

# **SUPPLEMENTAL HEALTH INSURANCE PROGRAM**

**for Retired Teachers**



# **SHIP**

**United Federation of Teachers  
Retired Teachers Chapter**

52 Broadway 17th Floor • New York, NY 10004-0390 • 1-212-228-9060

**Revised January 2012**



# Message from the President

Dear Retiree:

I want to take this opportunity to give sincere thanks to all of you for all of the years you have dedicated to the children of New York City. You have worked hard to earn your retirement by helping generations of students become productive members of society, and I hope you enjoy it.

Retirement does not mean that your relationship with the UFT is over. On the contrary, we are still very concerned about your needs and protecting your much deserved benefits. We especially want to make sure your medical requirements are met as health care costs continue to climb. Our SHIP program, a supplemental package that helps meet out-of-pocket medical costs, was created by retirees in 1977 and has been an enormous benefit to members of the Retired Teachers Chapter ever since.

We will always be grateful for your great contribution to our city's children, our schools and the building of this great union. Best wishes for good health and comfortable years in your retirement, and please continue to be active in the union.

Sincerely,



Michael Mulgrew

President



**Effective January 1, 2012**  
**United Federation of Teachers – Retired Teachers Chapter**  
**Supplemental Health Insurance Program (UFT-RTC SHIP)**

52 Broadway, 17<sup>th</sup> Floor  
New York, New York 10004  
(212) 228-9060

**TRUSTEES**

Tom Pappas, Chairman  
Mel Aaronson  
Robert Astrowsky  
Michael Mendel  
Thomas Murphy  
Mona Romain  
John Soldini

**DIRECTOR**

Irene Lospenuso

**ASSISTANT DIRECTOR**

Albert Frazia

**COUNSEL**

Mirkin & Gordon, P.C.  
98 Cutter Mill Road  
Great Neck, New York 11021

**CERTIFIED PUBLIC ACCOUNTANTS**

Buchbinder Tunick & Co., LLP  
One Penn Plaza, 53<sup>rd</sup> Floor  
New York, New York 10119

**CONSULTANTS AND ACTUARIES**

The Segal Company  
333 West 34<sup>th</sup> Street  
New York, New York 10001-2402



# Table of Contents

	<b>PAGE</b>
<b>General Information</b>	
Introduction	4
The SHIP Trust Fund	4
Maximum Payment Limitations	4
Coordination of Benefits	4
Worldwide Coverage	4
<b>Eligibility</b>	
Who is covered?	5
Must a member enroll to obtain SHIP benefits?	6
When is an enrollee eligible for SHIP benefits?	6
How does a member enroll and update information?	6
<b>Other Information</b>	
How to File a Claim	8
Continuation Coverage - (what should a Spouse/Domestic Partner do in the event a member Dies, Divorces, Legally Separates or Terminates a Domestic Partnership)	9
Privacy of Protected Health Information (HIPAA)	11
Overpayment of Benefits/Future Offset	11
Third Party Reimbursement/Subrogation	12
Right to Appeal	12
Amendment or Termination of Benefits	13



# GENERAL INFORMATION

## Introduction

The Supplemental Health Insurance Program (SHIP) is a unique package of benefits developed by the United Federation of Teachers – Retired Teachers Chapter (UFT-RTC) exclusively for UFT retirees, UFT retired employees (employees of UFT, UFT Welfare Fund (UFTWF) and Affiliated Organizations) **collectively referred to as Members** and their eligible spouse/domestic partner. SHIP provides a supplement to primary health plan(s) and is activated only after those plans have paid their benefits, **except the catastrophic major medical plan endorsed and sponsored by the New York State United Teachers (NYSUT) Membership Benefits Trust, which will always be secondary to and paid after SHIP.**

## The SHIP Trust Fund

All premiums are held in a trust fund for the purpose of paying benefits to **Enrollees** (members and eligible spouse/domestic partner) and the administrative costs to provide those benefits. This Fund - a distinct and separate entity from the Retired Teachers' Chapter of the UFT (UFT-RTC) - is administered by a Board of Trustees. Four Trustees are officers of the UFT and three are members of the Retired Teachers' Chapter Executive Board. The seven Fund Trustees determine the rules and regulations on eligibility and benefits.

## Maximum Payment Limitations

\$100,000 is the lifetime maximum amount any SHIP participant may receive.

## Coordination of Benefits

SHIP provides supplemental benefits only, therefore, any other health plan an enrollee is covered by will **ALWAYS** be primary to SHIP benefits, except the catastrophic major medical plan endorsed and sponsored by the New York State United Teachers (NYSUT) Membership Benefits Trust, which will always be secondary to and paid after SHIP. In ALL cases, evidence MUST be submitted that you have received or been denied benefits under your health plan(s) and/or Medicare before SHIP will pay supplemental benefits. **SHIP is a reimbursement program and enrollees are NOT entitled to collect more than out-of-pocket cost, therefore, you can collect a maximum of 100% reimbursement from a claim.**

## Worldwide Coverage

Participants are covered under this program all over the world subject to SHIP's requirements.



# ELIGIBILITY

## Who is covered?

The following categories of individuals are eligible for SHIP coverage:

### A. UFT (Union) Retiree:

If you are a UFT retiree you are eligible to be covered by SHIP if **all** of the following criteria are met:

1. after retiring you **MUST** immediately enroll in the UFT-RTC and be a member in good standing, as defined by the UFT-RTC, since your date of retirement without interruption; and
2. you are receiving a pension check from a retirement system maintained by New York City; and
3. you are covered by a primary health plan which must cover prescription drugs; and
4. if eligible for Medicare, you must have enrolled in Part A (hospital). In addition, you must also be enrolled in Part B (medical) or have comparable medical coverage.

### B. Retired Employees of UFT, UFT Welfare Fund or Affiliated Organizations:

If you are a retired employee of the UFT, UFT Welfare Fund or affiliated organization (e.g. UFT Teachers Center, UFT Ed. Fd., etc.), you are eligible to be covered by SHIP if **all** of the following criteria are met:

1. you **must** have been an employee of the UFT, UFT Welfare Fund or affiliated organization with at least 15 years of service; and
2. you are receiving a pension check from the pension plan of the UFT, UFT Welfare Fund or affiliated organization; and
3. you are covered by a primary health plan which must cover prescription drugs; and
4. if eligible for Medicare, you must have enrolled in Part A (hospital). In addition, you must also be enrolled in Part B (medical) or have comparable medical coverage.

### C. Spouses/Domestic Partners:

Spouses and Domestic Partners of eligible UFT retirees and retired employees of the UFT, UFT Welfare Fund or affiliated organization are eligible to be covered by SHIP if **all** of the following criteria are met:

1. (a) **legally married** husband or wife. **A copy of your Marriage Certificate MUST be submitted when enrolling a spouse;** or  
(b) a **domestic partner**, defined as meeting the requirements AND receiving a Domestic Partnership registration from the New York City Office of Labor Relations Domestic Partnership Liaison Unit at (212) 306-7605. **A copy of the agreement MUST be submitted when enrolling a domestic partner;** and
2. children and other dependents **not** defined above are **not** eligible for SHIP; and
3. you are covered by a primary health plan which must cover prescription drugs; and
4. if eligible for Medicare, you must have enrolled in Part A (hospital). In addition, you must also be enrolled in Part B (medical) or have comparable medical coverage.



## Must a member enroll to obtain SHIP benefits?

Yes. A member (UFT retiree or UFT retired employee-employee of UFT, UFT Welfare Fund and affiliated organization) **MUST enroll in SHIP in order to access benefits.**

A UFT retiree **MUST enroll in SHIP NO LATER THAN 1 YEAR AFTER YOUR RETIREMENT DATE.** You do not need to wait for your first pension check to arrive before enrolling. A UFT retired employee **MUST enroll in SHIP NO LATER THAN 90 DAYS AFTER YOUR RETIREMENT DATE.** Enrollment will be effective as of the first day of the month in which you retire.

Your eligible spouse/domestic partner must enroll at the same time you enroll or forfeit the opportunity to enroll in SHIP (see exception below).

**Exception** – When your eligible spouse/domestic partner is an in-service UFT member, they may enroll in SHIP at the time of your retirement OR enroll separately within 1 year after their own retirement, provided they meet all SHIP requirements for eligibility at that time.

## When is an enrollee eligible for SHIP benefits?

An Enrollee (a member and/or their eligible spouse) is eligible for SHIP benefits after enrolling on the first day of the month in which the member retired.

## How does a member enroll & update information?

All new **members** (UFT retirees and UFT retired employees-employees of UFT, UFT Welfare Fund and affiliated organizations) must take the following steps to enroll in SHIP:

1. Complete a SHIP Enrollment Card which includes a Pension Deduction Authorization section for UFT retirees. The Enrollment Card is available from the SHIP office or included in your retirement package.
2. Attach applicable documentation for your eligible spouse/domestic partner (e.g., marriage certificate or domestic partnership registration) to the Enrollment Card. **You must enroll your spouse/domestic partner at the time you enroll in SHIP. Should you marry or enter into a domestic partnership after enrolling you MUST enroll your spouse/domestic partner NO LATER THAN 90 DAYS from your date of marriage or entrance into a domestic partnership (see exception above).**

**Note:** To notify the SHIP office of a change in marital or domestic partner status (e.g., divorce or termination of domestic partnership) you **MUST file a Change of Status Form.** When enrolling or adding a spouse/domestic partner you must attach photocopies of necessary documentation to the Change of Status Form. The Change of Status Form is available from the SHIP office. SHIP reserves the right to request additional documentation verifying the bona fide relationship to the member. If you terminate your



SHIP coverage, your spouse/domestic partner will also be terminated and neither may re-enroll. If you terminate a spouse/domestic partner from SHIP coverage they may NOT re-enroll at a future date.

3. Enclose a check for your pro-rated SHIP premium with your Enrollment Card.

**Your first premium payment is due by check upon enrollment. Your effective date of enrollment, which is your eligibility date, is the first of the month in which you retire. You are required to pay premiums retroactively to the month you retire, regardless of when you actually enroll (e.g., if you retire on July 15, your first day of eligibility is July 1 and your premium payment is due as of July 1 even if you enroll on November 15). Please refer to the SHIP Enrollment Card for premium rates. If you are not sure of the amount, please contact the SHIP office at (212) 228-9060.**

**Thereafter, you will pay in one of two ways:**

1. **Automatic Pension Deduction (APD)** – UFT retirees by signing the Pension Deduction Authorization section on your SHIP Enrollment Card your future premium will be deducted from your pension. UFT retirees who receive a pension from the Teachers Retirement System (TRS) or the Board of Education Retirement System (BERS) **must** pay their SHIP premiums via automatic pension deduction or incur an annual fee of \$30.00 provided their pension can cover the SHIP premium. Enrollees who do not receive a pension from TRS or BERS (i.e. UFT retired employees, surviving spouses/domestic partners, etc.) or UFT retirees receiving a pension for less than the SHIP premium are **not** required to participate in APD and **NO fee will be added**; or
2. **Direct Billing** – If you are not paying your premium by Automatic Pension Deduction (APD), SHIP will send an annual bill, normally in December of each year. Your bill **MUST** be paid in full within 30 days from the bill's issuance or your SHIP enrollment will be **TERMINATED**. It is **YOUR** responsibility to notify SHIP if you did not receive your bill or of any change in your billing address. It is also **YOUR** responsibility to verify SHIP receives and deposits your payment by confirming your check cleared your bank account. UFT retirees receiving a pension greater than the SHIP premium from TRS or BERS **must** pay their SHIP premiums via APD or incur an annual fee of \$30.00 to process their premium check.

**The administrative fee for processing premium checks can be modified at any time in the sole discretion of the Board of Trustees.**

**NOTE:** If your premium payment is made via Automatic Pension Deduction, payments will be deducted in equal monthly installments. If your automatic deduction is ended at any time, for any reason, SHIP will bill you for the balance of the calendar year's premium. In addition a \$30.00 Administrative Fee will be charged if you elected to stop automatic pension deduction.

**SHIP determines the amount of premiums and the intervals for payment, which may be changed at any time by the Board of Trustees in its sole and prudent discretion. If a premium change is made, you will be notified by the SHIP office.**



# OTHER INFORMATION

## How to File a Claim

1. Before filing a claim with SHIP your primary health plan(s) **MUST** have been paid or denied coverage, except NYSUT catastrophic major medical plan which comes after SHIP.
2. **SHIP claims MUST be filed within 1 year of the date of service or payment by health plan(s), whichever is later.** If a claim is returned to you by the SHIP office for additional information, you will have the later of 1 year from the date of service or payment by the health plan(s) or 90 days from the date of the SHIP letter to provide the additional information or the claim will be denied.
3. Required supporting documents are listed on the back of the SHIP Claim Form, including, but not limited to the Explanation of Benefits (EOB) statements from health plan(s) and proof of payment for claim submitted. Please be sure to include them. Incomplete claims will be returned.
4. You **MUST** sign, date and complete a separate SHIP Claim Form for each claim.
5. SHIP does not provide benefits other than those specifically listed in this booklet or published in the *New York Teacher*.

**Note: Your Social Security number is your identification for all claims, inquiries and enrollment. SHIP does not issue membership cards. SHIP payments are made to the member, regardless of who is the claimant. SHIP is a reimbursement program; all claims must be paid prior to submission. SHIP does NOT accept assignments from providers.**

### Payment of Claims on Behalf of a Deceased Member

With respect to any claims incurred prior to a member's death, benefits will be made payable, in the absence of a named beneficiary, to the surviving class of the following classes of successive preference beneficiaries:

The deceased member's

- a. widow/widower or surviving domestic partner
- b. surviving children
- c. estate.

### MAIL your Completed Claim Form and Necessary Documentation to:

**UFT-RTC Supplemental Health Insurance Program (SHIP)  
P. O. Box 390, Bowling Green Station  
New York, N.Y. 10274-0390  
Attn: Claims Dept.**

If you need help when filing your claim, call the SHIP office at (212) 228-9060.



# Continuation Coverage

## A. Statutory Continuation Coverage under COBRA

The right to continuation of health benefits coverage was created by a federal law known as, the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA). COBRA continuation coverage is a continuation of health benefits coverage that would otherwise end because of a life event known as a “**qualifying event**”. Eligible qualifying events are listed below. COBRA must be offered to each person who is a “**qualified beneficiary**”. A qualified beneficiary is someone eligible for COBRA coverage because of a qualifying event. A qualified beneficiary who elects COBRA will be billed by SHIP for the premium and **MUST** pay for the coverage to continue enrollment.

### Qualifying Events

1. the member (UFT retiree or UFT retired employee) dies; or
2. the member divorces or legally separates from their spouse; or
3. the member terminates their domestic partnership.

**SHIP requires you or the qualified beneficiary to notify the SHIP Director NO LATER THAN 90 DAYS after the qualifying event occurs.** In the event of death, a **copy of the death certificate must be provided**. In the event of divorce, a **copy of the divorce judgment must be provided**. In the event of legal separation, a **copy of the Court Order of Separation must be provided**.

SHIP will offer COBRA continuation coverage to qualified beneficiaries only after the Director of SHIP has been notified that a qualifying event has occurred within the 90 days limitation. COBRA continuation coverage for SHIP is administered by the **SHIP office at, 52 Broadway, 17<sup>th</sup> Floor, New York, NY 10004 and the telephone is (212) 228-9060.**

Once the SHIP director receives timely notice that a qualifying event has occurred, COBRA continuation coverage will be offered to the qualified beneficiary. If a qualified beneficiary elects COBRA continuation coverage, it will begin on the date of the qualifying event or on the date that SHIP coverage would otherwise have been lost, if later.

### If You Have Any Questions

If you have any questions about your COBRA continuation coverage, you should contact SHIP or you may contact the nearest Regional or District Office of the U.S. Department of Labor’s Employee Benefits Security Administration (EBSA). Addresses and phone numbers of Regional and District EBSA Offices are available through EBSA’s website at [www.dol.gov/ebsa](http://www.dol.gov/ebsa).



## **B. Length of Statutory Continuation Coverage under COBRA**

### **1. New York City Health Plan Continuation Coverage**

Eligible surviving spouses/domestic partners of UFT retirees may purchase continuation of city health plan coverage under COBRA law for a maximum of 36 months. **Please contact New York City directly for further information.**

### **2. SHIP Continuation Coverage**

The spouse/domestic partner of a member (UFT retiree or UFT retired employee) who dies, divorce, legally separates or terminates their domestic partnership may purchase SHIP COBRA coverage for a **MAXIMUM of 36 Months** from the date of the qualifying event, provided they meet SHIP's eligibility as defined on pages 5 and 9. You have **NO LATER THAN 90 DAYS** from the qualifying event to **notify the SHIP office at, 52 Broadway, 17<sup>th</sup> Floor, New York, NY 10004 and the telephone is (212) 228-9060.**

**Surviving spouses/domestic partners of members have the right to extend their continuation coverage beyond the maximum of 36 months as defined in section C below.**

**Note: Surviving Spouses/Domestic Partners may add a newly acquired spouse/domestic partner to their SHIP continuation coverage. The surviving spouse/domestic partner has NO LATER THAN 90 DAYS from the date of marriage or entrance into a domestic partnership to enroll the newly acquired spouse/domestic partner. The newly acquired spouse/domestic partner will only be covered by SHIP for a maximum of 36 months from the member's death. Thereafter, SHIP will only cover the surviving spouse/domestic partner as defined in section C below.**

## **C. SHIP Extended Coverage for Surviving Spouses/Domestic Partners**

When a member (UFT retiree or UFT retired employees-employee of UFT, UFTWF or affiliated organization) dies their spouse/domestic partner loses their health coverage as a **dependent** of the member and may be entitled to Continuation Coverage under Cobra as defined in section B above.

**Surviving Spouses and Domestic Partners** of members who die may purchase extended coverage, beyond the 36 months COBRA coverage, **INDEFINITELY** provided they meet SHIP's eligibility as defined on pages 5 and 9.

### **Keep SHIP and Your Family Informed**

In order to protect your family's rights, you should **keep SHIP informed of any changes in your address.** Also keep your family members aware of your health plan benefits. You should keep your SHIP information easily accessible to you and family members.



# Privacy of Protected Health Information under the Health Insurance Portability and Accountability Act (HIPAA)

A federal law, the Health Insurance Portability and Accountability Act (HIPAA) requires SHIP to protect the confidentiality of your private health information. A complete description of your rights under HIPAA can be found in SHIP’s privacy notice, which was previously distributed to all current members and is distributed to all new members upon enrollment. (Copies are available from the SHIP office.)

SHIP will not use or disclose information that is protected by HIPAA (“protected health information”), except as necessary for treatment, payment, operations of SHIP, or as permitted or required by law. By law, SHIP has required all business associates to also observe HIPAA’s privacy rules. In particular, SHIP will not, without authorization, use or disclose protected health information for employment-related actions and decisions.

Under HIPAA, you have certain rights with respect to your protected health information, including certain rights to see and copy the information, receive an accounting of certain disclosures of the information, and under certain circumstances, amend the information. You also have the right to file a complaint with SHIP or with the U.S. Department of Health and Human Services if you believe your rights under HIPAA have been violated.

## Overpayment of Benefits/Future Offset

In the event you receive an overpayment of SHIP benefits, on your behalf or on behalf of your spouse/domestic partner, you are obligated to **refund the overpayment to SHIP immediately**. In the event you fail to refund the overpayment, you are subject to an offset against future benefits until the overpayment is fully recouped, or a suspension of your benefits, until the overpayment is paid in full. Such offset and/or suspension may be applied to the member’s and/or eligible spouse’s/domestic partner’s benefits.



# Third Party Reimbursement/Subrogation

If a covered member or dependent is injured through the acts or omissions of a third party, SHIP shall be entitled to the extent it pays out benefits to reimbursement from the covered member or dependent from any recovery obtained. Alternatively, SHIP shall be subrogated, unless otherwise prohibited by law, to all rights of recovery that the covered member or dependent may have against such third party arising out of its acts or omissions that caused the injury. Subrogation means that SHIP becomes substituted in the injured person's place to pursue a claim for recovery against the third party. SHIP benefits will be provided only on the condition that the covered member or dependent agrees in writing:

1. to reimburse SHIP, to the extent of benefits paid by it, out of any money recovered from such third party, whether by judgment, settlement or otherwise; and
2. to provide SHIP with an assignment of proceeds, to the extent of benefits paid out by SHIP on the claim, and to cooperate and assist SHIP in seeking recovery. The assignment will be filed with the person whose act caused the injuries, his or her agent, the court and/or the provider of services; and
3. to take all reasonable steps to affect recovery from the responsible third party and to do nothing after the injury to prejudice SHIP's right to reimbursement or subrogation, and to execute and deliver to the SHIP office all necessary documents as SHIP may require to facilitate enforcement of the SHIP's rights and not to prejudice such rights.

## Right to Appeal

SHIP's Board of Trustees may change the benefits provided by SHIP. The Board of Trustees adopts rules and regulations for the payment of benefits and all provisions of this booklet are subject to such rules and regulations and to the Trust Indenture, which established and governs SHIP's operations.

The SHIP office uniformly applies all rules. The actions of the SHIP office are subject only to review by the Board of Trustees. A member, eligible dependent or beneficiary may request a review of an action by submitting notice in writing to SHIP's Board of Trustees. The Trustees shall act on the appeal within a reasonable period of time and render their decision in writing, which shall be final and conclusive and binding on all persons.



# Amendment or Termination of Benefits

This booklet and any amendments thereto constitute the plan of benefits for members provided by the UFT-RTC Supplemental Health Insurance Program (SHIP) and, as such, include the specific terms and conditions governing the coverage and the benefits provided for members and their eligible spouse/domestic partner by SHIP. In addition, there are various administrative policies and procedures that are applied on a uniform basis by SHIP and claimants will be informed whenever such policies and procedures are applied.

SHIP is maintained for the exclusive benefit of UFT retirees, UFT retired employees (employees of UFT, UFT Welfare Fund and Affiliated Organizations) **collectively referred to as Members** and their eligible spouse/domestic partner. SHIP, as well as the plan's terms, was established pursuant to applicable law and regulation with the intention of being legally enforceable and maintained for an indefinite period of time. However, SHIP reserves its rights, under applicable law, to alter and/or terminate the plan of benefits that currently exists.

The benefits provided by SHIP may, from time to time, be changed, modified, augmented or discontinued by the Board of Trustees. The Board of Trustees adopts rules and regulations for the payment of benefits and all provisions of this booklet are subject to such rules and regulations and the Trust Indenture that establishes the SHIP Fund and governs its operations.

A member and his/her spouse/domestic partner SHIP coverage will stop on the earliest of the following dates:

- when a member is no longer eligible; or

- when a member ceases to make SHIP premium payments for the member and/or the member's covered spouse/domestic partner; or

- when the SHIP Fund is terminated.

A member's spouse/domestic partner SHIP coverage will stop on the earliest of the following date:

- when a member's spouse/domestic partner no longer meets "Spouses/Domestic Partners" eligibility as defined on page 5.

**Benefits under SHIP have been made available by the Board of Trustees and are always subject to modification or termination in the exercise of the sole and prudent discretion of the Trustees. The Trustees may expand, modify or cancel the benefits, change eligibility requirements or the amount of premium payments and otherwise exercise their prudent discretion at any time to preserve the fiscal integrity of SHIP for all covered enrollees (members and their spouse/domestic partner).**



