

October 2010

Dear DoD NAF Health Benefits Program Participant:

November 1 – 30 is Open Enrollment period for 2011. This year--and every year from now on--you will be able to make the enrollment choices and changes that best match your needs and family situation.

Enclosed is a **Medicare Part D – Creditable Coverage Statement**. This statement explains that your DoD NAF Health Benefit Program prescription drug coverage is at least comparable to the standard Medicare prescription drug coverage. Therefore, enrollment in Medicare Part D is not required.

During the Open Enrollment Period you may:

- **Change** medical plan, if more than one is offered in your area.
- **Drop** dependents.
- ***Cancel** coverage, with the understanding that you may not re- enroll
- ***Add adult child(ren) up to age 26. See Mandatory Notice below for eligibility rules**

*Please contact the AAFES HQ Benefits Office to make this change at 1-800-519-3381 or benefits@aafes.com.

Note: If your packet contains both an Aetna **PPO and Traditional Choice** Summary of Benefit chart, then you have the option to choose between the two plans. If no election is made, your current plan will continue for 2011.

All elections are made via the eBenefits system and are effective **January 1, 2011**. You can access the eBenefits website at www.aafesbenefits.com. Enter your ID # for eBenefits (it starts with AF).

New: Health Incentive Credits

In 2011, you will be able to earn Health Incentive Credits to use toward your deductible and coinsurance (out-of-pocket) expenses. You will receive more information about this feature in January 2011.

(Please see reverse)

Mandatory Notice — Health Care Reform:

The following notices are required by law. The Patient Protection and Affordable Care Act (Affordable Care Act) was signed into law in March 2010. Some provisions of the law will be phased in over a period of years, while others will take effect immediately.

Dependent eligibility will be extended to age 26

Under Health Care Reform, and beginning on January 1, 2011, young adults will be allowed to stay on their parents' plan until they turn 26 years old. This applies even if the young adult is no longer living with a parent, not claimed as a dependent on the parent's tax return, and/or no longer a student. Both married and unmarried young adults can be covered to age 26, but coverage does not extend to their spouse or children. In addition, coverage will not be extended to age 26 if coverage is available to the young adult from any other employer-sponsored plan. If you have an adult child whose dependent coverage ended because he or she reached age 19 (or age 25 if a full-time student), your child may enroll in the Department of Defense Nonappropriated Fund Health Benefits Program (effective January 1, 2011) during the Open Enrollment period, from November 1 to November 30, 2010.

Not all health care reform provisions will affect your plan

Your DoD NAF employer believes that your Department of Defense Nonappropriated Fund Health Benefits Program is a "grandfathered health plan" under the Affordable Care Act. As permitted by the Affordable Care Act, a grandfathered health plan can preserve certain basic health coverage that was already in effect when that law was enacted. Being a grandfathered health plan means that your plan may not include certain consumer protections of the Affordable Care Act that apply to other plans. However, grandfathered health plans must comply with certain other consumer protections in the Affordable Care Act. The DoD NAF Health Benefits Program already has in place many of the provisions required by Health Care Reform. For example, the plan already provides 100% coverage for preventive health services without cost sharing. In addition, the plan does not have a lifetime benefit limit. Questions regarding which protections apply and which protections do not apply to a grandfathered health plan and what might cause a plan to change from grandfathered health plan status can be directed to your NAF employer. You may also contact the U.S. Department of Health and Human Services at www.healthcare.gov.

If you have questions about this website, or any of your benefit options, please contact the AAFES HQ Benefits office from 0900-1500 hours (CST) Monday through Friday at 1-800-519-3381 or at benefits@aafes.com.

Making your health and welfare a priority!

The Benefits Administration and Development Branch