
FEHB Program Carrier Letter

All Carriers

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

Letter No. 1999-07

Date: February 9, 1999

Fee-for-service [7] Experience-rated HMO [7] Community-rated [7]

SUBJECT: Disenrollment and Reconciliation

We published final regulations in the Federal Register, 63 FR 59457, dated November 4, 1998 (with non-substantive corrections issued November 23), that allow FEHB carriers under certain circumstances to disenroll members. This carrier letter contains details and procedures on the new disenrollment authority. You may now disenroll in the following four instances:

- 1) The payroll office cannot substantiate the validity of the enrollment.
- 2) You receive reliable information that a self only enrollee is deceased.
- 3) A child survivor annuitant under a self only enrollment turns age 22 and is capable of self-support.
- 4) A former Federal employee notifies you that he has separated from Federal employment and is not entitled to an immediate annuity that would make continued FEHB coverage possible.

Your obligation to perform a thorough enrollment reconciliation is not lessened by this disenrollment authority. Only after you have unsuccessfully attempted to reconcile enrollments based on the agency's reconciliation report may you begin the disenrollment process. In addition, before taking corrective action you must still attempt to reconcile other enrollment corrections such as name changes, differences in family/self status or in option, and employees in a leave without pay status for 365 days when the agency has not terminated the enrollment. One note of caution: If the enrollment action you contemplate restricts coverage (e.g., changing the enrollment from family to self, or high to standard option), you must first notify the enrollee and the enrollee's agency in writing of the action you will take if the enrollment status is not resolved within a specified period of time.

If an individual provides you with information to contest your disenrollment notice, you must notify the employing office and the individual of your decision on that information. If you determine the information is inadequate to resolve the discrepancy, you should disenroll the individual and inform them that they may begin the reconsideration process with their employing office. The employing office will notify you when an individual requests reconsideration of your disenrollment decision.

If an employing office reverses your decision to disenroll an individual, you must reinstate the enrollment retroactively. Employing offices may notify you by phone of a reconsideration decision.

You also have the discretion to delay disenrollment when you deem it appropriate. If you believe that an individual is indeed eligible for coverage but needs time to assemble corroborating documentation, then by all means delay the disenrollment.

We continue to stress to employing agencies the importance of well-maintained enrollment records and of

complying with reconciliation instructions. If you do not receive a quarterly reconciliation report from a servicing agency, please call Jay Fritz at (202) 606-0004.

The new disenrollment authority is intended to help you clean up your membership files. I am sure you share my concern that it not be misused. What we don't want to see is the wholesale dropping of people without efforts on your part to get to the root of the problem. For instance, we suspect that the closing of payroll/personnel offices or the merging of these functions into some other office may result in systemic problems whereby blocks of names are missing. We are also aware that some plans simply put people in a suspend status if they can't reconcile the enrollment. You would want to first check service or claims activity before initiating disenrollment proceedings. To ensure that all participants in the reconciliation process understand clearly how disenrollment will work, we are including copies of this letter in our guidance to payroll and employing offices.

The enclosed table summarizes the disenrollment categories, effective dates, and actions. We also are providing a summary of disenrollment procedures and sample disenrollment notices to be sent to affected individuals. You must use these notices or submit alternatives to us for approval. If you have any questions on this matter, please contact your contract specialist.

Sincerely,

Frank D. Titus
Assistant Director
for Insurance Programs

Enclosures

Disenroll when:	Effective date of disenrollment	Carrier provides written notice of disenrollment	Reconsideration rights
1. The carrier cannot reconcile its record of an individual=s enrollment with agency records and it doesn=t receive documentation necessary to resolve discrepancy.	31 calendar days after the date of the carrier=s notice of disenrollment to the enrollee.	Yes	Enrollee requests reconsideration of the carrier=s decision from his or her employing office by filing request within 60 calendar days after date of carrier=s disenrollment notice
2. The carrier receives reliable information that a self only enrollee is deceased.	Last day of the pay period in which employee/annuitant dies, if date of death is known; otherwise, the last day of the pay period in which the information on death is received.	Not applicable	Not applicable. However, if enrollee is not deceased and attempts to receive services, carrier should cover services, void disenrollment, and reinstate coverage retroactively.
3. A child survivor annuitant under a self only enrollment turns age 22 and is capable of self-support.	The date the child survivor annuitant ceases to be an eligible FEHB member (midnight preceding the 22 nd birthday).	Yes, carrier provides enrollee with notice of disenrollment prior to the 22 nd birthday.	Enrollee requests reconsideration from the retirement system within 60 calendar days after date of carrier=s disenrollment notice.
4. An enrollee notifies carrier that he has separated from Federal service and is not entitled to an immediate annuity that would make continued coverage possible.	The last day of the pay period in which separation occurred, if known; otherwise, the date the former Federal employee gives as the date of separation.	Yes	No

Other enrollment corrections	Issue	Action
Name Changes	Differences in payroll/personnel data systems. Thus, carrier enrollment records don=t match payroll names.	Obtain clarification or confirmation from the enrollee. Perform match on identification or social security number. Does not cause interruption of service.
Name Changes	Differences in payroll/personnel data systems. Thus, carrier enrollment records don=t match payroll names.	Obtain clarification or confirmation from the enrollee. Perform match on identification or social security number. Does not cause interruption of service.
Name appears on agency report but not on carrier=s enrollment list.	Presumption of coverage by the agency but carrier has no record of the individual.	Do not enroll the listed individual until the agency provides evidence of enrollment.
Employee in leave without pay status for greater than 365 days.	Employee is in leave without pay status for 365 days and the agency doesn=t terminate the enrollment.	Suspend enrollment, with written notice to the enrollee and agency, until the agency terminates.

DIENROLLMENT NOTICE

Mr. John Smith
123 Any Street
Washington, DC 20065

ID number:
Social Security Number:

Dear Mr. Smith:

We are in the process of reconciling our Federal Employees Health Benefits (FEHB) enrollment records with those of {employing agency}. Our records indicate that you are currently enrolled in this Plan through {employing agency}, however, the enrollment information provided by {employing agency} does not show you as being enrolled in our Plan.

If you do not send us appropriate documentation verifying your enrollment, we will disenroll you from this Plan, without further notice, 31 days after the date of this letter. Appropriate documentation includes: a copy of the Standard Form 2809 (basic enrollment document); a copy of a letter confirming an electronic enrollment transaction such as Employee Express; copies of recent earnings and leave statements or annuity statements showing withholdings for this Plan; or a document or other credible information from your employing office stating that you are entitled to continued enrollment in this Plan and that the premiums are being withheld.

If you are currently a Federal employee, send us the appropriate documentation confirming your enrollment and give your personnel office a copy of this letter so they may update their enrollment records and assure that you are on future enrollment listings. If you have retired, send us the appropriate documentation confirming your enrollment. Also contact your retirement system so they may update their records and notify us of your transfer.

Send the appropriate documentation to:

{Plan name}
{Plan address}

If you have changed your enrollment to another plan in the FEHB Program, please contact your employing office so they may send us the appropriate documentation to update our enrollment records.

If you have separated from Federal employment and are no longer eligible for FEHB enrollment, you may want to contact your previous personnel office for information on conversion to an individual, nongroup contract or possible eligibility to enroll under the Temporary Continuation of Coverage (TCC) provision.

If you are disenrolled by us, you may ask your employing office or retirement system to reconsider our decision. The request must be made in writing and must include your name, address, Social Security

Number or other personal identification number, name of carrier, reason(s) for the request, and, if applicable, retirement claim number. The request for reconsideration must be filed within 60 calendar days after the date of this disenrollment notice.

We regret any inconvenience this may cause you. If you have any questions, please call us at {Plan phone number}.

Thank you.

Sincerely,

DISENROLLMENT NOTICE

Mr. John Smith
123 Any Street
Washington, DC 20065

ID number:
Social Security Number:

Dear Mr. Smith:

Our enrollment records indicate that you will soon be turning age 22. As a survivor annuitant with a self only enrollment, you are unable to continue your Federal Employees Health Benefits (FEHB) Program enrollment past age 22 unless you are eligible for continued coverage because you are incapable of self support due to a physical or mental disability.

We do not have any information indicating that you are incapable of self support. Accordingly, you will be disenrolled from this Plan effective the day you turn 22, subject to the 31-day temporary extension of coverage. During this 31-day time period, you may convert to an individual non-group contract. You may want to contact the retirement system for information on conversion or possible eligibility to enroll under the Temporary Continuation of Coverage (TCC) provision.

If you do not agree with our disenrollment decision, you may ask the retirement system to reconsider the decision. The request must be made in writing and must include your name, address, Social Security Number or other identifier, name of carrier, reason(s) for the request, and the survivor annuity claim number. The request for reconsideration must be filed with the retirement system within 60 calendar days after the date of this disenrollment notice.

If you have any questions, please call us at {Plan phone number}.
Thank you.

Sincerely,

DISENROLLMENT NOTICE

Mr. John Smith
123 Any Street
Washington, DC 20065

ID number:
Social Security Number:

Dear Mr. Smith:

This letter is in response to your {letter, phone call, etc.} of {date of contact} indicating that you separated from Federal employment without entitlement to an immediate annuity and are no longer eligible for enrollment in the Federal Employees Health Benefits (FEHB) Program.

We disenrolled you from this Plan on {the last day of the pay period in which the separation occurred (if known) or the date the employee provides as the date of separation} subject to the 31-day temporary extension of coverage. During this 31-day time period, you may convert to an individual, nongroup contract. You may want to contact your personnel office for information on conversion or possible eligibility to enroll under the Temporary Continuation of Coverage (TCC) provision. [NOTE TO THE CARRIER: You should include the last sentence of this paragraph only for people who separated recently, i.e., within 60 days]

If you have any questions, please call us at {Plan phone number}.
Thank you.

Sincerely,

DIENROLLMENT PROCEDURES

1. Carrier cannot reconcile individual-s enrollment with agency enrollment records and the agency does not respond within 31 days of a request for information to resolve an enrollment discrepancy.

Notice: You must send a written notice to the individual stating that the employing office of record does not show him or her enrolled in your plan. You must also inform the individual that (s)he will be disenrolled 31 calendar days from the date of your letter unless the individual provides appropriate documentation showing eligibility. (Appropriate documentation includes a recent copy of Standard Form 2809 or confirmation letter following an electronic transaction, Standard Form 2810 or the equivalent electronic record transferring the enrollment into the current employing office, copies of current pay or annuity statements showing the premium withheld, or a statement or other documentation from the employing agency that the individual is entitled to coverage under your plan and that the correct premiums are being paid.) After receiving information from the enrollee, you will issue your decision both to the enrollee and the employing office.

If you do not receive appropriate documentation from the individual or the employing agency within the 31 days from the date of the disenrollment notice, you should disenroll the individual without further notice. However, the disenrollment will be void and coverage reinstated retroactively upon presentation of the appropriate documentation even if the 31 days have lapsed.

Reconsideration: Within 60 calendar days of the date of your disenrollment notice, the enrollee may request reconsideration of your disenrollment decision from his or her employing office. The request must be made in writing and must include the enrollee-s name, address, Social Security Number or other personal identification number, name of the carrier, reason(s) for the request, and, if applicable, the retirement claim number. The employing office will notify you when such a reconsideration request is received. This 60 day time limit may be extended if the individual shows that he or she was not notified of the time limit and was not otherwise aware of it, or if circumstances beyond his or her control prevented a timely request.

After reconsideration, the employing office will send a written decision to the individual and will notify you. If the employing office finds that the individual is entitled to continued enrollment in the plan, the disenrollment is void and coverage is reinstated retroactively along with a corresponding adjustment for premiums if necessary.

2. The carrier receives reliable information that a self only enrollee is deceased.

Upon receipt of reliable information, you should disenroll the individual on the last day of the pay period in which the employee/annuitant dies, if the date of death is known; otherwise the effective date is the last day of the pay period in which the information on death is received. Reliable information includes claims for hospital or physician charges incurred at the time of death and correspondence returned from the Postal Service noting the addressee is deceased. However, if the enrollee is not deceased and attempts to receive services, we expect you to cover the services, void the disenrollment, and reinstate coverage retroactively.

3. A child survivor annuitant under a self only enrollment turns age 22 and is not incapable of self-support.

Notice: You must provide the enrollee with a written notice of disenrollment *prior* to midnight on

the day preceding the enrollee's 22nd birthday.

Reconsideration: Within 60 calendar days of the date of the carrier's disenrollment notice, the enrollee may request reconsideration from his or her retirement system. The request must be made in writing and must include the enrollee's name, address, Social Security Number or other personal identification number, name of the carrier, reason(s) for the request, and the survivor annuity claim number. The retirement system will notify you when such a reconsideration request is received. This 60 day time limit may be extended if the individual shows that he or she was not notified of the time limit and was not otherwise aware of it, or if circumstances beyond his or her control prevented a timely request.

After reconsideration, the retirement system will send a written decision to the child survivor annuitant and will notify you. If the retirement system finds that the individual is entitled to continued enrollment in the plan, the disenrollment is void and coverage is reinstated retroactively along with a corresponding adjustment for premiums if necessary.

4. An enrollee notifies the carrier that (s)he is not employed by the Federal government and is not entitled to an immediate annuity that would make continued coverage possible.

You must disenroll the individual on the last day of the pay period in which the separation occurred, if known; otherwise, disenroll the individual on the date the individual gives as the date of separation. You must provide the individual with a written notice of disenrollment.