

## Frequently Asked Questions Regarding Reimbursement for Increases in Out-of-Pocket Costs for Health Coverage

---

### **What is this program?**

This program provides reimbursement to certain state employees who will experience increases in out-of-pocket expenses as a result of increases in co-pays and deductibles for health coverage through the Group Insurance Commission. This program is designed to recognize the fact that some employees, including some unions and their members, have contributed to the solutions to close the fiscal year 2010 and fiscal year 2011 budget gaps, and should be exempt from GIC co-pay and deductible increases for the remainder of fiscal year 2010 and all of FY 11.

### **Who is Eligible for Reimbursement?**

In order to be eligible for reimbursement, an employee must:

- Be an employee (or covered dependent) from an agency under the control of the Governor;
- Be a manager or member of SEIU Local 509, NAGE, MOSES or AFSCME;
- Have health coverage through the Group Insurance Commission.

### **How long is the program available?**

Reimbursements are available for services received between February 1, 2010 and June 30, 2011.

### **What will my reimbursement amount be based on?**

You will receive reimbursement for the *incremental* out-of-pocket cost you experience as a result of co-pay increases and new deductibles. For example, if prior to 2/1/10, you paid a \$15 co-pay for a visit to your physician and you now pay \$20, you will be reimbursed for that \$5.

### **Do I need to take any action to receive my reimbursement?**

No. However, if you believe that the reimbursement amount you received was incorrect, you will need to work with your health plan and HRD. See below.

### **How will I receive my reimbursement?**

Your reimbursement will be automatically included in your paycheck on a quarterly basis starting in July of 2010.

### **How quickly after I receive a health service will I receive my reimbursement?**

You will receive reimbursement for co-pay increases and deductible increases once a quarter. Generally medical billing has a six week processing time from the date of your visit to the doctor, so reimbursements will generally occur in the quarter following that six week turnaround. For example, if you receive a service on July 15<sup>th</sup>, the billing process will likely complete by August 26<sup>th</sup>. You will then receive reimbursement for this service in late December.

There may be delays if your health care provider did not submit a claim for your services within six weeks of the service. Late-submitted claims will be reimbursed in the next payment.

### **Is this reimbursement taxable income?**

No. However, for employees that participate in the Health Care Spending Account program the amount of this incremental reimbursement must not be reimbursed from your HCSA or this reimbursement is a taxable event. You can only use your HCSA for the non-incremental amount of your co-pays and deductibles that will not be reimbursed.

**What if I used my Health Savings Account (HSA) to make a co-payment or pay my deductible?**

You are responsible to keep all health expenditure and reimbursement records to identify, as needed, any pre tax dollars recovered in error for tax reporting purposes in tax years 2010 and 2011.

**How will I be able to identify reimbursement on my pay advice?**

Reimbursement under this program will appear on your pay advice next to the category "HC Increm".

**What should I do if I have a question about my reimbursement?**

If you expected to receive a reimbursement (based on the timeline for reimbursement outlined above) and you did not see a payment on your pay advice, you should:

1. Contact your health plan to obtain proof of receiving the service. For most health plans, you can access your account online, or you may also call the health plan. Note, if the reason for not receiving reimbursement is that your provider has not yet submitted the claim, then your health plan will not have a record of the service.
2. If your account indicates that your co-pay or deductible was submitted by your medical provider, but you did not receive your reimbursement, you should contact the Human Resources Division (HRD) hotline at 617.878.9835. This phone number will be operational effective July 6, 2010.
3. Representatives from HRD will require that you submit your proof of service for the quarter in question, and will work with you to resolve the issue.

**What should I do if I leave state service prior to receiving my reimbursement?**

Payments due will be paid in accordance with the schedule. Payment will be directed to your last known direct deposit account.