



Benefits Administration Letter

Number: 04-407

Date: November 2, 2004

**Subject: 2004 Federal Employees Health Benefits (FEHB) Program Open Season:
Conducting the Open Season**

GENERAL

FEHB Guides

This year the guides will show the accreditation levels available under each accrediting organization listed. It is not intended to draw comparisons among the different accrediting organizations.

FEHB WEB SITE

Visitors to our web site will find it informative and easy to use. You can link to most of our topics directly from the front home page. All FEHB Guides and plan brochures will be available for downloading. We are encouraging you and your employees to use the FEHB web site during the 2004 Open Season. You may download the 2005 FEHB Guides, Plan brochures, SF 2809 (revised October, 2004), as well as all open season Benefits Administration Letters (BAL) from this site. Visit the web site at www.opm.gov/insure for the most up to date information.

COUNSELING EMPLOYEES

Agencies are responsible for counseling employees who ask for help on health benefits matters. Counseling should be limited to answering questions about the FEHB Program including questions on premium conversion and the application of the FEHB law and regulations to particular circumstances. FEHB Guides provide summary information that is designed to help employees narrow their choices of health plans, not to make final decisions. You should refer employees to the actual plan brochures for specific information vital to making an informed decision. You should try to answer employees' benefit questions by referring them to the brochure of the plan in question. If the answers cannot be found in the brochure, instruct the employee to contact the health plan directly. Do not refer employees to the plans if their questions concern subjects other than benefits. Answering questions about FEHB enrollment rules, such as which dependents are eligible for coverage and when coverage begins and ends, is

the responsibility of the agencies, not the health plans. If you do not know the answer, contact your agency's headquarters insurance officer.

PLAN TERMINATIONS

In BAL 04-404, we notified you of the names of plans that are dropping out of the FEHB Program or that are dropping a service area with or without separate enrollment codes at the end of 2004. We strongly recommend that you distribute the list of terminating plans and enrollment codes to all employees so they can check to see whether their plan or enrollment code will continue to be valid in 2005.

An employee whose plan or enrollment code will not participate in the Program next year **must enroll in another plan to continue FEHB coverage in 2005**. You should monitor employees who are covered by these terminating plans/codes and follow up with those who have not submitted a change of enrollment *before* the end of open season.

PLAN MERGERS

BAL 04-404 also informed you of plans that are merging with other plans at the end of 2004. Enrollees of the merging plans will be transferred automatically to the surviving plan unless they make an open season enrollment change. They may find that their new plan has very different benefits than they were accustomed to; please encourage your employees to review their 2005 brochures carefully.

STANDARD FORM 2809 (SF 2809, revised October, 2004)

This **revised** form is available as a screen-fillable Adobe Acrobat PDF file on the FEHB web site. Using the free downloadable Adobe Acrobat reader, employees may complete the form on the screen and then print it out already completed. Note however; that if you are using the free Acrobat reader software you cannot save the form with the information that is typed in it on the screen. You need the commercial Adobe Acrobat program in order to save the form with the data.

ANNUITANT INQUIRIES

Some annuitants who retire from your agency may contact you asking for a SF 2809.

CSRS and FERS – The Office of Personnel Management (OPM) does not use the SF 2809 to register open season changes for Civil Service Retirement System (CSRS) or Federal Employees Retirement System (FERS) annuitants. These annuitants should be directed to call our toll-free service, Open Season Express. Instructions for using Open Season Express are included in the open season package sent to each enrolled CSRS and FERS annuitant before open season. If an annuitant loses or does not receive the package, they can get one by calling our Retirement Information Office in the Washington, DC metropolitan area at 202-606-0500 or outside the Washington, DC metropolitan area at 1-88-US-OPM-RET (1-888-767-6738).

Those who have access to a TDD machine may call our toll-free Retirement Information Office TDD number at 1-800-878-5707.

Annuitants should always provide their CSA/CSF retirement claim number and/or their Social Security Number when communicating with OPM for any reason.

Other retirement systems – These annuitants should contact their retirement system for the proper registration form.

OWCP – Former employees receiving benefits from the Office of Workers’ Compensation should contact the OWCP office that maintains their FEHB records.

CARRIER ACCESS

Health Fairs – We strongly encourage agencies to hold open season health fairs or to permit representatives of FEHB carriers to address groups of employees on their plans’ benefits, methods of obtaining services, and similar matters. When holding health fairs, remember:

- Carrier representatives are expected to confine their presentations to benefit provisions and claims procedures of the FEHB plan they represent. Questions that do not pertain to benefits or claims should be referred to agency insurance officials.
- You should also include information about the Flexible Spending Accounts Program for Federal Employees (FSAFEDS). The FSAFEDS open season is at the same time as the FEHB open season, November 8 through December 13, 2004. Guidance on FSAFEDS came out in a separate BAL in the FSAFEDS series (see BAL 04-803). Meanwhile, any employees wanting information on FSAFEDS can visit the website at www.fsafeds.com or contact a benefits counselor at 1-877-FSAFEDS (372-3337). All FSAFEDS enrollment is completed via the website or a benefits counselor.

OTHER COMPANIES

You may be contacted by insurance companies that do not participate in the FEHB Program but wish to sell other types of “supplemental” policies to Federal employees. These companies sometimes send marketing material to you and ask that you distribute it. They may ask to be invited to the agency’s health fairs or even show up uninvited. We strongly discourage you from assisting in the marketing efforts of these companies including companies FEHB carriers may have contracted with for particular benefits. You should limit access to your premises to health plans that actually participate in the FEHB Program, i.e., those plans listed in the FEHB Guide and representatives of the FSAFEDS Program. You may also wish to have representatives from Long Term Care Partners participate in your health fairs to provide information on the Federal Long Term Care Insurance Program (FLTCIP). Please contact Elizabeth Callahan at (603) 433-4560 to request their participation.

OPEN SEASON CHANGES

Permissible Actions – The following changes in registration may be made during open season:

- An eligible employee who is not enrolled may elect to enroll in FEHB.
- An eligible employee who elects to enroll in FEHB may also elect to participate or waive participation in premium conversion.

- An enrollee may change from one plan or option to another, from self only to self and family, or make any combination of these changes.
- An enrollee who currently participates in premium conversion may waive participation or if they had previously waived premium conversion, may elect to begin participation.

New enrollments and enrollment changes for permissible reasons other than the open season can be made as usual between the dates of November 8 through December 13, 2004. These changes, however, may have different effective dates than open season changes and should not be mistakenly identified as such.

Whether an employee is enrolling or changing enrollment based on open season or some other qualifying event, it is important that the correct event number be noted on the SF 2809 so that the correct effective date will be assigned.

TIMELY REGISTRATION

You must receive an open season change on the SF 2809 no later than close of business on December 13, 2004, to be considered timely filed.

The Employee Express contractor (OPM Macon, GA) must receive changes via Employee Express no later than midnight on December 13, 2004.

BELATED REGISTRATION

You have the authority to accept late registrations if you determine that an employee was unable to submit a SF 2809 on time due to circumstances beyond the employee's control. While we normally encourage you to make limited use of this authority, we recommend that you take a liberal view in cases where an employee's plan is terminating its FEHB participation.

If you decide to accept an employee's late registration, write "Belated open season enrollment/change" in the "Remarks" section of the SF 2809. You must attach to copy 1 of the SF 2809 the employee's statement explaining why they could not register on time or add your own note if the reason was an agency problem.

If you decide that the delay in filing is not due to a cause beyond the employee's control, do not accept the employee's late request. You must notify the employee in writing that you are not approving the late enrollment. You should give the reason for your denial and include a statement of the employee's right to request reconsideration within 30 days after the date of your notice.

EFFECTIVE DATES

From not enrolled to enrolled – Effective the first day of the first pay period which begins on or after January 1, 2005, and which follows a pay period in any part of which the employee was in pay status. The enrollment of a new employee who happens to register for the first time during open season is effective the same as for all new employees; i.e., the first day of the first pay period after the employing office receives the SF 2809.

Enrollment change – Effective the first day of the first pay period which begins on or after January 1, 2005, regardless of whether or not the employee was in pay status during the preceding pay period.

Premium Conversion Change in Election – Effective the first day of the first pay period which begins on or after January 1, 2005.

Belated open season action – Effective retroactive to the first day of the first pay period which begins on or after January 1, 2005. This effective date is the same as that of an open season change filed on time. If the belated change is from not enrolled to enrolled, the requirement of having been in pay status during the preceding pay period must also be met.

Belated premium conversion elections are allowed; however, the effective date of these elections is not retroactive.

Cancellation – Effective the last day of the pay period in which the employing office receives the SF 2809. The effective date is therefore different from the effective date of actions related to open season.

Outside of open season, enrollees who participate in premium conversion may only cancel their FEHB coverage due to a qualifying life event. Enrollees who waived participation in premium conversion may cancel their health insurance at any time without waiting for a qualifying life event or an open season.

Cancellation – Agencies should be sure to counsel employees about the consequences of canceling their enrollment. Remember that an employee must have been covered under the FEHB Program continuously for the five years of service immediately before retirement or if less than five years for all periods of service during which he/she was eligible for FEHB coverage in order to continue FEHB coverage after retirement.

If an employee is canceling his/her enrollment in order to be picked up as a family member by a spouse's open season enrollment be sure to coordinate the effective date of the cancellation with the effective date of the spouse's enrollment to prevent a break in coverage.

AGENCY ACTIONS

Prompt Processing – It is important that you process open season enrollments and enrollment changes promptly. Payroll offices should process enrollee and carrier copies of SF 2809 **daily**.

- **You must notify gaining carriers** of new enrollments so they can complete the paperwork necessary to provide coverage for the employee and covered family members and issue identification cards to the new enrollees.
- **You must notify losing carriers** as soon as possible of enrollment terminations so they do not guarantee or provide benefits to ineligible employees or family members.

Verification of Employee Coverage – Employees become concerned when they do not receive their identification cards from a new plan within a short time after the end of open season. If an employee asks you about this, you should contact the payroll office to determine when the

carrier was notified of the change. If more than three weeks have passed since the payroll office sent the SF 2809 to the carrier, contact the carrier to determine the reason for the delay and relay the employee's request for identification cards.

An employee may need verification of coverage under his/her plan before the carrier processes the enrollment or enrollment change. You should verify that the employee is covered under the plan and inform the requesting party (e.g., carrier, doctor, hospital) of the effective date of the coverage. You should also remind employees that their copy of the SF 2809 is acceptable as proof of enrollment until they receive their identification cards from the plan.

Employees who make open season changes electronically via Employee Express and who do not receive new identification cards by the effective date of the change may obtain a letter confirming their coverage by calling the Employee Express Help Desk at 912-757-3030, or by requesting your help.

Reconciliation Requests

You will receive requests from carriers to reconcile their enrollment records after open season is completed. **These requests must receive the highest priority.** The reconciliation process is critical to ensure that carriers receive the proper premium payments and that enrollees are properly reflected on plans' records.

Sincerely,

Frank D. Titus
Assistant Director
For Insurance Services