



healthy

Guidebook and Application for

Small Businesses

A New York State sponsored program offering more affordable health insurance to small businesses, sole proprietors and working individuals.



State of New York
David A. Paterson, Governor

New York State Insurance Department

1-866-HEALTHY NY (1-866-432-5849) • www.HealthyNY.com

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INTRODUCTION TO HEALTHY NY — THE BASICS

The Healthy NY program offers streamlined yet comprehensive health insurance. The program is tailored to meet the needs of small businesses not currently providing health insurance.

Healthy NY's benefit package, combined with state funding, has created more affordable health insurance coverage. Healthy NY can be purchased from any of New York's licensed health maintenance organizations (HMOs) as well as some other New York State-licensed health plans. Applicants can enroll in Healthy NY year-round.

Each health plan offers the same comprehensive benefit packages, including preventive services, primary care, and emergency services. The applicant may choose a plan that includes a limited prescription drug benefit or one that does not.

Benefits of Offering Health Insurance to Employees

As a small business, there are numerous benefits to offering health insurance to your employees. Health insurance protects employees from unexpected costs and promotes good health and well-being. When a business offers health insurance to its employees, the business is likely to experience:

- Better employee recruitment
- Increased employee retention
- Strengthened corporate or business image
- Increased employee morale
- Increased interest in working for the company or business
- Increased productivity
- Reduced absenteeism
- Significant tax advantages

Significant tax advantages may be available to employers choosing to offer health insurance coverage to their employees. For example:

- Health insurance premiums are usually 100% tax-deductible.
- Payroll taxes may be reduced when health insurance is included in the compensation package.
- Employees may be able to pay their share of the premium with pre-tax dollars.

Your tax advisor should be able to provide you with a complete list of tax advantages available when you provide health insurance to your employees.

Premium Cost

Healthy NY is reduced-cost coverage. Healthy NY is offered by all HMOs and some other health plans in New York State, which all offer the same Healthy NY benefits. The health plan you choose will charge a monthly premium. Healthy NY premium rates vary regionally and by health plan. Current premium rates for the health plans that provide coverage in your county may be obtained by calling 1-866-HEALTHY NY (1-866-432-5849) or by visiting www.HealthyNY.com.

Small businesses looking to purchase Healthy NY must meet certain eligibility criteria, which are explained on page 5. Healthy NY is also available to individuals and sole proprietors. Please visit www.HealthyNY.com for more information.

HEALTHY NY — COVERAGE AND BENEFITS

Benefit Packages

Upon enrolling in the Healthy NY program, you will be able to choose from four benefit packages. Please take note that the benefit package you choose will be the same for all employees throughout the business. All employees choosing to participate will therefore receive the same coverage. The four coverage options are as follows:

- Healthy NY
- Healthy NY with a prescription drug benefit
- Healthy NY High Deductible Health Plan
- Healthy NY High Deductible Health Plan with a prescription drug benefit

Please note that the high deductible health plan option is discussed starting on page 6.

Network-Based Coverage

Healthy NY benefits are offered on an “in-network” basis. This means that employees must use doctors and health care providers who participate with your health plan in order to obtain coverage (except in an emergency or where care is not available through a participating provider).

A list of each health plan’s participating providers can be obtained from the health plan or by visiting www.HealthyNY.com.

Covered Health Care Services

Healthy NY offers comprehensive coverage for important services such as hospital care and regular medical checkups. You also have a choice of coverage with a prescription drug benefit or without a prescription drug benefit.

Healthy NY benefits include:

- Physician services including diagnostic, treatment, consultant, and referral services
- Surgical services (including breast reconstruction surgery after a mastectomy) and anesthesia
- Inpatient hospitalization including room and board, general nursing care, special diets, and other hospital services and supplies
- Outpatient hospitalization including diagnostic and treatment services and surgical facility charges
- Pre-admission testing
- Emergency services (ambulance not covered)
- Second opinion for surgery and cancer treatment
- Post-surgery or post-hospitalization home healthcare, up to 40 visits per calendar year
- Post-surgery or post-hospitalization physical therapy, up to 30 visits per calendar year
- Adult preventive services including mammogram, Pap test, prostate cancer screening, physical examinations no more than once every three years, and adult immunizations
- Prenatal care, well-child visits, and children's immunizations
- Diabetic supplies, equipment, and self-management education
- Diagnostic, X-ray, and laboratory services
- Radiation therapy, chemotherapy, and dialysis
- Blood and blood products provided with surgery or inpatient hospitalization

Co-Payments and Deductibles

Covered services are subject to a co-payment. The co-payment is an amount that an employee must pay at the time he or she receives services. Additionally, if you choose prescription drug coverage, there is an annual deductible. The applicable co-payments are:

Covered Service	Applicable Co-Payment
Inpatient hospital services	\$500
Surgical services	Lesser of 20% or \$200
Outpatient surgical facility	\$75
Emergency room services	\$50 (waived if admitted to the hospital)
Prenatal services	\$10
Well-child visits/immunizations	No charge
All other services	\$20
Optional prescription drug benefit	Maximum benefit of \$3,000 per person per year - \$100 deductible per calendar year - \$10 co-payment for generic drugs - \$20 co-payment for brand-name drugs plus the difference in cost between the brand-name drug and generic equivalent (if a generic exists)

Services Not Covered by Healthy NY

Because Healthy NY has a streamlined benefits package, certain services are not covered.

Examples of those services include:

- Mental health services and prescription drugs related to mental health services, including treatment for depression, anxiety, and attention deficit hyperactivity disorder (ADHD)
- Alcohol and substance abuse treatment and prescription drugs related to alcohol and substance abuse treatment
- Chiropractic care
- Hospice care
- Physical therapy, unless post-surgery or post-hospitalization
- Home health care, unless post-surgery or post-hospitalization
- Ambulance
- Dental, vision, and hearing aids
- Out-of-state treatment, unless in the case of an emergency

Pre-Existing-Condition Limitation

Healthy NY coverage is subject to a pre-existing-condition limitation. This means that if an applicant has a medical condition that he or she has been either diagnosed with or treated for in the last six months, services for the treatment of that condition may be excluded from coverage for up to a year. However, coverage for other services will still be available for all other covered conditions.

The pre-existing-condition waiting period will be reduced or waived if an applicant had prior insurance and has not had a break in coverage that is longer than 63 days. Employees should forward documentation of previous coverage to the health plan. They should also inquire with the health plan on how this waiting period could impact the coverage of their existing conditions.

ELIGIBILITY CRITERIA FOR SMALL BUSINESSES

Your business is eligible to offer Healthy NY if:

- the business is located in New York State; and
- the business has a group of 50 or fewer employees; and
- at least 30% of employees earn \$40,000 or less in annual wages (this figure is adjusted annually for inflation); and
- the business did not provide health insurance to these employees in the last 12 months.

What “Providing Health Insurance” Means for Small Businesses

As stated above, your business will not be eligible to offer Healthy NY if you provided health insurance within the last 12 months. Providing health insurance is defined as:

- *arranging for coverage that includes BOTH hospital and medical coverage and*
- *contributing at least \$50 (or \$75 if the business is located in Bronx, Kings, Nassau, New York, Orange, Putnam, Queens, Richmond, Rockland, Suffolk, or Westchester counties) per employee per month towards the premium.*

The business may still be eligible for Healthy NY if:

- the employer arranged for health insurance coverage for his or her employees, but has not contributed more than the previously noted amounts;
- the employer provided other insurance during the past 12 months but the coverage included only limited benefits (e.g., only medical benefits or only hospital benefits, but not both);
- individual employees had insurance coverage through *other sources*;
- the employer has health insurance coverage for himself or herself and/or own family but did not provide the coverage to employees.

Requirements to Participate in the Healthy NY Program

In order to participate in Healthy NY, your business must:

- contribute at least 50% of the employees' Healthy NY premiums;
- certify that at least 50% of your group of employees who are offered Healthy NY coverage through your business will actually accept enrollment or have health insurance through another source;
- offer Healthy NY to all employees who work 20 or more hours per week and earn \$40,000* or less.

*Adjusted each July.

If you need assistance with eligibility criteria, please go to www.HealthyNY.com or e-mail us at askHealthyNY@ins.state.ny.us.

Optional Solutions to Fit the Needs of Your Business

Employers may choose to offer the following, but are not obligated to do so:

- coverage and/or contribution towards the cost of coverage for dependents of employees (qualifying dependents include spouses, domestic partners, dependent children up to age 19, and full-time students up to age 23);
- coverage and/or contribution towards the cost of coverage to employees who work less than 20 hours weekly;
- coverage to employees who work seasonally.

HIGH DEDUCTIBLE HEALTH PLAN OPTION

Healthy NY Offers a High Deductible Health Plan

Healthy NY offers a high deductible health plan (HDHP) that qualifies to be used with a *health savings account (HSA)*. This offers several benefits to small businesses. Because the plan carries a high deductible, the premium is lower. Also, if you decide to contribute to your employees' HSAs, then your contribution is not taxed to you or your employees.

How the High Deductible Health Plan Works

With an HDHP, employees pay for most health care expenses up to the amount of the deductible before the insurance policy begins to cover them. The deductible for 2009 is \$1,150 for individuals and \$2,300 for families (more than one person).

The HDHP provides coverage for preventive care before meeting the deductible. Preventive care includes:

- Pap tests
- Prostate cancer screening
- Routine prenatal care
- Well-child visits
- Periodic adult physical examinations and immunizations
- Mammograms

Employees may use the above services before meeting the deductible. However, there is a co-payment for these services, and these **co-payments do not apply towards the deductible**.

With a family plan, any family member or combination of family members covered by the health plan must meet the entire family deductible in order for coverage to begin. Once the deductible is met, employees are still responsible for co-payments, including \$500 for inpatient hospitalization.

Only expenses for benefits included under the Healthy NY plan count towards the deductible.

If you choose the HDHP with a prescription drug benefit, employees would be covered for prescription drugs once they reach their overall deductible. Out-of-pocket costs for prescription drug expenses count towards the HDHP deductible. If you choose the HDHP without a prescription drug benefit, then out-of-pocket expenses for prescription drugs would not count towards the deductible.

You may only choose between the HDHP and the standard plan when first enrolling and during yearly recertification.

Remember that with an HDHP, employees are responsible for paying most expenses out of pocket before the policy begins to cover them.

The plan that you choose will apply to all covered employees. Thus, you should ensure that an HDHP suits the needs of your employees. For more information, visit the Healthy NY Web site at www.HealthyNY.com.

How the Health Savings Account Works

An HSA is an account used to pay for qualified medical expenses, including deductibles and co-payments. Money in the account can earn interest tax-free.

Employees can deposit funds into the account each year, in one lump sum or at any frequency that is convenient for them. Employee contributions can be on an after-tax basis, making contributions tax-deductible, or pre-tax, through a Section 125 ("cafeteria") plan. For 2009, a person can contribute up to \$3,000 for individual coverage and \$5,950 for family coverage. The federal government sets these amounts, and they change yearly.

Although not mandatory, your business can contribute to your employees' HSAs and any account fees. Contributions are excluded from employees' income for tax purposes. The funds deposited into the employees' HSAs belong to the employees.

Visit the U.S. Department of the Treasury at www.treas.gov for more information on HSAs.

ANNUAL RECERTIFICATION

On an annual basis, employers in the Healthy NY program will be asked to submit a recertification that attests to their continued eligibility for the Healthy NY program. Your health plan will notify you when this recertification is due and will provide you with all necessary forms. The program requirements may be adjusted on an annual basis.

If your business does not meet the eligibility criteria at the time of recertification, you will be unable to continue your Healthy NY coverage. In that event, ask your HMO or health plan about other coverage available to your small business.

Changes during the year, such as business size, wage levels (adjusted on an annual basis to account for inflation) and employee participation will not result in termination of your Healthy NY coverage. However, at the time of recertification, your business's eligibility will be reevaluated.

Please note that once your business is enrolled in Healthy NY, your business can switch to a new health plan under Healthy NY at any time by completing a new application. The business would need to meet the eligibility requirements at the time of application.

HOW TO APPLY

- Complete the application.
- Select the HMO or other health plan of your choice. The premium rates and provider networks are available at www.HealthyNY.com.
- Submit your completed application to the chosen HMO or health plan.
- The HMO or health plan will contact you to request more information and to allow your employees to select their primary care physicians and complete their enrollment.

If you have questions about the status of your application, please contact the HMO that you selected.

For other questions, please e-mail the Healthy NY program at askHealthyNY@ins.state.ny.us.

HEALTHY NY APPLICATION INSTRUCTIONS

Individuals and sole proprietors looking to purchase Healthy NY must complete a different application.

Confidentiality Statement: The information provided on this application will remain confidential and will only be disclosed to the staff at health plans and state agencies operating this program.

SECTION A: Small Business Information

In this section, we ask how to contact you. Your business must be located in New York State in order to participate.

SECTION B: Coverage Options

1. Benefits

Healthy NY offers a standardized benefits package, with an optional limited prescription benefit. Choose if you want Healthy NY with a limited prescription drug benefit (yearly limit of \$3,000, \$100 deductible) or without a prescription drug benefit. Once you choose the benefit option, you will not be able to change your selection until your annual recertification or at the time of a premium rate change.

2. Deductible

Choose if you want a yearly deductible or a plan with no deductible. Once you choose whether or not you would like a deductible, you will not be able to change your selection until your annual recertification. For 2009, the deductible is \$1,150 for individuals and \$2,300 for families.

You should carefully consider all options and read the information on pages 6 and 7 of this guidebook before making a decision. Visit www.HealthyNY.com for more information.

SECTION C: Insurance Information

Healthy NY is available to small business employers who have not provided comprehensive health insurance to their employees or a class of their employees during the last 12 months. If you provided health benefits within the last 12 months, your business may still qualify if:

- Your business provided only "limited" health insurance benefits.
- Your business did not contribute more than \$50 per employee per month towards the premium (or \$75 if the business is located in Bronx, Kings, Nassau, New York, Orange, Putnam, Queens, Richmond, Rockland, Suffolk, or Westchester counties).

- Your business has a class of employees that you have not offered health insurance to during the last 12 months but would now like to cover. The class must pertain to geographic location or employees' earnings, method of payment, hours, or job duties.

SECTION D: Eligibility Requirements

The business must be able to answer "Yes" to each question in Section D to be eligible.

SECTION E: Participation Requirements

In order to be eligible, your business must meet the participation rules concerning employees who will purchase Healthy NY.

SECTION F: Employee Information

Please answer the questions in Section F about your employees who will be enrolling in Healthy NY. You do not need to include information about their dependents. If necessary, photocopy the chart and attach additional sheets.

SECTION G: Certification

The certification must be completed by a duly authorized officer of the business.

SUBMITTING YOUR APPLICATION

Detach and send your completed application directly to the HMO or participating insurer selected by your business. For a list of HMOs and participating insurers, go to www.HealthyNY.com and select the link "HMOs and Rates by County." Please note that the HMO or participating insurer may require additional paperwork in order to complete the enrollment process. If you have other questions, or to check the status of your application, please call the HMO or participating insurer directly.

SECTION A: Small Business Information

Company Name: _____

Telephone: () _____ Fax: () _____

Street Address of Business: _____

City: _____ State: _____ Zip: _____ County: _____

Contact Person: _____ Title: _____

Telephone: () _____ Today's Date: _____

SECTION B: Coverage Options

Healthy NY is available with or without prescription drug coverage. The drug benefit has a \$3,000 per person annual limit. Premiums are higher for coverage with a drug benefit.

You may also select coverage with an annual deductible. Although this option is less expensive, your employees are responsible for \$1,150 (\$2,300 for family coverage) of the cost of services before services are covered. Preventive services are covered before meeting the deductible.

Please select your coverage option:

- Healthy NY with drug option
 Healthy NY without drug option
 HDHP with drug option
 HDHP without drug option

SECTION C: Insurance Information

You may offer Healthy NY to all of your employees or a class of your employees if you have not offered health insurance to them in the last 12 months. Please answer the following questions to assist us in determining your eligibility to purchase Healthy NY.

1. Within the last 12 months, has your business provided health insurance that included both medical and hospital benefits to the class of employees that you are looking to cover? Yes No
2. If the answer to question 1 above is "Yes," did your business contribute more than \$50 per employee per month towards the premium (or \$75 if the business is located in Bronx, Kings, Nassau, New York, Orange, Putnam, Queens, Richmond, Rockland, Suffolk, or Westchester counties)? Yes No

If the answer to both questions 1 and 2 above is "Yes," then your business is not eligible for Healthy NY.

SECTION D: Eligibility Requirements

Eligibility requirements were designed to reach those small businesses most in need. Please answer the following questions about your business. Please note that you must be able to check "Yes" to each question in this section in order to be eligible to purchase Healthy NY.

1. Does your business have 1-50 employees? Yes No
2. Do at least 30% of the employees who will be offered coverage earn annual wages of \$40,000* or less? Yes No
3. Will your business contribute at least 50% of the Healthy NY premium on behalf of full-time employees? Yes No
4. Will your business offer Healthy NY coverage to all employees working 20 hours or more per week who earn annual wages of \$40,000* or less? Yes No

SECTION E: Participation Requirements

Please answer these questions about who will be accepting Healthy NY coverage. Please note that you must be able to check "Yes" to each question in this section in order to be eligible to purchase Healthy NY.

1. Will at least 50% of the class of employees who are offered Healthy NY coverage through your business actually accept enrollment or have health insurance through another source? Yes No
2. Will at least one employee earning annual wages of \$40,000* or less enroll in Healthy NY? Yes No

SECTION F: Employee Information

Healthy NY has certain employee participation requirements. Please answer these questions about who will be accepting coverage in Healthy NY.

1. Employers may offer Healthy NY coverage to their employees' dependents, including spouses, domestic partners, and children. Employers are not required to contribute towards the Healthy NY premium for dependents. Will your business be offering Healthy NY coverage to the dependents of your employees? Yes No
2. Employers may choose to make Healthy NY available to their part-time workers (those who work less than 20 hours weekly). You do not have to contribute towards the premiums for part-time workers. Will your business be offering Healthy NY coverage to part-time workers? Yes No

*Effective July 2009, updated each July.

SECTION G: Certification

By signing this certification of eligibility, I certify under penalty of perjury that all statements contained in this certification are true and accurate to the best of my knowledge. I further certify that I am duly authorized to execute this certification on behalf of the business.

I understand that any person who knowingly and with the intent to defraud any insurance company or other person files an application for insurance or statement of claim containing any materially false information, or conceals for the purpose of misleading, information concerning any fact material thereto, commits a fraudulent insurance act, which is a crime, and shall also be subject to a civil penalty not to exceed five thousand dollars and the stated value of the claim for each such violation.

_____	_____
Print name of person completing certification	Signature
_____	_____
Title	Date

If a broker assisted you with completing this application, please include:

_____	_____	_____
Broker's Name	License #	Company
_____	_____	_____
Address	Phone	E-mail

Detach and send your completed application directly to the HMO or participating insurer of your choice. For the names and addresses of HMOs and participating insurers in your area, please call 1-866-HEALTHY NY (1-866-432-5849) or visit www.HealthyNY.com.

IMPORTANT INFORMATION ABOUT PRE-EXISTING CONDITIONS

A pre-existing condition is any physical or mental condition for which medical advice, diagnosis, care, or treatment was recommended or received within the six-month period ending on the first day of your coverage under a new contract. Pregnancy is not a pre-existing condition in small group contracts. If you have employees with pre-existing conditions at the time they enroll in Healthy NY, the policy will exclude coverage for those conditions for up to 12 months. However, this 12-month period may be reduced or eliminated if those employees are enrolling in Healthy NY within 63 days of the termination of other health insurance coverage. Advise your employees to review their Healthy NY certificate or to contact the health plan for a full explanation of what constitutes a pre-existing condition and how this restriction may affect them.

The 12-month exclusion period mentioned above is shorter if you have been determined to be eligible under the Federal Trade Adjustment Act of 2002. Please notify your HMO.

www.HealthyNY.com • 1-866-HEALTHY NY (1-866-432-5849)

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