
FEHB Program Carrier Letter

All FEHB Carriers

U.S. Office of Personnel Management
Healthcare and Insurance

Letter No. 2012-05

Date: March 15, 2012

Fee-for-Service [5] Experience-rated HMO [5] Community-rated [5]

SUBJECT: Paperless Reimbursement Guidance for FEHB and FEDVIP Carriers

The purpose of this letter is to encourage all Federal Employees Health Benefits (FEHB) Program and Federal Employees Dental and Vision Insurance Program (FEDVIP) carriers to participate in Paperless Reimbursement (PR) and to advise carriers on their responsibilities when participating in PR offered by the Federal Flexible Spending Account Program (FSAFEDS).

Background

PR is a program offered through the FSAFEDS Program that automatically reimburses enrollees for eligible health care, retail pharmacy, and dental and vision expenses from their Health Care Flexible Spending Account (HCFSA). The PR program eliminates the need for enrollees to manually submit their claims to FSAFEDS. Once the enrollee receives a service, their FEHB and/or FEDVIP carrier forwards the out-of-pocket expense calculation electronically to FSAFEDS for automatic reimbursement. These electronic files are usually transmitted weekly or daily for carriers with a large claim volume. Currently, there are twelve FEHB carriers and four FEDVIP carriers that participate in PR and more carriers are expected to implement this feature in future benefit years.

Claim Accuracy

One of the main benefits of PR is the ability for FEHB and/or FEDVIP carriers to coordinate directly with FSAFEDS to ensure enrollees receive their reimbursements in a timely and accurate manner. The types of claims submitted to FSAFEDS for reimbursement include regular provider services, retail pharmacy prescription costs, and orthodontia services. Orthodontia services, in particular, often require multiple visits to a dental provider that produce multiple claims related to that single service. Carriers must accurately identify which claims have already been processed and relay those details to FSAFEDS. Since FSAFEDS relies solely on the claim information submitted, such as patient responsibility, it is critical that all carriers participating in PR adhere to the following:

1. Participate in the annual reimplementation process with FSAFEDS.
2. Transmit accurate patient liability amounts to FSAFEDS.
3. Follow the established process that clearly identifies a claim that has already been submitted for reimbursement. An example of a claim that would be submitted more than once is an orthodontia claim.
4. Develop an auditing process to ensure that accurate claim information is submitted.

Recovery Efforts

Incorrect claim information sent to FSAFEDS has the potential to impact a large number of enrollees in numerous ways. Some enrollees may exhaust their HCFSAs prematurely or fail to produce enough eligible claims to exhaust their balance before the end of the Benefit Period. FSAFEDS is contractually required to resolve any errors that may occur with an enrollee's FSAFEDS account. This includes the identification of impacted enrollees, notification of error, and recovery of any money that resulted from an incorrectly reimbursed claim. That is why it is imperative that FSAFEDS and the FEHB and/or FEDVIP carrier(s) involved in the error act quickly to resolve any issues that may arise. In the event incorrect claims information is sent to FSAFEDS, the following is required of all carriers:

1. Immediate notification to FSAFEDS of the error.
2. Collaboration with FSAFEDS to identify the number of impacted enrollees or the number of claims affected by the error.
3. Development of an action plan that identifies timely deadlines for enrollees to receive notification to incur eligible expenses.
4. Drafting of language to all affected enrollees that explains the nature of the error and how the carrier anticipates solving the problem.
5. Ongoing notification to keep the Office of Personnel Management (OPM) informed of any issues that may result from recovery efforts.

Conclusion

PR is a way to offer enrollees a convenient solution to receiving their FSAFEDS reimbursements, and is also consistent with OPM's Going Green initiative. That is why it is important that all carriers submit accurate claims information and communicate openly with the FSAFEDS Program office and contractor with any questions or concerns with the PR process or the ability to transmit accurate claims for coordination with an FSAFEDS account.

For more information on participating in PR, please contact the FSAFEDS Program Office at 202-606-1413.

Sincerely,

John O'Brien, Director
Healthcare and Insurance