




New York State Correctional Officers & Police Benevolent Association, Inc.

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- PLEASE POST -

TO: Chief Sector Stewards

FROM: Sharon Smith, Health Benefits Specialist 

DATE: March 26, 2009

RE: The New York State Health Insurance Program (NYSHIP)
Dependent Eligibility Program

You may remember that I discussed NYSHIP's Dependent Eligibility Program at the last Albany Executive Assembly meeting. Below is updated information concerning this program.

With the cost of health insurance today, this process is common practice across the country to reduce premiums by deleting ineligible dependents. A couple of examples of an ineligible dependent is an ex-spouse (under NYSHIP, spouses are exempt from coverage the day of the divorce, regardless of whether the member is required to continue coverage for them or not) or a child who is over 19 years old and not a full-time student (must be a full-time student if age 19 to 25 in order to continue coverage).

NYSHIP will require that proper documentation be provided to verify that all enrolled dependents on family plans meet NYSHIP's eligibility guidelines. Dependents included in this program are: (1) all dependents with medical coverage through NYSHIP as of **2/1/09** enrolled in the Empire Plan or an HMO; (2) dependents of active enrollees (including those on leave); and dependents of inactive enrollees (including retirees, vestees, COBRA). Dependents excluded from the program are: (1) dependent survivors; (2) dependents added to coverage **after 2/1/09**; and (3) dependents with NYS dental or NYS vision coverage only.

The State has contracted with Budco Health Service Solutions (Budco) to administer the project.

The first phase of this program is called the Amnesty Period. Budco will mail informational packets to members with family coverage from April 3rd through April 13th, 2009 (allow 7 to 10 days for delivery). The packets will include (1) a letter to member; (2) a Special Amnesty Form with list of current dependents; (3) an eligibility worksheet; and (4) a partial list of acceptable proofs of coverage.

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The actual amnesty period will run from April 14th to June 12th, 2009. During this period, **only members eliminating ineligible dependents must respond** by simply checking the correct box on the Special Amnesty Form and either mailing or faxing the form to Budco (address and fax number will be provided). **NOTE: THIS FORM MUST BE RECEIVED BY BUDCO NO LATER THAN JUNE 12, 2009; THEREFORE, IF MAILING THE FORM, BE SURE TO SEND IT IN SEVEN TO TEN DAYS PRIOR TO JUNE 12TH TO ENSURE TIMELY DELIVERY. THE DIRECTIONS DO NOT STATE "MAIL BY JUNE 12TH", THEY STATE "BUDCO MUST RECEIVE BY JUNE 12TH".**

Reported ineligible dependents will be removed from coverage effective June 13, 2009. Deletions **must** be made using the form **only** (do not send letters). Those members not deleting anyone do nothing during this period. Budco will follow up with disposition letters to members who deleted dependents.

This Special Amnesty Period has been established through legislation and any member who removes an ineligible dependent during this period will be held harmless (will not be responsible for any claims paid and cannot be disciplined).

The second phase of the program will be actual dependent eligibility verification. At this point, **all** members with eligible dependents on file **must** respond.

Budco will mail Dependent Eligibility Verification Packets July 2nd through July 10th, 2009 (an end date for the eligibility process has not been finalized to date but they expect a 90-day period – will let you know exact end date when determined). The packets will include: (a) a letter to member; (2) a list of current dependents (not removed during Special Amnesty Period); (3) an eligibility worksheet; and (4) a full list of acceptable proofs of coverage.

Members **must** submit copies of required proof outlined in the eligibility packet to Budco. **MEMBERS MUST SEND COPIES OF DOCUMENTS, NOT ORIGINALS – ONCE THE FILE IS PROCESSED, DOCUMENTS ARE SHREDDED AND NONE WILL BE RETURNED.** After processing, members will receive a status letter (approximately three weeks later - factoring postal time). That status letter will include outcomes/updates (eligible dependents; ineligible dependents; and/or incomplete dependents).

Upon completion of the process, those dependents whose eligibility was not verified with proper documentation **will be considered ineligible and will be removed from coverage effective 2/1/09.** Members will then be responsible for claim payments made on behalf of those ineligible dependents from 2/1/09 forward. In addition, the Department reserves the right to determine eligibility of those dependents **prior to 2/1/09 and recover** claim payments during that entire period. **MEMBERS MAY ALSO BE SUBJECT TO ADDITIONAL CIVIL/CRIMINAL PENALTIES.**

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Any dependent removed from coverage during the Special Amnesty Period or the Eligibility Verification Period will be eligible for COBRA coverage effective the date they were removed (6/13/09 if removed during the amnesty period or 2/1/09 if removed during the dependent eligibility verification period). COBRA applications will be mailed accordingly.

Be advised that due to Section 125 of the Internal Revenue Service Code, which governs pre-tax elections under the Pre-Tax Contribution Program, mid-year changes to pre-tax status are only permitted when there is a qualifying event and the removal of a dependent as a result of this program does not qualify. What that means is that if a member had **only** one ineligible dependent on his/her coverage and removed that dependent, their coverage will be switched to individual coverage but they will continue to pay the family premium for the rest of the year. No refunds will be issued in this regard. Members will receive a letter explaining this situation to them.

In addition, removal of an ineligible dependent may result in additional tax liability for prior tax years (imputed income). For advice on this issue, members will have to contact the IRS or consult a qualified tax professional. The Department will provide affected members with a table of imputed income for calendar years 2006, 2007, 2008 and 2009.

For any questions or issues during this process, members should contact Budco directly at 1-888-358-2196 (12:00 pm to 8:00 pm EDT Monday through Friday). This 800 number will become available April 6th and run through the entire process.

Attached are **SAMPLE** copies of the amnesty documentation which will be mailed out. I have also included Civil Service's website information for additional information.

Please help with educating the members on the importance of **READING** this information and not simply throwing it out. **Everyone** is required to send verification of eligibility and if they don't, or if they throw the mailing away and don't respond, their dependents will be automatically deleted effective 2/1/09. In addition, if they don't delete an ineligible dependent during the amnesty period and the ineligibility is detected, they may very well suffer the consequences of committing fraud.

Thank you for your anticipated assistance; and as always, I am available for questions.

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Attachments

cc: NYSCOPBA Executive Board
NYSCOPBA Jt. Committee on Health Benefits

SAMPLE



THIS SECTION WILL SHOW THROUGH ENVELOPE. April 6, 2009

*****AUTO**5-DIGIT 48065
63627 SNYAMN1A 000888888 LOC1CS3 EL1 0509
Samuel Sample
2336 Golf Links Rd
Our Town, MI 48065-4858



Important Information about Coverage
for your Dependent(s) under
The New York State
Health Insurance Program (NYSHIP)

Action by you may be required

Dear Samuel Sample:

The New York State Health Insurance Program (NYSHIP) is conducting a project to verify the eligibility of every dependent covered by NYSHIP. Our records indicate that as of February 1, 2009 you had at least one dependent (a spouse/partner or child) covered under your NYSHIP health benefits through The Empire Plan, a NYSHIP HMO or the Student Employee Health Plan (SEHP). The attached form lists your covered dependents.

This project requires all enrollees with family coverage to provide proof that each dependent is eligible for coverage through NYSHIP. If you fail to do so, you risk losing dependent coverage effective February 1, 2009 and being held responsible for repaying claims paid under NYSHIP for those dependents as early as the date the dependent was first added to coverage. Other penalties could also be imposed.

Special Amnesty Period April 14, 2009 through June 12, 2009

Before we ask you to provide proof of eligibility for your dependent(s) there will be a **Special Amnesty Period**. Ineligible dependents identified during the Special Amnesty Period will be removed from NYSHIP coverage effective June 13, 2009 and the enrollee will not be required to reimburse the plan for claims paid through the end of the Special Amnesty Period (June 12, 2009) for those dependents.

- Only return the Special Amnesty Form if you wish to permanently remove an ineligible dependent.
- Do not return the enclosed Eligibility Worksheet.
- Do not send documentation for eligible dependents at this time.
- You will receive further instructions for providing proof of eligibility between July and September 2009.

Avoid repaying claims by removing ineligible dependents now during the one-time Special Amnesty Period.



Steps you should take:

1. Review the list of covered dependents on the Special Amnesty Form.
2. For each dependent, review the eligibility rules listed on the enclosed Eligibility Worksheet.
3. If you have any ineligible dependents, follow the instructions on the Special Amnesty Form. **The form must be received no later than June 12, 2009.**

Dependents reported by you as ineligible during the **amnesty period** will be removed from NYSHIP coverage effective June 13, 2009. For dependents of New York State enrollees or enrollees of Participating Employers, ineligible dependents who are removed from coverage during the Special Amnesty Period or during the Verification of Dependent Eligibility phase are eligible to continue coverage through NYSHIP under the Consolidated Omnibus Budget Reconciliation Act (COBRA). Information on applying for COBRA will be provided to you when you are notified that your dependent has been removed from coverage. Dependents of Participating Agency enrollees should check with the enrollee's agency's personnel office to see if they are eligible for COBRA coverage.

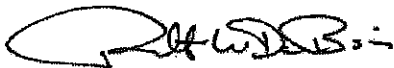
The Special Amnesty Period Ends on June 12, 2009

Questions?

If you have questions about the Special Amnesty Period, NYSHIP eligibility requirements or the enclosed materials, you can find additional information on www.cs.state.ny.us/nyshipeligibilityproject/index.cfm.

You may also call the NYSHIP Dependent Eligibility Project Service Center at **888-358-2196**. Agents are available to answer your questions from 12:00 p.m. to 8:00 p.m., Monday through Friday.

Sincerely,



Robert W. DuBois, CEBS
Director
Employee Benefits Division
NYS Department of Civil Service

Key 2009 Dates

April 6, 2009	NYSHIP Dependent Eligibility Project Service Center opens and is ready to help you at 888-358-2196
June 12, 2009	Deadline to report ineligible dependents during the Special Amnesty Period
July-September 2009	Packets to be mailed to enrollees to request proof of eligibility for dependents enrolled in NYSHIP

If you have questions, call 888-358-2196 beginning April 6





**Special Amnesty Form
 Complete This Form and Return by June 12, 2009
 To Report Dependents Not Eligible for Coverage Under NYSHIP**

You have until June 12, 2009 to remove ineligible dependents from your NYSHIP coverage under the amnesty provisions. Failure to do so could result in you being required to repay claims that were paid for those dependents under NYSHIP.

Avoid costs by removing ineligible dependents now!

Below is a list of all your dependents that were covered under NYSHIP on February 1, 2009. Review the list carefully. Review the eligibility rules on the enclosed eligibility worksheet for each dependent and follow these instructions:

- If the dependent is not eligible for coverage, check the box to the left of the dependent's name to remove that dependent from coverage.
- Do not check the box if the dependent is eligible for coverage.
- No action is necessary at this time if all your dependents are eligible for coverage. You should not return the form if you have not checked any boxes.

<u>Place (✓) to Remove Ineligible Dependent from Coverage</u>	<u>Name</u>	<u>Relationship</u>
<input type="checkbox"/>	Pamela A. Sample	Spouse
<input type="checkbox"/>	Sally Sample	Child
<input type="checkbox"/>	Andrew W. Sample	Child
<input type="checkbox"/>	Emily E. Sample	Child
<input type="checkbox"/>	Nickolas K. Sample	Child
<input type="checkbox"/>	Kyle A. Sample	Child
<input type="checkbox"/>	Jared C. Sample	Child
<input type="checkbox"/>	Rebecca A. Sample	Child
<input type="checkbox"/>	Matthew A. Sample	Child

For dependents meeting eligibility, no action is required at this time.

Signature of Enrollee	Date
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Fax this page only to:

Attn: NYSHIP Dependent Eligibility Project	Verification Fax #: 1-866-371-6213*
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See reverse side for additional steps





The form must be received by the NYSHIP Dependent Eligibility Project or faxed no later than June 12, 2009. Please allow 7 - 10 days for mailing.

If Mailing United States Postal Service - First Class Only, mail to:

NYSHIP Dependent Eligibility Project
PO Box 8072
Royal Oak, MI 48068

If mailing Express/Overnight/Certified/Registered Delivery (signature required for receipt), mail to:

NYSHIP Dependent Eligibility Project
13700 Oakland Ave.
Highland Park, MI 48203

If faxing

Fax to 1-866-371-6213*. This number also appears on the bottom of the first page of this form.

You will receive a confirmation letter after the end of this amnesty period listing the ineligible dependents you removed from your coverage and providing information on COBRA coverage.

*You are responsible for ensuring that facsimile transmissions are accurately and appropriately directed to the designated fax number. You acknowledge that certain security, transmission error, corruption and access availability risks are associated with using facsimile connections and telephone networks, and you expressly assume such risks, as permissible by law. You have made your own independent assessment of the adequacy and security of facsimile transmission as a delivery mechanism for forwarding your requested dependent eligibility information.



Use this checklist to determine whether your enrolled dependent(s) meet the eligibility requirements of the New York State Health Insurance Program (NYSHIP). On the Special Amnesty Form, note the "Relationship" reported next to each dependent, and refer to the corresponding section below to determine each dependent's eligibility.

⇒ If you answer **YES** to all questions for a dependent, you will need to provide documentation for eligibility at a later date – see *Partial List of Documents* for details. **Do not submit documents now. If you do send documentation, you will be required to send it again during the Verification Phase.**

⇒ If you answer **NO** to any questions, remove that dependent now during the Special Amnesty Period to avoid penalties.

To remove dependents who do not meet the NYSHIP eligibility requirements, check the box next to each name on the enclosed Special Amnesty Form and follow the instructions for returning the form. We must receive the Special Amnesty Form by **June 12, 2009**.

NYSHIP Eligibility Checklist

A. Spouse

Yes No

- The person is currently your legal spouse or legally separated spouse including a person of the same gender if the marriage was performed in Massachusetts, California, Connecticut, Canada (all provinces), Spain, South Africa, the Netherlands, Belgium or Norway. *(Your divorced spouse is not eligible to be covered as your NYSHIP dependent even if determined by a court that you must pay for the divorced spouse's health insurance)*

B. Domestic Partner

Yes No

- You are both at least 18 years of age or older
- You and your domestic partner are **not** related by blood
- You or your domestic partner are **not** legally married to anyone else
- You are each other's sole domestic partner and have been for at least the past 6 months, and you intend to remain so indefinitely
- You and your domestic partner have resided together in the same residence for at least the past 6 months
- You and your domestic partner share responsibility for each other's welfare and financial obligations and have done so for at least the past 6 months

C. Natural-Born Child, Stepchild or Legally Adopted Child

Yes No

- The child is your or your spouse's natural-born or legally adopted child, or has been placed in your home for adoption
- The child is unmarried
- The child is under age 19 **OR**
The child is age 19 or over but under age 25 **AND** a full-time student, (12+ credit hours per term or max course load available) in an accredited school or other educational institution and is not eligible for employer group coverage as an employee **OR** in the three month student extension period following graduation or completion of a semester. A full-time student with previous service in a branch of the U.S. Military may deduct up to four years of military service from their age to determine eligibility

D. Other Children

- The child is chiefly dependent on you for financial support **AND**
- The child resides permanently with you **AND**
- The child is unmarried **AND**
- The child is under age 19 **OR**

Yes **No**

<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>

The child is age 19 or over but under age 25 **AND** a full-time student, (12+ credit hours per term or max course load available) in an accredited school or other educational institution and is not eligible for employer group coverage as an employee **OR** in the three month student extension period following graduation or completion of a semester. A full-time student with previous service in a branch of the U.S. Military may deduct up to four years from their age when determining eligibility

E. Disabled Dependent Children

- The child meets all criteria for Natural-Born Child, Stepchild or Legally Adopted Child or Other Children except for the age limitations
- The child has previously been approved and currently is covered as a disabled dependent in NYSHIP (an approved PS 451, Statement of Disability Form is on file)

Yes **No**

<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>

Partial List of Documents

Below is a **partial list** of documents by relationship that you may need during the Verification Phase. This list is being provided to assist you in preparing for the next phase of the Dependent Eligibility Verification Project. A complete list of documents will be provided to you when the Verification Phase begins. **Do not send documentation at this time.**

A. Spouse

1. Proof of Marital Status

- a. Tax Return – Federal or State (including Puerto Rico returns), Page 1 only, no financial information required **OR**
 - b. Marriage Certificate **AND** proof of joint ownership dated anytime during the November 1, 2008 through February 1, 2009 timeframe **OR**
 - c. You must provide both a tax return and a marriage certificate if you reside or were married in any of the following states: Alabama, Colorado, Connecticut, Georgia, Idaho, Iowa, Kansas, Montana, New Hampshire, Ohio, Oklahoma, Pennsylvania, Rhode Island, South Carolina, Texas, or Utah.
-

B. Domestic Partner

1. Proof of Domestic Partnership

- a. Provide two proofs of financial interdependency. For example: Bank statement, credit card statement, jointly held mortgage, auto loan showing both names. Each proof will show current interdependency dated anytime during the November 1, 2008 through February 1, 2009 timeframe **AND**
 - b. Provide proof of residency. The proof should list both of your names or two separate proofs that show the legal residence of each partner. For example: driver's licenses, auto registration, bank statement showing both names. You must provide one proof showing current residency dated anytime during the November 1, 2008 through February 1, 2009 timeframe.
-

C. Natural-Born Child, Stepchild or Legally Adopted Child

1. Proof of Parent/Child Relationship

- a. Birth Certificate/Hospital Record identifying the child's parent(s) **OR**
- b. Court-approved adoption papers (with signature or seal), including Adoption Placement Agreement and Petition for Adoption **OR**
- c. Court approved document identifying the child's parents **AND**

2. Proof of Full-time Student Status (if the child is age 19 or over but under age 25)

- a. Verification of full-time enrollment through transcript, class schedule dated anytime during the November 1, 2008 and February 1, 2009 timeframe **OR**
 - b. Letter from accredited institution or accredited educational institution that prepares student for an occupation licensed by the State or which issues a certificate recognized by the State as the equivalent of a diploma, which qualifies the holder to engage in an occupation or take a license exam; the letter must be on school letterhead stating the child is a full-time student, working toward a degree or certification dated anytime during the November 1, 2008 through February 1, 2009 timeframe **OR**
 - c. Letter from a Trade School that is State-Certified and grants a certificate or diploma, even if the certificate or diploma is not necessary to legally practice the trade or to take a State license exam; the letter must be on school letterhead stating the child is a full-time student, working toward a degree or certification dated anytime during the November 1, 2008 and February 1, 2009 timeframe.
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D. Other Children

1. Proof of Legal Residence

- a. A PS-457 Statement of Dependence that is signed and notarized by the enrollee. The enrollee must have responded "Yes" to question #5 "Is your home the permanent legal residence of this dependent" **OR**
- b. School registration or letter from the school listing enrollee's address as address of dependent **AND**

2. Proof of Financial Support

- a. 2008 Tax Return – Federal or State, showing child as a dependent **OR**
- b. A letter that the dependent could be claimed on the enrollee's 2008 tax return under current IRS regulations if enrollee chose to do so, signed by either a CPA, an attorney, or other tax professional **AND**

3. Proof of Full-time Student Status (if the child is age 19 or over but under age 25)

- a. Verification of full-time enrollment through transcript, class schedule dated anytime during the November 1, 2008 and February 1, 2009 timeframe **OR**
- b. Letter from accredited institution or accredited educational institution that prepares student for an occupation licensed by the State or which issues a certificate recognized by the State as the equivalent of a diploma, which qualifies the holder to engage in an occupation or take a license exam; the letter must be on school letterhead stating the child is a full-time student, working toward a degree or certification dated anytime during the November 1, 2008 and February 1, 2009 timeframe **OR**
- c. Letter from a Trade School that is State-Certified and grants a certificate or diploma, even if the certificate or diploma is not necessary to legally practice the trade or to take a State license exam; the letter must be on school letterhead stating the child is a full-time student, working toward a degree or certification dated anytime during the November 1, 2008 and February 1, 2009 timeframe.

E. Disabled Dependent Children

1. If Natural-Born Child, Stepchild, or Legally Adopted Child:

- a. Refer to proof of Parent/Child Relationship (see section C-1 on page 3)

2. If Other Child:

- a. Refer to Proof of Legal Residence and Proof of Financial Support (see section D-1 and D-2 on page 4)
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This document which summarizes the dependent eligibility provisions for the New York State Health Insurance Program (NYSHIP) is presented as a quick reference for general information only. For detailed terms and conditions of NYSHIP, consult your *NYSHIP General Information Book* at www.cs.state.ny.us. Select *Benefit Programs* on the home page, then *NYSHIP Online* and choose your group, if prompted. On the *NYSHIP Online* homepage, choose *Using Your Benefits then Publications* to locate the updated *NYSHIP General Information Book* for your group.



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- Information for Enrollees
- Information for HBAs
- Timeline
- About BUDGO
- FAQs
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Dependent Eligibility Project

A Message from the Commissioner

Your employer-sponsored health insurance provided through the New York State Health Insurance Program (NYSHIP) is a valuable benefit, but it is also costly to provide. It becomes more costly, to you and to your employer, when NYSHIP is asked to pay benefits for individuals who are not eligible for coverage. NYSHIP's Dependent Eligibility Verification Project will help ensure that every participant who receives benefits is entitled to those benefits. During the course of the project, NYSHIP enrollees with family coverage will be asked to document the eligibility of all enrolled dependents. It is extremely important that enrollees respond to all requests in the specified timeframes because failure to do so will result in the removal of dependents from NYSHIP coverage.

This website is a useful resource for you to keep informed about project developments. It will be updated periodically as new information and deadlines are available. Be sure to bookmark it and visit regularly during the project.

Sincerely,
Nancy G. Groenwegen



Nancy G. Groenwegen

Instructions to access the NYSHIP Dependent Eligibility Project Web Site



Go to the Department of Civil Service
home page: www.cs.state.ny.us

- Select:
1. Benefit Programs
 2. NYSHIP Online
 3. Your group, if prompted
 4. Dependent Eligibility Project



Go to the Department of Civil Service
home page: www.cs.state.ny.us

- Select:
1. Benefit Programs
 2. HBA Online
 3. NYSHIP Dependent Eligibility Project

Or, go directly to www.cs.state.ny.us/myshipeligibilityproject/index.cfm.
Be sure to bookmark it and check it throughout the project.