
FEHB Program Carrier Letter

All Carriers

U.S. Office of Personnel Management
Insurance Services Programs

Letter No. 1993 - 01

Date: February 18, 1993

Fee-for-service [x] Experience-rated HMO [x] Community-rated HMO [x]

SUBJECT: Debarred Providers in the Federal Employees Health Benefits Program

Your FEHB brochure excludes care by providers barred from participation in the FEHB Program. This letter provides guidance as to what actions are required under Public Law 102-393, which provided the Office of Personnel Management's appropriations for 1993. In this regard, Public Law 102-393 states that:

“except as may be consistent with regulations of the Office of Personnel Management prescribed pursuant to 5 U.S.C. 8902a (f) (1) (i), no payment may be made from the Employees Health Benefits Fund to any physician, hospital, or other provider of health care services or supplies who is, at the time such services or supplies are provided to an individual covered under chapter 89 of title 5, United States Code, excluded, pursuant to section 1128 or 1128A of the Social Security Act (42 U.S.C. 1320a-7-1320a-7a), from participation in any program under title XVIII of the Social Security Act (42 U.S.C. 1395 et seq.)”

On February 4, 1993, the Office of Personnel Management proposed the adoption of the Nonprocurement Debarment and Suspension Common Rule (58 FR 7052). A copy of the notice of proposed rulemaking is enclosed. Included in this notice is the following statement: “OPM will not begin to take its own nonprocurement debarment and suspension actions, which will have governmentwide effect, until OPM incorporates the specific statutory provisions of the Federal Employees Health Benefits Amendments Act of 1988 (5 U.S.C. 8902a). This Notice also informs the public of OPM's intent to propose, within one year, technical amendments to the governmentwide nonprocurement debarment and suspension final common rule to reflect the specific statutory provisions of this Act which are inconsistent with specific provisions of the common rule or which are additional to the provisions of the common rule.”

In the meantime, we want all carriers to comply with Public Law 102-393 as quickly as possible. You will need to modify your claims processing system to perform the following functions:

1. Before a claim is paid (or service provided), you must identify excluded Medicare providers from the Department of Health and Human Services (DHHS) list of persons who are excluded from Medicare and Medicaid. The list is compiled and maintained by the Department of Health and Human Services (DHHS) and distributed to Medicare intermediaries and certain prepaid plans (HMOs). The cumulative sanction report and monthly updates will be available in hard copy or diskette form. You may send your

written request to your contact in the Health Benefits Contracts Division. If your organization already uses information you receive directly from DHHS, you need not duplicate your order; however, please advise us if this is the case.

2. If the claim (or service) involves a debarred provider, a notice must be sent, via certified mail, to the enrollee stating that claims incurred (or services provided) after the date of the notice involving the debarred provider cannot be paid (or provided) under the FEHBP. A notice, via standard mail, must also be sent to the provider, if possible. In order to protect enrollees, whenever possible you should notify affected enrollees that providers they have used are on the debarred list. This prior notification effort should be undertaken only when existing systems allow for this procedure on an economical basis. We will provide standard language for these notices in the near future.
3. The enrollment file must be annotated in a fashion that will allow you to determine: a) that a debarment notice was sent to the enrollee; b) the date of the notice; and c) the provider involved. Given the relatively small number of debarred providers that we expect to encounter, you may wish to make this a sub-file which is searched only when a flag is encountered in the master file.
4. After an enrollee has been notified that a provider has been debarred from the FEHBP, claims incurred for services rendered by that provider to that enrollee may not be paid. If such a claim is received, a notice stating that the claim cannot be paid must be sent to the enrollee via certified mail. We will provide standard language for this notice at a later date.
5. Reports will be required concerning the number and amounts of claims paid (or services provided) and denied involving debarred providers, i.e., claims incurred before notice, the number of claims denied, and the number of providers and enrollees involved.

Please reply with an estimated date by which you will be performing the functions outlined in this letter. Questions or concerns regarding this letter can be addressed to David Lewis at 202/606-0745.

Sincerely,

Reginald M. Jones, Jr.
Associate Director
for Insurance Programs