



Benefits Administration Letter

Number: 08-405

Date: October 10, 2008

**Subject: 2008 Federal Benefits Open Season: FEDVIP and FEHB Program
Significant Plan Changes**

This is the fifth Benefits Administration Letter (BAL) in our series of 2008 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 in the FEDVIP and FEHB Program for 2009.

This year's Federal Benefits Open Season will run from Monday, November 10, through Monday, December 8, 2008.

FSAFEDS

If administrative fees and/or reserve account fees change for 2009, we will let agencies know before the February 2009 invoices are distributed.

FEDVIP

The **first attachment** to this BAL provides important information on the significant changes affecting FEDVIP plans for the upcoming Open Season.

Table 1: Plan Name Changes

Table 2: Dental Plan Service Area Expansion

What Must You Do?

You must include the expanded service area (**Table 2**) when you count the number of eligible employees and place your order for brochures.

FEHB

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 **second 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 2008 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 2009, 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 2009.

Table 1: Plans Leaving the FEHB Program

Table 2: Plans Reducing their Service Areas by Terminating an Enrollment Code

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

Table 4: High Deductible Health Plans (HDHPs) Reducing Their Service Areas by Terminating an 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**) **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 2009.
- **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, 2009; **for most employees this will be January 04, 2009.** Enrollees will remain covered and receive the 2009 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, and 4** to select new plans. Advise your employees if they do not choose new plans, they will not have FEHB coverage in 2009.
- 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 and terminating enrollment codes.

What Will Health Plans Do?

Plan Notification: The plans in **Tables 1, 2, 3, and 4** have been instructed to notify enrollees of the need to select new plans for 2009; however, because some plans' enrollment and address lists may not be up-to-date, we encourage you to accept belated changes.

Table 5: Plan Splitting a Service Area

Blue Shield of California Access+HMO will split its California service area, code SJ, into two service areas (northern and southern California) resulting in two enrollment codes, SJ and SI. The plan's northern California region will retain the current SJ enrollment code; however, the plan's southern California region will receive the new SI enrollment code.

What Must Employees Do?

Employees in the plan splitting its service area (Blue Shield of California Access+HMO, **Table 5**) from one enrollment code (SJ) into two enrollment codes (SJ and SI) and who reside or work in the plan's southern California region, should enroll in the plan's new SI enrollment code for their region during Open Season. If the enrollees in the plan's southern California region do nothing and do not make a positive enrollment election, they will automatically remain enrolled in the original SJ enrollment code for the plan's northern California region and they will have to travel to the plan's northern California service area to obtain medical care in order to receive full benefits from the plan in 2009. Please note the 2009 premiums for enrollment code SJ will be higher than the premiums for enrollment code SI.

What Must You Do?

- Advise your employees who are enrolled in Blue Shield of California Access+HMO (**Table 5**) who reside or work in the southern California region that if they do nothing and do not enroll in the new SI enrollment code for the southern California region, they will automatically remain enrolled in the plan's original SJ code for northern California and they will have to travel to the plan's northern California service area to obtain medical care in order to receive full benefits from the plan in 2009. In addition, the premiums for the northern California service area (SJ code) will be higher than the premiums for the southern California service area (SI code).
- Distribute copies of this list to employees with your agency's notice about Open Season.
- Follow up with employees in the plan who live or reside in the southern California region and remind them they need to enroll in the plan's new SI enrollment code for their region.
- **Belated changes:** Some employees enrolled in the plan's southern California service area still might not receive instructions to change codes during Open Season. We encourage you to be liberal in accepting belated Open Season changes from employees in the plan's southern California service area.

What Will the Health Plan Do?

Plan Notification: The plan in **Table 5**, Blue Shield of California Access+HMO, has been instructed to notify enrollees in its southern California region that its current 2008 California service area with one code (SJ) is being split in 2009 into two service areas (northern and southern California) with two codes (SJ and SI). If enrollees in the southern California region do not enroll in the plan's new SI enrollment code for southern California, they will automatically remain enrolled in the plan's original SJ code for northern California at the higher 2009 premium for code SJ and will have to travel to the plan's northern California service area to obtain medical care in order to receive full benefits from the plan.

Table 6: Plan Merger with Code Changes

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 7: Plan Option Name Change with Code Change

What Must You Do?

The payroll office must automatically move employees into their plan's changed option and code unless the employees select another health plan during Open Season.

Table 8: Plan Name Change

Table 9: Plan Option Name Change

Table 10: Plan Adding a Standard Option with New Codes

Table 11: New Plans Entering the FEHB Program

Table 12: Plans Adding a New Standard Option

Table 13: Existing Plan Offering a High Deductible Health Plan (HDHP) with New Enrollment Codes

Table 14: Existing Plan Offering a Consumer Driven Health Plan (CDHP) with New Enrollment Codes

Table 15: Plan Changing from a Closed Nationwide Fee-For-Service (FFS) Plan for Specific Groups to an Open Nationwide FFS Plan Open to All Agencies, Employees, and Retirees

Table 16: Closed Nationwide FFS Plan for Specific Groups Available to New Agencies, Employees, and Retirees

Table 17: Service Area Expansions with New Enrollment Codes

Table 18: Service Area Expansions without New Enrollment Codes

What Must You Do?

You must include these new plans, options and expanded service areas (**Tables 10 - 18**) 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,

Kathleen M. McGettigan
Deputy Associate Director
Center for Retirement and Insurance Services

Attachment 1
Attachment 2