

2018 NYSHIP Opt-Out Program Information

The New York State Health Insurance Program (NYSHIP) Opt-out Program allows eligible employees who have other employer sponsored group health insurance to opt-out of NYSHIP medical 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:

- The employee must have been continuously enrolled, under their own right, in the Opt-out Program or a NYSHIP Medical coverage option (The Empire Plan or a NYSHIP HMO) from April 1, 2017 through the end of the plan year.
- The employee is newly eligible for NYSHIP coverage at the employee share of the premium.

Employees may enroll in the Opt-out Program **only** under the following circumstances:

- When first hired in a benefits-eligible position (must elect during the 42 or 56 day waiting period); or
- When newly eligible for benefits, i.e., a change of work schedule from 30 to 50 percent or more (must elect during the 42 or 56 day waiting period); or
- During the Annual Option Transfer Period.

There are no qualifying life events for enrollment in the Opt-out Program. For example, if an enrollee marries and becomes newly eligible for other coverage, the enrollee cannot elect to enroll in the NYSHIP Opt-out Program until the following Annual Option Transfer Period.

Acceptable Employer-Sponsored Group Coverage

To opt out of NYSHIP medical coverage, the employee must be covered under other employer-sponsored group health insurance. The other employer-sponsored coverage can be through the employment of the enrollee, the enrollee's spouse/domestic partner or a parent. An enrollee providing proof of coverage as a dependent enrolled in coverage through a NYSHIP Participating Employer (PA or PE) is eligible for the **individual** Opt-out incentive only. Effective January 1, 2018, the Veteran's Affairs (VA) benefit, will be recognized as other employer-sponsored group health insurance coverage for purposes of NYSHIP's Opt-out Program. The VA benefit is recognized as coverage under the federal Affordable Care Act (ACA) and will be treated the same for the Opt-out Program. Enrollees providing proof of their VA benefit can elect Individual Opt-out only. However, Family Opt-out may be considered if additional proof is provided indicating the enrollee's dependent has employer-sponsored coverage.

The other Employer-Sponsored Group Coverage cannot be NYSHIP coverage that is a result of employment through New York State; or the result of employee's own employment with a NYSHIP Participating Agency (PA) or Participating Employer (PE). Employees cannot opt-out of NYSHIP if they are covered under NYSHIP as a dependent through another NYS employee (i.e., 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).

First-time Enrollment in Opt-out during the Annual Option Transfer Period

Employees who wish to enroll in the Opt-out Program during the Annual Option Transfer Period must have been continuously enrolled in NYSHIP (The Empire Plan, NYSHIP HMO, or the Opt-out Program) from April 1 through the end of the plan year. An employee will be considered continuously enrolled in NYSHIP even if they have a break in coverage during a time in which they are responsible for the full share premium.

Note: If an employee is on leave during the Annual Option Transfer Period, they must still elect the Opt-out Program during this time to receive incentive payments for the next plan year upon returning to the payroll.

Re-enrolling in Opt-out during the Option Transfer Period

NYS employees who currently participate in the Opt-out Program will receive an Opt-out Participation Notice from the Employee Benefits Division prior to the close of the Option Transfer Period. If the enrollee fails to submit the required documents during the Annual Option Transfer Period, the opt-out incentive payments will end after the 26th biweekly paycheck of the current plan year.

Mid-Year Coverage Changes that affect Opt-out Eligibility

If an employee is enrolled in The Empire Plan or NYSHIP HMO and changes from Individual to Family coverage after April 1 and the request was made within 30 days of the qualifying event, the enrollee may elect Family Opt-out for the next Plan Year.

If an employee is enrolled in Individual Opt-out and acquires a new dependent, they cannot change to Family Opt-out. However, if requested within 30 days of the qualifying event, they may enroll in Family coverage under The Empire Plan or NYSHIP HMO.

Incentive Payments

The annual incentive amount for opting out of NYSHIP coverage is **\$1,000** (\$38.47 for 26 bi-weekly paychecks) for Individual coverage, or **\$3,000** (\$115.39 for 26 bi-weekly paychecks) for Family coverage. The Opt-out incentive payments are treated as taxable income and credited to the employee's biweekly payroll check in equal increments throughout the year (payable only when an employee is on the payroll and meets the requirements to be eligible for the State to contribute to the cost of NYSHIP coverage). Incentive payments to employees participating in the Opt-out Program will begin coincident with the plan year's rate change.

Changes that affect the Incentive Payments

Enrollees who have a change due to one of the following circumstances will experience a change in incentive amounts:

- Employee is no longer eligible for State contribution toward NYSHIP coverage if they are placed on a full share leave without pay (during the period of the leave); or if they are no longer employed in a benefits eligible position (i.e., enrollee is working less than 50 percent).
- Last eligible dependent loses eligibility under NYSHIP – On the date an employee's last eligible dependent no longer qualifies as a dependent under NYSHIP, the employee will only be

eligible for individual opt-out incentive payments. Note, if the dependent is being removed due to a divorce or termination of a domestic partnership, the opt-out incentive payment will change from family to individual. If the employee's other employer sponsored coverage was through the ex-spouse or former domestic partner, the employee may need to be enrolled in coverage.

- Retirement or Separation from State service – When an employee retires or separates from state service, incentive payments will end when the employee stops receiving a paycheck.

The opt-out incentive payments will stop when an enrollee loses eligibility due to the loss of other employer-sponsored coverage. If enrolling in a health insurance benefit, the request must be made within 30 days of the event, otherwise late enrollment rules will apply.

Enrollment/Reenrollment 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.

Submitting Required Opt-out forms and Documentation

To enroll in the Opt-out Program, the employee must complete and submit the following required forms:

1. [NYS Health Insurance Transaction Form](#) (PS-404); **and**
2. [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 in effect as of the Opt-out effective date.

For employees of agencies that are BSC Benefits customers, the completed forms and required proof of other employer sponsored coverage should be submitted to the BSC Benefits Unit by e-mail to BSCBenefitsAdmin@ogs.ny.gov, or fax to (518) 457-1879, or mail to:

OGS Business Services Center, Benefits Unit
1220 Washington Avenue
Building 5, Floor 4
Albany, NY 12226-1900

Employees from agencies that are not Benefits customers of the BSC should contact their agency HR office. For a list of agencies receiving BSC Benefits services, please visit the BSC website at: [https://bsc.ogs.ny.gov/sites/default/files/BSC HR Services Provided to Agency Lists.pdf](https://bsc.ogs.ny.gov/sites/default/files/BSC%20HR%20Services%20Provided%20to%20Agency%20Lists.pdf).

Questions

If you have any questions regarding the 2018 Opt-out Program, please feel free to reach out to the BSC Benefits Unit at BSCBenefitsAdmin@ogs.ny.gov or (518) 457-4272.