

Tribal Employer Access to FEHB and FEGLI Papers - Set 2 of 2

In March 2010, President Obama signed the Patient Protection and Affordable Care Act, commonly known as health care reform. Among other changes to our nation's health care system, this law allows certain Indian tribes, tribal organizations, and urban Indian organizations to purchase Federal Employees Health Benefits (FEHB) and Federal Employees' Group Life Insurance (FEGLI) coverage for their employees.

The Office of Personnel Management (OPM) administers FEHB and FEGLI for Federal employees. OPM has entered into consultation with tribes, tribal organizations, and urban Indian organizations to determine the details about how tribal employers can access FEHB and FEGLI coverage on behalf of their employees.

OPM will issue two sets of papers. Paper set 2 of 2 is attached. These papers cover the enrollment and premium collection system and appeals process.

Tribal Employer Access to FEHB and FEGLI Paper # 05:

Enrollment and Premium Collection System for Access to FEHB and FEGLI

Purpose:

This paper discusses the establishment and operation of an enrollment and premium collection system. In order to provide coverage for employees, tribes, tribal organizations and urban Indian organizations will need a system to facilitate the enrollment of employees in the Federal health insurance and life insurance programs administered by OPM.

Why is there a need to establish a system beyond what is already used for FEHB and FEGLI enrollment?

OPM does not provide enrollment and premium collection services for Federal employees, except for its own employees. Individual employing agencies serve as the personnel and payroll offices for the purpose of facilitating their employees' FEHB and FEGLI enrollment, deducting the employees' share of premium from employees' paychecks and transferring the employee and employer share of premium to OPM. There is no existing system or relationship among tribes and a Federal agency which would enable the agency to perform the required enrollment and premium collection for tribal employees.

Since tribes are not federal agencies and have varying systems for enrolling employees in insurance programs and collecting premiums, an independent enrollment and premium collection system will need to be developed and maintained. This will be a new system with new costs exclusive to tribal employers and employees. To cover the costs of this new system, a small administrative load will be added to the FEHB and FEGLI premiums.

Why are tribal employees being asked to pay an administrative fee when Federal employees are not?

Federal agencies assume the administrative costs associated with enrollment and payroll deduction for employee benefits. Tribal employers purchasing FEHB and FEGLI coverage will need to assume those costs for their own employees. Since tribes are not federal agencies and have varying systems for enrolling employees in insurance programs and collecting premiums, an independent Tribal enrollment and premium collection system is needed to perform these functions.

How much is the administrative fee?

In order to pay for continuous operation and maintenance of this system, there will need to be an administrative fee added to the premiums paid by tribes and tribal employees. OPM is committed to pursuing the most cost-effective implementation options, but it is important to note that this provision of the law did not provide funding for start up and operational costs.

By way of comparison, there is a two percent administrative fee associated with Temporary Continuation of Coverage (TCC), a short term option for former Federal employees, similar to COBRA. The amount of the administrative fee for tribal employees will be based on actual cost.

When will the enrollment and premium collection system be created and available for tribes to use?

The FY 2012 President's Budget requests funding to allow for tribal employee enrollment as early as possible. However, full implementation is ultimately dependent on the availability of funding.

Tribal Employer Access to FEHB and FEGLI Paper # 06:

Appeals Process for Tribal Employer Access to, and Tribal Employee Eligibility to Enroll in FEHB and FEGLI.

Purpose:

This paper discusses the appeals process for tribal employer access to FEHB and FEGLI and for tribal employee eligibility to enroll in health insurance and life insurance coverage through programs administered by the Office of Personnel Management (OPM).

Background:

OPM's goal is to implement these programs for tribal employees as soon as possible, and to administer the programs as closely as possible to the way the programs work for federal employees.

This paper discusses two types of appeals: 1) entitlement of a tribal employer to participate in the FEHB and/or FEGLI Programs, and 2) eligibility of a tribal employee to enroll in the FEHB and/or FEGLI Programs.

If a tribe, tribal organization or urban Indian organization is deemed not entitled to purchase FEHB and/or FEGLI benefits, can it appeal this decision?

Yes, a tribe, tribal organization or urban Indian organization may appeal this decision to OPM.

If a tribal employee is denied enrollment in FEHB or FEGLI coverage, how can he or she appeal this decision?

If a tribal employee is denied enrollment, he or she can appeal to the tribal employer in accordance with OPM regulation, 5 CFR 890.104 and 5 CFR 870.105. The tribal employers' reconsideration process must afford the tribal employee an independent level of review designated at or above the level at which the initial enrollment decision was made.

If a tribal employee is then denied coverage by his or her tribal employer, can he or she appeal the decision to OPM?

No, OPM will not hear appeals on this subject in accordance with 5 CFR 890.104 and 5 CFR 870.105. OPM does not generally review agency reconsideration decisions regarding enrollment OPM does maintain authority to correct error – see 5 C.F.R. 890.103. Consistent with this, OPM will also not review tribal employer decisions. Tribal employers will be expected to have the information necessary to make the determination on reconsideration.