

# NYSHIP HMO SPECIAL REPORT



**July 2014**

**New York State Health Insurance Program (NYSHIP) for Employees of the State of New York represented by District Council 37 (DC-37), for their enrolled Dependents, COBRA Enrollees with their NYSHIP Benefits and Young Adult Option Enrollees**

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## Negotiated Changes Effective September 1, 2014

This Report describes changes affecting your NYSHIP coverage that will take effect on September 1, 2014 as a result of the recently ratified contract between the State of New York and DC-37. They include:

- A change in the NYSHIP premium cost sharing between the State and its employees (see page 2)
- The Productivity Enhancement Program (effective July 1, 2014, see page 2)
- The Health Insurance Opt-out Program (effective January 1, 2015, see page 3)
- 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 3)

## Special Option Transfer Period

As the result of negotiated changes, there will be a Special Option Transfer Period from July 31 through August 29, 2014. You will have the opportunity to change your NYSHIP option for September 2014.

**Your cost of coverage under The Empire Plan or a NYSHIP HMO for September 1 through December 31, 2014 will be posted on the Department of Civil Service web site at <https://www.cs.ny.gov> prior to the Special Option Transfer Period. 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, 2014**, your share of the cost is changing based on your salary grade, as shown below.

Salary Grade	Individual Coverage		Dependent Coverage	
	State Share	Employee Share	State Share	Employee Share
Employees in titles allocated or equated to Salary Grade 9 and below	88%	12%	73%	27%
Employees in titles allocated or equated to Salary Grade 10 and above	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 2014 through December 2015. The adjustment amount will depend on what plan you are enrolled in (NYSHIP HMO or The Empire Plan) and your coverage type (Individual or Family).

## Productivity Enhancement Program

Under the Productivity Enhancement Program (PEP), eligible full- and part-time employees may exchange previously accrued annual and/or personal 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.

Effective July 1, 2014, eligible full-time employees in titles allocated or equated to Salary Grade 17 or below who enroll in PEP for the remainder of 2014 will forfeit annual and/or personal leave totaling:

- 1.5 days in exchange for a \$250 credit to be applied to the employee's share of NYSHIP premium;  
or
- 3 days in exchange for a \$500 credit to be applied to the employee's share of NYSHIP premium.

Effective July 1, 2014, eligible full-time employees in titles allocated or equated to Salary Grade 18 through Salary Grade 24 who enroll in PEP for the remainder of 2014 will forfeit annual and/or personal leave totaling:

- 1 day in exchange for a \$250 credit to be applied to the employee's share of NYSHIP premium;  
or
- 2 days in exchange for a \$500 credit to be applied to the employee's share of NYSHIP premium.

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 2014, contact your agency HBA for details and an application. For more information about PEP for 2015, please see the *Planning for Option Transfer* publication that will be mailed to your home this fall.

## Health Insurance Opt-out Program

**Effective January 1, 2015**, 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 incentive payment is \$1,000 for opting out of Individual coverage or \$3,000 for opting out of Family coverage on an annual basis. The incentive payments will be prorated and reimbursed in your biweekly paycheck throughout the year (payable only when an employee is on the payroll). **Note:** The payments are considered taxable income.

### Eligibility Requirements

To be eligible for the Opt-out Program for 2015, you must have been enrolled in NYSHIP by April 1, 2014 (or your first date of NYSHIP eligibility if that date is later than April 1), and remain enrolled through the end of 2014.

Once you enroll in the Opt-out Program, during any period that your status changes and, as a result, you do not meet the requirements for the State contribution to the cost of your NYSHIP coverage, you are not eligible for the incentive payment. Also, if you are receiving the incentive

for opting out of Family coverage and during the year your last dependent loses NYSHIP eligibility, you will receive only the Individual incentive payment starting at that time.

### Electing to Opt Out

If you are eligible to participate in the Opt-out Program, you must elect to opt out during the annual Option Transfer Period and attest to having other employer-sponsored group health insurance each year. For more information on the Opt-out Program for 2015, see the *Planning for Option Transfer* publication that will be mailed to your home this fall or contact your agency HBA.

### Reenrollment in NYSHIP

Once you elect to participate in the Opt-out Program, you may not reenroll in a NYSHIP health plan until the next annual Option Transfer Period, unless you experience a qualifying event like a change in family status (e.g., marriage, birth, death or divorce) or loss of coverage. To avoid a waiting period, the request for enrollment must be made within 30 days of the qualifying event. See the *NYSHIP General Information Book* for more details.

## Updated Life Expectancy Table

**Effective September 1, 2014**, 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, 2014			
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 values for additional retirement ages, ask your agency Health Benefits Administrator (HBA).

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

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Information for the Enrollee, Enrolled Dependents  
and Young Adult Option and COBRA Enrollees

## DC-37 HMO Special Report – July 2014

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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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## Summary of Benefits and Coverage

The *Summary of Benefits and Coverage (SBC)* is a standardized comparison document required by the Patient Protection and Affordable Care Act. To view a copy of the SBC for a NYSHIP HMO, visit <https://www.cs.ny.gov/sbc/index.cfm>. If you would like to request a copy of the SBC but do not have internet access, contact your HMO directly.

The *HMO Special Report* is published by the Employee Benefits Division of the New York State Department of Civil Service. The Employee Benefits Division administers the New York State Health Insurance Program (NYSHIP). NYSHIP provides your health insurance benefits through an HMO.



New York State  
Department of Civil Service  
Employee Benefits Division  
Albany, New York 12239

518-457-5754 or  
1-800-833-4344  
(U.S., Canada, Puerto Rico,  
Virgin Islands)  
<https://www.cs.ny.gov>