



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

Number: 01-221

Date: November 28, 2001

Subject: Federal Employees Health Benefits Program (FEHB): Suspension of FEHB Coverage to Use TRICARE

This letter is to notify you that the Office of Personnel Management (OPM) published an interim regulation in the Federal Register on September 26, 2001, (66 FR 49086) that will allow FEHB annuitants, survivors, and former spouses (who have coverage under the spouse equity provisions of FEHB law) to suspend their FEHB coverage to use the TRICARE program. The regulation also allows these individuals to reenroll in the FEHB Program immediately if they involuntarily lose their TRICARE coverage, or during the annual FEHB open season. The regulation and a set of questions and answers can be viewed on our web site at <http://www.opm.gov/insure/health>.

OPM's Office of Retirement Programs (ORP) will process most annuitant, survivor, and former spouse requests for suspension of coverage and reenrollment. Other retirement systems (including the Office of Workers' Compensation (OWCP)) will process suspensions and reenrollments for their FEHB annuitants (including compensationers), survivors, and former spouses. Agency personnel offices will process suspensions and reenrollments for former spouses that the agency is responsible for.

You must develop procedures for suspending and processing reenrollments consistent with our new regulations. For example, since annuitants who are Medicare eligible must have Medicare Parts A and B to qualify for TRICARE coverage, ORP is asking them for copies of their military identification cards and their Medicare cards if they are age 65 or over. Annuitants must also complete a suspension form listing the date they want their FEHB coverage suspended. Once ORP receives the form and required documentation, they notify FEHB health plans of the suspension.

Other retirement systems, OWCP, or agency personnel offices that process annuitant, survivor, or former spouse suspensions and reenrollments should require similar documentation and notify health plans using SF 2809-1 or SF 2809 (as applicable) or an automated reporting system (e.g.

*Civil Service
Retirement
System*

*Federal Employees'
Group Life
Insurance Program*

*Federal Employees
Health Benefits
Program*

*Federal Employees
Retirement
System*

*Federal
Long Term
Care Insurance
Program*

Employee Express). We plan to revise the SF 2809 in the future to reflect the new regulation. In the meantime, indicate in the "Remarks" section of the form the nature of the TRICARE transaction. Suspended enrollees who involuntarily lose TRICARE coverage can reenroll immediately during the period beginning 31 days before to 60 days after the date they lose TRICARE coverage. Otherwise they must wait until the next FEHB open season to reenroll.

Our new suspension regulations apply only to annuitants, survivors, and former spouses, all of whom may suspend their enrollment at anytime for the purpose of using their TRICARE coverage. Employees who do not participate in premium conversion may cancel their enrollment at any time. For employees who participate in premium conversion, eligibility for TRICARE is not a qualifying life event that would allow them to cancel their FEHB enrollment. These employees may cancel during the annual FEHB open season.

As you know, to be eligible to continue FEHB coverage after retirement, a retiring employee must be enrolled or covered under the FEHB Program for the five years of service immediately before retirement, or, if less than five years, for all service since the first opportunity to enroll. We would like to remind you that an employee's period of coverage under TRICARE counts toward meeting this requirement. However, the employee must be enrolled in an FEHB health plan on the date of retirement to continue coverage. Once the employee retires, he/she can request to suspend the FEHB enrollment as a retiree.

If you have any questions regarding this letter, please contact Mike Kaszynski at 202-606-0004 or through email at mwkaszyn@opm.gov.

Sincerely,

A handwritten signature in black ink that reads "Abby L. Block". The signature is fluid and cursive, with a long horizontal line extending from the end of the name.

Abby L. Block
Assistant Director
for Insurance Programs