



***Retirement and Insurance Service  
Benefits Administration Letter***

Number: 02-203

Date: April 3, 2002

**Subject: Children's Equity Update**

The purpose of this letter is to inform you how the change in Blue Cross and Blue Shield options has affected the Children's Equity procedures and of a correction to BAL 00-224, Federal Employees Health Benefits: Children's Equity.

**Change to BAL 00-224, Federal Employees Health Benefits: Children's Equity**

Public Law 106-394, the "Federal Employees Health Benefits Children's Equity Act of 2000," requires agencies to enroll employees in the lowest option of the Blue Cross and Blue Shield Service Benefit Plan if the employee is not enrolled or if he/she is enrolled in an HMO that doesn't serve the area in which the children live. The Basic Option is now the lowest option of the Blue Cross and Blue Shield Service Benefit Plan. We have revised BAL 00-224, Federal Employees Health Benefits: Children's Equity to read as follows:

**If the Employee Is Not Enrolled at All**

If the employee is not enrolled for any FEHB coverage, enroll him/her for self and family coverage in the **Basic** Option of the Blue Cross and Blue Shield Service Benefit Plan (enrollment code 112).

**If the Employee Has Self and Family Coverage in an HMO That Doesn't Serve the Area Where the Children Live**

If the employee already has a self and family enrollment, but it's in an HMO that doesn't serve the area where the children live, change the enrollment to self and family in the Blue Cross and Blue Shield **Basic** Option.

**Correction to BAL 00-224**

In BAL 00-224, we stated that if an employee participates in premium conversion, he must wait until the open season after the last child reaches age 22 to cancel or change to self only. We have since determined that loss of a dependent is a qualifying life event. An employee can elect to cancel or change to self only if he/she makes this request within 60 days after the date the last child turned age 22. Please correct BAL 00-224 to reflect this new information.

A handwritten signature in black ink that reads "Abby L. Block".

Abby L. Block  
Associate Director  
For Insurance Programs

*Civil Service  
Retirement  
System*

*Federal Employees'  
Group Life  
Insurance Program*

*Federal Employees  
Health Benefits  
Program*

*Federal Employees  
Retirement  
System*

*Federal Long  
Term Care  
Insurance  
Program*