



## ***Benefits Administration Letter***

**Number:** 08-406

**Date:** December 5, 2008

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**Subject: Federal Benefits: Belated Enrollment Opportunity for Enrollees**

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### **Background**

Each year, OPM works with Federal Employees Health Benefits (FEHB) carriers to strike a balance of protection against catastrophic events without shifting a high premium burden to enrollees. We are taking steps to provide additional protections for Federal employees participating in the FEHB Program who have non-emergency surgeries performed by out-of-network physicians. We have asked FEHB carriers to re-evaluate their benefits for non-emergency surgeries.

We are taking this action in response to concerns over a change in coverage in the Blue Cross Blue Shield out-of-network reimbursement that would have established a \$7,500 co-pay for out-of-network surgeries. We negotiated this change to address situations where enrollees could be billed tens of thousands of dollars for non-emergency surgeries performed by out-of-network providers, a practice known as balance billing.

We will communicate any benefit changes to you in a follow-up Benefits Administration Letter (BAL) later this month, so that you may provide this important information to your employees.

### **Purpose**

To ensure employees have an adequate time to evaluate any changes, OPM is allowing agencies to accept belated FEHB changes through January 2009. Agencies should **immediately notify** their employees of this opportunity. And, because a change in FEHB enrollment may affect decisions regarding enrollment in the Federal Employees Dental and Vision Insurance Program (FEDVIP) and the Federal Flexible Spending Account Program (FSAFEDS), employees may continue to make enrollment choices for these programs through January, using the Open Season websites and call centers.

### **Effective Dates**

Belated FEHB changes will take effect the first day of the pay period that starts on or after January 1, 2009, regardless of the date the belated election is made.

Belated FEDVIP changes will take effect January 1, 2009.

Belated FSAFEDS changes will take effect on January 1, 2009, or the day after the change is received, whichever is later.

**Enrollment Opportunity**

To notify employees of their opportunity to make a belated Open Season enrollment change, please provide the attached notice to all employees immediately.

Thank you for your assistance.

Kathleen M. McGettigan  
Deputy Associate Director  
Center for Retirement and Insurance Services

Attachment