



Benefits Administration Letter

Number: 03-209

Date: December 22, 2003

Subject: Federal Employees Health Benefits (FEHB): The FEHB Clearinghouse

Purpose

To inform you of our instructions to FEHB health benefits carriers for resolving certain discrepancies identified by the FEHB Centralized Enrollment Reconciliation Clearinghouse (CLER).

Background

A CLER '160' error code occurs when a carrier reports an enrollment but the enrollment is not reported by any Federal employing office. The most likely reason for a '160' error code is that the enrollee is no longer eligible for coverage under the FEHB Program and the reporting carrier has not disenrolled the person. A '160' error may also occur when the carrier and the employing office report different Social Security Numbers (SSN) for the same person.

The National Finance Center (NFC) reports code '160' errors back only to the carriers who report the enrollment. Carriers must then supply their listings of code '160' error records to each employing office.

Carriers are more eager to resolve their '160' error code records than any other CLER error code. Here is a brief outline of what we have instructed our carriers to do:

- Send a listing of '160' error code records to each respective payroll office. All carriers now have their enrollees' payroll office numbers in their databases.
- If the carrier experiences difficulty getting through to a payroll office, or doesn't hear back from a payroll office, the carrier is instructed to contact NFC for assistance.
- Send a "Notice of Intent to Disenroll" letter to each person with a still unresolved '160' error code and a 'Fail Count' of at least 3. (Fail Count is the number of successive quarters the same error has been identified by CLER.)

The "Notice of Intent to Disenroll" letter gives the recipient 31 days from the date of the letter to provide the carrier with proof that their FEHB enrollment is still valid. At the end of the 31-day period, the carrier has two options:

- If they do not hear positively from an enrollee, they may terminate the enrollee effective the 32nd day from the date of the letter.

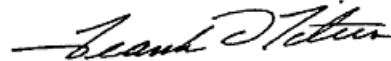
- If they receive proof of valid enrollment from the enrollee, the carrier is to contact the appropriate payroll office and work with that office to see why the payroll office did not report that person's enrollment, or if reported, why the employing office's CLER record did not match-up with the carrier's CLER record.

Carriers have had the ability to unilaterally terminate enrollments since 1999, if they utilize the procedures set forth in the disenrollment regulations found in title 5 Code of Federal Regulations section 890.308. In 2002, we asked our carriers to hold off from sending disenrollment letters when their reason for sending them was solely based on information from a CLER error code listing. As CLER has been operational for more than a year, we are now allowing our carriers to use the disenrollment procedures outlined above on their '160' error code records.

We ask that you work diligently with our carriers to clean up their '160' error code records. These discrepancies can be a source of carrier law suits against the Government for premium underpayment and cost us all money. Check to see if you and the carrier both reported the same SSN. If the enrollee in question is no longer eligible for FEHB coverage, give the carrier the effective date that coverage terminated.

Attached to this BAL is a summary of requirements and recommendations for reducing errors in your enrollment data. We developed this summary in conjunction with the NFC.

Sincerely,



Frank D. Titus
Assistant Director
for Insurance Services Program

Attachment

Attachment

SUMMARY OF REQUIREMENTS AND RECOMMENDATIONS FOR CLER FOR BOTH FEHB CARRIERS AND GOVERNMENT AGENCIES

Reduction of Errors Thus Far

Since June 1, 2002, when the Federal Employee Health Benefit Centralized Enrollment Reconciliation Clearinghouse, also known as CLER, was fully implemented, the carriers have reduced their error rate from 15 to 6 percent and the payroll offices have reduced their error rate from 14 to 3 percent (an overall error rate reduction of 14 to 5 percent in less than 1 year). Also, the percentage of original errors has been reduced by 85 percent during that same time frame. We thank you for your efforts to date in reducing the number of discrepancies.

Recent Enhancements

Based on input by the users, we have made some enhancements to CLER to help users with their reconciliation process. The system now provides skeletal (unsecured) information on certain error conditions when the entire record cannot be displayed due to security reasons. Display, selection and sorting of information is also available by the "Other Payroll Office ID," which is extremely helpful for the Office of Personnel Management's (OPM) Retirement Services Program and the Office of Workmen's Compensation in their reconciliation effort with the carriers. The sort by name now also includes the first name sort. A default to the current reconciliation year and quarter on all inquiry/add/update screens and reports with year/quarter drop-down menus is in place. Color-coded check marks are now displayed to highlight the completion of corrections by both the carriers and the agencies. Users who submit their quarterly data online can reuse the previous quarter's data without re-keying. A country code drop-down menu is now available, and the Social Security Number (SSN) and the Nature of Action code are now required fields in completing entry of the 2809/2810s. A new reconciliation reason code (580) for the payroll offices and a new corrective action code (724) for the carriers have been added for use when no other code is suitable when reconciling discrepancies. In addition to these enhancements, other more transparent changes have been made to make CLER run and operate more efficiently.

Reducing the Remaining Errors

The following requirements or recommendations should substantially reduce or eliminate the remaining errors, which will, in turn, increase the accuracy of enrollment records and assure timely carrier payments.

1. All carriers and payroll offices must submit their enrollment records to CLER each Quarter.
2. When reporting the enrollees to CLER, carriers must use the identification number provided on the 2809 by the agency. Issuance of any other number by the carrier is not acceptable for CLER (e.g., use of a Pseudo SSN issued by the carrier without the approval of the agency or reporting an enrollment under the deceased annuitant's SSN instead of the survivor's SSN).

3. Enrollment records should be submitted with specific identification numbers in the correct fields. For example, the enrollee's SSN should be in the Enrollee SSN field, the deceased annuitant's SSN should be in the Deceased Annuitant field, the pseudo SSN should be in the Pseudo SSN field (or in the SSN field, only if coordinated with the agency), and the other payroll office ID should be in the Other Payroll Office Enrollee ID field.
4. Payroll offices must report all valid enrollments, even if the enrollee is in a non-pay status, at the time the records were extracted for transmission to CLER.
5. Payroll offices should extract their data as close to the end of the cycle as possible, considering the date that the enrollment would have been reported to the carrier.
6. Carriers and agencies should follow the quarterly cycle schedule in conducting their reconciliation functions. National Finance Center (NFC) provides the schedule dates each quarter and sends out notices as to: a) when the records should be submitted, b) when the automated matching of all data is complete and agency correction process should begin, and, c) when the carriers should begin to respond to the agencies' requests for correction. Prematurely responding to CLER will cause confusion and additional discrepancies. The only exception to this is that carriers may begin working their '160' error codes, which indicate that no payroll office record has been found when they are revealed in CLER, since the agency does not have access to these errors. It is important that the carriers be advised that the payroll offices cannot see carrier comments in CLER for '160' error codes, and vice versa concerning the '163' error codes. (Many carriers think that when validating a record, if they place a corrective action code and comments in CLER that their job is complete and the payroll offices should respond. This won't happen in CLER).
7. The oldest errors should be reconciled first. For example, the carrier should complete responding to the requests for corrections from the agency from one quarter before going to the next quarter.
8. The agencies should make the error codes '163', which indicate that no carrier has reported the enrollment, based on the oldest first, (i.e., fail count 3) their top priority. Once they have verified that the enrollment is active and reported to CLER correctly (carrier ID, enrollment code, enrollee ID are correct), a 2809 should be sent to the carrier to establish the enrollment. The 2809 can be sent through CLER, or by other means, but CLER will provide a permanent record of the request, especially if this is an aged item. If the carrier is not responsive to the agency's request, NFC should be contacted for assistance. OPM will also be kept informed.
9. NFC is actively working on trying to get a match on the carrier '160' and the agency '163'-error codes. As these matches are found, the agency is notified and requested to coordinate the correction with the carrier.
10. Carriers should also give priority to their aged '160' error codes. After proper verification that they have reported the enrollment under the correct payroll office code and correct ID, they should coordinate correction with the agency. NFC is also working with each carrier to provide special reports of all '160' error codes to help them to better coordinate corrections with the respective agency. If the agency is not responsive to the carrier's request, they should contact NFC for assistance. NFC will also keep OPM informed of any lack of cooperation. As a final step, carriers may employ the FEHB disenrollment regulations.
11. Agencies should be responsive to carriers who request information relative to their '160' error codes. This is important to ensure that the carrier does not drop valid enrollments.

12. When coverage is not in place as a result of agency error, timely correction and adjustment of back premium payment collection and payment to the carrier must be done as soon as possible. Agencies are frequently reluctant to go back to an employee to collect back premium payments, however, this is required. Employees have a responsibility to ensure that FEHB premiums are being deducted from their pay.
13. Carriers must not automatically change an enrollment to self only as a result of an age change of a dependent. This will cause an error in CLER and the payroll office will over deduct from the enrollee and over pay the carrier.
14. Carriers should contact the agency timely if they dispute the processing of a 2809/2810. Frequently, the cause of a CLER error is a result of the agency reporting an enrollment that the carrier has not processed due to some issue with the enrollment documentation. Agency and carrier contact listings are available in CLER.
15. Agencies should contact a carrier if there is any question regarding the carrier's dispute of a request for correction, so that the enrollment can be reconciled timely.
16. Due to security requirements, access to CLER will be automatically dropped after 120 days if access is not attempted; therefore, users must access CLER each quarter to retain access.

Finally, it should be noted that NFC is responsible for the comprehensive operation of CLER and is available to assist users at (540) 255-3270.