Office of Personnel Management
Retirement and Insurance Group

CSRS Civil Service Retirement System 1920
FEGLI Federal Employees Group Life Insurance 1954
FEHB Federal Employees Health Benefits Program 1959
FERS Federal Employees Retirement System 1986

Benefits Administration Letter

Number: 96-410 *Date:* October 16, 1966

SUBJECT: FEHB Open Season: Conducting the 1996 Open Season

GENERAL

Changes in FEHB Guides

As explained in BAL 96-402, we have made several significant changes to this year's FEHB Guides.

The first was to change our designations of participating plans and place them in three separate categories: managed fee-for-service plans, either open to all employees or restricted to specific groups; health maintenance organizations (HMOs), previously called prepaid plans; and plans offering a point of service (POS) product. POS plans may be either FFS plans or HMOs.

In an HMO with a POS product, the POS product acts like an FFS plan: The HMO's enrollees may use non-plan providers, but services will cost them more than if they used plan providers.

In an FFS plan with a POS product, the POS product acts like an HMO: Enrollees will get a better benefit if they agree to let their medical care be managed by a plan-affiliated gatekeeper physician.

HMOs with a POS product will be listed separately from HMOs without a POS product. Employees who do not find their HMO in the regular State list should look in the State list of POS plans. FFS plans with a POS product will be listed in the State in which their POS product operates as well as the regular FFS plan section.

Also, we merged the 1996 Customer Satisfaction Survey results with the comparison chart information, so all the

information people need to compare plans is in one place. The survey data reported in the Guides has been expanded to include response rates to specific items, as well as the broad categories reported in the past. Those plans that scored significantly higher than the average are highlighted by a star in the new "top rated plans" column.

In addition, we included for the first time the accreditation status granted by the National Committee for Quality Assurance (NCQA), a nationally-recognized leader in evaluating managed care plans such as HMOs. We've included an explanation of the NCQA accreditation process and defined the four categories of accreditation status--full, one-year, provisional, and denied.

Last, but not least, we gave the FEHB Guides a major facelift for 1996. We've made the Guides two-color, we're using better paper to enhance readability, and we've added artwork to highlight the information readers need to know.

Counseling Employees

Agencies are responsible for counseling employees who ask for help on health benefits matters. Counseling should be limited to answering questions about the FEHB Program and the application of the FEHB law and regulations to particular circumstances.

- Since the amount of enrollment information in the FEHB Guides may not be sufficient for the purposes of particular employees, counselors should refer employees to their plan brochure if the requested information is available there.

- Counselors also should try to answer any specific question on benefits by referring to the applicable brochure. If the question cannot be answered from the brochure, the counselor should tell the employee to contact the health plan. Employees should not, however, be referred to a plan if the question concerns any subject other than benefits or a conversion contract.

Plan Terminations

In BAL 96-404, we notified agency headquarters Insurance Officers of the names of the plans that are dropping out of the FEHB Program or dropping an enrollment area with a separate enrollment code at the end of 1996. Agencies must notify affected employees of the termination of their health plans' FEHB participation.

- We strongly recommend that agencies distribute the lists of terminating plans and terminating enrollment areas to all enrollees, so they can check to see whether their plan will be participating in the FEHB Program and their enrollment code is valid in 1997.

An employee whose plan will not participate in the Program or who lives (or works) in an enrollment area that has a separate enrollment code the plan will be dropping after December 31, 1996, must enroll in a different plan to continue FEHB coverage next year. You should monitor employees who are enrolled in these terminating plans/codes and follow up with those who have not submitted a change of enrollment before the end of open season.

Annuitant Inquiries

Some annuitants may contact their former employing offices asking for an SF 2809 (Health Benefits Registration Form).

- *CSRS and FERS* - OPM does not use SF 2809 to register open season changes for Civil Service Retirement System and Federal Employees Retirement System annuitants. These annuitants should use the individualized OPM 2809-EZ1 pre-printed with their name, address, and retirement claim number. The 2809-EZ1 is included in the open season package sent to each enrolled CSRS and FERS annuitant before open season begins. If an annuitant loses or does not receive the package or form, he/she can get one from OPM by calling 202-606-0500, or by writing to:

Office of Personnel Management
Open Season Task Force
P.O. Box 809
Washington, DC 20044-0809

The hearing-impaired who have access to a TDD machine may call OPM's Retirement Information Office TDD number: 202-606-0551.

When communicating with OPM, annuitants always should provide their CSA/CSF retirement claim number and/or their Social Security number.

- *Other retirement systems* - These annuitants should be told to contact their retirement system for the proper registration form.

- *OWCP* - Former employees receiving benefits from the Office of Workers' Compensation Programs should contact the OWCP office that maintains their FEHB records.

CARRIER ACCESS

Health Fairs

We strongly encourage agencies to hold health fairs or to permit representatives of FEHB carriers to address groups of employees on their plan's benefits, methods of obtaining services, and similar matters.

Carrier representatives must confine their presentations to benefit provisions and claims procedures of the FEHB plan they represent. Questions that do not pertain to benefits or claims should be referred to the agency's insurance official.

- The purpose of the fair is to inform, not to promote. You should explicitly discourage carriers from distributing trinkets, holding raffles, or engaging in similar activities that divert attention from the primary goal.

- Since the number of carrier representatives knowledgeable about the benefit provisions and claims procedures of the plans they represent is often limited, we encourage agencies to stagger health fairs, beginning prior to the actual start of open season. You should coordinate with local plans to ensure the availability of marketing materials.

Other Companies

Agencies are frequently contacted by insurance companies that do not participate in the FEHB Program but that wish to sell dental insurance or other types of "supplemental" policies to Federal employees. These companies may send marketing material to agencies and ask the agencies to distribute it; they may ask to be invited to the agency's health fairs; they may even show up at health fairs uninvited.

We strongly discourage agencies from assisting in the marketing efforts of these private companies, including companies FEHB carriers may have contracted with. To ensure the integrity of the FEHB Program, agencies should limit access to their premises to those health plans that actually participate in the FEHB Program; i.e., those plans listed in the FEHB Guide.

OPEN SEASON CHANGES

Permissible Actions

The following changes in registration may be made during open season:

1. An eligible employee who is not enrolled may register to enroll.

2. An enrollee may change from one plan or option to another, from self only to self and family, or make any combination of these changes.

New enrollments and enrollment changes for permissible reasons other than the open season can be made, as usual, between November 11 and December 9, 1996.

However, these changes will likely have different effective dates and should not be mistakenly identified as open season changes.

Whether an employee is enrolling or changing enrollment based on open season or some other qualifying event, it is important that the correct event number be noted on the SF 2809, so that the correct effective date will be assigned.

Timely Registration

The employing office must receive an open season change on SF 2809 no later than close of business on December 9, 1996, for the change to be considered filed on time.

Changes via Employee Express must be received by the Employee Express contractor (OPM Macon, GA) no later than midnight, December 9.

Belated Registration

An employing office has the authority to accept a late registration, if it determines that the employee was unable to submit an SF 2809 on time because of circumstances beyond the employee's control. While we normally encourage agencies to make limited use of this authority, we recommend that you take a liberal view in cases where an employee's plan is terminating its FEHB participation.

If you decide to accept an employee's late registration, write "Belated Open Season Enrollment/Change" in the "Remarks" section of the SF 2809. Attach to copy 1 of the SF 2809 the employee's statement explaining why he/she could not register on time, or add your own note if the reason was an agency problem.

If you decide that the delay in filing is not due to a cause beyond the employee's control, do not accept the employee's late request. Notify the employee in writing that you are not approving the late enrollment. Give the reason for your denial and include a statement of the employee's right to request reconsideration within 30 days after the date of your notice.

Effective Dates

From not enrolled to enrolled - Effective the first day of the first pay period which begins on or after January 1, 1997, and which follows a pay period in any part of which the employee was in pay status.

- However, enrollment of a new employee who happens to register for the first time during open season is effective the same as for all new employees, i.e., the first day of the first pay period after the employing office receives the SF 2809.

Enrollment change - Effective the first day of the first pay period which begins on or after January 1, 1997, regardless of whether or not the employee was in pay status during the preceding pay period.

Belated open season action - Effective retroactive to the first day of the first pay period which begins on or after January 1, 1997. This effective date is the same as that of an open season change filed on time.

- If the belated change is from not enrolled to enrolled, the requirement of having been in pay status during the preceding pay period also must be met.

Cancellation - Effective the last day of the pay period in which the employing office receives the SF 2809.

- Enrollees may cancel their health insurance at any time, without waiting for an "event" or an open season. The effective date is therefore different from the effective date of actions related to open season.

Cancellation

Agencies should counsel employees about the consequences of cancelling their enrollment.

Remember that an employee must have been covered under the FEHB Program continuously for the five years of service immediately before retirement (or, if less than

five years, for all periods of service during which he/she was eligible for FEHB coverage and for participation in a retirement system) in order to continue health benefits coverage after retirement.

- If an employee is cancelling his/her enrollment to be picked up by a spouse's open season enrollment, be sure to coordinate the cancellation with the effective date of the spouse's enrollment to prevent a break in coverage.

Deductibles

If an employee changes plans, covered expenses incurred between January 1, 1997, and the effective date of the open season change will count toward the 1996 deductible of the plan from which he/she is changing.

AGENCY ACTIONS

Prompt Processing

It is imperative that agencies process open season enrollments and enrollment changes promptly. Payroll offices should process enrollee and carrier copies of SF 2809 on a daily basis.

- *Gaining carriers* must be notified of new enrollments so the carrier can complete the paperwork necessary to provide coverage for the employee and covered family members and issue identification cards to the new enrollees.

- *Losing carriers* must be notified as soon as possible of enrollment terminations, so they won't guarantee or provide benefits to employees or family members after the termination.

Verification of Employee Coverage

Employees often become concerned when they do not receive their identification card(s) from a new plan within a short time after the end of open season. If an employing office receives this type of inquiry, it should first contact the payroll office to determine when the carrier was notified of the change. If more than a month has passed since the SF 2809 was sent, the employing

office should contact the carrier to determine the reason for the delay and to relay the employee's request for identification cards.

An employee may need verification of coverage under his/her plan before processing of the enrollment or enrollment change has been completed. Employing offices should verify that the employee is covered under the plan and inform the requesting party (e.g., carrier, doctor, hospital) of the effective date of the coverage.

Employing offices should also remind employees that their copy of the SF 2809 is acceptable as proof of enrollment until they receive their identification card(s) from the plan.

Employees who make open season changes electronically via Employee Express and who do not receive new ID cards by the effective date of the change may obtain a letter confirming their coverage by calling the Employee Express Help Desk at (912) 757-3030, or by requesting the assistance of their personnel office.

Reconciliation Requests

After open season is completed, agencies will receive requests from carriers to reconcile enrollment records. These requests should receive the highest priority. The reconciliation process is critical to ensure that carriers receive the proper premium payments and that enrollees are properly reflected on plans' records.

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