



Dear Federal Member:

Kaiser Foundation Health Plan of North Carolina ("Kaiser") plans to cease its health care operations in North Carolina before the end of this year. It has entered into an agreement for PARTNERS National Health Plans of North Carolina ("PARTNERS") to transfer Kaiser's North Carolina Federal group business to PARTNERS. Effective November 1, 1999, PARTNERS will administer Kaiser's 1999 contract with the Office of Personnel Management (OPM). PARTNERS will continue to provide you with the same health care coverage and benefits that you are currently receiving throughout the remainder of 1999.

We apologize for the delay in contacting you. We felt it was important to wait until we had the appropriate information about how the transition of care would be handled, to ease your concerns and provide more concrete information about your coverage. We are extremely pleased that our Federal members will be served by PARTNERS, a quality-focused organization that shares Kaiser's commitment to its members and employees.

If during open enrollment you do not elect a new carrier, starting January 1, 2000 your benefits and health care coverage will be through PARTNERS under their benefit and rate structure. PARTNERS will send you a copy of their brochure within the next few weeks. We suggest you read it carefully to compare your current benefit level with that of PARTNERS in the year 2000.

Pleased by advised that OPM is granting Federal members the option to enroll in other participating health plans should you encounter difficulty with continuity of care through PARTNERS provider network. We recommend that you ask your physician if he or she has made any plans to continue to provide care to persons enrolled in any other FEHBP plan. **If you are a Federal employee**, you may take a copy of this letter to your personnel office and complete a new SF 2809. **If you are an annuitant**, please call the Retirement Information Office at 1-888-767-6738.

Federal members are welcome to call 1-800-755-1925 with specific questions you may have. Thank you for having been a loyal member of Kaiser Permanente. We hope we have served your needs during our tenure here.

Sincerely,

Herman Weil
Vice President

Kaiser Foundation Health Plan of North Carolina
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