

NYSHIP HMO REPORT



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April 2012

**New York State Health Insurance Program (NYSHIP)
For Employees of the State of New York in the Agency Police
Services Unit (APSU) who are represented by PBANYS** and
for their enrolled Dependents, COBRA Enrollees with their NYSHIP
Benefits and Young Adult Option Enrollees

NYSHIP Changes

In accordance with the 2011-2016 agreement between the State and PBANYS employees, please note the following 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 October 1, 2011**, your share of the cost changed, as shown below.

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

Since premium deductions for your NYSHIP coverage after October 1, 2011, have already been taken, the increase in your biweekly cost for NYSHIP coverage from October 2011 through March 2012 will be calculated to determine your retroactive health insurance special adjustment. This special adjustment will be applied to your paycheck dated March 28, 2012, the same paycheck in which you will receive your retroactive payments, in accordance with the 2011-2016 agreement between the State and PBANYS for APSU employees. In addition to the special adjustment and payments, the health insurance regular premium deduction amount will reflect the 2012 rates.

A rate flyer with rates effective April 1, 2012 will be mailed to your home before February 29, 2012. The additional cost of coverage under The Empire Plan or a NYSHIP HMO for October 1 through March 31, 2012, will be posted on the Department web site. To calculate your retroactive health insurance special adjustment, go to our web site on or after February 29 at <https://www.cs.ny.gov> and click on Benefit Programs, then NYSHIP Online. Select your group if prompted, and then click on Health Benefits & Option Transfer. Choose Rates and Health Plan Choices and select Retroactive Health Insurance Special Adjustments. You will find instructions for calculating the amount of retroactive premium you owe.

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.

Special Option Transfer Period in March

As the result of negotiated changes, there will be a Special Option Transfer Period from March 1, 2012 through March 30, 2012. You will have the opportunity to change your NYSHIP option for April 1, 2012. Additional information will be provided in the rate flyer and on our web site.

Updated Life Expectancy Table

As part of the changes effective April 1, 2012, 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 web site at <https://www.cs.ny.gov>.

Actuarial Table Effective for Retirements on or after April 1, 2012			
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.

Health Insurance Opt-out Program

Effective April 1, 2012, 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 waiving Individual coverage or \$3,000 for waiving Family coverage. For the period of April 1, 2012 – December 31, 2012, 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 April 1, 2012, you must have been enrolled in NYSHIP by April 1, 2011, and remain enrolled through March 31, 2012, unless you became newly eligible for NYSHIP benefits after April 1, 2011.

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. Your NYSHIP coverage will terminate on the date of your request to opt-out.

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 March and attest to having other employer-sponsored group health insurance each year. See your agency HBA and complete the 2012 Opt-out Attestation Form (PS-409).

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. If you were benefits eligible but become newly eligible for the Opt-out Program due to a negotiating unit change, you must apply for the Opt-out Program within 30 days of the date in which you become eligible. Your NYSHIP coverage will terminate as of the date of your request to opt out. See your agency HBA and complete the NYS Health Insurance Transaction Form (PS-404) and the 2012 Opt-out Attestation Form (PS-409).

Your NYSHIP coverage will terminate at the end of March 2012 and the incentive payments will begin on or after March 28, 2012, until the end of the plan year.

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 event or any change in enrollment will be subject to NYSHIP's late enrollment rules. See the *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 2012, 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.

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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 paycheck 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 a 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 that 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, 2011, 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, 2011 and March 31, 2012 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, 2011 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.

Young Adult Children

The Federal Patient Protection and Affordable Care Act (PPACA) requires insurers to offer young adult children coverage as dependents on their parent's health insurance up to age 26. Financial dependency, student status, marital status, employment and residency can no longer be used to determine eligibility. Although the law extends coverage to married children, it does not apply to his or her spouse or children.

You can add a young adult child (up to age 26) to your Family coverage at no additional cost. See your agency Health Benefits Administrator (HBA) for more details.

If you currently have Individual coverage and would like to add a young adult child as a dependent, you will need to change to Family coverage. A list of Family coverage rates is available on the New York State Department of Civil Service web site at <https://www.cs.ny.gov>. From the homepage, click on Benefit Programs and follow the prompts to access NYSHIP Online. Click on Health Benefits & Option Transfer and then select Rates and Health Plan Choices.

A young adult child under the age of 26 and enrolled as a dependent, will continue to be enrolled until age 26, unless you choose to take him or her off your plan. Coverage as a dependent will end on the last day of the month in which the young adult child turns 26 years old.

A 26-year old dependent child who has served in a branch of the U.S. Military may qualify for up to four additional years of health insurance coverage (as a dependent), provided he or she is unmarried and a full-time student. You must be able to provide written documentation from the U.S. Military and the student's school.

When a young adult child loses eligibility for health insurance coverage, he or she may be entitled to continue coverage for up to 36 months under the Federal Consolidated Omnibus Budget Reconciliation Act (COBRA) or the New York State Continuation of Coverage law. A young adult child may also be eligible to purchase his or her own NYSHIP coverage through the Young Adult Option up to age 30. For more information about continuation coverage or NYSHIP's Young Adult Option, see your agency HBA.

Young Adult Option Coverage

As the result of a change in NYS Insurance Law, unmarried young adults up to age 29 are eligible for NYSHIP health insurance coverage under the "Young Adult Option."

The Young Adult Option does not change NYSHIP's maximum age criteria for dependent coverage available to enrollees, but allows the adult child of an enrollee who meets the established criteria to purchase Individual health insurance coverage through NYSHIP when the young adult does not otherwise qualify as a NYSHIP dependent.

Either the young adult or his or her parent may enroll the young adult in the Young Adult Option, and either may elect to be billed for the NYSHIP premium. The cost of the Young Adult Option is the full share Individual premium.

A young adult is entitled to the same health insurance coverage as his or her parent provided the young adult lives, works or resides in New York State or the insurer's service area. Additionally, NYSHIP will permit a young adult to enroll in any other NYSHIP option for which the young adult otherwise qualifies under NYSHIP rules. This means that a young adult may:

- Enroll in The Empire Plan regardless of the parent's option;
- Enroll in the same HMO as the parent if the young adult lives, works or resides in the HMO's service area or in New York State; or
- Enroll in a NYSHIP HMO that the parent is not enrolled in if the young adult lives, works or resides within the HMO service area.

There was an initial open enrollment period for the Young Adult Option throughout 2010. There will be a 30-day annual open enrollment period each year. Additionally, a young adult may enroll when NYSHIP eligibility is lost due to age or when a young adult is newly eligible because of a change in circumstances, such as loss of employer-sponsored health benefits.

The Young Adult Option application, rates and FAQs are available on the Department's web site at <https://www.cs.ny.gov/yao/>. Or you may contact the Employee Benefits Division at 518-457-5754 or 1-800-833-4344 for additional information and to enroll.

New York State: Supplemental Continuation of Coverage

New York State law allows enrollees who have exhausted an 18- or 29-month continuation period under the federal Consolidated Omnibus Budget Reconciliation Act (COBRA) to extend coverage under the State's continuation law for up to a total of 36 months. Therefore, if you qualify for COBRA continuation coverage you are eligible to continue NYSHIP coverage until the earlier of:

- 36 months (combined length of COBRA and New York State coverage);
- The end of the period in which premiums were last paid;
- The date the enrollee becomes entitled to Medicare benefits; or
- The date New York State no longer provides group health care coverage to any of its enrollees.

The cost of coverage continuation is the full premium cost for individual coverage plus a two percent administrative fee.

Important Information about the Pre-Tax Contribution Program (PTCP) for Enrollees with a Domestic Partner or Same-Sex Spouse

Enrollees who are eligible for the PTCP and who cover a domestic partner or same-sex spouse will be able to have their full premium contribution for the cost of Family health insurance coverage deducted from their employee wages before taxes are withheld.

If you cover a domestic partner or same-sex spouse who is not a federally qualified dependent, you are responsible for reporting the value of the coverage provided on your income tax return. The Department of Civil Service sends you form 1099-MISC showing this amount after the end of each tax year. Please consult your tax advisor for additional information or guidance.

If you cover a domestic partner or same-sex spouse, your payroll deduction for NYSHIP Family coverage will automatically be taken on a pre-tax basis unless you have filed form PS-404 with your agency Health Benefits Administrator indicating that you want to opt out of the PTCP.

Workers' Compensation

If you become eligible for Workers' Compensation due to a work-related assault, you will be eligible for extended Workers' Compensation coverage. Health insurance coverage at the employee's share of the premium may be continued for up to 24 months for each incident from the original leave date.

Reminders 2012

Medicare Part B Premium Reimbursement

You and your dependents must have Medicare in effect when first eligible for Medicare coverage that is primary to Medicare.

For most enrollees eligible for Medicare, the base cost for the Medicare Part B premium in 2012 is \$99.90 per month.

Medicare Law requires some people to pay a higher premium for their Medicare Part B coverage based on their income. If you and/or any of your enrolled dependents are Medicare primary and received a letter from the Social Security Administration (SSA) requiring the payment of an Income-Related Monthly Adjustment Amount (IRMAA) in addition to the standard Medicare Part B premium (\$99.90) for 2012, you are eligible to be reimbursed for this additional premium by NYSHIP. **Note: If your 2009 adjusted gross income was less than or equal to \$85,000 (\$170,000 if you filed taxes as married filing jointly) you are NOT eligible for any additional reimbursement this year.**

To claim the additional IRMAA reimbursement, eligible enrollees are required to apply for and document the amount paid in excess of the standard premium. For information on how to apply, a list of the documents required or questions on IRMAA, check the 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. The IRMAA letter was mailed to Medicare Part B reimbursement-eligible enrollees in January 2012 and is available under What's New or Notices on the NYSHIP Online homepage. Or call the Employee Benefits Division at 518-457-5754 or 1-800-833-4344 between the hours of 9:00 a.m. and 3:00 p.m., Eastern time.

Note: NYSHIP will not reimburse any penalty charged for late enrollment in Medicare, nor will it duplicate Medicare reimbursement received from another employer. NYSHIP will only reimburse for Medicare Part B premium if Medicare is primary to NYSHIP.

Preretirement Seminars

The Governor's Office of Employee Relations (GOER) presents Preretirement Seminars. As part of the seminars, a representative from the Employee Benefits Division will explain the New York State Health Insurance Program (NYSHIP) and your choices before you leave the payroll.

Call your personnel office to learn if there is a seminar available in your area and to reserve your place. Be sure to bring your personal confirmation letter from GOER when you attend. The New York State Department of Civil Service web site, <https://www.cs.ny.gov>, also has the seminar schedule. Select Benefit Programs, then NYSHIP Online and follow the prompts to the NYSHIP Online homepage. Then click on Calendar.

Since demand is greater than available seating at the seminars, you can also access helpful online pre-retirement resources at www.worklife.ny.gov/preretirement/ or www.osc.state.ny.us/retire.

There is also a helpful 25-minute DVD, *Planning for Retirement*, and a companion booklet that can be ordered online at <https://www.cs.ny.gov>. Click on Benefit Programs, then NYSHIP Online, follow the prompts to the NYSHIP homepage and select Planning to Retire? for more information.

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

APSU HMO Report – April 2012

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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. New York State and Participating Employer Retirees and 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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NY0957 HMO-APSU-12-1 

Annual Notice of Mastectomy and Reconstructive Surgery Benefits

By law, insurers must:

- Cover inpatient hospital care for lymph node dissection, lumpectomy and mastectomy for treatment of breast cancer for as long as the physician and patient determine hospitalization is medically necessary
- Cover breast reconstruction following mastectomy, including surgery of the other breast to produce a symmetrical appearance
- Cover treatment for complications of mastectomy, including lymphedema
- Cover prostheses and mastectomy bras related to breast reconstruction
- Notify enrollees of this coverage through plan documents

Contact your HMO if you have questions about these benefits.

The HMO 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.



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