

Health Insurance and Collective Bargaining

The following information is included in this manual to serve as a general guide for agency administrators in their negotiations with employee bargaining units. While not all-inclusive, it does identify those aspects of the New York State Health Insurance Program (NYSHIP) which may not be modified at the local level as well as those which are subject to change through negotiations or administrative action on the part of a Participating Agency.

In the event of a proposal or question which is not addressed in this section, contact the Employee Benefits Division for an opinion. Failure to do so could result in a Participating Agency entering into an agreement which would have no validity under the laws and regulations governing NYSHIP.

Eligibility and Benefits (Section 2.1)

NYSHIP will **not** recognize any variations in the eligibility requirements or benefits of NYSHIP negotiated or established administratively by a Participating Agency which are not within the parameters established in the laws and regulations governing the Program, administrative policies, this manual of procedures, and the Empire Plan booklets.

Contribution Rates (Section 1.5)

Participating Agencies may adopt different contribution rates for different classes of employees or designated bargaining units provided the classes are reasonable classifications and do not establish an arbitrary or discriminatory distinction among the agency's employees, and provided also that the agency's rates of contribution are no less than the statutory minimum of 50% of the cost of Individual coverage and 35% of the cost of Dependent coverage.

Other Areas of Discretion

The Section "Requirements for Agency Participation" found in this Introduction highlights many other areas where Participating Agencies have the flexibility to establish their own policies.

Restrictions

Although this list is not all-inclusive, the following represent important Program rules that cannot be locally negotiated or changed under NYSHIP:

1. A Participating Agency cannot withdraw only Medicare eligible enrollees from NYSHIP. (See Policy Memo 127 for additional guidance.)
2. A Participating Agency must ensure that Medicare primary enrollees & dependents are reimbursed the full cost of the standard Part B Medicare premium. (See Section 3.8, Medicare)

3. A Participating Agency must offer dependent survivor coverage to eligible dependents if the deceased enrollee had 10 years of service. (See Sec. 3.10)
4. A Participating Agency must abide by NYSHIP's rules regarding vesting for health insurance purposes. (See Section 3.14) It is very important that Participating Agencies thoroughly understand this rule. The only limitation an Agency can place on vesting is to restrict vesting to within five years of retirement. The agency must adopt this restriction by resolution or administratively.
5. NYSHIP does not require years of service to be continuous to qualify for health insurance in retirement. NYSHIP recognizes an enrollee's total years of service irregardless of how that service is accumulated.
6. A Participating Agency cannot restrict health insurance benefits to Individual coverage only. That is, employees/retirees must be permitted to select Family coverage if they so choose and have eligible dependents.

Retirement (Section 3.7)

1. Participating Agencies which elected to participate in NYSHIP prior to March 1, 1972, are required to continue coverage for specified enrollees during retirement. Such agencies may elect to extend coverage to other retirees either administratively or as a result of collective negotiations.
2. Participating Agencies which elected to participate in NYSHIP on or after March 1, 1972, may elect to extend coverage on behalf of retirees either administratively or as a result of collective negotiations, but are not required to do so.
3. Participating Agencies which elect to extend coverage to retirees have the option of doing so for a class or classes of employees or for all employees. A Participating Agency which has elected not to extend coverage to retirees at the time of initial entry into NYSHIP may do so at a later date.
4. Participating Agencies which have provided coverage for their retirees may elect administratively or through collective negotiations to discontinue coverage during retirement for all employees or all employees of a class or category hired after a specified date in the future. (See Section 3.7)
5. Retirees are not considered part of any negotiating unit. Before retirement, however, employees participating in a particular negotiating unit have the right to negotiate for certain conditions which may be extended into retirement. For example, while they are actively employed, employees may negotiate contribution rates which will apply during retirement. In the absence of such agreement, a Participating Agency may retain or adjust existing contribution rates by administrative action, subject to the minimum contribution rate required by the laws governing NYSHIP.