



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

Number: 02-404

Date: September 20, 2002

**Subject: 2002 Federal Employees Health Benefits (FEHB) Program Open Season:
Significant Plan Changes**

PURPOSE

This letter transmits lists of significant events affecting certain plans during the upcoming FEHB Open Season. Some of these events will require action on the part of agencies and enrollees. Also note the plans that are dropping out of the Program at the end of 2002. Since employees in these plans **must** enroll in new plans during open season if they are to continue insurance coverage in 2002, we ask that you distribute this list widely within your agencies.

These end-of-year changes such as plan terminations are already available on the website on the plan changes page. Visit www.opm.gov/insure/health and you will find a link directly to the health plan changes for 2003. There is also a link from the Human Resources page to the plan changes page as well.

We encourage you and your employees to visit the web site at www.opm.gov/insure for the most up to date information. We will update these pages on a regular basis throughout the open season.

TERMINATIONS

Section 1: Plans Dropping Out of the FEHB Program for 2003

Section 2: Plans Reducing Their Service Areas by Terminating an Enrollment Code

What Must Employees Do?

- Employees in terminating plans (Section 1) or in terminating codes (Section 2) **must**

*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*

choose a new health plan during open season.

- **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, 2003: *for most employees this will be January 12, 2003.* Enrollees will remain covered and receive benefits under the old plan until coverage under the new plan becomes effective.

What Must You Do?

- You must notify employees in the terminating plans and enrollment codes to select new plans. Advise your employees that if they do not choose new health plans, they will not have coverage in 2003.
- We strongly recommend that you distribute copies of these lists to each employee, along with your agency's notice about open season.
- We also recommend that you follow up with employees in these plans and remind them to select new plans.
- **Belated changes.** Some employees still might not get the word to change plans during open season. We encourage you to be liberal in accepting belated open season changes from employees enrolled in terminating plans/enrollment codes.

What Will Health Plans Do?

- **Plan Notification.** The plans in sections 1 and 2 have been instructed to notify enrollees of the need to select new health plans for 2003. However, because some plans' enrollment and address lists may not be up to date, we encourage you to accept belated changes.

SERVICE AREA REDUCTIONS

Section 3: Plans Reducing Their Service Areas Without Terminating an Enrollment Code

Enrollees in the service areas being terminated must elect new health plans for 2003. Enrollees who do not choose new health plans will have to travel to their plan's remaining service area to receive full benefits.

Section 4: Plans Splitting a Service Area

Enrollees in these plans must complete a Standard Form (SF) 2809 to enroll in the new code for their service area or elect another health plan during the open season.

What Must You Do?

- We strongly recommend that you distribute a copy of these lists to each employee, along with your agency's notice to employees about open season.

- If you do not distribute the lists, remind employees to check their new health plan brochures carefully to see if there have been any changes to their plans' service areas that will affect them.

OTHER CHANGES

Section 5: New Plans Entering the Program for 2003

Section 6: Service Area Expansions Without New Enrollment Codes

- You must include these new plans and expanded service areas when you count the number of eligible employees and place your orders for brochures.

Section 7: Plan Name Changes

Section 8: Plans Dropping a Point of Service Product

These plans are dropping their Point of Service Product (POS) for 2003. Enrollees who use the POS Option may want to consider changing plans during open season.

Section 9: Plans Adding a Point of Service Product

Section 10: Plans Adding an Option

Note: APWU will be adding a new “**Consumer-driven Option**” for contract year 2003. This Option is a fee-for-service option under the FEHB Program that offers you greater control over choices of your health care expenditures. You decide what health care services will be reimbursed under the health plan funded Personal Care Account (PCA). Unused funds from the PCA will roll over at the end of the year. If you spend the entire PCA fund before the end of the year, then you must satisfy a member responsibility/deductible **before** benefits are payable under the traditional type of insurance covered by your Plan. You decide whether to use PPO or Non-PPO provider to reach the maximum fund allowed under your PCA.

For plan comparison purposes, the benefits of this option are listed in the 2003 Guide to FEHB Plans. Additional information on this option can be found in the 2003 APWU plan brochure. Please encourage your employees interested in this option to read the plan brochure.

Section 11: Plans Dropping an Option



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Attachment