

**§ 890.1305**

plans and coverage in the same manner as any other FEHB Program enrollee, except as provided for in this subpart.

**§ 890.1305 Termination and cancellation.**

(a) If an enrolled eligible beneficiary moves out of a demonstration area, the enrollment of the eligible beneficiary and all family members will be terminated. If an enrolled eligible beneficiary moves to an area located within a demonstration area, he or she will continue to be eligible to participate in the demonstration project. If the eligible beneficiary was enrolled prior to the move in an HMO that does not serve the new demonstration area, the eligible beneficiary will have an opportunity to select a new health plan offered by a carrier participating in the demonstration project in the new area. If the eligible beneficiary was enrolled in a fee-for-service plan prior to the move and moves to another area that is within an existing demonstration area, the eligible beneficiary can maintain his or her current coverage.

(b) If an enrolled eligible beneficiary disenrolls, cancels, or terminates enrollment for any reason, he or she will not be eligible to reenroll in the demonstration project. Once coverage ends, eligible beneficiaries and all family members have the right to resume all of the benefits to which they are entitled to under title 10 of the United States Code. Medicare-covered eligible beneficiaries and their eligible family members who had Medigap policies prior to their enrollment in the demonstration project are entitled to reinstatement that coverage under the conditions stated in section 1108(l) of title 10, United States Code.

(c) Eligible beneficiaries and their family members are eligible for Temporary Continuation of Coverage (TCC) under the conditions and for the durations described in subpart K or until the end of the demonstration project, whichever occurs first. The effective date of TCC for eligible beneficiaries or their eligible family members will be the day after other coverage under this subpart ends. Eligible beneficiaries or their eligible family members selecting TCC must enroll in a health plan offered by a carrier participating in the

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demonstration project. If an eligible beneficiary or eligible family member enrolled in DoD TCC moves from a demonstration project area, coverage ends. DoD TCC enrollees will be responsible for paying the entire DoD premium rate (OPM's approved net-to-carrier DoD rate plus 4 percent for contingency and administration reserves) plus 2 percent of this premium rate for administration of the program. DoD will make arrangements to collect premiums plus the 2 percent administrative charge from eligible beneficiaries and forward them to OPM's Employees Health Benefits Fund. OPM will establish procedures for receiving the 2 percent administrative payment into the Employees Health Benefits Fund and making this amount available to DoD for administration of the program.

(d) Enrolled eligible beneficiaries are not eligible for the temporary extension of coverage and conversion opportunities described in subpart D of this part.

**§ 890.1306 Government premium contributions.**

The Secretary of Defense is responsible for the government contribution for enrolled eligible beneficiaries and family members. The government contribution toward demonstration project premium rates will be determined in accordance with subpart E of this part.

**§ 890.1307 Data collection.**

Each carrier will compile, maintain, and when requested by OPM or DoD, report data on its plan's experience necessary to produce reports containing the following information and analysis:

(a) The number of eligible beneficiaries who elect to participate in the demonstration project.

(b) The number of eligible beneficiaries who elected to participate in the demonstration project and did not have Medicare Part B coverage before electing to participate.

(c) The costs of health benefits charges and the costs (direct and indirect) of administering the benefits and services provided to eligible beneficiaries who elect to participate in the demonstration project as compared to

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similarly situated enrollees in the FEHB Program.

(d) Prescription drug costs for demonstration project beneficiaries.

### § 890.1308 Carrier participation.

(a) All carriers who participate in the FEHB Program and provide benefits to enrollees in the geographic areas selected as demonstration project areas must participate in the demonstration project, except as provided for in paragraphs (b), (c), and (d) of this section.

(b) Carriers who have less than 300 FEHB enrollees may, but are not required to, participate in the demonstration project.

(c) Carriers may, but are not required to, participate in the demonstration project if their service area overlaps a small portion (as determined by OPM) of a demonstration project geographic area.

(d) Carriers offering fee-for-service plans with enrollment limited to specific groups will not participate in the demonstration project.

## PART 891—RETIRED FEDERAL EMPLOYEES HEALTH BENEFITS

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891.502 Standards for carrier of uniform plan.

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## Subpart A—Administration and General Provisions

### § 891.101 Relationship to part 890 of this chapter.

This part does not apply to the Federal Employees Health Benefits Program which is governed by part 890 of this chapter. Part 890 of this chapter does not apply to the Retired Federal Employees Health Benefits Program which is governed by this part.

### § 891.102 Definitions.

In this part:

(a) *Annuity* means the periodic payment due a former employee or his/her survivors by reason of past service, but does not include compensation paid under subchapter I of chapter 81 of title 5, United States Code.

(b) *Annuity period* means the period for which an installment of annuity is paid.

(c) *Bureau of Employees' Compensation* means the Bureau of Employees' Compensation, Department of Labor.

(d) *Carrier* means a voluntary association, corporation, partnership, or other nongovernmental organization which lawfully offers a health benefits plan.

(e) *Compensation* means monthly compensation paid under subchapter I of chapter 81 of title 5, United States Code, and includes compensation payable every 4 weeks.

(f) *Elect* means to file with the retirement office under which retired or with the Bureau of Employees' Compensation, as the case may be, a properly completed form, prescribed by OPM for the purpose, giving notice of intention (1) to subscribe to the uniform plan, (2) to receive a Government contribution toward the cost of a private health benefits plan, or (3) not to participate in the program.

(g) *Employee* means an appointive or elective officer or employee in or under the executive, judicial, or legislative branch of the United States Government, including a Government-owned