EMPIRE PLAN SPECIAL REPORT

June 2012

New York State Health Insurance Program (NYSHIP) for Employees of the State of New York represented by Council 82 (C-82) and for their enrolled Dependents, COBRA Enrollees with their Empire Plan Benefits and Young Adult Option Enrollees

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Negotiated Changes Effective October 1, 2011 and September 1, 2012

This Report describes changes affecting your NYSHIP coverage that have effective dates of October 1, 2011 and September 1, 2012 as a result of the recently ratified contract between the State of New York and Council 82. They include:

October 1, 2011 Changes

- Federal health care changes (see page 5)
- A change in the NYSHIP premium cost sharing between the State and its employees (see page 2)

September 1, 2012 Changes

- 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 2)
- The Health Insurance Opt-out Program (see pages 3-4)
- Copayment changes (see page 5)
- Changes to out-of-network deductible and coinsurance amounts (see page 6)
- Addition of Convenience Care Clinics and Licensed Nurse Practitioners as Participating Providers (see page 7)

Special Option Transfer Period in July

As the result of negotiated changes, there will be a Special Option Transfer Period from July 2, 2012 through July 31, 2012. You will have the opportunity to change your NYSHIP option for September 1, 2012.

Your cost of coverage under The Empire Plan or a NYSHIP HMO for October 1, 2011 through August 31, 2012 will be posted on the Department web site https://www.cs.ny.gov no later than July 1, 2012. 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.

THE EMPIRE PLAN

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 is changing 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 August 2012 will be calculated to determine your retroactive health insurance special adjustment. This special adjustment will be applied to the paycheck dated August 23, 2012 for Institution payroll and August 29, 2012 for Administration payroll, the same paycheck in which you will receive your retroactive payments, in accordance with the 2009-2016 agreement between the State and Council 82 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 September 1, 2012 will be mailed to your home on or about July 1, 2012. The additional cost of coverage under The Empire Plan or a NYSHIP HMO for October 1, 2011 through the end of August 2012 will be posted on the Department web site.

To calculate your retroactive health insurance special adjustment, go to our web site between July 2 and July 31, 2012 at https://www.cs.ny.gov and click on Benefit Programs, then NYSHIP Online and follow the prompts to the NYSHIP Online homepage. Select Health Benefits & Option Transfer, then choose Rates and Health Plan Choices and select Retroactive Health Insurance Special Adjustment.

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.

Updated Life Expectancy Table

Effective **September 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 at 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, 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 September 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 September 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 September 1, 2012, you must have been enrolled in NYSHIP by April 1, 2011 and remain enrolled through August 31, 2012. If you became newly eligible for NYSHIP benefits after April 1, 2011, you must have been enrolled since your first date of eligibility.

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 your opt-out begins.

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 July and attest to having other employer-sponsored group health insurance each year. See your agency Health Benefits Administrator (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. 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 August 2012 and the incentive payments will begin on or after August 23, 2012 for Institution payroll and August 29, 2012 for Administration payroll and continue 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 the event or any change in enrollment will be subject to NYSHIP's late enrollment rules. See your *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.

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Opt-out Program Questions and Answers

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.

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 paychecks 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 February 2012. Will I qualify for the $3,000 family incentive payment even though I did not have family coverage as of April 1, 2011?

A. Employees who enrolled in family coverage due to a qualifying event and did so on a timely basis, between April 1, 2011 and August 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.

Empire Plan Changes

The Federal Patient Protection and Affordable Care Act (PPACA), which will be referred to as "the Act" in this article, requires that we make several changes to your Empire Plan coverage.

Your Empire Plan benefit package lost grandfathered status under the Act as a result of the recent contract settlement as of October 1, 2011. This means that your Plan is now a nongrandfathered plan and it includes all changes required by the Act, according to the Act's timetable.

The Act requires the following changes, retroactive to October 1, 2011:

The Act requires coverage of certain preventive care services received at a network hospital or from a participating provider to be paid at 100 percent (not subject to copayment). Preventive care services covered under the Act with no copayment include:

- Immunizations as recommended by the Advisory Committee on Immunization Practices of the Centers for Disease Control and Prevention,
- Preventive care and screenings for women, infants, children and adolescents as stated in guidelines supported by the Health Resources and Services Administration,
- Preventive care and screenings for men in the current recommendations of the United States Preventive Services Task Force,
- Items or services that have a rating of "A" or "B" in the current recommendations of the United States Preventive Services Task Force.

For further information on preventive services, see The Empire Plan Preventive Care Coverage Chart at 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 home page. From the home page, select Using Your Benefits then publications and you will find the chart under Empire Plan. Or, visit www.healthcare.gov.

Also, in a medical emergency, non-participating provider charges in a hospital emergency room will be considered under the Basic Medical Program subject to deductible, but not coinsurance.

Copayments Effective September 1, 2012

Covered services defined as preventive under PPACA (see above) are not subject to copayment.

Hospital Outpatient Services (Hospital Program)

$40 Copayment–Diagnostic Laboratory tests and Radiology exams (including Mammography Screening) and Administration of Desferal for Cooley's Anemia
$60 Copayment–Surgery
$70 Copayment–Emergency Care

Mental Health and Substance Abuse Program

$70 Copayment–Hospital Emergency Care

Prescription Drug Program

When you fill your Prescription for a covered drug for up to a **30-day supply at a Network Pharmacy, Mail Service Pharmacy, or the designated Specialty Pharmacy,** your Copayment is:	When you fill your Prescription for a covered drug for a **31- to 90-day supply at a Network Pharmacy,** your Copayment is:	When you fill your Prescription for a covered drug for a **31- to 90-day supply through the Mail Service Pharmacy or the designated Specialty Pharmacy,** your Copayment is:
Level 1 Drugs or for most **Generic** Drugs $5	Level 1 Drugs or for most **Generic** Drugs $10	Level 1 Drugs or for most **Generic** Drugs $5
Level 2, **Preferred** Drugs or Compound Drugs $25	Level 2, **Preferred** Drugs or Compound Drugs $50	Level 2, **Preferred** Drugs or Compound Drugs $50
Level 3 or **Non-preferred** Drugs $45	Level 3 or **Non-preferred** Drugs $90	Level 3 or **Non-preferred** Drugs $90

Note: Oral chemotherapy drugs for the treatment of cancer do not require a copayment.

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2012 Annual Deductible and Coinsurance Maximum

Under the federal Parity Law effective on January 1, 2012, The Empire Plan is not permitted to have separate deductibles and coinsurance amounts for Basic Medical and non-network coverage under the Hospital Program and the Mental Health and Substance Abuse Program. However, the Managed Physical Medicine Program will continue to have a separate deductible. Therefore, a combined deductible and a combined coinsurance amount for the employee, the enrolled spouse/domestic partner and all dependent children combined applies to the Hospital Program (coinsurance only), Basic Medical Program and non-network expenses under the Home Care Advocacy Program (deductible only) and the Mental Health and Substance Abuse Program. The combined deductible and coinsurance amounts are changing effective September 1, 2012 as the result of the recent negotiated agreement.

Effective January 1, 2012 through August 31, 2012, The Empire Plan combined annual deductible is $400 for the enrollee, $400 for the enrolled spouse/domestic partner and $400 for all dependent children combined.

Effective September 1, 2012, The Empire Plan combined annual deductible increases to $1,000 for the enrollee, $1,000 for the enrolled spouse/domestic partner and $1,000 for all dependent children combined.

The deductible must be met before your Basic Medical Program and non-network expenses under the Home Care Advocacy Program and the Mental Health and Substance Abuse Program claims are considered for reimbursement.

Effective January 1, 2012 through August 31, 2012, the combined coinsurance maximum (out-of-pocket) is $854 for the enrollee, $854 for the enrolled spouse/domestic partner and $854 for all dependent children combined.

Effective September 1, 2012, the combined coinsurance maximum (out-of-pocket) increases to $3,000 for the enrollee, $3,000 for the enrolled spouse/domestic partner and $3,000 for all dependent children combined.

The coinsurance maximum will be shared among the Basic Medical Program and non-network coverage under the Hospital Program and Mental Health and Substance Abuse Program.

After each coinsurance maximum is reached, you will be reimbursed 100 percent of the reasonable and customary amount, or 100 percent of the billed amount, whichever is less, for covered services. You will still be responsible for any charges above the reasonable and customary amount and for any penalties under the Benefits Management Program.

Amounts credited toward your deductible and coinsurance maximum from January 1, 2012 through August 31, 2012 will be applied toward the higher deductible and coinsurance maximum that take effect on September 1, 2012.

The Empire Plan Medical/Surgical Benefits Program

Guaranteed Access

The Empire Plan will guarantee access to primary care physicians and specialists (on page 7) in New York and counties in Connecticut, Massachusetts, New Jersey, Pennsylvania and Vermont that share a border with the State of New York. When there is not an appropriate Empire Plan participating provider within a reasonable distance from an enrollee's residence (see chart below), enrollees must call The Empire Plan at 1-877-7-NYSHIP (1-877-769-7447) **prior to** receiving services, choose the Medical Program then the Benefits Management Program and use one of the approved providers to receive network benefits.

You will be responsible for contacting the provider to arrange care. Appointments are subject to provider's availability and the Benefits Management Program does not guarantee that a provider will be available in a specified time period.

Guaranteed access applies when The Empire Plan is your primary health insurance coverage (pays benefits first, before any other group plan or Medicare), the enrollee resides in New York State or counties in Connecticut, Massachusetts, New Jersey, Pennsylvania and Vermont that share a border with the State of New York and there is not an appropriate Empire Plan participating provider within a reasonable distance from the enrollee's residence.

Reasonable distance from the enrollee's residence is defined by the following mileage standards:

Primary Care Physician:
Urban: 8 miles
Suburban: 15 miles
Rural: 25 miles

Specialist:
Urban: 15 miles
Suburban: 25 miles
Rural: 50 miles

Within these mileage standards, network benefits are guaranteed for the following primary care physicians and core specialties:

Primary Care Physicians: Family Practice, General Practice, Internal Medicine, Pediatrics, Obstetrics/Gynecology

Specialties: Allergy, Anesthesia, Cardiology, Dermatology, Emergency Medicine, Gastroenterology, General Surgery, Hematology/Oncology, Neurology, Ophthalmology, Orthopedic Surgery, Otolaryngology, Pulmonary Medicine, Radiology, Rheumatology, Urology

Convenience Care Clinics

Effective September 1, 2012, when you need treatment for common ailments and injuries, you now have more choices. You can get high-quality, affordable services for **uncomplicated minor illnesses and preventive health care** through Convenience Care Clinics located throughout the country.

Convenience Care Clinics are health care clinics located in retail stores, supermarkets and pharmacies. They are sometimes called "retail clinics", "retail-based clinics" or "walk-in medical clinics." Convenience Care Clinics are usually supported by licensed physicians and staffed by nurse practitioners or physician assistants. Some, however, are staffed by physicians. Currently, there are over 1,350 Convenience Care Clinics located throughout the United States. Most Convenience Care Clinics are open seven days a week, 12 hours a day, Monday through Friday and eight hours a day on the weekend.

Results of your diagnosis and treatment are sent to your doctor with your permission. If you have a more severe condition, or require treatment in a different setting, the Convenience Care clinician will refer you to your doctor or an emergency room. Remember that Convenience Care Clinics are only covered under the Participating Provider Program. There is no coverage under the Basic Medical Program. Convenience Care Clinics can be identified in the online Empire Plan Provider Directory under the choice of Other Facilities; Convenience Care Clinic.

Please note that some of the services, particularly vaccinations, are also available to the general public in retail pharmacy locations. Many Convenience Care Clinics are located adjacent to these retail pharmacies. It is important to note that only services rendered at an in-network Convenience Care Clinic are covered under the Empire Plan Medical Program. Any services rendered at any retail pharmacy, including vaccines, are not a covered benefit under the Empire Plan Medical Program.

Licensed Nurse Practitioners

Effective September 1, 2012, Licensed Nurse Practitioners have been added to the list of UnitedHealthcare providers. Licensed Nurse Practitioners provide healthcare services similar to those of a physician. They may diagnose and treat a wide range of health problems. In addition to clinical care, Licensed Nurse Practitioners focus on health promotion and counseling, disease prevention and health education. Licensed Nurse Practitioners provide services in accordance with the laws of the state where services are rendered.

Herpes Zoster Vaccine for Shingles

Effective September 1, 2012, no copayment will be required for those age 60 and older in accordance with PPACA guidelines. Enrollees and dependents age 55-59 will continue to pay a $20 copayment.

Please note that if you purchase the Herpes Zoster vaccine, or any other vaccine, at the pharmacy, The Empire Plan will not reimburse you for the cost.

Mental Health Program Non-Network Benefit Changes Effective September 1, 2012

You receive non-network benefits for covered services when you do not call OptumHealth before your treatment begins and/or you call OptumHealth but do not follow OptumHealth's recommendations. Changes to non-network benefits for mental health coverage under The Empire Plan, effective September 1, 2012, are explained below.

Practitioner Services: 80 percent of Reasonable and Customary Charges

After you meet the combined annual deductible of $1,000 for you, $1,000 for your enrolled spouse/domestic partner and $1,000 for all children combined, The Empire Plan pays 80 percent of the reasonable and customary charges for covered mental health care services. After the combined annual coinsurance maximum of $3,000 for you, $3,000 for your enrolled spouse/domestic partner and $3,000 for all children combined is reached, The Empire Plan pays up to 100 percent of reasonable and customary charges for covered services.

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NYSHIP
New York State Health Insurance Program

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

C-82 Empire Plan Special Report – June 2012

Please do not send mail or correspondence to the return address. See below for address information.

NY0971 EPR-C-82-12-1

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Non-Network Benefits (Continued)

Inpatient Care: 90 percent of Billed Charges

The Empire Plan pays up to 90 percent of billed charges for covered acute inpatient mental health care in an approved hospital or an approved psychiatric facility. You pay the remaining 10 percent until you reach the combined coinsurance maximum of $3,000 for you, the enrollee, $3,000 for your enrolled spouse/domestic partner and $3,000 for all enrolled dependent children combined. The Empire Plan then pays 100 percent of billed charges for covered services. This benefit is not subject to a deductible.

Partial Hospitalization, Intensive Outpatient Program, Day Treatment, 23-Hour Extended Bed and 72-Hour Crisis Bed: 90 percent of Billed Charges

The Empire Plan pays up to 90 percent of billed charges for mental health care received from an approved facility. You pay the remaining 10 percent until you reach the combined coinsurance maximum of $3,000 for you, the enrollee, $3,000 for your enrolled spouse/domestic partner and $3,000 for all enrolled dependent children combined. The Empire Plan then pays 100 percent of billed charges for covered services. This benefit is not subject to a deductible.

Inpatient and Outpatient Visits: Unlimited

The number of inpatient and outpatient services for both network and non-network mental health treatment under The Empire Plan is unlimited when certified as medically necessary by OptumHealth.

Note: See page 6 for information about your September 1, 2012 Annual Deductible and Coinsurance Maximums.

The Empire Plan 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 The Empire Plan.

NYSHIP
New York State Health Insurance Program

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