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# FEHB Program Carrier Letter

## All Carriers

U.S. Office of Personnel Management  
Office of Insurance Programs

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**Letter No. 1999- 021**

**Date: April 28, 1999**

Fee-for-service [ 18 ]    Experience-rated HMO [ 18 ]    Community-rated HMO [ 19 ]

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### **SUBJECT: Participation in the DoD/FEHB Demonstration Project**

The enclosed list designates plans that must participate in the Department of Defense/Federal Employees Health Benefits Demonstration Project. It also designates plans whose participation is optional. If a plan has more than one enrollment code affected by the Demonstration Project, we've listed each code.

If you are not on the enclosed list and do not plan to expand into a Demonstration Project area, you don't have to do anything. If you are on the enclosed list, you must submit rating proposals for the Demonstration Project at the same time you submit your rating proposals for the FEHB Program (May 31, 1999). Benefits will be identical for FEHB Program enrollees and Demonstration Project enrollees. However, you must develop rates independently. Specific guidance will follow shortly. In addition to the rating requirements, the law requires that we submit reports to Congress during and at the conclusion of the Demonstration Project. We will ask participating plans to submit the information needed for these reports, including enrollment and cost data.

Consistent with the statutory requirements for the Demonstration Project and the FEHB Program, we intend to use the following policies to determine plan participation:

- ◆ Fee-for-Service plans that limit enrollment to specific groups will not participate.
- ◆ Open Fee-for-Service plans must participate.
- ◆ Health Maintenance Organizations and Point of Service plans in the Demonstration Project areas must participate unless:
  - They have fewer than 300 FEHB enrollees, or
  - Their service area only includes a limited portion of the Demonstration Project area (as determined by the Office of Personnel Management).
  - In these cases, plans may elect to participate by submitting a rating proposal for the Demonstration Project.

We developed the enclosed list using current service areas. If your service area is in or near any of the Demonstration Project sites and you intend to propose a service area expansion or reduction for 2000, contact your contract representative immediately. We will consider the impact of that change on your obligation to participate.

If you have questions about the DoD/FEHB Demonstration Project or participation requirements, please call Ron Rabbu (202/606-0745).

Sincerely,

Frank D. Titus  
Assistant Director  
for Insurance Programs

**Enclosure**

## **Plan Participation in DoD/FEHB Demonstration Project**

### **Fee-for-service Plans**

Alliance Health Plan (YQ)  
APWU Health Plan (47)  
Blue Cross & Blue Shield (10)  
GEHA Benefit Plan (31)  
Mail Handlers (45)  
NALC (32)  
Postmasters (36)

### **Health Maintenance Organizations and Point of Service Plans**

#### **1. Demonstration Site -- Dover AFB, DE**

Delaware

Aetna US Healthcare - All of Delaware (NK)  
AmeriHealth HMO - All of Delaware (SP)

Maryland

Aetna US Healthcare North/Central MD (V8) (*optional*)  
Free State Health Plan - All of Maryland (LD)  
George Washington University HP – Central/Southern MD (E5) (*optional*)  
MD-IPA - All of Maryland (JP)  
Prudential Healthcare HMO - Most of Maryland (JB)  
United HealthCare Mid-Atlantic - Most of Maryland (BL)

#### **2. Demonstration Site -- Puerto Rico**

PCA Health Plans - All of Puerto Rico (5P) (*optional*)  
Triple-S - All of Puerto Rico (89)  
United HealthCare - All of Puerto Rico (7U) (*optional*)

#### **3. Demonstration Site -- Fort Knox, KY**

Advantage Care - Central/Eastern KY (XW) (*optional*)  
Aetna US Healthcare - Lexington/Louisville areas and southern IN (RD)  
Bluegrass Family Health - Central/Eastern KY (2B) (*optional*)  
Humana Care Plan - Louisville area (18)  
Humana Health Plan - Lexington/Louisville and southern IN (D2)  
The M\*Plan – Central/NE/SW IN (IN)  
United HealthCare of KY - Most of KY and 3 counties in IN (DU)  
Welborn HMO – Evansville, IN area (H3) (*optional*)

#### **4. Demonstration Site -- Greensboro/Winston-Salem/High Point, NC**

Aetna US Healthcare – Charlotte/Metrolina area (3G) (*optional*)  
Doctors Health Plan – Greater Tri/Char/Up-Low Cape Fear (6D) (*optional*)  
Kaiser Permanente – Charlotte/Triangle area (QT)  
PARTNERS NHP of NC - Most of NC (EQ)  
Personal Care Plan – Charlotte/Durham/Greensboro areas (4X)  
QualChoice - Northwestern NC (7Q) (*optional*)  
United HC of NC - Central/Eastern/Western (XM)  
WellPath Select - Charlotte/Triangle/Surr. Area (2E)

#### **5. Demonstration Site - Dallas, TX**

Aetna US Healthcare - Dallas/Ft Worth areas (TS)  
HealthFirst HMO – East Texas (8E) – new plan (*optional*)  
HMO Blue/Rio Grande - Dallas/Ft Worth/Tyler areas (4Z)  
HMO Texas, LC - Dallas/Ft Worth areas (UK)  
Humana Health Plan of TX - Austin/Dallas/Houston/San Antonio/Corpus Christi (TW)  
NYLCare Health Plans SW - Dallas/Ft Worth/East & West TX (V2)  
PacifiCare of TX - San Antonio/Houston/Galveston/Dallas/Ft Worth/Gulf Coast (GF)

#### **6. Demonstration Site -- Humboldt County, CA**

Blue Shield of CA Access+HMO - Most of CA (SJ)\*  
Blue Cross CaliforniaCare - Most of CA (M5) \*  
CIGNA HealthCare of CA - Northern/Southern CA (9T)\*  
Health Net - Most of California (LB)\*  
Omni Healthcare – Central Valley & Sacramento areas (HN)  
PacifiCare of CA - Most of CA (CY)\*

\* also serves the Camp Pendleton area

#### **7. Demonstration Site -- Naval Hospital, Camp Pendleton, CA**

Aetna US Healthcare - Southern CA area  
Blue Shield of CA Access+HMO - Most of CA (SJ)  
Blue Cross CaliforniaCare - Most of CA (M5)  
CIGNA HealthCare of CA - Northern/Southern CA (9T)  
Health Net - Most of California (LB)  
Kaiser Permanente - Southern CA (62)  
Maxicare Southern CA - Southern CA (CM)  
National HMO Health Plan – Northern/Central/Southern CA (CM)(*optional*)  
PacifiCare of CA - Most of CA (CY)

## **8. Demonstration Site -- New Orleans, LA**

Aetna US Healthcare - New Orleans area (NG)

Blue Cross and Blue Shield Standard (POS) - New Orleans area (10) – FFS plan

Gulf South - Baton Rouge/New Orleans/Lafayette areas (LY) (*optional*)

Maxicare Louisiana - Baton Rouge/New Orleans areas (JA)

SmartPlan - All of Louisiana (8D) (*optional*)