



Benefits Administration Letter

Number: 12-405

Date: October 1, 2012

Subject: 2012 Federal Benefits Open Season: FSAFEDS and FEHB Program Significant Plan Changes

This Benefits Administration Letter (BAL) is the fifth in our series of 2012 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 and the FEHB Program for 2013. There are no significant plan changes for FEDVIP.

This year's Federal Benefits Open Season will run from Monday, November 12, through Monday, December 10, 2012.

FSAFEDS

The maximum contribution for a Health Care Flexible Spending Account (HCFSA) has changed from \$5000 to \$2500 for 2013. The maximum contribution for a Dependent Care Flexible Spending Account (DCFSA) remains \$5000 for 2013.

SHPS Human Resource Solutions, the third party administrator of FSAFEDS, is now ADP Benefit Services KY, Inc. You may notice references to ADP Benefit Services KY, Inc. on www.FSAFEDS.com, as well as in program materials and communications over the next several months during the transition to the new name.

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 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 2012 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 2013, 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 2013.

Table 1: Plan Leaving the FEHB Program

Table 2: Plans Reducing Their 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 2013.
- **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, 2013; **for most employees this will be Sunday, January 13, 2013.** Enrollees will remain covered and receive the 2012 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 2013.
- 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 2013; however, because some plans' enrollment and address lists may not be up-to-date, we encourage you to accept belated changes.

Table 3: Plan Reducing its Service Area Without Terminating Enrollment Codes

What Must Employees Do?

Employees in the service area being terminated should elect a new health plan for 2013; 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 plan 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 2013.
- 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 this plan 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 plan in **Table 3** has been instructed to notify enrollees that their service area is being terminated. If enrollees do not choose another health plan, the enrollees will have to travel to their plan's remaining service area to receive full benefits in 2013. 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 Name Change

Table 5: New Plans Entering the FEHB Program

Table 6: Plans Adding New Options and Enrollment Codes

Table 7: Service Area Expansions with New Enrollment Codes

Table 8: Service Area Expansions without New Enrollment Codes

Table 9: Plan Separating a Service Area and Creating New Enrollment Codes in Addition to the Existing Code, and Offering a New Option With New Enrollment Codes

What Must You Do?

You must include the new plans, the plans with new options, the plans with expanded service areas, and the plan separating a service area and offering a new option (**Tables 5-9**) 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 12 through Monday, December 10, 2012.

We encourage you and your employees to visit our website at www.opm.gov/insure/openseason for the most up-to-date information. Please note that 2013 Plan information will be posted on our website beginning in late October.

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