

Retirement and Insurance Service Benefits Administration Letter

Number: 00-213 Date: July 28, 2000

Subject: Federal Employees Health Benefits (FEHB) Program: Opportunity for Enrollees of Health Alliance Benefit Plan (Code FX) to Change Enrollment

This is to advise you that the Health Alliance Benefit Plan (Code FX) in the states of Illinois and Indiana, will lose all of its primary providers in the Quincy service area of western Illinois as of August 31, 2000. This service area will no longer be offered through Health Alliance under the FEHB Program. The counties affected in the Quincy service area are Adams, Brown, Hancock, Pike, and Schuyler.

We are therefore authorizing an opportunity for Health Alliance Benefit Plan enrollees in the affected counties to change their enrollment.

The opportunity to change enrollment will begin immediately and continue through the last day of the pay period, which includes August 26, 2000. Agencies may apply this cutoff date liberally if necessary. The effective date of *all* enrollment changes will be the pay period beginning on or after August 27, 2000.

The Plan has sent notices to affected enrollees advising them of the provider network terminations. We have attached a copy of that letter for your information.

Note: If enrollees are uncertain whether or not they are affected, please have them contact Health Alliance at 1-800- 851-3379.

Thank you for your cooperation in this matter.

Attachment

Abby L. Block, Chief Insurance Policy

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and Information Division

Civil Service Retirement System Federal Employees Group Life Insurance Federal Employees Health Benefits Program Federal Employees Retirement System

Dear Health Alliance Subscriber:

For the last five years, Health Alliance Medical Plans and Quincy Health Care Management (QHCM) have worked in partnership to bring managed care coverage plans to residents of western Illinois. We have received notification from QHCM, representing Quincy Medical Group and Blessing Hospital, that they do not wish to renew the agreement. Although we have enjoyed a good working relationship, these providers have made what they believe to be a necessary decision based on their business strategy and the needs of their organizations.

This decision renders the Health Alliance provider network for fully insured plans inadequate to serve the needs of our members. This letter serves as notification that only emergency benefits will be available after August 31, 2000.

We regret the inconvenience this change causes, but it's our goal to assist you in this transition in whatever way we can. We will be working very closely with your employer regarding the availability of other potential Health Alliance policies.

If you have questions or wish to discuss it further, please contact your benefits manager or employer. Or you can call our Customer Service Representatives at 1-800-851-3379, extension 8100.

Sincerely,

Jeffrey C. Ingrum

Chief Executive Officer

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