

2012 Health Insurance Opt-Out Program

Effective January 1, 2012, NYSHIP will offer the Opt-Out Program.

The Opt-Out Program will allow NYSHIP eligible employees who have other employer-sponsored group health insurance to opt out of NYSHIP for an incentive payment of \$1,000 for individual coverage opt out and \$3,000 for family coverage opt out.



Eligible Groups

The Opt-Out Program is available to:

- Executive branch employees represented by CSEA and PEF.
- Unrepresented Executive branch employees
- Employees of the Legislature
- Employees of the Unified Court System



Eligibility Requirements

To be eligible for the Opt-Out Program, an employee must first meet two eligibility criteria:



Eligibility Requirement #1

The employee:

must have been enrolled in NYSHIP individual or family coverage, as a State employee, on April 1, 2011,

or



The NYSHIP logo consists of the word "NYSHIP" in a bold, blue, sans-serif font. Below it, in a smaller font, is the text "New York State Health Insurance Program".

Eligibility Requirement #1 (Cont'd)

must have been enrolled no later than the first date of NYSHIP eligibility.



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Eligibility Requirement #1 (Cont'd)

Example 1: employee hired 4/28/2011. First date of NYSHIP eligibility is 6/9/2011. Enrolled 6/9/2011. Eligible to opt out 1/1/2012.

Example 2: employee hired 1/4/2012. First date of NYSHIP eligibility is 2/15/2012. 2/15/2012 is this employee's deadline to elect opt out effective 2/15/2012.



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Eligibility Requirement #2

The employee must provide information regarding his other employer-sponsored group health insurance in effect on the opt out effective date.



**Eligibility Requirement #2
(other employer-sponsored group coverage)**

For all eligible bargaining groups, with the exception of CSEA for 2012, other employer-sponsored group health insurance means coverage through employment other than employment with the Executive, Legislative or Judicial branch of New York State government, including the State University of New York.



**Eligibility requirement # 2
(other employer-sponsored group coverage)
CSEA**

A CSEA represented employee who has a spouse or domestic partner who is a **State employee** and is also enrolled in NYSHIP, may elect to opt out and receive **\$1,000** for calendar year **2012** whether the CSEA employee is opting out of individual or family coverage and whether or not that spouse or domestic partner is a CSEA employee;
however,

Both employees must have been enrolled in a State plan by **April 1, 2011** in order for the CSEA employee to be eligible to elect the Opt-Out Program for calendar year 2012.



**Eligibility requirement # 2
(other employer-sponsored group coverage)
CSEA**

Per the instruction provided in HBA Memo NY11-48, please forward documentation received from any CSEA employee who elects the Opt-Out Program **AND** whose employer-sponsored coverage is NYSHIP coverage through a spouse or domestic partner who is a State employee to EBD for processing.

For these employees only, please indicate on the PS-409 "CSEA Exception" and forward to EBD in the following manner:

ATTN: PS-409 CSEA Opt-Out Processing
Employee Benefits Division
NYS Department of Civil Service
Alfred E. Smith State Office Building
Albany, NY 12239
Or FAX documents to: 518-485-5590



**Eligibility requirement # 2
(other employer-sponsored group coverage)
(Cont'd)**

■ **Attestation required**

Employees must attest to having other employer-sponsored group health insurance.

No proof/documentation of other coverage is required. Employees must ensure that their other coverage will be in place on their opt out effective date before making their election.



**Eligibility requirement # 2
(other employer-sponsored group coverage)
(Cont'd)**

The "other employer-sponsored plan" information that must be provided is:

- Name of covered employee.
- Covered employee's Date of Birth
- Covered employee's SSN
- Name of covered employee's employer
- Name and address of alternate coverage



Incentive Payments

- The annual incentive amount for opting out of NYSHIP coverage is \$1,000 for Individual coverage or \$3,000 for Family coverage. The incentive payments will be prorated and reimbursed through the employee's biweekly paychecks throughout the year (payable only when an employee is on the payroll and meets the requirements to be eligible for the State to contribute to the cost of NYSHIP coverage).



**Incentive Payments
(Cont'd)**

- The incentive amount will be credited to the employee's bi-weekly pay check and will be treated as taxable income. The bi-weekly incentive amounts will be \$38.47 for opting out of Individual coverage (\$1,000/26 paychecks) or \$115.39 for opting out of Family coverage (\$3,000/26 paychecks).



**Incentive Payments
(Cont'd)**

- Incentive payments to employees participating in the Opt-Out Program for 2012 will begin as soon as practicable, after January 1, when necessary program changes are in place. After 2012, the annual Opt-Out Program incentive payments will begin coincident with the plan year's rate change, as described in the Annual Option Transfer Memo.



NYBEAS Processing
For employees who are currently enrolled in NYSHIP

Transaction Type During Option Transfer	Date of Request = Signature Date on PS-404	Plan Type	Benefit Plan	Transaction Effective Date
Benefit Plan Change Action Reason (PLN/CHG)	Enrollees will have 30 days from the date rates are approved to submit a PLN/CHG to enroll in the Opt-Out Program	10 (Medical)	700 (Opt-Out)	For Administration: January 5, 2012 For Institution: December 29, 2011



NYBEAS Processing
For employees who are newly eligible to participate in the Opt-Out Program due to a change in Bargaining Unit

Transaction Type Outside Option Transfer	Date of Request = Signature Date on PS-404	Plan Type	Benefit Plan	Transaction Effective Date
Benefit Plan Change Action Reason (PLN/SPC)	Enrollees will have 30 days from the date newly eligible to submit a PLN/SPC in the Opt-Out Program	10 (Medical)	700 (Opt-Out)	Date of Request



NYBEAS Processing
For employees who are newly hired or newly eligible for benefits and are eligible to participate in the Opt-Out Program

Transaction Type Enrolling a New Hire	Date of Request = Signature Date on PS-404	Plan Type	Benefit Plan	Transaction Effective Date
Enrollment Action Reason (ENR/REG)	Enrollees will have 30 days from the date newly eligible to submit a ENR/REG in the Opt-Out Program.	10 (Medical)	700 (Opt-Out)	After appropriate waiting period (42 days for CSEA and 56 days for M/C & PEF)



Changes Affecting Opt-Out Program Eligibility

An employee loses eligibility for participation in the Opt-Out Program during any period when:

- The employee is no longer employed in a benefits eligible position; or
- The employee no longer meets the requirements for the State to contribute to the cost of NYSHIP coverage; or
- The employee is not on the payroll; or
- The employee is no longer in a position assigned to a bargaining unit eligible for the Opt-Out Program.



Changes Affecting Opt-Out Program Eligibility (cont'd)

- If an employee loses eligibility for the Opt-Out Program temporarily because of being off the payroll, experiencing a reduction of hours or being on leave, the employee will automatically resume participation in the Opt-Out Program upon regaining eligibility.



Changes Affecting Opt-Out Program Eligibility (cont'd)

- An employee receiving the incentive for opting out of Family coverage whose last dependent loses NYSHIP eligibility, will then only be entitled to the Individual incentive payment, effective on the date the dependent loses eligibility.



Re-enrollment in NYSHIP

- Employees who participate in the Opt-Out Program may re-enroll in NYSHIP coverage during the next annual Option Transfer Period. To re-enroll in NYSHIP coverage at any other time, employees must experience a qualifying event, such as a change in family status (e.g.; marriage, birth, death or divorce) or loss of the other employer-sponsored group health insurance.



**Re-enrollment in NYSHIP
(Cont'd)**

- Employees must complete a PS-404 and provide proof of the qualifying event within 30 days or the re-enrollment will be subject to NYSHIP's late enrollment rules. See the *NYSHIP General Information Book* for details on late enrollment waiting periods.



Retirement while in the Opt-Out Program

- Participation in the Opt-Out Program is considered participation in NYSHIP for purposes of establishing eligibility for NYSHIP coverage in retirement. Retirees are not eligible for the Opt-Out Program, so participation terminates when the employee's eligibility for NYSHIP coverage as an active employee ends.



Common Opt-Out Scenarios

- I've recently hired a new CSEA represented employee effective December 15, 2011 and she wants to opt out of coverage because her spouse/domestic partner, who also works for the State, also has NYSHIP coverage. Can she?
- No. Both coverages needed to be in effect since April 1, 2011.



Common Opt-Out Scenarios

- I have an employee who enrolled with a late enrollment and his benefits become effective on 12/22/11. Can he now Opt-Out of coverage?
- No. Since this employee is not newly eligible for the Opt-Out Program and did not have coverage in effect since April 1, 2011, he would not be eligible to elect to opt out in 2012. However, if he maintains NYSHIP enrollment for all of 2012, he would be eligible to change options during the next Annual Option Transfer Period and opt out for 2013.



Common Opt-Out Scenarios

- I have a CSEA represented employee whose spouse/domestic partner is covered under NYSHIP through a Participating Agency or Participating Employer. When the CSEA represented employee opts out of coverage, should I submit this to Civil Service?
- No. The exception described in NY 11-48 is only for CSEA represented employees who are opting out because their spouse/domestic partner has other coverage through New York State.


