



United States
Office of Personnel Management
Retirement and Insurance Service

Benefits Administration Letter

Number: 98-412

Date: October 2, 1998

Subject: Federal Employees Health Benefits (FEHB) Program: Conducting the 1998 Open Season

GENERAL

FEHB Guides

We have expanded the guidance found at the front of each Guide to Federal Employees Health Benefits Plans considerably for 1998. The "FEHB and You" section now includes information on what to consider in selecting a health plan, how the various plans work, and how to get the most from a plan. There is also important information on the Patient Bill of Rights and the enhanced OPM web site.

As a result of the findings of focus groups we conducted on the usefulness of the FEHB Guides, we are replacing the actual percentage results of the Customer Satisfaction Survey with symbols. The symbols indicate whether the responses for each plan were significantly above, within, or significantly below the average. The top-rated plan star is being replaced with a check to avoid confusion with the highest accreditation status symbols, and Joint Commission on Accreditation of Healthcare Organizations (JCAHO) accreditation ratings have been added to the National Committee for Quality Assurance (NCQA) accreditation ratings shown in prior years.

This year we again have a column to indicate whether a plan has its own web site from which employees may obtain additional information from the plan. Plan web sites will be accessible directly from our website (<http://www.opm.gov/insure>). Our web site will be enhanced for greater ease of use and will contain additional information over last year.

We will also have additional links to other web sites containing valuable health insurance information, a new tool called a Plan Profiler that will provide summary information about plans, and a special link for employees living in particular geographical areas that will provide an interactive tool for narrowing down health plan choices. All FEHB Guides and plan brochures will be available for downloading.

*Civil Service
Retirement
System*

*Federal Employees
Group Life
Insurance*

*Federal Employees
Health Benefits
Program*

*Federal Employees
Retirement
System*

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 and the application of the FEHB law and regulations to particular circumstances.

The FEHB Guides provide summary information that is designed to help employees narrow down 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. However, 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 98-411, we notified you of the names of plans that are dropping out of the FEHB Program, or that are dropping a service area with a separate enrollment code, at the end of 1998. Since an unusual number of plans are either dropping out or curtailing their operations, 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 1999.

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 1999**. 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 98-411 also informed you of a number of plans that are merging with other plans at the end of 1998. Enrollees of the plan that disappeared will be transferred automatically to the surviving plan, but they may find that their new plan has very different benefits than they were accustomed to. Employees in plans that merge should read their 1999 brochures carefully.

Annuitant Inquiries

Some annuitants may contact their former employing offices asking for an SF 2809 (Health Benefits Registration Form).

! 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 or Federal

Employee Retirement System 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, he/she can get one by calling our Retirement Information Office at 1-88-US-OPM-RET (1-888-767-6738).

The hearing-impaired who have access to a TDD machine may call our toll-free Retirement Information Office TDD number: 1-800-878-5707.

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

! 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.

Since the number of carrier representatives knowledgeable about the benefit provisions and claims procedures of the plans they represent is often limited, we encourage agencies to stagger health fairs, beginning prior to the actual start of open season.

When holding health fairs, remember:

! The purpose of the fair is to inform, not promote. You should discourage carriers from distributing trinkets, holding raffles, or engaging in similar activities that divert attention from the primary goal.

! 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.

Other Companies

Agencies are frequently contacted by insurance companies that do not participate in the FEHB Program but that wish to sell dental insurance or other types of "supplemental"

policies to Federal employees. These companies sometimes send marketing material to agencies and ask the agencies to distribute it; they may ask to be invited to the agency's health fairs; they may even show up at health fairs uninvited.

We strongly discourage agencies from assisting in the marketing efforts of these companies, including companies FEHB carriers may have contracted with for particular benefits. To ensure the integrity of the FEHB Program, agencies should limit access to their premises to those health plans that actually participate in the FEHB Program; i.e., those plans listed in the FEHB Guide.

OPEN SEASON CHANGES

Permissible Actions

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

- ! An eligible employee who is not enrolled may register to enroll.
- ! 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.

New enrollments and enrollment changes for permissible reasons other than the open season can be made, as usual, between November 9 and December 14, 1998. However, these changes will likely have different effective dates than, and should not be mistakenly identified as, open season changes.

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

The employing office must receive an open season change on SF 2809 no later than close of business on December 14, 1998, to be considered timely filed.

Changes via Employee Express must be received by the Employee Express contractor (OPM Macon, GA) no later than midnight, December 14.

Belated Registration

An employing office has the authority to accept a late registration if it determines that the employee was unable to submit an SF 2809 on time because of circumstances beyond the employee's control. While we normally encourage agencies 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. Attach to copy 1 of the SF

2809 the employee's statement explaining why he/she 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. Notify the employee in writing that you are not approving the late enrollment. 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, 1999, and which follows a pay period in any part of which the employee was in pay status. However, 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, 1999, regardless of whether or not the employee was in pay status during the preceding pay period.

Belated open season action - Effective retroactive to the first day of the first pay period which begins on or after January 1, 1999. This effective date is the same as that of an open season change filed on time. However, 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.

Cancellation - Effective the last day of the pay period in which the employing office receives the SF 2809. Enrollees may cancel their health insurance at any time without waiting for an "event" or an open season. The effective date is therefore different from the effective date of actions related to 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 and for participation in a retirement system) in order to continue health benefits 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 imperative that agencies process open season enrollments and enrollment changes promptly. Payroll offices should process enrollee and carrier copies of SF 2809 **daily**. Timely processing is critical.

! **Gaining carriers** must be notified of new enrollments so the carrier can complete the paperwork necessary to provide coverage for the employee and covered family members and issue identification cards to the new enrollees.

! **Losing carriers** must be notified as soon as possible of enrollment terminations so they won't guarantee or provide benefits to ineligible employees or family members.

Verification of Employee Coverage

Employees often 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 first 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 to 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

After open season is completed, agencies will receive requests from carriers to reconcile their enrollment records. **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.

A handwritten signature in black ink, appearing to read "Abby L. Block". The signature is fluid and cursive, with a horizontal line extending from the end.

Abby L. Block, Chief
Insurance Policy
and Information Division