

NYSHIP HMO SPECIAL REPORT



June 2013

New York State Health Insurance Program (NYSHIP) for Employees of the State of New York represented by United University Professions (UUP), for their enrolled Dependents, COBRA Enrollees with their NYSHIP Benefits and Young Adult Option Enrollees

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Negotiated Changes Effective September 1, 2013

This Report describes changes affecting your NYSHIP coverage that will take effect on September 1, 2013 as a result of the recently ratified contract between the State of New York and UUP. They include:

- A change in the NYSHIP premium cost sharing between the State and its employees (see page 2)
- Updated life expectancy tables used to calculate the value of your monthly sick leave credit, which is applied to your health insurance premium in retirement (see page 2)
- Health Insurance Opt-out Program (see pages 3-5)
- The Productivity Enhancement Program (see page 5)

Special Option Transfer Period in August

As the result of negotiated changes, there will be a Special Option Transfer Period from August 1, 2013 through August 30, 2013. You will have the opportunity to change your NYSHIP option for September 2013.

Your cost of coverage under The Empire Plan or a NYSHIP HMO for September 1, 2013 through December 31, 2013 will be posted on the Department of Civil Service web site at <https://www.cs.ny.gov> no later than July 1, 2013. A rate flyer also will be mailed to your home. The web site and the rate flyer will provide details of the Special Option Transfer Period.

NYSHIP Changes

Your Biweekly Premium Contribution Rate

New York State helps pay for your health insurance coverage. After the State's contribution, you are responsible for paying the balance of your premium through biweekly deductions from your paycheck. **Effective September 1, 2013**, your share of the cost is changing (based on salary) as shown below.

Annual Salary	Individual Coverage		Dependent Coverage	
	State Share	Employee Share	State Share	Employee Share
Employees earning less than \$40,137 annually	88%	12%	73%	27%
Employees earning \$40,137 or more annually	84%	16%	69%	31%

Note: This information does not apply to COBRA enrollees or Young Adult Option enrollees. However, these enrollees will have a rate change as a result of negotiated benefit changes.

Your Biweekly Health Insurance Adjustment

In addition to the change in your premium contribution due to the impact of benefit changes and the new premium contribution rate, there is an adjustment to your biweekly health insurance contribution per the terms of the collective bargaining agreement. The adjustment will be included in your health insurance contributions for 35 pay periods from September 2013 through December 2014. The adjustment amount will depend on what plan you are enrolled in (The Empire Plan or NYSHIP HMO) and your coverage type (family or individual).

To see the adjustment amounts for each plan, go to the Department of Civil Service web site at <https://www.cs.ny.gov>. Click on Benefit Programs, then NYSHIP Online and follow the prompts to the NYSHIP Online homepage. Select Health Benefits & Option Transfer, then choose Rates and Health Plan Choices and select Health Insurance Adjustments.

Updated Life Expectancy Table

Effective **September 1, 2013**, the Actuarial Table of Life Expectancy used to calculate the value of unused sick leave has been updated to reflect the fact that Americans are living longer. This will impact any monthly sick leave credit amount applied to your premium payments in retirement. Since we are living longer, the number of months of life expectancy at retirement has increased and the amount of monthly sick leave credit will be lower. A sick leave credit calculator is available on the New York State Department of Civil Service web site at <https://www.cs.ny.gov>. Select Benefit Programs, then NYSHIP Online and follow the prompts to the NYSHIP Online homepage. Select What's New?

Actuarial Table Effective for Retirements on or after September 1, 2013			
Age at Retirement	Life Expectancy	Age at Retirement	Life Expectancy
55	337 months	64	250 months
56	327 months	65	241 months
57	317 months	66	232 months
58	307 months	67	223 months
59	297 months	68	214 months
60	288 months	69	205 months
61	278 months	70	197 months
62	269 months	71	188 months
63	259 months	72	180 months
		Etc.	

If you need actuarial rates for additional retirement ages, ask your agency Health Benefits Administrator (HBA).

Health Insurance Opt-out Program

Effective September 1, 2013, NYSHIP will offer an Opt-out Program that will allow eligible employees who have other employer-sponsored group health insurance to opt out of their NYSHIP coverage in exchange for an incentive payment. The annual incentive payment is \$1,000 for opting out of individual coverage or \$3,000 for opting out of family coverage. For the period September 1, 2013 through December 31, 2013, the incentive payment will be \$38.47 per paycheck for individual coverage and \$115.39 per paycheck for family coverage. The incentive payments will be prorated and reimbursed in your biweekly paycheck throughout the current year. **Note:** The payments will be taxable income.

Eligibility Requirements

To be eligible for the Program beginning September 1, 2013, you must have been enrolled in NYSHIP by April 1, 2012 and remain enrolled through August 31, 2013. If you became newly eligible for NYSHIP benefits after April 1, 2012, you must have been enrolled since your first date of eligibility.

If you are a benefits-eligible enrollee but are newly eligible for the Health Insurance Opt-out Program due to a negotiating unit change, you must apply for the opt-out within 30 days of the date you become eligible.

Once enrolled in the Opt-out Program, you are not eligible for the incentive payment during any period that you do not meet the requirements for the State contribution to the cost of your NYSHIP coverage. Also, if you are receiving the opt-out incentive for family coverage and your last dependent loses NYSHIP eligibility, you will only be eligible for the individual payment from that point on.

Electing to Opt Out

If you are currently enrolled in NYSHIP and wish to participate in the Opt-out Program, you must elect to opt out during the Special Option Transfer Period in August and attest to having other employer-sponsored group health insurance each year. See your agency Health Benefits Administrator (HBA) and complete the 2013 Opt-out Attestation Form (PS-409).

Your NYSHIP coverage will terminate at the end of August 2013 and the incentive payments will begin on or after the paycheck dated August 28, 2013 for Administration Lag payroll employees or September 5, 2013 for Institution Lag payroll employees and **continue until the end of the plan year.**

If you are a new hire or a newly benefits-eligible employee who has other employer-sponsored group health insurance and wish to participate in the Opt-out Program, you must make your election no later than the first date of your eligibility for NYSHIP. See your agency HBA and complete the NYS Health Insurance Transaction Form (PS-404) and the 2013 Opt-out Attestation Form (PS-409).

Please note: You must elect the Opt-out Program on an annual basis. If you do not make an election for the next plan year, your enrollment in the Opt-out Program will end and the incentive payment credited to your paycheck will stop.

Reenrollment in NYSHIP

Employees who participate in the Opt-out Program may reenroll in NYSHIP during the next annual Option Transfer Period. To reenroll in NYSHIP coverage any other time, employees must experience a qualifying event like a change in family status (e.g., marriage, birth, death or divorce) or loss of coverage. Employees must provide proof of the qualifying event within 30 days of the date of the event or any change in enrollment will be subject to NYSHIP's late enrollment rules. See your *NYSHIP General Information Book* for more details.

Opt-out Program Questions and Answers

Q. What is considered other employer-sponsored group health insurance coverage for the purpose of qualifying for the Opt-out Program?

A. To qualify for the Program, you must be covered under an employer-sponsored group health insurance plan through other employment of your own or a plan that your spouse, domestic partner or parent has as the result of his or her employment. **The other coverage cannot be NYSHIP coverage provided through employment with the State of New York.** However, NYSHIP coverage through another employer such as a municipality, school district or public benefit corporation qualifies as other coverage.

Q. Will I qualify for Opt-out Program incentive payments if I change from family to individual coverage?

A. No. If you are enrolled for NYSHIP coverage, you will not qualify for the incentive payment.

Q. If I elect the Opt-out Program for 2013, will I automatically be enrolled in the Program for the following plan year?

A. No. Unlike other NYSHIP options, you must elect the Opt-out Program on an annual basis. If you do not make an election for the next plan year, your enrollment in the Opt-out Program will end and the incentive payment credited to your paycheck will stop.

Q. If I opt out and I find that I don't like my alternate coverage (for instance, my doctor does not participate), can I withdraw my enrollment in the Opt-out Program and reenroll in NYSHIP coverage?

A. No. This is not a qualifying event. During the year, you can terminate your enrollment in the Opt-out Program and reenroll in NYSHIP benefits only if you experience a qualifying event according to federal Internal Revenue Service (IRS) rules, such as a change in family status or loss of other coverage.

Q. If my spouse's, domestic partner's or parent's employer has its open enrollment period (or option transfer period) at a different time of the year, how can I coordinate the effective date of my other coverage with the start of the Opt-out Program?

A. Under IRS rules, if an employee's spouse drops coverage under his or her employer plan during Option Transfer, the employee can be permitted to enroll the spouse mid-year in his or her employer plan — as long as the plans have different open enrollment periods. **You should check to see whether your spouse's employer will permit your spouse to enroll you as a dependent.** You are responsible for making sure your other coverage is in effect.

Q. What if I lose my other coverage and do not request enrollment for NYSHIP benefits with The Empire Plan or a NYSHIP HMO within 30 days of losing that coverage?

A. If you fail to make a timely request, you will be subject to NYSHIP's late enrollment waiting period, which is five biweekly pay periods. You will not be eligible for NYSHIP coverage during the waiting period.

Q. Can I get a lump sum payment if I elect the Opt-out Program?

A. No. The Opt-out Program incentive payment is prorated and reimbursed through your biweekly paychecks throughout the year.

Q. If I am eligible for health, dental and vision coverage as a State employee, do I have to opt out of all three benefits to receive the incentive payment?

A. No. The Opt-out Program incentive payment applies to health insurance coverage only. If you enroll in the Program, your eligibility for dental and vision coverage will not be affected.

Q. When I enroll in the Opt-out Program, what information will I need to provide about the other employer-sponsored group health coverage I will be covered by?

A. To enroll, you must complete the Opt-out Attestation Form (PS-409). You will be required to attest that you are covered by other employer-sponsored group health coverage and provide information about the person who carries that coverage, as well as the name of the other employer and other health plan.

Q. I had individual NYSHIP coverage prior to April 1, 2012 and changed to family coverage when I got married in February 2013. Will I qualify for the \$3,000 family incentive payment even though I did not have family coverage as of April 1, 2012?

A. Employees who enrolled in family coverage due to a qualifying event and did so, on a timely basis, between April 1, 2012 and August 31, 2013 are eligible for the higher incentive payment. You will not be eligible for the higher incentive payment if you enrolled for family coverage after April 1, 2012 and were subject to a late enrollment waiting period.

Q. Will participating in the Opt-out Program affect my eligibility for NYSHIP coverage in retirement?

A. No. Participation in the Opt-out Program satisfies the requirement of enrollment in NYSHIP at the time of your retirement.

Productivity Enhancement Program

Under the Productivity Enhancement Program (PEP), eligible full- and part-time employees may exchange previously accrued annual leave in return for a credit to be applied toward the employee share of their NYSHIP premium. The credit will be included in their biweekly paychecks and divided evenly during the plan year. PEP credits for 2013 will be included in the paychecks beginning on or after August 28, 2013 for Administration Lag payroll employees and September 5, 2013 for Institution Lag payroll employees.

Effective July 1, 2013, eligible full-time employees with an annual salary at \$61,763 or below who enroll in PEP for the remainder of 2013 will forfeit annual leave totaling 1.5 days in exchange for a credit of up to \$250 to be applied toward the employee share of their NYSHIP premiums. Eligible full-time employees with an annual salary of above \$61,763 and below \$88,257 who enroll in PEP for the remainder of 2013 will forfeit annual leave totaling one day in exchange for a credit of up to \$250 to be applied toward the employee share of their NYSHIP premiums.

Eligible part-time employees can participate on a prorated basis. Contact your agency Health Benefits Administrator (HBA) with any questions or to see if you are eligible.

To elect PEP for the remainder of 2013, you must apply during the Special Option Transfer Period (August 1 through August 30, 2013). Ask your agency HBA for details and an application.

For more information about PEP for 2014, please see the *Planning for Option Transfer* publication that will be mailed to your home this fall.

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

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mail or correspondence
to the return address.
See below for address
information.

It is the policy of the New York State 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.ny.gov>). 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. COBRA Enrollees: Contact the Employee Benefits Division at 518-457-5754 or 1-800-833-4344 (U.S., Canada, Puerto Rico, Virgin Islands).

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