



***Benefits Administration Letter***

**Number:** 16-404

**Date:** October 17, 2016

**Subject: 2016 Federal Benefits Open Season: FSAFEDS, FEDVIP and FEHB  
Program Significant Plan Changes**

This Benefits Administration Letter (BAL) is the fourth in our series of 2016 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 for FSAFEDS, FEDVIP, and the FEHB Program for 2017.

This year's Federal Benefits Open Season will run from Monday, November 14 through Monday, December 12, 2016.

**FSAFEDS**

There is a new contractor for the Federal Flexible Spending Account Program (FSAFEDS). Effective September 1, 2016, WageWorks assumed the administrative responsibility for the FSAFEDS Program.

**FEDVIP**

There are no 2017 FEDVIP significant changes.

**FEHB PROGRAM**

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 **first attachment** to this BAL identifies the FEHB 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 2016 or reducing their service areas and terminating their enrollment codes. Since employees in these terminating plans and service area reductions **must** enroll in a new plan during Open Season or they will be enrolled in the Standard Option of the GEHA Benefit Plan (the

lowest-cost nationwide plan option for 2017 as determined by OPM) please 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. Again, enrollees in the terminating plans and enrollment codes who do not change their health plan by enrolling in another FEHB plan during Open Season will be enrolled in the Standard Option of the GEHA Benefit Plan (the lowest-cost nationwide plan option for 2017 as determined by OPM).

**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 2017.

### **Table 1: Plans Leaving the FEHB Program**

### **Table 2: FEHB Plan Reducing Service Areas and Terminating Enrollment Codes**

#### **What Must Employees Do?**

- Employees in terminating plans (**Table 1**) or service area reductions with terminating enrollment codes (**Table 2**) **must** enroll in a new health plan during Open Season. If they do not enroll in a new plan, they will be enrolled in the Standard Option of the GEHA Benefit Plan (the lowest-cost nationwide plan option for 2017 as determined by OPM).
- **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, 2017; **for most employees this will be Sunday, January 8, 2016.** Enrollees will remain covered and receive the 2016 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 and 2** to select new plans. Advise your employees if they do not choose new plans, they will be enrolled in the Standard Option of the GEHA Benefit Plan (the lowest-cost nationwide plan option for 2017 as determined by OPM).
- Distribute copies of this list to employees with your agency's notice about Open Season along with copies of the **second attachment**, *FastFacts: What to do When Your Health Plan is Terminating Coverage in Your Area or Leaving the Federal Employees Health Benefits (FEHB) Program*.
- 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 and 2** have been instructed to notify enrollees of the need to select new plans for 2017; however, because some plans' enrollment and address lists may not be up-to-date, we encourage you to accept belated changes.

### **Table 3: FEHB Plans Reducing Service Areas without Terminating Enrollment Codes**

#### What Must Employees Do?

Employees in the service areas being terminated should elect a new health plan for 2017; however, employees who do not choose a new health plan will only have emergency services where they live and 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 3** to select a new plan. Advise your employees if they do not choose a new plan, they will only have emergency services where they live and they will have to travel to their plan's remaining service area to receive full benefits in 2017.
- Distribute copies of this list to employees with your agency's notice about Open Season along with copies of the **second attachment**, *FastFacts: What to do When Your Health Plan is Terminating Coverage in Your Area or Leaving the Federal Employees Health Benefits (FEHB) Program*.
- Follow up with employees in these plans and remind them to select a new plan.
- **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 the plan reducing its service area.

## What Will Health Plans Do?

**Plan Notification:** The plans in **Table 3** have been instructed to notify enrollees that their respective service areas are being terminated. If enrollees do not choose another health plan, the enrollees will only have emergency services where they live and they will have to travel to their plan's remaining service area to receive full benefits in 2017. However, because a plan's enrollment and address lists may not be up-to-date, we encourage you to accept belated changes.

### **Table 4: FEHB Plan Terminating Option and Enrollment Codes**

#### What Must Employees Do?

- Employees in the plan dropping an option (**Table 4**) may choose a new health plan during Open Season or remain with their current plan and be switched

automatically into the plan's remaining option specified in **Table 4**.

- **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, 2017; **for most employees this will be Sunday, January 8, 2017**. Enrollees will remain covered and receive the 2016 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 the plan that is dropping an option (**Table 4**) that if they do not choose a new health plan, they will be automatically transferred into the plan's remaining option as specified in **Table 4**.
- Distribute copies of this list to employees with your agency's notice about Open Season.
- Follow up with employees in the plan and remind them that if they do not choose a new health plan, they will be automatically transferred into the plan's remaining option specified in **Table 4**.
- **Belated changes:** Some employees still might not receive instructions regarding their plan dropping an option. We encourage you to be liberal in accepting belated Open Season changes from employees enrolled in the plan dropping an option listed in **Table 4**.

### **What Will the Health Plan Do?**

- **Plan Notification:** The plan in **Table 4** has been instructed to notify enrollees that their current plan option is being discontinued and that if they do not change to another plan during Open Season, they will be switched automatically into one of the plan's remaining options specified in **Table 4**.

### **Table 5: FEHB Plan Contract and Enrollment Code Merger with Terminating Enrollment Codes**

### **What Must You Do?**

- Advise your employees who are enrolled in the plan that is merging into another plan that if they do not choose a new health plan, they will be automatically transferred into the new plan and enrollment code as specified in **Table 5**.
- Distribute copies of this list to employees with your agency's notice about Open Season.
- Follow up with employees in the plan and remind them that if they do not choose a new health plan, they will be automatically transferred into the new plan and enrollment code as specified in **Table 5**.
- **Belated changes:** Some employees still might not receive instructions regarding their plan merging with another plan. We encourage you to be liberal in accepting belated Open Season changes from employees enrolled in the plan dropping an option listed in **Table 5**.

## **What Will the Health Plan Do?**

- **Plan Notification:** The plan in **Table 5** has been instructed to notify enrollees that if they do not change to another plan during Open Season, they will be switched automatically into the surviving plan as specified in **Table 5**.

### **Table 6: Plans Adding New Options And Enrollment Codes**

### **Table 7: Service Area Expansions Without New Enrollment Codes**

### **Table 8: Service Area Expansions With New Options And Enrollment Codes**

### **Table 9: Service Area Expansions Adding New Enrollment Codes**

## **What Must You Do?**

You must include the merged plan, the plans with new options, and the plans with expanded service areas (Tables 5-9) when you count the number of eligible employees and place your order for brochures.

### **SUMMARY OF BENEFITS AND COVERAGE - REMINDER**

As a result of the Affordable Care Act, FEHB plans have been providing a summary document on their websites which details information about health plan benefits and coverage. The summary document is also available on our website at [www.opm.gov/healthcare-insurance/healthcare/plan-information/summary-of-benefits](http://www.opm.gov/healthcare-insurance/healthcare/plan-information/summary-of-benefits).

In order to help FEHB enrollees better understand their coverage and allow them to easily compare different plans and plan options, the Summary of Benefits and Coverage (SBC) document includes information on the following:

- Cost - deductibles, copayments, coinsurance, and out-of-pocket limits
- Coverage - covered services, examples of covered services and excluded services
- Rights - rights to continue coverage as well as grievance and appeal rights
- A statement that coverage under the plan qualifies as “minimum essential coverage”
- A statement that the health coverage of the plan does meet the minimum value standard for the benefits the plan provides

The SBC will continue to have a disclaimer indicating that the plan brochure remains the official statement of benefits.

Plans will continue to provide information in their Open Season materials to their enrollees about where to find their SBC on their website as well as how to obtain a paper copy of the SBC. The plans may also have their SBC available at health fairs.

## CONCLUSION

Again, this year's Federal Benefits Open Season will run from Monday, November 14 through Monday, December 12, 2016.

We encourage you and your employees to visit our website at [www.opm.gov/openseason](http://www.opm.gov/openseason) for the most up-to-date information. Please note that 2017 Plan information will be posted on our website ahead of Open Season.

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

Sincerely,

John O'Brien  
Director  
Healthcare and Insurance

Attachments