



***Retirement and Insurance Service
Benefits Administration Letter***

Number: 01-317

Date: April 20, 2001

Subject: CLER, the Centralized FEHB Enrollment Clearinghouse

This Letter will bring you up to date on our progress to enhance enrollment reconciliation in the Federal Employees Health Benefits (FEHB) Program. In Payroll Office Letter P-00-25, we informed you that we had entered into an agreement with the National Finance Center (NFC) to develop and maintain the Centralized FEHB Enrollment Clearinghouse or "CLER". The development of CLER began in February 2001, with the assistance of a task force comprised of carrier and agency payroll office (APO) officials. We expect completion of CLER development by January 2002.

HOW WILL CLER WORK?

Under the CLER concept, all FEHB carriers and APOs will transmit to CLER a quarterly file containing data about each enrollee on their systems. The transmission to NFC will be through the existing connection with the Thrift Savings Plan. NFC will compare the data transmissions and report enrollment discrepancies to the APOs. The APOs will work with their human resources colleagues to resolve the discrepancies and report corrective actions back to NFC for transmittal to the carriers.

The following table may provide APOs with a general understanding of the reconciliation timeframes under which we foresee CLER operating (it is based on a hypothetical quarter):

| | | | | |
|--|--|--|--|---|
| <i>Civil Service Retirement System</i> | <i>Federal Employees' Group Life Insurance Program</i> | <i>Federal Employees Health Benefits Program</i> | <i>Federal Employees Retirement System</i> | <i>Long Term Care Insurance Program</i> |
|--|--|--|--|---|

| <i>Date</i> | <i>Actions</i> |
|-------------|---|
| 3/1- 19 | Carriers transmit enrollment file to CLER |
| 3/1 - 19 | APOs transmit enrollment file to CLER |
| 3/20 | Email notice to tardy APOs and Carriers |
| 3/24 | Last day to receive input |
| 3/26 | NFC transmits email to APOs that discrepancy reports are available |
| 3/26-4/30 | APOs access discrepancy reports via Internet and research discrepancies |
| 5/1 | APOs send corrective actions to CLER |
| 5/2-5/31 | Carriers correct enrollment records |

CLER is being developed to address long-standing difficulties in reconciling enrollment in the FEHB Program. The purpose of CLER is to enhance the reconciliation of FEHB enrollment - it will not be used to enroll participants in the Program. Additionally, CLER will not be a repository of enrollment information nor will it maintain perpetual FEHB enrollment inventory.

WHAT IS THE DEVELOPMENT TIMETABLE?

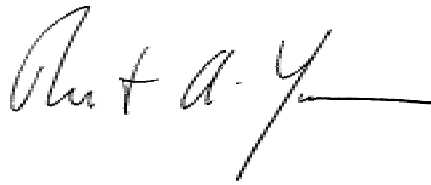
Within the next two to three weeks we will provide APOs with a detailed record layout for transmitting enrollment data to NFC. We believe agencies will find that the record layout generally requires data that are currently stored on payroll systems, or now reported to OPM. NFC plans to implement CLER for the organizations for which it provides payroll services no later than November 16, 2001. The implementation date for all other APOs is *March 1, 2002*.

Although we understand that this may represent a significant challenge to some, we feel it is important that all agencies be on-board by March 1, 2002. If not, the FEHB Program will incur additional administrative expenses, since the carriers will be forced to operate two enrollment reconciliation processes. Unless we are informed otherwise, we will assume that all APOs will implement CLER by March 1, 2002. Should your agency be unable to meet this important deadline, we ask that an agency manager, with overall responsibility for payroll, provide by letter a firm commitment to an alternate implementation date within calendar year 2002. The letter should be directed to:

Ms. Kathleen M. McGettigan
Chief Financial Officer
U.S. Office of Personnel Management
1900 E Street, N.W. Room 3H24
Washington, DC 20415

We are planning two events that will help familiarize attendees with CLER. The first will be a meeting of all APOs in May in the OPM auditorium. The second will be a discussion of CLER at the upcoming Federal Benefits Conference to be held from June 5th through 8th in Norfolk. We will also send a Benefits Administration Letter to agency personnel offices advising them that we will expect their full cooperation in resolving FEHB enrollment discrepancies.

If you have any questions about this letter, we would prefer that you email us at finance@opm.gov, so that we may have a record of them. You may also phone us on (202) 606-0606.

A handwritten signature in black ink, appearing to read "Robert A. Yuran", with a horizontal line extending to the right from the end of the signature.

Robert A. Yuran, Chief
Financial Policy Staff