



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

Number: 01-402

Date: October 3, 2001

**Subject: 2001 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 2001. 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.

TERMINATIONS

Section 1: Plans Dropping Out of the FEHB Program for 2002

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** 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, 2002: ***for most employees this will be January 13, 2002.*** Enrollees will remain covered and receive benefits under the old plan until coverage under the new plan becomes effective.

*Civil Service
Retirement
System*

*Federal Employees'
Group Life
Insurance Program*

*Federal Employees
Health Benefits
Program*

*Federal Employees
Retirement
System*

*Long Term
Care Insurance
Program*

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 2002.
- 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 2002. 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 2002. 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 2002

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 2002. 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: Code Mergers

Enrollees in the codes that merge will be transferred to the surviving code.

Section 11: Plan Mergers

These plans are merging with other plans at the end of 2001. Enrollees in the “old” plans will be transferred automatically to the “gaining” plans and do not need to take action. Enrollees in the old plans, must choose different plans during open season if they do not wish to be transferred to the new plans.

Section 12: Plans Merging Options

The plan in this section (Blue Cross and Blue Shield Service Benefit Plan) will merge its current High Option and Standard Option into one. Enrollees currently in the Plan’s High Option will be transferred to the surviving option unless they select a new plan for 2002.

Section 13: Plans Dropping an Option

Enrollees in the Option being dropped will be automatically transferred to the surviving option unless they select a new plan for 2002.

Section 14: Plans Adding an Option

FEHB WEBSITE

We have made changes to the FEHB website to make it easier to navigate and find information. The 2001 Open Season website will be up no later than November 1, 2001. All 2001 Open Season information including plan brochures, FEHB Guides, plan rates and more will be easily accessible from the site. Some end of year changes such as plan terminations are already available on the website.

We encourage you and your employees to visit the web site at www.opm.gov/insure for the most up to date information.



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Attachment