

Important Terms to Know

Coinsurance

The enrollee's share of the cost of covered services, which is a fixed percentage of covered medical expenses.

Copayment

The enrollee's share of the cost of covered services, which is a fixed dollar amount paid when a medical service is received, regardless of the total charge for the service.

COBRA (Continuation of Coverage)

The Consolidated Omnibus Budget Reconciliation Act (COBRA), which entitles an individual or covered dependents to continue, for a limited period, certain benefits at group rates when coverage would otherwise end. In addition to the federal COBRA law the New York State continuation coverage law, or "Mini-COBRA" extends the continuation period to provide 36 months of continuation coverage.

Deductible

The dollar amount an enrollee is required to pay before health plan benefits begin to reimburse for services. This amount applies when you use non-network providers.

Dual Annuitant Sick Leave Option

This option allows your dependent survivors to use your sick leave credit to reduce their NYSHIP premium. If you want this option, you must choose it before your retirement date. Your election reduces your sick leave credit by 30 percent. **Note:** All groups are not eligible for this option.

Empire Plan Medicare Rx

A Medicare Part D Prescription Drug Plan with expanded coverage designed especially for NYSHIP.

Employee Benefits Division (EBD)

The Employee Benefits Division, New York State Department of Civil Service, administers the New York State Health Insurance Program (NYSHIP) and provides assistance for retired State employees.

Fee-For-Service

A method of billing for health care services. A provider charges a fee each time an enrollee receives a service. The Empire Plan is a fee-for-service plan.

Formulary

A list of preferred drugs used by a health plan. A plan with a **closed formulary** provides coverage only for drugs that appear on the list. An **open** or **incented formulary** encourages use of preferred drugs to non-preferred drugs based on a tiered copayment schedule. In a **flexible formulary**, brand-name prescription drugs may be assigned to different copayment levels based on value to the plan and clinical judgment. In some cases, drugs may be excluded from coverage under a flexible formulary if a therapeutic equivalent is covered or available as an over-the-counter drug.

Health Benefits Administrator (HBA)

An individual responsible for providing benefits assistance to active State employees. HBAs work with the Employee Benefits Division in the Department of Civil Service to process transactions and answer questions regarding eligibility and enrollment. You are responsible for notifying your HBA of changes that affect your enrollment and/or your or your dependents' eligibility for benefits. **Note:** EBD functions as the HBA for NY and PE retirees.

Health Maintenance Organization (HMO)

A managed-care delivery system organized to deliver health care services in a geographic area. An HMO provides a predetermined set of benefits through a network of selected physicians, laboratories and hospitals for a prepaid premium. Except for emergency care, you and your enrolled dependents may only have coverage for services received from your HMO's network.

HIPAA

Under the Health Insurance Portability and Accountability Act of 1996, health plans such as The Empire Plan are required to protect the access to protected health information as well as the confidentiality of this information.

Income-Related Monthly Adjustment Amount (IRMAA)

Medicare enrollees with a modified adjusted gross income (MAGI) in excess of specified amounts are subject to an Income-Related Monthly Adjustment Amount (IRMAA) to be paid in addition to the base cost of Medicare Part B and Part D.

Managed Care

A health care program designed to ensure you receive the highest quality medical care for the lowest cost in the most appropriate health care setting. Most managed-care plans require you to select a primary care physician employed by (or who contracts with) the managed health care system. He or she serves as your health care manager by coordinating virtually all health care services you receive. Your primary care physician provides your routine medical care and refers you to a specialist if necessary.

Medicare

A federal health insurance program that covers certain people who are age 65 or older, disabled persons under 65 or those who have amyotrophic lateral sclerosis (ALS) or end-stage renal disease (permanent kidney failure). Medicare is directed by the federal Centers for Medicare and Medicaid Services (CMS) and administered by the Social Security Administration (SSA).

Medicare Advantage Plan

A Medicare option wherein the plan agrees with Medicare to accept a fixed monthly payment for each Medicare enrollee. In exchange, the plan provides or pays for all medical care needed by the enrollee. If you join a Medicare Advantage Plan, you replace your original (fee-for-service) Medicare coverage (Parts A and B) with benefits offered by the plan and all of your medical care (except for emergency or out-of-area, urgently needed care) must be provided, arranged or authorized by the Medicare Advantage Plan. All NYSHIP Medicare Advantage HMOs include Medicare Part D drug coverage. The benefits under these plans are set in accordance with federal guidelines for Medicare Advantage Plans.

Modified Adjusted Gross Income (MAGI)

Modified adjusted gross income (MAGI) is the total of your adjusted gross income (income from taxable sources less tax deductions) and your tax-exempt income.

Network

A group of doctors, hospitals and/or other health care providers who participate in a health plan and agree to follow the plan's procedures.

New York State Health Insurance Program (NYSHIP)

NYSHIP covers over 1.2 million public employees, retirees and their dependents. It is one of the largest group health insurance programs in the country. The Program provides health care benefits through The Empire Plan and NYSHIP-approved HMOs.

Option

A health insurance plan offered through NYSHIP. Options include The Empire Plan and NYSHIP- approved HMOs within specific geographic areas. The Opt-out Program is also considered a NYSHIP option for eligible employee groups.

Participating Agency

A city, town, municipality or school district in New York State that participates in NYSHIP.

Participating Employer

A government agency in New York State such as the Thruway Authority or Metropolitan Transportation Authority that is maintained and financed from special or administrative funds and participates in NYSHIP.

Pension Eligible

Entitled to collect a pension from a publicly administered retirement system such as the New York State and Local Retirement System, the New York State Teachers' Retirement System or the New York State and Local Police and Fire Retirement System.

Plan Primary/Medicare-Primary

A health plan is primary when it is responsible for paying health benefits before any other group health coverage. Medicare becomes primary to NYSHIP (if you are not actively employed by New York State) when you turn 65, become disabled and are receiving Social Security Disability Insurance (SSDI) for 24 months or receiving SSDI due to amyotrophic lateral sclerosis (ALS) or have end-stage renal disease and have completed the 30-month coordination period. Read NYSHIP plan documents for details.

Retiree

A person who has been enrolled in NYSHIP as an employee and whose health coverage continues after the end of active service under NYSHIP retiree eligibility requirements. An employee must be covered by NYSHIP as an enrollee or dependent on the date of retirement for NYSHIP coverage to continue.

Sick Leave Credit

The monthly actuarial value of your unused sick leave calculated at the time you retire, which is then applied as a credit toward your share of the cost of your NYSHIP premium. **Note:** All groups are not eligible for this option.