



Benefits Administration Letter

Number: 09-405

Date: September 29, 2009

**Subject: 2009 Federal Benefits Open Season: FEDVIP and FEHB Program
Significant Plan Changes**

This is the fifth Benefits Administration Letter (BAL) in our series of 2009 Federal Benefits Open Season BALs for the Federal Flexible Spending Account Program (FSAFEDS), the Federal Employees Dental and Vision Insurance Program (FEDVIP) and the Federal Employees Health Benefits (FEHB) Program. This BAL provides information on significant plan changes in the FEDVIP and FEHB Program for 2010.

This year's Federal Benefits Open Season will run from Monday, November 9, through Monday, December 14, 2009.

FSAFEDS

If administrative fees and/or reserve account fees change for 2010, we will let agencies know before the February 2010 invoices are distributed.

FEDVIP

The **first attachment** to this BAL provides important information on a plan name change affecting a FEDVIP plan for the upcoming Open Season.

Table 1: Dental Plan Name Change

FEHB

The remainder of this letter provides important information on the significant changes affecting certain plans in the FEHB Program for the upcoming Open Season. The **second attachment** to this BAL identifies the plans and their corresponding significant changes. Some of these events will require action on the part of agencies and enrollees.

Please note there are plans leaving the FEHB Program at the end of 2009 or reducing their service areas. Since employees in these terminating plans and service area reductions **must** enroll in new plans during Open Season if they wish to continue health insurance coverage in 2010, we ask you to distribute this list throughout your agencies. It is your responsibility to monitor employees who are covered by these terminating plans or service area reductions and follow up with those

who have not submitted an enrollment change before the end of Open Season.

TIP: Distribute the attached list of significant FEHB plan changes to all employees so they can check to see if their plan or service area will continue to participate in the FEHB Program in 2010.

Table 1: Plans Leaving the FEHB Program

Table 2: Plans Reducing their Service Areas and Terminating Enrollment Codes

Table 3: Existing Plans Terminating Their High Deductible Health Plans (HDHPs) and Terminating Their HDHP Enrollment Codes

Table 4: High Deductible Health Plans (HDHPs) Reducing Their Service Areas by Terminating Enrollment Codes

What Must Employees Do?

- Employees in terminating plans (**Table 1**) or service area reductions with terminating enrollment codes (**Table 2**) or terminating HDHPs (**Table 3**) or HDHP service area reductions (**Table 4**) **must** enroll in a new health plan during Open Season if they want coverage. If they do not enroll in a new plan, they will not have FEHB coverage in 2010.
- **New Coverage:** Coverage under an enrollee's new health plan will be effective the first day of the pay period beginning on or after January 1, 2010; **for most employees this will be January 3, 2010.** Enrollees will remain covered and receive the 2009 benefits of the old plan until coverage under the new plan becomes effective.

What Must You Do?

- You must notify employees enrolled in the plans listed in **Tables 1, 2, 3, and 4** to select new plans. Advise your employees if they do not choose new plans, they will not have FEHB coverage in 2010.
- Distribute copies of this list to employees with your agency's notice about Open Season.
- Follow up with employees in these plans and remind them to select new plans.
- **Belated changes:** Some employees still might not receive instructions to change plans during Open Season. We encourage you to be liberal in accepting belated Open Season changes from employees enrolled in terminating plans or plans with service area reductions and terminating enrollment codes.

What Will Health Plans Do?

Plan Notification: The plans in **Tables 1, 2, 3, and 4** have been instructed to notify enrollees of the need to select new plans for 2010; however, because some plans' enrollment and address lists may not be up-to-date, we encourage you to accept belated changes.

Table 5: Plans Reducing their Service Areas without Terminating Enrollment Codes

What Must Employees Do?

Employees in the service areas being terminated (but without a code termination) should elect a new health plan for 2010; however, employees who do not choose a new health plan will have to

travel to their plan's remaining service area to receive full benefits.

What Must You Do?

- You must notify employees enrolled in the plans listed in **Table 5** to select new plans. Advise your employees if they do not choose new plans, they will have to travel to their plan's remaining service area to receive full benefits in 2010.
- Distribute copies of this list to employees with your agency's notice about Open Season.
- Follow up with employees in these plans and remind them to select new plans.
- **Belated changes:** Some employees still might not receive instructions to change plans during Open Season. We encourage you to be liberal in accepting belated Open Season changes from employees enrolled in terminating plans and terminating enrollment codes.

What Will Health Plans Do?

Plan Notification: The plans in **Table 5** have been instructed to notify enrollees that their service area is being terminated. If enrollees do not choose another health plan, the enrollees will have to travel to their plans' remaining service areas to receive full benefits in 2010. However, because some plans' enrollment and address lists may not be up-to-date, we encourage you to accept belated changes.

Table 6: Plans Dropping Options for 2010

What Must Employees Do?

- Employees in plans dropping an option (**Table 6**) may choose a new health plan during Open Season or remain with their current plan and be switched automatically to either the plan's remaining option or designated option as specified in **Table 6**.
- **New Coverage:** Coverage under an enrollee's new health plan or option will be effective the first day of the pay period beginning on or after January 1, 2010; **for most employees this will be January 3, 2010.** Enrollees will remain covered and receive the 2009 benefits of the old plan or option until coverage under the new plan becomes effective.

What Must You Do?

- Advise your employees who are enrolled in a plan that is dropping an option (**Table 6**) that if they do not choose a new health plan, they will be automatically transferred to either the plan's remaining option or designated option as specified in **Table 6**.
- Distribute copies of this list to employees with your agency's notice about Open Season.
- Follow up with employees in these plans and remind them that if they do not choose a new health plan, they will be automatically transferred to either the plan's remaining option or designated option as specified in **Table 6**.
- **Belated changes:** Some employees still might not receive instructions regarding their plan dropping their option. We encourage you to be liberal in accepting belated Open Season changes from employees enrolled in plans dropping options listed in **Table 6**.

What Will the Health Plan Do?

- **Plan Notification:** Plans in **Table 6** have been instructed to notify enrollees their current option plan option is being discontinued and they will be switched automatically to either their plan's remaining option or designated option as specified in **Table 6**.

Table 7: Service Area Movement with Enrollment Code Change

For 2010, Blue Shield of California Access+HMO will be terminating its Northern California service area and enrollment codes SJ1 and SJ2 as indicated in Table 2. However, Tulare County, which is currently in the SJ1 and SJ2 Northern California Region, will not be terminated because it will be merged into the Southern California Region under enrollment codes SI1 and SI2. Blue Shield of California Access+HMO enrollees residing or working in Tulare County and currently enrolled under code SJ for the Northern California Region **must** make a positive election into code SI for the Southern California Region during Open Season for their enrollment in the Plan to continue. They may also enroll in a different plan in the FEHB Program.

What Must Employees Do?

- Employees residing or working in Tulare County and enrolled in codes SJ1 or SJ2 for the Northern California Region (**Table 7**) **must** make a positive election and enroll in codes SI1 or SI2 for the Southern California Region during Open Season for their enrollment in Blue Shield of California Access+HMO to continue. If they do not make a positive election and enroll in codes SI1 or SI2 or a new health plan, they will not have FEHB coverage in 2010.
- **New Coverage:** Coverage under an enrollee's SI code or new health plan will be effective the first day of the pay period beginning on or after January 1, 2010; for most employees this will be January 3, 2010. Enrollees will remain covered and receive the 2009 benefits of the old plan until coverage under the SI code or health plan becomes effective.

What Must You Do?

- Advise your employees who reside or work in Tulare County and who are enrolled in Blue Shield of California Access+HMO (**Table 7**) that if they do nothing and do not make a positive election and enroll in codes SI1 or SI2 for the Southern California Region during Open Season or in a new health plan, they will not have FEHB coverage in 2010.
- Distribute copies of this list to employees with your agency's notice about Open Season.
- Follow up with employees in the plan who live or reside in Tulare County and who are enrolled in Blue Shield of California Access+HMO by reminding them they need to make a positive election and enroll in codes SI1 or SI2 for the Southern California Region during Open Season for their enrollment in the plan to continue.
- **Belated changes:** Some employees who reside or work in Tulare County and who are enrolled in Blue Shield of California Access+HMO still might not receive instructions to change codes from SJ to SI during Open Season. We encourage you to be liberal in accepting belated Open Season changes from employees in the Blue Shield of California Access+HMO's Tulare County service area.

What Will the Health Plan Do?

Plan Notification: The plan in **Table 7**, Blue Shield of California Access+HMO, has been instructed to notify its enrollees in Tulare County that they will be terminating their Northern California service area and enrollment codes SJ1 and SJ2 as indicated in Table 7. However, Tulare County, which is currently in the SJ1 and SJ2 Northern California Region, will not be terminated because Tulare County will be merged into the Southern California Region under

enrollment codes SI1 and SI2. The plan's enrollees in Tulare County **must** make a positive election and enroll in codes SI1 or SI2 for the Southern California Region during Open Season for their enrollment in the plan to continue.

Table 8: Enrollment Code Mergers

What Must You Do?

The payroll office must automatically move employees into their plan's surviving code unless the employees select another health plan during Open Season.

Table 9: Plan Name Changes

Table 10: New Plans Entering the FEHB Program

Table 11: Service Area Expansions with New Enrollment Codes

Table 12: Service Area Expansions without New Enrollment Codes

What Must You Do?

You must include the new plans and expanded service areas (**Tables 10 - 12**) when you count the number of eligible employees and place your order for brochures.

Conclusion

We encourage you and your employees to visit our website at www.opm.gov/insure for the most up-to-date information. We will update these pages on a regular basis throughout Open Season.

We look forward to working with you to ensure Federal employees have a successful Open Season.

Sincerely,

Kathleen M. McGettigan
Deputy Associate Director
Center for Retirement and Insurance Services

Attachment 1
Attachment 2