



Benefits Administration Letter

Number: 05-407

Date: 11-15-05

**Subject: 2005 Federal Employees Health Benefits (FEHB) Program Open Season:
Conducting the Open Season**

GENERAL

FEHB Guides

This year the Member Survey results included in the guides will show the actual percentage of members satisfied with their health plan and services received from health plan providers as measured by the Consumers Assessment of Health Plan Survey (CAHPS)¹. Previously, OPM used graphical symbols to indicate whether a plan's ratings on the various CAHPS measures were: Average, Above Average, or Below Average compared to a national average. Plan ratings are now reported on a 0 to 100 scale. See the "Picking a Health Plan" Section of the Guide for additional information.

FEHB Website

Visitors to our website will find it informative and easy to use. You can link to most of our topics directly from our home page at: <http://www.opm.gov/insure/health/index.asp>. We expect to have all FEHB Guides and plan brochures available for downloading prior to start of Open Season. We encourage you and your employees to use the FEHB website during the 2005 Open Season. You may find all Open Season related Benefits Administration Letters (400 Series BAL) at: <http://www.opm.gov/asd/htm/bal05.asp>.

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

¹ CAHPS is a registered trademark of the Agency for Healthcare Research and Quality (AHRQ).

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. If employees have benefit questions, refer 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. Agencies, not the health plans, are responsible for answering questions about FEHB enrollment rules, such as which dependents are eligible for coverage and when coverage begins and ends. If you do not know the answer, contact your agency's headquarters insurance officer.

PLAN TERMINATIONS

In BAL 05-405, which can be viewed at: <http://www.opm.gov/asd/htm/2005/05-405.asp>, we informed you 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 2005. We strongly recommend that you distribute the list of terminating plans to all employees so they can check to see whether their plan will continue to be valid in 2006.

An employee whose plan will not participate in the Program next year **must enroll in another plan to continue FEHB coverage in 2006**. You should monitor employees who are covered by these terminating plans and follow up with those who have not submitted a change of enrollment *before* the end of Open Season.

PLAN MERGERS

Presently, there are no participating plans that are planning to merge operations for 2006. We will update you if the situation changes.

STANDARD FORM (SF) 2809

This form is available as a screen-fillable Adobe Acrobat PDF file on the FEHB website at: http://www.opm.gov/forms/pdf_fill/sf2809.pdf. Using the free downloadable Adobe Acrobat reader, employees may complete the form on the screen and then print it out already completed. Please 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 an SF 2809.

CSRS and FERS – The Office of Personnel Management (OPM) does not use the SF 2809 for annuitant 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 and 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 Federal Flexible Spending Account Program (FSAFEDS). The FSAFEDS Open Season is at the same time as the FEHB Open Season, November 14 through December 12, 2005. Any employees wanting information on FSAFEDS should visit the website at www.fsafeds.com or contact a benefits counselor at 1-877-FSAFEDS (372-3337), TTY 1-800-952-0450. All FSAFEDS enrollments must be completed via the website or by phone with a benefits counselor. Employees currently participating in FSAFEDS must re-enroll during Open Season if they wish to participate in the 2006 benefit period. Enrollees now have 14-1/2 months to spend their annual allotment, decreasing the chance

that they might forfeit funds. The maximum annual allotment for a health care FSA increases to \$5,000 for 2006.

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 and the Federal Long Term Care Insurance Program (FLTCIP). Please contact Bart Turney at SHPS, the administrator of FSAFEDS, at fsafeds-hr@shps.com to request FSAFEDS marketing materials and/or participation at your health fairs. Please contact Elizabeth Callahan at Long Term Care Partners, the administrator of the FLTCIP, at (603) 433-4560 to request materials and/or participation at health fairs.

OPEN SEASON ACTIONS

Permissible Actions – The following enrollment action changes 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 waive participation in premium conversion. **Participation in premium conversion is automatic.**
- 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.
- An enrollee may cancel their enrollment or change from self and family to self only

New enrollments and enrollment changes for permissible reasons other than the Open Season can be made as usual between the dates of November 14 through December 12, 2005. However, these changes may have different effective dates than Open Season actions and should not be mistakenly identified as such.

Whether an employee is enrolling or changing enrollment based on Open Season or some other Qualifying Life Event (QLE), it is important that the correct event Code be noted on the SF 2809 so that the correct effective date will be assigned.

Timely Actions

You must receive an SF 2809 no later than close of business on December 12, 2005, for it to be considered timely filed as an Open Season enrollment or change.

If you have employees enrolling or changing through Employee Express they must do so no later than 12:00 a.m. on December 13, 2005.

Belated Actions

You have the authority to accept late elections if you determine that an employee was unable to submit an 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 election, write "Belated Open Season enrollment/change" in the "Remarks" section of the SF 2809. You must attach to copy 1 (Official Personnel Folder) 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, 2006, 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 elect coverage between November 14 through December 12, 2005 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, 2006, regardless of whether 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, 2006.

Belated Open Season enrollment action – Effective retroactive to the first day of the first pay period which begins on or after January 1, 2006. 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 Open Season enrollment actions are automatically subject to premium conversion.

Since IRS rules allow for no retroactive adjustments to taxable income, the effective date of

premium conversion can not be retroactive. This means that any additional withholding for retroactive premiums that are due must be made with after-tax dollars. For an example of the impact of a belated change on taxable income, please see: www.opm.gov/insure/health/pretaxfehb/qanda/03.asp.

Cancellation – An Open Season cancellation is effective at midnight of the day before the first day of the first pay period that begins in the next year.

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.

Enrollment Reconciliations

The large number of enrollment actions taken during Open Season increases the chance of errors being made by agencies or by carriers in updating records. Any errors will be identified as discrepancies through the Centralized Enrollment Reconciliation System (CLER) during the March 2006 reconciliation cycle. It is very important that agencies work with the carriers to correct these discrepancies. The reconciliation process is critical to ensure that carriers receive the proper premium payments and that enrollees are properly reflected on plans' records .

Sincerely,

Robert F. Danbeck
Associate Director
for Human Resources Products and Services