

NOTICE TO PARTICIPANTS IN THE NATIONAL EMPLOYEES HEALTH PLAN

OPEN ENROLLMENT PERIOD FOR ADULT CHILDREN ELIGIBLE FOR COVERAGE UNDER EXPANDED DEPENDENT ELIGIBILITY

The federal Affordable Care Act (“ACA”) requires certain changes to group health plans such as the National Employees’ Health Plan (“NEHP”). Under the ACA all group health plans that offer dependent coverage for children must now offer dependent coverage for such children up to the age of 26 without any conditions for coverage. This requirement is effective for NEHP as of November 1, 2010.

Under NEHP’s current rules for dependent eligibility a child over the age of 19 must meet certain conditions, such as financial dependency or student status, in order to remain eligible for dependent coverage. These rules were based on provisions in the Internal Revenue Code describing circumstances under which health benefits would and would not be considered taxable income.

New federal law eliminates conditions for continued dependent coverage; requires that coverage be provided up to the time a child reaches the age of 26; and provides that such benefits will not be considered taxable income if the child has not attained age 27 at the end of the taxable year.

It is possible, therefore, that adult children of participants in the Plan may have lost eligibility for coverage because they are over the age of 19 and do not meet the conditions currently required. **NEHP is conducting a limited enrollment period from November 5, 2010 to December 15, 2010 to allow participants to enroll such adult dependent children who have become eligible for coverage under the new standards.**

Accordingly, children whose coverage ended, or who were denied coverage (or were not eligible for coverage) because the availability of dependent coverage of children ended before attainment of age 26, are eligible to enroll in the plan or coverage effective November 1, 2010 if they are under the age of 26.

If you are a Plan participant and you would like to enroll your adult children who have become eligible for coverage under these new standards, or if you are an adult child of a participant, please contact Automated Benefit Services to obtain the necessary forms that must be completed to enroll an adult child as a dependent under the Plan. Applications must be received by December 20, 2010.

Any child enrolled in the Plan effective November 1, 2010 as a result of these new rules will be treated as a special enrollee and will not be required to pay more for coverage than, and will be offered all benefit packages available to, similarly situated individuals who did not lose coverage because they lost dependent status.

OPEN ENROLLMENT PERIOD FOR PERSONS WHO HAD LOST COVERAGE AS A RESULT OF A LIFETIME LIMIT

The federal Affordable Care Act (“ACA”) requires certain changes to group health plans such as the National Employees’ Health Plan (“NEHP”). Under the ACA all group health plans must eliminate any lifetime limits on the dollar value of available benefits under the Plan. This requirement is effective for NEHP as of November 1, 2010.

Any person who lost coverage under the Plan as a result of a lifetime limit on the dollar value of benefits will now be able to re-enroll in the Plan if the person remains eligible for coverage. **NEHP is conducting an enrollment period from November 5, 2010 to December 15, 2010 to allow persons who have become eligible for coverage under the new standards to enroll in the Plan.**

If you believe that you or your dependents have become eligible for coverage under these new standards please contact Automated Benefit Services to obtain the necessary forms that must be completed to enroll for coverage under the Plan. Applications must be received by December.

Any person enrolled in the Plan effective November 1, 2010 as a result of these new rules will be treated as a special enrollee and will not be required to pay more for coverage than, and will be offered all benefit packages available to, similarly situated individuals who did not lose coverage because they lost dependent status.