




March 2012

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Tribal Benefits Officer Training: Federal Employees Health Benefits (FEHB) Premium Payment

U.S. OFFICE OF PERSONNEL MANAGEMENT

Agenda



- FEHB Premiums
- Enrollment and Billing Information
- Premium Collection Procedures
- Adjustments to the Monthly Bill
- Non-payment of Premiums
- Test Your Knowledge
- Resources



FEHB Premiums

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OPM Sets Premiums

- OPM negotiates benefits & rates annually
- Government contribution is set at 72% of average premium for Self Only and Self & Family enrollments
- Government contribution toward any plan's premium will not exceed 75% of the plan's premium

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Publishing FEHB Premiums

- Rates for upcoming year announced in OPM's September Press Release
- FEHB Guide for Tribal Employees lists *maximum* monthly tribal employee contributions for all plans
- Each FEHB plan's brochure has the rates that Federal/Postal employees pay on back cover

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Tribal Employer Sets Its Contribution Share

- Decide how much to contribute
 - Must be at least as much as the standard government contribution for its employees
 - Can be up to 100% of the premium

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Tribal Employer Sets Its Contribution Share (contd.)

- Calculate tribal employee's monthly contribution and publicize how much they will pay
- Determine salary deductions based on tribal employee's pay period
- Decide whether to offer premium conversion

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Enrollment & Billing Information

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Standard Form (SF) 2809

- Employee completes Health Benefits Election Form (SF 2809) and submits it to the tribal employer for action
- SF 2809 used to process
 - Enrollment request
 - Enrollment change
 - Voluntary cancellation of enrollment

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Standard Form (SF) 2810

- SF 2810 is completed by tribal employer for actions that do not require tribal employee's signature
- SF 2810 used to process
 - Terminations
 - Transfers between tribal employers
 - Reinstatements
 - Name changes

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National Finance Center (NFC)

- NFC is the central location for the collection of enrollment information and premiums for tribal employers
- NFC transmits enrollment information and premiums to the FEHB plans

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Tribal Insurance Processing System (TIPS)

- TIPS is the electronic system developed by NFC to record all enrollment information for each tribal employee
- Data is entered by tribal employer
- TIPS is maintained by NFC

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TIPS Tribal Desk

- Email address for set-up information on TIPS: tips@nfc.usda.gov
- Phone number for all TIPS inquiries: 855-NFC-4GOV (632-4468)

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Pre-Authorized Debit System

- PADS is the electronic system used by NFC to withdraw the premium from each billing unit bank account on a monthly basis
- PADS will automatically debit the premium payment on the third business day of each month

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Tribal Employers and Billing Units

- A billing unit is a section of a tribal employer responsible for a specific group of tribal employees

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Bank Account

- Each billing unit must have a separate bank account
- Bank account must accept automated clearing house transactions

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Premium Collection Procedures

Step 1. Premium Collection

Tribal Employee's Contribution + Tribal Employer's Contribution

+ NFC Administrative Fee =
(paid by Tribal Employer)

Funds deposited for
monthly PADS withdrawal



Step 2. Posting the Bill in TIPS

- NFC will post the billing unit's monthly billing statement on Tribal Insurance Processing System (TIPS)
- Tribal employer can view billing statement throughout the month

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Step 3. Bill Review

- Tribal employer is responsible for reviewing each unit's billing statement and making any necessary changes by the **last calendar day of the month**
- Changes made by 11:59 p.m. MT on the last calendar day of the month will be reflected on the “current” bill

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Step 4. Bill Payment

- PADS will collect the billed payment amount from the tribal employer's bank account on the **third business day of the next month**
- Tribal employers are **strongly encouraged to pre-fund their accounts** with an additional month or more of premium funding

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Adjustments to the Monthly Bill

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Prospective Actions

- An enrollment action with a future effective date can be added to TIPS
- FEHB plans will not change coverage until the effective date
- Premiums will not change until the effective date

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Retroactive Adjustments

- Enrollment changes with a retroactive effective date can be made in TIPS
- NFC will adjust (credit/debit) current month's billing to reflect the change if it is entered into TIPS prior to the last calendar day of the month
- Retroactive changes entered on/after last day of the month will be adjusted on the next month's bill

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Prorated Premiums

- Premiums need to be prorated when there is an enrollment change before the end of the month
- TIPS calculates premiums based on the number of days covered in the month
- Tribal employer calculates salary deductions




Non-payment of Premiums

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Insufficient Funds Payment Procedures


If total billed premium is not available when PADS attempts initial withdrawal on the **third business day** of the month, the following steps will occur:

- OPM receives notification that sufficient funds were not available to pay the full amount of the premium
- OPM contacts the tribal employer by phone within a business day of the insufficient funds notification

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Insufficient Funds Payment Procedures (cont.)

- During the call, OPM will:
 - Identify reasons for underpayment
 - Discuss the insufficient funds process and final consequences
 - If sufficient funds are now available, OPM will advise NFC
 - NFC will make second attempt to withdraw the entire amount through PADS

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Termination of Coverage

- All tribal employees in billing unit are terminated for non-payment of premiums
- 31-day extension of coverage, conversion
- Tribal employer responsible for paying entire premium

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Reentry into FEHB

- Billing unit will not be allowed to reenter the FEHB Program until the Open Season following one calendar year
- Must clearly demonstrate ability to pay premiums

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Test Your Knowledge

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Scenario #1


Michael, a tribal employee tells you he will be married next month and wants to cover his soon-to-be wife under his enrollment.

Q. Can Michael's enrollment be changed to Self and Family before his marriage date?

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A. Yes

If Michael wants immediate coverage for his new wife, submit the SF 2809 during the pay period before the anticipated marriage (it will be effective the first day of the next pay period). If the effective date is before the marriage, then the new spouse does not become eligible until the actual marriage date.

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Q. When will the Tribal Employer's monthly bill reflect the change to Self & Family coverage?

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A. The month the change to Self & Family coverage is effective

If Michael changed before the anticipated marriage date and does not get married, the tribal employer must void the request and adjust premium withholdings accordingly.

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Scenario #2

Terry, a new employee, turns in a SF 2809 on the 29th day of the month. He tells the Tribal Benefit Officer that he would like to have his effective date be the next day.

Q. Can this be done?

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A. Check the calendar

Yes, Terry's enrollment can be effective on the 30th but only if that is the first day of the next pay period. The tribal employer will prorate the monthly premium contribution to reflect the partial month of coverage.

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Scenario #3

Tom brings in a divorce decree showing that he divorced his wife 6 months ago. Since Tom and his wife were the only people covered, he wants to change his coverage retroactively and be reimbursed for the 6 months of Self & Family premiums he has paid.

Q. Can this be done?

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A. Yes

- Tribal Benefits Officer enters the effective date of change in TIPS
- NFC calculates the amount of premium the tribal employer has overpaid and posts a credit on the bill
- The Tribal Benefit Officer calculates the amount owed to Tom and refunds him accordingly



Resources

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TIPS Tribal Desk

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(855) NFC-4GOV (632-4468)
- Email address for set-up information on TIPS:
tips@nfc.usda.gov

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OPM Tribal Desk

- Tribal Benefits Officers **only** inquiries


Phone: 202-606-2530

Email: tribalprograms@opm.gov

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Resources

- www.opm.gov/tribalprograms
 - Chapter 11, Financials, in FEHB Handbook for Tribal Employers
 - FEHB Guide for Tribal Employees
 - Tribal FastFacts
 - Tribal Quick Guide

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Other FEHB Training Modules

- FEHB Program Features (aka FEHB 101)
- Enrollment
- Eligibility
- Guidance on FEHB Forms
 - SF 2809
 - SF 2810



The End