



Benefits Administration Letter

Number: 03-901

Date: November 10, 2003

Subject: Federal Long Term Care Insurance Program: Payroll/Annuity Deduction Information

This letter provides information from Long Term Care Partners, the Federal Long Term Care Insurance Program (FLTCIP) administrator, regarding the payroll and annuity deduction of premiums for the FLTCIP.

Long Term Care Partners technical contact information

There have been several staffing changes since agency payroll offices and retirement systems initially set up payroll/annuity interface with Long Term Care Partners. If you have any technical questions about the payroll/annuity deduction process, please contact one of the persons listed below.

Long Term Care Partners Contact Name	Phone Number	Email Address	Title
Maggie Nelson	603-433-3832	mnelson@ltpartners.com	Business Analyst
Bill Kumpel	603-433-4548	bkumpel@ltpartners.com	Business Analyst
Keith Leader	603-433-4550	kleader@ltpartners.com	Manager, Billing and Analysis

You should also contact one of these persons when:

- Your payroll location migrates under the e-Payroll initiative. Please provide Long Term Care Partners with 10 weeks notice before your migration date.
- You have data transmission issues or changes.
- You have mass transfers of employees, such as to the Department of Homeland Security. Please contact Long Term Care Partners 10 weeks before any mass transfers so they can work with you and the gaining payroll office to ensure a smooth transition.

Reversing deductions on the payment file

Over the last several months Long Term Care Partners erroneously received negative amounts on the payment file from several locations for FLTCIP enrollees set up for payroll deduction. The negative transactions are generated when an agency reverses a FLTCIP deduction and credits the enrollee.

In no instance should you report a negative amount on your payment file. All premium refunds and adjustments are handled by Long Term Care Partners and are sent directly to the enrollee. If you have any questions, please contact Keith Leader at Long Term Care Partners at (603) 433-4550.

When employees have questions about their deductions or premiums

Long Term Care Partners has dedicated staff available during convenient hours to answer questions employees may have about their deductions or premiums. If your employees come to you with such questions, please direct them to Long Term Care Partners at 1-800-LTC-FEDS (1-800-582-3337) (TTY 1-800-843-3557). They are available Monday through Friday, 8 a.m. to 7 p.m., Eastern Time.

When employees transfer or retire

It is important that employees on payroll deduction contact Long Term Care Partners when they are about to retire or transfer agencies so that Long Term Care Partners can begin requesting deductions from the new payroll/annuity location. (When there is a mass transfer that the servicing payroll location has communicated to Long Term Care Partners, individual employees do not need to report the transfer.) Deductions do not automatically transfer to the gaining agency/retirement system as they do with Federal Employees' Health Benefits (FEHB) and Federal Employees' Group Life Insurance (FEGLI) premiums.

Employees should contact Long Term Care Partners as soon as they know the specifics of when and where they will be transferring. Depending on when the employee contacts Long Term Care Partners, Long Term Care Partners may not be able to get a payroll deduction changed over in time for the first paycheck at the new location. If that's the case, the employee will automatically receive a direct bill from Long Term Care Partners for the premiums due that were not collected through payroll deduction.

Premiums for FLTCIP coverage cannot be deducted from the annuities of employees retiring under CSRS or FERS while they are receiving interim payments (sometimes called "special pay"). This means that until OPM finalizes their annuities, Long Term Care Partners must bill them directly for the premiums due.

It is important that employees promptly pay direct bill(s) they receive to keep their FLTCIP coverage current.

We have included this information in the Frequently Asked Questions and Featured Questions sections of our web site at www.opm.gov/insure/ltc.

We do not expect agencies to counsel employees on their FLTCIP deductions, but we do ask that you respond to employees' questions on these concerns by directing them to call Long Term Care Partners.

Secure email system

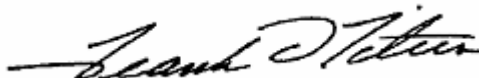
On May 15th, 2003, Long Term Care Partners implemented a secure email system to ensure the security and privacy of the personal and health information of FLTCIP applicants and enrollees and its business associates, including Federal agencies. Highlights of the new system are as follows:

- This secure solution for the exchange of email satisfies requirements defined by the Health Insurance Portability and Accountability Act (HIPAA) and complies with new Federal privacy standards.
- It does not impact existing business processes.
- It provides a customer interface that is secure and easy to use for electronic mail containing protected health information.
- The use of the interface does not require training on the part of customers or business associates.
- It uses "Tumbleweed" technology.

Any outbound mail from Long Term Care Partners containing protected health information or personal information, such as a social security number, which correlates to an individual is automatically routed through the secure email server. Intended recipients of the emails will receive an email message in their existing Inbox that will contain a hyperlink directing them to the secure email server. After they click on the hyperlink, recipients read information telling them how to retrieve their email. The retrieval takes place in a secure encrypted environment.

In the event intended recipients have difficulty retrieving their secure email message, they can follow the instructions in the email to contact Long Term Care Partners at webmaster@lhcpartners.com or at 1-800- LTC-FEDS (1-800-582-3337) (TTY 1-800-843-3557).

Thank you for your cooperation as we continue to refine the payroll/annuity deduction process for the Federal Long Term Care Insurance Program.



Frank D. Titus
Assistant Director
for Insurance Services