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**Michael R. Bloomberg**  
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Commissioner  
Office of Labor Relations

Revised Sections of the  
Management Benefits Fund  
Benefits Booklet  
Will Be Available On-line in July 2007

## Management Benefits Fund

# VOICE



*A Newsletter for  
Fund Members*

*May 2007*

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## ***Group Universal Life (GUL) Insurance Program***

### ***Open Enrollment Period: New GUL Participants (Active Members Only)***



MBF will offer active members who are not yet enrolled in the GUL Program the opportunity to purchase GUL coverage, issued by The Prudential Insurance Company of America ("Prudential"). Members will also have the opportunity to purchase GUL coverage for their spouse/domestic partner\* and dependent child(ren). Members will receive an enrollment packet from Prudential prior to the Open Enrollment Period.

Open enrollment period: June 1, 2007 – June 15, 2007

Effective date: August 1, 2007

*Coverage can be purchased without having to provide evidence of good health:*

- MBF member - up to three (3) times annual salary\*, or \$150,000\* (whichever is less)
- Eligible spouse/domestic partner coverage (age 64 or under) - up to \$30,000\*
- Eligible dependent child coverage - flat amount of \$10,000

\* Additional coverage can be purchased with evidence of good health.

### ***Annual Election Period: Current GUL Participants (Active Members Only)***

MBF members already enrolled in the GUL Program may increase coverage by the lesser of one times their annual salary or \$150,000. All amounts above 3 times annual earnings or \$150,000 will require evidence of good health. Members will receive information and a form from Prudential prior to the Annual Election Period.

Annual Election Period: June 16, 2007 – June 30, 2007

Effective date: August 1, 2007

*Coverage can be purchased without having to provide evidence of good health:*

- MBF member - up to one times annual salary, or \$150,000 (whichever is less)

Please note that the Annual Election Period does not apply to spouse/domestic partner coverage.

### ***Automatic Dependent Child Coverage Increase***

For those members who already purchased coverage for their dependent child in the amount of \$4,000, their child's coverage will automatically increase from \$4,000 to \$10,000, without a change in premium, effective August 1, 2007.

### ***Additional Information about the GUL Program***

For premium rates and other detailed information on the GUL Program, please access the GUL Section of the MBF Benefits Booklet at [www.nyc.gov/olr](http://www.nyc.gov/olr).

Prudential has developed a worksheet that can help you determine how much life insurance coverage you may need. This worksheet is available online at: [www.prudential.com/howmuchdoIneed](http://www.prudential.com/howmuchdoIneed). It may be helpful for you to use this worksheet to prepare for the upcoming Open or Annual Enrollment Period.

\*Domestic partners may not be recognized in all states.

Group Universal Life Insurance coverage is issued by The Prudential Insurance Company of America, 751 Broad Street, Newark, NJ 07102. The Booklet-Certificate contains all details, including any policy exclusions, limitations, and restrictions, which may apply. (Contract Series: 83500) IFS-A130326 Ed. 0207 102735-0307

## Health Club Reimbursement Program

### **Important Benefit Changes Effective January 1, 2008**



The Health Club Reimbursement Program provides reimbursement for MBF members and their spouse/domestic partner for membership at a Qualified Health Club\*.

Effective January 1, 2008, MBF will be modifying the maximum amount for which members may claim reimbursement for themselves and/or their spouse/domestic partner under the Health Club Reimbursement Program.

Please note that these changes will be effective for claim periods beginning on or after January 1, 2008.

<b>Health Club Reimbursement Program</b>		
<b>Description</b>	<b>Claim Periods beginning prior to 1/1/08</b>	<b>Claim Periods beginning on or after 1/1/08</b>
Maximum reimbursement amount that MBF members may claim for membership at a Qualified Health Club*	<ul style="list-style-type: none"> <li>• \$500 per each 6 month claim period</li> <li>• \$1,000 annually</li> </ul>	<ul style="list-style-type: none"> <li>• \$250 per each 6 month claim period</li> <li>• \$500 annually</li> </ul>
Maximum reimbursement amount that the MBF member may claim for their spouse/domestic partner at a Qualified Health Club*	<ul style="list-style-type: none"> <li>• \$500 per each 6 month claim period</li> <li>• \$1,000 annually</li> </ul>	<ul style="list-style-type: none"> <li>• \$250 per each 6 month claim period</li> <li>• \$500 annually</li> </ul>

\*MBF defines a Qualified Health Club as one that offers both: (a) Strength training equipment (free weights or weight machines); and (b) Cardiovascular equipment (treadmills, stationary bicycles, ellipticals, etc.).

Please refer to the Health Club Reimbursement Program section of the MBF Benefits Booklet for limitations and exclusions under the Health Club Reimbursement Program. The MBF Benefits Booklet can be downloaded from the MBF Web site at [www.nyc.gov/olr](http://www.nyc.gov/olr).

## Superimposed Major Medical Plan (SMMP)

### Important Benefit Changes Effective July 1, 2007



The Management Benefits Fund originally introduced the Superimposed Major Medical Plan (SMMP) as a catastrophic-type plan to be utilized by MBF members who have incurred substantial out-of-pocket medical costs after primary health coverage has been applied. In an effort to contain rising costs of the SMMP, MBF will be making changes to the SMMP effective July 1, 2007.

The following table compares the current plan design to the new plan design and highlights the plan changes. Please note that because the SMMP runs on a calendar year basis, the new deductibles will be reduced by half for the period of July 1, 2007 through December 31, 2007. However, as of January 1, 2008, members will be subject to full deductibles. Please be advised that all covered services under the SMMP will remain the same.

**SMMP Plan Design Changes**

Description	Current Plan Design	Claims incurred between 7/1/07 and 12/31/07	Claims incurred on or after 1/1/08
Annual deductible (amount you must pay out-of-pocket before the SMMP will issue reimbursement)	\$0 if the member has purchased the City's prescription drug rider or similar coverage. If the member does not have prescription drug coverage: <ul style="list-style-type: none"> <li>• \$2,000 for one individual</li> <li>• \$4,000 for two individuals</li> <li>• \$6,000 for three or more individuals</li> </ul>	If the member has purchased the City's prescription drug rider or other comparable coverage: <ul style="list-style-type: none"> <li>• \$250 for one individual</li> <li>• \$500 for two individuals</li> <li>• \$750 for three or more individuals</li> </ul> If the member does not have prescription drug coverage, he or she must still satisfy the \$2,000 annual deductible for calendar year 2007. However, he or she will also be subject to the additional deductible amounts of \$250 per person for services received during the period of 7/1/07 - 12/31/07.	If the member has purchased the City's prescription drug rider or other comparable coverage: <ul style="list-style-type: none"> <li>• \$500 for one individual</li> <li>• \$1,000 for two individuals</li> <li>• \$1,500 for three or more individuals</li> </ul> If the member does not have prescription drug coverage: <ul style="list-style-type: none"> <li>• \$2,500 for one individual</li> <li>• \$5,000 for two individuals</li> <li>• \$7,500 for three or more individuals</li> </ul>
Reasonable & Customary (R&C) percentage (the average fee charged by a particular type of provider within a certain geographic area)	Plan reimburses in the 90 <sup>th</sup> percentile of R&C charges	Plan reimburses in the 80 <sup>th</sup> percentile of R&C charges	Plan reimburses in the 80 <sup>th</sup> percentile of R&C charges
Percentage of reimbursement for prescription drugs for non-Medicare-eligible members*	SMMP reimburses at 90%	SMMP reimburses at 80%	SMMP reimburses at 80%
*The SMMP does not cover prescription drugs for MBF members and their dependents who are Medicare-eligible. Reimbursement for all other covered services will remain at 90%.			

## Dental Program

### Important Benefit Changes Effective July 1, 2007



MBF is pleased to announce that it will be implementing a benefit enhancement to the MBF Dental Program. Effective July 1, 2007, MBF will be increasing the coinsurance for Major Restorative services under the MBF Dental Program.

Major Restorative Services include dentures, crowns and bridges.

Dental Program Plan Design Changes		
Description	Services received prior to 7/1/07	Services received on or after 7/1/07
Major Restorative services	<ul style="list-style-type: none"><li>• Claims for services are paid at 70% if received from an MBF in-network provider</li><li>• Claims for services are paid at 50% if received from an out-of-network provider</li></ul>	<ul style="list-style-type: none"><li>• Claims for services are paid at 90% if received from an MBF in-network provider</li><li>• Claims for services are paid at 70% if received from an out-of-network provider</li></ul>

## Mid-Year Open Enrollment for the Health Care Flexible Spending Account (HCFSA) Program

Because of the MBF SMMP plan design modifications as of July 1, 2007, members may find that they have greater out-of-pocket medical expenses due to these changes. Therefore, the City's Health Care Flexible Spending Account (HCFSA) Program will hold a special mid-year open enrollment period for eligible members to enroll in the program, or, if they are already enrolled, change their annual contribution amount for the remainder of Plan Year 2007.

### WHAT is the HCFSA Program?

The City of New York HCFSA Program allows eligible City employees to set aside pre-tax dollars in an account from which they may be reimbursed for eligible out-of-pocket medical, dental, vision and hearing expenses that remain after all other health coverage has been applied.

### WHO can participate in the HCFSA mid-year open enrollment?

1. Actively employed\* MBF members who are already enrolled in the HCFSA Program may change their goal amounts for Plan Year 2007 if they know that they will have greater out-of-pocket expenses once the SMMP plan modifications go into effect on July 1, 2007.

2. Actively employed\* MBF members who are not currently enrolled in the HCFSA Program may enroll in the Program to pay for any out-of-pocket expenses that they may incur once the SMMP plan modifications take effect on July 1, 2007, as well as other eligible health care expenses.

*\*Retired MBF members are not eligible to participate in the HCFSA Program.*

*\*Certain employees of Cultural Institutions and Libraries and the Unified Court System are not eligible to participate in the HCFSA Program.*

### ***WHY should members consider enrolling in the HCFSA Program?***

Deductions taken to fund members' HCFSA accounts will reduce their gross salary for Federal and Social Security tax purposes. By contributing to an HCFSA account, members can set aside separate, pre-tax dollars to pay for increased out-of-pocket expenses that they may incur once the SMMP plan design modifications take effect. This includes both additional out-of-pocket expenses for prescription drugs, as well as expenses incurred as a result of the deductible that will be implemented on July 1, 2007, thereby allowing these expenses to become pre-tax costs to members. Members may also submit claims for other eligible health care expenses they may incur.

### ***HCFSA ANNUAL GOAL AMOUNT***

Members can contribute a minimum of \$260 and a maximum of \$5,000 (Contribution amount includes a monthly administrative fee of \$4)

### ***WHEN can MBF members enroll in the HCFSA Program or change their goal amounts?***

The open enrollment period for MBF members will run from May 29 – June 8, 2007 for a benefit effective date of July 1, 2007.

### ***WHERE can members obtain an Enrollment Form and additional information on the HCFSA Program?***

MBF members currently participating in the HCFSA Program will receive a letter in May to increase their goal amount. New HCFSA participants must obtain a special Mid-Year Enrollment Form and HCFSA Program Brochure from the Office of Labor Relations Web site at [www.nyc.gov/olr](http://www.nyc.gov/olr), and click on "Flexible Spending Programs" on the left-hand side of the page. You may also contact the HCFSA Administrative Office at 212-306-7760.