



Benefits Administration Letter

Number: 10-405

Date: October 6, 2010

Subject: 2010 Federal Benefits Open Season: FEHB Program Significant Plan Changes

This is the next Benefits Administration Letter (BAL) in our series of 2010 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. There are no significant plan changes in FEDVIP or FSAFEDS for 2011. This BAL provides information on significant plan changes in the FEHB Program for 2011.

This year's Federal Benefits Open Season will run from Monday, November 8, through Monday, December 13, 2010.

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 **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 2010 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 2011, 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 2011.

Table 1: Plans Leaving the FEHB Program

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

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

Table 4: High Deductible Health Plan (HDHP) Reducing Its Service Areas and Terminating Its Enrollment Code

Table 5: Plan Terminating Option, Option's Service Area and Enrollment Code

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**) or the plan terminating an option and the option's service area and enrollment codes (**Table 5**) **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 2011.
- **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, 2011; **for most employees this will be January 2, 2011.** Enrollees will remain covered and receive the 2010 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, 4 and 5** to select new plans. Advise your employees if they do not choose new plans, they will not have FEHB coverage in 2011.
- 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, 4 and 5** have been instructed to notify enrollees of the need to select new plans for 2011; however, because some plans' enrollment and address lists may not be up-to-date, we encourage you to accept belated changes.

Table 6: Plans Reducing their Service Areas without Terminating Enrollment Codes

What Must Employees Do?

Employees in the service areas being terminated (but without code terminations) should elect a new health plan for 2011; 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 6** 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 2011.
- 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 plans reducing their service areas.

What Will Health Plans Do?

Plan Notification: The plans in **Table 6** 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 2011. However, because some plans' enrollment and address lists may not be up-to-date, we encourage you to accept belated changes.

Table 7: 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 8: Plans Dropping Options

What Must Employees Do?

- Employees in plans dropping an option (**Table 8**) may choose a new health plan during Open Season or remain with their current plan and be switched automatically to the plan's remaining option specified in **Table 8**.
- **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, 2011; **for most employees this will be January 2, 2011**. Enrollees will remain covered and receive the 2010 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 8**) that if they do not choose a new health plan, they will be automatically transferred to the plan's remaining option as specified in **Table 8**.
- 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 the plan's remaining option specified in **Table 8**.
- **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 8**.

What Will the Health Plan Do?

- **Plan Notification:** Plans in **Table 8** have been instructed to notify enrollees their current plan option is being discontinued and if they do not change to another plan during Open Season, they will be switched automatically to their plan's remaining option specified in **Table 8**.

Table 9: Plan Name Changes

Table 10: Closed Nationwide Fee-for-Service (FFS) Plan for Specific Groups Newly Available to an Agency and all its Employees and Annuitants

Table 11: New Plans Entering the FEHB Program

Table 12: Plan Adding a New Option

Table 13: Service Area Expansions with New Enrollment Codes

Table 14: Service Area Expansions without New Enrollment Codes

What Must You Do?

You must include the new plans, options and expanded service areas (**Tables 10 - 14**) 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,

William Zielinski
Associate Director
for Retirement and Benefits

Attachment