



PAYROLL OFFICE LETTER

U. S. Office of Personnel Management

Number : P-99-06

Date: February 17,
1999

Subject: New Regulations on FEHB Disenrollment

Over the past several years, we have worked closely with employing agencies and carriers participating in the Federal Employees Health Benefits Program (FEHB) to strengthen the enrollment reconciliation process. Despite these efforts, the carriers continue to enroll individuals who are not eligible for FEHB coverage. To help decrease such occurrences, we have recently issued regulations that allow FEHB carriers to disenroll individuals, whose enrollment status they cannot verify.

THE NEW REGULATION

The new regulation is set forth in 5 CFR 890.110 and 890.308 and was effective on December 4, 1998. This regulation affords FEHB carriers the authority to disenroll any individual, whose enrollment the carrier cannot reconcile with the employing agency. To avert disenrollment, the carrier must receive documentation from the enrollee or his/her employing office that resolves the discrepancy within 31 days of the carrier's notice to disenroll.

The documentation that will verify the enrollment of an individual may include, but is not limited to, the following:

- A current Standard Form 2809 or the electronic equivalent.
- A current Standard Form 2810 transferring the enrollment into the gaining employment office or the electronic equivalent.
- Copies of current earnings and leave or annuity statements showing the correct carrier enrollment code and withholding for premiums.
- Any other credible information from the enrollee or employing office that verifies enrollment in the carrier's health plan and the contribution of correct premiums.

The new regulation also gives the carriers additional discretion by allowing them to process disenrollments when reliable information is received concerning in the following cases:

- the death of a self-only enrollee
- a survivor annuitant with a self-only enrollment, who reaches the age of 22 and is not mentally or physically incapable of self-support

- an enrollee, who separates from Federal employment and is no longer eligible for enrollment.

PAYROLL OFFICE RESPONSIBILITIES

Payroll offices are responsible for reporting on a quarterly basis to FEHB carriers the names of all individuals enrolled in each carrier's plan and the premiums paid on behalf of those enrollees. This requirement was established in Payroll Office Letter P-97-06, dated March 27, 1997. If enrollment discrepancies are discovered as a result of this process, payroll offices are responsible for coordinating with personnel offices to ensure that the pertinent FEHB carriers are provided with a response or the requested documentation to resolve the discrepancy within 31 days.

ENROLLEE RESPONSIBILITIES

After receiving a disenrollment notice from a carrier, the enrollee is responsible for providing the carrier and/or employing office with documentation that can assist in verifying his/her enrollment. In cases where an enrollee's coverage has been terminated, he/she may request reconsideration by the agency personnel office of the carrier's decision. The request must be filed within 60 calendar days of the carrier's disenrollment notice. This request for reconsideration must be made in writing and contain the enrollee's name, address, Social Security Number or other personal identification, the name of the carrier, the reason(s) for the request (and retirement claim number, if applicable).

PERSONNEL OFFICE RESPONSIBILITIES

The agency personnel office is responsible for notifying the carrier, when a request for reconsideration is made. If the personnel office upholds the carrier's decision, it must issue a written notice of the decision to the individual, including the basis upon which the decision was made. The personnel office must also notify the carrier of its final decision, which may be accomplished by phone. Should the employing office determine that the carrier's decision was erroneous, the enrollee's coverage must be reinstated retroactively to the date of disenrollment and the carrier must be notified immediately.

CARRIER RESPONSIBILITIES

FEHB carriers are responsible for reconciling their enrollment records with those of employing agencies on a quarterly basis. When a carrier cannot reconcile its record of an individual's enrollment with an employing office or does not receive documentation that resolves an enrollment discrepancy, the carrier must provide the enrollee a written notice of its intent to disenroll 31 calendar days henceforward. In effect, the enrollee has 31 calendar days to provide the carrier with documentation verifying his/her enrollment. A list of the acceptable documentation was provided earlier in this letter. If the carrier does not receive the requested documentation within the stipulated time frame, the enrollee's coverage may be terminated without further notice.

USE OF THE SF-2810

We would like to clarify the proper use of the SF-2810 "transfer-out" form. In BAL 94-202, dated October 19, 1994, the use of the SF-2810 was discontinued in the following situations:

- when an employee goes to a new agency
- when an employee retires or dies

- when the enrollment must be transferred to/from the Office of Workers Compensation Programs (OWCP).

It has been brought to our attention that some agencies believe an SF-2810 transfer-out is not required when an employee separates from Federal service. Please be advised that the SF-2810 was eliminated **ONLY** in the situations referenced above. Employing agencies must continue to use the SF-2810 in the following situations:

- employment terminated
- conclusion of 365 days LWOP or other non-pay status
- return to military duty for a period in excess of 30 days
- transfer in from another agency or payroll office
- reinstatement (correction of erroneous action)
- change in name.

For more detailed information on the proper usage of the SF-2810, please refer to BAL 98-207, dated October 21, 1998. This letter is available on OPM's web site <http://www.opm.gov/asd/htm/bal-1.htm> .

Please ensure that this guidance is implemented *immediately*. More specific guidance will be provided in a forthcoming Benefits Administration Letter that will soon be available on the OPM web site; it is important that you obtain a copy. We have attached a copy of the material provided to participating carriers on this subject, for your information. Should you have further questions, please call us on (202) 606-0606 or email us at finance@opm.gov.



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Attachment (Please contact us at above to request attachment)