



**United States  
Office of Personnel Management  
Retirement and Insurance Service**

**Benefits Administration Letter**

Number: 97-406

Date: October 9, 1997

**Subject: Federal Employees Health Benefits (FEHB) Program: Conducting the 1997 Open Season**

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**GENERAL**

**FEHB Guides**

Last year we made several significant changes to the Guide to Federal Employees Health Benefits Plans. The changes to this year's FEHB Guide have been minimal. We are continuing to designate plans as either 1) Managed Fee-for-Service (FFS) plans, 2) Health Maintenance Organization (HMO) plans, or 3) plans offering a Point of Service (POS) product. The 1997 Customer Satisfaction Survey results, with stars to designate top-rated plans, will be incorporated with the comparison chart information, and the plans' accreditation status, if any, from the National Committee for Quality Assurance (NCQA) will also be shown -- either full, one-year, provisional, or denied.

This year we added a column to indicate whether a plan has its own website from which employees may obtain additional information from the plan. Plan websites will be accessible directly from our website (<http://www.opm.gov/insure>). Our website will be enhanced for greater ease of use and will contain additional information over last year. The FEHB Guide will again be available for downloading, as will all health plan brochures. In addition, a feature designed specifically for the website will enable users to identify the plans available to them and to focus on information important to them in selecting a plan.

**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.

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**Civil Service  
Retirement  
System**

**Federal Employees  
Group Life  
Insurance**

**Federal Employees  
Health Benefits  
Program**

**Federal Employees  
Retirement  
System**

Since the amount of enrollment information in the FEHB Guides may not be sufficient for the needs of some employees, counselors should refer them to their plan brochures if the requested information is available there.

Counselors also should try to answer specific questions 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. However, employees should not be referred to the plans if their questions concern any subjects other than benefits or conversion contracts.

### **Plan Terminations**

In BAL 97-403, we notified agency headquarters insurance officers of the names of plans that are dropping out of the FEHB Program, or that are dropping a service area with a separate enrollment code, at the end of 1997. We strongly recommend that agencies distribute the list of terminating plans and enrollment codes to all employees so they can check to see whether their plan or enrollment code will continue to be valid in 1998.

An employee whose plan or enrollment code will not participate in the Program next year **must enroll in another plan to continue FEHB coverage in 1998**. You should monitor employees who are covered by 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** - The Office of Personnel Management (OPM) does not use the SF 2809 to register open season changes for Civil Service Retirement System or Federal Employee Retirement System annuitants. These annuitants should be directed to call our toll-free service, Open Season Express. Instructions for using Open Season Express are included in the open season package sent to each enrolled CSRS and FERS annuitant before open season. If an annuitant loses or does not receive the package, he/she can get one by calling our Retirement Information Office at 88-US-OPM-RET (888-767-6738).

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

When communicating with OPM -- for any reason -- annuitants should always provide their CSA/CSF retirement claim number and/or their Social Security Number.

- **Other retirement systems** - These annuitants should be instructed to contact their

retirement system for the proper registration form.

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

## **CARRIER ACCESS**

### **Health Fairs**

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

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.

When holding health fairs, remember:

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

### **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 sometimes 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 companies, including companies FEHB carriers may have contracted with for particular benefits. 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:

- An eligible employee who is not enrolled may register to enroll.
- 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 10 and December 8, 1997. However, these changes will likely have different effective dates than, 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 8, 1997, 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 8.

### **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, 1998, and which follows a pay period in any part of

which the employee was in pay status.

- However, the 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, 1998, 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, 1998. 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 must also 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 be sure to 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 in order to be picked up as a family member 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, 1998, and the effective date of the open season change will count toward the 1997 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 cards 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 the carrier's 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 cards from the plan.

Employees who make open season changes electronically via Employee Express and who do not receive new identification cards by the effective date of the change may obtain a letter confirming their coverage by calling the Employee Express Help Desk on 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 their 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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