SUBJECT: Connecting Agency HR Offices to the FEHB Clearinghouse Project

We have decided to allow agency Human Resources (HR) offices to connect directly to the FEHB Enrollment Reconciliation Clearinghouse (CLER for short) to correct enrollment discrepancies. This will be in addition to having agency payroll offices connected.

To accomplish this, it is necessary to delay implementation of the project by an anticipated three months. Thus, the pilot test scheduled to begin on December 1, 2001 is expected to begin on March 1, 2002 instead. We anticipate full implementation will be extended from March 1, 2002 to June 1, 2002. There will also be an additional developmental expense. We will be working with NFC to provide the additional capacity at as low a cost as possible. Payment of the costs of the project will continue in the same manner as they have been to date.

We believe the benefits of this change in the project justify the extra time and expense. As you know, the original design of the project called for agency payroll offices to coordinate the correction of enrollment discrepancies with their respective HR offices. Payroll offices were then to report corrective action information back to CLER. We have decided that it would be more efficient for most Federal agencies to have their HR offices, rather than their payroll offices, report corrective action information back to CLER. Advantages to our carriers for our making this change are as follows:

- The electronic 2809 and 2810 corrective action files would be more beneficial and easily completed at the HR offices, thus maximizing the benefit the carriers will realize in obtaining corrective action information timely and efficiently.

- Providing HR offices connectivity and access to CLER will also aid the carriers by providing information and direct access to the locations that are best suited to assist them in resolving reconciliation issues.

- Our carrier’s previous request to have CLER provide HR office contact information would be satisfied as part of this change.

- This change increases the flexibility for certain future enhancements to CLER, should we decide to make them. Also, making this change now would cost significantly less than if we made the same change after CLER is fully implemented.

- Lastly, delaying the pilot test until March 1, 2002 delays running the pilot until after the upcoming Open Season, a time when our carriers are very busy making enrollment changes.
As necessary information to resolve enrollment discrepancies must come from the agency HR offices, it makes sense to connect them directly to the project. Of course, some agencies will prefer to process enrollment reconciliation data from centralized facilities instead of their local offices, or have their HR offices report information back to their payroll offices. The choice lies with the agency.

It has also come to our attention that carrier enrollment data files contain many invalid payroll office numbers. The anticipated extra three months before the pilot test and full implementation begin will allow our carriers time to ensure they have correct payroll office numbers on file for their FEHB subscribers. NFC is preparing a listing of valid payroll office numbers that we will soon share with you via another FEHB Carrier Letter. The Department of Defense (DOD) has already requested our assistance in working with you to clean up some of their payroll office numbers, as explained in a recently released carrier letter (CL 2001-35).

If you have questions, please contact Eric Figg at OPM at 202/606-4083 or via email at edfigg@opm.gov.

Sincerely,

[Signature]

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for Insurance Programs