

2017 NYSHIP Opt-Out Program Information

The NYS Health Insurance Program (NYSHIP) Opt-out Program allows eligible employees who have other employer sponsored group health insurance to opt-out of their NYSHIP coverage in exchange for an incentive payment.

Eligibility

To qualify for the Opt-out Program and receive the incentive payment, an employee must meet the following eligibility requirements:

1. The employee must currently participate in the Opt-out Program; or
2. The employee must have been enrolled in NYSHIP continuously from April 1, 2016 (or on their first date of NYSHIP eligibility if that date is later than April 1, 2016), and have remained continuously enrolled while eligible for the employee share of the health insurance premium through the end of the plan year; or
3. The employee is newly eligible to enroll in NYSHIP and wishes to participate in the Opt-out Program. They must make the election during the applicable 42 or 56 day waiting period (e.g., a newly hired employee or an employee who became newly eligible due to a change in work schedule from 30% to 60%).

Acceptable Other Employer-Sponsored Group Coverage to Opt-out of NYSHIP

In order to opt-out of NYSHIP coverage, the employee must be covered under other employer-sponsored group health insurance. Other employer-sponsored group health coverage cannot be the result of the employee's or the employee's spouse's, domestic partner's, or parent's employment relationship with New York State or the result of the employee's own employment with a NYSHIP Participating Agency (PA) or Participating Employer (PE). New York State employees cannot opt-out of NYSHIP if they are covered under NYSHIP as a dependent through another NYS employee. (For example, if a husband and wife both work for the State, and one has family coverage, or if they both have individual coverage, they cannot opt-out).

According to NYSHIP rules, an individual cannot be enrolled in two NYSHIP options. Since the Opt-out Program is considered a NYSHIP option, an individual cannot opt-out through one employer and be enrolled in NYSHIP health benefits through his or her other employer.

If an employee is covered as a dependent on another NYSHIP policy through a local government or public entity, he or she is only eligible for the individual opt-out incentive amount (\$1,000). It is important that the employee makes sure the other employer-sponsored plan will permit them to enroll as a dependent. The employee is responsible for making sure other coverage is in effect during period they opt-out of NYSHIP.

Employees Currently Participating in the Opt-out Program

NYS employees who currently participate in the Opt-out Program must elect to opt-out during the annual Option Transfer Period for 2017. If the enrollee fails to submit the required documents during the Annual Option Transfer Period, the opt-out payments will end with the 26th biweekly paycheck of the current plan year.

Life Changes that affect the Incentive Payments

1. An employee is not eligible for the incentive payment during any period when:
 - The employee is no longer employed in a benefits eligible position (e.g., enrollee is working less than 50%);
 - The employee no longer meets the requirements for the State to contribute to the cost of NYSHIP coverage (e.g., the enrollee goes out on full-share leave). Opt-out incentive payments will resume upon the employee's return to the payroll; or
 - The employee retires or otherwise terminates employment.
2. When an employee's last dependent loses NYSHIP eligibility, the employee will no longer be eligible for the incentive payments for family coverage. The employee will only be eligible for the incentive payment for opting out of individual coverage beginning the date the employee's last dependent loses NYSHIP eligibility.
3. When requesting the Family incentive payment, the employee must have been enrolled in family coverage between April 1 and the end of the plan year, unless the change to family coverage was based on a qualifying event (e.g. marriage or birth). If the enrollee arbitrarily changed to family coverage after April 1 of the plan year and is requesting opt-out for the subsequent year, the employee is only eligible for the Individual incentive payment.
4. If the employee is no longer eligible for other employer-sponsored group health insurance coverage he/she is no longer eligible for the Opt-out Program.

If opt-out incentive payments are issued in error, or after the loss of eligibility, the payments will be recovered as a special payroll deduction of up to \$200 per paycheck.

Enrollment in NYSHIP Health Benefits

Employees who participate in the Opt-out Program may enroll in a NYSHIP health plan during the next Annual Option Transfer Period. To enroll in NYSHIP health benefits coverage at any other time, opt-out enrollees must experience a qualifying event, such as a change in family status (e.g., marriage, birth, death, or divorce) or loss of the other employer-sponsored group health insurance. Employees must complete a PS-404 within 30 days of the date of the qualifying event and provide proof of the qualifying event or the enrollment will be subject to NYSHIP's late enrollment rules.

The opt-out incentive payments will stop when the enrollee loses eligibility. If enrolling in a health insurance benefit, the request must be made within 30 days of the event, otherwise late enrollment will apply.

Retirement While In the Opt-Out Program

Enrollment in the Opt-out Program is considered enrollment in NYSHIP for purposes of establishing eligibility for NYSHIP coverage in retirement. Retirees are not eligible for the Opt-out Program, so participation terminates when the employee's eligibility for NYSHIP coverage as an active employee ends.

Required Forms and Documentation to Opt-out of NYSHIP

In addition to meeting the Opt-out Program eligibility rules, employees must submit the required forms. If the employee is opting out of NYSHIP coverage (or re-electing to opt-out of NYSHIP coverage) for the plan year, then the required forms and documentation must be submitted before the end of the Annual Option Transfer Period deadline, **December 16, 2016**.

1. The employee must complete a [NYS Health Insurance Transaction Form \(PS-404\)](#); **and**
2. The employee must complete an [Opt-Out Attestation Form \(PS-409\)](#). Included with the signed and completed PS-409, the employee **must** provide proof of the other employer-sponsored coverage and attest to having other employer-sponsored group health insurance coverage in effect as the opt-out effective date.

For employees of agencies that are BSC HR customers, the completed PS-404, PS-409 and required proof of other employer-sponsored coverage should be submitted to the BSC Benefits Unit by e-mail at BSCBenefitsAdmin@ogs.ny.gov, by fax to (518) 457-1879, or by mail to: OGS-BSC Benefits Unit, 1220 Washington Avenue, Building 5, Floor 4, Albany, NY 12226-1900. Employees in agencies that are not HR customers of the BSC should contact their agency HR Office directly. For a list agencies receiving HR services, please visit the BSC Website at: https://bsc.ogs.ny.gov/sites/default/files/BSC_HR_Services_Provided_to_Agency_Lists.pdf.

Questions

If you have any questions regarding these procedures, please reach out to the BSC Benefits Unit by email at BSCBenefitsAdmin@ogs.ny.gov or by phone at (518) 457-4272.