

NYSHIP HMO SPECIAL REPORT



January 2015

New York State Health Insurance Program (NYSHIP) for Supervisors of the New York State Police represented by the Police Benevolent Association (PBA), for their enrolled Dependents, COBRA Enrollees with their NYSHIP Benefits and Young Adult Option Enrollees

In This Report

- 1 Negotiated Changes
- 2 Special Option Transfer Period
- 3 NYSHIP Changes

Negotiated Changes Effective April 1, 2015

This Report describes changes affecting your NYSHIP coverage that will take effect on April 1, 2015 as a result of the recently ratified contract between the State of New York and PBA. They include:

- Special Option Transfer Period (page 2)
- A change in the NYSHIP premium cost sharing between the State and its employees (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 (page 3)
- The Health Insurance Opt-out Program (pages 4-5)

Special Option Transfer Period

As a result of the negotiated changes, there will be a Special Option Transfer Period from March 2 through March 31, 2015. You will have the opportunity to change your NYSHIP Option for April 2015 coverage.

During the Special Option Transfer Period, you may select The Empire Plan, a NYSHIP-approved Health Maintenance Organization (HMO) serving the area where you live or work or, if you are eligible, the Opt-out Program (see page 4 for information on the Opt-out Program). If you decide to change your health insurance option during this Special Option Transfer Period, your new option will take effect March 26, 2015.

NO ACTION IS REQUIRED IF YOU WISH TO KEEP YOUR CURRENT HEALTH INSURANCE OPTION.

Choices and Other Publications Explain Your Available Options

If you are considering changing your health insurance option or wish to review your current plan, ask your agency Health Benefits Administrator (HBA) for a copy of *Choices*, your guide to NYSHIP options. Or, find *Settled Choices* on NYSHIP Online. Go to <https://www.cs.ny.gov/employee-benefits> and choose PBA-S and then Empire Plan or HMO Enrollee. From the homepage, select Health Benefits & Option Transfer, then Rates and Health Plan Choices.

If you have questions about The Empire Plan, call toll free at 1-877-7-NYSHIP (1-877-769-7447). Press 1 for the Medical Program and then the appropriate prompt for plan benefit questions. If you have questions about NYSHIP HMOs, call the HMOs directly and ask for information on the plan offered through NYSHIP. See the *NYSHIP Rate Changes* flyer for contact information.

Be sure you understand how your benefits will be affected if you change plans. You are choosing a benefit package for yourself and your dependents for the remainder of the 2015 plan year. Changing plans may result in substantially different coverage.

How to Change Options

See your agency HBA, located in your Personnel Office, as soon as possible if you wish to change your option. You must submit the completed *Health Insurance Transaction Form* (PS-404) to your agency HBA by March 31, 2015 to change health insurance options. If you want to enroll in the Opt-out Program, see page 4 for information. Online option changes using MyNYSHIP will NOT be available during the Special Option Transfer Period.

NYSHIP Rate Changes

As a result of the negotiated changes, there will be NYSHIP rate and premium contribution changes effective for April 2015 coverage. See the *NYSHIP Rate Changes* flyer for the new 2015 rates. The new rates are also available on NYSHIP Online. Go to <https://www.cs.ny.gov/employee-benefits> and choose PBA-S and then Empire Plan or HMO Enrollee. From the homepage, select Health Benefits & Option Transfer, then Rates and Health Plan Choices.

Important Dates

Deadline: March 31, 2015

Deadline for submitting signed *Health Insurance Transaction Form* (PS-404) to your agency HBA if you want to change your health insurance option.

Health Insurance Deduction Changes: March 25, 2015

The earliest paycheck in which a deduction change will be made is the check dated March 25, 2015.

Option Changes: March 26, 2015

For employees who elect to change their health insurance option, coverage through the new NYSHIP option begins March 26, 2015.

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 April 1, 2015**, your share of the cost is changing as shown below.

Individual Coverage		Dependent Coverage	
State Share	Employee Share	State Share	Employee Share
84%	16%	69%	31%

The State's dollar contribution for the HMO premium will not exceed its dollar contribution for the non-prescription drug components of the Empire Plan premium, which may result in the employee's share exceeding the percentage shown above.

Note: This information does not apply to COBRA enrollees or Young Adult Option enrollees. COBRA enrollees will continue to pay the full cost for NYSHIP Coverage plus a 2 percent administrative fee. Young Adult Option enrollees will continue to pay the full cost for NYSHIP coverage. 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 20 pay periods for the remainder of the Plan year. The adjustment amount will depend on what plan you are enrolled in (The Empire Plan or NYSHIP HMO) and your coverage type (Individual or Family).

Updated Life Expectancy Table

Effective April 1, 2015, the value of your sick leave will change to reflect the fact that Americans are living longer. This will impact the calculation of your monthly sick leave credit amount, which will be 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 NYSHIP Online. Go to <https://www.cs.ny.gov/employee-benefits> and choose PBA-S and then Empire Plan or HMO Enrollee. From the homepage, select What's New?

Actuarial Table Effective for Retirements on or after April 1, 2015			
Age at Retirement	Life Expectancy	Age at Retirement	Life Expectancy
45	432 months	54	334 months
46	420 months	55	323 months
47	409 months	56	313 months
48	399 months	57	302 months
49	388 months	58	292 months
50	377 months	59	282 months
51	366 months	60	272 months
52	355 months	61	262 months
53	345 months	62	252 months
		Etc.	

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

Health Insurance Opt-out Program

Effective April 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 eligible for NYSHIP coverage at the employee share of the premium). For the period of April 1 through December 31, 2015, the incentive payment will be \$38.47 per paycheck for Individual coverage and \$115.39 per paycheck for Family coverage. **Note:** Opt-out incentive payments are considered taxable income.

Eligibility Requirements

To be eligible for the Opt-out Program beginning April 1, 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 while eligible for the employee share of the premium through March 31, 2015.

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 Special Option Transfer Period in March and attest to having other employer-sponsored group health insurance each year.* See your agency Health Benefits Administrator (HBA) and complete the *Opt-out Attestation Form* (PS-409) and a *NYS Health Insurance Transaction Form* (PS-404). If you are currently enrolled in NYSHIP coverage, your NYSHIP coverage will terminate on March 31, 2015 and the incentive payments will begin after April 1, 2015.

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 *Opt-out Attestation Form* (PS-409) and a *NYS Health Insurance Transaction Form* (PS-404).

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.

*Other group coverage cannot be with a NYS agency. If your other NYSHIP coverage is through a Participating Agency or Participating Employer, you can only opt out for an Individual incentive payment.

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 Opt-out 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.** If I elect the Opt-out Program for 2015, 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 if the event satisfies the IRS consistency rule and the request is made timely.

Q. If my spouse's or domestic partner's or parent's employer has its open enrollment 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 or dependent drops coverage under his or her employer plan during Option Transfer, the employee can be permitted to enroll the spouse or dependent midyear 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 or domestic partner's employer will permit you to be enrolled 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, and you cannot elect pre-tax health insurance deductions until the following plan 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. 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 paycheck throughout the year. It is considered taxable income.

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 an *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 regarding 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, 2014, and changed to Family coverage when I got married in July. Will I qualify for the \$3,000 family incentive payment even though I did not have Family coverage as of April 1?

A. Employees who enrolled in Family coverage due to a qualifying event and did so on a timely basis between April 1, 2014 and March 31, 2015 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 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 at the time you retire satisfies the requirement of enrollment in NYSHIP at the time of your retirement.

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.



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

PBA-S HMO Special Report – 1/15

Please do not send mail
or correspondence to the
return address. See page 5
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 NYSHIP Online at <https://www.cs.ny.gov/employee-benefits>. Visit 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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PBA-S HMO Special Report 1/15



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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 do not have internet access and would like to request a copy, contact your HMO directly.