



Panama Canal Area Retirees Association

AJAC's Position Regarding Representation of Policy Holders Who Have Disenrolled from the Panama Canal Area Benefit Plan

This position statement is issued to provide accurate information about AJAC's responsibility for representation of and supporting services to Policy Holders who did not maintain their enrollment with the Panama Canal Area Benefit Plan.

Context:

- 1) AJAC was established to facilitate contracting with the United States Federal Government for the Panama Canal Area Benefit Plan (Contract # CS1066). The obligation to provide a health benefit plan to retired workers of the Canal is rooted in the 1977 Torrijos-Carter Treaty for the transfer of the Panama Canal to the Government of Panama.
- 2) Considering the unique characteristics of administering a health benefit plan for Federal Retirees who are not US Citizens and who reside outside the continental United States, AJAC HAS A UNIQUE ROLE as an advocate for members of the plan.
- 3) While BCBS may not share the same goals and role as AJAC, it does have an obligation to comply with the terms of its service delivery contract with OPM.
- 4) At the time AJAC was established, and up to Open Season 2025, the PCABP was the only benefit plan with a large multi-provider network that was consistent with the needs of AJAC's membership.
- 5) BCBS Federal Employee Health Plans operates a plan in Panama. While historically the BCBS had a very limited network (Hospital Nacional and related physicians); starting in the 2025 contract year, BCBS broadened its provider network.

- 6) **It is important to note that NOT all medical benefit plans under OPM offer the same benefits.** Benefit-rich plans, such as the PCABP have a higher premium, and Plans that require more member participation in co-payments have lower premiums.
- 7) During Open Season 2025, approximately 810 members of the PCABP were elected to disenroll from the AJAC sponsored PCABP and switched to BCBS as their carrier for Federal Employee Health Benefit (FEHBA) Plan.

Answers to Frequently Asked Questions:

Q) Are disenrolled members of PCABP (who are now with BCBS) entitled for advocacy representation from AJAC?

A) AJAC can only represent Federal Retirees who are enrolled in the PCABP which is part of CS-1066. AJAC cannot advocate or provide member services to retirees enrolled in any other health benefit plan. Similarly, BCBS is precluded from servicing members of the PCABP.

Q) Is the PCABP the only health benefit plan in Panama for retired Canal workers?

A) No. Members of the Panama Canal Area Benefit Plan had the option to disenroll and enroll in the BCBS Plan.

Q) Is AJAC the only legal entity authorized to contract with the U.S. Office of Personnel Management (OPM) on behalf of retired Canal workers?

A) No.

Q) Is AJAC the only legal entity for Federal Employee Health Benefit Plans in Panama.

A) No. A retired Canal worker may elect health benefit coverage via a plan that is sponsored and managed by BCBS. BCBS has same obligations and relationship with OPM as the PCABP.

In summary:

1) AJAC is unable to represent, advocate for, or otherwise assist any person who elected to disenroll from the PCABP and enroll in another medical benefit plan. The PCABP encourages any former member to air his/her grievances about their current health benefit plan directly with their Plan Administrator, or with OPM.

2) “Article IV – AJAC’s Membership Is Limited to Persons in the Following Categories:

Pensioners and/or retirees of federal agencies of the United States Government who either operate or have operated in the Republic of Panama and who are subscribed to, or keep their subscription in the “PCABP”, or those who are holders of insurance certificates of the Single Premium, sponsored or supervised by AJAC.

3) BCBS Contact Phone Numbers

- Geo Blue Administrator: 1-804-673-1678.
- Retirement Insurance Service (OPM): 1-800-848-9766 / 1-888-767-6738.