



## ***Benefits Administration Letter***

**Number:** 14-405

**Date:** October 9, 2014

### **Subject: 2014 Federal Benefits Open Season: FSAFEDS and FEHB Program Significant Plan Changes**

This Benefits Administration Letter (BAL) is the fifth in our series of 2014 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 for FSAFEDS, FEDVIP, and the FEHB Program for 2015.

This year's Federal Benefits Open Season will run from Monday, November 10 through Monday, December 8, 2014.

#### **FSAFEDS**

FSAFEDS is implementing the following two significant changes effective for the 2015 plan year.

Health care and limited expense flexible spending accounts (FSAs) will no longer have a grace period; instead, qualifying participants will be able to carry over up to \$500 of unused funds to the next plan year. The first opportunity for carryover will be at the end of 2015. Current participants cannot carry over funds from 2014 to 2015, but will still have a grace period through March 15, 2015. Dependent care FSAs will continue to have a grace period each year and cannot carry over funds from one year to the next.

The minimum annual election for the three types of FSAs (health care, limited expense health care, and dependent care) will be reduced from \$250 to \$100.

#### **FEDVIP**

There are no 2015 FEDVIP significant changes.

#### **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 **first attachment** to this BAL identifies the FEHB 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 2014 or reducing their service areas and terminating their enrollment codes. Since employees in these terminating plans and service area reductions **must** enroll in a new plan during Open Season if they wish to continue health insurance coverage in 2015, please 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. Enrollees in the terminating plans and enrollment codes who do not change their health plan by enrolling in another FEHB plan during Open Season will not have health benefits for 2015.

**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 2015.

### **Table 1: Plans Leaving the FEHB Program**

### **Table 2: Plan Reducing Service Areas and Terminating Enrollment Codes**

#### **What Must Employees Do?**

- Employees in terminating plans (**Table 1**) or service area reductions with terminating enrollment codes (**Table 2**) **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 2015.
- **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, 2015; **for most employees this will be Sunday, January 11, 2015.** Enrollees will remain covered and receive the 2014 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 and 2** to select new plans. Advise your employees if they do not choose new plans, they will not have FEHB coverage in 2015.
- Distribute copies of this list to employees with your agency's notice about Open Season along with copies of the **second attachment**, *FastFacts: What to do When Your Health Plan is Terminating Coverage in Your Area or Leaving the Federal Employees Health Benefits (FEHB) Program*.
- 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 and 2** have been instructed to notify enrollees of the need to select new plans for 2015; however, because some plans' enrollment and address lists may not be up-to-date, we encourage you to accept belated changes.

### **Table 3: Plans Reducing Service Areas without Terminating Enrollment Codes**

#### **What Must Employees Do?**

Employees in the service areas being terminated should elect a new health plan for 2015; however, employees who do not choose a new health plan will only have emergency services where they live and 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 3** to select a new plan. Advise your employees if they do not choose a new plan, they will only have emergency services where they live and they will have to travel to their plan's remaining service area to receive full benefits in 2015.
- Distribute copies of this list to employees with your agency's notice about Open Season along with copies of the **second attachment**, *FastFacts: What to do When Your Health Plan is Terminating Coverage in Your Area or Leaving the Federal Employees Health Benefits (FEHB) Program*.
- Follow up with employees in these plans and remind them to select a new plan.
- **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 the plan reducing its service area.

#### **What Will Health Plans Do?**

**Plan Notification:** The plans in **Table 3** have been instructed to notify enrollees that their respective service areas are being terminated. If enrollees do not choose another health plan, the enrollees will only have emergency services where they live and they will have to travel to their plan's remaining service area to receive full benefits in 2015. However, because a plan's enrollment and address lists may not be up-to-date, we encourage you to accept belated changes.

### **Table 4: Plan Terminating Option and Enrollment Codes**

#### **What Must Employees Do?**

- Employees in the plan dropping an option (**Table 4**) may choose a new health plan during Open Season or remain with their current plan and be switched automatically into the plan's remaining option specified in **Table 4**.
- **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, 2015; **for most employees this will be Sunday, January 11, 2015**. Enrollees will remain covered and receive the 2014 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 the plan that is dropping an option (**Table 4**) that if they do not choose a new health plan, they will be automatically transferred into the plan's remaining option as specified in **Table 4**.
- Distribute copies of this list to employees with your agency's notice about Open Season.
- Follow up with employees in the plan and remind them that if they do not choose a new health plan, they will be automatically transferred into the plan's remaining option

specified in **Table 4**.

- **Belated changes:** Some employees still might not receive instructions regarding their plan dropping an option. We encourage you to be liberal in accepting belated Open Season changes from employees enrolled in the plan dropping an option listed in **Table 4**.

#### **What Will the Health Plan Do?**

- **Plan Notification:** The plan in **Table 4** has been instructed to notify enrollees that their current plan option is being discontinued and that if they do not change to another plan during Open Season, they will be switched automatically into one of the plan's remaining options specified in **Table 4**.

#### **Table 5: Plan Contract and Enrollment Code Merger with Terminating Enrollment Codes**

#### **Table 6: Enrollment Code Mergers**

#### **What Must You Do?**

For **Tables 5 and 6**, your payroll offices must automatically move enrollees into their plan's surviving code unless the enrollees select another health plan during Open Season.

#### **Table 7: Plan Splitting a Service Area and Creating a New Enrollment Code (in Addition to the Existing Enrollment Codes)**

#### **Table 8: New Plans Entering the FEHB Program**

#### **Table 9: Plans Adding New Options and Enrollment Codes**

#### **Table 10: Service Area Expansions with New Enrollment Codes**

#### **Table 11: Service Area Expansions without New Enrollment Codes**

#### **What Must You Do?**

You must include the new plans, the plans with new options, and the plans with expanded service areas (**Tables 7-11**) when you count the number of eligible employees and place your order for brochures.

#### **Conclusion**

Again, this year's Federal Benefits Open Season will run from Monday, November 10 through Monday, December 8, 2014.

We encourage you and your employees to visit our website at [www.opm.gov/openseason](http://www.opm.gov/openseason) for the most up-to-date information. Please note that 2015 Plan information will be posted on our website by the first week of November.

We look forward to working with you to ensure Federal employees have a successful Open Season.

Sincerely,

John O'Brien  
Director  
Healthcare and Insurance

Attachments