



# PAYROLL OFFICE LETTER

U. S. Office of Personnel Management

**Number: P-99-4**

**Date: February 12, 1999**

**Subject: Termination of FEHBP Plans WellChoice, Code 3Z and  
HIP of New Jersey, Code P9**

This is to advise you of the termination of health plans WellChoice and HIP Health Plan of New Jersey. Both plans will cease to participate in the FEHB Program and thus impact agencies with employees in the following geographic areas where the plans provide coverage:

WellChoice (code 3Z) serves the San Antonio, Texas area and HIP New Jersey (code P9) serves most of New Jersey.

This information was forwarded to agency benefits officers in the attached Benefits Administration Letters (BALs). They are also available via the OPM Homepage at <http://www.opm.gov/asd>; look for BAL-99-401, dated February 8, 1999 (WellChoice) and BAL-99-402, dated February 10, 1999 (HIP New Jersey). Please reference the BALs for detail on the special open seasons and other pertinent information.

If you have any questions regarding the terminations of Well Choice (3Z) and HIP Health Plan of New Jersey (P9), please address them with your agency's Health Benefits Officer.

A handwritten signature in cursive script, appearing to read "Robert A. Yuran".

Robert A. Yuran, Chief  
Financial Policy Staff  
Retirement and Insurance Service

Attachments



*United States  
Office of Personnel Management  
Retirement and Insurance Service*

**Benefits Administration Letter**

Number: 99-401 Date: February 8, 1999

**Subject: Federal Employees Health Benefits (FEHB) Program: Termination of WellChoice, Code 3Z**

We have just learned that WellChoice, Code 3Z, an HMO serving the San Antonio, Texas, area, has gone bankrupt and is no longer able to service its enrollees. Accordingly, WellChoice has ceased to be a participant in the FEHB Program.

Employees may not newly enroll in WellChoice. In addition, we are authorizing a special open season for employees enrolled in WellChoice to allow them to choose new plans. Employees who wish to maintain FEHB coverage **must** enroll in new plans during this special open season. This open season is effective immediately and will continue for the next 30 days. (However, agencies are asked to apply this cut-off date liberally, if necessary.) Enrollment changes made during this open season should be made effective as of the pay period beginning on or about January 16, 1999.

Employees affected by this special open season are free to join any FEHB plan for which they are eligible. However, since most HMOs will not pay for medical services they didn't authorize, employees who incurred expenses WellChoice was unable to pay should be encouraged to join fee-for-service plans, so that they may submit claims for the care to the new plan.

Ordinarily, when a plan announces its intention to drop out of the Program in mid-year, we ask the plan to notify its federal enrollees of the special open season opportunity. In this case, that will not be possible. Instead, agencies will need to identify their employees enrolled in Code 3Z, and let them know about the plan's termination and the need to pick new plans.

Thank you for your cooperation in this matter.

Abby L. Block, Chief  
Insurance Policy  
and Information Division



*United States  
Office of Personnel Management  
Retirement and Insurance Service*

**Benefits Administration Letter**  
Number: 99-402 Date: February 10, 1999

**Subject: Federal Employees Health Benefits (FEHB) Program: Termination of HIP Health Plan of New Jersey, Code P9**

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This is to advise you that HIP Health Plan of New Jersey, Code P9, an HMO serving most of New Jersey, will be liquidated and no longer participate in the FEHB Program as of February 19, 1999.

Employees may not newly enroll in HIP of New Jersey. In addition, we are authorizing a special open season for employees enrolled in the plan to allow them to choose new plans. Employees who wish to maintain FEHB coverage **must** enroll in new plans during this special open season.

HIP of New Jersey will send its enrollees a letter on OPM stationery advising them of this special open season. The letter, which enrollees are instructed to present to their personnel offices, explains that the open season is effective immediately and will continue for 30 days from the date of the letter. (However, agencies are asked to apply this cut-off date liberally if necessary.)

Agencies are also asked to identify their employees enrolled in HIP of New Jersey and make sure they know about the need to pick new plans.

Enrollment changes made during this special open season should be made effective retroactive to the first day of the pay period on or before February 19, 1999.

Thank you for your cooperation in this matter.

Abby L. Block, Chief  
Insurance Policy  
and Information Division