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Information Bulletin No. OR-2004-028

To: All Oregon /Washington Employees

From: Chief, Branch of Human Resources

Subject: Health Benefits Open Season, November 10, 2003 - December 8, 2003

A Federal Employees Health Benefits (FEHB) open season will be held from November 10, 2003 through December 8, 2003. IT IS IMPORTANT for employees to READ THIS BULLETIN for information on health benefits plans. Your current health plan will send you a copy of its brochure and a notice of the 2004 rates before open season begins.

It is important to read the FEHB Guide and the brochures carefully before you decide to change plans or continue with the one you have. The Guide provides summary information that is designed to help you narrow your choices of health plans, not to make the final decision. You should refer to actual plan brochures in order to make an informed decision. This information is available at www.opm.gov/insure/health.

This year the guide also includes information about two new federal programs that complement the FEHB program. These are the Flexible Spending Account Program (FSA) and the Federal Long Term Insurance Care Program (FLTCIP). The FEHB program offers two types of FSA's. The FSA program is a tax benefit that allows you to set aside pre-tax dollars from your bi-weekly pay check to pay for health care expenses not reimbursed by your FEHB plan, dental, vision or any other medical expense you or your dependents may have. Some over-the-counter drugs are included. The second type covers eligible dependent care expenses that you incur so that you or your spouse can work, look for work, or attend school full-time.

If you wish to enroll in the FSA program, you must do so during the FEHB open season. If you participated in 2003, you must make a new election for 2004. You may enroll online at www.fsafeds.com or by calling the toll free number 1-877-372-3337, TTY 1-800-952-0450. The toll free number is staffed Monday through Friday, from 9a.m. to 9p.m. eastern time. In addition to the information on pages 9 to 11 in the 2004 FEHB guide, an FSA Feds benefits counselor is available to assist you and answer any questions that you may on the FSA program.

2

The Federal Long Term Care Insurance Program accepts applications from eligible persons at any time. Long term care is assistance you can receive to perform daily tasks such as bathing, feeding yourself, or dressing. For information on LTC you may call 1-800-582-3337, TTY 1-800-843-3557 or visit www.ltcfeds.com.

During FEHB open season, any eligible employee who is not currently enrolled in FEHB may enroll, and any eligible

enrollee may change from one plan or option to another, from self-only to self and family, or make a combination of these changes. Open season also allows employees to change their premium conversion election. An eligible employee who enrolls in FEHB may elect to participate or to waive participation in premium conversion. Premium conversion is when health benefit premiums are deducted from pre-tax dollars. An eligible enrollee may elect to begin participation if they have previously waived, or waive participation. ***An employee who participates in premium conversion may not cancel or change to self-only enrollment at any other time. These changes may now be made only during open season or when a qualifying life event occurs.***

Employees who do not wish to enroll or change enrollment need not take action during this open season.

One national plan, Alliance, has withdrawn from the FEHB program this year. If you are enrolled in Alliance, you will need to enroll in a new plan. There is one carrier, KPS, who has expanded their service area and is will be accepting enrollments from individuals who live or work in Clark County, Washington.

There are four basic types of plans available under the FEHB program:

1. Managed Fee-for-Service Plans - These plans reimburse you or your health care provider for covered services. If you enroll in one of these plans, you may choose your own physician, hospital, and other health care providers.

These plans are considered “managed” because they contain features such as pre-certification of hospital admissions and utilization review of on-going care. Most of the fee-for-service plans have preferred provider arrangements. By using preferred providers, you may reduce your out-of-pocket expenses and, in some cases, receive enhanced benefits.

Fee-for-Service plans include the Blue Cross and Blue Shield Service Benefit Plan and plans sponsored by unions and other employee organizations. Most employee organization sponsored plans require payment of a membership fee. These plans are open to all eligible employees who are full or associate members of the organizations that sponsor the plans. This annual fee is in addition to your biweekly premium. The plan brochure provides information concerning membership requirements and/or dues. Other employee organization plans are restricted to certain groups and/or agencies.

2. Health Maintenance Organization Plans (HMOs) - These plans provide comprehensive medical services, emphasizing the prevention and early detection of disease. They provide or arrange for, health care by designated physicians, hospitals, and other providers in particular locations. Most services under an HMO must be performed by the plan's participating providers.

2

Each HMO is open to employees within the plan's enrollment area. You may not enroll in that HMO if you are located outside its area. It is important you review the plan brochure to make sure you are within the enrollment area. **Be sure to review the brochure carefully to see if there are any changes in the plan's service area which would require any action on your part.**

3. Plans offering a Point of Service (POS) Product - Some FEHB plans have begun to blend their features. A number of Fee-for-Service and HMO plans now offer both forms of health care delivery, known as “in-network” and “out-of-network.” When an HMO offers a POS product, the product acts like a fee-for-service plan. The HMO's enrollees may use non-affiliated or out-of-network providers if they wish. As a result, the services will cost more in terms of deductibles and coinsurance than if they used plan providers.

In a Fee-for-Service plan with a POS product, the product acts like an HMO. If they agree to let their medical care be managed by a plan-affiliated gatekeeper or in-network physician, plan enrollees will get a better benefit. This will generally be in the form of richer benefits and lower co-pays or coinsurance.

4. Consumer Driven Plans – These are national plans open to all employees. APWU is offering this option this year

to employees. You have the incentive to control the cost of your health benefits or health care. A designated amount is set aside for expenses. You receive full coverage for in-network preventive care. Non net work providers will cost more. If you use the amount set aside, you will assume much higher cost sharing expenses.

If you are considering enrolling or making an enrollment change, you should obtain a copy of the booklet, "2004 FEHB Guide for Federal Employees Health Benefit Plans" (RI 70-1). Eligible temporary employees should obtain a copy of the "2004 FEHB Guide for Certain Temporary Employees" (RI-70-8). These guides are available on the Office of Personnel Management (OPM) website at <http://www.opm.gov/insure/health>.

These guides contain a comparison chart that gives general information about each plan and shows the biweekly and monthly premium rates. Information includes the accreditation status of those plans that took the initiative to seek review by the National Committee for Quality Assurance (NCQA) and/or the Joint Commission on Accreditation of Healthcare Organizations (JCAHO).

DO NOT RELY SOLELY on these guides when deciding to enroll in or change enrollment to another plan. If you are interested in a particular plan, obtain and thoroughly review the brochure of the plan you are considering. **All guides and brochures are available on the Internet on the OPM web site at <http://www.opm.gov/insure/health>.** The guides and brochures are available in PDF format for downloading and printing. There is also a text version suitable for the visually-impaired available.

Employees are encouraged to use the OPM FEHB website during this open season. The website contains links from the guides and brochures from plan websites. It also includes valuable information on topics such as Premium Conversion, Long Term Care, Patient Bill of Rights and Mental Health and Substance Abuse Parity.

4

To obtain a comparison chart or a plan brochure on the BLM OR/WA Intranet Home Page, first click on Human Resources, then click on the 2004 health benefits link to OPM's website and follow the directions to obtain the brochure you wish or to use the helpful tools available. This website also includes answers to most frequently asked questions.

An important reminder to all employees: In order for you to be eligible to continue health benefits coverage at the time of retirement, or beyond the first year while drawing workers' compensation, you must be continuously covered under the FEHB program for five years or your earliest opportunity to enroll. Those employees who have previously declined or canceled enrollment may wish to consider enrolling this open season to assure eligibility at retirement or in the event of a long-term disability resulting from a work-related injury. Self-only enrollment or family coverage under the enrollment of your federally employed spouse will satisfy the eligibility requirement, if covered, for five years or the earliest opportunity to enroll. Coverage under CHAMPUS or Tri-Care will continue to be credited toward the five-year requirement.

Employees wishing to enroll or change their enrollment during this open season have the option of making their changes via EMPLOYEE EXPRESS or they may complete a Health Benefits Enrollment Form (SF-2809).

A separate Information Bulletin is being issued on HOW TO ENROLL or MAKE AN ENROLLMENT CHANGE DURING THE OPEN SEASON. PLEASE REFER TO THAT BULLETIN FOR COMPLETE INFORMATION ON ENROLLMENT OR CHANGE INFORMATION.

Changes in plan benefits and changes in enrollment and premium rates will be effective January 11, 2004. If you change plans, any covered expenses incurred between January 1, 2004, and the effective date of the open season change will count toward the 2003 deductible of the plan you are changing from.

IF YOU PLAN TO RETIRE OR HAVE KNOWLEDGE THAT YOU WILL TRANSFER OUT PRIOR TO JANUARY 3 2004, PLEASE ATTACH A NOTE TO YOUR SF-2809 SO YOUR FORM CAN BE FORWARDED

UNPROCESSED TO THE OFFICE OF PERSONNEL MANAGEMENT OR YOUR NEW PERSONNEL OFFICE.

You should also be aware that if you leave federal employment, you may be eligible for Temporary Continuation of Coverage (TCC). Under TCC, you may continue your enrollment for up to 18 months. TCC is also available for up to 36 months for dependents who lose eligibility as family members under your enrollment. This includes spouses who lose coverage because of divorce and children who lose coverage due to marriage or attaining age 22. Loss of coverage is automatic. There are time periods for enrolling under TCC. You should contact your human resource staff for more information in the event of one the above life events occurs.

TCC enrollees must pay the total plan premium plus a 2% administrative fee. There are time limitations for enrolling under this provision. It is your responsibility to contact the Human Resources office when an event other than separation occurs in order to obtain information on TCC enrollment.

5

One important note, you must exhaust TCC eligibility as a condition of guaranteed access to individual health coverage under the Health Insurance Portability and Accountability Act.

We must also advise you that the information you provide by enrolling in the FEHB program may also be used for computer matching with federal, state or local agencies' files to determine whether you qualify for benefits, payments or eligibility in the FEHB program, Medicare or other government benefits programs.

If you have any questions, please contact your district human resources staff or Marcia Butenschoen, Oregon State Office, Branch of Human Resources, 503-808-6239.

Districts with Unions are reminded to notify their unions of this Information Bulletin and satisfy any bargaining obligations before implementation. Your servicing Human Resources Office or Labor Relations Specialist can provide you assistance in this matter.

Signed by
Gayle L. Donahue
Acting Chief
Branch of Human Resources

Authenticated by
Mary O'Leary
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Distribution

WO-700 (Room 5628 - MIB) - 1