
FEHB Program Carrier Letter

All FEHB Carriers

U.S. Office of Personnel Management
Healthcare and Insurance

Letter No. 2012-04

Date: February 16, 2012

Fee-for-Service [4] Experience-rated HMO [4] Community-rated [4]

SUBJECT: Indian Tribe Participation in the Federal Employees Health Benefits Program

Introduction

This Carrier Letter explains the process the Office of Personnel Management (OPM) is currently developing to include employees of federally recognized Indian tribes, tribal organizations, and urban Indian organizations (tribal employers) into the Federal Employees Health Benefits (FEHB) Program.

OPM is excited about the opportunity to extend FEHB benefits to this new group of individuals.

Background

The Affordable Care Act (ACA) incorporated and enacted amendments to the Indian Health Care Improvement Act (IHCIA). IHCIA allows entitled tribal employers to purchase FEHB coverage, rights, and benefits for their eligible tribal employees. Indian tribes or tribal organizations carrying out programs under the Indian Self-Determination and Education Assistance Act and urban Indian organizations carrying out programs under IHCIA title V are considered entitled tribal employers. Please note that a member of a tribe who is also an employee of an entitled tribal employer is eligible for FEHB coverage.

There are approximately 565 Indian tribes, tribal organizations, and urban Indian organizations residing in the United States who may be entitled to purchase FEHB coverage for their tribal employees. Each tribal employer will decide whether or not it will participate in the FEHB Program. If a tribal employer decides to participate, it may not offer alternative employer-sponsored health insurance coverage to tribal employees eligible for FEHB. OPM estimates that there will be approximately 350,000 tribal employees eligible for FEHB and that approximately 25,000 tribal employees will initially enroll in FEHB. It is difficult at this point to predict participation by the tribal employers.

Generally, OPM expects to treat eligible tribal employees the same as Federal employees and tribal employers as agencies. Tribal employees will have the same benefits packages and provider networks as Federal employees.

Carrier Workgroup

OPM is currently working with a cross-section of carriers in a carrier workgroup. The thirteen carriers involved in the workgroup represent a diverse mix of plan types and sizes and do business in

the areas most highly populated by tribal employers. The goal of the workgroup is to open lines of communication between OPM and the carriers regarding the inclusion of tribal employees into the FEHB Program and to gather feedback from the carriers. OPM is using the carrier workgroup to better understand the carriers' perspectives on bringing a new non-Federal population into the FEHB Program. A list of questions and answers discussed during the carrier workgroup can be found in Attachment 1 of this letter. We are pleased with the progress we've made and appreciate the assistance from the participating carriers.

Training Tribal Employers

During the carrier workgroup meetings, OPM asked the carriers whether they would be willing to assist in outreach to tribal employers. This outreach includes disseminating OPM materials, training tribal employers and tribal employees on the FEHB Program, and updating carrier websites with plan information that affects tribal employers and tribal employees. OPM asks all carriers to help with this outreach initiative. We appreciate your assistance on this new initiative.

Eligibility

All tribal employees who are considered common law employees and meet FEHB requirements for a particular type of employment will be eligible to enroll in FEHB. Tribal employers are responsible to make tribal employee eligibility determinations. OPM is using the Internal Revenue Service's standard of "common law employee." A description of this standard can be found in the Joint Committee on Taxation's publication (JCX-26-07) located at <http://www.irs.gov/pub/irs-utl/x-26-07.pdf>. Please note that an individual can be a tribal employee without being a member of a tribe.

The following chart describes eligibility:

	ELIGIBLE	NOT ELIGIBLE
Common Law Employees	X	
Contract Employees		X
Volunteers		X
Tribal Retirees		X
Survivor Annuitants		X
Former Spouses under Spouse Equity		X

Generally, tribal employees who lose their FEHB coverage because they separate from tribal employment and family members who lose coverage because they no longer meet the definition of an eligible family member:

- receive a 31-day extension of coverage,
- are entitled to convert to an individual policy offered by the carrier of the tribal employee's plan,
- may enroll under the Temporary Continuation of Coverage (TCC) provision of the FEHB law.

Enrollment

OPM expects to begin enrollment of tribal employees into the FEHB Program with a coverage effective date of May 1, 2012. You will begin receiving enrollment transactions in April 2012. Enrollment transactions will be sent to you electronically through the OPM-Macon Data Hub, the same mechanism that you currently use to receive Federal employee and annuitant enrollments. We expect this to be a seamless transition. During 2012, the tribal employers that decide to participate in FEHB will have an initial opportunity to purchase FEHB, in which their tribal employees will be able to choose plans and enroll in FEHB like new Federal employees. A detailed timeline of important dates during the initial opportunity to purchase FEHB can be found in Attachment 2 of this letter.

Tribal employees hired after the tribal employer begins participating in the FEHB Program will also be eligible to enroll as a new tribal employee. Tribal employees will participate in the annual Open Season the same as Federal employees. This includes the ability to enroll. New enrollments and enrollment changes made during Open Season will be effective January 1st of the following calendar year. New enrollments and enrollment changes can also be made within 60 days of a qualifying life event (QLE) such as marriage, divorce, or the birth or adoption of a child. The effective date of an enrollment or enrollment change due to a QLE will be based on the tribal employee's pay cycle.

Premiums

The premiums for benefits will be fully funded by the tribal employer and tribal employee contributions with no contribution from the United States Government. At a minimum, tribal employers must contribute the "Government share" to the cost of FEHB coverage. Tribal employers are allowed to contribute more than the Government share. Premiums will be paid on a monthly basis.

Through the existing process, the National Finance Center (NFC) will act as the payment service provider and will collect and distribute premiums to each carrier monthly. There will be one payroll office number used for all of the participating tribal employers. The payroll office number is 14050000. Each tribal employer will have its own Personnel Office Identifier(s) (POI) and its own account for funding premium within the NFC system.

Brochures

As agreements are signed with tribal employers, the number of enrollees and the tribal employers' capability to receive electronic information will be communicated to the carriers.

Currently, all carriers have a process to deliver paper plan brochures upon request. For experience-rated carriers, if the cost of paper brochures for this implementation impacts your administrative expense limit, please contact your contract specialist. For community-rated plans, if the cost of paper brochures impacts your estimated cost, this cost will be considered in rate reconciliation and you should contact your contract specialist.

Next Steps

As stated above, OPM is currently developing a process to include tribal employers into the FEHB Program. OPM will follow-up with the carriers as more information becomes available.

If you have questions, contact your contract specialist.

Thank you very much for your cooperation.

Sincerely

John O'Brien
Director
Healthcare and Insurance