Health Reform Changes for Federal Benefits Programs
Effective January 1, 2011

On March 23, 2010, President Obama signed the Affordable Care Act, (ACA), Public Law 111-148. Several provisions of the ACA will affect eligibility and benefits under the Federal Employees Health Benefits (FEHB) Program and the Federal Flexible Spending Account Program (FSAFEDS) beginning January 1, 2011. Please read the information below carefully.

Federal Employees Health Benefits (FEHB) Program

Please read the following section carefully as the actions you take will impact when your child's FEHB coverage begins under this new law.

What Are the Changes to FEHB Program Dependent Eligibility Rules Under the ACA?

All changes are effective on January 1, 2011.

Children	Effect of ACA
Between ages 22 and 26	Children between the ages of 22 and 26 are covered under their parent's Self and Family enrollment up to age 26.
Married Children	Married children (but **NOT** their spouse or their own children) are covered up to age 26. This is true even if the child is currently under age 22.
Children with or eligible for employer-provided health insurance	Children who are eligible for or have their own employer-provided health insurance are eligible for coverage up to age 26.
Stepchildren	Stepchildren do not need to live with the enrollee in a parent–child relationship to be eligible for coverage up to age 26.
Children Incapable of Self-Support	Children who are incapable of self-support because of a mental or physical disability that began before age 26 are eligible to continue coverage. Contact your human resources office or retirement system for additional information.
Foster Children	Foster children are eligible for coverage up to age 26.

Children **do not** have to live with their parent, be financially dependent upon their parent or be students to be covered up to age 26. There is also no requirement that the child have prior or current insurance coverage. FEHB Program plans will send notice to all their enrollees of the coverage eligibility changes as a part of that plan's Open Season communications.

In cases where children have employer-provided health insurance and are covered under their parent's Self and Family enrollment, the children's employer-provided health insurance will be the primary payer. FEHB will be the secondary payer.

How Do I Add a Newly Eligible Child To My Enrollment?

What you must do:

- If you currently have a Self and Family enrollment and you do not change to another health plan or option during Open Season, contact your FEHB plan and give them information on your newly eligible child. Do not complete an SF 2809, Health Benefits Election Form, or enter dependent information in your agency's self-service enrollment system to add your child to an existing Self and Family enrollment. Your child's will be covered on January 1, 2011.
- If you currently have a Self Only enrollment and you have newly eligible children, you must change your enrollment from Self Only to Self and Family if you want your children to be covered. You must use an SF 2809 or an agency self-service enrollment system to make this change.
- If you are not currently enrolled and you want FEHB coverage since your children are now eligible, you must enroll for Self and Family coverage to provide coverage for your children. You must use an SF 2809 or an agency self-service enrollment system to make this change.

Important: If you are enrolling or changing your enrollment, be sure to include all children up to age 26 when completing your SF 2809 or using your agency's self-service enrollment system.

How can I enroll or change my enrollment so that my child is covered January 1st?

Be aware: The effective date of coverage for your newly eligible children depends upon the event used to enroll or change enrollment.

If you are an employee who gets paid biweekly (this applies to most Federal employees) or you are an Office of Workers' Compensation (OWCP) recipient, and you want you child covered on January 1, 2011, then you must enroll or change your enrollment as a "change in family status" – qualifying life event (QLE). The qualifying life event code to use on the SF 2809 is '1C' for employees and '2B' for OWCP recipients.

You may change your enrollment from 31 days before to 60 days after January 1, 2011. Your change to Self and Family will take effect on the first day of the pay period that includes January 1, 2011. Your child will be covered on January 1, 2011. If you make your QLE change after January 1st, your child will be covered retroactively to January 1, 2011 and you will pay retroactive premiums back to the effective date of the enrollment or change.

If you enroll or change your enrollment as an Open Season change, it will take effect on the first day of the first pay period that begins in 2011. For most employees, this will be **January 2, 2011.** For the Office of Workers' Compensation, this will be **January 16, 2011.** For a few other agencies, the date may be different.

The table below shows the different date of coverage for most employees and OWCP recipients enrolling in FEHB or changing from a Self Only to a Self and Family enrollment as a "change in family status" – QLE change or as an Open Season change.

Effective Date of Coverage for Newly Eligible Children		
Enrollee	**Change in Family Status (QLE Change):**	**Open Season Change:**
Most Employees	January 1, 2011	January 2, 2011
OWCP Recipients	January 1, 2011	January 16, 2011

For United States Postal Service employees, CSRS/FERS annuitants, Temporary Continuation of Coverage (TCC) enrollees and former spouses, an enrollment or change in enrollment made either as a "change in family status" QLE or as an Open Season change will provide coverage of eligible children on January 1, 2011. This is also true for other agencies and other retirement systems with a pay period that begins on January 1, 2011.

If you have a Self Only enrollment and would like your newly eligible child to be covered, you must change to a Self and Family enrollment. If you do not change to a Self and Family enrollment as a "change in family status" QLE or an Open Season change then your child will not be covered.

How Does This Affect Eligibility For Temporary Continuation of Coverage (TCC)?
Children who lose coverage due to reaching age 26 are eligible for TCC for up to 36 months even if they previously had TCC.

If you are a child of an FEHB enrollee and you are now enrolled under Temporary Continuation of Coverage (TCC), you may no longer need your TCC enrollment since you will be covered under your parent's Self and Family enrollment. Once you are assured of coverage under your parent's Self and Family enrollment, you may want to cancel your TCC enrollment. To cancel your TCC, contact the National Finance Center at:

USDA, National Finance Center
DPRS Billing Unit
PO Box 61760
New Orleans, LA 70161-1760

If you have additional questions, please contact the National Finance Center at 800-242-9630 or nfc.dprs@usda.gov.

What is a Grandfathered Health Plan Under ACA?
The Affordable Care Act requires that health plans include certain consumer protections and benefits coverage that affect some FEHB plan benefits for 2011. All plans in the FEHB Program have complied with all required provisions. However, certain protections and coverage terms depend upon whether the plan is considered a "grandfathered health plan" under the Act.

A grandfathered health plan may preserve basic health coverage that was in effect when the law was enacted. If an FEHB plan indicates that it is a grandfathered plan that means certain benefit features including cost sharing, premium payments and covered services have not significantly changed from last year.

While grandfathered health plans must comply with certain benefit requirements under the ACA, being a grandfathered plan also means that plan may not have included all benefit protections and coverage terms that apply to other plans. Information on a plan's specific benefit changes under the ACA will be available in the plan's brochure.

How Does the ACA Affect Benefits for High Deductible Health Plans?
Beginning January 1, 2011, currently eligible over-the-counter (OTC) products that are medicines or drugs will not be eligible for reimbursement from your Health Savings Account (HSA) or your Health Reimbursement Arrangement (HRA) – unless – you have a prescription for that item written by your physician. The only exception is insulin - you will not need a prescription from January 1, 2011 forward. Other currently eligible OTC items that are not medicines or drugs will not require a prescription.

Effective January 1, 2011, the 10% penalty for non-eligible medical expenses paid from an HSA will increase to 20%.

Federal Flexible Spending Account Program (FSAFEDS)

How Does the ACA Affect FSAFEDS?

Coverage of Over-the-Counter Medicines or Drugs

Beginning January 1, 2011, currently eligible over-the-counter (OTC) products that are medicines or drugs will not be eligible for reimbursement from your Health Care FSA – unless – you have a prescription for that item written by your physician. The only exception is insulin - you will not need a prescription. Other currently eligible OTC items that are not medicines or drugs will not require a prescription

You will only be reimbursed for eligible OTC medicines and drugs purchased before January 1, 2011, and you must submit your claim on or before April 30, 2011.

Expanded Coverage for Your Child's Eligible Health Care Expenses

Beginning January 1, 2011, an employee enrolled in FSAFEDS may request reimbursement for eligible health care expenses incurred by a natural child, stepchild, adopted child, eligible foster child, or a child who is placed with the employee for legal adoption. The child does not need to reside with the employee or qualify as the employee's tax dependent. Prior to January 1, 2011, eligible children were limited to those who you could claim as dependent(s) on your Federal Tax return.

The ACA has also extended the age of a child who may incur eligible expenses under an employee's Health Care FSA. Expenses of an employee's child are covered through the taxable year prior to the taxable year in which the child turns age 27. This means the child's health care expenses are not eligible for reimbursement during the entire taxable year in which the child turns age 27. For example, enrollees cannot be reimbursed for expenses incurred by a child who turns 27 anytime in 2011.

The ACA does not affect Dependent Care FSAs.

Need more information? Call FSAFEDS at 1-877-372-3337/ TTY 1-800-952-0450.

Other Federal Benefits Programs

Other Federal benefits programs are not affected by the Affordable Care Act for 2011. The Act has made no changes to the Federal Employees Dental and Vision Insurance Program (FEDVIP), the Federal Employees' Group Life Insurance Program (FEGLI) or the Federal Long Term Care Insurance Program (FLTCIP). Health care reform does not extend coverage for children until age 26 or provide coverage for married dependent children under these programs.