

Office of Personnel Management
Retirement and Insurance Service



1920



1954



1959



1986

Benefits Administration Letter

Number: 96-201

Date: January 5, 1996

SUBJECT: Continuation of FEHB coverage during the furlough

The purpose of this letter is to transmit the attached FEHBP Letter to All Carriers to Insurance Officers. The FEHBP Letter explains the effect of the prolonged furlough on both the enrollees who changed plans during Open Season and on the health benefits carriers. It requests carrier flexibility in providing care or coverage in cases where the SF 2809's have not been processed because of the furlough.

A handwritten signature in cursive script, reading "Abby L. Block".

Abby L. Block, Chief
Insurance Policy
and Information Division

Attachment

FEHBP Letter

All Carriers

U.S. Office of Personnel Management
Office of Insurance Programs

FEHBP Letter No. 96-01

Date January 5, 1996

SUBJECT: Continuation of FEHB coverage during the furlough

The purpose of this letter is to assure that all Federal Employees Health Benefits Program (FEHBP) enrollees and their family members have access to the health insurance coverage that they elected during the recent Open Season for enrollment and enrollment changes and to advise you of an emergency premium payment policy we have put in place temporarily.

Due to a lapse in appropriated funds, some Federal agencies are unable to continue business as usual. Employees have been furloughed and only staff deemed critical to carry out specified agency functions is presently onboard.

Those agencies whose appropriations have lapsed are unable to pay their employees. The lack of appropriation for payment of salaries affects both those employees furloughed and those who continue to work to carry out specified agency functions. Some agencies affected by the lapse of appropriations had a biweekly pay cycle that ended on December 23, 1995. The continuing resolution expired on December 16, 1995. Therefore, these agencies made salary payments for 1 week only on the pay period ending December 23 and paid in early January. Some agencies withheld health insurance premiums from these checks. Other agencies decided to delay withholdings for health insurance until salary payments are made for the second week of the pay period. You will first see these adjustments reflected in the premiums you receive later this month.

We want to assure you that we will send your premiums as we receive them and that we will get them to you quickly. Because of the unusual circumstances of the extended furlough and the delay in making premium payments to carriers, during this emergency we will transmit premiums on a weekly basis rather than on the twice a month schedule that is now followed. The first of the weekly payments will begin the third Thursday in January. We will advise you when we plan to end this special procedure.

These conditions are coinciding with the conclusion of the FEHBP's annual Open Season. We know of instances where Federal enrollees have exercised their option to change health plans during the open enrollment period, but the enrollment

transactions have not been processed by agency personnel and/or payroll offices due to staff shortages.

Our immediate concern is for those employees (and their family members) who elected to enroll or to change plans, but who did not receive an official document (copy of a processed SF 2809) that proves that they are entitled to receive benefits from a selected FEHBP participating plan. For prospective members of prepaid plans, a lack of documentation to support coverage of Federal employees and their families could result in services being delayed or denied in total because these Plans' network of doctors, hospitals and ancillary providers are unable to verify eligibility. Also, although we recognize that Fee-for-Service plans will provide member reimbursement for covered benefits, the absence of enrollment documentation may delay or result in denied access to these Plans' preferred provider networks and the higher level of benefits offered by them.

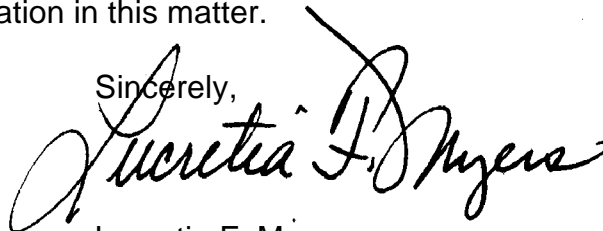
We are also concerned about individuals who experience an event during the furlough period that would allow them to enroll, to change plans, or to change from self only to self and family. Some of these individuals may not be able to submit an SF 2809 to their employing office because it is closed due to the furlough. (The events that allow enrollment and enrollment changes are listed in 5 CFR 890.301.)

You have previously responded well to exigencies affecting the health care needs of Federal employees and their families. We know that we can count on each of you to be flexible in your determinations about providing coverage for and in the provision of care to those Federal enrollees who selected your plan during the open season. Where an enrollee has advised you that an event allowing a change in enrollment status has occurred for an eligible individual who is prevented from submitting an SF 2809 due to the furlough, we also request flexibility in providing coverage or care. Please advise the individual to request a retroactive effective date when he or she is finally able to submit the SF 2809.

If you have questions concerning enrollment under the FEHBP, you may call (202) 606-0191. If you have questions concerning premium payments, please call (202) 606-0680.

We appreciate your cooperation in this matter.

Sincerely,

A handwritten signature in black ink, reading "Lucretia F. Myers". The signature is written in a cursive style with a large initial "L" and "M".

Lucretia F. Myers
Assistant Director
for Insurance Programs

cc: Benefits Officers