

*United States*

***Office of  
Personnel Management***

*The Federal Government's Human Resources Agency*

***Benefits Administration Letter***

**Number: 14 - 205**

**Date: April 14, 2014**

**Subject: Federal Employees Health Benefits (FEHB) Program: Family Member Audit**

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Purpose

The purpose of this letter is to notify you that the Office of Personnel Management (OPM) will be conducting an audit of family members covered under the Federal Employees Health Benefits (FEHB) Program, and to advise you of your role and responsibilities during the audit. The audit will examine a sample of FEHB Self and Family enrollments.

Background

Under current FEHB procedures, both agencies and the FEHB carriers have certain responsibilities for family member eligibility determinations. We are aware that there may be inconsistencies in the family member verification process at the time of original enrollment, change of enrollment, or during the enrollee's coverage period.

The FEHB Program provides approximately 23 billion dollars in benefits annually for family members covered under Self and Family enrollments. Health insurance industry standards indicate that up to 10% of family members are ineligible for coverage. If this is also determined to be true for the FEHB Program, we will carefully analyze the findings, impacts and appropriate corrective actions to be taken.

The audit, and follow-up activities, will allow OPM to determine the extent of ineligible family members and the financial impact on the FEHB Program. We hope to understand the scope of any potential problem in order to determine if changes are needed in the current policies and procedures utilized by agencies and retirement systems as well as FEHB carriers when verifying family member eligibility.

Your Role

Agencies and retirement systems will be responsible for providing enrollee addresses in the event that the addresses OPM obtains from the carriers are incorrect and, if needed, providing necessary documentation for verifying family member eligibility.

Conclusion

We will provide more information on your responsibilities as it becomes available.

Sincerely,

John O'Brien  
Director  
Healthcare and Insurance