



UNITED STATES OFFICE OF PERSONNEL MANAGEMENT

Washington, DC 20415

The Director

October 21, 2009

The Honorable Herb Kohl
Chairman, Special Committee on Aging
United States Senate
Washington, DC 20510

Dear Mr. Chairman:

The purpose of this letter is to follow-up on the issues raised before your Committee at the recent hearing on the Federal Long Term Care Insurance Program (FLTCIP).

The hearing raised concerns about the upcoming premium increase for certain enrollees with the automatic compound inflation option (ACIO). We understand and share your concerns and would not have agreed to an increase unless we believed it was a necessary step for the stability of the program. That said, we intend to conduct an overall evaluation of this program to determine if there are ways in which it can be more effectively and efficiently administered in the future.

Enrollees are faced with an important decision to make, and we want to make sure they have sufficient time to consider their alternatives. Therefore, OPM has worked with John Hancock Life & Health Insurance Company, who underwrites and administers the FLTCIP, to extend the original decision period for ACIO enrollees.

Enrollees with the automatic compound inflation feature, regardless of their current age or age when they purchased their FLTCIP coverage, will have until February 15, 2010, to make their decisions on their benefit options during the special decision period. This extends the original deadline of December 14, 2009, by two months and will ensure that every ACIO enrollee facing an increase will have at least three months to make the decision whether to accept the premium increase, change their current benefits to avoid the increase, or move to the new benefit plan.

In addition, John Hancock will not collect the increased premium amounts above the enrollees' current premiums for January or February 2010 for any ACIO enrollee whose premium will be increasing. Benefit changes and premium decreases will be effective January 1, 2010. The higher premiums, if applicable, will begin March 1, 2010. Enrollee benefit increase decisions that require medical underwriting may have different effective dates.

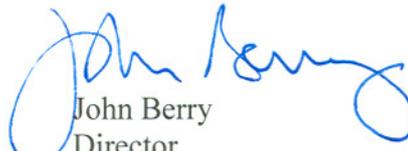
The new educational and promotional materials for the program, introduced October 1 of this year, clearly emphasize premiums are not guaranteed. We will continue to look for ways to improve transparency in our materials.

The Honorable Herb Kohl

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We sincerely appreciate your interest in the Program and are committed to working with you on ways in which it can be improved for current enrollees and those who may join in the future.

Sincerely,



John Berry
Director



UNITED STATES OFFICE OF PERSONNEL MANAGEMENT

Washington, DC 20415

The Director

October 21, 2009

The Honorable Daniel Akaka
Chairman, Senate Subcommittee on Oversight
of Government Management, the Federal Workforce,
and the District of Columbia
605 Hart Senate Office Building
Washington, DC 20510

Dear Chairman Akaka:

The purpose of this letter is to follow-up on the issues raised before your Committee at the recent hearing on the Federal Long Term Care Insurance Program (FLTCIP).

The hearing raised concerns about the upcoming premium increase for certain enrollees with the automatic compound inflation option (ACIO). We understand and share your concerns and would not have agreed to an increase unless we believed it was a necessary step for the stability of the program. That said, we intend to conduct an overall evaluation of this program to determine if there are ways in which it can be more effectively and efficiently administered in the future.

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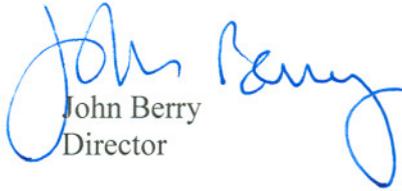
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The new educational and promotional materials for the program, introduced October 1 of this year, clearly emphasize premiums are not guaranteed. We will continue to look for ways to improve transparency in our materials.

We sincerely appreciate your interest in the Program and are committed to working with you on ways in which it can be improved for current enrollees and those who may join in the future.

Sincerely,


John Berry
Director



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Washington, DC 20415

The Director

October 21, 2009

The Honorable George V. Voinovich
Ranking Member, Senate Subcommittee
on Oversight of Government Management,
the Federal Workforce, and the District of Columbia
604 Hart Senate Office Building
Washington, DC 20510

Dear Ranking Member Voinovich:

The purpose of this letter is to follow-up on the issues raised before your Committee at the recent hearing on the Federal Long Term Care Insurance Program (FLTCIP).

The hearing raised concerns about the upcoming premium increase for certain enrollees with the automatic compound inflation option (ACIO). We understand and share your concerns and would not have agreed to an increase unless we believed it was a necessary step for the stability of the program. That said, we intend to conduct an overall evaluation of this program to determine if there are ways in which it can be more effectively and efficiently administered in the future.

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John Berry
Director



UNITED STATES OFFICE OF PERSONNEL MANAGEMENT

Washington, DC 20415

The Director

October 21, 2009

The Honorable Bob Corker
Ranking Member, Special Committee on Aging
United States Senate
G31 Dirksen Senate Office Building
Washington, DC 20510

Dear Ranking Member Corker:

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The hearing raised concerns about the upcoming premium increase for certain enrollees with the automatic compound inflation option (ACIO). We understand and share your concerns and would not have agreed to an increase unless we believed it was a necessary step for the stability of the program. That said, we intend to conduct an overall evaluation of this program to determine if there are ways in which it can be more effectively and efficiently administered in the future.

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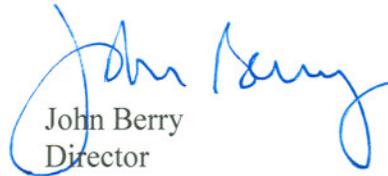
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Sincerely,

A handwritten signature in blue ink, appearing to read "John Berry". The signature is fluid and cursive, with the first name "John" being more prominent than the last name "Berry".

John Berry
Director