMO Report – January 2010

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 Department of Civil Service web site (https://www.cs.state.ny.us). Click on Benefit Programs, then NYSHIP Online for timely information that 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 your agency Health Benefits Administrator. New York State and Participating Employer Retirees and COBRA Enrollees: 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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